

**ÇAN2 TERMİK A.Ş.
AND ITS' SUBSIDIARIES
CONSOLIDATED FINANCIAL
STATEMENTS FOR THE SIX-
MONTH INTERIM PERIOD
ENDED 30.06.2024 AND
LIMITED INDEPENDENT
AUDITORS' REPORT**

LIMITED INDEPENDENT AUDITOR'S REPORT**To the Board of Directors of ÇAN2 TERMİK ANONİM ŞİRKETİ****Independent Auditor's Report for Financial Statements****1. Introduction**

Çan2 Termik Anonim Şirketi ("Company") and its subsidiaries (referred to as the "Group"), the accompanying consolidated statement of financial position dated 30 June 2024 and the condensed consolidated statement of profit or loss and other comprehensive income for the six-month interim period ended on the same date, we have conducted a review of the consolidated statement of changes in equity and the consolidated statement of cash flows and explanatory notes. Group management is responsible for the preparation and fair presentation of the said interim condensed consolidated financial information by Turkish Accounting Standard 34 Interim Financial Reporting Standard ("TAS 34"). Our responsibility is to express a conclusion on the interim condensed consolidated financial information based on our review.

2. Scope of Limited Audit

Our review conducted in accordance with Standard on Auditing ("SBAS") 2410 "Review of Interim Financial Information by the Auditor of the Annual Financial Statements of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for finance and accounting matters, and performing analytical and other review procedures. Scope of review of interim financial information; It is significantly narrow compared to the scope of the independent audit, which performed in accordance with the Independent Auditing Standards and whose purpose is to express an opinion on the financial statements. As a result, a review of interim financial information does not provide an assurance that the firm will be familiar with all significant matters that can identified in an independent audit. Therefore, we do not express an independent audit opinion.

3. Conclusion

Based on our limited audit, no points to our attention that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, by TAS 34 Interim Financial Reporting Standard.

O. Tugrul OZSUT
Engaged Chief Auditor



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ÇAN2 TERMİK A.Ş.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 30.06.2024 and 31.12.2023

(Amounts expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the Turkish Lira at June 30, 2024, unless otherwise stated.)

		Current Period Limited Audited Consolidated	Previous Period Audited Consolidated
ASSETS	NOTES	30.06.2024	31.12.2023
Current Assets			
Cash and cash equivalents	41	36.022.270	139.950.892
Trade Receivables	6-7	2.695.697.307	2.774.160.837
<i>Trade receivables from related parties</i>	6	376.605.371	548.860.300
<i>Trade receivables from third parties</i>	7	2.319.091.936	2.225.300.537
Other Receivables	6-8	302.257.094	16.255.363
<i>Other Receivables from Related Parties</i>	6	289.887.566	9.738.211
<i>Other Receivables from Third Parties</i>	8	12.369.528	6.517.151
Inventories	9	1.829.882.800	1.575.865.176
Prepaid Expenses	10	153.413.898	211.852.121
Assets Related to Current Term Tax	29	235.866	7.176.915
Other Current Assets	20	481.973.310	565.424.776
TOTAL CURRENT ASSETS		5.499.482.545	5.290.686.080
Non-Current Assets			
Trade receivables		1.180.447.339	-
<i>Other trade receivables from related parties</i>		-	-
<i>Other trade receivables from third parties</i>		1.180.447.339	-
Other receivables	6-8	205.231	255.994
<i>Other receivables from related parties</i>	6	-	-
<i>Other receivables from third parties</i>	8	205.231	255.994
Tangible Fixed Assets	11	14.624.553.697	14.797.440.867
Intangible Fixed assets	12	181.085.697	191.700.127
<i>Other intangible fixed assets</i>	12	181.085.697	191.700.127
Right of Use Assets	14	11.093.392	14.915.434
Prepaid Expenses	10	35.272.441	42.402.129
Deferred Tax Assets	30	1.441.645.710	1.756.364.932
Other Non-Current Assets	20	69.254.886	63.198.955
TOTAL NON-CURRENT ASSETS		17.543.558.394	16.866.278.438
TOTAL ASSETS		23.043.040.939	22.156.964.518

Consolidated financial statements for the period ending on 30.06.2024 have been approved by the Board of Directors Decision dated 30.09.2024 and numbered 2024/18.

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

ÇAN2 TERMİK A.Ş.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 30.06.2024 and 31.12.2023

(Amounts expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the Turkish Lira at June 30, 2024, unless otherwise stated.)

		Current Period Limited Audited Consolidated	Previous Period Audited Consolidated
LIABILITIES	NOTES	30.06.2024	31.12.2023
Short Term Liabilities			
Short Term Loans	33	--	122.348
Short Term Financial Lease Liabilities	33	4.659.019	5.708.299
Short Terms Part of Long-Term Loans	33	36.911.640	8.402.028
Other Financial Liabilities	33	5.225.376	9.619.726
Trade Payables	6-7	666.554.900	598.355.734
<i>Trade Payables to Related Parties</i>	6	--	--
<i>Trade Payables to Third Parties</i>	7	666.554.900	598.355.734
Employee Benefit Obligations	19	82.003.786	40.041.783
Other Payables	6-8	365.437.416	265.199.852
<i>Other payables to related parties</i>	6	88.950.519	72.789.918
<i>Other payables to third parties</i>	8	276.486.897	192.409.934
Deferred Income	10	1.514.699.760	--
Period Profit Tax Liability	29	--	145.738
Short-term Provisions	18-19	18.044.524	18.297.230
<i>Short-term provisions from employee benefits</i>	19	15.571.947	15.593.079
<i>Other Short-Term Provisions</i>	18	2.472.577	2.704.151
Other Short-Term Liabilities	20	45.330.443	72.971.994
TOTAL SHORT-TERM LIABILITIES		2.738.866.864	1.018.864.732
Long Term Liabilities	33	6.256.927	--
Long Term Financial Leasing Liabilities	33	--	2.691.309
Other Payables	6-8	38.645.161	60.598.099
<i>Other Payables to Related Parties</i>	6	--	--
<i>Other Payables to Third Parties</i>	8	38.645.161	60.598.099
Long Term Provisions	18-19	6.146.701	8.445.999
<i>Long term provisions for employee benefits</i>	19	5.933.885	8.184.886
<i>Other Long-Term Provisions</i>	18	212.816	261.113
Deferred Tax Liabilities	30	--	49.419.564
Other Long-Term Liabilities	20	16.693.651	26.435.489
TOTAL LONG-TERM LIABILITIES		67.742.440	147.590.461

Consolidated financial statements for the period ending on 30.06.2024 have been approved by the Board of Directors Decision dated 30.09.2024 and numbered 2024/18.

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

ÇAN2 TERMİK A.Ş.**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 30.06.2024 and 31.12.2023****(Amounts expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the Turkish Lira at June 30, 2024, unless otherwise stated.)**

		Current Period	Previous Period
		Limited Audited	Audited
		Consolidated	Consolidated
EQUITY	NOTES	30.06.2024	31.12.2023
Equity of Parent Company		20.165.571.769	20.990.509.325
Paid-in Share Capital	21	7.000.000.000	938.116.903
Shares Related Discount/Premium		579.197.700	1.978.677.629
Not to be reclassification of profit or loss accumulated other comprehensive income or expenses	21	950.583.616	3.940.100.589
<i>Gains/Losses Related Revaluation and Measurement</i>	21-37	(1.071.891.313)	(1.624.262.540)
<i>Effects of combination of entities or businesses under common control</i>		(550.101)	--
Reclassification of profit or loss accumulated other comprehensive income or expenses	21	(1.071.220.109)	(1.619.271.406)
<i>Hedging Gain/Loss</i>	21	(121.103)	(4.991.134)
<i>Other Gain/Loss</i>	21	209.029.038	51.020.285
Capital Advances	21	1.474.418.200	1.839.109.481
Profit or Loss of Previous Years	21	11.778.551.108	13.310.481.543
Net Profit or Loss	31	(754.316.580)	557.265.435
Minority Shares		70.859.866	--
TOTAL EQUITY		20.236.431.635	20.990.509.325
TOTAL LIABILITIES		23.043.040.939	22.156.964.518

Consolidated financial statements for the period ending on 30.06.2024 have been approved by the Board of Directors Decision dated 30.09.2024 and numbered 2024/18.

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 SIX-MONTH INTERIM PERIOD ENDED 30.06.2024**

(Amounts expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the Turkish Lira at June 30, 2024, unless otherwise stated.)

		Current Period Limited Audited Consolidated	Previous Period Limited Audited Consolidated	Current Period Not Audited Consolidated	Previous Period Not Audited Consolidated
STATEMENT OF PROFIT/LOSS	NOTES	01.01 - 30.06.2024	01.01 - 30.06.2023	01.04 - 30.06.2024	01.04 - 30.06.2023
Revenue	22	2.260.140.706	3.966.033.296	901.746.866	1.696.403.695
Cost of Goods Sold (-)	23	(1.913.995.702)	(3.154.211.761)	(792.583.581)	(1.354.985.342)
GROSS PROFIT/LOSS		346.145.003	811.821.535	109.163.285	341.418.353
General administrative expenses (-)	24	(269.142.422)	(191.725.849)	(156.491.017)	(63.552.185)
Marketing expenses (-)	24	(33.374.217)	(10.778.723)	(5.341.856)	(8.362.387)
Other Income from Operating Activities	25	63.874.583	85.979.941	23.527.152	72.618.386
Other Expenses from Operating Activities (-)	25	(221.270.756)	(60.454.002)	(181.841.746)	(34.377.274)
OPERATING PROFIT/LOSS		(113.767.809)	634.842.902	(210.984.180)	307.744.893
Income from Investing Activities	26	893.516	3.202.949	893.516	2.352.317
Expenses from Investing Activities (-)	26	(72.227.494)	(1.656.382)	(72.227.494)	(1.656.382)
FINANCING EXPENSE BEFORE OPERATING PROFIT/LOSS		(185.101.787)	636.389.469	(282.318.158)	308.440.828
Financial Income	28	81.207.062	609.076.152	70.456.021	95.342.321
Financial Expenses (-)	28	(462.591.105)	(576.963.164)	(312.795.007)	(149.283.927)
Net Monetary Position Gain/Loss		(332.091.600)	(288.220.164)	(107.774.927)	(246.623.450)
PROFIT/LOSS BEFORE TAXATION FROM CONTINUING OPERATIONS		(898.577.430)	380.282.293	(632.432.071)	7.875.772
Tax Expense/Income from Continuing Operations		150.211.399	187.079.672	460.307.437	69.966.634
Period Tax Income/Loss	30	-	-	2.343.502	8.499.369
Deferred Tax Income/Loss	30	150.211.399	187.079.672	457.963.934	61.467.266
PROFIT/LOSS FROM ONGOING OPERATIONS		(748.366.031)	567.361.965	(172.124.634)	77.842.406
PROFIT/LOSS FROM DISCONTINUED OPERATIONS		--	--	--	--
PROFIT/LOSS FOR THE PERIOD		(748.366.031)	567.361.965	(172.124.634)	77.842.406
Profit/loss distribution for the period					
Minority Shares		5.950.549	--	5.950.549	--
Parent Company Shares	21	(754.316.580)	567.361.965	(178.075.183)	77.842.408
Earnings Per Share					
Earnings per share from continuing operations	31	(0,722276)	1,152295	(0,170511)	0,158096
OTHER COMPREHENSIVE INCOME		4.870.031	959.787	3.725.986	(4.669.855)
Not to be reclassified to profit or loss		4.870.031	959.787	3.725.986	(4.669.855)
Actuarial losses and earnings calculated under employee benefits	19-29	6.493.375	1.279.716	4.967.982	(5.757.337)
Tax Effect	19-21	(1.623.344)	(319.929)	(1.241.995)	1.087.482
To be reclassified to profit or loss		226.953.413	(647.295.626)	183.681.558	(461.685.087)
Cash Flow Hedge Gains/Losses	37	302.604.551	(926.909.307)	244.908.744	(694.896.134)
Deferred Tax Income/Loss	29	(75.651.138)	279.613.681	(61.227.186)	233.211.047
OTHER COMPREHENSIVE INCOME		231.823.444	(646.335.839)	187.407.544	(466.354.942)
TOTAL COMPREHENSIVE INCOME		(516.542.587)	(78.973.874)	15.282.910	(388.512.536)

Consolidated financial statements for the period ending on 30.06.2024 have been approved by the Board of Directors Decision dated 30.09.2024 and numbered 2024/18.

