

**ÇAN2 TERMİK A.Ş.  
AND ITS' SUBSIDIARIES  
CONSOLIDATED FINANCIAL  
STATEMENTS AND  
LIMITED INDEPENDENT  
AUDIT REPORT  
FOR THE PERIOD  
ENDING ON 31.03.2024**

Consolidated statement of financial position .....	1-3
Consolidated statement of profit or loss and other comprehensive income.....	4
Consolidated statement of changes in equity .....	5
Consolidated cash flow statement .....	6
1. ORGANIZATION AND CORE BUSINESS OF THE COMPANY .....	7
2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS .....	8
3. BUSINESS COMBINATIONS .....	24
4. JOINT VENTURES .....	24
5. SEGMENT REPORTING.....	24
6. RELATED PARTY DISCLOSURES.....	24
7. TRADE RECEIVABLES AND PAYABLES .....	26
8. OTHER RECEIVABLES AND PAYABLES .....	27
9. INVENTORIES .....	28
10. PREPAID EXPENSES AND DEFERRED INCOME .....	28
11. TANGIBLE FIXED ASSETS.....	29
12. INTANGIBLE FIXED ASSETS .....	30
13. EVALUATING AND RESEARCHING OF MINE RESOURCES.....	31
14. RIGHT OF USE ASSETS.....	31
15. IMPAIRMENT OF ASSETS .....	32
16. GOVERNMENT INCENTIVES .....	32
17. BORROWING COSTS.....	33
18. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES.....	33
19. EMPLOYEE BENEFITS .....	35
20. OTHER ASSETS AND LIABILITIES.....	36
21. CAPITAL, RESERVES AND OTHER EQUITY ITEMS .....	37
22. REVENUE AND COST OF GOODS SOLD .....	39
23. EXPENSES ACCORDING TO THEIR QUALIFICATIONS .....	39
24. GENERAL OPERATING EXPENSES, MARKETING EXPENSES, RESEARCH AND DEVELOPMENT EXPENSES.....	39
25. OTHER OPERATING INCOME AND EXPENSES.....	40
26. EXPENDITURES AND REVENUES FROM INVESTING ACTIVITIES .....	40
27. FINANCIAL EXPENSE AND INCOME .....	41
28. ANALYSIS OF OTHER COMPREHENSIVE INCOME .....	41
29. TAXATION ON INCOME (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES).....	41
30. EARNING PER SHARE .....	43
31. FINANCIAL REPORTING IN HYPERINFLATION ECONOMIES .....	44
32. FINANCIAL INSTRUMENTS .....	44
33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES.....	46
34. FINANCIAL INSTRUMENTS (FAIR VALUE EXPLANATION AND PROTECTION OF FINANCIAL HEDGE ACCOUNTING EXPLANATION).....	52
35. SUBSEQUENT EVENTS.....	53
36. DERIVATIVE INSTRUMENTS.....	53
37. OTHER ISSUES THAT SIGNIFICANTLY AFFECT THE FINANCIAL STATEMENTS OR REQUIRED FOR UNDERSTANDING OF THE FINANCIAL STATEMENTS....	53
38. EXPLANATIONS TO CASH FLOW STATEMENT .....	53
39. EXPLANATIONS RELATED WITH EQUITY CHANGE TABLE .....	54
40. CASH AND CASH EQUIVALENTS .....	54
41. INTEREST, TAX, PROFIT BEFORE DEPRECIATION (EBITDA) .....	55

**ÇAN2 TERMİK A.Ş.**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**FOR THE PERIOD AS OF 31.03.2024**  
(Currency is TRY unless otherwise is indicated.)

		<b>Current Period Not Audited Consolidated</b>	<b>Previous Period Audited Consolidated</b>
<b>ASSETS</b>	<b>NOTES</b>	<b>31.03.2024</b>	<b>31.12.2023</b>
<b>Current Assets</b>			
Cash and cash equivalents	40	192.555.142	129.100.171
Trade Receivables	6-7	2.184.860.378	2.559.073.633
<i>Trade receivables from related parties</i>	6	407.285.506	506.305.872
<i>Trade receivables from third parties</i>	7	1.777.574.872	2.052.767.761
Other Receivables	6-8	27.620.684	14.995.047
<i>Other Receivables from Related Parties</i>	6	15.409.099	8.983.185
<i>Other Receivables from Third Parties</i>	8	12.211.585	6.011.861
Inventories	9	1.809.768.204	1.453.684.648
Prepaid Expenses	10	162.647.313	195.426.728
Assets Related to Current Term Tax	29	170.245	6.620.472
Other Current Assets	20	487.448.061	521.586.066
<b>TOTAL CURRENT ASSETS</b>		<b>4.865.070.027</b>	<b>4.880.486.765</b>
<b>Non-current Assets</b>			
Other receivables	6-8	205.231	236.146
<i>Other receivables from related parties</i>	6	--	--
<i>Other receivables from third parties</i>	8	205.231	236.146
Tangible Fixed Assets	11	13.531.874.868	13.650.160.528
Intangible Fixed assets	12	172.292.199	176.837.166
<i>Other intangible fixed assets</i>	12	172.292.199	176.837.166
Right of Use Assets	14	17.351.714	13.759.005
Prepaid Expenses	10	34.258.688	39.114.593
Deferred Tax Assets	29	1.070.987.540	1.620.189.834
Other Non-Current Assets	20	57.378.823	58.298.991
<b>TOTAL NON-CURRENT ASSETS</b>		<b>14.884.349.062</b>	<b>15.558.596.264</b>
<b>TOTAL ASSETS</b>		<b>19.749.419.089</b>	<b>20.439.083.029</b>

Consolidated financial statements for the period ending on 31.03.2024 have been approved by the Board of Directors Decision dated 21.06.2024 and numbered 2024/13.

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

**ÇAN2 TERMİK A.Ş.**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**FOR THE PERIOD AS OF 31.03.2024**  
(Currency is TRY unless otherwise is indicated.)

		Current Period Not Audited Consolidated	Previous Period Audited Consolidated
<b>LIABILITIES</b>	<b>NOTES</b>	<b>31.03.2024</b>	<b>31.12.2023</b>
<b>Short Term Liabilities</b>			
Short Term Loans	32	10.000.000	112.862
Short Terms Part of Long-Term Loans	32	4.843.463	5.265.721
Short-Term Portions of Long-Term Borrowings	32	2.642.257	7.750.599
Other Financial Liabilities	32	12.318.528	8.873.886
Trade Payables	6-7	427.745.867	551.963.809
<i>Trade Payables to Related Parties</i>	6	--	--
<i>Trade Payables to Third Parties</i>	7	427.745.867	551.963.809
Payables within the Scope of Employee Benefits	19	46.785.448	36.937.249
Other Payables	6-8	189.105.127	244.638.285
<i>Other payables to related parties</i>	6	57.635.258	67.146.345
<i>Other payables to third parties</i>	8	131.469.869	177.491.940
Deferred Income	10	9.830	--
Tax Liability of the Period Income	29	2.085.358	134.439
Short-term Provisions	18-19	17.271.008	16.878.603
<i>Short term provisions from employee benefits</i>	19	14.932.235	14.384.111
<i>Other Short-Term Provisions</i>	18	2.338.774	2.494.492
Other Short-Term Liabilities	20	71.933.477	67.314.304
<b>TOTAL SHORT-TERM LIABILITIES</b>		<b>784.740.365</b>	<b>939.869.757</b>
Long Term Borrowings	32	--	--
Long-Term Financial Lease Obligations	32	912.620	2.482.645
Other Payables	6-8	43.624.496	55.899.786
<i>Other Payables to Related Parties</i>	6	--	--
<i>Other Payables to Third Parties</i>	8	43.624.496	55.899.786
Long Term Provisions	18-19	7.658.031	7.791.161
<i>Long term provisions for employee benefits</i>	19	7.446.955	7.550.293
<i>Other Long-Term Provisions</i>	18	211.076	240.869
Deferred Tax Liabilities	29	48.922	45.587.950
Other Long-Term Liabilities	20	18.932.421	24.385.883
<b>TOTAL LONG-TERM LIABILITIES</b>		<b>71.176.490</b>	<b>136.147.426</b>

Consolidated financial statements for the period ending on 31.03.2024 have been approved by the Board of Directors Decision dated 21.06.2024 and numbered 2024/13.

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

**ÇAN2 TERMİK A.Ş.**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**FOR THE PERIOD AS OF 31.03.2024**  
(Currency is TRY unless otherwise is indicated.)

		<b>Current Period Not Audited Consolidated</b>	<b>Previous Period Audited Consolidated</b>
<b>EQUITY</b>	<b>NOTES</b>	<b>31.03.2024</b>	<b>31.12.2023</b>
<b>Equity of Parent Company</b>		<b>18.893.502.234</b>	<b>19.363.065.846</b>
Paid-in Share Capital	21	938.116.903	938.116.903
Positive Differences From Share Capital Adjustment		1.800.108.738	1.752.531.700
Shares Discount/Premium	21	3.634.615.338	3.634.615.338
Other Accumulated Comprehensive Income and Expenses to be Reclassified to Profit or Loss	21-37	(1.261.805.450)	(1.498.329.651)
<i>Foreign Currency Conversion Adjustments</i>	37	(1.258.256.635)	(1.493.725.492)
<i>Other Gains/Losses</i>	21	(3.548.815)	(4.604.160)
Reserves on Retained Earnings	21	47.064.563	47.064.563
Capital Advances	21	1.474.418.200	1.696.519.004
Retained Earnings/Loss	21	12.792.547.990	12.278.488.653
Net Profit or Loss	30	(531.564.048)	514.059.337
<b>Minority Shares</b>		<b>--</b>	<b>--</b>
<b>TOTAL EQUITY</b>		<b>18.893.502.234</b>	<b>19.363.065.846</b>
<b>TOTAL LIABILITIES</b>		<b>19.749.419.089</b>	<b>20.439.083.029</b>

Consolidated financial statements for the period ending on 31.03.2024 have been approved by the Board of Directors Decision dated 21.06.2024 and numbered 2024/13.

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

**ÇAN2 TERMİK A.Ş.**  
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND**  
**OTHER COMPREHENSIVE INCOME**  
**FOR THE PERIOD AS OF 31.03.2024**

(Currency is TRY unless otherwise is indicated.)

		Current Period Not Audited Consolidated	Current Period Not Audited Consolidation
STATEMENT OF PROFIT/LOSS	NOTES	01.01 - 31.03.2024	01.01 - 31.03.2023
Revenue	22	1.253.074.375	2.093.659.888
Cost of Goods Sold (-)	23	(1.034.466.406)	(1.659.728.169)
<b>GROSS PROFIT/LOSS</b>		<b>218.607.969</b>	<b>433.931.719</b>
General administrative expenses (-)	24	(103.917.277)	(233.542.961)
Marketing expenses (-)	24	(25.858.947)	(2.228.992)
Other Income from Operating Activities	25	37.219.200	12.325.602
Other Expenses from Operating Activities (-)	25	(36.371.987)	(24.054.939)
<b>OPERATING PROFIT/LOSS</b>		<b>89.678.958</b>	<b>186.430.429</b>
Income from Investing Activities	26	--	784.680
Expenses from Investing Activities (-)	26	--	--
Shares of Profits/Loss of Investments Valued by Equity Method		--	--
<b>FINANCING EXPENSE BEFORE OPERATING PROFIT/LOSS</b>		<b>89.678.958</b>	<b>187.215.109</b>
Financial Income	27	9.917.487	473.902.840
Financial Expenses (-)	27	(138.182.054)	(394.520.261)
Net Monetary Position Gains (Losses)		(206.924.875)	(38.371.623)
<b>PROFIT/LOSS BEFORE TAXATION FROM CONTINUING OPERATIONS</b>		<b>(245.510.484)</b>	<b>228.226.065</b>
<b>Tax Expense/Income from Continuing Operations</b>		<b>(286.053.564)</b>	<b>108.032.989</b>
Period Tax Income/Loss	29	(2.161.805)	(7.840.393)
Deferred Tax Income/Loss	29	(283.891.758)	115.873.381
<b>PROFIT/LOSS FROM ONGOING OPERATIONS</b>		<b>(531.564.048)</b>	<b>336.259.054</b>
<b>PROFIT/LOSS FROM DISCONTINUED OPERATIONS</b>		<b>--</b>	<b>--</b>
<b>PROFIT/LOSS FOR THE PERIOD</b>		<b>(531.564.048)</b>	<b>336.259.054</b>
<b>Profit/loss distribution for the period</b>			<b>--</b>
Minority Shares		--	--
Parent Company Shares	21	(531.564.048)	336.259.054
<b>Earnings Per Share</b>			
Earnings per share from continuing operations	30	(0,680727)	1,050810
<b>OTHER COMPREHENSIVE INCOME</b>		<b>1.055.345</b>	<b>5.193.163</b>
<b>Not to be reclassified to profit or loss</b>		<b>1.055.345</b>	<b>5.193.163</b>
Actuarial losses and earnings calculated under employee benefits	19-28	1.407.126	6.491.453
Effect of Tax	19-22	(351.782)	(1.298.291)
<b>To be Reclassified to profit or loss</b>		<b>39.916.886</b>	<b>(171.219.718)</b>
Cash Flow Hedging Gains/Losses	37	53.222.515	(214.024.647)
Deferred Tax Expense/Income	29	(13.305.629)	42.804.929
<b>OTHER COMPREHENSIVE INCOME</b>		<b>40.972.231</b>	<b>(166.026.555)</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>(490.591.817)</b>	<b>170.232.499</b>

Consolidated financial statements for the period ending on 31.03.2024 have been approved by the Board of Directors Decision dated 21.06.2024 and numbered 2024/13.

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

**ÇAN2 TERMİK A.Ş.**  
**CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE PERIOD AS OF 31.03.2024**

(Currency is TRY unless otherwise is indicated.)

