

**ENERJISA ENERJİ A.Ş. AND
ITS SUBSIDIARIES**

CONVENIENCE TRANSLATION OF
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2024 AND
THE INDEPENDENT AUDITOR'S REPORT

(ORIGINALLY ISSUED IN TURKISH)

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

INDEPENDENT AUDITOR'S REPORT

To the General Assembly of Enerjisa Enerji A.Ş.

A) Report on the Audit of the Consolidated Financial Statements

1) Opinion

We have audited the consolidated financial statements of Enerjisa Enerji 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 total net position 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 auditing issued by Capital Markets Board and the Standards on Independent Auditing which is a part of Turkish Auditing Standards 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 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) Other Matters

The consolidated financial statements of the Group for the year ended 31 December 2023 were audited by another auditor who expressed an unqualified opinion on those statements on 8 March 2024.

4) Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were 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
<p>Service Concession Arrangements” recognized within the scope of TFRS Interpretation 12 (“TFRIC”):</p> <p>The Group has applied the financial asset model for its subsidiaries in the distribution segment within the scope of TFRS Interpretation 12 "Concession Service Agreements" ("TFRS Interpretation 12") and recognized the "financial asset" related to the concession agreements in the consolidated financial statements, taking into account the terms of the service concession agreements with the government.</p> <p>The Group recognizes the income calculated according to the effective interest method over the financial assets related to concession agreements as “Interest income from service concession agreements”. As of 31 December 2024, the Group has financial assets related to concession contracts amounting to TL 43,189,075 thousand in the consolidated statement of financial position and interest income from service concession contracts amounting to TL 19,750,220 thousand in the consolidated income statement between 1 January - 31 December 2024. Due to the complexity of the elements and legislation to be recognized under TFRS Interpretation 12 and the assumptions applied (which mainly include estimates of inflation rates and reasonable rate of return), this matter has therefore been identified as a key audit matter.</p> <p>Details of financial assets related to concession contracts carried within the scope of TFRS Interpretation 12 are disclosed in Note 2.9 and Note 10 to the consolidated financial statements.</p>	<p>During our audit, we performed the following procedures in relation to the “Service Concession Arrangements”:</p> <ul style="list-style-type: none"> • Controls applied by the Group for the “Service Concession Agreement” were determined, these controls’ designs and applications are understood, • Assessment of the compliance of the relevant calculation model with the Energy Market Regulatory Authority (“EMRA”) legislation, • Checking information’s on the calculation model with tariff’s published by “EMRA”, • Checking the mathematical accuracy of the relevant calculation model, • Checking management analyses of the sensitivity of the assumptions used to market conditions, • Testing the investments made in current period by sampling method, • Checking financial assets’ maturities related to concession agreements, • Checking calculation details of expected credit losses due to concession agreements, <p>In addition to the procedures mentioned above, financial assets and interest income accounted within the scope of “Service Concession Agreement”, adequacy of the disclosures in Note 10 has been evaluated within the scope of the relevant TFRSs.</p>

4) Key Audit Matters (cont'd)

Key Audit Matter	How the matter was addressed in the audit
<p>TAS 29 Financial Reporting Application in High Inflation Economies</p> <p>TAS 29, Financial Reporting in High Inflation Economies (“TAS 29”) standard has been applied in the Group's consolidated financial statements for the year ending 31 December 2024.</p> <p>In accordance with TAS 29, the consolidated financial statements and financial information of prior periods have been restated to reflect the changes in the purchasing power of the Turkish Lira and presented in terms of the purchasing power of the Turkish Lira at the reporting date. The application of TAS 29 has a significant effect on the consolidated financial statements, both on a widespread and consistent basis. Accordingly, we determined the application of TAS 29 as a key audit matter.</p> <p>The Group's accounting policies related to Financial Reporting in Hyperinflationary Economies are disclosed in Note 2.1.</p>	<p>During our audit, we performed the following audit procedures related to the application of TAS 29:</p> <ul style="list-style-type: none"> -Checking whether the distinction between monetary and non-monetary items made by management is made in accordance with TAS 29, -Testing the completeness and mathematical accuracy of the lists subject to calculation, -Evaluating the calculation methods used by management and testing their consistency, -Checking the general price index rates used in the calculations with the coefficients obtained from the Consumer Price Index in Turkey published by the Turkish Statistical Institute, <p>The adequacy of the explanations in the notes of the consolidated financial statements regarding the application of TAS 29 has been checked in accordance with TFRS.</p>

4) Key Audit Matters (cont'd)

Key Audit Matter	How the matter was addressed in the audit
<p>Goodwill Impairment Test</p> <p>As at 31 December 2024, there is goodwill amounting to 2,857,080 thousand TL in the consolidated statement of financial position as a result of previous acquisitions.</p> <p>The accounting policies and estimates of the Group related to the goodwill impairment tests in accordance with TAS 36 “Impairment of Assets” were disclosed in Note 2.9 and Note 2.10 in the consolidated financial statements.</p> <p>We focused on this matter in our audit due to the following reasons:</p> <ul style="list-style-type: none"> • Recognized goodwill is material to the Group’s consolidated financial statements as of 31 December 2024, • The use of significant management estimates and assumptions in the goodwill impairment test as disclosed in Note 2.10 and the fact that these estimates and assumptions may be affected by future sectoral and economic changes. 	<p>The audit procedures we have performed for goodwill impairment test are summarized below:</p> <ul style="list-style-type: none"> • We tested the calculations in the goodwill impairment test for mathematical accuracy. • We evaluated the estimations used in goodwill impairment test with the assistance of our valuation experts considering the independent data sources and current market conditions. • We evaluated the realization of prospective cash flow and investment expenditures projections used in the goodwill impairment test in meetings held with senior management. • We checked the compatibility of the financial statements of the base year on goodwill impairment tests with the audited financial statements. • The consistency of projections made in previous years has been compared with this year's consolidated financial statements. • The sensitivity disclosures made in relation to goodwill impairment test have been tested for mathematical accuracy and proper disclosure. • The compliance of related disclosures on the goodwill impairment testing to TFRS were evaluated

4) Key Audit Matters (cont'd)

Key Audit Matter	How the matter was addressed in the audit
<p>Revenue recognition of retail companies</p> <p>As an incumbent supply company, the Company has been authorized to sell electricity to non-eligible consumers (regulated consumers) in the distribution area, customers who have the qualification to be an eligible customer but do not use this right and to eligible customers (as a supplier of last resort) over the regulated retail sales tariff determined by the Energy Market Regulatory Authority ("EMRA"). Along with that, retail companies supply electricity to eligible customers through bilateral agreement based on free market conditions.</p> <p>The electricity sales tariffs of incumbent supply companies is determined based on the revenues from regulated consumers and the costs necessary for them to carry out their activities related to energy sales. In this context, the depreciation expenses related to investment expenditures necessary for the operation, operating costs such as billing and customer services, retail sales services, and all costs and services incurred to sustain the operation, including the amounts determined based on the gross profit margin calculated considering the risks faced, are taken into account. Therefore, the Group calculates and recognizes the revenue amount in its consolidated financial statements prepared in accordance with TFRS, based on its costs and by considering the gross profit margin set by the applicable regulations.</p> <p>Given the complexity of such transactions, we determined this matter significant to our audit and therefore considered as key audit matter.</p>	<p>The audit procedures we have performed for revenue recognition of retail companies are summarized below:</p> <p>We reviewed the customer classification used by the Company to calculate its revenue, the EMRA regulation, and the accuracy of the calculations outlined in this regulation. We also examined the calculations of the bills issued, their accuracy, and periodicity. Additionally, key controls in the information technology systems from which the data used in these calculations are sourced were designed, implemented, and tested for effectiveness, and sample tests were conducted by us. The overall consistency of the inputs subject to the calculations and the parameters used in the calculation was also evaluated by us.</p> <p>To assess the compliance of the applied calculation with both the regulation and TFRS, particular attention was given to the accounting adjustment entries related to the revenue recognition. The sources used for these entries and the consistency of the adjustment entries with prior years were also verified.</p> <p>In addition to the procedures mentioned above, the adequacy and TFRS compliance of the disclosures included in Note 19 of the financial statements were also evaluated.</p>

4) Key Audit Matters (cont'd)

Key Audit Matter	How the matter was addressed in the audit
<p>Recoverability of deferred tax assets</p> <p>The Group recognized a material amount of deferred tax assets in the consolidated statement of financial position as of 31 December 2024. The recoverable amount of the deferred tax assets was estimated based on the Group management's current assumptions and future business plans.</p> <p>Due to the significance of the deferred tax assets recognized in the consolidated statement of financial position for the respective periods, the recoverability of these assets has been identified as a key audit matter.</p> <p>The details regarding the accounting policies and estimates applied by the Group in the calculation of deferred tax are disclosed in Note 2.9 and Note 2.10.</p>	<p>The audit procedures we have performed for recoverability of deferred tax are summarized below:</p> <ul style="list-style-type: none"> • Prospective cash and profit projections have been obtained from the Group management and checked the calculations for mathematical accuracy. • Significant estimates used in the aforementioned projections and the reasonableness of these estimations was evaluated in meetings with Group management. • The macroeconomic data used in the projections were evaluated for reasonableness by comparing them with details obtained from external sources. <p>In addition to the procedures mentioned above, the adequacy of the disclosures related to the amounts recognized as deferred tax, disclosures in Note 25 has been evaluated within the scope of the relevant TFRSs.</p>



5) 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.

6) 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 standards on auditing issued by 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 standards on auditing issued by 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.



6) 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.



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 26 February 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 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 Emrehan Demirel.

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

Emrehan Demirel
Partner

Ankara, 26 February 2025

ENERJISA ENERJİ A.Ş. AND ITS SUBSIDIARIES

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ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of purchasing power of the TL at 31 December 2024 unless otherwise indicated. Currencies other than TL are also expressed in thousands unless otherwise indicated.)

ASSETS	Notes	Audited / current period 31 December 2024	Audited / prior period 31 December 2023
Current Assets		51,389,505	58,741,938
Cash and Cash Equivalents	29	9,487,867	6,498,842
Financial Assets from			
Service Concession Arrangements	10	8,670,918	8,604,215
Trade Receivables	6	20,452,278	22,426,444
<i>Due from Related Parties</i>	5	158,296	152,334
<i>Due from Third Parties</i>		20,293,982	22,274,110
Other Receivables	7	6,222,320	7,912,888
<i>Due from Third Parties</i>		6,222,320	7,912,888
Derivative Financial Instruments	27	9,595	823,203
Inventory	8	3,853,783	5,698,047
Prepaid Expenses	9	1,200,498	2,045,808
Assets Related with Current Taxes	25	32,244	1,366,480
Other Current Assets	17	1,460,002	3,366,011
Non-Current Assets		128,362,873	131,977,231
Trade Receivables	6	5,622,657	1,188,032
<i>Due from Related parties</i>	5	66,595	109,751
<i>Due from Third parties</i>		5,556,062	1,078,281
Other Receivables	7	6,260,848	3,407,904
<i>Due from Third Parties</i>		6,260,848	3,407,904
Derivative Financial Instruments	27	-	6,844
Financial Assets from			
Service Concession Arrangements	10	34,518,157	37,247,894
Right of Use Assets	11	1,140,517	1,284,219
Property, Plant and Equipment	12	9,954,888	9,513,832
Intangible Assets	13	46,325,085	48,778,009
<i>Goodwill</i>		2,857,080	2,857,080
<i>Other Intangible Assets</i>		43,468,005	45,920,929
Prepaid Expenses	9	156,561	146,760
Deferred Tax Assets	25	24,363,023	30,363,907
Other Non-Current Assets	17	21,137	39,830
TOTAL ASSETS		179,752,378	190,719,169

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

ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of purchasing power of the TL at 31 December 2024 unless otherwise indicated. Currencies other than TL are also expressed in thousands unless otherwise indicated.)

LIABILITIES	Notes	Audited / current period 31 December 2024	Audited / prior period 31 December 2023
Current Liabilities		67,578,894	69,307,578
Short-Term Financial Liabilities	26	6,079,993	10,451,822
Short-Term Portion of Long Term Financial Liabilities	26	23,836,390	18,669,039
Other Financial Liabilities	26	165,390	202,019
Trade Payables	6	19,849,637	23,402,737
<i>Due to Related Parties</i>	5	292,519	213,639
<i>Due to Third Parties</i>		19,557,118	23,189,098
Payables for Employee Benefits	16	1,242,294	966,461
Other Payables	7	13,114,140	12,980,145
<i>Due to Related Parties</i>	5	-	29,886
<i>Due to Third Parties</i>		13,114,140	12,950,259
Derivative Financial Instruments	27	364,449	65,235
Deferred Income	9	53,701	45,631
Income Tax Liability	25	266,844	52,815
Short-Term Provisions		1,573,437	1,583,783
<i>Provisions for Employment Benefits</i>	16	667,178	646,642
<i>Other Short-Term Provisions</i>	14	906,259	937,141
Other Short-Term Liabilities	17	1,032,619	887,891
Non-Current Liabilities		37,717,456	37,997,525
Long-Term Financial Liabilities	26	24,034,685	19,031,179
Other Financial Liabilities	26	696,231	1,110,896
Deferred Income	9	9,351	4,479,513
Long-Term Provisions		1,980,474	1,948,028
<i>Provisions for Employment Benefits</i>	16	1,980,474	1,948,028
Deferred Tax Liabilities	25	10,996,715	11,427,909
TOTAL LIABILITIES		105,296,350	107,305,103

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

ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of purchasing power of the TL at 31 December 2024 unless otherwise indicated. Currencies other than TL are also expressed in thousands unless otherwise indicated.)

LIABILITIES	Notes	Audited / current period 31 December 2024	Audited / prior period 31 December 2023
Equity		74,456,028	83,414,066
Registered Share Capital	18	1,181,069	1,181,069
Adjustments to Share Capital	18	13,488,262	13,488,262
Share Premium	18	29,681,065	31,353,365
Total Share Capital		44,350,396	46,022,696
Other Funds		23,080	23,080
Accumulated Other Comprehensive Income / (Expense) to be Reclassified to Profit or Loss in Subsequent Periods		(29,582)	68,383
<i>Hedge Reserves</i>		(29,582)	68,383
Restricted Profit Reserves	18	3,447,044	3,560,121
Retained Earnings		31,517,873	27,217,726
Profit / (Loss) for the Period		(4,852,783)	6,522,060
TOTAL LIABILITIES AND EQUITY		179,752,378	190,719,169

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

ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of purchasing power of the TL at 31 December 2024 unless otherwise indicated. Currencies other than TL are also expressed in thousands unless otherwise indicated.)

	Notes	Audited / current period 1 January - 31 December 2024	Audited/ prior period 1 January - 31 December 2023
Revenue	19	190,584,779	243,515,934
Cost of Sales (-)	20	(147,860,380)	(206,620,691)
GROSS PROFIT		42,724,399	36,895,243
General Administrative Expenses (-)	21	(16,219,046)	(16,605,300)
Other Income from Operating Activities	22	7,710,069	10,539,249
Other Expenses from Operating Activities (-)	22	(6,616,816)	(9,322,566)
OPERATING PROFIT BEFORE FINANCE INCOME / (EXPENSE)		27,598,606	21,506,626
Finance Income	23	2,835,231	2,835,297
Finance Expense (-)	23	(23,097,064)	(13,780,194)
Monetary Gain / (Loss)	24	(4,593,936)	(2,955,175)
PROFIT BEFORE TAX		2,742,837	7,606,554
Tax Income / (Expense)		(7,595,620)	(1,084,494)
Current Tax Income / (Expense)	25	(1,992,031)	(540,085)
Deferred Tax Income / (Expense)	25	(5,603,589)	(544,409)
PROFIT / (LOSS) FOR THE PERIOD		(4,852,783)	6,522,060
OTHER COMPREHENSIVE INCOME AND EXPENSE			
Other Comprehensive Income / (Expense) to be Reclassified to Profit or Loss in Subsequent Periods		(97,965)	(2,314,475)
<i>Gains / (Losses) on Hedges</i>		<i>(131,864)</i>	<i>(3,043,594)</i>
<i>Income Tax Relating to Other Comprehensive Income</i>	25	<i>33,899</i>	<i>729,119</i>
TOTAL COMPREHENSIVE INCOME / LOSS		(4,950,748)	4,207,585
Gain / (Loss) Per Share (kr)			
Gain / (Loss) Per Share (kr)	18	(4.11)	5.52

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

ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of purchasing power of the TL at 31 December 2024 unless otherwise indicated. Currencies other than TL are also expressed in thousands unless otherwise indicated.)

	Share Capital	Adjustment to Share Capital	Share premium	Restricted Profit Reserves	Other Funds	Accumulated Other Comprehensive Income / (Expense) to be Reclassified to Profit or Loss in Subsequent Periods	Retained Earnings	Profit / (Loss) for the Period	Total Equity
						Hedge Reserves			
Balance as at 1 January 2023	1,181,069	13,488,262	32,163,507	3,367,145	23,080	2,382,858	2,551,860	29,791,925	84,949,706
Transfers (*)	-	-	(810,142)	192,976	-	-	30,409,091	(29,791,925)	-
Dividend	-	-	-	-	-	-	(5,743,225)	-	(5,743,225)
Total comprehensive income	-	-	-	-	-	(2,314,475)	-	6,522,060	4,207,585
Balance as at 31 December 2023	1,181,069	13,488,262	31,353,365	3,560,121	23,080	68,383	27,217,726	6,522,060	83,414,066
Balance as at 1 January 2024	1,181,069	13,488,262	31,353,365	3,560,121	23,080	68,383	27,217,726	6,522,060	83,414,066
Transfers (*)	-	-	(1,672,300)	(113,077)	-	-	8,307,437	(6,522,060)	-
Dividend (**)	-	-	-	-	-	-	(4,007,290)	-	(4,007,290)
Total comprehensive loss	-	-	-	-	-	(97,965)	-	(4,852,783)	(4,950,748)
Balance as at 31 December 2024	1,181,069	13,488,262	29,681,065	3,447,044	23,080	(29,582)	31,517,873	(4,852,783)	74,456,028

(*) During the Ordinary General Assembly held on 4 April 2024, share premiums amounting to TL 1,672,300 has been transferred to retained earnings and subject to dividend distribution (31 December 2023: TL 810,142).

(**) During the Ordinary General Assembly held on 4 April 2024, it has been resolved to distribute the dividend at the amount of TL 4,007,290 (As of Board of Directors decision date: TL 3,295,182) derived from the Group's distributable earnings in 2023. Dividends were paid out in cash as of 6 May 2024. Dividend paid by the Group per share with a TL 1 (full digit) nominal value is gross TL 2.79 (full digit) (2023: TL 2.30 (full digit)).

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

ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of purchasing power of the TL at 31 December 2024 unless otherwise indicated. Currencies other than TL are also expressed in thousands unless otherwise indicated.)

