ENDA ENERJİ HOLDİNG A. Ş.
AND ITS SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024 AND
INDEPENDENT AUDITOR'S REPORT

(CONVENIENCE TRANSLATION OF THE
REPORT AND THE CONSOLIDATED FINANCIAL
STATEMENTS ORIGINALLY ISSUED IN TURKISH)

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**(CONVENIENCE TRANSLATION OF
INDEPENDENT AUDITOR'S REPORT ORIGINALLY ISSUED IN TURKISH)**

INDEPENDENT AUDITOR'S REPORT

To the General Assembly of
Enda Enerji Holding A.Ş.

A) Independent Audit of Consolidated Financial Statements

1) Opinion

We have audited the consolidated financial statements of Enda Enerji Holding A.Ş. ("the Company") and its subsidiaries (together referred to as "the Group"), which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for the year then ended, as well as the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of 31 December 2024, and its financial performance and cash flows in accordance with Turkish Financial Reporting Standards ("TFRS").

2) Basis for Opinion

We conducted our audit in accordance with the Standards on Independent Auditing ("SIA") which is a part of Turkish Auditing Standards accepted by regulations of the Capital Markets Board and published by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the *Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the *Code of Ethics for Independent Auditors* ("Code of Ethics") published by the POA, together with the ethical requirements included in the regulations of the Capital Markets Board and other regulations that are relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3) Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

3) Key Audit Matters (continued)

Key Audit Matters	How the Matter Was Addressed in The Audit
Determination of Fair Value of Property, Plant and Equipment	
The total carrying value of land, land improvements, buildings, plant, machinery and equipment and leasehold improvements, which are carried at fair value in the consolidated financial statements in accordance with the relevant provisions of TAS 16 'Property, Plant and Equipment' and whose fair values are determined using the discounted cash flow method, is TL 10,153,940,000 as of 31 December 2024. As of 31 December 2024, as a result of the valuation studies carried out by a professional independent valuation firm, the decrease in the value of these assets was recognized as TL 951,330,429 as of 31 December 2024, TL 287,799,525 of the decrease in value is recognized in other comprehensive income and TL 663,530,904 is recognized in income and expenses from investment activities. As of 31 December 2024, the fair value determination of property, plant and equipment has been identified as a key audit matter since the total value of land, land improvements, buildings, plant, machinery and equipment and leasehold improvements represents 90% of the Group's assets and the discounted cash flow method used in the valuation studies involves significant management estimates and assumptions such as electricity prices and electricity generation costs, which are highly sensitive to market conditions.	During our audit, the following audit procedures were performed regarding the fair value determination of property, plant, and equipment: • The competence, qualifications, and independence of the independent professional valuation firm appointed by Group management were evaluated in accordance with the relevant auditing standards. • The appropriateness of the estimates and assumptions used in the cash flow projections, such as electricity production amounts, electricity prices, profitability ratios, etc., have been evaluated within the framework of discussions with the Group management, future plans of the Group management, market and macroeconomic data. • Cash flow forecasts for each cash-generating unit are compared with past financial performance to assess the appropriateness of these forecasts and assumptions with actual results. • An expert was included to assess the assumptions and methods used by the Group management and the independent professional valuers appointed by the Group management. Accordingly:

3) Key Audit Matters (continued)

Key Audit Matters	How the Matter Was Addressed in The Audit
Determination of Fair Value of Property, Plant and Equipment (continued)	
	• The valuation technique used, the mathematical accuracy of the discounted cash flow model and the discount rate of the cash flows used to date were assessed with the expert and the calculation of this discount rate and its components were checked. • The appropriateness of assumptions and estimates such as electricity generation volumes and electricity prices used in the cash flow projections were evaluated together with our expert by comparing them with Renewable Energy Support Mechanism (“YEKDEM”) prices and market data. • Sensitivity analyses were conducted using the forward-looking electricity prices, capacity utilization rates, discount rate, and cost of production estimates used in the valuation model as of 31 December 2024. • Ensure that the fair value differences were fully and accurately reflected in the consolidated financial statements. The appropriateness and adequacy of the disclosures related to the fair value determination of the aforementioned property, plant, and equipment in the notes to the consolidated financial statements were assessed for compliance with TFRS.

3) Key Audit Matters (continued)

<table>
<tr><th>Key Audit Matters</th><th>How the Matter Was Addressed in The Audit</th></tr>
<tr><td colspan="2">Cash Flow Hedge Accounting</td></tr>
<tr><td>The Group is exposed to foreign currency exchange rate risk due to its use of foreign currency-denominated loans. As disclosed in Notes 2 and 32, the Group designates its USD-denominated loans as hedging instruments against the USD exchange rate risk arising from highly probable electricity sales revenues, and applies cash flow hedge accounting based on the results of the related "effectiveness test."

The Group recognizes foreign exchange gains and losses arising from credit transactions that qualify as effective hedging instruments under the “cash flow hedge reserve” within equity. As of 31 December 2024, the portion of the “cash flow hedge reserve” account under equity attributable to the parent is a loss amounting to TRY 507,563,760 after tax.

Fluctuations in foreign exchange rates driven by macroeconomic conditions have significantly affected the Group's consolidated financial statements' exchange rate risk and cash flow hedging transactions.

The calculations performed for the effectiveness tests of the Group’s cash flow hedging transactions involve significant management judgments and estimates such as capacity utilization rates, electricity production volumes, and electricity price forecasts.

Due to the inherent uncertainties in these management estimates and the technical expertise required for conducting the effectiveness tests, “cash flow hedge accounting” has been identified as a key audit matter.</td><td>The audit procedures we performed in relation to the cash flow hedging transactions are summarized below:
The accounting process for cash flow hedging transactions was understood through meetings held with management.
The hedge accounting documentation and effectiveness test prepared by the Group were assessed for appropriateness with the support of experts.
The reasonableness of key management assumptions underlying the forward-looking budget forecasts used in the efficiency test, such as electricity generation expectations and capacity utilization rates, was assessed by comparing them with past performance and independent data sources, and by meetings with senior management. In addition, electricity sales price forecasts used in the budgets were checked by comparing them with the electricity prices approved by EMRA and determined through YEKDEM.
The amounts and terms of USD denominated investment loans in the hedging relationship used in the effectiveness calculations have been confirmed with the reconciliations received from financial institutions, recalculations of the exchange rate differences for the current year have been performed and their mathematical accuracy has been tested with expert support.
The adequacy and compliance of the disclosures in the notes to the consolidated financial statements regarding cash flow hedges with TFRSs have been assessed.</td></tr>
</table>

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4) Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with TFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

5) Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Responsibilities of independent auditors in an independent audit are as follows:

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the regulations of the Capital Markets Board and SIA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the regulations of the Capital Markets Board and SIA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. (The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control).

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

5) Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

B) Report on Other Legal and Regulatory Requirements

In accordance with paragraph four of the Article 402 of ("TCC"), nothing has come to our attention that may cause us to believe that the Group's set of accounts and financial statements prepared for the period 1 January – 31 December 2024 does not comply with TCC and the provisions of the Company's articles of association in relation to financial reporting.

In accordance with paragraph four of the Article 402 of TCC, the Board of Directors provided us all the required information and documentation with respect to our audit.

The engagement partner on the audit resulting in this independent auditor's report is Ali Çiçekli.

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
Member of **DELOITTE TOUCHE TOHMATSU LIMITED**

Ali Çiçekli
Partner

İstanbul, 11 March 2025

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AUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL as at 31 December 2024 unless otherwise stated.)

ASSETS	Notes	Audited Current Period 31 December 2024	Audited Prior Period 31 December 2023
Current Assets			
Cash and cash equivalents	5	376,215,527	534,264,155
Financial Investments	28	-	499,295,025
Trade Receivables		13,700,078	1,871,193
- *Trade Receivables from Third Parties*	*7*	*13,700,078*	*1,871,193*
Other Receivables		1,405,783	9,555
- *Other Receivables from Third Parties*	*8*	*1,405,783*	*9,555*
Inventories	9	16,247,431	11,966,908
Prepaid Expenses	10	90,319,567	49,747,523
Current Period Tax Assets	26	107,172	8,638,573
Other Current Assets	18	1,684,395	1,381,880
TOTAL CURRENT ASSETS		**499,679,953**	**1,107,174,812**
Non-current Assets			
Other Receivables		603,351	3,500,833
- *Other Receivables from Third Parties*	*8*	*603,351*	*3,500,833*
Financial Investments	28	4,708,077	4,708,077
Right-of-Use Assets	14	144,097,198	95,873,115
Investment Property	11	167,850,000	197,221,402
Property, Plant and Equipment	12	10,391,201,957	11,315,950,831
Intangible Assets	13	44,858,946	46,486,427
- *Other Intangible Assets*	*13*	*44,858,946*	*46,486,427*
Prepaid Expenses	10	297,682,239	68,095,266
Deferred Tax Asset	26	109,668,463	22,184,644
TOTAL NON-CURRENT ASSETS		**11,160,670,231**	**11,754,020,595**
TOTAL ASSETS		**11,660,350,184**	**12,861,195,407**

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL as at 31 December 2024 unless otherwise stated.)

LIABILITIES AND EQUITY	Notes	Audited Current Period 31 December 2024	Audited Prior Period 31 December 2023
Current Liabilities			
Short-Term Portions of Long-Term Borrowings	28	239,959,197	290,106,279
Lease Liabilities	28	1,643,447	1,323,197
Financial Leases	28	47,907,715	-
Trade Payables		79,639,602	150,315,420
- *Trade Payables to Third Parties*	*7*	*79,639,602*	*150,315,420*
Employee Benefits Payables	17	4,461,464	2,187,507
Other Payables		577,493	311,319
- *Other Payables to Related Parties*	*6, 8*	-	*36,208*
- *Other Payables to Third Parties*	*8*	*577,493*	*275,111*
Current Tax Liabilities	26	14,558,718	2,015,691
Short-Term Provisions		7,967,767	5,634,673
- *Short-term Provisions for Employee Benefits*	*17*	*6,474,498*	*4,051,166*
- *Other Short-Term Provisions*	*15*	*1,493,269*	*1,583,507*
Other Current Liabilities	18	10,962,861	8,997,994
TOTAL CURRENT LIABILITIES		**407,678,264**	**460,892,080**
Long-Term Liabilities			
Long-Term Borrowings	28	119,600,575	432,951,328
Lease Liablities	28	68,781,716	44,442,783
Financial Leases	28	92,494,697	-
Trade Payables		224,806,517	267,851,478
- *Trade Payables to Third Parties*	*7*	*224,806,517*	*267,851,478*
Long-Term Provisions		14,951,042	19,867,878
- *Provisions for Employee Benefits*	*17*	*14,951,042*	*19,867,878*
Deferred Tax Liability	26	1,189,795,508	1,207,951,598
TOTAL NON-CURRENT LIABILITIES		**1,710,430,055**	**1,973,065,065**

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL at 31 December 2024 unless otherwise stated.)

EQUITY	**Notes**	**Audited Current Period 31 December 2024**	**Audited Prior Period 31 December 2023**
Equity of the Parent Company		**6,968,106,393**	**7,692,579,248**
Paid-in Capital	19	345,477,486	345,477,486
Share Capital Adjustment Differences	19	3,440,215,606	3,440,215,606
Treasury Shares (-)	19	(2,668,663)	(2,668,663)
Share Premiums		43,013,644	43,013,644
Revaluation Increases of Property, plant and equipment	*19*	*125,003,319*	*284,647,105*
Remeasurement Losses on Defined Benefit Plans	*19*	*(1,481,902)*	*(5,915,625)*
Hedging Instruments	*19*	*(507,563,760)*	*(689,046,211)*
Restricted Reserves Appropriated from Profit	19	*62,672,906*	54,565,221
Prior Years' Profit/ Loss		4,173,805,182	4,130,064,562
Net Period (Loss)/ Profit		(710,367,425)	92,226,124
Non-Controlling Interests	**19**	**2,574,135,472**	**2,734,659,014**
TOTAL EQUITY		**9,542,241,865**	**10,427,238,262**
TOTAL LIABILITIES AND EQUITY		**11,660,350,184**	**12,861,195,407**

AUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL as at 31 December 2024 unless otherwise stated.)

	Notes	Current Period 1 January 31 December 2024	Current Period 1 January 31 December 2023
Revenue	20	1,229,538,733	1,575,132,922
Cost of Sales (-)	20	(1,084,389,494)	(1,315,033,607)
Gross Profit		**145,149,239**	**260,099,315**
General Administrative Expenses (-)	21	(67,651,336)	(45,381,296)
Other Income from Operating Activities	22	6,970,874	3,640,506
Other Expenses from Operating Activities (-)	22	(5,927,897)	(10,446,194)
Operating (Loss)/ Profit		**78,540,880**	**207,912,331**
Income from Investment Activities	23	20,080,362	395,972,371
Expenses from Investment Activities (-)	23	(712,793,280)	-
OPERATING (LOSS)/PROFIT BEFORE FINANCE EXPENSE		**(614,172,038)**	**603,884,702**
Finance Income	25	281,126,122	798,769,268
Finance Expenses (-)	25	(519,965,185)	(787,173,889)
Net Monetary Position (Losses)/Gains		12,288,586	(36,010,823)
(LOSS)/PROFIT BEFORE TAX		**(840,722,515)**	**579,469,258**
Tax (Expense)/Income		**(93,770,214)**	**(518,995,678)**
Current Tax Expense	26	(8,733,718)	(9,620,693)
Deferred Tax (Expense)/Income	26	(85,036,496)	(509,374,985)
(LOSS)/PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		**(934,492,729)**	**60,473,580**
(LOSS)/PROFIT FOR THE PERIOD		**(934,492,729)**	**60,473,580**
(Loss)/ Gain per Share	27	(2.0562)	0.2670
Distribution of (Loss)/ Profit for the Period			
- Non-Controlling Interests		(224,125,304)	(31,752,544)
- Parent Company Shares		(710,367,425)	92,226,124

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL as at 31 December 2024 unless otherwise stated.)

	Notes	Audited Current Period 1 January 31 December 2024	Audited Current Period 1 January 31 December 2023
(Loss) / Profit for the Period		(934,492,729)	60,473,580
OTHER COMPREHENSIVE INCOME		34,060,002	21,073,151
Other Accumulated Comprehensive Income or Expense Not to be Reclassified to Profit or Loss			
Revaluation Increases of Property, Plant and Equipment	*12.19*	*(287,799,525)*	*61,959,055*
Remeasurement Losses on Defined Benefit Plans	*17.19*	*8,542,795*	*(2,731,564)*
Deffered Tax Effect on Revaluation of Property, Plant and Equipment		*71,949,881*	*(35,486,383)*
Deferred Tax Effect on Remeasurement Losses on Defined Benefit Plans		*(2,135,699)*	*481,598*
Other Accumulated Comprehensive Income or Expense to be Reclassified to Profit or Loss			
Cash Flow Hedging Losses	*19*	*324,670,067*	*(9,035,710)*
Deferred Tax Effect on Cash Flow Hedging Losses		*(81,167,517)*	*5,886,155*
Total Comprehensive (Expense)/Income		(900,432,727)	81,546,731
Distribution of Total Comprehensive (Expense)/Income			
Minority Shares		(216,337,689)	(15,021,657)
Parent Company Shares		(684,095,038)	96,568,388

AUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL as at 31 December 2024 unless otherwise stated.)

						Other Accumulated Comprehensive Income or Expense Not to be Reclassified to Profit or Loss		Other Accumulated Comprehensive Income or Expense to be Reclassified to Profit or Loss		Retained Earnings				
	Note	Paid-in Capital	Share Capital Adjustment Differences	Treasury Shares	Share Premiums	Revaluation and Measurement Gains/Losses	Remeasurement Gains/Losses on Defined Benefit Plans	Hedging Losses	Restricted Reserves Appropriated from Profit	Prior Years' Profit/ Loss	Net Profit for the Period	**Attributable to Equity Holders of the Parent**	Non-Controlling Interests	**Equity**
Opening Balance as of 1 January 2023		**345,477,486**	**3,440,215,606**	**(2,668,663)**	**43,013,644**	**276,029,585**	**(3,987,733)**	**(686,698,846)**	**53,601,118**	**2,519,020,312**	**219,403,281**	**6,203,405,791**	**2,751,861,363**	**8,955,267,153**
Transfers		-	-	-	-	-	-	-	964,102	1,634,594,341	(219,403,281)	**1,416,155,162**	-	**1,416,155,162**
Total Comprehensive Income		-	-	-	-	8,617,520	(1,927,893)	(2,347,365)	-	-	92,226,124	96,568,386	(15,021,657)	**81,546,729**
Profit Distribution	**19**	-	-	-	-	-	-	-	-	(23,550,089)	-	**(23,550,089)**	(2,180,693)	**(25,730,782)**
Closing Balance as of 31 December 2023		345,477,486	3,440,215,606	(2,668,663)	43,013,644	284,647,105	(5,915,626)	(689,046,211)	54,565,220	4,130,064,564	92,226,124	7,692,579,249	2,734,659,013	10,427,238,262
Opening Balance as of 1 January 2024		**345,477,486**	**3,440,215,606**	**(2,668,663)**	**43,013,644**	**284,647,105**	**(5,915,626)**	**(689,046,211)**	**54,565,220**	**4,130,064,564**	**92,226,124**	**7,692,579,249**	**2,734,659,013**	**10,427,238,262**
Transfers		-	-	-	-	-	-	-	8,107,685	79,985,050	(92,226,124)	**(4,133,389)**	**4,133,389**	-
Business Combinations		-	-	-	-	-	-	-	-	-	-	-	83,665,359	83,665,359
Total Comprehensive Income		-	-	-	-	(159,643,786)	4,433,724	181,482,451	-	-	(710,367,425)	(684,095,038)	(216,337,689)	(900,432,728)
Profit Distribution	**19**	-	-	-	-	-	-	-	-	(36,244,430)	-	**(36,244,430)**	(31,984,599)	(68,229,029)
Closing Balance as of 31 December 2024		345,477,486	3,440,215,606	(2,668,663)	43,013,644	125,003,319	(1,481,902)	(507,563,760)	62,672,905	4,173,805,184	(710,367,425)	6,968,106,392	2,574,135,473	9,542,241,866

AUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL as at 31 December 2024 unless otherwise stated.)

