ÇAN2 TERMİK A.Ş. AND ITS SUBSIDIARIES CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT REGARDING 1 JANUARY – 31 DECEMBER 2023 PERIOD

INDEPENDENT AUDITOR'S REPORT

To General Assembly of
Çan2 Termik A.Ş.

A) Independent Audit of the Financial Statements

1. Opinion

We have audited the consolidated financial statements of Çan2 Termik A.Ş. ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statements of financial position as at December 31, 2023, and the consolidated statements of income, and other comprehensive income, consolidated statements of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Turkish Financial Reporting Standards (TFRS).

2. Basis for Opinion

Our audit was conducted in accordance with the Standards on Independent Auditing (the "ISA") issued by the Public Oversight Accounting and Auditing Standards Authority (the "POA") that are part of Turkish Standards on Auditing. Our responsibilities under these standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We hereby declare that we are independent of the Company in accordance with the Ethical Rules for Independent Auditors (the "Ethical Rules") and the ethical requirements regarding independent audit in regulations issued by POA that are relevant to our audit of the financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our opinion.

3. Key Audit Matters

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

In addition to the Significant Uncertainty matter explained in respect of going concern of the business, the issues described below have been identified as key audit issues and reported in our report:

Key Audit Matter	How our audit addressed the key audit matter
TAS 29 - Financial Reporting in Hyperinflationary Economies	
TAS 29 "Financial Reporting in Hyperinflationary Economies" has been applied in the consolidated financial statements of the Group for the year ended December 31, 2023. TAS 29 requires the consolidated financial statements to be restated to reflect the current purchasing power at the end of the reporting period. Therefore, transactions in 2023 and non-monetary balances at the end of the period have been restated to reflect the current price index at the balance sheet date of December 31, 2023. The application of TAS 29 has a significant impact on the consolidated financial statements on a widespread and consistent basis. For these reasons, together with the risk that the data used in the application of TAS 29 may not be accurate and complete, and considering the additional audit effort required, we have identified the application of TAS 29 as a key audit matter. Disclosures on the application of TAS 29 are included in Note 2.	During our audit, we performed the following audit procedures related to the application of TAS 29: Understanding and assessing the process and controls over the application of TAS 29 designed and implemented by management, Checking whether the distinction between monetary and non-monetary items made by management is made in accordance with TAS 29, Obtaining detailed lists of non-monetary items and testing the original recording dates and amounts using the sample method, Evaluating the calculation methods used by management and checking whether they are used consistently in each period, Checking the general price index rates used in the calculations with the coefficients obtained from the Consumer Price Index in Turkey published by the Turkish Statistical Institute, Testing the mathematical accuracy of non-monetary items, statement of profit or loss and statement of cash flows restated for the effects of inflation, Assessing the adequacy of the disclosures in the notes to the consolidated financial statements of the application of TAS 29 in accordance with TFRSs. Understanding and assessing the process and controls over the application of TAS 29 designed and implemented by management,

Key audit matter	How our audit addressed the key audit matter
Revenue recognition	
The Group's principal activities are the sale of electricity generated from Çan-2 Thermal Power Plant and the sale of coal mines. Revenue is the most important indicator in the Group's consolidated performance evaluation. During the year ended December 31, 2023, the Group generated total revenues of TL 5.830.921.755 Revenue is significant matter for our audit since it is the most important financial statement item in the income statement for the period ending December 31, 2023, in terms of evaluating the results of the strategies applied and the follow-up of the performance of the Group. Explanations on the accounting policies and revenue amount of the Group are included in Notes 2 and 22.	The following audit procedures have been applied for the recognition of revenue: Understanding of sales processes and evaluating the design and operating effectiveness of the controls related to these processes, Evaluating the accuracy of the Group's accounting policy for the recognition of the revenue, reviewing the related-party sales. Performing analytical procedures regarding whether the revenue recorded in the consolidated financial statements is at the expected level, Performing tests with sampling method regarding the accuracy of customer invoices and matching these invoices with the delivery notes (coal sales) and collections made from customers, Examining the sales contracts made by the Group with customers and evaluating the timing of the revenue to be included in the financial statements for different delivery methods, Obtaining information that will ensure the accuracy of the estimates from the commercial units regarding the invoices issued and received in the following period and the accruals calculated in the following period, and verification of the accrual amounts, due to the special circumstances arising from the operation of the energy market.

Key Audit Matter	How our audit addressed the key audit matter
Accounting for Inventories	
TL 31.267.803 of raw materials and supplies, TL 747.234.189 of inventory in progress, TL 361.040.552 of finished goods, TL 8.034.634 of merchandise and TL 115.797.473 of other inventories, which are included in the total inventories amounting to TL 1.263.374.650 in the consolidated financial statements dated 31.12.2023, may be impaired due to damage, partial or total loss of value due to external factors or non-recoverability in case of a decrease in selling price and economic factors. Details of inventories are disclosed in Note 9. As a result of management's estimates and assumptions, no provision for impairment on inventories has been recognized in the current period. These estimates and assumptions include the evaluation of slow-selling inventories and the evaluation of inventories that have not moved for a certain period of time and damaged inventories. For these reasons, inventories are an important matter for our audit.	During our audit, we performed the following audit procedures in relation to inventories: Understanding and assessing the appropriateness of the accounting policy for provision for impairment of inventories, Discussions with the Group management regarding the risk of impairment of inventories due to loss of value of inventories, partial or total loss of value due to external factors, or inability to recover inventories in the event of a decrease in selling price, Comparison of inventory turnover rate with the previous year, Evaluating the absence of any impairment provision for inventories in the current period because of management's estimates and assumptions, Sample testing of selling prices net of discounts used in the calculation of net realizable value.

Key Audit Matter	How our audit addressed the key audit matter
Cash Flow Hedging Accounting	
The Group associates its budgeted electricity energy sales with Elektrik Üretim Anonim Şirketi until the end of 2030 with the Euro denominated loans received in relation to the electricity generation investment. Contractual sales are indexed to USD and these contracts are affected by the exchange rate changes between Turkish Lira and USD. The Company hedges this foreign exchange risk with its Euro denominated borrowings. As of December 31, 2023, the amount of cash flow hedge losses classified under the shareholders equity amounting to TL 1.298.173.522 is considered to be significant with respect to the financial statements. Group has closed its foreign currency denominated loans as of 31.07.2023 and the related losses will be weighted in accordance with the projected sales projection and transferred to the income statement together with the sales realization as soon as the hedge accounting is terminated. Cash flow hedge accounting is structurally complex and has been considered a key audit matter since it is a matter which requires professional expertise.	We reviewed the formal description and documentation of the risk management objectives and strategy that led the Company to enter into cash flow hedges within the framework of the definitions of hedge accounting set out in the Recognition and Measurement Standard. We checked the cash flow hedge accounting model calculations, risk management strategy, risk management objectives, hedging relationship, nature of the hedged risk, and the method of measurement of hedge effectiveness prepared by the consulting services organization for the Company. We checked the mathematical accuracy and recognition of the related accounting record. We assessed the adequacy of the disclosures in the notes to the financial statements related to cash flow hedge accounting.

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

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

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

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

5. Auditor's Responsibility for the Audit of the Financial Statements

Our aim is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent auditor's report that includes our opinion. Reasonable assurance expressed as a result of an independent audit conducted in accordance with ISA is a high level of assurance but does not guarantee that a material misstatement will always be detected. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an independent audit conducted in accordance with ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

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

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

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

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

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

B) Report on Other Legal and Regulatory Requirements

In accordance with paragraph 4 of Article 402 of the Turkish Commercial Code, no significant matter has come to our attention that causes us to believe that the Company’s bookkeeping activities for the period January 1, December 31, 2023 and financial statements are not in compliance with laws and provisions of the Company’s articles of association in relation to financial reporting.

In accordance with paragraph 4 of Article 402 of the Turkish Commercial Code, the Board of Directors submitted to *us* the necessary explanations and provided required documents within the context of audit.

As Bağımsız Denetim ve YMM A.Ş.

O. Tuğrul Özsüt
Engagement Partner

Istanbul, 14 March 2024

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 31 DECEMBER 2023
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

		Current Year Audited Consolidated	Prior Year Audited Consolidated
ASSETS	**Notes**	**31.12.2023**	**31.12.2022**
Current Assets			
	41	112.198.945	345.120.633
Cash and Cash Equivalents	6-7	2.224.050.971	1.507.537.080
Trade Receivables	*6*	*440.022.535*	*821.656.002*
Trade Receivables from Related Parties	*7*	*1.784.028.436*	*685.881.078*
Trade Receivables from Third Parties	6-8	13.031.961	20.745.965
Other Receivables	*6*	*7.807.146*	*16.444.220*
Other Receivables from Related Parties	*8*	*5.224.815*	*4.301.745*
Other Receivables from Third Parties	9	1.263.374.650	981.829.540
Inventories	10	169.842.321	84.598.172
Other current tax assets	29	5.753.749	5.386.188
Other Current Assets	20	453.302.313	622.022.607
TOTAL CURRENT ASSETS		**4.241.554.910**	**3.567.240.185**
Non-current Assets			
Other Receivables	6-8	205.231	345.963
Other Receivables from Related Parties	*6*	--	--
Other Receivables from Third Parties	*8*	*205.231*	*345.963*
Property, Plant, and Equipment	11	11.863.141.565	11.986.900.987
Intangible Assets	12	153.686.423	122.690.424
Other Intangible Assets	*12*	*153.686.423*	*122.690.424*
Right to Use Assets	14	11.957.737	2.822.783
Prepaid Expenses	10	33.993.882	1.496.861
Deferred Tax Assets	29	1.408.081.709	1.328.930.570
Other Non-Current assets	20	50.666.744	78.867.748
TOTAL NON-CURRENT ASSETS		**13.521.733.291**	**13.522.055.336**
TOTAL ASSETS		**17.763.288.201**	**17.089.295.521**

Consolidated financial statements for the period ended on 31.12.2023 have been approved by the Board of Directors Decision dated 22.03.2024 and numbered 2024/4.

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

ÇAN2 TERMİK A.Ş.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 31 DECEMBER 2023
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

		Current Year Audited Consolidated	Prior Year Audited Consolidated
LIABILITIES	**Notes**	**31.12.2023**	**31.12.2022**
Current Liabilities			
Short-Term Borrowings	32	98.085	--
Short-Term Leasing Liabilities	32	4.576.356	1.419.900
Current Portion of Long-Term Borrowings	32	6.735.925	484.128.072
Other Financial Liabilities	32	7.712.157	1.428.304
Trade Payables	6-7	479.703.135	383.165.537
Trade Payables to Related Parties	*6*	--	*199.817*
Trade Payables to Third Parties	*7*	*479.703.135*	*382.965.720*
Short Term Provisions for Employee Benefits	19	32.101.587	15.368.134
Other Payables	6-8	212.611.317	263.372.836
Other Payables to Related Parties	*6*	*58.355.841*	*27.647.072*
Other Payables to Third Parties	*8*	*154.255.476*	*235.725.764*
Deferred Income	10	--	9.284.013
Current Income Tax Liabilities	29	116.839	46.895.124
Short Term Provisions	18-19	14.668.931	18.743.642
Short-Term Provisions for Employee Benefits	*19*	*12.501.007*	*17.132.117*
Other Short-Term Provisions	*18*	*2.167.924*	*1.611.525*
Other Short-Term Liabilities	20	58.501.811	820.793.248
TOTAL CURRENT LIABILITIES		**816.826.143**	**2.044.598.811**
Long-Term Borrowings	32	--	3.182.174.740
Long-Term Leasing Liabilities	32	2.157.628	972.376
Other Borrowings	6-8	48.581.632	2.769.605
Other Borrowings to Related Parties	6	--	--
Other Borrowings to Third Parties	8	*48.581.632*	*2.769.605*
Long-Term Provisions	18-19	6.771.179	5.457.382
Long-Term Provisions for Employee Benefits	*19*	*6.561.842*	*5.123.555*
Other Long-Term Provisions	*18*	*209.337*	*333.827*
Deferred Tax Liability	29	39.619.776	29.489.141
Other Long-Term Liabilities	20	21.193.391	792.827
TOTAL NON–CURRENT LIABILITIES		**118.323.606**	**3.221.656.071**

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ÇAN2 TERMİK A.Ş.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 31 DECEMBER 2023
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

		Current Year Audited Consolidated	Prior Year Audited Consolidated
EQUITY	**Notes**	**31.12.2023**	**31.12.2022**
Shareholders' Equity		**16.828.138.452**	**11.823.040.641**
Share Capital	21	938.116.903	320.000.000
Capital Adjustment Positive Differences		1.400.283.822	1.125.871.650
Share Premium/Discount	21	3.158.787.488	647.361.591
Accumulated Comprehensive Income and Expenses to be Reclassified to Profit or Loss	21-37	(1.302.174.925)	(1.265.583.370)
Hedging Gain/Loss	*37*	*(1.298.173.522)*	*(1.262.459.888)*
Other Gain/Loss	*21*	*(4.001.403)*	*(3.123.482)*
Restricted Reserves Separated from Profit	21	40.903.077	--
Capital Advances	21	1.474.418.200	--
Prior Years Profits / Losses	21	10.671.042.937	8.387.400.759
Net Profit /Loss	30	446.760.950	2.607.990.010
Non-Controlling Interests		--	--
TOTAL SHAREHOLDER'S EQUITY		**16.828.138.452**	**11.823.040.641**
TOTAL LIABILITIES		**17.763.288.201**	**17.089.295.521**

Consolidated financial statements for the period ended on 31.12.2023 have been approved by the Board of Directors Decision dated 22.03.2024 and numbered 2024/4.

