

ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ
AND ITS SUBSIDIARIES

Condensed Consolidated Financial Statements
As at and for the Six-months Period Ended
30 June 2025

Together with Independent Auditor's Report on Review of
Consented Consolidated Interim Financial Statements
**(Convenience translation of the report and
the consolidated financial statements)
originally issued in Turkish)**

ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 1 JANUARY- 30 JUNE 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") with the purchasing power of 30 June 2025 unless otherwise stated.)

CONTENTS	PAGE
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION	1-3
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS.....	4
CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME	5
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	6
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS.....	7-8
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS.....	9-61
NOT 1 ORGANISATION AND NATURE OF OPERATING	9-14
NOT 2 BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS.....	15-26
NOT 3 SEGMENT REPORTING	27-30
NOT 4 CASH AND CASH EQUIVALENTS	30-31
NOT 5 FINANCIAL ASSETS SERVICE CONCESSION ARRANGEMENTS	32
NOT 6 FINANCIAL LIABILITIES	33-35
NOT 7 OTHER RECEIVABLES AND PAYABLE	35-36
NOT 8 OTHER ASSETS AND LIABILITIES	36
NOT 9 ASSETS HELD FOR SALE	37
NOT 10 TANGIBLE ASSETS	37
NOT 11 INTANGIBLE ASSETS	38
NOT 12 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES	38-39
NOT 13 CASH FLOW HEDGE RESERVE	40
NOT 14 DEFERRED REVENUE	41
NOT 15 EQUITY	42
NOT 16 REVENUE	43
NOT 17 COST OF SALES	43
NOT 18 GENERAL ADMINISTRATIVE AND MARKETING EXPENSES	44
NOT 19 OTHER OPERATING INCOME AND EXPENSES	45
NOT 20 INCOME FROM INVESTING ACTIVITIES	45
NOT 21 FINANCE INCOME AND EXPENSES	46
NOT 22 NET MONETARY GAINS/(LOSSES)	47
NOT 23 RELATED PARTY TRANSACTION	48-54
NOT 24 TAXES	54-55
NOT 25 NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS	56-60
NOT 26 SUBSEQUENT EVENTS	61

ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS
AT 30 JUNE 2025**

(Amounts expressed in thousands of Turkish Lira (TRY) in terms of the purchasing power of the TRY at 30 June 2025, otherwise indicated.)

		Reviewed	Audited
ASSETS	Notes	30 June 2025	31 December 2024
Current assets:			
Cash and cash equivalents	4	2,802,928	1,799,017
Trade receivables		7,485,667	7,513,156
- Trade receivables from related parties	23	2,707,657	2,234,782
- Trade receivables from third parties		4,778,010	5,278,374
Other receivables		1,364,628	1,278,979
- Other receivables from related parties	7,23	1,267,477	1,220,342
- Other receivables from third parties	7	97,151	58,637
Financial assets service concession arrangements	5	3,631,538	3,298,742
Inventories		514,194	545,766
Prepaid expenses		216,042	233,012
- Prepaid expenses to third parties		216,042	233,012
Assets related to current tax		5,033	68,982
Other current assets		968,979	908,390
- Other current assets from third parties	8	968,979	908,390
Subtotal		16,989,009	15,646,044
Assets held for sale	9	4,306,285	-
Total current assets		21,295,294	15,646,044
Non-current assets:			
Financial investments		3,290	3,290
- Other financial investments		3,290	3,290
Trade receivables		468,764	679,036
- Trade receivables from third parties		468,764	679,036
Other receivables		15,266,094	14,493,919
- Other receivables from related parties	7,23	15,266,094	14,459,546
- Other receivables from third parties	7	-	34,373
Contract assets		1,476,693	279,886
- Other contract assets		1,476,693	279,886
Financial assets service concession arrangements	5	8,850,249	10,998,824
Investments accounted for using equity method		2,969,888	6,707,498
Property, plant and equipment	10	61,911,312	64,131,307
Right of use assets		1,128,995	1,056,824
Intangible assets	11	11,902,191	12,236,277
Prepaid expenses		15,718	16,603
- Prepaid expenses to third parties		15,718	16,603
Deferred tax assets	24	11,194,992	12,340,064
Other non-current assets		1,130	1,318
- Other non-current assets from third parties	8	1,130	1,318
Total non-current assets		115,189,316	122,944,846
Total assets		136,484,610	138,590,890

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

ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025

(Amounts expressed in thousands of Turkish Lira (TRY) in terms of the purchasing power of the TRY at 30 June 2025, otherwise indicated.)

		Reviewed	Audited
LIABILITIES	Notes	30 June 2025	31 December 2024
Current liabilities:			
Short-term borrowings		1,436,385	1,725,639
Short-term borrowings from third parties		1,436,385	1,725,639
- Bank loans	6	362,577	697,543
- Issued debt instruments	6	1,073,808	1,028,096
Short-term portions of long-term borrowings		10,302,488	11,336,497
Short-term portions of long-term borrowings from third parties		10,302,488	11,336,497
- Bank loans	6	1,767,381	2,128,553
- Issued debt instruments	6	8,424,067	9,114,891
- Lease liabilities	6	111,040	93,053
Trade payables		9,138,625	5,923,609
- Trade payables due to related parties	23	270,556	340,023
- Trade payables due to third parties		8,868,069	5,583,586
Payables related to employee benefits		186,359	167,389
Other payables		2,660,924	2,636,040
- Other payables due to related parties	7,23	44,806	52,119
- Other payables due to third parties	7	2,616,118	2,583,921
Deferred income		1,275,195	1,106,479
- Deferred income from related parties	14,23	1,249,531	1,047,104
- Deferred income from third parties	14	25,664	59,375
Current income tax liabilities		282,935	17,706
Short-term provisions		137,945	149,247
- Short-term provisions for employee benefits	12	115,578	113,831
- Other short-term provisions	12	22,367	35,416
Other current liabilities		872,871	432,761
- Other current liabilities due to third parties	8	872,871	432,761
Total current liabilities		26,293,727	23,495,367
Non-current liabilities:			
Long-term borrowings		42,306,212	40,291,807
Long-term borrowings from third parties		42,306,212	40,291,807
- Bank loans	6	3,521,346	4,311,578
- Lease liabilities	6	347,191	309,389
- Issued debt instruments	6	38,437,675	35,670,840
Other payables		18,597	18,472
- Other payables due to related parties	7,23	18,597	18,472
Deferred income		418,945	866,437
- Deferred income from related parties	14,23	418,945	866,437
Long-term provisions		605,632	518,197
- Long-term provisions for employment benefits	12	605,632	518,197
Deferred tax liabilities	24	4,007,058	4,974,151
Total non-current liabilities		47,356,444	46,669,064
Total liabilities		73,650,171	70,164,431