	Notes	Audited Current Period 1 January- 31 December 2024	Audited Current Period 1 January- 31 December 2023
A. Cash Flows from Operating Activities			
Profit/(Loss) for the Period		(934,492,729)	60,473,580
Adjustments to Reconciliation of Net Profit/Loss for the Period			
- Depreciation and Amortization Expense	12,13,14	388,543,055	475,921,381
- Impairment/Reversal	23	663,530,904	(164,636,584)
- Provisions	7,15,17	9,467,077	5,084,340
- Interest Income	23, 25	(139,776,353)	(539,056,174)
- Interest Expenses	25	258,623,160	409,838,393
- Unrealized Foreign Currency Conversion Differences	28	283,320,239	356,788,723
- Fair Value Losses/Gains	23	29,371,401	(55,291,994)
- Tax Expense/Income	26	93,770,214	518,995,678
- Disposal of Fixed Assets	23	(189,387)	-
- Monetary Gain		(781,043,805)	(1,867,337,715)
Changes in working capital			
- Increase/Decrease in Trade Receivables		(3,664,948)	(1,807,201)
- Increase/Decrease in Other Receivables from Operations		2,634,184	(1,026,163)
- Increase/Decrease in Inventories		(4,280,523)	(2,999,039)
- Increase/Decrease in Prepaid Expenses		(40,999,739)	(25,288,882)
- Increase/Decrease in Trade Payables		(277,965,517)	131,878,498
- Increase/Decrease in Other Payables Related to Activities		2,540,131	339
		(450,612,636)	(698,462,820)
Tax Payments	26	(12,920,703)	(47,128,400)
Other Cash Inflows/Outflows	17	(888,153)	(6,748,248)
Cash Flows (Used)/Obtained from Operating Activities		(464,421,492)	(752,339,468)
B. Cash Flows from Investing Activities			
Cash Outflows from Purchases Related to Obtain Control of Subsidiaries	3	(208,312,499)	-
Cash Outflows from Purchases of Property, Plant and Equipment and Intangible Assets	12.13	(40,308,164)	(21,228,528)
Cash Inflows from Sales of Property, Plant and Equipment and Intangible Assets		517,510	-
Cash Advances and Payables Given		(229,159,278)	(68,095,266)
Interest Received		-	172,377,312
Other Cash Inflows/ Outflows		487,266,454	(214,773,028)
		10,004,023	(131,719,510)
C. Cash Flows from Financing Activities			
Cash Outflows for Debt Payments	28	(262,209,207)	(441,554,874)
Cash Outflows Relating to Debt Payments Arising from Lease Agreements		(9,589,178)	(4,555,549)
Dividends Paid	19	(68,229,029)	(25,730,782)
Interest Received		109,189,203	83,697,109
Interest Paid		(63,791,272)	(109,910,589)
		(294,629,483)	(498,054,685)
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS BEFORE THE EFFECT OF FOREIGN CURRENCY CONVERSION DIFFERENCES (A+B+C)		(749,046,952)	(1,382,113,663)
D. THE EFFECT OF FOREIGN CURRENCY TRANSLATION DIFFERENCES ON CASH AND CASH EQUIVALENTS		72,145,611	290,879,363
E. INFLATION EFFECT ON CASH		247,380,698	433,172,218
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C+D+E)		(429,520,643)	(658,062,082)
F. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	5	804,810,952	1,462,873,034
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E+F)	5	375,290,309	804,810,952

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

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL as at 31 December 2024 unless otherwise stated.)

1. ORGANIZATION AND NATURE OF OPERATIONS OF THE GROUP

Enda Enerji Holding AŞ. ("the Company" or "Enda Enerji") was established in 1993 in İzmir, Türkiye. The Company's main field of activity is to develop projects, make investments, and operate production plants using all types of production technologies, particularly from renewable energy sources, in the capacity of an investor, and to engage in electricity trade. The Company's registered office is located at Şehit Nevres Bulvarı No: 10 Kat: 7 Montrö, Konak, İzmir / Türkiye.

As of 31 December 2024, the largest shareholders of the Company are Margün Enerji Üretim Sanayi ve Ticaret A.Ş. with a 30.39% share and FİBA Yenilenebilir Enerji Holding A.Ş. with a 10.22% share (Note 19).

As of 31 December 2024, the average number of employees within the Group is 91 (31 December 2023: 92).

Approval of the Consolidated Financial Statements

The consolidated financial statements for the accounting period of 1 January – 31 December 2024, were approved at the Board of Directors meeting dated 11 March 2025. The General Assembly has the authority to make amendments to these consolidated financial statements. The financial statements will be finalized upon the approval of the General Assembly.

Subsidiaries and Affiliates

As of 31 December 2024, the nature of business of Enda Enerji's subsidiaries (hereinafter collectively referred to as "the Group" or "Enda Group") and the related operating segments for the purpose of these consolidated financial statements are as follows:

		Group's Share and Voting Rights (%)	
Subsidiaries	Field of Activity	31 December 2024	31 December 2023
Egenda Ege Enerji Üretim A.Ş	Hydroelectric and wind energy plants	74,53	74,53
Akçay HES Elektrik Üretim A.Ş	Hydroelectric power plant	95,00	95,00
Tuzla Jeotermal Enerji A.Ş	Geothermal energy plant	74,53	74,53
Res İyte Elektrik Üretim A.Ş	Wind energy plant	66,33	66,33
Yaylaköy RES Elektrik Üretim A.Ş	Wind energy plant	59,62	59,62
Su Enerji Elektrik Üretim A.Ş	Hydroelectric power plant	74,53	74,53
Ensat Elektrik Enerjisi Ticaret A.Ş	Wholesale	100,00	100,00
Ege Ges 1 Elektrik Üretim A.Ş. (*)	Solar power plant	74,53	-
Ege Ges 2 Elektrik Üretim A.Ş. (*)	Solar power plant	74,53	-
Sinerji Soma Enerji Sanayi ve Ticaret A.Ş.	Solar power plant	74,53	-
Sinerji Kemalpaşa Enerji Sanayi ve Ticaret	Solar power plant	74,53	-
Sinerji Ödemiş Enerji Sanayi ve Ticaret A.Ş.	Solar power plant	74,53	-

(*) Egenda Ege Enerji Üretim A.Ş., a subsidiary of Enda Enerji, acquired all shares of Ege Ges 1 Elektrik Üretim A.Ş. (formerly Anjea Enerji Üretim Sanayi ve Ticaret A.Ş.) and Ege Ges 2 Elektrik Üretim A.Ş. (formerly Er Ges2 Enerji Üretim Sanayi ve Ticaret A.Ş.), which include 3 unlicensed SPP plants with a total installed capacity of 10.3 MWp, with a price of 217,705,851 Turkish Lira as of 5 December 2024.

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL as at 31 December 2024 unless otherwise stated.)

1. ORGANIZATION AND NATURE OF OPERATIONS OF THE GROUP (continued)

Subsidiaries and Affiliates (continued)

		Group's Share and Voting Rights (%)	
Associates	Field of Activity	31 December 2024	31 December 2023
Tasfiye Halinde Antalya Enerji Üretim A.Ş	Electricity production (inactive)	49,77	49,77

As of 31 December 2024, the activity areas of Enda Enerji's affiliates and their related business segments for the purpose of the consolidated financial statements are as follows:

In order for the Group to benefit from the Renewable Energy Resources Support Mechanism (YEKDEM), which is established for facilities generating electricity from renewable energy sources and provides a fixed price guarantee in USD, the applications made to the Energy Market Regulatory Authority ("EMRA") in previous years for the hydroelectric, geothermal and wind power plants within Akçay, Tuzla, Yaylaköy and Egenda have been accepted. The sales of Akçay hydroelectric power plant in 2020, Tuzla geothermal power plant in 2021 and Egenda hydroelectric power plants in 2023 will end within the scope of YEKDEM. All of the electricity to be generated by Yaylaköy wind power plant and Egenda wind power plants will continue to be sold within the scope of YEKDEM until 2027.

Egenda Ege Enerji Üretim A.Ş. ("Egenda"): A feasibility report was submitted to the State Hydraulic Works ("DSİ") in April 2005 for the Eğlence-I and Eğlence-II HEPP projects within Egenda. These two projects have a total installed capacity of 70.7 MW and an average annual energy production capacity of 205 GWh. As a result of the tender made by DSİ for these projects, a licence application was made to EMRA and a 49-year generation licence was obtained for Eğlence (I-II) on 27 December 2007. Eğlence-II HEPP project started commercial operations on 10 April 2013 and Eğlence-I HEPP project started commercial operations on 13 June 2013.

As a result of the licence application made to EMRA for the Mordoğan, Alaçatı, Germiyan and Urla Wind Power Plants within Egenda, a 49-year production licence was obtained on 29 May 2008. The installed capacities of these power plants are 13.8 MW, 16 MW, 10.8 MW, 10.8 MW and 13 MW, respectively, and the power plants became operational on 24 June 2016, 3 June 2016, 6 May 2016 and 27 May 2016, respectively.

Akçay HES Elektrik Üretim A.Ş. ("Akçay"): Akçay HES Elektrik Üretim A.Ş. was established on 10 January 2002. Akçay Hydroelectric Power Plant, for which an application was made and a 40-year Production Licence was obtained on 24 November 2003, is located at the end of the Bozdoğan-Akçay irrigation canal constructed by the General Directorate of State Hydraulic Works in Nazilli, with an installed capacity of 28.78 MW and an annual energy generation capacity of 77 GWh. Akçay HEPP started operations on 14 August 2009. The licence, which was initially granted for 40 years, was extended to 49 years.

1. ORGANIZATION AND NATURE OF OPERATIONS OF THE GROUP (continued)

Subsidiaries and Affiliates (continued)

Su Enerji Elektrik Üretim A.Ş. ("Su Enerji"): Su Enerji was established for the operation of Çaygören Hydroelectric Power Plant. An application was made to EMRA on 20 February 2003 to obtain a generation licence for Çaygören Hydroelectric Power Plant located downstream of the existing Çaygören dam, which was built for irrigation purposes on the Simav stream in Sındırgı district of Balıkesir province and is currently being operated for the same purpose, and a 35-year generation licence was obtained on 5 September 2003. Çaygören Hydroelectric Power Plant with an installed capacity of 4.5 MW and an annual generation of 20.7 GWh was put into commercial operation on 27 June 2006. The 35-year licence was extended to 49 years.

Tuzla Jeotermal Enerji A.Ş. ("Tuzla"): Tuzla Geothermal Power Plant has a 40-year production licence from EMRA with the board decision dated 11 May 2004 and numbered 318/12 for the project with a power of 7.5 MW and an energy production capacity of 56 GWh, established in Tuzla locality of Ayvacık District, Çanakkale Province and started production on 13 January 2010.

Res İyte Elektrik Üretim A.Ş. ("Res İyte"): Established in 2009 to build and operate a wind power plant in Sinekli and Çiftlik Dağı regions of Urla district, İzmir province, Res İYTE was founded to sell electricity to licensed wholesale/retail suppliers or eligible consumers via bilateral agreements. According to an agreement between Egenda and İzmir Institute of Technology (İYTE), once Egenda obtains the license and completes the necessary investment and legal processes, the plant and operation licenses will be transferred to İYTE. The plant is currently operational; however, the legal transfer process has not yet been finalized. Nonetheless, the agreement has been reviewed by Group management, legal advisors, and an independent valuation expert, and its terms have been considered in the fair value assessments as of 31 December 2023.

Yaylaköy RES Elektrik Üretim A.Ş. ("Yaylaköv RES"): The wind power plant located in Yaylaköy, within the borders of Karaburun district of İzmir province, has an installed capacity of 15 MW and an average annual generation capacity of 38.6 GWh. A 49-year production license was obtained on May 29, 2008, and the facility began operations on 25 March 2016.

Ensat Elektrik Enerjisi Tedarik Ticaret A.Ş. ("Ensat"): Established on 25 November 2016, Ensat operates in electricity trade, including wholesale, retail, import, and export activities, in accordance with the applicable electricity market legislation. A supply license was granted by EMRA on 29 December 2016, for a period of 20 years, under the Electricity Market Law No. 6446 and related legislation.

"Tasfiye Halinde" Antalya Enerji Üretim A.Ş. ("Antalya Enerji"): Antalya Enerji, which was established in December 2004 and of which the Group holds a 49.77% stake as of 31 December 2023, applied for the cancellation of its EMRA license. The production license, originally granted in 2005 for 20 years, was canceled as of 31 December 2016, and operations were terminated.

Ege GES 1 Elektrik Üretim A.Ş. ("Ege GES 1"): Acquired in full by Egenda on 4 December 2024 (formerly named Anjea Enerji Üretim Sanayi ve Ticaret A.Ş.), this company holds a 50% stake in Sinerji Soma Sanayi ve Ticaret A.Ş. ("Soma GES").

1. ORGANIZATION AND NATURE OF OPERATIONS OF THE GROUP (continued)

Subsidiaries and Affiliates (continued)

Ege GES 2 Elektrik Üretim A.Ş. ("Ege GES 2"): Acquired in full by Egenda on 4 December 2024 (formerly named Er GES 2 Enerji Sanayi ve Ticaret A.Ş.), this company holds the remaining 50% stake in Sinerji Soma Sanayi ve Ticaret A.Ş. ("Soma GES").

Sinerji Soma Enerji Sanayi ve Ticaret A.Ş. ("Soma GES"): The unlicensed solar power plant located in Karaçam, Soma district of Manisa province, has an installed capacity of 3.96 MWe and commenced commercial operations on 2 February 2018. Since 2018, electricity has been sold under YEKDEM pricing for a duration of 10 years at a rate of 133 USD/MWh. Sinerji Soma Enerji Sanayi ve Ticaret A.Ş. fully owns two subsidiaries: Sinerji Kemalpaşa Enerji Sanayi ve Ticaret A.Ş. and Sinerji Ödemiş Enerji Sanayi ve Ticaret A.Ş.

Sinerji Kemalpaşa Elektrik Üretim A.Ş. ("Kemalpaşa GES"): The unlicensed solar power plant located in Dereköy, Kemalpaşa district of İzmir province, has an installed capacity of 3.00 MWe and began commercial operations on 31 December 2020. Electricity has been sold under YEKDEM pricing since 2020 for a period of 10 years (at 133 USD/MWh). All shares of Kemalpaşa GES are held by Sinerji Soma Enerji Sanayi ve Ticaret A.Ş.

Sinerji Ödemiş Elektrik Üretim A.Ş. ("Ödemiş GES"): The unlicensed solar power plant located in Köfündere, Ödemiş district of İzmir province, has an installed capacity of 1.98 MWe and started commercial operations on 20 December 2018. Electricity has been sold under YEKDEM pricing since 2018 for a period of 10 years (at 133 USD/MWh). All shares of Ödemiş GES are also held by Sinerji Soma Enerji Sanayi ve Ticaret A.Ş.

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL as at 31 December 2024 unless otherwise stated.)

2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

2.1. Basis of Presentation

Summary financial information of Egenda and Yaylaköy, subsidiaries in which the Group has non-controlling interests that are significant to the Group, is as follows:

Egenda:	31 December 2024	31 December 2023
Total assets	8,620,727,469	9,549,509,991
Total liabilities	(1,356,837,386)	(1,622,956,687)
Net assets	7,263,890,083	7,926,553,304

	1 January- 31 December 2024	1 January- 31 December 2023
Net (loss)/profit for the period	(759,482,701)	(205,441,549)
Other comprehensive income	(93,738,891)	101,012,547
Total comprehensive (expense) / income	(853,221,592)	(104,429,002)

Yaylaköy:	31 December 2024	31 December 2023
Total assets	1,104,938,299	1,127,770,277
Total liabilities	(225,295,031)	(162,615,154)
Net assets	879,643,268	965,155,123

	1 January- 31 December 2024	1 Ocak- 31 Aralık 2023
Net (loss)/profit for the period	(26,531,422)	49,737,817
Other comprehensive income	-	-
Total comprehensive income / (expense)	(26,531,422)	49,737,817

2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.1. Basis of Presentation (continued)

Statement of Compliance with TFRS

The accompanying consolidated financial statements are prepared in accordance with the requirements of Capital Markets Board ("CMB") Communiqué Serial II, No: 14.1 "Basis of Financial Reporting in Capital Markets", which was published in the Official Gazette No:28676 on 13 June 2013. The accompanying financial statements are prepared based on the Turkish Financial Reporting Standards and interpretations ("TFRS") that have been put into effect by the Public Oversight Accounting and Auditing Standards Authority ("POA") under Article 5 of the Communiqué.

The consolidated financial statements have been prepared in accordance with "Announcement on TFRS Taxonomy" published by POA on 4 October 2022 and with the "Examples of Financial Statements and the User Guide" issued by CMB.

The consolidated financial statements are prepared on the historical cost basis such as land, infrastructure and land improvements, buildings, property, plant and equipment and leasehold improvements except for the revaluation of certain non-current assets and financial instruments. In determining the historical cost, the fair value of the amount paid for the assets is generally taken as basis.

Currency Used

The consolidated financial statements and related figures from prior periods are presented in the currency of the primary economic environment in which the entity operates (its functional currency). The results and financial position of each entity are expressed in TL, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

Comparative Information and Restatement of Prior Periods' Financial Statements

In order to enable the determination of financial status and performance trends, the Group's consolidated financial statements are prepared comparatively with the previous period. In order to ensure compliance with the presentation of the current period consolidated financial statements, comparative information is reclassified when necessary and significant differences are explained.

Going Concern Assumption

The consolidated financial statements have been prepared on a going concern basis, with the assumption that the Group will benefit from its assets and fulfill its obligations in the next year and within the natural flow of its activities. The fact that the majority of the Group's electricity sales are made within the scope of Renewable Energy Resources Support Mechanism ("YEKDEM") at guaranteed prices in US Dollars has a positive impact on gross profitability. In addition, the foreign exchange risk arising from the foreign currency loans of the companies selling within the scope of YEKDEM is largely eliminated naturally by foreign currency indexed sales revenues.

2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.1. Basis of Presentation (continued)

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Group.

2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.1. Basis of Presentation (continued)

Basis of Consolidation (continued)

Changes in the Group's ownership interests in existing subsidiaries (continued)

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable TFRS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under TFRS 9 *Financial Instruments*, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Restatement of financial statements during periods of high inflation

The financial statements and related figures for previous periods have been restated for changes in the general purchasing power of the functional currency and, consequently, the financial statements and related figures for previous periods are expressed in terms of the measuring unit current at the end of the reporting period in accordance with TAS 29 "Financial Reporting in Hyperinflationary Economies".

TAS 29 applies to the financial statements, including the consolidated financial statements, of each entity whose functional currency is the currency of a hyperinflationary economy. If an economy is subject to hyperinflation, TAS 29 requires an entity whose functional currency is the currency of a hyperinflationary economy to present its financial statements in terms of the measuring unit current at the end of the reporting period.

As at the reporting date, entities operating in Türkiye are required to apply TAS 29 "Financial Reporting in Hyperinflationary Economies" for the reporting periods ending on or after 31 December 2023, as the cumulative change in the general purchasing power of the last three years based on the Consumer Price Index ("CPI") is more than 100%.

POA made an announcement on 23 November 2023 regarding the scope and application of TAS 29. It stated that the financial statements of the entities applying Turkish Financial Reporting Standards for the annual reporting period ending on or after 31 December 2023 should be presented in accordance with the related accounting principles in TAS 29, adjusted for the effects of inflation.

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL as at 31 December 2024 unless otherwise stated.)

2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.1. Basis of Presentation (continued)

Restatement of financial statements during periods of high inflation (continued)

In accordance with the CMB's decision dated 28 December 2023 and numbered 81/1820, issuers and capital market institutions subject to financial reporting regulations applying Turkish Accounting/Financial Reporting Standards are required to apply inflation accounting by applying the provisions of TAS 29 to their annual financial statements for the accounting periods ending on 31 December 2023.

In this framework, while preparing the consolidated financial statements dated 31 December 2024 inflation adjustment has been made in accordance with TAS 29.

The table below shows the inflation rates for the relevant years calculated by taking into account the Consumer Price Indices published by the Turkish Statistical Institute (“TURKSTAT”):

Date	Index	Adjustment coefficient	Three-year cumulative inflation rates
31 December 2024	2,684.55	1.00000	291%
31 December 2023	1,859.38	1.44379	268%
31 December 2022	1,128.45	2.37897	74%

The main lines of TAS 29 indexation transactions are as follows:

- As of the balance sheet date, all items other than those stated in terms of current purchasing power are restated by using the relevant price index coefficients. Prior year amounts are also restated in the same way.

