AKSA ENERJİ ÜRETİM A.Ş.
AND ITS SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024 AND
FOR THE YEAR THEN ENDED TOGETHER
WITH INDEPENDENT AUDITOR'S REPORT

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

Deloitte.

DRT Bağımsız Denetim ve
Serbest Muhasebeci
Mali Müşavirlik A.Ş.
Maslak No1 Plaza
Eski Büyükdere Caddesi
Maslak Mahallesi No:1
Maslak, Sarıyer 34485
İstanbul, Türkiye

Tel: +90 (212) 366 60 00
Fax: +90 (212) 366 60 10
www.deloitte.com.tr

Mersis No :0291001097600016
Ticari Sicil No: 304099

(CONVENIENCE TRANSLATION OF INDEPENDENT AUDITOR'S REPORT ORIGINALLY ISSUED IN TURKISH)

INDEPENDENT AUDITOR'S REPORT

To the General Assembly of Aksa Enerji Üretim A.Ş.

A) Report on the Audit of the Consolidated Financial Statements

1) Opinion

We have audited the consolidated financial statements of Aksa Enerji Üretim A.Ş. ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Turkish Financial Reporting Standards ("TFRS").

2) Basis for Opinion

We conducted our audit in accordance with the Standards on Independent Auditing ("SIA") which is a part of Turkish Auditing Standards accepted by regulations of the Capital Markets Board and published by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics for Independent Auditors ("Code of Ethics") published by the POA, together with the ethical requirements included in the regulations of the Capital Markets Board and other regulations that are relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3) Key Audit Matters

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

Key Audit Matter	How the matter was addressed in the audit
The recoverability of Trade Receivables from Third Parties The Group's trade receivables from third parties amounts to TL 9,037,667,915 which comprise 11% of total assets as of 31 December 2024. The provision for expected credit losses for trade receivables from third parties is recognized for as a result of assumptions made considering the guarantees received from customers, customer's past payment performance and credibility with maturity analysis of receivables balances and legal disputes or lawsuits regarding receivables. There are significant estimates and assumptions used in the impairment tests of trade receivables performed by the Group management. These trade receivables from third parties are material taken the consolidated financial statements as a whole, thus the measurement of the expected credit loss of trade receivables from third parties in accordance with TFRS 9 ("Financial Instruments") is determined as a key audit matter. The related disclosure including the accounting policies for the measurement of expected credit losses of trade receivables from third parties are included in Note 2 and Note 5.	The audit procedures applied including but not limited to the following are: • Understanding of the process of the Group's collection of trade receivables from third parties and performing the design and implementation testing of the relevant controls, • Review of basis and arithmetical accuracy of the model that is used for Group's expected credit losses calculation, • Testing of the receivables used in the ageing data used in the expected credit loss calculation model by sampling method and comparing collection turnover rate with previous year, • Inquiring about the management of any disputes or proceedings related to collections and obtaining information about the proceedings from legal counsel, • Testing collections after reporting period by sampling method, • Testing of trade receivable balances from third parties by sending external confirmations by sampling method. We have evaluated the adequacy of related disclosures of trade receivables from third parties in Note 2 and Note 5 in accordance with TFRSs.

Deloitte.

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

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

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

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

5) Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Responsibilities of independent auditors in an independent audit are as follows:

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the regulations of the Capital Markets Board and SIA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the regulations of the Capital Markets Board and SIA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

5) Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (cont'd)

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

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Deloitte.

B) Report on Other Legal and Regulatory Requirements

In accordance with paragraph four of the Article 398 of the Turkish Commercial Code No. 6102 ("TCC"), the auditor's report on the system and the committee of early detection of risk has been submitted to the Board of Directors of the Company on 3 March 2025.

In accordance with paragraph four of the Article 402 of TCC, nothing has come to our attention that may cause us to believe that the Group's set of accounts and financial statements prepared for the period 1 January - 31 December 2024 does not comply with TCC and the provisions of the Company's articles of association in relation to financial reporting.

In accordance with paragraph four of the Article 402 of the TCC, the Board of Directors provided us all the required information and documentation with respect to our audit.

The engagement partner on the audit resulting in this independent auditor's report is Ali Çiçekli.

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
Member of **DELOITTE TOUCHE TOHMATSU LIMITED**

Ali Çiçekli
Partner

İstanbul, 3 March 2025

AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL
POSITION AS OF 31 DECEMBER 2024

(Amounts expressed Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2024, unless otherwise stated.)

ASSETS	Notes	Audited/ Current period 31 December 2024	Audited/ Prior period 31 December 2023
Current assets			
Cash and cash equivalents	6	1,054,406,751	1,147,651,114
Financial investments	7	-	1,265,188,170
Trade receivables		9,979,504,112	19,534,751,748
- Trade receivables from related parties	*4*	*941,836,197*	*3,680,278,460*
- Trade receivables from third parties	*5*	*9,037,667,915*	*15,854,473,288*
Other receivables		73,249,155	82,451,749
- Other receivables from third parties	*9*	*73,249,155*	*82,451,749*
Derivative instruments	7	4,744,590	37,494,712
Inventories	10	1,378,092,418	1,293,611,704
Prepaid expenses	11	864,275,194	617,527,053
Current tax assets	27	39,247,174	34,010,289
Other current assets	18	1,420,842,203	662,778,877
Total current assets		**14,814,361,597**	**24,675,465,416**
Non-current assets			
Financial investments	7	6,111,673	4,469,240
Other receivables		10,373,221	9,213,728
- Other receivables from third parties	*9*	*10,373,221*	*9,213,728*
Property, plant and equipment		61,792,362,115	50,556,984,799
- Other property, plant and equipment	*12*	*61,394,845,297*	*50,119,381,774*
- Mining assets	*12*	*397,516,818*	*437,603,025*
Right-of-use assets	14	253,777,427	420,455,508
Intangible assets		1,620,114,414	1,597,614,115
- Goodwill	*13*	-	*517,332,400*
- Other intangible assets	*13*	*1,620,114,414*	*1,080,281,715*
Prepaid expenses	11	3,732,347,222	2,689,941,965
Deferred tax asset	27	544,112,105	618,964,346
Total non-current assets		**67,959,198,177**	**55,897,643,701**
TOTAL ASSETS		**82,773,559,774**	**80,573,109,117**

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

		Audited/ Current period	***Audited/ Prior period***
LIABILITIES	***Notes***	**31 December 2024**	**31 December 2023**
Current liabilities			
Short-term borrowings	8	6,646,898,370	4,269,225,749
Short-term portion of long-term borrowings	8	6,654,636,303	7,528,107,014
Short-term lease transactions	8	5,333,224	5,320,955
- Lease transactions from third parties		*5,333,224*	*5,320,955*
Short-term portions of long-term lease transactions	8	27,977,132	48,033,174
Trade payables		6,229,618,139	4,822,814,928
- Trade payables to related parties	*4*	*249,130,917*	*393,424,605*
- Trade payables to third parties	*5*	*5,980,487,222*	*4,429,390,323*
Payables related to employee benefits	17	82,554,212	98,484,744
Other payables		373,442,675	1,028,337,108
- Other payables to related parties	*4*	*24,000*	*18,097*
- Other payables to third parties	*9*	*373,418,675*	*1,028,319,011*
Derivative instruments	7	37,970,269	-
Current tax liabilities	27	1,039,915,290	1,967,895,002
Short-term provisions		172,940,925	57,881,564
- Short-term provisions for employee benefits	*17*	*15,770,623*	*16,740,597*
- Other short-term provisions	*15*	*157,170,302*	*41,140,967*
Other current liabilities	18	443,320,965	49,443,646
Total current liabilities		**21,714,607,504**	**19,875,543,884**
Non-current liabilities			
Long-term borrowings	8	14,655,201,546	7,331,120,938
Long-term lease transactions	*8*	177,020,352	223,006,837
Other payables		-	1,436,427,765
- Other payables to third parties	*9*	-	*1,436,427,765*
Long-term provisions		174,201,484	203,992,633
- Long-term provisions for employee benefits	*17*	*54,706,110*	*50,036,980*
- Other long-term provisions	*15*	*119,495,374*	*153,955,653*
Deferred tax liabilities	27	1,521,110,527	1,496,078,501
Total non-current liabilities		**16,527,533,909**	**10,690,626,674**
TOTAL LIABILITIES		**38,242,141,413**	**30,566,170,558**

EQUITY	***Notes***	***Audited/ Current period*** **31 December 2024**	***Audited/ Prior period*** **31 December 2023**
Equity attributable to equity holders of the parent			
Paid-in capital	19	1,226,338,236	1,226,338,236
Share capital adjustment differences	19	13,001,639,808	13,001,639,808
Share buybacks (-)	19	(61,988,285)	(61,988,285)
Accumulated other comprehensive income not to be reclassified in profit or loss		4,794,676,773	4,804,145,458
- Property, plant and equipment revaluation increases	*19*	*4,794,997,252*	*4,804,288,924*
- Losses on remeasurements of the defined benefit plans	*19*	*(320,479)*	*(143,466)*
Accumulated other comprehensive income that will be reclassified in profit or loss		(7,507,821,304)	(1,574,017,104)
- Foreign currency translation differences	*19*	*(6,702,823,499)*	*485,704,762*
- Losses on hedging reserve		*(804,997,805)*	*(2,059,721,866)*
Restricted reserves appropriated from profit	19	2,770,676,233	1,882,876,221
Prior years' profit	19	24,415,006,093	18,595,556,384
Net profit for the period		2,007,268,539	7,935,940,468
Total equity attributable to equity holders of the parent		**40,645,796,093**	**45,810,491,186**
Non-controlling interests	19	3,885,622,268	4,196,447,373
Total equity		**44,531,418,361**	**50,006,938,559**
TOTAL LIABILITIES AND EQUITY		**82,773,559,774**	**80,573,109,117**

AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2024
(Amounts expressed Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2024, unless otherwise stated.)

		Audited/ Current period	***Audited/ Prior period***
Profit or loss:	***Notes***	**1 January - 31 December 2024**	**1 January - 31 December 2023**
Revenue	20	31,638,819,822	50,781,705,280
Cost of sales (-)	20	(24,950,644,221)	(40,364,107,718)
Gross profit		**6,688,175,601**	**10,417,597,562**
General administrative expenses (-)	21	(1,486,968,859)	(1,134,924,056)
Sales, marketing and distribution expenses (-)	21	(39,722,944)	(33,848,980)
Other operating income	22	375,812,665	686,151,352
Other operating expenses (-)	22	(125,264,287)	(147,224,937)
Operating profit		**5,412,032,176**	**9,787,750,941**
Impairment in accordance with TFRS 9		133,153,391	(614,334,506)
Income from investment activities	23	352,492,939	111,314,641
Expenses from investment activities (-)	23	(592,628,261)	(171,017,623)
Profit before net finance income		**5,305,050,245**	**9,113,713,453**
Finance income	25	4,646,387,998	6,081,386,615
Finance expenses (-)	26	(4,481,014,591)	(3,653,312,924)
Finance income, net		**165,373,407**	**2,428,073,691**
Net monetary position losses	34	(771,846,986)	(1,230,882,443)
Profit before tax		**4,698,576,666**	**10,310,904,701**
Tax expense		**(1,750,239,844)**	**(1,495,287,785)**
- Current tax expense	27	(1,863,867,377)	(3,559,843,694)
- Deferred tax income	27	113,627,533	2,064,555,909
Profit for the period		**2,948,336,822**	**8,815,616,916**
Profit for the period due to operations			
- Non-controlling interests		941,068,283	879,676,448
- Equity holders of the parent	28	2,007,268,539	7,935,940,468
Total		**2,948,336,822**	**8,815,616,916**
Earnings per share			
- Earnings per share attributable to equity holders of the parent	28	1.64	6.47

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

		Audited/ Current period	*Audited/ Prior period*
Other comprehensive income:	***Notes***	**1 January - 31 December 2024**	**1 January - 31 December 2023**
Profit for the period		**2,948,336,822**	**8,815,616,916**
Items that will not be reclassified to profit or loss		**932,587,692**	**617,935,456**
Property, plant and equipment revaluation increases	12	932,792,025	618,299,987
Defined benefit plans remeasurement losses	17	(204,333)	(364,531)
Tax related to other comprehensive income not to be reclassified to profit or loss		**(236,088,958)**	**(153,759,273)**
- Deferred tax expense	27	(236,088,958)	(153,759,273)
Items that will be reclassified to profit or loss		**(7,218,001,731)**	**(3,910,584,291)**
Foreign currency translation differences		(8,525,006,051)	(4,805,945,410)
Gains on cash flow hedge		1,307,004,320	895,361,119
Tax related to other comprehensive income to be reclassified subsequently to profit or loss		**(52,280,259)**	**(35,814,445)**
- Deferred tax expense	27	(52,280,259)	(35,814,445)
Other comprehensive expense		**(6,573,783,256)**	**(3,482,222,553)**
Total comprehensive (expense) / income		**(3,625,446,434)**	**5,333,394,363**
Total comprehensive income attributable to			
Non-controlling interests	19	(310,825,105)	32,136,095
Equity holders of the parent		(3,314,621,329)	5,301,258,268
Total		**(3,625,446,434)**	**5,333,394,363**

				Accumulated other comprehensive income and expenses not to be reclassified in profit or loss		**Accumulated other comprehensive income and expenses to be reclassified in profit or loss**		**Retained earnings**					
	Paid-in capital	**Share capital adjustment differences**	**Share buybacks**	**Defined benefit plans remeasurement losses**	**Property, plant and equipment revaluation increases**	**Losses on hedging reserve**	**Foreign currency translation differences**	**Restricted reserves appropriated from profit**	**Prior years' profit/(loss)**	**Net profit for the period**	**Attributable to equity holders of the parent**	**Non-controlling interests**	**Total equity**
Balance as of 1 January 2023	**1,226,338,236**	**13,001,639,808**	**-**	**499,714**	**4,630,760,231**	**(2,919,268,540)**	**4,444,109,819**	**1,449,562,278**	**12,743,018,198**	**8,058,664,829**	**42,635,324,573**	**4,164,311,278**	**46,799,635,851**
- Profit distribution	-	-	-	-	-	-	-	-	(2,064,103,370)	-	**(2,064,103,370)**	-	**(2,064,103,370)**
- Share buybacks	-	-	(61,988,285)	-	-	-	-	-	-	-	**(61,988,285)**	-	**(61,988,285)**
- Total comprehensive income	-	-	-	(643,180)	464,819,363	859,546,674	(3,958,405,057)	-	-	7,935,940,468	**5,301,258,268**	32,136,095	**5,333,394,363**
- Transfers	-	-	-	-	(291,290,670)	-	-	433,313,943	7,916,641,556	(8,058,664,829)	**-**	-	**-**
Balance as of 31 December 2023	**1,226,338,236**	**13,001,639,808**	**(61,988,285)**	**(143,466)**	**4,804,288,924**	**(2,059,721,866)**	**485,704,762**	**1,882,876,221**	**18,595,556,384**	**7,935,940,468**	**45,810,491,186**	**4,196,447,373**	**50,006,938,559**
Balance as of 1 January 2024	**1,226,338,236**	**13,001,639,808**	**(61,988,285)**	**(143,466)**	**4,804,288,924**	**(2,059,721,866)**	**485,704,762**	**1,882,876,221**	**18,595,556,384**	**7,935,940,468**	**45,810,491,186**	**4,196,447,373**	**50,006,938,559**
- Profit distribution (*)	-	-	-	-	-	-	-	-	(1,850,073,764)	-	**(1,850,073,764)**	-	**(1,850,073,764)**
- Total comprehensive income	-	-	-	(177,013)	612,091,345	1,254,724,061	(7,188,528,261)	-	-	2,007,268,539	**(3,314,621,329)**	(310,825,105)	**(3,625,446,434)**
- Transfers	-	-	-	-	(621,383,017)	-	-	887,800,012	7,669,523,473	(7,935,940,468)	**-**	-	**-**
Balance as of 31 December 2024	**1,226,338,236**	**13,001,639,808**	**(61,988,285)**	**(320,479)**	**4,794,997,252**	**(804,997,805)**	**(6,702,823,499)**	**2,770,676,233**	**24,415,006,093**	**2,007,268,539**	**40,645,796,093**	**3,885,622,268**	**44,531,418,361**

(*) On 5 June 2024, during the Ordinary General Assembly Meeting, it was approved to distribute TL 1,850,073,764 (TL 1,600,000,000 is the nominal amount as per the General Assembly resolution) from the net distributable profit for the year 2023 as dividends. As of the dividend distribution decision date, 5 June 2024, the Company holds 0.1% of its own shares. Therefore, the dividend on the Company's own shares is netted off from the total amount distributed.

AKSA ENERJİ ÜRETİM A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2024, unless otherwise stated.)

	Notes	Audited 1 January - 31 December 2024	Audited 1 January - 31 December 2023
A. Cash flows from operating activities		**12,603,893,959**	**7,602,549,874**
Profit for the period		2,948,336,822	8,815,616,916
Adjustments to reconcile net profit/loss to net cash		**8,067,375,064**	**6,336,619,868**
Adjustments related to depreciation and amortization expenses	24	2,015,602,954	2,233,481,950
Adjustments related to provision for employee benefits	17	29,553,195	41,833,897
Adjustments related to interest expenses	26	2,891,137,629	2,169,261,757
Adjustments related to interest income	23-25	(1,191,647,305)	(1,521,360,937)
Adjustments related to expected provision losses	5-30	(133,153,391)	614,334,506
Adjustments related to provisions for lawsuits	15	28,561,056	19,464,322
Adjustments related to impairment in inventories	10	(6,855,624)	(2,646,881)
Adjustments related to tax expense	27	1,750,239,844	1,495,287,785
Adjustments related to fair value differences due to derivatives	25-26	11,134,156	(60,674,740)
Gains from the disposal of subsidiaries	23	(348,469,222)	-
Adjustments related to losses/(gain) on disposal of property, plant and equipment	23	(2,376,347)	45,549,991
Adjustments related to impairment of property, plant and equipment	23	592,628,261	52,021,504
Adjustments related to unrealized foreign currency translation differences		4,657,328,602	5,215,532,892
Monetary loss		(2,226,308,744)	(3,965,466,178)
Adjustments related to changes in working capital		**2,280,374,206**	**(6,636,679,614)**
Increases in inventories		(642,748,089)	(853,410,876)
Increase / (decrease) in trade receivables from third parties		1,671,375,951	(6,466,337,424)
Increase / (decrease) in trade receivables from related parties		1,710,088,068	(165,238,685)
(Decrease) / increase in other receivables from third parties		(20,174,703)	11,898,912
Increase in trade payables to third parties		2,916,262,007	1,573,301,962
Increase / (decrease) in other payables to third parties		(1,333,706,118)	936,147,604
Increase in trade payables to related parties		338,909,170	172,905,727
(Decrease) / increase in other payables related to operations		11,466	(13,666)
Increase in other liabilities		(2,090,529,192)	(2,050,238,387)
Increase in prepaid expenses		(269,114,354)	204,305,219
Cash flows generated from operations		**13,296,086,092**	**8,515,557,170**
Tax payments		(683,235,264)	(893,056,432)
Payments related to provisions for employee benefits	17	(8,847,314)	(19,060,597)
Payments for other provisions	15	(109,555)	(890,267)
B. Cash flows used in investing activities		**(18,606,702,232)**	**(6,092,419,382)**
Cash inflows from sale of property, plant and equipment and intangible assets		5,403,064	110,661,151
Cash outflows from purchases of property, plant and equipment	12	(18,265,088,309)	(2,647,472,618)
Cash outflows from purchases of intangible assets	13	(276,388,570)	(92,983,286)
Cash inflows from the disposal of subsidiaries	23	922,329,599	-
Other cash advances and payables paid		(1,869,248,479)	(2,639,836,894)
Other cash inflows / (outflows)		876,290,463	(822,787,735)
C. Cash flows used in financing activities		**6,261,922,188**	**(1,720,315,702)**
Cash inflows from loans	32	23,065,523,888	11,603,852,556
Cash outflows from repayment of loans	32	(13,284,478,508)	(10,376,152,404)
Cash outflows related to payments arising from lease transactions	32	(251,704,111)	(228,694,892)
Share buybacks		-	(61,988,285)
Interest paid		(2,608,992,622)	(2,114,590,244)
Interest received	25	1,191,647,305	1,521,360,937
Dividend payments	19	(1,850,073,764)	(2,064,103,370)
Net increase/(decrease) in cash and cash equivalents before foreign currency translation differences (A+B+C)		**259,113,915**	**(210,185,210)**
D. Inflation impact on cash and cash equivalents		**(354,544,041)**	**(880,574,742)**
E. Cash and cash equivalents at the beginning of the year		**1,153,426,519**	**2,244,186,471**
Cash and cash equivalents at the end of the year (A+B+C+D+E)		**1,057,996,393**	**1,153,426,519**

On 31 December 2024, the Group calculated expected credit loss amounting to TL 3,589,642 on cash and cash equivalents within the scope of TFRS 9 (31 December 2023: TL 5,775,405).

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

1 Organization and operations of the Group

Aksa Enerji Üretim A.Ş. ("Aksa Enerji" or "the Company") was established on 12 March 1997 to engage in constructing, leasing and operating of electricity power plant, production and sale of electricity and/or energy production capacity to the customers.

The Company has been registered in Istanbul Trade Registry Office and the shares of the Company have been traded in the Borsa İstanbul A.Ş. ("BIST") since 21 May 2010 under the name "AKSEN". As of 31 December 2024, the Company's share in circulation is 20.58% (31 December 2023: 20.58%).

The main shareholder of the Company is Kazancı Holding A.Ş. ("Kazancı Holding"). The Company's registered office address is Rüzgarlıbahçe Mahallesi, Özalp Çıkmazı, No:10, Kavacık-Beykoz, Istanbul / Türkiye.