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

ÇAN2 TERMİK A.Ş.
CONSOLIDATED INCOME STATEMENT AS OF 31 DECEMBER 2023
(Amounts expressed in Turkish Lira (“TL”) unless otherwise indicated)

		Current Year Audited Consolidated	Prior Year Audited Consolidated
INCOME STATEMENT	**Notes**	**01.01 - 31.12.2023**	**01.01 - 31.12.2022**
Sales	22	5.830.921.755	11.399.575.659
Cost of Sales	23	(4.860.499.685)	(7.492.615.343)
GROSS PROFIT / LOSS		**970.422.069**	**3.906.960.316**
General Administrative Expense (-)	24	(111.723.748)	(122.971.605)
Marketing, Selling and Distribution Expense (-)	24	(73.152.992)	--
Other Operating Income	25	132.188.983	86.390.950
Other Operating Expense (-)	25	(313.187.612)	(186.486.184)
OPERATING PROFIT / LOSS		**604.546.700**	**3.683.893.477**
Income from Investment Activities	26	2.732.911	60.652.922
Expenses from Investment Activities (-)	26	(1.086.036)	(3.517)
OPERATING PROFIT / LOSS BEFORE FINANCE EXPENSE		**606.193.575**	**3.744.542.882**
Financial Income	27	1.121.365.364	792.672.397
Financial Expenses (-)	27	(914.988.507)	(2.174.253.333)
Net Monetary Position Gains (Losses)		(917.129.028)	(645.633.714)
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		**(104.558.596)**	**1.717.328.232**
Tax Income / (Expense) from Continuing Operations		**551.319.546**	**890.661.778**
Current Period Tax Expense / (Income)	29	(140.340)	(59.877.381)
Deferred Tax Expense / (Income)	29	551.459.886	950.539.159
PROFIT / LOSS FROM CONTINUING OPERATIONS		**446.760.950**	**2.607.990.010**
PROFIT / LOSS FROM DISCONTINUED OPERATIONS		--	--
NET PROFIT / LOSS FOR THE PERIOD		**446.760.950**	**2.607.990.010**
Distribution of Profit / Loss for the Period			
Non-Controlling Interests		--	--
Attributable to Equity Holders of the Parent	21	446.760.950	2.607.990.010
Earnings per Share			
Earnings per Share from Operating Activities	30	0,602368	8,149969
OTHER COMPREHENSIVE INCOME		**(877.922)**	**(2.529.769)**
Items not to be Reclassified to Profit or Loss		**(877.922)**	**(2.529.769)**
Actuarial Gain / (Loss) Arising from Defined Benefit Plans	19-28	(1.170.562)	(3.162.211)
Tax Effect	19-22	292.640	632.442
Items to be Reclassified to Profit or Loss		**(531.991.859)**	**(340.988.653)**
Gain/Loss of Protection from Cash Flow Risk	37	(773.170.950)	(423.865.116)
Gain/Loss from Deferred Tax	29	241.179.091	82.876.463
OTHER COMPREHENSIVE INCOME		**(532.869.781)**	**(343.518.422)**
TOTAL COMPREHENSIVE INCOME		**(86.108.831)**	**2.264.471.588**

Consolidated financial statements for the period ended on 31.12.2023 have been approved by the Board of Directors Decision dated 22.03.2024 and numbered 2024/4.

The accompanying notes form an integral part of this consolidated financial statement.

Convenience translation of consolidated financial statements originally issued in Turkish)

ÇAN2 TERMİK A.Ş.
CONSOLIDATED STATEMENTS OF CHANGE IN EQUITY AS OF 31 DECEMBER 2023
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

	Items not to be Reclassified to Profit or Loss				Items to be Reclassified to Profit or Loss		Accumulated profit				
	Share Capital	**Capital Adjustment Differences**	**Premium/Discounts from Share Issuance**	**Actuarial Gain/(Loss)**	**Gain/Loss from Hedging**	**Capital Advance**	**Restricted Reserves**	**Retained Earnings**	**Net Profit for the Year**	**Non-Controlling Interest / Profit**	**Total Equity**
Balance at 01.01.2022	**320.000.000**	**1.125.871.650**	**647.361.591**	**(593.713)**	**(1.150.877.616)**	**--**	**--**	**8.877.216.605**	**(489.815.847)**	**--**	**9.329.162.669**
Other Comprehensive Income/Expense	--	--	--	(2.529.769)	(111.582.272)	--	--	--	--	--	(114.112.041)
Transfers	--	--	--	--	--	--	--	(489.815.847)	489.815.847	--	--
Net Profit / Loss for the Year	--	--	--	--	--	--	--	--	2.607.990.010	--	2.607.990.010
Balance at 31.12. 2022	**320.000.000**	**1.125.871.650**	**647.361.591**	**(3.123.482)**	**(1.262.459.888)**	**--**	**--**	**8.387.400.759**	**2.607.990.010**	**--**	**11.823.040.638**
										--	
Balance at 01.01.2023	**320.000.000**	**1.125.871.650**	**647.361.591**	**(3.123.482)**	**(1.262.459.888)**	**--**	**--**	**8.387.400.759**	**2.607.990.010**	**--**	**11.823.040.640**
Other Comprehensive Income/Expense	--	--	--	(877.921)	(35.713.634)	--	--	--	--	--	(36.591.554)
Transfers	480.000.000	--	(185.332.488)	--	--	--	27.307.068	2.286.015.430	(2.607.990.010)	--	--
Capital Increase	138.116.903	--	2.696.758.385	--	--	1.474.418.200	--	--	---	--	4.309.293.488
Increase/Decrease from other changes	--	274.412.172	--	--	--	--	13.596.009	(2.373.252)	--	--	285.634.928
Net Profit / Loss for the Year	--	--	--	--	--	--	--	--	446.760.950	--	446.760.950
Balance at 31.12.2023	**938.116.903**	**1.400.283.822**	**3.158.787.488**	**(4.001.403)**	**(1.298.173.522)**	**1.474.418.200**	**40.903.077**	**10.671.042.936**	**446.760.950**	**--**	**16.828.138.452**

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

Convenience translation of consolidated financial statements originally issued in Turkish)

ÇAN2 TERMİK A.Ş.
CONSOLIDATED STATEMENT OF CASH FLOW AS OF 31 DECEMBER 2023
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

	Notes	Current Year Audited Consolidated 01.01-31.12.2023	Prior Year Audited Consolidated 01.01-31.12.2022
A. CASH FLOW FROM OPERATING ACTIVITIES		**4.552.960.995**	**4.771.652.791**
Period income / loss		**446.760.950**	**2.607.990.012**
Adjustments to Reconcile Net Profit / (Loss) for the Period		**5.922.051.528**	**3.800.440.757**
Adjustments Related to Depreciation and Amortization Expense	11-12-14-23-24	797.741.538	481.424.889
Adjustments Related to Impairment (Reversal) of Receivables	7	1.533.051	--
Adjustments Related to Provisions (Reversal) for Employee Benefits	19	4.821.620	6.000.126
Adjustments Related to Lawsuit Provision (Reversal)	18	556.398	(933.738)
Adjustments Related to (Reversal of) Provisions Set As Per Sectoral Requirements	18	(124.491)	(167.035)
Deferred Finance Expenses arising from Credit Purchases	7-8	30.073.296	9.326.308
Unearned Finance Income arising from Credit Sales	7-8	(43.482.149)	(8.644.107)
Adjustments for Interest Expenses	20	58.501.811	820.793.248
Adjustments for Interest Income	20	(415.386.972)	(539.033.646)
Adjustments for Unrealized Foreign Currency Translation Differences		945.099.696	572.229.274
Adjustments for Tax Expense / Income	29	(1.766.150.774)	656.752.526
Adjustments for Fair value Gain/loss	37	(35.713.634)	(111.582.272)
Adjustments Related to Monetary (Loss)/Gain		6.344.582.138	1.914.275.182
Changes in Working Capital		**(1.814.973.561)**	**(1.634.248.210)**
Increase/Decrease in Inventor	9	(531.822.122)	(293.507.922)
Increase/Decrease in Trade Receivables from Related Parties	6	381.633.467	(744.468.081)
Increase/Decrease in Trade Receivables from Third Parties	7	(1.129.752.568)	(352.316.695)
Increase/Decrease in Other Receivables from Related Parties	6	8.635.937	(14.839.961)
Increase/Decrease in Other Receivables from Third Parties	8	(782.338)	3.337.902
Changes in Other Assets	20	611.940.710	309.214.011
Increase/Decrease in Trade Payables to Related Parties	6	(199.817)	(1.197.410)
Increase/Decrease in Trade Payables to Third Parties	7	140.203.509	(160.602.668)
Change in Prepaid Expenses	10	(117.813.099)	(39.917.972)
Changes in Employee Benefit Obligations	19	11.911.834	(7.185.365)
Increase/ Decrease in Other Payables to Related Parties	6	30.708.769	(252.222.302)
Increase/ Decrease in Other Payables to Third Parties	8	(35.642.206)	144.427.623
Provisions for Employee Benefits	19	(3.192.823)	5.497.012
Changes in Deferred Tax	10	(9.284.013)	(156.086.353)
Change in Other Liabilities	20	(1.171.518.802)	(74.380.030)
Cash Flow from Activities		**4.553.838.917**	**4.774.182.559**
Other Loss/ Gain	21	(877.921)	(2.529.769)
B. CASH FLOW FROM INVESTMENT ACTIVITIES		**(5.111.215.995)**	**(1.362.422.990)**
Cash Inflows from the Sales of Property, Plant and Equipment and Intangible Assets	11	2.732.911	60.652.922
Cash Outflows from the Purchases of Property, Plant, and Equipment	11	(4.962.547.044)	(1.383.109.005)
Cash Outflows from the Purchases of Intangible Assets	12	(142.266.908)	(46.051.292)
Cash Outflows from the Right of Use Assets	14	(9.134.954)	6.084.385
C. CASH FLOW FROM FINANCIAL ACTIVITIES		**1.327.612.236**	**(646.677.047)**
Cash Inflows from the Issuance of Equity and Other Equity-Based Instruments	21	4.479.842.000	--
Cash Inflows from Financial Lease Agreements	32	4.341.708	(1.824.957)
Cash Inflows from Bank Loans	32	165.406	180.096.087
Cash Inflows Related to Debt Payments Resulting from Lease Agreements	14	12.066.411	137.878
Cash Outflows from the Payments of Bank Loans	32	(3.163.593.145)	(822.846.448)
Cash Outflows Related to Debt Payments Resulting from Lease Agreements	14	(5.215.607)	(2.245.090)
Cash Inflows from Other Financial Debt Payments	32	5.463	5.484
EFFECT OF MONETARY GAIN/(LOSS) ON CASH AND CASH EQUIVALENTS		**(1.002.278.925)**	**(2.481.182.696)**
NET CHANGES IN CASH AND CASH EQUIVALENTS		**(232.921.688)**	**281.370.058**
CASH AND CASH EQUIVALENTS AS OF JANUARY 1		**345.120.633**	**63.750.576**
CASH AND CASH EQUIVALENTS AS OF DECEMBER 31		**112.198.945**	**345.120.633**

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

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

1. GROUP'S ORGANIZATION AND NATURE OF OPERATIONS

Çan2 Termik A.Ş.

Çan2 Termik A.Ş. ("Company", "Parent") was established on May 27, 2003 as Çan Kömür İnşaat A.Ş. The name of the Company was changed into Çan2 Termik A.Ş. subsequent to the registration of the decision of the Extraordinary General Assembly, held on January 19, 2021, to the Istanbul Commercial Registry Office on January 21, 2021. The related change was published in the Turkish Trade Registry Gazette on January 26, 2021, and numbered 10253. The Company is engaged in establishing and leasing electricity generation facilities, selling electricity energy and capacity produced by the Company to the customers. The Company's registered office address is Barbaros Mahallesi Karanfil Sokak Varyap Meridian Sitesi No:1D Ataşehir / Istanbul.

The license of the Çan-2 Thermal Power Production Facility, located in Çan / Çanakkale, with the installed power of 340 MW/330 MWe, was activated by the decision, numbered by 6083-2, taken by Energy Market Regulatory Authority on January 28, 2016. Ministerial acceptance of the Çan-2 Thermal Power Production Facility was made on August 1, 2018. In addition, the Industrial Registration Certificate, dated August 10, 2020, numbered by 720480, and the Capacity Report, valid until July, 29 2022, numbered by 79, have been obtained with regard to the Thermal Power Production Facility. As of December 31, 2023, the average number of employees of the Group is 739.

As of 31 December 2023, the total amount of share capital of the Company is TL 938.116.902,57. The breakdown of the shareholders is as follows:

	31.12.2023	31.12.2022
Odaş Elektrik Üretim Sanayi Ticaret A.Ş.	58,44%	76,77%
Publicly Owned Shares	41,56%	23,23%

Subsidiaries

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 founded in order to establish and rent electricity power generation facility, selling electricity produced by the Company to the customers. As of December 31, 2023, the average number of employees of Yel Enerji is 127.

The Mining License, numbered by IR:17517 was purchased by Yel Enerji in Bayramiç / Canakkale region and the related transfer was completed. The Company's registered office address is Barbaros Mahallesi Karanfil Sokak Varyap Meridian Sitesi No:1D Ataşehir / Istanbul.

With the Share Purchase Agreement signed on October 20, 2016, the shareholders of Yel Enerji transferred all their shares to Çan Kömür2 Termik A.Ş. at nominal value. Accordingly, Yel Enerji was included in the consolidated financial statements.

As of 31 December 2023, the share capital of the Company amounted to TL 6.000.000 The shareholder structure is as follows:

	31.12.2023	31.12.2022
Çan2 Termik A.Ş.	100%	100%

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

1. GROUP'S ORGANIZATION AND NATURE OF OPERATIONS(Cont'd)

Çan 2 Trakya Kömür Maden A.Ş.

Çan2 Termik A.Ş. participated as founding shareholder with 100% shareholding in Çan 2 Trakya Kömür Maden A.Ş. (‘’ Çan2 Trakya’’) on June 18, 2019. Accordingly, Çan 2 Trakya Kömür Maden A.Ş. is included in the consolidated financial statements.

Çan 2 Trakya was established to engage in the purchase, sale, manufacture, assembly and import of all-natural stones, mineral ores in the form of finish and semi finish goods. The Company's registered office address is Barbaros Mahallesi Karanfil Sokak Varyap Meridian Sitesi No:1D Ataşehir / Istanbul. As of December 31, 2023, the average number of employees of Çan2 Trakya is 2.

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

As of 31December 2023, the total amount of share capital of the Company is TL 550.000. The shareholder structure is as follows:

	31.12.2023	31.12.2022
Çan2 Termik A.Ş.	100%	100%

Details of EMRA licenses held by parent company and subsidiaries as of 31 December 2023 are as below

License Owner	License Type	License Number	Effective Date of Licanse	License Duration
ÇAN2 Termik	Production	EÜ/6083-2/03428	28.01.2016	17 Year

The information regarding the licenses of the parent company and subsidiaries as of 31 December 2023 are as below

License Owner	License Group	License Type	License Number	Effective Date of Licanse	License Duration
YEL ENERJİ	IV. Group	Operation	17517	05.01.2015	05.01.2025
YEL ENERJİ	IV. Group	Research	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

Accounting policies

The accompanying consolidated financial statements are prepared in accordance with the announcement 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 and Turkish Financial Reporting Standards (‘’TFRS’’) published by Public Oversight Accounting and Auditing Standards Board ("POA").

TFRS includes standards and interpretations under the name of Turkish Accounting Standards ("TAS"), Turkish Financial Reporting Standards (‘’TFRS’’), Turkish Accounting Standards Comments and Turkish Financial Reporting Standards Comments published by POA.

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS(Cont'd)

Functional and presentation currency

The Group prepares and maintains its legal books and prepares its statutory financial statements in accordance with the Turkish Commercial Code ("TCC"), accounting principles set forth by tax legislation and the Uniform Chart of Accounts issued by the Ministry of Finance. The valid currency of the Group is Turkish Lira ("TL"). These consolidated financial statements are presented in TL, which is valid currency of the Group.

Application of Financial Reporting in High Inflation Economies

Companies applying TFRS will be able to use inflation accounting in accordance with TAS 29 Financial Reporting Standard in High Inflation Economies, starting from their financial statements for the annual reporting period ending on or after 31 December 2023, with the statement made by the Public Oversight Accounting and Auditing Standards Authority (KGK) on 23 November 2023. started to be implemented. TAS 29 applies to the financial statements, including consolidated financial statements, of entities whose functional currency is the currency of a hyperinflationary economy.

