

**ESENBOĞA ELEKTRİK ÜRETİM
ANONİM ŞİRKETİ
AND ITS SUBSIDIARIES**

CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
1 JANUARY – JUNE 30, 2024

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

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ESENBOĞA ELEKTRİK ÜRETİM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION AS OF JUNE 30, 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of purchasing power of the TL at 30 June 2024 unless otherwise indicated.)

		Current Period (Reviewed) 30 June 2024	Prior Period (Audited) 31 December 2023
	Notes		
ASSETS			
Current Assets		1,212,352,096	1,433,829,658
Cash and Cash Equivalents	27	87,812,245	336,593,890
Trade Receivables	5	762,083,752	847,230,731
Trade Receivables from Third Parties		762,083,752	847,230,731
Other Receivables		21,045,663	688,303
Other Receivables from Related Parties	4	16,114,630	-
Other Receivables from Third Parties	6	4,931,033	688,303
Derivative Instruments	24-a	15,173,799	23,706,777
Inventories	7	42,283,120	58,733,807
Prepaid Expenses	8	244,893,927	121,170,211
Assets Related to Current Period Tax	22	15,621,278	17,916,178
Other Current Assets	15	23,438,312	27,789,761
Non-Current Assets		15,988,077,489	15,347,326,021
Financial Investments	24-b	3,351,896,412	2,518,763,916
Other Receivables	6	525,103	613,793
Other Receivables from Third Parties		525,103	613,793
Derivative Instruments	24-a	39,841,685	74,098,781
Investment Properties	9	1,784,250,000	847,956,337
Property, Plant and Equipment	10	10,811,050,989	11,905,013,144
Intangible Assets	11	513,300	818,908
Prepaid Expenses	8	-	61,142
TOTAL ASSETS		17,200,429,585	16,781,155,679

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

ESENBOĞA ELEKTRİK ÜRETİM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION AS OF JUNE 30, 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of purchasing power of the TL at 30 June 2024 unless otherwise indicated.)

	Notes	Current Period (Reviewed) 30 June 2024	Prior Period (Audited) 31 December 2023
LIABILITIES			
Current Liabilities			
		1,563,596,576	1,812,606,224
Short-Term Borrowings	24-c	218,324,773	231,392,399
Short-Term Portions of Long-Term Borrowings	24-c	802,489,198	948,995,298
Other financial liabilities	24-c	-	140,608
Trade Payables	5	462,326,364	551,989,950
Trade Payables to Third Parties		462,326,364	551,989,950
Payables Related to Employee Benefits	14	9,069,517	6,019,144
Other Payables		46,629,828	8,460,672
Other Payables to Related Parties	4	40,700,329	-
Other Payables to Third Parties	6	5,929,499	8,460,672
Derivative Instruments	24-a	-	3,041,264
Deferred Income	8	6,113,849	49,417,033
Short-Term Provisions		2,448,084	1,562,146
Short-Term Provisions Related to Employee Benefits	14	2,448,084	1,562,146
Current income tax liabilities		3,558,533	-
Other Current Liabilities	15	12,636,430	11,587,710
Non-Current Liabilities			
		3,581,032,868	3,968,024,837
Long-Term Borrowings	24-c	1,962,791,364	2,400,894,061
Long-Term Provisions	14	2,371,407	2,162,321
Long-term Provisions for Employee Benefits		2,371,407	2,162,321
Deferred Tax Liability	22	1,615,870,097	1,564,968,455
EQUITY			
		12,055,800,141	11,000,524,618
Equity holders of the parent			
		9,149,868,724	8,331,710,359
Share Capital	16	260,000,000	260,000,000
Capital Adjustment Differences	16	831,360,264	831,360,264
Repurchased shares (-)		(63,035)	(62,890,842)
Share Premiums/Discounts	16	2,437,432,219	2,443,100,056
Accumulated Other Comprehensive Income (Expenses)			
to be Reclassified to Profit or Loss		(1,286,589,511)	(1,183,437,660)
- Gains/Losses on Cash Flow Hedges		(1,286,589,511)	(1,183,437,660)
Accumulated Other Comprehensive Income (Expenses)			
not to be Reclassified to Profit or Loss		341,987,057	341,589,125
- Gain / Loss on Remeasurement of Defined Benefit Plans	16	(609,694)	(1,007,626)
- Revaluation and Reclassification Gain/Loss	16	342,596,751	342,596,751
Restricted Reserves Appropriated from Profit	16	23,906,023	22,102,907
Retained earnings		5,698,182,825	5,391,195,171
Profit/(loss) for the period		843,652,882	288,691,338
Non-controlling interest			
		2,905,931,417	2,668,814,259
TOTAL LIABILITIES AND EQUITY		17,200,429,585	16,781,155,679

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

ESENBOĞA ELEKTRİK ÜRETİM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS FOR THE SIX-MONTH PERIOD ENDED 1 JANUARY – JUNE 30, 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of purchasing power of the TL at 30 June 2024 unless otherwise indicated.)

	Notes	Current Period (Reviewed) 1 January- 30 June 2024	Prior Period (Reviewed) 1 January- 30 June 2023	Current Period (Unaudited) 1 April- 30 June 2024	Prior Period (Unaudited) 1 April- 30 June 2023
PROFIT OR LOSS					
Revenue	17	405,955,145	600,566,117	233,747,408	313,765,549
Cost of Sales (-)	17	(291,364,805)	(616,848,325)	(180,423,985)	(377,338,307)
GROSS PROFIT/LOSS		114,590,340	(16,282,208)	53,323,423	(63,572,758)
General Administrative Expenses (-)	18	(80,811,160)	(77,467,522)	(36,148,332)	(45,288,126)
Other Income from Operating Activities	19	45,468,221	443,973,989	13,749,373	281,008,059
Other Expenses from Operating Activities (-)	19	(49,435,409)	(280,156,046)	21,134,481	(188,833,912)
OPERATING PROFIT/LOSS		29,811,992	70,068,213	52,058,945	(16,686,737)
Income from Investing Activities	20	849,629,367	158,658,315	56,290,187	69,448,724
Expenses from Investing Activities (-)	20	-	(4,799,995)	(292,538,837)	(867,157,107)
OPERATING PROFIT/LOSS BEFORE FINANCE EXPENSES		879,441,359	223,926,533	(184,189,705)	(814,395,120)
Monetary Gain / (Loss)		613,635,284	1,124,814,144	328,459,027	996,594,020
Finance Income (+)	21	22,175,791	177,418,035	17,171,797	156,243,720
Finance Expenses (-)	21	(298,712,784)	(352,196,002)	(67,255,241)	(245,526,482)
PROFIT/LOSS BEFORE TAX FROM CONTINUING OPERATIONS		1,216,539,650	1,173,962,710	94,185,878	92,916,138
Tax Expense/Income from Continuing Operations					
Deferred Tax Expense/Income	22	(96,223,201)	(325,902,932)	(43,104,769)	(109,907,988)
PROFIT/LOSS FOR THE PERIOD		939,111,848	671,327,560	954,125,723	887,322,504
Distribution of Profit/Loss for the Period					
Non-controlling interest		276,663,567	257,561,469	(33,026,148)	75,293,589
Equity Holders of the Parent		843,652,882	590,498,309	84,107,257	(92,285,439)
		1,120,316,449	848,059,778	51,081,109	(16,991,850)
Earnings per share	23	4.32	3.28	0.20	(0.07)
PROFIT/LOSS FOR THE PERIOD		939,111,848	848,059,778	51,081,109	(16,991,850)
OTHER COMPREHENSIVE INCOME:					
Items not to be Reclassified To Profit or Loss					
Revaluation Increase/Decrease in Property, Plant and Equipment		-	1,898,203,281	-	1,898,203,281
Remeasurement Gains/Losses of Defined Benefit Plans		615,950	(291,727)	(56,269)	(505,660)
Taxes on Other Comprehensive Income that will not be Reclassified to Profit or Loss					
Deferred Tax Expense/Income		(153,988)	(341,650,914)	(19,544)	(341,608,127)
Items to be Reclassified To Profit or Loss					
Other Comprehensive Income (Expense) Related to Cash Flow Hedges		(181,902,189)	(893,423,263)	(108,240,135)	(824,387,025)
Taxes on Other Comprehensive Income that will be Reclassified to Profit or Loss					
Deferred Tax Expense/Income		45,475,547	178,684,653	30,743,136	164,877,405
		45,475,547	178,684,653	30,743,136	164,877,405
OTHER COMPREHENSIVE INCOME		(135,964,680)	(1,056,681,251)	(77,572,812)	(1,001,623,407)
TOTAL COMPREHENSIVE INCOME		803,147,168	(208,621,473)	(26,491,703)	(1,018,615,257)
Attributable to:					
Non-controlling interest		243,452,806	463,147,087	(66,236,909)	298,645,570
Equity holders of the parent		740,898,963	1,226,434,721	39,745,206	580,942,454

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

ESENBOĞA ELEKTRİK ÜRETİM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE SIX – MONTH PERIOD ENDED 1 JANUARY – JUNE 30, 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of purchasing power of the TL at 30 June 2024 unless otherwise indicated.)