Aksa Enerji and its subsidiaries are collectively referred to as "the Group" in this report. As of 31 December 2024 and 31 December 2023, the details of the subsidiaries included in the consolidation are as follows:

			Group's effective share ratio (%)	**Group's effective share ratio (%)**
Name of subsidiary – Foreign Branch	**Principal activity**	**Place of operation**	**31 December 2024**	**31 December 2023**
Aksa Yenilenebilir Enerji Üretim A.Ş. ("Aksa Yenilenebilir")	Electricity trade	Türkiye	100.00	100.00
Aksa Energy Company Ghana Limited ("Aksa Enerji Gana")	Electricity production	Ghana	75.00	75.00
Aksa Enerji Üretim A.Ş.-Y.Ş. ("Aksa Enerji – Y.Ş.")	Electricity production	TRNC	100.00	100.00
Aksa Ghana B.V.	Holding company	Netherlands	100.00	100.00
Aksa Uzbekistan Investment B.V.	Holding company	Netherlands	100.00	100.00
Aksa Uzbekistan Bukhara B.V.	Holding company	Netherlands	100.00	100.00
Aksa Global Investment B.V. ("Aksa Global B.V.")	Holding company	Netherlands	100.00	100.00
Aksa Göynük Enerji Üretim A.Ş. ("Aksa Göynük Enerji")	Electricity production	Türkiye	99.99	99.99
Aksa Madagascar B.V.	Holding company	Netherlands	100.00	100.00
Aksa Madagascar SAU	Electricity production	Madagascar	100.00	100.00
Aksa Mali S.A.	Electricity production	Mali	100.00	100.00
Aksaf Power Ltd. ("Aksaf Power") (**)	Electricity production	Mauritius	-	100.00
İdil İki Enerji Sanayi ve Ticaret A.Ş. ("İdil İki Enerji")	Electricity production	Türkiye	99.99	99.99
Overseas Power Ltd. ("Overseas Power") (**)	Supply trade	Mauritius	-	100.00
Rasa Enerji Üretim A.Ş. ("Rasa Enerji")	Electricity production	Türkiye	99.99	99.99
Aksa Energy Company Congo ("Aksa Enerji Kongo)	Electricity production	Congo	100.00	100.00
Aksa Energy Cameroon PLC ("Aksa Enerji Kamerun") (*)	Electricity production	Cameroon	75.00	75.00
Aksa Energy Tashkent FE LLC	Electricity production	Uzbekistan	100.00	100.00
Aksa Energy Bukhara FE LLC	Electricity production	Uzbekistan	100.00	100.00
Aksa Enerji Üretim A.Ş. Almaty Branch (*)	Electricity production	Kazakhstan	100.00	100.00
Aksa Qyzylorda Investment B.V.	Holding company	Netherlands	100.00	100.00
Aksa Energy Qyzylorda LLP (*)	Electricity production	Kazakhstan	100.00	100.00
Aksa Taboth IPP	Electricity production	Ivory Coast	80.00	80.00
Aksa Talimarjan B.V.	Holding company	Netherlands	100.00	100.00
Aksa Renewable Energy B.V.	Holding company	Netherlands	100.00	100.00
Aksa Enerji Talimarjan FE LLC (*)	Electricity production	Uzbekistan	100.00	100.00
Ndar Energies SA (*)	Electricity production	Senegal	85.00	85.00
Aksa-Ndar Holding SA	Holding company	Senegal	60.00	60.00
Aksa Senegal Investment B.V.	Holding company	Netherlands	100.00	-
Aksa Energy Aktobe LTD. (*)	Electricity production	Kazakhstan	100.00	-
Aksa Energy Taraz LTD. (*)	Electricity production	Kazakhstan	100.00	-
Aksa Energy Atyrau LTD. (*)	Electricity production	Kazakhstan	100.00	-
Aksa Energy Kazakistan LTD.	Holding company	Kazakhstan	100.00	-
Taraz Kuat TOO (*)	Electricity production	Kazakhstan	100.00	-
Zümrüt GES Enerji Mühendislik Müşavirlik A.Ş. (*)	Electricity production	Türkiye	100.00	-
Real Biyogaz Elektrik Üretim A.Ş. (*)	Electricity production	Türkiye	100.00	-
Ankatech Enerji Mühendislik Müşavirlik A.Ş. (*)	Electricity production	Türkiye	100.00	-

(*) The relevant companies are in the investment period; as of 31 December 2024, electricity generation has not started.

(**) As of 30 June 2024, the sale of the shares of Aksaf Power and Overseas Power, subsidiaries of the Group, was completed on 11 September 2024.

As of 31 December 2024, the number of employees of the Group is 1,365 (31 December 2023: 1,268).

1 Organization and operations of the Group *(continued)*

Aksa Yenilenebilir Enerji Üretim A.Ş. ("Aksa Yenilenebilir") :

Aksa Yenilenebilir Enerji Üretim A.Ş., formerly known as Aksa Aksen Enerji Ticaret A.Ş., was founded on 8 July 2015 as a 100% subsidiary of Aksa Enerji for electricity trading. As of 6 March 2023, the company's name was changed to Aksa Yenilenebilir Enerji Üretim A.Ş.

Aksa Energy Ghana:

Aksa Energy Ghana was founded on 15 July 2015 by the Aksa Enerji in accordance with the electricity production and sale agreement signed with the Government of Ghana Republic. As of the reporting date, unit of power plant with a capacity 192.5 MW of the fuel oil power plant with a total 370 MW capacity was temporarily approved and it started its operations on 10 April 2017. The installed power of the power plant has increased from 192.5 MW to 35 MW with a reserve capacity of total 280 MW as of 1 August 2017. As of 19 November 2018, the installed capacity of Ghana Fuel Oil Power Plant has increased from 280 MW to 370 MW and thus the guaranteed capacity has been increased from 223.5 MW to 332 MW. Aksa Energy Ghana, sells all of the electricity generated during the agreement to the Ghana Electricity Authority (ECG) on a tariff basis determined in terms of US Dollars ("USD"). As of 3 October 2022, the electricity sales contract was extended for 15 years.

Aksa Enerji – Cyprus ("Aksa Enerji Y.Ş.")

On 10 June 2009, Aksa Enerji Y.Ş. signed an electricity sales agreement with the Cyprus Turkish Electricity Authority ("KIB-TEK") for the electricity to be produced from the diesel-generator units installed at the Kalecik power plant in the TRNC. The five-year contract signed with KIB-TEK in 2003 was extended on 1 April 2009 for an additional 15+3 years, until 2027, and further extended on 19 July 2023 with a 15-year lease and operation agreement, until 2038. During this period, Aksa Enerji Y.Ş. sells all the electricity it generates to the Cyprus Turkish Electricity Authority under a guaranteed purchase agreement, based on a tariff set in US Dollars.

In accordance with the capacity increase investments of Kalecik Power Plant in TRNC, the installed capacity has been increased by the instalment of two units with the same engine transferred from the power plants whose licenses were cancelled. The installed capacity of our TRCN Kalecik Power Plant has increased to 153 MW.

In July 2023, a 15-year extension agreement was made with the Cyprus Turkish Electricity Authority (KIBTEK), under which an additional 35 MW capacity commissioned. Of this, 17.5 MW was commissioned in February 2024, and the remaining 17.5 MW was commissioned in May 2024. As a result, the installed capacity of the TRNC Kalecik Combined Cycle Fuel Power Plant has increased from 170.5 MW to 188 MW.

Aksa Ghana B.V.:

On 24 November 2016, Aksa Ghana B.V. was established in Holland as a holding company of Aksa Energy Ghana.

Aksa Uzbekistan Investment B.V.:

Aksa Indonesia BV company changed its title in 2020 and continues its activities as Aksa Uzbekistan Investment BV. Aksa Uzbekistan Investment B.V. is the parent of Aksa Energy Tashkent LLC Company.

Aksa Uzbekistan Bukhara B.V.:

Aksa Uzbekistan Bukhara B.V. is the partner of Aksa Energy Bukhara FE LLC Company.

Aksa Global Investment B.V.:

On 24 November 2016, Aksa Global Investment was established in Netherland to coordinate the foreign investments as a holding Company. Aksa Global Investment BV is the owner of Aksa Ghana B.V., Aksa Madagascar B.V., Aksa Uzbekistan Investment B.V., Aksa Uzbekistan Bukhara B.V., Aksa Kyzlorda Investment B.V., Aksa Taboth IPP, Aksa Energy Company Cameroon PLC, Aksa Talimarjan B.V., Aksa Renewable Energy B.V. and Aksa NDAR Holding S.A.

1 Organization and operations of the Group *(continued)*

Aksa Göynük Enerji:

Aksa Göynük Enerji has a royalty agreement with General Directorate of Turkish Coal Operations Authority for the use of coal in Bolu-Göynük reservoir and Aksa Enerji has a licence for the utilisation of this coal in its power plant with 270 MW capacity.

On 28 October 2011, Aksa Enerji acquired 99.99% of shares of Aksa Göynük Enerji from Kazancı Holding, its related party. The main operations of Aksa Göynük Enerji are constructing, leasing and operating of electricity power plant, production and sale of electricity and all kind of exploration and production of natural gas and petroleum resources and mining. First unit of the power plant with 135 MW has started its operations as of 15 July 2015 and second unit of the power plant with 135 MW has started its operations as of 29 January 2016.

Aksa Madagascar B.V:

On 19 October 2016, Aksa Madagascar B.V. was established as a holding company of Aksaf Power.

Aksa Mali S.A.:

Aksa Mali S.A. was established on 6 February 2017 in Mali for the purpose of constructing, operating, and selling the generated energy. The first engines of the fuel power plant, which sells electricity to the country under a guaranteed purchase agreement with a tariff in euro, were commissioned on 4 August 2017, and the plant began its commercial operation with an installed capacity of 10 MW. The remaining 30 MW of the total 40 MW capacity of the plant was commissioned on 28 September 2017. As of 27 January 2021, under an agreement signed between EDM, Aksa Enerji Üretim A.Ş., and Aksa Mali S.A., a 100% subsidiary of Aksa Enerji, in addition to the existing plant, a 20 MW Energy Plant was commissioned in November 2021. As a result, the installed capacity of the Mali plant increased from 40 MW to 60 MW, and the guaranteed capacity fee increased from 30 MW to 50 MW. The production corresponding to the 50 MW installed capacity will be purchased by EDM for three years in exchange for a guaranteed capacity fee in Euro.

Aksaf Power:

Aksa Enerji established Aksaf Power with participation by Aksa Enerji and a local partner with an ownership interest of 58.35% and 41.65%, respectively, in Mauritius for the purpose of constructing a Heavy Fuel Oil ("HFO") power plant with a capacity of 120 MW in Republic of Madagascar and guarantee sale of the electricity produced for 20 years. Aksaf Power started the construction of power plant upon receipt of the advances and guarantees in accordance with the agreement with Jiro Sy Rano Malagasy ("Jirama"), a public company in Republic of Madagascar providing water and electricity services in this country. On 22 October 2019, Aksa Energy acquired the entire company by purchasing 41.65% of the shares belonging to the local partner.

The first engines of the power plant with an installed power of 25 MW, whose construction started in the last quarter of 2016, were put in use on 10 July 2017, earlier than the planned period and on 4 August 2017, installed power of power plant has increased to 50 MW. The installed power of the plant is 66 MW. In the guaranteed electricity sales agreement, the tariff was determined in USD, and the field, fuel supply, all licenses and permissions related to the project were provided by Jirama.

As of 30 June 2024, the sale of the Group's subsidiary, Aksaf Power, was completed on 11 September 2024.

Madagascar SAU:

Madagascar SAU was established on 6 April 2018 in Antananarivo/Madagascar, mainly to carry operational and maintenance activities of Aksaf Power.

İdil İki Enerji:

In 2001, İdil İki Enerji was acquired by Koni İnşaat Sanayi A.Ş. ("Koni İnşaat"), a related party, from Bilkent Group. Idil İki Enerji has a fuel oil fired power plant located in Şırnak with a capacity of 24 MW. The power plant was established and started electricity production in 2001. On 5 June 2010, Aksa Enerji acquired 99.99% of İdil İki İnşaat from Koni İnşaat. License of power plant has been cancelled on 7 February 2017 by the company.

1 Organization and operations of the Group *(continued)*

Rasa Enerji *:*

Rasa Enerji was established in 2000 for production and distribution of electricity. Rasa Enerji's 99.99% shares have been acquired by Aksa Enerji on 5 June 2010 from Koni İnşaat, one of the related parties of the Group. Rasa Enerji started to generate electricity in August 2011 from Şanlıurfa Natural Gas Power Plant with an installed capacity of 129 MW. On 8 October 2012, combined production is commenced with commissioning of the investmets for waste heat boilers and steam turbines. As of 18 November 2015, installed capacity of Şanlıurfa Combined Natural Gas Power Plant has been increased by 18 MW and reached to 147 MW.

It has been decided to relocate Şanlıurfa Natural Gas Combined Cycle Power Plant to new power plant investment in Uzbekistan Talimarjan. In this context, the license cancellation application submitted to EMRA and TEİAŞ was approved by the EMRA as of 25 February 2024 and the production license numbered EÜ/3210-3/1940 has been terminated.

Aksa Enerji Kongo:

It was established in Republic of Congo in 2019 to develop projects. On 2 December 2022, operations from completed section of the plant with capacity of 50 MW has started.

Aksa Energy Company Cameroon Plc:

It was established in Cameroon in 2019 to develop projects.

Overseas Power:

Overseas Power was established on 18 November 2016 in Mauritius in order to carry out the procurement of raw materials and goods mainly related to the activities of Aksaf Power.

As of 30 June 2024, the sale of the Group's subsidiaries, Overseas Power shares, was completed on 11 September 2024.

Aksa Energy Tashkent FE LLC:

Aksa Energy has established a company named Aksa Energy Tashkent LLC located in Uzbekistan which is 100% owned by Aksa Energy, in order to establish two natural gas combined cycle power plant with an installed capacity of 470 MW respectively 240 and 230 in Uzbekistan and sale of the energy generated in plant based on a guaranteed capacity payment for a duration of 25 years. As of 14 January 2022, commercial production started gradually at the Tashkent A power plant with an installed power of 240 MW. As of 30 March 2022, test production started at the Tashkent B power plant with an installed power of 230 MW.

Aksa Energy Bukhara FE LLC:

Aksa Energy has established a company named Aksa Energy Bukhara FE LLC located in Uzbekistan which is 100% owned by Aksa Energy, in order to establish a natural gas combined cycle power plant in Uzbekistan and sale of the energy generated in the plant based on a guaranteed capacity payment for a duration of 25 years. As of 14 January 2022, commercial production started gradually at the Bukhara power plant with an installed power of 270 MW.

Aksa Enerji Talimarjan FE LLC

Aksa Enerji, established a company called Aksa Enerji Talimarjan FC, located in Uzbekistan, 100% owned by Aksa Energy in order to establish a natural gas combined cycle power plant with an installed capacity of 430 MW in Talimarjan, Uzbekistan, and to make guaranteed sales of the electricity produced for 25 years.

Aksa Enerji Üretim A.Ş. Branch of the Republic of Kazakhstan in Almaty:

Aksa Enerji Üretim A.Ş. Kazakhstan Branch was established to develop projects.

Aksa Qyzylorda Investment B.V.

Qyzylorda Investment B.V is the partner of Aksa Energy Qyzylorda LLP Company.

Aksa Energy Qyzylorda LLP

Aksa Enerji, in order to establish a natural gas combined cycle power plant with an installed capacity of 240 MW in Kızılorda, Kazakhstan and to sell the electricity produced for a period of 15 years, established a company called Aksa Energy Qyzylorda LLP located in Kazakhstan, 100% owned by Aksa Enerji.

1 Organization and operations of the Group *(continued)*

Aksa Taboth IPP

Aksa Taboth IPP was established in Ivory Coast for project development.

Aksa Talimarjan B.V.

Aksa Talimarjan B.V. is the parent of Aksa Enerji Talimarjan FC.

Aksa Renewable Energy B.V.

It was established as a holding company %100 owned by Aksa Global Investments B.V.

Ndar Energies SA

NDAR Energies SA, a subsidiary of Aksa Global Investments B.V., one of the group companies of Aksa Enerji Üretim A.Ş., is a company operating in Senegal, 85% of which is owned by Aksa Ndar Holding SA and 15% of which is owned by the local partner in order to establish a natural gas combined cycle power plant with an installed capacity of 255 MW in the City of Saint Louis, Senegal, and to sell the electricity generated in Euro index for 25 years.

Aksa-Ndar Holding SA

Aksa-Ndar Holding SA was established as a holding company in Senegal, 60% of which belongs to Aksa Global Investment B.V., one of the group companies of Aksa Enerji Üretim A.Ş.

Aksa Senegal Investment B.V. :

It was established as a holding company, 100% owned by Aksa Global Investments B.V.

Aksa Energy Aktobe LTD.:

The company was established for the purpose of project development and is 100% owned by Aksa Qyzylorda Investment B.V.

Aksa Energy Taraz LTD.:

The company was established for the purpose of project development and is 100% owned by Aksa Qyzylorda Investment B.V.

Aksa Energy Atyrau LTD.:

The company was established for the purpose of project development and is 100% owned by Aksa Qyzylorda Investment B.V.

Aksa Energy Kazakistan LTD.:

The company was established for the purpose of project development and is 100% owned by Aksa Qyzylorda Investment B.V.

Taraz Kuat TOO

The company was established for the purpose of project development and is 100% owned by Aksa Energy Kazakistan LTD.

Zümrüt GES Enerji Mühendislik Müşavirlik A.Ş.

It was established for the purpose of project development and 100% owned by Aksa Renewable Energy B.V., and with a pre-license for a 25 MW capacity energy storage solar power plant in Van province.

Real Biyogaz Elektrik Üretim A.Ş.

It was established for the purpose of project development and is 100% owned by Aksa Renewable Energy B.V., with a pre-license for a 25 MW capacity energy storage wind power plant in Sivas province.

Ankatech Enerji Mühendislik Müşavirlik A.Ş.

It was established for the purpose of project development and 100% owned by Aksa Renewable Energy B.V., and with a pre-license for a 10 MW capacity energy storage solar power plant in Kayseri province.

2 Basis of preparation of the consolidated financial statements

2.1 Basis of Preparation

As of 31 December 2024, electricity production licenses held by the Group are as follows:

Licence Owner	Region/country	Type of facility	Date of licence	Licence Duration	The installed capacity (MWe)
Aksa Enerji	TRNC	Fuel oil	19 July 2023	15 years	188
Aksa Enerji	Antalya	Natural gas	13 November 2007	30 years	900
Aksa Göynük Enerji	Bolu	Thermal	25 June 2008	30 years	270
Aksa Enerji Gana	Ghana	Dual Fuel	3 October 2022	15 years	370
Aksa Enerji Congo	Congo	Natural gas	2 December 2022	30 years	50
Aksa Mali S.A	Mali	Fuel Oil	28 September 2017	3+3 years	60
Aksa Energy Bukhara	Bukhara	Natural gas	20 January 2021	25 years	298
Aksa Energy Tashkent	Tashkent	Natural gas	24 October 2020	25 years	492
Aksa Enerji Talimarjan	Talimarjan	Natural gas	9 November 2023	25 years	430
Total					**3,058**

As of 31 December 2024, the information on the power plants to which the Group provides maintenance and operation services is as follows:

License owner	Location	Name of facility	Type of facility	Date of license	License Duration	Type of license	The capacity of the plant (MWe)
Aksaf Power	Madagascar	Aksaf	Fuel oil	11 September 2024	2 years	Maintenance and Operating	66

a) Preparation of Consolidated Financial Statements

<u>Statement of Compliance to TFRS</u>

The accompanying consolidated financial statements have been prepared in accordance with the provisions of the Capital Markets Board (“CMB”) “Communiqué on Principles Regarding Financial Reporting in the Capital Market” No:14.1 published in the Official Gazette No: 28676 dated 13 June 2013 and pursuant to Article 5 of the Communiqué, the financial statements are based on Turkish Financial Reporting Standards (“TFRS”) and exhibits and interpretations associated which were enacted by the Public Oversight Accounting and Auditing Standards Authority (“POA”).

In addition, the financial statements are presented in accordance with the formats determined in the “Announcement on TFRS Taxonomy” published by the POA on 4 July 2024 and the Financial Statement Examples and User Guide published by the CMB.

The consolidated financial statements have been prepared on the historical cost basis except for revaluation of certain property, plant and equipment and financial instruments. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Approval of Consolidated Financial Statements

The consolidated financial statements of the Group as of 31 December 2024 were approved by the Company's Board of Directors on 3 March 2025. The Company's General Assembly and the relevant regulatory bodies have the right to request the change of the consolidated financial statements after the publication.

Going Concern Basis

The consolidated financial statements have been prepared on a going concern basis, which presumes the realization of assets and settlement of liabilities in the normal course of operations and in the foreseeable future.

2 Basis of preparation of the consolidated financial statements *(continued)*

2.1 Basis of Preparation *(continued)*

b) Financial Reporting in Hyperinflationary Economies

According to the Capital Markets Board (CMB) decision dated 28 December 2023, and numbered 81/1820, issuers subject to financial reporting regulations applying the Turkish Accounting/Financial Reporting Standards (TAS/TFRS) and capital market institutions are required to apply inflation accounting by implementing the provisions of TAS 29 "Financial Reporting in Hyperinflationary Economies" starting from the annual financial reports for the accounting periods ending on 31 December 2024. Based on this CMB decision, the announcement made by the Public Oversight Accounting and Auditing Standards Authority (POA) on 23 November 2023 and the updated "Implementation Guide on Financial Reporting in Hyperinflationary Economies" published on 16 January 2025, the Group has prepared its consolidated financial statements for the year ending on 31 December 2024, by applying the TAS 29 Standard. According to this standard, the financial statements prepared based on the currency of a hyperinflationary economy must be presented in the purchasing power of that currency as of the balance sheet date, and the prior period financial statements must also be restated in the current measurement unit at the end of the reporting period. Therefore, the Group has also presented its consolidated financial statements as of 31 December 2023, based on the purchasing power as of 31 December 2024.

The adjustments made in accordance with TAS 29 have been carried out using the correction coefficient obtained from the Consumer Price Index (CPI) for Türkiye, published by the Turkish Statistical Institute ("TURKSTAT"). As of 31 December 2024, the indices and correction coefficients for the current and previous periods used in the adjustment of the consolidated financial statements, since the cessation of the designation of the Turkish Lira as the currency of a high-inflation economy on 1 January 2005 are as follows:

Date	Index	Adjustment coefficient	Three-year cumulative inflation rates
31 December 2024	2,684.55	1.00000	291%
31 December 2023	1,859.38	1.44379	268%
31 December 2022	1,128.45	2.37897	156%

The main lines of TAS 29 indexation transactions are as follows:

• As of the balance sheet date, all items other than those stated in terms of current purchasing power are restated by using the relevant price index coefficients. Prior year amounts are also restated in the same way.

• Monetary assets and liabilities are expressed in terms of the purchasing power at the balance sheet date and are therefore not subject to restatement. Monetary items are cash and items to be received or paid in cash.

