ÇAN2 TERMİK A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND EXPLANATORY NOTES FOR THE PERIOD ENDED MARCH 31, 2025

CONTENTS	PAGE

ÇAN2 TERMİK A.Ş.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2025 AND 31 DECEMBER 2024
(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 March 2025.)

		Current Period Not Audited Consolidated	**Previous Period Audited Consolidated**
ASSETS	**NOTES**	**31.03.2025**	**31.12.2024**
Current Assets			
Cash and cash equivalents	42	18.233.494	173.208.750
Trade Receivables	6-7	2.183.670.793	2.054.365.547
Trade receivables from related parties	6	*15.632.380*	*73.891*
Trade receivables from third parties	*7*	*2.168.038.413*	*2.054.291.657*
Other Receivables	6-8	1.095.372.500	1.113.907.145
Other Receivables from Related Parties	*6*	*1.054.386.895*	*1.093.624.631*
Other Receivables from Third Parties	*8*	*40.985.605*	*20.282.515*
Inventories	9	3.422.731.338	1.769.682.663
Prepaid Expenses	10	59.369.444	73.107.661
Assets Related to Current Term Tax	31	554.487	868.592
Other Current Assets	20	398.222.741	693.652.917
TOTAL CURRENT ASSETS		**7.178.154.797**	**5.878.793.275**
Non-current Assets			
Trade receivables	6-7	1.606.775.369	1.392.873.263
Trade receivables from related parties	6	--	--
Trade receivables from third parties	*7*	*1.606.775.369*	*1.392.873.263*
Other receivables	6-8	205.412	225.883
Other receivables from related parties	6	--	--
Other receivables from third parties	*8*	*205.412*	*225.883*
Tangible Fixed Assets	11	20.371.568.648	18.968.050.771
Intangible Fixed assets	12	712.513.202	681.306.969
Other intangible fixed assets	*12*	*712.513.202*	*681.306.969*
Right of Use Assets	14	17.634.901	11.694.285
Prepaid Expenses	10	23.201.327	23.510.979
Deferred Tax Assets	31	400.777.443	1.430.441.045
Other Non-Current Assets	20	47.955.936	43.229.325
TOTAL NON-CURRENT ASSETS		**23.180.632.238**	**22.551.332.520**
TOTAL ASSETS		**30.358.787.035**	**28.430.125.795**

Consolidated financial statements for the period ending on 31.03.2025 have been approved by the Board of Directors Decision dated 12.05.2025 and numbered 2025/09.

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ÇAN2 TERMİK A.Ş.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2025 AND 31 DECEMBER 2024
(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 March 2025.)

		Current Period Not Audited Consolidated	**Previous Period Audited Consolidated**
LIABILITIES	**NOTES**	**31.03.2025**	**31.12.2024**
Short Term Liabilities			
Short Term Loans	34	393.035.742	--
Short Terms Part of Long-Term Loans	34	6.481.000	7.824.546
Short-Term Portions of Long-Term Borrowings	34	40.588.866	61.237.809
Other Financial Liabilities	34	14.008.738	2.991.162
Trade Payables	6-7	1.035.566.725	1.064.073.454
Trade Payables to Related Parties	*6*	*44.280.531*	--
Trade Payables to Third Parties	*7*	*991.286.194*	*1.064.073.454*
Payables within the Scope of Employee Benefits	19	62.661.262	45.147.258
Other Payables	6-8	288.632.870	384.250.259
Other payables to related parties	*6*	*30.149.228*	*68.530.180*
Other payables to third parties	*8*	*258.483.642*	*315.720.079*
Deferred Income	10	--	1.864.690.202
Short-term Provisions	18-19	28.782.609	24.066.917
Short term provisions from employee benefits	*19*	*26.646.573*	*21.968.676*
Other Short-Term Provisions	*18*	*2.136.036*	*2.098.241*
Other Short-Term Liabilities	20	61.318.090	61.879.030
TOTAL SHORT-TERM LIABILITIES		**1.931.075.902**	**3.516.160.637**
Long Term Borrowings	34	7.607.582	12.766.217
Long-Term Financial Lease Obligations	34	3.969.896	5.363.293
Other Payables	6-8	31.071.180	31.411.729
Other Payables to Related Parties	*6*	--	--
Other Payables to Third Parties	*8*	*31.071.180*	*31.411.729*
Deferred Income	12	2.078.693.362	--
Long Term Provisions	18-19	13.309.618	10.136.463
Long term provisions for employee benefits	*19*	*13.086.129*	*9.898.401*
Other Long-Term Provisions	*18*	*223.489*	*238.062*
Deferred Tax Liabilities	31	23.746.545	27.954.948
Other Long-Term Liabilities	20	10.114.353	13.537.200
TOTAL LONG-TERM LIABILITIES		**2.168.512.536**	**101.169.850**

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ÇAN2 TERMİK A.Ş.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2025 AND 31 DECEMBER 2024
(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 March 2025.)

		Current Period Not Audited Consolidated	**Previous Period Audited Consolidated**
EQUITY	**NOTES**	**31.03.2025**	**31.12.2024**
Equity of Parent Company		**26.185.435.971**	**24.735.975.577**
Paid-in Share Capital	21	7.000.000.000	7.000.000.000
Positive Differences From Share Capital Adjustment		2.469.781.935	2.469.781.934
Shares Discount/Premium	21	335.115.014	335.115.014
Other Accumulated Comprehensive Income and Expenses to be Reclassified to Profit or Loss	21-38	1.286.830.569	(605.831.357)
Foreign Currency Conversion Adjustments	*21*	*1.855.383.811*	*440.558.895*
Hedging Gains/Losses	*38*	*(573.742.274)*	*(1.052.107.971)*
Other Gains/Losses	*21*	*5.189.032*	*5.717.719*
Reserves on Retained Earnings	21	266.295.292	266.295.292
Capital Advances	21	1.474.418.200	1.622.785.461
Retained Earnings/Loss	21	13.647.829.233	15.004.934.620
Net Profit or Loss	30	(294.834.272)	(1.357.105.387)
Minority Shares		73.762.626	76.819.731
TOTAL EQUITY		**26.259.198.597**	**24.812.795.308**
TOTAL LIABILITIES		**30.358.787.035**	**28.430.125.795**

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ÇAN2 TERMİK A.Ş.
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIODS ENDED 31 MARCH 2025 AND 31 MARCH 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 March 2025.)

		Current Period Not Audited Consolidated	Previous Period Not Audited Consolidated
STATEMENT OF PROFIT/LOSS	**NOTES**	**01.01 - 31.03.2025**	**01.01 - 31.03.2024**
Revenue	22	976.421.381	1.730.543.698
Cost of Goods Sold (-)	23	(931.974.516)	(1.428.637.722)
GROSS PROFIT/LOSS		**44.446.865**	**301.905.976**
General administrative expenses (-)	24	(51.975.111)	(143.513.739)
Marketing expenses (-)	24	(2.807.048)	(35.712.196)
Research and Development Expenses	24	--	--
Other Income from Operating Activities	25	53.356.575	51.401.140
Other Expenses from Operating Activities (-)	25	(248.178.992)	(50.231.106)
OPERATING PROFIT/LOSS		**(205.157.712)**	**123.850.075**
Income from Investing Activities	26	--	--
Expenses from Investing Activities (-)	26	--	--
Shares of Profits/Loss of Investments Valued by Equity Method		--	--
FINANCING EXPENSE BEFORE OPERATING PROFIT/LOSS		**(205.157.712)**	**123.850.075**
Financial Income	28	20.728.682	13.696.430
Financial Expenses (-)	28	(634.173.187)	(190.834.709)
Net Monetary Position Gains (Losses)	29	1.292.835.348	(285.771.176)
PROFIT/LOSS BEFORE TAXATION FROM CONTINUING OPERATIONS		**474.233.131**	**(339.059.380)**
Tax Expense/Income from Continuing Operations		**(770.006.182)**	**(395.050.926)**
Period Tax Income/Loss	31	--	(2.985.536)
Deferred Tax Income/Loss	31	(770.006.182)	(392.065.390)
PROFIT/LOSS FROM ONGOING OPERATIONS		**(295.773.051)**	**(734.110.306)**
PROFIT/LOSS FROM DISCONTINUED OPERATIONS		--	--
PROFIT/LOSS FOR THE PERIOD		**(295.773.051)**	**(734.110.306)**
Profit/loss distribution for the period			--
Minority Shares		(938.779)	--
Parent Company Shares	21	(294.834.272)	(734.110.306)
Earnings Per Share			
Earnings per share from continuing operations	32	(0,051099)	(0,940110)
OTHER COMPREHENSIVE INCOME		**(528.686)**	**1.457.471**
Not to be reclassified to profit or loss		**(528.686)**	**1.457.471**
Actuarial losses and earnings calculated under employee benefits	19-30	(704.915)	1.943.295
Effect of Tax	19-21	176.229	(485.824)
To be Reclassified to profit or loss		**382.174.067**	**55.126.748**
Cash Flow Hedging Gains/Losses	38	509.565.423	73.502.331
Deferred Tax Expense/Income	31	(127.391.356)	(18.375.583)
OTHER COMPREHENSIVE INCOME		**381.645.381**	**56.584.219**
TOTAL COMPREHENSIVE INCOME		**85.872.330**	**(677.526.087)**

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ÇAN2 TERMİK A.Ş.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIODS ENDED 31 MARCH 2025 AND 31 MARCH 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira (“TL”) in terms of the purchasing power of TL as of 31 March 2025.)

		Not to be Reclassified to profit or loss accumulated other comprehensive income or expenses								Accumulated Profit			
	Paid-in Share Capital	Capital Adjustment Differences	Share Premiums / Discounts	Actuarial Loss /Gain	Foreign Currency Conversion Adjustments	Hedging Profit / (Loss)	Capital Reserves	Reserves on Retained Earninngs	Retained Earnings/Losses	Net Profit/Loss for the Period	Equity of Parent Company	Minority Interest	Equity
Balance on January 1, 2024	**938.116.903**	**2.420.313.390**	**5.019.542.967**	**(6.358.521)**	**--**	**(2.062.892.105)**	**2.342.957.712**	**64.997.964**	**16.957.063.029**	**709.935.630**	**--**	**--**	**26.383.676.968**
Other Comprehensive Income/Expense	--	--	--	1.457.471	--	325.191.508	--	--	--	--	--	--	326.648.979
Transfers	--	--	--	--	--	--	--	--	709.935.630	(709.935.630)	--	--	--
Total Comprehensive Income	--	--	--	--	--	--	--	--	--	--	--	--	--
Capital Increase	--	--	--	--	--	--	(306.729.716)	--	--	--	--	--	(306.729.716)
Increase/Decrease Due to Other Changes	--	65.705.703	--	--	--	--	--	--	--	--	--	--	65.705.703
Net Profit/Loss for The Period	--	--	--	--	--	--	--	--	--	(734.110.306)	--	--	(734.110.306)
Balance on March 31, 2024	**938.116.903**	**2.486.019.093**	**5.019.542.967**	**(4.901.050)**	**--**	**(1.737.700.597)**	**2.036.227.996**	**64.997.964**	**17.666.998.659**	**(734.110.306)**	**--**	**--**	**25.735.191.627**
Balance on January 1, 2025	**7.000.000.000**	**2.469.781.936**	**335.115.014**	**5.717.719**	**--**	**(1.052.107.971)**	**1.622.785.462**	**266.295.292**	**15.004.934.620**	**(1.357.105.387)**	**24.295.416.684**	**76.819.731**	**24.372.236.415**
Other Comprehensive Income/Expense	--	--	--	(528.687)	--	478.365.697	--	--	--	--	477.837.011	--	477.837.011
Values Depending on Share Ratios Resulting in Loss of Control of Subsidiary		--	--	--	1.855.383.811	--	--	--	--	--	1.855.383.811	--	1.855.383.811
Transfers	--	--	--	--	--	--	--	--	(1.357.105.387)	1.357.105.387	--	--	--
Total Comprehensive Income	--	--	--	--	--	--	--	--	--	--	--	--	--
Capital Increase	--	--	--	--	--	--	--	--	--	--	--	--	--
Increase/Decrease Due to Other Changes	--	--	--	--	--	--	(148.367.262)	--	--	--	(148.367.262)	(2.118.326)	(150.485.588)
Net Profit/Loss for The Period	--	--	--	--	--	--	--	--	--	(294.834.272)	(294.834.272)	(938.779)	(295.773.051)
Balance on March 31, 2025	**7.000.000.000**	**2.469.781.936**	**335.115.014**	**5.189.032**	**1.855.383.811**	**(573.742.274)**	**1.474.418.200**	**266.295.292**	**13.647.829.233**	**(294.834.272)**	**26.185.435.972**	**73.762.626**	**26.259.198.597**

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

ÇAN2 TERMİK A.Ş.
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIODS ENDED 31 MARCH 2025 AND 31 MARCH 2024
(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 March 2025.)

		Current Period Not Audited Consolidated	Previous Period Not Audited Consolidated
	NOTES	**01.01-31.03.2025**	**01.01-31.03.2024**
A. CASH FLOWS FROM OPEARING ACTIVITIES		**1.607.042.619**	**2.829.889.437**
Profit/Loss for The Period		**(294.834.272)**	**(734.110.306)**
Adjustments To Reconcile Net Profit/Loss for The Period		**1.535.239.576**	**3.949.434.439**
Adjustments related to Amortization and Depreciation Expenses	11-12-14-23-24	544.145.134	550.234.611
Adjustments for Impairment (Cancellation) of Receivables	7	(1.164.688)	(318.927)
Adjustments Related to Employees Benefits Provision (Cancellation)	19	9.462.652	6.380.475
Adjustment Related to Litigation and/or Penalty Provisions (Cancellation)	18	37.795	(215.052)
Adjustments Regarding (Cancellation) of Provisions Set aside in accordance with Sectoral Requirements	18	(14.573)	(41.145)
Deferred Financing Expense from Forward Purchases	7-8	1.432.258	43.254.591
Unearned Finance Income from Futures Sales	7-8	(86.331.696)	(67.761.348)
Adjustments Regarding Interest Expenses	20	60.948.099	99.342.887
Adjustments Related to Interest Income	20	(213.211.853)	(579.262.154)
Adjustments Regarding Tax Expenses/Income	31	1.025.455.199	695.578.260
Adjustments for Fair Value Loss (Gains)	38	1.893.190.613	325.191.508
Minority Shares		(3.057.105)	--
Monetary (Loss)/Gain Adjustments		(1.695.652.258)	2.877.050.733
Changes In Business Capital		**367.166.002**	**(386.892.167)**
Adjustments Regarding Increase/Decrease in Inventories	9	46.953.133	(1.244.569.712)
Increase/Decrease in Trade Receivables from Related Parties	6	(15.558.489)	136.750.918
Increase/Decrease in Trade Receivables from Unrelated Parties	7	(327.916.432)	337.116.253
Decrease (Increase) in Other Receivables from Related Parties	6	39.237.735	(8.874.433)
Decrease (Increase) in Other Receivables from Unrelated Parties	8	(20.682.619)	(8.519.360)
Change in Other Assets	20	504.229.524	636.586.844
Increase (Decrease) in Trade Payables to Related Parties	6	44.280.531	--
Increase (Decrease) in Trade Payables to Non-Related Parties	7	13.544.435	(103.823.587)
Change in Prepaid Expenses	10	14.047.869	52.004.444
Change in Payables Under Employee Benefits	19	8.051.352	7.220.265
Increase (Decrease) in Other Payables Related to Operations to Related Parties	6	(38.380.952)	(13.135.176)
Increase (Decrease) in Other Payables Related to Operations to Non-Related Parties	8	(57.576.986)	(80.475.687)
Provisions for Employee Benefits	19	7.865.625	614.266
Increase (Decrease) in Deferred Income	10	214.003.160	13.576
Change in Other Liabilities	20	(64.931.885)	(97.800.777)
Cash Flows from activities		**1.607.571.306**	**2.828.431.965**
Other gain/loss	21	(528.687)	1.457.471
B. CASH FLOWS FROM INVESTMENT ACTIVITIES		**(1.986.422.465)**	**(2.750.861.155)**
Cash Outflows Arising from the Purchase of Tangible Fixed Assets	11	(1.904.111.804)	(2.689.447.569)
Cash Outflows Arising from the Purchase of Intangible Assets	12	(74.757.440)	(56.451.918)
Cash Outflows from Right-to-Use Assets	14	(7.553.221)	(4.961.668)
C. CASH FLOWS FROM FINANCING ACTIVITIES		**369.758.529**	**11.767.005**
Cash Inflows from Financial Lease Contracts	34	(2.736.944)	(2.751.420)
Cash Inflows from Loans	34	394.318.510	13.979.769
Cash Inflows for Debt Payments Arising from Rental Agreements	14	37.106	8.041.298
Cash Outflows Related to Loan Repayments	34	(20.360.085)	(5.822.922)
Cash Outflows Related to Debt Payments Arising from Rental Agreements	14	(1.620.000)	(1.757.150)
Cash Outflows from Other Financial Debt Payments	34	119.942	77.431
MONETARY EFFECT OF NET INCREASE/DECREASE OF CASH AND CASH EQUIVALENTS		**(145.353.939)**	**(3.161.542)**
NET INCREASE/DECREASE OF CASH AND CASH EQUIVALENTS		**(154.975.256)**	**87.633.745**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		**173.208.750**	**178.292.280**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		**18.233.494**	**265.926.025**

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(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL")

1. ORGANIZATION AND CORE BUSINESS OF THE COMPANY

Çan2 Termik A.Ş.