In accordance with the standard, 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. 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, 2022, on the basis of purchasing power as of December 31, 2023.

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

The restatements in accordance with TAS 29 have been made using the adjustment factor derived from the Consumer Price Index ("CPI") in Turkey published by the Turkish Statistical Institute ("TURKSTAT"). As at December 31, 2023, the indices and adjustment factors used in the restatement of the consolidated financial statements are as follows

Date	Index	Correction Coefficient
31.12.2023	1.859,38	1
31.12.2022	1.128,45	1,647
31.12.2021	686,95	2,706

Basis of Consolidation

The consolidated financial statements were prepared by the Parent Company, Çan2 Termik A.Ş. The consolidated financial statements have been prepared in accordance with Accounting Standard for Turkey TAS 27 Consolidated and Separate Financial Statements.

Consolidated financial statements include all subsidiaries of the Parent company.

- The amount of investment in each subsidiary of parent company and the amount that relates to the share of the parent company from the equity of the subsidiaries are eliminated.

- Amount that relates with minority shares from the profit/loss of consolidated subsidiaries for the period are determined, and the amount that relates with minority shares of the net assets of consolidated subsidiaries are determined separately from the amount that relates with parent company. Amount that relates with minority shares of net assets; Minority shares calculated at the time of the merge in accordance with TFRS 3; It consists of amounts that relates minority shares from changes in equity after the date of the merge.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Cont'd)

Consolidation Principles (Cont'd)

- Intra-group balances, transactions, income and expenses are completely eliminated.

- Intra-group balances and transactions, including income, expenses and dividends, are completely eliminated. Profit and losses resulting from intra-group transactions and included in the assets such as inventories and tangible assets are completely eliminated. Intra-group losses may indicate a impairment in assets that should be reflected in the consolidated financial statements. TAS 12 "Income Taxes" Standard is applied for the determination of temporary differences arises during the elimination of profit and loss originated from intra-group transactions.

- If the financial statements of any of the companies included in the consolidated financial statements are prepared using different accounting policies for similar transactions and other events of similar circumstances, the necessary corrections are made to the financial statements of the company concerned during the preparation of the consolidated financial statements.

- The parent company and the subsidiaries financial statements used in the preparation of the consolidated financial statements were prepared as of the same date. Similar accounting policies have been adopted for consolidated financial statements, similar transactions and other events of similar circumstances.

- The income and expense of subsidiaries are included in the consolidated financial statements from the date of acquisition set forth in TFRS 3, which continues until the date when the parent company loses control over the subsidiary. When the subsidiary is disposed of; the difference between the revenue obtained and the book value of the subsidiary is reflected in the consolidated income statement as earning or loss. With regard to this transaction, the accumulated currency differences directly associated with equity, if any, in accordance with the "Effects of TAS 21 Exchange Rate Change" Standard are taken into account in the calculation of gain or losses.

- 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 Correction of Prior Financial Statements

The Group has prepared the comparative consolidated statement of financial position as of December 31, 2023 with December 31, 2022, the comparative consolidated comprehensive income statement and cash flow statement for the accounting period 1 January 1- 31 December 2023, with 1 January 1- 31 December 2022, comparative consolidated shareholder's equity movement for the accounting period 1 January 1- 31 December 2023, with 1 January 1- 31 December 2022. When comparative information is deemed necessary to ensure compliance with the presentation of the consolidated financial statements for the current period, it is reclassified, and significant differences are explained.

Changes in accounting policies

If the change in accounting policies is applied retrospectively, the Group must adjust the opening balance of each affected equity item in the financial statements for the earliest period and present comparable information to previous periods as if the new accounting policy had been applied in the past. If the change in accounting policy requires retrospective application but the effect of the change cannot be determined on a period-specific or cumulative basis, retrospective application may not be applied.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Cont'd)

b. Changes and misstatements in accounting estimates

If the effect of the change in accounting estimates cause a change in the assets, liabilities or equity items, the book values of the relevant assets, liabilities or equity items should be adjusted in the period in which the change is made. Prospective approach of the effect of a change in the accounting estimate means that it is applied to transactions, events and conditions after the date of change in the estimate. Except for cases where the period-specific or cumulative effects regarding the error cannot be calculated, previous period errors are corrected through retrospective rearrangement.

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

Important Accounting Assessments, Estimates and Assumptions

The preparation of financial statements requires the use of estimates and assumptions that may affect the amount of assets and liabilities reported as of the statement of financial position date, disclosure of contingent assets and liabilities, and the amount of income and expenses reported during the accounting period. Although these estimations and assumptions are based on the optimum knowledge and practice of Group management regarding the current events and transactions, actual results may differ from the assumptions. In the next financial reporting period, estimations and assumptions that may cause significant changes in the book value of assets and liabilities are stated below:

Inventories: Inventories are examined and recorded physically. The inventories used or sold in production in monthly periods are recorded in the relevant accounts.

Provision for employee benefit: Employment termination benefits pay liability is determined by actuarial calculations based on some assumptions including discount rates, future salary increases and employee turnover rates. Since these plans are long term, these assumptions contain significant uncertainties.

Determination of fair value: Certain estimations are set in the use of observable and non-observable market information used to determine fair value.

Useful lives of tangible and intangible assets: The Group management makes important assumptions in the determination of the useful lives of tangible and intangible assets in line with the experience of the technical team and the forward-looking marketing and management strategies for special costs.

Facility, machinery, and devices are reflected in the financial statements with their fair values determined in the valuation studies performed by an independent professional and real estate appraisal company licensed by the Capital Markets Board ("CMB"). The frequency of revaluation studies is determined in a way to ensure that the book values of the revalued tangible fixed assets do not differ significantly from their fair values as of the end of the relevant reporting period. The frequency of revaluation studies depends on the change in the fair values of tangible fixed asset items. In cases where the fair value of a revalued asset is significantly different from its book value, the revaluation study should be repeated, and this study is performed for the entire asset class in which the revalued asset is located as of the same date. On the other hand, it is not deemed 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 re-valuation study.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Cont'd)

The economic useful lives related to Çan-2 thermal power plant is based on the determinations made by the technical departments regarding the economic life of the facility made during the period when the facility has been taken into the operations.

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.

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

c. Going Concern

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

d. Netting/Offsetting

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

As at December 31, 2023, new standards, amendments and interpretations to existing standards effective as of December 31, 2023:

Narrow-scope amendments to TAS 1, Application Statement 2 and TAS 8; Effective for annual periods beginning on or after January 1, 2023. These amendments are intended to improve accounting policy disclosures and help users of financial statements to distinguish between changes in accounting estimates and changes in accounting policies.

Amendment to TAS 12, Deferred tax on assets and liabilities arising from a single transaction; Effective for annual periods beginning on or after January 1, 2023. These amendments require companies to recognize deferred tax on transactions that, when first recognized in the financial statements, give rise to taxable and deductible temporary differences in equal amounts.

TFRS 17, 'Insurance Contracts'; Effective for annual periods beginning on or after January 1, 2023. This standard replaces TFRS 4, which currently permits a wide range of applications. TFRS 17 will fundamentally change the accounting for all entities that issue insurance contracts and investment contracts with discretionary participation features.

Amendment to TAS 12, International tax reform - Pillar two model rules; The temporary exemption is effective for the December 2023 year-end and the disclosure requirements are effective for accounting periods beginning after January 1, 2023, with early adoption permitted. These amendments provide companies with a temporary relief on accounting for deferred taxes arising from the Minimum Tax Implementation Guide international tax reform. The amendments also include disclosure requirements for affected companies.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Cont'd)

Standards and amendments to standards issued but not yet effective as at December 31, 2023:

Amendment to TAS 1, Long-term liabilities with contractual terms; Effective for annual periods beginning on or after January 1, 2024. These amendments clarify how conditions that an entity must comply with within twelve months after the reporting period affect the classification of a liability.

TFRS 16, Sale and leaseback transactions; Effective for annual periods beginning on or after January 1, 2024. These amendments include the sale and leaseback provisions in TFRS 16 that clarify how an entity accounts for a sale and leaseback transaction after the transaction date. Sale and leaseback transactions where some or all of the lease payments are variable lease payments that are not linked to an index or rate are likely to be affected.

Amendments to TAS 7 and TFRS 7 on supplier financing arrangements; Effective for annual periods beginning on or after January 1, 2024. These amendments require disclosures to increase the transparency of supplier financing arrangements and their impact on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investor concerns that some companies' supplier financing arrangements are not sufficiently clear and hinder investor analysis.

TAS 21 Lack of Interchangeability; Effective for annual periods beginning on or after January 1, 2025. An entity is affected when it has a transaction or activity in a foreign currency that is not convertible into another currency at a particular measurement date for a particular purpose. A currency can be exchanged when the ability to obtain another currency is available (with a normal administrative delay) and the transaction occurs through a market or clearing mechanism that creates enforceable rights and obligations.

TFRS 1, "General requirements for disclosure of sustainability-related financial information"; Effective for annual periods beginning on or after January 1, 2024. This is subject to the standards being approved by local laws or regulations. This standard contains the basic framework for disclosing material information about all material sustainability-related risks and opportunities that a company is exposed to.

TFRS 2, "Climate-related disclosures"; Effective for annual periods beginning on or after January 1, 2024. This is subject to the standards being approved by local laws or regulations. This is the first standard to establish disclosure requirements for companies about climate-related risks and opportunities. The Group is in the process of assessing the impact of the amendment on financial position or performance of the Group.

e. Summary of Significant Accounting Policies

Related Parties

It is considered related if one of the following criteria is met:

a) The related party, directly or indirectly, through one or more intermediaries:
- i) Controlling the business, controlling it by the business or being under joint control with the business (including parent companies, subsidiaries and subsidiaries in the same business branch);
- ii) Has a share that allows it to have significant influence over the group; or,
- iii) Having joint control over the Group;

b) If the party is a subsidiary of the Group;
c) If the party is a business partnership in which the Group is a joint venture;
d) If the party is a member of the key management personnel of the Group;
e) If the party is a close family member of any individual mentioned in a) or d);
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.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Cont'd)

Financial assets

Financial investments are accounted for over the remaining amount after deducting expenses directly associated with the purchase transaction from their fair market value, except for financial assets that fair value difference is reflected in profit or loss and booked at their fair value. Investments are recorded or derecognized on the transaction date that is bound by a contract that requires the delivery of investment instruments in accordance with the period determined by the relevant market. Financial assets are classified as "financial assets at fair value through profit or loss", "financial assets measured at amortized cost", "financial assets at fair value through other comprehensive income".

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

Financial assets at fair value through other comprehensive income are financial assets that are held under a business model that aims both to collect contractual cash flow and to sell financial asset, and financial asset with contractual terms that lead to cash flow that are solely payments of principal and interest on the principle amount outstanding at specific date.

Financial assets at fair value through other comprehensive income are initially recognized at their fair value including their transaction cost on the financial statements. However, if the fair value cannot be determined reliably, for those with a fixed maturity, the discount rate is calculated using the internal rate of return method for those who do not have a fixed maturity, they are valued using fair value pricing models or discounted cash flow techniques. Unrealized gains or losses arising from the changes in the fair value of financial assets at fair value through profit and loss is recognized in other comprehensive income are shown below Financial Assets Value Increase / Decrease Fund. In the event that the fair value differences of financial assets that are reflected in other comprehensive income are eliminated, the value in the equity accounts as a result of the fair value application is reflected to the period profit/loss.

Recognition and derecognition of financial assets

The Group reflects the financial assets or liabilities to its balance sheet when it becomes a party to the relevant financial instrument contracts. The Group derecognizes an asset; all or part of it, when it loses its control over its contractual rights. The Group derecognizes a financial liability only if the obligation defined in the contract is eliminated, reversed or expired.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Cont'd)

Impairment of financial assets / expected credit loss

At each reporting period, each financial asset's credit risk within the scope of impairment is assessed from the date which it is first recognized in the financial statements. Within this assessment, the change of the default risk of the financial asset is taken into consideration. The expected loss provision estimate is unbiased, weighted according to probabilities, and includes information that can be supported about past events, current conditions, and forecasts for future economic conditions.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off. Subsequent recovery of amount previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in the statement of profit or loss. With the exception of equity instruments at fair value through other comprehensive income, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

With regard to fair value of equity instruments, any increase of value of fair value through other comprehensive income, as a subsequence of an impairment loss is recognized, directly realized in equity statement.

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. From equity transactions 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.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Cont'd)

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.

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. When the net realizable value of inventories falls below its cost, the inventory value is reduced to net realizable value and reflected to the income statement as an expense on the year when the value decrease happened.

If the conditions causing the inventories to reduce to the net realizable value are not effective or if the net realizable value increase due to changing economic conditions; the provision for decrease in value of the stocks is reversed. The reversed amount is limited with the earlier determined amount of decrease in value of the inventories. (Note 9)

Tangible Fixed Assets

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

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Cont'd)

Tangible Fixed Assets (Cont'd)

"Income Approach" was used in the determination of the fair value of the thermic plant of Çan2 Termik A.Ş. This approach was used taking into consideration the ability of the asset to generate income which is a crucial factor impacting the value and the reasonable estimates made with respect to the amount and timing of expected future incomes expected to be generated by the 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.

Increases in the property, plant and equipment arising from revaluation are recorded in the revaluation fund account under shareholders equity in the statements of financial position, net of deferred tax effect. The difference between the depreciation and amortization (included in the profit or loss statement) calculated based on the carrying values of the re-evaluated assets and that over the acquisition costs of these assets is transferred from the revaluation fund to the accumulated profit / loss each year after the deferred tax effect is netted off. The same accounting application is also used for tangible fixed asset disposals.

Land is not subject to depreciation since its economic useful life is considered to be infinite. The estimated useful lives of these assets are as follows:

	Years
Thermic Plant	30
Land improvements	8-50
Buildings	50
Machinery, plant and equipment	4-15
Vehicles	5
Furniture and fixtures	3-15
Leasehold improvements	the lesser of the lease term (days) or useful life

The profit or loss resulting from the disposal of tangible fixed assets is determined by comparing the carrying values with the net proceeds received and is taken to the statement of income.

Maintenance and repairment expenses of tangible fixed assets are expensed under normal circumstances. However, in exceptional circumstances, maintenance and repair expenditure that result in an expansion or significant improvement in assets, the costs incurred are capitalized and depreciated over the remaining useful life of the associated tangible asset (Note 11).

Intangible assets

Intangible assets are comprised of acquired rights, information systems, computer software, development activities. These are recorded at the acquisition cost and are subjected to depreciation by the linear depreciation method over their estimated useful lives after the date of acquisition. The estimated useful lives of these intangible assets are as follows:

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Cont'd)

Intangible assets(Cont'd)

	Years
Rights	3-15
Software	3
Preparation and development activities	Contract Duration

In case of impairment, the carrying value of intangible assets is reduced to recoverable amount. The recoverable amount is the higher of the current value in use of the intangible asset and the net selling price. (Note 12).