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

ÇAN2 TERMİK A.Ş.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

DATED 31.03.2024 AND 31.03.2023

(Amounts expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the Turkish Lira at June 30, 2024, unless otherwise stated.)

	To be Reclassified to profit or loss accumulated other comprehensive income or expenses							Retained earnings					
	Paid-in Share Capital	Share Capital Adjustment Differences	Share Premiums / Discounts	Actuarial Loss /Gain	Foreign Currency Conversion Differences	Hedging Profit/Loss	Capital Advance	Restricted Reserves Allocated from Profit	Retained Earnings/Losses	Net Profit/Loss for the Period	Equity of the Parent Company	Minority Interest	Equity
Balance on January 1, 2023	320.000.000	1.483.502.060	807.483.820	(3.896.062)	--	(1.574.724.153)	--	--	10.461.989.861	3.253.065.619	--	--	14.747.421.145
Other Comprehensive Income/Expense	--	--	--	1.849.930	--	(850.762.676)	--	--	--	--	--	--	(848.912.747)
Transfers	--	--	(185.332.488)	--	--	--	--	51.020.285	3.411.091.039	(3.253.065.619)	--	--	23.713.217
Capital Increase	480.000.000	--	--	--	--	--	--	--	(480.000.000)	--	--	--	--
Net Profit/Loss for The Period	--	417.422.797	(195.579.193)	--	--	--	--	--	(279.599.878)	--	--	--	(57.756.273)
Balance on June 30, 2023	800.000.000	1.900.924.857	426.572.139	(2.046.132)	--	(2.425.486.829)	--	51.020.285	13.113.481.021	567.361.964	--	--	14.431.827.306
Balance on January 1, 2024	938.116.903	1.978.677.629	3.940.100.589	(4.991.134)	--	(1.619.271.406)	1.839.109.481	51.020.285	13.310.481.543	557.265.435	20.990.509.325	--	20.990.509.325
Other Comprehensive Income/Expense	--	--	--	4.870.031	--	548.051.297	--	--	--	--	552.921.329	--	552.921.329
Change in Share Ratios Resulting in Loss of Control of Subsidiary	--	--	--	--	(550.101)	--	--	--	(219.959)	--	(770.060)	70.859.866	70.089.806
Transfers	--	--	--	--	--	--	--	158.008.753	399.256.682	(557.265.435)	--	--	--
Capital Increase	6.061.883.097	--	(2.730.632.114)	--	--	--	(364.691.281)	--	(1.930.967.159)	--	1.035.592.543	--	1.035.592.543
Increase/Decrease Due to Other Changes)	--	(1.399.479.929)	(258.884.859)	--	--	--	--	--	--	--	(1.658.364.788)	--	(1.658.364.788)
Net Profit/Loss for The Period	--	--	--	--	--	--	--	--	--	(754.316.580)	(754.316.580)	--	(754.316.580)
Balance on June 30, 2024	7.000.000.000	579.197.700	950.583.616	(121.103)	(550.101)	(1.071.220.109)	1.474.418.200	209.029.038	11.778.551.108	(754.316.580)	20.165.571.769	70.859.866	20.236.431.634

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

ÇAN2 TERMİK A.Ş.
CONSOLIDATED STATEMENT OF CASH FLOW
AS OF 30.06.2024 AND 30.06.2023

(Amounts expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the Turkish Lira at June 30, 2024, unless otherwise stated.)

		Current Period Limited Audited Consolidated	Previous Period Limited Audited Consolidated
	NOTES	01.01-30.06.2024	01.01-30.06.2023
A. CASH FLOWS FROM OPEARING ACTIVITIES			
Profit/Loss for The Period		3.525.905.920	1.501.707.883
Adjustments To Reconcile Net Profit/Loss for The Period		4.332.415.383	1.673.685.541
Adjustments related to Amortization and Depreciation Expenses	11-12-14-23-24	731.208.372	319.859.041
Adjustments Related to Employees Benefits Provision (Cancellation)	7	(379.194)	(508.975)
Adjustment Related to Litigation and/or Penalty Provisions (Cancellation)	19	6.093.495	4.314.197
Adjustments Regarding (Cancellation) of Provisions Set aside in accordance with Sectoral Requirements	18	(231.574)	757.624
Deferred Financial Expense Arising from Purchases on Credit	18	(48.297)	(62.964)
Unearned Financial Income Arising from Sales on Credit	7-8	101.449.792	21.167.999
Adjustments Related to Interest Expense	7-8	(65.641.551)	(34.628.977)
Adjustments Related to Interest Income	20	45.330.443	152.037.181
Adjustments Related to Unrealized Foreign Currency Translation Differences	20	(398.896.911)	(588.438.275)
Adjustments Regarding Impairment Reversal of Tangible Fixed Assets		--	793.909.932
Adjustments Related to Tax Expense/Income	29	265.299.657	(187.289.258)
Adjustment on Fair Value Loss (Gains) of Derivative Financial Instruments	37	547.501.196	(850.762.676)
Adjustments for Fair Value Loss (Gains)		70.859.866	--
Changes In Business Capital		(57.062.914)	(741.189.552)
Adjustments related to inventories increase/decrease	9	(794.392.355)	(987.048.437)
Increase (Decrease) in Trade Receivables from Related Parties	6	172.254.929	91.240.728
Increase (Decrease) in Trade Receivables from Third Parties	7	(1.375.309.336)	(2.560.036.635)
Increase (Decrease) in Other Receivables from Related Parties	6	(280.149.355)	(89.460.631)
Increase (Decrease) in Other Receivables from Third Parties	8	(5.801.613)	(689.911)
Change of Other Assets	20	483.233.494	697.184.248
Increase (Decrease) in Trade Payables to Related Parties	6	--	(249.241)
Increase (Decrease) in Trade Payables to Third Parties	7	133.840.716	506.441.235
Changes of Prepaid Expenses	10	65.539.414	(27.824.887)
Changes of Payables within the Scope of Employee Benefits	19	35.868.509	20.435.407
Increase (Decrease) in Other Payables related to Activities of Related Parties	6	16.160.601	2.460.447.896
Increase (Decrease) in Other Payables related to Activities of Third Parties	8	62.124.025	198.232.251
Provisions on Employee Benefits	19	(2.272.133)	623.975
Increase (Decrease) in Deferred Income	10	1.514.699.760	(11.580.376)
Changes of Other Liabilities	20	(82.859.571)	(1.038.905.175)
Cash Flows from activities		3.521.035.889	1.499.857.954
Other gain/loss	21	4.870.031	1.849.930
B. CASH FLOWS FROM INVESTMENT ACTIVITIES			
		(3.291.652.514)	(1.754.785.677)
Cash Inflows Arising from the Sale of Tangible Fixed Assets	11	893.516	3.202.949
Cash Outflows Arising from the Purchase of Tangible Fixed Assets	11	(3.230.579.643)	(1.664.585.066)
Cash Outflows Arising from the Purchase of Intangible Assets	12	(65.788.429)	(82.903.772)
Cash Outflows from Right-to-Use Assets	14	3.822.042	(10.499.788)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
		30.205.253	44.765.056
Cash Inflows from Financial Lease Agreements	32	(3.740.589)	10.842.638
Cash Inflows from Loans	32	60.167.075	103.910.767
Cash Inflows for Debt Payments Arising from Rental Agreements	14	7.128	6.895.235
Cash Outflows Related to Loan Repayments	32	(23.734.450)	(76.266.514)
Cash Outflows Related to Debt Payments Arising from Rental Agreements	14	(2.563.057)	(617.307)
Cash Inflows from Other Financial Debt Payments	32	69.146	237
EFFECT OF MONETARY GAIN/(LOSS) ON CASH AND CASH EQUIVALENTS		(368.387.282)	(162.591.000)
NET INCREASE/DECREASE OF CASH AND CASH EQUIVALENTS		(103.928.622)	(370.903.738)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		139.950.892	430.484.804
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		36.022.270	59.581.065

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

ÇAN2 TERMİK A.Ş.

Explanatory Notes to the Consolidated Financial Statements

Limited Audited for 01 January 2024- 30 June 2024 Period

(Amounts expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the Turkish Lira at June 30, 2024, unless otherwise stated.)

1. ORGANIZATION AND CORE BUSINESS OF THE COMPANY

Çan2 Termik A.Ş.

Çan2 Termik A.Ş. (“Company”, “Parent Company”) was established on 27 May 2003 under the title Çan Kömür ve İnşaat A.Ş. 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 29.07.2023 dated 28.07.2020 and numbered 79 were obtained. As of 30.06.2024, the average number of employees of the Group is 807 employees.

The upper limit of the registered capital ceiling specified in the sixth article of the Company's Articles of Association has been increased to TRY 10.000.000.000 and the registered capital ceiling has been revised to cover the years 2024-2028. This matter was registered before the Istanbul Trade Registry Office on 18.04.2024 and published in the Turkish Trade Registry Gazette dated 24.04.2024 and numbered 11068.

The capital of Çan2 Termik A.Ş. as of 30.06.2024 is TRY 7.000.000.000 and the shareholding structure is as follows:

	30.06.2024	31.12.2023
Odaş Elektrik Üretim Sanayi Ticaret A.Ş.	40%	58,44%
Public Shares	60%	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 30.06.2024, the average number of employees of Yel Enerji is 170 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 shares to Çan Kömür2 Termik A.Ş. at nominal value and Yel Enerji was included in the scope of consolidation.

As of 30.06.2024, Yel Enerji's capital is TRY 6.000.000 and its shareholding structure is as follows:

	30.06.2024	31.12.2023
Çan2 Termik A.Ş.	100%	100%

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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 30.06.2024, the average number of employees of Çan 2 Trakya is 1 person.