	Notes	Audited / current period 1 January - 31 December 2024	Audited / prior period 1 January - 31 December 2023
Cash Flows from Operating Activities		24,622,769	9,341,492
Profit / (loss) for the period		(4,852,783)	6,522,060
Profit / (loss) for the period		(4,852,783)	6,522,060
Adjustments to reconcile net profit for the period		14,114,291	(2,563,311)
Adjustments related to the depreciation and amortization	11, 12, 13	4,746,512	4,805,363
Adjustments related to the depreciation of right of use assets	11	737,219	974,609
Adjustments related to the depreciation of property, plant and equipment	12	1,073,610	917,631
Adjustments related to the amortization of intangible assets	13	2,935,683	2,913,123
Adjustments related to impairment loss		2,554,367	3,986,722
Adjustments related to doubtful provision expenses	6, 10	2,554,367	3,986,722
Adjustments related to provisions		2,537,863	2,383,242
Adjustments related to provisions for employee benefits	16	2,242,673	1,869,792
Adjustments related to legal case provisions	14	211,594	513,450
Adjustments related to other provisions	14	83,596	-
Adjustments related to interest (income) and expenses, net		19,784,418	10,720,564
Adjustments related to interest income	23	(2,835,231)	(2,835,297)
Adjustments related to interest expense	23	22,619,649	13,555,861
Adjustments related to unrealized foreign exchange loss		(78,714)	835,308
Adjustments related to tax expense	25	7,595,620	1,084,494
Adjustments related to change in fair value losses / (gains)		777,931	(779,667)
Other adjustments to reconcile profit / (loss)	29	(24,251,896)	(22,990,572)
Adjustments related to interest (income) / expense from tariff receivables	22	(4,501,676)	(1,815,713)
Adjustments related to financial income from service concession arrangements	10, 19	(19,750,220)	(21,174,859)
Monetary (gains) / losses		448,190	(2,608,765)
Changes in operating assets and liabilities		(5,417,016)	(6,949,689)
(Increase) / decrease in trade receivables		(9,346,074)	(17,038,879)
(Increase) / decrease in inventories		92,813	(2,982,066)
(Increase) / decrease in other receivables and assets		(3,602,746)	(6,557,718)
Increase / (decrease) in trade payables		3,537,372	13,646,924
Increase / (decrease) in other payables and expense accruals		3,901,619	5,982,050
Cash generated from/(used in) operating activities		3,844,492	(2,990,940)
Payments related with provisions for employee benefits	16	(1,266,422)	(931,110)
Tax payments		(1,115,961)	(4,546,124)
Interest received / (paid)		656,695	(943,091)
Other cash in-flows	29	22,503,965	18,752,757
Capital expenditures reimbursements related to service concession arrangements	10	12,996,100	12,265,746
WACC reimbursements related to service concession arrangements	10	7,557,674	7,346,397
Prior tariff adjustments related to service concession arrangements	10	1,027,815	(1,431,140)
Collections from doubtful trade receivable	6	922,376	571,754
Cash Flows from Investing Activities		(16,048,264)	(20,926,191)
Cash used for purchase of tangible and intangible assets		(2,037,822)	(3,038,056)
Interest received		2,649,960	3,430,767
Other cash out-flows	29	(16,660,402)	(21,318,902)
Capital expenditures related to service concession arrangements		(16,660,402)	(21,318,902)
Cash Flows from Financing Activities		(3,587,883)	5,997,613
Cash in-flows from borrowings	26	43,925,393	52,467,628
Cash out-flows for borrowings	26	(21,618,112)	(30,119,159)
Repayment of of lease liabilities	26	(700,929)	(664,450)
Interest paid		(21,186,945)	(9,943,181)
Dividend paid		(4,007,290)	(5,743,225)
Increase / (decrease) in cash and cash equivalents		4,986,622	(5,587,086)
Inflation impact on cash and cash equivalents		(1,997,597)	(7,828,408)
Cash and cash equivalents at the beginning of the period		6,498,842	19,914,336
Cash and cash equivalents at the end of the period		9,487,867	6,498,842

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

ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of purchasing power of the TL at 31 December 2024 unless otherwise indicated. Currencies other than TL are also expressed in thousands unless otherwise indicated.)

NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS OF THE GROUP

Enerjisa Enerji A.Ş. (the "Company") and its subsidiaries will be referred as the "Group" for consolidated financial statements. The Company is established on 26 December 2011 as a joint venture between Hacı Ömer Sabancı Holding A.Ş. ("Sabancı") and Verbund International GmbH ("Verbund International"). On 4 December 2012, Verbund and DD Turkey Holdings S.A.R.L., E.ON SE ("E.ON") signed a Share Purchase Agreement for the sales and transfer of all Verbund shares in the Company to E.ON and the transfer is finalized on 24 April 2013.

On 27 April 2023, DD Turkey Holdings S.A.R.L. ("DD Turkey") has 40% shares in the Company, have signed a share transfer agreement regarding the transfer of shares to E.ON International Participations N.V (EIP), which is also an E.ON group company and incorporated in the Netherlands. Accordingly, Company shares, which are held by DD Turkey, are transferred to EIP, another E.ON group company, which has the same controlling structure, without any change in control. Above mentioned transaction is part of a corporate internal restructuring due to sole technical reasons within E.ON group. Following the transfer of shares, E.ON group still holds 40% of Company shares. Thus, there is no change in Company's ultimate shareholding structure.

The Company is registered to the Capital Markets Board ("CMB") and its shares are publicly traded in Borsa İstanbul A.Ş. ("BIST") with ticker "ENJSA.E" since 8 February 2018. The Company is registered in Türkiye and the address of the headquarters is as follows:

Barbaros Mahallesi, Begonya Sokak, Nida Kule Ataşehir Batı Sit. No: 1/1, Ataşehir / İstanbul, Türkiye.

The Company served as the parent company for generation, trading, sale, distribution and retail service of electricity business lines until 25 August 2017. On 28 April 2017 as the first stage of the reorganization, the Company merged with Enerjisa Elektrik Dağıtım A.Ş. ("EEDAŞ") by taking over its all assets and liabilities along with its subsidiaries (distribution and retail service companies). On 25 August 2017 as the second stage of the reorganization, the Company transferred three subsidiaries (electricity generation, wholesale trading and natural gas trading) by spin-off method with the carrying amounts to a newly established company called Enerjisa Üretim Santralleri A.Ş. ("EÜSAŞ"). On 25 September 2017, the Company has sold its subsidiary which operates in solar energy generation to the generation company that is owned by EÜSAŞ. As a result of these transactions, the Company's main activities under the new structure are customer-focused electricity distribution and retail service. In addition to electricity distribution and retail services, the Company is also involved in customer solutions, renewable energy and energy efficiency solutions businesses and the operation of the charging network for electric vehicles and the supply of charging station equipment.

Subsidiaries consolidated in the consolidated financial statements as of 31 December 2024 and their activities are as follows:

Başkent Elektrik Dağıtım A.Ş. ("BAŞKENT EDAŞ")	Distribution of electricity
İstanbul Anadolu Yakası Elektrik Dağıtım A.Ş. ("AYEDAŞ")	Distribution of electricity
Toroslar Elektrik Dağıtım A.Ş. ("TOROSLAR EDAŞ")	Distribution of electricity
Enerjisa Başkent Elektrik Perakende Satış A.Ş. ("EPS")	Retail service of electricity
Enerjisa İstanbul Anadolu Yakası Elektrik Perakende Satış A.Ş. ("AYESAŞ")	Retail service of electricity
Enerjisa Toroslar Elektrik Perakende Satış A.Ş. ("TOROSLAR EPSAŞ")	Retail service of electricity
Enerjisa Müşteri Çözümleri A.Ş. ("EMÇ")	Renewable energy and energy efficiency solutions
E-şarj Elektrikli Araçlar Şarj Sistemleri A.Ş. ("E-şarj")	Electric vehicles and charging stations services
Enerjisa Araç Filo Hizmetleri A.Ş.	Operational car rental and fleet services

ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of purchasing power of the TL at 31 December 2024 unless otherwise indicated. Currencies other than TL are also expressed in thousands unless otherwise indicated.)

NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS OF THE GROUP (Continued)

The Group's operations are carried out only in Türkiye.

The Group has 10,384 employees as of 31 December 2024 (31 December 2023: 11,583).

The consolidated financial statements were authorized for issue by the Board of Directors of the Company on 26 February 2025. The General Assembly and certain regulatory bodies have the power to amend the consolidated financial statements after the issue.

BAŞKENT EDAŞ and EPS

100% shares of BAŞKENT EDAŞ has been acquired by EEDAŞ as of 28 January 2009 by privatization bid for the consideration of USD 1,225 million. BAŞKENT EDAŞ currently operates in 7 provinces including Ankara, Kırıkkale, Kastamonu, Zonguldak, Bartın, Çankırı and Karabük and holds the licence that gives the right for distribution of electricity in these provinces for 30 years starting from the date of Transfer of Operation Rights ("TOR") agreement signed with Türkiye Elektrik Dağıtım A.Ş. ("TEDAŞ") on 31 March 2006.

As of 1 January 2013, BAŞKENT EDAŞ is obliged to carry out the distribution and the retail sales activities under separate legal entities in accordance with Electricity Market Law. On 12 September 2012, EPS was established with the same shareholder structure and as of 31 December 2012, BAŞKENT EDAŞ has transferred some of its assets and liabilities to EPS, due to the fact that, legal unbundling and the unbundling related transactions have been registered as of 31 December 2012. Starting from 1 January 2013, BAŞKENT EDAŞ has undertaken only the distribution activities. In addition, with the new regulation applied by Energy Market Regulatory Authority ("EMRA"), BAŞKENT EDAŞ started retail sales only for illumination customers starting from 1 April 2013.

AYEDAŞ and AYESAŞ

AYEDAŞ has been acquired by EEDAŞ as of 31 July 2013 by privatization bid for the consideration of USD 1,227 million. AYEDAŞ currently operates in Anatolian Side of İstanbul and holds the license that gives the right for distribution of electricity in this province until 31 December 2042 starting from the date of TOR agreement signed with TEDAŞ on 24 July 2006.

As of 1 January 2013, AYEDAŞ is obliged to carry out the distribution and the retail sales activities under separate legal entities in accordance with Electricity Market Law. On 13 December 2012, AYESAŞ was established with the same shareholder structure and as of 31 December 2012, AYEDAŞ has transferred some of its assets and liabilities to AYESAŞ due to the legal unbundling. The aforementioned unbundling transactions have been registered as of 31 December 2012 and AYESAŞ started retail sales operations on 1 January 2013 according to the Retail Sales License obtained due to unbundling. Starting from 1 January 2013, AYEDAŞ has undertaken only distribution activities. In addition, with the new regulation applied by EMRA, AYEDAŞ started retail sales only for illumination customers starting from 1 April 2013.

TOROSLAR EDAŞ and TOROSLAR EPSAŞ

TOROSLAR EDAŞ has been acquired by EEDAŞ as of 30 September 2013 by privatization bid for the consideration of USD 1,725 million. TOROSLAR EDAŞ currently operates in Adana, Gaziantep, Hatay, Kilis, Mersin and Osmaniye and holds the license that gives the right for distribution of electricity in these provinces until 31 December 2042 starting from the date of TOR agreement signed with TEDAŞ on 24 July 2006.

ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of purchasing power of the TL at 31 December 2024 unless otherwise indicated. Currencies other than TL are also expressed in thousands unless otherwise indicated.)

NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS OF THE GROUP (Continued)

TOROSLAR EDAŞ and TOROSLAR EPSAŞ (Continued)

As of 1 January 2013, TOROSLAR EDAŞ is obliged to carry out the distribution and the retail sales activities under separate legal entities in accordance with Electricity Market Law. On 13 December 2012, TOROSLAR EPSAŞ was established with the same shareholder structure and as of 31 December 2012, TOROSLAR EDAŞ has transferred some of its assets and liabilities to TOROSLAR EPSAŞ due to the legal unbundling. The aforementioned unbundling transactions have been registered as of 31 December 2012 and TOROSLAR EPSAŞ started retail sales operations on 1 January 2013 according to the Retail Sales License obtained due to unbundling. Starting from 1 January 2013, TOROSLAR EDAŞ has undertaken only distribution activities. In addition, with the new regulation applied by EMRA, TOROSLAR EDAŞ started retail sales only for illumination customers starting from 1 April 2013.

EMRA has set a unique pricing mechanism for all of the electricity distribution companies in Türkiye. In accordance with this pricing mechanism, EMRA determines the regional tariffs for distribution companies in Türkiye. EMRA has announced new tariffs for the period between 2011 and 2015 in December 2010; for the period between 2016 and 2020 in December 2015; and for the period between 2021 and 2025 in December 2020.

Toroslar EDAŞ, which operates in Adana, Gaziantep, Hatay, Kilis, Mersin and Osmaniye provinces, was directly affected by the earthquakes that occurred in Kahramanmaraş province on 6 February 2023. In accordance with the decision taken by EMRA, regions directly affected by the disaster are supported by the price equalization mechanism via making assumptions on energy volumes and revenues. It was decided that the earthquake disaster is considered among the extraordinary circumstances regulated in Article 16 of the Electricity Market Tariff Regulation published in the Official Gazette dated 19 June 2020 and numbered 31160, and in this context, the necessary expenses to be incurred by distribution companies due to the effects of earthquakes are generally accepted as uncontrollable operating expenses within the scope of the fourth paragraph of Article 8 of the Communiqué on the Regulation of Distribution Tariff published in the Official Gazette dated 19 November 2020 and numbered 31309, provided that the relevant conditions are met. Negotiations with EMRA regarding the relevant processes are ongoing. The Company's operational activities are secured by the relevant regulations.

Enerjisa Müşteri Çözümleri A.Ş.

Enerjisa Müşteri Çözümleri A.Ş. was established on 29 December 2017, in order to conduct activities in customer solutions, renewable energy and energy efficiency solutions.

E-şarj

Enerjisa Müşteri Çözümleri A.Ş., acquired 80% of the shares of E-şarj on 26 April 2018 and 14% shares on 3 December 2021.

Enerjisa Müşteri Çözümleri A.Ş. has acquired remaining 6% of the shares of E-şarj Elektrikli Araçlar Şarj Sistemleri A.Ş. based on Board of Directors decision dated 27 July 2023. Following transaction, Enerjisa Müşteri Çözümleri A.Ş. has become 100% shareholder of E-şarj.

E-şarj is mainly involved in the operation of charging network for electric vehicles and supply of charging stations equipment.

Enerjisa Araç Filo Hizmetleri A.Ş.

Enerjisa Araç Filo Hizmetleri A.Ş. was established on 14 May 2024 to provide comprehensive services for customers in the operational vehicle rental and fleet services sector.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of purchasing power of the TL at 31 December 2024 unless otherwise indicated. Currencies other than TL are also expressed in thousands unless otherwise indicated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of Presentation

The accompanying consolidated financial statements are prepared in accordance with the requirements of Capital Markets Board ("CMB") Communiqué Serial II, no: 14.1 "Basis of Financial Reporting in Capital Markets", which was published in the Official Gazette No: 28676 on 13 June 2013. The accompanying consolidated financial statements have been prepared in accordance with Turkish Financial Reporting Standards ("TFRS") and interpretations regarding these standards that have been put into effect by Public Oversight Accounting and Auditing Standards Authority of Türkiye ("POA") under Article 5 of the Communiqué. TFRS is updated through communiqués to be in line with the changes in International Financial Reporting Standards ("IFRS").

Financial reporting in hyperinflationary economy

The consolidated financial statements and related amounts for prior periods have been restated for changes in general purchasing power of the functional currency and, as a result, are expressed in terms of the current measuring unit at the end of the reporting period in accordance with TAS 29 "Financial Reporting in Hyperinflationary Economies" standard.

TAS 29 applies to the financial statements, including the consolidated financial statements, of each entity whose functional currency is the currency of a hyperinflationary economy. If an economy is subject to hyperinflation, TAS 29 requires an entity whose functional currency is the currency of a hyperinflationary economy to present its financial statements in terms of the measuring unit current at the end of the reporting period.

As at the reporting date, entities operating in Türkiye are required to apply TAS 29 "Financial Reporting in Hyperinflationary Economies" for the reporting periods ending on or after 31 December 2023, as the cumulative change in the general purchasing power of the last three years based on the Consumer Price Index ("CPI") is more than 100%. POA made an announcement on 23 November 2023 regarding the scope and application of TAS 29. It stated that the financial statements of the entities applying Turkish Financial Reporting Standards for the annual reporting period ending on or after 31 December 2023 should be presented in accordance with the related accounting principles in TAS 29, adjusted for the effects of inflation.

In accordance with the CMB's decision dated 28 December 2023 and numbered 81/1820, issuers and capital market institutions subject to financial reporting regulations applying Turkish Accounting/Financial Reporting Standards are required to apply inflation accounting by applying the provisions of TAS 29 to their annual financial statements for the accounting periods ending on 31 December 2023. The Group has applied IAS 29 "Financial Reporting in Hyperinflationary Economies" Standard in its consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") as of and for the year end 31 December 2022. Therefore, the Group's first application date of TMS 29 has been determined as 1 January 2021.

As of 1 January 2021, retained earnings were amounting TL 3,297,321 before the adjustments made in accordance with TAS 29. As of 1 January 2021, restated amount of retained earnings after the adjustments made in accordance with TAS 29 is TL 5,284,102 with the purchasing power of 31 December 2024.

In this framework, while preparing the consolidated financial statements dated 31 December 2024, inflation adjustment has been made in accordance with TAS 29.

ENERJISA ENERJİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of purchasing power of the TL at 31 December 2024 unless otherwise indicated. Currencies other than TL are also expressed in thousands unless otherwise indicated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.1 Basis of Presentation (Continued)

Financial reporting in hyperinflationary economy (continued)

The table below shows the inflation rates for the relevant years calculated by taking into account the Consumer Price Indices published by the Turkish Statistical Institute ("TURKSTAT"):

<u>Date</u>	<u>Index</u>	<u>Adjustment Coefficient</u>	<u>Three -years compound inflation rates</u>
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.
- 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 recognized 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 the application of TAS 29 Inflation Accounting is summarized below:

Restatement of the Statement of Financial Position

Amounts in the statement of financial position that are not expressed in terms of the measuring unit current at the end of the reporting period are restated. Accordingly, monetary items are not restated because they are expressed in the currency of the reporting period. Non-monetary items are required to be restated unless they are expressed in terms of the currency in effect at the end of the reporting period. The gain or loss on the net monetary position arising on restatement of non-monetary items is recognized in profit or loss and presented separately in the statement of comprehensive income.

ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of purchasing power of the TL at 31 December 2024 unless otherwise indicated. Currencies other than TL are also expressed in thousands unless otherwise indicated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.1 Basis of Presentation (Continued)

Financial reporting in hyperinflationary economy (continued)

Restatement of the Statement of Profit or Loss

All items in the statement of profit or loss are expressed in terms of the measuring unit current at the end of the reporting period. Therefore, all amounts have been restated by applying changes in the monthly general price index.

Restatement of Statement of Cash Flows

All items in the statement of cash flows are expressed in terms of the measuring unit current at the end of the reporting period.

Consolidated Financial Statements

The financial statements of a subsidiary whose functional currency is the currency of a hyperinflationary economy are restated by applying the general price index before they are included in the consolidated financial statements prepared by the parent company. If the subsidiary is a foreign subsidiary, its restated financial statements are translated at the closing rate. When consolidating financial statements with different reporting period ends, all monetary and non-monetary items are restated in accordance with the measuring unit current at the date of the consolidated financial statements.

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.

2.2 Functional and Presentation of Currency

The individual financial statements of each Group entity are prepared in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Turkish Lira ("TL"), which is the functional currency of the Group, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in foreign currencies (currencies other than TL) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are converted at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Gains and losses arising on settlement and translation of foreign currency items are included in the consolidated statement of profit or loss and other comprehensive income.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of purchasing power of the TL at 31 December 2024 unless otherwise indicated. Currencies other than TL are also expressed in thousands unless otherwise indicated.)

**NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

2.3 Comparative Information and Reclassification of Prior Period Consolidated Financial Statements

In order to allow for the determination of the financial situation and performance trends, the Group's consolidated financial statements have been presented comparatively with the prior period.

If the presentation or classification of the current period financial statements is changed, in order to maintain consistency, comparative information is also adjusted or reclassified in line with the related changes.

The Group does not have any material reclassifications and adjustments in the consolidated financial statements as at 31 December 2024.

2.4 Changes in Accounting Policies

The significant changes that were made on accounting policies applied retrospectively and the financial statements of preceding period are restated. No changes have been applied to the accounting policies of the Group in the current period.

2.5 Changes and Misstatements in Accounting Estimates

If changes in accounting estimates are related to only one period, the changes are applied prospectively in the current period in which changes are made. If changes in accounting estimates are related to future periods, the changes are applied prospectively both in the current period in which changes are made and also in future periods. The accounting misstatements which are identified are applied retrospectively and consolidated financial statements of preceding period are restated. No changes have been applied to the accounting estimates of the Group in the current period.