Leases – TFRS 16 (As tenant)

At the inception of a contract, the Group evaluates whether the contract includes a lease. If the contract transfers the right to control the use of a defined asset in exchange for a consideration, this contract is a lease or includes a lease.

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

- The contract includes a defined asset (an asset is defined by express or implied in the contract),
- The 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 substitute the asset during its use period and derives economic benefits from it),
- The Group has the right to obtain almost all of the economic benefit to be obtained from the use of the defined asset,
- The group has right to manage the use of the defined asset. The group has right to manage the use of the asset in any of the following situation:

a) The Group has right to manage and change how and for what purpose the asset is used throughout the period of use, or
b) The following decisions regarding how and for what purpose the asset will be used are pre-determined:
i. The Group has right to operate the asset (or direct others to operate the entity as it determines) throughout the period of use and the supplier does not have the right to change these operating instructions, or
ii. The Group has designed the asset (or certain properties of the asset) in a way to predetermine how and for what purpose the asset will be used throughout the period of use.

After the above-mentioned evaluations, the Group reflects a right-of-use asset and a lease liability in its consolidated financial statements at the date the lease actually commences.

Right to use assets

At the commencement date, the Group measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:
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.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Cont'd)

Leases – TFRS 16 (As a Lessor)

The Group applies the depreciation requirements in TAS 16 Property, Plant and Equipment Standard in depreciating the right-of-use asset. Group applies TAS 36 Impairment of Assets Standard to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Lease payments that are included in the measurement of the Group's lease obligation and which have not been realized at the actual date of the lease are as follows:

a) fixed payments, less any lease incentives receivable,
b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date,
c) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the effective date of the lease, the Group measures the lease obligation as follows:
a) increasing the carrying amount to reflect interest on the lease liability,
b) reducing the carrying amount to reflect the lease payments made, and
c)remeasuring the carrying amount to reflect any reassessment or lease modification. The Group recognizes the amount of the remeasurement of the lease liability as an adjustment to the right-of-use

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 Hedge

At the date of the derivative contract, the Group determines the transactions that provide hedging against changes in the cash flows of 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 related asset or liability. Otherwise, the amount 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).

Practical expedients

Short-term lease agreements with a lease term of 12 months or less and contracts for information technology equipment leases (predominantly printers, laptops, mobile telephones, etc.) designated by the Group as low value asset that have been evaluated within the scope of the exemption recognized by TFRS 16 Leases Standard. The payments related to the contracts continued to be recognized as expense in the period in which they are incurred (Note 14).

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Cont’d)

Investment properties

Rather than sell goods and services for use in the production and administrative purposes at normal course of business, lands and buildings which are held in hand to obtain lease or capital gains or to obtain both, can be classified as Investment Properties and they can be recorded as values which comes after deduction of accumulated depreciation from cost according to its cost method except lands. The cost of construction, which construct by the company, of property for investment purposes determine on cost at the date of completion of rehabilitation and construction work. Asset at this date becomes a property for investment purposes and cause of that it transfers to investment properties account section.

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 with the profit or loss.

Energy produce 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.

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 the amount of borrowing costs incurred during the relevant 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 exchange differences arising from the principal amount of the borrowings obtained to finance the construction of a qualifying asset assuming the borrowing was used in TL, by using the TL basis interest rate at the date of the loan was used and the exchange differences corresponding to the TL interest cost are capitalized on the qualifying assets. In the calculations made, the base interest rate is based on the representative interest rate at the date of the signing of the loan agreements as well as the representative interest rate existing at the dates of the renewal of the loan agreement, provided the loans are used in TL under the same conditions (Note 17).

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Cont'd)

Provisions, Contingent, assets and liabilities

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.

Benefits for Employees

Defined Benefit Plan

Employment termination provisions are booked based on actuarial calculation according to TAS 19 "Benefits to Employees''

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 Plans

The Group pays social insurance premiums to the Social Insurance Institution. As long as the Group pays these premiums, it has no other obligations. These premiums are booked as personnel expenses during the period they accrue.

Revenue

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:

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Cont'd)

Revenue (Cont'd)

(a) Identification of customer contracts
(b) Identification of performance obligations
(c) Determination of transaction price in the contract
(d) Allocation of price to performance obligations
(e) Recognition of revenue

If a contract is only legally enforceable, collection can be carried out, rights and payment conditions for goods and services can be defined, the contract has commercial essence, the contract is approved by the parties and the full terms of the commitment by the parties to fulfill their obligations are met, this agreement shall be evaluated under TFRS 15.

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 contract terms and commercial practices in order to determine the transaction price. Transaction price is the price that the Group expects to deserve in return for transferring the promised goods or services to the customer, excluding the amounts collected on behalf of third parties (eg some sales taxes). While evaluating, it is taken into consideration whether the contract includes elements of variable amounts and 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.

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 31.12.2023, announced buying rate of USD by the Central Bank of Republic of Turkey is 29,4382 TRY (31.12.2022: 18,6983 TRY), buying rate of EURO is 32,5739 TRY (31.12.2022: 19,9349 TRY), buying rate of GBP is 37,4417 TRY (31.12.2022: 22,4892 TRY). As of the date of 31.12.2023 announced selling rate of USD by the Central Bank of Republic of Turkey is 29,4913 TRY (31.12.2022: 18,7320 TRY), selling rate of EURO is 32,6326 TRY (31.12.2022: 19,9708 TRY), selling rate of GBP is 37,6369 TRY (31.12.2022: 22,6065 TRY).

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.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Cont'd)

Current Tax

The corporate tax rate in Turkey for 2023 is 25%. This rate is applied to the tax base to be found as a result of adding the non-deductible expenses to the commercial earnings of the corporations, deducting the exemptions (such as participation earnings exemption) and deductions (such as investment allowance) stated in the tax laws. No further tax is paid if the profit is not distributed.

With revenues through a permanent establishment or permanent representative institutions in Turkey from the dividend paid to companies resident in Turkey (dividend) not subject to withholding. Dividend payments made to those other than these are subject to 15% withholding tax. Addition of profit to capital is not considered as profit distribution and no withholding tax is applied.

According to Turkish tax legislation, financial losses shown on the declaration can be deducted from the period's corporate income, provided that they do not exceed 5 years. However, financial losses can not be offsetted from last year's profits.

Earnings/Loss per share

Earnings / Loss per share stated in the income statement is calculated by dividing the net profit / loss by the weighted average number of shares in the market during the reporting periods. In case of capital increase from internal sources during the period, it is accepted that the newly found value is valid as of the beginning of the period while calculating the weighted average number of shares. TAS 33 mentions this issue as follows;

Ordinary stocks may be issued or the number of common stocks available may be reduced without causing any change in resources. For example:

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. Merging shares by increasing nominal value (consolidation of shares).

In ordinary shares or bonus distribution or share split, ordinary shares are issued without demanding any additional payment to existing shareholders. Therefore, the number of common shares available increases without an increase in resources. The number of ordinary shares in existence prior to the related transaction is adjusted according to the proportional change that will occur in the number of ordinary shares available if the related transaction took place at the beginning of the earliest period presented.

Subsequent 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.

Group;In case events requiring a correction to be made occur subsequent to the date of the statement of financial position, amounts included in the consolidated financial statements will be accordingly corrected. In the event non-adjusting events that occur after the date of the statement of financial position date will have material impact on the economic decisions of users of the financial statements, they are disclosed in the notes to the consolidated financial statements.

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Cont'd)

Statement of cash flow

In the consolidated cash flow statement, cash flows pertaining to the period are classified and reported as operating, investing and financing cashflows. Cash flows originating from the main operating activities represent the cash flows from electricity sales. Cash flows related to investing operations represent the Group's cash flow used in and obtained through investment operations (investments in fixed assets and financial investments). Cash flows related to finance operations represent resources of the Group used in finance operations and repayment of these resources. Cash and cash equivalents include short- term investments made up of cash, demand deposits and other short term investments with original maturities of 3 months or less, eligible to be immediately converted into cash without being subjected to the risk of steep value changes and have high liquidity.

Determination of fair value

Various accounting policies and explanations of the Group require the determination of the fair value of both financial and non-financial assets and liabilities. If applicable, additional information about the assumptions used in determining fair values are presented in footnotes specific to the asset or liability.
Valuation methods according to the levels are listed as follows:

Level 1: Quoted (unadjusted) prices in active markets for Identical Assets and Liabilities

Level 2: Data excluding registered prices in Level 1 and that can be observed directly (through prices or indirectly (derived from prices) in terms of assets or debts.

Level 3: Data not based on observable market data on assets or liabilities (non-observable data)

3. BUSINESS COMBINATION

None. (31.12.2022: None)

4. INTEREST IN OTHER ENTITIES

None. (31.12.2022: None)

5. SEGMENT REPORTING

In the presentation of the product or service group of the enterprise, there is no distinguishable operating segment, which has different characteristics from other fields of activity in terms of risk and return, and no distinguishable geographical segment with different risk and return characteristics.

6. RELATED PARTIES TRANSACTIONS

i) Balances with related parties as of December 31, 2023 and December 31,2022 are as follows :

a) Trade receivables from related parties:

	31.12.2023	31.12.2022
Voytron Enerji Elektrik Perakende Satış A.Ş.	354.106.834	274.685.628
Suda Stratejik Metal Dış Ticaret A.Ş.	176.834.484	589.052.319
Arsın Enerji Elektrik Üretim Sanayi Ticaret A.Ş.	8.711.152	12.049.460
Hidro Kontrol Elektrik Üretim A.Ş	157.931	672.446
Batı Trakya Madencilik A.Ş.	--	28.834
Suda Maden A.Ş.	--	1.270.127
TOTAL	**539.810.401**	**877.758.814**
Deduct: Unaccrued financial expenses	*(99.787.866)*	*(56.102.812)*
TOTAL	**440.022.535**	**821.656.002**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

6. RELATED PARTIES TRANSACTIONS (Cont'd)

b) Other receivables from related parties:

	31.12.2023	31.12.2022
Abdulkadir Bahattin Özal	6.811.767	9.080.875
Burak Altay	590.230	6.935.894
Süleyman Sarı	160.750	264.872
Odaş Elektrik Üretim San. ve Tic. A.Ş.	120.599	--
Tahsin Yazan	100.000	164.773
Kısrakdere Maden A.Ş.	34.793	--
TOTAL	**7.818.139**	**16.446.414**
Deduct: Unaccrued financial expenses	*(10.993)*	*(2.194)*
TOTAL	**7.807.146**	**16.444.220**

c) Trade payables to related parties:

	31.12.2023	31.12.2022
Odaş Elektrik Üretim San. ve Tic. A.Ş.	--	200.001
TOTAL	**--**	**200.001**
Deduct: Unaccrued financial income	--	(184)
TOTAL	**--**	**199.817**

d) Other Payables to related parties:

	31.12.2023	31.12.2022
Odaş Elektrik Üretim San. ve Tic. A.Ş.	28.012.570	17.759.769
YS Madencilik Sanayi ve Tic. Ltd. Şti	27.245.626	--
Batı Trakya Madencilik A.Ş.	2.499.258	--
Voytron Enerji Elektrik Perakende Satış A.Ş.	796.515	--
Burak Altay	590.230	--
Suda Maden A.Ş.	31.134	12.128.404
Bahattin Özal	--	20.597
Total	***59.175.333***	***29.908.770***
Deduct: Unaccrued financial income	*(819.492)*	*(2.261.698)*
Total	***58.355.841***	***27.647.072***

ii) Significant sales to related parties and significant purchases from related parties:

a) Sales of product to related parties

	01 January - 31 December 2023	01 January - 31 December 2022
Voytron Enerji Elektrik Perakende Satış A.Ş.	189.306.849	3.944.961.474
Suda Stratejik Metal Dış Ticaret A.Ş.	45.312.337	520.952.486
Suda Maden A.Ş	15.330.590	24.634.249
Arsin Enerji Elektrik Üretim San. Tic. A.Ş	1.551.015	--
Bahattin Özal	1.313.122	--
Odaş Elektrik Üretim San. ve Tic. A.Ş.	871.785	1.754.849.915
Total	**253.685.698**	**6.245.398.124**

b) Purchases from related parties

	01 January - 31 December 2023	01 January - 31 December 2022
Voytron Enerji Elektrik Perakende Satış A.Ş.	20.152.772	32.530.198
Arsın Enerji Elektrik Üretim Sanayi Ticaret A.Ş.	118.932	--
Suda Maden A.Ş.	--	4.788.040
Total	**20.271.704**	**37.318.238**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

6. RELATED PARTIES TRANSACTIONS (Cont'd)

As of 31.12.2023, remuneration and benefits provided to executive are as follows:

a) **Short-term employee benefits:** The total amounts of wages and similar benefits provided to the members of the Board of Directors and Senior Managers for the twelve months of the 2023 are TL 34.225.679 (31.12.2022: TL 21.906.106)

b) **Post-employment benefits:** Employment termination benefits are paid to the personnel who are entitled to received such benefits by Law. No other payment is made to personnel other than those 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 December 31, 2023 and December 31, 2022 are as follows:

Trade receivables

	31.12.2023	31.12.2022
Customer current accounts	2.302.433.757	1.543.351.406
-Receivables from related parties	539.810.401	877.758.814
-Other receivables(*)	1.762.623.356	665.592.592
Notes receivable	51.477.239	29.614.796
Doubtful trade receivables	1.533.051	2.471.594
Provisions for doubtful trade receivables (-)	(1.533.051)	(2.471.594)
	2.353.910.996	**1.572.966.202**
Deduct: Unaccrued financial expense	*(129.860.025)*	*(65.429.122)*
-Receivables from related parties	*(99.787.866)*	*(56.102.812)*
-Other receivables	*(30.072.159)*	*(9.326.310)*
Total	**2.224.050.971**	**1.507.537.080**

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

Trade payables

	31.12.2023	31.12.2022
Vendor accounts	523.166.730	391.095.777
- Payables to related parties	--	*200.001*
- Other vendor payables	*523.166.730*	*390.895.776*
Other Trade Payables	2.500	-
	523.169.230	**391.095.777**
Deduct: Unaccrued financial income	*(43.466.095)*	*(7.930.240)*
-Trade payables to related parties	-	*(184)*
-Trade payables to third parties	*(43.466.095)*	*(7.930.056)*
TOTAL	**479.703.135**	**383.165.537**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

8. OTHER RECEIVABLES AND PAYABLES

Other short-term receivables

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

	31.12.2023	31.12.2022
Receivables from related parties	7.818.139	16.446.414
Other receivables	1.620.081	427.089
Deposits and guarantees given	3.605.871	3.874.656
Total	**13.044.091**	**20.748.159**
Deduction: Unaccrued financial expense	(12.130)	(2.194)
-Receivables from related parties	(10.993)	(2.194)
-Other receivables	(1.137)	--
Total	**13.031.961**	**20.745.965**

Other long-term receivables

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

	31.12.2023	31.12.2022
Deposits and guarantees given	205.231	345.963
Total	**205.231**	**345.963**

Other short-term debts

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

	31.12.2023	31.12.2022
Payables to related parties	59.175.333	29.908.770
Other payables	168.199	387.859
Taxes and funds payable	132.579.018	229.504.151
Advances received	9.830	16.419
Delayed or deferred tax and other payables	21.442.671	6.491.693
Other payables	71.813	39.692
	213.446.864	**266.348.584**
Deduct: Unaccrued financial income	(835.547)	(2.975.748)
-Related party payables	(819.492)	(2.261.698)
-Other payables	(16.055)	(714.050)
Total	**212.611.317**	**263.372.836**

Details of tax payables are as follows:

	31.12.2023	31.12.2022
Income Tax Deduction	13.003.914	16.383.658
VAT	116.211.680	207.549.262
Other tax liabilities	3.363.424	5.571.231
Total	**132.579.018**	**229.504.151**

Other Long-term debts

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

	31.12.2023	31.12.2022
Delayed or deferred public debts	48.581.632	2.769.605
Total	**48.581.632**	**2.769.605**

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

9. INVENTORIES

	31.12.2023	31.12.2022
Raw materials and supplies	31.267.803	32.870.035
Semi-finished goods	747.234.189	564.276.029
Finished goods	361.040.552	319.744.736
Trade Goods	8.034.634	--
Other inventories	115.797.472	64.938.740
Total	**1.263.374.650**	**981.829.540**

Raw materials consists of fuel oil purchases, semi-finished product stocks from all-in coal purchases, finished product stocks from powder coal and limestone purchases, and other stocks consist of auxiliary production materials and other operating materials and spare parts.