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

ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025

(Amounts expressed in thousands of Turkish Lira (TRY) in terms of the purchasing power of the TRY at 30 June 2025, otherwise indicated.)

EQUITY	Notes	Reviewed	Audited
		30 June 2025	31 December 2024
Equity attributable to owners of the Company		62,834,055	68,425,922
Share capital	15	5,000,000	5,000,000
Adjustment to share capital	15	30,308,136	30,308,136
Share premium	15	54,818	54,818
Other comprehensive income not to be reclassified to profit or loss		9,826,411	9,885,961
Revaluation and measurement losses/(gains)		9,826,411	9,885,961
-Revaluation of property, plant and equipment		10,319,702	10,319,702
-Actuarial losses		(493,291)	(433,741)
Other comprehensive expenses that are or may be reclassified to profit or loss		(32,361,029)	(35,183,415)
-Foreign currency translation differences		3,106,430	3,424,734
-Cash flow hedge losses	13	(35,467,459)	(38,608,149)
Restricted reserves appropriated from profits		169,504	169,504
-Legal reserves	15	169,504	169,504
Retained earnings		58,190,918	60,948,909
Net period loss		(8,354,703)	(2,757,991)
Non-controlling interests		384	537
Total equity		62,834,439	68,426,459
Total liabilities and equity		136,484,610	138,590,890

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

ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025

(Amounts expressed in thousands of Turkish Lira (TRY) in terms of the purchasing power of the TRY at 30 June 2025, otherwise indicated.)

		Reviewed	Not Reviewed	Reviewed	Not Reviewed
		1 January - 30 June 2025	1 April - 30 June 2025	1 January - 30 June 2024	1 April - 30 June 2024
	Notes				
Revenue	16	13,091,661	6,600,306	14,693,493	7,054,964
Cost of sales (-)	17	(12,159,216)	(5,998,405)	(13,075,450)	(6,318,601)
Gross Profit from Trading Activities		932,445	601,901	1,618,043	736,363
GROSS PROFIT		932,445	601,901	1,618,043	736,363
General and administrative expenses (-)	18	(703,256)	(292,255)	(1,179,084)	(564,078)
Marketing and selling expenses (-)	18	(137,573)	(64,054)	(148,939)	(75,393)
Other operating income	19	1,820,606	903,628	1,995,541	900,277
Other operating expense (-)	19	(1,815,969)	(869,493)	(1,731,520)	(823,045)
OPERATING INCOME		96,253	279,727	554,041	174,124
Income from investment activities	20	76,213	83,856	5,412,193	-
Shares of profits/(losses) of investments valued by equity method	3	154,890	(9,304)	280,305	293,986
OPERATING PROFIT BEFORE FINANCIAL INCOME / (EXPENSES)		327,356	354,279	6,246,539	468,110
Net monetary position gains	22	1,419,143	(171,886)	1,001,229	278,072
Finance income	21	2,956,154	1,041,530	3,770,690	974,007
Finance expenses (-)	21	(13,603,458)	(5,885,489)	(12,224,617)	(4,783,780)
PROFIT / (LOSS) BEFORE TAX FROM CONTINUED OPERATIONS		(8,900,805)	(4,661,566)	(1,206,159)	(3,063,591)
Tax income/(expense) from continuing operations		545,949	(165,923)	2,152,595	1,203,992
- Period tax expense	24	(303,119)	(283,722)	(408,625)	(152,038)
- Deferred tax income	24	849,068	117,799	2,561,220	1,356,030
PROFIT / (LOSS) FROM CONTINUED OPERATIONS		(8,354,856)	(4,827,489)	946,436	(1,859,599)
PROFIT FROM DISCONTINUED OPERATIONS		-	-	2,428,230	87,635
PERIOD PROFIT / (LOSS)		(8,354,856)	(4,827,489)	3,374,666	(1,771,964)
Income/ (expense) attributable to:					
Non-controlling interest		(153)	(164)	(493)	(241)
Equity holders of the parent		(8,354,703)	(4,827,325)	3,375,159	(1,771,723)
Income/(loss) per share (TRY)					
- From continued operations		(1.67)	(0.97)	0.19	(0.37)
- From discontinued operations		-	-	0.49	0.02

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

ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025

(Amounts expressed in thousands of Turkish Lira (TRY) in terms of the purchasing power of the TRY at 30 June 2025, otherwise indicated.)