Çan2 Termik Inc. ("Company", "Parent Company"), on 27 May 2003 Çan Kömür ve İnşaat A.Ş. was established under the title. The title of the company was changed to Çan2 Termik Anonim Şirketi after the Extraordinary General Assembly held on January 19, 2021, registered with the Istanbul Trade Registry Office on January 21, 2021. This change was published in the Turkish Trade Registry Gazette dated January 26, 2021 and numbered 10253. The company is engaged in the establishment, commissioning, leasing of a domestic coal-based electric power generation facility, electric power generation, sales of the produced electric energy and/or capacity to customers. Its center located Barbaros District, Karanfil Street, Varyap Meridian Site No: 1D, Ataşehir / Istanbul.

The license certificate of the Company for Çan-2 Thermal Power Plant Production Facility with an installed capacity of 340 MWm/330 MWe located in Çan district of Çanakkale province was approved by the decision of the Energy Market Regulatory Authority dated 28.01.2016 and numbered 6083-2, and on 28.01.2016 the Company's license was approved. e delivered. Ministry acceptance of Çan-2 Thermal Power Plant was made on 01.08.2018. As of 31.03.2025, the average number of employees of the Group is 685.

The capital of Çan2 Termik A.Ş. as of 31.03.2025 is TRY 7.000.000.000 and the shareholding structure is as follows:

	31.03.2025	**31.12.2024**
Odaş Elektrik Üretim Sanayi Ticaret A.Ş.	40%	40%
Public Shares	60%	60%

<u>Subsidiaries</u>

Yel Enerji Elektrik Üretim Sanayi A.Ş.

Yel Enerji Elektrik Üretim Sanayi A.Ş. ("Yel Enerji") was established on 22.10.2007. Yel Enerji was established to engage in the establishment, commissioning, leasing, generation of electrical energy, and sale of the generated electrical energy and/or capacity to customers.

The mining license numbered IR:17517 in the Bayramiç District of Çanakkale Province was purchased by Yel Energy and the transfer process was completed. Its center is in Barbaros District, Karanfil Street, Varyap Meridian Site No: 1D, Ataşehir / Istanbul.

With the Share Purchase and Sale agreement signed on 20.10.2016, Yel Enerji shareholders transferred all of their shares to Çan Kömür2 Termik A.Ş. at nominal value and Yel Enerji was included in the scope of consolidation.

As of 31.03.2025, Yel Enerji's capital is TRY 6.000.000 and its shareholding structure is as follows:

	31.03.2025	**31.12.2024**
Çan2 Termik A.Ş.	100%	100%

Çan 2 Trakya Kömür Maden A.Ş.

Çan2 Termik A.Ş. became a 100% shareholder of Çan 2 Trakya Kömür Maden A.Ş. ("Çan 2 Trakya") as a founding partner on 18.06.2019 and was included in the consolidation.

Çan 2 Trakya is engaged in purchasing, selling, manufacturing, assembling, and importing all kinds of natural stones and mineral ores in finished and semi-finished form. Its center is in Barbaros District, Karanfil Street, Varyap Meridian Site No: 1D, Ataşehir / Istanbul.

The company has a royalty agreement valid until 06.01.2027 for the coal field located in Tekirdağ, Malkara, İbrice village.

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL")

The capital of Çan 2 Trakya is TRY 550.000 as of 31.03.2025 and its shareholding structure is as follows:

	31.03.2025	**31.12.2024**
Çan2 Termik A.Ş.	100%	100%

Denarius Pumping Services LLC

Çan2 Termik A.Ş. became a 65% partner of Denarius Pumping Services LLC ("Denarius Pumping") on 03.04.2024 and was included in the consolidation.

Denarius Pumping is engaged in investment projects.

Denarius Pumping's partnership structure as of 31.03.2025 is as follows:

	31.03.2025	**31.12.2024**
Çan2 Termik A.Ş.	65%	65%

Denarius Pumping Services de Venezuela CA

Çan2 Termik A.Ş. was acquired by Denarius Pumping Services de Venezuela CA ("Denarius Venezuela") on 03.04.2024, and is a 65% indirect affiliate of Denarius Venezuela due to its partnership with Denarius Pumping Services LLC, and is included in the consolidation.

Denarius Pumping is engaged in investment projects.

Denarius Pumping's partnership structure as of 31.03.2025 is as follows:

	31.03.2025	**31.12.2024**
Denarius Pumping Services LLC	100%	100%

Information on EMRA licenses held by the parent company and its subsidiaries as of 31 March 2025 is as follows;

Owner	**License Type**	**License Number**	**Effective Date**	**Duration**
ÇAN2 TERMİK	Production	EÜ/6083-2/03428	28.01.2016	17 Years

Information on the licenses of the parent company and its subsidiaries as of 31 March 2025 is as follows;

Owner	**License Group**	**License Type**	**License Number**	**Effective Date**	**Ending Date**
YEL ENERJİ	IV. Group	Operation	17517	10.01.2024	05.01.2035
YEL ENERJİ	IV. Group	Exploration	201900443	09.04.2019	09.04.2026
YEL ENERJİ	IV. Group	Operation	80272	25.01.2019	25.01.2029

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

a. Basis of Presentation

Applied Accounting Standards

The accompanying interim consolidated financial statements are in accordance with the provisions of the Capital Markets Board ("CMB") "Communiqué on Principles Regarding Financial Reporting in the Capital Markets" ("Communiqué") No. II-14.1 published in the Official Gazette dated 13.06.2013 and numbered 28676. It has been prepared in accordance with the Turkish Financial Reporting Standards (“TFRS”), which was put into effect by the Public Oversight, Accounting and Auditing Standards Authority (“KGK”). TFRSs; It includes Standards and Interpretations published by KGK under the names of Turkish Accounting Standards (“TAS”), Turkish Financial Reporting Standards, TMS Interpretations and TFRS Interpretations.

(Unless otherwise stated, amounts are expressed in Turkish Lira (“TL”)

Current and Reporting Currency

The Group keeps and prepares its legal books and statutory financial statements in accordance with the Turkish Commercial Code (“TCC”), the accounting principles determined by the tax legislation, and the Uniform Chart of Accounts issued by the Ministry of Finance. The functional currency of the Group is Turkish Lira (“TL”). These interim consolidated financial statements are presented in TRY, which is the functional currency of the Group.

Adjusting Financial Tables in High Inflation Periods

With the statement made by the Public Oversight Accounting and Auditing Standards Authority (KGK) on November 23, 2023, businesses applying TFRS have started to apply inflation accounting in accordance with TAS 29 Financial Reporting Standard in Hyperinflationary Economies starting from their financial statements for the annual reporting period ending on or after December 31, 2023. TAS 29 is applied to the financial statements, including the consolidated financial statements, of businesses whose functional currency is the currency of a hyperinflationary economy.

In accordance with the standard in question, financial statements prepared based on the currency of a hyperinflationary economy are prepared in the purchasing power of this currency at the balance sheet date. In the previous period financial statements, comparative information is expressed in terms of the current measurement unit at the end of the reporting period for comparison purposes. Therefore, the Group has presented its consolidated financial statements as of December 31, 2023 based on the purchasing power principle as of December 31, 2024.

Pursuant to the CMB’s decision dated December 28, 2023 and numbered 81/1820, it has been decided that issuers and capital market institutions subject to financial reporting regulations that apply Turkish Accounting/Financial Reporting Standards will apply inflation accounting by applying the provisions of TAS 29, starting from their annual financial reports for accounting periods ending as of December 31, 2023. The rearrangements made pursuant to TAS 29 were made using the correction coefficient obtained from the Consumer Price Index (“CPI”) in Turkey published by the Turkish Statistical Institute (“TurkStat”). As of March 31, 2025, the indices and correction coefficients used in the correction of consolidated financial statements are as follows:

Date	Index	Adjusting Coefficient
31.03.2025	2.954,69	1
31.12.2024	2.684,55	1,10062
31.03.2024	2.139,47	1,38103

Basis of Consolidation

The consolidation was carried out by the parent company Çan2 Termik A.Ş. carried out in-house. Consolidated financial statements have been prepared in accordance with TAS 27 Turkish Accounting Standard for Consolidated and Separate Financial Statements.
Consolidated financial statements include all subsidiaries of the parent company.,

- It eliminates participation amount at each subsidiary and percentage amount of main partnership which are equivalent to amount in equities of each subsidiary.
- It determines amount of minority percentage in consolidated profit and loss of period and amount of minority percentage determines separately from amount of main subsidiary from amount of net actives of consolidated main subsidiary. The amount of minority percentage from net actives contains; calculated minority percentages in merge date in accordance with TFRS 3; minority percentage from all transactions made after merge date.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

- All expenses, income, transactions, and balances incurred of group are eliminated.

- Subsidiary income, expenses and dividends including all balances and transactions are eliminated. Profits and loss which are added to inventory or cost of current and non-current assets due to transactions in subsidiaries are eliminated. Loss in group can show an impairment which should be in account in assets section of consolidated financial reports. The differences which rise during elimination of loss and profits which resulted by transactions in group apply in accordance with TAS 12 "Income Taxes" standard.

- Necessary adjustments are made during preparation of consolidated financial statements when one of subsidiaries needs to use different accounting principles for similar transactions or events.

- The consolidated financial reports of the partnership and subsidiaries are prepared at the same time with financial statements. Accounting policies are accepted for consolidated financial reports, same transactions, and transactions in same condition.

- All income and expenses of a subsidiary take in account consolidated financial reports after acquisition date according to TFRS 3 and this situation continues till the date of partnership lose its control power on subsidiary. When subsidiary sold; the difference between the income resulted by this transaction and the book value of subsidiary will be shown as loss or profit in consolidated comprehensive income statement. About this transaction if there is a currency translation loss or profits which are related directly to equity consider in accordance with "TAS 21 Currency Change Effects".

- Minority interest can be shown at equities section in consolidated statement of financial position separately from equities amount of partnership. The Group's loss or profit amount for minority interest should be shown also separately on financial statements.

Comparative Information and Restatement of Prior Period Financial Statements

The Group has prepared the consolidated statement of financial position dated 31 March 2025 with the consolidated financial position statement prepared as of 31 December 2024; Consolidated comprehensive income statement for the period 1 January - 31 March 2025, consolidated statement of comprehensive income prepared as of January 1 - March 31, 2024, statement of cash flows; The consolidated statement of changes in shareholders' equity, dated 1 January - 31 March 2025, was prepared in comparison with the consolidated statement of changes in shareholders' equity, dated 1 January - 31 March 2024. In order to comply with the presentation of the current period consolidated financial statements, comparative information is reclassified when deemed necessary and significant differences are disclosed.

Changes in Accounting Policies

If the change in accounting policy is applied retrospectively, the entity should adjust the opening amount for each affected equity item for the earliest period included in the financial statements and present information comparable to previous periods as if the new accounting policy had been applied for a long time. Although a change in accounting policy requires retrospective application, if the effect of the change cannot be determined as period-specific or cumulative, retrospective application may not be made.

b. Changes and Errors in Accounting Estimates

If the effects of the change in accounting estimates create a change in the assets, liabilities or equity items, the book values of the related asset, liability or equity item should be adjusted in the period in which the change is made. Recognizing the effect of a change in an accounting estimate prospectively means that it is applied to transactions, events and conditions after the change in the estimate. Prior period errors are corrected by retrospective restatement, except when the period-specific or cumulative effects of the error cannot be calculated.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

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

Significant Accounting Evaluations, Estimates and Assumptions

The preparation of the financial statements requires the disclosure of the amounts of assets and liabilities reported as of the statement of financial position date, the disclosure of contingent assets and liabilities, and the use of estimates and assumptions that may affect the amounts of income and expenses reported during the accounting period. Although these estimates and assumptions are based on the Group management's best knowledge of current events and transactions, actual results may differ from the assumptions.

Estimates and assumptions that may cause significant adjustments to the carrying value of assets and liabilities in the upcoming financial reporting period are as follows:

Inventories: Inventories are examined physically and how old they are, and a provision is made for inventory items that are estimated to be unusable.

Provisions for employee benefits: Severance pay liability is determined by actuarial calculations based on certain assumptions including discount rates, future salary increases and employee turnover rates. Due to the long-term nature of these plans, these assumptions contain significant uncertainties.

Determination of fair values: Certain estimates are made in the use of observable and non-observable market information used in determining the fair value.

Useful lives of tangible and intangible assets: The Group management makes important assumptions in determining the useful lives of tangible and intangible assets, in line with the experience of its technical team and in line with prospective marketing and management strategies, especially for specific costs.

Facility, machinery and equipment are reflected in the financial statements from the fair asset values included in the asset valuation report prepared based on the valuation studies carried out by an independent professional real estate appraisal company licensed by the Capital Markets Board ("CMB"). The frequency of revaluation studies is determined to ensure that the book values of the revalued property, plant and equipment do not differ materially from their fair values at the end of the relevant reporting period. The frequency of revaluation studies depends on the change in the fair value of the items of property, plant and equipment. In cases where the fair value of a revalued asset is considered to differ materially from its carrying amount, the revaluation study needs to be repeated and is done for the entire asset class in which the revalued asset is located as of the same date. On the other hand, it is not considered necessary to repeat the revaluation studies for tangible fixed assets whose fair value changes are insignificant. As of the current period, there is no need for a revaluation study.

The economic depreciation period of the Çan-2 thermal power plant is based on the determinations made by the technical departments regarding the economic life of the plant during the commissioning period.

Deferred tax assets and liabilities: Deferred tax assets are recorded when it is highly likely to benefit from temporary differences and unused previous year financial losses by earning taxable profit in the future. While determining the amount of deferred tax assets to be recorded, it is necessary to make important estimates and evaluations regarding the taxable profits that may occur in the future

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

Borrowing costs: The Group has added the borrowing costs of the loans used to finance the construction of power plants to the cost of the power plant, which is considered as qualifying assets.

c. Going Concern

The group prepared the consolidated financial statements in the interim period based on going concern

d. Netting/Deduction

Financial assets and liabilities are presented net if the required legal right is already present, the presence of intention is to pay the related assets and liabilities in accordance with the net fair value, or if the acquisition of assets and the fulfillment of obligations are intentional simultaneously.

e. Changes in Financial Reporting Standards

New standards, amendments and interpretations effective as of 1 January 2025

Amendments to TAS 21 – Lack of Exchangeability

In May 2024, the POA (KGK) issued amendments to TFRS 21. The amendments set out how to assess whether a currency is exchangeable and, when it is not, how to determine the appropriate exchange rate. The amendments require when an estimate of the exchange rate is required due to the non-exchangeability of a currency, entities are required to disclose information that enables users of financial statements to understand how the inability to exchange the currency affects, or is expected to affect, the entity's performance, financial position, and cash flows.

When the amendments are applied, comparative information is not restated. In general, the Company does not expect the amendments to have a significant impact on its financial statements.

As of March 31, 2025 standards, amendments and interpretations published but not yet effective

Amendments to TFRS 10 and TAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Public Oversight, Accounting and Auditing Standards Authority (KGK) has indefinitely deferred the effective date of the amendments made to TFRS 10 and TMS 28 in December 2017, based on the ongoing research project on the equity method. However, early adoption is still permitted.

TFRS 17 – Insurance Contracts (New Standard)

In February 2019, the Public Oversight, Accounting and Auditing Standards Authority (KGK) issued TFRS 17, a comprehensive new accounting standard that covers the recognition and measurement, presentation, and disclosure of insurance contracts. TFRS 17 introduces a model that allows for the measurement of liabilities arising from insurance contracts at their current balance sheet values, as well as the recognition of profit over the period in which the services are provided. With the announcement made by the KGK, the mandatory effective date of the standard has been deferred to accounting periods starting on or after January 1, 2025.

Amendments issued by the International Accounting Standards Board (IASB) but not yet issued by the Public Oversight, Accounting and Auditing Standards Authority (KGK):

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

The changes related to IFRS 9 and IFRS 7 mentioned below, along with IFRS 18 and IFRS 19 Standards, have been published by the IASB but have not yet been adapted or published by the Public Oversight Authority (KGK) as TFRS. Therefore, they do not form part of the TFRS.