10. PREPAID EXPENSES AND DEFERRED INCOME

Short-term prepaid expenses

Details of the short-term prepaid expenses are as follows:

	31.12.2023	31.12.2022
Advances given	131.485.159	49.421.450
Prepaid expenses	38.357.162	35.176.722
Total	**169.842.321**	**84.598.172**

Long-term prepaid expenses

Details of the long-term prepaid expenses are as follows:

	31.12.2023	31.12.2022
Prepaid expenses (*)	33.993.882	1.496.861
Total	**33.993.882**	**1.496.861**

(*) Amount related to structured tax liabilities.

Short-term deferred income

	31.12.2023	31.12.2022
Advances received	--	9.284.013
Total	**--**	**9.284.013**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

11. PROPERTY, PLANT AND EQUIPMENT

Movement of property, plant and equipment for the period 01.01- 31.12.2023 is as follows:

	01.01.2023	Addition	Disposal	Transfer	31.12.2023
Cost					
Land	472.087.538	33.100.925	-	-	505.188.463
Buildings	1.819.167	-	-	-	1.819.167
Plants machinery and equipment	12.139.557.889	223.087.878	-	-	12.362.645.767
Vehicles	121.835.455	11.214.677	(2.310.547)	-	130.739.585
Furniture and fixture	54.608.137	14.163.433	-	-	68.771.570
Construction in progress	225.467.149	90.712.396	-	-	316.179.544
Mine Searching costs	600.868	-	-	-	600.868
Total	**13.015.976.203**	**372.279.309**	**(2.310.547)**	**-**	**13.385.944.964**
Accumulated Depreciation					
Buildings	(364.308)	(50.356)	-	-	(414.664)
Plants machinery and equipment	(986.522.220)	(463.962.081)	-	-	(1.450.484.301)
Vehicles	(16.598.120)	(21.062.884)	713.106	-	(36.947.897)
Furniture and fixture	(25.590.568)	(9.365.970)	-	-	(34.956.538)
Total	**(1.029.075.215)**	**(494.441.290)**	**713.106**	**-**	**(1.522.803.400)**
Net book value	**11.986.900.987**	**(122.161.981)**	**(1.597.442)**	**-**	**11.863.141.565**

Movement of property, plant and equipment for the period 01.01.-31.12.2022 is as follows :

	01.01.2022	Addition	Disposal	Transfer	31.12.2022
Cost					
Land	455.529.548	16.557.990	--	--	472.087.538
Buildings	1.819.167	--	--	--	1.819.167
Plants machinery and equipment	13.331.480.579	(1.188.389.633)	(3.533.057)	--	12.139.557.889
Vehicles	36.095.795	86.480.068	(740.408)	--	121.835.455
Furniture and fixture	37.199.229	17.412.298	(3.390)	--	54.608.137
Construction in progress	119.217.998	106.249.151	--	--	225.467.149
Search costs	600.868	--	--	--	600.868
Total	**13.981.943.183**	**(961.690.126)**	**(4.276.855)**	**--**	**13.015.976.203**
Accumulated Depreciation					
Buildings	(269.048)	(95.260)	--	--	(364.308)
Plants machinery and equipment	(597.891.381)	(388.988.202)	357.363	--	(986.522.220)
Vehicles	(4.804.733)	(11.928.794)	135.408	--	(16.598.120)
Furniture and fixture	(17.668.994)	(7.923.080)	1.507	--	(25.590.568)
Total	**(620.634.156)**	**(408.935.337)**	**494.278**	**--**	**(1.029.075.215)**
Net book value	**13.361.309.027**	**(1.370.625.463)**	**(3.782.577)**	**--**	**11.986.900.987**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

11. PROPERTY, PLANT AND EQUIPMNET (Cont'd)

In accordance with TAS 16 "Property, Plant and Equipment" land and land improvement, property, plant and equipment were revalued in accordance with the revaluation conducted by Lal Gayrimenkul Değerleme ve Müşavirlik A.Ş., qualified valuers licensed by the CMB, and the Group adopted the "revaluation model" starting from 30.09.2018 based on the fair values determined in the valuation calculation.

In the valuation report dated 11.10.2018 and prepared as of September 30, 2018, the value of the investment was determined as TL 1.961.836.045 based on the revenue approach (DCF). In the valuation report dated 10.02.2020 prepared by certified valuation firm as of 31.12.2019, the value of the investment was determined as TL 2.085.175.474 based on the revenue approach (DCF).

As of 31.12.2021,the property value of Çan2 Termik power plant was reflected in the financial statements base in accordance with the valuation study conducted by Ata Yatırım Menkul Değerler in line with International Valuation Standards (IVS) and Decision of the Capital Market Board dated 11.04.2019 and numbered 21/500, in accordance with the guidelines with respect to the valuation of others other than immovables, based on the fair values in the valution report dated 12.01.2022 in line with International Valuation Standards. The value of the Çan 2Termik Plant was assessed as TL 4.684.505.558 based on Income Approach (DCF Method) in the valuation report prepared by the qualified valuers.

The asset value of Çan 2 Thermal Power Plant was determined by using the discounted cash flow method according to the income approach, and the Market Approach, Income Approach and Cost Approach methods were used in the valuation study. The valuation study was carried out by the valuation company authorized by the Capital Markets Board and by valuation experts in accordance with the International Valuation Standards.

12. INTANGIBLE ASSETS

The details of the Group's intangible assets for the year ended 31.12.2023 are as follows:

	01.01.2023	Addition	Disposal	Transfer	Inflation Adjustment	31.12.2023
Cost Value						
Rights	36.053.159	15.004.981	253.999	-	-	51.312.140
Research and Development Expenses	-	386.362	-	-	-	386.362
Other intangible assets	2.081.815	1.702.116	-	-	-	3.783.931
Preparation and development cost	172.651.182	45.344.066	-	-	-	217.995.248
Total	**210.786.156**	**62.437.525**	**253.999**	**--**	**--**	**273.477.681**
Accumulated Amortization						
Rights	(18.984.626)	(4.785.800)	-	-	-	(23.770.426)
Other intangible assets	(2.548.123)	(476.889)	-	-	-	(3.025.012)
Preparation and development cost	(66.562.983)	(26.432.836)	-	-	-	(92.995.819)
Total	**(88.095.732)**	**(31.695.526)**	**--**	**--**	**--**	**(119.791.258)**
Net Book Value	**122.690.424**	**30.742.000**	**253.999**	**--**	**--**	**153.686.423**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

12. INTANGIBLE ASSETS (Cont'd)

The details of the Group's intangible assets for the year ended 31.12.2022 are as follows:

	01.01.2022	Addition	Disposal	Transfer	31.12.2022
Cost Value					
Rights	38.901.943	--	(2.848.784)	--	36.053.159
Other intangible assets	2.028.071	53.744	--	--	2.081.815
Preparation and development cost	159.667.306	12.983.876	--	--	172.651.182
Total	**200.597.320**	**13.037.620**	**(2.848.784)**	**--**	**210.786.156**
Accumulated Amortization					
Rights	(13.136.920)	(5.899.925)	52.219	--	(18.984.626)
Other intangible assets	(1.940.863)	(607.260)	--	--	(2.548.123)
Preparation and development cost	(47.367.506)	(19.195.477)	--	--	(66.562.983)
Total	**(62.445.290)**	**(25.702.662)**	**52.219**	**--**	**(88.095.732)**
Net Book Value	**138.152.031**	**(12.665.042)**	**(2.796.565)**	**--**	**122.690.424**

13. EXPLORATION AND EVALUATION OF MINERAL RESOURCES

The total amount of preparation and development cost capitalized as of December 31, 2023 and 2022 is as follows;

Subsidiary	**31.12.2023**	**31.12.2022**
Yel Enerji	52.181.095	22.644.175
Çan2 Termik A.Ş.	20.853.177	20.853.177
Çan2 Trakya	145.026.045	129.153.830
Total	**218.060.317**	**172.651.182**

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, i.e. 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 USE OF ASSETS

The details of the Group's right use of assets for the year ended 31.12.2023 are as follows:

	1.01.2023	Addition	Disposal	Transfer	31.12.2023
Cost – Vehicles					
Right use of assets	10.399.628	12.037.738	(4.180.528)	--	18.256.838
Total	**10.399.628**	**12.037.738**	**(4.180.528)**	**--**	**18.256.838**
Accumulative amortization – Vehicles					
Right use of assets	(7.576.845)	(1.793.137)	3.070.881	--	(6.299.101)
Total	**(7.576.845)**	**(1.793.137)**	**3.070.881**	**--**	**(6.299.101)**
Net Book Value	**2.822.783**				**11.957.737**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

14. RIGHT USE OF ASSETS (Cont'd)

The details of the Group's right use of assets for the year ended 31.12.2022 are as follows:

	01.01.2022	Addition	Disposal	Transfer	31.12.2022
Cost – Vehicles					
Right use of assets	10.407.516	--	(7.888)	--	10.399.628
Total	**10.407.516**	**--**	**(7.888)**	**--**	**10.399.628**
Accumulative amortization – Vehicles					
Right use of assets	(4.985.230)	(2.591.615)	--	--	(7.576.845)
Total	**(4.985.230)**	**(2.591.615)**	**--**	**--**	**(7.576.845)**
Net Book Value	**5.422.286**				**2.822.783**

The Group has included the lease obligations representing the operational lease payments for which it is liable in its consolidated financial statements. The details of the accounting made by the Group in accordance with TFRS 16 Leases standard are explained in Note 2.

15. IMPAIRMENT OF ASSETS

The impairment in trade receivables of the Group as of December 31,2022 and December 31,2023 and the related impairment provisions have been shown in the relevant financial statement items (Note 7).

16. GOVERNMENT GRANTS

Investment incentive certificate held by Çan2 Termik A.Ş, which is dated 06.02.2015 and numbered 117824 and issued by Republic of Turkey Ministry of Economy and Foreign Capital General Directorate of Incentives and Implementation, has been renewed with the number C117824, dated 18.09.2017.

The investment concerning the certificate is a power generation plant based on domestic coal with an installed capacity of 340 MW (Çan 2 Thermal Power Plant). The incentive certificate was issued in accordance with EMRA's preliminary license dated 10.07.2014 numbered ÖN / 5117-5 / 03070.

The investment incentive certificate has been granted for the new investment made in Çanakkale Çan 2nd region and covers the period between 13.08.2014 and 12.02.2019. With the certificate, Employer's Share Support for Insurance Premium, Interest Support, Tax Reduction Rate Support, VAT exemption and Customs Tax exemption incentives are used. The total amount of the investment is TL 801.789.866. An Incentive Closing Visa application was made to the Ministry of Industry and Technology on October 2, 2019, and a completion visa was effected within the framework of Article 24 of the decision dated June 15, 2012 and numbered as 2012/3305 and Article 23 of the communiqué numbered 2012/1 regarding the implementation of this decision. The decision was notified to the Company in accordance with the letter dated August 5, 2020 and numbered 1777914. The contribution rate to the investment is calculated at the rate of 40% over the total investment amount before the closing of the investment incentive certificate, and a tax reduction of 80% is provided up to the tax reaching up to TL 320.715.946. Indexed and not deducted investment incentive deduction amount in 2023 is 1.067.863.089 TL. Deferred tax has been computed on this amount (Note 30).

In addition, an investment incentive certificate organized by the Republic of Turkey Ministry of Industry and Technology, dated April 8, 2020, No. 510216 and ID number 1013731 was issued. The support class is classified as Regional-Priority Investment and the support elements consist of VAT Exemption, Interest Support, Tax Reduction, Insurance Premium Employer's Share and Land Allocation. The investment subject to the certificate is a power generation plant based on domestic coal with an installed power of 340 MW (Çan 2 Thermal Power Plant), and the incentive certificate was issued in accordance with the Energy Market Regulatory Authority's Production License dated January 28, 2016, numbered ÜE / 6083-2 / 03428. The total amount of the investment is 329.297.725 TRY. 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).

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

17. BORROWING COSTS

None. (31.12.2022: None)

18. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Other short-term provisions

	31.12.2023	31.12.2022
Lawsuit provisions	2.167.924	1.611.525
Total	**2.167.924**	**1.611.525**

Cases Against the Group

As of 31.12.2023, according to the information obtained from the Group's legal consultancy, there are various commercial lawsuits filed against the Group. A provision of TL 117.602 has been set aside for these lawsuits and their costs.

As of 31.12.2023, the Group has set aside a provision for litigation expenses of TRY 2.050.322 considering the high probability of losing the cases related to reemployment lawsuits.

The details of the provision for litigation regarding the lawsuits filed against the Group are as follows;

	01.01.- 31.12.2023	01.01.- 31.12.2022
Balance at the Beginning of the Period	1.611.525	1.549.442
Additional Provisions	556.399	62.083
TOTAL	**2.167.924**	**1.611.525**

Favorable Lawsuits

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

As stated in the Company's material event 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

	31.12.2023	31.12.2022
Mine restoration provisions	209.337	333.827
Total	**209.337**	**333.827**

In accordance with TFRS 6 Exploration for and Evaluation of Mineral Resources , an entity will recognize in the financial statements the cost of removal and restoration obligations that will be incurred during a given time period as a result of undertaking the exploration and evaluation of mineral resources according to TAS 37 Provisions, Contingent Liabilities and Contingent Assets. Accordingly, based on the technical evaluation made by the project manager and technical team, mining activities in Çanakkale Province Çan District Yayaköy License No: 17448 site will be operated as closed and open operations. Extension projects including this scope have been submitted to the General Directorate of Mining Affairs for approval. Following the open operation, transition will be made to closed operation. There will be no stripping work on the land improvement during the closed business periods. The area stripped in the open pit will be used as an ash storage area within the scope of Çan 2 thermal power plant, as stated in the EIA report. Subsequent to utilization the economic life of the field, the site will be arranged with a survey study, afforested, and abandoned. Approximate estimated cost for terracing and afforestation will be around TL 300.000.