	Reviewed 1 January - 30 June 2025	Not reviewed 1 April - 30 June 2025	Reviewed 1 January - 30 June 2024	Not reviewed 1 April - 30 June 2024
Notes				
Income / (loss) for the year	(8,354,856)	(4,827,489)	3,374,666	(1,771,964)
Items that will not to be reclassified to profit or loss	(59,550)	2,325	1,127,380	1,827,018
- Tangible assets revaluation increases/(decreases)	-	-	1,611,606	2,402,439
- Changes in actuarial losses on employment benefit obligations	(79,400)	3,100	(108,432)	(19,136)
Items that will not to be reclassified to profit or loss				
Taxes on Other Comprehensive Income	19,850	(775)	(375,794)	(556,285)
- Tangible assets revaluation increases/(decreases), tax effect	-	-	(402,902)	(561,069)
- Changes in actuarial losses on employment benefit obligations, tax effect	19,850	(775)	27,108	4,784
Items that are or may be reclassified to profit or loss	2,822,386	1,176,155	3,581,349	1,199,399
- Foreign currency translation differences	(318,304)	(681,682)	700,058	(736,832)
Gains / (losses) from foreign currency translation differences	(318,304)	(681,682)	700,058	(736,832)
- Hedge reserves	4,187,587	2,477,117	3,841,721	2,581,641
Items that are or may be reclassified to profit or loss				
Taxes on Other Comprehensive Income	(1,046,897)	(619,280)	(960,430)	(645,410)
Hedge reserves, tax effect	(1,046,897)	(619,280)	(960,430)	(645,410)
OTHER COMPREHENSIVE INCOME	2,762,836	1,178,480	4,708,729	3,026,417
TOTAL COMPREHENSIVE INCOME / (LOSS)	(5,592,020)	(3,649,009)	8,083,395	1,254,453
Total comprehensive income / (loss) attributable to:				
Non-controlling interests	(153)	(164)	(493)	(241)
Equity holders of the parent	(5,591,867)	(3,648,845)	8,083,888	1,254,694

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

ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025

(Amounts expressed in thousands of Turkish Lira (TRY) in terms of the purchasing power of the TRY at 30 June 2025, otherwise indicated.)

					Items that will not be reclassified to profit or loss	Items that are or may be reclassified to profit or loss							
	Share capital	Adjustments to share capital	Share premium	Revaluation of property plant and equipment	Actuarial losses	Foreign currency translation differences	Hedge reserves	Legal reserves	Retained earnings	Period profit/ (loss)	Equity of the parent company	Non controlling interests	Total equity
Balance at 1 January 2024	5,000,000	30,308,136	54,818	9,316,780	(434,305)	3,244,876	(44,808,759)	169,504	43,440,427	18,397,287	64,688,764	118,520	64,807,284
Subsidiary acquisition or disposal	-	-	-	-	66,726	-	-	-	50,427	-	117,153	(117,153)	-
Transfers	-	-	-	(774,937)	-	-	-	-	19,172,224	(18,397,287)	-	-	-
Total comprehensive income/(loss)	-	-	-	1,208,704	(81,324)	700,058	2,881,291	-	-	3,375,159	8,083,888	(493)	8,083,395
<i>-Income for the period</i>	-	-	-	-	-	-	-	-	-	3,375,159	3,375,159	(493)	3,374,666
<i>-Other comprehensive income / (loss)</i>	-	-	-	1,208,704	(81,324)	700,058	2,881,291	-	-	-	4,708,729	-	4,708,729
30 June 2024	5,000,000	30,308,136	54,818	9,750,547	(448,903)	3,944,934	(41,927,468)	169,504	62,663,078	3,375,159	72,889,805	874	72,890,679
Balance at 1 January 2025	5,000,000	30,308,136	54,818	10,319,702	(433,741)	3,424,734	(38,608,149)	169,504	60,948,909	(2,757,991)	68,425,922	537	68,426,459
Transfers	-	-	-	-	-	-	-	-	(2,757,991)	2,757,991	-	-	-
Total comprehensive income/ (loss)	-	-	-	-	(59,550)	(318,304)	3,140,690	-	-	(8,354,703)	(5,591,867)	(153)	(5,592,020)
<i>- Loss for the period</i>	-	-	-	-	-	-	-	-	-	(8,354,703)	(8,354,703)	(153)	(8,354,856)
<i>-Other omprehensive income/ (loss)</i>	-	-	-	-	(59,550)	(318,304)	3,140,690	-	-	-	2,762,836	-	2,762,836
30 June 2025	5,000,000	30,308,136	54,818	10,319,702	(493,291)	3,106,430	(35,467,459)	169,504	58,190,918	(8,354,703)	62,834,055	384	62,834,439

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

ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS AS AT FOR THE SIX - MONTHS PERIOD ENDED 30 JUNE 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") with the purchasing power of 30 June 2025 unless otherwise stated.)