2.6 Going Concern

The Group prepares consolidated financial statements in accordance with the going concern assumption and does not anticipate a significant risk.

The business models of electricity distribution companies operating in Türkiye are to make distribution infrastructure investments and reimburse the investments within 10 years together with a weighted average cost of capital (WACC) regulated by the Energy Market Regulatory Authority (EMRA). Therefore, a short-term financing need is inherent in the business model. The over or under invoicing made by the Group is calculated at the end of each year and adjusted by the EMRA through tariffs after two years. These amounts are classified as long-term receivables in the balance sheet. At the same time, deposits received from customers by retail companies are classified as other short term payables since they are treated as payable on demand. However, the cash outflows of those amounts expected to occur in the long term. As of 31 December 2024, current liabilities exceeds the current assets amounting to TL 16,189,389 in the consolidated financial position of the Group. Group ensures the any possible short term cash need with its strong operational cash inflow and effective financing management.

ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of purchasing power of the TL at 31 December 2024 unless otherwise indicated. Currencies other than TL are also expressed in thousands unless otherwise indicated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7 Basis of Consolidation

The details of the Company's subsidiaries at 31 December 2024 and 31 December 2023 are as follows:

	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group (%)		Principal activity
		31 December 2024	31 December 2023	
Başkent Elektrik Dağıtım A.Ş.	Ankara	100	100	Electricity Distribution Services
Enerjisa Başkent Elektrik Perakende Satış A.Ş.	Ankara	100	100	Electricity Retail Services
İstanbul Anadolu Yakası Elektrik Dağıtım A.Ş.	İstanbul	100	100	Electricity Distribution Services
Enerjisa İstanbul Anadolu Yakası Elektrik Perakende Satış A.Ş.	İstanbul	100	100	Electricity Retail Services
Toroslar Elektrik Dağıtım A.Ş.	Adana	100	100	Electricity Distribution Services
Enerjisa Toroslar Elektrik Perakende Satış A.Ş.	Adana	100	100	Electricity Retail Services
Enerjisa Müşteri Çözümleri A.Ş.	İstanbul	100	100	Renewable Energy and Energy Efficiency Solutions
E-şarj Elektrikli Araçlar Şarj Sistemleri A.Ş.	İstanbul	100	100	Electric Vehicles and Charging Stations Services
Enerjisa Araç Filo Hizmetleri A.Ş.	Ankara	100	-	Operational Car Rental and Fleet Services

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements and;
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

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**NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

2.7 Basis of Consolidation (Continued)

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2.8 New and Amended Turkish Financial Reporting Standards

a) Amendments that are mandatorily effective from 2024

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

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.

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.

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**NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

2.8 New and Amended Turkish Financial Reporting Standards (Continued)

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

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 for banks regardless of the criteria. 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 for banks regardless of the criteria. 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	<i>Insurance Contracts</i>
Amendments to TFRS 17	<i>Initial Application of TFRS 17 and TFRS 9 — Comparative Information (Amendment to TFRS 17)</i>
Amendments to TAS 21	<i>Lack of Exchangeability</i>

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 2025.

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.

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**NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

2.8 New and Amended Turkish Financial Reporting Standards (Continued)

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

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.

2.9 Summary of Significant Accounting Policies

Business combinations

The acquisition of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognized in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

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**NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

2.9 Summary of Significant Accounting Policies (Continued)

Business combinations (continued)

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and its subsequent settlement is accounted for within equity. When the contingent consideration classified as asset or liability is in the nature of financial instruments and within the context of TFRS 9 *Financial Instruments*, it is re-measured at fair value and; gain or loss due to changes are recognized in profit or loss or other comprehensive income. Those are not within the context of TFRS 9 are re-measured in accordance with TAS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

Goodwill

Goodwill arising on an acquisition of a business is carried at indexed cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually (Note: 2.10), or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in profit or loss in the consolidated statement of comprehensive income. An impairment loss recognized for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Related parties

A related party is a person or entity that is related to the entity that is preparing its financial statements

- 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.

ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.9 Summary of Significant Accounting Policies (Continued)

Related parties (continued)

- (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.
 - iv. One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - v. The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
 - vi. The entity is controlled or jointly controlled by a person identified in (a).
 - vii. 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).

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

Revenue recognition

Distribution part of the revenue is composed of distribution, meter reading services, transmission and theft and loss components. Distribution and meter reading service components are considered within the content of service concession arrangements due to the regulations of EMRA. Additionally, according to the Electricity Market Law, the Electricity Market Tariffs Communiqué and other related regulations, the Group's distribution, transmission and meter reading services are subject to revenue caps which cover operating expenses and investment requirements related to distribution and meter reading services. Moreover, transmission revenue is a complete pass-through of transmission costs as charged by Türkiye Elektrik İletim A.Ş. ("TEİAŞ"). These regulations guarantee revenue to the Group during the transition period regardless of the consumption level. The under billings or overbillings made by the Group are adjusted by EMRA in the tariffs to be effective in two years.

Revenue recognition principles other than the assets classified as due from service concession arrangements under TFRIC 12 are as follows:

Revenue (excluding the distribution business) is recognized upon delivery of electricity to customers or upon fulfilment of services. Delivery is deemed complete when the risk and rewards associated with ownership has been transferred to the buyer as contractually agreed, compensation has been contractually established and collection of the resulting receivable is probable.

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.9 Summary of Significant Accounting Policies (Continued)

Revenue recognition (continued)

Gross profit to be gained from the regulatory portfolio of the Group is determined by EMRA and the revenue of the companies related to the regulated portfolio is computed in accordance with the provisions of "Regulation of Retail Energy Sales Prices" issued by EMRA on 17 November 2020 by considering revenue requirements to cover the operational expenses and the doubtful receivable expenses are reflected in the consolidated financial statements with the requirement of TFRS 15.

Revenue from the sale and delivery of electricity is measured at the fair value of the consideration received or receivable. The estimated value of the electricity supplied but not invoiced to the customers is considered for the measurement of revenue.

Revenue is recognized on an accrual basis at the time the electricity is distributed, at the invoiced values. Net sales represent the invoiced value of electricity distributed excluding sales commission and sales taxes.

The Group's Customer Solutions company provides decentralized generation, renewable energy solutions and energy efficiency services to customers. These services are considered as performance obligations spread over time. Revenue related to these services is recognized in accordance with TFRS 15 depending on the stage of completion of the contract.

Principal and agent assessment

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself or to arrange for the other party to provide those goods or services. The Group is a principal if it controls a promised good or service before the Group transfers the good or service to a customer. When a Group that is a principal satisfies a performance obligation, it recognizes as revenue the gross amount of consideration which it expects to be entitled to in exchange for those goods or services. The Group is an agent if its performance obligation is to arrange for the provision of goods or services by another party and in such a position, the Group does not recognize the revenue of the consideration at gross amount.

Financial income from service concession arrangements

Financial income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Financial income related to service concession arrangements is recognized in accordance with Service Concession Arrangements ("TFRIC 12"). Financial income from service concession arrangement is recognized on a time-proportion basis using the effective interest method.

Group recognizes the revenue calculated by the internal rate of return as "Financial Income from Service Concession Arrangements" in profit or loss and other comprehensive income statement. Main revenue source of distribution companies are financial income from the investments for improvement and maintenance of network. Therefore, Group evaluates that the financial income from service concession arrangements drives from the main business activity of the distribution companies and accordingly it is recognized as a part of revenue.

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.9 Summary of Significant Accounting Policies (Continued)

Service concession arrangements

Service concession arrangements are defined within scope of TFRIC 12 as those whereby a government or other body grants contracts for the supply of public services – operations such as roads, energy distribution, prisons or hospitals – to private operators. The Group’s electricity distribution and meter reading service businesses are in the scope of service concession agreements.

Considering the Group’s terms in the service concession arrangements, a financial asset model where the Group recognizes TFRIC 12 as a financial asset to the extent that it has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor has been applied, since the right to receive cash for the distribution and meter reading services are constituted through actual billing to subscribers where the distribution and meter reading service components of the billing are already specified or determinable through the regulated by EMRA.

The Group recognizes the revenue on an effective interest method as “Financial Income from Service Concession Arrangements” in profit or loss and other comprehensive income and “Financial Assets from Service Concession Arrangements” on the consolidated statement of financial position.

Inventories

Inventories mainly include electricity equipment and materials related to the Group’s electricity distribution business. Inventories are stated at the lower of indexed cost or net realizable value. The cost of inventories is determined on a weighted average basis. Additional costs, incurred to bring the inventories to the intended usable condition or position, are included in determination of cost.

Property, plant and equipment

Property, plant and equipment are carried at indexed cost less indexed accumulated depreciation and any accumulated impairment losses.

Properties in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognized impairment loss. Cost includes professional fees such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognized so as to write off the indexed cost or valuation of assets, other than freehold land and properties under construction, less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.9 Summary of Significant Accounting Policies (Continued)

Property, plant and equipment (continued)

An item of property, plant and equipment is derecognized from statement of financial position (balance sheet) upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Intangible assets

Customer contracts and relations and transfer of operational rights

Customer contracts and relations and TOR are reported at indexed cost less accumulated amortization and accumulated impairment losses. Amortization is charged on a straight-line basis over their estimated useful lives. The useful lives of customer contracts and relations range between 25-30 years.

Computer software

Acquired computer software licenses are capitalized on the basis of the indexed costs incurred to acquire and bring to use the specific software. These indexed costs are amortized over their estimated useful lives (3-5 years).

Leasing transactions

Group as a lessee

Initially the Group assesses whether the contract is, or contains lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group shall assess whether, throughout the period of use, the customer has both of the following:

- The contract includes an identified asset (identification of an asset in a clear or implicitly specified form in the contract),
- A capacity portion of an asset is an identified asset if it is physically distinct and represents substantially all of the capacity of the asset (the asset is not an identified asset if the vendor has a fundamental right to substitute the asset for the duration of its use and obtain an economic benefit from it),
- The Group has the right to obtain almost all of the economic benefits that will be derived from the use of the identified asset,
- The right to direct the use of the identified asset. The Group has the right to direct the use of an identified asset throughout the period of use only if either:

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**NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

2.9 Summary of Significant Accounting Policies (Continued)

Leasing transactions (continued)

- a) the Group has the right to direct how and for what purpose the asset is used throughout the period of use
- b) the Group has the right to direct use of asset if either:
 - i. the Group has the right to operate (or to have the right to direct others to operate) the asset over its useful life and the lessor does not have the rights to change the terms to operate or;
 - ii. the Group designed the asset (or the specific features) in a way that predetermines how and for what purpose it is used

The Group recognizes right of use asset and lease liability at the start date of lease after evaluation of aforementioned criterias.

Right of use asset

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at indexed cost, less any indexed accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use assets includes:

- a. The amount of lease liabilities recognized,
- b. Lease payments made at or before the commencement date less any lease incentives received, and
- c. Initial direct costs incurred by the Group.

Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

Right-of-use assets are subject to impairment.

Lease liabilities

The Group measures its rent obligation at the present value of unpaid lease payments on the date that the lease commences.

Lease payments included in the measurement of the lease obligation on the date that the lease actually commences consists of the following payments to be made for the right of use of the underlying asset during the lease period and not paid on the actual lease date:

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.9 Summary of Significant Accounting Policies (Continued)

Leasing transactions (continued)

Lease Liabilities (continued)

- a. Fixed payments,
- b. Variable lease payments based on an index or rate, the first measurement made using an index or rate on the actual date of the lease,
- c. Amounts expected to be paid by the Group under residual value commitments,
- d. The use price of this option if the Group is reasonably certain that it will use it, and
- e. The penalty payments for termination of the lease if the lease shows that the Group will use an option to terminate the lease.

Variable lease payments that do not depend on an index or rate are recognized as an expense in the period in which the event or condition that triggered the payment occurred.

After the effective date of the lease, the Group measures the lease obligation as follows:

- a. Increase the carrying amount to reflect the interest on the lease obligation; and
- b. Decreases the carrying amount to reflect the lease payments made.

In addition, in the event of a change in the lease term, in essence a change in fixed lease payments or a change in the assessment of the option to buy the underlying asset, the value of the lease obligations is remeasured.

Impairment of non-financial assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. There were no capitalized borrowing costs in 2023 and 2024.

All other borrowing costs are recognized in statement of profit or loss and other comprehensive income in the period in which they are incurred.

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**NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

2.9 Summary of Significant Accounting Policies (Continued)

Financial instruments

Financial assets - Classification and measurement

The Group classified its financial assets in three categories as financial assets carried at amortized cost, financial assets carried at fair value through profit or loss, financial assets carried at fair value through other comprehensive income. Classification is performed in accordance with the business model determined based on the purpose of benefits from financial assets and expected cash flows. Management performs the classification of financial assets at the acquisition date.

(a) Financial assets carried at amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, whose payments are fixed or predetermined, which are not actively traded and which are not derivative instruments are measured at amortized cost. They are included in current assets, except for maturities more than 12 months after the balance sheet date. Those with maturities more than 12 months are classified as non-current assets. The Group's financial assets carried at amortized cost comprise "trade receivables", "other receivables", "financial assets" (TFRIC 12), "cash and cash equivalents" and "financial investments to be held to maturity" in the statement of financial position.

Impairment

The Group has applied simplified approach and used impairment matrix for the calculation of impairment for its receivables on its consolidated financial statements, since they do not comprise of any significant finance component. In accordance with this method, if any provision provided to the trade receivables as a result of a specific events, the Group measures expected credit loss from these receivables by the life-time expected credit loss. The calculation of expected credit loss is performed based on the experience of the Group and its expectation based on the macroeconomic indications.

In the retail business, part of the doubtful trade receivables expenses are compensated by EMRA through retail service revenue. The compensation amount calculated by multiplying the average of company risk and country risk with the net invoiced sales revenue of the retail company and the amount is included in the uncontrollable operating expenses.

In the distribution business, distribution companies receive reimbursements for overdue receivables from EMRA two years after the date when doubtful receivable has become due, provided that a legal action has been initiated against the counter-party with respect to receivables. Therefore, uncollected receivables are returned to distribution companies after a two-year period.

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**NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

2.9 Summary of Significant Accounting Policies (Continued)

Financial instruments (continued)

Financial assets - Classification and measurement (continued)

(b) Financial assets carried at fair value

Assets that are held by the management for collection of contractual cash flows and for selling the financial assets are measured at their fair value. If the management do not plan to dispose these assets in 12 months after the balance sheet date, they are classified as non-current assets. The Group make a choice for the equity instruments during the initial recognition and elect profit or loss or other comprehensive income for the presentation of fair value gain and loss:

i) Financial assets carried at fair value through profit or loss

Financial assets carried at fair value through profit or loss comprise of “derivative instruments” in the statement of financial position. Derivative instruments are recognized as asset when the fair value of the instrument is positive, as liability when the fair value of the instrument is negative. The Group’s financial instruments at fair value through profit or loss consist of forward exchange contracts.

ii) Financial assets carried at fair value through other comprehensive income

Financial assets carried at fair value through other comprehensive income comprise of “derivative instruments” in the statement of financial position. Gains or losses on a financial asset carried at fair value through other comprehensive income is recognized in other comprehensive income under the scope of hedge accounting. The Group’s financial instruments at fair value through other comprehensive income consist of forward exchange contracts to mitigate the foreign exchange rate risk arising from foreign currency costs, which are part of energy procurement costs, within the scope of feed-in-tariff (“FIT”) mechanism, foreign currency denominated energy purchases and investments.

Offsetting

Financial assets and liabilities are offset and the net amount reported in the consolidated balance sheet when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

Provisions, contingent liabilities, contingent assets

Provisions are recognized when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

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**NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

2.9 Summary of Significant Accounting Policies (Continued)

Provisions, contingent liabilities, contingent assets (continued)

Contingent liabilities are assessed continuously to determine probability of outflow of economically beneficial assets. For contingent liabilities, when an outflow of resources embodying economic benefits are probable, provision is recognized for this contingent liability in the period when the probability has changed, except for cases where a reliable estimate cannot be made.

Possible assets that arise from past events and whose existence not wholly within the control of the Group and that will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events are recognized as contingent assets. When an inflow of resources embodying economic benefits is probable, the Group discloses contingent assets in the notes.

When the outflow of economic benefits from the Group is probable but the amount cannot be measured reliably, the Group discloses this fact in the notes.

Earnings per share

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

In Türkiye, companies can increase their share capital by making a pro-rata distribution of shares ("bonus shares") to existing shareholders from retained earnings on equity items. Such kind of bonus shares are taken into consideration in the computation of earnings per share as issued share certificates. For the purpose of earnings per share computations, the weighted average number of shares outstanding during the period has been adjusted in respect of bonus shares issues without a corresponding change in resources, by giving them retroactive effect for the year in which they were issued and each earlier year.

Segment reporting

The Group has electricity distribution, retail and customer solutions operating segments, which includes the information used from management to evaluate performance and taking decision for resource allocation. These segments are managed separately because it is influenced by different economic situations and business positions in terms of risk and return.

Operating segments are reported in a manner consistent with the reporting provided to the board of directors. Board of directors are responsible for the decisions related to the allocation of resources to the segments and assessment of performance of segments.

ENERJISA ENERJİ A.Ş. AND ITS SUBSIDIARIES

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.9 Summary of Significant Accounting Policies (Continued)

Government grants

Electricity distribution companies within the Group have the right to benefit from VAT exemption for machinery equipment purchases from domestic suppliers in the scope of renewal of existing investments with the investment incentive certificate which had been obtained from the Ministry of Economy on 15 January 2016.

Taxation and deferred income taxes

Turkish Tax Legislation does not permit a parent company and its subsidiary to file a consolidated tax return. Therefore, provisions for taxes, as reflected in the accompanying consolidated financial statements, have been calculated on a separate-entity basis.

Income tax expense represents the sum of current tax and deferred tax expenses.

Current tax expense

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the comprehensive income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted by the balance sheet date.

Deferred tax

Deferred tax is recognized in accordance with the balance sheet method on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases which is used in the computation of taxable profit with using tax rates that have been enacted or substantively enacted in accordance with the balance sheet method.

Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.9 Summary of Significant Accounting Policies (Continued)

Taxation and deferred income taxes (continued)

Deferred tax (continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred taxes are recognized as in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity.

Subsequent events

Subsequent events; even if they occur after any announcement related with profit or public announcement of other chosen financial information, covers any event between the balance sheet date and the publication date of the balance sheet.

In the case that events requiring an adjustment to the financial statements occur subsequent to the date of statement of financial position, the Group makes the necessary corrections on the consolidated financial statements.

Employment benefits

Termination and retirement benefits

Under Turkish law and union agreements, lump sum payments are made to employees retiring or involuntarily leaving the Group. Such payments are considered as being part of defined retirement benefit plan as per TAS 19 (revised) "Employee Benefits" ("TAS 19").

The retirement benefit obligation recognized in the statement of the financial position represents the present value of the defined benefit obligation. Actuarial gains and losses have no material impact in the consolidated financial statements and are recognized in the statement of profit or loss and other comprehensive income.

Vacation rights and bonus provisions

The liabilities related to unused vacation rights and bonus payments from current year's performance are accrued when they are entitled.

Defined contribution plans

The Group pays contributions to the Social Security Institution of Türkiye on a mandatory basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due.

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.9 Summary of Significant Accounting Policies (Continued)

Statement of cash flow

In statement of cash flows, cash flows are classified according to operating, investing and financing activities.

Cash flows from operating activities represent the cash flows generated from the Group's activities.

Cash flows related to investing activities represent the cash flows that are used in or provided from the investing activities of the Group (tangible and intangible assets, investments related to service concession arrangements and financial investments).