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

18. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Cont’d)

Pickling work will be carried out in an area of approximately 150 decares. As per the extension project, there are 100 trees per decare. Due to the soil structure of the region, approximately TL 2,000 per decare cost is calculated in this way. The total cost for 150 decares of land has been calculated as 150 x TL 2.000 = TL 300.000. This study will be carried out after the open business has completed its economic life, which is estimated to be at the completion of 20 years period.

Provision for mine restoration

	31.12.2023	31.12.2022
Balance at the beginning of period	333.827	500.861
Additional provision / payment (-)	(124.490)	(167.035)
Balance at the end of the period	**209.337**	**333.827**

As of December 31, 2023, the net present value of total cost amounting to TL 300.000, is TL 209.335.

Share pledge agreement

A pledge agreement was signed with the Consortium made up of Yapı Kredi Bank A.Ş. Esenyurt Commercial Branch and Halk Bankası A.Ş. Kozyatagi Commercial Branch and Çan2 Termik A.Ş. in order to pledge all shares of the shareholders of Çan2 Termik A.Ş. in favor of The Esenyurt Commercial Branch and Halk Bankası A.Ş. Kozyatagi Commercial Branch as the guarantee of the loan issued in accordance with the General Credit Agreement signed by Çan2 Termik A.Ş. Furthermore, related to the debt arising from the General Credit Agreement signed between the consortium made up of Yapı Kredi Bank A.Ş. Esenyurt Commercial Branch and Halk Bank A.Ş. Kozyatagi Commercial Branch and Çan2 Termik A.Ş., a Pledge Agreement and a Movable Pledge Agreement was signed without any provisions in regards the transfer of title and proprietorship. The total amount in the Movable Pledge Agreement is Euros 244.800.000 and TL 1.000.000.000.

Properties owned by ÇAN2 Termik A.Ş. were pledged as guarantee for loans obtained from Yapı Kredi Bank A.S. and Türkiye Halk Bankası. The pledge is ranged between 1 up to 10th degrees. The total amount of the mortgage was TL 2.614.500.000 and Euro 558.900.000.

The process for the removal of the related pledges and mortgages was initiated with the relevant banks after the loan closing.

Assignments

Transfer of EPIAS Receivables Agreement with Yapı Kredi Bankası A.Ş. Esenyurt Commercial Branch.

In accordance with the General Loan Agreement signed between the consortium of Yapı Kredi Bankası A.Ş. Esenyurt Commercial Branch and Halk Bankası EPİAŞ Receivable Pledge Agreement was signed as guarantee of the loan in favor of Yapı Kredi Bankası A.Ş. Esenyurt Commercial Branch and Halk Bankası A.Ş. Kozyatağı Commercial Branch. The pledge was assigned for an amount of TL 13.000.000.000, with a term up to 2029.

Receivable Pledge Agreement with Yapı Kredi Bankası A.Ş. Esenyurt Commercial Branch and Pledge of EÜAŞ Receivable Agreement with Türkiye Halk Bankası A.Ş Commercial Branch:

In accordance with the General Loan Agreement signed between the consortium of Yapı Kredi Bankası A.Ş. Esenyurt Commercial Branch and Halk Bankası Kozyatağı Commercial Branch EÜAŞ Receivable Pledge Agreement was signed as guarantee of the loan in favor of Yapı Kredi Bankası A.Ş. Esenyurt Commercial Branch and Halk Bankası A.Ş. Kozyatağı Commercial Branch. The pledge assigned is related to the electricity sales agreement dated 24.12.2020.

The process for the removal of the related liens was initiated with the relevant banks after the loan closure.

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

18. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Cont'd)

Guarantees given

The guarantees given by the group are as follows:

	Guarantees / Pledge / Mortgage (GPM)	31.12.2023	31.12.2022
A)	GPM given for companies own legal personality	30.261.110.070	19.998.450.829
B)	GPM given in behalf of fully consolidated companies	--	--
C)	GPM given for continuation of its economic activities on behalf of third parties	--	--
D)	Total amount of other GPM's	--	--
i)	Total amount of GPM's given on behalf of the majority shareholder	--	--
ii)	Total amount of GPM's given on behalf of other Group companies which are not in scope of B and C	--	--
	Total amount of CPM's given on behalf of other group companies which are not in scope of B and C	--	--
iii)	Total amount of GPM's given on behalf of third parties which are not in scope of C	--	--
	TOTAL	**30.261.110.070**	**19.998.450.829**

Guarantees and notes received by the Group are as follows;

	31.12.2023	31.12.2022
Letters of guarantee received	4.660.182	7.243.878
Total	**4.660.182**	**7.243.878**

19. EMPLOYEE BENEFITS

a. Short term

Payables due to employee benefits

	31.12.2023	31.12.2022
Payables to personnel	16.281.136	8.434.947
Social security premium payables	15.820.451	6.933.187
Total	**32.101.587**	**15.368.134**

Payables to personnel consists of unpaid accrued wages and similar debts due. Social Security withholdings consist of social security premiums payables that are accrued with the related payroll, declared and filed on the twenty-third of the following month and paid by the end of the month consists of premium debts.

Provisions for Employee Benefits

	31.12.2023	31.12.2022
Provision for Vacation Leave	12.501.007	17.132.117
Total	**12.501.007**	**17.132.117**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

19. EMPLOYEE BENEFITS (Cont'd)

b. Long term

Severance pay provision

Under the Turkish Labor Law, companies are required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, or who is called up for military service, dies or retires. The maximum amount payable equals to one month of salary is TL 23.489,83 as of 31 December 2023 (31 December 2022: TL 17.904,62) for each year of service.

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

Provision for termination benefits is made by calculating the present value of the possible liability to be paid in case of retirement of employees. Accordingly, the actuarial assumptions used to calculate the liability as of December 31, 2022 and 2023 are as follows:

	31.12.2023	31.12.2022
Discount rate	27,50%	21,44%
Estimated rate of increase	17,78%	17,78%
Net Discount rate	3,11%	3,11%

	31.12.2023	31.12.2022
Provision for Severance Pay	6.561.842	5.123.555
Balance at end of the period	**6.561.842**	**5.123.555**

	31 December 2023	31 December 2022
Balance at beginning of the period	5.123.555	3.584.437
Payment	8.637.177	1.030.960
Interest cost	855.103	287.930
Current service cost	(7.669.545)	(290.122)
Actuarial Gain/Loss	1.170.562	3.162.211
Monetary Gain/(Loss)	(1.555.010)	(2.651.861)
Balance at end of the period	**6.561.842**	**5.123.555**

20. OTHER ASSETS AND LIABILITIES

Other current assets

Other Current Assets as of December 31, 2022, and 2023 are as follows:

	31.12.2023	31.12.2022
Income accruals	415.386.972	539.033.646
Deferred VAT	3.799.521	8.792.047
Job advances	20.713.236	1.687.662
Personnel advances	2.991.142	119.247
Order advances given	10.319.878	72.390.005
Other Various Current Assets	91.564	--
Total	**453.302.313**	**622.022.607**

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

20. OTHER ASSETS AND LIABILITIES (Cont’d)

(*) Income accruals are as follows:

	31.12.2023	31.12.2022
Income accruals from sales of electricity	415.386.972	539.033.646
TOTAL	**415.386.972**	**539.033.646**

Other short-term liabilities

	31.12.2023	31.12.2022
Expense accruals	58.501.811	820.793.248
Total	**58.501.811**	**820.793.248**

The details of Expense Accruals are as follows:

	31.12.2023	31.12.2022
Expense accruals from electricity purchases	41.034.121	819.273.034
Other expenses accruals	17.467.690	1.520.214
Total	**58.501.811**	**820.793.248**

The details of Other Non - Current Assets as of December 31, 2022, and 2023 are as follows.

Other non-current assets

	31.12.2023	31.12.2022
Advances given (*)	50.666.744	78.867.748
Total	**50.666.744**	**78.867.748**

(*) Advances given consist of advances given to contractors and suppliers in the previous periods in order to purchase investment materials and services for Çan-2 Termik A.Ş. plant.

Other long-term liabilities

	31.12.2023	31.12.2022
Expense accruals (*)	21.193.391	792.827
Total	**21.193.391**	**792.827**

(*) Amount consists of the interest expense accrual related to the restructuring of insurance and tax debt installment.

21. SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS

Paid Capital

The paid capital structure of the Group as of 31.12.2022, and 2023 is as follows:

	31.12.2023		31.12.2022	
Shareholders	**Shares Amounts**	**Percentage**	**Shares Amounts**	**Percentage**
Odaş Elektrik Üretim San. Tic. A.Ş.	548.244.403	58,44%	245.651.000	76,77%
Public Shares	389.872.500	41,56%	74.349.000	23,23%
Total	**938.116.903**	**100%**	**320.000.000**	**100%**
Capital Adjustment Differences (*)	1.400.283.822		1.125.871.650	
Total Paid-in Capital	**2.338.400.725**		**1.445.871.650**	

(*)Adjustment to share capital represents the restatement effect of cash and cash equivalent contributions to share capital restated for the effects of inflation. Adjustment to share capital is not available for any other use except to be added to share capital.

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

21. SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS (Cont'd)

As of 31.12.2023, the paid-in capital of Çan2 Termik A.Ş. was TL 938.116.902,57, divided into 938.116.902,57 shares, each with a nominal value of TL 1.

Share premiums/discounts

	31.12.2023	31.12.2022
Share Premiums	3.158.787.488	647.361.591
TOTAL	**3.158.787.488**	**647.361.591**

Gain/Loss From Cash Risk Protection

	31.12.2023	31.12.2022
Cash Flow Hedge Gains/Losses	1.298.173.522	1.262.459.888
Total	**1.298.173.522**	**1.262.459.888**

Actuarial Loss / Gain Fund

The movement of actuarial loss/gain fund is as follows:

	31.12.2023	31.12.2022
Balance at beginning of the period	**(3.123.482)**	**(593.713)**
Actuarial gain/loss	(1.170.562)	(3.162.211)
Deferred tax effect	292.641	632.442
Balance at the end of the period	**(4.001.403)**	**(3.123.482)**

Restricted Reserves

	31.12.2023	31.12.2022
Legal Reserves	40.903.077	--
Total	**40.903.077**	**--**

Capital Advances

	31.12.2023	31.12.2022
Capital Advances	1.474.418.200	--
Total	**1.474.418.200**	--

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

Equity	PPI Indexed	CPI Indexed	Differences to be Recognized in Retained Earnings/losses
Positive Capital Adjustment Differences	2.994.405.087	2.338.400.725	656.004.362
Share Premiums/Discounts	2.914.677.467	3.158.787.488	(244.110.021)
Restricted Reserves	37.230.665	40.903.077	(3.672.412)

Parent Company Shares

During the year ended December 31, 2023, the Group incurred a period profit of TL 446.760.950 (31.12.2022: TL 2.607.990.010 of net profit), all of which pertain to the Parent Company shares and there are no non - controlling interests.

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

21. SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS (Cont'd)

Prior Years Profit/Loss

Previous Years Profit/Losses	**31.12.2023**	**31.12.2022**
Previous Years Profit/Loss	8.387.400.759	8.877.216.606
Share Not Resulting in Loss of Control in Subsidiaries Rate Not Depending On Increase/Decrease	--	--
Transfers	(324.347.832)	--
Profit/Loss for the Period	2.607.990.010	(489.815.847)
Total	**10.671.042.937**	**8.387.400.759**

The explanation regarding the Group's adjusted retained earnings/losses accounts in accordance with TAS 29 prepared in accordance with the Capital Markets Board Bulletin published on March 7, 2024 is as follows;

Previous Year Profit/Loss	**31.12.2023**	**31.12.2022**
Pre-Inflation Accounting Amount	(293.751.490)	(112.788.484)
Amount After Inflation Accounting	8.387.400.759	8.877.216.606

22. REVENUE AND COST OF SALES

The details of sales are as follows;

	01 January - 31 December 2023	**01 January - 31 December 2022**
Domestic Sales	**5.830.921.755**	**11.399.575.659**
Electricity Sales	5.779.755.054	10.212.576.611
Other Income	53.615.152	1.214.943.858
Sales Returns	**(2.448.451)**	**(27.944.810)**
Total	**5.812.540.889**	**(11.399.575.659)**

23. EXPENSES BY NATURE

The details of the cost of sales for the periods 01.01.-31.12.2023 and 01.01.-31.12.2022 are as follows:

	01 January - 31 December 2023	**01 January - 31 December 2022**
Other costs TEIAS/EPIAS	1.712.777.084	4.627.663.253
Cost of First Article-Materials Utilization	1.655.698.033	1.646.539.098
Personnel expenses share	313.915.176	240.885.509
Amortization and depreciation expenses	741.929.293	717.865.609
Maintenance cost	126.047.595	124.096.493
The Cost of Selling Coal	108.240.761	4.989.293
Other Expenses	52.814.685	50.540.513
Cost of Sales of Finished Goods from Production	51.367.340	20.055.736
Limestone Cost of Sales	35.661.025	--
Insurance Expenses	35.265.151	36.309.222
Rental Expense	21.941.467	20.730.877
Consultancy Expenses	4.842.075	2.939.740
TOTAL	**4.860.499.685**	**7.492.615.343**

24. GENERAL ADMINISTRATIVE EXPENSES, MARKETING AND SELLING

Marketing, selling and distribution expenses

	01 January - 31 December 2023	**01 January - 31 December 2022**
Marketing, selling and distribution expenses	73.152.992	--
TOTAL	**73.152.992**	**--**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

24. GENERAL ADMINISTRATIVE EXPENSES, MARKETING AND SELLING (Cont'd)

General Administrative Expenses

The details of the general administrative expenses for the periods 01.01.-31.12.2023, and 2022 are as follows:

	01 January - 31 December 2023	01 January - 31 December 2022
Personnel expenses	48.660.986	52.376.450
Other Expenses	16.033.776	14.689.696
Amortization expenses	39.911.225	37.146.542
Consultation expense	6.448.934	7.166.923
Declaration and Contract Stamp Duty	668.827	11.591.994
Total	**111.723.748**	**122.971.605**

25. OTHER OPERATING INCOME AND EXPENSES

Other income from operating activities

	01 January - 31 December 2023	01 January - 31 December 2022
Exchange rate gain	59.800.998	64.924.723
Previous year's profit and income	3.823.405	13.285.125
Rediscount income	47.339.131	53.830
Other operating profit and income	1.821.327	4.865.819
Provision no longer required	532.263	684.001
Other extraordinary income	18.871.859	2.577.452
Total	**132.188.983**	**86.390.950**

Other expenses from operating activities

	01 January - 31 December 2023	01 January – 31 December 2022
Previous years losses and expenses	5.583.083	2.617.234
Other Extra Ordinary Losses and Expenses	115.542.634	65.138.205
Rediscount expenses	30.233.216	6.850.503
Idle Capacity Losses and Expenses	27.790.699	43.837.611
Other Ordinary Losses and Expenses	300.075	1.111.003
Exchange Rate Expenses	122.336.252	66.464.052
Provision expenses	11.401.653	467.576
Total	**313.187.612**	**186.486.184**