• Fixed assets, subsidiaries and similar assets are indexed to their acquisition values, which do not exceed their market values. Depreciation has been adjusted in a similar manner. Amounts included in shareholders' equity have been restated by applying general price indices for the periods in which they were contributed to or arose within the company.

2 Basis of preparation of the consolidated financial statements *(continued)*

2.1 Basis of Preparation *(continued)*

b) Financial Reporting in Hyperinflationary Economies *(continued)*

• All items in the income statement, except for the effects of non-monetary items in the balance sheet on the income statement, have been restated by applying the multiples calculated over the periods when the income and expense accounts were initially recognised in the financial statements.

• The gain or loss arising on the net monetary position as a result of general inflation is the difference between the adjustments to non-monetary assets, equity items and income statement accounts. This gain or loss on the net monetary position is included in net profit.

• The impact of inflation on the Group's net monetary position in the current period has been recorded under the net monetary position gains/(losses) account in the consolidated income statement (Note 33).

Consolidated Financial Statements

The subsidiaries of the Group whose functional currency is other than the Turkish Lira have been translated into purchasing power as of 31 December 2024, according to the following principles.

The consolidated financial statements for the year ended 31 December 2024, have been translated into Turkish Lira using the closing exchange rate on 31 December 2024. The consolidated income statement for the period from 1 January 2024 - 31 December 2024, has been translated into Turkish Lira using the three-month average exchange rates and indexed to the purchasing power as of 31 December 2024. Similarly, the consolidated financial statements for the year ended 31 December 2023, have been translated into Turkish Lira using the closing exchange rate on 31 December 2023, and indexed to the purchasing power as of 31 December 2024. The income statement for the period from 1 January 2023 - 31 December 2023, has been translated into Turkish Lira using the three-month average exchange rates and indexed to the purchasing power as of 31 December 2024.

Comparative figures

Relevant figures for the previous reporting period are restated by applying the general price index so that the comparative financial statements are presented in the measuring unit applicable at the end of the reporting period. Information disclosed for prior periods is also expressed in terms of the measuring unit current at the end of the reporting period.

c) Basis of Measurement

Consolidated financial statements are prepared on the historical cost basis, excluding items measured at fair value as specified below:

- derivative financial instruments,
- financial investments,
- lands, land improvements, buildings and plant, machinery and equipments.

The methods used in fair value measurements are also disclosed in Note 2.4.

2 Basis of preparation of the consolidated financial statements *(continued)*

2.1 Basis of Preparation *(continued)*

d) Functional and presentation currency

The financial statements of each business of the Group are presented in the currency of the main economic environment in which they operate (the functional currency). The financial position and operating results of each business are expressed in TL, which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

The functional currencies of the Group companies are summarized in the table below.

Company	Functional currency
Aksa Enerji - Y.Ş.	USD
Aksa Göynük Enerji	TL
İdil İki Enerji	TL
Rasa Enerji	TL
Aksa Yenilenebilir Enerji Üretim A.Ş.	TL
Aksa Enerji Gana	USD
Aksa Gana B.V.	USD
Aksa Global B.V.	USD
Aksa Uzbekistan Investment B.V.	USD
Aksa Uzbekistan Bukhara B.V.	USD
Aksa Madagascar B.V.	USD
Aksa Mali S.A.	EUR
Aksaf Power	USD
Overseas Power	USD
Aksa Enerji Tashkent	USD
Aksa Bukhara	USD
Aksa Enerji Kongo	USD
Aksa Madagaskar SAU	USD
Aksa Energy Kamerun	USD
Aksa Enerji Üretim A.Ş. Almaty Branch	USD
Aksa Qyzylorda Investment B.V.	USD
Aksa Energy Qyzylorda LLP	KZT
Aksa Taboth IPP	EUR
Aksa Talimarjan B.V.	USD
Aksa Renewable Energy B.V.	USD
Aksa Enerji Talimarjan	USD
Ndar Energies SA	EUR
Aksa-Ndar Holding SA	EUR
Aksa Senegal Investment B.V.	USD
Aksa Energy Aktobe LTD.	KZT
Aksa Energy Taraz LTD.	KZT
Aksa Energy Atyrau LTD.	KZT
Aksa Energy Kazakistan LTD.	KZT
Taraz Kuat TOO	KZT
Zümrüt GES Enerji Mühendislik Müşavirlik A.Ş.	TL
Real Biyogaz Elektrik Üretim A.Ş.	TL
Ankatech Enerji Mühendislik Müşavirlik A.Ş.	TL

2 Basis of preparation of the consolidated financial statements *(continued)*

2.1. Basis of Preparation *(continued)*

d) Functional and presentation currency *(continued)*

Functional currencies are used to a significant extent in, or have a significant impact on the operations of the related Group entities and reflect the economic substance of the underlying events and circumstances relevant to these entities. All currencies other than the currencies selected for measuring items in the consolidated financial statements are treated as foreign currencies. Accordingly, transactions and balances not already measured in the functional currencies have been re-measured to the related functional currencies.

e) Basis of consolidation

(i) Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from involvement with the entity and has the ability to affect those returns through it power over the entity. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts generally are recognised in profit or loss.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls a business when exposure, or rights, to variable returns due to its involvement with the investee and the ability to use its power over the investee to affect the amount of the investor's returns. The financial statements of the subsidiaries are included in the consolidated financial statements using the full consolidation method from the date the control begins to the date the control ends. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

The Group measures any non-controlling interests in the acquiree at their proportionate share of the acquiree's identifiable net assets, which are generally at fair value.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners. Adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary. No adjustments are made to goodwill and no gain or loss is recognised in profit or loss.

2 Basis of preparation of the consolidated financial statements *(continued)*

2.1. Basis of Preparation *(continued)*

e) Basis of consolidation *(continued)*

(iii) Loss of control

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any NCI and other components of equity related to the subsidiary. Any resulting gain or loss arising on the loss of control is recognized in profit or loss. Any interest retained in the former subsidiary, then such interest is measured at fair value at the date when control is lost.

(iv) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment. Carrying value of shares owned by the Group and dividends arising from these shares has been eliminated in equity and profit or loss accounts.

f) Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between the amortized cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortized cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognized in profit or loss, except for differences arising hedge instruments recognized in other comprehensive income.

The EUR/TL, USD/TL, GHS/USD and TL/USD as of the end of the reporting periods are as follows:

	31 December 2024	31 December 2023
EUR / TL	36.7429	32.5739
USD / TL	35.2233	29.4382
GHS / USD	14.7026	11.8741
TL / USD	0.0284	0.0340

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to TL at exchange rates at the reporting date. The income and expenses of foreign operations are translated to TL at average exchange rates at the dates of the transactions.

.

2 Basis of preparation of the consolidated financial statements *(continued)*

2.1 Basis of Preparation *(continued)*

f) Foreign currency *(continued)*

Foreign operations *(continued)*

Foreign currency differences are recognized in other comprehensive income, and presented in the foreign currency translation difference in equity. However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportion of the translation difference is allocated to the non-controlling interests

When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operations is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognized in other comprehensive income, and presented within equity in the foreign currency translation difference.

2.2 Changes in accounting estimates and errors

Changes in accounting estimates, if related to only one period, are applied prospectively in the current period in which the change is made. If related to future periods, the change is applied both in the period in which it is made and in future periods. Significant accounting errors identified are applied retrospectively, and prior period financial statements are restated. There have been no significant changes in accounting estimates for the Group during the current year.

2.3 New and amended Turkish Financial Reporting Standards

a) Amendments that are mandatorily effective from 2024

Amendments to TAS 1	*Classification of Liabilities as Current or Non-Current*
Amendments to TFRS 16	*Lease Liability in a Sale and Leaseback*
Amendments to TAS 1	*Non-current Liabilities with Covenants*
Amendments to TAS 7 and TFRS 7	*Supplier Finance Arrangements*
TSRS 1	*General Requirements for Disclosure of Sustainability-related Financial Information*
TSRS 2	*Climate-related Disclosures*

Amendments to TAS 1 *Classification of Liabilities as Current or Non-Current*

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.
.

2 Basis of preparation of the consolidated financial statements *(continued)*

2.3 New and amended Turkish Financial Reporting Standards *(continued)*

a) Amendments that are mandatorily effective from 2024 *(continued)*

Amendments to TFRS 16 *Lease Liability in a Sale and Leaseback*

Amendments to TFRS 16 clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in TFRS 15 to be accounted for as a sale.

Amendments to TAS 1 *Non-current Liabilities with Covenants*

Amendments to TAS 1 clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.

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

The amendments add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements.

TSRS 1 *General Requirements for Disclosure of Sustainability-related Financial Information*

TSRS 1 sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity. The application of this standard is mandatory for annual reporting periods beginning on or after 1 January 2024 for the entities that meet the criteria specified in POA's announcement dated 5 January 2024 and numbered 2024-5 and the Board Decision dated 16 December 2024 amending this announcement. Other entities may voluntarily report in accordance with TSRS.

TSRS 2 *Climate-related Disclosures*

TSRS 2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity. The application of this standard is mandatory for annual reporting periods beginning on or after 1 January 2024 for the entities that meet the criteria specified in POA's announcement dated 5 January 2024 and numbered 2024-5 and the Board Decision dated 16 December 2024 amending this announcement. Other entities may voluntarily report in accordance with TSRS.

b) New and revised TFRSs in issue but not yet effective

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

TFRS 17	*Insurance Contracts*
Amendments to TFRS 17	*Initial Application of TFRS 17 and TFRS 9 — Comparative Information*
Amendments to TAS 21	*Lack of Exchangeability*

TFRS 17 *Insurance Contracts*

TFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. TFRS 17 has been deferred for insurance, reinsurance and pension companies for a further year and will replace TFRS 4 Insurance Contracts on 1 January 2026.

2 Basis of preparation of the consolidated financial statements *(continued)*

2.3 New and amended Turkish Financial Reporting Standards *(continued)*

b) New and revised TFRSs in issue but not yet effective *(continued)*

Amendments to TFRS 17 *Insurance Contracts and Initial Application of TFRS 17 and TFRS 9 – Comparative Information*

Amendments have been made in TFRS 17 in order to reduce the implementation costs, to explain the results and to facilitate the initial application.

The amendment permits entities that first apply TFRS 17 and TFRS 9 at the same time to present comparative information about a financial asset as if the classification and measurement requirements of TFRS 9 had been applied to that financial asset before.

Amendments are effective with the first application of TFRS 17.

Amendments to TAS 21 *Lack of Exchangeability*

The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. Amendments are effective from annual reporting periods beginning on or after 1 January 2025.

The Group evaluates the effects of these standards, amendments and improvements on the consolidated financial statements.

2.4 Summary of significant accounting policies

a) Revenue

The Group recognize generated by the sale of the electricity produced by the official authorities and in the market, in the financial statements. An asset is transferred when or when control of an asset is transferred to the customer.

The Group recognizes revenue in its consolidated financial statements within the scope of 5-step model given below:

(a) Identify the contract(s) with a customer
(b) Identify the performance obligations in the contract
(c) Determine the transaction price
(d) Allocate the transaction price to the performance obligations in the contract
(e) Recognition of revenue when each performance obligation is satisfied.

When a contract is only legally enforceable, collectible, rights and payment terms for goods and services are identifiable, the contract is considered to be in accordance with TFRS 15 if the terms of the contract have been met, the contract has been approved by the parties and the parties have fulfilled all the obligations under which they are committed.

At the beginning of the contract, the Group evaluates the goods or services committed on the contract with the customer and defines each commitment given to be transferred to the customer as a 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.

TEİAŞ sales income includes sales arising from the settlement system due to all sales transactions made by the market participant in the free market settled by the free market MFSC (Market Financial Settlement Center) and due to the existence of a free market.

Bilateral Agreements Electricity Sales, physical or service sales to both wholesale companies or private generation companies. Primary Frequency Control (PFK) includes the sale of services related to the transfer of this obligation by the power plants that have obligations in the relevant legislation.

2 Basis of preparation of the consolidated financial statements *(continued)*

2.4 Summary of significant accounting policies *(continued)*

b) Financial instruments

i) Recognition and initial measurement

The Group's trade receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

ii) Classification and subsequent measurement

According to TFRS 9, when a financial asset is recognized for the first time; it is classified as measured at amortized cost; measured at fair value through other comprehensive income – investments in debt instruments; measured at fair value through other comprehensive income – investments in equity instruments or measured at fair value through profit or loss.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- the purpose of the business model may be to manage daily liquidity needs, to maintain a certain interest yield, or to match the maturity of financial assets with the maturity of the debts funding those assets;
- the business model and how the performance of financial assets held under the business model is reported to Group management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- the frequency, value, timing and cause of sales made in previous periods and future sales prospects.

2 Basis of preparation of the consolidated financial statements *(continued)*

2.4 Summary of significant accounting policies *(continued)*

b) Financial instruments *(continued)*

ii) *Classification and subsequent measurement (continued)*

Transfers of financial assets to third parties in transactions that are not eligible for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of its assets in its financial statements.

Financial assets- Assessment whether contractual cash flows are solely payments of principal and interest:

Principal is defined as the fair value of the financial asset on initial recognition. Interest is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are "solely payments of principal and interest", the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract.

Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Since the principal is the present value of expected cash flows, trade receivables and other receivables meet the "solely payments of principal and interest criteria". It is managed in accordance with the business model based on collection of these receivables.

2 Basis of preparation of the consolidated financial statements *(continued)*

2.4 Summary of significant accounting policies *(continued)*

b) Financial instruments *(continued)*

ii) *Classification and subsequent measurement (continued)*

The following accounting policies apply to subsequent measurement of financial assets.

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Equity instruments at FVOCI	These assets are measured at fair value in subsequent periods. Dividends are recognized in profit or loss unless it is expressly intended to recover part of the investment cost. Other net gains and losses are recognized in other comprehensive income and cannot be reclassified to profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on de-recognition is recognized in profit or loss.

<u>Financial liabilities</u>

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. The Group does not have any financial liabilities at FVTPL except for derivatives and issued debt instruments.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

Non-derivative financial liabilities are initially recognized on the transaction date when the Group becomes a party to the contractual terms of the financial instrument.

Non-derivative financial liabilities are comprised of loans, other financial liabilities, trade payables and other payables.

Such financial liabilities were recognized initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities were measured at amortized cost using the effective interest method.

2 Basis of presentation of the consolidated financial statements *(continued)*

2.4 Summary of significant accounting policies *(continued)*

b) Financial instruments *(continued)*

iii. Derecognition

Financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group continues to recognize the financial asset in the statement of financial position if it retains substantially all the risks and benefits arising from the ownership of a financial asset.

Financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expired. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

iv. Offsetting of financial assets and liabilities

The Group offsets its financial assets and liabilities and presents the net amount in its financial statements only when it has a legal right to offset and it intends to settle the transaction on a net basis or to realize the asset and settle the liability simultaneously.

v. Derivative financial instrument and hedge accounting

The Group uses derivative financial instruments for the purpose of hedging foreign currency and interest risk rate. Embedded derivative instruments are separated from the host contract and recognized separately when the underlying contract is not a financial asset and met certain criteria.

Derivatives are initially recognized at fair value. Subsequent to initial recognition of derivative instruments, changes in fair value are recognized in profit or loss.

The Group defines certain derivatives as hedging instruments in order to maintain the variability in the cash flows related to the high probability of realization arising from the changes in exchange rates and interest rates.

At the beginning of the hedge relationship, the Group makes a certification regarding the risk management purpose and strategy that causes the hedging relationship and the operation of the enterprise.

The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in the cash flows of the hedged item and the hedging means are expected to offset each other.

2 Basis of presentation of the consolidated financial statements *(continued)*

2.4 Summary of significant accounting policies *(continued)*

b) Financial instruments *(continued)*

v. Derivative financial instrument and hedge accounting (continued)

Cash flow hedges

If a derivative instrument is designed as a cash flow hedge hedging instrument, the effective portion of the change in the fair value of the derivative instrument is recognized in other comprehensive income and presented under equity in the hedging reserve. The ineffective portion of the change in the fair value of the derivative is recognized directly in profit or loss. The effective portion of the change in the fair value of the derivative instrument determined on the present value basis from the beginning of the hedging relationship recognized in other comprehensive income is limited to the cumulative effect of the change in the fair value of the hedging instrument.

In the cash flow hedge relationship, the Group defines only the change in the spot item of the forward contract as a means of hedging.

The change in the fair value of forward value of forward foreign exchange purchase contracts is recognized as hedging reserve as a hedging cost in equity as a hedging cost.

In the event that a non-financial asset or liability is subsequently recognized in the financial statements, the amount accumulated in the hedging fund and the cost of hedging are included directly in the initial cost of the non-financial asset or liability.

For all other hedge transactions, the hedging reserve and the hedging cost are classified in profit or loss in the hedging reserve in the period or periods when the estimated future cash flows are affected by profit or loss.

The hedge accounting is discontinued in case the hedging relationship (or part of it) no longer meets the required criteria, the hedging instrument is expired or sold, terminated or used. In case of discontinuation of cash flow hedge accounting, the retained amount in the hedging fund shall continue to be classified under equity until the hedged estimate of the non-financial item is recorded; hedging cost is included directly in the initial cost of the non-financial item or, for other cash flow hedges, the cost of the hedge is reclassified to profit or loss in the period or periods in which the estimated future cash flows hedged affect profit or loss.

If the expected future cash flows are no longer expected to materialize, the amount accumulated in the hedge fund and the cost of that fund are immediately classified in profit or loss.

vi. Non-derivative financial assets

Financial instruments

The Group recognizes loss allowances for ECLs on:

- financial assets measured at amortized cost

The Group measures loss allowances at an amount equal to lifetime ECL, except for the following, which are measured as 12-month ECL:

- bank balances for which credit risk has not increased significantly since initial recognition (i.e. the risk of default over the expected life of the financial instrument).

The Group applied lifetime ECL for calculation of loss allowances for trade receivables.

2 Basis of presentation of the consolidated financial statements *(continued)*

2.4 Summary of significant accounting policies *(continued)*

b) Financial instruments *(continued)*

vi. Non-derivative financial assets (continued)

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

c) Impairments of assets

Measurement of ECL

ECLs are a probability-weighted estimate of credit losses. In other words, it is the credit losses that are measured on the present value of all the cash deficits (for example, the difference between the cash inflows to the entity and the cash flows expected by the entity to be collected based on the contract).

The cash deficit is the difference between the cash flows to be incurred and the cash flows expected to be received by the entity. As the amount and timing of payments are considered in anticipated credit losses, a credit loss occurs even if the entity expects to receive the full payment in the contract with the maturity specified in the contract. Expected credit loss are discounted over the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial re-organization; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of impairment

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

2 Basis of presentation of the consolidated financial statements *(continued)*

2.4 Summary of significant accounting policies *(continued)*

c) Impairments of assets *(continued)*

Write-off (continued)

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where trade receivables, other receivables, other assets and contract assets have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in profit or loss.

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that cannot be tested separately are grouped into the smallest units that generate cash inflows from sustainable operations or cash-generating units ("CGU") independently of other assets and asset groups. Goodwill arising in a business combination is allocated for impairment testing to CGUs that are expected to benefit from the synergies of the merger.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

If the carrying amount of CGU of an asset exceeds its recoverable amount, an impairment charge is recognized.

Impairment losses are recognized in profit or loss. Impairments recognized in prior periods are reassessed in each reporting period if there is a decrease in impairment or there are indications that the impairment is not valid. The impairment is reversed if there is a change in the estimates used in determining the recoverable amount.

If the impairment of non-financial assets was not recorded in the previous periods, they are reversed to an extent not exceeding the book value to be determined for the asset after deducting depreciation or amortization.

d) Inventories

Inventories are measured at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

The cost of inventories includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition. The cost of inventories is calculated using the weighted average method.

When the net realizable value of inventory falls below its cost, the inventory is written down to its net realizable value, and the impairment loss is recognized as an expense in the profit or loss statement for the year in which the loss occurs. If the conditions that caused the inventory to be written down to its net realizable value no longer exist or if there is evidence of an increase in the net realizable value due to changing economic conditions, the previously recognized impairment loss is reversed. The reversed amount is limited to the amount of the impairment loss previously recognized.

2 Basis of presentation of the consolidated financial statements *(continued)*

2.4 Summary of significant accounting policies *(continued)*

e) Related parties

Parties are considered related to the Group if;

(a) A person or a close member of that person's family is related to a reporting entity if that person:

- (i) has control or joint control over the reporting entity;
- (ii) has significant influence over the reporting entity; or
- (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(b) An entity is related to a reporting entity if any of the following conditions applies:

- (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party, one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (iv) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the Company. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
- (v) The entity is controlled or jointly controlled by a person identified in (a).
- (vi) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

f) Goodwill

The goodwill amount arising from the purchase transaction is valued at the indexed cost value at the purchase date after deducting any impairment provisions, if applicable.

For impairment testing, goodwill is allocated to the cash-generating units (or groups of cash-generating units) that are expected to benefit from the synergies arising from the combination.

The cash-generating unit to which goodwill is allocated is subject to impairment testing annually. If there are indicators of impairment, the impairment test is performed more frequently. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment provision is first deducted from the goodwill allocated to the unit, and then the carrying amount of the assets within the unit is reduced. The impairment provision allocated to goodwill is recognized directly in the consolidated statement of profit or loss and other comprehensive income. The impairment provision for goodwill is not reversed in subsequent periods.

Upon the sale of the relevant cash-generating unit, the amount determined for goodwill is included in the calculation of profit/loss in the sales transaction.

g) Property, plant and equipment

(i) Recognition and measurement

Property, plant and equipment except for land, land improvements, buildings and plant, machinery and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The Group has opted for the option of measuring the land, land improvements, buildings and plant, machinery and equipment in the property, plant and equipment by revaluation method in accordance with TAS 16 Property, Plant and Equipment. The revalued amount is the fair value at the revaluation date less any subsequent accumulated depreciation and any subsequent accumulated impairment losses. The increase resulting from the revaluation of the land, land improvements, buildings and plant machinery and equipment is recognized after netting the deferred tax effect on the revaluation reserve in equity. Decreases resulting from the valuation of the revalued lands, land improvements, buildings and plant machinery and equipment are also reflected as an expense, if any, exceeding the revaluation reserve amount due to the previous valuation.

2 Basis of presentation of the consolidated financial statements *(continued)*

2.4 Summary of significant accounting policies *(continued)*

g) Property, plant and equipment *(continued)*

(i) Recognition and measurement *(continued)*

When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Gains and losses on disposal of an item of property and equipment are determined by comparing the net proceeds from disposal with the carrying amount of property and equipment, and are recognized net within "income from investing activities" or "expenses from investing activities" in profit or loss.