	Paid-in Capital	Capital Adjustment Differences	Share Repurchases	Share Premiums/ Discounts	Revaluation and Remeasurement Gain / Losses	Accumulated Other Comprehensive Income and Expenses not to be Reclassified to Profit or Loss	Accumulated Other Comprehensive Income and Expenses to be Reclassified to Profit or Loss	Retained Earnings			Equity holders of the parent	Non-controlling interest	Total Equity
						Accumulated Remeasurement Gains/Losses of Defined Benefit Plans	Cash Flow Hedge Gains (Losses)	Restricted Reserves Appropriated from Profit	Prior Years' Profit / Losses	Net Profit / Loss for the Period			
Balances as of 1 January 2023 (Beginning of the Period)	64,000,000	260,973,136	(2,685,871)	3,150,292,263	21,351,314	(47,685)	(942,220,564)	13,660,515	6,463,751,693	(932,628,966)	8,096,445,835	2,534,547,748	10,630,993,583
Transfers	-	-	-	-	-	-	-	22,436,442	(955,065,408)	932,628,966	-	-	-
Total Comprehensive Income / (Expense)	-	-	-	-	1,176,861,333	(512,801)	(540,412,120)	-	-	590,498,309	1,226,434,721	463,147,087	1,689,581,808
Increase/Decrease due to Share Repurchase Transactions	-	-	(64,255,396)	-	-	-	-	-	-	-	(64,255,396)	-	(64,255,396)
Transactions with non-controlling shareholders	-	-	-	-	-	-	-	-	(4,668,030)	-	(4,668,030)	23,916,413	19,248,383
Dividend	-	-	-	-	-	-	-	-	(17,840,172)	-	(17,840,172)	(4,351,246)	(22,191,418)
Balances as of 30 June 2023	64,000,000	260,973,136	(66,941,267)	3,150,292,263	1,198,212,647	(560,486)	(1,482,632,684)	36,096,957	5,486,178,083	590,498,309	9,236,116,958	3,017,260,002	12,253,376,960
Balances as of 1 January 2024 (Beginning of the Period)	260,000,000	831,360,264	(62,890,842)	2,443,100,056	342,596,751	(1,007,626)	(1,183,437,660)	22,102,907	5,391,195,171	288,691,338	8,331,710,359	2,668,814,259	11,000,524,618
Transfers	-	-	-	-	-	-	-	1,803,116	286,888,222	(288,691,338)	-	-	-
Total Comprehensive Income / (Expense)	-	-	-	-	-	397,932	(103,151,851)	-	-	843,652,882	740,898,963	243,452,806	984,351,769
Increase/Decrease due to Share Repurchase Transactions	-	-	62,827,807	(5,667,837)	-	-	-	-	-	-	57,159,970	(20,334)	57,139,636
Transactions with non-controlling shareholders	-	-	-	-	-	-	-	-	20,099,432	-	20,099,432	(6,315,314)	13,784,118
Balances as of 30 June 2024	260,000,000	831,360,264	(63,035)	2,437,432,219	342,596,751	(609,694)	(1,286,589,511)	23,906,023	5,698,182,825	843,652,882	9,149,868,724	2,905,931,417	12,055,800,141

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

ESENBOĞA ELEKTRİK ÜRETİM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED CASH FLOWS AS OF JUNE 30, 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of purchasing power of the TL at 30 June 2024 unless otherwise indicated.)

	Notes	Current Period	Prior Period (Audited)
		(Reviewed) 1 January- 30 June 2024	1 January- 30 June 2023
A. Cash Flows from Operating Activities			
Profit/Loss for the Period		1,120,316,449	848,059,778
Adjustments Related to Reconciliation of Net Profit/Loss for the Period			
- Adjustments Related to Depreciation and Amortization Expenses	10-11	170,393,781	191,894,946
- Adjustments Related to Provisions	14	885,938	331,788
- Adjustments Related to Interest Income and Expenses		122,749,383	(44,729,801)
- Adjustments Related to Fair Value Losses (Gains) on Derivative Financial Instruments	24-a	39,748,810	(62,934,236)
- Adjustments Related to Unrealised Foreign Currency Translation Differences		209,768,794	1,027,070,841
- Adjustments Related to Fair Value Losses/Gains		(3,029,468)	(23,616,311)
- Fair Value Losses (Gains) of Financial Assets	24-b	(833,132,496)	(130,018,900)
- Adjustments Related to Employment Termination Benefits	14	1,121,997	647,830
- Adjustments Related to Tax Expense / Income	22	96,223,201	325,902,932
Changes in working capital		925,046,389	2,132,608,867
- Adjustments Related to Increase / Decrease in Inventories		16,450,687	(13,388,804)
- Adjustments Related to Increase / Decrease in Trade Receivables		85,146,979	367,154,065
- Adjustments Related to Increase / Decrease in Other Payables from Operations		38,169,156	221,819,388
- Adjustments Related to Increase / Decrease in Other Receivables from Operations		(4,154,040)	(20,036,524)
- Adjustments Related to Decrease (Increase) in Other Assets		4,351,449	77,351,124
- Adjustments Related to Increase/Decrease in Trade Payables		(89,663,586)	116,487,332
- Adjustments Related to Increase/Decrease in Prepaid Expenses		(123,662,574)	(204,431)
- Adjustments Related to Increase / Decrease in Employee Benefits		2,297,399	561,981
- Adjustments Related to Increase (Decrease) in Other Liabilities		4,466,647	19,138,028
- Increase (Decrease) in Deferred Income (Excluding Liabilities arising from Customer Contracts)		(43,303,184)	(58,217,526)
- Monetary Loss/Gain		(1,024,213,999)	(2,820,132,124)
- Employment Termination Benefit Paid	14	(159,937)	(513,916)
- Tax Payments/Refunds	22	2,294,900	(126,000)
- Other cash inflows/outflows		(140,608)	18,329,942
		(207,074,322)	40,831,402
B. Cash Flows Generated from Investing Activities			
Cash Outflows arising from Share Acquisition or Capital Increase of Associates and/or Joint Ventures	24-b	-	(1,928,034,194)
Cash Inflows from Sales of Property, Plant and Equipment and Intangible Assets	10-11	7,789,529	842,571
Cash Outflows from Purchase of Property, Plant and Equipment and Intangible Assets	10-11	(17,171,608)	(99,877,482)
Interest received		39,589,775	181,042,073
Change in Financial Assets		-	387,064,912
Repurchased Shares		62,827,807	(64,255,396)
		93,035,503	(1,523,217,516)
C. Cash Flows from Financing Activities			
Cash Inflows/Outflows arising from Other Receivables and Other Payables from Related Parties		24,585,699	391,643,633
Cash Inflows from Borrowings		206,890,128	1,512,698,452
Cash Outflows Related to Debt Repayments		(203,879,495)	(541,112,937)
Interest Paid		(162,339,158)	(136,312,272)
Dividend Paid		-	(22,191,418)
		(134,742,826)	1,204,725,458
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS			
THE EFFECT OF FOREIGN CURRENCY TRANSLATION DIFFERENCES (A+B+C)		(248,781,645)	(277,660,656)
D. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	27	336,593,890	614,254,546
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D)		87,812,245	336,593,890

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

ESENBOĞA ELEKTRİK ÜRETİM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of purchasing power of the TL at 30 June 2024 unless otherwise indicated.)

1. ORGANIZATION AND OPERATIONS OF THE GROUP

Esenboğa Elektrik Üretim Anonim Şirketi ("Company" or "Esenboğa"):

The Company's subsidiaries, their main fields of activity and capital shares are as follows:

Subsidiaries	Proportion of ownership interest/controlling interest (%)	Main Activity
Margün Enerji Üretim Sanayi ve Ticaret A.Ş.	%75.61/%75.61	Energy production/EPC
Bosphorus Yenilenebilir Enerji A.Ş.	%75.61/%75.61	Energy production
Agah Enerji Üretim Sanayi ve Ticaret A.Ş.	%75.61/%75.61	Energy production
Angora Elektrik Üretim A.Ş.	%75.61/%75.61	Energy production/ Repair and maintenance services
Anatolia Yenilenebilir Enerji A.Ş.	%75.61/%75.61	Energy production
Troya Yenilenebilir Enerji Ticaret A.Ş.	%75.61/%75.61	Energy production
Soleil Yenilenebilir Enerji Ticaret A.Ş.	%75.61/%75.61	Energy production
Enerji Teknoloji Yazılım A.Ş.	%75.61/%75.61	Software
Margun Climatech B.V.	%75.61/%75.61	Holding
Margun Italy Climatech S.R.L	%75.61/%75.61	Climatech
Margun Romania Climatech S.R.L	%75.61/%75.61	Climatech
Margun UK Climatech LTD	%75.61/%75.61	Climatech
Esenboğa Batarya Sistemleri ve Enerji Yatırımları A.Ş.	%100/%100	Energy production

The Group's installed capacity (kWp) for energy generation is listed below;

Province	District	Installed Power (kWp)	Production Power (kWe)
Ankara	Akyurt/ Kahramankazan/ Kızılıçhamam/ Polatlı	25.833	22.581
Yozgat	Akdağmadeni /Sorgun	6.675	5.69
Nevşehir	Merkez	10.318	8.991
Afyon	Dazkırı/ Sinanpaşa	15.485	13.78
Bilecik	Söğüt	2.147	1.998
Konya	Selçuklu/ Tuzlukçu	19.351	17
Antalya	Elmalı	3.516	3.54
Eskişehir	Sivrihisar	3.373	2.97
Adana	Çukurova	11.152	9.93
Muğla	Milas	20.17	14
		118.02	100.48

Approval of financial statements

Board of Directors has approved the financial statements and delegated authority for publishing it on June 9, 2024.