26. INVESTMENT INCOME AND EXPENSES

The details of the income and expenses from investment activities for the periods 01.01.-31.12.2023, and 2022 are as follows:

	01 January - 31 December 2023	01 January - 31 December 2022
Income from investment activities	2.732.911	60.652.922
Expenses from investment activities	(1.086.036)	(3.517)
Total	**1.646.875**	**60.649.405**

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

27. FINANCIAL INCOME AND EXPENSES

Financial Income

	01 January - 31 December 2023	01 January - 31 December 2022
Exchange gain	834.005.912	688.956.986
Interest Income	211.645.350	51.856.029
Profits from Derivative Instruments	--	38.677.729
Rediscount expenses	75.513.340	12.164.870
Profit on Sale of Marketable Securities	200.762	1.016.783
Total	**1.121.365.364**	**792.672.397**

Financial Expenses

	01 January - 31 December 2023	01 January - 31 December 2022
Exchange losses	377.266.544	1.392.998.959
Interest and commission expenses	382.065.293	681.791.832
Rediscount expenses	155.654.641	99.462.542
Loses on Sale of Marketable Securities	2.029	--
Total	**914.988.507**	**2.174.253.333**

28. ANALYSIS OF OTHER COMPREHENSIVE INCOME ITEMS

The Group's other comprehensive income/(expense) during the years ended 31.12.2023 and 31.12.2022 comprised:

Other comprehensive income (expense) that will not be reclassified to profit and loss	01 January - 31 December 2023	01 January - 31 December 2022
Actuarial Gain / Loss	(1.170.562)	(3.162.211)
Deferred tax income / expenses	292.640	632.442
Total	**(877.922)**	**(2.529.769)**

29. INCOME TAXES INCLUDING DEFERRED TAX ASSETS AND LIABILITIES

Tax income /expenses in the statement of income during the years ended 31.12.2023 and 31.12.2022 comprised:

	01 January - 31 December 2023	01 January - 31 December 2022
Current tax expense / income	(140.340)	(59.877.381)
Deferred tax income / expense	551.459.886	950.539.159
Deferred tax reflected in Equity	241.471.732	83.508.905
Total	**792.791.278**	**974.170.683**

Current Tax

In Turkey, the corporate tax rate is applied as 22% for corporate earnings for the taxation periods of 2018, 2019 ,2020 and 25% for 2021 and 2023 and 23% for 2022 in accordance with the Corporate Tax Law No. 5520.

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

29. INCOME TAXES INCLUDING DEFERRED TAX ASSETS AND LIABILITIES (Cont'd)

Current Year Tax Provisions, Net

	31 December 2023	31 December 2022
Profit / Loss Before Tax	18.921.496	1.376.526.867
Non-tax-deductible expenses	2.454.879	11.945.911
Financing Expense Restriction	--	68.407.716
Currency Protected Deposit System	--	24.409.882
Participation Earning	--	1.721.475
Past year loss deduction	20.909.021	754.913.960
Reduced corporate tax advantage arising from capital increase in cash	--	85.869.555
Corporate Tax Base	**467.355**	**589.965.622**
Corporate Tax Base (%23)	--	1.652.242
Corporate Tax Base (Investment Discounted Part %4,6)	--	26.808.214
Corporate Tax Base (%25)	116.839	--
Monetary Gain / (Loss)	23.501	31.416.925
Current Tax Expenses	**140.340**	**59.877.381**

Assets Related to Current Period Tax

	Dec 31 2023	Dec 31 2022
Prepaid Taxes and Funds	5.753.749	5.386.188
TOTAL	**5.753.749**	**5.386.188**

Deferred Tax

The Group's deferred income tax assets and liabilities are calculated by taking into account the effects of temporary differences arising as a result of different evaluation between the registered value of the balance sheet items and the 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. The rate to be applied for the deferred tax receivables and liability calculated according to the liability method over the temporary differences that will arise after 31.12.2008 is 20%. However, the 20% tax rate specified in the first paragraph of Article 32 of the Corporate Tax Law No. 5520 with the Law No. 7061 "Amending Some Tax Laws and Some Other Laws" adopted on 28.11.2017 is for corporate earnings for the 2018, 2019 and 2020 taxation periods. The provision that is applied as 22% has been added with a provisional article. The tax rate for corporate earnings will be applied as 25% in 2021, 23% in 2022 and 25% will be applied for corporate earnings in 2023 and onwards.

Turkish tax legislation makes not possible that the main partner of company can organize tax statement via financial statement of its consolidated subsidiaries and affiliates. Therefore, with company has deferred tax assets and company has deferred liabilities are not net finalized their tax position. It is stated separately.

The deferred tax assets and liabilities as of December 31, 2023, and 2022 are given in the financial statements as follows,

	31.12.2023	31.12.2022
Deferred Tax Assets	1.408.081.709	1.328.930.570
Deferred Tax Liabilities	(39.619.776)	(29.489.141)
Deferred Tax Assets / Liabilities, Net	**1.368.461.933**	**1.296.441.429**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

29. INCOME TAXES INCLUDING DEFERRED TAX ASSETS AND LIABILITIES (Cont'd)

Deferred Tax (Cont'd)

The temporary differences and deferred tax assets/(liabilities) using the enacted tax rates as of December 31, 2022, and 2023 are as follows:

	Temporary Differences		Deferred tax assets / (Liabilities)	
Deferred tax assets / Liabilities	**31.12.2023**	**31.12.2022**	**31.12.2023**	**31.12.2022**
Other Deferred Tax Assets/Liabilities	80.672.275	129.504	20.168.069	32.376
Rediscounts	85.570.517	43.620.261	21.392.629	10.905.065
Stocks	(228.926.643)	(20.579)	(57.231.661)	(5.145)
Other liabilities and accrued expenses	203.281.990	210.137.037	50.820.498	52.534.259
Tangible and intangible fixed assets depreciation differences	(1.760.095.821)	319.045.612	(440.023.955)	79.761.403
Employment termination benefits and annual leave provision	15.051.322	17.804.537	3.762.832	4.451.134
Reduced corporate tax advantage arising from capital increase in cash	--	--	131.719.090	--
Reduced Corporate Tax from Investment (*)	--	--	1.275.137.016	1.427.854.702
Tangible Asset Revaluation Effects	--	--	--	(1.288.823)
Cash Flow Hedging Gains/Losses	,--	--	465.890.880	370.264.174
Inflation Effect	--	--	(103.173.464)	(645.067.719)
Total	**(1.604.446.359)**	**590.716.373**	**1.368.461.933**	**1.299.441.428**

(*) Even though the related investment of the Group is in Region II, the Special Terms of Investment Incentive, Article 5 state that the investment subject to the incentive is listed among prioritized investments, which will benefit from regional supports granted to Region 5. Accordingly, the Investment Contribution Rate is 40% and the Discounted Corporate Tax Rate is 80%. Accordingly, the Group will benefit from reduced corporate tax application in the amount of TL 320.715.946 in relation to the profit from the investment, which is calculated as 40% of the total investment amount of TL 801.789.865. As of December 31, 2023, the indexed remaining investment allowance amount is 1.275.137.016 TRY. In addition, the Republic of Turkey Ministry of Industry and Technology issued an investment incentive certificate dated 08.04.2020 with document number 510216 and ID number 1013731.

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 Site Allocation. Accordingly, the Investment Contribution Rate is 40% and the Reduced Corporate Tax Rate is 80%. Accordingly, 40% of the total investment amounting to 329.297.725 TRY, which is 40% of the total investment amounting to 131.719.090 TRY, 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.

30. EARNINGS PER SHARE

	01 January - 31 December 2023	01 January - 31 December 2022
Net profit / (Loss)	446.760.950	2.607.990.010
Weighted average number of common share	741.674.271	320.000.000
Profit / (Loss) per share with a nominal value of 1 TL	**0,602368**	**8,149969**

31. REPORTING IN HYPERINFLATIONARY COUNTRIES

In accordance with the announcement made by the Public Oversight Accounting and Auditing Standards Authority (POA) on November 23, 2023, entities that apply TFRSs are required to apply inflation accounting in accordance with TAS 29 Financial Reporting in Hyperinflationary Economies for the annual reporting period beginning on after December 31, 2023. TAS 29 is applied to the financial statements, including the consolidated financial statements, of entities whose functional currency is the currency of a hyperinflationary economy.

In accordance with the standard, financial statements prepared in the currency of a hyperinflationary economy are stated in terms of the purchasing power of that currency at the balance sheet date. For comparative purposes, comparative information in prior period financial statements is expressed in terms of the measuring unit current at the end of the reporting period. Therefore, the Group has also presented its consolidated financial statements as of December 31, 2022 on the basis of the purchasing power of that currency as of December 31, 2023.

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

31. REPORTING IN HYPERINFLATIONARY COUNTRIES(Cont'd)

In accordance with the CMB's decision dated December 28, 2023 and numbered 81/1820, issuers and capital market institutions subject to financial reporting regulations applying Turkish Accounting/Financial Reporting Standards are required to apply inflation accounting by applying the provisions of TAS 29 beginning with their annual financial statements for the accounting periods ending on December 31, 2023. The restatements made in accordance with TAS 29 have been made using the adjustment factor derived from the Consumer Price Index ("CPI") in Turkey published by the Turkish Statistical Institute ("TURKSTAT"). As at December 31, 2023, the indices and adjustment factors used in the restatement of the consolidated financial statements are as follows

Date	Index	Correction Coefficient
31.12.2023	1.859,38	1
31.12.2022	1.128,45	1,647
31.12.2021	686,95	2,706

32. FINANCIAL INSTRUMENTS

Short term financial liabilities

As of December 31, 2022 and 2023 short-term financial debts are as follows:

	31.12.2023	**31.12.2022**
Bank loan	98.085	--
Liabilities from leasing	6.467.422	1.854.653
Deferred leasing costs (-)	(1.891.066)	(434.752)
Loan principal instalments and interest	6.735.927	484.128.072
Other financial liabilities	7.712.156	1.428.304
Short term financial liabilities – Net	**19.122.524**	**486.976.277**

Long term financial liabilities

	31.12.2023	**31.12.2022**
Bank loan	--	3.182.174.741
Liabilities from leasing	2.416.219	1.105.456
Deferred leasing costs (-)	(258.591)	(133.078)
Long term financial liabilities – Net	**2.157.628**	**3.183.147.119**

	31.12.2023	**31.12.2022**
Other financial liabilities	7.712.156	1.428.304
Total	**7.712.156**	**1.428.304**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

32. FINANCIAL INSTRUMENTS(Cont'd)

The details of the maturity and interest amounts of the Group's loans are as follows:

Loan repayment schedule:

Long term loans	31.12.2023	31.12.2022
2024	--	727.529.653
2025	--	623.270.541
2026	--	544.301.617
2027	--	473.426.430
2028	--	409.746.404
2029	--	352.955.867
2030	--	50.944.229
Total	**--**	**3.182.174.741**

Long term loans	31.12.2023	31.12.2022
1-2 Years	--	--
2-3 Years	--	727.529.653
3-4 Years	--	623.270.541
4-5 Years	--	544.301.617
5 Years and above	--	1.287.072.930
Total	**--**	**3.182.174.741**

Date of payment	Liabilities from leasing	Deferred leasing costs (-)
2024	2.416.219	(258.591)
Total	**2.416.219**	**(258.591)**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

32. FINANCIAL INSTRUMENTS(Cont'd)

	Annual interest rate %		Value in foreign curreny		TL	
	31.12.2023	**31.12.2022**	**31.12.2023**	**31.12.2022**	**31.12.2023**	**31.12.2022**
TL Loans	14,52%-37,26%	7,5-24,24%	--	--	98.085	--
EURO Loans		7%-8,752	--	4.464.575	--	--
Short term Loans			**--**	**--**	**98.085**	**--**
EURO Loans		7%-8,752		11.586.248	--	11.586.248
USD Loans			--	--	--	--
TL Loans	14,52%-37,26%	7,5-24,24%	--	--	--	--
Short Term Loan principal installments and interests					**6.735.925**	
Short term Loans in total			**--**	**--**	**6.834.010**	**484.128.072**
EURO Loans		7%-8,752	--	91.908.500	--	3.024.384.293
USD Loans			--	--	--	--
TL Loans	18,3844%-37,26%	7,5-24,24%	--	--	--	157.790.448
Long term Loans in total					**--**	**3.182.174.741**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

33. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

Credit risk management

The credit risks exposed by the financial instrument types as of December 31, 2023, as follows:

31.12.2023	Receivables				Deposits at banks	Derivative instruments	Other
	Trade receivables		Other receivables				
	Related party	Third party	Related party	Third party			
Minimum credit risk exposed as of reporting date (A+B+C+D+E)	**440.022.535**	**1.784.028.436**	**7.807.146**	**5.430.046**	**89.823.774**	**--**	**202.810.234**
- The section of the minimum risk taken under assurance	--	--	--	--	--	--	--
A. Carrying amount of financial assets not overdue or not impaired	440.022.535	1.784.028.436	7.807.146	5.430.046	89.823.774	--	202.810.234
B. Carrying amount of financial assets with rediscussed conditions that are considered overdue but not impaired	--	--	--	--	--	--	--
C. Carrying amount of financial assets overdue but not impaired	--	--	--	--	--	--	--
D. Carrying amount of assets impaired	--	1.533.051	--	--	--	--	--
-Overdue (gross book value)	--	(1.533.051)	--	--	--	--	--
- Impairment (-)	--	--	--	--	--	--	--
- Net value guaranteed	--	--	--	--	--	--	--
-Undue (gross book value)	--	--	--	--	--	--	--
- Impairment (-)	--	--	--	--	--	--	--
- Net value guaranteed	--	--	--	--	--	--	--
E. Off-balance sheet items carrying credit risk	--	--	--	--	--	--	--

In determining the amount, the factors that increased credit reliability, such as the guarantees received, were not considered.

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

33. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Cont'd)

The credit risks exposed by the financial instrument types as of December 31, 2022, as follows:

31.12.2022	Receivables				Deposits at banks	Derivative instruments	Other
	Trade receivables		Other receivables				
	Related party	Third party	Related party	Third party			
Minimum credit risk exposed as of reporting date (A+B+C+D+E)	**821.656.002**	**685.881.078**	**16.444.220**	**4.647.708**	**345.116.603**	**--**	**200.679.205**
- The section of the minimum risk taken under assurance	--	--	--	2.561.476	--	--	--
A. Carrying amount of financial assets not overdue or not impaired	821.656.002	685.881.078	16.444.220	2.086.232	345.116.603	--	200.679.205
B. Carrying amount of financial assets with rediscussed conditions that are considered overdue but not impaired	--	--	--	--	--	--	--
C. Carrying amount of financial assets overdue but not impaired	--	--	--	--	--	--	--
D. Carrying amount of assets impaired	--	2.471.594	--	--	--	--	--
-Overdue (gross book value)	--	(2.471.594)	--	--	--	--	--
- Impairment (-)	--		--	--	--	--	--
- Net value guaranteed	--	--	--	--	--	--	--
-Undue (gross book value)	--	--	--	--	--	--	--
- Impairment (-)	--	--	--	--	--	--	--
- Net value guaranteed	--	--	--	--	--	--	--
E. Off-balance sheet items carrying credit risk	--	--	--	--	--	--	--

In determining the amount, the factors that increased credit reliability, such as the guarantees received, were not considered.

33. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Cont'd)

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, rates or the value of securities that will adversely affect the Group.

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

33. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Cont'd)

Foreign Currency Risk

FOREIGN EXCHANGE POSITION				
	31.12.2023			
	TL (Functional Currency)	USD	EUR	GBP
1. Trade Receivables	8.700.522	295.552	--	--
2a. Monetary Financial Assets (Cash, Banks included)	22.129.556	424.735	295.448	60
2b. Non-Monetary Financial Assets	63.618.025	1.336.738	729.059	13.850
3. Other	--	--	--	--
4. Current Assets (1+2+3)	**94.448.103**	**2.057.025**	**1.024.507**	**13.910**
5. Trade Receivables	--	--	--	--
6a. Monetary Financial Assets	--	--	--	--
6b. Non-Monetary Financial Assets	--	--	--	--
7. Other	--	--	--	--
8. Non-Current Assets (5+6+7)	**--**	**--**	**--**	**--**
9. Total Assets (4+8)	**94.448.103**	**2.057.025**	**1.024.507**	**13.910**
10. . Trade Payables	(64.163.248)	(284.863)	(1.708.791)	--
11. Financial Liabilities	(219.810.750)	--	(6.735.925)	--
12a. Other Monetary Financial Liabilities	--	--	--	--
12b. Other Non-Monetary Financial Liabilities	--	--	--	--
13. . Current Liabilities (10+11+12)	**(283.973.998)**	**(284.863)**	**(8.444.716)**	**--**
14. Trade Payables	--	--	--	--
15. Financial Liabilities	--	--	--	--
17. Non-Current Liabilities (14+15+16)	**--**	**--**	**--**	**--**
18. Total Liabilities (13+17)	**(283.973.998)**	**(284.863)**	**(8.444.716)**	**--**
19. Net asset / liability position of off-balance sheet derivatives (19a-19b)	--	--	--	--
19a. Total Amount of Assets Hedged	--	--	--	--
19b. Total Amount of Liabilities Hedged	--	--	--	--
20. Net foreign currency asset liability position (9-18+19)	**(189.525.895)**	**1.772.162**	**(7.420.209)**	**13.910**
21. Net foreign currency asset / liability position of monetary items (=1+2a+5+6a-10-11-12a-14-15-16a)	(253.143.920)	435.424	(8.149.268)	60
22. Net asset / liability position of off-balance sheet derivatives	--	--	--	--
23. Export	1.068.700	26.558.902	--	--
24. Import	--	--	--	--

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

33. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Cont'd)

FOREIGN EXCHANGE POSITION				
	31.12.2022			
	TL (Functional Currency)	**USD**	**EUR**	**GBP**
1. Trade Receivables	56.169.227	1.823.101	--	--
2a. Monetary Financial Assets (Cash, Banks included)	23.166.277	1.713	703.540	111
2b. Non-Monetary Financial Assets	50.140.493	347.816	1.200.231	--
3. Other	--	--	--	--
4. Current Assets (1+2+3)	**129.475.997**	**2.172.630**	**1.903.771**	**111**
5. Trade Receivables	--	--	--	--
6a. Monetary Financial Assets	--	--	--	--
6b. Non-Monetary Financial Assets	--	--	--	--
7. Other	--	--	--	--
8. Non-Current Assets (5+6+7)	**--**	**--**	**--**	**--**
9. Total Assets (4+8)	**129.475.997**	**2.172.630**	**1.903.771**	**111**
10. . Trade Payables	(86.372.865)	(341.912)	(2.304.096)	--
11. Financial Liabilities	(381.262.513)	--	(11.586.248)	--
12a. Other Monetary Financial Liabilities	--	--	--	--
12b. Other Non-Monetary Financial Liabilities	--	--	--	--
13. . Current Liabilities (10+11+12)	**(467.635.378)**	**(341.912)**	**(13.890.344)**	**--**
14. Trade Payables	--	--	--	--
15. Financial Liabilities	(3.024.384.293)	--	(91.908.500)	--
17. Non-Current Liabilities (14+15+16)	**(3.024.384.293)**	**--**	**(91.908.500)**	**--**
18. Total Liabilities (13+17)	**(3.492.019.671)**	**(341.912)**	**(105.798.844)**	**--**
19. Net asset / liability position of off-balance sheet derivatives (19a-19b)	--	--	--	--
19a. Total Amount of Assets Hedged	--	--	--	--
19b. Total Amount of Liabilities Hedged	--	--	--	--
20. Net foreign currency asset liability position (9-18+19)	**(3.362.543.674)**	**1.830.718**	**(103.895.073)**	**111**
21. Net foreign currency asset / liability position of monetary items (=1+2a+5+6a-10-11-12a-14-15-16a)	(3.412.684.167)	1.482.902	(105.095.304)	111
22. Net asset / liability position of off-balance sheet derivatives	--	--	--	--
23. Export	**--**	**--**	**--**	**--**
24. Import	**--**	**--**	**--**	**--**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

33. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Cont'd)

Foreign Exchange Position Analysis Chart

Exchange Rate Sensitivity Analysis Chart				
31.12.2023				
	Profit/(Loss)		**Equity**	
	Foreign currency appreciation	Foreign currency depreciation	Foreign currency appreciation	Foreign currency depreciation
If the US dollar had changed by 10% against the TRY;				
1- USD net (liabilities)/assets	1.949.379	(1.949.379)	--	--
2- Hedging amount of USD (-)	--	--	--	--
3- USD Net Effect (1+2)	**1.949.379**	**(1.949.379)**	**--**	**--**
If the EUR had changed by 10% against the TRY;				
4- EUR net (liabilities)/assets	(8.162.230)	8.162.230	--	--
5- Hedging amount of EUR (-)	--	--	--	--
6- EUR Net Effect (4+5)	**(8.162.230)**	**8.162.230**	**--**	**--**
If the GBP had changed by 10% against the TRY;				
7- Other Currencies net (liabilities)/assets	15.301	(15.301)	--	--
8- Hedging amount of other currencies (-)	--	--	--	--
9- GBP Net Effect (7+8)	**15.301**	**(15.301)**	**--**	**--**

Exchange Rate Sensitivity Analysis Chart				
31.12.2022				
	Profit/(Loss)		**Equity**	
	Foreign currency appreciation	Foreign currency depreciation	Foreign currency appreciation	Foreign currency depreciation
If the US dollar had changed by 10% against the TRY;				
1- USD net (liabilities)/assets	2.013.790	(2.013.790)	--	--
2- Hedging amount of USD (-)	--	--	--	--
3- USD Net Effect (1+2)	**2.013.790**	**(2.013.790)**	**--**	**--**
If the EUR had changed by 10% against the TRY;				
4- EUR net (liabilities)/assets	(114.284.580)	114.284.580	--	--
5- Hedging amount of EUR (-)	--	--	--	--
6- EUR Net Effect (4+5)	**(114.284.580)**	**114.284.580**	**--**	**--**
If the GBP had changed by 10% against the TRY;				
7- Other Currencies net (liabilities)/assets	122	(122)	--	--
8- Hedging amount of other currencies (-)	--	--	--	--
9- GBP Net Effect (7+8)	**122**	**(122)**	**--**	**--**

34. 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.

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 of cash and cash equivalents are estimated to be their fair values since they are short term. The carrying values of the trade receivables net of provisions for uncollectible receivables are considered allowances for trade uncollectibility are close to be their fair values.

Financial liabilities

The 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 (Forward Contracts)

The Group engage to agreements on derivative transactions in the foreign exchange markets.(Note 38)

Financial Liabilities

The 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.

35. SUBSEQUENT EVENTS

Increase in Authorized Capital Ceiling and Extension of the Validity Period

It has been decided to obtain permission from the Capital Markets Board and other relevant institutions for the approval of the attached Amendment Text to the Articles of Association for Article 6 of the Company's Articles of Association regarding the increase of the registered capital ceiling from 1.262.050.000 TRY to 10.000.000.000 TRY for the years 2024-2028 and the extension of the validity period in order to utilize the Company's internal resources and strengthen the capital structure. Accordingly, the permission application made to the Capital Markets Board regarding the increase of the registered capital ceiling from 1.262.050.000 TRY to 10.000.000.000 TRY and the extension of the validity period to cover the years 2024-2028, as stated in Article 6 of the Company's Articles of Association, was approved by the Board's letter dated 29.02.2024 and numbered E-29833736-110.04.04.04-50535.

36. FEES PAID FOR THE AUDIT SERVICES.

a- The independent audit fee for the reporting period of 1 January - 31 December 2023 is TRY 500.000. (31.12.2022: 535.512 TL)
b- Fees for Other Services:
- Fees for Other Assurance Services: None (31.12.2022 : 24.716 TL)
- Fee for Tax Consultancy Services : 282.000 TL (31.12.2022 : 238.921 TL)
- Fees for Other Services Other than Independent Audit: None (31.12.2022 : None)

37. DERIVATIVE FINANCIAL INSTRUMENTS

CASH FLOW HEDGE OF A HIGHLY PROBABLE FORECASTED TRANSACTION

The Company management has discontinued the hedge accounting applied in accordance with TFRS 9 as of July 1, 2023 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.

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 December 31, 2023, 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 115.303.768.

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

None.

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

39. EXPLANATION ON CASH FLOW STATEMENTS

The movements that do not generate cash inflows and outflows in the cash flow statement are as follows by years:

	NOTES	Current Period Audited Consolidated 01.01-31.12.2023	Prior Period Audited Consolidated 01.01-31.12.2022
A. CASH FLOWS FROM OPEARING ACTIVITIES		**4.552.960.995**	**4.771.652.791**
Profit/Loss For The Period		**446.760.950**	**2.607.990.012**
Adjustments To Reconcile Net Profit/Loss For The Period		**5.922.051.528**	**3.800.440.757**
Adjustments related to amortization and depreciation expenses	11-12-14-23-24-27	797.741.538	481.424.889
Adjustments Related to Impairment (Reversal) of Receivables	7	1.533.051	-
Adjustments Related to Employees Benefits Provision (Cancellation)	19	4.821.620	6.000.126
Adjustments Related to Lawsuit Provision (Reversal)	18	556.398	(933.738)
Adjustments Regarding Provisions Allocated (Reversal) within Framework for Sectoral Requirements	18	(124.491)	(167.035)
Deferred Finance Expenses arising from Credit Purchases	7-8	30.073.296	9.326.308
Unearned Finance Income arising from Credit Sales	7-8	(43.482.149)	(8.644.107)
Adjustments Regarding Interest Expenses	20	58.501.811	820.793.248
Adjustments Regarding Interest Income	20	(415.386.972)	(539.033.646)
Adjustments for Unrealized Fx Gain Loss		945.099.696	572.229.274
Adjustments Related to Tax Expense/Income	29	(1.767.503.341)	656.752.526
Fair Value	37	(35.713.634)	(111.582.272)
Adjustments Related to Monetary (Loss)/Gain		6.344.582.138	1.914.275.182
Changes In Business Capital		**(1.814.973.561)**	**(1.634.248.210)**
Adjustments Regarding Increase/Decrease in Inventories	9	(531.822.122)	(293.507.922)
Increase/Decrease in Trade Receivables from Third Parties	6	381.633.467	(744.468.081)
Increase/Decrease in Trade Receivables from non-related Parties	7	(1.129.752.568)	(352.316.695)
Decrease (Increase) in Other Receivables from Related Parties	6	8.635.937	(14.839.961)
Decrease (Increase) in Other Receivables from non-related Parties	8	(782.338)	3.337.902
Change in Other Assets	20	611.940.710	309.214.011
Increase (Decrease) in Trade Payables to Related Parties	6	(199.817)	(1.197.410)
Increase (Decrease) in Trade Payables to non-related Parties	7	140.203.509	(160.602.668)
Change in Prepaid Expenses	10	(117.813.099)	(39.917.972)
Changes in Employee Benefits	19	11.911.834	(7.185.365)
Increase (Decrease) in Other Payables Related to Operations to Related Parties	6	30.708.769	(252.222.302)
Increase (Decrease) in Other Payables Related to Operations to Non-Related Parties	8	(35.642.206)	144.427.623
Provisions for Employee Benefits	19	(3.192.823)	5.497.012
Increase (Decrease) in Deferred Revenues	10	(9.284.013)	(156.086.353)
Change in Other Obligations	20	(1.171.518.802)	(74.380.030)
Cash Flows from Operations		**4.553.838.917**	**4.774.182.559**
Other Loss/Gain	21	(877.921)	(2.529.769)

40. EXPLANATION ON SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS

As the date of 31.12.2022 and 31.12.2023 the details of the Group's equity are explained in Note 21.

41. CASH AND CASH EQUIVALENTS

Cash and cash equivalents

	31.12.2023	31.12.2022
Bank	89.823.774	345.116.603
-Demand deposit	*17.583.692*	*35.453.018*
-Time deposit	*72.240.082*	*309.663.585*
Other liquid assets	22.375.171	4.030
Total	**112.198.945**	**345.120.633**

As of December 31, 2023, the Group has no blocked deposits (31.12.2022: None).

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

41. CASH AND CASH EQUIVALENTS(Cont'd)

As of December 31,2023 and 2022 details of time deposit are as follows:

Currency	Maturity	Interest Rate	31.12.2023 Currency	31.12.2023 TL
TL	02.01.2024	30,00%	31.300.000	31.300.000
TL	02.01.2024	36,97%	20.229.000	20.229.000
TL	02.01.2024	38,00%	9.600.000	9.600.000
EUR	02.01.2024	0,10%	271.890	8.856.518
TL	02.01.2024	30,00%	580.000	580.000
TL	02.01.2024	42,91%	526.234	526.234
TL	02.01.2024	38,00%	400.000	400.000
TL	02.01.2024	42,91%	393.600	393.600
TL	02.01.2024	42,91%	354.730	354.730
				72.240.082

Currency	Maturity	Interest Rate	31.12.2022 TL
TL	03.03.2023	12,00%	210.291.273
TL	02.01.2023	15,00%	32.954.584
TL	02.01.2023	13,00%	24.715.938
TL	02.01.2023	14,75%	19.772.750
TL	06.03.2023	12,00%	16.176.252
TL	15.02.2023	13,50%	3.193.447
TL	02.01.2023	10,24%	2.356.706
TL	02.01.2023	4,00%	202.635
			309.663.585

42. EARNINGS BEFORE INTEREST TAXES DEPRECIATION AND AMORTIZATION (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.

Earnings before interest, tax, depreciation and amortization for the accounting period 01.01.-31.12.2023 is 1.563.851.441 TRY (01.01.-31.12.2022: 4.241.694.662 TRY).