	Notes	Reviewed 1 January- 30 June 2025	Reviewed 1 January- 30 June 2024
CASH FLOWS FROM OPERATING ACTIVITIES:		3,380,236	6,064,177
Net income/(loss) for the period		(8,354,856)	3,374,666
- Profit/(loss) from continuing activities		(8,354,856)	946,436
- Period profit from discontinued operations		-	2,428,230
Adjustments related to period net profit/(loss) reconciliation		6,416,312	(6,125,781)
Adjustments related to depreciation and amortization	17,18,19	2,786,239	2,784,423
Adjustments related to provisions		24,573	50,320
- Adjustments for provisions related with employee benefits		35,875	25,794
- Adjustments for other provisions (cancellations)		(11,302)	24,526
Adjustments related to interest (income) and expense		3,707,822	4,923,517
- Adjustments related to interest (income)	19, 21	(1,199,099)	(2,027,791)
- Adjustments related to interest expense	19, 21	4,906,921	6,951,308
Adjustments related to unrealized foreign exchange losses and currency translation differences		2,831,651	6,230,575
Adjustments related to fair value gains / (losses)		-	(465,369)
- Adjustments related to fair value losses (gains) of derivative financial instruments	21	-	(465,369)
Adjustments related to share of profit of equity - accounted investees		(154,890)	(280,305)
- Adjustments related to share of affiliates	3	(154,890)	(280,305)
Adjustments related to tax (income) expense	24	(545,949)	(2,152,595)
Adjustments related to (gains)/losses on disposals of fixed assets		(76,213)	(3,192)
- Adjustments related to (gains)/losses resulting from disposal of tangible assets	20	(76,213)	(3,192)
Other adjustments related to monetary (gains)/losses		(2,274,335)	(11,900,741)
Adjustments related to gains from disposals of subsidiaries or joint operations	2.2,20	-	(5,409,001)
Other adjustment related to profit (loss) reconciliation	4	117,414	96,587
Net Cash Generated from Operating Activities			
Before Changes in Working Capital		5,385,524	9,114,665
Changes in trade receivables		707,025	2,617,848
- Changes in trade receivables from related parties		(438,605)	835,591
- Changes in trade receivables from third parties		1,145,630	1,782,257
Changes in other receivables		2,037,339	6,459,974
- Changes in other receivables from related parties		2,041,480	6,385,914
- Changes in other receivables from third parties		(4,141)	74,060
Changes in financial assets service concession arrangements	5	1,815,779	1,649,378
Changes in inventories		31,572	(195,727)
Changes in trade payables		1,902,906	(1,876,589)
- Changes in trade payables to related parties		(69,467)	(27,077)
- Changes in trade payables to third parties		1,972,373	(1,849,512)
Changes in other payables		(103,759)	501,534
- Changes in other payables to third parties		(103,759)	501,534
Changes in other liabilities		470,245	252,902
- Changes in other assets		11,165	395,444
- Changes in other liabilities		459,080	(142,542)
Changes in assets arising from customer contracts		(1,196,807)	(573,931)
- Changes in other contract assets		(1,196,807)	(573,931)
Changes in deferred revenue		(278,776)	279,276

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

ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS AS AT FOR THE SIX - MONTHS PERIOD ENDED 30 JUNE 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") with the purchasing power of 30 June 2025 unless otherwise stated.)

	Notes	Reviewed 1 January- 30 June 2025	Reviewed 1 January- 30 June 2024
Net cash generated from operating activities		3,446,980	6,363,550
Payments for employee benefits		(39,092)	(44,437)
Tax payments		(27,652)	(254,936)
CASH FLOWS FROM INVESTING ACTIVITIES		(1,084,932)	5,116,903
Cash inflows related to sales resulting in loss of control of subsidiaries	2.2	-	5,390,238
Cash outflows related to capital advance payments of subsidiaries and/or joint ventures		(742,218)	-
Cash inflows from the sale of tangible and intangible assets		91,596	12,456
<i>-Cash inflows from the sale of tangible assets</i>		<i>91,596</i>	<i>12,456</i>
Cash outflows from purchases of tangible and intangible assets		(434,310)	(461,176)
<i>-Cash outflows from the purchase of tangible assets</i>	10	<i>(428,029)</i>	<i>(438,152)</i>
<i>-Cash outflows from the purchase of intangible assets</i>	11	<i>(6,281)</i>	<i>(23,024)</i>
Dividend received		-	175,385
CASH FLOW FROM FINANCING ACTIVITIES:		(930,793)	(12,076,957)
Cash inflows from proceeds of borrowings		5,790,058	2,742,185
<i>- Cash inflows from bank loans</i>	6	<i>80,368</i>	<i>88,290</i>
<i>- Cash inflows from issued debt instruments</i>	6	<i>5,709,690</i>	<i>2,653,895</i>
Cash outflows related to debt payments		(2,780,018)	(10,520,339)
<i>- Cash outflows related to loan repayments</i>	6	<i>(1,068,148)</i>	<i>(9,254,708)</i>
<i>- Cash outflows from repayments of issued debt instruments</i>	6	<i>(1,711,870)</i>	<i>(1,265,631)</i>
Decrease in other payables to related parties		(11,267)	(6,881)
Payment of lease liabilities	6	(8,497)	(64,381)
Interest paid	6	(4,069,201)	(5,718,288)
Interest received		142,759	1,014,901
Cash inflows from derivative instruments		-	465,369
Other inflows/ (outflows)	4	5,373	10,477
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF CURRENCY TRANSLATION DIFFERENCES		1,364,511	(895,877)
Effect of Currenct Translation Differences in Cash and Cash Equivalents		(29,845)	(59,316)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		1,334,666	(955,193)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		1,684,730	3,242,455
INFLATION EFFECT ON CASH AND CASH EQUIVALENTS		(257,099)	(643,890)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	4	2,762,297	1,643,372

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

ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT FOR THE SIX - MONTHS PERIOD ENDED 30 JUNE 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") with the purchasing power of 30 June 2025 unless otherwise stated.)

NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS

Zorlu Enerji Elektrik Üretim AŞ ("The Company" or "Zorlu Enerji") and its subsidiaries (collectively referred to as ("The Group")) is engaged in electricity, steam production and selling, trading electricity, distribution and retailing of electricity sales, electric vehicle rental, installation and operation of electric charging stations as of 30 June 2025. The Group was established by Zorlu Holding AŞ ("Zorlu Holding") and Korteks Mensucat Sanayi ve Ticaret AŞ ("Korteks") in 1993. Ultimate controlling party of the Group is Zorlu Holding. The Group is registered in Turkey and its registered address is as follows: Fethiye OSB Mahallesi, Pembe Caddesi, Nu:17 Bursa, Turkey. The Group is registered to the Capital Markets Board ("CMB"), and its shares are publicly traded in Borsa Istanbul AŞ ("BIST") since 2000. As at 30 June 2025, 37.40% of its shares are open for trading (31 December 2024: 37.40%) (Note 15).