The disclosure of cash flows from investing activities provides users with information on the extent of expenditure that has been incurred in order to generate the future cash flows and profits of the business. Group is responsible to provide electricity distribution services and operate the electricity network during the license period. In order to maintain the network service, the Group has to make these physical investments and incur related expenditure to generate future cash flows. Therefore, capital expenditures related to service concession arrangement has been classified under cash flows from investing activities at consolidated statement of cash flow.

Cash flows arising from financing activities represent the cash proceeds from the financing activities of the Group and the repayments of these funds.

Share capital and dividends

Common shares are classified as equity.

Dividends on common shares are recognized in equity in the period in which they are approved and declared. Dividend income from investments is recognized when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

2.10 Significant Accounting Estimates and Assumptions

Critical Accounting Judgments and Key Sources of Estimation Uncertainty

Critical judgments in applying the Group's accounting policies

Use of Estimates

The preparation of consolidated financial statements in conformity with TAS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.10 Significant Accounting Estimates and Assumptions (Continued)

Critical Accounting Judgments and Key Sources of Estimation Uncertainty (Continued)

Critical judgments in applying the Group's accounting policies (continued)

Impairment test of Goodwill

Pursuant to TAS 36 *Impairment of Assets*, the Group tested goodwill as of 31 December 2024 in accordance with the accounting policy stated at Note: 2.9. The goodwill impairment test is carried out for Retail ("CGU"). As of 31 December 2024, the following assumptions were used to determine the recoverable amount of Retail CGU:

<u>CGU:</u>	<u>Retail</u>			
Base used for the recoverable amount:	Value in use			
Source:	Forecasted cash flows			
	2025	2026	2027	2028 and after
WACC (TL):	35.9%	24.8%	19.1%	16.5%
Terminal growth rate:	4.4%			

The net present value of Retail CGU was calculated by discounting the TL, which is the functional currency of the Group, free cash flows. The Group compared the recoverable amount calculated based on the aforementioned assumptions to the total value of Retail CGU and no impairment was identified.

1% increase of weighted average cost of capital decreases the recoverable amount of Retail CGU by 6%,
1% decrease of weighted average cost of capital increases the recoverable amount of Retail CGU by 8%.
1% increase of terminal growth rate cost of capital increases the recoverable amount of Retail CGU by 5%,
1% decrease of terminal growth rate decreases the recoverable amount of Retail CGU by 9%. No impairment is identified based on the sensitivity analysis.

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**NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

2.11 Significant Accounting Estimates and Assumptions (Continued)

Critical Accounting Judgments and Key Sources of Estimation Uncertainty (Continued)

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the consolidated balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is discussed below:

Service concession arrangements

The Group determines the financial assets and financial income from service concession arrangements balances recognized under service concession arrangements based on the cash flows derived from the tariffs announced by EMRA. The distribution revenue requirements of the Group during the second (2011 - 2015), third (2016 - 2020) and fourth tariff periods (2021 - 2025) were determined by EMRA considering the projected expenses and related tariffs which were published in 2010, 2015 and 2020. These tariffs are revised yearly due to inflation. In determination of the aforementioned projected cash inflows in the upcoming periods the Group management made estimates related to the CPI rate and the WACC ("Weighted Average Capital Cost") rate determined in the latest tariff period continued to be used until the end of the license period.

Revenue recognition

Invoices of the subscribers other than residential and commercial groups are issued monthly at the end of each month by the Group whereas the invoices of the residential subscribers are issued continuously during each month due to the high number of subscribers in this group. Commercial group subscribers are also issued continuously during the month due to the high number of customers in this group although the subscribers with high consumption level are billed at the end of the month. As a result, the total electricity supplied to the residential and commercial subscribers during each month cannot be invoiced and income accruals are recognized as revenue at period-ends for these customer groups based on the actual billing performance.

Deferred tax

Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized in the upcoming years. Deferred tax assets are recognized for unused tax losses and deductible temporary differences to the extent that it is possible that future taxable profits will be available against which they can be used. Group calculated deferred tax assets for the unused tax losses which are carried in the legal books to the extent that it is possible that future taxable profits will be available against which they can be used and for the temporary differences created by adjustments made to inflation accounting in accordance with the Communiqué No. 32415 (2nd. Repetition) dated 30 December 2023 of the Tax Procedure Law. Deferred tax assets are recognized when it is probable that tax benefits will be available in future periods. Therefore, the recognition of the deferred tax assets are based on the expectations of the future financial performance of the Group. Assessments are performed based on the future financial plans and tax planning strategies which can be implemented when necessary. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered (Note 25).

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NOTE 3 – SHARES IN OTHER PARTIES

Subsidiaries

Name of Subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership (%)	
			31 December 2024	31 December 2023
BAŞKENT EDAŞ	Electricity Distribution Services	Ankara	100	100
EPS	Electricity Retail Services	Ankara	100	100
AYEDAŞ	Electricity Distribution Services	İstanbul	100	100
AYESAŞ	Electricity Retail Services	İstanbul	100	100
TOROSLAR EDAŞ	Electricity Distribution Services	Adana	100	100
TOROSLAR EPSAŞ	Electricity Retail Services	Adana	100	100
Enerjisa Müşteri Çözümleri A.Ş.	Renewable Energy and Energy Efficiency Solutions	İstanbul	100	100
E-şarj	Electric Vehicles and Charging Stations Services	İstanbul	100	100
Enerjisa Araç Filo Hizmetleri A.Ş.	Operational Car Rental and Fleet Services	Ankara	100	-
			Number of subsidiaries owned by the Group	
Principal Activity		Place of incorporation and operation	31 December 2024	31 December 2023
Electricity Distribution Services		Ankara, İstanbul, Adana	3	3
Electricity Retail Services		Ankara, İstanbul, Adana	3	3
Customer Solutions and Distributed Generation Services		İstanbul	1	1
Electric Vehicles and Charging Stations Services		İstanbul	1	1
Operational Car Rental and Fleet Services		Ankara	1	-

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NOTE 4 - SEGMENT REPORTING

The business activities of the Group are managed and organized according to the services provided in the electricity market. The Group has three main operating segments; electricity distribution, retail and customer solutions. The principal activity of distribution segment is the transmission of electricity over lines to the end users through distribution networks, by also providing infrastructure investments due to the regulated tariffs announced by EMRA; whereas the retail segment conduct retail sales of electricity to the customers. The main activity of the customer solutions segment is to provide renewable energy and energy efficiency solutions to customers. E-şarj Elektrikli Araçlar Şarj Sistemleri A.Ş.'s activities are also disclosed under customer solutions segment. The Group performs segment reporting according to TFRS 8 in order to provide unbiased and transparent information to the investor. The Group management follows the performance of the business segments with operating profit and net profit for the period, as well as financial and non-financial indicators.

The following table contains information on the Group's sales and profit from its operations for the years ended 31 December 2024 and 31 December 2023.

1 January - 31 December 2024	Distribution	Retail	Customer Solutions	Unallocated (*)	Eliminations	Total
Revenue	80,015,373	101,873,171	8,656,907	571,094	(531,766)	190,584,779
Cost of sales (-)	(49,768,857)	(95,172,232)	(2,864,836)	(54,455)	-	(147,860,380)
Gross profit / (loss)	30,246,516	6,700,939	5,792,071	516,639	(531,766)	42,724,399
General administrative expenses (-)	(8,879,848)	(3,935,210)	(551,940)	(3,399,692)	547,644	(16,219,046)
Other income / (expense) from operating activities - net	1,255,387	2,258,796	(2,378,335)	(26,717)	(15,878)	1,093,253
Operating profit / (loss)	22,622,055	5,024,525	2,861,796	(2,909,770)	-	27,598,606
Financial income	250,542	6,361,684	47,779	8,634,777	(12,459,551)	2,835,231
Financial expense (-)	(19,796,696)	(2,201,713)	(2,812,262)	(10,745,944)	12,459,551	(23,097,064)
Monetary gains / (losses)	(3,267,074)	(3,994,560)	191,948	2,475,750	-	(4,593,936)
Profit / (loss) before taxation on income	(191,173)	5,189,936	289,261	(2,545,187)	-	2,742,837
Current tax expense (-)	-	(2,046,432)	54,401	-	-	(1,992,031)
Deferred tax income / (expense)	(5,752,428)	42,906	(163,985)	269,918	-	(5,603,589)
Net profit / (loss) for the period	(5,943,601)	3,186,410	179,677	(2,275,269)	-	(4,852,783)

(*) TL 2,577,762 of TL 4,746,512 depreciation and amortization expenses represents amortization expenses of intangible assets (Note 13), which is presented as unallocated under general administrative expenses. The majority of financial expenses under unallocated part mainly represent costs of loans utilized for the acquisitions of distribution and retail business and financial incomes under unallocated part mainly represents the interest income from intercompany loans given to distribution and retail business. The Group management follows the performances of the operating segments excluding acquisitions related loans, therefore the amounts have not been distributed to the segments.

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NOTE 4 - SEGMENT REPORTING (Continued)

1 January - 31 December 2023	Distribution	Retail	Customer Solutions	Unallocated (*)	Eliminations	Total
Revenue	92,999,045	148,157,561	2,359,407	541,628	(541,707)	243,515,934
Cost of sales (-)	(65,382,405)	(140,262,668)	(975,618)	-	-	(206,620,691)
Gross profit / (loss)	27,616,640	7,894,893	1,383,789	541,628	(541,707)	36,895,243
General administrative expenses (-)	(9,152,491)	(3,958,385)	(631,793)	(3,418,082)	555,451	(16,605,300)
Other income / (expense) from operating activities - net	(905,918)	1,279,138	862,569	(5,362)	(13,744)	1,216,683
Operating profit / (loss)	17,558,231	5,215,646	1,614,565	(2,881,816)	-	21,506,626
Financial income	573,067	6,465,466	469,651	2,714,802	(7,387,689)	2,835,297
Financial expense (-)	(12,921,647)	(3,121,710)	(1,531,833)	(3,592,693)	7,387,689	(13,780,194)
Monetary gains / (losses)	(4,161,825)	(1,885,830)	163,002	2,929,478	-	(2,955,175)
Profit / (loss) before taxation on income	1,047,826	6,673,572	715,385	(830,229)	-	7,606,554
Current tax expense (-)	-	(159,137)	(60,495)	(320,453)	-	(540,085)
Deferred tax income / (expense)	3,450,348	(2,084,736)	(151,520)	(1,758,501)	-	(544,409)
Net profit / (loss) for the period	4,498,174	4,429,699	503,370	(2,909,183)	-	6,522,060

(*) TL 2,570,718 of TL 4,805,363 depreciation and amortization expenses, represents amortization expenses of intangible assets (Note 13), which is presented as unallocated under general administrative expenses. The majority of financial expenses under unallocated part mainly represent costs of loans utilized for the acquisitions of distribution and retail business and financial incomes under unallocated part mainly represents the interest income from intercompany loans given to distribution and retail business. The Group management follows the performances of the operating segments excluding acquisitions related loans, therefore the amounts have not been distributed to the segments.

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NOTE 4 - SEGMENT REPORTING (Continued)

The information below includes information about the Group's financial position of its business segments related to the years ended 31 December 2024 and 31 December 2023.

As at 31 December 2024	Distribution	Retail	Customer Solutions	Unallocated (*)	Eliminations	Total
Segment assets						
Cash and cash equivalents	2,261,558	6,806,519	384,822	34,968	-	9,487,867
Trade receivables	9,183,168	16,484,031	6,175,180	103,901	(5,871,345)	26,074,935
Inventories	2,216,511	-	1,637,272	-	-	3,853,783
Derivative instruments	-	2,786	6,809	-	-	9,595
Financial assets	43,200,316	-	-	(11,241)	-	43,189,075
Right of use assets	954,378	155,270	570	30,299	-	1,140,517
Property, plant and equipment	7,995,817	322,809	1,247,894	388,368	-	9,954,888
Intangible assets	289,733	399,510	445,058	45,190,784	-	46,325,085
Deferred tax assets	22,419,793	1,255,936	98,581	588,713	-	24,363,023
Other receivables and assets	10,203,627	9,820,134	1,422,756	34,227,784	(40,320,691)	15,353,610
Total assets	98,724,901	35,246,995	11,418,942	80,553,576	(46,192,036)	179,752,378
Segment liabilities						
Financial liabilities	17,544,904	2,871,787	7,891,324	41,342,655	(15,699,602)	53,951,068
Other financial liabilities	861,621	-	-	-	-	861,621
Trade payables	10,167,144	15,064,499	266,616	222,723	(5,871,345)	19,849,637
Derivative instruments	326,200	9,293	28,956	-	-	364,449
Deferred tax liabilities	-	-	419,773	10,576,942	-	10,996,715
Other payables and liabilities	28,838,822	13,477,729	1,052,208	525,190	(24,621,089)	19,272,860
Total liabilities	57,738,691	31,423,308	9,658,877	52,667,510	(46,192,036)	105,296,350

(*) The majority of intangible assets under unallocated part represents customer contracts, transfer of operating rights and goodwill (Note 13).

(*) As of 31 December 2024, the Group has recorded an impairment provision of TL 11,241 for its financial assets from service concession arrangements in accordance with TFRS 9 Financial Instruments.

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NOTE 4 - SEGMENT REPORTING (Continued)

As at 31 December 2023	Distribution	Retail	Customer Solutions	Unallocated (*)	Eliminations	Total
Segment assets						
Cash and cash equivalents	1,620,783	3,533,517	1,340,977	3,565	-	6,498,842
Trade receivables	9,357,207	17,733,951	1,501,779	107,929	(5,086,390)	23,614,476
Inventories	3,783,851	-	1,914,196	-	-	5,698,047
Derivative instruments	289,749	339,704	200,594	-	-	830,047
Financial assets	45,861,547	-	-	(9,438)	-	45,852,109
Right of use assets	976,732	266,031	823	40,633	-	1,284,219
Property, plant and equipment	8,281,890	311,844	899,200	20,898	-	9,513,832
Intangible assets	268,617	382,098	375,508	47,751,786	-	48,778,009
Deferred tax assets	28,179,145	1,172,208	50,309	962,245	-	30,363,907
Other receivables and assets	9,943,040	10,777,254	1,673,594	34,478,196	(38,586,403)	18,285,681
Total assets	108,562,561	34,516,607	7,956,980	83,355,814	(43,672,793)	190,719,169
Segment liabilities						
Financial liabilities	16,820,411	6,578,484	4,458,429	37,341,746	(17,047,030)	48,152,040
Other financial liabilities	1,312,915	-	-	-	-	1,312,915
Trade payables	15,028,870	13,212,575	170,218	77,464	(5,086,390)	23,402,737
Derivative instruments	64,819	416	-	-	-	65,235
Deferred tax liabilities	-	-	205,351	11,222,558	-	11,427,909
Other payables and liabilities	29,076,221	13,586,919	1,542,590	277,910	(21,539,373)	22,944,267
Total liabilities	62,303,236	33,378,394	6,376,588	48,919,678	(43,672,793)	107,305,103

(*) The majority of intangible assets under unallocated part represents customer contracts, transfer of operating rights and goodwill (Note 13).

(*) As of 31 December 2023, the Group has recorded an impairment provision of TL 9,438 for its financial assets from service concession arrangements in accordance with TFRS 9 Financial Instruments.

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NOTE 4 - SEGMENT REPORTING (Continued)

The information below includes depreciation and amortisation expenses and capital expenditures for the Group's business segments related to the years ended 31 December 2024 and 31 December 2023.

1 January - 31 December 2024	Distribution	Retail	Customer Solutions	Unallocated	Eliminations	Total
Depreciation and amortization expenses	(1,615,220)	(342,012)	(135,790)	(2,653,490)	-	(4,746,512)
Purchase of tangible and intangible assets	(928,991)	(297,407)	(368,730)	(442,694)	-	(2,037,822)
Capital expenditures related to service concession arrangements	(16,660,402)	-	-	-	-	(16,660,402)
1 January - 31 December 2023	Distribution	Retail	Customer Solutions	Unallocated	Eliminations	Total
Depreciation and amortization expenses	(1,777,746)	(353,010)	(77,368)	(2,597,239)	-	(4,805,363)
Purchase of tangible and intangible assets	(1,765,150)	(453,689)	(800,521)	(18,696)	-	(3,038,056)
Capital expenditures related to service concession arrangements	(21,318,902)	-	-	-	-	(21,318,902)

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NOTE 5 - RELATED PARTY TRANSACTIONS

The immediate parents and ultimate controlling parties of the Group are Sabancı (incorporated in Türkiye) and E.ON (incorporated in Germany). Transactions between the Company and its subsidiaries have been eliminated on consolidation and are not disclosed in this note.

Transactions with related parties are classified according to the following groups and include all related party disclosures:

- (1) Sabancı Holding and E.ON group companies
- (2) Shareholder

Details of transactions between the Group and other related parties are disclosed below:

	31 December 2024	31 December 2023
<u>Related party bank balances – Akbank T.A.Ş. (1)</u>		
Demand deposits	2,488,507	1,434,290
Time deposits	-	1,332,453
	<u>2,488,507</u>	<u>2,766,743</u>

			31 December 2024	
Loans provided by related parties	Original currency	Maturity	Current liabilities	Non-current liabilities
Akbank T.A.Ş. (1)	TL	31 December 2031	158,543	1,846,154
			<u>158,543</u>	<u>1,846,154</u>

As of 31 December 2024 the interest rate of the TLREF loan from related parties is TLREF + 2.60%. There is no loan from related parties as of 31 December 2023.

As of 31 December 2024 there is no collateral given for the borrowings.

Related party derivative instruments – Akbank T.A.Ş. (1)

31 December 2024					
	Contract Amount (USD)	Contract Amount (EUR)	Contract Amount (TL) (*)	Assets	Liabilities
Forward exchanges	14,164	26,328	1,466,901	-	(312,816)
	<u>14,164</u>	<u>26,328</u>	<u>1,466,901</u>	<u>-</u>	<u>(312,816)</u>
31 December 2023					
	Contract Amount (USD)	Contract Amount (EUR)	Contract Amount (TL) (*)	Assets	Liabilities
Forward exchanges	78,435	38,765	3,571,712	595,329	(22,522)
	<u>78,435</u>	<u>38,765</u>	<u>3,571,712</u>	<u>595,329</u>	<u>(22,522)</u>

(*) Contract amounts are presented in nominal values.