Amendments to TFRS 9 and TFRS 7 – Classification and Measurement of Financial Instruments

In May 2024, the IASB published changes to the classification and measurement of financial instruments (related to IFRS 9 and IFRS 7). The change clarified that financial liabilities would be derecognized at the "delivery date" in the financial statements. However, with this change, an accounting policy choice is introduced, allowing for the derecognition of financial liabilities related to electronic payment systems before the delivery date, provided certain conditions are met. Furthermore, the change provides explanatory provisions regarding the evaluation of contractually linked cash flow characteristics for financial assets with Environmental, Social, and Governance (ESG) connections or similar conditional features. It also addresses non-recallable assets and the application of linked financial instruments in contracts. Additionally, with this change, further disclosures are added to IFRS 7 for financial instruments based on equity, measured with the fair value difference reflected in other comprehensive income, which include contractual terms referencing a conditional event (including those linked to ESG).

Annual Improvements to IFRS Accounting Standards – 11th Amendment:

In July 2024, the IASB published "Annual Improvements to IFRS Accounting Standards / 11th Amendment", which includes the following changes:

In July 2024, the IASB published "Annual Improvements to IFRS Accounting Standards / 11th Amendment", which includes the following changes:

IFRS 1: First-time Adoption of the Turkish Financial Reporting Standards;

IFRS 7: Financial Instruments: Disclosures and the Guide for the Application of IFRS 7;

IFRS 9: Financial Instruments - Derecognition of lease obligations by the lessee and transaction price;

IFRS 10: Consolidated Financial Statements - Determination of “De Facto Agent”;

IAS 7: Statement of Cash Flows - Cost method.

Amendments to IFRS 9 and IFRS 7 – Contracts for Renewable Electricity Generated from Natural Resources

In December 2024, the IASB issued amendments titled "Contracts for Renewable Electricity Generation" (related to IFRS 9 and IFRS 7). The amendments clarify the application of the "own use" exemption and allow hedge accounting when such contracts are used as hedging instruments. Additionally, the amendments introduce new disclosure requirements to help investors understand the impact of these contracts on an entity’s financial performance and cash flows.

IFRS 18 – Presentation and Disclosure in Financial Statements Standard

In April 2024, the IASB issued IFRS 18, which replaces IAS 1. IFRS 18 introduces new requirements for the presentation of the statement of profit or loss, including the provision of specific totals and subtotals. The standard mandates that entities present all income and expenses reported in the statement of profit or loss within one of five defined categories: operating, investing, financing, income taxes, and discontinued operations.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

It also requires disclosure of management-defined performance measures and introduces new requirements for the aggregation or disaggregation of financial information in accordance with the defined roles of the primary financial statements and the notes. With the issuance of IFRS 18, consequential amendments have also been made to other financial reporting standards, including IAS 7, IAS 8, and IAS 34.

TFRS 19 – Disclosure Requirements for Non-Publicly Accountable Subsidiaries

In May 2024, the IASB issued IFRS 19, which offers an option for certain entities to apply reduced disclosure requirements when applying the recognition, measurement, and presentation provisions in IFRS Standards. Unless otherwise stated, entities within the scope that choose to apply IFRS 19 will not be required to comply with the disclosure requirements in other IFRS Standards. An entity that qualifies as a subsidiary, does not have public accountability, and has a parent (whether intermediate or ultimate) that makes publicly available consolidated financial statements compliant with IFRS Standards may choose to apply IFRS 19.
The possible effects of these standards, amendments and improvements on the Group's consolidated financial position and performance are being evaluated.

f. Summary of Important Accounting Policies

Related Parties

The group will consider as a related party if one the conditions below are met.

a) If the party directly or indirectly with one or more agent:
  i) Controls the company, controlled by enterprise or is present under the same control with the enterprise (including parent companies, subsidiaries and subsidiaries at the same line of business);
  ii) Has share which allows it to have big impact on the company; or
  iii) Has associated control on the company.
b) If the party is an affiliate of the company;
c) If the party is an business partnership where the group is a party;
d) If the party is a member of the key personnel in the group or Company's main partnership;
e) If the party is a close family member of any person mentioned in the a or d parts;
f) The party; is a business that is controlled, jointly controlled or under significant influence or any individual mentioned in d) or e) has significant voting rights directly or indirectly; or, The party must have benefit plans provided to the employees of the enterprise or an enterprise that is a related party to the enterprise after they leave their roles.

Financial assets

Financial assets are recorded with their appropriate value and expenses directly related to purchase except financial assets reflected to profit or loss of the appropriate value difference and recorded on their appropriate value. In the case of purchase or selling of financial assets which are bound to a contract that has a condition on deliverance date of financial instruments set by the market are recorded at the date of transaction or deducted from records. Financial assets are classified as "financial assets reflected to profit or loss of the realizable value difference", "financial assets kept in hand till its maturity", "marketable financial assets" and credits and receivables.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss; are financial assets held for trading. When a financial asset is acquired for short-term disposal, it is classified in this category. The mentioned financial assets constituting derivative products that are not determined as an effective protection tool against financial risk are also classified as financial assets whose fair value difference is reflected to profit or loss.

Financial assets measured at amortized cost

Financial asset is classified as a financial asset measured at amortized cost if the terms of the contract for the financial asset, which aims to collect the contractual cash flows of the financial asset, lead to cash flows that include only the principal and interest payments arising from the principal balance at certain dates. It is valued at its discounted cost using the effective interest rate method and provision is made for impairment, if any. Interest income from securities held to maturity is recognized as interest income in the period profit / loss.

Financial assets at fair value through other comprehensive income

In cases where the contractual terms of the financial asset aiming at collecting the contractual cash flows of the financial asset and selling the financial asset, and in addition, the terms of the contract for the financial asset lead to cash flows that include only principal and interest payments arising from the principal balance at certain dates, the financial asset is the fair value difference reflected in other comprehensive income classified as.

Fair value difference subsequent valuation of financial assets reflected in other comprehensive income is made at their fair value. However, if their fair value cannot be determined reliably, are measured at amortized cost using the internal rate of return method for those with a fixed term; a fixed term fair value are measured using pricing models or discounted cash flow techniques for non. The difference of the fair value of financial assets arising from changes in fair value reflected in other comprehensive income and amortized cost and fair value of securities computed by expressing the difference between the effective interest method, unrealized profits or losses in equity items "in value of financial assets increase / decrease Fund" under the account are shown. Fair value difference if financial assets reflected in other comprehensive income are disposed of, the value generated in equity accounts as a result of fair value application is reflected in profit/loss for the period.

Registration and derecognition of financial assets

The Group reflects the financial assets or liabilities in its consolidated balance sheet if it is a party to the related financial instrument contracts. The Group derecognizes all or part of a financial asset only when it loses control over the rights arising from the contract to which the said assets are subject. The Group derecognizes financial liabilities only if the liability defined in the contract is discharged, canceled or expired.

Impairment / expected loss provision in financial assets

At each reporting date, it is assessed whether there has been a significant increase in the credit risk of an impaired financial instrument since it was first recognized in the consolidated financial statements. While making this assessment, the change in the default risk of the financial instrument is considered. The expected loss allowance estimate is objective, probability-weighted, and includes supportable information about estimates of past events, current conditions, and future economic conditions.

For all financial assets, except for trade receivables, where the carrying amount is reduced through the use of an allowance account, the impairment is directly deducted from the carrying amount of the relevant financial asset. In case the trade receivable cannot be collected, the amount in question is deducted from the provision account and written off. Changes in the provision account *are recognized in profit or loss for the period. Except for equity instruments at fair value through other comprehensive income, if the impairment loss is reduced in a subsequent

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

period and the decrease can be attributed to an event that occurred after the impairment loss was recognized, the previously recognized impairment loss would never have been recognized at the date the impairment loss would be reversed. It is canceled in the consolidated income statement so that it does not exceed the amortized cost amount that it will reach.

The increase in the fair value of equity instruments at fair value through consolidated other comprehensive income is recognized directly in equity.

Interests, dividends, losses, and gains

Interest, dividends, losses, and gains related to a financial instrument, or a financial liability are recognized as income or expense in profit or loss. Distributions to equity instrument holders are accounted for directly in equity. Transaction costs arising from equity transactions are accounted for as a discount from equity. Income taxes on distributions to shareholders of equity instruments and transaction costs arising from equity transactions are accounted for in accordance with TAS 12 Income Taxes. The classification of a financial instrument as a financial liability or equity instrument determines whether interest, dividends, losses and gains on that instrument are recognized as income or expense in profit or loss.

Thus, dividend payments on shares that are fully accounted for as liabilities are accounted for as expenses, just like interest on bonds. Similarly, gains and losses associated with the repurchase or refinancing of financial liabilities are recognized in profit or loss, while the repurchase or refinancing of equity instruments is accounted for as a change in equity. Changes in the fair value of the equity instrument are not reflected in the financial statements. An entity generally incurs various costs in issuing or repurchasing its own equity instruments. These costs may include registration and other regulatory fees, legal, financial, and other professional consulting fees, printing costs and stamp duties. Transaction costs arising from these transactions are accounted for as a deduction from equity, as long as there are additional costs incurred directly from these transactions, that is, they do not need to be incurred otherwise. In addition, costs related to abandoned equity transactions are recognized as an expense.

Transaction costs related to the issuance of a composite financial instrument are allocated to the debt and equity components of the instrument in proportion to the distribution of the obtained amounts to the related instrument. Transaction costs associated with multiple transactions (for example, costs associated with simultaneous issuance of some stocks and listings of some other stocks) are allocated to the relevant transactions on the basis of an allocation method that is reasonable and consistent with similar transactions. The amount of transaction costs accounted for as a deduction from equity during the period is disclosed separately in accordance with TAS 1.

Trade Receivables

Trade receivables resulting from the provision of products or services to the buyer are accounted for at the amortized value of the receivables, which are recorded at the original invoice value, to be obtained in the following periods using the effective interest method. Short-term receivables with no specified interest rate are shown at the invoice amount unless the effect of the original effective interest rate is significant.

A "simplified approach" is applied within the scope of impairment calculations for trade receivables (with a maturity of less than 1 year) that are accounted at amortized cost in the consolidated financial statements and do not contain a significant financing component. With this approach, allowances for losses on trade receivables are measured at an amount equal to "lifetime expected credit losses", in cases where trade receivables are not impaired for specific reasons (other than realized impairment losses).

Following the provision for impairment, if all or part of the amount of the impaired receivable is collected, the collected amount is deducted from the provision for impairment and recorded in other income from main activities.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

Cash and cash equivalents

Cash and cash equivalents are cash, demand deposits and other highly liquid short-term investments with maturities of 3 or less than 3 months from the date of purchase, immediately convertible into cash, and without significant risk of change in value.

Financial Liabilities

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

Inventories

Inventories are valued based on the weighted average cost method by considering the cost or the net realizable value, whichever is the lowest. Net realizable value is the estimated selling price in the ordinary course of business, less the cost of completion and selling expenses. The cost of inventories covers all purchasing costs, conversion costs and other expenses made to bring the inventories into their current state and condition. When net realizable value of inventories is less than their cost, inventories will be valued according to their realizable value and the difference will be record as an item in comprehensive income statement.

In cases where impairment of inventories is no longer valid or net realizable value is increased, impairment of inventories which was recorded as loss in previous comprehensive income statement will be a provision no longer required. The amount of provision no longer required is limited with the amount of provision which was allocated in previous periods. (Note: 9)

Tangible Fixed Assets

The Group has adopted the "Revaluation model" starting from 30.09.2018, based on the reasonable values determined in the valuation studies performed by an independent valuation company accredited to the CMB for the asset value of the thermal power plant in accordance with TAS 16 "Tangible Fixed Assets" standard.

Income Approach was used to determine the fair value of Çan2 Thermal Power Plant owned by Çan2 Termik A.Ş. The choice of this approach was driven by the fact that the asset's ability to generate income is a crucial factor influencing value, and reasonable estimates of the amount and timing of future income associated with the subject asset. Revaluations are made regularly in a way that does not cause the amount to be determined by using the fair value as of the end of the reporting period to differ materially from the carrying value. The frequency of revaluations depends on the changes in the fair values of the items of property, plant and equipment subject to revaluation.

If the fair value of the revalued asset differs significantly from its carrying value, the asset is revalued. Some items of property, plant and equipment whose fair values show significant changes are revalued annually. Items of property, plant and equipment that do not have significant changes in their fair values are subject to revaluation every three or five years.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

Increases in tangible fixed assets because of revaluation are recorded after netting the deferred tax effect to the revaluation fund account in the equity group of the balance sheet. The difference between depreciation and amortization calculated over the carrying value of the revalued assets (depreciation charged to the profit or loss statement) and the depreciation and amortization calculated over the acquisition cost of these assets is transferred from the revaluation reserve to the accumulated profit/loss after the deferred tax effect is netted each year. The same applies to tangible fixed assets as well.

The lands are not depreciated because their economic useful lives are indefinite. The estimated useful lives of these assets are as follows:

	Years
Thermal reactor	30
Aboveground and underground layouts	8-50
Buildings	50
Machinery, plant and devices	4-15
Vehicle tools and equipment	5
Flooring and fixtures	3-15
Specific costs	lease term (days) or lifetime, whichever is less

The profit or loss resulting from the disposal of tangible fixed assets is determined by comparing the adjusted amounts with the collected amounts and is reflected in the relevant income and expense accounts in the current period.

Maintenance and repair expenses of tangible fixed assets are normally recorded as expense. However, in exceptional cases, if the maintenance and repair results in an expansion or significant improvement in assets, these costs can be capitalized and depreciated over the remaining useful life of the associated tangible asset (Note 11).

Intangible Assets

Intangible assets are consisting of acquisition rights, information systems, computer software and special costs. These elements record on acquisition cost and after the date of acquisition they will amortize by using normal amortization method according to their expected useful life. Expected useful life of intangible assets is like below.

	Years
Rights	3-15
Computer programs	3
Preparation and Development Activities	License or Royalty Contract Duration

In case of decrease in value, the book value of intangible assets can be discounted to its recovered value. Recovered value is the value that whichever is higher between useful value and net selling price. (Note:12)

Leases – TFRS 16 (As a Lessor)

At the inception of a contract, the Group evaluates whether the contract is or contains a lease. If the contract transfers the right to control the use of an identified asset for a specified period of time, the contract is or includes a lease.

The group considers the following conditions when assessing whether a contract transfers the right to control the use of an identified asset for a specified period of time:

- The contract contains an identified asset (identification of an asset by express or implied indication in the contract),
- A functional part of the asset is physically separate or represents almost the entire capacity of the asset (the asset is not defined if the supplier has a substantive right to replace the asset throughout its useful life and derive economic benefits from it),

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

• The Group has the right to obtain almost all of the economic benefits to be derived from the use of the identified asset,
• The Group has the right to direct the use of the identified asset. The Group has the right to manage the use of the asset in any of the following situations:
a) The Group has the right to manage and change how and for what purpose the asset will be used throughout the period of use, or
b) The following decisions regarding how and for what purpose the asset will be used have been determined beforehand:
i. The Group has the right to operate the asset (or direct others to operate the asset as it determines) throughout the life of the asset and the supplier does not have the right to change these operating instructions; or
ii. The Group has designed the asset (or certain features of the asset) to predetermine how and for what purpose the asset will be used throughout its useful life.

After the above-mentioned assessments, the Group reflects a right-of-use asset and a lease liability to its consolidated financial statements at the actual commencement date of the lease.

Right-of-use asset

The Group measures the right-of-use asset at cost at the commencement date of the lease. The cost of the right-of-use asset includes:

a) the initial measurement amount of the lease liability,
b) all lease payments made on or before the commencement date of the lease, less any lease incentives received.
c) all initial direct costs incurred by the group; and
d) in relation to restoring the underlying asset to the condition required by the terms and conditions of the lease.

Costs incurred by the group (excluding costs incurred for producing inventory). When applying the group cost method, the right-of-use entity:
a) deducting accumulated depreciation and accumulated impairment losses; and
b) measures at cost adjusted for remeasurement of the lease liability.

Leases – TFRS 16 (As a Lessor)

While depreciating right-of-use assets, the Group applies the depreciation provisions of TAS 16 Tangible Fixed Assets. TAS 36 Impairment of Assets is applied to determine whether a right-of-use asset is impaired and to account for any identified impairment losses.

Lease payments that are included in the measurement of the Group's lease liability and that have not been realized at the commencement date of the lease consist of the following:

a) The amount obtained by deducting all kinds of lease incentive receivables from fixed payments,
b) Lease payments based on an index or rate, initially measured using an index or rate at the commencement date of the lease; and
c) Penalties for termination of the lease if the lease term indicates that the lessee will exercise an option to terminate the lease.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

After the actual commencement date of the lease, the Group measures the lease liability as follows:

a) Increases the book value to reflect the interest on the lease liability,
b) Decrease book value to reflect lease payments made; and
c) Remeasures the book value to reflect any reassessments and restructurings. The Group reflects the remeasurement of the lease liability as an adjustment to the right-of-use asset in its consolidated financial statements.