Directly held subsidiaries of the Company are presented below:

Directly held subsidiaries	Share Percentage (%)	Nature of Operations	Country	Currency
Zorlu Osmangazi Enerji Sanayi ve Ticaret AŞ ("Zorlu Osmangazi")	100%	Distribution, retail sale of electricity and other	Turkey	TRY
Zorlu Yenilenebilir Enerji AŞ ("Zorlu Yenilenebilir")	100%	Electricity generation and other	Turkey	TRY
Eway Araç Kiralama Ticaret AŞ ("Eway")	100%	Rental, leasing and other services of motorized light land vehicles and cars without adrides	Turkey	TRY
ZGP Pakistan (Private) Ltd, ("ZGP Pakistan")	99.70%	Electricity generation and other	Pakistan	Pakistani Rupee ("PKR")
Zorlu Enerji Pakistan Ltd ("Zorlu Enerji Pakistan")	99.99%	Electricity generation and other	Pakistan	Pakistani Rupee ("PKR")
İn liquidation Zorlu Enerji İsrail Ltd, ("Zorlu Enerji İsrail")	100%	Electricity generation and other	Israel	New Israeli Shekel ("NIS")
ZJ Strong Energy for Renewable Energy Ltd, Co, ("ZJ Strong")	75%	Electricity generation and other	Palestine	Jordanian Dinar ("JOD")
Zador Israel Limited ("Zador")	100%	Electricity generation and other	Israel	New Israeli Shekel ("NIS")
Zorlu Renewable USA Inc ("Zorlu Renewable USA")	100%	Electricity generation and other	USA	US Dollar ("USD")

ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT FOR THE SIX - MONTHS PERIOD ENDED 30 JUNE 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") with the purchasing power of 30 June 2025 unless otherwise stated.)

NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS (Continued)

The indirectly held subsidiaries of the Company are as follows:

Indirectly held subsidiaries	Shareholding Direct Subsidiaries and its Share Ratio	Nature of Operations	Country
Osmangazi Elektrik Perakende Satış AŞ ("OEPSAŞ")	100% Zorlu Osmangazi	Retail sale of electricity	Turkey
Osmangazi Elektrik Dağıtım AŞ ("OEDAŞ")	100% Zorlu Osmangazi	Electricity distribution	Turkey
Zorlu Doğal Elektrik Üretimi AŞ ("Zorlu Doğal")	100% Zorlu Yenilenebilir	Electricity generation and other	Turkey
Zorlu Jeotermal Enerji Elektrik Üretimi AŞ ("Zorlu Jeotermal")	100% Zorlu Yenilenebilir	Electricity generation and other	Turkey
Zorlu Elektrik Enerjisi İthalat İhracat ve Toptan Ticaret AŞ ("Zorlu Elektrik")	100% Zorlu Yenilenebilir	Wholesale purchase of electrical energy and/or capacity and sales activities and other	Turkey
Nemrut Jeotermal Elektrik Üretimi AŞ ("Nemrut Jeotermal")	100% Zorlu Yenilenebilir	Electricity generation and other	Turkey
Zorlu Renewable Pakistan (Private) Limited ("Zorlu Renewable Pakistan")	99.70% ZGP Pakistan	Electricity generation and other	Pakistan
Zorlu Sun Power (Private) Limited ("Zorlu Sun Power Pakistan")	99.70% ZGP Pakistan	Electricity generation and other	Pakistan
Zorlu Industrial Pakistan (Private) Limited ("Zorlu Industrial Pakistan")	99.99% ZGP Pakistan	Engineering and consultancy activities for energy projects and other	Pakistan
Zorlu O&M Pakistan Limited ("Zorlu O&M Pakistan")	99.99% ZGP Pakistan	Operation and maintenance activities for energy projects and other	Pakistan
Zorlu Solar Pakistan Limited ("Zorlu Solar Pakistan")	99.70% ZGP Pakistan	Maintenance, repair, installation, sale of charging stations and other	Pakistan

Affiliates

Direct affiliates of the Company are presented below:

Direct Affiliates	Share Percentage (%)	Nature of Operations	Country
Electrip Global Limited	49.99%	Charging station maintenance, repair, installation, sales, battery units, solar panels, solar photovoltaic devices such as batteries, etc. leasing, purchasing and other	England, Jersey
Dorad Energy Limited ("Dorad") (*)	25%	Electricity generation and other	Israel

(*) Pursuant to the material event disclosure dated July 14, 2025, the sale of 10% of the Company's shares, corresponding to a total of 1,064 shares with a nominal value of 1 New Israeli Shekel ("NIS") each, which are not subject to the preemptive rights of Dorad's existing shareholders, to the Phoenix Group has been completed at a price of NIS 282,941,776. Pursuant to the material event disclosure dated July 22, 2025, the sale of the remaining 15% of the Company's shares, corresponding to a total of 1,596 shares, each with a nominal value of 1 New Israeli Shekel (NIS), subject to the pre-emption rights of Dorad's current shareholders, Due to Edelcom Ltd.'s failure to obtain the necessary legal approvals within the required timeframe, the sale of 10% of the Company's shares in Dorad to Phoenix Group under the share purchase agreement was completed at the same share value, with Ellomay Luzon Energy Infrastructures Ltd. acquiring the shares for NIS 424,412,664. With the sale of all our shares in Dorad, the Group's activities related to electricity production and sales in Israel have come to an end.

ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT FOR THE SIX - MONTHS PERIOD ENDED 30 JUNE 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") with the purchasing power of 30 June 2025 unless otherwise stated.)

NOTE 1- ORGANIZATION AND NATURE OF OPERATIONS (Continued)

Affiliates (Continued)

Indirect affiliates of the Company are presented below:

Indirect affiliates	Shareholding Direct Affiliates and its Share Ratio	Nature of Operations	Country
ZES Dijital Ticaret AŞ ("ZES Dijital")	100% Electrip Global B.V.	Wholesale trade of gas, liquid or electricity supply or production meters, installation services of electrical equipment and other	Turkey
ZES Solar Enerji Tedarik ve Ticaret AŞ ("ZES Solar")	100% Electrip Global Ltd.	Electricity generation and other	Turkey
Electrip Energy Solutions and Mobility Services Sasu	100% Electrip Global B.V.	Maintenance, repair, installation, sale of charging stations and other	France
Electrip Bucharest SRL	100% Electrip Global B.V.	Maintenance, repair, installation, sale of charging stations and other	Romania
Electrip Global B.V.	100% Electrip Global Ltd.	Maintenance, repair, installation, sale of charging stations and other	Netherlands
Electrip Albania SHPK	100% Electrip Global B.V.	Maintenance, repair, installation, sale of charging stations and other	Albania
Electrip Germany GmbH	100% Electrip Global B.V.	Maintenance, repair, installation, sale of charging stations and other	Germany
Electrip Dooel Skopje	100% Electrip Global B.V.	Maintenance, repair, installation, sale of charging stations and other	Macedonia
Electrip Italy S.r.l.	100% Electrip Global B.V.	Maintenance, repair, installation, sale of charging stations and other	Italy
Electrip Hellas Single Member P.C.	100% Electrip Global B.V.	Maintenance, repair, installation, sale of charging stations and other	Greece
Electrip Mobility Service D.O.O.	100% Electrip Global B.V.	Maintenance, repair, installation, sale of charging stations and other	Croatia
Electrip Poland Spółka Z.O.O.	100% Electrip Global B.V.	Maintenance, repair, installation, sale of charging stations and other	Poland
Electrip Montenegro DOO	100% Electrip Global B.V.	Maintenance, repair, installation, sale of charging stations and other	Montenegro
Zorlu Energy Solutions (ZES) Israel Ltd.	100% Electrip Global B.V.	Maintenance, repair, installation, sale of charging stations and other	Israel
Electrip Solar Italy S.r.l.	100% Electrip Italy S.r.l.	Maintenance, repair, installation, sale of charging stations and other	Italy
ZES Solutions, D.O.O	100% Electrip Global B.V.	Maintenance, repair, installation, sale of charging stations and other	Slovenia
Electrip PTG, Unipessoal LDA	100% Electrip Global B.V.	Maintenance, repair, installation, sale of charging stations and other	Portugal

ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT FOR THE SIX - MONTHS PERIOD ENDED 30 JUNE 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") with the purchasing power of 30 June 2025 unless otherwise stated.)

NOTE 1- ORGANIZATION AND NATURE OF OPERATIONS (Continued)

Affiliates (Continued)

Indirectly held affiliates (Continued)	Shareholding Affiliate and its Ratio	Direct Share	Nature of Operations	Country
Electrip DOO Belgrade	100% Electrip Global B.V.		Maintenance, repair, installation, sale of charging stations and other	Serbia
Electrip Czech Republic s.r.o.	100% Electrip Global B.V.		Maintenance, repair, installation, sale of charging stations and other	Czechia
Electrip Mobility Service Kft	100% Electrip Global B.V.		Maintenance, repair, installation, sale of charging stations and other	Hungary
Electrip Energy Solutions Spain, S.L.U.	100% Electrip Global B.V.		Maintenance, repair, installation, sale of charging stations and other	Spain
Electrip BH d.o.o	100% Electrip Global B.V.		Maintenance, repair, installation, sale of charging stations and other	Bosnia and Herzegovina
Electrip Bulgaria EOOD	100% Electrip Global B.V.		Maintenance, repair, installation, sale of charging stations and other	Bulgaria
Electrip Austria Gmbh	100% Electrip Global B.V.		Maintenance, repair, installation, sale of charging stations and other	Austria
ZES Solar Mena DMCC	100% Electrip Global B.V.		Trading of solar energy systems and energy production, transmission and distribution equipment	United Arab Emirates

The average employee number of Group as of June 30, 2025 is 1,939 (December 31, 2024: 2,107).

ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT FOR THE SIX - MONTHS PERIOD ENDED 30 JUNE 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") with the purchasing power of 30 June 2025 unless otherwise stated.)

NOTE 1- ORGANIZATION AND NATURE OF OPERATIONS (Continued)

Installed capacity in Turkey:

The power plants of the Group located in Turkey and abroad are presented below together with their existing installed capacities:

Power Plant	Company	Location	Type	Electricity Production Capacity (MW)	Steam Production Capacity (Ton/Hour)
Geothermal				305.00	-
Kızıldere 1	Zorlu Doğal	Denizli	Geothermal	15.00	-
Kızıldere 2	Zorlu Doğal	Denizli	Geothermal	80.00	-
Kızıldere 3	Zorlu Doğal	Denizli-Aydın	Geothermal	165.00	-
Alaşehir 1 (*)	Zorlu Jeotermal	Manisa	Geothermal	45.00	-
Wind				135.00	-
Gökçedağ	Zorlu Yenilenebilir (**)	Osmaniye	Wind	135.00	-
Hydroelectric				118.94	-
Tercan	Zorlu Doğal	Erzincan	Hydroelectric	15.00	-
Kuzgun	Zorlu Doğal	Erzurum	Hydroelectric	20.90	-
Ataköy	Zorlu Doğal	Tokat	Hydroelectric	5.50	-
Mercan	Zorlu Doğal	Tunceli	Hydroelectric	20.40	-
Çıldır	Zorlu Doğal	Kars	Hydroelectric	15.40	-
İkizdere	Zorlu Doğal	Rize	Hydroelectric	24.94	-
Beyköy	Zorlu Doğal	Eskişehir	Hydroelectric	16.80	-
Natural Gas				49.53	98.00
Lüleburgaz	Zorlu Enerji	Lüleburgaz, Kırklareli	Cogeneration Natural Gas	49.53	98.00
TOTAL				608.47	98.00