- Monetary assets and liabilities are expressed in terms of the purchasing power at the balance sheet date and are therefore not subject to restatement. Monetary items are cash and items to be received or paid in cash.

- Fixed assets, subsidiaries and similar assets are indexed to their acquisition values, which do not exceed their market values. Depreciation has been adjusted in a similar manner. Amounts included in shareholders' equity have been restated by applying general price indices for the periods in which they were contributed to or arose within the Company.

- All items in the income statement, except for the effects of non-monetary items in the balance sheet on the income statement, have been restated by applying the multiples calculated over the periods when the income and expense accounts were initially recognized in the financial statements.

- The gain or loss arising on the net monetary position as a result of general inflation is the difference between the adjustments to non-monetary assets, equity items and income statement accounts. This gain or loss on the net monetary position is included in net profit.

2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.1. Basis of Presentation (continued)

Restatement of financial statements during periods of high inflation (continued)

- The effect of inflation on the Group's net monetary asset position in the current period is recognized in the gains/(losses) on net monetary position in the consolidated income statement (Note 33).

The impact of the application of TAS 29 “Inflation Accounting” is summarized below:

Restatement of the Consolidated Statement of Financial Position

Amounts in the statement of financial position that are not expressed in terms of the measuring unit current at the end of the reporting period are restated. Accordingly, monetary items are not restated because they are expressed in the currency of the reporting period. Non-monetary items are required to be restated unless they are expressed in terms of the currency in effect at the end of the reporting peri.

The gain or loss on the net monetary position arising on restatement of non-monetary items is recognized in profit or loss and presented separately in the statement of comprehensive income.

Restatement of the Statement of Profit or Loss

All items in the statement of profit or loss are expressed in terms of the measuring unit current at the end of the reporting period. Therefore, all amounts have been restated by applying changes in the monthly general price index.

Depreciation and amortization expenses have been restated using the restated balances of property, plant and equipment, intangible assets, investment property and right-of-use assets.

Restatement of Statement of Cash Flows

All items in the statement of cash flows are expressed in terms of the measuring unit current at the end of the reporting period.

Consolidated financial statements

The financial statements of a subsidiary whose functional currency is the currency of a hyperinflationary economy are restated by applying the general price index before they are included in the consolidated financial statements prepared by the parent company.

Comparative figures

Relevant figures for the previous reporting period are restated by applying the general price index so that the comparative financial statements are presented in the measuring unit applicable at the end of the reporting period. Information disclosed for prior periods is also expressed in terms of the measuring unit current at the end of the reporting period. Therefore, the Group has presented the consolidated financial statements as of 31 December 2023 on the basis of purchasing power as of 31 December 2024.

2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.2. Changes in Accounting Policies

Significant changes in accounting policies are applied retrospectively and prior period financial statements are restated. The Group has applied TAS 29 "Financial Reporting in Hyperinflationary Economies" in the current year and restated its prior period consolidated financial statements.

2.3. Changes in Accounting Estimates and Errors

If changes in accounting estimates and errors are for only one period, changes are applied in the current period but if the estimated changes affect the following periods, changes are applied both on the current and following years prospectively. In the current period, there are no material changes in the Group's accounting estimates.

Significant accounting errors identified are applied retrospectively and prior period financial statements are restated.

2.4. New and Amended Turkish Financial Reporting Standards

a) Amendments that are mandatorily effective from 2024

Amendments to TAS 1	*Classification of Liabilities as Current or Non-Current*
Amendments to TFRS 16	*Lease Liability in a Sale and Leaseback*
Amendments to TAS 1	*Non-current Liabilities with Covenants*
Amendments to TAS 7 and TFRS 7	*Supplier Finance Arrangements*
TSRS 1	*General Requirements for Disclosure of Sustainability-related Financial Information*
TSRS 2	*Climate-related Disclosures*

Amendments to TAS 1 *Classification of Liabilities as Current or Non-Current*

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

Amendments to TFRS 16 *Lease Liability in a Sale and Leaseback*

Amendments to TFRS 16 clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in TFRS 15 to be accounted for as a sale.

Amendments to TAS 1 *Non-current Liabilities with Covenants*

Amendments to TAS 1 clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL as at 31 December 2024 unless otherwise stated.)

2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.4. New and Amended Turkish Financial Reporting Standards (continued)

a) Amendments that are mandatorily effective from 2024 (continued)

Amendments to TAS 7 and TFRS 7 *Supplier Finance Arrangements*

The amendments to TAS 7 and TFRS 7 add signposts to existing disclosure requirements requiring entities to provide qualitative and quantitative information about supplier financing arrangements and disclosure requirements.

These amendments to TAS 12 will be applied to annual accounting periods beginning on or after 1 January 2023, with early application permitted.

The amendments and interpretations do not have a significant impact on the consolidated financial statements of the Group.

TSRS 1 *General Requirements for Disclosure of Sustainability-related Financial Information*

TSRS 1 sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity. The application of this standard is mandatory for annual reporting periods beginning on or after 1 January 2024 for the entities that meet the criteria specified in POA's announcement dated 5 January 2024 and numbered 2024-5 Other entities may voluntarily report in accordance with TSRS.

TSRS 2 *Climate-related Disclosures*

TSRS 2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity. The application of this standard is mandatory for annual reporting periods beginning on or after 1 January 2024 for the entities that meet the criteria specified in POA's announcement dated 5 January 2024 and numbered 2024-5. Other entities may voluntarily report in accordance with TSRS.

b) New and revised TFRSs in issue but not yet effective

TFRS 17	*Insurance Contracts*
Amendments to TFRS 17	*Initial Application of TFRS 17 and TFRS 9 — Comparative Information*
Amendments to TAS 21	*Lack of Exchangeability*

The Group has not yet adopted the following standards and amendments and interpretations to the existing standards:

2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.4. New and Amended Turkish Financial Reporting Standards (continued)

a) New and revised TFRSs in issue but not yet effective (continued)

TFRS 17 *Insurance Contracts*

TFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. TFRS 17 has been deferred for insurance, reinsurance and pension companies for a further year and will replace TFRS 4 Insurance Contracts on 1 January 2025.

Amendments to TFRS 17 *Insurance Contracts and Initial Application of TFRS 17 and TFRS 9 – Comparative Information*

Amendments have been made in TFRS 17 in order to reduce the implementation costs, to explain the results and to facilitate the initial application.

The amendment permits entities that first apply TFRS 17 and TFRS 9 at the same time to present comparative information about a financial asset as if the classification and measurement requirements of TFRS 9 had been applied to that financial asset before.

Amendments are effective with the first application of TFRS 17.

Amendments to TAS 21 *Lack of Exchangeability*

The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. Amendments are effective from annual reporting periods beginning on or after 1 January 2025.

The Group evaluates the effects of these standards, amendments and improvements on the consolidated financial statements.

2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.5. Summary of Significant Accounting Policies

Related Parties

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

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

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

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

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

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

Revenue

The Group's electricity sales revenues consist of electricity generated and sold through hydroelectric, wind, geothermal power plants and solar power plants and revenues from retail energy trade. The Group recognizes revenue from the sale of electricity generated to government authorities and in the market. An asset is transferred when (or when) control of an asset is transferred to the customer.

2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.5. Summary of Significant Accounting Policies (continued)

Revenue (continued)

When all of the following criteria are met, the outcome of the transaction can be reliably estimated and revenue for service provision is recognized:

- Identification of customer contracts,
- Identification of performance obligations,
- Determination of transaction price in the contract,
- Allocation of price to performance obligations,
- Recognition of revenue when the performance obligations are fulfilled.

The Group recognized revenue from its customers only when all of the following criteria are met:

- The parties to the contract have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations,
- The Group can identify each party's rights regarding the goods or services to be transferred,
- The Group can identify the payment terms for the goods or services to be transferred,
- The contract has commercial substance,
- It is probable that the Group will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

In evaluating whether collectability of an amount of consideration is probable, an entity shall consider only the customer's ability and intention to pay that amount of consideration when it is due.

The Group evaluates each contracted obligation separately and respective obligations, committed to deliver the distinct goods or perform services, are determined as separate performance obligations.

a) good or service (or a bundle of goods or services) that is distinct; or
b) series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

A series of different goods or services are subject to the same form of transfer if the following conditions are met together:

a) Each different good or service in the series that the Group undertakes to transfer to the customer constitutes a performance obligation that will be completed over time by meeting the necessary conditions,
b) In accordance with the relevant paragraphs of the standard, using the same method to measure the Group's progress towards full performance of the performance obligation in the transfer of each distinct good or service that makes up the series to the customer.

2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.5. Summary of Significant Accounting Policies (continued)

Revenue (continued)

The Group has signed a "Balancing Group" agreement for the management of imbalances in the electricity market operated by EPİAŞ. The Company that manages the Balancing Group can perform buying and selling transactions in the Intraday Market (IMM) on behalf of the Group if the production forecasts entered into the Day Ahead Market (DAM) system the day before the delivery day of the electricity fall into imbalance in the plus, minus (-) direction. As a result of these transactions, the income or cost invoices from the VIP transactions reflected to the Group by EPİAŞ according to the monthly settlement result are directly reflected to the company managing the Balancing Group. Since all other imbalance costs are undertaken by the company managing the Balancing Group on the system, the Group does not have any other imbalance costs. As a result of the settlement, the amount of ECP received as cost from EPİAŞ is reflected to the company managing the Balancing Group by the Group, and the amount of ECP receivable received as income is invoiced to the Group by the company managing the Balancing Group.

Inventories

Inventories are stated at the lower of cost or net realizable value less costs to sell. Net realizable value is the estimated selling price in the ordinary course of business, less selling expenses. Inventories consist of electrical equipment and materials related to the Group's electricity generation business and are recognized as an expense as they are used. Cost is determined using the weighted-average method.

Property, Plant and Equipment

The Group applies the revaluation model in accordance with TAS 16 "Property, Plant and Equipment" and land, land improvements, buildings, machinery, plant and equipment and leasehold improvements are carried at their fair values determined by an independent professional valuation company as of 31 December 2024. Other assets other than the aforementioned property, plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any.

If the carrying amount of an asset is higher than its estimated recoverable amount, the carrying amount is immediately written down to its recoverable amount.

While the "Arm's Length Comparison" method is used for the fair value determination of the lands in the power plants within Egenda, the "Capitalisation of Revenues" - Discounted Cash Flow Analysis' method is used for the fair value determination of the buildings, machinery, plant and equipment and leasehold improvements in the power plants within Akçay, Egenda, Tuzla, Yaylaköy WPP, Su Enerji, Sinerji Kemalpaşa, Sinerji Ödemiş and Sinerji Soma. As of the date of revaluation, the accumulated depreciation of the related property, plant and equipment subject to revaluation is netted off against the cost of the asset and subsequently recognized at the revalued net book value.

2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.5. Summary of Significant Accounting Policies (continued)

Property, Plant and Equipment (continued)

Any revaluation increase arising on the revaluation of such land and buildings is recognized in other comprehensive income and accumulated in equity, except to the extent that it reverses a revaluation decrease for the same asset previously recognized in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. If the carrying amount of an asset has increased as a result of a revaluation, the increase should be recognized in other comprehensive income and accumulated directly in equity under revaluation surplus. However, a revaluation increase is recognized as income to the extent that it reverses a revaluation decrease of the same asset previously recognized in profit or loss.

Depreciation on revalued buildings is charged to profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings. No transfers from the revaluation fund to retained earnings are made unless the asset is derecognized.

Land is not depreciated. Depreciation is recognized so as to write off the cost or valuation of assets, other than freehold land and properties under construction, less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

As of 31 December 2024, the estimated remaining useful lives of the relevant assets are as follows:

	Useful Life
Buildings	8-38 years
Land improvements	4-38 years
Plant, machinery and equipment	2-38 years
Vehicles	3-5 years
Furniture and fixtures	3-15 years
Leasehold improvements	5-38 years
Other property, plant and equipment	2-40 years

2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.5. Summary of Significant Accounting Policies (continued)

Property, Plant and Equipment (continued)

At each reporting date, the scrap value and useful lives of assets are reviewed and necessary adjustments are made.

Repair and maintenance expenses are recognized as an expense in the statement of profit or loss in the period in which they are incurred. The Group derecognizes the carrying amount of items replaced in accordance with renewals, regardless of whether they are depreciated independently of other items. Major renewals are depreciated over the shorter of the remaining useful life of the related property, plant and equipment or the useful life of the renewal itself.

Intangible Assets

Intangible assets are carried at cost less accumulated amortization and impairment losses. Amortization of rights and licenses under intangible assets is calculated using the straight-line method over their cost values over their estimated useful lives (2-43 years).

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

Leases

The Group as a lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets.

2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.5. Summary of Significant Accounting Policies (continued)

Leases (continued)

The Group as a lessee (continued)

For these leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).

- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.5. Summary of Significant Accounting Policies (continued)

Leases (continued)

The Group as a lessee (continued)

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Group applies TAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the ‘Property, Plant and Equipment’ policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments occurs and included in ‘other expenses’ in profit or loss.

As of 31 December 2024, the Group does not have any contracts with variable lease payments.

Impairment of Property, Plant and Equipment and Intangible Assets

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. Recoverable amount is the higher of fair value less costs to sell and value in use. The value in use is the present value of the expected future cash flows from an asset or cash-generating unit. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.5. Summary of Significant Accounting Policies (continued)

Impairment of Property, Plant and Equipment and Intangible Assets (continued)

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount. The increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss to the extent that it eliminates the impairment loss which has been recognized for the asset in prior years. Any increase in excess of this amount is treated as a revaluation increase.

Borrowing Costs

Borrowings are recognized at fair value at the date of acquisition, net of transaction costs. Borrowings are subsequently measured at amortized cost using the effective interest method. Any difference between proceeds, net of transaction costs, and the redemption value is recognized in the statement of comprehensive income as finance cost over the period of the borrowings using the effective interest method. Finance costs arising from borrowings are recognized in the consolidated statement of profit or loss when incurred. If the maturities of the borrowings are less than 12 months from the balance sheet date, they are recognized in current liabilities; if the maturities are more than 12 months, they are recognized in non-current liabilities. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer repayment within 12 months from the reporting date.

Fees paid for credit agreements and limits are recognized as transaction costs in the consolidated financial statements on the same basis as above when it is probable that the related limit will be utilized in whole or in part. Where it is not probable that the limit will not be utilized, the fee paid is treated as a prepaid expense as a service paid for liquidity services and is recognized in the consolidated income statement over the period of validity of the related credit line.

Assets that necessarily require a substantial period of time (one year or more) to get ready for their intended use or sale are recognized as qualifying assets. Borrowing costs, whether general or specific, incurred in connection with the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset until such time as the asset is in a condition and location necessary for the entity to be able to operate in accordance with its objectives.

All other borrowing costs are recognized in the statement of profit or loss in the period in which they are incurred.

2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.5. Summary of Significant Accounting Policies (continued)

Financial Instruments

Financial assets and financial liabilities are recognized in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

The Group classifies its financial assets as (a) Business model used for managing financial assets, (b) financial assets subsequently measured at amortized cost, at fair value through other comprehensive income or at fair value through profit or loss based on the characteristics of contractual cash flows. The Group reclassifies all financial assets effected from the change in the business model it uses for the management of financial assets. The reclassification of financial assets is applied prospectively from the reclassification date. In such cases, no adjustment is made to gains, losses (including any gains or losses of impairment) or interest previously recognized in the financial statements.

Classification of financial assets

Financial assets that meet the following conditions are measured subsequently at amortized cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset; the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met.

2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.5. Summary of Significant Accounting Policies (continued)

Financial Instruments (continued)

Financial assets (continued)

Classification of financial assets (continued)

(i) Amortized cost and effective interest method

Interest income on financial assets carried at amortized cost is calculated using the effective interest method. The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. This income is calculated by applying the effective interest rate to the gross carrying amount of the financial asset:
(a) Credit-impaired financial assets when purchased or generated. For such financial assets, the Group applies the effective interest rate on the amortized cost of a financial asset based on the loan from the date of the recognition in the financial statements.
(b) Non-financial assets that are impaired at the time of acquisition or generation but subsequently become a financial asset that has been impaired. For such financial assets, the Group applies the effective interest rate to the amortized cost of the asset in the subsequent reporting periods.

Interest income is recognized using the effective interest method for debt instruments measured subsequently at amortized cost and at FVTOCI.

Interest income is recognized in profit or loss and is included in the "finance income – interest income" line item.

Financial assets at FVTPL

Financial assets that do not meet the criteria to be measured at amortized cost or at fair value through other comprehensive income are measured at fair value through profit or loss.

Financial assets at fair value through profit or loss are measured at fair value at each period's end and all fair value changes are recognized in profit or loss unless the financial assets are part of hedges (see hedge accounting policy).

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically,

- for financial assets measured at amortized cost that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss;
- for debt instruments measured at FVTOCI that are not part of a designated hedging relationship, exchange differences on the amortized cost of the debt instrument are recognized in profit or loss. Other exchange differences are recognized in other comprehensive income;

2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.5. Summary of Significant Accounting Policies (continued)

Financial Instruments (continued)

Financial assets (continued)

Foreign exchange gains and losses (continued)

- for financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss; and
- for equity instruments measured at FVTOCI, exchange differences are recognized in other comprehensive income.

Impairment of financial assets

The Group recognizes a loss allowance for trade receivables that are measured at amortized cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group utilizes a simplified approach for trade receivables that do not have significant financing component and calculates the allowance for impairment against the lifetime ECL of the related financial assets.

For all other financial instruments, the Group recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

The expected credit loss of financial assets is the initial effective interest rate (or credit-impairment when purchased or created) of the difference between all of the Group's contractually realized cash flows and all of the cash flows that the Group expects to collect (all cash deficits). It is the present value calculated over the loan-adjusted effective interest rate for financial assets.

2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.5. Summary of Significant Accounting Policies (continued)

Financial Instruments (continued)

Financial assets (continued)

Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

Financial liabilities

Financial liabilities are classified as at FVTPL on initial recognition. On initial recognition of liabilities other than those that are recognized at FVTPL, transaction costs directly attributable to the acquisition or issuance thereof are also recognized in the fair value.

A financial liability is subsequently classified at amortized cost except:

(a) Financial liabilities at FVTPL: These liabilities including derivative instruments are subsequently measured at fair value.
(b) Financial liabilities arising if the transfer of the financial asset does not meet the conditions of derecognition from the financial statements or if the ongoing relationship approach is applied: When the Group continues to present an asset based on the ongoing relationship approach, a liability in relation to this is also recognized in the financial statements. The transferred asset and the related liability are measured to reflect the rights and liabilities that the Group continues to hold. The transferred liability is measured in the same manner as the net book value of the transferred asset.
(c) A contingent consideration recognized in the financial statements by the entity acquired in a business combination where TFRS 3 is applied: After initial recognition, the related contingent consideration is measured as at FVTPL.

The entity does not reclassify any financial liability.

Financial assets and liabilities are offset and the net amount is 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.