ESENBOĞA ELEKTRİK ÜRETİM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of purchasing power of the TL at 30 June 2024 unless otherwise indicated.)

2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of Presentation

Statement of Compliance to TFRS

The accompanying 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 ("TFRS") that have been put into effect by the Public Oversight Accounting and Auditing Standards Authority ("POA") under Article 5 of the Communiqué.

In addition, the consolidated financial statements have been prepared in accordance with the formats of "TFRS Taxonomy Announcement" published by POA and Financial Statement Examples and Guidelines for Use published by CMB, on 3 July 2024.

The financial statements have been prepared on the historical cost basis except for revaluation of certain property, plant and equipment and financial instruments. In determining the historical cost, the fair value of the amount paid for the assets is generally taken as the basis.

Currency Used

The individual financial statements of each Group entity are presented in the currency (functional currency) of the primary economic environment in which the entity operates. 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.

Restatement of financial statements during periods of high inflation

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 interim financial statements for the accounting periods ending on June 30, 2024.

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 interim reporting period ending on or after June 30, 2024 should be presented in accordance with the related accounting principles in TAS 29, adjusted for the effects of inflation.

In this framework, while preparing the consolidated financial statements dated June 30, 2024, 30 June 2023 and 31 December 2023, inflation adjustment has been made in accordance with TAS 29.

ESENBOĞA ELEKTRİK ÜRETİM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of purchasing power of the TL at 30 June 2024 unless otherwise indicated.)

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

2.1 Basis of Presentation (cont'd)

Restatement of financial statements during periods of high inflation (cont'd)

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 June 30, 2024, 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%.

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
30.06.2024	2,319.29	1.00000	324%
31.12.2023	1,859.38	1.24734	268%
30.06.2023	1,351.59	1.71597	190%

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 recognised 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.

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

2.1 Basis of Presentation (cont'd)

The impact of the application of TAS 29 Inflation Accounting is summarised below:

Restatement of the 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 period.

The gain or loss on the net monetary position arising on restatement of non-monetary items is recognised 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 amortisation 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. If the subsidiary is a foreign subsidiary, its restated financial statements are translated at the closing rate.

When consolidating financial statements with different reporting period ends, all monetary and nonmonetary items are restated in accordance with the measuring unit current at the date of the consolidated financial statements.

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.

Comparative Information and Restatement of Prior Periods' Consolidated Financial Statements

The consolidated financial statements of the Group are prepared in comparison with the prior period in order to allow the determination of financial position and performance trends. In order to comply with the presentation of the current period consolidated financial statements, comparative information is reclassified when necessary and significant differences are disclosed. In the current period, the Group has not made any changes in its prior period financial statements.

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

2.1 Basis of Presentation (cont'd)

Going Concern

The consolidated financial statements of the Group are prepared on a going concern basis.

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 and dispersion 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 Group and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies 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.

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

2.1 Basis of Presentation (cont'd)

Basis of Consolidation (cont'd)

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.

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.

2.2 Changes in the Accounting Policies and Errors

The accounting policy changes arising from the first-time application of a new standard are applied retrospectively or prospectively in accordance with the transitional provisions, if any. The changes that take place of any transitional provision, significant changes made optional in accounting policies or determined accounting errors are applied retrospectively by restating prior period financial statements. If changes in accounting estimates are related to only one period, they are applied both in the current period when the amendment is made and for the future periods, both in the current period and in the future.

2.3 New and Amended Turkish Financial Reporting Standards

a) Amendments that are mandatorily effective from 2024

Amendments to TAS 1	<i>Disclosure of Accounting Policies</i>
Amendments to TFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to TAS 1	Non-current Liabilities with Covenants
Amendments to TAS 7 and TFRS 7	<i>Supplier Finance Arrangements</i>
TSRS 1	<i>General Requirements for Disclosure of Sustainability-related Financial Information</i>
TSRS 2	<i>Climate-related Disclosures</i>

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

2.3 New and Amended Turkish Financial Reporting Standards (cont'd)

Amendments to TAS 1 *Disclosure of Accounting Policies*

The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies.

Amendments to TAS 1 are effective for interim reporting periods beginning on or after 1 January 2024 and earlier application is permitted.

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 are effective from annual reporting periods beginning on or after 1 January 2024.

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. Amendments are effective from annual reporting periods beginning on or after 1 January 2024. The Group evaluates the effects of these standards, amendments and improvements on the consolidated financial statements.

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

The amendments add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements. Amendments are effective from annual reporting periods beginning on or after 1 January 2024.

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 and for banks regardless of the criteria. 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 and for banks regardless of the criteria. Other entities may voluntarily report in accordance with TSRS.

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

2.3 New and Amended Turkish Financial Reporting Standards (cont'd)

a) New and amended TFRSs in issue but not yet effective

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

TFRS 17	<i>Insurance Contracts</i>
Amendments to TFRS 17	<i>Initial Application of TFRS 17 and TFRS 9 — Comparative Information (Amendment to TFRS 17)</i>
Amendments to TAS 21	<i>Lack of Exchangeability</i>

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 21.

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.

2.4 Summary of Significant Accounting Policies

Interim condensed consolidated financial statements for the period ending on June 30, 2024 prepared in accordance with the TMS 34 standard for the preparation of the tables. The interim condensed consolidated financial statements for the period ending on 30 June 2024 have been prepared by applying accounting policies consistent with the accounting policies applied during the preparation of the consolidated financial statements for the year ended 31 December 2023. Therefore, these interim condensed consolidated financial statements should be evaluated together with the consolidated financial statements for the year ended 31 December 2023.

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3. BUSINESS COMBINATIONS

The Group has implemented TFRS 8 since its establishment and has determined operating segments based on internal management of reports used by governing body by the competent authority to make decisions about the Group's operations.

Province	30 June 2024		30 June 2023	
	Production amount (KWh)	Sales amount / TL	Production amount (KWh)	Sales amount / TL
Adana	8,171,308	35,720,613	8,670,033	40,645,089
Muğla	15,000,237	67,567,047	16,512,515	90,034,689
Bilecik	1,677,321	7,387,950	1,333,970	6,338,542
Afyon	12,616,228	55,265,257	11,205,906	52,683,784
Nevşehir	7,997,250	35,068,372	7,556,716	35,432,247
Ankara	18,930,104	82,955,013	16,858,119	79,510,623
Yozgat	5,032,119	22,112,625	4,637,650	21,789,225
Antalya	3,113,893	13,528,749	2,972,608	13,873,282
Eskişehir	2,694,971	11,794,149	2,486,182	11,710,996
Konya	15,302,273	66,849,889	14,682,363	68,955,779
Total	90,535,704	398,249,665	86,916,062	420,974,256

	Electricity Production	Construction Contracting	Elimination	30 June 2024
Domestic sales	398,249,665	19,165,982	(11,460,502)	405,955,145
Cost of sales (-)	(293,870,759)	(8,954,548)	11,460,502	(291,364,805)
Gross Profit (Loss)	104,378,906	10,211,434	-	114,590,340

	Electricity Production	Construction Contracting	Elimination	30 June 2023
Domestic sales	420,974,256	179,591,861	-	600,566,117
Cost of sales (-)	(276,181,892)	(340,666,433)	-	(616,848,325)
Gross Profit (Loss)	144,792,364	(161,074,572)	-	(16,282,208)

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4. RELATED PARTY DISCLOSURES

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

Short-term other receivables from related parties	30 June 2024	31 December 2023
Naturel Holding A.Ş. (*)	14,762,895	-
Yusuf Şenel (*)	1,351,735	-
	<u>16,114,630</u>	<u>-</u>

(*) 14,762,895 TL of the balance was collected on July 1, 2024 and 1,351,735 TL was collected on July 3, 2024.