During the production phase of the mine, the material removed when stripping in the production phase, often it will be a combination of ore and waste. Removal of material with a low ratio of ore to waste may produce some usable material, which can be used to produce inventory. This removal might also provide access to deeper levels of material that have a higher ratio of ore to waste that will be mined in future periods. The Group recognize stripping activity asset when it is probable that the future economic benefit associated with the stripping activity will flow to the Group, identify the component of the ore body for which access has been improved; and the costs relating to the stripping activity associated with that component can be measured reliably. The Group shall allocate the production stripping costs between the inventory produced and the stripping activity asset by using an allocation basis that is based on mineral content of the ore extracted compared with expected mineral content to be extracted, for a given quantity of ore produced.

Since some incidental operations may take place at the same time as the production stripping activity, but which are not necessary for the production stripping activity to continue as planned, these incidental operations are not included in the cost of the stripping activity asset.

(ii) Subsequent costs

The cost of replacing a part of an item of property and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property and equipment are recognized in profit or loss as incurred.

(iii) Depreciation

Items of property, plant and equipment are depreciated from the date that they are available for use, or in respect of self-constructed assets, from the date that the asset is completed and ready for use. Depreciation is calculated on a straight-line basis over their estimated useful life. Depreciation is generally recognized in profit or loss unless it is included in the carrying amount of another asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated. On the other hand, the value increase amounts on the related fixed assets are transferred to the prior year's profit and loss.

Depreciation expense for the period of revalued land improvements, buildings and plant machinery and equipment is recognized in profit or loss. When the revalued lands, land improvements, buildings and plant machinery and equipment are sold or withdrawn from service, the remaining balance in the revaluation reserve is transferred directly to the prior years' losses. On the other hand, some of the increase in value is transferred to retained earnings as the asset is used by the entity.

After initial recognition, the stripping asset is followed at cost less depreciation and impairment losses in the same way as the current asset of which it is a part. The stripping asset is depreciated systematically according to the production amount method over the expected useful life of the defined part of the ore deposit that is easier to access as a result of the stripping.

2 Basis of presentation of the consolidated financial statements *(continued)*

2.4 Summary of significant accounting policies *(continued)*

g) Property, plant and equipment *(continued)*

(iii) Depreciation *(continued)*

The estimated useful lives of the property, plant and equipments for the current and comparative periods are as follows:

	Years
Buildings	5 - 48
Land improvements	5 - 22
Machinery and equipment	2 - 40
Furniture and fixtures	2 - 50
Vehicles	2 - 25
Leasehold improvements	2 - 28

Power generation plants depreciated over shorter of license term and their useful lives. The Group depreciates its power generation plants in different useful lives in accordance to their different useful lives.

	Years
Fuel oil power plants	4 - 22
Natural gas power plants	33 - 40
Coal plants	37

Overhaul costs related to power generation plants have different useful lives, then they are accounted as separate items of power generation plants.

Depreciation methods and useful lives are reviewed at each reporting date and adjusted when necessary.

h) Intangible assets

(i) Recognition and measurement

Intangible assets that are acquired by the Group which have finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses. In case of impairment, the book value of the intangible assets is reduced to the recoverable amount.

(ii) Subsequent expenditures

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognized in profit or loss as incurred.

(iii) Amortization

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use. The estimated useful lives of licenses for the current and comparative periods are between 2 and 49 years. Amortization methods and useful lives are reviewed at each reporting date and adjusted if appropriate.

i) Mining assets

Mining assets consist of mining field development, mining rights, mining lands, deferred mining extraction costs, and the discounted costs related to the reclamation, rehabilitation, and closure of mining sites. Mining assets are reflected in the consolidated financial statements at their net book value, which is the acquisition cost less accumulated depreciation and any permanent impairment losses, if applicable. Mining assets are amortized on a production basis according to the recoverable ore reserves, starting when production begins. The depreciation expenses for mining assets are allocated on a per-mining site basis and are associated with production costs.

2 Basis of presentation of the consolidated financial statements *(continued)*

2.4 Summary of significant accounting policies *(continued)*

j) Leases

The Group as a lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).

- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under TAS 37. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

2 Basis of presentation of the consolidated financial statements *(continued)*

2.4 Summary of significant accounting policies *(continued)*

j) Leases *(continued)*

The Group as a lessee *(continued)*

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies TAS 36 standard to determine whether the right-of-use assets are impaired or not, and recognized all the determined impairment losses as specified in the 'Property, Plant and Equipment' policy.

As a practical expedient, TFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient.

k) Provisions

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

l) Employee benefits

(i) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. According to the current Labor Law in Türkiye is obliged to pay for any reason claimed by the employee if the ending, but unused annual leave belonging fee gross salary at the date when the contract expires and contractual other interests him or rights to their owners over the total. The unused vacation liability is the undiscounted total liability amount that all employees deserve but which are not yet used as of the reporting date. Liabilities arising from unused vacation rights are accrued in the period in which they are entitled.

(ii) Other long-term employee benefits

In accordance with the existing labor law in Türkiye, the Group entities in Türkiye are required to make lump-sum payments to employees who have completed one year of service and whose employment is terminated without cause or who retire, are called up for military service or die. The provision for employment termination benefits represents the present value of the estimated future probable obligation of the Group in the event of the retirement of its employees on a 30-day basis. The provision for employment termination benefits has been calculated as if all employees will be subject to such a payment and is reflected in the consolidated financial statements on an accrual basis. Severance pay provision has been calculated according to the severance pay ceiling announced by the Government. All actuarial gains and losses are recognized in other comprehensive income.

m) Contingent liability and contingent assets

It is defined as a current asset or liability that will result in an outflow or inflow of resources that result from past events and whose performance includes economic benefits. A contingent liability is disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote. If the possibility of transfer of assets is probable, contingent liability is recognized in the consolidated financial statements. A contingent asset is disclosed, when the possibility of an inflow of economic benefits to the entity is probable. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the consolidated financial statements of the period in which the change occurs.

2 Basis of preparation of the consolidated financial statements *(continued)*

2.4 Summary of significant accounting policies *(continued)*

n) Income from investment activities and expenses from investment activities

Income from investment activities includes profit on subsidiary sales, income from sales of fixed assets and scrap. Expenses from investment activities include expenses and losses on sales of fixed assets and subsidiaries.

o) Finance income and finance expenses

Financing income includes interest income on bank deposit that forms part of the cycle used for financing purposes, interest income from funds, foreign exchange income on financial assets and liabilities (other than trade receivables and payables) and interest and maturity earnings received from related parties consisting of derivative instruments and recognized in profit or loss.

Financial expenses include interest expenses on bank loans, foreign exchange losses on financial assets and liabilities (other than trade receivables and payables), losses on derivative instruments recorded in profit or loss, and interest and interest expense paid to related parties. Borrowing costs that cannot be directly associated with the acquisition, construction or production of an asset are accounted for in consolidated profit or loss using the effective interest rate.

Exchange rate income and expenses on financial assets and liabilities (other than trade receivables and payables) are reported separately in finance income or finance expenses according to the net position of the currency difference movements. Exchange rate difference and rediscount income on trade receivables and payables are reported in other income from operating activities, exchange rate difference and rediscount expenses are reported in other expenses from operating activities.

p) Earnings/(loss) per share

Earnings/(loss) per share disclosed in the consolidated statement of profit or loss and other comprehensive income are determined by dividing net earnings/(loss) or total comprehensive income/(expense) by the weighted average number of shares that have been outstanding during the related period.

Income as per share stated in the income statement is calculated by dividing the net profit by the weighted average of the share certification available in the market during the whole year. In Türkiye, companies can increase their share capital by making a pro-rata distribution of shares ("bonus shares") to existing shareholders from retained earnings. Such "bonus share" distributions are treated as issued shares in earnings per share calculations. Accordingly, the weighted average number of shares used in these calculations has been calculated by taking into account the retrospective effects of the aforementioned share distributions.

r) Tax

Tax expense comprises current and deferred tax. Tax expense is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

(i) Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

It is calculated by taking into consideration the tax rates which are in effect as of the end of the reporting period or which are close to the registration date.

Current tax assets and liabilities can only be offset when certain conditions are met. Tax legislation in Türkiye does not allow the parent and subsidiaries to file consolidated tax returns. Therefore, the tax provision reflected in the consolidated financial statements has been calculated on a separate basis.

2 Basis of preparation of the consolidated financial statements *(continued)*

2.4 Summary of significant accounting policies *(continued)*

r) Tax *(continued)*

(i) **Current tax** *(continued)*

The impact of the changes related to the International Tax Reform - Pillar Two Model Rules under IAS 12 on the Group's financial position and performance has been assessed, and it has been determined that there is no significant impact. Additionally, the Group has applied the mandatory exemption not to reflect or disclose information related to deferred tax assets and liabilities on Pillar Two income taxes in the financial statements.

(ii) Deferred tax

Deferred tax is calculated over the temporary differences between the book values of assets and liabilities in the financial statements and the values used in the tax base. Deferred tax is not recognized for temporary differences in the following cases:

- Temporary differences in the initial recognition of assets or liabilities resulting from a transaction that is not a business combination and does not affect either accounting profit or taxable profit or loss;
- Temporary differences related to investments in subsidiaries, associates and jointly controlled entities that are not likely to reverse in the foreseeable future and for which the Group has control over the reversal time, and
- Taxable temporary differences during the initial recognition of goodwill.

Deferred tax assets are recognized if it is probable that taxable profits will be sufficient to offset unused tax losses, tax benefits and deductible temporary differences in the future. Taxable profit is determined according to the business plans of each subsidiary in the Group. Deferred tax assets are reviewed at each reporting date and if it is probable that taxable profits will be generated in the future, deferred tax assets that have not been previously recognized are recognized, limited to these amounts.

The Group measures deferred tax liabilities and deferred tax assets in a manner consistent with the tax consequences of its expectations at the end of the reporting period regarding how its assets will recover or pay their liabilities.

The Company and its subsidiaries within the scope of consolidation have reflected their deferred tax assets and liabilities in their financial statements by netting, but no offsetting has been made on a consolidated basis. Deferred tax is calculated over the tax rates expected to be valid in the period in which the assets are created or liabilities are fulfilled.

(iii) Tax risk

While determining the period tax expense and deferred tax expense amounts, the Group considers uncertain tax positions and whether there is any additional tax and interest liability to be paid. In the event that new information emerges that will change the Group's professional opinion about the adequacy of the current tax liability, this change in the tax liability will affect the tax expense for the period in which this situation is determined.

s) Segment reporting

Operating segment is a part of the operating activities that the Group can generate revenues and expenditures from, and the operating results are regularly reviewed by the Group's chief operating decision maker in order to make decisions regarding the resources to be allocated to the segment and to evaluate the performance of the segment, and for which separate financial information is available.

Explanations on the operating segments for the periods ending on 31 December 2024 and 31 December 2023 are presented in Note 3.

2 Basis of preparation of the consolidated financial statements *(continued)*

2.4 Summary of significant accounting policies *(continued)*

t) Shares buybacks

In the event that the entity reacquires its equity-based financial instruments, these instruments ("the entity's treasury shares") are deducted from equity. No gain or loss is recognized in the profit or loss due to the purchase, sale, issuance, or cancellation of the entity's equity-based financial instruments. In the case of reissuance by the company, the difference between the carrying value and the amount paid is recognized as share capital premium. For the treasury shares, the voting rights are canceled, and no dividends are distributed on these shares.

u) Statement of cash flows

In the statement of cash flow, cash flows for the period are classified and reported on the basis of operating, investment and financing activities.

2.5 Significant accounting judgements, estimates and assumptions

Useful life of property, plant and equipments

The Group reviews the expected useful lives of property, plant and equipments at the end of each reporting period. In addition to factors such as the planned usage of property, plant and equipments and advancements in technology related to specific assets, other factors that may require adjustments to extend or shorten the useful lives and depreciation of the assets are also considered.

Depreciation methods and useful lives are reviewed at each reporting date and adjusted if appropriate.

Calculation of loss allowance

When measuring ECL the Group uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

2.6 Comparative information and restatement of prior periods' consolidated financial statements

The Group's consolidated financial statements are prepared comparatively with the previous period in order to enable the determination of financial position and performance trends. In order to comply with the presentation of the current period consolidated financial statements, comparative information is reclassified when necessary and significant differences are explained. No reclassification has been made in the consolidated financial statements in the current year.

3 Operating segments

The Group's decision-making authority reviews the results and activities based on the geographical distribution of operations in order to make decisions regarding the allocation of resources to segments and to evaluate the performance of the segments. The geographical information presented below analyzes the Group's revenue, earnings before interest, tax, depreciation, and amortization (EBITDA), assets, and liabilities, considering the countries where the Group operates, specifically Türkiye, Africa, and Asia regions. In the presentation of this information, segment revenue and EBITDA are presented based on the geographical locations of customers, while segment assets and liabilities are presented based on geographical locations. The Group's decision-making authority is the executive board.

	1 January – 31 December 2024			
	Türkiye (*)	**Africa**	**Asia**	**Total**
Total segment revenue	22,463,661,394	4,107,367,799	5,067,790,629	**31,638,819,822**
Profit before interest, tax, depreciation and amortization (EBITDA)	2,042,970,863	2,278,886,474	3,238,931,184	**7,560,788,521**

	1 January – 31 December 2023			
	Türkiye (*)	**Africa**	**Asia**	**Total**
Total segment revenue	39,390,486,758	6,706,419,238	4,684,799,284	**50,781,705,280**
Profit before interest, tax, depreciation and amortization (EBITDA)	4,768,157,012	3,426,363,095	3,212,378,278	**11,406,898,385**

	1 January – 31 December 2024			
	Türkiye (*)	**Africa**	**Asia**	**Total**
Reconciliation of EBITDA with profit before taxes:	2,042,970,863	2,278,886,474	3,238,931,184	**7,560,788,521**
Depreciation and amortization	(788,110,131)	(632,373,390)	(595,119,433)	**(2,015,602,954)**
Finance income/(expenses), net	(2,768,310,467)	2,870,403,216	63,280,658	**165,373,407**
Income/(expenses) on investing activities, net	(240,135,322)	-	-	**(240,135,322)**
Net monetary position losses	(771,846,986)	-	-	**(771,846,986)**
Profit before tax	**(2,525,432,043)**	**4,516,916,300**	**2,707,092,409**	**4,698,576,666**

	1 January – 31 December 2023			
	Türkiye (*)	**Africa**	**Asia**	**Total**
Reconciliation of EBITDA with profit before taxes:	4,768,157,012	3,426,363,095	3,212,378,278	**11,406,898,385**
Depreciation and amortization	(988,029,965)	(712,601,302)	(532,850,683)	**(2,233,481,950)**
Finance income/(expenses), net	(864,932,428)	3,643,396,755	(350,390,636)	**2,428,073,691**
Income/(expenses) on investing activities, net	(60,060,417)	357,435	-	**(59,702,982)**
Net monetary position losses	(1,230,882,443)	-	-	**(1,230,882,443)**
Profit before tax	**1,624,251,759**	**6,357,515,983**	**2,329,136,959**	**10,310,904,701**

	31 December 2024			
	Türkiye (*)	**Africa**	**Asia**	**Total**
Segment assets	30,533,200,710	18,299,576,762	33,940,782,302	**82,773,559,774**
Segment liabilities	23,787,616,011	3,205,154,845	11,249,370,557	**38,242,141,413**

	31 December 2023			
	Türkiye (*)	**Africa**	**Asia**	**Total**
Segment assets	35,208,985,618	22,780,943,802	22,583,179,697	**80,573,109,117**
Segment liabilities	16,406,467,225	5,851,971,312	8,307,732,021	**30,566,170,558**

(*) TRNC are included in Türkiye.

4 Related party disclosures

(a) Related party balances

Short-term receivables from related parties as of 31 December 2024 and 31 December 2023 are as follows:

	31 December 2024		31 December 2023	
Short-term receivables	**Trade**	**Non-trade**	**Trade**	**Non-trade**
Short-term receivables	941.836.197	-	3,680,278,460	-
Total	**941.836.197**	**-**	**3,680,278,460**	**-**

i) Receivables from related parties:

	31 December 2024		31 December 2023	
	Trade	**Non-trade**	**Trade**	**Non-trade**
Aksa Elektrik Satış A.Ş.	725.109.980	-	2,767,748,442	-
Koni İnşaat Sanayi A.Ş.	181.217.082	-	130,992,406	-
Aksa Doğal Gaz Toptan Satış A.Ş.	18.694.805	-	17,157,943	-
Aksa Jeneratör Sanayi A.Ş.	9.983.298	-	-	-
Aksa Doğal Gaz Dağıtım A.Ş.	5.573.290	-	-	-
Fırat Elektrik Perakende Satış A.Ş.	-	-	598,186,979	-
Çoruh Elektrik Perakende Satış A.Ş.	-	-	134,449,741	-
Rasa Endüstriyel Radyatörler San. A.Ş.	-	-	28,876,000	-
Other	1,257,742	-	2,866,949	-
Total	**941,836,197**	**-**	**3,680,278,460**	**-**

For all receivables from related parties, the interest rate is calculated by taking into account the borrowing interest rate.

4 Related party disclosures *(continued)*

(a) Related party balances *(continued)*

Short-term payables to related parties as of 31 December 2024 and 31 December 2023 are as follows:

	31 December 2024		31 December 2023	
Short-term payables	**Trade**	**Non-trade**	**Trade**	**Non-trade**
Short-term payables	249,130,917	24,000	393,424,605	18,097
Total payables	**249,130,917**	**24,000**	**393,424,605**	**18,097**

ii) Payables to related parties:

	31 December 2024		31 December 2023	
	Trade	**Non-trade**	**Trade**	**Non-trade**
Koni İnşaat Sanayi A.Ş.	62,451,321	-	13,038,828	-
Aksa Jeneratör Sanayi A.Ş.	47,007,813	-	61,612,217	-
Fırat Elektrik Dağıtım A.Ş.	42,928,103	-	-	-
Atk Sigorta Aracılık Hiz. A.Ş.	30,571,118	-	11,288,118	-
Aksa Far East (Pte.)Ltd.	17,868,995	-	21,561,966	-
Fırat Elektrik Perakende Satış A.Ş.	14,140,829	-	-	-
Aksa Elektrik Satış A.Ş.	13,604,103	-	24,542,805	-
Kazancı Holding A.Ş.	4,369,175	-	64,529,356	-
Çoruh Elektrik Perakende Satış A.Ş.	3,191,215	-	-	-
Aksa Satış ve Pazarlama A.Ş.	3,176,623	-	3,035,702	-
Rasa Endüstriyel Radyatörler San. A.Ş.	1,584,489	-	65,525,779	-
Aksa Servis ve Kiralama A.Ş.	3,827	-	38,767,201	-
Aksa Doğal Gaz Toptan Satış A.Ş.	-	-	86,200,331	-
Other	8,233,306	24,000	3,322,302	18,097
Total	**249,130,917**	**24,000**	**393,424,605**	**18,097**

4 Related party disclosures *(continued)*

(b) Related party transactions

i) Purchases and sales from/to related parties:

1 January - 31 December 2024

	Electricity Sales	Electricity Purchases	Interest Income	Interest Expenses	Rent Expenses	General Administrative Expenses	Reflection of Common Expenses (*)	Material Purchases (**)	Other (Expense) / Income, Net
Aksa Doğal Gaz Dağıtım A.Ş.	-	-	10,794,863	892,245	-	-	-	-	-
Aksa Doğal Gaz Toptan Satış A.Ş.	-	-	4,793,858	-	-	-	-	-	-
Aksa Elektrik Satış A.Ş.	1,729,537,286	573,016,300	411,168,510	21,884,375	-	-	-	-	-
Aksa Jeneratör Sanayi A.Ş.	-	-	51,550	35,411,458	-	13,230,676	-	9,590,907	-
Aksa Turizm İşletmeleri A.Ş.	-	-	-	470,658	-	3,629,110	-	-	-
ATK Sigorta Aracılık Hizmetleri A.Ş.	-	-	-	-	-	37,959,266	-	-	-
Çoruh Elektrik Perakende Satış A.Ş.	-	-	23,200,214	7,368,956	-	-	-	-	-
Fırat Elektrik Dağıtım A.Ş.	-	-	340,471	8,986,255	-	-	-	-	-
Fırat Elektrik Perakende Satış A.Ş.	-	-	102,090,553	25,882,236	-	-	-	-	-
Kazancı Holding A.Ş.	-	-	56,520,747	10,867,198	-	104,414	241,533,139	-	-
Koni İnşaat Sanayi A.Ş.	-	-	63,549,160	534,564	26,798,290	56,177,866	-	-	-
Other	-	-	52,367	1,289,221	-	200,306	-	-	(197,801)
	1,729,537,286	**573,016,300**	**672,562,293**	**113,587,166**	**26,798,290**	**111,301,638**	**241,533,139**	**9,590,907**	**(197,801)**

(*) It is a reflection of the use of computer software, legal consultancy and other expenses incurred by Kazancı Holding.

(**) Consists of material and spare parts purchases from related parties.

4 Related party disclosures *(continued)*

(b) Related party transactions *(continued)*

i) Purchases and sales from/to related parties: *(continued)*

1 January - 31 December 2023

	Electricity Sales	Electricity Purchases	Natural Gas Purchases	Interest Income	Interest Expenses	Rent Expenses	General Administrative Expenses	Reflection of Common Expenses (*)	Material Purchases (**)	Material Sales	Other (Expense) / Income, Net
Aksa Doğal Gaz Dağıtım A.Ş.	-	-	-	9,055,149	1,360,421	-	-	-	-	-	-
Aksa Doğal Gaz Toptan Satış A.Ş.			1,366,151,869	4,437,537							
Aksa Elektrik Satış A.Ş	12,456,646,798	1,811,442,245	-	345,189,693	23,049,731	-	23,684	-	-	-	-
Aksa Jeneratör Sanayi A.Ş.	-	-	-	7,890,140	14,593,376	-	2,472	-	-	-	(339,671)
Aksa Servis ve Kiralama A.Ş.	-	-	-	-	-	-	-	-	37,037,523	-	-
ATK Sigorta Aracılık Hizmetleri A.Ş.	-	-	-	-	-	-	24,684,890	-	-	-	-
Çoruh Elektrik Perakende Satış A.Ş.	314,060	675,607	-	31,426,974	-	-	-	-	-	-	-
Fırat Elektrik Perakende Satış A.Ş.	720,593	679,763	-	143,714,117	2,926	-	25,414	-	-	-	(49,541)
Kazancı Holding A.Ş.	-	-	-	192,314	4,922,697	-	377	240,333,820	-	-	-
Koni İnşaat Sanayi A.Ş.	-	-	-	33,493,064	185,636	21,538,348	31,609,262	-	-	863,026	-
Koni Teknik Mühendislik A.Ş.	-	-	-	9,568,687	-	-	-	-	-	105,719	-
Other	-	-	-	631,149	1,166,736	-	188,304	-	-	-	(984,439)
	12,457,681,451	**1,812,797,615**	**1,366,151,869**	**585,598,824**	**45,281,523**	**21,538,348**	**56,534,403**	**240,333,820**	**37,037,523**	**968,745**	**(1,373,651)**

(*) It is a reflection of the use of computer software, legal consultancy and other expenses incurred by Kazancı Holding.