Derecognition of financial liabilities

The Group derecognizes financial liabilities only when, the Group’s obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.5. Summary of Significant Accounting Policies (continued)

Financial Instruments (continued)

Derivative financial instruments

In order to manage the risks associated with foreign currency exchange rates and interest rates, the Group uses a variety of derivative financial instruments, including foreign currency forward contracts. Derivatives are recognized initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognized as a financial asset whereas a derivative with a negative fair value is recognized as a financial liability. Derivatives are not offset in the financial statements unless the Group has both legal right and intention to offset. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realized or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Hedge accounting

The Group designates certain derivatives as hedging instruments in respect of foreign currency risk and interest rate risk in fair value hedges, cash flow hedges, or hedges of net investments in foreign operations as appropriate. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again. The Group designates the full change in the fair value of a forward contract (i.e. including the forward elements) as the hedging instrument for all of its hedging relationships involving forward contracts.

As of 1 January 2021, the Group uses a certain portion of its USD denominated financial liabilities as a hedging instrument against the foreign currency risk arising from the USD based sales revenues made within the scope of YEKDEM with a high probability of realization and applies cash flow hedge accounting in this context.

2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.5. Summary of Significant Accounting Policies (continued)

Business Combinations

The acquisition of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognized in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value, except that:

- Deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with TAS 12 *Income Taxes* and TAS 19 *Employee Benefits*, respectively;
- Liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with TFRS 2 *Share-based Payment* at the acquisition date; and
- Assets (or disposal groups) that are classified as held for sale in accordance with TFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another TFRS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination.

2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.5. Summary of Significant Accounting Policies (continued)

Business Combinations (cont'd)

Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is measured to fair value at subsequent reporting dates with changes in fair value recognized in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognized in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

Effect of Exchange Changes

Foreign Currency Balances and Transactions

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). The results and financial position of each entity are expressed in TL, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than TL (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions.

Monetary assets and liabilities indexed to foreign currency in the balance sheet are translated into Turkish Lira using the exchange rates prevailing at the reporting date. Among the non-monetary items that are followed at fair value, those recorded in foreign currency are translated into TL based on the exchange rates at the date of determination of the fair value. Foreign currency non-monetary items measured at historical cost are not retranslated.

2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.5. Summary of Significant Accounting Policies (continued)

Effects of Exchange Rate Changes (continued)

Foreign Currency Balances and Transactions (cont'd)

Exchange differences are recognized in profit or loss in the period in which they arise except for:

- Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets where they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- Exchange differences on transactions entered into in order to hedge certain foreign currency risks (see below for hedging accounting policies).

Earnings Per Share

Earnings per share disclosed in the statement of comprehensive income are determined by dividing net earnings by the weighted average number of shares that have been outstanding during the related period. In Türkiye, companies can increase their share capital by making a pro-rata distribution of shares ("bonus shares") to existing shareholders from retained earnings on equity items. Such kind of "bonus shares" are taken into consideration in the computation of earnings per share as issued share certificates.

Events After the Reporting Period

Events after the reporting period are those events that occur between the balance sheet date and the date when the financial statements are authorized for issue, even if they occur after an announcement related with the profit for the year or public disclosure of other selected financial information.

The Group adjusts the amounts recognized in its financial statements if adjusting events occur after the balance sheet date.

Provisions, Contingent Assets and Liabilities

Provisions are recognized when the Group has a present obligation as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.5. Summary of Significant Accounting Policies (continued)

Segment Reporting of Financial Information

For an operating segment to be identified as a reportable segment, its revenue, including sales to external customers and intersegment sales or transfers, must be 10% or more of the total revenue of all operating segments, internal and external, or 10% or more of the reported profit or loss, or its assets must be 10% or more of the total assets of all operating segments. Operating segments that do not meet any of the above quantitative thresholds may also be considered as reportable segments and disclosed separately if management believes that segment information will be useful to users of the financial statements.

The Group has 4 operating segments, namely hydroelectric (“HEPP”), wind energy (“WPP”), geothermal (“GPP”) and solar energy (“SPP”), which include information used by management to evaluate performance and decide on resource allocation. These segments are managed separately as they are affected by different economic conditions and geographical locations in terms of risk and return. The Group has identified its operating segments based on reports that are reviewed by the board of directors and are influential in making strategic decisions. The Group management assesses the performance of operating segments based on operating profit before financial income/expense prepared in accordance with TFRS.

Adjustment to Share Capital of Cross Shareholding

When a Group company purchases the shares of the parent company, the consideration received, which corresponds to the nominal amount of the shares exchanged, is deducted from equity until the shares are cancelled or reissued, at which time the consideration received is recognized under the capital adjustment item of the cross shareholding. When these shares are subsequently reissued or sold, the proceeds are recognized in equity.

Treasury Shares

In the event that the Company purchases its own shares, the purchase price of these shares is deducted from equity and recognized under “Treasury Shares (-)”. In the notes to the financial statements, the purchase price of the treasury shares held and the purchase and sale prices related to the purchase and sale transactions made in the relevant period are disclosed.

Government Grants and Incentives

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received. Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognized as deferred revenue in the consolidated statement of financial position (balance sheet) and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they become receivable.

2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.5. Summary of Significant Accounting Policies (continued)

Government Grants and Incentives (continued)

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

Investment Properties

Investment properties are properties held to earn rentals and/or for capital appreciation, including property under construction for such purposes. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value. Gains or losses arising from changes in the fair values of investment properties are included in the profit or loss in the year in which they arise.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from disposal. Any gain or loss arising on derecognition of the property is included in profit or loss in the period in which the property is derecognized.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property that is measured at fair value to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property that is measured at fair value, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

Income Taxes

Turkish tax legislation does not permit a parent company and its subsidiary to file a consolidated tax return. Therefore, provisions for taxes, as reflected in the accompanying consolidated financial statements, have been calculated on a separate-entity basis.

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from ‘profit before tax’ as reported in the consolidated statement of profit or loss because of items of income or expense that are taxable or deductible in other years and it excludes items that are never taxable or deductible. The Group’s current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.5. Summary of Significant Accounting Policies (continued)

Income Taxes (continued)

Deferred tax

Deferred tax liability or asset is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax rates which are used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax are recognized as in profit or loss, except when they relate to items that are recognized directly in equity, in which case, the current and deferred tax are also recognized in directly in equity.

2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.5. Summary of Significant Accounting Policies (continued)

Employee Benefits

Employee Termination Benefits:

Under Turkish law and union agreements, lump sum payments are made to employees retiring or involuntarily leaving the Group. Such payments are considered as being part of defined retirement benefit plan as per TAS 19 (Revised) *Employee Benefits* ("TAS 19").

The employee termination benefit liability recognized in the consolidated statement of financial position represents the present value of the defined benefit obligation. The actuarial gains and losses are recognized in other comprehensive income.

Unused vacation liabilities:

The unused vacation rights accrued in the consolidated financial statements represent the estimated total provision for the possible future liabilities related to the unused vacation days of the employees as of the balance sheet date.

Statement of Cash Flows

In statement of cash flows, cash flows are classified according to operating, investing and financing activities.

Share Capital and Dividends

Common shares are classified as equity. Dividends on common shares are recognized in equity by deducting the dividend amount from accumulated profits in the period in which they are approved and declared.

2.6. Critical Accounting Judgments and Key Sources of Estimation Uncertainty

Critical judgments in applying the Group's accounting policies

In the process of applying the entity's accounting policies, which are described in Note 2.5, management has made the following judgments that have the most significant effect on the amounts recognized in the financial statements:

Deferred tax

The Group recognizes deferred tax assets and liabilities for temporary timing differences arising from the differences between the tax base legal financial statements and the financial statements prepared in accordance with TFRS. Currently, there are deferred tax assets resulting from operating loss carry-forwards and deductible temporary differences, all of which could reduce taxable income in the future.

2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.6. Critical Accounting Judgments and Key Sources of Estimation Uncertainty (continued)

Critical judgments in applying the Group's accounting policies (continued)

Deferred tax (continued)

Based on available evidence, both positive and negative, it is determined whether it is probable that all or a portion of the deferred tax assets will be realized. The main factors which are considered include future earnings potential; cumulative losses in recent years; history of loss carry-forwards and other tax assets expiring; the carry-forward period associated with the deferred tax assets; future reversals of existing taxable temporary differences; tax-planning strategies that would, if necessary, be implemented, and the nature of the income that can be used to realize the deferred tax asset. In light of the evidence obtained, the Group believes that taxable profit will be available sufficient to utilize these deferred tax assets, therefore all of the deferred tax assets are recognized.

Deferred tax asset calculated over financial losses

As a result of the studies performed, deferred tax assets amounting to TL 148,934,980 (31 December 2023: TL 141,143,217) have been allocated over the unused tax losses of the Group amounting to TL 595.739.921 (31 December 2023: TL 564,572,868) as of 31 December 2024. However, deferred tax asset provision amounting to TL 4,190,422 (31 December 2023: TL 5,700,169) has been included in the consolidated financial statements since it is considered that carry forward tax losses amounting to TL 16,761,689 (31 December 2023: TL 22,800,667) will not be utilized. In the event that profit expectations are not realized, such deferred tax assets will be recognized as expense in the consolidated statement of profit or loss.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Fair value determination of property, plant and equipment and investment property

The Group applies revaluation model as an accounting policy to determine the fair value of land, land improvements, buildings, machinery, plant and equipment and leasehold improvements. The Group's power plants have been revalued as of 31 December 2024 and the revaluation was carried out by an independent professional valuation company authorized by CMB.

'Capitalization of Revenues - Discounted Cash Flow Analysis' method has been applied to determine the fair value of the land in the assets of the Group and "Capitalization of Revenues - Discounted Cash Flow Analysis" method has been applied to determine the fair value of the buildings, machinery, plant and equipment and leasehold improvements in Akçay, Egenda, Tuzla, Yaylaköy WPP and Su Enerji power plants. 'Replacement Cost Approach' method has been used for the land and building of Enda, which are classified as investment property, respectively. The details of the related methods and assumptions are as follows:

The most effective and efficient use has been assessed in fair value calculations.

2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.6. Critical Accounting Judgments and Key Sources of Estimation Uncertainty (continued)

Key sources of estimation uncertainty (continued)

Fair value determination of property, plant and equipment and investment property (continued)

In the arm's length comparison method, existing market information and interviews with real estate companies operating in the region were used; taking into account the similar real estates that have recently been put on the market in the region, price adjustments were made within the framework of criteria such as the location, size, zoning status of the subject immovable that may affect the market value and the unit price was determined for the subject real estate.

In the Capitalization of Revenues - Discounted Cash Flow analysis method, electricity prices are used as fixed prices in US Dollars valid for the period during which the power plants will benefit from the YEKDEM mechanism. For electricity prices in the periods after the end of the YEKDEM mechanism, forward-looking price forecasts were made by using the prices determined by an independent organization. While determining long-term electricity prices, the most important inputs in the model are the course of demand in the coming years, the start-up of new power plants and the decommissioning of old power plants, the development of renewable energy capacity and capacity factor, natural gas and coal prices, the development of electricity exports and imports, and the development of the efficiency of thermal power plants.

While determining the long-term annual production amounts and therefore capacity utilization rates and costs, the actual results of the past period and estimates for the future periods were used.

As of 31 December 2024, a 10% increase/decrease in the forward-looking electricity prices used in the valuation models would cause the fair value to be TL 1,230,800,000 higher/ TL 1,230,800,000 lower. In addition, a 10% increase/decrease in capacity utilization rates ranging between 66.67% and 96,19% will cause the fair value to be TL 1,230,800,000 higher/ TL 1,230,800,000 lower.

The discount rate used in the valuation models based on USD is 10.27% (31 December 2023: 10.31%). If the discount rate is higher/lower than 10%, the fair values of the power plants will be lower by TL 888,040,000 / higher by TL 1,041,710,000.

Useful lives of property, plant and equipment

The Group reviews the useful lives of assets at the reporting dates. In determining the useful lives, the Group management takes into consideration industry data, license periods of the relevant power plant, management's best estimates, intended use and technical characteristics of property, plant and equipment. In addition, as of 31 December 2024, the Group also uses the opinion letters prepared by an independent professional valuation company authorized by the CMB.

2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.6. Critical Accounting Judgments and Key Sources of Estimation Uncertainty (continued)

Key sources of estimation uncertainty (continued)

Cash flow hedges

As explained in Note 32, the Group uses USD original balance borrowings as a hedging instrument against USD/TL spot foreign currency risk arising from USD denominated estimated revenues within the scope of Renewable Energy Resources Support Mechanism (“YEKDEM”) and applies cash flow hedge accounting as a result of the ‘effectiveness test’ performed in this context. There are significant estimates and assumptions regarding the sales volumes on the basis of the budget forecasts of YEKDEM sales revenues used in the said effectiveness tests. As a result of the sensitivity analyses performed by the Group on the sales volume forecast which is the basis of the effectiveness test, the Group has concluded that a 10% increase/decrease in the projected sales forecasts during the YEKDEM period does not have a significant impact on the evaluation of the effectiveness tests.

3. BUSINESS COMBINATIONS

Egenda, a subsidiary of the Group, acquired all shares of Anjea Enerji Üretim Tesisi A.Ş. (“Anjea”) and ER GES 2 Enerji Sanayi Ticaret A.Ş. (ER GES), effective from December 5, 2024, and obtained control of Anjea and ER GES, which are businesses as defined in TFRS 3 Business Combinations. The acquisition of these facilities, which generate electricity from solar energy, is part of the Group's growth strategy in the field of solar power plants and aims to increase revenues by diversifying the areas of activity.

The amounts recognized in respect of identifiable assets acquired and liabilities assumed are set out in the table below.

Anjea and ER GES had an impact of TL 2,876,058 on the Group's consolidated revenue, negative TL 133,639 on earnings before interest, tax, depreciation and amortization (EBITDA) and TL 2,571,367 on net loss for the period from the date of acquisition until the end of the related reporting period.

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL as at 31 December 2024 unless otherwise stated.)

3. BUSINESS COMBINATIONS (continued)

ASSETS	**31 December 2024**
Current Assets	**31,020,037**
Cash and Cash Equivalents	9,393,352
Trade Receivables	20,929,589
- *Trade Receivables from Related Parties*	*12,765,652*
- *Trade Receivables from Third Parties*	*8,163,937*
Other Receivables	169,331
- *Other Receivables from Related Parties*	-
- *Other Receivables from Third Parties*	169,331
Current Period Tax Assets	107,172
Other Current Assets	420,593
Non-Current Assets	**461,995,335**
Other Non-Current Assets	296,574
- *Other Non Current Assets from Third Parties*	296,574
Property, Plant and Equipment	366,540,050
Prepaid expenses	441,775
Deferred Tax Asset	94,716,936
TOTAL ASSETS	**493,015,372**
Current Liabilities	**90,178,883**
Lease Liabilities	40,966,571
Trade Payables	47,305,395
- *Trade Payables to Related Parties*	*46,105,127*
- *Trade Payables to Third Parties*	*1,200,269*
Short-term Payables for Employee Benefits	1,571,671
Current Profit Tax Liability	20,933
Other Current Liabilities	314,313
Long-term Liabilities	**99,435,840**
Other Financial Liabilities	99,435,840
NET ASSETS	**303,400,649**
TOTAL LIABILITIES	**493,015,372**
Net Assets	303,400,649
Acquired cash assets	(9,393,352)
Minority shares and other adjustments	(76,301,446)
Cash outflow from acquisition, net	217,705,851

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL as at 31 December 2024 unless otherwise stated.)

4. SEGMENT REPORTING

As of 31 December 2024 and 31 December 2023, segment reporting according to operating segments is as follows:

1 January - 31 December 2024	Hydroelectric power plants	Wind power plants	Geothermal power plants	Solar power plants	Retail sales	Other	Total	Consolidation adjustments	Consolidated
Revenue	248,287,607	248,287,607	248,287,607	248,287,607	248,287,607	248,287,607	1,313,905,416	(84,366,683)	1,229,538,733
Cost of sales (-)	(320,506,635)	(487,997,707)	(104,285,497)	(2,460,253)	(84,493,712)	(88,215,172)	(1,087,958,976)	3,569,482	(1,084,389,494)
Gross (loss)/ income	(72,219,028)	299,176,306	(2,790,988)	415,805	2,213,495	(849,150)	225,946,440	(80,797,201)	145,149,239
General administrative expenses (-)	(69,660,715)	(41,928,283)	(15,566,499)	(2,119,043)	(1,341,150)	(17,340,266)	(147,955,956)	80,304,620	(67,651,336)
Other income from operating activities	1,291,678	20,279,155	6,173,714	179,949	-	256,928	28,181,424	(21,210,550)	6,970,874
Other expenses from operating activities (-)	(1,759,104)	(20,556,146)	(199,969)	(120,141)	-	(436,569)	(23,071,929)	17,144,032	(5,927,897)
Operational (loss)/ income	(142,347,169)	256,971,032	(12,383,742)	(1,643,430)	872,345	(18,369,057)	83,099,979	(4,559,099)	78,540,880
Depreciation, amortisation and impairment (-)	93,197,702	243,059,613	50,775,948	1,509,792	-	-	388,543,055	-	388,543,055
Earnings before interest, tax, depreciation and amortisation (Ebitda) (*)	(49,149,467)	500,030,645	38,392,206	(133,638)	872,345	(18,369,057)	471,643,034	(4,559,099)	467,083,935

1 January - 31 December 2023	Hydroelectric power plants	Wind power plants	Geothermal power plants	Solar power plants	Retail sales	Other	Total	Consolidation adjustments	Consolidated
Revenue	439,098,664	865,816,571	130,290,246	-	133,053,273	84,961,910	1,653,220,664	(78,087,742)	1,575,132,922
Cost of sales (-)	(394,004,165)	(589,869,424)	(116,263,466)	-	(129,247,120)	(97,029,174)	(1,326,413,349)	11,379,742	(1,315,033,607)
Gross sales (loss)/ income	45,094,499	275,947,147	14,026,780	-	3,806,153	(12,067,264)	326,807,315	(66,708,000)	260,099,315
General administrative expenses (-)	(43,032,239)	(49,438,524)	(13,658,227)	-	-	(4,523,921)	(110,652,911)	65,271,615	(45,381,296)
Other income from operating activities	11,618,186	17,658,056	793,875	-	-	234,132	30,304,249	(26,663,743)	3,640,506
Other expenses from operating activities (-)	(8,403,860)	(14,418,164)	(350,039)	-	-	(240,984)	(23,413,047)	12,966,853	(10,446,194)
Operational (loss)/ income	5,276,586	229,748,515	812,389		3,806,153	(16,598,037)	223,045,606	(15,133,275)	207,912,331
Depreciation, amortisation and impairment (-)	171,317,832	238,051,538	55,778,996	-	-	10,773,017	475,921,383	-	475,921,383
Earnings before interest, tax, depreciation and amortisation (Ebitda) (*)	176,594,418	467,800,053	56,591,385	-	3,806,153	(5,825,020)	698,966,989	(15,133,275)	683,833,714

(*) Operating profit is reached by adding depreciation expenses.

The Group management focuses on operating profit before financial income/expense in segment reporting, therefore the Group does not allocate financial income and expenses on a segment basis.

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL as at 31 December 2024 unless otherwise stated.)

5. CASH AND CASH EQUIVALENTS

	31 December 2024	31 December 2023
Cash on hand	12,333	16,051
Cash at banks	232,561,870	534,248,104
Demand deposits	21,020,524	3,896,563
Time deposits	211,541,346	530,351,541
Other cash equivalents	143,641,324	-
	376,215,527	534,264,155

As of 31 December 2024, the average effective interest rate applied to time deposits of the Group is 0.51% (31 December 2023: 3.08%) for USD time deposits and 44.31% for TL time deposits. (31 December 2023: There are no TL time deposits). As of 31 December 2024, the remaining period to maturity of time deposits is less than 3 months (31 December 2023: less than 3 months).