	Not to be Reclassified to profit or loss accumulated other comprehensive income or expenses					To be Reclassified to profit or loss accumulated other comprehensive income or expenses		Accumulated Profit			
	Paid-in Share Capital	Capital Adjustment Differences	Share Premiums / Discounts	Actuarial Loss /Gain	Hedging Profit / (Loss)	Capital Reserves	Reserves on Retained Earnings	Retained Earnings/Losses	Net Profit/Loss for the Period	Minority Interest	Equity
<b>Balance on January 1, 2023</b>	320.000.000	1.343.672.310	744.877.703	(3.593.991)	(1.452.632.091)	--	--	9.650.847.219	3.000.847.803	--	13.604.018.953
Other Comprehensive Income/Expense	--	--	--	5.193.163	(126.845.864)	--	--	--	--	--	(121.652.701)
Transfers	--	--	(185.332.488)	--	--	--	27.307.068	3.273.209.422	(3.000.847.803)	--	114.336.199
Increase/Decrease Due to Other Changes	--	47.577.032	(209.835.472)	--	--	--	19.757.494	--	--	--	(142.500.946)
Net Profit/Loss for The Period	--	--	--	--	--	--	--	--	336.259.054	--	336.259.054
<b>Balance on March 31, 2023</b>	320.000.000	1.391.249.342	349.709.743	1.599.172	(1.579.477.955)	--	47.064.562	12.924.056.641	336.259.054	--	13.790.460.559
<b>Balance on January 1, 2024</b>	320.000.000	(1.399.068)	185.332.488	(1.659.101)	(766.181.663)	2.829.801.337	--	(293.751.490)	2.137.026.469	--	4.409.168.972
Other Comprehensive Income/Expense	--	--	--	1.055.345	235.468.857	--	--	--	--	--	236.524.202
Transfers	--	--	--	--	--	--	--	514.059.337	(514.059.337)	--	--
Capital Increase	--	--	--	--	--	(222.100.804)	--	--	--	--	(222.100.804)
Increase/Decrease Due to Other Changes	--	47.577.038	--	--	--	--	--	--	--	--	47.577.038
Net Profit/Loss for The Period	--	--	--	--	--	--	--	--	(531.564.048)	--	(531.564.048)
<b>Balance on March 31, 2024</b>	938.116.903	1.800.108.738	3.634.615.338	(3.548.815)	(1.258.256.635)	1.474.418.200	47.064.563	12.792.547.990	(531.564.048)	--	18.893.502.234

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

**ÇAN2 TERMİK A.Ş.**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD AS OF 31.03.2024**  
(Currency is TRY unless otherwise is indicated.)

		<b>Current Period Not Audited Consolidated</b>	<b>Previous Period Not Audited Consolidated</b>
	<b>NOTES</b>	<b>01.01-31.03.2024</b>	<b>01.01-31.03.2023</b>
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		<b>2.049.102.800</b>	<b>854.606.267</b>
<b>Profit/Loss for The Period</b>		<b>(531.564.048)</b>	<b>336.259.054</b>
<b>Adjustments To Reconcile Net Profit/Loss for The Period</b>		<b>2.859.757.368</b>	<b>1.139.791.244</b>
Adjustments related to Amortization and Depreciation Expenses	11-12-14-23-24	398.420.966	53.221.898
Adjustments for Impairment (Cancellation) of Receivables	7	(230.933)	(316.475)
Adjustments Related to Employees Benefits Provision (Cancellation)	19	4.620.056	2.866.375
Adjustment Related to Litigation and/or Penalty Provisions (Cancellation)	18	(155.718)	861.605
Adjustments Regarding (Cancellation) of Provisions Set aside in accordance with Sectoral Requirements	18	(29.793)	(39.907)
Deferred Financing Expense from Forward Purchases	7-8	31.320.342	12.737.757
Unearned Finance Income from Futures Sales	7-8	(49.065.510)	(12.102.701)
Adjustments Regarding Interest Expenses	20	71.933.477	48.507.969
Adjustments Related to Interest Income	20	(419.439.603)	(38.969.454)
Adjustments for Unrealized Currency Translation Differences		--	88.085.209
Adjustments Regarding Tax Expenses/Income	29	503.663.268	(306.427.094)
Adjustment on Fair Value Loss (Gains) of Derivative Financial Instruments	37	235.468.857	(126.845.864)
Adjustments for Fair Value Loss (Gains)		2.083.251.960	1.418.211.924
<b>Changes In Business Capital</b>		<b>(280.145.865)</b>	<b>(626.637.193)</b>
Adjustments Regarding Increase/Decrease in Inventories	9	(901.184.071)	(248.240.269)
Increase/Decrease in Trade Receivables from Related Parties	6	99.020.366	49.306.920
Increase/Decrease in Trade Receivables from Unrelated Parties	7	244.103.479	(2.778.999.789)
Decrease (Increase) in Other Receivables from Related Parties	6	(6.425.913)	(83.162.930)
Decrease (Increase) in Other Receivables from Unrelated Parties	8	(6.168.808)	593.646
Change in Other Assets	20	460.948.003	653.143.737
Increase (Decrease) in Trade Payables to Related Parties	6	--	(229.916)
Increase (Decrease) in Trade Payables to Non-Related Parties	7	(75.177.920)	128.319.994
Change in Prepaid Expenses	10	37.656.048	19.764.522
Change in Payables Under Employee Benefits	19	5.228.143	14.659.194
Increase (Decrease) in Other Payables Related to Operations to Related Parties	6	(9.511.087)	2.455.458.088
Increase (Decrease) in Other Payables Related to Operations to Non-Related Parties	8	(58.271.873)	168.693.555
Provisions for Employee Benefits	19	444.786	(4.172.651)
Increase (Decrease) in Deferred Income	10	9.830	(10.682.522)
Change in Other Liabilities	20	(70.816.847)	(991.088.772)
<b>Cash Flows from activities</b>		<b>2.048.047.455</b>	<b>849.413.105</b>
Other gain/loss	21	1.055.345	5.193.163
<b>B. CASH FLOWS FROM INVESTMENT ACTIVITIES</b>		<b>(1.991.878.984)</b>	<b>(717.695.499)</b>
Cash Inflows Arising from the Sale of Tangible Fixed Assets	11	--	784.680
Cash Outflows Arising from the Purchase of Tangible Fixed Assets	11	(1.947.409.843)	(656.229.957)
Cash Outflows Arising from the Purchase of Intangible Assets	12	(40.876.432)	(62.975.121)
Cash Outflows from Right-to-Use Assets	14	(3.592.708)	724.900
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		<b>8.520.405</b>	<b>38.130.961</b>
Cash Inflows from Financial Lease Contracts	32	(1.992.283)	(899.218)
Cash Inflows from Loans	32	10.122.651	48.330.317
Cash Inflows for Debt Payments Arising from Rental Agreements	14	5.822.646	10.258
Cash Outflows Related to Loan Repayments	32	(4.216.336)	(8.983.950)
Cash Outflows Related to Debt Payments Arising from Rental Agreements	14	(1.272.340)	(320.965)
Cash Outflows from Other Financial Debt Payments	32	56.067	(5.481)
<b>MONETARY EFFECT OF NET INCREASE/DECREASE OF CASH AND CASH EQUIVALENTS</b>		<b>(2.289.250)</b>	<b>(382.565.789)</b>
<b>NET INCREASE/DECREASE OF CASH AND CASH EQUIVALENTS</b>		<b>63.454.971</b>	<b>(207.524.060)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>		<b>129.100.171</b>	<b>397.108.306</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		<b>192.555.142</b>	<b>189.584.246</b>

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



**ÇAN2 TERMİK A.Ş.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD 01.01.2021-31.03.2024**  
(Amounts are expressed in Turkish Lira “TRY” unless otherwise stated.)

---

**1. ORGANIZATION AND CORE BUSINESS OF THE COMPANY**

**Çan2 Termik A.Ş.**

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

The license certificate of the Company for Çan-2 Thermal Power Plant Production Facility with an installed capacity of 340 MWm/330 MWe located in Çan district of Çanakkale province was approved by the decision of the Energy Market Regulatory Authority dated 28.01.2016 and numbered 6083-2, and on 28.01.2016 the Company's license was approved. e delivered. Ministry acceptance of Çan-2 Thermal Power Plant was made on 01.08.2018. In addition, regarding the thermal power plant, Industry Registry Certificate dated 10.08.2020 and numbered 720480 and a capacity report valid until 29.07.2022 dated 28.07.2020 and numbered 79 were obtained. As of 31.03.2024, the average number of employees of the Group is 806.

The capital of Çan2 Termik A.Ş. as of 31.03.2024 is TRY 938.116.902,57 and the shareholding structure is as follows:

	<b>31.03.2024</b>	<b>31.12.2023</b>
Odaş Elektrik Üretim Sanayi Ticaret A.Ş.	58,44%	58,44%
Public Shares	41,56%	41,56%

**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 established to engage in the establishment, commissioning, leasing, generation of electrical energy, and sale of the generated electrical energy and/or capacity to customers. As of 31.12.2023, the average number of employees of Yel Enerji is 127 people.

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

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

As of 31.03.2024, Yel Enerji's capital is TRY 6.000.000 and its shareholding structure is as follows:

	<b>31.03.2024</b>	<b>31.12.2023</b>
Çan2 Termik A.Ş.	100%	100%

**ÇAN2 TERMİK A.Ş.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD 01.01.2021-31.03.2024**  
(Amounts are expressed in Turkish Lira “TRY” unless otherwise stated.)

**1.ORGANIZATION AND CORE BUSINESS OF THE COMPANY (CONTINUED)**

**Çan 2 Trakya Kömür Maden A.Ş.**

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

Çan 2 Trakya is engaged in purchasing, selling, manufacturing, assembling, and importing all kinds of natural stones and mineral ores in finished and semi-finished form. Its center is in Barbaros District, Karanfil Street, Varyap Meridian Site No: 1D, Ataşehir / Istanbul. As of 31.03.2024, the average number of employees of Çan 2 Trakya is 2 people.

The capital of Çan 2 Trakya is TRY 550.000 as of 31.03.2024 and its shareholding structure is as follows:

	<b>31.03.2024</b>	<b>31.12.2023</b>
Çan2 Termik A.Ş.	100%	100%

**Information on EMRA licenses held by the parent company and its subsidiaries as of 31 March 2024 is as follows;**

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

**Information on the licenses of the parent company and its subsidiaries as of 31 March 2024 is as follows;**

<b>Owner</b>	<b>License Group</b>	<b>License Type</b>	<b>License Number</b>	<b>Effective Date</b>	<b>Ending Date</b>
YEL ENERJİ	IV. Group	Operation	17517	05.01.2015	05.01.2025
YEL ENERJİ	IV. Group	Exploration	201900443	09.04.2019	09.04.2026
YEL ENERJİ	IV. Group	Operation	80272	25.01.2019	25.01.2029

**2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS**

**a. Basis of Presentation**

**Applied Accounting Standards**

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

**ÇAN2 TERMİK A.Ş.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD 01.01.2024-31.03.2024**  
(Amounts are expressed in Turkish Lira “TRY” unless otherwise stated.)

---

## **2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)**

### **Current and Reporting Currency**

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

### **Adjusting Financial Tables in High Inflation Periods**

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

In accordance with the standard in question, financial statements prepared based on the currency of a hyperinflationary economy are prepared in the purchasing power of this currency at the balance sheet date. In the previous period financial statements, comparative information is expressed in terms of the current measurement unit at the end of the reporting period for comparison purposes. Therefore, the Group has presented its consolidated financial statements as of December 31, 2022 based on the purchasing power principle as of December 31, 2023.

Pursuant to the CMB’s decision dated December 28, 2023 and numbered 81/1820, it has been decided that issuers and capital market institutions subject to financial reporting regulations that apply Turkish Accounting/Financial Reporting Standards will apply inflation accounting by applying the provisions of TAS 29, starting from their annual financial reports for accounting periods ending as of December 31, 2023. The rearrangements made pursuant to TAS 29 were made using the correction coefficient obtained from the Consumer Price Index (“CPI”) in Turkey published by the Turkish Statistical Institute (“TurkStat”). As of March 31, 2024, the indices and correction coefficients used in the correction of consolidated financial statements are as follows:

<b>Date</b>	<b>Index</b>	<b>Adjusting Coefficient</b>
31.03.2024	2.139,47	1
31.12.2023	1.859,38	1,150
31.03.2023	1.269,75	1,685

### **Basis of Consolidation**

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

Consolidated financial statements include all subsidiaries of the parent company.,

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

**ÇAN2 TERMİK A.Ş.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD 01.01.2024-31.03.2024**  
(Amounts are expressed in Turkish Lira “TRY” unless otherwise stated.)

---

**2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)**

- All expenses, income, transactions, and balances incurred of group are eliminated.
- Subsidiary income, expenses and dividends including all balances and transactions are eliminated. Profits and loss which are added to inventory or cost of current and non-current assets due to transactions in subsidiaries are eliminated. Loss in group can show an impairment which should be in account in assets section of consolidated financial reports. The differences which rise during elimination of loss and profits which resulted by transactions in group apply in accordance with TAS 12 “Income Taxes” standard.
- Necessary adjustments are made during preparation of consolidated financial statements when one of subsidiaries needs to use different accounting principles for similar transactions or events.
- The consolidated financial reports of the partnership and subsidiaries are prepared at the same time with financial statements. Accounting policies are accepted for consolidated financial reports, same transactions, and transactions in same condition.
- All income and expenses of a subsidiary take in account consolidated financial reports after acquisition date according to TFRS 3 and this situation continues till the date of partnership lose its control power on subsidiary. When subsidiary sold; the difference between the income resulted by this transaction and the book value of subsidiary will be shown as loss or profit in consolidated comprehensive income statement. About this transaction if there is a currency translation loss or profits which are related directly to equity consider in accordance with “TAS 21 Currency Change Effects”.
- Minority interest can be shown at equities section in consolidated statement of financial position separately from equities amount of partnership. The Group’s loss or profit amount for minority interest should be shown also separately on financial statements.

**Comparative Information and Restatement of Prior Period Financial Statements**

The Group has prepared the consolidated statement of financial position dated 31 March 2024 with the consolidated financial position statement prepared as of 31 December 2023; Consolidated comprehensive income statement for the period 1 January - 31 March 2024, consolidated statement of comprehensive income prepared as of January 1 - March 31, 2023, statement of cash flows; The consolidated statement of changes in shareholders' equity, dated 1 January - 31 March 2024, was prepared in comparison with the consolidated statement of changes in shareholders' equity, dated 1 January - 31 March 2023. In order to comply with the presentation of the current period consolidated financial statements, comparative information is reclassified when deemed necessary and significant differences are disclosed.

**Changes in Accounting Policies**

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

**b. Changes and Errors in Accounting Estimates**

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

**ÇAN2 TERMİK A.Ş.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD 01.01.2024-31.03.2024**  
(Amounts are expressed in Turkish Lira “TRY” unless otherwise stated.)