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

The capital of Çan 2 Thrace is TRY 550.000 as of 30.06.2024 and its shareholding structure is as follows:

	30.06.2024	31.12.2023
Çan2 Termik A.Ş.	100%	100%

Denarius Pumping Services LLC

Çan2 Termik A.Ş. became a 65% shareholder in Denarius Pumping Services LLC (“Denarius Pumping”) on 03.04.2024 and company was included in the consolidation.

Denarius Pumping is engaged in investment projects.

Denarius Pumping's shareholder structure as of 30.06.2024 is as follows:

	30.06.2024	31.12.2023
Çan2 Termik A.Ş.	65%	--

Denarius Pumping Services de Venezuela CA

Since it is a subsidiary of Denarius Pumping Services LLC as of the share purchase date, Çan2 Termik A.Ş. has a 65% indirect control of Denarius Venezuela and has been included in the consolidation.

Denarius Venezuela is engaged in investment projects.

Denarius Pumping's partnership structure as of 30.06.2024 is as follows:

	30.06.2024	31.12.2023
Denarius Pumping Services LLC	100%	--

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

Information on EMRA licenses held by the parent company and its subsidiaries as of June 30, 2024 is as follows;

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

Information on the licenses of the parent company and its subsidiaries as of June 30, 2024 is as follows;

License Owner	License Group	License Type	License No	Effective Date	Due Date
YEL ENERJİ	IV. Group	Operating	17517	05.01.2015	05.01.2025
YEL ENERJİ	IV. Group	Exploration	201900443	09.04.2019	09.04.2026
YEL ENERJİ	IV. Group	Operating	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.

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 TL, which is the functional currency of the Group.

Adjusting financial tables in hyperinflation periods

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

In accordance with the 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.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

In accordance with the CMB's decision dated 28 December 2023 and numbered 81/1820, issuers and capital market institutions subject to financial reporting regulations implementing Turkish Accounting/Financial Reporting Standards shall comply with the provisions of TMS 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 The 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 June 30, 2024, the indices and correction coefficients used in the correction of consolidated financial statements are as follows:

Date	Index	Adjustment Coefficient
30.06.2024	2.319,29	1
31.12.2023	1.859,38	1,24734
30.06.2023	1.351,59	1,71597

Base of Consolidation

Consolidation is prepared in structure of Çan2 Termik A.Ş. which is parent company. Consolidated financial statements have been prepared in accordance with TAS 27 Turkish Accounting Standard for Consolidated and Separate Financial Statements.

Consolidated financial reports contain 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.
- 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.

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Explanatory Notes to the Consolidated Financial Statements

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(Amounts expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the Turkish Lira at June 30, 2024, unless otherwise stated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

- 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 June 30, 2024 with the consolidated financial position statement prepared as of 31 December 2023; Consolidated comprehensive income statement for the period 1 January – 30 June 2024, consolidated statement of comprehensive income prepared as of January 1 - June 30, 2023, statement of cash flows; The consolidated statement of changes in shareholders' equity, dated 1 January - 30 June 2024, was prepared in comparison with the consolidated statement of changes in shareholders' equity, dated 1 January – 30 June 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 adjustments on accounting policies are applied retroactive, the group should adjust the previous opening balance in the report. The group should provide comparative data which is presented in accordance with the new accounting policies in terms of current years. Changes in accounting policy need to application for previous periods and also for current period or if group cannot determine the change effect of the financial statements as in cumulative, it wouldn't make any application for previous periods.

b. Changes and Errors in Accounting Estimates

If the effects of the change in accounting estimates create changes in asset, foreign resource or equity items, the book values of the relevant asset, foreign resource or equity item must be corrected at the time of the change. Projecting the impact of a change in accounting forecasting into the financial statements going forward means that the forecast applies to transactions, events, and conditions after the date of the change. Previous period errors are corrected through retroactive rearrangement, except where period-specific or cumulative effects related to the error cannot be calculated.

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

Significant Accounting Evaluations, Estimates and Assumptions

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

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

In the next financial reporting period, estimates and assumptions that may cause significant changes in the book value of assets and liabilities are stated below:

Inventories: Inventories are examined physically and how long they are in the past, and provisions are made for inventory items that are estimated to be unavailable.

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

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

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

Facility, machinery, and devices are reflected in the financial statements with their fair values determined in the valuation studies performed by an independent professional and real estate appraisal company licensed by the Capital Markets Board (“CMB”). The frequency of revaluation studies is determined in a way to ensure that the book values of the revalued tangible fixed assets do not differ significantly from their fair values as of the end of the relevant reporting period. The frequency of revaluation studies depends on the change in the fair values of tangible fixed asset items. In cases where the fair value of a revalued asset is significantly different from its book value, the revaluation study should be repeated, and this study is performed for the entire asset class in which the revalued asset is located as of the same date. On the other hand, it is not deemed necessary to repeat the revaluation studies for tangible fixed assets whose fair value changes are insignificant. As of the current period, there is no need for a re-valuation study.

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.

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.

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2.BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

e. Changes in Financial Reporting Standards

a) New standards in force as of June 30, 2024 and amendments and interpretations to existing previous standards :

TFRS 16 (Amendments) Lease Obligation in Sale and Leaseback Transactions;

These amendments to TFRS 16 explain how a seller-lessee subsequently measures sale and leaseback transactions that meet the requirements of TFRS 15 to be accounted for as sales.

These amendments to TFRS 16 will be applied in annual accounting periods beginning on or after January 1, 2024, with early application permitted.

TAS 1 (Amendments) Long-Term Liabilities Containing 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, with early application permitted.

TMS 7 and TFRS 7 (Amendments) Supplier Finance Agreements;

The amendments to TMS 7 and TFRS 7 add road signs to existing disclosure requirements requiring entities to provide qualitative and quantitative information about supplier finance agreements and disclosure requirements. The amendments are effective for annual accounting periods beginning on or after January 1, 2024.

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

TSRS 1 specifies 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 included 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 beginning on or after January 1, 2024. Other businesses may report in accordance with TSRS standards on a voluntary basis.

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 their decisions regarding the provision of resources to the enterprise. The application of this standard is mandatory for enterprises that meet the relevant criteria included 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 TSRS standards on a voluntary basis.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

Amendments and interpretations to standards not yet effective and existing previous standards

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 1 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 to reduce implementation costs, facilitate disclosure of results and ease transition.

In addition, the amendment regarding comparative information allows companies that first apply IFRS 7 and IFRS 9 at the same time to present comparative information regarding their financial assets as if the classification and measurement requirements of IFRS 9 had been applied to that financial asset before.

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

The possible effects of the standards, amendments and improvements in question 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 enterprise, 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 d) or e) parts has right to vote in important decisions of the party;

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.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

Financial assets at fair value through profit or loss

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

Financial assets measured at amortized cost

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

Financial assets at fair value through other comprehensive income

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

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

Registration and derecognition of financial assets

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

Impairment / expected loss provision in financial assets

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

ÇAN2 TERMİK A.Ş.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

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. From equity transactions Transaction costs arising from these transactions are accounted for as a deduction from equity, as long as there are additional costs incurred directly from these transactions, that is, they do not need to be incurred otherwise. In addition, costs related to abandoned equity transactions are recognized as an expense.

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

Trade Receivables

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

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

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.

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.

ÇAN2 TERMİK A.Ş.

Explanatory Notes to the Consolidated Financial Statements

Limited Audited for 01 January 2024- 30 June 2024 Period

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

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 power plant	30
Aboveground and underground layouts	8-50
Buildings	50
Machinery, plant and devices	4-15
Vehicle tools and equipment	5
Furniture and fixtures	3-15
Special 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

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)

ÇAN2 TERMİK A.Ş.

Explanatory Notes to the Consolidated Financial Statements

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

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.

Leases – TFRS 16 (As Lessee)

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.

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Explanatory Notes to the Consolidated Financial Statements

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(Amounts expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the Turkish Lira at June 30, 2024, unless otherwise stated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

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 related to 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 the event that the hedging instrument is sold, expires or fails to meet the hedge accounting requirements even though it is for hedging purposes, or in 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. continues to be classified. When the promised or probable future transaction is realized, it is recorded in the income statement or if it is anticipated that it will not be realized, 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).

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Explanatory Notes to the Consolidated Financial Statements

Limited Audited for 01 January 2024- 30 June 2024 Period

(Amounts expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the Turkish Lira at June 30, 2024, unless otherwise stated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

Investment Properties

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

Borrowing Costs

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

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).

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Explanatory Notes to the Consolidated Financial Statements

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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:

- 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.

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Explanatory Notes to the Consolidated Financial Statements

Limited Audited for 01 January 2024- 30 June 2024 Period

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

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 30.06.2024, announced buying rate of USD by the Central Bank of Republic of Turkey is 32,8262 TRY (31.12.2023: 29,4382 TRY), buying rate of EURO is 35,1284 TRY (31.12.2023: 32,5739 TRY), buying rate of GBP is 41,4365 TRY (31.12.2023: 37,4417 TRY). As of the date of 30.06.2024 announced buying rate of USD by the Central Bank of Republic of Turkey is 32,8853 TRY (31.12.2024: 29,4913 TRY), buying rate of EURO is 35,1917 TRY (31.12.2023: 32,6326 TRY), buying rate of GBP is 41,6525 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. Deferred tax asset and liability is recording without considering time where group can use timing differences.

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Explanatory Notes to the Consolidated Financial Statements

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

Current Tax Payments

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

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

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

Earnings / Loss Per Share

Earnings per share presented at the bottom of the consolidated Comprehensive Income Statement are calculated by dividing the net profit for the period to the number of shares. In case of increasing capital from sources in group in period, when calculating weighted average of number of shares, the value found after that is accepted also to use as valid at the beginning of period. TMS 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.

Explanatory Notes to the Consolidated Financial Statements

Limited Audited for 01 January 2024- 30 June 2024 Period

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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 for period of 31.12.2023 and 30.06.2023.

30.06.2024

	TURKEY	USA/ VENEZUELA	TOTAL	EFFECT OF ELIMINATION	CONSOLIDATED TOTAL
Current assets	5.346.916.929	548.462.212	5.895.379.141	(395.896.596)	5.499.482.545
Financial assets	16.567.358.259	1.181.392.116	17.748.750.375	(205.191.981)	17.543.558.394
Total assets	21.914.275.187	1.729.854.328	23.644.129.516	(601.088.576)	23.043.040.939
Short term liabilities	1.607.423.382	1.527.340.074	3.134.763.457	(395.896.593)	2.738.866.864
Long term liabilities	67.134.853	607.590	67.742.443	--	67.742.440
Total liabilities	1.674.558.235	1.527.947.665	3.202.505.900	(395.896.593)	2.806.609.305
Equity	20.239.716.957	201.906.659	20.441.623.616	(205.191.981)	20.236.431.635

ÇAN2 TERMİK A.Ş.**Explanatory Notes to the Consolidated Financial Statements****Limited Audited for 01 January 2024- 30 June 2024 Period**

(Amounts expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the Turkish Lira at June 30, 2024, unless otherwise stated.)