Short-term trade payables to related parties	30 June 2024	31 December 2023
Naturel Yenilenebilir Enerji Ticaret A.Ş. (*)	40,700,329	-
	<u>40,700,329</u>	<u>-</u>

(*) The full collection of the balance was completed on July 3, 2024.

	1 January- 30 June 2024	1 January- 30 June 2023	1 April- 30 June 2024	1 April- 30 June 2023
Interest income				
Naturel Holding A.Ş.	-	9,644,759	-	9,644,759
Naturel Yenilenebilir Enerji Ticaret A.Ş.	13,017,275	-	13,017,275	-
Naturel Batarya Sistemleri ve Enerji Yatırımları A.Ş.	1,200	-	1,200	-
	<u>13,018,475</u>	<u>9,644,759</u>	<u>13,018,475</u>	<u>9,644,759</u>

	1 January- 30 June 2024	1 January- 30 June 2023	1 April- 30 June 2024	1 April- 30 June 2023
Interest expense				
Naturel Holding A.Ş.	5,139,352	-	5,139,352	-
Naturel Yenilenebilir Enerji Ticaret A.Ş.	-	7,003,738	-	7,003,738
Hermes Uluslararası Ticaret ve Lojistik A.Ş.	2,863,656	-	2,863,656	-
	<u>8,003,008</u>	<u>7,003,738</u>	<u>8,003,008</u>	<u>7,003,738</u>

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5. TRADE RECEIVABLES AND PAYABLES

a) Trade Receivables:

As of 30 June 2024 and 31 December 2023, the details of the Group's trade receivables are as follows:

	30 June 2024	31 December 2023
Short-term trade receivables		
Income accruals (*)	682,226,307	788,880,629
Trade receivables	79,857,445	58,350,102
	762,083,752	847,230,731

As of 30 June 2024, the Group has no uncollectible receivables (31 December 2023: None),

(*) The Group's energy revenues at the end of the period consist of income accruals and the Group's construction contract assets in progress,

b) Trade Payables:

As of 30 June 2024 and 31 December 2023, the details of the Group's trade payables are as follows:

	30 June 2024	31 December 2023
Short-term trade payables		
Trade payables	35,566,326	40,292,747
Notes payables	17,792,680	-
Expense accruals (*)	408,967,358	511,697,203
	462,326,364	551,989,950

(*) It consists of the Group's construction in progress contract liabilities.

Explanations regarding the nature and level of risks in other receivables are given in Note 25.

6. OTHER RECEIVABLES AND PAYABLES

a) Other Receivables

	30 June 2024	31 December 2023
Short-Term Other Receivables		
Deposits and guarantees given	106,290	43,855
Other miscellaneous receivables (*)	4,181,275	386,538
Receivables from the tax office	643,468	257,910
	4,931,033	688,303

(*) It consists of advances given for office maintenance expenses.

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6. OTHER RECEIVABLES AND PAYABLES (cont'd)

a) Other Receivables (cont'd)

	30 June 2024	31 December 2023
<u>Long-Term Other Receivables</u>		
Deposits and guarantees given	525,103	613,793
	<u>525,103</u>	<u>613,793</u>

b) Other payables

	30 June 2024	31 December 2023
<u>Short-Term Other Payables</u>		
Deposits and guarantees received (*)	5,929,499	8,460,672
	<u>5,929,499</u>	<u>8,460,672</u>

(*) It consists of consulting services and insurance expenses.

7. INVENTORIES

	30 June 2024	31 December 2023
Trade goods (*)	41,434,638	57,675,457
Other inventories	848,482	1,058,350
	<u>42,283,120</u>	<u>58,733,807</u>

(*) It consists of materials such as solar panels and connectors purchased for EPC Projects.

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8. PREPAID EXPENSES AND DEFERRED INCOME

	30 June 2024	31 December 2023
<u>Short-Term Prepaid Expenses</u>		
Order advances given	196,949,844	74,113,785
Prepaid expenses	1,805,545	7,427,247
Business advances	46,138,538	39,629,179
	<u>244,893,927</u>	<u>121,170,211</u>
	30 June 2024	31 December 2023
<u>Long-Term Prepaid Expenses</u>		
Prepaid expenses	-	61,142
	<u>-</u>	<u>61,142</u>
	30 June 2024	31 December 2023
<u>Short-Term Deferred Income</u>		
Order advances received	6,113,849	49,417,033
	<u>6,113,849</u>	<u>49,417,033</u>

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9. INVESTMENT PROPERTIES

	Land	Buildings	Total
Cost Value			
Opening balance as of 1 January 2024	30,944,780	817,011,557	847,956,337
Transfers	933,264,195	-	933,264,195
Value increase and impairment (-)	(1,958,974)	4,988,442	3,029,468
Closing balance as of 30 June 2024	<u>962,250,001</u>	<u>821,999,999</u>	<u>1,784,250,000</u>
	Land	Buildings	Total
Cost Value			
Opening balance as of 1 January 2023	41,105,765	834,447,021	875,552,786
Value increase and impairment (-)	1,793,524	21,822,787	23,616,311
Closing balance as of 30 June 2023	<u>42,899,289</u>	<u>856,269,808</u>	<u>899,169,097</u>

There are no mortgages on the investment properties owned by the Group.

Fair value measurements of the Group's investment properties

As of 30 June 2024 and 31 December 2023, the fair values of the Group's investment properties have been determined by Net Kurumsal Değerleme ve Danışmanlık A.Ş., a valuation company independent from the Group and authorized by the CMB, The fair value of land and buildings owned is determined using the market comparative approach, which reflects current transaction prices for similar properties.

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10. PROPERTY, PLANT AND EQUIPMENT

	Land	Leasehold Improvements	Plant, Machinery and Equipment	Vehicles	Furniture and Fixtures	Construction in progress	Total
<u>Cost</u>							
Opening balance as of 1 January 2024	1,634,989,175	13,766	10,168,968,692	81,820,771	16,549,138	8,012,656	11,910,354,198
Additions	-	-	1,026,481	7,956,998	1,789,886	6,398,243	17,171,608
Transfers	(933,264,195)	-	-	-	-	-	(933,264,195)
Disposals	-	-	-	-	-	(7,578,336)	(7,578,336)
Closing balance as of 30 June 2024	<u>701,724,980</u>	<u>13,766</u>	<u>10,169,995,173</u>	<u>89,777,769</u>	<u>18,339,024</u>	<u>6,832,563</u>	<u>10,986,683,275</u>
<u>Accumulated Depreciation</u>							
Opening balance as of 1 January 2024	-	7,987	-	-	5,333,067	-	5,341,054
Charge for the period	-	474	161,001,421	8,637,945	651,392	-	170,291,232
Closing balance as of 30 June 2024	<u>-</u>	<u>8,461</u>	<u>161,001,421</u>	<u>8,637,945</u>	<u>5,984,459</u>	<u>-</u>	<u>175,632,286</u>
Carrying value as of 30 June 2024	<u>701,724,980</u>	<u>5,305</u>	<u>10,008,993,752</u>	<u>81,139,824</u>	<u>12,354,565</u>	<u>6,832,563</u>	<u>10,811,050,989</u>

(*) As of 30 June 2024, there are pledges on property, plant and equipment amounting to TL 6,799,645,845 and mortgages amounting to TL 8,716,619,280.

The depreciation expenses of tangible fixed assets have been recorded in the cost of sales and administrative expenses.

ESENBOĞA ELEKTRİK ÜRETİM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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10. PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Land	Leasehold Improvements	Plant, Machinery and Equipment	Vehicles	Furniture and Fixtures	Construction in progress	Total
<u>Cost</u>							
Opening balance as of 1 January 2023	926,005,748	13,766	11,076,168,425	98,566,153	10,440,152	-	12,111,194,244
Additions	62,627,074	-	-	29,412,070	4,742,961	2,864,632	99,646,737
Değer artışı	379,313,967	-	1,518,889,314	-	-	-	1,898,203,281
Disposals	-	-	-	-	(842,571)	-	(842,571)
Closing balance as of 30 June 2023	1,367,946,789	13,766	12,595,057,739	127,978,223	14,340,542	2,864,632	14,108,201,691
<u>Accumulated Depreciation</u>							
Opening balance as of 1 January 2023	-	3,994	-	9,808,246	2,760,828	-	12,573,068
Charge for the period	-	-	183,812,157	6,113,594	1,943,347	-	191,869,098
Disposals	-	-	-	-	(60,537)	(11,629)	(72,166)
Closing balance as of 30 June 2023	-	3,994	183,812,157	15,921,840	4,643,638	(11,629)	204,370,000
Carrying value as of 30 June 2023	1,367,946,789	9,772	12,411,245,582	112,056,383	9,696,904	2,876,261	13,903,831,691

ESENBOĞA ELEKTRİK ÜRETİM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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10. PROPERTY, PLANT AND EQUIPMENT (cont'd)

The net carrying values of the plant, machinery and equipment owned by the Group, if valued on the historical cost basis, are given below:

	<u>Useful Life</u>
Buildings	50 years
Plant, machinery and equipment	45-50 years
Vehicles	5 years
Furniture and fixtures	3-15 years
Leasehold improvements	5 years

11. INTANGIBLE ASSETS

	<u>Rights</u>	<u>Other Intangible Assets</u>	<u>Total</u>
<u>Cost Value</u>			
Opening balance as of 1 January 2024	893,055	1,159,850	2,052,905
Disposals	-	(211,193)	(211,193)
Closing balance as of 30 June 2024	<u>893,055</u>	<u>948,657</u>	<u>1,841,712</u>
<u>Accumulated Amortisation</u>			
Opening balance as of 1 January 2024	255,503	978,494	1,233,997
Charge for the period	-	102,549	102,549
Çıkışlar	-	-	-
Closing balance as of 30 June 2024	<u>255,503</u>	<u>1,081,043</u>	<u>1,336,546</u>
Carrying value as of 30 June 2024	<u><u>637,552</u></u>	<u><u>(132,386)</u></u>	<u><u>505,166</u></u>

	<u>Rights</u>	<u>Other Intangible Assets</u>	<u>Total</u>
<u>Cost Value</u>			
Opening balance as of 1 January 2023	-	449,669	449,669
Additions	-	230,745	230,745
Closing balance as of 30 June 2023	<u>-</u>	<u>680,414</u>	<u>680,414</u>
<u>Accumulated Amortisation</u>			
Opening balance as of 1 January 2023	-	138,419	138,419
Charge for the period	-	25,848	25,848
Closing balance as of 30 June 2023	<u>-</u>	<u>164,267</u>	<u>164,267</u>
Carrying value as of 30 June 2023	<u><u>-</u></u>	<u><u>516,147</u></u>	<u><u>516,147</u></u>

The amortization periods used for intangible assets are as follows:

	<u>Useful Life</u>
Rights	3 yıl
Other intangible assets	3-15 yıl

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12. COMMITMENTS

Collaterals-Pledge-Mortgage ("CPM")

The Company's collaterals/pledge/mortgage position as of 30 June 2024 and 31 December 2023 is as follows:

30 June 2024		TL equivalent	TL	USD	EUR
A. Total Amount of CPM Given for Its Own Legal Entity					
	-Collateral	47,518,801	48,173,654	-	-
	-Pledge	-	-	-	-
	-Mortgage	1,969,572,000	-	60,000,000	-
B. Total Amount of CPM Given on Behalf of the Fully Consolidated Entities					
	-Collateral	149,455,694	191,975,694	-	-
	-Pledge	6,799,645,845	1,975,000,000	95,000,000	48,569,159
	-Mortgage	6,747,047,280	571,415,000	90,000,000	91,700,000
C. Total Amount of CPM Given on Behalf of Third Parties Debts for Continuation of Their Economic Activities		-	-	-	-
D. Total Other CPM Given		-	-	-	-
i. Total CPM Given on Behalf of the Parent Company		-	-	-	-
ii. Total CPM Given on Behalf of Other Group Companies which are not included in the Scope of Items B and C		-	-	-	-
iii. Total CPM Given on Behalf of Third Parties which are not included in the Scope of Items C		-	-	-	-
Total		15,713,239,620	2,786,564,348	245,000,000	140,269,159

The ratio of other CPMs given by the Company/Group to the equity of the Company/Group is 130.34% as of 30 June 2024.

As of 30 June 2024, there are sureties given on behalf of Group companies amounting to TL 45,605,000,000, USD 49,500,000, EUR 421,000,000 and sureties given on their own behalf amounting to TL 10,401,600,000, USD 102,340,000 and EUR 3,274,000.

ESENBOĞA ELEKTRİK ÜRETİM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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12. COMMITMENTS (cont'd)

Collaterals-Pledge-Mortgage ("CPM")

31 December 2023		TL equivalent	TL	USD	EUR
A. Total Amount of CPM Given for Its Own Legal Entity					
	-Collateral	117,272,981	111,178,449	207,028	-
	-Pledge	-	-	-	-
	-Mortgage	-	-	-	-
B. Total Amount of CPM Given on Behalf of the Fully Consolidated Entities					
	-Collateral	123,529,879	123,529,879	-	-
	-Pledge	7,925,281,467	2,463,508,132	118,497,860	60,582,541
	-Mortgage	7,743,373,135	712,752,151	112,261,130	114,381,618
C. Total Amount of CPM Given on Behalf of Third Parties Debts for Continuation of Their Economic Activities		-	-	-	-
D. Total Other CPM Given		-	-	-	-
i. Total CPM Given on Behalf of the Parent Company		-	-	-	-
ii. Total CPM Given on Behalf of Other Group Companies which are not included in the Scope of Items B and C		-	-	-	-
iii. Total CPM Given on Behalf of Third Parties which are not included in the Scope of Items C		-	-	-	-
Total		15,909,457,462	3,410,968,611	230,966,018	174,964,159

The ratio of other CPMs given by the Company/Group to the equity of the Company/Group is 144.62% as of 31 December 2023.

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13. CASH FLOW HEDGE ACCOUNTING FOR HIGH-PROBABILITY FORECAST TRANSACTION CURRENCY RISK

The Group hedges the foreign currency risk on the balance sheet by borrowing in the same currency against the foreign currency risks arising from the foreign currency sales amounts that are highly probable to be realized in the future, considering the agreements made and the corporate budget.

Repayments of foreign currency 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 the currency risk management strategy it has determined, the Group applies hedge accounting for the purpose of hedging the currency risk component of the highly probable estimated transaction cash flow risk, and the foreign exchange rate that has occurred on the hedging instrument, whose effectiveness has been mathematically proven in accordance with TFRS 9 and has not yet been realized, It pulls the fluctuations from the income statement and parks it in the comprehensive income statement and aims to present a healthier income statement,

As of 30 June 2023, the hedging ratio is 90% and hedge effectiveness is 92%.

USD	30 June 2024
Present value of the hedged item (current portion)	6,488,674
Present value of the hedged item (non-current portion)	19,562,576
Present value of the hedging instrument (current portion)	8,291,414
Present value of the hedging instrument (non-current portion)	17,048,582
EUR	30 June 2024
Present value of the hedged item (current portion)	4,764,434
Present value of the hedged item (non-current portion)	24,738,001
Present value of the hedging instrument (current portion)	7,457,078
Present value of the hedging instrument (non-current portion)	18,157,557
TRY	30 June 2024
Present value of the hedged item (current portion)	34,154,375
Present value of the hedged item (non-current portion)	129,471,232
Present value of the hedging instrument (current portion)	(47,140,414)
Present value of the hedging instrument (non-current portion)	(104,144,075)
Hedging effectiveness rate	92%
Inactive portion left in the income statement	12,341,117

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14. EMPLOYEE BENEFITS

Payables related to employee benefits

	30 June 2024	31 December 2023
Payables for employees	4,530,279	3,375,317
Social security premiums payable	4,539,238	2,643,827
	<u>9,069,517</u>	<u>6,019,144</u>

Short-term provisions for employee benefits

	30 June 2024	31 December 2023
Provision for unused vacation	2,448,084	1,562,146
	<u>2,448,084</u>	<u>1,562,146</u>

Long-term provisions for employee benefits

Provision for employment termination benefits:

	30 June 2024	31 December 2023
Provision for employment termination benefits	2,371,407	2,162,321
	<u>2,371,407</u>	<u>2,162,321</u>

ESENBOĞA ELEKTRİK ÜRETİM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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14. EMPLOYEE BENEFITS (cont'd)

Long-term provisions for employee benefits (cont'd)

Provision for employment termination benefits (cont'd):

According to the articles of Turkish Labor Law in force, the Group have obligation to pay the legal employee termination benefits to each employee whose are 25 years of working life (58 for women and 60 for men) by completing at least one year of service, leaving for military services and deceased.

As of June 30, 2024, the amount payable consists of one month's salary limited to a maximum of TL 35,058 (31 December 2023: TL 23,489).

Retirement pay liability is not subject to any kind of funding legally. The employee termination benefit has been calculated by estimating the present value of the future probable obligation of the Group arising from the 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 main assumption is that the maximum liability amount for each year of service will increase in line with inflation. Therefore, the discount rate applied represents the expected real rate after adjusting for the effects of future inflation. Therefore, as of June 30, 2024, provisions in the accompanying financial statements are calculated by estimating the present value of the future probable obligation arising from the retirement of the employees. Provisions at the relevant balance sheet dates are calculated using the real discount rate, which is approximately 5.14% (31 December 2023: 3.12%), based on the assumptions of 22.83% interim inflation and 26.85% interest rate. The maximum amount of TL 41,828 effective as of 1 January 2024 has been taken into account in the calculation of the severance pay provision of the Company (1 July 2023: TL 23,489).