	31 December 2024	31 December 2023
Cash and cash equivalent	376,215,527	534,264,155
Blocked deposits (*)	-	272,493,426
Interest accruals (-)	(925,218)	(1,946,629)
	375,290,309	804,810,952

The nature and level of risks related to cash and cash equivalents are disclosed in Note 30.

(*) There are no blocked deposits as of 31 December 2024 (31 December 2023: TL 272,493,426).

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL as at 31 December 2024 unless otherwise stated.)

6. RELATED PARTY DISCLOSURES

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated during consolidation and are therefore not disclosed in this note.

Payables to shareholders consist of amounts expected to be collected by the shareholders in relation to the 2022 profit distribution.

Details of transactions between the Group and other related parties are disclosed below.

	31 December 2024	31 December 2023
	Payables	Payables
	Short-Term	Short-Term
Balances with related parties	Other	Other
Payables to shareholders		(36,208)
	-	(36,208)

	1 January-31 December 2024	1 January-31 December 2023
Balances with related parties	Rent income	Rent income
Tasfiye Halinde Antalya Enerji Üretim A.Ş	-	20,279
	-	20,279

Compensation to key management:

Key management of the Group consists of members of Board of Directors and members of Executive Board. Benefits provided to key management includes salary, bonus, health insurance and transportation. Benefits provided to key management during the period are as follows:

	1 January-31 December 2024	1 January-31 December 2023
Salaries and other short-term benefits	15,356,373	6,799,770
	15,356,373	6,799,770

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL as at 31 December 2024 unless otherwise stated.)

7. TRADE RECEIVABLES AND PAYABLES

a) Trade Receivables:

As of the reporting date, details of the Group's trade receivables are as follows:

Short-term trade receivables	31 December 2024	31 December 2023
Trade receivables	14,006,769	2,313,990
Provision for doubtful trade receivable (-)	(306,691)	(442,797)
	13,700,078	1,871,193

As of 31 December 2024, and 2023, the maturities of trade receivables are less than three months and are classified as short-term trade receivables.

The movement of provision for doubtful trade receivables is as follows:

Provision for doubful trade receivables	2024	2023
Opening balance as of 1 January	442,797	1,991,829
Provisions reversed (Note 22)	-	(766,036)
Monetary gain	(136,106)	(782,996)
Closing balance as of 31 December	306,691	442,797

The Group's past experience in collecting accounts receivable has been taken into consideration in the allowance for doubtful accounts. The Group considers that there is no additional trade receivable risk other than the provision for possible collection losses. The Group's past experience and estimates for the future are taken into consideration in determining the allowance for doubtful receivables. The Group has no receivables that are past due but not considered doubtful.

b) Trade Payables

As of the reporting date, details of the Group's trade payables are as follows:

Short-term trade payables	31 December 2024	31 December 2023
Other payables (*)	42,187,739	87,013,040
Trade payables	37,451,863	63,302,380
	79,639,602	150,315,420

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL as at 31 December 2024 unless otherwise stated.)

7. TRADE RECEIVABLES AND PAYABLES (continued)

b) Trade Payables (continued):

Long-term trade payables	31 December 2024	31 December 2023
Other payables (*)	224,806,517	267,851,478
	224,806,517	267,851,478

As of 31 December 2024 and 2023, the average maturity of trade payables to suppliers is less than 3 months (31 December 2023: less than 3 months) and trade payables to DSI (State Hydraulic Works) presented under other payables are paid in one instalment per year.

(*) The Group has signed an agreement with DSİ General Directorate of State Hydraulic Works, Department of Survey and Planning on 3 April 2003 regarding the right to use water for Akçay HEPP Project. In accordance with the agreement, liabilities are calculated by indexing with PPI and payments are made in equal instalments. The first instalment of the said obligation was paid in 2016, but lawsuits were filed by Akçay HEPP for the cancellation of the calculation method of the joint facility participation fee and the instalments paid, and DSI initiated a debt follow-up with the lawsuit filed before the Ankara 36th Civil Court of First Instance in 2022. These mutual lawsuits were terminated with the approval of the Settlement Protocol signed on 28 July 2023 by the Presidency of the Republic of Türkiye with the Decree No. 7657 dated 2 October 2023. Within the framework of the signed Settlement Protocol, the participation share amounts to be paid by Akçay HEPP have been restructured to be paid annually until 31 October 2027 and 31 October 2030. Payables within this scope are reported under short-term trade payables to third parties amounting to TL 42,187,739 and long-term trade payables to third parties amounting to TL 224,806,517 in the Group's consolidated statement of financial position as of 31 December 2024 (31 December 2023: TL 87,013,040 short term, TL 267,851,478 long term). Rediscount interest income amounting to TL 30,587,150 (2023: TL 278,273,045) has been calculated for the fixed payments and variable payments of the debts within the scope of the mentioned restructuring and the related amount is presented in finance income (Note 25).

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL as at 31 December 2024 unless otherwise stated.)

8. OTHER RECEIVABLES AND PAYABLES

a) Other Receivables

Other Short-term Receivables	31 December 2024	31 December 2023
Other receivables	1,405,783	275,111
	1,405,783	275,111

Other Long-term Receivables	31 December 2024	31 December 2023
Deposits and guarantees given	603,351	3,500,833
	603,351	3,500,833

b) Other Payables

Other Short-term Payables	31 December 2024	31 December 2023
Other payables to third parties	577,493	275,111
Other payables to related parties (Note 6)	-	36,208
	577,493	311,319

9. INVENTORIES

	31 December 2024	31 December 2023
Spare parts	16,247,431	11,966,908
	16,247,431	11,966,908

10. PREPAID EXPENSES

Short-term Prepaid Expenses	31 December 2024	31 December 2023
Prepaid expenses	86,427,225	47,397,731
Order advances given	3,892,342	2,349,792
	90,319,567	49,747,523

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL as at 31 December 2024 unless otherwise stated.)

10. PREPAID EXPENSES (continued)

Long-term Prepaid Expenses	31 December 2024	31 December 2023
Advances given for fixed assets	297,254,544	68,095,266
Prepaid expenses	427,695	-
	297,682,239	68,095,266

11. INVESTMENT PROPERTIES

	Lands	Buildings	Total
Cost Value			
Opening balance as of 1 January 2024	176,430,858	20,790,543	197,221,401
Impairment (Note 23)	(25,650,858)	(3,720,543)	(29,371,401)
Closing balance as of 31 December 2024	150,780,000	17,070,000	167,850,000

	Lands	Buildings	Total
Cost Value			
Opening balance as of 1 January 2023	124,206,084	17,723,324	141,929,408
Appreciation (Note 23)	52,224,774	3,067,220	55,291,994
Closing balance as of 31 December 2023	176,430,858	20,790,544	197,221,402

Fair value measurements of the Group's investment properties

As of 31 December 2024 and 31 December 2023, the fair value of the Group's investment properties has been determined by Lotus Gayrimenkul Değerleme ve Danışmanlık A.Ş., an independent valuation company. The related valuation company is authorized by CMB and provides real estate valuation services in accordance with the capital market legislation and has sufficient experience and qualifications in the fair value measurement of properties in the relevant regions. The fair value of the owned land and buildings has been determined according to the “Replacement Cost Approach” method.

No different valuation technique has been used in the current period.

In determining the fair value of investment properties, the highest and best value in use is used.

As of 31 December 2024 and 31 December 2023, the fair value hierarchy of the Group's investment properties is Level 2.

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL as at 31 December 2024 unless otherwise stated.)

12. PROPERTY, PLANT AND EQUIPMENT

	Land	Land improvements	Buildings	Plant, machinery and equipment	Vehicles	Furniture and Fixtures	Leasehold improvements	Construction in Progress	Total
Cost Value									
Opening balance as of 1 January 2024	69,574,183	3,178,712,400	1,172,491,958	6,735,257,884	27,939,570	37,448,142	2,415,005,332	9,565,750	13,645,995,220
Additions	-	1,959,580	115,532	16,545,359	2,296,501	2,267,388	291,916	12,874,052	36,350,328
Disposals	-	-	-	-	(703,120)	-	-	-	(703,120)
Additions from acquisition of subsidiary	11,105,611	1,532,239	-	46,979,344	-	381,331	514,171,742	4,189,477	578,359,744
Closing balance as of 31 December 2024	80,679,794	3,182,204,219	1,172,607,490	6,798,782,587	29,532,951	40,096,860	2,929,468,991	26,629,279	14,260,002,171
Accumulated Depreciation									
Opening balance as of 1 January 2024	-	332,921,849	92,870,143	1,585,748,779	23,881,219	29,437,467	265,184,932	-	2,330,044,389
Charge for the period	-	96,035,831	34,393,953	169,545,878	1,886,281	5,567,022	68,551,732	-	375,980,698
Revaluation fund value (decrease)/ increase (Note 19, Note 23) (*)	8,115,898	281,813,381	107,509,451	427,007,557	-	-	126,884,143	-	951,330,429
Disposals	-	-	-	-	(374,997)	-	-	-	(374,997)
Additions from acquisition of subsidiary	-	576,414	-	17,673,193	-	143,453	193,426,635	-	211,819,695
Closing balance as of 31 December 2024	8,115,898	711,347,475	234,773,547	2,199,975,407	25,392,503	35,147,942	654,047,442	-	3,868,800,214
Carrying value as of 31 December 2024	72,563,896	2,470,856,744	937,833,943	4,598,807,180	4,140,448	4,948,918	2,275,421,549	26,629,279	10,391,201,957

"There are mortgages on property, plant and equipment amounting to USD 10,200,009 and TL 245,000,000 (2023: USD 16,977,480) due to bank loans."

(*) As of 31 December 2024, as a result of the valuation studies carried out by a professional independent valuation company, the decrease in the value of these assets amounted to TL 951,330,429 as of 31 December 2024. The decrease in value amounting to TL 287,799,525 is recognized in other comprehensive income and TL 663,530,904 is recognized in income and expenses from investing activities.

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL as at 31 December 2024 unless otherwise stated.)

12. PROPERTY, PLANT AND EQUIPMENT (continued)

	Land	Land improvements	Buildings	Plant, machinery and equipment	Vehicles	Furniture and Fixtures	Leasehold improvements	Construction in Progress	Total
Cost Value									
Opening balance as of 1 January 2023	69,984,653	3,192,396,579	1,170,550,913	6,633,966,259	27,939,570	35,936,777	2,259,081,809	6,095,155	13,395,951,715
Additions	2,042,305	985,253	-	7,250,052	-	1,511,364	781,134	3,470,596	16,040,704
Revaluation fund value (decrease)/ increase (Note 19)	(2,452,775)	(32,364,714)	(4,306,643)	(41,563,451)	-	-	150,053,799	-	69,366,216
Revaluation increase (Not 23)	-	17,695,282	6,247,688	135,605,024	-	-	5,088,590	-	164,636,584
Closing balance as of 31 December 2023	69,574,183	3,178,712,400	1,172,491,958	6,735,257,884	27,939,570	37,448,142	2,415,005,332	9,565,750	13,645,995,220
Accumulated Depreciation									
Opening balance as of 1 January 2023	-	235,536,205 -	57,227,194 -	1,313,314,686 -	22,006,468 -	27,037,455	201,377,476	-	1,856,499,484
Charge for the period	-	96,954,190 -	35,589,031 -	269,821,827 -	1,874,751 -	2,400,012	59,497,945	-	466,137,756
Revaluation fund (Not 19)	-	431,454 -	53,918 -	2,612,266 -	- -	-	4,309,511	-	7,407,149
Closing balance as of 31 December 2023	-	332,921,849	92,870,143	1,585,748,779	23,881,219	29,437,467	265,184,932	-	2,330,044,389
Carrying value as of 31 December 2023	69,574,183	2,845,790,551	1,079,621,815	5,149,509,105	4,058,351	8,010,675	2,149,820,400	9,565,750	11,315,950,831

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL as at 31 December 2024 unless otherwise stated.)

12. PROPERTY, PLANT AND EQUIPMENT (continued)

There were no borrowing costs capitalized into the cost of property, plant and equipment for the years ended 31 December 2024 and 2023.

As of 31 December 2024 and 2023, guarantees, pledges and mortgages on property, plant and equipment are disclosed in Note 16.

Depreciation expenses amounting to TL 370,413,744 (2023: TL 463,737,744) is included in cost of goods sold and TL 5,567,022 (2023: TL 2,400,012) is included in general administrative expenses.

Fair value measurement of the Group's land, buildings, machinery, plant and equipment and leasehold improvements

The fair value of the land, buildings, machinery, plant and equipment and leasehold improvements owned by the Group at the revaluation date are stated at revalued amounts, being the fair value less accumulated depreciation and accumulated impairment losses. As of 31 December 2024 and 31 December 2023, the fair value of the related assets owned by the Group has been carried out by Lotus Gayrimenkul Değerleme ve Danışmanlık A.Ş., an independent valuation company. The related valuation company is authorized by CMB and provides real estate valuation services in accordance with the capital market legislation. Details of fair value measurements are disclosed in Note 2.

No different valuation technique has been used in the current period.

As of 31 December 2024 and 31 December 2023, the fair values determined by independent professional valuers using other valuation techniques with direct or indirect observable inputs are level 2 for land, land improvements, buildings, plant, machinery and equipment and leasehold improvements are level 3.

13. INTANGIBLE ASSETS

	Rights	Licences (*)	Total
Cost Value			
Opening balance as of 1 January 2024	54,273,729	35,768,390	90,042,119
Additions	179,636	3,778,201	3,957,836
Closing balance as of 31 December 2024	54,453,365	39,546,591	93,999,956
Accumulated Amortization			
Opening balance as of 1 January 2024	15,274,921	28,280,771	43,555,692
Charge for the period	1,587,800	3,997,517	5,585,317
Closing balance as of 31 December 2024	16,862,721	32,278,288	49,141,010
Carrying value as of 31 December 2024	37,590,644	7,268,302	44,858,946

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL as at 31 December 2024 unless otherwise stated.)

13. INTANGIBLE ASSETS (continued)

	Rights	Licences (*)	Total
Cost Value			
Opening balance as of 1 January 2023	54,273,729	30,580,566	84,854,295
Additions	-	5,187,824	5,187,824
Closing balance as of 31 December 2023	54,273,729	35,768,390	90,042,119
Accumulated Amortization			
Opening balance as of 1 January 2023	13,694,267	25,167,903	38,862,170
Charge for the period	1,580,654	3,112,868	4,693,522
Closing balance as of 31 December 2023	15,274,921	28,280,771	43,555,692
Carrying value as of 31 December 2023	38,998,808	7,487,619	46,486,427

All current and past period amortization expenses are included in cost of sales.

(*) Licenses consist of purchased modules, business development, shift, operations, and activity programs.

14. RIGHT OF USE ASSETS

The Group leases many assets including buildings, plants and vehicles. The average lease term is 7 years for buildings, 3 years for vehicles and 26-35 years for lands (2023: 7 years for buildings, 3 years for vehicles and 26-35 years for lands).

As of 31 December 2024 and 2023, the details of the right of use assets recognized in the consolidated financial statements on the basis of asset groups are as follows:

	Lands	Buildings	Vehicles	Total
Cost Value				
Opening balance as of 1 January 2024	98,980,014	7,450,643	4,830,130	111,260,787
Additions	50,967,438	4,233,685	-	55,201,123
Disposals	-	-	(4,830,130)	(4,830,130)
Closing balance as of 31 December 2024	149,947,452	11,684,328	-	161,631,780
Accumulated Amortization				
Opening balance as of 1 January 2024	8,675,563	2,814,263	3,897,846	15,387,672
Charge for the period	4,270,743	1,774,013	932,284	6,977,040
Disposals	-	-	(4,830,130)	(4,830,130)
Closing balance as of 31 December 2024	12,946,306	4,588,276	-	17,534,582
Carrying value as of 31 December 2024	137,001,146	7,096,052	-	144,097,198

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL as at 31 December 2024 unless otherwise stated.)

14. RIGHT OF USE ASSETS (continued)

	Lands	Buildings	Vehicles	Total
Cost Value				
Opening balance as of 1 January 2023	74,479,761	5,259,597	4,830,130	84,569,488
Additions	24,500,253	2,191,046	-	26,691,299
Closing balance as of 31 December 2023	98,980,014	7,450,643	4,830,130	111,260,787
Accumulated Amortization				
Opening balance as of 1 January 2023	6,176,384	1,886,987	2,234,198	10,297,569
Charge for the period	2,499,179	927,276	1,663,648	5,090,103
Closing balance as of 31 December 2023	8,675,563	2,814,263	3,897,846	15,387,672
Carrying value as of 31 December 2023	90,304,451	4,636,380	932,284	95,873,115

Depreciation expenses amounting to TL 6,977,040 (2023: TL 5,090,103) are included in the cost of goods sold or services provided.

Recognized in profit or loss	1 January - 31 December 2024	1 January - 31 December 2023
Amortization of leased assets	(6,977,040)	(5,090,103)
Interest expenses from lease transactions (Note 25)	(9,110,888)	(3,356,831)

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL as at 31 December 2024 unless otherwise stated.)

15. PROVISIONS

Shot-term provision	31 December 2024	31 December 2023
Litigation provision (*)	1,493,269	1,583,507
	1,493,269	1,583,507

(*) There are various lawsuits filed in favor of or against the Group and currently pending. At the end of each period, the Group management evaluates the possible results and financial effects of the related lawsuits and, as a result of this evaluation, allocates necessary provisions against possible gains and liabilities. As of 31 December 2024 and 2023, provisions for litigation consist of labour lawsuits.

	2024	2023
Movement of provision for litigation		
Opening balance as of 1 January	1,583,507	2,454,139
Provision during the period (Note 22)	300,621	94,100
Monetary gain	(390,859)	(964,733)
Provision as of 31 December	1,493,269	1,583,507

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL as at 31 December 2024 unless otherwise stated.)

16. COMMITMENTS

Guarantee-Pledge-Mortgage ("GPM")

As of 31 December 2024 and 31 December 2023, the tables regarding the Group's guarantees/ pledge/ mortgage ("GPM") position are as follows:

Guarantee/pledge/mortgage given by the company

31 December 2024	TL Equivalent	US Dollar	Euro	TL
A. Total Amount of GPMs Given on Behalf of Its Own Legal Entity(*)				
-Guarantee	659,239,111	18,712,488	-	123,532
-Pledge	100,000,000	-	-	100,000,000
-Mortgage	-	-	-	
B. Total Amount of GPMs Given in Favor of Partnerships Included in the Scope of Full Consolidation				
-Guarantee	33,350,612	-	10,000	32,983,183
-Pledge	1,032,603,484	-	-	1,032,603,484
-Mortgage	659,115,579	18,712,488	-	-
C. Total amount of GPMs given to secure the debts of other third parties for the purpose of carrying out ordinary commercial activities	-	-	-	-
D. Total Amount of Other Given GPMs	-	-	-	-
Total	2,484,308,786	37,424,976	10,000	1,165,710,199

31 December 2023	TL Equivalent	US Dollar	Euro	TL
A. Total Amount of GPMs Given on Behalf of Its Own Legal Entity(*)				
-Guarantee	721,626,438	16,977,480	-	-
-Pledge	144,379,000	-	-	144,379,000
-Mortgage	-	-	-	-
B. Total Amount of GPMs Given in Favor of Partnerships Included in the Scope of Full Consolidation				
-Guarantee	853,471,458	-	10,000	853,145,719
-Pledge	736,024,588	-	-	736,024,588
-Mortgage	721,586,688	16,977,480	-	-
C. Total amount of GPMs given to secure the debts of other third parties for the purpose of carrying out ordinary commercial activities	-	-	-	-
D. Total Amount of Other Given GPMs	-	-	-	-
Total	3,177,088,172	33,954,960	10,000	1,733,549,307

16. COMMITMENTS (continued)

Guarantee-Pledge-Mortgage ("GPM") (continued)

As of 31 December 2024 and 2023, the ratio of other GPMs given by the Group to equity is 0% since there are no other GPMs.