---

## **2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)**

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

### **Significant Accounting Evaluations, Estimates and Assumptions**

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

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

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

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

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

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

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

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

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

**ÇAN2 TERMİK A.Ş.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD 01.01.2024-31.03.2024**  
(Amounts are expressed in Turkish Lira “TRY” unless otherwise stated.)

---

## **2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)**

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

### **c. Going Concern**

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

### **d. Netting/Deduction**

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

### **e. Changes in Financial Reporting Standards**

#### **New standards in force as year of 2024 and amendments and interpretations to existing previous standards**

IFRS 16 (Amendments) Lease Obligation in a Sale and Leaseback Transaction;

These amendments to IFRS 16 clarify how a seller-lessee subsequently measures sale and leaseback transactions that meet the requirements in IFRS 15 to be recognized as sales.

These amendments to IFRS 16 are effective for annual periods beginning on or after January 1, 2024, with earlier application permitted.

TAS 1 (Amendments) Long-Term Liabilities Including Credit Agreement Terms;

The amendments to TAS 1 explain how the conditions that an entity must meet within twelve months after the reporting period affect the classification of a liability.

These amendments to TAS 1 will be applied in annual accounting periods beginning on or after January 1, 2024, although early application is also permitted.

TAS 7 and IFRS 7 (Amendments) Supplier Finance Agreements;

The amendments to TAS 7 and IFRS 7 add signposts to existing disclosure requirements requiring entities to provide qualitative and quantitative information about supplier finance agreements and disclosure requirements. The amendments are effective in annual accounting periods beginning on or after January 1, 2024.

TSRS 1 General Requirements for Disclosure of Sustainability-Related Financial Information;

TSRS 1 establishes general requirements for sustainability-related financial disclosures in order to require an entity to disclose information about sustainability-related risks and opportunities that will be useful to primary users of general-purpose financial reports in making decisions about providing resources to the entity. The application of this standard is mandatory for entities that meet the relevant criteria in the announcement of the KGK dated January 5, 2024 and numbered 2024-5, and for banks regardless of the criteria, in annual reporting periods starting on or after January 1, 2024. Other entities may report in accordance with TSRS standards on a voluntary basis.

**ÇAN2 TERMİK A.Ş.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD 01.01.2024-31.03.2024**  
(Amounts are expressed in Turkish Lira “TRY” unless otherwise stated.)

---

## **2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)**

TSRS 2 Climate-Related Disclosures.

TSRS 2 sets out requirements for the identification, measurement and disclosure of climate-related risks and opportunities that will be useful to primary users of general purpose financial reports in making decisions about providing resources to the entity. The application of this standard is mandatory for the enterprises that meet the relevant criteria in the announcement of the KGK dated January 5, 2024 and numbered 2024-5, and for banks, regardless of the criteria, in annual reporting periods starting on or after January 1, 2024. Other enterprises may report in accordance with the TSRS standards on a voluntary basis.

### **Standards, amendments and interpretations published but not yet effective**

TFRS 17 Insurance Contracts;

TFRS 17 requires insurance liabilities to be measured at a current coverage value and provides a more streamlined measurement and presentation approach for all insurance contracts. These requirements are designed to achieve consistent, principle-based accounting in insurance contracts. TFRS 17 has been postponed for insurance, reinsurance and retirement companies for another year and will replace TFRS 4 Insurance Contracts as of January 1, 2025.

TFRS 17 (Amendments) Insurance Contracts and Initial Application of TFRS 17 and TFRS 9 - Comparative Information;

Amendments have been made to TFRS 17 in order to reduce implementation costs, facilitate the disclosure of results and transition.

In addition, with the amendment regarding comparative information, companies that first apply TFRS 7 and TFRS 9 at the same time are allowed to present comparative information on their financial assets as if the classification and measurement requirements of TFRS 9 had previously been applied to that financial asset.

The changes will be applied when IFRS 17 is first applied.

The possible effects of these standards, amendments and improvements on the Group's consolidated financial position and performance are being evaluated.

### **f. Summary of Important Accounting Policies**

#### **Related Parties**

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

- a) If the party directly or indirectly with one or more agent:
  - i) Controls the company, controlled by enterprise or is present under the same control with the enterprise (including parent companies, subsidiaries and subsidiaries at the same line of business);
  - ii) Has share which allows it to have big impact on the company; or
  - iii) Has associated control on the company.
- b) If the party is an affiliate of the company;
- c) If the party is a business partnership where the group is a party;
- d) If the party is a member of the key personnel in the group or Company's main partnership;
- e) If the party is a close family member of any person mentioned in the a or d parts;
- f) If the party is an enterprise which is controlled, partnered or under important effect or any person mentioned in The party must have post-employment benefit plans for employees of the entity or an entity that is a related party

**ÇAN2 TERMİK A.Ş.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD 01.01.2024-31.03.2024**  
(Amounts are expressed in Turkish Lira “TRY” unless otherwise stated.)

---

## **2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)**

### **Financial assets**

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

#### ***Financial assets at fair value through profit or loss***

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

#### ***Financial assets measured at amortized cost***

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

#### ***Financial assets at fair value through other comprehensive income***

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

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

### **Registration and derecognition of financial assets**

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



**ÇAN2 TERMİK A.Ş.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD 01.01.2024-31.03.2024**  
(Amounts are expressed in Turkish Lira “TRY” unless otherwise stated.)

---

**2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)**

**Impairment / expected loss provision in financial assets**

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

For all financial assets, except for trade receivables, where the carrying amount is reduced through the use of an allowance account, the impairment is directly deducted from the carrying amount of the relevant financial asset. In case the trade receivable cannot be collected, the amount in question is deducted from the provision account and written off. Changes in the provision account \*are recognized in profit or loss for the period. Except for equity instruments at fair value through other comprehensive income, if the impairment loss is reduced in a subsequent period and the decrease can be attributed to an event that occurred after the impairment loss was recognized, the previously recognized impairment loss would never have been recognized at the date the impairment loss would be reversed. It is canceled in the consolidated income statement so that it does not exceed the amortized cost amount that it will reach.

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

**Interests, dividends, losses, and gains**

Interest, dividends, losses, and gains related to a financial instrument, or a financial liability are recognized as income or expense in profit or loss. Distributions to equity instrument holders are accounted for directly in equity. Transaction costs arising from equity transactions are accounted for as a discount from equity. Income taxes on distributions to shareholders of equity instruments and transaction costs arising from equity transactions are accounted for in accordance with TAS 12 Income Taxes. The classification of a financial instrument as a financial liability or equity instrument determines whether interest, dividends, losses and gains on that instrument are recognized as income or expense in profit or loss. Thus, dividend payments on shares that are fully accounted for as liabilities are accounted for as expenses, just like interest on bonds. Similarly, gains and losses associated with the repurchase or refinancing of financial liabilities are recognized in profit or loss, while the repurchase or refinancing of equity instruments is accounted for as a change in equity. Changes in the fair value of the equity instrument are not reflected in the financial statements. An entity generally incurs various costs in issuing or repurchasing its own equity instruments. These costs may include registration and other regulatory fees, legal, financial, and other professional consulting fees, printing costs and stamp duties. Transaction costs arising from these transactions are accounted for as a deduction from equity, as long as there are additional costs incurred directly from these transactions, that is, they do not need to be incurred otherwise. In addition, costs related to abandoned equity transactions are recognized as an expense.

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

**ÇAN2 TERMİK A.Ş.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD 01.01.2024-31.03.2024**  
(Amounts are expressed in Turkish Lira “TRY” unless otherwise stated.)

---

## **2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)**

### ***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. The cost of inventories covers all purchasing costs, conversion costs and other expenses made to bring the inventories into their current state and condition. When net realizable value of inventories is less than their cost, inventories will be valued according to their realizable value and the difference will be record as an item in comprehensive income statement.

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

### **Tangible Fixed Assets**

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

**ÇAN2 TERMİK A.Ş.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD 01.01.2024-31.03.2024**  
(Amounts are expressed in Turkish Lira “TRY” unless otherwise stated.)

---

**2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)**

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

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

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

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

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

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

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

**Intangible Assets**

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

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

**ÇAN2 TERMİK A.Ş.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD 01.01.2024-31.03.2024**  
(Amounts are expressed in Turkish Lira “TRY” unless otherwise stated.)

---

## **2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)**

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

### **Leases – TFRS 16 (As a Lessor)**

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

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

- The contract contains an identified asset (identification of an asset by express or implied indication in the contract),
- A functional part of the asset is physically separate or represents almost the entire capacity of the asset (the asset is not defined if the supplier has a substantive right to replace the asset throughout its useful life and derive economic benefits from it),
- The Group has the right to obtain almost all of the economic benefits to be derived from the use of the identified asset,
- The Group has the right to direct the use of the identified asset. The Group has the right to manage the use of the asset in any of the following situations:
  - a) The Group has the right to manage and change how and for what purpose the asset will be used throughout the period of use, or
  - b) The following decisions regarding how and for what purpose the asset will be used have been determined beforehand:
    - i. The Group has the right to operate the asset (or direct others to operate the asset as it determines) throughout the life of the asset and the supplier does not have the right to change these operating instructions; or
    - ii. The Group has designed the asset (or certain features of the asset) to predetermine how and for what purpose the asset will be used throughout its useful life.

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

### **Right-of-use asset**

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

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

Costs incurred by the group (excluding costs incurred for producing inventory). When applying the group cost method, the right-of-use entity:

- a) deducting accumulated depreciation and accumulated impairment losses; and
- b) measures at cost adjusted for remeasurement of the lease liability.

**ÇAN2 TERMİK A.Ş.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD 01.01.2024-31.03.2024**  
(Amounts are expressed in Turkish Lira “TRY” unless otherwise stated.)

---

## **2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)**

### **Leases – TFRS 16 (As a Lessor)**

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

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

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

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

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

### **Cash flow hedges**

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

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

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

### **Facilitating applications**

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

**ÇAN2 TERMİK A.Ş.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD 01.01.2024-31.03.2024**  
(Amounts are expressed in Turkish Lira “TRY” unless otherwise stated.)

---

## **2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)**

### **Investment Properties**

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

### **Borrowing Costs**

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

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

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

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

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

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

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

**ÇAN2 TERMİK A.Ş.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD 01.01.2024-31.03.2024**  
(Amounts are expressed in Turkish Lira “TRY” unless otherwise stated.)

---

## **2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)**

### **Provisions, Contingent Liabilities and Assets**

#### ***Provisions***

Provisions which are present in group as of the statement of financial position date can be accounted in case where there is a legal liability sourced from past or a structural liability and it is highly possible to realize exit of resources to fulfil this liability, there is a reliable estimated amount of liability. In cases where here is more than one a like liability, the need for the possibility of exit of resources which can provide economic profit evaluate by taking in account of all same liabilities in same quality. Even if there is a little possibility to realize exit of resources for a liability in same quality, group allocates provision. Group does not allocate provision for operational loss in future. In cases when the value effect of money is important, amount of provision determine with present value of expenses which will be needed to fulfil liability.

#### ***Contingent Assets and Liabilities***

Contingent assets and liabilities are contingent assets and liabilities that arise from past events and whose realization is dependent on the occurrence or non-existence of one or more events that are beyond the Group's complete control in the future.

The Group does not reflect contingent assets and liabilities in its records. Contingent liabilities are disclosed in the notes to the consolidated financial statements unless the probability of an outflow of relevant economic benefits is remote, whereas contingent assets are disclosed only if an inflow of economic benefits is highly probable.

### **Employee Benefits:**

#### ***Defined Benefit Plan***

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

Liability of severance benefit means value of estimated total provisions for possible liabilities which will occur in future cause of ending the agreement between group and its personnel for defined reasons according to

Turkish Labor Law or retirement of personnel according to related law as of statement of financial position date. Group calculates severance benefit by predicting discounted net value of deserved benefits or based on the information from group's experience about fire personnel or quit of the personnel and reflects to its financial statements.

#### ***Defined Contribution Proportions***

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

### **Revenues**

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

**ÇAN2 TERMİK A.Ş.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD 01.01.2024-31.03.2024**  
(Amounts are expressed in Turkish Lira “TRY” unless otherwise stated.)

---

**2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)**

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

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

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

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

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

**Foreign Currency Translation**

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

As of 31.03.2024, announced buying rate of USD by the Central Bank of Republic of Turkey is 32,2854 TRY (31.12.2023: 29,4382 TRY), buying rate of EURO is 34,8023 TRY (31.12.2023: 32,5739 TRY), buying rate of GBP is 40,6665 TRY (31.12.2023: 37,4417 TRY). As of the date of 31.03.2024 announced buying rate of USD by the Central Bank of Republic of Turkey is 32,3436 TRY (31.12.2023: 29,4913 TRY), buying rate of EURO is 34,8650 TRY (31.12.2023: 32,6326 TRY), buying rate of GBP is 40,8786 TRY (31.12.2023: 37,6369 TRY).

**Calculated Taxed on Corporation Revenue**

***Deferred Tax***

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



**ÇAN2 TERMİK A.Ş.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD 01.01.2024-31.03.2024**  
(Amounts are expressed in Turkish Lira “TRY” unless otherwise stated.)

---

## **2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)**

### ***Current Tax Payments***

Corporate tax rate in Turkey is 25% as of 2023. This rate can be applied to tax base which if found out after adding expenses, which are not accepted to reduce from tax according to tax law, to its commercial income and deducting exceptions in law (exception like affiliate income), discounts (like investment discount). In case of not distributing dividends, it will not be necessary to pay another tax.

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

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

### **Earnings / Loss Per Share**

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

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

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

### **Events After the Reporting Period**

Subsequent events cover all events between authorization dates for publishing statement of financial position and statement of financial position date even if they are related to an announcement related to profits or if they occur after publishing financial information to public.

In case of occurring, events which are necessary to make adjustments after statement of financial position date, group adjusts the amounts in financial statements in an appropriate way to this situation. Subjects which are not necessary to make adjustment occurred after statement of financial position date is explained in explanatory notes of financial statements if they will affect economic decision of financial statements user.

**ÇAN2 TERMİK A.Ş.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD 01.01.2024-31.03.2024**  
(Amounts are expressed in Turkish Lira “TRY” unless otherwise stated.)