5. SEGMENT REPORTING (CONTINUED)

01.01.2024 - 30.06.2024					
Profit Or Loss Statement	TURKEY	USA/VENEZUELA	TOTAL	EFFECT OF ELİMİNATION	CONSOLIDATED TOTAL
Revenue	2.279.812.288	11.693.238	2.291.505.526	(31.364.820)	2.260.140.706
Cost Of Sales (-)	(1.942.582.840)	(2.777.682)	(1.945.360.522)	31.364.820	(1.913.995.702)
Gross Profit/Loss	337.229.448	8.915.555	346.145.004	--	346.145.003
General Administrative Expenses(-)	(267.483.488)	(1.658.934)	(269.142.422)	--	(269.142.422)
Marketing Expenses(-)	(33.374.217)	--	(33.374.217)	--	(33.374.217)
Other Income From Operational Facility	63.874.583	--	63.874.583	--	63.874.583
Other Expense From Operational Facility(-)	(214.501.955)	(6.768.801)	(221.270.756)	--	(221.270.756)
Operational profit/loss	(114.255.630)	487.820	(113.767.807)	--	(113.767.809)
Investment facility income	893.516	--	893.516	--	893.516
Investment facility expenses (-)	--	--	--	(72.227.494)	(72.227.494)
Operating Profit/Loss Before Finance Expense	(113.362.114)	487.820	(112.874.291)	(72.227.494)	(185.101.787)
Financial Income	104.745.884	16.513.748	121.259.632	(40.052.570)	81.207.062
Financial Expense (-)	(502.643.675)	--	(502.643.675)	40.052.570	(462.591.105)
Net Monetary Position Gain/Loss	(332.091.600)	--	(332.091.600)	--	(332.091.600)
Profit And Loss From Continuing Operations Before Tax	(843.351.505)	17.001.568	(826.349.934)	(72.227.494)	(898.577.430)
Profit And Loss From Continuing Operations Tax Income/Loss	150.211.399	--	150.211.399	-	150.211.399
Deferred Tax Income/Loss	150.211.399	--	150.211.399	--	150.211.399
Profit And Loss From Continuing Operations	(693.140.106)	17.001.568	(676.138.535)	(72.227.494)	(748.366.031)
Profit And Loss From Discontinuing Operations	--	--	--	--	--
Period Profit /Loss	(693.140.106)	17.001.568	(676.138.535)	(72.227.494)	(748.366.031)

6. EXPLANATIONS OF RELATED PARTIES**i) Balances of the Company with its' related parties as of June 30, 2024 and December 31, 2023:****a) Trade receivables from related parties:**

	30.06.2024	31.12.2023
Voytron Enerji Elektrik Perakende Satış A.Ş.	357.760.414	441.693.704
Suda Stratejik Metal Dış Ticaret A.Ş.	94.130.644	220.573.767
Arsın Enerji Elektrik Üretim Sanayi Ticaret A.Ş.	10.050.902	10.865.820
Hidro Kontrol Elektrik Üretim A.Ş.	157.931	196.995
TOTAL	462.099.891	673.330.286
<i>Deduction: Unaccrued financial expenses</i>	<i>(85.494.520)</i>	<i>(124.469.985)</i>
TOTAL	376.605.371	548.860.300

b) Other receivables from related parties:

	30.06.2024	31.12.2023
Odaş Elektrik Üretim San. ve Tic. A.Ş.	274.589.267	150.429
Batı Trakya Madencilik A.Ş.	12.411.244	--
Abdulkadir Bahattin Özal	7.192.804	8.496.630
Süleyman Sarı	160.750	200.511
Burak Altay	118.046	736.220
Tahsin Yazan	100.000	124.735
Nos Gıda	7.910	--
Hidro Kontrol Elektrik Üretim A.Ş.	4.195	--
Odaş Doğalgaz Toptan Satış san. Ve Tic. A.Ş.	1.803	--
Kısrakdere Maden A.Ş.	--	43.399
TOTAL	294.586.019	9.751.924
<i>Deduction: Unaccrued financial expenses</i>	<i>(4.698.453)</i>	<i>(13.713)</i>
TOTAL	289.887.566	9.738.211

ÇAN2 TERMİK A.Ş.**Explanatory Notes to the Consolidated Financial Statements****Limited Audited for 01 January 2024- 30 June 2024 Period**

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6. EXPLANATIONS OF RELATED PARTIES (CONTINUED)**c) Other payables to related parties:**

	30.06.2024	31.12.2023
Odaş Elektrik Üretim San. ve Tic. A.Ş.	84.606.102	34.941.364
Ys Madencilik Sanayi ve Tic. Ltd. Şti	29.410.318	33.984.720
Voytron Enerji Elektrik Perakende Satış A.Ş.	520.987	993.530
Suda Maden A.Ş.	217.750	38.832
Hidro Kontrol Elektrik Üretim A.Ş	8.350	--
Batı Trakya Madencilik A.Ş.	--	3.117.439
Burak Altay	--	736.220
TOTAL	114.763.507	73.812.105
<i>Deduction: Unaccrued financial incomes</i>	<i>(25.812.988)</i>	<i>(1.022.187)</i>
TOTAL	88.950.519	72.789.918

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

	01 January -30 June 2024	01 January -30 June 2023	01 April -30 June 2024	01 April -30 June 2023
Voytron Enerji Elektrik Perakende Satış A.Ş.	8.550.111	323.441.907	6.909.084	181.651.309
Suda Maden A.Ş	--	19.999.631	--	11.063.441
Suda Stratejik Metal Dış Ticaret A.Ş.	37.188.539	22.134.140	16.546.404	11.972.743
Arsin Enerji Elektrik Üretim San. Tic. A.Ş	1.777.628	943.269	--	792.724
TOTAL	47.516.278	366.518.947	23.455.4898	205.480.217

c) Purchases from related parties

	01 January -30 June 2024	01 January -30 June 2023	01 April -30 June 2024	01 April -30 June 2023
Voytron Enerji Elektrik Perakende Satış A.Ş.	8.138.753	12.953.404	5.458.329	9.251.121
Suda Maden A.Ş.	--	1.927.912	--	1.927.912
Odaş Elektrik Üretim San. ve Tic. A.Ş.	--	8.799.937	--	8.799.937
Rey Bilişim Hizmetleri Ve Ticaret Ltd Şti	--	276.788	--	115.487
Ys Madencilik Sanayi ve Tic. Ltd. Şti.	--	51.159.192	--	51.159.192
TOTAL	8.138.753	75.117.233	5.458.329	71.253.649

Fees and similar benefits provided to the top management for the accounting period ending on 30.06.2024 are as follows:

- 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 six months of the 2024 accounting period is TRY 28.682.647. (For the year of 2023, it is TRY 39.708.649)
- 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.
- Other long-term benefits:** None.
- Benefits due to Dismissal:** None.
- Share-based payments:** None.

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7. TRADE RECEIVABLES AND PAYABLES**Trade Receivables**

The details of the Group's trade receivables as of 30.06.2024 and 31.12.2023 are as follows:

Trade receivables	June 30, 2024	December 31, 2023
Customer Current Accounts	2.831.543.522	2.871.931.283
- Receivables from related parties	462.099.891	673.330.286
- Other receivables(*)	2.369.443.631	2.198.600.998
Notes Receivables	51.098.097	64.209.922
Doubtful Receivables	1.533.051	1.912.245
Provision of Doubtful Receivables (-)	(1.533.051)	(1.912.245)
	2.882.641.619	2.936.141.205
<i>Deduction: Unaccrued financial expenses</i>	<i>(186.944.312)</i>	<i>(161.980.368)</i>
- Receivables from related parties	(85.494.520)	(124.469.985)
- Other receivables	(101.449.792)	(37.510.383)
TOTAL	2.695.697.307	2.774.160.837

(*)The amount of 1.579.709.889 TRY included in trade receivables including tax and interest is the amount subject to litigation.

Trade Payables

	June 30, 2024	December 31, 2023
Supplier Current Accounts	732.193.951	652.569.869
- Due to related parties	--	--
- Other supplier payables	732.193.951	652.569.869
Other Trade Payables	2.500	3.118
	732.196.451	652.572.987
<i>Deduction: Unaccrued financial income</i>	<i>(65.641.551)</i>	<i>(54.217.253)</i>
- Trade Payables to Related Parties	--	--
- Trade Payables to Third Parties	(65.641.551)	(54.217.253)
TOTAL	666.554.900	598.355.734

8. OTHER RECEIVABLES AND PAYABLES**Short-term Other Receivables**

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

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8. OTHER RECEIVABLES AND PAYABLES (CONTINUED)

	June 30, 2024	December 31, 2023
Other receivables from related parties	294.586.019	9.751.924
Other receivables	8.256.964	2.020.800
Deposits and guarantees given	4.112.564	4.497.769
TOTAL	306.955.547	16.270.493
Deduction: Unaccrued finance expenses	(4.698.453)	(15.130)
-Other receivables from related parties	(4.698.453)	(13.712)
-Other receivables	--	(1.418)
TOTAL	302.257.094	16.255.363

Long-term Other Receivables

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

	30.06.2024	31.12.2023
Deposits and guarantees given	205.231	255.994
TOTAL	205.231	255.994

Short-term Other Payables

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

	June 30, 2024	December 31, 2023
<i>Due to related parties</i>	114.763.507	73.812.105
Other payables	165.013.251	209.806
Taxes and funds payables	90.866.381	165.371.893
Received advances	--	12.261
Tax or Other Deferred Liabilities	20.201.958	26.746.428
Other Liabilities	405.308	89.576
	391.250.404	266.242.069
<i>Deduction: Unaccrued finance expenses</i>	(25.812.988)	(1.042.217)
- <i>Due to related parties</i>	(25.812.988)	(1.022.190)
- <i>Other payables</i>	--	(20.027)
TOTAL	365.437.416	265.199.852

Details of taxes and funds payables are as follows:

	30.06.2024	31.12.2023
Value Added Tax	57.333.426	144.956.161
Wage Income Tax Deduction	32.091.556	16.220.379
Other Tax Liabilities	1.441.399	4.195.353
TOTAL	90.866.381	165.371.893

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8. OTHER RECEIVABLES AND PAYABLES (CONTINUED)**Long-term Other Payables**

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

	30.06.2024	31.12.2023
Deferred or Installed Payables to Public	38.645.161	60.598.099
TOTAL	38.645.161	60.598.099

9. INVENTORIES

	June 30, 2024	December 31, 2023
Raw materials and supplies	51.710.298	39.001.765
Semi-finished goods	892.807.799	932.059.494
Finished goods	650.145.758	450.342.448
Trade goods	--	10.021.967
Other inventories	235.218.945	144.439.502
TOTAL	1.829.882.800	1.575.865.176

The balance of the raw material amount consist of fuel oil purchases, semi-finished product stocks consist of raw coal purchases, product stocks consist of powdered coal and limestone purchases, and other stocks consist of auxiliary production materials and other operating materials and spare parts.