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NOTE 5 - RELATED PARTY TRANSACTIONS (Continued)

Balances with Related Parties	31 December 2024			
	Receivables		Payables	
	Current	Non-current	Current	
	Trade	Trade	Trade	Other
Akbank T.A.Ş. (1)	40,003	-	-	-
Aksigorta A.Ş. (1)	-	-	179,630	-
Avivasa Emeklilik ve Hayat A.Ş. (1)	4,336	-	-	-
Brisa Bridgestone Sabancı Lastik San. ve Tic. A.Ş. (1)	68,392	24,515	-	-
Carrefoursa A.Ş. (1)	1,442	-	-	-
Çimsa Çimento Sanayi A.Ş. (1)	29,904	33,094	-	-
Enerjisa Üretim Santralleri A.Ş. (1)	287	-	88,405	-
Hacı Ömer Sabancı Holding A.Ş. (2)	3,582	-	2,493	-
Sabancı Dijital Teknolojileri A.Ş. (1)	-	-	21,382	-
Teknosa İç ve Dış Ticaret A.Ş. (1)	3,189	217	-	-
Temsa Global San. ve Tic. A.Ş. (1)	5,537	8,769	-	-
Other Sabancı Holding Companies (1)	1,624	-	609	-
	<u>158,296</u>	<u>66,595</u>	<u>292,519</u>	<u>-</u>
Balances with Related Parties	31 December 2023			
	Receivables		Payables	
	Current	Non-current	Current	
	Trade	Trade	Trade	Other
Akbank T.A.Ş. (1)	39,092	-	-	-
Aksigorta A.Ş. (1)	-	-	79,264	29,886
Brisa Bridgestone Sabancı Lastik San. ve Tic. A.Ş. (1)	69,484	22,692	-	-
Carrefoursa A.Ş. (1)	17,863	-	640	-
Çimsa Çimento Sanayi A.Ş. (1)	12,199	72,204	-	-
Enerjisa Üretim Santralleri A.Ş. (1)	462	-	104,958	-
Hacı Ömer Sabancı Holding A.Ş. (2)	2,785	-	14,556	-
Sabancı Dijital Teknolojileri A.Ş. (1)	-	-	13,458	-
Kordsa Teknik Tekstil A.Ş. (1)	-	-	175	-
Teknosa İç ve Dış Ticaret A.Ş. (1)	3,094	690	-	-
Temsa Global San. ve Tic. A.Ş. (1)	5,375	14,165	-	-
Other Sabancı Holding Companies (1)	1,980	-	588	-
	<u>152,334</u>	<u>109,751</u>	<u>213,639</u>	<u>29,886</u>

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NOTE 5 - RELATED PARTY TRANSACTIONS (Continued)

Key Management Compensation

Key management includes Chairman and members of the Board of Directors, General Manager, Heads of Units and Directors. The compensation paid or payable to key management is shown below:

	1 January - 31 December 2024	1 January - 31 December 2023
Short-term key management benefits	372,088	382,178
Long-term key management benefits	11,051	11,402
	<u>383,139</u>	<u>393,580</u>

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NOTE 5 - RELATED PARTY TRANSACTIONS (Continued)

Transactions with Related Parties	1 January - 31 December 2024					
	Electricity sales	Electricity purchases	Interest income	Interest expense	General administrative expenses	Other income
Akbank T.A.Ş. (1)	414,950	-	67,210	48,971	-	-
Akçansa Çimento Sanayi ve Ticaret A.Ş. (1)	504	-	-	-	-	-
Aksigorta A.Ş. (1)	253	-	-	-	696,240	24
Avivasa Emeklilik ve Hayat A.Ş. (1)	45,631	-	-	-	-	10
Brisa Bridgestone Sabancı Lastik San. ve Tic. A.Ş. (1) (*)	2,157	-	-	-	-	70,511
Carrefoursa A.Ş. (1) (*)	3,745	-	-	-	14,960	15,889
Çimsa Çimento Sanayi A.Ş. (1) (*)	13,307	-	-	-	-	24,516
Enerjisa Üretim Santralleri A.Ş. (1)	531,472	1,649,938	-	-	-	37,945
Hacı Ömer Sabancı Holding A.Ş. (2)	28,838	-	-	-	-	-
Sabancı Dijital Teknolojileri A.Ş. (1)	-	-	-	-	170,546	-
Teknosa İç ve Dış Ticaret A.Ş. (1) (*)	33,661	-	-	-	2,475	1,344
Temsa Global San. ve Tic. A.Ş. (1) (*)	-	-	-	-	-	4,142
Other Sabancı Holding Companies (1)	2,296	-	-	-	-	1,983
	<u>1,076,814</u>	<u>1,649,938</u>	<u>67,210</u>	<u>48,971</u>	<u>884,221</u>	<u>156,364</u>

(*) Other revenues from related companies consist of revenues related to the services for renewable energy solutions and energy efficiency projects provided by Enerjisa Müşteri Çözümleri A.Ş..

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NOTE 5 - RELATED PARTY TRANSACTIONS (Continued)

Transactions with Related Parties	1 January - 31 December 2023					
	Electricity sales	Electricity purchases	Interest income	Interest expense	General administrative expenses	Other income
Akbank T.A.Ş. (1)	519,915	-	56,949	1,268,606	-	-
Akçansa Çimento Sanayi ve Ticaret A.Ş. (1)	565	-	-	-	-	-
Aksigorta A.Ş. (1)	271	-	-	-	527,934	39
Avivasa Emeklilik ve Hayat A.Ş. (1)	28	-	-	-	-	-
Brisa Bridgestone Sabancı Lastik San. ve Tic. A.Ş. (1)	2,752	-	-	-	-	85,534
Carrefoursa A.Ş. (1)	351,523	-	-	-	899	15,056
Çimsa Çimento Sanayi A.Ş. (1)	17,203	-	-	-	-	114,528
Enerjisa Üretim Santralleri A.Ş. (1)	7,825	5,792,744	-	-	-	27,718
Hacı Ömer Sabancı Holding A.Ş. (2)	39,816	-	-	-	-	-
Sabancı Dijital Teknolojileri A.Ş. (1)	-	-	-	-	142,829	-
Teknosa İç ve Dış Ticaret A.Ş. (1)	42,133	-	-	-	-	2,361
Temsa Global San. ve Tic. A.Ş. (1)	-	-	-	-	-	7,620
Tursa Sabancı Turizm ve Yatırım İşletmeleri A.Ş. (1)	-	-	-	-	-	1,025
Other Sabancı Holding Companies (1)	323	-	-	-	-	-
	<u>982,354</u>	<u>5,792,744</u>	<u>56,949</u>	<u>1,268,606</u>	<u>671,662</u>	<u>253,881</u>

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NOTE 6 - TRADE RECEIVABLES AND PAYABLES

6.1 Trade Receivables

	31 December 2024	31 December 2023
Current Trade Receivables		
Trade receivables (*)	27,448,331	30,520,501
Due from related parties (Note 5)	158,296	152,334
Allowance for doubtful receivables (-)	(7,154,349)	(8,246,391)
	<u>20,452,278</u>	<u>22,426,444</u>
Non-Current Trade Receivables		
Trade receivables	5,556,062	1,078,281
Due from related parties (Note 5)	66,595	109,751
	<u>5,622,657</u>	<u>1,188,032</u>

(*) EMRA determines regulated margin and revenue requirements for regulated sales based on demand, energy supply costs and consumption forecasts. However, the actual demand and supply costs may show some differences from forecasts. These differences are recognized in trade receivables.

As of 31 December 2024, trade receivables amounting TL 21,263,057 (31 December 2023: TL 17,919,801) were neither past due nor impaired. Interest is charged at 3.5% for the period of 1 January 2024 – 20 May 2024 and for the period of 21 May 2024 – 31 December 2024 4.5% per month on the overdue receivable balances (1 January 2023 – 14 November 2023 2.5% and for the period of 15 November 2023 – 31 December 2023 3.5%).

As of 31 December 2024, trade receivables amounting TL 4,811,878 (31 December 2023: TL 5,694,675) were past due but not impaired. The aging analysis of trade receivables past due but not impaired as of 31 December 2024 and 31 December 2023 is as follows:

	31 December 2024	31 December 2023
Up to 1 month	2,616,853	2,740,481
1 to 3 months	892,011	1,190,466
Over 3 months	1,303,014	1,763,728
	<u>4,811,878</u>	<u>5,694,675</u>

The Group recognizes the impairment of trade receivables, weighting the lifetime expected credit losses by default (Probability of Default) for all trade receivables excluding distribution segment on each customer basis and including non-overdue receivables.

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NOTE 6 - TRADE RECEIVABLES AND PAYABLES (Continued)

6.1 Trade Receivables (Continued)

Movement of allowance for the doubtful trade receivables are as follows:

	1 January - 31 December 2024	1 January - 31 December 2023
Opening balance	(8,246,391)	(9,931,817)
Charge for the period	(2,549,664)	(3,980,522)
Amounts collected during the period	922,376	571,754
Write offs	14,910	57,935
Inflation effect	2,704,420	5,036,259
Closing balance	(7,154,349)	(8,246,391)

The Group received guarantee letters amounting to TL 9,025,855 (31 December 2023: TL 11,104,935) and deposits amounting to TL 12,115,370 (31 December 2023: TL 11,691,370) as collateral for its electricity receivables. All trade receivables with recognized provisions are secured by guarantee letters and deposits received.

6.2 Trade Payables

	31 December 2024	31 December 2023
Current Trade Payables		
Trade payables	19,557,118	23,189,098
Due to related parties (Note 5)	292,519	213,639
	19,849,637	23,402,737

Trade payables mainly arise from the Group's electricity purchases from Türkiye Elektrik Üretim A.Ş. ("EÜAŞ") and Enerji Piyasaları İşletme A.Ş. ("EPIAŞ") and payables related to transmission costs invoiced by Türkiye Elektrik İletim A.Ş. ("TEİAŞ"). The average maturity of the payables related to electricity purchases is 55 days.

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NOTE 7 - OTHER RECEIVABLES AND PAYABLES

7.1 Other Receivables

	31 December 2024	31 December 2023
Other Current Receivables		
Income accruals (*)	5,258,350	6,974,767
Deposits and guarantees given	31,354	27,461
Receivables from personnel	96	82
Allowance for other doubtful receivables (-) (**)	(194,133)	(280,287)
Other sundry receivables (***)	1,126,653	1,190,865
	<u>6,222,320</u>	<u>7,912,888</u>
	31 December 2024	31 December 2023
Other Non-Current Receivables		
Deposits and guarantees given (****)	2,057,454	1,973,595
Income accruals (*)	2,793,901	-
Other sundry receivables (*****)	1,409,493	1,434,309
	<u>6,260,848</u>	<u>3,407,904</u>

(*) According to the Electricity Market Law, the Electricity Market Tariffs Communiqué and other related regulations the Group's distribution, transmission and meter reading services are subject to revenue caps. Realized revenue is determined in a way to cover operating expenses and investment requirements related to distribution, transmission and meter reading. Moreover, transmission revenue is a complete pass-through of transmission costs as charged by Türkiye Elektrik İletim A.Ş. These regulations guarantee revenue to the Group regardless of the consumption level. The under billings or overbillings made by the Group are calculated at every year end and are adjusted through the tariffs to be effective in two years by EMRA. The effects of the under billings, which means the actual revenue is below the revenue cap set by EMRA, are accounted as income accruals at the Group's accompanying consolidated financial statements.

(**) As of 31 December 2024, TL 191,027 of the amount arises from provision related to general lighting receivables which are disputed.

(***) As of 31 December 2024, TL 660,880 of the amount arises from receivables from tax office and general lighting receivables amounting to TL 191,027 of amount arises from general lighting receivables which are disputed and provision has been provided.

(****) The balance represents subscription fees refunded to the subscribers, subscribed before 31 March 2006 for EPS and 24 July 2006 for AYESAŞ and TOROSLAR EPSAŞ (Note 1) when they leave the system. The balances were paid to the subscribers based on their indexed amounts as required by EMRA periodically. According to the TOR Agreement signed with TEDAŞ, retail companies (EPS, AYESAŞ and TOROSLAR EPSAŞ) are obliged to keep deposits refunded with their fair values and the net balance of deposits received and paid will be paid back to TEDAŞ at the end of the license periods.

(*****) The Group management has assessed that the severance payment provision can be taken with the revenue requirement and has imposed an accrued income for the severance payment provision calculated.

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NOTE 7 - OTHER RECEIVABLES AND PAYABLES (Continued)

7.1 Other Receivables (Continued)

Movement of allowance for other doubtful receivables is as follows:

	1 January - 31 December 2024	1 January - 31 December 2023
Opening balance	(280,287)	(7,430)
Charge for the period	-	(275,778)
Inflation effect	86,154	2,921
Closing balance	<u>(194,133)</u>	<u>(280,287)</u>

7.2 Other Payables

	31 December 2024	31 December 2023
<u>Other Current Payables</u>		
Due to related parties (Note 5)	-	29,886
Deposits received (*)	12,115,370	11,691,373
Lighting payables	6,000	21,657
Other payables (**)	992,770	1,237,229
	<u>13,114,140</u>	<u>12,980,145</u>

(*) The Group receives deposits from the customers subscribed after 31 March 2006 for EPS and 24 July 2006 for AYESAŞ and TOROSLAR EPSAŞ (Note 1) upon their subscription on behalf of TEDAŞ and these deposits are initially recorded at their fair values as the subscription fee charged to customers represents the fees announced by EMRA. According to the TOR Agreements signed with TEDAŞ, retail companies (EPS, AYESAŞ and TOROSLAR EPSAŞ) are obliged to carry the deposits received by their revalued amounts and the net balance of deposits received and paid will be paid back to TEDAŞ at the end of the license period.

(**) Other payables mainly consist of liabilities related to customer penalties.

NOTE 8 – INVENTORIES

	31 December 2024	31 December 2023
Spare parts and equipments	2,214,484	3,780,773
Trade goods	224,471	527,437
Other inventories	1,414,828	1,389,837
	<u>3,853,783</u>	<u>5,698,047</u>

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NOTE 9 - PREPAID EXPENSES AND DEFERRED INCOME

9.1 Prepaid Expenses

	31 December 2024	31 December 2023
<u>Short-term prepaid expenses</u>		
Inventory advances given	634,323	1,227,300
Prepaid expenses	482,100	517,969
Other advances given	50,850	236,032
Personnel advances	33,225	64,507
	<u>1,200,498</u>	<u>2,045,808</u>
	31 December 2024	31 December 2023
<u>Long-term prepaid expenses</u>		
Prepaid expenses	156,561	146,760
	<u>156,561</u>	<u>146,760</u>

9.2 Deferred Income

	31 December 2024	31 December 2023
<u>Short Term Deferred Income</u>		
Deferred income	44,643	29,004
Advances received	9,058	16,627
	<u>53,701</u>	<u>45,631</u>
	31 December 2024	31 December 2023
<u>Long Term Deferred Income</u>		
Deferred income (*)	9,351	4,479,513
	<u>9,351</u>	<u>4,479,513</u>

(*) According to the Electricity Market Law, the Electricity Market Tariffs Communiqué and other related regulations the Group's distribution, transmission and meter reading services are subject to revenue caps. Realized revenue is determined in a way to cover operating expenses and investment requirements related to distribution, transmission and meter reading. Moreover, transmission revenue is a complete pass-through of transmission costs as charged by Türkiye Elektrik İletim A.Ş. These regulations guarantee revenue to the Group regardless of the consumption level. The under billings or overbillings made by the Group are calculated at every year end and are adjusted through the tariffs to be effective in two years by EMRA. The effects of the overbillings, which means the actual revenue is above the revenue cap set by EMRA, are accounted as deferred income at the Group's accompanying consolidated financial statements.

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NOTE 10 - FINANCIAL ASSETS FROM SERVICE CONCESSION ARRANGEMENTS

	Financial assets	
	31 December 2024	31 December 2023
Within one year	8,670,918	8,604,215
1-3 years	14,155,096	20,819,354
More than 3 years	20,363,061	16,428,540
	<u>43,189,075</u>	<u>45,852,109</u>
Current financial assets from service concession arrangements	8,670,918	8,604,215
Non-current financial assets from service concession arrangements	34,518,157	37,247,894
	<u>43,189,075</u>	<u>45,852,109</u>
	1 January -	1 January -
	<u>31 December 2024</u>	<u>31 December 2023</u>
Opening balance	45,852,109	35,999,954
Investments (*)	15,028,125	25,038,788
Collections	(20,553,774)	(19,612,143)
<i>CAPEX reimbursements (**)</i>	<i>(12,996,100)</i>	<i>(12,265,746)</i>
<i>WACC reimbursements</i>	<i>(7,557,674)</i>	<i>(7,346,397)</i>
Tariff corrections (***)	(1,027,815)	1,431,140
Financial income from service concession arrangements (Note 19)	19,750,220	21,174,859
(Recognition) / Reversal of impairment for financial assets	(4,703)	(6,200)
Inflation effect	(15,855,087)	(18,174,289)
Closing balance	<u>43,189,075</u>	<u>45,852,109</u>

(*) Investments amounting to TL 13,092,712 consists of the main balance arising from the presentation before TAS 29 and TL 1,935,413 consists of the monetary loss gain arising from the purchasing power indexation after TAS 29 as at 31 December 2024 (2023: TL 13,563,795 main balance arising from the presentation before TAS 29, TL 11,474,993 purchasing power indexation after TAS 29).

(**) TL 11,322,383 of the capex reimbursement amount consists of the main balance arising from the presentation before TAS 29 and TL 1,673,717 consists of the monetary loss gain arising from the purchasing power indexation presentation after TAS 29 as at 31 December 2024 (2023: TL 6,175,433 main balance arising from the presentation before TAS 29, TL 6,090,313 purchasing power indexation amount after TAS 29).

(***) The related amount arises from the adjustment of the provisionally recorded unit price profit/loss amount for 2023 upon realization in the current period.

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NOTE 11 - RIGHT OF USE ASSETS

	Buildings	Motor vehicles	Total
Cost			
Opening balance as of 1 January 2024	1,208,957	3,240,546	4,449,503
Additions	114,703	553,698	668,401
Variable lease payment adjustments and changes in lease conditions	(74,884)	-	(74,884)
Closing balance as of 31 December 2024	<u>1,248,776</u>	<u>3,794,244</u>	<u>5,043,020</u>
Accumulated Depreciation			
Opening balance as of 1 January 2024	(686,127)	(2,479,157)	(3,165,284)
Charge for the period	(195,866)	(541,353)	(737,219)
Closing balance as of 31 December 2024	<u>(881,993)</u>	<u>(3,020,510)</u>	<u>(3,902,503)</u>
Carrying value as of 31 December 2024	<u>366,783</u>	<u>773,734</u>	<u>1,140,517</u>
Cost			
Opening balance as of 1 January 2023	810,001	2,741,434	3,551,435
Additions	376,577	500,118	876,695
Variable lease payment adjustments and changes in lease conditions	22,379	-	22,379
Disposals	-	(1,006)	(1,006)
Closing balance as of 31 December 2023	<u>1,208,957</u>	<u>3,240,546</u>	<u>4,449,503</u>
Accumulated Depreciation			
Opening balance as of 1 January 2023	(515,052)	(1,676,196)	(2,191,248)
Charge for the period	(171,075)	(803,534)	(974,609)
Disposals	-	573	573
Closing balance as of 31 December 2023	<u>(686,127)</u>	<u>(2,479,157)</u>	<u>(3,165,284)</u>
Carrying value as of 31 December 2023	<u>522,830</u>	<u>761,389</u>	<u>1,284,219</u>

Depreciation expenses of TL 737,219 are accounted in general administrative expenses (31 December 2023: TL 974,609).

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(Amounts expressed in thousands of Turkish Lira ("TL") in terms of purchasing power of the TL at 31 December 2024 unless otherwise indicated. Currencies other than TL are also expressed in thousands unless otherwise indicated.)

NOTE 12 - PROPERTY, PLANT AND EQUIPMENTS

	Plant, machinery and equipment	Leasehold improvements	Motor vehicles	Furniture and fixtures	Construction in progress	Total
Cost						
Opening balance as of 1 January 2024	6,834,989	136,952	159,023	3,724,372	2,969,946	13,825,282
Additions	542,707	37,506	419,029	758,167	197,535	1,954,944
Transfers to financial assets	-	-	-	-	(253,923)	(253,923)
Transfers from construction in progress	-	23,909	-	-	(210,264)	(186,355)
Closing balance as of 31 December 2024	<u>7,377,696</u>	<u>198,367</u>	<u>578,052</u>	<u>4,482,539</u>	<u>2,703,294</u>	<u>15,339,948</u>
Accumulated Depreciation						
Opening balance as of 1 January 2024	(2,447,070)	(26,089)	(156,361)	(1,681,930)	-	(4,311,450)
Charge for the period	(517,060)	(25,227)	(49,705)	(481,618)	-	(1,073,610)
Closing balance as of 31 December 2024	<u>(2,964,130)</u>	<u>(51,316)</u>	<u>(206,066)</u>	<u>(2,163,548)</u>	<u>-</u>	<u>(5,385,060)</u>
Carrying value as of 31 December 2024	<u>4,413,566</u>	<u>147,051</u>	<u>371,986</u>	<u>2,318,991</u>	<u>2,703,294</u>	<u>9,954,888</u>

	Plant, machinery and equipment	Leasehold improvements	Motor vehicles	Furniture and fixtures	Construction in progress	Total
Cost						
Opening balance as of 1 January 2023	6,132,992	-	156,921	2,629,299	2,963,579	11,882,791
Additions	701,997	136,952	2,102	1,095,073	670,519	2,606,643
Transfers to financial assets	-	-	-	-	(489,696)	(489,696)
Transfers from construction in progress	-	-	-	-	(174,456)	(174,456)
Closing balance as of 31 December 2023	<u>6,834,989</u>	<u>136,952</u>	<u>159,023</u>	<u>3,724,372</u>	<u>2,969,946</u>	<u>13,825,282</u>
Accumulated Depreciation						
Opening balance as of 1 January 2023	(1,931,872)	-	(155,604)	(1,306,343)	-	(3,393,819)
Charge for the period	(515,198)	(26,089)	(757)	(375,587)	-	(917,631)
Closing balance as of 31 December 2023	<u>(2,447,070)</u>	<u>(26,089)</u>	<u>(156,361)</u>	<u>(1,681,930)</u>	<u>-</u>	<u>(4,311,450)</u>
Carrying value as of 31 December 2023	<u>4,387,919</u>	<u>110,863</u>	<u>2,662</u>	<u>2,042,442</u>	<u>2,969,946</u>	<u>9,513,832</u>

Useful Life

Plant, machinery and equipment

5-25 years

Motor vehicles

3 years

Furniture and fixtures

5 years

Depreciation expense of TL 894,242 and TL 179,368 are accounted in general administrative expenses and cost of sales, respectively (31 December 2023: general administrative expenses: TL 846,399 and cost of sales: TL 71,232).