Cash flow hedges

At the date of the derivative contract, the Group determines the transactions that provide hedging against changes in the cash flows of a registered asset or liability or transactions that can be associated with a certain risk and that are likely to occur, resulting from a certain risk and that may affect profit or loss as cash flow hedge.

The Group presents the gains and losses on the effective hedging transaction under "hedging gains (losses)" in equity. The ineffective portion is defined as profit or loss in the profit for the period. In the event that the hedged commitment or possible future transaction becomes an asset or liability, the gains or losses related to these transactions, which are recognized as equity items, are taken from these items and included in the acquisition cost or book value of the said asset or liability. Otherwise, the amounts recognized under equity items are transferred to the income statement in the period in which the hedged possible future transaction affects the income statement and reflected as profit or loss.

In case the hedging instrument is sold, expires or fails to meet the hedge accounting requirements even though it is for hedging purposes, or if one of the situations where the promised or probable future transaction is not expected to occur, it is separately in equity until the promised or probable future transaction occurs. remains classified. The promised or probable future transaction is recorded in the income statement when it occurs, or if it is anticipated that it will not occur, the accumulated gains or losses related to the transaction are reflected in the consolidated financial statements as profit or loss (Note 37).

Facilitating applications

Short-term lease agreements with a rental period of 12 months or less, and agreements regarding information technology equipment rentals (predominantly printers, laptop computers, mobile phones, etc.) determined by the Group as low value, are considered within the scope of the exception recognized by TFRS 16 Leases Standard. Payments related to contracts continue to be recognized as expenses in the period they are incurred (Note 14).

Investment Properties

Land and buildings held for use in the production of goods and services or for administrative purposes or for the purpose of earning rent and/or capital gains, or both, rather than being sold in the ordinary course of business, are classified as investment properties and are depreciated at cost minus accumulated depreciation (land) except) values. The cost of the investment property constructed by the Group is stated over its cost at the completion of the construction or rehabilitation works. At that date, the asset becomes investment property and is therefore transferred to the investment property account item.

Borrowing Costs

Group reflects borrowing costs as financing cost during credit period in its comprehensive income statement. Financing cost which is sourced from credits is recorded to comprehensive income statement when they occur.

Energy producing plants can be evaluated as a specialty asset depending on conditions. Acquiring, constructing, or borrowing costs that can be directly related to producing of a specialty asset can be capitalized as a part of specialty asset's cost by firms. Firms can book the other borrowing costs as an expense in their occurred period.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

Acquiring, constructing, or borrowing costs that can be directly related to producing of a specialty asset is added to cost of the asset. This kind of borrowing costs is capitalized as a part of specialty asset's cost for a dependable measure and for a possible situation that it can make an economic contribution to company. Acquiring, constructing, or borrowing costs that can be directly related to producing of a specialty asset are borrowing costs that will not appear in case that there will be no expense done related to specialty asset.

If a company is get into debt in order to acquire a specialty asset, the borrowing cost amount that will be capitalized will be determined by deducting income that is gained via temporary exploiting aforesaid funds from borrowing cost of the aforesaid borrowing in the related period.

In the case of a company uses a part of the funds that it is get into debt for general purposes in order to finance a qualifying asset; the borrowing cost amount that can be capitalized; is determined via using capitalizing rate that will be applied to expenses that related asset. This capitalizing rate is the weighted average of all existing borrowing of the related period to borrowing costs, except the borrowings that is done for acquiring the qualifying asset. The borrowing cost amount that is capitalized for a period, cannot exceed consisted of the borrowing cost in related period.

When all necessary proceedings virtually is completed for asset's intended usage and getting ready for sale, the capitalizing of borrowing costs will end. In the situation of a qualifying asset is completed in parts and every part can be used while other parts Continue to construct; When all necessary proceedings virtually is completed for certain part's intended usage and getting ready for sale, the capitalizing of borrowing costs of the related part will end.

Within the scope of TAS-23 "Borrowing Costs" standard, the group includes the principal currency difference amounts of the loans used to finance the construction of the Specialty Assets; Assuming that the loan was used in TRY, the TRY base interest rate at the date of use of the loans is taken and the exchange differences corresponding to the TRY interest cost are added to the capitalization amount of the assets considered as qualifying assets. In the calculation made, the base interest rate is based on the representative interest rate on the date of the signed and renewed contracts in the current period for all investment loans used if the same loans are used in TRY under the same conditions (Note 17).

Provisions, Contingent Liabilities and Assets

Provisions

Provisions are accounted in cases where Group has a legal or structural liability arising from the past that exists as of the date of the financial statement, the outflow of economic resources to fulfill the obligation is highly likely, and a reliable estimation of the amount of liability can be made.

In cases where there is more than one similar obligation, the possibility of the outflow of economic resources that may be necessary for economic benefit is evaluated taking into account all obligations of the same nature. Even if the probability of economic resources outflow for any of the obligation is not probably high, provision should be set. There is no provision set for future operational losses. In cases where the effect of the time value of the money is significant, the provision amount may be set as present value.

Contingent Assets and Liabilities

Probable assets and liabilities arising from past events and occurrence of these assets and liabilities are not entirely under the control of the Group in the future, depending on whether or not there are one or more events,are considered contingent assets and liabilities.

The Group does not book contingent assets and liabilities in its financials. Contingent liabilities are described in the consolidated financial statement's footnotes, unless related economic outflow is probable. Contingent assets are described in the consolidated financial statement's footnotes when economic inflow is probable.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)
Employee Benefits:

Defined Benefit Plan

Provisions for severance benefit reflect upon to actuarial work according to TAS 19 "employee benefit".

The employment termination liability refers to the value of the estimated total value of the group's potential future liabilities as of the date of the financial statement, which will arise from the retirement of the Group's personnel in accordance with the Turkish Labor Law or the termination of the employment contract for the reasons specified by the relevant law.

The group calculates severance benefit by predicting discounted net value of deserved benefits or based on the information from group's experience about fire personnel or quit of the personnel and reflects to its financial statements.

Defined Contribution Proportions

Group has to pay social insurance premium to Social Insurance Intuition. There will be no other liability if the group Continues to pay the premiums. These premiums reflect to personnel expenses in its accrual periods.

Revenues

When the Group fulfills or fulfills a performance obligation by transferring a promised good or service to its customer, revenue is recognized in the consolidated financial statements. An asset is transferred when or when control of an asset falls into the hands of the customer. The Group recognizes revenue in the consolidated financial statements in line with the following 5 basic principles:

a) Definition of customer contracts
b) Definition of performance obligations in contracts
c) Determination of the transaction price in the contracts
d) Allocating the transaction price to the performance obligations in the contracts
e) Recognizing revenue when each performance obligation is satisfied.

A contract is considered within the scope of TFRS 15 only if it is legally enforceable, collectible, rights and payment terms for goods and services are identifiable, the contract has a commercial substance, the contract is approved by the parties, and the parties undertake to fulfill their obligations.

At the beginning of the contract, the Group evaluates the goods or services promised in the contract with the customer and defines each commitment to transfer to the customer as a separate performance obligation. The Group also determines, at the inception of the contract, whether it has fulfilled each performance obligation over time or at a particular moment in time.

The Group takes into account the contractual terms and commercial practices to determine the transaction price. The transaction price is the amount the Group expects to be entitled to in exchange for transferring promised goods or services to the customer, excluding amounts collected on behalf of third parties (for example, some sales taxes). While making the assessment, it is considered whether the contract includes elements of variable amounts and whether it contains a significant financing component.

In accordance with TFRS 15 "Revenue from contracts with customers", the Group's performance obligations consist of wholesale electricity sales and ancillary services related to electricity sales. The electricity sold is transmitted to the customer over transmission lines and the customer consumes the Group's benefit from performance simultaneously. Revenue from electricity sales and ancillary services related to electricity sales are recognized at the moment of delivery.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

Foreign Currency Translation

Foreign currency transactions realized during the period are translated into Turkish Lira at the exchange rates prevailing on the dates of the transactions. Monetary assets and liabilities denominated in foreign currency are valued at the exchange rates prevailing at the end of the period. Exchange gains or losses arising from the valuation of monetary assets and liabilities denominated in foreign currency are reflected in the profit/loss statement.

As of 31.03.2025, announced buying rate of USD by the Central Bank of Republic of Turkey is 37,7656 TRY (31.12.2024: 35,2803 TRY), buying rate of EURO is 40,7019 TRY (31.12.2024: 36,7362 TRY), buying rate of GBP is 48,7963 TRY (31.12.2024: 44,2073 TRY). As of the date of 31.03.2025 announced buying rate of USD by the Central Bank of Republic of Turkey is 37,8337 TRY (31.12.2024: 35,3438 TRY), buying rate of EURO is 40,7753 TRY (31.12.2024: 36,8024 TRY), buying rate of GBP is 49,0507 TRY (31.12.2024: 44,4378 TRY).

Calculated Taxed on Corporation Revenue

Deferred Tax

Deferred taxes are calculated by considering statement of financial position liability. They are reflected considering the tax effects of temporary differences between legal tax base and reflected values of assets and liabilities in financial statements. Deferred tax liability is calculating for all taxable temporary differences however discounted temporary differences which occurs from deferred tax assets is calculated in condition to be highly possible to have benefit from these differences by obtaining taxable profit in future. Receivable and liability for deferred tax occurs where there are differences (which are reducible in future and taxable temporary differences) between book value and tax value of asset and liability sections.

Current Tax Payments

Corporate tax rate in Turkey is 25% as of 2024. This rate can be applied to tax base which if found out after adding expenses, which are not accepted to reduce from tax according to tax law, to its commercial income and deducting exceptions in law (exception like affiliate income), discounts (like investment discount). In case of not distributing dividends, it will not be necessary to pay another tax.

There are not taking of withholding tax for corporate who obtain income in Turkey with a base or permanent representative and dividend payment to corporate that has a base in Turkey. Dividend payment except these above is taxable for withholding tax at 15%. Adding profit to capital cannot be count as distribution of dividend and applied for withholding tax.

Financial loss which is showed in declaration form according to Turkish Tax Regulation in condition not to pass for 5 years can be deducted on corporate income for period. However, fiscal loss cannot be deducted from previous year's profits.

Earnings / Loss Per Share

Earnings per share presented at the bottom of the consolidated Comprehensive Income Statement are calculated by dividing the net profit for the period to the number of shares. In case of increasing capital from sources in group in period, when calculating weighted average of number of shares, the value found after that is accepted also to use as valid at the beginning of period. TAS 33 also refers to this matter is as follows. Ordinary shares can be issued without any changing at sources or current ordinary shares can be reduced. For Example:

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

a. Activation or give ordinary shares (sometimes, ordinary share can be given as dividend too)
b. Include bonus issued in another issued transaction; for example, include new rights about bonus issued in issued transaction for current shareholders)
c. Share split and
d. Reverse share split (consolidation of shares)

Ordinary shares issued to current shareholders without any additional payment in the event of activation or bonus issue or share split. Because of this current ordinary share increase without any increase in resource. Before mentioned transaction number of current ordinary shares adjust according to proportional change in case of mentioned transaction realized at the beginning of the earliest period presented.

Events After the Reporting Period

Subsequent events cover all events between authorization dates for publishing statement of financial position and statement of financial position date even if they are related to an announcement related to profits or if they occur after publishing financial information to public.
In case of occurring, events which are necessary to make adjustments after statement of financial position date, group adjusts the amounts in financial statements in an appropriate way to this situation. Subjects which are not necessary to make adjustment occurred after statement of financial position date is explained in explanatory notes of financial statements if they will affect economic decision of financial statements user.

Statement of Cash Flow

In cash flow statement group reports cash flows in period based on classification as operating, investing, and financing activities. Cash flows sourced from operating activities shows cash flows sourced from Group's activities. Cash flow related to investing activities shows cash flows that group use at present time or they gain from investing activities such as intangible asset investing and financial investing. Cash flow related to financing activities shows the resources used by group and back payment of these resources for financing activities. Cash and cash equivalents are consisted of cash and bank deposit, investment with certain amount at 3 months term or less than 3 months, short term with high liquidity.

Determination of Fair Value

Several accounting policies and disclosures of the group require determination of fair value of both financial and non-financial assets. Assumptions are used to determine fair value and relevant additional information is presented in the notes specific to asset or liability.

According to levels, the valuation methods are listed as follows.

Level 1: Recorded prices (unadjusted) in active market for identical assets and liability

Level 2: Directly (through prices) observable data and indirectly (derived from prices) observable data for assets or liabilities and except recorded prices in Level 1

Level 3: Data is not based on observable market data relevant with assets and liabilities (unobservable data)

3. BUSINESS COMBINATIONS

None. (31.12.2024: None)

4. JOINT VENTURES

None. (31.12.2024: None)

(Unless otherwise stated, amounts are expressed in Turkish Lira (“TL”)

5. SEGMENT REPORTING

31.03.2025

	Republic of Turkey	USA / Venezuela	Total	Elimination Effect	Consolidated Total
Current Assets	7.027.531.423	688.690.652	7.716.222.075	(538.067.278)	7.178.154.797
Fixed Assets	19.829.404.680	3.562.727.850	23.392.132.532	(211.500.292)	23.180.632.239
Total assets	**26.856.936.103**	**4.251.418.502**	**31.108.354.67**	**(749.567.570)**	**30.358.787.035**
Short-Term Liabilities	2.362.391.246	106.751.930	2.469.143.176	(538.067.273)	1.931.075.902
Long-term Liabilities	80.901.546	2.087.610.993	2.168.512.537	--	2.168.512.536
Total Liabilities	**2.443.292.792**	**2.194.362.923**	**4.637.655.713**	**(538.067.273)**	**4.099.588.439**
Equity	**24.413.643.315**	**2.057.055.575**	**26.470.698.890**	**(211.500.293)**	**26.259.198.597**

01.01.2025 - 31.03.2025

PROFIT OR LOSS SECTION	Türkiye	America/Venezuela	Total	Elimination Effect	Consolidated Total
Revenue	964.287.799	16.547.602	980.835.401	(4.414.020)	976.421.381
Cost of Sales (-)	(921.911.434)	(14.477.103)	(936.388.536)	4.414.020	(931.974.516)
GROSS PROFIT/LOSS	**42.376.365**	**2.070.499**	**44.446.865**	**--**	**44.446.865**
General Administrative Expenses (-)	(43.347.258)	(8.627.853)	(51.975.111)	--	(51.975.111)
Marketing Expenses(-)	(2.807.048)	--	(2.807.048)	--	(2.807.048)
Other Income from Operating Activities	53.356.575	--	53.356.575	--	53.356.575
Other Expenses from Operating Activities (-)	(247.515.077)	(661.918)	(248.176.994)	(1.998)	(248.178.992)
REAL OPERATING PROFIT/LOSS	**(197.936.442)**	**(7.219.272)**	**(205.155.712)**	**(1.998)**	**(205.157.711)**
OPERATING PROFIT/LOSS BEFORE FINANCING EXPENSES	**(197.936.442)**	**(7.219.272)**	**(205.155.712)**	**(1.998)**	**(205.157.710)**
Financing Income	35.428.039	4.537.046	39.965.085	(19.236.403)	20.728.682
Financing Expenses (-)	(653.409.590)	--	(653.409.590)	19.236.403	(634.173.187)
Net Monetary Position Gains (Losses)	1.292.835.348	--	1.292.835.348	--	1.292.835.348
PROFIT/LOSS FROM CONTINUING OPERATIONS BEFORE TAX	**476.917.355**	**(2.682.226)**	**474.235.131**	**(1.998)**	**474.233.131**
Continuing Operations Tax Expense (-)/Income	**(770.006.182)**	**--**	**(770.006.182)**	**--**	**(770.006.182)**
Deferred Tax Expense/Income	(770.006.182)	--	(770.006.182)	--	(770.006.182)
PROFIT/LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS	**(293.088.827)**	**(2.682.226)**	**(295.771.051)**	**(1.998)**	**(295.773.051)**
PERIOD PROFIT/LOSS	**(293.088.827)**	**(2.682.226)**	**(295.771.051)**	**(1.998)**	**(295.773.051)**

31.12.2024

	Republic of Turkey	USA / Venezuela	Total	Elimination Effect	Consolidated Total
Current Assets	5.691.044.817	693.596.377	6.384.641.193	(505.847.918)	5.878.793.275
Fixed Assets	20.864.977.309	1.917.254.627	22.782.231.936	(230.899.415)	22.551.332.520
Total assets	**26.556.022.126**	**2.610.851.003**	**29.166.873.129**	**(736.747.334)**	**28.430.125.795**
Short-Term Liabilities	2.071.994.620	1.950.013.934	4.022.008.553	(505.847.917)	3.516.160.636
Long-term Liabilities	100.376.622	793.229	101.169.850	--	101.169.850
Total Liabilities	**2.172.371.241**	**1.950.807.163**	**4.123.178.404**	**(505.847.917)**	**3.617.330.488**
Equity	**24.383.650.882**	**660.043.841**	**25.043.694.723**	**(230.899.414)**	**24.812.795.308**

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL")