10. PRE-PAID EXPENSES AND DEFERRED INCOME**Short-term Pre-paid Expenses**

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

	June 30, 2024	December 31, 2023
Advances given to suppliers	129.044.300	164.007.473
Expenses related to the coming months	24.369.598	47.844.648
TOTAL	153.413.898	211.852.121

Long-term Pre-paid Expenses

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

	June 30, 2024	December 31, 2023
Expenses related to the future months(*)	35.272.441	42.402.129
TOTAL	35.272.441	42.402.129

(*) Amount related to restructured tax liabilities.

Short-term Deferred Income

	30.06.2024	31.12.2023
Advances Received (*)	1.514.699.760	--
TOTAL	1.514.699.760	--

(*) The related amount comes from the financials of Denarius LLC, a subsidiary of the Group.

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11. TANGIBLE FIXED ASSETS

The movement of tangible fixed assets within the accounting period of 01.01.-30.06.2024 is as follows:

	01.01.2024	Addition	Disposals	Transfer	30.06.2024
Cost					
Lands	630.144.753	2.430.992	--	--	632.575.745
Buildings	2.269.130	--	(100.401)	--	2.168.729
Plant, machinery and equipment	15.420.495.380	152.543.434	--	--	15.573.038.815
Vehicles	163.077.484	--	(19.455.959)	--	143.621.525
Furniture and fixtures	85.781.935	2.986.538	--	--	88.768.473
Construction in progress	394.385.255	--	--	--	394.385.256
Research expenses	749.490	50.325	--	--	799.815
Total	16.696.903.428	158.011.290	(19.556.360)	--	16.835.358.358
Accumulated Depreciation					
Buildings	(517.229)	(62.360)	--	--	(579.589)
Plant, machinery and equipment	(1.809.255.631)	(292.350.629)	--	--	(2.101.606.260)
Vehicles	(46.086.808)	(13.874.703)	1.095.635	--	(58.865.876)
Furniture and fixtures	(43.602.893)	(6.150.041)	--	--	(49.752.935)
Total	(1.899.462.561)	(312.437.734)	1.095.635	--	(2.210.804.660)
Net Book Value	14.797.440.867	(154.426.444)	(18.460.725)	--	14.624.553.697

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
Cost					
Lands	588.856.450	41.288.303	--	--	630.144.753
Buildings	2.269.130	--	--	--	2.269.130
Plant, machinery and equipment	15.142.227.633	278.267.747	--	--	15.420.495.380
Vehicles	151.970.954	13.988.581	(2.882.052)	--	163.077.484
Furniture and fixtures	68.115.235	17.666.700	--	--	85.781.935
Construction in progress	281.235.521	113.149.734	--	--	394.385.255
Research expenses	749.490	-	--	--	749.490
Total	16.235.424.414	464.361.066	(2.882.052)	--	16.696.903.428
Accumulated Depreciation					
Buildings	(454.418)	(62.811)	--	--	(517.229)
Plant, machinery, and equipment	(1.230.534.436)	(578.721.194)	--	--	(1.809.255.631)
Vehicles	(20.703.596)	(26.272.701)	889.490	--	(46.086.808)
Furniture and fixtures	(31.920.289)	(11.682.604)	--	--	(43.602.893)
Total	(1.283.612.740)	(616.739.311)	889.490	--	(1.899.462.561)
Net Book Value	14.951.811.674	(152.378.245)	(1.992.562)	--	14.797.440.867

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11. TANGIBLE FIXED ASSETS (CONTINUED)

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 based on the asset valuation study carried out by Ata Yatırım Menkul Değerler, reflected in the financial statements over the values in the Asset Valuation Report dated 12.01.2023, prepared in accordance with the “General Principles to Be Followed in the valuation of Non-real Estate Assets and International Valuation Standards” in accordance with the decision of the Capital Markets Board dated 11.04.2019 and numbered 21/500. The asset value of Çan 2 Thermal Power Plant has been determined as TL 4.684.505.558 by the authorized valuation companies according to the income method (DNA).

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

12. INTANGIBLE FIXED ASSETS

As of 30.06.2024, the details of the Group's intangible assets are as follows:

	01.01.2024	Addition	Disposals	Transfer	30.06.2024
Cost					
Rights	64.003.987	--	--	--	64.003.987
Research and Development Expenses	481.927	185.424	--	--	667.351
Other Intangible Assets	4.719.870	--	--	--	4.719.870
Preparation and Development Expenses	271.915.476	3.092.742	--	--	275.008.218
Total	341.121.260	3.278.166	--	--	344.399.426
Accumulated Amortization					
Rights	(29.649.943)	(2.537.626)	--	149.947	(32.037.622)
Other Intangible Assets	(3.773.237)	(352.228)	--	--	(4.125.464)
Preparation and Development Expenses	(115.997.953)	(11.152.690)	--	--	(127.150.643)
Total	(149.421.133)	(14.042.544)	--	149.947	(163.313.729)
Net Book Value	191.700.127	(10.764.377)	--	149.947	181.085.697

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12. INTANGIBLE FIXED ASSETS (CONTINUED)

As of 31.12.2023, the details of the Group's intangible assets are as follows:

	01.01.2023	Addition	Disposals	Transfer	31.12.2023
Cost					
Rights	44.970.760	18.716.402	316.825	--	64.003.987
Research and Development Expenses	--	481.927	--	--	481.927
Other Intangible Assets	2.596.743	2.123.127	--	--	4.719.870
Preparation and Development Expenses	215.355.742	56.559.734	--	--	271.915.476
Total	262.923.245	77.881.190	316.825	--	341.121.260
Accumulated Amortization					
Rights	(23.680.395)	(5.969.548)	--	--	(29.649.943)
Other Intangible Assets	(3.178.391)	(594.846)	--	--	(3.773.237)
Preparation and Development Expenses	(83.027.063)	(32.970.889)	--	--	(115.997.953)
Total	(109.885.849)	(39.535.284)	--	--	(149.421.133)
Net Book Value	153.037.396	38.345.906	316.825	--	191.700.127

13. EVALUATING AND RESEARCHING OF MINE RESOURCES

As of June 30, 2024 and December 31, 2023, the total development expenditure capitalized amount are as follows:

Subsidiaries	30.06.2024	31.12.2023
Yel Enerji	68.099.453	65.006.711
Çan2 Termik A.Ş.	26.011.125	26.011.125
Çan2 Trakya	180.897.640	180.897.640
Total	275.008.218	271.915.476

The preparation and development expenditures are capitalized in accordance with the Standard for the Exploration and Evaluation of Mineral Resources and the accounting policy implemented by the Group, and the amortization calculation for the Preparation and Development Expenses is initiated when the amortization process is in the position and condition required for the intangible asset to be ready for use, that is, to operate as intended by the management.

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14. RIGHT OF USE ASSETS

As of 30.06.2024, the details of the Group's right-of-use assets are as follows:

	01.01.2024	Additions	Disposals	Transfer	30.06.2024
Cost – Vehicles					
Right of Use Asset	22.772.591	--	(4.515.753)	--	18.256.838
Total	22.772.591	--	(4.515.753)	--	18.256.838
Accumulated Depreciation - Vehicles					
Right of Use Asset	(7.857.158)	(864.344)	1.558.057	--	(7.163.445)
Total	(7.857.158)	(864.344)	1.558.057	--	(7.163.445)
Net Book Value	14.915.434				11.093.392

As of 31.12.2023, the details of the Group's right-of-use assets are as follows:

	01.01.2023	Addition	Disposals	Transfer	31.12.2023
Cost – Vehicles					
Right of Use Asset	7.872.612	15.015.223	115.245	--	22.772.591
Total	7.872.612	15.015.223	115.245	--	22.772.591
Accumulated Depreciation - Vehicle					
Right of Use Asset	(5.735.740)	(2.236.662)	(115.245)	--	(7.857.158)
Total	(5.735.740)	(2.236.662)	(115.245)	--	(7.857.158)
Net Book Value	2.136.872				14.915.434

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 30.06.2024 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 (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.

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16. GOVERNMENT INCENTIVES (CONTINUED)

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 30.06.2024, the indexed and unused investment allowance amount is TL 1.667.655.523. This amount is subject to deferred tax (Note 30).

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

17. BORROWING COSTS

None. (None: December 31, 2023).

18. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES**Other Short-Term Provisions**

	30.06.2024	31.12.2023
Lawsuit Provisions	2.472.577	2.704.151
Total	2.472.577	2.704.151

Lawsuits Against the Company

As of 30.06.2024, according to the information obtained from the Group's legal counsel, there are various commercial lawsuits filed against the Group. Provision has been accounted for these lawsuits and their expenses.

As of 30.06.2024, the Group has allocated a provision for litigation expenses 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;

	01 January – 30 June, 2024	01 January – 31 December, 2023
Opening Balance	2.704.151	2.010.129
Additional Provisions/Cancellation	(231.575)	694.022
Total	2.472.577	2.704.151

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

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

As stated in the Company's special situation statements dated 14.01.2024, 11.04.2024 and 17.06.2024, following the letter dated 13.01.2024 sent to the Company by EMRA, the lawsuit filed for the annulment of the administrative action at the Ankara 10th Administrative Court and the decision made in favor of the Company were filed in Ankara 8. The Administrative Case Office decided to suspend the execution, and the case continues to be heard on its merits.

Other Long-Term Provisions

	30.06.2024	31.12.2023
Provision for Mine Restoration	212.816	261.113
TOTAL	212.816	261.113

At 11th paragraph 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 $150 \times \text{TRY } 2.000 = \text{TRY } 300.000$. 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

	30.06.2024	31.12.2023
Balance at the Beginning of the Period	261.113	416.397
Additional Provision/ Payment (-)	(48.297)	(155.284)
End-of-Term Balance	212.816	261.113

As of 30.06.2024, the total cost of TRY 300.000 discounted to present value is TRY 212.816. No additional provision has been calculated in the current period.

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

The guarantees given by the Group are as follows:

COLLATERAL PLEDGE MORTGAGES	30.06.2024	31.12.2023
A) The total amount of the collateral pledged mortgages given on behalf of the legal entity	558.917.770	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>Third Parties, which is not covered by Article C. the total amount of collateral pledged mortgages issued in favor of persons</i>	--	--
TOTAL	558.917.770	30.261.110.070

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

	30.06.2024	31.12.2023
Letters of guarantee received	73.703.089	4.660.182
	73.703.089	4.660.182

19. EMPLOYEE BENEFITS**a. Short-Term*****Liabilities within the Scope of Employee Benefits***

	30 Jun 2024	31 December 2023
Debts to Personnel	47.619.147	20.308.207
Social Security Deductions Payable	34.384.639	19.733.576
TOTAL	82.003.786	40.041.783

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.

Annual Leave Provision

The movement of the annual leave provision account between 30.06.2024 and 31.12.2023 is presented below:

	30.06.2024	31.12.2023
Provision During the Period	15.571.947	15.593.079
TOTAL	15.571.947	15.593.079

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19.EMPLOYEE BENEFITS(CONTINUED)*Liabilities within the Scope of Employee Benefits(Continued)***b. Long-Term***Provisions for Severance Pay*

In accordance with the current labor law, companies are obliged to pay a certain amount of severance pay to personnel who quit their job due to retirement after serving at least one year or who are dismissed for reasons other than resignation and bad behavior. The compensation to be paid is equal to one month's salary for each year of service and this amount has been limited to TRY 35.058,58 (31.12.2023:TRY 23.489,83) as of 30.06.2024.