	1 January- 30 June 2024	1 January- 30 June 2023
Provision as of 1 January	2,162,321	798,845
Service cost	656,395	507,769
Interest cost	465,602	140,061
Employment termination benefits paid	(159,937)	(513,916)
Actuarial loss / gain	(324,191)	935,213
Inflation Effect	(428,783)	(131,884)
Provision as of 30 June	<u>2,371,407</u>	<u>1,736,088</u>

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15. OTHER ASSETS AND LIABILITIES

	30 June 2024	31 December 2023
<u>Other Current Assets</u>		
Deferred VAT	23,256,299	27,729,740
VAT deductible	-	202
Personnel advances	182,013	59,819
	<u>23,438,312</u>	<u>27,789,761</u>
	30 June 2024	31 December 2023
<u>Other Current Liabilities</u>		
Taxes and funds payables	12,553,571	11,521,763
Other payables	82,859	65,947
	<u>12,636,430</u>	<u>11,587,710</u>

16. SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS

a) Share Capital / Treasury Shares Adjustment

The paid-in capital structure of the Company as of 30 June 2024 and 31 December 2023 is as follows

Shareholders	%	30 June 2024	%	31 December 2023
Naturel Yenilenebilir Enerji Tic. A.Ş.	%62.50	162,500,000	%62.50	162,500,000
Publicly traded	%37.50	97,500,000	%37.50	97,500,000
<u>Nominal capital</u>	<u>%100</u>	<u>260,000,000</u>	<u>%100</u>	<u>260,000,000</u>
Inflation adjustment		831,360,264		831,360,264
<u>Adjusted share capital</u>		<u>1,091,360,264</u>		<u>1,091,360,264</u>

b) Restricted reserves appropriated from profit:

	30 June 2024	31 December 2023
Legal reserves	23,906,023	22,102,907
	<u>23,906,023</u>	<u>22,102,907</u>

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16. SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS (cont'd)

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

	30 June 2024	31 December 2023
Increase in revaluation of non-current assets	342,596,751	342,596,750
	<u>342,596,751</u>	<u>342,596,750</u>

	30 June 2024	31 December 2023
Actuarial gains / losses from pension plans fund	(609,694)	(1,007,626)
	<u>(609,694)</u>	<u>(1,007,626)</u>

d) Share premiums:

	30 June 2024	31 December 2023
Share premiums	2,437,432,219	2,443,100,056
	<u>2,437,432,219</u>	<u>2,443,100,056</u>

17. REVENUE AND COST OF SALES

	1 January- 30 June 2024	1 January- 30 June 2023	1 April- 30 June 2024	1 April- 30 June 2023
Domestic Sales	405,955,145	600,566,117	233,747,408	313,765,549
Revenue	<u>405,955,145</u>	<u>600,566,117</u>	<u>233,747,408</u>	<u>313,765,549</u>
Cost of services sold (-)	(291,364,805)	(616,848,325)	(180,423,985)	(377,338,307)
Cost of Sales	<u>(291,364,805)</u>	<u>(616,848,325)</u>	<u>(180,423,985)</u>	<u>(377,338,307)</u>
Gross Profit	<u>114,590,340</u>	<u>(16,282,208)</u>	<u>53,323,423</u>	<u>(63,572,758)</u>

ESENBOĞA ELEKTRİK ÜRETİM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2024**

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18. GENERAL ADMINISTRATIVE EXPENSES, MARKETING EXPENSES, RESEARCH AND DEVELOPMENT EXPENSES

	1 January- 30 June 2024	1 January- 30 June 2023	1 April- 30 June 2024	1 April- 30 June 2023
General Administrative Expenses	(80,811,160)	(77,467,522)	(36,148,332)	(45,288,126)
	<u>(80,811,160)</u>	<u>(77,467,522)</u>	<u>(36,148,332)</u>	<u>(45,288,126)</u>
	1 January- 30 June 2024	1 January- 30 June 2023	1 April- 30 June 2024	1 April- 30 June 2023
Personnel wage expenses	(19,064,148)	(14,011,453)	(10,123,059)	(7,390,736)
Consultancy and audit expenses	(18,496,432)	(8,006,850)	(5,649,735)	(2,570,922)
Depreciation and amortisation expenses	(12,909,005)	(39,458,845)	(5,876,287)	(30,073,183)
Taxes, duties and charges	(9,345,516)	(1,411,243)	(1,617,864)	(1,120,977)
Travelling expenses	(8,814,639)	-	(8,814,639)	-
Rental and office expenses	(4,094,407)	(5,756,837)	(1,936,381)	(1,441,497)
Donation and aid expenses	(2,373,507)	(5,011,663)	(945,318)	(930,987)
Representation and hospitality expenses	(1,481,991)	(162,694)	(33,377)	(101,807)
Insurance costs	(316,283)	(1,646,523)	(52,908)	(1,065,825)
Notary and chamber of commerce expenses	(246,349)	(30,967)	(216,682)	(9,928)
Communication expenses	(139,365)	(35,643)	(68,824)	(21,669)
Maintenance and repair expenses	(53,367)	-	(14,161)	58,581
Advertisement and advertisement expenses	(7,829)	(216,840)	351	(100,094)
Other	(3,468,322)	(1,717,964)	(799,448)	(519,082)
	<u>(80,811,160)</u>	<u>(77,467,522)</u>	<u>(36,148,332)</u>	<u>(45,288,126)</u>

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19. OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES

The details of other income from core operations for the periods ending on June 30, 2024, and June 30, 2023, are as follows:

	1 January- 30 June 2024	1 January- 30 June 2023	1 April- 30 June 2024	1 April- 30 June 2023
Other Income from Operating Activities				
Foreign exchange gains arising from operating activities	28,495,329	439,934,872	(3,063,603)	281,482,739
Rental income	832,295	1,594,930	677,556	(74,210)
Other income	16,140,597	2,444,187	16,135,420	(400,470)
	<u>45,468,221</u>	<u>443,973,989</u>	<u>13,749,373</u>	<u>281,008,059</u>
	1 January- 30 June 2024	1 January- 30 June 2023	1 April- 30 June 2024	1 April- 30 June 2023
Other Expenses from Operating Activities				
Foreign exchange losses from operating activities	(35,842,109)	(275,017,184)	33,297,837	(192,314,011)
Commission expenses	(246,129)	-	16,600	13,618
Discount on notes receivable	-	-	-	6,364,877
Other expenses	(13,347,171)	(5,138,862)	(12,179,956)	(2,898,396)
	<u>(49,435,409)</u>	<u>(280,156,046)</u>	<u>21,134,481</u>	<u>(188,833,912)</u>

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20. INCOME AND EXPENSES FROM INVESTING ACTIVITIES

For the years ended June 30, 2024 and 2023, income from investing activities are as follows:

	1 January- 30 June 2024	1 January- 30 June 2023	1 April- 30 June 2024	1 April- 30 June 2023
Income from Investing Activities				
Increase in value of financial investments presented at fair value	833,132,496	130,018,900	-	37,847,859
Increase in revaluation of investment property	3,029,468	23,616,311	54,025,103	26,577,761
Repo income	13,467,403	5,023,104	2,265,084	5,023,104
	<u>849,629,367</u>	<u>158,658,315</u>	<u>56,290,187</u>	<u>69,448,724</u>

For the years ended June 30, 2024 and 2023, expenses from investing activities are as follows:

	1 January- 30 June 2024	1 January- 30 June 2023	1 April- 30 June 2024	1 April- 30 June 2023
Expenses from Investing Activities				
Impairment of property, plant and equipment and investment property	-	-	(70,678,380)	-
Impairment of financial investments presented at fair value	-	-	(221,860,457)	(865,592,524)
Loss on sale of marketable securities	-	(4,799,995)	-	(1,564,583)
	<u>-</u>	<u>(4,799,995)</u>	<u>(292,538,837)</u>	<u>(867,157,107)</u>

ESENBOĞA ELEKTRİK ÜRETİM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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21. FINANCE INCOME AND EXPENSES

The details of income from financing activities for the periods ending on June 30, 2024, and June 30, 2023, are as follows:

	1 January- 30 June 2024	1 January- 30 June 2023	1 April- 30 June 2024	1 April- 30 June 2023
Finance income				
Interest income from currency hedged and time deposits	-	133,491,003	-	121,009,360
Interest income from related parties	13,018,475	9,644,759	13,018,475	9,644,759
Interest income from derivative instruments	3,918,745	32,883,207	278,437	32,883,207
Foreign exchange gains on bank borrowings	5,238,571	1,399,066	3,874,885	(2,909,274)
Discounted credit interest income	-	-	-	(4,384,332)
	<u>22,175,791</u>	<u>177,418,035</u>	<u>17,171,797</u>	<u>156,243,720</u>

The details of expenses from financing activities for the periods ending on June 30, 2024, and June 30, 2023, are as follows:

	1 January- 30 June 2024	1 January- 30 June 2023	1 April- 30 June 2024	1 April- 30 June 2023
Finance expenses				
Foreign exchange differences arising from bank borrowings	(113,324,218)	(181,520,326)	27,179,830	(125,645,829)
Interest expenses on loans	(162,339,158)	(136,312,272)	(80,884,119)	(91,742,268)
Bank commission expenses	(13,517,127)	(18,533,494)	(5,051,625)	(13,314,408)
Expense from related parties	(8,003,008)	(7,003,738)	(8,003,008)	(7,003,738)
Letter of guarantee commission expenses	(1,048,998)	(1,562,508)	(542,510)	(564,976)
Other financing expenses	(480,275)	(7,263,664)	46,191	(7,255,263)
	<u>(298,712,784)</u>	<u>(352,196,002)</u>	<u>(67,255,241)</u>	<u>(245,526,482)</u>

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

	30 June 2024	31 December 2023
Current corporate tax provision	-	-
Less: Prepaid taxes and funds	(15,621,278)	(17,916,178)
Tax provision in the balance sheet	(15,621,278)	(17,916,178)
<i>Tax expense in the statement of profit or loss:</i>		
	1 January- 30 June 2024	1 January- 30 June 2023
<u>Tax expense / (income) consists of the following:</u>		
Current tax expense / (income)	-	-
Deferred tax (income)/expense	(96,223,201)	(325,902,932)
	<u>(96,223,201)</u>	<u>(325,902,932)</u>

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 results for the years and periods. 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.