(**) Consists of material and spare parts purchases from related parties.

ii) Guarantees and other liabilities given by the related parties in favor of the Group:

The total amount of guarantees given by the partners and related parties in favor of the Group within the framework of the general loan agreements made against the loans used by the Group is TL 61,720,136,360 as of 31 December 2024 (31 December 2023: TL 67,739,941,698).

iii) Total salaries and benefits provided to key management personnel:

The Company's key management personnel consist of the members of the Board of Directors. Benefits provided to key management include benefits such as salary, bonus, health insurance, transportation and attendance fee. The total amount of benefits provided to key management during the period is amounted to TL 38,547,337 (31 December 2023: TL 31,072,610).

5 Trade receivables and payables

(a) Short-term trade receivables

As of 31 December 2024 and 31 December 2023, trade receivables from third parties consist of the following items:

Short-term trade receivables	31 December 2024	31 December 2023
Trade receivables	9,581,825,366	16,677,056,723
Trade receivables from related parties (Note 4)	941,836,197	3,680,278,460
Provision of expected credit losses (-)	(544,157,451)	(822,583,435)
Total trade receivables	**9,979,504,112**	**19,534,751,748**

Details on credit risk, currency risk and impairment of the Group's short-term trade receivables are explained in Note 30.

Movement of expected credit loss as of 31 December as follows:

	2024	2023
Balance as at 1 January	822,583,435	417,634,112
Provision (reversed) / made during the period, net	(132,742,891)	618,835,192
Foreign currency translation differences	(141,932,114)	(202,117,725)
The disposal of a subsidiary	(1,465,526)	-
Inflation effect	(2,285,453)	(11,768,144)
Balance as at 31 December	**544,157,451**	**822,583,435**

(b) Short-term trade payables

As of 31 December 2024 and 31 December 2023, trade payables consist of the following items:

Short-term trade payables	31 December 2024	31 December 2023
Trade payables	5,980,487,222	4,429,390,323
Trade payables to related parties (Note 4)	249,130,917	393,424,605
Total trade payables	**6,229,618,139**	**4,822,814,928**

The foreign currency and liquidity risk regarding the short-term trade payables of the Group is explained in Note 30.

6 Cash and cash equivalents

At 31 December 2024 and 31 December 2023, cash and cash equivalents comprise the following:

	31 December 2024	31 December 2023
Cash on hand	10,850,093	12,407,974
Cash at banks	1,043,556,658	1,135,190,378
- Demand deposits	*997,235,947*	*1,051,418,793*
- Time deposits (*)	*46,320,711*	*83,771,585*
Other cash and cash equivalents	-	52,762
Total	**1,054,406,751**	**1,147,651,114**

(*) As of 31 December 2024, the Group has:

-TL 25,033,138 with a 48.5% interest rate and a maturity of 2 January 2025, TL 1,501,997 with a 48.75% interest rate and a maturity of 2 January 2025, EUR 534,000 with a 0.01% interest rate and a maturity of 2 January 2025 and EUR 4,487 with a 1% interest rate and a maturity of 2 January 2025 (As of 31 December 2023, the Group has TL 42,592,100 with a 41% interest rate and a maturity of 2 January 2024, TL 21,657,000 with a 40% interest rate and a maturity of 2 January 2024, TL 11,938,281 with a 39.57% interest rate a maturity of 2 January 2024 and TL 7,219,000 with a 35% interest rate and a maturity of 2 January 2024).

Credit, currency, interest rate risks and sensitivity analyze for the Group's cash and cash equivalents are disclosed in Note 30.

7 Financial investments

(a) Financial assets

At 31 December 2024 and 31 December 2023, financial assets comprise the following:

Short-term financial investments	31 December 2024	31 December 2023
Restricted cash(*)	-	1,265,188,170
Total	**-**	**1,265,188,170**

(*) This balance belongs to the credit used for Talimarjan investment and was utilized within the year 2024.

Financial assets	Acquisition%	31 December 2024	31 December 2023
Enerji Piyasaları İşletme A.Ş. (*)	0,67	6,111,673	4,469,240
Total		**6,111,673**	**4,469,240**

(*) As of 20 November 2014, 412,408 Group C shares have been purchased by the Group in order to participate in the capital of Enerji Piyasaları İşletme A.Ş.

According to TFRS 9, since cost is a reflection of the fair value estimation, financial investments are presented at their cost value.

7 Financial investments *(continued)*

(b) Derivative financial assets and liabilities

Derivative financial instruments are accounted for as derivative financial instruments in the consolidated financial statements, unless they are designed in the hedging relationship required for hedge accounting. Hedging transactions that fulfill the Group's hedge accounting requirements are classified as hedging derivative financial instruments.

As of 31 December 2024 and 31 December 2023, the details of derivative financial instruments are as follows:

	31 December 2024		**31 December 2023**	
	Fair value		**Fair value**	
Short-term derivative financial instruments	**Asset**	**Liability**	**Asset**	**Liability**
Cash flow hedges	2,372,295	37,970,269	18,747,356	-
Held for trading	2,372,295	-	18,747,356	-
Total	**4,744,590**	**37,970,269**	**37,494,712**	**-**

The Group's credit and currency risks related to derivative financial instruments are explained in Note 30.

8 Financial liabilities

At 31 December 2024 and 31 December 2023, financial liabilities comprise the following:

Short-term	**31 December 2024**	**31 December 2023**
Short-term bank borrowings	6,646,898,370	4,269,225,749
Short-term portion of long-term bank borrowings	6,654,636,303	7,528,107,014
Total short-term borrowings	**13,301,534,673**	**11,797,332,763**
Long-term		
Long-term bank borrowings	14,655,201,546	7,331,120,938
Total long-term borrowings	**14,655,201,546**	**7,331,120,938**
Total borrowings	**27,956,736,219**	**19,128,453,701**

Collateral information of financial borrowings is disclosed in Note 16.

The Group has financial commitments for the loans it has taken, and it is evaluated annually whether these commitments are met or not.

8 Financial liabilities *(continued)*

The maturities and terms for the open borrowings as of 31 December 2024 and 31 December 2023 are as follows:

Currency	Interest rate	31 December 2024
TL	5.00 % - 53.62 %	2,209,090,234
USD	3.60 % – Sofr6M+6.35 %	17,106,027,338
EUR	3.74 % - 9.92 %	4,485,146,058
UZS	22.50 % - 24.00 %	138,047,706
KZT	17.25 % - 19.75 %	4,018,424,883
Total		**27,956,736,219**

Currency	Interest rate	31 December 2023
TL	12.00 % - 50.50 %	3,981,127,846
USD	3.60 %– Sofr6M+6.35 %	12,537,668,260
EUR	8.50 % - 9.25 %	1,473,115,152
UZS	20.50 % - 22.50 %	247,760,201
KZT	18.75 % - 19.75 %	888,782,242
Total		**19,128,453,701**

		31 December 2024	
Maturity	**Currency**	**Currency amount**	**TL Amount**
Less than 1 year	USD	248,023,922	8,736,221,015
	EUR	42,026,750	1,544,184,688
	TL	2,041,486,218	2,041,486,218
	UZS	50,572,396,547	138,047,706
	KZT	12,509,011,676	841,595,046
1-2 Years	USD	117,616,553	4,142,843,142
	EUR	18,567,161	682,211,351
	TL	167,604,016	167,604,016
	KZT	12,655,793,657	851,470,407
2-3 Years	USD	74,302,633	2,617,183,916
	EUR	15,710,124	577,235,532
	KZT	9,941,557,674	668,859,053
3-4 Years	USD	33,589,089	1,183,118,549
	EUR	12,425,295	456,541,377
	KZT	7,687,273,407	517,192,836
4-5 Years	USD	9,597,052	338,039,825
	EUR	6,285,671	230,953,783
	KZT	5,559,970,968	374,069,843
5+ Years	USD	2,515,974	88,620,891
	EUR	27,053,372	994,019,327
	KZT	11,374,077,513	765,237,698
Total			**27,956,736,219**

8 Financial liabilities *(continued)*

31 December 2023			
Maturity	**Currency**	**Currency amount**	**TL Amount**
Less than 1 year	USD	190,566,470	8,099,622,486
	EUR	8,174,314	384,439,575
	TL	2,949,983,756	2,949,983,756
	UZS	61,952,667,333	213,503,428
	KZT	1,601,905,734	149,783,518
1-2 Years	USD	52,709,920	2,240,323,028
	EUR	7,505,011	352,962,159
	TL	832,473,439	832,473,439
	UZS	9,940,348,349	34,256,773
	KZT	1,740,475,212	162,740,226
2-3 Years	USD	32,862,055	1,396,731,772
	EUR	6,246,418	293,770,282
	TL	198,670,651	198,670,651
	KZT	1,725,446,182	161,334,962
3-4 Years	USD	18,845,572	800,990,974
	EUR	5,162,234	242,780,895
	KZT	1,314,398,632	122,900,648
4-5 Years	EUR	3,256,288	153,143,849
	KZT	859,417,063	80,358,356
5+ Years	EUR	978,486	46,018,392
	KZT	2,263,711,196	211,664,532
Total			**19,128,453,701**

The Group's credit and currency risks related to financial liabilities are disclosed in Note 30.

The details of payables from leases are as follows:

The Group's lease obligations represent the present value of the future payables of the power plant land, vehicle and building leased from third parties during the useful life of the asset.

As of 31 December 2024 and 31 December 2023, the TL equivalent values and the repayment schedule of financial lease payables as of the balance sheet date are as follows:

Currency	Interest Type	Payment Period	Interest Rate	31 December 2024
TL	Fixed	21 September 2038	13.01% - 60.69%	204,082,123
USD	Fixed	20 July 2026	1.77% - 11.07%	5,578,168
EUR	Fixed	31 March 2025	3.43% - 7.85%	670,417
				210,330,708

Currency	Interest Type	Payment Period	Interest Rate	31 December 2023
TL	Fixed	21 September 2038	14.38% - 31.54%	256,361,006
USD	Fixed	20 January 2039	1.77% - 11.07%	19,404,258
EUR	Fixed	31 March 2024	3.43% - 8.74%	595,702
Total				**276,360,966**

9 Other receivables and payables

(a) Other short-term receivables

As of 31 December 2024 and 31 December 2023, other short-term receivables consist of the following items:

Other short-term receivables	31 December 2024	31 December 2023
Receivables from subsidiary sales (*)	65,650,358	79,651,044
Deposits and guarantees given	7,598,797	1,014,015
Other	-	1,786,690
Total	**73,249,155**	**82,451,749**

(*) Consists of receivables from Borusan EnBW Enerji Yatırımlar ve Üretim A.Ş due to the sale of Alenka Enerji.

The details of the credit and currency risk related to the Group's other short-term receivables are disclosed in Note 30.

(b) Other long-term receivables

As of 31 December 2024 and 31 December 2023, other long-term receivables consist of the following items:

Other long-term receivables	31 December 2024	31 December 2023
Deposits and guarantees given	10,373,221	9,213,728
Total	**10,373,221**	**9,213,728**

The details of the credit and currency risk related to the Group's other long-term receivables are disclosed in Note 30.

(c) Other short-term liabilities

As of 31 December 2024 and 31 December 2023, other short-term liabilities consist of the following items:

Other short-term payables	31 December 2024	31 December 2023
VAT payable	351,584,870	323,155,935
Deposits and guarantees received	5,887,852	5,034,408
Trade payables to related parties (Note 4)	24,000	18,097
Tax, duty and fee (*)	-	700,098,800
Other	15,945,953	29,868
Total	**373,442,675**	**1,028,337,108**

(d) Other long-term liabilities

As of 31 December 2024 and 31 December 2023, other long-term payables consist of the following items:

Other long-term payables	31 December 2024	31 December 2023
Tax, duty and fee (*)	-	1,436,427,765
Total	**-**	**1,436,427,765**

(*) These are corporate tax payments in installments for foreign subsidiaries. These payables were settled in 2024.

Currency and liquidity risk related to the Group's other short-term payables are disclosed in Note 30.

10 Inventories

As of 31 December 2024 and 31 December 2023, the inventories are as follows:

	31 December 2024	31 December 2023
Raw materials	737,887,536	1,031,106,937
Work-in-progress	620,434,940	240,953,381
Operating materials	21,305,102	30,760,306
Provision for impairment on inventories (-)	(1,535,160)	(9,208,920)
Total	**1,378,092,418**	**1,293,611,704**

As of 31 December 2024, the Group's inventories mainly consist of fuel oil, oil, fuel, coal and operating materials and there is no pledge, annotation or guarantee given on the inventories.

Whether or not there is a decrease in the value of the inventories is determined over the net realizable value of the inventories that have not moved for a long time as a result of the aging studies.

The movements in the inventory impairment allowance for the years ending on 31 December are as follows:

	2024	2023
Balance as at 1 January	9,208,920	15,936,168
Provision reversed during the period	(6,855,624)	(2,646,881)
Foreign currency translation differences	(818,136)	(4,080,367)
Balance as at 31 December	**1,535,160**	**9,208,920**

11 Prepaid expenses

(a) Prepaid expenses short-term

As of 31 December 2024 and 31 December 2023, short-term prepaid expenses consist of the following items:

Short-term prepaid expenses	31 December 2024	31 December 2023
Advances given for raw material purchase	448,419,748	405,608,721
Prepaid insurance expenses	76,255,890	142,652,248
Other prepaid expenses	339,599,556	69,266,084
Total	**864,275,194**	**617,527,053**

(b) Prepaid expenses long-term

As of 31 December 2024 and 31 December 2023, long-term prepaid expenses consist of the following items:

Long-term prepaid expenses	31 December 2024	31 December 2023
Advances given for fixed asset (*)	3,667,977,399	2,678,070,511
Prepaid commissions for letter of guarantees	64,369,823	11,871,454
Total	**3,732,347,222**	**2,689,941,965**

(*) There are advances given in accordance with fixed asset purchases and maintenance agreements.

12 Property, plant and equipment

Property, plant and equipment as at 31 December 2024 and 31 December 2023 as follows:

	31 December 2024	31 December 2023
Property, plant and equipment	61,394,845,297	50,119,381,774
Mining assets	397,516,818	437,603,025
Total	**61,792,362,115**	**50,556,984,799**

12 Property, plant and equipment *(continued)*

a) Other property, plant and equipment

	Lands	Land improvements	Buildings	Plant, machinery and equipment	Vehicles	Furniture and fixtures	Leasehold improvements	Construction in progress	Total
Cost									
Opening balance as of 1 January 2024	**1,118,229,555**	**468,553,587**	**1,293,598,079**	**65,055,463,418**	**109,262,476**	**252,821,805**	**164,710,712**	**1,352,314,137**	**69,814,953,769**
Additions	1,438,543	33,981,308	4,586,045	970,399,359	25,760,699	33,842,186	77,065	17,195,003,104	18,265,088,309
Disposals	-	-	-	-	(4,083,739)	(769,603)	-	-	(4,853,342)
Revaluation (decrease) / increase (**)	(38,956,720)	36,952,345	232,803,285	108,739,262	(74,183)	699,775	-	-	340,163,764
Disposal of subsidiaries (*)	-	-	(68,935,020)	(1,554,207,112)	-	(8,854,125)	-	-	(1,631,996,257)
Transfers	-	13,082,379	34,292	7,485,456,005	-	-	-	(7,498,572,676)	-
Foreign currency translation differences	(23,300,158)	(80,555,445)	(179,877,169)	(7,228,012,540)	(14,856,464)	(17,472,138)	-	492,156,718	(7,051,917,196)
Closing balance as of 31 December 2024	**1,057,411,220**	**472,014,174**	**1,282,209,512**	**64,837,838,392**	**116,008,789**	**260,267,900**	**164,787,777**	**11,540,901,283**	**79,731,439,047**
Accumulated depreciation									
Opening balance as of 1 January 2024	**-**	**63,907,662**	**418,132,933**	**18,900,899,284**	**68,374,418**	**175,973,835**	**68,283,863**	**-**	**19,695,571,995**
Period charge	-	23,845,248	34,718,627	1,684,050,249	13,931,642	19,186,685	16,032,297	-	1,791,764,748
Disposals	-	-	-	-	(1,081,036)	(745,589)	-	-	(1,826,625)
Disposal of subsidiaries (*)	-	-	(22,548,936)	(632,982,741)	-	(4,676,790)	-	-	(660,208,467)
Foreign currency translation differences	-	(5,609,251)	(66,149,496)	(2,399,999,031)	(5,922,995)	(11,027,128)	-	-	(2,488,707,901)
Closing balance as of 31 December 2024	**-**	**82,143,659**	**364,153,128**	**17,551,967,761**	**75,302,029**	**178,711,013**	**84,316,160**	**-**	**18,336,593,750**
Net book value	**1,057,411,220**	**389,870,515**	**918,056,384**	**47,285,870,631**	**40,706,760**	**81,556,887**	**80,471,617**	**11,540,901,283**	**61,394,845,297**

As of 31 December 2024 and 31 December 2023, mortgages and pledges on the Group's property, plant and equipment is disclosed in Note 16.

(*) As of 30 June 2024, the sale of the shares of Aksaf Power and Overseas Power, which are subsidiaries of the Group, was completed on 11 September 2024.

(**) The lands, land improvements, buildings, plant, machinery and equipment owned by the Group are disclosed at revaluation amounts, which are the fair value at the revaluation date, less accumulated depreciation. As of 31 December 2024, the fair value of the lands, land improvements, buildings and plant, machinery and equipment owned by the Group was determined by a valuation company independent of the Group. The valuation company is authorized by the Capital Markets Board (CMB) and provides valuation services in accordance with capital markets regulations, and it possesses sufficient experience and qualifications. The fair value of owned lands was determined according to the market approach, land improvements, buildings, plant, machinery and equipment, according to the cost method. A value increase of TL 340,163,764 was determined for the relevant lands, land improvements, buildings, plant, machinery and equipment. The net book values of the revalued assets were brought to their revalued amounts and the resulting additional value was recorded as TL 696,675,747 by netting off the deferred tax effect in the revaluation increase fund in equity, and as TL 592,628,261 in the impairment loss of property, plant and equipment in profit or loss. As of the reporting date, the fair value level of the relevant lands is Level 2, and the fair value level of land improvements, buildings and plant, machinery and equipment is Level 3.

12 Property, plant and equipment *(continued)*

a) Other property, plant and equipment *(continued)*

	Lands	Land improvements	Buildings	Plant, machinery and equipment	Vehicles	Furniture and fixtures	Leasehold improvements	Construction in progress	Total
Cost									
Opening balance as of 1 January 2023	**349,967,932**	**499,464,692**	**1,174,600,520**	**65,784,158,589**	**101,807,759**	**223,687,511**	**164,710,712**	**244,549,724**	**68,542,947,439**
Additions	112,575,115	9,173,781	80,663,249	804,521,562	8,528,799	27,576,386	-	1,604,433,726	2,647,472,618
Disposals	(17,033,578)	(732,356)	-	(128,736,973)	-	-	-	-	(146,502,907)
Revaluation (decrease) / increase (*)	646,072,248	(7,440,060)	(55,664,202)	(16,689,504)	-	-	-	-	566,278,482
Transfers	-	-	102,605,677	459,323,636	-	-	-	(561,929,313)	-
Foreign currency translation differences	26,647,838	(31,912,470)	(8,607,165)	(1,847,113,892)	(1,074,082)	1,557,908	-	65,260,000	(1,795,241,863)
Closing balance as of 31 December 2023	**1,118,229,555**	**468,553,587**	**1,293,598,079**	**65,055,463,418**	**109,262,476**	**252,821,805**	**164,710,712**	**1,352,314,137**	**69,814,953,769**
Accumulated depreciation									
Opening balance as of 1 January 2023	-	**38,032,083**	**392,861,227**	**17,372,131,409**	**63,197,182**	**159,932,472**	**52,263,286**	-	**18,078,417,659**
Period charge	-	24,222,360	34,338,173	1,863,345,869	5,595,933	16,121,228	16,020,577	-	1,959,644,140
Disposals	-	(732,356)	-	(1,813,413)	-	-	-	-	(2,545,769)
Foreign currency translation differences	-	2,385,575	(9,066,467)	(332,764,581)	(418,697)	(79,865)	-	-	(339,944,035)
Closing balance as of 31 December 2023	-	**63,907,662**	**418,132,933**	**18,900,899,284**	**68,374,418**	**175,973,835**	**68,283,863**	-	**19,695,571,995**
Net book value	**1,118,229,555**	**404,645,925**	**875,465,146**	**46,154,564,134**	**40,888,058**	**76,847,970**	**96,426,849**	**1,352,314,137**	**50,119,381,774**

(*) The lands, land improvements, buildings, plant, machinery and equipment owned by the Group are disclosed at revaluation amounts, which are the fair value at the revaluation date, less accumulated depreciation. As of 31 December 2023, the fair value of the lands, land improvements, buildings and plant machinery and equipment owned by the Group was determined by a valuation company independent of the Group. The valuation company is authorized by the Capital Markets Board (CMB) and provides valuation services in accordance with capital markets regulations, and it possesses sufficient experience and qualifications. The fair value of owned lands was determined according to the market approach, land improvements, buildings, plant, machinery and equipment, according to the cost method. A value increase of TL 566,278,482 was determined for the relevant lands, land improvements, buildings, plant, machinery and equipment. The net book values of the revalued assets were brought to their revalued amounts and the resulting additional value was recorded as TL 464,819,363 by netting off the deferred tax effect in the revaluation increase fund in equity, and as TL 52,021,504 in the impairment loss of property, plant and equipment in profit or loss. As of the reporting date, the fair value level of the relevant lands is Level 2, and the fair value level of land improvements, buildings and plant, machinery and equipment is Level 3.