---

## 2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

### Statement of Cash Flow

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

### Determination of Fair Value

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

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

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

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

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

## 3. BUSINESS COMBINATIONS

None. (31.12.2023: None)

## 4. JOINT VENTURES

None. (31.12.2023: None)

## 5.SEGMENT REPORTING

Segment reporting has not been made since the entity does not have a distinguishable operating segment that has different characteristics in terms of risk and return in the provision of product or service group, and a distinguishable geographical segment with different risk and return characteristics.

## 6. RELATED PARTY DISCLOSURES

i) Balances of the Company with its’ related parties as of March 31, 2024 and December 31, 2023:

### a) Trade receivables from related parties :

	<b>31.03.2024</b>	<b>31.12.2023</b>
Voytron Enerji Elektrik Perakende Satış A.Ş.	353.031.498	407.448.154
Suda Stratejik Metal Dış Ticaret A.Ş.	157.896.858	203.472.165
Arsın Enerji Elektrik Üretim Sanayi Ticaret A.Ş.	8.979.854	10.023.368
Hidro Kontrol Elektrik Üretim A.Ş	162.125	181.720
<b>TOTAL</b>	<b>520.070.335</b>	<b>621.125.407</b>
<i>Deduction: Unaccrued financial expenses</i>	<i>(112.784.829)</i>	<i>(114.819.535)</i>
<b>TOTAL</b>	<b>407.285.506</b>	<b>506.305.872</b>

**ÇAN2 TERMİK A.Ş.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD 01.01.2024-31.03.2024**  
(Amounts are expressed in Turkish Lira “TRY” unless otherwise stated.)

**6. RELATED PARTY DISCLOSURES (CONTINUED)**

**b) Other receivables from related parties:**

	<b>31.03.2024</b>	<b>31.12.2023</b>
Batı Trakya Madencilik A.Ş.	12.411.244	--
Abdulkadir Bahattin Özal	7.192.803	7.837.866
Süleyman Sarı	160.750	184.965
Odaş Elektrik Üretim San. ve Tic. A.Ş.	122.402	138.766
Burak Altay	118.046	679.140
Tahsin Yazan	100.000	115.064
Kısrakdere Maden A.Ş.	34.793	40.034
Nos Gıda	7.910	--
<b>TOTAL</b>	<b>20.147.948</b>	<b>8.995.835</b>
<i>Deduction: Unaccrued financial expenses</i>	<i>(4.738.849)</i>	<i>(12.651)</i>
<b>TOTAL</b>	<b>15.409.099</b>	<b>8.983.185</b>

**c) Trade payables to related parties:**

	<b>31.03.2024</b>	<b>31.12.2023</b>
Odaş Elektrik Üretim San. ve Tic. A.Ş.	31.607.158	32.232.278
Ys Madencilik Sanayi ve Tic. Ltd. Şti	27.817.473	31.349.804
Voytron Enerji Elektrik Perakende Satış A.Ş.	893.277	916.499
Suda Maden A.Ş.	25.650	35.822
Batı Trakya Madencilik A.Ş.	--	2.875.737
Burak Altay	--	679.140
<b>TOTAL</b>	<b>60.343.558</b>	<b>68.089.280</b>
<i>Deduction: Unaccrued financial income</i>	<i>(2.708.300)</i>	<i>(942.935)</i>
<b>TOTAL</b>	<b>57.635.258</b>	<b>67.146.345</b>

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

**a) Sales to Related Parties**

	<b>01 January - 31 March 2024</b>	<b>01 January - 31 March 2023</b>
Suda Stratejik Metal Dış Ticaret A.Ş.	20.642.136	11.692.072
Arsin Enerji Elektrik Üretim San. Tic. A.Ş	1.777.628	--
Voytron Enerji Elektrik Perakende Satış A.Ş.	--	163.149.399
Suda Maden A.Ş	--	10.282.303
<b>TOTAL</b>	<b>22.419.764</b>	<b>185.123.774</b>

**b) Purchases from related parties**

	<b>01 January - 31 March 2024</b>	<b>01 January - 31 March 2023</b>
Voytron Enerji Elektrik Perakende Satış A.Ş.	2.680.424	4.114.420
<b>TOTAL</b>	<b>2.680.424</b>	<b>4.114.420</b>

**ÇAN2 TERMİK A.Ş.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD 01.01.2024-31.03.2024**  
(Amounts are expressed in Turkish Lira “TRY” unless otherwise stated.)

**6. RELATED PARTY DISCLOSURES (CONTINUED)**

Fees and similar benefits provided to the top management for the accounting period ending on 31.03.2024 are as follows:

- a) **Short-term benefits provided to employees:** The total amount of wages and similar benefits provided to the members of the Board of Directors and senior managers in the first three months of the 2024 accounting period is TRY 11.592.690 (31.03.2023: 39.708.649 TRY)
- b) **Post-employment benefits:** Severance pay is paid to the personnel who deserve the rights granted by law. No payment is made other than the rights arising from the Labor Law.
- c) **Other long-term benefits:** None.
- d) **Benefits due to Dismissal:** None.
- e) **Share-based payments:** None.

**7. TRADE RECEIVABLES AND PAYABLES**

**Trade Receivables**

The details of the Group's trade receivables as of 31.03.2024 and 31.12.2023 are as follows;

	<b>31.03.2024</b>	<b>31.12.2023</b>
Customer current accounts	2.277.755.802	2.649.263.707
- Receivables from related parties	520.070.335	621.125.407
-Other receivables (*)	1.757.685.468	2.028.138.300
Notes receivable	51.209.746	59.231.576
Doubtful trade receivables	1.533.051	1.763.984
Provision for doubtful trade receivable (-)	(1.533.051)	(1.763.984)
<b>TOTAL</b>	<b>2.328.965.549</b>	<b>2.708.495.283</b>
<i>Deduction: Unaccrued financial expenses</i>	<i>(144.105.171)</i>	<i>(149.421.650)</i>
<i>-Receivables from related parties</i>	<i>(112.784.829)</i>	<i>(114.819.535)</i>
<i>-Other receivables</i>	<i>(31.320.342)</i>	<i>(34.602.115)</i>
<b>TOTAL</b>	<b>2.184.860.378</b>	<b>2.559.073.633</b>

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

**Trade Payables**

	<b>31.03.2024</b>	<b>31.12.2023</b>
Vendor Current Accounts	476.783.389	601.974.595
<i>Related party vendor payables</i>	--	--
<i>Other vendor payables</i>	476.783.389	601.974.595
Other Trade Payables	2.500	2.876
	<b>476.785.889</b>	<b>601.977.471</b>
<i>Deduction: Unaccrued financial income</i>	<i>(49.040.022)</i>	<i>(50.013.662)</i>
<i>-Receivables from related parties</i>	--	--
<i>-Other receivables</i>	<i>(49.040.022)</i>	<i>(50.013.662)</i>
<b>TOTAL</b>	<b>427.745.867</b>	<b>551.963.809</b>

**ÇAN2 TERMİK A.Ş.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD 01.01.2024-31.03.2024**  
(Amounts are expressed in Turkish Lira “TRY” unless otherwise stated.)

**8. OTHER RECEIVABLES AND PAYABLES**

**Short- Term Other Receivable**

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

	<b>31.03.2024</b>	<b>31.12.2023</b>
<i>Receivables from Related Parties</i>	20.147.948	8.995.835
Other Receivables	8.099.020	1.862.816
Deposits and guarantees given	4.112.564	4.149.047
<b>TOTAL</b>	<b>32.359.532</b>	<b>15.007.698</b>
<i>Deduction: Unaccrued financial expense</i>	<i>(4.738.848)</i>	<i>(12.651)</i>
<i>-Receivables from related parties</i>	<i>(4.738.849)</i>	<i>(12.651)</i>
<i>-Other Receivables</i>	<i>--</i>	<i>--</i>
<b>TOTAL</b>	<b>27.620.684</b>	<b>14.995.047</b>

**Long-Term Other Receivables**

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

	<b>31.03.2024</b>	<b>31.12.2023</b>
Deposits and guarantees given	205.231	236.146
<b>Total</b>	<b>205.231</b>	<b>236.146</b>

**Short-Term Other Payables**

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

	<b>31.03.2024</b>	<b>31.12.2023</b>
Payables from Related Parties	60.343.558	68.089.280
Various other debts	286.355	193.535
Taxes and funds payable	110.225.627	152.550.222
Received advances	11.054	11.311
Past Due Deferred or Installment Taxes and Other Liabilities	20.780.882	24.672.715
Other Obligations Payable	191.440	82.632
	<b>191.838.916</b>	<b>245.599.695</b>
<i>Deduction: Unaccrued financial income</i>	<i>(2.733.788)</i>	<i>(961.411)</i>
<i>-- Related party vendor payables</i>	<i>(2.708.300)</i>	<i>(942.935)</i>
<i>-Other payables</i>	<i>(25.488)</i>	<i>(18.474)</i>
<b>TOTAL</b>	<b>189.105.127</b>	<b>244.638.285</b>

The details of the tax liabilities are as follows:

	<b>31.03.2024</b>	<b>31.12.2023</b>
Withholding Tax Deducted From Wage Income	14.324.983	14.962.775
Value Added Tax	94.771.821	133.717.370
Other Tax Payables	1.128.823	3.870.077
<b>TOTAL</b>	<b>110.225.627</b>	<b>152.550.222</b>

**ÇAN2 TERMİK A.Ş.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD 01.01.2024-31.03.2024**  
(Amounts are expressed in Turkish Lira “TRY” unless otherwise stated.)

**8. OTHER RECEIVABLE AND PAYABLES (CONTINUED)**

**Long-Term Other Payables**

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

	<b>31.03.2024</b>	<b>31.12.2023</b>
Deferred or Installed Payables to the Public	43.624.496	55.899.786
<b>Total</b>	<b>43.624.496</b>	<b>55.899.786</b>

**9. INVENTORIES**

	<b>31.03.2024</b>	<b>31.12.2023</b>
Raw Material	45.803.044	35.977.867
Semi-finished goods - production	973.231.884	859.794.733
Finished Goods	588.108.505	415.426.340
Trade Goods	--	9.244.941
Other inventories	202.624.771	133.240.767
<b>TOTAL</b>	<b>1.809.768.204</b>	<b>1.453.684.648</b>

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

**10. PREPAID EXPENSES AND DEFERRED INCOME**

**Short-term prepaid expenses**

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

	<b>31.03.2024</b>	<b>31.12.2023</b>
Order Advances Given	131.705.549	151.291.588
Expenses for Future Months	30.941.764	44.135.140
<b>TOTAL</b>	<b>162.647.313</b>	<b>195.426.728</b>

**Long-term prepaid expenses**

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

**Long-Term Prepaid Expenses**

	<b>31.03.2024</b>	<b>31.12.2023</b>
Expenses for Future Months (*)	34.258.688	39.114.593
<b>TOTAL</b>	<b>34.258.688</b>	<b>39.114.593</b>

(\*) Amount related to restructured tax liabilities.

**Short Term Deferred Income**

	<b>31.03.2024</b>	<b>31.12.2023</b>
Advances received (*)	9.830	--
<b>Total</b>	<b>9.830</b>	<b>--</b>

**ÇAN2 TERMİK A.Ş.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD 01.01.2024-31.03.2024**  
(Amounts are expressed in Turkish Lira “TRY” unless otherwise stated.)

**11. TANGIBLE FIXED ASSETS**

Movement of tangible fixed assets within the accounting period of 01.01.-31.03.2024 is as follows :

	01.01.2024	Addition	Disposals	Transfer	31.03.2024
<b>Costs</b>					
Lands	581.288.150	3.170.130	-	--	584.458.280
Buildings	2.093.199	--	-	--	2.093.199
Plant, machinery and equipment	14.224.908.162	29.634.736	-	--	14.254.542.898
Vehicles	150.433.703	--	(7.866.247)	--	142.567.456
Furniture and fixtures	79.131.060	1.455.377	-	--	80.586.437
Construction in progress	363.807.640	--	-	--	363.807.640
Research expenses	691.381	46.423	-	--	737.803
<b>Total</b>	<b>15.402.353.296</b>	<b>34.306.665</b>	<b>(7.866.247)</b>	<b>--</b>	<b>15.428.793.714</b>
<b>Accumulated Depreciation</b>					
Buildings	(477.127)	(18.480)	-	--	(495.607)
Plant, machinery and equipment	(1.668.979.793)	(135.613.253)	-	--	(1.804.593.046)
Vehicles	(42.513.590)	(6.280.523)	-	--	(48.794.112)
Furniture and fixtures	(40.222.259)	(2.813.823)	-	--	(43.036.082)
<b>Total</b>	<b>(1.752.192.768)</b>	<b>(144.726.079)</b>	<b>-</b>	<b>--</b>	<b>(1.896.918.847)</b>
<b>Net Book Value</b>	<b>13.650.160.528</b>	<b>(110.419.413)</b>	<b>(7.866.247)</b>	<b>--</b>	<b>13.531.874.868</b>

The movement of tangible fixed assets within the 01.01.-31.12.2023 accounting period is as follows:

	01.01.2023	Addition	Disposals	Transfer	31.12.2023
<b>Costs</b>					
Lands	543.201.026	38.087.124	-	-	581.288.150
Buildings	2.093.199	--	-	-	2.093.199
Plant, machinery and equipment	13.968.215.167	256.692.996	-	-	14.224.908.162
Vehicles	140.188.289	12.904.014	(2.658.600)	-	150.433.703
Furniture and fixtures	62.834.101	16.296.959	-	-	79.131.060
Construction in progress	259.430.671	104.376.969	-	-	363.807.640
Research expenses	691.381	-	-	--	691.381
<b>Total</b>	<b>14.976.653.834</b>	<b>428.358.062</b>	<b>(2.658.600)</b>	<b>--</b>	<b>15.402.353.296</b>

**ÇAN2 TERMİK A.Ş.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD 01.01.2024-31.03.2024**  
(Amounts are expressed in Turkish Lira “TRY” unless otherwise stated.)