6. RELATED PARTY DISCLOSURES

i) Balances of the Company with its' related parties as of March 31, 2025 and December 31, 2024:

a) Trade receivables from related Parties :

	31.03.2025	31.12.2024
Batı Trakya Madencilik A.Ş.	12.411.243	--
Hidro Kontrol Elektrik Üretim A.Ş	3.221.137	--
Suda Stratejik Metal Dış Ticaret A.Ş.	--	113.978
TOTAL	**15.632.380**	**113.978**
Deduction: Unaccrued financial expenses	--	*(40.088)*
TOTAL	**15.632.380**	**73.891**

b) Other receivables from related parties:

	31.03.2025	31.12.2024
Odaş Elektrik Üretim San. ve Tic. A.Ş.	1.049.905.884	1.071.336.720
Abdulkadir Bahattin Özal	10.409.127	10.752.521
Ali Kemal Kazancı	1.956.356	--
Süleyman Sarı	160.750	176.926
Burak Altay	118.046	129.925
Tahsin Yazan	100.000	110.063
Anadolu Export Maden San. Ve Tic. A.Ş.	16.975	--
Hidro Enerji Elektrik Üretim Sanayi A.Ş.	8.351	9.191
Kısrakdere Maden A.Ş.	7.168	7.889
Akra Petrol San.Tic.A.Ş.	6.426	7.072
Odaş Doğalgaz Toptan Satış san. Ve Tic. A.Ş	1.803	1.984
Ys Madencilik Sanayi ve Tic. Ltd. Şti	792	872
Hidro Kontrol Elektrik Üretim A.Ş	--	3.545.272
Batı Trakya Madencilik A.Ş.	--	13.660.158
TOTAL	**1.062.691.678**	**1.099.738.593**
Deduction: Unaccrued financial expenses	*(8.304.783)*	*(6.113.962)*
TOTAL	**1.054.386.895**	**1.093.624.631**

c) Other payables to related parties:

	31.03.2025	31.12.2024
Ys Madencilik Sanayi ve Tic. Ltd. Şti	32.676.497	35.967.800
Odaş Elektrik Üretim San. ve Tic. A.Ş.	14.830.296	39.002.136
Bahattin Özal	12.500	--
Voytron Enerji Elektrik Perakende Satış A.Ş.	--	3.369.379
Suda Maden A.Ş.	--	4.382.613
TOTAL	**47.519.293**	**82.721.928**
Deduction: Unaccrued financial income	*(17.370.065)*	*(14.191.748)*
TOTAL	**30.149.228**	**68.530.180**

c) Trade payables to related parties:

	31.03.2025	31.12.2024
Odaş Elektrik Üretim San. ve Tic. A.Ş.	20.605.972	--
Suda Maden A.Ş.	19.587.052	--
Suda Stratejik Metal Dış Ticaret A.Ş.	1.527.089	--
Voytron Enerji Elektrik Perakende Satış A.Ş.	3.663.214	--
TOTAL	**45.383.327**	**--**
Deduction: Unaccrued financial income	*(1.102.796)*	--
TOTAL	**44.280.531**	**--**

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL")

6. RELATED PARTY DISCLOSURES (CONTINUED)
ii) Significant sales to related parties and significant purchases from related parties:

a) Sales to Related Parties

	01 January - 31 March 2025	01 January - 31 March 2024
Suda Stratejik Metal Dış Ticaret A.Ş.	8.894.358	28.507.580
Voytron Enerji Elektrik Perakende Satış A.Ş.	948.030	--
Arsin Enerji Elektrik Üretim San. Tic. A.Ş	--	2.454.972
TOTAL	**9.842.388**	**30.962.552**

b) Purchases from related parties

	01 January - 31 March 2025	01 January - 31 March 2024
Voytron Enerji Elektrik Perakende Satış A.Ş.	4.685.750	3.701.768
TOTAL	**4.685.750**	**3.701.768**

Fees and similar benefits provided to the top management for the accounting period ending on 31.03.2025 are as follows:

a) **Short-term benefits provided to employees:** The total amount of wages and similar benefits provided to the members of the Board of Directors and senior managers in the first three months of the 2025 accounting period is TRY 17.569.298 (31.12.2024: 62.927.265 TRY)
b) **Post-employment benefits:** Severance pay is paid to the personnel who deserve the rights granted by law. No payment is made other than the rights arising from the Labor Law.
c) **Other long-term benefits: None.**
d) **Benefits due to Dismissal: None.**
e) **Share-based payments: None.**

7. TRADE RECEIVABLES AND PAYABLES

Trade Receivables

The details of the Group's trade receivables as of 31.03.2025 and 31.12.2024 are as follows;

Short Term Trade Receivables

	31.03.2025	31.12.2024
Customer current accounts	2.175.430.766	2.230.130.032
- Receivables from related parties	*15.632.380*	*195.811.274*
-Other receivables	*2.159.798.386*	*2.034.318.758*
Notes receivable	9.672.285	22.640.419
Doubtful trade receivables	11.574.232	12.738.920
Provision for doubtful trade receivable (-)	(11.574.232)	(12.738.920)
TOTAL	**2.185.103.051**	**2.252.770.451**
Deduction: Unaccrued financial expenses	*(1.432.258)*	*(198.404.904)*
-Receivables from related parties	--	*(195.737.384)*
-Other receivables	*(1.432.258)*	(2.667.520)
TOTAL	**2.183.670.793**	**2.054.365.547**

(*) TL 1.579.709.889 of the amount included in trade receivables including tax and interest is the amount subject to litigation and this amount is related to other payables in the liabilities.

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL")

Long-Term Other Receivables

	31.03.2025	**31.12.2024**
Customer current accounts	1.606.775.369	1.392.873.263
- Receivables from related parties	--	-
-Other receivables	*1.606.775.369*	*1.392.873.263*
	1.606.775.369	**1.392.873.263**
Deduction: Unaccrued financial expenses	--	-
TOTAL	**1.606.775.369**	**1.392.873.263**

Trade Payables

	31.03.2025	**31.12.2024**
Vendor Current Accounts	1.122.998.718	1.162.507.534
Related party vendor payables	*45.383.327*	--
Other vendor payables	*1.077.615.390*	*1.162.507.534*
Other Trade Payable	2.500	2.752
	1.123.001.218	**1.162.510.286**
Deduction: Unaccrued financial income	*(87.434.493)*	*(98.436.832)*
-Receivables from related parties	*(1.102.796)*	--
-Other receivables	*(86.331.697)*	*(98.436.832)*
TOTAL	**1.035.566.725**	**1.064.073.454**

8. OTHER RECEİVABLES AND PAYABLES

Short- Term Other Receivable

The details of the Group's other short-term receivables are as follows:

	31.03.2025	**31.12.2024**
Receivables from Related Parties	1.062.691.678	1.093.646.193
Other Receivables	14.008.366	14.517.955
Deposits and guarantees given	26.977.239	5.764.560
TOTAL	**1.103.677.283**	**1.113.928.708**
Deduction: Unaccrued financial expense	*(8.304.783)*	*(21.563)*
-Receivables from related parties	*(8.304.783)*	*(21.563)*
-Other Receivables	--	--
TOTAL	**1.095.372.500**	**1.113.907.145**

Long-Term Other Receivables

The details of the Group's other long-term receivables are as follows:

	31.03.2025	**31.12.2024**
Deposits and guarantees given	205.412	225.883
Total	**205.412**	**225.883**

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL")

8. OTHER RECEIVABLE AND PAYABLES (CONTINUED)
Short-Term Other Payables

The details of the Group's other short-term payables are as follows:

	31.03.2025	31.12.2024
Payables from Related Parties	47.519.293	69.661.930
Various other debts	76.406.829	136.625.104
Taxes and funds payable	137.678.367	157.025.390
Received advances	22.592.213	--
Past Due Deferred or Installment Taxes and Other Liabilities	21.686.284	21.972.819
Other Obligations Payable	119.949	96.767
	306.002.935	**385.382.010**
Deduction: Unaccrued financial income	*(17.370.065)*	*(1.131.751)*
-- Related party vendor payables	*(17.370.065)*	*(1.131.751)*
-Other payables	--	--
TOTAL	**288.632.870**	**384.250.259**

The details of the tax liabilities are as follows:

	31.03.2025	31.12.2024
Witholding Tax Deducted From Wage Income	22.788.075	21.460.963
Value Added Tax	113.577.696	134.386.188
Other Tax Payables	1.312.596	1.178.239
TOTAL	**137.678.367**	**157.025.390**

Long-Term Other Payables

The details of the Group's other long -term payables are as follows:

	31.03.2025	31.12.2024
Various other debts	7.553.120	--
Deferred or Installed Payables to the Public	23.518.060	31.411.729
Total	**31.071.180**	**31.411.729**

9. INVENTORIES

	31.03.2025	31.12.2024
Raw Material	70.934.516	40.153.675
Semi-finished goods - production	1.669.504.488	855.961.245
Finished Goods	1.197.095.872	600.491.297
Other inventories	485.196.462	273.076.446
TOTAL	**3.422.731.338**	**1.769.682.663**

Raw materials and supplies balance consists of fuel oil purchases, semi-finished goods balance consists of raw coal purchases, finished goods balance consists of pulverized coal and limestone, other inventories consist of auxiliary production materials and other operating materials and spare parts.

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL")

10. PREPAID EXPENSES AND DIFFERRED INCOME

Short-term prepaid expenses

The details of short-term prepaid expenses are as follows :

	31.03.2025	31.12.2024
Order Advances Given	41.925.681	55.834.863
Expenses for Future Months	17.443.763	17.272.798
TOTAL	**59.369.444**	**73.107.661**

Long-term prepaid expenses

The details of short-term prepaid expenses are as follows:

Long-Term Prepaid Expenses

	31.03.2025	31.12.2024
Expenses for Future Months (*)	23.201.327	23.510.979
TOTAL	**23.201.327**	**23.510.979**

(*) Amount related to restructured tax liabilities.

Short Term Deferred Income

	31.03.2025	31.12.2024
Income for Future Periods (*)	--	1.864.690.202
Total	**--**	**1.864.690.202**

(*) The related amount originates from the financial statements of the Group's subsidiary, Denarius LLC.

11. TANGIBLE FIXED ASSETS

Movement of tangible fixed assets within the accounting period of 01.01.-31.03.2025 is as follows :

	01.01.2025	Addition	Disposals	Transfer	31.03.2025
Costs					
Lands	818.341.295	18.325.609	--	--	836.666.904
Buildings	348.402.290	--	--	(9.475.195)	338.927.096
Plant, machinery and equipment	20.141.583.541	1.649.049.527	--	--	21.790.633.068
Vehicles	250.721.405	--	--	(313.604)	250.407.801
Furniture and fixtures	117.625.330	1.818.628	--	--	119.443.959
Other fixed assets	--	--	--	--	--
Construction in progress	513.988.878	3	--	--	513.988.881
Research expenses	1.018.936	--	--	--	1.018.936
Total	**22.191.681.676**	**1.669.193.768**	**(2.413.714)**	**(9.788.799)**	**23.851.086.646**
Accumulated Depreciation					
Buildings	(756.347)	(23.093)	--	--	(779.440)
Plant, machinery and equipment	(3.056.637.410)	(240.984.325)	--	(80.250)	(3.297.701.985)
Vehicles	(95.034.505)	(10.812.548)	--	(331)	(105.847.385)
Furniture and fixtures	(71.202.643)	(3.986.545)	--	--	(75.189.188)
Total	**(3.223.630.905)**	**(255.806.511)**	**--**	**(80.581)**	**(3.479.517.997)**
Net Book Value	**18.968.050.771**	**1.413.387.257**	**(2.413.714)**	**(9.869.380)**	**20.371.568.648**

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL")

11.TANGIBLE FIXED ASSETS (Cont'd)

The movement of tangible fixed assets within the 01.01.-31.12.2024 accounting period is as follows:

	01.01.2024	Addition	Disposals	Transfer	31.12.2024
Costs					
Lands	802.781.195	15.560.099	--	--	818.341.295
Buildings	2.890.789	345.511.502	--	--	348.402.290
Plant, machinery and equipment	19.645.142.908	498.256.630	(1.815.998)	--	20.141.583.541
Vehicles	207.754.705	45.623.301	(2.656.601)	--	250.721.405
Furniture and fixtures	109.283.025	8.342.306	--	--	117.625.330
Construction in progress	502.432.282	11.556.596	--	--	513.988.878
Research expenses	954.823	64.113	--	--	1.018.936
Total	**21.271.239.727**	**924.914.547**	**(4.472.598)**	**--**	**22.191.681.676**
Accumulated Depreciation					
Buildings	(658.930)	(97.417)	--	--	(756.347)
Plant, machinery and equipment	(2.304.925.006)	(751.712.403)	--	--	(3.056.637.410)
Vehicles	(58.712.895)	(37.987.645)	1.666.036	--	(95.034.505)
Other fixed assets	--	--	--	--	--
Total	**(2.419.845.311)**	**(805.451.629)**	**1.666.036**	**--**	**(3.223.630.904)**
Net Book Value	**18.851.394.417**	**119.462.919**	**(2.806.563)**	**--**	**18.968.050.771**

12.INTANGIBLE FIXED ASSETS

As of 31.03.2025, the details of the Group's intangible assets are as follows:

	01.01.2025	Addition	Disposals	Transfer	31.03.2025
Cost					
Rights	90.813.134	--	--	--	90.813.134
Other Intangible Assets	6.012.941	--	--	--	6.012.941
Preparation and Development Expenses	809.517.472	54.228.451	--	--	863.745.923
Total	**906.343.547**	**54.228.450**	**--**	**--**	**960.571.998**
Accumulated Depreciation					
Rights	(40.032.398)	(2.942.141)	--	--	(42.974.539)
Other Intangible Assets	(5.286.247)	(284.934)	--	--	(5.571.181)
Preparation and Development Expenses	(179.717.934)	(19.795.142)	--	--	(199.513.076)
Total	**(225.036.578)**	**(23.022.218)**	**--**	**--**	**(248.058.796)**
Net Book Value	**681.306.969**	**31.206.233**	**--**	**--**	**712.513.202**

The details of the intangible assets of the Group for the accounting period ended on 31.12.2024 are as follows:

	01.01.2024	Addition	Disposals	Transfer	31.12.2024
Cost					
Rights	81.538.721	11.824.412	(2.549.998)	--	90.813.134
Research and Development Expenses	613.957	--	(613.957)	--	--
Other Intangible Assets	6.012.941	--	--	--	6.012.941
Preparation and Development Expenses	346.410.297	463.107.175	--	--	809.517.472
Total	**434.575.916**	**474.931.587**	**(3.163.956)**	**--**	**906.343.547**
Accumulated Amortization					
Rights	(37.772.935)	(2.424.499)	--	165.037	(40.032.398)
Other Intangible Assets	(4.806.964)	(479.282)	--	--	(5.286.247)
Preparation and Development Expenses	(147.777.118)	(31.940.816)	--	--	(179.717.934)
Total	**(190.357.017)**	**(34.844.598)**	**--**	**165.037**	**(225.036.578)**
Net Book Value	**244.218.899**	**440.086.989**	**(3.163.956)**	**165.037**	**681.306.969**

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL")

13. EVALUATING AND RESEARCHING OF MINE RESOURCES

The total amount of preparation and development expenditures capitalized during the accounting periods ended on 31.03.2025 and 31.12.2024 is as follows:

Subsidiaries	31.03.2025	31.12.2024
Yel Enerji	586.509.029	532.280.578
Çan2 Termik A.Ş.	33.137.215	33.137.215
Çan2 Trakya	244.099.679	244.099.679
Total	**863.745.923**	**809.517.472**

Preparation and development expenditures are capitalized in accordance with the Standard on Exploration and Evaluation of Mineral Resources and the Group's accounting policy. Amortization is recognized when the intangible asset is ready for use, when it is in a location and condition necessary for the Group to be able to operate in the manner intended by management.

14. RIGHT OF USE ASSETS

The details of the Group's right-to-use assets for the accounting period ended on 31.03.2025 are as follows:

	01.01.2025	Additions	Disposals	Transfer	31.03.2025
Cost – Vehicles					
Right of Use Asset	20.617.621	8.622.400	(1.885.017)	--	27.355.004
Total	**20.617.621**	**8.622.400**	**(1.885.017)**	**--**	**27.355.004**
Accumulated Depreciation - Vehicles					
Right of Use Asset	(8.923.336)	(1.612.604)	815.838	--	(9.720.103)
Total	**(8.923.336)**	**(1.612.604)**	**815.838**	**--**	**(9.720.103)**
Net Book Value	**11.694.285**				**17.634.901**

The details of the Group's right-of-use assets for the accounting period ending on 31.12.2024 are as follows:

	01.01.2024	Addition	Disposal	Transfer	31.12.2024
Cost – Vehicles					
Right of Use Asset	20.093.980	523.641	--	--	20.617.621
Total	**20.093.980**	**523.641**	**--**	**--**	**20.617.621**
Accumulated Depreciation - Vehicle					
Right of Use Asset	(6.932.965)	(1.990.372)	--	--	(8.923.336)
Total	**(6.932.965)**	**(1.990.372)**	**--**	**--**	**(8.923.336)**
Net Book Value	**13.161.015**				**11.694.285**

The Group has consolidated its leasing debts, which represent the operational lease payments which are obliged to pay rent. Details of the group's accounting in accordance with the TFRS 16 Leases standard are described in Note 2.