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NOTE 13 - INTANGIBLE ASSETS

	Customer contracts and related relationships	Transfer of operating rights	Goodwill	Computer software	Other intangible assets	Total
Cost						
Opening balance as of 1 January 2024	54,356,569	19,999,202	2,857,080	2,200,477	362,581	79,775,909
Additions	-	-	-	290,444	5,960	296,404
Transfers from constructions in progress	-	-	-	186,355	-	186,355
Closing balance as of 31 December 2024	54,356,569	19,999,202	2,857,080	2,677,276	368,541	80,258,668
Accumulated Amortization						
Opening balance as of 1 January 2024	(22,087,623)	(7,361,713)	-	(1,497,349)	(51,215)	(30,997,900)
Charge for the period	(1,890,162)	(687,600)	-	(356,848)	(1,073)	(2,935,683)
Closing balance as of 31 December 2024	(23,977,785)	(8,049,313)	-	(1,854,197)	(52,288)	(33,933,583)
Carrying value as of 31 December 2024	30,378,784	11,949,889	2,857,080	823,079	316,253	46,325,085
Cost						
Opening balance as of 1 January 2023	54,356,569	19,999,202	2,857,080	1,758,350	220,791	79,191,992
Additions	-	-	-	267,671	141,790	409,461
Transfers from constructions in progress	-	-	-	174,456	-	174,456
Closing balance as of 31 December 2023	54,356,569	19,999,202	2,857,080	2,200,477	362,581	79,775,909
Accumulated Amortization						
Opening balance as of 1 January 2023	(20,202,625)	(6,675,993)	-	(1,162,643)	(43,516)	(28,084,777)
Charge for the period	(1,884,998)	(685,720)	-	(334,706)	(7,699)	(2,913,123)
Closing balance as of 31 December 2023	(22,087,623)	(7,361,713)	-	(1,497,349)	(51,215)	(30,997,900)
Carrying value as of 31 December 2023	32,268,946	12,637,489	2,857,080	703,128	311,366	48,778,009

Amortization expense of TL 2,931,647 and TL 4,036 are accounted in general administrative expenses and cost of sales, respectively (31 December 2023: general administrative expenses: TL 2,907,177 and cost of sales: TL 5,946).

Customer contracts and related relationships and transfer of operating rights are recognized separately during the business combination according to TFRS 3.

On 31 March 2006 BAŞKENT EDAŞ and on 24 July 2006, AYEDAŞ and TOROSLAR EDAŞ signed TOR Agreement with TEDAŞ. In accordance with the TOR agreement, TEDAŞ transferred the operating rights of the distribution system, the distribution facilities, and the other movables and immovable which are crucial for the operation of the distribution facilities to BAŞKENT EDAŞ until the end of 2036 and to AYEDAŞ and TOROSLAR EDAŞ until the end of 2042. Based on the future cash flows fair value of the TOR agreements are determined. The residual value of TOR after the portion recognized as financial asset which calculated based on TFRIC 12 (Note 10) is recognized as intangible asset based on TFRS 3.

In recognition of customer contracts and related relationships; relationships with the different customer groups are identified and a fair value for retail customers is estimated by Group management at the acquisition dates.

Customer contracts and related relationships and TOR amortization is calculated on a straight-line basis in a range between 25 - 30 years and charged to operating expenses.

As of 31 December 2024, there is no impairment on goodwill (31 December 2023: None).

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NOTE 14 - PROVISIONS

Current Provisions	31 December 2024	31 December 2023
Legal claims (*)	833,429	937,141
Other provisions (**)	72,830	-
	<u>906,259</u>	<u>937,141</u>

(*) Legal claims are set for the probable cash outflows related to the legal disputes. As of 31 December 2024, the provision amount for the legal claims are determined according to the assessment made by the Group management, considering the probability of legal cases that will be finalized against the Group.

(**) The related amount consists of provisions for penalties and late payment penalties related to VAT and corporate tax corrections.

Movements of provisions are as follows:

	Other provisions	Legal claims	Total
Opening balance as of 1 January 2024	-	937,141	937,141
Additional provisions recognized	83,596	258,507	342,103
Reversal of provisions	-	(46,913)	(46,913)
Inflation effect	(10,766)	(315,306)	(326,072)
Closing balance as of 31 December 2024	<u>72,830</u>	<u>833,429</u>	<u>906,259</u>

	Other provisions	Legal claims	Total
Opening balance as of 1 January 2023	-	882,466	882,466
Additional provisions recognized	-	532,872	532,872
Reversal of provisions	-	(19,422)	(19,422)
Inflation effect	-	(458,775)	(458,775)
Closing balance as of 31 December 2023	<u>-</u>	<u>937,141</u>	<u>937,141</u>

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NOTE 15 - COMMITMENT AND CONTINGENCIES

<u>31 December 2024</u>	<u>TL Equivalent (*)</u>	<u>TL</u>	<u>USD</u>	<u>EUR</u>
A. Total amount of Collateral Pledge Mortgage (CPM) given on behalf of the legal entity	15,322	15,322	-	-
- <i>Collateral</i>	15,322	15,322	-	-
B. Total amount of CPM given against the subsidiaries included in full consolidation	22,270,287	22,053,348	5,821	315
- <i>Collateral</i>	22,270,287	22,053,348	5,821	315
Total	<u>22,285,609</u>	<u>22,068,670</u>	<u>5,821</u>	<u>315</u>
<u>31 December 2023</u>	<u>TL Equivalent (*)</u>	<u>TL</u>	<u>USD</u>	<u>EUR</u>
A. Total amount of Collateral Pledge Mortgage (CPM) given on behalf of the legal entity	12,518	12,518	-	-
- <i>Collateral</i>	12,518	12,518	-	-
B. Total amount of CPM given against the subsidiaries included in full consolidation	18,420,942	17,219,197	39,663	1,048
- <i>Collateral</i>	18,420,942	17,219,197	39,663	1,048
Total	<u>18,433,460</u>	<u>17,231,715</u>	<u>39,663</u>	<u>1,048</u>

(*) TL equivalent amounts are presented in nominal values.

Mandatory investments

As the regulated incumbent electricity distribution operator, the distribution companies have an obligation to make any required expansion investments to the grid infrastructure in order to ensure the security of supply to all customers of the respective region. Such expansion investments are mostly a result of new customer or transmission connection requests as well as new street lighting projects initiated by municipalities that also fall under the regulated activities of Distribution companies.

Energy sales agreements

Distribution and retail companies signed Energy Sales Agreements with EÜAŞ in order to obtain their energy needs during the year. These energy sales agreements have been established based on regulated prices. During the year, the Group is obliged to purchase the energy quantity stated in these agreements. At the current operating conditions and market structure, the Group's energy needs are higher than the contracted quantities and the Group makes purchases regularly from EPIAŞ. As a result, the Group management does not expect any liability related to the Energy Sales Agreements arising from not fulfilling the requirements of Energy Sales Agreements.

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NOTE 16 - EMPLOYMENT BENEFITS

<u>Payables Related to Employee benefits</u>	31 December 2024	31 December 2023
Social security premiums payable	648,986	649,105
Payable to personnel	593,308	317,356
	<u>1,242,294</u>	<u>966,461</u>
<u>Short-term Provisions Related to Employee Benefits</u>	31 December 2024	31 December 2022
Bonus provisions	667,178	646,642
	<u>667,178</u>	<u>646,642</u>
<u>Long-term Provisions Related to Employee Benefits</u>	31 December 2024	31 December 2022
Provisions for unused vacation	458,884	397,595
Provision for employment termination benefits	1,521,590	1,550,433
	<u>1,980,474</u>	<u>1,948,028</u>

The movement of bonus and unused vacation provisions are as follows:

	Bonus provisions	Unused vacation provision	Total
Opening balance as of 1 January 2024	646,642	397,595	1,044,237
Additional provisions recognized	744,030	291,441	1,035,471
Payments	(353,489)	(80,815)	(434,304)
Reversal of provisions	(138,825)	-	(138,825)
Inflation effect	(231,180)	(149,337)	(380,517)
Closing balance as of 31 December 2024	<u>667,178</u>	<u>458,884</u>	<u>1,126,062</u>
	Bonus provisions	Unused vacation provision	Total
Opening balance as of 1 January 2023	322,079	357,847	679,926
Additional provisions recognized	816,419	230,681	1,047,100
Payments	(239,556)	-	(239,556)
Inflation effect	(252,300)	(190,933)	(443,233)
Closing balance as of 31 December 2023	<u>646,642</u>	<u>397,595</u>	<u>1,044,237</u>

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NOTE 16 - EMPLOYMENT BENEFITS (Continued)

Under Turkish Labor Law, the Group is required to pay termination benefits to each employee who has completed certain years of service and whose employment is terminated without due cause, who is called up for military service, dies or retires after completing 25 years of service and reaches the retirement age (58 for women and 60 for men).

The amount payable consists of one month's salary limited to a maximum of TL 41,828.42 (full digit) (31 December 2023: TL 23,489.83 (full digit, nominal)) for each period of service at 31 December 2023.

The provision has been calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of employees. TAS 19 *Employee Benefits* requires actuarial valuation methods to be developed to estimate the enterprise's obligation under defined benefit plans. Accordingly, the following actuarial assumptions were used in the calculation of the total liability.

The principal assumption is that the maximum liability for each year of service will increase parallel with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Consequently, in the accompanying consolidated financial statements as at 31 December 2024, the provision has been calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees. The provisions at the respective balance sheet dates have been calculated assuming an annual inflation rate of 24.51% and a discount rate of 27.90%, resulting in a real discount rate of approximately 2.72% (31 December 2023: inflation rate of 24.61% and a discount rate of 28.00%, resulting in a real discount rate of approximately 2.72%) Ceiling amount of TL 46,655.43 (full digit) which is in effect since 1 January 2025 is used in the calculation of Groups' provision for retirement pay liability (1 January 2024: TL 35,058.58 (full digit, nominal)).

Group management has assessed that the severance payment provisions of electricity distribution companies within the Group can be taken with the revenue requirement according to the changed tariff structure at third tariff period and has accounted accrued income for the severance payment provisions calculated for those companies as of 31 December 2024 and 31 December 2023.

The movement for retirement payment provisions is as follows:

	1 January - 31 December 2024	1 January - 31 December 2023
Opening balance	1,550,433	2,385,696
Service cost	1,026,546	392,713
Interest cost	319,481	429,979
Retirement payments	(832,118)	(691,554)
Inflation effect	(542,752)	(966,401)
Closing balance	<u>1,521,590</u>	<u>1,550,433</u>

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NOTE 17 - OTHER ASSETS AND LIABILITIES

17.1 Other Current Assets

	31 December 2024	31 December 2023
Deferred VAT	1,275,893	3,265,052
VAT recoverable	7,738	-
Other	176,371	100,959
	<u>1,460,002</u>	<u>3,366,011</u>

17.2 Other Non-current Assets

	31 December 2024	31 December 2023
Other	21,137	39,830
	<u>21,137</u>	<u>39,830</u>

17.3 Other Current Liabilities

	31 December 2024	31 December 2023
Taxes and funds payable	1,031,245	869,544
Other	1,374	18,347
	<u>1,032,619</u>	<u>887,891</u>

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NOTE 18 - SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS

18.1 Share Capital

Shareholders	31 December 2024		31 December 2023	
	Share (%)	TL	Share (%)	TL
Hacı Ömer Sabancı Holding A.Ş.	40	472,427.6	40	472,427.6
E.ON International Participations N.V. (E.ON)	40	472,427.6	40	472,427.6
Other	20	236,213.8	20	236,213.8
	100	1,181,069	100	1,181,069
Adjustment to share capital		13,488,262		13,488,262
Share premium (*)		29,681,065		31,353,365
Total share capital		44,350,396		46,022,696

(*) Share premium, refers to the amount of registered capital as a capital reserve in the statutory capital after the merger and separation processes according to the legislation.

With the decision of the Board of Directors on 20 April 2017, Enerjisa Enerji A.Ş. merged with Enerjisa Elektrik Dağıtım A.Ş. ("EEDAŞ") and the subsidiaries of EEDAŞ together with all their assets and liabilities with the takeover method. In addition, on 25 August 2017, the Group's electricity generation and wholesale business areas were separated and structured under another company. As a result of these transactions, necessary corrections are made in the registered share capital and the statutory capital after merger and split has been reached.

During the Ordinary General Assembly held on 4 April 2024, share premiums amounting to TL 1,672,300 has been transferred to retained earnings and subject to dividend distribution (31 December 2023: TL 810,142).

As at 31 December 2024, the capital of the Company comprising 118,106,897 thousand (31 December 2023: 118,106,897 thousand) registered ordinary shares of TL 0.01 each (31 December 2023: TL 0.01 each).

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NOTE 18 - SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS (Continued)

18.2 Earnings / (Loss) Per Share

Earnings per share for each class of share disclosed in the consolidated statements of profit or loss and other comprehensive income is determined by dividing the profit for the period attributable to ordinary equity holders of the parent entity by the weighted average number of shares that have been outstanding during the year.

	1 January - 31 December 2024	1 January - 31 December 2023
(Loss) / profit for the period	(4,852,783)	6,522,060
Weighted average shares	118,106,896,712	118,106,896,712
(Loss) /earning per share (kr)	(4.11)	5.52

18.3 Restricted Profit Reserves

	31 December 2024	31 December 2023
Restricted Profit Reserves	3,447,044	3,560,121
	<u>3,447,044</u>	<u>3,560,121</u>

The Company reserves 5% of the historical statutory profit as first legal reserve, until the total reserve reaches 20% of the historical paid in share capital. The other legal reserve is appropriated at the rate of 10% per annum of all cash dividend distributions after the payment of dividends to the shareholders at a rate of 5%. According to Turkish Commercial Law, if they do not exceed the capital or issued capital general legal reserves can be used to offset prior year losses or recapitalize the business in case of distress.

18.4 Additional Information for Capital, Legal Reserves and Other Equity Items

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/IFRS	Differences recognized in retained earnings
Adjustments to Share Capital	19,722,282	13,488,262	6,234,020
Share Premium	29,884,964	29,681,065	203,899
Restricted Profit Reserves	5,297,170	3,447,044	1,850,126

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NOTE 19 – REVENUE

The Group fulfills its performance obligations by transferring goods and services both over time and at a specific point in time. This is consistent with the revenue information disclosed for each reportable segment under TFRS 8 (Note 4).

	1 January - 31 December 2024	1 January - 31 December 2023
Revenue from electricity sales and services provided	161,945,981	219,738,730
<i>Retail sales revenue</i>	98,464,257	145,263,673
<i>Regulated revenue</i>	46,136,806	87,249,160
<i>Liberalised revenue</i>	52,327,451	58,014,513
<i>Retail service revenue</i>	3,408,914	2,893,888
<i>Distribution lighting sales revenue</i>	5,659,211	8,719,196
<i>Distribution service revenue</i>	28,902,667	25,218,658
<i>Investment expenses</i>	14,000,310	25,038,788
<i>Transmission revenue</i>	11,510,622	12,604,527
Financial income from service concession arrangements (Note 10, 29)	19,750,220	21,174,859
Other revenue (*)	8,888,578	2,602,345
	<u>190,584,779</u>	<u>243,515,934</u>

(*) Other revenue amounting to TL 8.656.907 consists of revenue from Customer Solutions segment (December 31, 2023: TL 2.359.407).

NOTE 20 - COST OF SALES

	1 January - 31 December 2024	1 January - 31 December 2023
Electricity purchases	(103,564,293)	(151,461,758)
<i>Retail energy purchases</i>	(95,172,232)	(140,262,668)
<i>Distribution related energy purchases (*)</i>	(8,392,061)	(11,199,090)
Investment costs	(15,028,125)	(25,038,788)
System usage fee (**)	(11,510,622)	(12,604,527)
Payroll and employee benefit expenses	(7,794,706)	(7,224,217)
Material expenses	(2,739,924)	(4,432,213)
Repair and maintenance expenses	(1,410,817)	(2,310,571)
Fleet management expenses	(1,261,858)	(1,408,715)
Insurance expenses	(867,218)	(360,967)
Depreciation and amortization expenses (Note 12, 13)	(183,404)	(77,178)
Other	(3,499,413)	(1,701,757)
	<u>(147,860,380)</u>	<u>(206,620,691)</u>

(*) Includes theft / loss and lighting related electricity purchases.

(**) Includes system usage costs reflected as transmission revenue.

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NOTE 21 - GENERAL ADMINISTRATIVE EXPENSES

	1 January - 31 December 2024	1 January - 31 December 2023
General administrative expenses (-)	(16,219,046)	(16,605,300)
	<u>(16,219,046)</u>	<u>(16,605,300)</u>

Details of general administrative expenses are as follows:

	1 January - 31 December 2024	1 January - 31 December 2023
Payroll and employee benefit expenses	(7,465,232)	(6,578,812)
Depreciation and amortization expenses (Note 11, 12, 13)	(4,563,108)	(4,728,185)
Legal and lawsuit provision expenses	(852,322)	(1,268,047)
Duties, taxes and levies	(661,468)	(971,629)
Outsourcing expenses	(621,288)	(594,356)
Information technologies expenses	(496,125)	(524,253)
Consulting expenses	(274,211)	(281,800)
Advertisement and promotion expenses	(229,693)	(343,289)
Travel expenses	(166,216)	(246,105)
Post, telephone and communication expenses	(129,027)	(150,261)
Call center expenses	(103,811)	(80,933)
Invoice expenses	(89,992)	(161,232)
Fleet management expenses	(88,587)	(69,570)
Rent expenses	(65,574)	(42,710)
Repair and maintenance expenses	(32,941)	(97,763)
Insurance expenses	(23,722)	(25,559)
Material expenses	(8,204)	(1,509)
Other expenses	(347,525)	(439,287)
	<u>(16,219,046)</u>	<u>(16,605,300)</u>

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NOTE 22 - OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES

22.1 Other Income From Operating Activities

	1 January - 31 December 2024	1 January - 31 December 2023
Interest income related to tariff receivables - net (Note 29) (*)	4,501,676	1,815,713
Late payment interest income from electricity receivables	1,786,356	1,592,157
Power theft penalties	567,903	645,301
Income from doubtful receivables - net (Note 6)	131,641	-
Rent and advertisement income	79,833	75,790
Lawsuit income	585	38
Income from operational hedge transactions - net	-	4,807,010
Other income (***)	642,075	1,603,240
	<u>7,710,069</u>	<u>10,539,249</u>

22.2 Other Expenses From Operating Activities

	1 January - 31 December 2024	1 January - 31 December 2023
Rediscount expense for trade receivables	(2,357,300)	(531,110)
Provision for doubtful receivables - net (Note 6)	(1,758,929)	(3,408,768)
Expense from operational hedge transactions - net	(1,257,351)	-
Late payment interest expense	(424,602)	(2,289,225)
Customer penalty expenses	(292,037)	(539,907)
Foreign exchange losses from operating activities - net	(261,318)	(1,681,748)
Donations	(76,481)	(242,529)
Penalty expenses	(8,266)	(5,387)
Impairment provision on financial assets (Note 10) (**)	(4,703)	(6,200)
Other expenses	(175,829)	(617,692)
	<u>(6,616,816)</u>	<u>(9,322,566)</u>

(*) Interest income / (expense) related to tariff receivables are the interest income / (expense) for the receivables arising from the difference between revenue requirement and revenue recognition on cash basis of the Group.