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 30.06.2024 and 31.12.2023 are as follows:

	30.06.2024	31.12.2023
Discount Rate	21,44%	21,44%
The Estimated Rate of Increase	17,78%	17,78%
Net Discount Rate	3,11%	3,11%

The movement of the severance pay provision account between 30.06.2024 and 31.12.2023 is presented below:

Provision for Severance Pay

	30 June 2024	31 December 2023
Turnover		
Additional Provision / Payment	5.933.885	8.184.886
Balance	5.933.885	8.184.886
	30 June 2024	31 December 2023
Turnover	8.184.886	6.390.845
Payment	5.776.778	10.773.548
Interest Cost	693.793	1.066.609
Current Service Cost	(2.345.868)	(9.566.575)
Actuarial Profit/Loss	(6.493.375)	1.460.096
Inflation Effect	117.671	(1.939.637)
Balance	5.933.885	8.184.886

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20. OTHER ASSETS AND LIABILITIES**Other Current Assets**

As of 30.06.2024 and 31.12.2023, Other Current Assets are as follows:

	30 June 2024	31 December 2023
Income accruals	398.896.911	518.131.232
Deferred VAT	1.297.265	4.739.317
Job Advances	25.432.179	25.836.569
Advances Given to Personnel	1.506.287	3.730.988
Advances Given to Suppliers	33.128.248	12.872.459
Other Current Assets	21.712.420	114.211
TOTAL	481.973.310	565.424.776

The details of income accruals are as follows:

	30 June 2024	31 December 2023
Electricity sales revenue accruals	398.896.911	518.131.232
TOTAL	398.896.911	518.131.232

Other Short-Term Liabilities

	30.06.2024	31.12.2023
Expense Accruals	45.330.443	72.971.994
TOTAL	45.330.443	72.971.994

The details of Expense Accruals are as follows:

	30.06.2024	31.12.2023
Electricity purchase expense accruals	20.109.702	51.183.742
Other expense accruals	25.220.741	21.788.252
TOTAL	45.330.443	72.971.994

As of 30.06.2024 and 31.12.2023, the details of Other Non-Current Assets are as follows:

Other Non-Current Assets

	30 June 2024	31 December 2023
Advances Given (*)	69.254.886	63.198.955
TOTAL	69.254.886	63.198.955

(*) 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

	30.06.2024	31.12.2023
Expense Accruals (*)	16.693.651	26.435.489
TOTAL	16.693.651	26.435.489

(*) The Insurance and Tax liabilities of the Group consist of the interest of the monthly restructured installments.

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21. CAPITAL, RESERVES AND OTHER EQUITY ITEMS**Paid-in Capital**

The Group's paid-in capital structure as of 30.06.2024 and 31.12.2023 is as follows:

Shareholders	30.06.2024		31.12.2023	
	Amount	Rate	Amount	Rate
Odaş Elektrik Üretim San. Tic. A.Ş.	2.799.982.403	40,00%	548.244.403	58,44%
The Public Shares	4.200.017.597	60,00%	389.872.500	41,56%
TOTAL	7.000.000.000	100%	938.116.903	100%
Capital Adjustment Positive Differences (*)	579.197.700		1.978.677.629	579.197.700
Total Paid-in Capital	7.579.197.700		2.916.794.532	7.579.197.700

(*) Capital adjustment differences represent 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 30.06.2024, the paid-in capital of Çan2 Termik A.Ş. is 7.000.000.000 Turkish Liras and it is divided into 7.000.000.000 (Seven Billion) shares, each with a nominal value of 1 (One) TRY.

Premiums/Discounts Related to Shares

	30 June 2024	31 December 2023
Share Issue Premiums	950.583.616	3.940.100.589
TOTAL	950.583.616	3.940.100.589

Cash Hedge Gains/Losses

	30 June 2024	31 December 2023
Hedging Gains and Losses	1.071.220.109	1.619.271.406
TOTAL	1.071.220.109	1.619.271.406

Actuarial Loss/Gain Fund

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

	30.06.2024	31.12.2023
Balance at the Beginning of the Period	(4.991.134)	(3.896.063)
Actuarial Gains/(Losses)	6.493.375	(1.460.096)
Deferred Tax Effect	(1.623.344)	365.025
End-of-Term Balance	(121.103)	(4.991.134)

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21. CAPITAL, RESERVES AND OTHER EQUITY ITEMS (CONTINUED)**Reserves On Retained Earnings**

	30.06.2024	31.12.2023
Legal Reserves	209.029.038	51.020.285
Total	209.029.038	51.020.285

Capital advances

	30.06.2024	31.12.2023
Capital advances	1.474.418.200	1.839.109.481
Total	1.474.418.200	1.839.109.481

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

Equity	PPI Index	CPI Index	Differences To Be Followed in Retained Earnings/Losses
Positive Capital Adjustment Differences	7.656.006.587	7.579.197.700	76.808.887
Share Premiums/Discounts	184.045.353	950.583.616	(766.538.263)
Restricted Reserves	187.623.381	209.029.038	(21.405.658)

Shares of the Parent Company

In the six-month period ending on 30.06.2024, the Group has earned a period loss of TRY 754.316.580 (31.12.2023: TRY 557.265.435). All of these amounts belong to the parent company shares and there is no minority share.

Previous Year Profit/Loss

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

Previous Years Profit / Losses	30 June 2024	31 December 2023
Profit/Loss for the Previous Years	13.310.481.543	10.461.989.860
Share Ratio in Subsidiaries Not Resulting in Loss of Control Val.		
Related Increase/Decrease	(219.959)	--
Transfers	(2.088.975.911)	(404.573.936)
Profit/Loss for the Period	557.265.435	3.253.065.619
TOTAL	11.778.551.108	13.310.481.543

22. REVENUE AND COSTS OF GOODS SOLD

The detail of sales is as follows;

	01 January - 30 June 2024	01 January - 30 June 2023	01 April - 30 June 2024	01 April - 30 June 2023
Energy Sales Revenues	2.249.196.010	3.964.899.184	891.602.597	1.695.470.217
Other Revenues	13.808.855	1.475.490	13.008.428	995.169
Refunds from Sale	(2.864.159)	(341.378)	(2.864.159)	(61.691)
TOTAL	2.260.140.706	3.966.033.296	901.746.866	1.696.403.695

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23. EXPENSES ACCORDING TO THEIR QUALIFICATIONS

The details of the cost of sales for the periods 01.01.-30.06.2024 and 01.01.-30.06.2023 are as follows:

	01 January - 30 Jun 2024	01 January - 30 Jun 2023	01 April - 30 Jun 2024	01 April - 30 Jun 2023
The Cost of Using Coal	839.165.575	866.779.964	301.423.703	420.059.085
EPIAS/Support Fee(*)	417.680.113	1.674.612.232	141.777.028	624.815.881
The Cost of Selling Finished Products Obtained from Production	196.966.028	23.982.059	144.391.215	5.280.876
Personnel expense share	193.364.645	210.102.888	96.732.918	123.621.974
Depreciation and amortization expense share	121.918.276	191.752.127	58.009.295	99.981.970
Maintenance and repair expenses	77.247.189	99.558.098	24.355.677	38.600.853
Other Expenses	38.279.778	2.367.102	18.508.984	807.859
Insurance expenses	13.989.522	23.297.213	3.605.653	11.994.667
Rental Expenses	12.422.993	19.368.597	2.961.939	8.247.951
Consultancy Expenses	2.961.583	42.391.481	817.169	21.574.226
TOTAL	1.913.995.702	3.154.211.761	792.583.581	1.354.985.342

24. GENERAL OPERATING EXPENSES, MARKETING EXPENSES, RESEARCH AND DEVELOPMENT EXPENSES**Marketing, Sales and Distribution Expenses**

	01 January - 30 June 2024	01 January - 30 June 2023	01 April - 30 June 2024	01 April - 30 June 2023
Marketing, Sales and Distribution Expenses	33.374.217	10.778.723	5.341.856	8.362.387
TOTAL	33.374.217	10.778.723	5.341.856	8.362.387

General Administrative Expenses

The details of general administrative expenses for the periods 01.01.-30.06.2024 and 01.01.-30.06.2023 according to their qualifications are as follows:

	01 January - 30 June 2024	01 January - 30 June 2023	01 April - 30 June 2024	01 April- 30 June 2023
Personnel Expenses	23.087.182	35.494.150	13.334.990	16.994.023
Declaration and Contract Stamp Duty	2.622.631	454.731	2.450.693	405.519
Other Expenses	18.752.837	8.337.280	15.764.496	4.551.711
Rental Expenses	2.591.093	--	2.508.793	--
Consultancy Expenses	3.088.958	3.678.798	1.427.054	1.614.777
Depreciation Expense	218.999.721	143.760.890	121.004.991	39.986.155
TOTAL	269.142.422	191.725.849	156.491.017	63.552.185

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25. OTHER OPERATING INCOME AND EXPENSES**Other Operational Income**

	January 01 – June 30 , 2024	January 01 - June 30 , 2023	April 01 – June 30 , 2024	April 01 - June 30 , 2023
Rediscounted Interest Income	29.706.824	28.141.357	20.545.982	22.914.307
Other Extraordinary Income	23.748.455	6.947.401	16.512	6.864.823
Exchange rate income	8.472.764	49.378.420	2.570.884	42.607.423
Provisions that are no longer relevant	1.526.775	143.170	271.092	(745)
Other Operating Income and Profits	276.064	44.531	122.682	42.924
Prior Year Revenues and Profits	143.701	1.325.062	--	189.654
TOTAL	63.874.583	85.979.941	23.527.152	72.618.386

Other Operational Expense

	January 01 - June 30 , 2024	January 01 - June 30 , 2023	April 01 - June 30 , 2024	April 01 - June 30 , 2023
Rediscount Expense	82.504.176	12.013.811	77.912.152	7.643.142
Idle Part Expenses and Losses	74.237.982	23.763.173	73.186.173	19.410.238
Other Extraordinary Expenses and Losses	47.489.576	23.383.440	17.948.596	13.402.349
Exchange Losses	9.365.931	379.324	5.930.465	(6.298.664)
Provision Expenses	5.792.813	--	5.792.813	--
Other	1.033.244	199.918	1.009.169	178.422
Prior Period Expenses and Losse	847.034	714.336	62.378	41.789
TOTAL	221.270.756	60.454.002	181.841.746	34.377.274

26. EXPENDITURES AND REVENUES FROM INVESTING ACTIVITIES

Revenues from investment activities for the periods 1 January - 30 June 2024 and 1 January - 30 June 2023 are as follows;

	January 01 – June 30 2024	January 01 – June 30 2023	April 01 - June 30 , 2024	April 01 - June 30 , 2023
Investing Activity Revenue	893.516	3.202.949	893.516	2.352.317
Investment Activity Expenses	(72.227.494)	(1.656.382)	(72.227.494)	(1.656.382)
Shares of Profit/Loss of Variable Investments Using the Equity Method	--	--	--	--
TOTAL	(71.333.978)	1.546.567	(71.333.978)	695.935