15. IMPAIRMENT OF ASSETS

As of 31.03.2025 and 31.12.2024, the Group has a decrease in its trade receivables and the impairment amounts are shown in the relevant financial statement items (Note 7).

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL")

16. GOVERNMENT INCENTIVES

Çan2 Termik A.Ş. has Investment Incentive Certificate is 06.02.2015 dated and 117824 numbered, prepared by Ministry of Economy of the Republic of Turkey and General Directorate of Foreign Capital and Incentives Implementation. Mentioned certificate was revised by new numbered 18.09.2017 and C117824 dated. Aforesaid investment is power plant based on domestic coal (Çan 2 Thermic Plant) with 340 MW installed capacity and incentive certificate is arranged according to EMRA's ÖN/5117-5/03070 associate license number and dated 10.07.2014.

Investment Incentive Certificate is given for the full new investment carried out in Çanakkale (Çan 2nd region) and covers the period between 13.08.2014-12.02.2019. With the certificate, employer's share of insurance premiums support, interest support, tax discount rate support, VAT exception and exemption from customs duty incentives are benefited. Total amount of the investment is TRY 801.789.866 based on incentive certificate. An Incentive Closing Visa application was made to the Ministry of Industry and Technology on 02.10.2019 and a completion visa was made within the framework of the provisions of the 24th article of the decision dated 15.06.2012 and numbered 2012/3305 and the 23rd article of the communiqué numbered 2012/1 regarding the implementation of this decision. The decision was notified to us with the letter dated 05.08.2020 and numbered 1777914. The investment contribution rate is calculated at the rate of 40% over the total investment amount before closing the subject of the investment incentive certificate, and a tax reduction of 80% is provided up to the tax to be reached up to TRY 320.715.946. As of 31.03.2025, the indexed and unused investment allowance amount is TL 2.041.189.060. This amount is subject to deferred tax (Note 30).

In addition, an investment incentive certificate with document number 510216 and ID 1013731, dated 08.04.2020, issued by the Ministry of Industry and Technology of the Republic of Turkey. The support class is Regional-Priority Investment and the support elements are VAT Exemption, Interest Support, Tax Reduction, Employer's Insurance Premium Share and Investment Place Allocation. The investment subject to the certificate is a domestic coal-based electricity generation power plant (Çan 2 Thermal Power Plant) with an installed capacity of 340 MW, and the incentive certificate was issued in accordance with EMRA's Generation License dated 28.01.2016 and numbered UE/6083-2/03428. The total amount of the investment is 329.297.725 TL. Investment contribution rate of 40% is calculated over the total investment amount before the closure subject to the investment incentive certificate and 80% tax deduction is provided until the tax to be reached up to TL 131.719.090. This amount is subject to deferred tax (Note 30)

17. BORROWING COSTS

None. (31.12.2024 : None)

18. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Other Short Term Provisions

	31.03.2025	**31.12.2024**
Lawsuit Provisions	2.136.036	2.098.241
Total	**2.136.036**	**2.098.241**

Lawsuits Against the Company

As of 31.03.2025, according to the information obtained from the Group's legal consultancy, there are various commercial lawsuits filed against the Group. Provisions have been accounted for these lawsuits and related expenses.

As of 31 March 2025, the Group has recognized a provision for legal expenses related to employee reinstatemen lawsuits, taking into consideration the high probability of losing such cases.

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL")

18. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (CONTINUED)

The details of provision for litigation expenses related to the lawsuits filed against the Group are as follows;

	01 January – 31 March 2025	01 January – 31 December 2024
Period Opening Balance	2.098.241	3.444.989
Additional Provisions/Cancellation	37.795	(1.346.748)
Total	**2.136.036**	**2.098.241**

Favorable Lawsuits

As of the report date, there are various lawsuits initiated by the Group.

As stated in the Company's material disclosures dated 14.01.2023, 11.04.2023 and 17.06.2023, following the letter dated 13.01.2023 sent to the Company by EMRA, a lawsuit was filed in Ankara 10th Administrative Court for the annulment of the administrative action and the decision in favor of the Company was decided to be suspended by Ankara 8th Administrative Lawsuit Department and the case is still pending on the merits.

Other Long Term Provisions

	31.03.2025	31.12.2024
Provision for Mine Restoration	223.489	238.062
TOTAL	**223.489**	**238.062**

At 11th paragraph of TFRS 6 stated: When a company assume the investigation and evaluation of mine resources, it reflects removal and restoration liabilities resulting in given period at financial statement according to TAS 37 - Provisions , Contingent Liabilities and Contingent Assets standard. Accordingly, in the evaluation made by the project manager and the technical team; Mining activities in Çanakkale Province Çan District Yayaköy License No:17448 field will be operated as closed operation and open operation. Extension projects covering this scope have been submitted to the General Directorate of Mining Affairs ("Migem") for approval. After the open operation, it will be switched to closed operation. There will be no stripping work on the surface during the closed operation periods.

Within the scope of the Çan 2 thermal power plant, the area to be picked up in the open operation will be used as an ash storage area as stated in the EIA report. After completing the economic life of the site, it will be arranged with a subsequent location study and afforestation will be abandoned. The estimated cost for terraces and trees will be around TRY 300.000.

Stripping work will be carried out on an area of approximately 150 declares. Due to the extension project, there are 100 trees per acre. Due to the soil structure of the region, the cost of relocation of about an acre is calculated around TRY 2,000 in this way. the total cost for 150 acres was calculated as 150 x TRY 2.000 = TRY 300.000 . This study will be carried out after the open pit mine has completed its economic life and will be realized at the end of 20 years.

Provision for Mine Restoration

	31.03.2025	31.12.2024
Balance at the Beginning of the Period	238.062	601.188
Additional Provision/ Payment (-)	(14.573)	(363.126)
End-of-Term Balance	**223.489**	**238.062**

As of 31.03.2025, the total cost of TRY 300.000 discounted to present value is TRY 223.489.

(Unless otherwise stated, amounts are expressed in Turkish Lira (“TL”)

18. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (CONTINUED)

Guarantees

The guarantees given by the Group are as follows:

	COLLATERAL PLEDGE MORTGAGES	**31.03.2025**	**31.12.2024**
A)	The total amount of the collateral pledged mortgages given on behalf of the legal entity	693.236.100	612.808.267
B)	Partnerships included in full consolidation	57.241.356	57.241.357
C)	Total amount of collateral pledged mortgages given by other 3rd parties for the purpose of carrying out ordinary Commercial activities	--	--
D)	Total Amount of Other Total Pledged Mortgages Given	--	--
i)	*The total amount of collateral pledged mortgages issued in favor of the main partner*	--	--
ii)	*Other Corporate companies that are not covered by articles B and C the total amount of collateral pledged mortgages issued in favor of*	--	--
		--	--
iii)	*3, which is not covered by Article C. the total amount of collateral pledged mortgages issued in favor of persons*	--	--
	TOTAL	**750.477.456**	**670.049.624**

The guarantees and promissory notes received by the Group are as follows.

	31.03.2025	**31.12.2024**
Letters of guarantee received	18.984.172	14.742.031
	18.984.172	**14.742.031**

19. EMPLOYEE BENEFITS

a. Short-Term

Liabilities within the Scope of Employee Benefits

	31.03.2025	**31.12.2024**
Debts to Personnel	30.971.420	29.733.322
Social Security Deductions Payable	31.689.842	15.413.936
TOTAL	**62.661.262**	**45.147.258**

The balance of the payables to the personnel is accrued on the payroll as of the relevant dates and the social security of the employer and the employee to be paid until the end of the month, declared on the twenty-third of the following month. consists of premium debts.

Provisions within the Scope of Employee Benefits

	31.03.2025	**31.12.2024**
Provision for The Annual Leave	26.646.573	21.968.676
Total	**26.646.573**	**21.968.676**

(Unless otherwise stated, amounts are expressed in Turkish Lira (“TL”)

19. EMPLOYEE BENEFITS (CONTINUED)

b. Long-Term

Provisions for Severance Pay

In accordance with the current labor law, companies are obliged to pay a certain amount of severance pay to personnel who quit their job due to retirement after serving at least one year or who are dismissed for reasons other than resignation and bad behavior. The compensation to be paid is equal to one month's salary for each year of service and this amount has been limited to TRY 46.655,43 (31.12.2024: TRY 41.828,42) as of 31.03.2025.

In order to calculate the Group's liabilities in accordance with TAS 29 (Employee Benefits), a calculation made with actuarial assumptions is required. The Group has calculated the provision for severance pay, using the “Projection Method” in accordance with TAS 29, based on the Group's experience in completing the personnel service period and entitlement to severance pay in previous years and reflected it in the financial statements.

Severance pay provision is set aside by calculating the present value of the probable obligation to be paid in case of retirement of the employees. Accordingly, the actuarial assumptions used to calculate the liability as of 31.03.2025 and 31.12.2024 are as follows:

	31.03.2025	**31.12.2024**
Discount Rate	29,32%	21,44%
The Estimated Rate of Increase	24,95%	17,78%
Discount Rate, Net	3,50%	3,11%

As of 31.03.2025 and 31.12.2024, the movement of provision for severance pay benefits is as follows ;

Provision for Severance Pay		
	31 March 2025	**31 December 2024**
Provision for Severance Pay	13.086.129	9.898.401
Period-end balance	**13.086.129**	**9.898.401**

	31 March 2025	**31 December 2024**
Transfer	9.898.401	10.427.243
Payment	2.916.193	33.702.628
Interest Cost	443.419	1.391.792
Current Service Cost	(583.399)	(21.365.130)
Actuarial Profit/Loss	704.915	(16.101.653)
Inflation Effect	(293.400)	1.843.519
Balance	**13.086.129**	**9.898.401**

20. OTHER ASSETS AND LIABILITIES

Other Current Assets

As of 31.03.2025 and 31.12.2024, Other Current Assets are as follows:

	31.03.2025	**31.12.2024**
Income accrual	213.211.853	559.486.874
Deferred VAT	31.541.359	9.560.826
Job Advances	1.364.305	1.347.133
Personnel Advances	1.436.802	408.151
Advances Given	105.256.838	98.399.327
Other Various Current Assets	45.411.584	24.450.606
TOTAL	**398.222.741**	**693.652.917**

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL")

20. OTHER ASSETS AND LIABILITIES (CONTINUED)

The details of income accrual are as follows:

	31.03.2025	**31.12.2024**
Electricity sales revenue accruals	213.211.853	559.486.874
TOTAL	**213.211.853**	**559.486.874**

Other Short-Term Liabilities

	31.03.2025	**31.12.2024**
Expense Accruals	60.948.099	61.879.030
Other various liabilities	369.991	--
TOTAL	**61.318.090**	**61.879.030**

The details of Expense Accruals are as follows:

	31.03.2025	**31.12.2024**
Electricity purchase expense accruals	38.167.175	48.747.604
Interest Accruals	13.073.080	13.087
Other expense accruals	164.030	13.118.339
Interest Restructuring accruals	9.543.814	--
TOTAL	**60.948.099**	**61.879.030**

As of 31.03.2025 and 31.12.2024, the details of Other Fixed Assets are as follows:

Other Fixed Assets

	31.03.2025	**31.12.2024**
Advances Given (*)	47.955.936	43.229.325
TOTAL	**47.955.936**	**43.229.325**

(*) Advances given consist of advances given to contractors and suppliers for investment materials and service procurement for Çan-2 Thermal Power Plant in previous periods.

Other Long-Term Liabilities

	31.03.2025	**31.12.2024**
Accruals of Expenses (*)	10.114.353	13.537.200
TOTAL	**10.114.353**	**13.537.200**

(*) Insurance and Tax liabilities of the Group consist of monthly restructuring installments.

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL")

21. CAPITAL, RESERVES AND OTHER EQUITY ITEMS

Paid-in Capital

The Group's paid-in capital structure as of 31.03.2025 and 31.12.2024 is as follows:

	31.03.2025		31.12.2024	
Shareholders	**Amount**	**Rate**	**Amount**	**Rate**
Odaş Elektrik Üretim San. Tic. A.Ş.	2.799.982.403	40%	2.799.982.403	40%
Public Shares	4.200.017.597	60%	4.200.017.597	60%
TOTAL	**7.000.000.000**	**100%**	**7.000.000.000**	**100%**
Capital Adjustment Differences (*)	2.469.781.935		2.469.781.934	
Total Paid-In Capital	**9.469.781.935**		**9.469.781.934**	

(*)Share Capital Adjustment express the difference between the inflation-adjusted total amounts of cash and cash equivalent additions to capital and their pre-adjustment amounts. Capital adjustment differences have no use other than being added to capital.

As of 31.03.2025, the paid-in capital of Çan2 Termik A.Ş. was TL 7.000.000.000, divided into 7.000.000.000 shares, each with a nominal value of TL 1.

Premiums/Discounts Related to Shares

	31.03.2025	31.12.2024
Share Issue Premiums	335.115.014	335.115.014
TOTAL	**335.115.014**	**335.115.014**

Cash Hedging Gains and Losses

	31.03.2025	31.12.2024
Hedging Gains and Losses	573.742.274	1.052.107.971
Total	**573.742.274**	**1.052.107.971**

Actuarial Loss/Gain Fund

The movements of the actuarial loss/gain fund are as follows:

	31.03.2025	31.12.2024
Balance at the Beginning of the Period	5.717.719	4.260.247
Actuarial Gains/(Losses)	(704.915)	1.943.295
Deferred Tax Effect	176.228	(485.823)
End-of-Term Balance	**5.189.032**	**5.717.719**

Reserves On Retained Earnings

	31.03.2025	31.12.2024
Legal Reserves	266.295.292	266.295.292
Total	**266.295.292**	**266.295.292**

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL")

21. CAPITAL, RESERVES AND OTHER EQUITY ITEMS (CONTINUED)

Capital Advances

	31.03.2025	31.12.2024
Capital Advances	1.474.418.200	1.622.785.461
Toplam	**1.474.418.200**	**1.622.785.461**

The explanation regarding the Group's equity accounts adjusted in accordance with TMS 29, prepared based on the Capital Markets Board Bulletin published on March 7, 2024, is as follows:

Equity	PPI Index	CPI Index	Differences To Be Followed in Retained Earnings/Losses
Capital Adjustment Positive Differences	8.931.491.236	9.469.781.935	(538.290.699)
Premiums/Discounts on Shares	768.638.863	335.115.014	433.523.849
Restricted Reserves Separated from Profit	215.047.227	266.295.292	(51.248.066)

Shares of the Parent Company

In the three-month period ending on 31.03.2025, the Group has earned a period loss of TRY 294.834.272 (31.12.2024: TRY 1.357.105.387). All of these amounts belong to the parent company shares and there is no minority share.

Previous Year Profit/Loss

The accumulated profit/losses other than the net profit for the period have been netted off and shown in this item.