**Accumulated Depreciation**

Buildings	(419.186)	(57.941)	--	--	(477.127)
Plant, machinery and equipment	(1.135.128.212)	(533.851.581)	--	--	(1.668.979.793)
Vehicles	(19.098.398)	(24.235.717)	820.526	--	(42.513.590)
Furniture and fixtures	(29.445.434)	(10.776.824)	--	--	(40.222.259)
<b>Total</b>	<b>(1.184.091.230)</b>	<b>(568.922.064)</b>	<b>820.526</b>	<b>--</b>	<b>(1.752.192.768)</b>

<b>Net Book Value</b>	<b>13.792.562.604</b>	<b>(140.564.002)</b>	<b>(1.838.074)</b>	<b>--</b>	<b>13.650.160.528</b>
-----------------------	-----------------------	----------------------	--------------------	-----------	-----------------------

In accordance with the standard TAS 16 “Tangible Fixed Assets”, group adopted “revaluation model” starting September 30, 2018 by basing on reasonable values detected in revaluation studies by CMB licensed independent valuation company, Lal Gayrimenkul Değerleme ve Müşavirlik A.Ş., for land, underground and aboveground layouts, buildings, machinery, plants and equipment.

In the valuation report dated 11.10.2018 prepared as of 30.09.2018, the value of the investment was determined as TRY 1.961.836.045 according to the income management (DNA). In the valuation report dated 10.02.2020 prepared by an authorized valuation institution as of 31.12.2019, the value of the investment was determined as TRY 2.085.175.474 according to the income management (DNA). As there is no change in the fair values of tangible fixed assets as of the interim report date, no new valuation study has been carried out.

As of 31.12.2021, the asset value of Çan 2 Thermal Power Plant is 12.01. It is reflected in the financial statements over the values in the Asset Valuation Report dated 2023. The asset value of Çan 2 Thermal Power Plant has been determined as TRY 4.684.505.558 by the authorized valuation institutions according to the income method (DNA).

“Capitalization of Revenues INA analysis” and “Cost Method” were used to determine the fair values of the facility. These valuations were made according to International Valuation Standards (IVSC) by the valuation company authorized by the CMB.

**12. INTANGIBLE FIXED ASSETS**

As of 31.03.2024, the details of the Group's intangible assets are as follows:

	<b>01.01.2024</b>	<b>Addition</b>	<b>Disposals</b>	<b>Transfer</b>	<b>31.03.2024</b>
<b>Cost</b>					
Rights	59.041.607	-	-	-	59.041.607
Research and Development Expenses	444.562	171.048	-	-	615.610
Other Intangible Assets	4.353.928	-	-	-	4.353.928
Preparation and Development Expenses	250.833.232	1.544.600	-	-	252.377.832
<b>Total</b>	<b>314.673.329</b>	<b>1.715.648</b>	<b>-</b>	<b>-</b>	<b>316.388.977</b>

**Accumulated Depreciation**

Rights	(27.351.114)	(5.253.262)	-	149.947	(32.454.429)
Other Intangible Assets	(3.480.689)	(60.055)	-	-	(3.540.744)
Preparation and Development Expenses	(107.004.359)	(1.097.246)	-	-	(108.101.605)
<b>Total</b>	<b>(137.836.162)</b>	<b>(6.410.563)</b>	<b>--</b>	<b>149.947</b>	<b>(144.096.778)</b>

<b>Net Book Value</b>	<b>176.837.166</b>	<b>(4.694.915)</b>	<b>--</b>	<b>149.947</b>	<b>172.292.199</b>
-----------------------	--------------------	--------------------	-----------	----------------	--------------------



**ÇAN2 TERMİK A.Ş.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD 01.01.2024-31.03.2024**

(Amounts are expressed in Turkish Lira “TRY” unless otherwise stated.)

The details of the intangible assets of the Group for the accounting period ended on 31.12.2023 are as follows:

	01.01.2023	Addition	Disposals	Transfer	31.12.2023
<b>Cost</b>					
Rights	41.484.071	17.265.275	292.261	--	59.041.607
Research and Development Expenses	--	444.562	--	--	444.562
Other Intangible Assets	2.395.412	1.958.516	--	--	4.353.928
Preparation and Development Expenses	198.658.706	52.174.526	--	--	250.833.232
<b>Total</b>	<b>242.538.189</b>	<b>71.842.879</b>	<b>292.261</b>	<b>--</b>	<b>314.673.329</b>
<b>Accumulated Amortization</b>					
Rights	(21.844.398)	(5.506.715)	--	--	(27.351.114)
Other Intangible Assets	(2.931.962)	(548.726)	--	--	(3.480.689)
Preparation and Development Expenses	(76.589.780)	(30.414.579)	--	--	(107.004.359)
<b>Total</b>	<b>(101.366.141)</b>	<b>(36.470.020)</b>	<b>--</b>	<b>--</b>	<b>(137.836.162)</b>
<b>Net Book Value</b>	<b>141.172.048</b>	<b>35.372.859</b>	<b>292.261</b>	<b>--</b>	<b>176.837.166</b>

### 13. EVALUATING AND RESEARCHING OF MINE RESOURCES

The total amount of preparation and development expenditures capitalized during the accounting periods ended on 31.03.2024 and 31.12.2023 is as follows:

<b>Subsidiaries</b>	<b>31.03.2024</b>	<b>31.12.2023</b>
Yel Enerji	61.511.189	59.966.589
Çan2 Termik A.Ş.	23.994.421	23.994.421
Çan2 Trakya	166.872.222	166.872.222
<b>Total</b>	<b>252.377.832</b>	<b>250.833.232</b>

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

### 14. RIGHT OF USE ASSETS

The details of the Group's right-to-use assets for the accounting period ended on 31.03.2024 are as follows:

	01.01.2024	Additions	Disposals	Transfer	31.03.2024
<b>Cost – Vehicles</b>					
Right of Use Asset	21.006.978	5.818.638	(2.750.140)	--	24.075.476
<b>Total</b>	<b>21.006.978</b>	<b>5.818.638</b>	<b>(2.750.140)</b>	<b>--</b>	<b>24.075.476</b>
<b>Accumulated Depreciation - Vehicles</b>					
Right of Use Asset	(7.247.974)	(424.661)	948.873	--	(6.723.762)
<b>Total</b>	<b>(7.247.974)</b>	<b>(424.661)</b>	<b>948.873</b>	<b>--</b>	<b>(6.723.762)</b>
<b>Net Book Value</b>	<b>13.759.005</b>				<b>17.351.714</b>

**ÇAN2 TERMİK A.Ş.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD 01.01.2024-31.03.2024**  
(Amounts are expressed in Turkish Lira “TRY” unless otherwise stated.)

**14. RIGHT OF USE ASSETS (CONTINUED)**

The details of the Group's right-of-use assets for the accounting period ending on 31.12.2023 are as follows:

	01.01.2023	Addition	Disposal	Transfer	31.12.2023
<b>Cost – Vehicles</b>					
Right of Use Asset	7.262.230	13.851.058	106.310	--	21.006.978
<b>Total</b>	<b>7.262.230</b>	<b>13.851.058</b>	<b>106.310</b>	<b>--</b>	<b>21.006.978</b>
<b>Accumulated Depreciation - Vehicle</b>					
Right of Use Asset	(5.291.035)	(2.063.248)	(106.310)	--	(7.247.974)
<b>Total</b>	<b>(5.291.035)</b>	<b>(2.063.248)</b>	<b>(106.310)</b>	<b>--</b>	<b>(7.247.974)</b>
<b>Net Book Value</b>	<b>1.971.195</b>				<b>13.759.005</b>

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

**15. IMPAIRMENT OF ASSETS**

As of 31.03.2024 and 31.12.2023, the Group has a decrease in its trade receivables and the impairment amounts are shown in the relevant financial statement items (Note 7).

**16. GOVERNMENT INCENTIVES**

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

Investment Incentive Certificate is given for the full new investment carried out in Çanakkale (Çan 2nd region) and covers the period between 13.08.2014-12.02.2019. With the certificate, employer's share of insurance premiums support, interest support, tax discount rate support, VAT exception and exemption from customs duty incentives are benefited. Total amount of the investment is TRY 801.789.866 based on incentive certificate. An Incentive Closing Visa application was made to the Ministry of Industry and Technology on 02.10.2019 and a completion visa was made within the framework of the provisions of the 24th article of the decision dated 15.06.2012 and numbered 2012/3305 and the 23rd article of the communiqué numbered 2012/1 regarding the implementation of this decision. The decision was notified to us with the letter dated 05.08.2020 and numbered 1777914. The investment contribution rate is calculated at the rate of 40% over the total investment amount before closing the subject of the investment incentive certificate, and a tax reduction of 80% is provided up to the tax to be reached up to TRY 320.715.946. As of 31.03.2024, the indexed and unused investment allowance amount is TL 819.329.691. This amount is subject to deferred tax (Note 30).

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

**ÇAN2 TERMİK A.Ş.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD 01.01.2024-31.03.2024**  
(Amounts are expressed in Turkish Lira “TRY” unless otherwise stated.)

**17. BORROWING COSTS**

None. (31.12.2023 : None )

**18. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES**

**Other Short Term Provisions**

	<b>31.03.2024</b>	<b>31.12.2023</b>
Lawsuit Provisions	2.338.774	2.494.492
<b>Total</b>	<b>2.338.774</b>	<b>2.494.492</b>

**Lawsuits Against the Company**

As of 31.03.2024, according to the information obtained from the Group's legal counsel, there are various commercial lawsuits filed against the Group. Provision amounting to TL 203.669 has been posted for these lawsuits and their expenses.

As of 31.03.2024, the Group has allocated a provision for litigation expenses amounting to TL 1.408.176 considering the high probability of losing the related lawsuits due to personnel reemployment lawsuits.

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

	<b>01 January – 31 March 2024</b>	<b>01 January – 31 December 2023</b>
Period Opening Balance	2.494.492	1.854.279
Additional Provisions/Cancellation	(155.718)	640.213
<b>Total</b>	<b>2.338.774</b>	<b>2.494.492</b>

**Favorable Lawsuits**

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

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

**Other Long Term Provisions**

	<b>31.03.2024</b>	<b>31.12.2023</b>
Provision for Mine Restoration	211.076	240.869
<b>TOTAL</b>	<b>211.076</b>	<b>240.869</b>

**ÇAN2 TERMİK A.Ş.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD 01.01.2024-31.03.2024**  
(Amounts are expressed in Turkish Lira “TRY” unless otherwise stated.)

**18. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (CONTINUED)**

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

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

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

**Provision for Mine Restoration**

	<b>31.03.2024</b>	<b>31.12.2023</b>
Balance at the Beginning of the Period	240.869	384.111
Additional Provision/ Payment (-)	(29.793)	(143.242)
<b>End-of-Term Balance</b>	<b>211.076</b>	<b>240.869</b>

As of 31.03.2024, the total cost of TRY 300.000 discounted to present value is TRY 211.076.

**Guarantees**

The guarantees given by the Group are as follows:

<b>COLLATERAL PLEDGE MORTGAGES</b>		<b>31.03.2024</b>	<b>31.12.2023</b>
A)	The total amount of the collateral pledged mortgages given on behalf of the legal entity	443.896.873	30.261.110.070
B)	Partnerships included in full consolidation	--	--
C)	Total amount of collateral pledged mortgages given by other 3rd parties for the purpose of carrying out ordinary Commercial activities	--	--
D)	Total Amount of Other Total Pledged Mortgages Given	--	--
i)	<i>The total amount of collateral pledged mortgages issued in favor of the main partner</i>	--	--
ii)	<i>Other Corporate companies that are not covered by articles B and C the total amount of collateral pledged mortgages issued in favor of</i>	--	--
iii)	<i>3, which is not covered by Article C. the total amount of collateral pledged mortgages issued in favor of persons</i>	--	--
<b>TOTAL</b>		<b>443.896.873</b>	<b>30.261.110.070</b>

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

	<b>31.03.2024</b>	<b>31.12.2023</b>
Letters of guarantee received	7.237.423	4.660.182
	<b>7.237.423</b>	<b>4.660.182</b>

**ÇAN2 TERMİK A.Ş.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD 01.01.2024-31.03.2024**  
(Amounts are expressed in Turkish Lira “TRY” unless otherwise stated.)

**19. EMPLOYEE BENEFITS**

**a. Short-Term**

*Liabilities within the Scope of Employee Benefits*

	<b>31.03.2024</b>	<b>31.12.2023</b>
Debts to Personnel	25.648.330	18.733.664
Social Security Deductions Payable	21.137.118	18.203.585
<b>TOTAL</b>	<b>46.785.448</b>	<b>36.937.249</b>

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

*Provisions within the Scope of Employee Benefits*

*Annual Leave Provision*

The movement of the allowance account between 31.03.2024 and 31.12.2023 is presented below:

	<b>31 March 2024</b>	<b>31 December 2023</b>
Provision for The Annual Leave	14.932.235	14.384.111
<b>Total</b>	<b>14.932.235</b>	<b>14.384.111</b>

**b. Long-Term**

*Provisions for Severance Pay*

In accordance with the current labor law, companies are obliged to pay a certain amount of severance pay to personnel who quit their job due to retirement after serving at least one year or who are dismissed for reasons other than resignation and bad behavior. The compensation to be paid is equal to one month's salary for each year of service and this amount has been limited to TRY 35.058,58 (31.12.2023: TRY 23.489,83) as of 31.03.2024.

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

Severance pay provision is set aside by calculating the present value of the probable obligation to be paid in case of retirement of the employees. Accordingly, the actuarial assumptions used to calculate the liability as of 31.03.2024 and 31.12.2023 are as follows:

	<b>31.03.2024</b>	<b>31.12.2023</b>
Discount Rate	27,50%	21,44%
The Estimated Rate of Increase	17,78%	17,78%
Discount Rate, Net	3,11%	3,11%

**ÇAN2 TERMİK A.Ş.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD 01.01.2024-31.03.2024**  
(Amounts are expressed in Turkish Lira “TRY” unless otherwise stated.)