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27. EXPENSES CLASSIFIED BY PRINCIPAL TYPES

Personnel expenses	January 01 - June 30 2024	January 01 - June 30 2023	April 01 - June 30 , 2024	April 01 - June 30, 2023
Cost of sales	193.364.645	210.102.888	96.732.919	123.621.974
General Operating Expenses	23.087.182	35.494.150	13.334.990	16.994.023
TOTAL	216.451.827	245.597.038	110.067.909	140.615.997

Insurance expenses	January 01 - June 30 2024	January 01 - June 30 2023	April 01 - June 30, 2024	April 01 - June 30, 2023
Cost of Sales	13.989.522	23.297.213	3.605.653	11.994.667
TOTAL	13.989.522	23.297.213	3.605.653	11.994.667

Consultancy expenses	January 01 - June 30 2024	January 01 - June 30 2023	April 01 - June 30, 2024	April 01 - June 30, 2023
Cost of Sales	1.239.817	477.623	714.803	257.330
General Administration Expenses	2.024.311	1.345.360	891.674	394.030
TOTAL	3.264.128	1.822.983	1.606.477	651.360

28. FINANCIAL EXPENSE AND INCOME**Financial Income**

	January 01 - June 30 2024	January 01 – June 30 2023	April 01 - June 30 , 2024	April 01 - June 30 , 2023
Rediscount interest income	45.085.347	382.491.272	40.987.201	134.577.812
Interest income	18.093.347	10.896.780	13.022.490	(1.597.599)
Foreign Exchange Profits	18.028.260	215.503.439	16.446.271	(37.822.492)
Profit on Sale of Marketable Securities	108	184.661	59	184.600
TOTAL	81.207.062	609.076.152	70.456.021	95.342.321

Financial Expenses

	January 01 – June 30 2024	January 01 – June 30 2023	April 01 - June 30, 2024	April 01 - June 30, 2023
Foreign exchange losses	325.185.708	33.869.952	265.322.090	(218.037.337)
Interest and commission expense	129.431.579	441.311.113	59.133.100	315.776.472
Rediscount Interest Expense	7.973.818	101.782.099	(11.660.183)	51.544.792
TOTAL	462.591.105	576.963.164	312.795.007	149.283.927

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29. ANALYSIS OF OTHER COMPREHENSIVE INCOME

The Group's other comprehensive income / (expense) breakdown as of January 01 – June 30 2024 and January 01 – June 30 2023 is as follows:

Not reclassified on gain/(loss)	January 01 – June 30 2024	January 01 – June 30 2023	April 01 - June 30 , 2024	April 01 - June 30 , 2023
Actuarial gains/(loss) (Note:27)	6.493.375	1.279.716	4.967.982	(5.757.337)
Deferred tax revenue/(expense)(Note:40)	(1.623.344)	(319.929)	(1.241.995)	1.087.482
TOTAL	4.870.031	959.787	3.725.986	(4.669.855)

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

Tax income / expenses in the income statement for the period between January 01 - June 30, 2024 and January 01- June 30, 2023 are summarized below:

	January 01 – June 30 2024	January 01 – June 30 2023	April 01 - June 30 , 2024	April 01 - June 30 , 2023
Period Tax Expense	--	--	2.343.502	8.499.369
Deferred tax income/ expense	150.211.399	187.079.672	457.963.934	61.467.266
Deferred tax reflected in Equity(*)	(77.274.481)	279.293.752	(62.469.181)	234.298.528
TOTAL	72.936.918	466.373.424	397.838.255	304.265.163

Current Tax

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

Tax Profit for the Period Tax Provisions, Net

None. (30.06.2023, None)

Assets Related to Current Period

	June 30, 2024	December 31, 2023
Prepaid Taxes and Funds	235.866	7.176.915
TOTAL	235.866	7.176.915

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, 23% for corporate earnings for 2023 and 23% for corporate earnings for 2023 and 25% for corporate earnings for 2024.

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

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 June 30, 2024 - December 31, 2023 in the following manner:

	June 30, 2024	December 31, 2023
Deferred Tax Assets	1.441.645.710	1.756.364.932
Deferred Tax Liabilities	--	(49.419.564)
TOTAL	1.441.645.710	1.706.945.368

The breakdown of cumulative temporary differences and the resulting deferred tax assets / (liabilities) provided at 30 June 2024 and 31 December 2023 using the enacted tax rates is as follows:

Deferred Tax Assets / Liabilities	Accumulated Temporary Differences		Deferred Tax Assets / (Liabilities)	
	30.06.2024	31.12.2023	30.06.2024	31.12.2023
Other Deferred Tax Asset/Liabilities	42.952.444	100.626.231	10.738.111	25.156.558
Rediscount	263.015.576	106.736.028	65.753.894	26.684.007
Inventories	(729.030.966)	(285.550.707)	(182.257.741)	(71.387.677)
Other Payables and Expense Provisions	(5.756.367)	253.541.363	(1.439.093)	63.385.341
Difference Tangible and Intangible Assets Depreciation	(3.195.519.040)	(2.195.448.287)	(798.879.760)	(548.862.072)
Severance Pay and Leave Provision	15.935.729	18.774.205	3.983.932	4.693.551
Reduced Corporate Tax from Investment (*)	--	--	1.809.374.613	1.754.836.181
Cash Flow Hedging Gains/Losses	--	--	357.073.370	581.132.474
Inflation Effect	--	--	177.298.384	(128.692.995)
TOTAL	(3.608.402.624)	(2.001.321.167)	1.441.645.710	1.706.945.368

(**) Group's investment in thermal power plant II. It is located in the region, but it is stated in the Special Conditions section of the Special Conditions of the YTB that the investment subject to the document is among the priority investments and will benefit from the 5th region supports. Accordingly, the Investment Contribution Rate is 40% and the Reduced 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 June 30, 2024, the remaining indexed investment allowance amount is TL 1.677.655.523.

In addition, there is an investment discount within the scope of the investment incentive certificate dated 08.04.2020. The Investment Contribution Rate is 40% and the Discounted Corporate Tax Rate is 80%. Accordingly, a reduced corporate tax application will be available for the income obtained from the investment of TRY 131.719.090, which is 40% of the total investment of TRY 329.297.725.

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31. EARNING PER SHARE

	January 01 – June 30 2024	January 01 – June 30 2023	April 01 - June 30, 2024	April 01 - June 30, 2023
Net profit /(loss)	(754.316.580)	567.361.965	(178.075.183)	77.842.408
Weighted average number of ordinary share	1.044.360.049	492.375.691	1.044.360.049	492.375.691
Profit/(loss) per share with nominal value of 1 TRY	(0,722276)	1,152295	(0,170511)	0,158096

32. FINANCIAL REPORTING IN HYPERINFLATION ECONOMIES

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 June 30, 2024, the indices and correction coefficients used in the correction of consolidated financial statements are as follows:

Date	Index	Adjustment Coefficient
30.06.2024	2.319,29	1
31.12.2023	1.859,38	1,24734
30.06.2023	1.351,59	1,71597

33. FINANCIAL INSTRUMENTS

Short-Term Financial Liabilities

As of 30.06.2024 and 31.12.2023, short-term financial liabilities are as follows:

Short-Term Financial Liabilities	June 30, 2024	December 31 2023
Bank Loans	--	122.348
Financial Leasing Debts	5.583.141	8.067.113
Deferred Leasing Costs (-)	(924.122)	(2.358.814)
Installments of Principal and Interest of Loans	36.911.640	8.402.028
Other Financial Debts	5.225.376	9.619.726
Short-Term Financial Liabilities - Net	46.796.035	23.852.401

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33. FINANCIAL INSTRUMENTS (CONTINUED)**Long-Term Financial Liabilities**

	June 30, 2024	December 31, 2023
Bank loans	6.256.927	--
Financial Leasing Debts	--	3.013.861
Deferred Financial Leasing Debts (-)	--	(322.552)
Long-Term Financial Liabilities - Net	6.256.927	2.691.309

Other Financial Debts	June 30, 2024	December 31, 2023
Other Financial Debts	5.225.376	9.619.726
TOTAL	5.225.376	9.619.726

Long-Term Loans Liabilities	June 30, 2024	December 31, 2023
1-2 Years	6.256.927	--
2-3 Years	--	--
3-4 Years	--	--
4-5 Years	--	--
5 Years and Longer	--	--
Total	6.256.927	--

Year of Payment	30.06.2024	31.12.2023
2025	6.256.927	--
Total	6.256.927	--

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33. FINANCIAL INSTRUMENTS (CONTINUED)

	<u>Annual interest rate %</u>		<u>Exchange Value</u>		<u>TRY</u>	
	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023	June 30,2024	December 31, 2023
TRY Loans	20,50%-61%	14,52%-37,26%	--	--	--	122.348
Short-term Loans						122.348
TRY Loans	20,50%-61%	14,52%-37,26%	--	--	36.911.640	8.402.028
Short-term payments and interests of loans					36.911.640	8.402.028
Total short-term loans			--	--	36.911.640	8.524.376
TRY Loans	20,50%-61%	18,3844%-37,26%	--	--	6.256.927	--
Total long-term loans					6.256.927	--

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34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Credit Risk

The credit risks exposed as of 30.06.2024 by types of financial instruments are shown in the table below.

30.06.2024	Receivables				Bank Deposits	Derivatives	Other
	Trade Receivables		Other Receivables				
	Related Parties	Other Parties	Related Parties	Other Parties			
As at Reporting Date Maximum Amount of Credit Risk Exposed (A+B+C+D+E) *	376.605.371	3.499.539.275	289.887.566	12.574.759	35.108.302	--	231.427.433
- Maximum amount of risk exposed	--	--	--	--	--	--	--
- Part of the risk covered by guarantees	--	--	--	--	--	--	--
A. Net value of financial assets neither due nor impaired	376.605.371	3.499.539.275	289.887.566	12.574.759	35.108.302	--	231.427.433
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.

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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				Deposits in Banks	Other Liquid Assets	Other
	Trade Receivables		Other Receivables				
	Related Party	Third Party	Related Party	Third Party			
As at reporting date maximum amount of credit risk exposed (A+B+C+D+E)	548.860.300	2.225.300.537	9.738.211	6.773.145	112.041.316	--	240.078.885
- Maximum amount of risk exposed	--	--	--	4.753.762	--	--	--
- Part of the risk covered by guarantees	--	--	--	--	--	--	--
A. Net value of financial assets neither due nor impaired	548.860.300	2.225.300.537	9.738.211	2.019.384	112.041.316	--	240.078.885
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	--	1.912.245	--	--	--	--	--
- Past due (gross book value)	--	(1.912.245)	--	--	--	--	--
- 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.

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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.