(*) As of 31 December 2024 and 2023, the total amount of guarantees, pledges and mortgages provided by the Group to the related financial institutions in relation to its open loans is TL 2,450,834,679 and TL 3,045,163,652, respectively.

Egenda has agreed to pledge its assets amounting to TL 1,000,000,000 as collateral for all credit debts that have arisen or will arise in accordance with the loan received for the financing of the Eğlence I&II HEPP, WPP projects, as a commercial enterprise pledge upon the commissioning of the power plant. In case the pledge cannot be obtained, the Bank is authorized to sell the commercial enterprise and its assets for the amount of the pledge. Similarly, Yaylaköy has given a commercial enterprise pledge amounting to TL 119.000.000 to the bank for the project financing of Egenda loans.

For Egenda WPP and Eğlence I-II projects, a share pledge amounting to TL 100,000,000 (31 December 2023: TL 100,000,000) has been established on 100,000,000 shares with a nominal value of TL 1 owned by Enda, Yaylaköy shares are pledged for Egenda loans amounting to TL 10,000,000 (31 December 2023: TL 10,000,000).

The amounts of pledges of commercial enterprises and shares, assignment of receivables and mortgages given as collateral for the loans are shown in the table above.

Letters of guarantee given amounting to TL 9,853,332 (31 December 2023: TL 8,417,306) consist of letters of guarantee given to Türkiye Elektrik İletim A.Ş. (TEİAŞ). In addition, Egenda, Akçay, Tuzla and Yaylaköy Ensat have given letters of guarantee amounting to TL 14,599,408 (31 December 2023: TL 8,874,577) as of 31 December 2024 to the Turkish Energy Market Regulatory Authority. The letter of guarantee amounting to TL 71,878,752 given by Akçay, a subsidiary of the Group, to Ankara 36th Civil Court of First Instance for the lawsuit with DSİ was returned on 11.03.2024 as a result of the termination of the lawsuit within the scope of the settlement protocol dated 28.07.2023 signed with DSİ. The remaining letters of guarantee amounting to TL 9,021,404 (31 December 2023: TL 10,139,252) belong to other institutions.

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL as at 31 December 2024 unless otherwise stated.)

16. COMMITMENTS (continued)

Guarantee-Pledge-Mortgage ("GPM") (continued)

The details of the letters of guarantee received by the Group as of 31 December 2024 and 2023 are as follows:

Letters of guarantee received consist of letters of guarantee received from customers for the sales made in relation to the Group's operations and letters of guarantee received from contractors for the investments made.

	31 December 2024	31 December 2023
Guarantee letters received (Note 16)	149,229,864	131,850,000
	149,229,864	131,850,000

17. EMPLOYEE BENEFITS

Payables related to employee benefits:

	31 December 2024	31 December 2023
Salaries to be paid to personnel	1,307,357	-
Social security premiums to be paid	3,154,107	2,187,507
	4,461,464	2,187,507

Short-term provisions related to employee benefits:

	31 December 2024	31 December 2023
Unused vacation provision	6,474,498	4,051,166
	6,474,498	4,051,166

	2024	2023
Opening balance as of 1 January	4,051,166	3,294,230
Charge for the period	2,756,562	2,051,912
Monetary gain	(333,230)	(1,294,976)
Provision as of 31 December	6,474,498	4,051,166

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL as at 31 December 2024 unless otherwise stated.)

17. EMPLOYEE BENEFITS (continued)

Long-term provisions related to employee benefits:

	31 December 2024	31 December 2023
Provision for employment termination benefits	14,951,042	19,867,878
	14,951,042	19,867,878

Under Turkish Labour Law, 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, who is called up for military service, dies or retires after completing 25 years of service (20 years for women) and reaches the retirement age (58 for women, 60 for men).

As of 31 December 2024, employment termination benefit payable is subject to a monthly ceiling of TL 41,828.42 (31 December 2023: TL 23,489.83).

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. TAS 19 (“Employee Benefits”) stipulates the development of company’s liabilities by using actuarial valuation methods under defined benefit plans. In this direction, actuarial assumptions used in calculation of total liabilities are described as follows.

The principal assumption is that the maximum liability for each year of service will increase parallel with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Consequently, in the accompanying financial statements as of 31 December 2024, the provision has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees. The provisions at the respective balance sheet dates have been calculated with the assumption of 3.48% real discount rate calculated by using 23.7% annual inflation rate and 28% interest rate (31 December 2023: 3.12%). Estimated amount of retirement pay not paid due to voluntary leaves is also taken into consideration as 5.16% for employees with 0-2 years of service, 1% for those with 2-5 years and 0% for those with 5 or more years of service. The maximum amount of TL 46,655.43 effective from 1 January 2025 has been taken into consideration in the calculation of the Group's provision for employment termination benefits (1 January 2024: TL 35,058.58).

The significant estimates used in the calculation of employment termination benefits are discount rate and probability of voluntary retirement:

- In case the discount rate is 1% higher (lower), the employment termination benefit liability will be TL 1,482,192 less (more).
- In case the probability of voluntary retirement is 1% lower (higher) with the other assumptions remaining the same, the severance pay liability would be TL 414,026 more (less).

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL as at 31 December 2024 unless otherwise stated.)

17. EMPLOYEE BENEFITS (continued)

Long-term provisions related to employee benefits (continued)

The movement of the Group's employment termination benefit liability is as follows:

	1 January-31 December 2024	1 January-31 December 2023
Opening balance as of 1 January	19,867,878	17,058,953
Service cost	2,213,737	1,641,322
Interest cost	4,196,157	2,326,791
Employment termination benefits paid	(888,153)	(6,748,248)
Actuarial loss (Note 19)	(8,542,795)	2,731,565
Monetary loss/(gain)	(1,895,782)	2,857,495
Provision as of 31 December	14,951,042	19,867,878

18. OTHER ASSETS AND LIABILITIES

Other Current Assets	31 December 2024	31 December 2023
VAT carried forward	1,668,228	1,206,295
Business Advances	16,167	64,320
Personnel Advances	-	111,265
	1,684,395	1,381,880

Other Current Liabilities	31 December 2024	31 December 2023
Taxes and funds payable	7,680,161	2,873,161
VAT Payable	3,282,700	6,124,833
	10,962,861	8,997,994

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL as at 31 December 2024 unless otherwise stated.)

19. CAPITAL, RESERVES AND OTHER EQUITY ITEMS

a) Capital

The Company's capital structure as of 31 December 2024 and 2023 is as follows:

Shareholders	%	31 December 2024	%	31 December 2023
Margün Enerji Üretim San.ve Tic. A.Ş.	30.39	105,000,000	30.39	105,000,000
Fiba Yenilenebilir Enerji Holding A.Ş.	10.22	35,297,366	10.22	35,297,366
Other(*)	59.39	205,180,120	59.39	205,180,120
Nominal Capital	100.00	345,477,486	100.00	345,477,486
Treasury Shares (-)(**)		(2,668,663)		(2,668,663)
Inflation adjustment		3,440,215,606		3,440,215,606
Adjusted capital		3,783,024,429		3,783,024,429

(*) Other shareholders represent shareholders holding less than 5% of the shares.

(**) Treasury shares consist of the acquisition cost of the Company's own shares repurchased from other shareholders.

The Company has approved the registered capital system in accordance with the Turkish Commercial Code No. 6102 and the provisions of the "Communiqué on the Principles Regarding the Registered Capital System in Non-Public Companies" published by the Ministry of Trade in the Official Gazette dated 19 October 2012 and in accordance with the permission of the Ministry of Customs and Trade dated 5 November 2012 and numbered 6966.

The registered capital ceiling of the Company is TL 600,000,000,000.00 and is divided into 600,000,000,000 shares with a nominal value of TL 1.00 each. The registered capital ceiling was approved as TL 600,000,000 at the Extraordinary General Assembly meeting dated 11 November 2021 and registered on 12 November 2021. The issued capital of the Company is TL 345,477,486 and is divided into a total of 345,477,486 registered shares, 221,896 group (A) shares and 345,255,590 group (B) shares, each with a nominal value of TL 1.00 (One).

With the decision numbered 03 dated 11 February 2021, the issued capital of the Company has been increased from TL 300,000,000 to TL 345,477,486 and the entire increase amount has been met from internal resources (TL 45,477,486 of TL 45,477,486; TL 6,600,000 from share issue premiums, TL 29,413,242 from the exemption of gain on sale of participation shares and TL 9,46,244 from the addition of free reserves to the capital).

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL as at 31 December 2024 unless otherwise stated.)

19. CAPITAL, RESERVES AND OTHER EQUITY ITEMS (continued)

a) Capital (continued)

Shareholders present at the Ordinary and Extraordinary General Assembly meetings have 15 votes for each privileged Group (A) share and 1 vote for each Group (B) share.

The Board of Directors is authorized to increase the issued capital up to the Company's registered capital ceiling by issuing new share certificates whenever it deems necessary in accordance with the provisions of the Turkish Commercial Code and the relevant legislation, to combine share certificates into coupons representing more than one share, and to take decisions on limiting the shareholders' right to acquire new shares, limited to the purpose of public offering. The Board of Directors has the authority to increase the issued capital up to the Company's registered capital ceiling for a period of 5 (five) years; this period started as of the date of registration and will end on 31 December 2025.

The explanation regarding the adjusted equity accounts in accordance with TAS 29 prepared by the Group in accordance with the Capital Markets Bulletin published on 7 March 2024 is as follows:

31 December 2024	**PPI Indexed Legal Records**	**CPI Indexed Legal Records**	**Differences to be Recognized in Retained Earnings**
Share Capital Adjustment Differences	3,411,258,873	3,286,896,942	124,361,931
Reserves	51,351,661	62,672,906	(11,321,245)
Shares Repurchased	(3,985,254)	(2,668,663)	(1,316,591)

b) Restricted Reserves Appropriated from Profit

	31 December 2024	31 December 2023
Legal Reserves	62,672,906	54,565,221
	62,672,906	54,565,221

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 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 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 capital.

As of 31 December 2024, the Group's extraordinary reserves classified in retained earnings is TL 733,580 (31 December 2023: 559,768).

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL as at 31 December 2024 unless otherwise stated.)

19. CAPITAL, RESERVES AND OTHER EQUITY ITEMS (continued)

c) Dividend Distribution and Resources Available for Distribution:

Publicly traded companies distribute dividends in accordance with the CMB's Communiqué on Dividend Distribution numbered II-19.1, which entered into force on 1 February 2014. According to Communiqué Serial: II-19.1 on Dividends, companies distribute their profits within the framework of the dividend distribution policies to be determined by the general assembly and in accordance with the provisions of the relevant legislation. In publicly traded companies, dividends are distributed equally to all existing shares as of the date of distribution, regardless of their date of issue and acquisition. In accordance with the Turkish Commercial Code (TCC), unless the required reserves and the dividend for shareholders as determined in the article of association or in the dividend distribution policy of the company are set aside, no decision may be made to set aside other reserves, to transfer profits to the subsequent year or to distribute dividends to the holders of usufruct right certificates, to the members of the board of directors or to the employees; and no dividend can be distributed to these persons unless the determined dividend for shareholders is paid in cash.

In 2024, the Group paid TL 0.19 dividend per share (TL 68,229,098 total dividend) to shareholders (2023: TL 0,05 per share, total TL 25,730,782).

d) Share Premiums and Treasury Shares

Share premiums in the consolidated financial statements consist of the difference between the issue price and the nominal value of the shares issued in the capital increases after the initial establishment of the Company as a result of the issuance of shares with a price above their nominal value.

In the event that the Company purchases its own shares, the purchase price of these shares is deducted from equity and recognized under "Treasury Shares".

e) Other comprehensive income and expenses not to be reclassified to profit or loss

The Group's accumulated other comprehensive income and expenses that will not be reclassified to profit or loss consisting of property, plant and equipment revaluation reserve and actuarial gains/losses are summarized below:

Property, Plant and Equipment Revaluation Increase Fund

The movement of revaluation increase fund for the periods 1 January 2024 – 31 December 2024 and 1 January 2023 – 31 December 2023 for the parent company and non-controlling interests is as follows:

	2024	2023
Balance as of 1 January	284,647,105	276,029,586
Revaluation increase (Note 12)	(287,799,525)	61,959,055
Deferred tax liability from revaluation increase fund	71,949,881	(35,486,383)
Non-controlling interests	56,205,858	(17,855,153)
Balance as of 31 December	125,003,319	284,647,105

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL as at 31 December 2024 unless otherwise stated.)

19. CAPITAL, RESERVES AND OTHER EQUITY ITEMS (continued)

e) Other comprehensive income and expenses not to be reclassified to profit or loss (continued)

Loss on Remeasurement of Defined Benefit Plans

The movement table for the remeasurement losses on defined benefit plans for the periods between 1 January – 31 December 2024 and 1 January – 31 December 2023, for the parent company and non-controlling interests, is as follows:

	2024	2023
Balance as of 1 January	(5,915,625)	(3,987,733)
Total comprehensive income (Note 17)	8,542,794	(2,731,563)
Taxes on total comprehensive income	(2,135,699)	481,598
Non-controlling interests	(1,973,372)	322,073
Balance as of 31 December	(1,481,902)	(5,915,625)

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL as at 31 December 2024 unless otherwise stated.)

19. CAPITAL, RESERVES AND OTHER EQUITY ITEMS (continued)

f) Other comprehensive income and expenses to be reclassified to profit or loss

Cash Flow Hedge Losses

The movement of cash flow hedge losses for the periods 1 January 2024 - 31 December 2024 and 1 January 2023 - 31 December 2023 for the parent company and non-controlling interests is as follows:

	2024	2023
Balance as of 1 January	(689,046,211)	(686,698,842)
Total comprehensive expense (Note 17)	324,670,067	(9,035,711)
Taxes on total comprehensive income	(81,167,517)	5,886,154
Non-controlling interests	(62,020,099)	802,189
Balance as of 31 December	(507,563,760)	(689,046,211)

A hedge fund arises as a result of the recognition of the changes in the fair value of derivative financial instruments determined to hedge future cash flows from financial risk and are effective, directly in equity. The sum of deferred income/expenses from hedge is recognized in profit/loss when the effect of hedged transaction affects profit/loss.

g) Minority shares

	2024	2023
Opening balance as of 1 January	2,734,659,014	2,751,861,363
Property, plant and equipment revaluation increases	(56,205,858)	17,855,155
Hedge accounting	62,020,099	802,190
Actuarial loss gain	1,973,373	(322,073)
Net (loss)/profit for the period	(224,125,304)	(31,752,545)
Profit distribution	(31,984,599)	(2,180,693)
Other changes	4,133,389	(1,604,383)
Business combinations	83,665,359	-
Closing balance as of 31 December	2,574,135,472	2,734,659,014

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL as at 31 December 2024 unless otherwise stated.)

20. REVENUE AND COST OF SALES

The Group fulfils its performance obligations at a specific point in time by transferring goods and services. This is consistent with the revenue information disclosed for each reportable segment under TFRS 8 (Note 4):

	1 January- 31 December 2024	1 January- 31 December 2023
Revenue	1,229,538,733	1,575,132,922
HPP revenues	*248,287,607*	*304,129,658*
WPP revenues	*787,174,013*	*599,684,124*
SPP revenues	*2,876,058*	-
GPP revenues	*101,494,509*	*90,241,969*
Retail sales revenues	*86,707,207*	*92,155,704*
Other revenues	*2,999,339*	*488,921,467*
	1,229,538,733	1,575,132,922

Details of cost of sales for the years 2024 and 2023 are as follows:

	1 January- 31 December 2024	1 January- 31 December 2023
Depreciation and amortization expenses (Note 12,13,14)	382,976,033	473,521,371
Cost of goods sold	225,573,997	406,561,049
Production system expenses	127,423,276	171,604,810
Personnel expenses	171,889,480	128,654,425
Maintenance expenses	89,649,641	74,607,206
Insurance expenses	30,419,161	34,489,810
General administrative expenses	46,692,014	15,703,892
Rent expenses	7,711,231	9,670,479
Cost of services sold	2,054,661	220,565
	1,084,389,494	1,315,033,607

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL as at 31 December 2024 unless otherwise stated.)

21. GENERAL ADMINISTRATIVE EXPENSES

General Administrative Expenses	1 January-31 December 2024	1 January-31 December 2023
Consulting expenses	23,104,385	13,175,637
Personnel expenses	12,028,794	3,134,533
Rent expenses	6,957,735	1,383,972
Depreciation and amortization expenses (Note 12,13,14)	5,567,022	2,400,012
Taxes and duties	5,391,012	1,475,033
Attorney, notary, enforcement and litigation expenses	4,294,772	3,398,452
Donations and grants	1,021,523	1,895,415
Communication expenses	451,328	316,130
Representation and hospitality expenses	210,122	452,785
Insurance expenses	192,030	1,832,734
Advertising expenses	147,821	4,532,403
Office expenses	129,273	711,847
Other expenses	8,155,520	10,672,343
	67,651,336	45,381,296

22. OTHER OPERATING INCOME AND EXPENSES

Details of other operating income for the years ended 31 December 2024 and 2023 are as follows:

	1 January-31 December 2024	1 January-31 December 2023
Foreign exchange income from operating activities	740,315	-
Provisions reversed (Note 7,15)	-	1,029,788
Insurance and other income	6,230,559	2,610,718
	6,970,874	3,640,506

Details of other operating expenses for the years ended 31 December 2024 and 2023 are as follows:

	1 January-31 December 2024	1 January-31 December 2023
Foreign exchange expense	(5,238,926)	(10,014,352)
Provision expenses (Note 7, 15)	(300,621)	(94,100)
Other expenses	(388,350)	(337,742)
	(5,927,897)	(10,446,194)

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL as at 31 December 2024 unless otherwise stated.)

23. INCOME AND EXPENSES FROM INVESTING ACTIVITIES

Details of income from investing activities for the years ended 31 December 2024 and 2023 are as follows:

	1 January- 31 December 2024	1 January- 31 December 2023
Investment property fair value difference (Note 11)	-	55,291,994
Fixed asset sales income	189,387	-
Gains on revaluation of property, plant and equipment (Note 12)	19,890,975	164,636,584
Interest income from currency hedged deposits	-	176,043,793
	20,080,362	395,972,371

Details of expenses from investing activities for the years ended 31 December 2024 and 2023 are as follows:

	1 January- 31 December 2024	1 January- 31 December 2023
Impairment on fixed assets (Note 12)	(683,421,879)	-
Investment property fair value difference (Note 11)	(29,371,401)	-
	(712,793,280)	-

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL as at 31 December 2024 unless otherwise stated.)