12 Property, plant and equipment *(continued)*

a) Other property, plant and equipment *(continued)*

As of 31 December 2024 and 31 December 2023 the details of the expenditures classified under the construction in progress item of the projects under construction are as follows:

Project	31 December 2024	31 December 2023
Asia	6,591,935,532	447,552,190
Africa	4,166,009,210	240,862,433
Other (*)	782,956,541	663,899,514
Total	**11,540,901,283**	**1,352,314,137**

(*) It consists of investments in power plants under construction in Türkiye (including Cyprus), and abroad.

b) Mining assets

As of 31 December 2024 and 31 December 2023, mining assets consist of mine site development and deferred mining costs.

Cost:	31 December 2024	31 December 2023
Deferred stripping costs	1,029,533,920	1,029,533,920
Mine site development cost	73,214,924	73,214,924
	1,102,748,844	**1,102,748,844**
Accumulated amortization:		
Deferred stripping costs	663,584,023	626,680,775
Mine site development cost	41,648,003	38,465,044
	705,232,026	**665,145,819**
Net book value	**397,516,818**	**437,603,025**

13 Intangible Assets

a) Intangible assets

Movement of intangible assets as of 31 December 2024 are summarized as follows:

Cost	Rights	Licenses	Other	Total
Balance as at 1 January 2024	**1,300,069,833**	**-**	**11,520,349**	**1,311,590,182**
Additions	156,707,190	119,681,380	-	276,388,570
Transfers	-	517,332,400	-	517,332,400
Foreign currency translation differences	(106,623,081)	(113,160,316)	-	(219,783,397)
Balance as at 31 December 2024	**1,350,153,942**	**523,853,464**	**11,520,349**	**1,885,527,755**
Amortization				
Balance as of 1 January 2024	**220,055,711**	**-**	**11,252,756**	**231,308,467**
Period charge	48,822,664	-	144,031	48,966,695
Foreign currency translation differences	(14,861,821)	-	-	(14,861,821)
Balance as of 31 December 2024	**254,016,554**	**-**	**11,396,787**	**265,413,341**
Net book value	**1,096,137,388**	**523,853,464**	**123,562**	**1,620,114,414**

13 Intangible Assets *(continued)*

a) Intangible assets *(continued)*

Movement of intangible assets as of 31 December 2023 are summarized as follows:

Cost	**Rights**	**Other**	**Total**
Balance as at 1 January 2023	**1,247,638,799**	**11,520,349**	**1,259,159,148**
Additions	92,983,286	-	92,983,286
Disposals	(13,615,561)	-	(13,615,561)
Foreign currency translation differences	(26,936,691)	-	(26,936,691)
Balance as at 31 December 2023	**1,300,069,833**	**11,520,349**	**1,311,590,182**
Amortization			
Balance as of 1 January 2023	**178,585,163**	**11,108,724**	**189,693,887**
Period charge	44,479,739	144,032	44,623,771
Disposals	(1,361,557)	-	(1,361,557)
Foreign currency translation differences	(1,647,634)	-	(1,647,634)
Balance as of 31 December 2023	**220,055,711**	**11,252,756**	**231,308,467**
Net book value	**1,080,014,122**	**267,593**	**1,080,281,715**

b) Goodwill

According to TFRS 3 "Business Combinations," in cases where the purchase accounting is not completed by the end of the reporting date of the business acquisition, the Group reports provisional amounts for the items for which the accounting process has not been completed. These provisional amounts are adjusted during the measurement period or recognized as additional assets or liabilities to reflect new information obtained regarding events and circumstances that arose on the acquisition date and may impact the amounts initially recognized. As of 31 December 2023, the value of TL 517,332,400 arising from Aksa Enerji's subsidiary, Aksa Ndar Holding, acquiring shares in Ndar Energies SA during 2023, was temporarily recognized under goodwill in the consolidated financial statements. Following the purchase accounting evaluations carried out in 2024, the related amount was reclassified to other intangible assets.

14 Right-of-use assets

As of 31 December 2024 and 31 December 2023, right-of-use assets consist of the following items:

	Land of Power Plants	Buildings	Vehicles	Total
Balance as of 1 January 2024	**385,344,516**	**8,466,241**	**26,644,751**	**420,455,508**
Additions	83,812,864	36,267,137	5,567,859	125,647,860
Changes in lease contracts	-	9,104,772	491,890	9,596,662
Disposals	(158,732,449)	(4,527,043)	(500,920)	(163,760,412)
Amortization and depreciation for the period	(76,195,421)	(39,645,081)	(18,944,802)	(134,785,304)
Foreign currency translation effect	(1,253,806)	(1,985,453)	(137,628)	(3,376,887)
Balance as of 31 December 2024	**232,975,704**	**7,680,573**	**13,121,150**	**253,777,427**

	Land of Power Plants	Buildings	Vehicles	Total
Balance as of 1 January 2023	**281,264,645**	**9,461,216**	**32,441,393**	**323,167,254**
Additions	443,449,536	36,993,208	18,134,831	498,577,575
Changes in lease contracts	4,319,526	6,414,903	1,248,740	11,983,169
Disposals	(216,888,857)	(773,187)	-	(217,662,044)
Amortization and depreciation for the period	(123,245,611)	(41,161,844)	(24,720,036)	(189,127,491)
Foreign currency translation effect	(3,554,723)	(2,468,055)	(460,177)	(6,482,955)
Balance as of 31 December 2023	**385,344,516**	**8,466,241**	**26,644,751**	**420,455,508**

The Group, as a lessee, has recognised right-of-use assets representing its rights to use the underlying assets and lease liabilities representing its obligation to make lease payments.

15 Provisions, contingent assets and liabilities

(a) Short-term provisions

As of 31 December 2024 and 31 December 2023, short-term provisions are as follows:

Short-term provisions	31 December 2024	31 December 2023
Litigation provision	157,170,302	41,140,967
Total	**157,170,302**	**41,140,967**

15 Provisions, contingent assets and liabilities*(continued)*

(a) Short-term provisions*(continued)*

The movement of provisions for the years ended 31 December is as follows:

	Litigation provisions
1 January 2023 opening	42,816,232
Provision released (Note 22)	(1,619,129)
Payments (-)	(890,267)
Current year provision (Note 21)	21,083,451
Inflation effect	(20,224,816)
Foreign currency translation differences	(24,504)
31 December 2023 closing	**41,140,967**
1 January 2024 opening	41,140,967
Provision released (Note 22)	(65,154)
Payments (-)	(109,555)
Current year provision (Note 21) (*)	132,300,271
Inflation effect	(16,096,227)
Foreign currency translation differences	-
31 December 2024 closing	**157,170,302**

(*) The net amount reflected in the profit or loss statement for provisions for legal expenses is TL 28,561,056, and since a revenue accrual has been made for the remaining TL 103,674,061, it has no impact on the period's profit or loss.

Litigation provisions consist of reemployment lawsuits and other lawsuits.

(b) Long-term provisions

As of 31 December 2024 and 31 December 2023, long-term provisions are as follows:

Long-term provisions	31 December 2024	31 December 2023
Rehabilitation provision	119,495,374	153,955,653
Total	**119,495,374**	**153,955,653**

The movement of provisions for the years ended 31 December is as follows:

Rehabilitation provisions	31 December 2024	31 December 2023
1 January opening	153,955,653	152,293,817
Provisions released and current year provision, net	(8,636,371)	8,438,811
Foreign currency translation differences	(25,823,908)	(6,776,975)
Total	**119,495,374**	**153,955,653**

16 Commitments

(a) Guarantees, pledges and mortgages given ("GPM")

As of 31 December 2024 and 2023, the Group's guarantees, pledge and mortgage (GPM) position is disclosed as follows:

Guarantees, Pledges and Mortgages Given by the Group (GPM)	31 December 2024	31 December 2023
A. GPM given for companies own legal personality	12,280,339,202	22,945,113,368
B. GPM given in behalf of fully consolidated companies	19,869,585,101	25,429,690,662
C. GPM given for continuation of its economic activities on behalf of third parties	-	-
D. Total amount of other GPM's	-	-
i. Total amount of GPM's given on behalf of majority shareholder	-	-
ii. Total amount of GPM's given on behalf of other Group companies which are not in scope of B and C	-	-
iii. Total amount of GPM's given on behalf of third parties which are not in scope of C	-	-
Total GPM	**32,149,924,303**	**48,374,804,030**

As of 31 December 2024, the ratio of other guarantees, pledges, and mortgages provided by the Group to the Group's equity is 0% (31 December 2023: 0%).

As of 31 December 2024 and 31 December 2023, the details of the letters of guarantee given by the Group are as follows:

31 December 2024	TL	USD	EUR	CHF	KZT	TL Equivalent
Republic of Türkiye Energy Market Regulatory Authority	119,735,111	-	-	-	-	119,735,111
Enerji Piyasaları İşletme A.Ş.	149,500,000	-	-	-	-	149,500,000
Türkiye Elektrik İletişim A.Ş.	55,850,734	-	391,187	-	-	70,224,062
Turkish Coal Enterprises Institution(TKI)	48,128,564	-	-	-	-	48,128,564
Enforcement Offices	155,494,805	-	-	-	-	155,494,805
Electricity Distribution Companies	459,353	6,822,500	-	-	-	240,770,317
Other	3,321,083	756,000	260,000	800,000	240,000,000	86,858,184
Total	**532,489,650**	**7,578,500**	**651,187**	**800,000**	**240,000,000**	**870,711,043**

31 December 2023	TL	USD	EUR	CHF	KZT	TL Equivalent
Republic of Türkiye Energy Market Regulatory Authority	173,378,883	-	-	-	-	173,378,883
Enerji Piyasaları İşletme A.Ş.	751,570,090	-	-	-	-	751,570,090
Türkiye Elektrik İletişim A.Ş.	90,864,864	-	591,187	-	-	118,668,484
Turkish Coal Enterprises Institution(TKI)	48,182,079	-	-	-	-	48,182,079
Enforcement Offices	28,776,712	-	-	-	-	28,776,712
Electricity Distribution Companies	473,808	16,498,486	-	-	-	701,706,883
Other	40,053,622	4,306,740	260,000	800,000	-	275,718,111
Total	**1,133,300,058**	**20,805,226**	**851,187**	**800,000**	**-**	**2,098,001,242**

16 Commitments *(continued)*

(b) Guarantees received

The details of the letters of guarantee received by the Group as of 31 December 2024 and 31 December 2023 are as follows:

Type of Guarantees	TL	USD	EUR	KZT	UZS	31 December 2024 TL Equivalent
Letter of guarantee	472,696,473	65,684,281	56,653,194	6,770,071,691	1,514,459,100	5,328,870,227
Notes taken for collaterals	25,047,710	587,290	842,269	-	-	76,681,393
Cheques taken for collaterals	8,400,000	28,000	6,000	-	-	9,606,710
Mortgage	700,000	-	-	-	-	700,000
Total	**506,844,183**	**66,299,571**	**57,501,463**	**6,770,071,691**	**1,514,459,100**	**5,415,858,330**

Type of Guarantees	TL	USD	EUR	KZT	UZS	31 December 2023 TL Equivalent
Letter of guarantee	247,816,089	52,582,446	26,154,753	2,862,135,026	-	3,980,403,422
Notes taken for collaterals	38,037,496	1,034,174	1,184,169	-	-	137,684,545
Cheques taken for collaterals	12,127,920	28,000	3,456,000	-	-	175,854,361
Mortgage	1,010,660	-	-	-	-	1,010,660
Total	**298,992,165**	**53,644,620**	**30,794,922**	**2,862,135,026**	-	**4,294,952,988**

17 Employee benefits

(a) Provision for unused vacation

The movement of provisions for the years ended 31 December is as follows:

	2024	2023
1 January opening	**16,740,597**	**14,070,156**
Current year provision	4,883,022	9,326,951
Payments (-)	(1,294,395)	(823,309)
Foreign currency translation differences	587,180	1,596,345
Inflation effect	(5,145,781)	(7,429,546)
31 December closing	**15,770,623**	**16,740,597**

The amount of provision for unused vacation is calculated by multiplying the remaining leave days with the daily wage. Current period provision expenses are recognized in cost of sales and general administrative expenses accounts in the consolidated financial statements.

(b) Provision for employment termination benefits

According to the Turkish Labor Law, the Group is obliged to pay severance pay to each employee who completes at least one year of service and retires after 25 years of working life (aged 58 for women, 60 for men), terminated, called for military service or passed away.

Provision for employment termination benefits to be paid as of 31 December 2024 is subject to a monthly ceiling of TL 41,828.42 (31 December 2023: TL 23,489.83).

Provision for employment termination benefits is not legally subject to any funding. Provision for employment termination benefits is calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees. TAS 19 Employee Benefits requires the company's liabilities to be developed using actuarial valuation methods within the scope of defined benefit plans. Accordingly, the actuarial assumptions used in the calculation of total liabilities are as follows:

The main assumption is that the maximum liability amount for each year of service will increase in line with inflation. Therefore, the discount rate applied represents the expected real rate after adjusting for the effects of future inflation. Therefore, provisions in the accompanying financial statements as of 31 December 2024 are calculated by estimating the present value of the future probable obligation arising from the retirement of the employees. Provisions at the relevant balance sheet dates are calculated using the real discount rate, which is approximately 3.44% (31 December 2023: 3.13%), based on the assumptions of annual 23.72% inflation and 27.98% interest rate. Voluntary dismissal rates are 19.65% for those working for 0 - 15 years and 0% for 15 years or more. The maximum amount of TL 46,655.43 effective from 1 January 2025 has been taken into account in the calculation of the provision for employment termination benefits (1 January 2024: TL 35,058.58).

17 Employee benefits *(continued)*

(b) Provision for employment termination benefits *(continued)*

The movements in the provision for severance pay for the accounting period ending on 31 December are as follows:

	2024	2023
1 January opening	**50,036,980**	**55,470,552**
Service and interest cost	24,670,173	32,506,946
Payments (-)	(7,552,919)	(18,237,288)
Actuarial loss	204,333	364,531
Translation difference	(4,343,415)	314,925
Inflation effect	(8,309,042)	(20,382,686)
31 December closing	**54,706,110**	**50,036,980**

(c) Payables related to employee benefits

As of 31 December 2024 and 31 December 2023, payables within the scope of employee benefits are as follows:

	31 December 2024	31 December 2023
Payables to personnel	57,473,651	66,570,829
Social security deductions payable	25,080,561	31,913,915
Total	**82,554,212**	**98,484,744**

18 Other assets and liabilities

As of 31 December 2024 and 31 December 2023, other current assets are as follows:

Other current assets	31 December 2024	31 December 2023
Deferred Value Added Tax ("VAT")	1,326,600,517	643,537,759
Other	94,241,686	19,241,118
Total	**1,420,842,203**	**662,778,877**

As of 31 December 2024 and 31 December 2023, other current liabilities are as follows:

Other short-term liabilities	31 December 2024	31 December 2023
Advances received	30,010,571	44,821,928
Deferred income	413,310,394	4,621,718
Total	**443,320,965**	**49,443,646**

19 Share capital, reserves and other equity items

(a) Issued capital

The Group switched to the registered capital system with the permission of CMB dated 16 April 2010 and numbered 10/330, and the registered capital ceiling is TL 4,750,000,000 (31 December 2023: TL 4,750,000,000). The registered capital ceiling permission granted by the Capital Markets Board is valid for the years 2021-2025 (5 years).

It has been registered that the Group's capital was increased by 100% by using internal resources to TL 1,226,338,236 within the registered capital ceiling of TL 4,750,000,000 and the amendment of article 6 of the articles of association regarding capital by the Istanbul Trade Registry on 5 October 2021.

As of 31 December 2024, the Group's issued capital is TL 1,226,338,236 (31 December 2023: TL 1,226,338,236), Issued capital consists of 1,226,338,236 shares, each with a nominal value of TL 1 (31 December 2023: 1,226,338,236 shares).

The capital structure of the Group as of 31 December 2024 and 31 December 2023 is as follows:

	31 December 2024		31 December 2023	
Shareholder	**Share rate (%)**	**Share amount**	**Share rate (%)**	**Share amount**
Kazancı Holding	80.129	982,651,660	79,415	973,901,660
Public share (*)	19.868	243,648,076	20,582	252,398,076
Other	0.003	38,500	0,003	38,500
Total	**100.00**	**1,226,338,236**	**100.00**	**1,226,338,236**
Inflation adjustment	-	13,001,639,808		13,001,639,808
Adjusted Capital		**14,227,978,044**		**14,227,978,044**
Share buybacks (-)		(61,988,285)		(61,988,285)
Total	**100.00**	**14,165,989,759**	**100.00**	**14,165,989,759**

(*) The shares acquired by Kazancı Holding from publicly traded shares in 2012, 2013, 2018 and 2024 are presented in the publicly traded shares in the statement above. As of 31 December 2024 these shares are 18,667,924 (31 December 2023: 9,917,924). On 22 August 2024, following the acquisition of 8,750,000 lots of shares under the public offering, Kazancı Holding's shares increased to 80.129%, with a nominal value of TL 982,651,660 in shares.

The details of the shares on a group basis as of 31 December 2024 and 31 December 2023 are as follows:

	31 December 2024		31 December 2023	
Group	**Share rate (%)**	**Share amount**	**Share rate (%)**	**Share amount**
A Group (Registered share)	47.93	587,792,440	47.93	587,792,440
B Group (Bearer share)	52.07	638,545,796	52.07	638,545,796
Issued Capital	**100.00**	**1,226,338,236**	**100.00**	**1,226,338,236**

TL 262,316,000 of the bearer B group shares are traded on BIST.

19 Share capital, reserves and other equity items *(continued)*

(b) Gain on remeasurement of defined benefit plans:

It consists of actuarial gains and losses recognized as other comprehensive income as a result of the adoption of TAS 19 standard. As of 31 December 2024, the Group's defined benefit plans remeasurement losses are TL (320,479) (31 December 2023: TL (143,466)).

(c) Hedging reserve:

The hedging reserve consists of the effective portion of the accumulated net change in the fair value of the cash flow hedging instrument related to the transaction subject to hedging, which has not yet been realized. As of 31 December 2024, the Group's hedging losses are TL (804,997,805) (31 December 2023: TL (2,059,721,866)).

(d) Foreign currency translation differences:

Foreign exchange translation differences consist of all foreign currency exchange differences arising from the translation of the Group's foreign currency-based financial statements of foreign operations into the Company's functional currency, TL, as well as the effect of translating prior year financial statements into the current period's purchasing power, and the inflation differences arising from indexing the 1 January 2024 – 31 December 2024 period income statements to the purchasing power as of 31 December 2024 in quarterly periods. As of 31 December 2024, the Group's foreign exchange translation differences amount to TL (6,702,823,499) (31 December 2023: TL 485,704,762)

(e) Valuation increase of property, plant and equipment:

Valuation increases of property, plant and equipment consist of revaluation differences in land, buildings, land improvements and plant, machinery and equipment. As of 31 December 2024, the Group's property, plant and equipment valuation increases are TL 4,794,997,252 (31 December 2023: TL 4,804,288,924).

(f) Restricted reserves appropriated from profit:

i) Legal reserves:

The legal reserves consist of first and second legal reserves, appropriated in accordance with the Turkish Commercial Code ("TCC"). The TCC stipulates that the first legal reserve is appropriated out of historical statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Group's historical paid-in share capital. The second legal reserve is appropriated at the rate of 1/10 of all cash dividend distributions exceeding 5% of the company's capital in cases where profit distribution is made according to CMB regulations, and in cases where dividends are distributed according to legal records, it is appropriated at the rate of 1/11 per annum of all cash distributions in excess of 5% of the historical paid-in share capital. The legal reserves are not available for distribution unless they exceed 50% of the historical paid-in share capital but may be used to offset losses in the event that historical general reserve is exhausted. As of 31 December 2024, the Group's total legal reserves are TL 2,770,676,233 (31 December 2023: TL 1,882,876,221).

ii) Dividend:

It has been decided that the profit distribution will be realized within the framework of the principles in the "Dividend Communiqué" Serial: II-19.1 of the CMB, the provisions in the articles of association of the partnerships and the profit distribution policies disclosed to the public by the companies. In addition, in the aforementioned Communiqué, companies that are obliged to prepare consolidated financial statements are required to calculate the net distributable profit amount, as long as it can be covered from the resources in their legal records, by taking into account the net profit for the period in their consolidated financial statements that they will prepare and publicly disclose in accordance with the Communiqué Serial: II-14.1.

In publicly held partnerships, dividends are distributed equally to all of the existing shares as of the date of distribution, regardless of their issue and acquisition dates.

On 5 June 2024, during the Ordinary General Assembly Meeting, it was approved to distribute TL 1,850,073,764 (TL 1,600,000,000 is the nominal amount as per the General Assembly resolution) from the net distributable profit for the year 2023 as dividends. As of the dividend distribution decision date, 5 June 2024, the Company holds 0.1% of its own shares. Therefore, the dividend on the Company's own shares is netted off from the total dividend amount and presented accordingly.

19 Share capital, reserves and other equity items *(continued)*

(g) Non-controlling interest:

The parts of the net assets of the subsidiaries, which correspond to the shares not in the direct and/or indirect control of the parent company, are classified under the "Non-controlling interests" item under equity in the consolidated statement of financial position. As of 31 December 2024 and 31 December 2023, the amounts classified under the line item "Non-controlling interests" in the consolidated statement of financial position are TL 3,885,622,268 and TL 4,196,447,373 respectively.

In addition, the parts of the net assets of the subsidiaries, which correspond to the shares not in the direct and/or indirect control of the parent company, are classified under the "Non-controlling interests" item in the consolidated statement of profit or loss and other comprehensive income. As of the period ended 31 December 2024 and 31 December 2023, the profit and loss of non-controlling interests out of the total comprehensive income is TL (310,825,105) and TL 32,136,095 respectively, within the item "Non-controlling interests".

(i) Prior years' profit:

Accumulated profits/losses other than net profit for the period are offset in this item. Extraordinary reserves that are in the nature of accumulated profit/loss are also considered as retained earnings and presented in this item. As of 31 December 2024, the Group's prior years' profit is TL 24,415,006,093 (31 December 2023: prior years' profit is TL 18,595,556,384).