**19. EMPLOYEE BENEFITS (CONTINUED)**

As of 31.03.2024 and 31.12.2023, the movement of provision for severance pay benefits is as follows ;

<b>Provision for Severance Pay</b>	<b>31 March 2024</b>	<b>31 December 2023</b>
Provision for Severance Pay	7.446.955	7.550.293
<b>Period-end balance</b>	<b>7.446.955</b>	<b>7.550.293</b>
	<b>31 March 2024</b>	<b>31 December 2023</b>
<b>Transfer</b>	7.550.293	5.895.348
Payment	2.611.234	9.938.249
Interest Cost	913.409	983.912
Current Service Cost	(1.232.404)	(8.824.856)
Actuarial Profit/Loss	(1.407.126)	1.346.891
Inflation Effect	(988.451)	(1.789.251)
<b>Balance</b>	<b>7.446.955</b>	<b>7.550.293</b>

**20. OTHER ASSETS AND LIABILITIES**

**Other Current Assets**

As of 31.03.2024 and 31.12.2023, Other Current Assets are as follows:

	<b>31.03.2024</b>	<b>31.12.2023</b>
Income accrual	419.439.603	477.959.301
Deferred VAT	968.750	4.371.867
Job Advances	24.043.267	23.833.399
Personnel Advances	1.392.027	3.441.716
Advances Given	27.374.972	11.874.427
Other Various Current Assets	14.229.442	105.356
<b>TOTAL</b>	<b>487.448.061</b>	<b>521.586.066</b>

The details of income accrual are as follows:

	<b>31.03.2024</b>	<b>31.12.2023</b>
Electricity sales revenue accruals	419.439.603	477.959.301
<b>TOTAL</b>	<b>419.439.603</b>	<b>477.959.301</b>

**Other Short-Term Liabilities**

	<b>31.03.2024</b>	<b>31.12.2023</b>
Expense Accruals	71.933.477	67.314.304
<b>TOTAL</b>	<b>71.933.477</b>	<b>67.314.304</b>

The details of Expense Accruals are as follows:

	<b>31.03.2024</b>	<b>31.12.2023</b>
Electricity purchase expense accruals	43.676.092	47.215.346
Other expense accruals	28.257.385	20.098.958
<b>TOTAL</b>	<b>71.933.477</b>	<b>67.314.304</b>

**ÇAN2 TERMİK A.Ş.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD 01.01.2024-31.03.2024**  
(Amounts are expressed in Turkish Lira “TRY” unless otherwise stated.)

**20. OTHER ASSETS AND LIABILITIES (CONTINUED)**

As of 31.03.2024 and 31.12.2023, the details of Other Fixed Assets are as follows:

**Other Fixed Assets**

	<b>31.03.2024</b>	<b>31.12.2023</b>
Advances Given (*)	57.378.823	58.298.991
<b>TOTAL</b>	<b>57.378.823</b>	<b>58.298.991</b>

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

**Other Long-Term Liabilities**

	<b>31.03.2024</b>	<b>31.12.2023</b>
Accruals of Expenses (*)	18.932.421	24.385.883
<b>TOTAL</b>	<b>18.932.421</b>	<b>24.385.883</b>

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

**21. CAPITAL, RESERVES AND OTHER EQUITY ITEMS**

**Paid-in Capital**

The Group's paid-in capital structure as of 31.03.2024 and 31.12.2023 is as follows:

	<b>31.03.2024</b>		<b>31.12.2023</b>	
	<b>Amount</b>	<b>Rate</b>	<b>Amount</b>	<b>Rate</b>
<b>Shareholders</b>				
Odaş Elektrik Üretim San. Tic. A.Ş.	548.244.403	58,44%	548.244.403	58,44%
Public Shares	389.872.500	41,56%	389.872.500	41,56%
<b>TOTAL</b>	<b>938.116.903</b>	<b>100%</b>	<b>938.116.903</b>	<b>100%</b>
Capital Adjustment Differences (*)	1.800.108.738		1.752.531.700	
<b>Total Paid-In Capital</b>	<b>2.738.225.641</b>		<b>2.690.648.602</b>	

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

As of 31.03.2024 the paid-in capital of Çan2 Termik A.Ş. is 938.116.902,57 Turkish Lira and it is divided into 938.116.902,57 shares, each with a nominal value of 1 (One) TRY.

**Premiums/Discounts Related to Shares**

After the capital increase (public offering) on 21-22 April 2021, 67.590.000 shares were transferred to Borsa İstanbul A.Ş. TRY 185.332.488 remaining after netting out the portion of TRY 10.678.512 of public offering expenses, which occurred since it was sold at a price higher than TRY 1 nominal value, was accounted for as share issue premiums.

	<b>31.03.2024</b>	<b>31.12.2023</b>
Share Issue Premiums	3.634.615.338	3.634.615.338
<b>TOTAL</b>	<b>3.634.615.338</b>	<b>3.634.615.338</b>

**ÇAN2 TERMİK A.Ş.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD 01.01.2024-31.03.2024**  
(Amounts are expressed in Turkish Lira “TRY” unless otherwise stated.)

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

**Cash Hedging Gains and Losses**

	<b>31.03.2024</b>	<b>31.12.2023</b>
Hedging Gains and Losses	1.258.256.635	1.493.725.492
<b>Total</b>	<b>1.258.256.635</b>	<b>1.493.725.492</b>

**Actuarial Loss/Gain Fund**

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

	<b>31.03.2024</b>	<b>31.12.2023</b>
<b>Balance at the Beginning of the Period</b>	<b>(4.604.160)</b>	<b>(3.593.991)</b>
Actuarial Gains/(Losses)	1.407.126	(1.346.892)
Deferred Tax Effect	(351.782)	336.723
<b>End-of-Term Balance</b>	<b>(3.548.815)</b>	<b>(4.604.160)</b>

**Reserves On Retained Earnings**

	<b>31.03.2024</b>	<b>31.12.2023</b>
Legal Reserves	47.064.563	47.064.563
<b>Total</b>	<b>47.064.563</b>	<b>47.064.563</b>

**Capital Advances**

	<b>31.03.2024</b>	<b>31.12.2023</b>
Capital Advances	1.474.418.200	1.696.519.004
<b>Toplam</b>	<b>1.474.418.200</b>	<b>1.696.519.004</b>

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

<b>Equity</b>	<b>PPI Index</b>	<b>CPI Index</b>	<b>Differences To Be Followed in Retained Earnings/Losses</b>
Capital Adjustment Positive Differences	2.994.405.087	2.738.225.641	256.179.446
Premiums/Discounts on Shares	2.914.677.467	3.634.615.338	(719.937.871)
Restricted Reserves Separated from Profit	37.230.665	47.064.563	(9.833.898)

**Shares of the Parent Company**

In the three-month period ending on 31.03.2024, the Group has earned a period loss of TRY 531.564.048 (31.12.2023: TRY 514.059.337). All of these amounts belong to the parent company shares and there is no minority share.

**Previous Year Profit/Loss**

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



**ÇAN2 TERMİK A.Ş.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD 01.01.2024-31.03.2024**  
(Amounts are expressed in Turkish Lira “TRY” unless otherwise stated.)

<b>Previous Years Profit / Losses</b>	<b>31.03.2024</b>	<b>31.12.2023</b>
Profit/Loss for the Past Year	12.278.488.653	9.650.847.219
Share Ratio in Subsidiaries Not Resulting in Loss of Control Val. Related Increase/Decrease	--	--
Transfers	--	(373.206.368)
Profit/Loss for the Period	514.059.337	3.000.847.802
<b>TOTAL</b>	<b>12.792.547.990</b>	<b>12.278.488.653</b>

**22. REVENUE AND COST OF GOODS SOLD**

The detail of sales is as follows;

	<b>01 January- 31 March 2024</b>	<b>01January- 31 March 2023</b>
Electricity Sales Revenue	1.252.336.008	2.093.474.810
Other Revenues	738.367	443.081
<b>Sales Returns</b>	--	(258.003)
<b>Total</b>	<b>1.253.074.375</b>	<b>2.093.659.888</b>

The cost detail of sales is as follows;

**23. EXPENSES ACCORDING TO THEIR QUALIFICATIONS**

The details of the cost of sales for the periods 01.01.-31.03.2024 and 01.01.-31.03.2023 are as follows:

	<b>01 January - 31 March 2024</b>	<b>01 January - 31 March 2023</b>
- Raw Material Cost	496.049.482	412.085.560
- TEİAŞ/EPIAŞ/Energy Cost	254.511.670	968.403.175
- Personnel Expense Share	89.139.642	79.775.846
- Depreciation and Amortization	58.953.967	84.655.001
- Maintenance and Repair Expense	48.790.709	56.231.087
- Cost of Finished Goods Sold from Production	48.498.565	17.251.237
- Other Expenses	18.237.918	1.438.349
- Insurance Expenses	9.578.784	10.426.233
- Rental Expense	8.727.517	10.258.436
- Consulting Expenses	1.978.152	19.203.245
<b>TOTAL</b>	<b>1.034.466.406</b>	<b>1.659.728.169</b>

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

**Marketing, Sales, and Distribution Expenses**

For the periods 01.01.-31.03.2024 and 01.01.-31.03.2023, marketing, selling and distribution expenses are as follows;

	<b>01 January - 31 March 2024</b>	<b>01 January - 31 March 2023</b>
Marketing, Sales, and Distribution Expenses	25.858.947	2.228.992
<b>TOTAL</b>	<b>25.858.947</b>	<b>2.228.992</b>

**ÇAN2 TERMİK A.Ş.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD 01.01.2024-31.03.2024**  
(Amounts are expressed in Turkish Lira “TRY” unless otherwise stated.)

**General Administrative Expenses**

The details of general administrative expenses for the periods 01.01.-31.03.2024 and 01.01.-31.03.2023 according to their qualifications are as follows:

	<b>01 January - 31 March 2024</b>	<b>01 January - 31 March 2023</b>
- Depreciation Expense	90.396.968	211.035.739
- Personnel expense	8.996.082	17.065.769
- Other expenses	2.756.648	3.492.064
- Consultancy expenses	1.533.053	1.903.993
- Declaration and Stamp Duty Tax	158.607	45.396
- Rental Expense	75.919	--
<b>TOTAL</b>	<b>103.917.277</b>	<b>233.542.961</b>

**25. OTHER OPERATING INCOME AND EXPENSES**

**Other Operational Income**

	<b>01 January - 31 March 2024</b>	<b>01 January - 31 March 2023</b>
Other Extraordinary Income	21.891.950	76.175
Rediscount Interest Income	8.450.580	4.821.784
Foreign Currency Income	5.444.293	6.246.026
Provisions no longer required	1.158.328	132.756
Other Operating Income and Profit	141.490	1.483
Prior Year Revenues and Profits	132.559	1.047.378
<b>TOTAL</b>	<b>37.219.200</b>	<b>12.325.602</b>

**Other Operational Expenses**

	<b>01 January - 31 March 2024</b>	<b>01 January - 31 March 2023</b>
- Other Extraordinary Expenses and Losses	27.250.599	9.207.233
- Rediscount Expense	4.235.993	4.031.801
- Foreign Exchange Expense	3.169.107	6.160.228
- Idle Part Expenses and Losses	970.260	4.015.444
- Previous Period Expenses and Losses	723.820	620.403
- Other Expenses	22.208	19.830
<b>TOTAL</b>	<b>36.371.987</b>	<b>24.054.939</b>

**26. EXPENDITURES AND REVENUES FROM INVESTING ACTIVITIES**

Revenues from investment activities for the periods 01.01.-31.03.2024 and 01.01.-31.03.2023 are as follows;

	<b>01 January - 31 March 2024</b>	<b>01 January - 31 March 2023</b>
Investing Activity Revenue	--	784.680
Investing Activity Expenses	--	--
Share of Profit/Loss of Investments Revalued Through Equity Method	--	--
<b>TOTAL</b>	<b>--</b>	<b>784.680</b>

**ÇAN2 TERMİK A.Ş.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD 01.01.2024-31.03.2024**

(Amounts are expressed in Turkish Lira “TRY” unless otherwise stated.)

**27. FINANCIAL EXPENSE AND INCOME**

**Financial Income**

	<b>01 January - 31 March 2024</b>	<b>01 January - 31 March 2023</b>
Interest income	4.677.702	11.525.660
Rediscount interest income	3.780.407	228.692.147
Foreign exchange profits	1.459.334	233.684.977
Gain on Sale of Marketable Securities	44	56
<b>TOTAL</b>	<b>9.917.487</b>	<b>473.902.840</b>

**Financial Expenses**

	<b>01 January - 31 March 2024</b>	<b>01 January - 31 March 2023</b>
Interest and commission expense	64.848.074	115.801.646
Foreign exchange losses	55.222.251	232.376.325
Rediscount Interest Expense	18.111.729	46.342.290
<b>TOTAL</b>	<b>138.182.054</b>	<b>394.520.261</b>

**28. ANALYSIS OF OTHER COMPREHENSIVE INCOME**

The Group's other comprehensive income / (expense) breakdown as of 01.01.-31.03.2024 and 01.01.-31.03.2023 is as follows:

<b>Not reclassified on gain/(loss)</b>	<b>01 January - 31 March 2024</b>	<b>01 January - 31 March 2023</b>
Actuarial gains/(loss)	1.407.126	6.491.453
Deferred tax revenue/(expense)	(351.782)	(1.298.291)
<b>TOTAL</b>	<b>1.055.345</b>	<b>5.193.163</b>

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

Tax income / expenses in the income statement for the period between 01.01.-31.03.2024 ve 01.01.-31.03.2023 are summarized below:

	<b>01 January - 31 March 2024</b>	<b>01 January - 31 March 2023</b>
Period Tax Income	(2.161.805)	(7.840.393)
Deferred tax income/ expense	(283.891.758)	115.873.381
Deferred tax reflected in equity	(13.657.411)	41.506.639
<b>TOTAL</b>	<b>(299.710.974)</b>	<b>149.539.627</b>

**Current Tax**

According to the Corporate Tax Law No. 5520, the tax rate in Turkey is is %25 for 2024.

**ÇAN2 TERMİK A.Ş.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD 01.01.2024-31.03.2024**

(Amounts are expressed in Turkish Lira “TRY” unless otherwise stated.)

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

**Period Profit Tax Provisions, Net**

	<b>31 March 2024</b>	<b>31 March 2023</b>
- Pre-tax profit/(loss)	9.729.657	120.794.543
- Non-deductible expenses according to the law	655.918	17.530.571
- Exchange Rate Hedged Exemption	--	(4.203.932)
- Equity Income from Investments Exemption	--	(150.546)
- Carried Forward Loss to Be Offset	(2.044.145)	--
- Cash Capital Increase - Tax Deduction	--	(25.808.024)
<b>Corporate Tax Base</b>	<b>8.341.430</b>	<b>108.162.612</b>
- Corporate Tax Base (%23)	--	361.274
- Corporate Tax Base (Investment Deductible Portion %4.6)	--	4.254.250
- Corporate Tax Base (%25)	2.085.358	134.439
- Monetary Gain/Loss	76.447	3.090.430
<b>Period Tax Expense</b>	<b>2.161.805</b>	<b>7.840.393</b>

**Assets Related to Current Period Taxes**

	<b>31.03.2024</b>	<b>31.12.2023</b>
Prepaid Taxes and Funds	170.245	6.620.472
<b>TOTAL</b>	<b>170.245</b>	<b>6.620.472</b>

**Deferred Tax**

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

These temporary differences are usually caused by the recognition of income and expenses in different reporting periods in accordance with the CMB communiqué and tax laws. Deferred tax assets and liabilities calculated according to the liability method are applied as 20% over temporary differences after 31 December 2008. However, according to the Law No. 7061, which was adopted on 28 November 2017, “some tax laws and some other laws have been amended”, Law No. 5520, corporate tax law No. 32. 20% tax rate specified in the first paragraph of the article 2018, 2019 and 2020 tax periods for corporate earnings as 22% for the provision of temporary article is added. In accordance with the temporary article 13 of the Corporate Tax Law No. 5520, it will be applied at the rate of 25% for corporate earnings for 2021 and 23% for corporate earnings for 2023.