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 non-deductible income and other deductions (prior years' losses, if any, and investment incentives used, if preferred).

The effective tax rate in 2024 is 25% (2023: 25%).

The Law numbered 7061 on "Amendment of Certain Taxes and Laws and Other Acts" was published on the Official Gazette dated 5 December 2017 and numbered 30261. In accordance with (a) clause in the first paragraph of the Article, the exemption of 75% applied to gains from the sales of lands and buildings held by the entities for two full years has been reduced to rate of 50%. This regulation has been effective from 5 December 2017.

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22. INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (cont'd)

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.

According to TAS 12 Income taxes Article 48; "Current and deferred tax assets and liabilities are generally measured using enacted tax rates (and tax laws). However, in some cases, government announcements regarding tax rates (and tax laws) may have a significant effect on the enactment of legislation and may be enacted several months after the announcement. In such cases, the tax asset and liability are calculated based on the tax rates (or laws) announced." According to this paragraph, "Currency hedged deposits tax exemption" has been applied for the financial statements as of 31 December 2021. The public offering of the Group was realized as of 28 September 2021, and as announced in the official gazette dated 25 May 2021 and numbered 31491 with the said public offering transaction, the corporate tax rate of Esenboğa Elektrik Üretim A.Ş., which is one of the institutions with a public offering of at least 20%, has been applied with a 2 percentage point discount on the corporate income to be obtained in the 2021 - 2025 accounting periods and as announced in the official gazette dated 22 January 2022 and numbered 31727, a discount of 2 points in the tax rate has been made due to the industrial registry certificate and actual production activities.

The tax rate used in the calculation of deferred tax assets and liabilities is 25%.

	30 June 2024	31 December 2023
<u>Deferred tax assets/(liabilities):</u>		
Adjustments related to investment property, property, plant and equipment and intangible assets	(1,567,733,700)	(2,050,543,878)
Cash flow hedge losses	302,310,530	547,318,844
Adjustments related to fair value	(512,512,390)	(279,317,233)
Financial losses	169,708,671	211,685,413
Expense accruals	(6,019,755)	2,861,963
Provision for employment termination benefits	529,873	540,580
Provision for unused vacation	917,654	390,537
Other	(3,070,980)	2,095,319
	<u>(1,615,870,097)</u>	<u>(1,564,968,455)</u>

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22. INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (cont'd)

Deferred Tax: (cont'd)

The movement of deferred tax assets / (liabilities) for the year ended June 30, 2024 and 2023 is given below:

	1 January- 30 June 2024	1 January- 30 June 2023
<u>Movements in deferred tax assets / (liabilities):</u>		
Opening balance as of 1 January	(1,564,968,455)	(1,962,617,561)
Recognised in the income statement	(96,223,201)	(325,902,932)
Recognised under equity	45,321,559	(162,966,261)
Closing balance as of 30 June	<u>(1,615,870,097)</u>	<u>(2,451,486,753)</u>

23. EARNINGS PER SHARE

Earnings per share are calculated by dividing net profit by the weighted average number of shares that have been outstanding during the year. Companies can increase their capital by distributing shares ("Bonus Shares") from accumulated profits and reassessment funds to current shareholders based on the number of shareholders' shares. When calculating earnings per share, the issuance of bonus shares is considered to be the same as shares issued. Therefore, the weighted average number of shares, which is used when calculating the earning per share, is gained by retrospectively counting the issuance of bonus shares. Earnings per share are determined by dividing net profit attributable to shareholders by the weighted average number of issued ordinary shares. The nominal value of one share of the Group is TL 1.

	1 January- 30 June 2024	1 January- 30 June 2023	1 April- 30 June 2024	1 April- 30 June 2023
Earnings per share				
Net profit / (loss) for the period	1,120,316,449	848,059,778	51,081,109	(16,991,850)
Number of shares	259,297,498	258,402,307	259,297,498	258,402,307
Earnings per share (TL)	<u>4.32</u>	<u>3.28</u>	<u>0.20</u>	<u>(0.07)</u>

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24. FINANCIAL INSTRUMENTS

a) Derivative Instruments

30 June 2024	<u>Contract Amount</u>	<u>Asset</u>	<u>Liability</u>
Derivative financial assets			
Presentation of hedging derivative instruments at fair value:			
<i>Derivative instrument</i>	-	-	565,641
<i>Cross currency swap transactions</i>	661,240,181	64,239,477	-
	<u>661,240,181</u>	<u>64,239,477</u>	<u>565,641</u>
Short-term	-	16,575,061	565,641
Long-term	-	47,664,416	-
	<u>-</u>	<u>64,239,477</u>	<u>565,641</u>
31 December 2023	<u>Sözleşme Tutarı</u>	<u>Varlık</u>	<u>Yükümlülük</u>
Derivative financial assets			
Presentation of hedging derivative instruments at fair value:			
<i>Derivative instrument</i>	-	-	2,805,467
<i>Cross currency swap transactions</i>	757,100,605	90,222,463	-
	<u>757,100,605</u>	<u>90,222,463</u>	<u>2,805,467</u>
Short-term	-	21,868,735	2,805,467
Long-term	-	68,353,728	-
	<u>-</u>	<u>90,222,463</u>	<u>2,805,467</u>

b) Financial Investments

<u>Long-Term Financial Investments</u>	<u>30 June 2024</u>	<u>31 December 2023</u>
Financial investments at fair value through profit or loss (*)	3,351,896,412	2,518,763,916
	<u>3,351,896,412</u>	<u>2,518,763,916</u>

(*) On 20 January 2023, the Group acquired 30.39% of Enda Enerji Holding A.Ş. for TL 1,123,581,672. The Company is not listed on the stock exchange. The Company classifies as long term financial investment at fair value through profit or loss. Fair value increase amounting to TL 833,132,496 is recognized in income from investing activities.

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24. FINANCIAL INSTRUMENTS (cont'd)

c) Financial Liabilities

The details of financial liabilities carried at amortized cost are as follows:

	30 June 2024	31 December 2023
Short-Term Financial Borrowings		
Short-term bank loans	218,324,773	231,392,399
Short-term portion of long-term bank borrowings	802,489,198	948,995,298
Other financial payables	-	140,608
	<u>1,020,813,971</u>	<u>1,180,528,305</u>
Long-Term Financial Borrowings		
Long-term bank loans	1,962,791,364	2,400,894,061
Total debt	<u>1,962,791,364</u>	<u>2,400,894,061</u>

Currency	Weighted average effective interest rate	30 June 2024		
		Short-term	Weighted average effective interest rate	Long-term
TL	%44,56 - %87,38	161,638,961	%44,56 - %87,38	20,939,968
USD	%5,50 - %13,34	384,824,312	%5,50 - %13,34	693,182,238
EUR	%4,68 - %5,46	466,589,397	%4,68 - %5,46	1,127,832,411
CHF	%6,41	7,761,301	%6,41	120,836,747
		<u>1,020,813,971</u>		<u>1,962,791,364</u>

Currency	Weighted average effective interest rate	31 December 2023		
		Short-term	Weighted average effective interest rate	Long-term
TL	%40,6	202,075,420	%40,6	33,348,871
USD	%13,34	408,768,555	%13,34	1,363,552,444
EUR	%5,46	569,543,722	%5,46	1,003,992,746
		<u>1,180,387,697</u>		<u>2,400,894,061</u>

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24. FINANCIAL INSTRUMENTS (cont'd)

c) Financial Liabilities (cont'd)

The maturities of bank loans are as follows:

	30 June 2024	31 December 2023
Payable in 1 year	1,020,813,971	1,180,387,697
Payable in 1 - 2 years	634,088,066	745,941,268
Payable in 2 - 3 years	626,682,072	618,310,416
Payable in 3 - 4 years	361,240,619	525,925,670
Payable in 4 - 5 years	168,715,036	510,716,707
5 years and longer	172,065,571	-
	<u>2,983,605,335</u>	<u>3,581,281,758</u>

25. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

a) Financial risk factors

The Group is exposed to market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk, and price risk), credit risk, and liquidity risk due to its activities. The Group's risk management program focuses primarily on minimizing the potential adverse effects of uncertainty in financial markets on the company's financial performance.