24. EXPENSES BY NATURE

Distribution of cost of goods sold and general administrative expenses by nature for the years ended 31 December 2024 and 2023 are as follows:

	1 January- 31 December 2024	1 January- 31 December 2024
Depreciation and amortization expenses (Note 12,13,14)	388,543,055	475,921,383
Cost of goods sold	225,573,997	406,561,049
Personnel expenses	183,918,274	131,788,958
Production system expenses	127,423,276	171,604,810
Maintenance expenses	89,649,641	74,607,206
Production overheads	46,692,014	15,703,892
Insurance expenses	30,611,191	36,322,544
Consulting expenses	23,104,385	13,175,637
Rent expenses	14,668,966	11,054,451
Taxes and duties	5,391,012	1,475,033
Attorney, notary, enforcement and litigation expenses	4,294,772	3,398,452
Cost of services sold	2,054,661	220,565
Donations and grants	1,021,523	1,895,415
Communication expenses	451,328	316,130
Representation and hospitality expenses	210,122	452,785
Advertising expenses	147,821	4,532,403
Office expenses	129,273	711,847
Other expenses	8,155,520	10,672,343
	1,152,040,830	1,360,414,903

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL as at 31 December 2024 unless otherwise stated.)

25. FINANCE INCOME AND EXPENSES

Details of finance expenses for the years ended 31 December 2024 and 2023 are as follows:

Finance expenses	1 January- 31 December 2024	1 January- 31 December 2023
DSİ interest expense	(194,831,888)	(299,804,637)
Foreign exchange losses	(261,342,025)	(377,335,496)
Interest expense	(54,680,384)	(106,676,925)
Interest expense on lease transactions (Note 14)	(9,110,888)	(3,356,831)
	(519,965,185)	(787,173,889)

Details of finance income for the years ended 31 December 2024 and 2023 are as follows:

Finance income	1 January- 31 December 2024	1 January- 31 December 2023
Foreign exchange gains	141,349,769	435,756,887
Rediscount interest income from trade payables (Note 7)	30,587,150	278,273,045
Interest income	109,189,203	84,739,336
	281,126,122	798,769,268

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL as at 31 December 2024 unless otherwise stated.)

26. INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)

	31 December 2024	31 December 2023
Current corporate tax expense	33,995,131	7,741,997
Less: Prepaid taxes and funds	(19,543,585)	(14,364,879)
	14,451,546	(6,622,882)

Income tax expense for the years ended 31 December 2024 and 2023 is detailed below:

Current tax expense	1 January- 31 December 2024	1 January- 31 December 2023
Current corporate tax expense	(8,733,718)	(9,620,693)
Deferred tax (expense)/ income	(85,036,496)	(509,374,985)
Total	(93,770,214)	(518,995,678)

Corporate Tax

The Group is subject to Turkish corporate taxes. Provision is made in the accompanying financial statements for the estimated charge based on the Group's results for the years and periods. Turkish tax legislation does not permit a parent company and its subsidiary to file a tax return. Therefore, the tax liabilities reflected in these financial statements are calculated separately for all companies included in the scope of consolidation.

Corporate tax is applied on taxable corporate income, which is calculated from the statutory accounting profit by adding back non-deductible expenses, and by deducting dividends received from resident companies, other exempt income and other incentives (prior year's losses if any and investment incentives used if preferred) utilized.

The corporate income tax rate in Turkey for the year 2024 is 25% (2023: 25%).

With the amendment made to the Corporate Tax Law on 15 July 2023, the 50% real estate sales income exemption was abolished. However, this exemption will continue to be applied as 25% for real estates purchased before the date of amendment of the law.

The advance tax paid in a specific year belongs to that year and it is offset against the corporate income tax calculated on the corporate income tax return submitted in the following year. If there is still surplus advance tax due after the offsetting, this amount can be refunded in cash, or it can be offset against another financial debt to the government.

26. INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (continued)

Corporate Income Tax (continued)

In Türkiye, there is no procedure to agree on the filed tax returns with the tax authorities. Companies file their tax returns by the 30th day of the fourth month following the fiscal year-end. However, tax returns are open for five years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based and may issue re-assessments based on their findings.

In accordance with the Law numbered 7440 “Law on Restructuring of Certain Receivables and Amendment of Certain Laws” published in the Official Gazette on 12 March 2023, additional tax at the rate of 10% on the exemption and discount amounts deducted from corporate income in accordance with the regulations in the laws and the bases subject to discounted corporate tax, without being associated with the period earnings, and 5% on exempt earnings, by showing in the corporate tax declaration for the year 2022.

In accordance with the Provisional Article 33 added to the Tax Procedure Law with the Article 1 of the Law No: 7352 on the Amendment of the Tax Procedure Law and Corporate Tax Law published in the Official Gazette No: 31734 dated 29 January 2022, the financial statements as at 31 December 2024 prepared in accordance with the tax legislation should be subject to inflation adjustment. The application has been implemented in the financial statements dated 31 December 2024 and the profit / loss difference arising from the inflation adjustment will be shown in the retained earnings / loss account and is not subject to tax.

There is no procedure for a final and definitive agreement on tax assessments in Türkiye. Companies file their tax returns between 1-25 April following the close of the accounting year to which they relate. Tax authorities may, however, examine such returns and the underlying accounting records and may revise assessments within five years.

Deferred Tax:

The Group recognizes deferred tax assets and liabilities on the temporary timing differences between the legal books and the financial statements prepared in accordance with TFRS. Such differences generally arise from timing differences of some revenue and expense balances in legal books and financial statements prepared in accordance with TFRS and are explained below.

The tax rate used in the calculation of deferred tax assets and liabilities is 25% (31 December 2023: 25%).

In Türkiye, the companies cannot declare a consolidated tax return, therefore subsidiaries that have deferred tax assets position were not netted off against subsidiaries that have deferred tax liabilities position and disclosed separately.

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL as at 31 December 2024 unless otherwise stated.)

26. INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (continued)

Deferred Tax (continued):

	31 December 2024	31 December 2023
Deferred tax assets	109,668,463	22,184,644
Deferred tax liabilities	1,189,795,508	1,207,951,598
Net deferred tax liabilities	(1,080,127,045)	(1,185,766,954)

The movements of deferred tax assets and liabilities for the periods ended 31 December 2024 and 2023 are as follows:

Movement of deferred tax asset/ (liabilities):	1 January- 31 December 2024	1 January- 31 December 2023
Opening balance as of 1 January	(1,185,766,954)	(684,172,795)
Recognized in the statement of profit or loss	(85,036,496)	(509,374,985)
Recognized in equity	(11,353,334)	(29,118,630)
Business Combinations	94,716,936	-
Monetary gain	107,312,803	36,899,456
Closing balance as of 31 December	(1,080,127,045)	(1,185,766,954)

As of 31 December 2024 and 2023, deferred tax assets and liabilities subject to deferred tax are as follows:

	Deferred tax (asset)/ liabilities	
	31 December 2024	31 December 2023
Net difference between the carrying amounts of property, plant and equipment and intangible assets and their tax bases	1,223,274,535	1,285,821,490
Adjustments related to employee benefits	(2,658,918)	(5,920,803)
Previous year losses on which deferred tax assets are calculated	(148,934,980)	(141,143,217)
Adjustments related to trade payables	9,122,530	55,295,783
Other	(676,122)	(8,286,299)
	1,080,127,045	1,185,766,954

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL as at 31 December 2024 unless otherwise stated.)

26. INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (continued)

Deferred Tax (continued:

Losses can be carried forward for a maximum of 5 years to be deducted from future taxable profits. However, losses incurred cannot be deducted retrospectively from the profits of previous years.

As a result of the assessments, deferred tax assets amounting to TL 148,934,980 (31 December 2023: TL 141,143,217) have been recognized for the unused tax losses of the Group amounting to TL 595,739,921 (31 December 2023: TL 564,572,868) as of 31 December 2024. However, deferred tax asset provision amounting to TL 4,190,422 (31 December 2023: TL 5,700,169) has been included in the consolidated financial statements since it is considered that carry forward tax losses amounting to TL 16,761,689 (31 December 2023: TL 22,800,667) will not be utilized. In the event that profit expectations are not realized, such deferred tax assets will be recognized as expense in the consolidated statement of profit or loss.

As of 31 December 2024 and 2023, the Group's tax losses for which deferred tax assets are calculated and their effective dates are as follows:

Effective date	31 December 2024	31 December 2023
2026	72,589,627	104,804,012
2027	77,992,829	77,810,115
2028	264,617,411	381,958,741
2029	180,540,054	-
	595,739,921	564,572,868

As of 31 December 2024 and 2023, the Group's tax losses over which deferred tax assets are not calculated and their effective dates are as follows:

Effective date	31 December 2024	31 December 2023
2025	13,736,829	19,833,065
2026	630,817	910,766
2027	573,106	827,443
2028	851,512	1,229,403
2029	969,425	-
	16,761,689	22,800,677

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL as at 31 December 2024 unless otherwise stated.)

26. INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (continued)

Deferred Tax (continued):

The reconciliation of period tax expense to period profit is as follows:

Reconciliation of tax provision	1 January- 31 December 2024	1 January- 31 December 2023
Loss/(profit) before tax	(840,722,515)	579,469,258
Income tax rate	25%	25%
Tax calculated using effective tax rate	210,180,629	(144,867,314)
Effect of statutory book revaluation (*)	-	(169,342,190)
Discounts and exclusions	19,598,041	31,507,213
Losses on which deferred tax assets are created	7,791,763	26,522,033
Non-allowable expenses	(10,123,277)	(10,986,186)
Monetary gain, tax rate change and other	(321,217,370)	(251,829,234)
Total tax (expense)/ income	(93,770,214)	(518,995,678)

(*) It consists of the deferred tax effect of temporary differences arising as a result of the adjustments made within the scope of Provisional Article 32 and repeated Article 298/Ç of the Tax Procedure Law and the "Procedures and Principles Regarding the Revaluation of Immovables and Other Economic Assets Subject to Depreciation".

27. EARNINGS / (LOSS) PER SHARE

Earnings per share is calculated by dividing the net consolidated profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding. Companies in Turkey can increase their capital through "bonus shares" that they distribute to their shareholders from retained earnings. Such "bonus share" distributions are treated as issued shares in earnings per share calculations. Accordingly, the weighted average number of shares used in these calculations has been calculated by taking into account the retrospective effects of the aforementioned share distributions.

	1 January- 31 December 2024	1 January- 31 December 2023
Average number of shares during the period (full value)	345,477,486	345,477,486
Net period (loss)/profit attributable to parent company shares	(710,367,425)	92,226,124
(Loss)/earnings per share attributable to equity holders of the parent company	(2.0562)	0.2670

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL as at 31 December 2024 unless otherwise stated.)

28. FINANCIAL INSTRUMENTS

a) Financial Borrowings

As of 31 December 2024 and 31 December 2023, the details of the Group's financial borrowings are as follows:

Financial Borrowings	31 December 2024	31 December 2023
a) Bank Loans	359,559,772	723,057,607
b) Lease Liabilities	70,425,163	45,765,980
c) Financial Leasing	140,402,412	-
	570,387,347	768,823,587

The fair value of long-term borrowings is based on cash flows discounted at the borrowing rates prevailing at the reporting date. Since the effect of discounting is not material, the carrying value and fair value of short-term borrowings are considered to be equal.

As of 31 December 2024 and 2023, the movement of bank loans during the period is as follows:

Movements of Financial Borrowings	1 January- 31 December 2024	1 January- 31 December 2023
Opening balance as of 1 January	723,057,607	1,331,037,733
Cash outflows related to loan repayments	(262,209,207)	(441,554,874)
Foreign exchange differences	283,320,239	356,788,724
Amount hedged against cash flow risk	(181,482,451)	9,035,710
Monetary gain	(203,126,416)	(532,249,686)
Closing balance 31 December	359,559,772	723,057,607

As of 31 December 2024 and 2023, the movement of liabilities from lease transactions during the period is as follows:

Movements of lease liabilities	1 January- 31 December 2024	1 January- 31 December 2023
Opening balance as of 1 January	45,765,980	37,735,963
Cash inflows (outflows) related to lease liabilities, net	10,907,778	10,328,159
Interest change	-	123,159
Monetary (gain)/ loss	13,751,405	(2,421,301)
Closing balance 31 December	70,425,163	45,765,980

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL as at 31 December 2024 unless otherwise stated.)

28. FINANCIAL INSTRUMENTS

a) Financial Borrowings (continued)

The maturity-based details of the Group's financial borrowings as of 31 December 2024 and 31 December 2023 are as follows:

	31 December 2024		31 December 2023	
	Less than 1 year	More than 1 year	Less than 1 year	More than 1 year
Bank Loans	239,959,197	119,600,575	290,106,279	432,951,328
Lease Liabilities	1,643,447	68,781,716	1,323,197	44,442,783
Financial Leasing	47,907,715	92,494,697	0	0
	289,510,359	280,876,988	291,429,476	477,394,111

The maturity of bank loans is as follows:

	31 December 2024	31 December 2023
To be paid within 1 year	239,959,197	290,106,279
To be paid between 1-2 years	119,600,575	288,634,217
To be paid between 2-3 years	-	144,317,111
	359,559,772	723,057,607

The original currency details of the Group's bank loans as of 31 December 2024 and 31 December 2023 are as follows:

		31 December 2024	
Currency Type	Weighted average effective interest rate	Current	Non-current
US Dollar	%Libor + 4.35	6,812,513	3,395,496
		6,812,513	3,395,496

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL as at 31 December 2024 unless otherwise stated.)

28. FINANCIAL INSTRUMENTS

a) Financial Borrowings (continued)

Currency Type	Weighted average effective interest rate	31 December 2023 Current	31 December 2023 Non-current
US Dollar	%Libor + 4.35	7,610,739	10,186,488
		7,610,739	10,186,488

As of 31 December 2024 and 2023, the details of the Group's bank borrowings with floating and fixed interest rates are as follows.

	31 December 2024	31 December 2023
Floating rate bank loans	359,559,772	723,057,607
Fixed rate bank loans	210,827,575	45,765,980
	570,387,347	768,823,587

The details of financial lease payables are as follows:

	Minimum rental payments		Current value of minimum rental payments	
Financial lease liabilities	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Financial lease liabilities	(152,719,131)	-	(140,402,411)	-
Within 1 year	(54,848,858)	-	(47,907,714)	-
2-5 years	(97,870,273)	-	(92,494,697)	-
Less: prepaid financial expenses	12,316,719	-	-	-
Current value of lease libilities	(140,402,412)	-	(140,402,411)	-
Less: Liabilities to be paid within 12 months				
Less: Liabilities to be paid within 12 months (presented in short-term payables)			47,907,714	-
Liabilities to be paid after 12 months			(92,494,697)	-

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL as at 31 December 2024 unless otherwise stated.)

28. FINANCIAL INSTRUMENTS (continued)

b) Financial Investments

As of 31 December 2024 and 2023, the details of the Group's financial assets at fair value through profit or loss are as follows.

	Short term		Long term	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Short-term financial investments				
Restricted bank balances (Note 5)	-	272,493,426	-	-
	-	272,493,426	-	-
Financial assets at fair value through the profit and loss				
Currency protected term deposits	-	214,773,028	-	-
Investment fund	-	12,028,571	-	-
Shares not traded on the stock exchange	-	-	4,708,077	4,708,077
	-	226,801,599	4,708,077	4,708,077
Total financial investments	-	499,295,025	4,708,077	4,708,077

29. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

a) Capital risk management

The Group manages its capital to ensure the Group's ability to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group's capital structure consists of liabilities, including loans disclosed in Note 28, and equity items, including cash and cash equivalents, issued capital, reserves and retained earnings, respectively.

In line with other companies in the sector, the Group monitors capital using the leverage ratio. This ratio is calculated by dividing net debt by total capital. Net debt is calculated as total borrowings less cash and cash equivalents and short-term financial investments. Total capital is calculated by adding “equity” item in the consolidated statement of financial position and net debt.

As of 31 December 2024 and 2023, the debt to equity ratio calculated by dividing net debt, which is calculated by deducting cash and cash equivalents and short-term financial investments from financial liabilities, by total capital is as follows:

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL as at 31 December 2024 unless otherwise stated.)

29. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

a) Capital risk management (continued)

	31 December 2024	31 December 2023
Trade payables to related and third parties	304,446,119	418,166,898
Total financial liabilities (Note 28)	570,387,347	768,823,587
Total liabilities	874,833,466	1,186,990,485
Financial Borrowings	570,387,347	768,823,587
Less: Cash and cash equivalent (Not 5)	(376,215,527)	(1,033,559,180)
Net debt	194,171,820	(264,735,593)
Total equity	9,542,241,865	10,427,238,262
Net debt/total capital ratio	2.0%	-2.5%

b) Financial risk factors

The Group’s activities expose it to 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 Group’s financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

The Group's risk management program focuses on the unpredictability of financial markets and aims to minimize the potential adverse effects on the Group's financial performance.

29. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

b) Financial risk factors (continued)

b.1) Credit risk management

Credit risk consists of cash and cash equivalents, bank deposits and customers exposed to credit risk due to uncollectible receivables. Credit risk refers to the risk that counterparty will default on its contractual obligations. The Group's Management mitigates such risk by putting limitations on the contracts with counterparties and obtaining sufficient collaterals, where appropriate. The Group uses internal credit control procedures, credit rating system and internal control policy to manage the credit risk of receivables from customers. According to these procedures, the Group approves, increases or decreases customer credit limits for customers with large balances (excluding related parties) on an individual basis. Credit limits are established by taking into consideration the customers' past payment performance, financial strength, the status of their business relationships, business growth potential and management understanding. These limits are reviewed every year, and receivables are secured by using bank guarantees, mortgages and other collaterals for customers who are considered to have high risk.

Overview of credit risk exposure

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. As at 31 December 2024, the Group's maximum exposure to credit risk due to failure to discharge an obligation by the counterparties arises from:

- Carrying values of financial assets in the statement of financial position.

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

Category	Description	Expected credit loss calculation method
Collectible	The counterparty has a low risk of default and does not have any overdue balances.	12-month expected credit loss
Doubtful collection	There are amounts past due more than 30 days or there has been a significant increase in credit risk since the date of initial recording.	Lifetime expected credit loss – loan unimpaired

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL as at 31 December 2024 unless otherwise stated.)

29. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

b) Financial risk factors (continued)

b.1) Credit risk management (continued)

Details of credit risk by class of financial instruments	**Receivables**				
	Trade Receivables		**Other Receivables**		
31 December 2024	**Related Party**	**Other**	**Related Party**	**Other**	**Deposits at Banks (***)**
Maximum credit risk exposed as of balance sheet date (A+B+C+D) (*)	-	13,700,078	-	2,009,134	376,203,194
- Secured portion of the maximum credit risk by guarantees, etc.	-	-	-	-	-
A. Net book value of financial assets that are neither past due nor impaired	-	13,700,078	-	2,009,134	376,203,194
B. Net book value of financial assets that are past due but not impaired	-	-	-	-	-
C. Net book value of the impaired assets	-	-	-	-	-
- Past due (gross amount)	-	-	-	-	-
- Impairment (-)	-	306,691	-	-	-
- The part of the net value that is secured by collateral, etc.	-	(306,691)	-	-	-
- Past due (gross amount)	-	-	-	-	-
- Impairment (-)	-	-	-	-	-
- The part of the net value that is secured by collateral, etc.	-	-	-	-	-
D. Off-balance sheet items that include credit risk	-	-	-	-	-

(*) In determining the amount, factors that increase credit reliability, such as guarantees received, are not taken into consideration.
(**) Guarantees consist of guarantee notes, guarantee cheques and mortgages received from customers.
(***) The related amount includes bank deposits and fund balances.