Turkish tax legislation makes 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 off their tax position. It is stated separately.

The deferred assets and deferred tax liabilities in the consolidated financial statements are reflected as of March 31, 2024 - December 31, 2023 in the following manner:

	<b>31.03.2024</b>	<b>31.12.2023</b>
Deferred Tax Assets	1.070.987.540	1.620.189.834
Deferred Tax Liabilities	(48.922)	(45.587.950)
<b>Total</b>	<b>1.070.938.617</b>	<b>1.574.601.884</b>

**ÇAN2 TERMİK A.Ş.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD 01.01.2024-31.03.2024**

(Amounts are expressed in Turkish Lira “TRY” unless otherwise stated.)

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

The breakdown of cumulative temporary differences and the resulting deferred tax assets / (liabilities) provided at 31 March 2024 and 31 December 2023 using the enacted tax rates is as follows:

Deferred Tax Assets / Liabilities	Accumulated Temporary Differences		Deferred Tax Assets / (Liabilities)	
	31.03.2024	31.12.2023	31.03.2024	31.12.2023
Other Deferred Tax Assets/Liabilities	35.267.109	92.824.443	8.816.777	23.206.111
Rediscount	289.386.236	98.460.533	72.346.559	24.615.133
Inventories	(710.721.629)	(263.411.290)	(177.680.407)	(65.852.823)
Other Payables and Expense Provisions	(5.861.006)	233.883.702	(1.465.251)	58.470.927
Difference in Depreciation of Tangible and Intangible Fixed Assets	(3.873.295.774)	(2.025.230.026)	(968.323.943)	(506.307.507)
Severance Pay and Leave Provision	18.089.036	17.318.597	4.522.259	4.329.649
Investment Incentive, Corporate Tax Right (*)	--	--	1.608.248.153	1.618.779.611
Gains/Losses from Cash Flow Hedging	--	--	419.418.878	536.075.908
Effects of Inflation	--	--	105.055.592	(118.715.125)
<b>TOTAL</b>	<b>(4.247.136.028)</b>	<b>(1.846.154.041)</b>	<b>1.070.938.617</b>	<b>1.574.601.884</b>

(\*) The Group's completed investment is located in Region II, but in the Special Conditions section of the Investment Certificate, it is stated in Article 5 that the investment subject to the document will benefit from Region 5 supports since it is among the priority investments. Accordingly, the Investment Contribution Rate is 40% and the Discounted Corporate Tax Rate is 80%. Accordingly, 40% of the total investment amounting to TL 801.789.865, which is 40% of the total investment amounting to TL 320.715.946, will be able to benefit from the reduced corporate tax application regarding the earnings obtained from the investment. As of March 31, 2024, the remaining indexed investment allowance amount is TL 1.476.529.063. In addition, an investment incentive certificate dated 08.04.2020 with document number 510216 and ID number 1013731 was issued by the Ministry of Industry and Technology of the Republic of Turkey.

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

**30.EARNING PER SHARE**

	01 January- 31 March 2024	01 January- 31 March 2023
Net profit /(loss)	(531.564.048)	336.259.054
Weighted average number of ordinary shares	780.876.638	320.000.000
<b>Profit/(loss) per share with nominal value of 1 TRY</b>	<b>(0,680727)</b>	<b>1,050810</b>

**ÇAN2 TERMİK A.Ş.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD 01.01.2024-31.03.2024**

(Amounts are expressed in Turkish Lira “TRY” unless otherwise stated.)

**31. FINANCIAL REPORTING IN HYPERINFLATION ECONOMIES**

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

In accordance with the said standard, financial statements prepared based on the currency of a high-inflation economy are prepared in the purchasing power of this currency at the balance sheet date. For comparison purposes in prior period financial statements, comparative information is expressed in terms of the current measurement unit at the end of the reporting period. Therefore, the Group has presented its consolidated financial statements as of December 31, 2022, on the basis of purchasing power as of December 31, 2023.

In accordance with the CMB's decision dated 28 December 2023 and numbered 81/1820, issuers and capital market institutions subject to financial reporting regulations applying Turkish Accounting/Financial Reporting Standards shall comply with the provisions of TAS 29, starting from their annual financial reports for the accounting periods ending as of 31 December 2023. It was decided to apply inflation accounting by applying Rearrangements made in accordance with TMS 29 were made using the correction coefficient obtained from the Consumer Price Index in Turkey (“CPI”) published by the Turkish Statistical Institute (“TURKSTAT”). As of March 31, 2024, the indices and correction coefficients used in the correction of consolidated financial statements are as follows

Date	Index	Adjustment Coefficient
31.03.2024	2.139,47	1
31.12.2023	1.859,38	1,150
31.03.2023	1.269,75	1,685

**32. FINANCIAL INSTRUMENTS**

**Short-Term Financial Liabilities**

As of 31.03.2024 and 31.12.2023, short-term financial liabilities are as follows:

<b>Short-Term Financial Liabilities</b>		
	<b>31 March 2024</b>	<b>31 December 2023</b>
Bank loans	10.000.000	112.862
Payables from financial leasing transactions	6.266.303	7.441.650
Deferred leasing costs (-)	(1.422.840)	(2.175.929)
Installments of principal and interest of loans	2.642.257	7.750.599
Current Installments of Bonds	12.318.528	8.873.886
<b>Short-Term Financial Liabilities - Net</b>	<b>29.804.248</b>	<b>22.003.068</b>
<b>Long-Term Financial Liabilities</b>		
	<b>March 31, 2024</b>	<b>December 31, 2023</b>
Payables from financial leasing transactions	967.088	2.780.189
Deferred leasing costs (-)	(54.468)	(297.544)
<b>Long-Term Financial Liabilities - Net</b>	<b>912.620</b>	<b>2.482.645</b>
	<b>31 March 2024</b>	<b>31 December 2023</b>
Other financial liabilities	12.318.528	8.873.886
<b>Total</b>	<b>12.318.528</b>	<b>8.873.886</b>
<b>Payment Year</b>	<b>Financial Leasing Payables from Transactions</b>	<b>Deferred Financial Rental Costs</b>
2025	967.088	(54.468)
<b>Total</b>	<b>967.088</b>	<b>(54.468)</b>

**ÇAN2 TERMİK A.Ş.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD 01.01.2024-31.03.2024**

(Amounts are expressed in Turkish Lira “TRY” unless otherwise stated.)

**33. FINANCIAL INSTRUMENTS (Continued)**

	<u>Annual interest rate %</u>		<u>Exchange Value</u>		<u>TRY</u>	
	March 31, 2024	December 31, 2023	March 31, 2024	December31, 2023	March 31, 2024	December31, 2023
TRY Loans	20,50%-52,50%	14,52%-37,26%	--	--	10.000.000	112.862
<b>Short-term Loans</b>					<b>10.000.000</b>	<b>112.862</b>
TRY Loans	20,50%-52,50%	14,52%-37,26%	--	--	2.642.257	7.750.599
<b>Short-term payments and interests of loans</b>					<b>2.642.257</b>	<b>7.750.599</b>
<b>Total short-term loans</b>			--	--	<b>12.642.257</b>	<b>7.863.461</b>
EURO Loans			--	--	--	--
TRY Loans			--	--	--	--
<b>Total long-term loans</b>					<b>--</b>	<b>--</b>

**ÇAN2 TERMİK A.Ş.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD 01.01.2024-31.03.2024**  
(Amounts are expressed in Turkish Lira “TRY” unless otherwise stated.)

**33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

**Credit Risk**

The credit risks exposed as of 31.03.2024 by types of financial instruments are shown in the table below.

31.03.2024	Receivables				Bank Deposits	Derivatives	Other
	Trade Receivables		Other Receivables				
	Related Parties	Other Parties	Related Parties	Other Parties			
<b>As at Reporting Date Maximum Amount of Credit Risk Exposed (A+B+C+D+E) *</b>	<b>407.285.506</b>	<b>1.777.574.872</b>	<b>15.409.099</b>	<b>12.416.816</b>	<b>192.552.960</b>	<b>--</b>	<b>216.459.343</b>
- Maximum amount of risk exposed							
- Part of the risk covered by guarantees	--	--	--	4.317.795	-	--	--
A. Net value of financial assets neither due nor impaired	407.285.506	1.777.574.872	15.409.099	8.099.021	192.552.960	--	216.459.343
B. Conditions renegotiated, otherwise to be classified as past due or impaired	--	--	--	--	--	--	--
C. Past due but not impaired	--	--	--	--	--	--	--
D. Net book value of Impaired assets	--	1.533.051	--	--	--	--	--
-Past due (gross book value)	--	(1.533.051)	--	--	--	--	--
-Impairment (-)	--	--	--	--	--	--	--
- Part covered by guarantees	--	--	--	--	--	--	--
- Undue (gross book value)	--	--	--	--	--	--	--
-Impairment (-)	--	--	--	--	--	--	--
- Part covered by guarantees	--	--	--	--	--	--	--
E. Off-balance sheet items with credit risk	--	--	--	--	--	--	--

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



**ÇAN2 TERMİK A.Ş.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD 01.01.2024-31.03.2024**  
(Amounts are expressed in Turkish Lira “TRY” unless otherwise stated.)

**34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**

The credit risks exposed as of 31.12.2023 as of the types of financial instruments are shown in the table below.

31.12.2023	Receivables				Bank Deposits	Derivatives	Other
	Trade Receivables		Other Receivables				
	Related Party	Third Party	Related Party	Third Party			
<b>As at reporting date maximum amount of credit risk exposed (A+B+C+D+E)</b>	<b>506.305.872</b>	<b>2.052.767.761</b>	<b>8.983.185</b>	<b>6.248.008</b>	<b>103.354.489</b>	<b>--</b>	<b>221.465.005</b>
- Maximum amount of risk exposed							
- Part of the risk covered by guarantees	--	--	--	4.385.192	--	--	-
A. Net value of financial assets neither due nor impaired	506.305.872	2.052.767.761	8.983.185	1.862.816	103.354.489	--	221.465.005
B. Book value of financial assets whose conditions are renegotiated, otherwise, will be classified as past due or impaired	--	--	--	--	--	--	--
C. Net book value of assets past due but not impaired	--	--	--	--	--	--	--
D. Net book value of assets impaired	--	1.763.984	--	--	--	--	--
- Past due (gross book value)	--	(1.763.984)	--	--	--	--	--
- Impairment amount (-)	--	--	--	--	--	--	--
- The part of net value covered with guarantees etc.	--	--	--	--	--	--	--
- Not due (gross book value)	--	--	--	--	--	--	--
- Impairment amount (-)	--	--	--	--	--	--	--
- The part of net value covered with guarantees etc.	--	--	--	--	--	--	--
E. Off balance items exposed to credit risk	--	--	--	--	--	--	--

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

**ÇAN2 TERMİK A.Ş.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD 01.01.2024-31.03.2024**  
(Amounts are expressed in Turkish Lira “TRY” unless otherwise stated.)

---

**34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**

**Liquidity risk**

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

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

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

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

**ÇAN2 TERMİK A.Ş.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD 01.01.2024-31.03.2024**

(Amounts are expressed in Turkish Lira “TRY” unless otherwise stated.)

**34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**

**Market Risk**

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

**Currency risk**

<b>FOREIGN CURRENCY POSITION</b>				
	<b>31.03.2024</b>			
	<b>TRY Equivalent (Functional money unit of labor)</b>	<b>USD</b>	<b>EUR</b>	<b>GBP</b>
1. Trade Receivables	10.524.414	325.981	--	--
2a. Monetary Financial Assets (Cash, Bank accounts included)	84.632.562	2.279.746	316.880	46
2b. Non-Monetary Financial Assets	64.762.069	1.136.668	806.392	--
3. Other	--	--	--	--
<b>4. Current Assets (1+2+3)</b>	<b>159.919.045</b>	<b>3.742.395</b>	<b>1.123.272</b>	<b>46</b>
5. Trade Receivables	--	--	--	--
6a. Monetary Financial Assets	--	--	--	--
6b. Non-Monetary Financial Assets	--	--	--	--
7. Other	--	--	--	--
<b>8. 8. Non-Current Assets (5+6+7)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>9. Total Assets (4+8)</b>	<b>159.919.045</b>	<b>3.742.395</b>	<b>1.123.272</b>	<b>46</b>
10. Trade Payables	(38.804.178)	(290.296)	(835.240)	(7.200)
11. Financial Liabilities	--	--	--	--
12a. Monetary Other Liabilities	--	--	--	--
12b. Non-Monetary Other Liabilities	--	--	--	--
<b>13. Short Term Liabilities (10+11+12)</b>	<b>(38.804.178)</b>	<b>(290.296)</b>	<b>(835.240)</b>	<b>(7.200)</b>
14. Trade Payables	--	--	--	--
15. Financial Liabilities	--	--	--	--
<b>17. Long Term Liabilities (14+15+16)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>18. Total Liabilities (13+17)</b>	<b>(38.804.178)</b>	<b>(290.296)</b>	<b>(835.240)</b>	<b>(7.200)</b>
<b>19. Net Off-Balance Sheet Derivative Instruments Asset/(Liability) Position (19a-19b)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
19a. Total Amount of Assets Hedged	--	--	--	--
19b. Total Amount of Hedged Liabilities	--	--	--	--
<b>20. Net Foreign Asset/ (Liability) Position (9-18+19))</b>	<b>121.114.867</b>	<b>3.452.099</b>	<b>288.032</b>	<b>(7.154)</b>
<b>21. Net Foreign Currency Asset/ (Liability) Position of Monetary Items (=1+2a+5+6a-10-11-12a-14-15-16a)</b>	<b>56.352.798</b>	<b>2.315.431</b>	<b>(518.360)</b>	<b>(7.154)</b>
<b>22. Total Fair Value of Financial Instruments Used for Foreign Currency Hedging</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>23. Export</b>	<b>6.275.713</b>	<b>200.000</b>	<b>--</b>	<b>--</b>
<b>24. Import</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>

**ÇAN2 TERMİK A.Ş.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD 01.01.2024-31.03.2024**

(Amounts are expressed in Turkish Lira “TRY” unless otherwise stated.)