(**) As of 31 December 2024, the Group has been recorded additional impairment provision of TL 4,703 for its financial assets from service concession arrangements in accordance with the amendments in TFRS 9 Financial Instruments Standard (31 December 2023: TL 6,200).

(***) TL 122,663 of the amount arises from the late payment interest incomes of the adjustments made by EMRA within the scope of the resource-based support mechanism made for the year 2023 (31 December 2023: TL 1,053,760).

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NOTE 23 - FINANCE INCOME AND EXPENSES

23.1 Finance Income

	1 January - 31 December 2024	1 January - 31 December 2023
Interest income	2,835,231	2,835,297
	<u>2,835,231</u>	<u>2,835,297</u>

23.2 Finance Expenses

	1 January - 31 December 2024	1 January - 31 December 2023
Interest expenses of borrowings	(22,278,327)	(13,000,991)
Foreign exchange gains / (losses) - net	(477,415)	(224,333)
Bank commission expenses	(341,322)	(554,870)
	<u>(23,097,064)</u>	<u>(13,780,194)</u>

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NOTE 24 - NET MONETARY POSITION GAINS AND LOSSES

Net Monetary Position Gains / (Losses) reported in the consolidated statement of profit or loss arise from the following non-monetary financial statement items:

Non-monetary items	31 December 2024
Inventory	112,417
Prepaid Expenses	214,578
Right of Use Assets	420,813
Property, Plant and Equipment	3,031,889
Intangible Assets	14,892,242
<i>Goodwill</i>	878,202
<i>Other Intangible Assets</i>	14,014,040
Other Current Payables	(3,108,666)
Deferred Tax Assets	8,902,383
Deferred Tax Liabilities	(3,079,062)
Registered Share Capital	(4,509,020)
Share Premium	(9,340,145)
Other Funds	(7,095)
Restricted Profit Reserves	(1,101,574)
Retained Earnings	(9,952,108)
Statement of Financial Position Items	(3,523,348)
Revenue	(22,745,782)
Cost of Sales	17,707,297
General Administrative Expenses	1,384,782
Other Income from Operating Activities	(768,836)
Other Expenses from Operating Activities	876,748
Finance Income	(349,455)
Finance Expense	2,585,124
Current Tax Expense	239,534
Profit or Loss Statement Items	(1,070,588)
Net Monetary Position (Losses) / Gains	(4,593,936)

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NOTE 25 - TAX ASSETS AND LIABILITIES

	31 December 2024	31 December 2023
Current assets related with current taxes		
Prepaid taxes and funds	32,244	1,366,480
	<u>32,244</u>	<u>1,366,480</u>
	31 December 2024	31 December 2023
Current tax liability		
Current corporate tax provision	1,992,031	540,085
Less: Prepaid taxes and funds	(1,705,269)	(252,810)
Inflation effect	(19,918)	(234,460)
	<u>266,844</u>	<u>52,815</u>
	1 January - 31 December 2024	1 January - 31 December 2023
Tax expense recognized in profit or loss		
Current tax expense	(1,992,031)	(540,085)
Deferred tax expense relating to the origination and reversal of temporary differences, net	(5,603,589)	(544,409)
Total tax expense	<u>(7,595,620)</u>	<u>(1,084,494)</u>

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NOTE 25 - TAX ASSETS AND LIABILITIES (Continued)

Corporate tax

The Group is subject to Turkish corporate taxes. A provision is made in the accompanying financial statements for the estimated charge based on the Group's results for the period.

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 the tax-exempt earnings, other exempt income and other deductions (losses of previous periods, investment incentives utilized).

With the Law No. 7456 published in the Official Gazette dated 15 July 2023, the first paragraph of Article 32 of the Corporate Tax Law was amended and the corporate tax rate was increased to 25% for corporate earnings for the year 2023 and the following taxation periods.

Valid rate of corporate tax as of 31 December 2024 is 25% (31 December 2023: 25%).

In Türkiye, temporary tax is calculated and accrued on a quarterly basis. The companies apply 25% tax rate over their quarterly profits (25% for the year 2023) when calculating their temporary tax payables; which they are obliged to declare via Advance Corporate Tax Declaration by the end of the 14th, and pay by the end of the 17th of the 2 months following the related period. Quarterly Advance Corporate Tax payments made within a year are deducted from the Corporate Income Tax calculated for the same fiscal year. Following the netting-off, if there is still remaining Advance Corporate Tax balance, it can be deducted from any other financial debt owed to the State or can be received in the form of a cash refund.

Losses are allowed to be carried 5 years maximum to be deducted from the taxable profit of the following years. Tax carry back is not allowed.

In Türkiye, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns between 1-25 April following the close of the accounting year to which they relate. Tax authorities may, examine such returns and the underlying accounting records and may revise assessments within five years.

Income withholding tax

In addition to corporate taxes, companies should also calculate income withholding taxes and funds surcharge on any dividends distributed, except for companies receiving dividends who are Turkish residents and Turkish branches of foreign companies. With the Presidential Decree No. 9286 published in the Official Gazette dated 22 December 2024 and numbered 32760, the income withholding tax rate was increased from 10% to 15% (31 December 2023: 10%). Undistributed dividends incorporated in share capital are not subject to income withholding tax.

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NOTE 25 - TAX ASSETS AND LIABILITIES (Continued)

Deferred tax

The Group recognizes deferred tax assets and liabilities on the temporary timing differences between the legal books and the financial statements prepared in accordance with TFRS. Such differences generally arise from timing differences of some revenue and expense balances in legal books and financial statements prepared in accordance with TFRS and are explained below.

As of 31 December 2024, 25% tax rate is used in the deferred tax calculation (31 December 2023: 25%).

	31 December 2024	31 December 2023
Deferred tax (asset)	(24,363,023)	(30,363,907)
Deferred tax liability	10,996,715	11,427,909
Deferred tax (asset) / liability, net	<u>(13,366,308)</u>	<u>(18,935,998)</u>

Movement of deferred tax (assets) / liabilities is as follows:

	1 January - 31 December 2024	1 January - 31 December 2023
Opening balance	(18,935,998)	(18,751,288)
Charged to statement of profit or loss	5,603,589	544,409
Charged to other comprehensive income / expense	(33,899)	(729,119)
Closing balance	<u>(13,366,308)</u>	<u>(18,935,998)</u>

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NOTE 25 - TAX ASSETS AND LIABILITIES (Continued)

Deferred tax (continued)

Deferred tax (assets) / liabilities	31 December 2024	31 December 2023
Differences arising from customer contracts and transfer of operational rights	10,582,166	11,226,607
Carrying amount differences of property, plant and equipment, intangible assets and concession arrangement difference	(20,436,884)	(24,946,469)
Carrying amount differences of right of use assets and lease liabilities	29,763	30,335
Provision for employment termination benefits	(33,401)	(35,740)
Provision for doubtful receivables	(90,745)	(157,719)
Provision for lawsuits	(203,296)	(230,882)
Provision for unused vacation	(114,721)	(97,568)
Effect of revenue cap adjustments	918,105	(458,566)
Carry forward tax losses	(2,649,900)	(3,123,392)
Income / (expense) accruals	1,070,671	766,038
Deposit revaluation	(1,612,783)	(1,454,245)
Derivative financial instruments	(80,781)	181,457
Other	(744,502)	(635,854)
	(13,366,308)	(18,935,998)
	1 January - 31 December	1 January - 31 December
Tax Reconciliation:	2024	2023
Profit from operations before tax	2,742,837	7,606,554
	25%	25%
Tax at the domestic income tax rate of 25% (2023: 25%)	685,709	1,901,639
Tax effects of:		
- revenue that is exempt from taxation	(76)	(31,656)
- expenses that are not deductible in determining taxable profit	154,767	149,818
- effect of deferred tax rate change	-	(2,134,922)
- inflation effect	11,393,623	12,856,483
- deferred tax effect of temporary differences arising from inflation accounting in accordance with tax procedure law (*)	(4,626,824)	(11,582,220)
- other	(11,579)	(74,648)
Income tax (income) / expense recognised in profit or loss	7,595,620	1,084,494

(*) In accordance with the Tax Procedure Law dated 30 December 2023 and numbered 32415 (2nd Repeated), it consists of the deferred tax effect of temporary differences arising from the adjustments made in relation to inflation accounting.

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NOTE 25 - TAX ASSETS AND LIABILITIES (Continued)

Deferred tax (continued)

Deferred tax assets may only be recognized to the extent it is probable that sufficient taxable profit will be available in the future. In case of a probable tax advantage, deferred income tax asset is calculated for unused carry forward tax losses.

At 31 December 2024, the Group recognized deferred tax assets amounting to TL 2,649,900 for unused carry forward tax losses amounting to TL 10,599,601 since it was considered as probable that there would be sufficient taxable income in the subsequent periods to utilise such assets based on the forecasts made (31 December 2023: TL 3,123,392 and TL 12,493,569 respectively).

The expiration dates of previous years' losses on which deferred tax asset was recognized are as follows:

	31 December 2024	31 December 2023
Expiring in 2024	-	782,552
Expiring in 2025	511,910	739,089
Expiring in 2026	485,674	701,070
Expiring in 2027	607,237	876,638
Expiring in 2028	2,981,540	9,394,220
Expiring in 2029	6,013,240	-
	<u>10,599,601</u>	<u>12,493,569</u>

The expiration dates of previous years' losses on which deferred tax asset was not recognized are as follows:

	31 December 2024	31 December 2023
Expiring in 2024	-	2,623
Expiring in 2025	1,805	2,606
	<u>1,805</u>	<u>5,229</u>

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NOTE 26 - FINANCIAL INSTRUMENTS

26.1 Financial liabilities

	31 December 2024	31 December 2023
Short-term borrowings	6,079,993	10,451,822
Short-term portion of long term lease liabilities	325,151	420,489
Short-term portion of long term bonds issued	20,982,749	15,367,242
Short-term portion of long-term borrowings	2,528,490	2,881,308
	<u>29,916,383</u>	<u>29,120,861</u>
Long-term borrowings	9,352,392	3,376,002
Long-term lease liabilities	557,327	542,827
Long-term bonds issued	14,124,966	15,112,350
	<u>24,034,685</u>	<u>19,031,179</u>
Total financial liabilities	<u><u>53,951,068</u></u>	<u><u>48,152,040</u></u>

The borrowings and bonds issued are repayable as follows:

	31 December 2024	31 December 2023
To be paid within 1 year	29,591,232	28,700,372
To be paid between 1-2 years	17,283,203	16,643,430
To be paid between 2-3 years	2,164,973	899,631
To be paid between 3-4 years	1,870,006	613,932
To be paid between 4-5 years	925,741	331,359
	1,233,435	-
	<u>53,068,590</u>	<u>47,188,724</u>

As of 31 December 2024 and 31 December 2023, the Group has not given any collateral for the loans obtained.

As of 31 December 2024 and 31 December 2023, the movement of loans and bonds are as follows:

	Borrowings and Bonds issued
Opening balance as of 1 January 2024	47,188,724
Additions	43,901,469
Payments	(21,618,112)
Change in interest accruals	1,114,586
Inflation impact	(17,518,077)
Closing balance as of 31 December 2024	<u><u>53,068,590</u></u>
	Borrowings and Bonds issued
Opening balance as of 1 January 2023	44,382,820
Additions	52,467,628
Payments	(29,817,699)
Change in interest accruals	3,245,171
Inflation impact	(23,089,196)
Closing balance as of 31 December 2023	<u><u>47,188,724</u></u>

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NOTE 26 - FINANCIAL INSTRUMENTS (Continued)

26.1 Financial Liabilities (Continued)

As of 31 December 2024 and 31 December 2023, details of short and long term financial borrowings in terms of interest and currencies are as follows:

Currency	Weighted average effective interest rate	31 December 2024	
		Current	Non-current
TL		8,608,483	9,352,392
<i>Overnight</i>	52.00%	540,000	-
<i>Fixed rate</i>	49.05%	6,163,846	888,196
<i>TLREF indexed</i>	TLREF + 1.00%-3.50%	1,904,637	8,464,196
		<u>8,608,483</u>	<u>9,352,392</u>

Currency	Weighted average effective interest rate	31 December 2023	
		Current	Non-current
TL		13,333,130	3,376,002
<i>Overnight</i>	48.30%	206,462	-
<i>Fixed rate</i>	44.97%	10,688,368	1,919,402
<i>TLREF indexed</i>	TLREF + 1.70%-15.14%	2,438,300	1,456,600
		<u>13,333,130</u>	<u>3,376,002</u>

As of 31 December 2024 and 31 December 2023, details of bonds issued are as follows:

Currency	Weighted average effective interest rate	31 December 2024	
		Current	Non-current
TL		20,982,749	14,124,966
<i>Fixed rate</i>	44.73%	19,622,341	-
<i>TLREF indexed</i>	TLREF+1.00%-16.00%	1,360,408	14,124,966
		<u>20,982,749</u>	<u>14,124,966</u>

Currency	Weighted average effective interest rate	31 December 2023	
		Current	Non-current
TL		15,367,242	15,112,350
<i>Fixed rate</i>	41.42%	12,023,129	15,112,350
<i>TLREF indexed</i>	TLREF+16.00%	3,344,113	-
		<u>15,367,242</u>	<u>15,112,350</u>

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NOTE 26 - FINANCIAL INSTRUMENTS (Continued)

26.1 Financial Liabilities (Continued)

The fair values of the financial liabilities with fixed interests are presented by calculating their discounted cash flows using the market interest rate effective at the reporting date. The fair value of financial liabilities with variable interest rates are considered to be equivalent to the carrying amount due to the expectation that the floating interest rate will change accordingly with the market interest rates. Fair values of the borrowings are higher than their carrying amounts amounting to TL 211,770 as of 31 December 2024 (31 December 2023: TL 997,436 higher).

As of 31 December 2024 and 31 December 2023, Group has fulfilled its financial debt covenants arising from its borrowings.

As of 31 December 2024 and 31 December 2023, details of lease liabilities are as follows:

	31 December 2024	31 December 2023
<u>Short-term portion of long term lease liabilities</u>		
Buildings	56,751	91,590
Vehicles	268,400	328,899
	<u>325,151</u>	<u>420,489</u>
	31 December 2024	31 December 2023
<u>Long-term lease liabilities</u>		
Buildings	162,827	279,497
Vehicles	394,500	263,330
	<u>557,327</u>	<u>542,827</u>

The lease liabilities are repayable as follows:

	31 December 2024	31 December 2023
To be paid within 1 year	325,151	420,489
To be paid between 1-2 years	283,626	322,564
To be paid between 2-3 years	206,761	98,677
To be paid between 3-4 years	39,607	75,093
To be paid between 4-5 years	4,659	35,422
To be paid after 5 years and over	22,674	11,071
	<u>882,478</u>	<u>963,316</u>

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NOTE 26 - FINANCIAL INSTRUMENTS (Continued)

26.1 Financial Liabilities (Continued)

As of 31 December 2024 and 31 December 2023, the movement of lease liabilities is as follows:

	<u>Buildings</u>	<u>Vehicles</u>	<u>Total</u>
Opening balance as of 1 January 2024	371,087	592,229	963,316
Additions	21,485	576,957	598,442
Interest expense	79,495	238,623	318,118
Variable lease payment adjustments and changes in lease conditions	31,453	-	31,453
Payments	(175,414)	(525,515)	(700,929)
Inflation impact	(108,528)	(219,394)	(327,922)
Closing balance as of 31 December 2024	<u>219,578</u>	<u>662,900</u>	<u>882,478</u>
	<u>Buildings</u>	<u>Vehicles</u>	<u>Total</u>
Opening balance as of 1 January 2023	222,424	821,240	1,043,664
Additions	334,034	366,322	700,356
Interest expense	92,045	223,058	315,103
Variable lease payment adjustments and changes in lease conditions	64,273	(1,243)	63,030
Payments	(196,617)	(467,833)	(664,450)
Inflation impact	(145,072)	(349,315)	(494,387)
Closing balance as of 31 December 2023	<u>371,087</u>	<u>592,229</u>	<u>963,316</u>

26.2 Other Financial Liabilities

	<u>31 December 2024</u>	<u>31 December 2023</u>
Other current financial liabilities	165,390	202,019
Other non-current financial liabilities	696,231	1,110,896
	<u>861,621</u>	<u>1,312,915</u>

The other financial liabilities are repayable as follows:

	<u>31 December 2024</u>	<u>31 December 2023</u>
To be paid within 1 year	165,390	202,019
To be paid between 1-2 years	175,540	210,855
To be paid between 2-3 years	170,329	199,289
To be paid between 3-4 years	155,229	212,295
To be paid between 4-5 years	120,586	204,175
To be paid after 5 years and over	74,547	284,282
	<u>861,621</u>	<u>1,312,915</u>

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NOTE 26 - FINANCIAL INSTRUMENTS (Continued)

26.2 Other Financial Liabilities (Continued)

As of 31 December 2024 and 31 December 2023, details of short and long term other financial liabilities in terms of currencies are as follows:

Currency	Weighted average effective interest rate	31 December 2024	
		Current	Non-current
EUR	4.70%	165,390	696,231
		<u>165,390</u>	<u>696,231</u>

Currency	Weighted average effective interest rate	31 December 2023	
		Current	Non-current
EUR	4.70%	202,019	1,110,896
		<u>202,019</u>	<u>1,110,896</u>

After the acquisition of distribution regions, payment obligations of TEDAŞ denominated in EUR, which are in scope of loan agreements with European Investment Bank and World Bank have been transferred to the Group. Other financial liabilities are composed of EUR payment obligations of distribution companies to TEDAŞ in this scope.

As of 31 December 2024 and 31 December 2023, the movement of other financial liabilities is as follows:

	Other Financial Liabilities
Opening balance as of 1 January 2024	1,312,915
Additions	23,924
Foreign exchange movements	(78,714)
Inflation impact	(396,504)
Closing balance as of 31 December 2024	<u>861,621</u>

	Other Financial Liabilities
Opening balance as of 1 January 2023	1,407,816
Payment	(301,460)
Foreign exchange movements	887,713
Inflation impact	(681,154)
Closing balance as of 31 December 2023	<u>1,312,915</u>

Net debt position of the Group as of 31 December 2024 and 31 December 2023 are disclosed in Note 28.1.

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NOTE 27 - DERIVATIVE INSTRUMENTS

The Group utilizes forward exchange contracts in order to mitigate foreign exchange rate risk arising from FIT cost, electricity purchases, unit price investments, equipment purchases to be used in energy efficiency and distributed energy solutions projects and foreign currency denominated other financial liabilities. The details and fair values of the agreements as of 31 December 2024 and 31 December 2023 are as follows:

31 December 2024					
	Contract Amount (USD)	Contract Amount (EUR)	Contract Amount (TL) (*)	Assets	Liabilities
Forward exchanges	48,475	27,106	2,705,984	9,595	(364,449)
	<u>48,475</u>	<u>27,106</u>	<u>2,705,984</u>	<u>9,595</u>	<u>(364,449)</u>

31 December 2023					
	Contract Amount (USD)	Contract Amount (EUR)	Contract Amount (TL) (*)	Assets	Liabilities
Forward exchanges	158,358	44,065	6,097,143	830,047	(65,235)
	<u>158,358</u>	<u>44,065</u>	<u>6,097,143</u>	<u>830,047</u>	<u>(65,235)</u>

(*) Contract amounts are presented in nominal values.