(j) Additional Information Regarding Capital and Legal Reserves:

A comparison of the Group's equity items restated for inflation in the consolidated financial statements as of 31 December 2024 and the restated amounts in the financial statements prepared in accordance with Law No. 6762 and other legislation are as follows:

31 December 2024	Inflation adjusted amounts in the financial statements prepared in accordance with Law No. 6762 and other legislation	Inflation adjusted amounts in the financial statements prepared in accordance with TAS/TFRS	Differences recognized in retained earnings
Adjustments to share capital	15,255,601,724	13,001,639,808	2,253,961,916
Restricted reserves appropriated from profit	1,519,358,829	2,770,676,233	(1,251,317,404)
Total	**16,774,960,553**	**15,772,316,041**	**1,002,644,512**

20 Revenue

Revenue for period year ended on 1 January- 31 December is as follows:

	1 January- 31 December 2024	1 January- 31 December 2023
Domestic sales	22,463,661,394	39,390,486,758
Foreign sales	9,175,158,428	11,391,218,522
Net sales	**31,638,819,822**	**50,781,705,280**
Cost of sales (-)	(24,950,644,221)	(40,364,107,718)
Total	**6,688,175,601**	**10,417,597,562**

20 Revenue *(continued)*

The details of the Group's revenue and gross profit are as follows:

	1 January-31 December 2024	1 January-31 December 2023
Revenue		
Electricity	31,638,819,822	50,781,617,135
Other	-	88,145
Total	**31,638,819,822**	**50,781,705,280**
Gross profit		
Electricity	6,688,175,601	10,417,553,849
Other	-	43,713
Total	**6,688,175,601**	**10,417,597,562**

21 General administrative expenses, sales, marketing and distribution expenses

General administrative expenses, sales, marketing and distribution expenses for the years ended 1 January - 31 December are as follows:

	1 January-31 December 2024	1 January-31 December 2023
General administrative expenses	1,486,968,859	1,134,924,056
Sales, marketing and distribution expenses	39,722,944	33,848,980
Total	**1,526,691,803**	**1,168,773,036**

Administrative expenses for the years ended 1 January - 31 December are as follows:

	1 January – 31 December 2024	1 January - 31 December 2023
Personnel expenses	488,487,519	326,866,863
Consultancy and legal expenses	243,484,054	196,587,545
Holding expense share (*)	216,790,305	192,847,132
Travelling, vehicle and transportation expenses	153,390,208	149,851,189
Advertising expenses	113,890,787	117,893,571
Litigation provisions (Note 15)	28,626,210	21,083,451
Representation and hosting expenses	15,018,435	5,940,625
License and enterprise software expenses	14,404,633	11,973,123
Insurance expenses	8,740,678	10,827,297
Depreciation expenses	1,072,037	1,557,255
Other	203,063,993	99,496,005
Total	**1,486,968,859**	**1,134,924,056**

(*) The holding expense is explained in Note 4.

21 General administrative expenses, sales, marketing and distribution expenses *(continued)*

Sales, marketing and distribution expenses for the years ended 1 January - 31 December are as follows:

	1 January – 31 December 2024	**1 January – 31 December 2023**
Freight and export expenses	27,110,604	29,496,929
Advertising expenses	2,139,148	3,346,300
Other	10,473,192	1,005,751
Total	**39,722,944**	**33,848,980**

22 Other income and expenses from operating activities

Other income from operating activities for the years ended 1 January – 31 December is as follows:

Other income from operating activities	**1 January- 31 December 2024**	**1 January- 31 December 2023**
Foreign exchange income from commercial monetary transactions	131,747,542	433,460,506
Interest income	95,872,658	130,143,748
Released provisions for litigations (Note 15)	65,154	1,619,129
Other	148,127,311	120,927,969
Total	**375,812,665**	**686,151,352**

Other expenses and losses from operating activities for the years ended 1 January - 31 December are as follows:

Other expenses from operating activities	**1 January- 31 December 2024**	**1 January- 31 December 2023**
Foreign exchange expenses from commercial monetary transactions	30,390,327	17,532,123
Donations and aids	27,554,274	29,073,783
Other	67,319,686	100,619,031
Total	**125,264,287**	**147,224,937**

23 Income and expenses from investing activities

Income from investment activities for the years ended 1 January – 31 December is as follows:

Income from investing activities	**1 January- 31 December 2024**	**1 January- 31 December 2023**
Gain on sale of subsidiary (*)	348,469,222	-
Gain on sale of fixed assets	2,376,347	73,446,128
Income from financial investment shares	1,647,370	-
Interest income from time deposits	-	37,868,513
Total	**352,492,939**	**111,314,641**

(*) As of 30 June 2024, the sale of the shares of the Group's subsidiary, Aksaf Power and Overseas Power, was completed on 11 September 2024. The companies, with total net assets of TL 573,860,377, were sold for TL 922,329,599, resulting in a gain of TL 348,469,222 from this sale transaction.

Expense from investment activities for the years ended 1 January – 31 December is as follows:

Expense from investing activities	**1 January- 31 December 2024**	**1 January- 31 December 2023**
Loss on sale of fixed assets	-	118,996,119
Impairment loss on fixed assets (Note 12)	592,628,261	52,021,504
Total	**592,628,261**	**171,017,623**

24 Expenses by nature

Expenses classified on the basis of type for the years ended 1 January - 31 December are as follows:

Depreciation and amortization expenses	**1 January - 31 December 2024**	**1 January - 31 December 2023**
Cost of sales	2,014,530,917	2,231,924,695
General administrative expenses	1,072,037	1,557,255
Total	**2,015,602,954**	**2,233,481,950**

Personnel expenses	**1 January - 31 December 2024**	**1 January - 31 December 2023**
Cost of sales	1,245,988,511	933,366,919
General administrative expenses	488,487,519	326,866,863
Total	**1,734,476,030**	**1,260,233,782**

25 Finance income

Finance income for the years ended 1 January – 31 December is as follows:

Finance income	**1 January- 31 December 2024**	**1 January – 31 December 2023**
Foreign exchange income (*)	3,384,938,945	4,488,381,970
Interest and delay income	1,191,647,305	1,483,492,424
Derivative transaction income	69,801,748	109,512,221
Total	**4,646,387,998**	**6,081,386,615**

(*) Foreign exchange gains and expenses are netted and presented on a company basis for the subsidiaries included in the consolidation.

26 Finance expenses

Finance expenses for the years ended 1 January - 31 December are as follows:

Finance expenses	**1 January- 31 December 2024**	**1 January- 31 December 2023**
Interest and delay expenses	2,891,137,629	2,169,261,757
Foreign exchange expenses (*)	1,417,223,332	1,301,111,158
Derivative transaction expenses	80,935,904	48,837,481
Other	91,717,726	134,102,528
Total	**4,481,014,591**	**3,653,312,924**

(*) Foreign exchange gains and expenses are netted and presented on a company basis for the subsidiaries included in the consolidation.

27 Taxation

Türkiye

Corporate tax

The Group is subject to corporate tax valid in Türkiye. Necessary provisions have been made in the accompanying financial statements for the estimated tax liabilities of the Group regarding the current period operating results. In Türkiye, the tax legislation does not permit a parent company and its subsidiaries to file a consolidated tax return. Therefore, provision for taxes shown in the consolidated financial statements reflects the total amount of taxes calculated on each entity that are included in the consolidation.

Corporate tax is applied on taxable corporate income, which is calculated from the statutory accounting profit by adding back non-deductible expenses, and by deducting dividends received from resident companies, other exempt income and other incentives (prior year's losses if any and investment incentives used if preferred) utilized.

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

On 15 July 2023, amendment to the Corporate Tax Law has abolished the 50% exemption on real estate capital gains. However, for properties acquired before the date of the amendment, this exemption will continue to be applied at a rate of 25%.

Under the Turkish taxation system, tax losses can be carried forward to be offset against future taxable income for up to five years. However, tax losses cannot be carried back.

In Türkiye, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns within four months following the close of the accounting year to which they relate. Tax returns are open for five years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue reassessments based on their findings.

According to Temporary Article 33 added to the Tax Procedure Law by the Law Amending the Tax Procedure Law and Corporate Tax Law published in the Official Gazette numbered 7352 on 29 January 2022, the financial statements dated 31 December 2024, prepared in accordance with the tax legislation have been adjusted for inflation. This application has been applied to the financial statements dated 31 December 2024. The difference in profit/loss arising from the inflation adjustment will be disclosed in the retained earnings and will not be subject to taxation.

In Türkiye, the Domestic Minimum Corporate Tax came into effect with the laws published in the Official Gazette on 2 August 2024. The regulation will apply to corporate earnings for the 2025 taxation period. Since corporations will begin applying it on the earnings they generate starting from 1 January 2025, it will not have an impact on the current period tax expense in the financials as of 31 December 2024.

Income tax withholding

There is a withholding tax obligation on dividend distributions, and this withholding obligation is accrued in the period when the dividend payment is made. A business or a corporate taxpayer who earns revenue through permanent representative in Türkiye and dividend payments to non-resident institutions other than those made in Türkiye are subject to withholding at the rate of 10%. In the application of the withholding rates regarding the dividend distributions made to non-resident companies and real persons, the withholding rates included in the related Double Taxation Agreements are also taken into consideration. Allocation of prior years' profits to the capital is not considered as profit distribution, therefore it is not subject to withholding tax.

27 Taxation *(continued)*

Transfer pricing regulations

In Türkiye, the transfer pricing provisions have been stated under the Article 13 of Corporate Tax Law with the heading of "disguised profit distribution via transfer pricing". The General Communiqué on disguised profit distribution via Transfer Pricing, dated 18 November 2007 sets details about implementation.

If a tax payer enters into transactions regarding sale or purchase of goods and services with related parties, where the prices are not set in accordance with arm's length principle, then related profits are considered to be distributed in a disguised manner through transfer pricing. Such disguised profit distributions through transfer pricing are not accepted as tax deductible for corporate income tax purposes.

Tax applications for foreign subsidiaries of the Group

Turkish Republic of Northern Cyprus ("TRNC")

The applicable corporate tax rate in TRNC is 23.5% (31 December 2023: 23.5%).

Republic of Ghana

The applicable corporate tax rate in Republic of Ghana is 25% (31 December 2023: 25%).

Netherlands

Corporate income tax is levied at the rate of 20% (31 December 2023: 20%) on the worldwide income of resident companies, which is determined by modifying accounting income for certain exclusions and allowances for tax purposes for the year 2024. A unilateral decree for the avoidance of double taxation provides relief for resident companies from Dutch tax on income, such as foreign business profits derived through a permanent establishment abroad, if no tax treaty applies. There is an additional dividend tax of 5% computed only on the amounts of dividend distribution at the time of such payments.

Under Dutch tax legislation, tax losses can be carried forward to be offset against future taxable income for up to nine years. Financial losses can be offset against retained earnings for up to one year. Entities must file their tax returns within six months following the close of the tax year to which they relate, unless the company applies for an extension (normally an additional nine months). Tax inspection authorities, starting from the beginning of the year following the submission of the tax return, can examine the previous year's tax returns and the accounting records that are the basis for them and make a reassessment as a result of their findings for five years.

Mauritius

There is no corporate tax in Mauritius (31 December 2023: None).

Republic of Mali

The applicable corporate tax rate in Mali is 35% (31 December 2023: 35%).

Madagascar

The applicable corporate tax rate in Madagascar is 20% (31 December 2023: 20%).

27 Taxation *(continued)*

Tax applications for foreign subsidiaries of the Group (continued)

Uzbekistan

The tax rate on the worldwide income of entities resident in Uzbekistan is 15% (31 December 2023: 15%). For the year 2024, the corporate tax rate will be applied to the tax base, which is determined by adding non-deductible expenses according to tax laws and subtracting the exemptions specified in the tax laws from the commercial income of the entities. An additional 10% tax applies to dividend distributions, and this tax accrues in the period when the dividend payment is made.

Under the Uzbekistan taxation system, tax losses can be carried forward to be offset against future taxable income for limitlessly. Entities must file their tax returns within two months following the close of the tax year to which they relate, unless the company applies for an extension (normally an additional nine months). Tax inspection authorities, starting from the beginning of the year following the submission of the tax return, can examine the previous year's tax returns and the accounting records that are the basis for them and make a reassessment as a result of their findings.

Congo

The applicable corporate tax rate in Congo is 30% (31 December 2023: 30%).

As of 31 December 2024 and 31 December 2023, tax liability details are as follows:

	31 December 2024	31 December 2023
Corporate tax payable	1,683,903,380	2,826,941,145
Prepaid corporate tax	(683,235,264)	(893,056,432)
Total tax liability	**1,000,668,116**	**1,933,884,713**

	31 December 2024	31 December 2023
Current tax assets	39,247,174	34,010,289
Current tax liabilities	(1,039,915,290)	(1,967,895,002)
Total tax liability	**(1,000,668,116)**	**(1,933,884,713)**

The tax expense consists of the following:	**31 December 2024**	**31 December 2023**
Current tax expense	(1,683,903,380)	(2,826,941,145)
Deferred tax income / (expense) related to the origination and reversal of temporary differences	113,627,533	2,064,555,909
Additional tax related to article 10 of law no.7440	-	(133,698,265)
Foreign exchange translation difference and inflation effect	(179,963,997)	(599,204,284)
Total tax expense	**(1,750,239,844)**	**(1,495,287,785)**

27 Taxation *(continued)*

Deferred tax assets and liabilities

Deferred tax is calculated over the temporary differences between the carrying values of assets and liabilities in the financial statements and the values used in the tax base, except for the goodwill not subject to tax deduction and the differences in the assets and liabilities that are recognized for the first time and are not subject to accounting and tax.

As of 31 December 2024 and 31 December 2023, deferred tax assets and deferred tax liabilities consist of the following:

	31 December 2024	31 December 2023
	Asset / (Liability)	Asset / (Liability)
Net difference between carrying values of property, plant and equipment and intangible assets and tax base	(1,399,724,612)	(1,348,806,012)
Unused carryforward tax losses	340,289,969	156,203,766
Adjustments in accordance with TFRS 9	136,155,361	203,402,901
Other	(53,719,140)	112,085,190
	(976,998,422)	**(877,114,155)**
Deferred tax asset	544,112,105	618,964,346
Deferred tax liabilities	(1,521,110,527)	(1,496,078,501)
Net deferred tax asset/(liabilities)	**(976,998,422)**	**(877,114,155)**

The movement of deferred tax during 2024 and 2023 is as follows:

	1 January 2024	*Foreign currency translation differences*	*Recognized in profit or loss*	*Recognized in other comprehensive income*	*31 December 2024*
Total deferred tax asset/(liabilities)	**(877,114,155)**	74,857,417	113,627,533	(288,369,217)	**(976,998,422)**

	1 January 2023	*Foreign currency translation differences*	*Recognized in profit or loss*	*Recognized in other comprehensive income*	*31 December 2023*
Total deferred tax asset/(liabilities)	**(2,984,125,568)**	232,029,222	2,064,555,909	(189,573,718)	**(877,114,155)**

27 Taxation *(continued)*

Deferred tax assets and liabilities *(continued)*

The tax provision reported for the years ended 31 December is different from the amount calculated using the statutory tax rate on profit before tax. The relevant reconciliation breakdown is as follows:

	1 January- 31 December 2024	1 January- 31 December 2023
Profit before tax	4,698,576,666	10,310,904,701
Income tax rate	25%	25%
Tax calculated with the Company's legal tax rate	(1,174,644,167)	(2,577,726,175)
Non-deductible expenses	(132,313,860)	(52,710,643)
Exemptions and deductions	612,371,086	216,116,006
Tax-exempt income	8,192,861	260,734,102
Unrecognized unused tax losses not recognized as deferred tax assets	(38,548,170)	(95,146,683)
Inflation accounting effect and other, net	(1,025,297,594)	753,445,608
Tax expense	**(1,750,239,844)**	**(1,495,287,785)**

28 Earning per share

Earnings per share calculations are made by dividing the net profit for the period in the profit or loss statement given in this report by the weighted average number of shares issued.

	1 January- 31 December 2024	1 January- 31 December 2023
Profit for the period attributable to equity holders	2,007,268,539	7,935,940,468
Weighted average number of common shares issued	1,226,338,236	1,226,338,236
Profit per share with nominal value of TL 1	1.637	6.471

29 Financial instruments

The Group risk management

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included in Note 30 and 31.

Risk management framework

The Board of Directors of the Group has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board of Directors has established an Early Detection of Risk Committee responsible for developing and monitoring the Group's risk management policies.

The risk management policies of the Group are determined in order to identify and analyze the risks to be encountered, to determine the appropriate risk limits and to establish their controls, and to observe the risks and the dependency of the risks to the limits. Risk management policies and systems are regularly reviewed to reflect changes in the Group's activities and market conditions. The Group aims to develop a disciplined and constructive control environment in which all employees understand their roles and responsibilities through training and management standards and procedures.

Aksa Energy Audit Committee audits the management in terms of compliance with the risk management policies and procedures of the Group and provides support during the fulfillment of the risk management framework depending on the risks exposed by the Group. The internal audit department makes regular and specific evaluations of risk management policies and procedures and reports the results to the Audit Committee.

Credit risk

The Group closely monitors customer credit risks in order to eliminate possible risks that may arise in the collection of trade receivables. Certain credit control procedures, credit rating system and internal control policies are used in the management of credit risk. The Group management covers these risks by limiting the average risk for the counterparty in each agreement and by obtaining guarantees if necessary. Foreign customer credit risks are related to public institutions and organizations with low collection risk, and guarantees are received for these customer credit risks.

Credit risk is the risk of financial loss to the other party as a result of one of the parties in a mutual relationship not fulfilling its obligations regarding a financial instrument.

The Group financial instruments also bears the risk of failure of the counterparty to fulfill the requirements of the agreement. The collection risk of the Group mainly arises from its trade receivables. Trade receivables are evaluated by taking into account the Group's policies and procedures, and accordingly, they are presented as net in the consolidated statement of financial position after making provision for doubtful receivables.

A proportion of the Group's trade receivables are receivables from TEİAŞ, and similarly, it has receivables arising from agreements with the governments or ministries of the countries in its operations in foreign countries. The Group takes part in a sector with low collection risk.

The Group manages the liquidity risk by maintaining the continuation of sufficient funds by regularly monitoring the cash flows and matching the maturities of financial assets and liabilities.

29 Financial instruments *(continued)*

Liquidity risk

Liquidity risk is the possibility of the Group not meeting its net funding liabilities. Occurrence of events that cause a decrease in fund resources such as deterioration in the markets or a decrease in credit score, cause liquidity risk. The Group management manages the liquidity risk by distributing the fund resources and keeping sufficient cash and similar resources to fulfill its current and possible liabilities.

The Group uses activity-based costing in costing its products and services, which helps to monitor cash flow needs and makes effective cash return on investments. The Group generally ensures that it has sufficient cash to cover financial and operational expenses, including the fulfillment of financial liabilities, excluding the potential impact of unreasonably foreseeable events such as natural disasters.

Market risk

Market risk is the changes that will occur in interest rates, exchange rates or the value of securities and other financial agreements and will affect the Group negatively. The main important risks for the Group are changes in currency and interest rates.

Foreign currency risk

Foreign currency risk arises from the Group's liabilities in USD and EUR and the changes in the value of Turkish Lira against USD and EUR.

The Group also has a foreign currency risk arising from its transactions. These risks arise from the Group's purchase and sale of goods in a currency other than the functional currency and using bank loans in foreign currency.

The Group aims to balance the exchange rate risk against foreign currency through derivative financial contracts.

The basis of the sensitivity analysis made in order to measure the currency risk is to make the total currency statement throughout the Group. Total foreign currency position includes all short-term and long-term foreign currency-based purchase and sale contracts and all assets and liabilities.

The Group is exposed to foreign exchange risk due to various income and expense items in foreign currencies and foreign currency payables, receivables and financial borrowings arising from these.

Interest rate risk

Within the scope of fund management, sensitivity analysis is performed in measuring the interest risk of interest sensitive assets in the portfolio. By determining the average maturity and interest rate of interest-sensitive assets, the sensitivity to changes in market interest rates is calculated, and the interest risk arising from the securities portfolio created within the scope of fund management by monitoring the markets is managed within the framework of the decisions taken to move, increase or decrease the existing securities portfolio in accordance with market interest rates expectations.

Capital management

The main purpose of the capital management of the Company is to provide a strong capital ratio in order to continue the operations of the Company and to increase the value it provides to the Company partners.

The Company manages the capital structure and makes the necessary arrangements according to the market competition conditions, economic conjuncture and growth strategy. In order to strengthen and regulate the capital structure, shareholders can make direct cash payments according to their working capital needs.

During the period, there has been no change in the Group's perspective on capital management.

30 Nature and level of risks arising from financial instruments

Credit risk

Carrying value of financial assets shows the maximum credit risk of the Group. The table below shows the details of the values exposed to maximum credit risk as of 31 December 2024 and 31 December 2023:

	Receivables					
	Trade receivables		Other receivables			
31 December 2024	Related Parties	Other	Related Parties	Other	Deposits at banks	Other
Maximum credit risk exposed as of the reporting date (A+B+C+D+E)	941,836,197	9,037,667,915	-	83,622,376	1,043,556,658	-
A. Carrying amount of financial assets not overdue or not impaired	941,836,197	6,727,553,369	-	19,998,170	1,043,556,658	-
B. Carrying amount of financial assets with rediscussed conditions that are considered overdue or impaired if not rediscussed	-	-	-	-	-	-
C. Carrying amount of financial assets overdue but not impaired	-	2,310,114,546	-	63,624,206	-	-
D. Carrying amount of assets impaired	-	-	-	-	-	
- Overdue (gross book value)	-	544,157,451	-	-	3,589,642	
- Impairment (-)	-	(544,157,451)	-	-	(3,589,642)	
E. Off balance sheet items with credit risk	-	-	-	-	-	-

	Receivables					
	Trade receivables		Other receivables			
31 December 2023	Related Parties	Other	Related Parties	Other	Deposits at banks	Other (*)
Maximum credit risk exposed as of the reporting date (A+B+C+D+E)	3.680.278.460	15.854.473.288	-	91.665.477	1.135.190.378	1.265.188.170
A. Carrying amount of financial assets not overdue or not impaired	3.680.278.460	11.101.895.441	-	14.949.500	1.135.190.378	1.265.188.170
B. Carrying amount of financial assets with rediscussed conditions that are considered overdue or impaired if not rediscussed	-	-	-	-	-	-
C. Carrying amount of financial assets overdue but not impaired	-	4.752.577.847	-	76.715.977	-	-
D. Carrying amount of assets impaired	-	-	-	-	-	
- Overdue (gross book value)	-	822.583.435	-	-	5.775.405	-
- Impairment (-)	-	(822.583.435)	-	-	(5.775.405)	-
E. Off balance sheet items with credit risk	-	-	-	-	-	-

(*) Other balance consists of financial investments.