**34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**

<b>FOREIGN CURRENCY POSITION</b>				
	<b>31.12.2023</b>			
	<b>TRY Equivalent (Functional money unit of labor)</b>	<b>USD</b>	<b>EUR</b>	<b>GBP</b>
1. Trade Receivables	10.011.136	295.552	--	--
2a. Monetary Financial Assets (Cash, Bank accounts included)	25.463.069	424.735	295.448	60
2b. Non-Monetary Financial Assets	73.201.205	1.336.738	729.059	13.850
3. Other	--	--	--	--
<b>4. Current Assets (1+2+3)</b>	<b>108.675.410</b>	<b>2.057.025</b>	<b>1.024.507</b>	<b>13.910</b>
5. Trade Receivables	--	--	--	--
6a. Monetary Financial Assets	--	--	--	--
6b. Non-Monetary Financial Assets	--	--	--	--
7. Other	--	--	--	--
<b>8. Non-Current Assets (5+6+7)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>9. Total Assets (4+8)</b>	<b>108.675.410</b>	<b>2.057.025</b>	<b>1.024.507</b>	<b>13.910</b>
10. Trade Payables	(73.828.558)	(284.862)	(1.708.791)	--
11. Financial Liabilities	(252.922.213)	--	(6.735.925)	--
12a. Monetary Other Liabilities	--	--	--	--
12b. Non-Monetary Other Liabilities	--	--	--	--
<b>13. Short Term Liabilities (10+11+12)</b>	<b>(326.750.771)</b>	<b>(284.862)</b>	<b>(8.444.716)</b>	<b>--</b>
14. Trade Payables	--	--	--	--
15. Financial Liabilities	--	--	--	--
<b>17. Long Term Liabilities (14+15+16)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>18. Total Liabilities (13+17)</b>	<b>(326.750.771)</b>	<b>(284.862)</b>	<b>(8.444.716)</b>	<b>--</b>
<b>19. Net Asset/ (Liability) Position of Off-Balance Sheet Derivative Instruments (19a-19b)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
19a. Total Amount of Assets Hedged	--	--	--	--
19b. Total Amount of Hedged Liabilities	--	--	--	--
<b>20. Net Foreign Asset/ (Liability) Position (9-18+19)</b>	<b>(218.075.361)</b>	<b>1.772.162</b>	<b>(7.420.209)</b>	<b>13.910</b>
<b>21. Net Foreign Currency Asset/ (Liability) Position of Monetary Items (=1+2a+5+6a-10-11-12a-14-15-16a)</b>	<b>(291.276.566)</b>	<b>435.424</b>	<b>(8.149.268)</b>	<b>60</b>
<b>22. Total Fair Value of Financial Instruments Used for Foreign Currency Hedging</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>23. Export</b>	<b>30.559.635</b>	<b>1.068.700</b>	<b>--</b>	<b>--</b>
<b>24. Import</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>

**ÇAN2 TERMİK A.Ş.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD 01.01.2024-31.03.2024**

(Amounts are expressed in Turkish Lira “TRY” unless otherwise stated.)

**34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**

*Sensitivity Analysis of Foreign Exchange Position*

Sensitivity Analysis of Foreign Exchange Position				
31.03.2024				
	Profit / Loss		Equity	
	Foreign currency appreciation	Foreign currency depreciation	Foreign currency appreciation	Foreign currency depreciation
Change in 20% of the U.S. Dollar against TRY;				
1 - Net asset / liability of USD	3.797.309	(3.797.309)	--	--
2 - Amount hedged for USD risk (-)	--	--	--	--
<b>3- Net Effect of U.S. Dollar (1+2)</b>	<b>3.797.309</b>	<b>(3.797.309)</b>	--	--
Change in 10% of the EURO against TRY;				
4 - Net asset / liability of EUR	316.835	(316.835)	--	--
5 - Amount hedged for EUR risk (-)	--	--	--	--
<b>6- Net Effect of EURO (4+5)</b>	<b>316.835</b>	<b>(316.835)</b>	--	--
Change in 10% of the GBP against TRY;				
7- Other foreign currency net asset / liability	(7.869)	7.869	--	--
8- Part of hedged protected from other currency risk (-)	--	--	--	--
<b>9- Net Effect of GBP (7+8)</b>	<b>(7.869)</b>	<b>7.869</b>	--	--

Sensitivity Analysis of Foreign Exchange Position				
31.12.2023				
	Profit / Loss		Equity	
	Foreign currency appreciation	Foreign currency depreciation	Foreign currency appreciation	Foreign currency depreciation
Change in 20% of the U.S. Dollar against TRY;				
1 - Net asset / liability of USD	1.949.379	(1.949.379)	--	--
2 - Amount hedged for USD risk (-)	--	--	--	--
<b>3- Net Effect of U.S. Dollar (1+2)</b>	<b>1.949.379</b>	<b>(1.949.379)</b>	--	--
Change in 10% of the EURO against TRY;				
4 - Net asset / liability of EUR	(8.162.230)	8.162.230	--	--
5 - Amount hedged for EUR risk (-)	--	--	--	--
<b>6- Net Effect of EURO (4+5)</b>	<b>(8.162.230)</b>	<b>8.162.230</b>	--	--
Change in 10% of the GBP against TRY;				
7- Other foreign currency net asset / liability	122	(122)	--	--
8- Part of hedged protected from other currency risk (-)	--	--	--	--
<b>9 -Net Effect of GBP (7+8)</b>	<b>122</b>	<b>(122)</b>	--	--

**ÇAN2 TERMİK A.Ş.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD 01.01.2024-31.03.2024**

(Amounts are expressed in Turkish Lira “TRY” unless otherwise stated.)

**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. The carrying values of the trade receivables net of provisions for uncollectible receivables are considered to

**Financial Liabilities**

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

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

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

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

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

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

**Derivative Financial Instruments (Futures Agreements)**

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

**Financial Liabilities**

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

**ÇAN2 TERMİK A.Ş.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD 01.01.2024-31.03.2024**

(Amounts are expressed in Turkish Lira “TRY” unless otherwise stated.)

**35. SUBSEQUENT EVENTS**

The company's paid capital of 938,116,902.57 TRY, corresponding to 938,116,902.57 registered shares with a nominal value of 1 TRY; Capital Adjustment: 1,400,283,822 TRY based on TFRS records of Positive Differences, 2,730,632,113.50 TRY based on legal records of Premiums/Discounts related to Shares, 1,930,967,161.93 TRY based on legal records of Retained Earnings, totaling 6,061,883,097, An application was made to the Capital Markets Board to obtain the necessary permissions to increase the capital to 7,000,000,000 TRY by making a free capital increase of 646.17566%, with 43 TRY being met from internal resources, and the application process was approved.

**36. DERIVATIVE INSTRUMENTS**

**HIGH PROBABILITY ESTIMATED TRADING CURRENCY RISK CASH FLOW HEDGE ACCOUNTING**

The Company provides hedging against the foreign exchange risk on the balance sheet by borrowing in the same currency against the foreign currency risks arising from the foreign currency sales amounts that are highly probable to be realized in the future within the scope of the agreements it has made and the corporate budget.

In this context, repayments of foreign currency borrowings that are subject to hedge accounting and determined as hedging instrument are made with foreign currency sales cash flows that will be realized on close dates and determined as hedged item within the scope of hedge accounting.

The company that has set the exchange rate risk management strategy as part of a high probability of risk realization estimated transaction hedging exchange rate risk cash flow hedge accounting hedging instrument for the purpose of being applied and formed on components, effectiveness has been proven mathematically and in accordance TFRS 9, which isn't yet realized exchange rate fluctuations in the income statement the income statement Comprehensive Income Statement of pulling from the park aims at the presentation and healthier.

As of March 31, 2024, the amount reclassified to the income statement from the cash flow hedge reserve amount under the Other Comprehensive Income Statement within the scope of hedge accounting closing transactions is net 155,220,654 Turkish Liras.

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

None.

**38. EXPLANATIONS TO CASH FLOW STATEMENT**

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

		Current Period Not Audited Consolidated	Prior Period Not Audited Consolidated
		01.01- 31.03.2024	01.01- 31.03.2023
	NOTES		
<b>A. CASH FLOWS FROM OPEARING ACTIVITIES</b>		<b>2.049.102.800</b>	<b>854.606.267</b>
<b>Profit/Loss For The Period</b>		<b>(531.564.048)</b>	<b>336.259.054</b>
<b>Adjustments To Reconcile Net Profit/Loss For The Period</b>		<b>2.859.757.368</b>	<b>1.139.791.244</b>
Adjustments related to amortization and depreciation expenses	11-12-14-23-24	398.420.966	53.221.898
Adjustments related to impairment/revocation	7	(230.933)	(316.475)
Adjustments Related to Employees Benefits Provision (Cancellation)	19	4.620.056	2.866.375
Provisions Related to Litigation and / or Provisions (Cancellation) Provisions Relating to Provisions (Cancellation)	18	(155.718)	861.605
Adjustments on Provisions (Cancellation) on the Sectoral Requirements Framework	18	(29.793)	(39.907)

**ÇAN2 TERMİK A.Ş.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD 01.01.2024-31.03.2024**

(Amounts are expressed in Turkish Lira “TRY” unless otherwise stated.)

Deferred Financial Income Arising From Sales on Credit	7-8	31.320.342	12.737.757
Deferred Financial Income Arising From buying on Debit	7-8	(49.065.510)	(12.102.701)
Adjustments Regarding Interest Expenses	20	71.933.477	48.507.969
Adjustments Related to Interest Income	20	(419.439.603)	(38.969.454)
Adjustments for Unrealized Currency Translation Differences		--	88.085.209
Adjustments Regarding Tax Expenses/Income	29	503.663.268	(306.427.094)
Adjustment for fair value losses (gains) of derivative financial instruments	37	235.468.857	(126.845.864)
Adjustment for fair value losses (gains)		2.083.251.960	1.418.211.924
<b>Changes In Business Capital</b>		<b>(280.145.865)</b>	<b>(626.637.193)</b>
Adjustments Regarding Increase/Decrease in Inventories	9	(901.184.071)	(248.240.269)
Increase/Decrease in Trade Receivables from Related Parties	6	99.020.366	49.306.920
Increase/Decrease in Trade Receivables from Unrelated Parties	7	244.103.479	(2.778.999.789)
Decrease (Increase) in Other Receivables from Related Parties	6	(6.425.913)	(83.162.930)
Decrease (Increase) in Other Receivables from Unrelated Parties	8	(6.168.808)	593.646
Change in Other Assets	20	460.948.002	653.143.737
Increase (Decrease) in Trade Payables to Related Parties	6	--	(229.916)
Increase (Decrease) in Trade Payables to Non-Related Parties	7	(75.177.920)	128.319.994
Change in Prepaid Expenses	10	37.656.048	19.764.522
Change in Payables Under Employee Benefits	19	5.228.143	14.659.194
Increase (Decrease) in Other Payables Related to Operations to Related Parties	6	(9.511.087)	2.455.458.088
Increase (Decrease) in Other Payables Related to Operations to Non-Related Parties	8	(58.271.873)	168.693.555
Provisions for Employee Benefits	19	444.786	(4.172.651)
Increase (Decrease) in Deferred Revenues	10	9.830	(10.682.522)
Change in Other Obligations	20	(70.816.847)	(991.088.772)
<b>Cash Flows from Operations</b>		<b>2.048.047.455</b>	<b>849.413.105</b>
Other Loss/Gain	21	1.055.345	5.193.163

### 39. EXPLANATIONS RELATED WITH EQUITY CHANGE TABLE

The details of the Group's shareholders' equity as of 31.03.2024 and 31.12.2023 are disclosed in Note 21.

### 40. CASH AND CASH EQUIVALENTS

#### Cash and Cash Equivalents

	<b>31.03.2024</b>	<b>31.12.2023</b>
Bank	192.552.960	103.354.489
-Demand deposit	88.200.837	20.232.433
-Time deposit	104.352.123	83.122.056
Other current assets	2.182	25.745.682
<b>TOTAL</b>	<b>192.555.142</b>	<b>129.100.171</b>

As of 31.03.2024 there is no blocked deposits of the Group (31.12.2023 : None).

The information about the Group's term account for the periods 31.03.2024 and 31.12.2023 is as follows:



**ÇAN2 TERMİK A.Ş.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD 01.01.2024-31.03.2024**

(Amounts are expressed in Turkish Lira “TRY” unless otherwise stated.)

Currency Time Deposits	Maturity	Interest rate	31.03.2024	31.03.2024
			Foreign Currency	TRY
TL	1.04.2024	40,00%	63.000.000	63.000.000
TL	1.04.2024	43,00%	37.470.000	37.470.000
TL	1.04.2024	40,00%	1.940.000	1.940.000
TL	1.04.2024	51,86%	583.216	583.216
TL	1.04.2024	51,86%	436.220	436.220
TL	1.04.2024	51,86%	393.141	393.141
TL	1.04.2024	41,00%	249.331	249.331
TL	1.04.2024	40,00%	150.000	150.000
TL	1.04.2024	41,00%	130.215	130.215
			<b>104.352.123</b>	<b>104.352.123</b>

Currency Time Deposits	Maturity	Interest rate	31.03.2024	31.12.2023
			Foreign Currency	TRY
TL	2.01.2024	30,00%	36.014.914	36.014.914
TL	2.01.2024	36,97%	23.276.220	23.276.220
TL	2.01.2024	38,00%	11.046.108	11.046.108
EUR	2.01.2024	0,10%	271.890	10.190.630
TL	2.01.2024	30,00%	667.369	667.369
TL	2.01.2024	42,91%	605.504	605.504
TL	2.01.2024	38,00%	460.254	460.254
TL	2.01.2024	42,91%	452.891	452.891
TL	2.01.2024	42,91%	408.165	408.165
				<b>83.122.056</b>

**41. INTEREST, TAX, PROFIT BEFORE DEPRECIATION (EBITDA)**

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