(*) The 3.588 MWp solar power plant, integrated with the Alaşehir 1 Geothermal Power Plant ("GPP"), began commercial electricity sales on December 22, 2022. The second unit, a 0.1663 MWp rooftop solar power plant ("Çatı SPP"), started commercial electricity sales on January 20, 2023. With the total installed capacity of 3.7543 MWp for the Alaşehir 1 Hybrid Solar Power Plant, there is no increase in the licensed installed capacity in MW(e) tems, as per the Hybrid License Regulation. The total installed capacity of the plant is 48.7543 MWm/45 Mwe.

(**) Rotor, a 100% direct subsidiary of Zorlu Yenilenebilir, has been merged with Zorlu Yenilenebilir, a 100% direct subsidiary of Zorlu Enerji, as a whole with all its assets and liabilities by applying the "Simplified Merger" method. The merger transaction was registered with the Istanbul Trade Registry on February 24, 2025. As a result of the merger, Rotor was dissolved.

ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT FOR THE SIX - MONTHS PERIOD ENDED 30 JUNE 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") with the purchasing power of 30 June 2025 unless otherwise stated.)

NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS (Continued)

Installed capacity abroad:

Power Plant	Location	Type	Electricity Production Capacity (MW)	Steam Production Capacity (Ton/Hour)
Wind			56.40	-
Jhimpir	Pakistan	Wind	56.40	-
Solar (*)			1.50	-
Deadsea	Palestine	Solar (2 MW)	1.50	-
Natural Gas (*)			215.00	-
Dorad	Israel	Combined-Cycle Natural Gas (860 MW)	215.00	-
TOTAL			272.90	-

(*) Stake of Zorlu Enerji in Israel and Palestine companies has been taken into consideration in the calculation of total production capacity.

ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT FOR THE SIX - MONTHS PERIOD ENDED 30 JUNE 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") with the purchasing power of 30 June 2025 unless otherwise stated.)

NOTE 2 - BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of Presentation

a) Basis of measurement

These condensed consolidated financial statements were prepared in accordance with TAS 29 "Financial Reporting in Hyperinflationary Economies", except for monetary assets and liabilities and also assets and liabilities measured at fair value as specified below, adjusted for the effects of inflation on the Turkish lira at the reporting date, based on the historical cost principle.

- Financial instruments - derivative financial instruments accounted for in profit or loss at fair value,
- Land, land improvements, buildings, and machinery and equipment accounted for in property, plant and equipment.

b) Functional and reporting currency

These condensed consolidated financial statements are presented in Turkish Lira ("TRY"), which is the functional currency of the Company. All financial information presented in TRY has been rounded to the nearest thousand TRY unless otherwise stated.

c) Accounting in hyperinflationary economies

The Group has prepared its financial statements for the six - months period ended June 30, 2025 and ending on the same date, by applying (TAS) 29 "Financial Reporting in Hyperinflationary Economies" Standard, based on the announcement made by the Public Oversight Accounting and Auditing Standards Authority ("POA") on November 23, 2023 and the "Implementation Guide on Financial Reporting in High-Inflation Economies" published. In accordance with the standard, financial statements based on the currency of a hyperinflationary economy are prepared in the purchasing power of this currency at the balance sheet date, and comparative information is expressed in terms of the current measurement unit at the end of the reporting period for the purpose of comparison in previous period financial statements. Therefore, the Group has presented its financial statements as of December 31, 2024 and its profit and loss statement as of June 30, 2024 in terms of the purchasing power of that currency as of June 30, 2025.

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

ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT FOR THE SIX - MONTHS PERIOD ENDED 30 JUNE 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") with the purchasing power of 30 June 2025 unless otherwise stated.)

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

2.1 Basis of Presentation (Continued)

c) Accounting in hyperinflationary economies (Continued)

Consequently, the financial statements of the entities whose functional currency TRY are restated for the changes in the general purchasing power of the Turkish Lira as at June 30, 2025 based on TAS 29. The restatement is calculated by means of conversion factors derived from the Turkish countrywide consumer price index published by the TSI. For the last three years, such indices and conversion factors used to restate the accompanying consolidated financial statements are as follows:

Date	Index	Conversion factor
30 June 2025	3,132.17	1.00000
31 December 2024	2,684.55	1.16674
30 June 2024	2,319.29	1.35049

The Group has applied TAS 29 "Financial Reporting in High Inflation Economies" Standard in its consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") for the year ending December 31, 2022. For this reason, the Group's first application date of TAS 29 has been determined as January 1, 2021.

TFRS requires the financial statements of an entity whose functional currency is hyperinflationary, prepared under either the historical cost or current cost approach, to be restated in accordance with the requirements of TAS 29 and applied retrospectively, assuming that there has always been high inflation in the economy of the currency. The fundamental principle in TAS 29 is that the financial statements of an entity reporting in the currency of a hyperinflationary economy should be reported in terms of the current measuring unit at the reporting date. Comparative figures for prior periods are restated in terms of the same current measuring unit.