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL as at 31 December 2024 unless otherwise stated.)

29. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

b) Financial risk factors (continued)

b.1) Credit risk management (continued)

Details of credit risk by class of financial instruments	Receivables				
	Trade Receivables		Other Receivables		
31 December 2023	**Related Party**	**Other**	**Related Party**	**Other**	**Deposits at Banks (***)**
Maximum credit risk exposed as of balance sheet date (A+B+C+D) (*)	-	1,871,193	-	3,510,388	1,033,543,129
- Secured portion of the maximum credit risk by guarantees, etc.	-	-	-	-	-
A. Net book value of financial assets that are neither past due nor impaired	-	1,871,193	-	3,510,388	1,033,543,129
B. Net book value of financial assets that are past due but not impaired	-	-	-	-	-
C. Net book value of the impaired assets	-	-	-	-	-
- Past due (gross amount)	-	-	-	-	-
- Impairment (-)	-	442,797	-	-	-
- The part of the net value that is secured by collateral, etc.	-	(442,797)	-	-	-
- Past due (gross amount)	-	-	-	-	-
- Impairment (-)	-	-	-	-	-
- The part of the net value that is secured by collateral, etc.	-	-	-	-	-
D. Off-balance sheet items that include credit risk	-	-	-	-	-

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

(**) Guarantees consist of guarantee notes, guarantee cheques and mortgages received from customers.

(***) The related amount includes bank deposits and fund balances.

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL as at 31 December 2024 unless otherwise stated.)

29. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

b) Financial risk factors (continued)

b.2) Liquidity risk management

Prudent liquidity risk management consists of maintaining sufficient cash and marketable securities, enabling funding through adequate credit facilities and the ability to close out open positions. Due to the dynamic nature of the business environment, the Group aimed for flexibility in funding by keeping credit lines available.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities and its derivative financial liabilities. The tables below have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

Liquidity risk table:

Since the Group takes into account the expected maturities of the relevant liabilities in its liquidity management, the Group also includes the distribution of cash flows arising from non-derivative financial liabilities according to the maturities in accordance with the contract:

31 December 2024

31 December 2024

Contractual maturities	Book Value	Total contractual cash outflows (I+II+III+IV)	Less than 3 months (I)	3-12 months (II)	1-5 years (III)	More than 5 years (IV)
Non-derivative financial liabilities						
Bank loans	359,559,772	384,472,213	260,727,155	-	123,745,058	-
Lease liabilities	70,425,163	110,714,252	809,833	5,844,493	24,738,081	79,321,845
Financial leasing	140,402,412	140,402,412	13,712,214	34,195,501	92,494,697	-
Trade payables	304,446,119	335,033,269	71,270,029	43,960,540	219,802,700	-
Other payables	577,493	577,493	577,493	-	-	-
Payables to employee benefits	4,461,464	4,461,464	4,461,464	-	-	-
Total liability	879,872,423	975,661,103	351,558,189	84,000,534	460,780,536	79,321,845

31 December 2023

31 December 2023

Contractual maturities	Book Value	Total contractual cash outflows (I+II+III+IV)	Less than 3 months (I)	3-12 months (II)	1-5 years (III)	More than 5 years (IV)
Non-derivative financial liabilities						
Bank loans	723,057,607	551,857,498	-	231,164,819	320,692,679	-
Lease liabilities	45,765,980	104,871,556	669,236	4,703,573	21,671,575	77,827,172
Trade payables	418,166,898	572,503,202	-	164,455,289	408,047,913	-
Other payables	311,319	311,319	311,319	-	-	-
Payables to employee benefits	2,187,507	2,187,507	2,187,507	-	-	-
Total liability	1,189,489,311	1,231,731,082	3,168,062.00	400,323,681	750,412,167	77,827,172

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL as at 31 December 2024 unless otherwise stated.)

29. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

b) Financial risk factors (continued)

b.3) Market risk management

b.3.1) Foreign currency risk management

The Group is exposed to exchange rate risk arising from exchange rate changes due to the translation of foreign currency denominated debts or creditors into Turkish Lira. Assets and liabilities denominated in foreign currencies together with purchase and sale commitments expose the Group to foreign currency risk. The foreign currency risk is followed by analyzing the foreign exchange position.

	31 December 2024		
Net foreign currency position	**TL Equivalent (Functional currency)**	**US Dollar**	**Euro**
1. Trade Receivables	-	-	-
2a. Monetary Financial Assets	159,499,768	4,318,204	201,355
2b. Non-Monetary Financial Assets	-	-	-
3. Other	-	-	-
4. CURRENT ASSETS	159,499,768	4,318,204	201,355
5. Trade Receivables	-	-	-
6a. Monetary Financial Assets	-	-	-
6b. Non-Monetary Financial Assets	-	-	-
7. Other	-	-	-
8. NON-CURRENT ASSETS	-	-	-
9. TOTAL ASSETS	159,499,768	4,318,204	201,355
10. Trade Payables	65,201,293	876,172	338,196
11. Financial Liabilities	280,925,766	7,975,566	-
12a. Other Monetary Payables	-	-	-
12b. Other Non-Monetary Payables	-	-	-
13. CURRENT LIABILITIES	346,127,059	8,851,738	338,196
14. Trade Payables	-	-	-
15. Financial Liabilities	219,036,416	6,218,509	-
16a. Other Monetary Payables	65,201,293	876,172	338,196
16b. Other Non-Monetary Payables	-		-
17. NON-CURRENT LIABILITIES	284,237,709	7,094,681	338,196
18. TOTAL LIABILITIES	630,364,768	15,946,419	676,392
19.a Amount of off-balance sheet foreign currency derivative products with asset character	(470,865,000)	(11,628,215)	(475,038)
20. Net foreign currency asset liability position	(470,865,000)	(11,628,215)	(475,038)
21. Monetary items net foreign currency asset/liability position (1+2a+5+6a-10-11-12a-14-15-16a)	(470,865,000)	(11,628,215)	(475,038)
24. Amount of hedged part of foreign currency liabilities	(300,095,235)	(10,194,076)	-

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL as at 31 December 2024 unless otherwise stated.)

29. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

b) Financial risk factors (continued)

b.3) Market risk management (continued)

b.3.1) Foreign currency risk management (continued)

	31 December 2023		
Net foreign currency position	**TL Equivalent (Functional currency)**	**US Dollar**	**Euro**
1. Trade Receivables	-	-	-
2a. Monetary Financial Assets	552,725,445	18,758,985	15,187
2b. Non-Monetary Financial Assets	-	-	-
3. Other	-	-	-
4. CURRENT ASSETS	552,725,445	18,758,985	15,187
5. Trade Receivables	-	-	-
6a. Monetary Financial Assets	-	-	-
6b. Non-Monetary Financial Assets	-	-	-
7. Other	-	-	-
8. NON-CURRENT ASSETS	-	-	-
9. TOTAL ASSETS	552,725,445	18,758,985	15,187
10. Trade Payables	32,981,348	746,132	338,202
11. Financial Liabilities	224,046,457	7,610,739	-
12a. Other Monetary Payables	-	-	-
12b. Other Non-Monetary Payables	190,026	6,455	-
13. CURRENT LIABILITIES	257,217,831	8,363,326	338,202
14. Trade Payables	-	-	-
15. Financial Liabilities	299,871,871	10,186,488	-
16a. Other Monetary Payables	32,981,348	746,132	338,202
16b. Other Non-Monetary Payables	9,874,952	335,447	-
17. NON-CURRENT LIABILITIES	342,728,171	11,268,067	338,202
18. TOTAL LIABILITIES	599,946,002	19,631,394	676,404
19.a Amount of off-balance sheet foreign currency derivative products with asset character	(47,220,557)	(872,409)	(661,217)
19b. Pasif karakterli bilanço dışı döviz cinsinden türev ürünlerin tutarı	-	-	-
20. Net foreign currency asset liability position	(47,220,557)	(872,409)	(661,217)
21. Monetary items net foreign currency asset/liability position (1+2a+5+6a-10-11-12a-14-15-16a)	(47,220,557)	(872,409)	(661,217)
24. Amount of hedged part of foreign currency liabilities	(523,918,328)	(17,797,227)	-

29. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

b) Financial risk factors (continued)

b.3) Market risk management (continued)

b.3.1) Foreign currency risk management (continued)

Foreign currency sensitivity

The Group is exposed to currency risk mainly in terms of US Dollar and Euro.

The following table details the Group's sensitivity to a 20% increase and decrease in US Dollar and Euro against TL. 20% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 20% change in foreign currency rates. A positive value below indicates an increase in profit/loss and other equity items.

	31 December 2024			
	Profit / Loss		Equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
If the US Dollar appreciates by 20% against the TL				
1 -USD net asset / liability	(31,937,203)	31,937,203	(31,937,203)	31,937,203
2- USD risk hedged portion (-)	99,992,436	(99,992,436)	99,992,436	(99,992,436)
3- USD net effect (1 +2)	68,055,233	(68,055,233)	68,055,233	(68,055,233)
If the Euro appreciates by 20% against the TL				
4 -EUR net asset / liability	(10,946,636)	10,946,636	(10,946,636)	10,946,636
5- EUR risk hedged portion (-)	-	-	-	-
6- EUR net effect (4 +5)	(10,946,636)	10,946,636	(10,946,636)	10,946,636
TOTAL (3 + 6)	57,108,597	(57,108,597)	57,108,597	(57,108,597)

	31 December 2023			
	Profit / Loss		Equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
If the US Dollar appreciates by 20% against the TL				
1 -USD net asset / liability	(5,136,429)	5,136,429	(5,136,429)	5,136,429
2- USD risk hedged portion (-)	104,783,669	(104,783,669)	104,783,669	(104,783,669)
3- USD net effect (1 +2)	99,647,240	(99,647,240)	99,647,240	(99,647,240)
If the Euro appreciates by 20% against the TL				
4 -EUR net asset / liability	(4,307,682)	4,307,682	(4,307,682)	4,307,682
5- EUR risk hedged portion (-)	-	-	-	-
6- EUR net effect (4 +5)	(4,307,682)	4,307,682	(4,307,682)	4,307,682
TOTAL (3 + 6)	95,339,558	(95,339,558)	95,339,558	(95,339,558)

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL as at 31 December 2024 unless otherwise stated.)

29. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

b) Financial risk factors (continued)

b.3) Market risk management (continued)

b.3.2) Interest rate risk management

The Group is exposed to interest rate risk through the impact of rate changes on interest bearing assets and liabilities. In order to minimize the interest rate risk, the Group seeks to borrow funds at the most favorable rates. Borrowing can be made at fixed or floating interest rates depending on market conditions and expectations. The Group utilizes its cash and cash equivalents in time deposits, funds and currency hedged deposits.

	31 December 2024	31 December 2023
Fixed Rate Financial Instruments		
Cash and cash equivalents	376,215,527	534,264,155
Lease liabilities	210,827,575	45,765,980
Trade payables	304,446,119	418,166,898
Floating Rate Financial Instruments		
Financial liabilities	359,559,772	723,057,607

The Group has created various scenarios for floating rate bank loans by taking into account the renewal of existing positions, alternative financing and hedging. According to these scenarios, if the annual interest rate on floating rate borrowings had been 100 basis points higher/lower at 31 December 2024 with all other variables held constant, loss before tax for the period would have been higher/lower by approximately TL 76,042 (31 December 2023: TL 6,417,218) as a result of interest expense on floating rate borrowings).

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL as at 31 December 2024 unless otherwise stated.)

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

31 December 2024	Fair value difference through the profit and loss	Financial assets at amortized cost	Financial liabilities at amortized cost	Book value (*)	Note
Financial assets					
Cash and cash equivalents	-	376,215,527	-	376,215,527	5
Financial investments	4,708,077	-	-	4,708,077	28
Trade receivables (included related parties)	-	13,700,078	-	13,700,078	7
Other receivables (included related parties)	-	1,405,783	-	1,405,783	8
Financial liabilities					
Financial liabilities	-	-	570,387,347	570,387,347	28
Trade payables (included related parties)	-	-	304,446,119	304,446,119	7
Other payables (included related parties)	-	-	577,493	577,493	8

31 December 2023	Fair value difference through the profit and loss	Financial assets at amortized cost	Financial liabilities at amortized cost	Book value (*)	Note
Financial assets					
Cash and cash equivalents	-	534,264,155	-	534,264,155	5
Financial investments	504,003,102	-	-	504,003,102	28
Trade receivables (included related parties)	-	1,871,193	-	1,871,193	7
Other receivables (included related parties)	-	9,555	-	9,555	8
Financial liabilities					
Financial liabilities	-	-	768,823,587	768,823,587	28
Trade payables (included related parties)	-	-	418,166,898	418,166,898	7
Other payables (included related parties)	-	-	311,319	311,319	8

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

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL as at 31 December 2024 unless otherwise stated.)

30. FINANCIAL INSTRUMENTS (DISCLOSURES ON FAIR VALUE AND HEDGE ACCOUNTING) (continued)

Fair Value of Financial Instruments

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

- Level 1: the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.
- Level 2: the fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions; and.
- Level 3: The fair value of the financial assets and financial liabilities where there is no observable market data. The fair value of balances denominated in foreign currencies translated at year-end exchange rates is considered to approximate carrying value.

The fair value hierarchy table as at 31 December 2024 is as follows:

Financial assets at fair value carried to the statement of financial position	**Level 1**	**Level 2**	**Level 3**
Short-term financial investments	-	-	-
Long-term financial investments	-	-	4,708,077

The fair value hierarchy table as at 31 December 2023 is as follows:

Financial assets at fair value carried to the statement of financial position	**Level 1**	**Level 2**	**Level 3**
Short-term financial investments	499,295,025	-	-
Long-term financial investments	-	-	4,708,077

31. FEES FOR SERVICES RECEIVED FROM INDEPENDENT AUDIT FIRM

The fees for the services received from the Independent Audit Firm (IAF) for the periods 1 January – 31 December 2024 and 1 January – 31 December 2023 are as follows:

	2024		2023	
	IAF	Total	IAF	Total
Independent audit fee for the reporting period	6,967,243	6,967,243	4,908,878	4,908,878
	6,967,243	6,967,243	4,908,878	4,908,878

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL as at 31 December 2024 unless otherwise stated.)

32. CASH FLOW HEDGE INSTRUMENTS

Cash Flow Hedge Accounting for Highly Probable Forecast Transactions Subject to Currency Risk

There is an effective foreign currency cash flow hedge relationship between USD long term financial borrowings and highly probable USD export sales income. In this content, the Company applied cash flow hedge accounting beginning from 1 January 2021. Foreign exchange gains/(losses) on these loans are recognized in the "Gains/(losses) on cash flow hedges" account under equity until the cash flows of the hedged item are realized. Foreign exchange loss recognized in equity is TL 507,563,761 after tax.

The Group designates the hedging relationship between long-term financial borrowings and highly probable foreign currency sales based on the identified contracts and corporate budget. In this context, repayments of long-term foreign currency financial borrowings that are subject to hedge accounting and determined as hedging instrument are made with foreign currency sales cash flows that will be realized on close dates and determined as hedged item within the scope of hedge accounting.

The Group aims to maintain a 100% hedging ratio and a hedging efficiency between 70% and 130% within the scope of hedge accounting, and as of 31 December 2024, the hedge ratio has been calculated as 100% (31 December 2023: %98.6) and hedging efficiency as 100% (31 December 2023: 100%).

	31 December 2024		31 December 2023	
	Original Amount - US Dollar	Charged to Equity (TL)*	Original Amount - US Dollar	Charged to Equity (TL)*
Hedge amount	10,194,076	681,019,402	17,797,227	640,344,798
Total	10,194,076	681,019,402	17,797,227	640,344,798

(*) As of 1 January 2021, the Group uses investment loans amounting to USD 46,760,100 as a hedging instrument against foreign currency risk arising from USD indexed sales revenues within the scope of YEKDEM with high probability of realization and applies cash flow hedge accounting for YEKDEM sales with high probability of realization as a result of the effectiveness tests performed in this context.

The Group has started to apply hedge accounting as of 1 January 2021, total net foreign exchange gain after tax recognized under equity attributable to equity holders of the parent in the “other comprehensive (income)/expense related to cash flow hedges” account in the statement of comprehensive income for the year ended 31 December 2024 is TL (181,482,450) (31 December 2023: TL 1,628,838).

(Amounts expressed in Turkish Lira (TL) in terms of purchasing power of TL as at 31 December 2024 unless otherwise stated.)

33. MONETARY GAINS/LOSSES

Non-Monetary Items	1 January 31 December 2024
Financial Position Statement Items	(42,387,452)
Property, Plant and Equipment and Intangible Assets	3,492,556,425
Right-of-Use Assets	29,469,229
Investment Properties	60,621,402
Deferred Tax Liability	(371,297,022)
Paid-in Capital	(1,163,636,501)
Share Premiums	(13,221,422)
Other Comprehensive Income and Expenses Not To Be Reclassified To Profit or Loss	126,121,476
Restricted Reserves Appropriated from Profit	(16,772,116)
Prior Years' Profit/ Losses	(2,186,228,923)
Profit or Loss Statement Items	54,676,038
Revenue	(172,998,414)
Cost of Sales (-)	97,151,362
General Admnistrative Expenses (-)	8,923,279
Marketing, Selling and Distributing Expenses (-)	1,905,780
Other Operating Income	(700,840)
Other Operating Expenses	3,452,091
Finance Income	(12,809,527)
Finance Expenses (-)	22,439,505
Deferred Tax Expense	107,312,803
NET MONETARY GAIN (LOSS)	12,288,586

34. EVENTS AFTER THE REPORTING PERIOD

“Law No. 7524 on Amendments to Tax Laws, Certain Laws and Decree Law No. 375” was published in the Official Gazette dated 2 August 2024 and numbered 32620. With this Law, regulations and amendments have been made on domestic minimum corporate tax application, global minimum tax application and many other tax-related issues. The Group is in the process of assessing the impact of the amendments on the financial statements.

The prospectus of Enda Enerji Holding AŞ regarding the capital increase of its existing issued capital by public offering of 100,000,000 Group B bearer shares with a nominal value of TL 100,000,000 was approved by the Capital Markets Board on 23.01.2025 and as a result of the demand collection held between 05-07.02.2025, the Company sold 91,719,684 shares with a total nominal value of TL 91,719,684 (TL 17.44 per share) at a fixed price. As a result of the public offering, the Company's existing capital of TL 345,477,486 was increased to TL 437,197,170 and approximately 20% of the Company's shares were offered to the public and started to be traded on Borsa Istanbul Main Market with the code ENDAE as of 13.02.2025.

34. EVENTS AFTER THE REPORTING PERIOD (continued)

It was announced to the public by Enda Enerji Holding A.Ş. through the Public Disclosure Platform (PDP) on 28 February 2025, that Egenda Ege Enerji Üretim A.Ş. (Egenda) has resolved to hold an Extraordinary General Assembly Meeting on 25 March 2025, regarding the partial spin-off of the Urla Wind Power Plant Branch, an energy generation and sales operation licensed under EÜ/1622-6-1179 and operating under Egenda's legal entity. The resolution concerns the transfer in its entirety, including all assets and liabilities, of the branch to a newly established joint stock company that will be a 100% subsidiary of Egenda, at book value. The official call for the meeting has been published in the Turkish Trade Registry Gazette.