30 Nature and level of risks arising from financial instruments *(continued)*

Liquidity risk

The maturities of the financial liabilities determined according to the payment schedule of the Group, including the estimated interest payments as of 31 December 2024 and 31 December 2023, are as follows:

31 December 2024	Carrying amount	Contractual cash flows (=I+II+III+IV)	3 months or less (I)	3-12 months (II)	1-5 years (III)	More than 5 years (IV)
Non-derivative financial liabilities	**28,167,066,927**	**38,035,086,636**	**4,246,518,920**	**9,442,232,876**	**20,044,788,678**	**4,301,546,162**
Financial liabilities	27,956,736,219	37,280,579,215	4,213,454,618	9,351,487,080	19,697,820,290	4,017,817,227
Leases	210,330,708	754,507,421	33,064,302	90,745,796	346,968,388	283,728,935
Derivative financial assets, net	**33,225,679**	**(45,722,263)**	**(6,868,521)**	**(38,853,742)**	**-**	**-**
Cash inflows	-	251,825,838	340,268	251,485,570	-	-
Cash outflows	-	(297,548,101)	(7,208,789)	(290,339,312)	-	-

Expected maturity	Carrying amount	Contractual cash flows (=I+II+III+IV)	3 months or less (I)	3-12 months (II)	1-5 years (III)	More than 5 years (IV)
Non-derivative financial liabilities	**6,603,060,814**	**6,603,060,814**	**5,283,544,256**	**1,319,516,558**	**-**	**-**
Trade payables to related parties	249,130,917	249,130,917	249,130,917	-	-	-
Trade payables to third parties	5,980,487,222	5,980,487,222	4,660,970,664	1,319,516,558	-	-
Other payables to related parties	24,000	24,000	24,000	-	-	-
Other payables to third parties	373,418,675	373,418,675	373,418,675	-	-	-

31 December 2023	Carrying amount	Contractual cash flows (=I+II+III+IV)	3 months or less (I)	3-12 months (II)	1-5 years (III)	More than 5 years (IV)
Non-derivative financial liabilities	**19,404,814,667**	**22,814,393,027**	**3,680,676,643**	**8,824,909,860**	**9,213,021,124**	**1,095,785,400**
Financial liabilities	19,128,453,701	22,219,024,737	3,651,374,669	8,755,904,317	8,974,951,189	836,794,562
Leases	276,360,966	595,368,290	29,301,974	69,005,543	238,069,935	258,990,838
Derivative financial assets, net	**(37,494,712)**	**(49,683,148)**	**(24,999,226)**	**(16,395,889)**	**(8,288,033)**	**-**
Cash inflows	-	2,461,317	1,238,469	812,257	410,591	-
Cash outflows	-	(52,144,465)	(26,237,695)	(17,208,146)	(8,698,624)	-

Expected maturity	Carrying amount	Contractual cash flows (=I+II+III+IV)	3 months or less (I)	3-12 months (II)	1-5 years (III)	More than 5 years (IV)
Non-derivative financial liabilities	**5,151,053,236**	**5,151,053,235**	**4,686,163,678**	**464,889,557**	**-**	**-**
Trade payables to related parties	393,424,605	393,424,605	393,424,605	-	-	-
Trade payables to third parties	4,429,390,323	4,429,390,323	3,964,500,766	464,889,557	-	-
Other payables to related parties	18,097	18,097	18,097	-	-	-
Other payables to third parties	328,220,211	328,220,211	328,220,211	-	-	-

30 Nature and level of risks arising from financial instruments *(continued)*

Market risk

Foreign currency risk

As of 31 December 2024, the Group's foreign currency position arises from foreign currency-based assets and liabilities presented in the table below. Since the reporting currency is TL, the currency risk table shows the foreign currency position of companies whose functional currency is TL. Companies whose functional currency is foreign currency stated in section 2 article 1.d. are not presented in the foreign currency risk table.

	FOREIGN CURRENCY POSITION					
	31 December 2024					
	TL Equivalent	**US Dollar**	**EURO**	**GBP**	**CHF**	**Other**
1. Trade receivables	22,594,428,148	499,726,035	135,872,302	1,937	-	-
2a. Monetary financial assets (cash, including bank accounts)	697,386,410	18,573,283	1,115,622	18,758	26	187,919
2b. Non-monetary financial assets	1,848,127,907	49,025,319	3,296,767	3,652	-	-
3. Other	3,434,071,605	21,806,327	72,532,425	21,000	-	-
4. Current assets (1+2+3)	**28,574,014,070**	**589,130,964**	**212,817,116**	**45,347**	**26**	**187,919**
5. Trade receivables	-	-	-	-	-	-
6a. Monetary financial assets	-	-	-	-	-	-
6b. Non-monetary financial assets	75,142,165	2,133,309	-	-	-	-
7. Other	-	-	-	-	-	-
8. Non-current assets (5+6+7)	**75,142,165**	**2,133,309**	**-**	**-**	**-**	**-**
9. Total assets (4+8)	**28,649,156,235**	**591,264,273**	**212,817,116**	**45,347**	**26**	**187,919**
10. Trade payables	7,249,393,187	191,520,214	11,983,493	3,610	1,616,164	-
11. Financial liabilities	8,595,332,641	200,184,195	42,026,750	-	-	-
12a. Other monetary liabilities	-	-	-	-	-	-
12b. Other non-monetary liabilities	232,473,754	6,599,999	-	-	-	-
13. Current liabilities (10+11+12)	**16,077,199,582**	**398,304,408**	**54,010,243**	**3,610**	**1,616,164**	**-**
14. Trade payables	-	-	-	-	-	-
15. Financial liabilities	8,417,218,564	155,472,576	80,041,624	-	-	-
16a. Other monetary liabilities	-	-	-	-	-	-
16b. Other non-monetary liabilities	-	-	-	-	-	-
17. Non-current liabilities (14+15+16)	**8,417,218,564**	**155,472,576**	**80,041,624**	**-**	**-**	**-**
18. Total liabilities (13+17)	**24,494,418,146**	**553,776,984**	**134,051,867**	**3,610**	**1,616,164**	**-**
19. Net asset/ (liability) position of off-statement derivative instruments (19a-19b)	**444,853,991**	**12,629,538**	**-**	**-**	**-**	**-**
20. Net foreign currency asset/ (liability) position (9-18+19)	**4,599,592,080**	**50,116,827**	**78,765,249**	**41,737**	**(1,616,138)**	**187,919**
21. Monetary items net foreign currency asset / (liability) position TFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)	**(970,129,834)**	**(28,877,667)**	**2,936,057**	**17,085**	**(1,616,138)**	**187,919**

30 Nature and level of risks arising from financial instruments *(continued)*

Market risk *(continued)*

Foreign currency risk *(continued)*

As of 31 December 2023, the Group's foreign currency position arises from foreign currency-based assets and liabilities presented in the table below. Since the reporting currency is TL, the currency risk table shows the foreign currency position of companies whose functional currency is TL. Companies whose functional currency is foreign currency stated in section 2 article 1.d. are not presented in the foreign currency risk table.

	FOREIGN CURRENCY POSITION					
	31 December 2023					
	TL Equivalent	**US Dollar**	**EURO**	**GBP**	**CHF**	**Other**
1. Trade receivables	25,385,520,961	445,551,917	137,109,213		220	
2a. Monetary financial assets (cash, including bank accounts)	1,279,955,389	241,833	26,956,646	3,854	79	189,069
2b. Non-monetary financial assets	1,218,258	1,000	25,000	-	-	-
3. Other	835,631,958	18,163,541	1,352,945	-	-	-
4. Current assets (1+2+3)	**27,502,326,566**	**463,958,291**	**165,443,804**	**3,854**	**299**	**189,069**
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)	**27,502,326,566**	**463,958,291**	**165,443,804**	**3,854**	**299**	**189,069**
10. Trade payables	12,677,184,882	285,006,760	11,254,329	-	679,124	-
11. Financial liabilities	6,652,117,998	149,477,900	6,355,018	-	-	-
12a. Other monetary liabilities	-	-	-	-	-	-
12b. Other non-monetary liabilities	-	-	-	-	-	-
13. Current liabilities (10+11+12)	**19,329,302,880**	**434,484,660**	**17,609,347**	**-**	**679,124**	**-**
14. Trade payables		-	-	-	-	-
15. Financial liabilities	2,723,280,960	38,458,703	23,148,438	-	-	-
16a. Other monetary liabilities	-	-	-	-	-	-
16b. Other non-monetary liabilities	-	-	-	-	-	-
17. Non-current liabilities (14+15+16)	**2,723,280,960**	**38,458,703**	**23,148,438**	**-**	**-**	**-**
18. Total liabilities (13+17)	**22,052,583,839**	**472,943,363**	**40,757,785**	**-**	**679,124**	**-**
19. Net asset/ (liability) position of off-statement derivative instruments (19a-19b)	**1,610,548,419**	**37,892,695**	**-**	**-**	**-**	**-**
20. Net foreign currency asset/ (liability) position (9-18+19)	**7,060,291,146**	**28,907,623**	**124,686,020**	**3,854**	**(678,825)**	**189,069**
21. Monetary items net foreign currency asset / (liability) position (TFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)	**4,612,892,510**	**(27,149,613)**	**123,308,074**	**3,854**	**(678,825)**	**189,069**

30 Nature and level of risks arising from financial instruments *(continued)*

Market risk *(continued)*

Foreign currency risk *(continued)*

Sensitivity analysis

The Group's currency risk generally consists of changes in the value of TL against EUR and USD. The basis of the sensitivity analysis made to measure the currency risk is to make the total currency statement throughout the entity. Total foreign currency position includes all short-term and long-term purchase contracts and all assets and liabilities based on foreign currency. The analysis does not include net foreign currency investments.

The Group realizes its medium and long-term loans in the currency of the project revenue it generates. For short-term loans, borrowings are made in TL, EUR and USD balanced under the pool/portfolio model.

	Sensitivity analysis			
	31 December 2024			
	Profit/Loss		**Equity**	
	The appreciation of foreign currency	The depreciation of foreign currency	The appreciation of foreign currency	The depreciation of foreign currency
20% appreciation/depreciation of TL against the USD				
1 - USD net asset / liability	(203,433,352)	203,433,352	(203,433,352)	203,433,352
2- Portion secured from USD risk (-)	88,970,798	(88,970,798)	88,970,798	(88,970,798)
3- USD net effect (1 +2)	**(114,462,554)**	**114,462,554**	**(114,462,554)**	**114,462,554**
20% appreciation/depreciation of TL against EUR				
4 - EUR net asset / liability	21,575,849	(21,575,849)	21,575,849	(21,575,849)
5 - Portion secured from EUR risk (-)	-	-	-	-
6- EUR net effect (4 +5)	**21,575,849**	**(21,575,849)**	**21,575,849**	**(21,575,849)**
%20 appreciation / depreciation of TL against other currency				
7- Other currency net asset / liability	(12,168,463)	12,168,463	(12,168,463)	12,168,463
8- Portion secured from other currency risk (-)	-	-	-	-
9- Other currency net effect (7+8)	**(12,168,463)**	**12,168,463**	**(12,168,463)**	**12,168,463**
Total (3+6+9)	**(105,055,168)**	**105,055,168**	**(105,055,168)**	**105,055,168**

	Sensitivity analysis			
	31 December 2023			
	Profit/Loss		**Equity**	
	The appreciation of foreign currency	The depreciation of foreign currency	The appreciation of foreign currency	The depreciation of foreign currency
20% appreciation/depreciation of TL against the USD				
1 - USD net asset / liability	(230,787,318)	230,787,318	(230,787,318)	230,787,318
2- Portion secured from USD risk (-)	322,109,684	(322,109,684)	322,109,684	(322,109,684)
3- USD net effect (1 +2)	**91,322,366**	**(91,322,366)**	**91,322,366**	**(91,322,366)**
20% appreciation/depreciation of TL against EUR				
4 - EUR net asset / liability	1,159,840,603	(1,159,840,603)	1,159,840,603	(1,159,840,603)
5 - Portion secured from EUR risk (-)	-	-	-	-
6- EUR net effect (4 +5)	**1,159,840,603**	**(1,159,840,603)**	**1,159,840,603**	**(1,159,840,603)**
%20 appreciation / depreciation of TL against other currency				
7- Other currency net asset / liability	(6,474,783)	6,474,783	(6,474,783)	6,474,783
8- Portion secured from other currency risk (-)	-	-	-	-
9- Other currency net effect (7+8)	**(6,474,783)**	**6,474,783**	**(6,474,783)**	**6,474,783**
Total (3+6+9)	**1,244,688,186**	**(1,244,688,186)**	**1,244,688,186**	**(1,244,688,186)**

30 Nature and level of risks arising from financial instruments *(continued)*

Market risk *(continued)*

Interest rate risk

Profile

The interest structure of the Group's financial items with an interest component at the reporting date is as follows:

	Interest rate position	
	31 December 2024	**31 December 2023**
Fixed rate instruments		
Financial assets	46,320,711	1,348,959,755
Financial liabilities (Note 8)	16,884,226,376	12,759,122,364
Financial lease (Note 8)	210,330,708	276,360,966
Floating rate instruments		
Financial liabilities (Note 8)	11,072,509,843	6,369,331,337

Fair value risk of financial instruments with fixed interest:

The Group does not have financial assets and liabilities with fixed interest fair value difference reflected on profit or loss and hedging derivatives (forward interest rate swaps) registered under the accounting model for hedging purposes of fair value risk. Therefore, as of the reporting period, changes in interest rates will not affect profit or loss.

Cash flow sensitivity analysis for financial instruments with floating interest:

As of 31 December 2024 and 2023 how much a 100 basis point change in interest rates will increase (decrease) equity and profit or loss before tax is presented below. This analysis assumes that all other variables, especially foreign exchange rates, remain constant.

	Profit or loss		Equity	
	1% increase	**1% decrease**	**1% increase**	**1% decrease**
31 December 2024				
Floating rate instruments	(665,864,524)	(156,533,111)	(665,864,524)	(156,533,111)
Cash flow sensitivity (net)	**(822,397,635)**	**-**	**(822,397,635)**	**-**
31 December 2023				
Floating rate instruments	(108,806,558)	32,736,588	(108,806,558)	32,736,588
Cash flow sensitivity (net)	**(76,069,970)**		**(76,069,970)**	

30 Nature and level of risks arising from financial instruments *(continued)*

Market risk *(continued)*

Interest rate risk *(continued)*

Capital risk management

While managing the capital, the Group's goals are to maintain the Group's continuity of activity in order to maintain the most appropriate capital structure in order to provide return to its partners, benefit to other shareholders and to reduce the cost of capital.

The Group monitors capital using the net financial debt/equity ratio. Net financial debt is calculated by deducting cash and cash equivalents from the total financial debt amount.

Net debt/invested capital ratios as of 31 December 2024 and 31 December 2023 are as follows:

	31 December 2024	31 December 2023
Total financial liabilities	28,167,066,927	19,404,814,667
Minus: Cash and cash equivalents (Restricted cash included)	(1,054,406,751)	(2,412,839,284)
Net financial debt	**27,112,660,176**	**16,991,975,383**
Equity	44,531,418,361	50,006,938,559
Net financial debt / equity ratio	**61%**	**34%**

31 Financial instruments (fair value disclosures and explanation on hedge accounting)

Fair value

Carrying values and fair values of assets and liabilities as of 31 December 2024 and 31 December 2023 are shown in the table below:

		31 December 2024		31 December 2023	
	Note	Book value	Amortized value (*)	Book value	Amortized value (*)
Financial assets					
Cash and cash equivalents	6	1,054,406,751	1,054,406,751	1,147,651,114	1,147,651,114
Financial investments	7	6,111,673	6,111,673	1,269,657,410	1,269,657,410
Trade receivables	5	9,979,504,112	9,979,504,112	19,534,751,748	19,534,751,748
Other receivables	9	65,650,358	65,650,358	79,651,044	79,651,044
Derivative instruments	7	4,744,590	4,744,590	37,494,712	37,494,712
Financial liabilities					
Financial liabilities	8	27,956,736,219	27,956,736,219	19,128,453,701	19,128,453,701
Financial leases	8	210,330,708	210,330,708	276,360,966	276,360,966
Trade payables	5	6,229,618,139	6,229,618,139	4,822,814,928	4,822,814,928
Derivative instruments	7	37,970,269	37,970,269	-	-
Other liabilities	9	15,969,953	15,969,953	2,136,574,530	2,136,574,530

(*) The Group management believes that the book values of financial instruments reflect their fair values. Derivative instruments are disclosed at fair value.

31 Financial instruments (fair value disclosures and explanation on hedge accounting) *(continued)*

Fair value *(continued)*

Fair value refers to the price of a financial instrument subject to purchase and sale between willing parties in a current transaction, except in cases such as a forced sale or liquidation. Quoted market price, if any, is the value that best reflects the fair value of a financial instrument.

Foreign currency based financial receivables and payables are evaluated at the exchange rates valid on the date of the financial statement.

The following methods and assumptions have been used in estimating the fair values of the Group's financial instruments:

Financial Assets - The fair values of some financial assets include their cost values, cash and cash equivalents in the financial statements, interest accruals on them and other short-term financial assets, and due to their short-term nature, their fair values are considered to approximate their carrying values. The values of trade receivables carried, after deducting the provision for doubtful receivables, is considered to approximate their fair values.

Financial Liabilities - Due to the short-term nature of trade payables and other monetary liabilities, it is considered that their fair values approximate their carrying values. Fixed interest bank loans are expressed with discounted cost and transaction costs are added to the initial carrying values of the loans. Since the interest rates on floating rate loans are updated taking into account the changing market conditions, it is considered that the fair values of the loans represent their carrying value. Due to the short-term nature of trade payables, it is estimated that their fair values approximate their carrying values.

The Group classifies fair value measurements according to the source of the inputs of each financial instrument class, using a three-level hierarchy as follows:

Level 1: Valuation techniques using market prices traded in the active market

Level 2: Other valuation techniques involving direct or indirect observable input

Level 3: Valuation techniques that do not contain observable market inputs

Financial instruments at fair value

The table below presents the financial instruments measured with their fair value according to their fair value levels and their values in the statement of financial position.

31 December 2024	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets				
Financial assets held for risk management and trading	-	4,744,590	-	4,744,590
	-	**4,744,590**	**-**	**4,744,590**
Financial liabilities				
Derivative assets held for risk management and trading	-	(37,970,269)	-	(37,970,269)
	-	**(37,970,269)**	**-**	**(37,970,269)**

31 Financial instruments (fair value disclosures and explanation on hedge accounting) *(continued)*

Fair value *(continued)*

31 December 2023	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets				
Derivative assets held for risk management and trading	-	37,494,712	-	37,494,712
	-	**37,494,712**	**-**	**37,494,712**
Financial liabilities				
Derivative assets held for risk management and trading	-	-	-	-
	-	-	-	-

32 Notes on the statement of cash flows

Changes in the Group's liabilities resulting from financing activities between 1 January – 31 December 2024 and 1 January – 31 December 2023 are as follows:

	1 January 2024	**Cash inflows**	**Cash outflows**	**Other non-cash movements**	**Inflation effect and foreign exchange translation difference**	**31 December 2024**
Financial borrowings	19,404,814,668	23,065,523,888	(13,536,182,619)	1,058,647,947	(1,825,736,957)	**28,167,066,927**
Total financial liabilities	**19,404,814,668**	**23,065,523,888**	**(13,536,182,619)**	**1,058,647,947**	**(1,825,736,957)**	**28,167,066,927**

	1 January 2023	**Cash inflows**	**Cash outflows**	**Other non cash movements**	**Inflation effect and foreign exchange translation difference**	**31 December 2023**
Financial borrowings	**20,479,115,223**	11,603,852,556	(10,604,847,296)	963,217,734	(3,036,523,549)	**19,404,814,668**
Total financial liabilities	**20,479,115,223**	11,603,852,556	(10,604,847,296)	963,217,734	(3,036,523,549)	**19,404,814,668**

It represents the change in cash amounts related to the lines "Cash Inflows from Loans" and "Cash Outflows From Repayment of Loans" within the financing activities in the cash flow statement.

33 Fees for Services Received from Independent Audit Firms

Based on the Board Decision of the Public Oversight, Accounting and Auditing Standards Authority "POA" published in the Official Gazette, the fees related to the services that the Group received from the independent auditor/independent audit firm as of the reporting period are as follows:

	1 January- 31 December 2024		**1 January- 31 December 2023**	
Audit fees	**IAF**	**Other IAF**	**IAF**	**Other IAF**
Independent audit service fee	8,204,469	4,626,011	7,284,657	5,049,360
Tax consulting services fee	-	2,516,395	-	4,289,481
Other assurance services fee	289,835	-	229,704	-
Fees for non-audit services	-	-	-	-
Total	**8,494,304**	**7,142,406**	**7,514,361**	**9,338,841**

34 Net Monetary Position Gains / (Losses)

Net monetary position gains / (losses) as of 31 December 2024, are shown in the table below:

Non-monetary financial position	**31 December 2024**
Statement of financial position	
Inventories	169,536,248
Short-term prepaid expenses	(3,202,807)
Financial investments	1,373,755
Property, plant and equipment	5,952,981,457
Intangible assets	207,366,074
Right-of-use assets	(1,471,434)
Mining assets	134,510,736
Deferred tax liabilities	(66,965,209)
Paid-in capital	(4,373,442,759)
Share buybacks	19,053,636
Accumulated other comprehensive income not to be reclassified in profit or loss	(162,950,373)
Accumulated other comprehensive income that will be reclassified in profit or loss	75,030,314
Restricted reserves appropriated from profit	(706,581,097)
Prior years' profit	(2,328,500,605)
Profit or loss:	
Revenue	(1,931,569,670)
Cost of sales	2,017,617,283
General administrative expenses	123,404,606
Sales, marketing and distribution expenses	4,463,990
Other operating income	(37,754,113)
Other operating expenses	49,821,810
Finance income / expenses, net	(10,269,344)
Tax expense	95,700,516
Net monetary position losses	**(771,846,986)**

35 Events after the reporting period

As stated in Material Event Disclosure dated 6 January 2025, Aksa Enerji, in cooperation with NEGU (National Electric Grid of Uzbekistan) under the Ministry of Energy of Uzbekistan, has reached an installed capacity of 396 MWe in simple cycle operation as of 6 January 2025, at the natural gas combined cycle power plant located in the city of Talimarjan, Uzbekistan. The revenue and collections contribution from the power plant, which has started commercial operation and continues to operate, have also increased.