Market Risk

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

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34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Currency risk

FOREIGN CURRENCY POSITION				
	30.06.2024			
	TRY Equivalent (Functional money unit of labor)	USD	EUR	GBP
1. Trade Receivables	15.244.790	210.781	237.007	--
2a. Monetary Financial Assets (Cash, Bank accounts included)	1.707.079	42.569	8.779	32
2b. Non-Monetary Financial Assets	50.624.874	975.931	529.166	--
3. Other	--	--	--	--
4. Current Assets (1+2+3)	67.576.743	1.229.281	774.952	32
5. Trade Receivables	--	--	--	--
6a. Monetary Financial Assets	--	--	--	--
6b. Non-Monetary Financial Assets	--	--	--	--
7. Other	--	--	--	--
8.8. Non-Current Assets (5+6+7)	--	--	--	--
9. Total Assets (4+8)	67.576.743	1.229.281	774.952	32
10. Trade Payables	(149.730.981)	(581.263)	(3.703.034)	(7.200)
11. Financial Liabilities	--	--	--	--
12a. Monetary Other Liabilities	--	--	--	--
12b. Non-Monetary Other Liabilities	--	--	--	--
13. Short Term Liabilities (10+11+12)	(149.730.981)	(581.263)	(3.703.034)	(7.200)
14. Trade Payables	--	--	--	--
15. Financial Liabilities	--	--	--	--
17. Long Term Liabilities (14+15+16)	--	--	--	--
18. Total Liabilities (13+17)	(149.730.981)	(581.263)	(3.703.034)	(7.200)
19. Net Off-Balance Sheet Derivative Instruments Asset/(Liability) Position (19a-19b)	--	--	--	--
19a. Total Amount of Assets Hedged	--	--	--	--
19b. Total Amount of Hedged Liabilities	--	--	--	--
20. Net Foreign Asset/ (Liability) Position (9-18+19))	(82.154.237)	648.018	(2.928.082)	(7.168)
21. Net Foreign Currency Asset/ (Liability) Position of Monetary Items (=1+2a+5+6a-10-11-12a-14-15-16a)	(132.779.111)	(327.913)	(3.457.249)	(7.168)
22. Total Fair Value of Financial Instruments Used for Foreign Currency Hedging	--	--	--	--
23. Export	78.798.668	256.700	2.020.009	--
24. Import	--	--	--	--

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34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

FOREIGN CURRENCY POSITION				
	31.12.2023			
	TRY Equivalent (Functional money unit of labor)	USD	EUR	GBP
1. Trade Receivables	10.852.561	295.552	--	--
2a. . Monetary Financial Assets (Cash, Bank accounts included)	27.603.211	424.735	295.448	60
2b. Non-Monetary Financial Assets	79.353.682	1.336.738	729.059	13.850
3. Other	--	--	--	--
4. Current Assets (1+2+3)	117.809.454	2.057.025	1.024.507	13.910
5. Trade Receivables	--	--	--	--
6a. Monetary Financial Assets	--	--	--	--
6b. Non-Monetary Financial Assets	--	--	--	--
7. Other	--	--	--	--
8. Non-Current Assets (5+6+7)	--	--	--	--
9. Total Assets (4+8)	117.809.454	2.057.025	1.024.507	13.910
10. Trade Payables	(80.033.764)	(284.862)	(1.708.791)	--
11. Financial Liabilities	(274.180.035)	--	(6.735.925)	--
12a. Monetary Other Liabilities	--	--	--	--
12b. Non-Monetary Other Liabilities	--	--	--	--
13. Short Term Liabilities (10+11+12)	(354.213.799)	(284.862)	(8.444.716)	--
14. Trade Payables	--	--	--	--
15. Financial Liabilities	--	--	--	--
17. Long Term Liabilities (14+15+16)	--	--	--	--
18. Total Liabilities (13+17)	(354.213.799)	(284.862)	(8.444.716)	--
19. Net Asset/ (Liability) Position of Off-Balance Sheet Derivative Instruments (19a-19b)	--	--	--	--
19a. Total Amount of Assets Hedged	--	--	--	--
19b. Total Amount of Hedged Liabilities	--	--	--	--
20. Net Foreign Asset/ (Liability) Position (9-18+19)	(236.404.345)	1.772.162	(7.420.209)	13.910
21. Net Foreign Currency Asset/ (Liability) Position of Monetary Items (=1+2a+5+6a-10-11-12a-14-15-16a)	(315.758.028)	435.424	(8.149.268)	60
22. Total Fair Value of Financial Instruments Used for Foreign Currency Hedging	--	--	--	--
23. Export	1.068.700	26.558.902	--	--
24. Import	--	--	--	--

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34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)*Sensitivity Analysis of Foreign Exchange Position*

Sensitivity Analysis of Foreign Exchange Position				
30.06.2024				
	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	712.819	(712.819)	--	--
2 - Amount hedged for USD risk (-)	--	--	--	--
3- Net Effect of U.S. Dollar (1+2)	712.819	(712.819)	--	--
Change in 10% of the EURO against TRY;				
4 - Net asset / liability of EUR	(3.220.891)	3.220.891	--	--
5 - Amount hedged for EUR risk (-)	--	--	--	--
6- Net Effect of EURO (4+5)	(3.220.891)	3.220.891	--	--
Change in 10% of the GBP against TRY;				
7- Other foreign currency net asset / liability	(7.885)	7.885	--	--
8- Part of hedged protected from other currency risk (-)	--	--	--	--
9- Net Effect of GBP (7+8)	(7.885)	7.885	--	--

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 (-)	--	--	--	--
3- Net Effect of U.S. Dollar (1+2)	1.949.379	(1.949.379)	--	--
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 (-)	--	--	--	--
6- Net Effect of EURO (4+5)	(8.162.230)	8.162.230	--	--
Change in 10% of the GBP against TRY;				
7- Other foreign currency net asset / liability	15.301	(15.301)	--	--
8- Part of hedged protected from other currency risk (-)	--	--	--	--
9 -Net Effect of GBP (7+8)	15.301	(15.301)	--	--

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35. 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 engage to agreements on 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.

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36. SUBSEQUENT EVENTS

None.

37. DERIVATIVE INSTRUMENTS

CASH FLOW HEDGE ACCOUNTING FOR HIGH PROBABILITY ESTIMATED TRADING CURRENCY RISK

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.

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

As of June 30, 2024, the amount reclassified from the cash flow hedge reserve amount under the Other Comprehensive Income Statement to the income statement within the scope of hedge accounting closure transactions is net 226,953,413 Turkish Lira.

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

None.

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39.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 Audited Consolidated	Prior Period Audited Consolidated
	NOTES	01.01-30.06.2024	01.01-30.06.2023
A. CASH FLOWS FROM OPEARING ACTIVITIES		3.525.905.920	1.501.707.883
Profit/Loss For The Period		(754.316.580)	567.361.964
Adjustments To Reconcile Net Profit/Loss For The Period		4.332.415.383	1.673.685.541
Adjustments for depreciation and amortization expenses	11-12-14-23- 24-27	731.208.372	319.859.041
Adjustments Regarding Impairment Reversal of Tangible Fixed Assets	7	(379.194)	(508.975)
Adjustments Related to Employees Benefits Provision (Cancellation)	19	6.093.495	4.314.197
Provisions Related to Litigation and / or Provisions (Cancellation) Provisions Relating to Provisions (Cancellation)	18	(231.574)	757.624
Adjustments on Provisions (Cancellation) on the Sectoral Requirements Framework	18	(48.297)	(62.964)
Deferred Financial Income Arising from Purchases on Credit	7-8	101.449.792	21.167.999
Deferred Financial Income Arising from Sales on Credit	7-8	(65.641.551)	(34.628.977)
Adjustments Regarding Interest Expenses	20	45.330.443	152.037.181
Adjustments Related to Interest Income	20	(398.896.911)	(588.438.275)
Adjustments for Unrealized Currency Translation Differences		--	793.909.932
Adjustments Regarding Tax Expenses/Income	29	265.299.657	(187.289.258)
Adjustments for Fair Value Losses (Gains)	37	547.501.196	(850.762.676)
Minority interest		70.859.866	--
Adjustments for Monetary (Loss)/Gain		3.029.870.089	2.043.330.692
Changes In Business Capital		(57.062.914)	(741.189.552)
Adjustments Regarding Increase/Decrease in Inventories	9	(794.392.355)	(987.048.437)
Increase/Decrease in Trade Receivables from Related Parties	6	172.254.929	91.240.728
Increase/Decrease in Trade Receivables from Unrelated Parties	7	(1.375.309.336)	(2.560.036.635)
Decrease (Increase) in Other Receivables from Related Parties	6	(280.149.355)	(89.460.631)
Decrease (Increase) in Other Receivables from Unrelated Parties	8	(5.801.613)	(689.911)
Change in Other Assets	20	483.233.494	697.184.248
Increase (Decrease) in Trade Payables to Related Parties	6	--	(249.241)
Increase (Decrease) in Trade Payables to Non-Related Parties	7	133.840.716	506.441.235
Change in Prepaid Expenses	10	65.539.414	(27.824.887)
Change in Payables Under Employee Benefits	19	35.868.509	20.435.407
Increase (Decrease) in Other Payables Related to Operations to Related Parties	6	16.160.601	2.460.447.896
Increase (Decrease) in Other Payables Related to Operations to Non-Related Parties	8	62.124.025	198.232.251
Provisions for Employee Benefits	19	(2.272.133)	623.975
Increase (Decrease) in Deferred Revenues	10	1.514.699.760	(11.580.376)
Change in Other Obligations	20	(82.859.571)	(1.038.905.175)
Cash Flows from Operations		3.521.035.889	1.499.857.954

40. EXPLANATIONS ON THE STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

The details of the Group's shareholders' equity as of 30.06.2024 and 31.12.2023 are disclosed in Note 21.

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(Amounts expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the Turkish Lira at June 30, 2024, unless otherwise stated.)

41. CASH AND CASH EQUIVALENTS**Cash and Cash Equivalents**

	June 30, 2024	December 31, 2023
Cash	911.727	--
Bank	35.108.302	112.041.316
-Demand deposit	32.525.564	21.932.947
-Time deposit	2.582.738	90.108.369
Other current assets	2.241	27.909.576
TOTAL	36.022.270	139.950.892

As of 30.06.2024 there is no blocked deposits of the Group (31.12.2023: None).

The information about the Group's term account for the periods 30.06.2024 and 31.12.2023 is as follows:

Currency Time Deposits	Maturity	Interest rate	30.06.2024
TRY	01.07.2024	43,00%	1.000.000
TRY	01.07.2024	51,35%	653.471
TRY	01.07.2024	51,35%	488.768
TRY	01.07.2024	51,35%	440.499
			2.582.738

Currency Time Deposits	Maturity	Interest Rate	31.12.2023 TRY
TRY	02.01.2024	30,00%	39.041.926
TRY	02.01.2024	36,97%	25.232.560
TRY	02.01.2024	38,00%	11.974.521
TRY	02.01.2024	30,00%	723.461
TRY	02.01.2024	42,91%	656.396
TRY	02.01.2024	38,00%	498.938
TRY	02.01.2024	42,91%	490.956
TRY	02.01.2024	42,91%	442.470
EUR	02.01.2024	0,10%	11.047.141
			90.108.369

42. 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.