Previous Years Profit / Losses	31.03.2025	31.12.2024
Profit/Loss for the Past Year	15.004.934.620	16.957.063.027
Share Ratio in Subsidiaries Not Resulting in Loss of Control Val. Related Increase/Decrease	--	(807.294)
Increase/Decrease due to Other Changes	--	(370.454.480)
Transfers	--	(2.290.802.263)
Profit/Loss for the Period	(1.357.105.387)	709.935.630
TOTAL	**13.647.829.233**	**15.004.934.620**

Non-Controlling Interests

	31.03.2025	31.12.2024
Capital	74.536.076	76.619.454
Previous Year's Profit/(Loss)	165.329	(478.440)
Period Profit/(Loss)	(938.779)	678.717
TOTAL	**73.762.626**	**76.819.731**

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL")

22. REVENUE AND COST OF GOODS SOLD

The detail of sales is as follows;

	01 January- 31 March 2025	01January- 31 March 2024
Electricity Sales Revenue	975.552.133	1.729.523.984
Other Revenues	887.616	1.019.714
Sales Returns	(18.368)	--
Total	**976.421.381**	**1.730.543.698**

The cost detail of sales is as follows;

23. EXPENSES ACCORDING TO THEIR QUALIFICATIONS

The details of the cost of sales for the periods 01.01.-31.03.2025 and 01.01.-31.03.2024 are as follows:

	01 January - 31 March 2025	01 January - 31 March 2024
- Raw Material Cost	338.057.993	685.063.330
- TEİAŞ/EPİAŞ/Energy Cost	259.118.668	351.490.363
- Depreciation and Amortization	115.335.193	81.417.686
- Personnel Expense Share	103.758.135	123.105.259
- Other Expenses	43.326.996	25.187.264
- Maintenance and Repair Expense	43.215.314	67.381.837
- Cost of Finished Goods Sold from Production	16.093.190	66.978.375
- Insurance Expenses	7.304.713	13.228.667
- Rental Expense	4.303.344	12.053.038
- Consulting Expenses	1.460.970	2.731.903
TOTAL	**931.974.516**	**1.428.637.722**

24. GENERAL OPERATING EXPENSES, MARKETING EXPENSES, RESEARCH AND DEVELOPMENT EXPENSES

Marketing, Sales, and Distribution Expenses

For the periods 01.01.-31.03.2025 and 01.01.-31.03.2024, marketing, selling and distribution expenses are as follows;

	01 January - 31 March 2025	01 January - 31 March 2024
Marketing, Sales, and Distribution Expenses	2.807.048	35.712.196
TOTAL	**2.807.048**	**35.712.196**

General Administrative Expenses

The details of general administrative expenses for the periods 01.01.-31.03.2025 and 01.01.-31.03.2024 according to their qualifications are as follows:

	01 January - 31 March 2025	01 January - 31 March 2024
- Depreciation Expense	21.938.088	124.841.675
- Personnel expense	14.507.786	12.423.933
- Other expenses	11.236.525	3.807.037
- Consultancy expenses	2.479.304	2.117.205
- Rental Expense	1.764.478	104.847
- Declaration and Stamp Duty Tax	48.930	219.042
TOTAL	**51.975.111**	**143.513.739**

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL")

25. OTHER OPERATING INCOME AND EXPENSES

Other Operational Income

	01 January - 31 March 2025	01 January - 31 March 2024
Foreign Currency Income	50.682.853	7.518.778
Rediscount Interest Income	1.304.834	11.670.575
Other Extraordinary Income	1.135.126	30.233.619
Prior Year Revenues and Profits	231.290	183.070
Provisions no longer required	2.472	1.599.695
Other Operating Income and Profit	--	195.403
TOTAL	**53.356.575**	**51.401.140**

Other Operational Expenses

	01 January - 31 March 2025	01 January- 31 March 2024
- Idle Part Expenses and Losses	198.466.767	1.339.967
- Provision Expenses	237.652	--
- Foreign Exchange Expense	23.867.782	4.376.658
- Other Extraordinary Expenses and Losses	21.247.432	37.634.120
- Previous Period Expenses and Losses	311.330	999.623
- Rediscount Expense	3.469.836	5.850.068
- Other Expenses	578.193	30.670
TOTAL	**248.178.992**	**50.231.106**

26. EXPENDITURES AND REVENUES FROM INVESTING ACTIVITIES

For the periods 01.01.-31.03.2025 and 01.01.-31.03.2024, there are no income and expenses from investment activities.

27.EXPENSES CLASSIFIED BY NATURE

Personnel Expenses	01 January - 31 March 2025	01 January- 31 March 2024
Cost of Sales	103.758.135	123.105.259
General Administrative Expenses	14.507.786	12.423.933
Marketing, Sales and Distribution Expenses	--	--
TOTAL	**118.265.921**	**135.529.192**

Insurance Expenses	01 January - 31 March 2025	01 January- 31 March 2024
Cost of Sales	7.304.713	13.228.667
General Administrative Expenses	--	--
TOTAL	**7.304.713**	**13.228.667**

Consultancy Expenses	01 January - 31 March 2025	01 January- 31 March 2024
Cost of Sales	1.460.970	2.731.904
General Administrative Expenses	2.479.304	2.117.205
TOTAL	**3.940.274**	**4.849.109**

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL")

28. FINANCIAL EXPENSE AND INCOME

Financial Income

	01 January - 31 March 2025	01 January- 31 March 2024
Interest income	7.993.787	6.460.085
Rediscount interest income	7.038.944	5.220.887
Foreign exchange profits	5.695.926	2.015.396
Gain on Sale of Marketable Securities	25	62
TOTAL	**20.728.682**	**13.696.430**

Financial Expenses

	01 January - 31 March 2025	01 January- 31 March 2024
Foreign exchange losses	558.819.356	76.264.044
Interest and commission expense	71.249.371	89.557.673
Rediscount Interest Expense	4.104.460	25.012.992
TOTAL	**634.173.187**	**190.834.709**

29. MONETARY LOSS AND GAIN

Non-Monetary Items	
Statement of Financial Position	**31.03.2025**
Inventories	1.700.001.808
Investments Accounted through Equity Method	1.711.440
Tangible Fixed Assets	1.543.241.939
Other Intangible Assets	53.030.878
Capital Adjustment Differences	(867.510.185)
Share Premiums/Discounts	(30.638.737)
Restricted Reserves	(24.346.720)
Retained Earnings/Losses	(1.247.885.199)
Other Gains/Losses	(498.594)
Profit or Loss Statement	
Revenue	(28.930.799)
Cost of Sales	101.063.161
General Administrative Expenses	10.531.845
Marketing Expenses	8.943
Other Operating Income	(1.264.535)
Other Operating Expenses	70.482.921
Financial Income	(993.735)
Financial Expenses	14.830.915
TOTAL	1.292.835.348

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL")

30.ANALYSIS OF OTHER COMPREHENSIVE INCOME

The Group's other comprehensive income / (expense) breakdown as of 01.01.-31.03.2025 and 01.01.-31.03.2024 is as follows:

Not reclassified on gain/(loss)	31.03.2025	31.03.2024
Actuarial gains/(loss)	*(704.915)*	*1.943.295*
Deferred tax revenue/(expense)	*176.229*	*(485.824)*
TOTAL	**(528.686)**	**1.457.471**

31. TAXATION ON INCOME (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)

Tax income / expenses in the income statement for the period between 01.01.-31.03.2025 ve 01.01.-31.03.2024 are summarized below:

	01 January - 31 March 2025	01 January- 31 March 2024
Period Tax Income	--	(2.985.535)
Deferred tax income/ expense	*(770.006.182)*	*(392.065.390)*
Deferred tax reflected in equity	*(127.215.127)*	*(18.861.407)*
TOTAL	**(897.221.309)**	**(413.912.332)**

Current Tax

According to the Corporate Tax Law No. 5520, the tax rate in Turkey is is %25 for 2025.

Period Profit Tax Provisions, Net

None. (31.12.2024 : None.)

Assets Related to Current Period Taxes

	31.03.2025	31.12.2024
Prepaid Taxes and Funds	554.487	868.592
TOTAL	**554.487**	**868.592**

Deferred Tax

Company calculates deferred tax assets and liabilities with recorded values in statement of financial position items by considering difference effects which occurs as a result of evaluation for values in statement of financial position items and Tax Procedure Law.

These temporary differences generally resulting from the recognition of income and expenses in different reporting periods according to the CMB Communiqué and tax laws. 25% tax rate will be applied for corporate earnings in 2024 and onwards.

The Turkish tax legislation does not allow the parent company to prepare a tax return based on the consolidated financial statements of its subsidiaries and affiliates. Therefore, the deferred tax positions of companies with deferred tax assets and companies with deferred tax liabilities have not been netted off and have been disclosed separately.

The deferred assets and deferred tax liabilities in the consolidated financial statements are reflected as of March 31, 2025 - December 31, 2024 in the following manner:

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL")

31.TAXATION ON INCOME (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES (CONTINUED)

	31.03.2025	31.12.2024
Deferred Tax Assets	400.777.443	1.430.441.045
Deferred Tax Liabilities	(23.746.545)	(27.954.949)
Total	**377.030.898**	**1.402.486.096**

The breakdown of cumulative temporary differences and the resulting deferred tax assets / (liabilities) provided at 31 March 2025 and 31 December 2024 using the enacted tax rates is as follows:

	Accumulated Temporary Differences		Deferred Tax Assets / (Liabilities)	
Deferred Tax Assets / Liabilities	**31.03.2025**	**31.12.2024**	**31.03.2025**	**31.12.2024**
Other Deferred Tax Assets/Liabilities	40.112.405	63.470.168	10.028.101	15.867.542
Rediscount	107.137.964	75.405.272	26.784.491	18.851.318
Inventories	(1.804.608.679)	(111.160.618)	(451.152.170)	(27.790.155)
Other Payables and Expense Provisions	159.694.939	152.187.067	39.923.735	38.046.767
Difference in Depreciation of Tangible and Intangible Fixed Assets	(6.488.187.946)	(5.277.536.104)	(1.622.046.987)	(1.319.384.026)
Severance Pay and Leave Provision	37.352.608	25.592.923	9.338.152	6.398.231
Investment Incentive, Corporate Tax Right (*)	--	--	2.172.908.150	2.319.793.762
Gains/Losses from Cash Flow Hedging	,--	--	191.247.425	350.702.657
TOTAL	**(7.948.498.710)**	**(5.072.041.291)**	**377.030.898**	**1.402.486.096**

(*) The Group's completed investment is located in Region II, but in the Special Conditions section of the Invenstment Certificate, it is stated in Article 5 that the investment subject to the document will benefit from Region 5 supports since it is among the priority investments. Accordingly, the Investment Contribution Rate is 40% and the Discounted Corporate Tax Rate is 80%. Accordingly, 40% of the total investment amounting to TL 801.789.865, which is 40% of the total investment amounting to TL 320.715.946, will be able to benefit from the reduced corporate tax application regarding the earnings obtained from the investment. As of March 31, 2025, the remaining indexed investment allowance amount is TL 2.041.189.060. In addition, an investment incentive certificate dated 08.04.2020 with document number 510216 and ID number 1013731 was issued by the Ministry of Industry and Technology of the Republic of Turkey.

The support class is Regional-Priority Investment, and the support elements are VAT Exemption, Interest Support, Tax Reduction, Insurance Premium Employer's Share and Investment Place Allocation. Accordingly, the Investment Contribution Rate is 40% and the Reduced Corporate Tax Rate is 80%. Accordingly, 40% of the total investment amounting to TL 329.297.725, which is 40% of the total investment amounting to TL 131.719.090, will be able to benefit from the reduced corporate tax application regarding the earnings from the investment. The related amount is subject to deferred tax.

32.EARNING PER SHARE

	01 January- 31 March 2025	01 January- 31 March 2024
Net profit /(loss)	*(294.834.272)*	*(734.110.306)*
Weighted average number of ordinary shares	*5.769.821.394*	*780.876.638*
Profit/(loss) per share with nominal value of 1 TRY	**(0,051099)**	**(0,940110)**

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL")

33. FINANCIAL REPORTING IN HYPERINFLATION ECONOMIES

With the statement made by the Public Oversight, Accounting and Auditing Standards Authority (KGK), which implements TFRS, on 23 November 2023, inflation accounting application was started in accordance with TMS 29 Economy Financial Reporting Standard for High Inflation from the financial statements of the annual reporting ending on or after 31 December 2023. . IAS 29 applies to financial statements, including consolidated financial statements, that are capable of having a functional currency that is the currency of a hyperinflationary economy.

In accordance with the said standard, financial statements prepared based on the currency of a high-inflation economy are prepared in the purchasing power of this currency at the balance sheet date. For comparison purposes in prior period financial statements, comparative information is expressed in terms of the current measurement unit at the end of the reporting period. Therefore, the Group has presented its consolidated financial statements as of December 31, 2023, on the basis of purchasing power as of December 31, 2024.

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 shall comply with the provisions of TAS 29, starting from their annual financial reports for the accounting periods ending as of 31 December 2023. It was decided to apply inflation accounting by applying Rearrangements made in accordance with TMS 29 were made using the correction coefficient obtained from the Consumer Price Index in Turkey ("CPI") published by the Turkish Statistical Institute ("TURKSTAT"). As of March 31, 2025, the indices and correction coefficients used in the correction of consolidated financial statements are as follows

Date	Index	Adjustment Coefficient
31.03.2025	2.954,69	1
31.12.2024	2.684,55	1,10062
31.03.2024	2.139,47	1,38103

34. FINANCIAL INSTRUMENTS

Short-Term Financial Liabilities

As of 31.03.2025 and 31.12.2024, short-term financial liabilities are as follows:

Short-Term Financial Liabilities	March 31, 2025	31 December 2024
Bank loans	393.035.742	--
Payables from financial leasing transactions	7.126.367	8.779.043
Deferred leasing costs (-)	(645.367)	(954.497)
Installments of principal and interest of loans	40.588.866	61.237.809
Current Installments of Bonds	14.008.738	2.991.162
Short-Term Financial Liabilities - Net	**454.114.346**	**72.053.517**

Long-Term Financial Liabilities	March 31, 2025	December 31, 2024
Bank loans	7.607.582	12.766.217
Payables from financial leasing transactions	4.116.362	5.619.822
Deferred leasing costs (-)	(146.466)	(256.529)
Long-Term Financial Liabilities - Net	**11.577.478**	**18.129.510**

	March 31, 2025	31 December 2024
Other financial liabilities	14.008.738	2.991.162
Total	**14.008.738**	**2.991.162**

Long Term Loan Liabilities	Financial Leasing Payables from Transactions	Deferred Financial Rental Costs
2026	7.607.582	12.766.217
Total	**7.607.582**	**12.766.217**

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL")

34. FINANCIAL INSTRUMENTS (Continued)

Long Term Loan Liabilities	March 31, 2025	31 December 2024
1-2 Years	7.607.582	12.766.217
2-3 Years	--	--
3-4 Years	--	--
4-5 Years	--	--
5 Years and above	--	--
Total	**7.607.582**	**12.766.217**

Payment Year	Liabilities from leasing	Deferred leasing costs (-)
2026	4.116.362	(146.466)
Total	**4.116.362**	**(146.466)**

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL")

34. FINANCIAL INSTRUMENTS (Continued)

	Annual interest rate %		Exchange Value		TRY	
	March 31, 2025	**December 31, 2024**	**March 31, 2025**	**December31, 2024**	**March 31, 2025**	**December31, 2024**
TRY Loans	34,44%-61,00%	14,52%-37,26%	--	--	393.035.742	--
Short-term Loans					**393.035.742**	**--**
TRY Loans	34,44%-61,00%	14,52%-37,26%	--	--	40.588.866	61.237.809
Short-term payments and interests of loans					**40.588.866**	**61.237.809**
Total short-term loans			**--**	**--**	**433.624.608**	**7.863.461**
TRY Loans			--	--	7.607.582	12.766.217
Total long-term loans					**7.607.582**	**12.766.217--**

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL")

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Credit Risk

The credit risks exposed as of 31.03.2025 by types of financial instruments are shown in the table below.

31.03.2025	Receivables				Bank Deposits	Derivatives	Other
	Trade Receivables		Other Receivables				
	Related Parties	Other Parties	Related Parties	Other Parties			
As at Reporting Date Maximum Amount of Credit Risk Exposed (A+B+C+D+E) *	**15.632.380**	**2.168.038.413**	**1.054.386.895**	**41.191.017**	**18.156.460**	**--**	**170.656.538**
- Maximum amount of risk exposed - Part of the risk covered by guarantees	--	--	--	-/-	-	--	--
A. Net value of financial assets neither due nor impaired	15.632.380	2.168.038.413	1.054.386.895	41.191.017	**18.156.460**	--	170.656.538
B. Conditions renegotiated, otherwise to be classified as past due or impaired	--	--	--	--	--	--	--
C. Past due but not impaired	--	--	--	--	--	--	--
D. Net book value of Impaired assets	--	11.574.232	--	--	--	--	--
-Past due (gross book value)	--	(11.574.232)	--	--	--	--	--
-Impairment (-)	--	--	--	--	--	--	--
- Part covered by guarantees	--	--	--	--	--	--	--
- Undue (gross book value)	--	--	--	--	--	--	--
-Impairment (-)	--	--	--	--	--	--	--
- Part covered by guarantees	--	--	--	--	--	--	--
E. Off-balance sheet items with credit risk	--	--	--	--	--	--	--

In determining the amount, the increase in credit reliability such as guarantees received are not considered.

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL")

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

The credit risks exposed as of 31.12.2024 as of the types of financial instruments are shown in the table below.

31.12.2024	Receivables				Bank Deposits	Derivatives	Other
	Trade Receivables		Other Receivables				
	Related Party	Third Party	Related Party	Third Party			
As at reporting date maximum amount of credit risk exposed (A+B+C+D+E)	**73.891**	**2.054.291.657**	**1.093.624.631**	**20.508.398**	**173.200.573**	**--**	**158.901.452**
- Maximum amount of risk exposed - Part of the risk covered by guarantees	--	--	--	--	--	--	--
A. Net value of financial assets neither due nor impaired	73.891	2.054.291.657	1.093.624.631	20.508.398	**173.200.573**	--	158.901.452
B. Book value of financial assets whose conditions are renegotiated, otherwise, will be classified as past due or impaired	--	--	--	--	--	--	--
C. Net book value of assets past due but not impaired	--	--	--	--	--	--	--
D. Net book value of assets impaired	--	12.738.920	--	--	--	--	--
- Past due (gross book value)	--	(12.738.920)	--	--	--	--	--
- Impairment amount (-)	--	--	--	--	--	--	--
- The part of net value covered with guarantees etc.	--	--	--	--	--	--	--
- Not due (gross book value)	--	--	--	--	--	--	--
- Impairment amount (-)	--	--	--	--	--	--	--
- The part of net value covered with guarantees etc.	--	--	--	--	--	--	--
E. Off balance items exposed to credit risk	--	--	--	--	--	--	--

In determining the amount, the increase in credit reliability such as guarantees received are not considered.