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NOTE 28 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

28.1 Capital Risk Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Group consists of debt, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital and reserves.

The Group management considers the cost of capital and the risks associated with each class of capital. The management of the Group aims to balance its overall capital structure through new share issues, and by issue of new debt or the redemption of existing debt.

	31 December 2024	31 December 2023
Total borrowings (Note 26)	54,812,689	49,464,955
Less: cash and cash equivalents (Note 29)	(9,487,867)	(6,498,842)
Less: derivative instruments (Note 27)	354,854	(764,812)
Net debt	45,679,676	42,201,301
Total equity	74,456,028	83,414,066
Total capital	120,135,704	125,615,367
Net debt / Total capital ratio (%)	38	34

28.2 Financial Risk Factors

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

Risk management is carried out by the finance department. The finance department identifies and evaluates financial risks in close co-operation with the Group's operating units.

28.2.1 Credit risk management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risks mainly arise from trade receivables. The Group manages this risk by the guarantees received from customers. Trade receivables, are evaluated based on the Group's policies and procedures and as a result presented net of doubtful provision in the consolidated financial statements. In accordance with the requirements of TFRS 9 introducing a new impairment model based on expected credit losses, the Group has modified impairment calculation method for trade receivables. The Group recognizes the impairment of trade receivables, weighting the lifetime expected credit losses by default (Probability of Default) for all trade receivables excluding distribution segment on each customer basis and including non-overdue receivables.

Trade receivables consist of a large number of customers, spread across diverse industries within several different provinces. Credit risk of the financial instruments is as the follows:

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NOTE 28 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

28.2 Financial Risk Factors (Continued)

28.2.1 Credit risk management (continued)

Credit risk exposure based on financial instrument categories

	Receivables				Bank deposits	Financial assets excluding cash	Derivatives
	Trade receivables		Other receivables				
	Related party	Other	Current	Non-current			
31 December 2024							
Maximum net credit risk as of the balance sheet date (*)	224,891	25,850,044	6,222,320	6,260,848	9,487,867	43,189,075	9,595
The part of maximum risk under guarantee	-	21,141,225	-	-	-	-	-
A. Net book value of financial assets that are neither past due nor impaired (**)	224,891	21,038,166	6,222,320	6,260,848	9,487,867	43,189,075	9,595
B. Net book value of financial assets that are due but not impaired (**)	-	4,811,878	-	-	-	-	-
C. Net book value of impaired assets	-	-	-	-	-	-	-
- Past due (gross book value)	-	6,585,135	194,133	-	-	-	-
- Impairment (-)	-	(6,585,135)	(194,133)	-	-	-	-
- Not due (gross book value)	-	569,214	-	-	-	-	-
- Impairment (-)	-	(569,214)	-	-	-	-	-
D. Credit risk factors off balance sheet	-	-	-	-	-	-	-

Maturity of Expected Credit Loss

31 December 2024	Not due	Overdue Up to 1 months	Overdue 1-3 months	Overdue more than 3 months	Total
Balance at period end	14,119,775	1,797,701	741,508	1,938,159	18,597,143
Credit loss rate (%)	2%	8%	17%	62%	9%
Expected credit losses	(230,852)	(141,125)	(122,518)	(1,210,881)	(1,705,376)

(*) The factors such as collaterals received, that increase the credit reliability, have not been taken into consideration in determination of the amount.

(**) Amounts excluding the distribution segment are subject to impairment within the scope of TFRS 9. The maturity of expected credit losses except distribution segment is given in the above table. Unlawful and illegal usage receivables amounting to TL 494,797 and general lighting receivables amounting to TL 980,254, which are not insured within the amount related to the distribution segment are guaranteed by the Ministry of Energy, Ministry of Finance and Iller Bank in line with the Electricity Market Law, Electricity Market Tariff Regulation and other relevant regulatory arrangements.

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NOTE 28 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

28.2 Financial Risk Factors (Continued)

28.2.1 Credit risk management (continued)

Credit risk exposure based on financial instrument categories (Continued)

	Receivables				Bank deposits	Financial assets excluding cash	Derivatives
	Trade receivables		Other receivables				
	Related party	Other	Current	Non-current			
31 December 2023							
Maximum net credit risk as of the balance sheet date (*)	262,085	23,352,391	7,912,888	3,407,904	6,498,842	45,852,109	830,047
The part of maximum risk under guarantee	-	22,796,308	-	-	-	-	-
A. Net book value of financial assets that are neither past due nor impaired (**)	262,085	17,657,716	7,912,888	3,407,904	6,498,842	45,852,109	830,047
B. Net book value of financial assets that are due but not impaired (**)	-	5,694,675	-	-	-	-	-
C. Net book value of impaired assets	-	-	-	-	-	-	-
- Past due (gross book value)	-	7,602,889	280,287	-	-	-	-
- Impairment (-)	-	(7,602,889)	(280,287)	-	-	-	-
- Not due (gross book value)	-	643,502	-	-	-	-	-
- Impairment (-)	-	(643,502)	-	-	-	-	-
D. Credit risk factors off balance sheet	-	-	-	-	-	-	-

Maturity of Expected Credit Loss

31 December 2023	Not due	Overdue Up to 1 months	Overdue 1-3 months	Overdue more than 3 months	Total
Balance at period end	16,496,385	1,662,973	968,715	2,862,527	21,990,600
Credit loss rate (%)	2%	9%	24%	58%	10%
Expected credit losses	(275,291)	(142,405)	(228,136)	(1,656,242)	(2,302,074)

(*) The factors such as collaterals received, that increase the credit reliability, have not been taken into consideration in determination of the amount.

(**) Amounts excluding the distribution segment are subject to impairment within the scope of TFRS 9. The maturity of expected credit losses is given in the above table. Unlawful and illegal usage receivables amounting to TL 564,685 and general lighting receivables amounting to TL 1,202,314, which are not insured within the amount related to the distribution segment are guaranteed by the Ministry of Energy, Ministry of Finance and Iller Bank in line with the Electricity Market Law, Electricity Market Tariff Regulation and other relevant regulatory arrangements.

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NOTE 28 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

28.2 Financial Risk Factors (Continued)

28.2.2 Liquidity risk management

The Group aims to maintain an appropriate liquidity risk management framework for the Group's short and long-term funding and liquidity management requirements.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

The maturities of the financial liabilities determined with respect to the contracts including the expected interest payments as of 31 December 2024 and 31 December 2023 are as follows:

31 December 2024

<u>Maturity analysis of non-derivative financial liabilities</u>	<u>Carrying value</u>	<u>Total cash outflow according to contract (I+II+III+IV+V)</u>	<u>Payable on demand (I)</u>	<u>Less than 3 months (II)</u>	<u>3-12 months (III)</u>	<u>1-5 years (IV)</u>	<u>More than 5 years (V)</u>
Non-derivative financial liabilities							
Financial liabilities	53,951,068	99,884,488	-	12,715,460	42,514,544	43,384,110	1,270,374
Trade payables	19,849,637	19,849,637	-	19,849,637	-	-	-
Other payables	13,114,140	13,114,140	12,115,370	998,770	-	-	-
Other financial liabilities	861,621	861,621	-	33,846	131,544	621,684	74,547
Total liabilities	87,776,466	133,709,886	12,115,370	33,597,713	42,646,088	44,005,794	1,344,921

31 December 2023

<u>Maturity analysis of non-derivative financial liabilities</u>	<u>Carrying value</u>	<u>Total cash outflow according to contract (I+II+III+IV+V)</u>	<u>Payable on demand (I)</u>	<u>Less than 3 months (II)</u>	<u>3-12 months (III)</u>	<u>1-5 years (IV)</u>	<u>More than 5 years (V)</u>
Non-derivative financial liabilities							
Financial liabilities	48,152,040	93,996,201	-	18,114,481	23,445,408	52,436,312	-
Trade payables	23,402,737	23,402,738	-	23,402,738	-	-	-
Other payables	12,980,145	12,980,145	11,690,386	1,289,759	-	-	-
Other financial liabilities	1,312,915	1,312,916	-	39,715	162,303	826,615	284,283
Total liabilities	85,847,837	131,692,000	11,690,386	42,846,693	23,607,711	53,262,927	284,283

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NOTE 28 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

28.2 Financial Risk Factors (Continued)

28.2.3 Market risk management

28.2.3.1 Foreign currency risk management

The Group undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed by adjusting the unit price / tariff of the energy sold.

The carrying amount of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date is disclosed below.

	31 December 2024		
	Total TL equivalent	USD TL equivalent	EUR TL equivalent
Cash and cash equivalents	553,617	191,325	362,292
Trade receivables	205,155	205,155	-
Total assets	758,772	396,480	362,292
Other financial liabilities	(861,621)	-	(861,621)
Trade payables	(1,593,330)	(1,505,151)	(88,179)
Total liabilities	(2,454,951)	(1,505,151)	(949,800)
Net foreign currency asset position of off-balance sheet derivative	1,289,974	294,203	995,771
Net foreign currency asset / (liability) position	(406,205)	(814,468)	408,263
Cash flow hedging (*)	1,416,010	1,416,010	-

(*) Cash flow hedging includes forward exchange contracts in order to mitigate foreign exchange rate risk arising from FIT cost and USD denominated energy purchases which are probable in the future. Since it will arise with the realization of highly probable FIT cost and USD denominated energy purchases in the future, relevant trade payables amounts are not included in this table. The total of those forward exchange contracts amounting to TL 1,416,010 is included at cash flow hedging in the foreign currency position table.

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NOTE 28 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

28.2 Financial Risk Factors (Continued)

28.2.3 Market risk management (continued)

28.2.3.1 Foreign currency risk management (continued)

	31 December 2023 (*)		
	Total TL equivalent	USD TL equivalent	EUR TL equivalent
Cash and cash equivalents	2,642,141	2,013,259	628,882
Trade receivables	132,735	132,735	-
Total assets	2,774,876	2,145,994	628,882
Other financial liabilities	(1,312,915)	-	(1,312,915)
Trade payables	(3,425,506)	(3,286,048)	(139,458)
Total liabilities	(4,738,421)	(3,286,048)	(1,452,373)
Net foreign currency asset position of off-balance sheet derivative	4,618,306	2,770,271	1,848,035
Net foreign currency asset / (liability) position	2,654,761	1,630,217	1,024,544
Cash flow hedging (**)	4,184,674	3,960,341	224,333

(*) All the amounts are expressed in thousands of TL in terms of purchasing power of the TL at 31 December 2024.

(**) Cash flow hedging includes forward exchange contracts in order to mitigate foreign exchange rate risk arising from FIT cost and USD denominated energy purchases which are probable in the future. Since it will arise with the realization of highly probable FIT cost and USD denominated energy purchases in the future, relevant trade payables amounts are not included in this table. The total of those forward exchange contracts amounting to TL 4,184,674 is included at cash flow hedging in the foreign currency position table.

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the USD and EUR.

The following table details the Group's sensitivity to a 10% increase and decrease in the TL against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign currency rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number indicates an increase in profit or loss before taxation on income where the TL strengthens against the relevant currency.

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NOTE 28 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

28.2 Financial Risk Factors (Continued)

28.2.3 Market risk management (continued)

28.2.3.1 Foreign currency risk management (continued)

	1 January - 31 December 2024			
	Profit / Loss		Other Comprehensive Income and Expense	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
Change in USD against TL by 10%				
USD net assets / liabilities	(110,867)	110,867	-	-
Hedged items (-)	29,420	(29,420)	141,601	(141,601)
USD net effect	(81,447)	81,447	141,601	(141,601)
Change in EUR against TL by 10%				
EUR net assets / liabilities	(58,751)	58,751	-	-
Hedged items (-)	99,577	(99,577)	-	-
EUR net effect	40,826	(40,826)	-	-
	1 January - 31 December 2023 (*)			
	Profit / Loss		Other Comprehensive Income and Expense	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
Change in USD against TL by 10%				
USD net assets / liabilities	(114,005)	114,005	-	-
Hedged items (-)	277,027	(277,027)	396,034	(396,034)
USD net effect	163,022	(163,022)	396,034	(396,034)
Change in EUR against TL by 10%				
EUR net assets / liabilities	(82,349)	82,349	-	-
Hedged items (-)	184,804	(184,804)	22,433	(22,433)
EUR net effect	102,454	(102,454)	22,433	(22,433)

(*) All the amounts are expressed in thousands of TL in terms of purchasing power of the TL at 31 December 2024.

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NOTE 28 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

28.2 Financial Risk Factors (Continued)

28.2.3 Market risk management (continued)

28.2.3.2 Interest rate risk management

As of 31 December 2024, the Group has TLREF indexed loans and bonds with floating interest rate risk. Interest rate risk arising from those loans are managed through perpetually monitoring and analyzing market interest rates and carrying out sensitivity analysis for interest rate changes in order to monitor possible cost changes within the scope of risk management activities.

Fair value of financial instruments

The fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models.

Categories of financial instruments and fair values

Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best evidenced by a quoted market price, if one exists.

The carrying amounts of foreign currency denominated monetary assets which are translated at year end exchange rates are considered to approximate their fair values.

The carrying values of cash and cash equivalents are estimated to be at their fair values since they have short term maturities and have little impairment risk.

The carrying value of trade receivables and other receivables which are both discounted and provided provision for doubtful receivables are estimated to be at their fair values.

The fair values of the financial liabilities with fixed interests are presented by calculating their discounted cash flows using the market interest rate effective at the reporting date. The fair value of financial liabilities with variable interest rates are considered to be equivalent to the carrying amount due to the expectation that the floating interest rate will change accordingly with the market interest rates. Fair values of the borrowings are lower than their carrying amounts amounting to TL 211,770 as of 31 December 2024 (31 December 2023: TL 997,436 higher).

Discounted values of trade payables and other payables are assumed to approximate their respective carrying values.

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NOTE 28 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

28.2 Financial Risk Factors (Continued)

28.2.3 Market risk management (continued)

28.2.3.2 Interest rate risk management (continued)

Assets and liabilities subject to valuation and fair value of financial instruments

Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best evidenced by a quoted market price, if one exists.

The classification of the Group's financial assets and liabilities at fair value is as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

In the consolidated balance sheet, derivative financial instrument is recognized at fair value. The fair value of derivative financial instrument is determined by using valuation technique, which can be regarded as Level 2.

The following table gives information about how the fair values of financial instruments subject to valuation are determined.

Financial assets / (Financial liabilities)	Fair value / revalued amount		Fair value hierarchy
	31 December 2024	31 December 2023	
Derivative financial instruments	(354,854)	764,812	Level 2

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NOTE 29 - EXPLANATORY NOTES TO THE STATEMENT OF CASH FLOWS

	31 December 2024	31 December 2023
Cash at banks	9,487,867	6,498,842
<i>Demand deposits</i>	3,659,870	2,350,206
<i>Time deposits</i>	5,827,997	4,148,636
	<u>9,487,867</u>	<u>6,498,842</u>

As at 31 December 2024, TL 1,042,123 of the Group's demand deposits are blocked at different banks (31 December 2023: TL 976,636). These blocked deposits are related to the collections made through bank branches which are made available for use by banks 1 or 2 days after the collection depending on the agreements with related banks and related to the conditions of some loan agreements.

As at 31 December 2024 time deposits consist of short term TL 5,673,424, USD 3,395 and EUR 950 balances (31 December 2023: TL 2,816,182 and USD 31,350) with maturities between 2 - 21 days (31 December 2023: 4 - 33 days). Foreign currency term deposits are expressed in their nominal values. The weighted average effective interest rates of TL, USD and EUR time deposits are 49.70, %, 1.50% and 1.00% respectively as at 31 December 2024 (31 December 2023: weighted average effective interest rate 43.29% and 3.00%, respectively).

Details of "Other adjustments to reconcile profit / (loss)" that presented on cash flow statement as follows:

	1 January - 31 December 2024	1 January - 31 December 2023
Adjustments related to interest income		
from tariff receivables (Note 22)	(4,501,676)	(1,815,713)
Adjustments related to financial income		
from service concession arrangements (Note 10, 19)	(19,750,220)	(21,174,859)
	<u>(24,251,896)</u>	<u>(22,990,572)</u>

Details of "Other cash in-flows generated from operating activities" that presented on cash flow statement as follows:

	1 January - 31 December 2024	1 January - 31 December 2023
Net collections from financial assets related		
to service concession arrangements	21,581,589	18,181,003
<i>Capital expenditures reimbursements (Note 10)</i>	12,996,100	12,265,746
<i>WACC reimbursements (Note 10)</i>	7,557,674	7,346,397
<i>Tariff corrections (Note 10)</i>	1,027,815	(1,431,140)
Collections from doubtful trade receivable (Note 6)	922,376	571,754
	<u>22,503,965</u>	<u>18,752,757</u>

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NOTE 29 - EXPLANATORY NOTES TO THE STATEMENT OF CASH FLOWS (Continued)

Details of "Other cash-out flows from investing activities" that presented on cash flow statement as follows:

	1 January - 31 December 2024	1 January - 31 December 2023
Capital expenditures related to service concession arrangements	(16,660,402)	(21,318,902)
	<u>(16,660,402)</u>	<u>(21,318,902)</u>

NOTE 30 – FEES FOR SERVICES RECEIVED FROM INDEPENDENT AUDITOR / INDEPENDENT AUDIT COMPANY

The Group's explanation regarding the fees for the services rendered by the independent audit firm, which is prepared based on the POA's Board Decision published in the Official Gazette on 30 March 2021, and the preparation principles of which are based on the letter of POA dated 19 August 2021 are as follows:

	1 January - 31 December 2024	1 January - 31 December 2023
Audit services	5,089	3,706
Other assurance services	91	74
	<u>5,180</u>	<u>3,780</u>

Fees are determined by including all subsidiaries' statutory audit and other related service fees.

NOTE 31 - EVENTS AFTER THE REPORTING DATE

- The Grup has obtained a loan on 31 January 2025, amounting to TL 750,000,000 (full digit) with 1,095 days term with interest payments every 3 months and redemption date of 31 January 2028.
- The Grup has made a bond issuance on 10 February 2025, amounting to TL 4,800,000,000 (full digit), with 730 days term, coupon payments every 3 months, redemption date of 10 February 2027, and with TRSENSA22711 ISIN code.
- The Grup has made a bond issuance on 11 February 2025, amounting to TL 700,000,000 (full digit), with 729 days term, coupon payments every 3 months, redemption date of 10 February 2027, and with TRSENSA22729 ISIN code.
- EMRA made amendments to the Communique on the Regulation of the Last Resort Supply Tariff (LRST) through a Board Decision on 16 November 2024. Effective 1 February 2025, the LRST limits have been updated as follows: 5,000 kWh/year for the residential consumer group, 100 million kWh/year for temporary shelter centers, water supply facilities under village legal entities, and other consumers within the residential group as well as for agricultural activities, 15,000 kWh/year for other consumer groups. With the Board Decision published in the Official Gazette dated 26 December 2024, it has been resolved that the ratio determined by the Board, used in the calculation of the Last Resort Supply Tariff, will be applied as 1.05 for the residential consumer group and 1.0938 for other consumer groups, effective as of 1 January 2025.

ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of purchasing power of the TL at 31 December 2024 unless otherwise indicated. Currencies other than TL are also expressed in thousands unless otherwise indicated.)

NOTE 31 - EVENTS AFTER THE REPORTING DATE (Continued)

- Electricity Markets Consumer Services Regulation was published in the Official Gazette dated 14 January 2025. The content of the registration includes that no deposits will be received from residential consumers who regularly pay their bills for the last 24 months and with no change in supplier and consumer group in case of transfer or if a new Retail Sales Agreement is offered in a different location.