Risk management is carried out by a centralized finance department in accordance with policies approved by the Board of Directors. Regarding risk policies, the Group's finance department identifies, evaluates, and mitigates financial risks using tools in collaboration with the Group's operational units.

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25. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

a) Financial risk factors (cont'd)

Foreign Exchange risk management

	30 June 2024			
	TL Equivalent (Functional currency)	USD	EUR	Other
1. Trade Receivables	33,646,806	13,680	945,040	-
2a. Monetary Financial Assets	105,562,206	267,707	1,823,501	915,773
2b. Non-Monetary Financial Assets	-	-	-	-
3. Other	94,783,844	2,615,309	254,301	-
4. CURRENT ASSETS	233,992,856	2,896,696	3,022,842	915,773
5. Trade Receivables	-	-	-	-
6a. Monetary Financial Assets	12,394,528	376,217	1,274	-
6b. Non-Monetary Financial Assets	-	-	-	-
7. Other	-	-	-	-
8. NON-CURRENT ASSETS	12,394,528	376,217	1,274	-
9. TOTAL ASSETS	246,387,384	3,272,913	3,024,116	915,773
10. Trade Payables	14,499,984	368,495	67,684	-
11. Financial Liabilities	859,028,669	11,702,016	13,258,507	211,784
12a. Monetary Other Liabilities	8,786,051	267,173	-	-
12b. Non-Monetary Other Liabilities	-	-	-	-
13. CURRENT LIABILITIES	882,314,704	12,337,684	13,326,191	211,784
14. Trade Payables	-	-	-	-
15. Financial Liabilities	1,939,572,968	21,078,787	32,048,250	3,297,289
16a. Monetary Other Liabilities	-	-	-	-
16b. Non-Monetary Other Liabilities	-	-	-	-
17. NON-CURRENT LIABILITIES	1,939,572,968	21,078,787	32,048,250	3,297,289
18. TOTAL LIABILITIES	2,821,887,672	33,416,471	45,374,441	3,509,073
19. Net Asset/ (Liability) Position of Off-Balance Sheet Derivative Instruments (19a-19b)	151,556,964	2,615,347	1,862,669	-
19a. Hedged portion of assets amount	151,556,964	2,615,347	1,862,669	-
19b. Hedged portion of liabilities amount	-	-	-	-
20. Net foreign currencies assets / (liability) position	(2,423,943,324)	(27,528,211)	(40,487,656)	(2,593,300)
21. Monetary Items Net Foreign Currency Asset/Liability Position (1+2a+5+6a-10-11-12a-14-15- 16a)	(2,670,284,132)	(32,758,867)	(42,604,626)	(2,593,300)

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25. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

a) Financial risk factors (cont'd)

Foreign Exchange risk management

	31 December 2023			
	TL Equivalent (Functional currency)	USD	EUR	Other
1. Trade Receivables	682,260	23,176	-	-
2a. Monetary Financial Assets	49,590,180	1,189,015	438,874	7,796
2b. Non-Monetary Financial Assets	-	-	-	-
3. Other	88,214,124	2,703,694	264,697	-
4. CURRENT ASSETS	138,486,564	3,915,885	703,571	7,796
5. Trade Receivables	367,196	12,473	-	-
6a. Monetary Financial Assets	128,289,389	4,350,146	7,028	-
6b. Non-Monetary Financial Assets	-	-	-	-
7. Other	-	-	-	-
8. NON-CURRENT ASSETS	128,656,585	4,362,620	7,028	-
9. TOTAL ASSETS	267,143,149	8,278,505	710,599	7,796
10. Trade Payables	37,698,559	156,589	1,013,727	-
11. Financial Liabilities	978,312,276	14,915,023	16,500,336	-
12a. Monetary Other Liabilities	51,407,277	-	1,575,335	-
12b. Non-Monetary Other Liabilities	-	-	-	-
13. CURRENT LIABILITIES	1,067,418,111	15,071,612	19,089,398	-
14. Trade Payables	-	-	-	-
15. Financial Liabilities	2,367,545,187	28,591,481	46,712,344	-
16a. Monetary Other Liabilities	-	-	-	-
16b. Non-Monetary Other Liabilities	-	-	-	-
17. NON-CURRENT LIABILITIES	2,367,545,187	28,591,481	46,712,344	-
18. TOTAL LIABILITIES	3,434,963,298	43,663,093	65,801,742	-
19. Net Asset/ (Liability) Position of Off-Balance Sheet Derivative Instruments (19a-19b)	(896,340,415)	(13,731,909)	(15,107,117)	-
19a. Hedged portion of assets amount	-	-	-	-
19b. Hedged portion of liabilities amount	896,340,415	13,731,909	15,107,117	-
20. Net foreign currencies assets / (liability) position	(4,064,160,565)	(49,116,497)	(80,198,260)	7,796
21. Monetary Items Net Foreign Currency Asset/Liability Position (1+2a+5+6a-10-11-12a-14-15- 16a)	(3,256,034,273)	(38,088,282)	(65,355,841)	7,796

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25. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

a) Financial risk factors (cont'd)

Foreign Exchange risk management

Foreign currency sensitivity

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US Dollar and Euro. The table below shows the Group's sensitivity to 20% increase or decrease in USD and Euro exchange rates. The 10% rate is the rate used when reporting the exchange rate risk within the Group to the senior managers, and this rate represents the possible change expected by the management in the exchange rates. The sensitivity analysis covers only outstanding foreign currency denominated monetary items at year-end and shows the effects of 20% change in foreign currency rates at the end of the year. This analysis includes foreign borrowings, as well as nonfunctional currency loans of borrowers and borrowers used for foreign operations within the Group. A positive value represents an increase in profit/loss and other equity items.

	30 June 2024	
	Profit / Loss	
	Appreciation of foreign currency	Depreciation foreign currency
In case of a 20% appreciation of US Dollar against TL		
1 - USD net asset/liability	(180,729,314)	180,729,314
2 - Portion hedged against USD risk (-)	-	-
3 - USD net effect (1 +2)	(180,729,314)	180,729,314
In case of a 20% appreciation of EUR against TL		
4 - EUR net asset/liability	(284,453,313)	284,453,313
5 - Portion hedged against EUR risk (-)	-	-
6 - EUR net effect (4+5)	(284,453,313)	284,453,313
In case of appreciation of other foreign exchange rates by 20% against TL		
7- Other foreign currency net assets / liabilities	(18,886,225)	18,886,225
8- Other foreign currency hedged portion (-)	-	-
9- Other Foreign Currency Assets net effect	(18,886,225)	18,886,225
TOTAL (3 + 6 +9)	(484,068,852)	484,068,852

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25. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

a) Financial risk factors (cont'd)

Foreign Exchange risk management (cont'd)

Foreign currency sensitivity (cont'd)

	31 December 2023	
	Profit / Loss	
	Appreciation of foreign currency	Depreciation foreign currency
In case of a 20% appreciation of US Dollar against TL		
1 - USD net asset/liability	(289,180,254)	289,180,254
2 - Portion hedged against USD risk (-)	-	-
3 - USD net effect (1 +2)	<u>(289,180,254)</u>	<u>289,180,254</u>
In case of a 20% appreciation of EUR against TL		
4 - EUR net asset/liability	(522,474,023)	522,474,023
5 - Portion hedged against EUR risk (-)	-	-
6 - EUR net effect (4+5)	<u>(522,474,023)</u>	<u>522,474,023</u>
In case of appreciation of other foreign exchange rates by 20% against TL		
7- Other foreign currency net assets / liabilities	58,378	(58,378)
8- Other foreign currency hedged portion (-)	-	-
9- Other Foreign Currency Assets net effect	<u>58,378</u>	<u>(58,378)</u>
TOTAL (3 + 6 +9)	<u><u>(811,595,899)</u></u>	<u><u>811,654,277</u></u>

26. 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 Company is in the process of assessing the impact of the amendments on the financial statements.

27. DISCLOSURES RELATED TO THE STATEMENT OF CASH FLOWS

	30 June 2024	31 December 2023
Cash on hand	310,805	1,794,412
Cash at banks	87,197,831	334,797,308
Demand deposits	66,934,280	53,723,247
Time deposits	20,263,551	281,074,061
Other	303,609	2,170
	<u><u>87,812,245</u></u>	<u><u>336,593,890</u></u>

There are no blocked deposits (31 December 2023: None).