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk

The main responsibility related to liquidity risk management belongs to the Board of Directors. The board of Directors has established an appropriate liquidity risk management for the short-, medium- and long-term funding and liquidity requirements of the Group's Management. The Group manages liquidity risk by regularly monitoring estimated and actual cash flows and ensuring the continuation of sufficient funds and borrowing reserves by matching the maturities of financial assets and liabilities.

In this context, care is taken to ensure that the maturities of receivables and payables are compatible, in order to maintain short-term liquidity, net working capital management targets are set and efforts are made to keep the balance sheet ratios at certain levels.

In medium- and long-term liquidity management, the Group's cash flow forecasts are made based on financial markets and industry dynamics, the cash flow cycle is monitored and tested according to various scenarios.

It shows the maturity distribution of the Group's non-derivative financial liabilities. Non-derivative financial liabilities are prepared without discount and based on the earliest dates required to be paid. When receivables or payables are not fixed, the amount disclosed is determined using the interest rate derived from the yield curves at the date of the report.

Market Risk

Market risk is changes in interest rates, exchange rates or the value of securities that will negatively affect the Group.

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL")

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Currency risk

FOREIGN CURRENCY POSITION			
	31.03.2025		
	TRY Equivalent (Functional money unit of labor)	USD	EUR
1. Trade Receivables	641.039.211	16.718.723	237.007
2a. Monetary Financial Assets (Cash, Bank accounts included)	6.607.689	147.993	25.027
2b. Non-Monetary Financial Assets	118.045.939	2.255.895	807.105
3. Other	--	--	--
4. Current Assets (1+2+3)	**765.692.839**	**19.122.611**	**1.069.138**
5. Trade Receivables	--	--	--
6a. Monetary Financial Assets	--	--	--
6b. Non-Monetary Financial Assets	--	--	--
7. Other	--	--	--
8. Non-Current Assets (5+6+7)	**1.606.775.369**	**42.546.004**	**--**
5. Trade Receivables	1.606.775.369	42.546.004	--
9. Total Assets (4+8)	**2.372.468.208**	**61.668.615**	**1.069.138**
10. Trade Payables	(289.209.894)	(3.126.419)	(4.191.898)
11. Financial Liabilities	--	--	--
12a. Monetary Other Liabilities	--	--	--
12b. Non-Monetary Other Liabilities	--	--	--
13. Short Term Liabilities (10+11+12)	**(289.209.894)**	**(3.126.419)**	**(4.191.898)**
14. Trade Payables	--	--	--
15. Financial Liabilities	--	--	--
17. Long Term Liabilities (14+15+16)	**--**	**--**	**--**
18. Total Liabilities (13+17)	**(289.209.894)**	**(3.126.419)**	**(4.191.898)**
19. Net Off-Balance Sheet Derivative Instruments Asset/(Liability) Position (19a-19b)	--	--	--
19a. Total Amount of Assets Hedged	--	--	--
19b. Total Amount of Hedged Liabilities	--	--	--
20. Net Foreign Asset/ (Liability) Position (9-18+19))	**2.083.258.314**	**58.542.196**	**(3.122.760)**
21. Net Foreign Currency Asset/ (Liability) Position of Monetary Items (=1+2a+5+6a-10-11-12a-14-15-16a)	358.437.006	13.740.297	(3.929.865)
22. Total Fair Value of Financial Instruments Used for Foreign Currency Hedging	--	--	--
23. Export	6.577.218	180.000	--
24. Import	**--**	**--**	**--**

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL")

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

FOREIGN CURRENCY POSITION				
	31.12.2024			
	TRY Equivalent (Functional money unit of labor)	**USD**	**EUR**	**GBP**
1. Trade Receivables	665.252.604	16.885.443	237.007	--
2a. . Monetary Financial Assets (Cash, Bank accounts included)	6.405.128	152.304	12.141	4
2b. Non-Monetary Financial Assets	112.345.526	1.872.426	980.349	--
3. Other	--	--	--	--
4. Current Assets (1+2+3)	**784.003.258**	**18.910.173**	**1.229.496**	**4**
5. Trade Receivables	--	--	--	--
6a. Monetary Financial Assets	--	--	--	--
6b. Non-Monetary Financial Assets	--	--	--	--
7. Other	--	--	--	--
8. Non-Current Assets (5+6+7)	**1.392.873.263**	**35.870.622**	**--**	**--**
5. Trade Receivables	1.392.873.263	35.870.622	**--**	**--**
9. Total Assets (4+8)	**2.176.876.521**	**54.780.795**	**1.229.496**	**4**
10. Trade Payables	(354.811.593)	(4.096.925)	(4.824.989)	--
11. Financial Liabilities	--	--	--	--
12a. Monetary Other Liabilities	--	--	--	--
12b. Non-Monetary Other Liabilities	--	--	--	--
13. Short Term Liabilities (10+11+12)	**(354.811.593)**	**(4.096.925)**	**(4.824.989)**	**--**
14. Trade Payables	--	--	--	--
15. Financial Liabilities	--	--	--	--
17. Long Term Liabilities (14+15+16)	**--**	**--**	**--**	**--**
18. Total Liabilities (13+17)	**(354.811.593)**	**(4.096.925)**	**(4.824.989)**	**--**
19. Net Asset/ (Liability) Position of Off-Balance Sheet Derivative Instruments (19a-19b)	--	--	--	--
19a. Total Amount of Assets Hedged	--	--	--	--
19b. Total Amount of Hedged Liabilities	--	--	--	--
20. Net Foreign Asset/ (Liability) Position (9-18+19)	**1.822.064.928**	**50.683.871**	**(3.595.493)**	**4**
21. Net Foreign Currency Asset/ (Liability) Position of Monetary Items (=1+2a+5+6a-10-11-12a-14-15-16a)	316.846.139	12.940.822	(4.575.841)	4
22. Total Fair Value of Financial Instruments Used for Foreign Currency Hedging	--	--	--	--
23. Export	109.912.292	1.023.574	2.160.079	--
24. Import	--	--	--	--

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL")

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Sensitivity Analysis of Foreign Exchange Position

Sensitivity Analysis of Foreign Exchange Position				
31.03.2025				
	Profit / Loss		**Equity**	
	Foreign currency appreciation	Foreign currency depreciation	Foreign currency appreciation	Foreign currency depreciation
Change in 20% of the U.S. Dollar against TRY;				
1 - Net asset / liability of USD	70.250.635	46.833.757	--	--
2 - Amount hedged for USD risk (-)	--	--	--	--
3- Net Effect of U.S. Dollar (1+2)	**70.250.635**	**46.833.757**	**--**	**--**
Change in 10% of the EURO against TRY;				
4 - Net asset / liability of EUR	(3.747.312)	(2.498.208)	--	--
5 - Amount hedged for EUR risk (-)	--	--	--	--
6- Net Effect of EURO (4+5)	**(3.747.312)**	**(2.498.208)**	**--**	**--**

Sensitivity Analysis of Foreign Exchange Position				
31.12.2024				
	Profit / Loss		**Equity**	
	Foreign currency appreciation	Foreign currency depreciation	Foreign currency appreciation	Foreign currency depreciation
Change in 20% of the U.S. Dollar against TRY;				
1 - Net asset / liability of USD	60.820.645	40.547.096	--	--
2 - Amount hedged for USD risk (-)	--	--	--	--
3- Net Effect of U.S. Dollar (1+2)	**60.820.645**	**40.547.096**	**--**	**--**
Change in 10% of the EURO against TRY;				
4 - Net asset / liability of EUR	(4.314.591)	(2.876.394)	--	--
5 - Amount hedged for EUR risk (-)	--	--	--	--
6- Net Effect of EURO (4+5)	**(4.314.591)**	**(2.876.394)**	**--**	**--**
Change in 10% of the GBP against TRY;				
7- Other foreign currency net asset / liability	5	3	--	--
8- Part of hedged protected from other currency risk (-)	--	--	--	--
9 -Net Effect of GBP (7+8)	**5**	**3**	**--**	**--**

36. FINANCIAL INSTRUMENTS (FAIR VALUE EXPLANATION AND PROTECTION OF FINANCIAL HEDGE ACCOUNTING EXPLANATION)

Fair Value

Fair value is defined as price between willing parties who are into making a sale or purchase.

Financial assets and liabilities in foreign currency are converted to market prices at statement of financial position date. Methods and assumptions below are used to predict fair value of each financial instrument in case when it is possible to determine fair value of these instruments.

36. FINANCIAL INSTRUMENTS (FAIR VALUE EXPLANATION AND PROTECTION OF FINANCIAL HEDGE ACCOUNTING EXPLANATION) (Cont'd)

Financial Assets

The fair value of certain financial assets carried at cost, including cash at banks, marketable securities plus the respective accrued interest are considered to approximate their respective carrying values. The carrying values of the trade receivables net of provisions for uncollectible receivables are considered to

Financial Liabilities

Values of monetary liabilities and trade payables are considered close to their fair value because of short term nature. Bank loans are stated with their discounted cost and transaction cost will be added to initial cost of loans. Book value of loans is considered close to its fair value because of updates in changed market conditions and interest rates. Book value of trade payables is considered as close to its fair value cause of being short termed.

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

First Level: Financial assets and liabilities are appreciated from stock price traded in active market for similar assets and liabilities.

Second Level: Financial assets and liabilities are appreciated from inputs used determining observable price in the market as direct or indirect with the exception of the price is stated in first level.

Third Level: Financial assets and liabilities are appreciated from inputs based on unobservable data in the market in determining the fair value of an asset or liability.

The Group's management believes that the recorded values of financial instruments reflects their fair values.

Derivative Financial Instruments (Futures Agreements)

The Group does not engage in derivative transactions in the foreign exchange markets.(Note 38)

Financial Liabilities

Values of monetary liabilities and trade payables are considered close to their fair value because of short term nature. Bank loans are stated with their discounted cost and transaction cost will be added to initial cost of loans. Book value of loans is considered close to its fair value because of updates in changed market conditions and interest rates. Book value of trade payables is considered as close to its fair value cause of being short termed.

37. SUBSEQUENT EVENTS

None.

38. DERİVATİVE INSTRUMENTS

HIGH PROBABILITY ESTIMATED TRADING CURRENCY RISK CASH FLOW HEDGE ACCOUNTING

The Company management has discontinued the hedge accounting applied in accordance with TFRS 9 as of July 1, 2024 due to the expiration of foreign currency loan liabilities designated as hedging instruments within the scope of cash flow hedge accounting for the highly probable forecast transaction foreign currency risk component.

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In this context, as of June 30, 2023, reclassification of the cash flow hedge reserve accumulated in other comprehensive income to the income statement in accordance with IFRS 9 has started in connection with the cash flows of the hedged item at the date the hedge accounting is terminated.

As of March 31, 2025, the amount reclassified from cash flow hedge reserve under Other Comprehensive Income to the income statement within the scope of hedge accounting closure transactions amount is net TRY 382.174.067.

39. OTHER ISSUES THAT SIGNIFICANTLY AFFECT THE FINANCIAL STATEMENTS OR REQUIRED FOR UNDERSTANDING OF THE FINANCIAL STATEMENTS

None.

40. EXPLANATIONS TO CASH FLOW STATEMENT

Movements in the cash flow statement that do not create cash inflows and outflows are as follows as of the years:

		Current Period Not Audited Consolidated	Prior Period Not Audited Consolidated
	NOTES	01.01-31.03.2025	01.01-31.03.2024
A. CASH FLOWS FROM OPEARING ACTIVITIES		**1.607.042.619**	**2.829.889.437**
Profit/Loss For The Period		**(294.834.272)**	**(734.110.306)**
Adjustments To Reconcile Net Profit/Loss For The Period		**1.535.239.576**	**3.949.434.439**
Adjustments related to amortization and depreciation expenses	11-12-14-23-24	544.145.134	550.234.611
Adjustments Related to Impairment (Reversal) of Receivables	7	(1.164.688)	(318.927)
Adjustments Related to Employees Benefits Provision (Cancellation)	19	9.462.652	6.380.475
Provisions Related to Litigation and / or Provisions (Cancellation) Provisions Relating to Provisions (Cancellation)	18	37.795	(215.052)
Adjustments on Provisions (Cancellation) on the Sectoral Requirements Framework	18	(14.573)	(41.145)
Deferred Finance Expenses arising from Credit Purchases	7-8	1.432.258	43.254.591
Unearned Finance Income arising from Credit Sales	7-8	(86.331.696)	(67.761.348)
Adjustments Regarding Interest Expenses	20	60.948.099	99.342.887
Adjustments Related to Interest Income	20	(213.211.853)	(579.262.154)
Adjustments Regarding Tax Expenses/Income	31	1.025.455.199	695.578.260
Adjustment for fair value losses (gains)	38	1.893.190.613	325.191.508
Minority Share		(3.057.105)	--
Adjustments Related to Monetary (Loss)/Gain		(1.695.652.258)	2.877.050.733
Changes In Business Capital		**367.166.002**	**(386.892.167)**
Adjustments Regarding Increase/Decrease in Inventories	9	46.953.133	(1.244.569.712)
Increase/Decrease in Trade Receivables from Related Parties	6	(15.558.489)	136.750.918
Increase/Decrease in Trade Receivables from Unrelated Parties	7	(327.916.432)	337.116.253
Decrease (Increase) in Other Receivables from Related Parties	6	39.237.735	(8.874.433)
Decrease (Increase) in Other Receivables from Unrelated Parties	8	(20.682.619)	(8.519.360)
Change in Other Assets	20	504.229.524	636.586.844
Increase (Decrease) in Trade Payables to Related Parties	6	44.280.531	--
Increase (Decrease) in Trade Payables to Non-Related Parties	7	13.544.435	(103.823.587)
Change in Prepaid Expenses	10	14.047.869	52.004.444
Change in Payables Under Employee Benefits	19	8.051.352	7.220.265
Increase (Decrease) in Other Payables Related to Operations to Related Parties	6	(38.380.952)	(13.135.176)
Increase (Decrease) in Other Payables Related to Operations to Non-Related Parties	8	(57.576.986)	(80.475.687)
Provisions for Employee Benefits	19	7.865.625	614.266
Increase (Decrease) in Deferred Revenues	10	214.003.160	13.576
Change in Other Obligations	20	(64.931.885)	(97.800.777)
Cash Flows from Operations		**1.607.571.306**	**2.828.431.965**
Other Loss/Gain	21	(528.687)	1.457.471

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL")

41. EXPLANATIONS RELATED WITH EQUITY CHANGE TABLE

The details of the Group's shareholders' equity as of 31.03.2025 and 31.12.2024 are disclosed in Note 21.

42. CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents

	31.03.2025	**31.12.2024**
Cash	60.425	5.553
Bank	18.156.460	173.200.573
-Demand deposit	*10.404.415*	*9.803.871*
-Time deposit	*7.752.045*	*163.396.702*
Other current assets	16.609	2.624
TOTAL	**18.233.494**	**173.208.750**

As of 31.03.2025 there is no blocked deposits of the Group (31.12.2024 : None).

The information about the Group's term account for the periods 31.03.2025 and 31.12.2024 is as follows:

Currency Time Deposits	**Maturity**	**Interest rate**	**31.03.2025 TRY**
TRY	02.04.2025	41,00%	6.480.742
TRY	02.04.2025	44,96%	668.669
TRY	02.04.2025	44,96%	602.634
			7.752.045

Currency Time Deposits	**Maturity**	**Interest rate**	**31.03.2025 TRY**
TRY	02.01.2025	42,50%	96.079.693
TRY	02.01.2025	43,50%	65.157.158
TRY	02.01.2025	48,17%	672.901
TRY	02.01.2025	43,50%	660.377
TRY	02.01.2025	48,17%	606.448
TRY	02.01.2025	40,00%	220.125
			163.396.702

43. INTEREST, TAX, PROFIT BEFORE DEPRECIATION (EBITDA)

This financial data, that is calculated as an income before finance, tax and depreciation is an indication of measured income without taking notice of finance, tax, expenses that are not required cash outflows, depreciation and redemption expenses of the company. This financial data also specified in the financial statements by some investors due to use in the measurement of the company's ability to repay the loans and/or additional loan. However, EBITDA should not be considered independently from financial statements. Also, EBITDA should not evaluate as an alternative to net income(loss), net cash flow derived from operating, investing and financing activities, financial data obtained from investing and financial activities or prepared according to IAS / IFRS, or other inputs obtained from financial instruments such as, business operating performance. This financial information should be evaluated together with other financial inputs that are contained in the statement of cash flow.