The main procedures applied for the adjustments mentioned above are as follows:

- Monetary assets and liabilities carried at amounts denominated in the current reporting currency at the reporting date were not restated.
- Non-monetary assets and liabilities not carried at amounts denominated in the current reporting currency at the reporting date, as well as equity items, were restated using the relevant conversion factors from the most recent revaluation date up to the transaction date or, if applicable, up to the reporting date.
- Tangible fixed assets were adjusted for changes in the index from the transaction date or, if applicable, from the most recent revaluation date up to the reporting date. Depreciation is based on the restated amounts.

ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT FOR THE SIX - MONTHS PERIOD ENDED 30 JUNE 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") with the purchasing power of 30 June 2025 unless otherwise stated.)

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

2.1 Basis of Presentation (Continued)

c) Accounting in hyperinflationary economies (Continued)

- All items in the income statement, excluding depreciation expenses and deferred tax expenses described above, were adjusted using monthly conversion factors based on the months in which the transactions occurred relative to the reporting date.
- The effects of inflation on the Group's net monetary position are presented in the condensed consolidated statement of profit or loss as "Net monetary position gains/(losses)".
- All items in the cash flow statement are expressed in terms of the measuring unit current at the reporting date. For this purpose, all items in the cash flow statement were restated using the relevant conversion factors from the transaction date.
- All figures for the comparative periods are derived from the relevant comparative periods that June 30, 2025 has been restated by applying the index change.

d) Statement of Compliance to Turkish Financial Reporting Standards ("TFRS"s)

The accompanying condensed consolidated financial statements are prepared in accordance with Turkish Financial Reporting Standards ("TFRS") published by POA which was adopted by Capital Markets Board of Turkey ("CMB") as set out in the Communiqué numbered II-14.1 "Communiqué on Principles of Financial Reporting in Capital Markets" published in the Official Gazette numbered 28676 on June 13, 2013. TFRSs consist of standards and interpretations which are published as Turkish Accounting Standards ("TAS"), Turkish Financial Reporting Standards, interpretations of TAS and interpretations of TFRS. The condensed consolidated financial statements are presented in accordance with "Announcement regarding with TFRS Taxonomy" which was published on April 15, 2019 by POA and templates defined in the Illustrative Financial Statements and User Guide published CMB based on the financial statement and disclosure formats of CMB.

The condensed consolidated interim financial statements for the period ended June 30, 2025 have been prepared in accordance with the TAS 34 Interim Financial Reporting ("TAS 34"). Interim financial information does not include all the information and disclosures required to be included in the annual financial statements. Therefore, the interim condensed consolidated financial statements should be read and evaluated together with the annual financial statements prepared by the Group as of December 31, 2024.

Approval of consolidated financial statements

The condensed consolidated financial statements were approved by the Company's Board of Directors on August 12, 2025.

ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT FOR THE SIX - MONTHS PERIOD ENDED 30 JUNE 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") with the purchasing power of 30 June 2025 unless otherwise stated.)

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

2.2 Basis of consolidation

The consolidated financial statements include the accounts of the Parent company, Zorlu Enerji and its subsidiaries and associates on the basis set out in sections below. The financial statements of the companies included in the scope of consolidation have been prepared at the date of the consolidated financial statements and have been prepared in accordance with TFRS by applying uniform accounting policies and presentations. The results of operations of subsidiaries are included or excluded from their effective dates of acquisition or disposal, respectively.

a) Affiliates

Zorlu Enerji controls an affiliate when it is exposed, or has rights, to variable returns from its involvement with the affiliate and has the ability to affect those returns through its power over the affiliate. Zorlu Enerji has power over an affiliate when it has existing rights that give it the current ability to direct the relevant activities that significantly affect the affiliate's returns. Power arises from rights and the existence and effect of potential voting rights that are currently exercisable, or convertible, are considered when assessing whether the Zorlu Enerji controls another entity.

Affiliates, including the structured entities, are the companies controlled by the Zorlu Enerji. The Zorlu Enerji control is provided by the ability to affect the variable returns through its power over the affiliates. Affiliates are consolidated from the date on which the control is transferred to the Zorlu Enerji and are no longer consolidated from the date that control ceases.

On the statement of financial position and statement of profit or loss the affiliates are consolidated on a line-by-line basis and the carrying value of the investments held by Zorlu Enerji and its affiliates are eliminated against the related equity. Intercompany transactions and balances between Zorlu Enerji and its affiliates are eliminated within the scope of consolidation accounting.

Loss of control

If the Group loses control of an affiliate, it recognizes any investment retained in the former affiliate at its fair value when control is lost and any difference between the fair value and net book value of investment is accounted for as a gain or loss. That fair value shall be regarded as the fair value on initial recognition of a financial asset, when appropriate, the cost on initial recognition of an investment in an associate or joint venture. Additionally, assets and liabilities that were previously recognized as other comprehensive income attributable to that affiliate are accounted for as if those were disposed of by the Group. This may result in the fact that these amounts previously recognized as other comprehensive income may be classified to profit or loss.

ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT FOR THE SIX - MONTHS PERIOD ENDED 30 JUNE 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") with the purchasing power of 30 June 2025 unless otherwise stated.)

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

2.2 Basis of consolidation (Continued)

Loss of control

Based on the Company's material event disclosure dated March 13, 2024, the sale of all of the shares of the Company's 100% subsidiary Zorlu Enerji Dağıtım AŞ were completed for a total consideration of USD 200,000,000 equivalent of TRY 6,375,330 thousand and the share transfer transactions were completed on March 12, 2024. Within the framework of the adaptation criteria in the Share Purchase Agreement, adjustments were made by deducting the financial and commercial liabilities by TRY 2,806,343 thousand from the sales price and remaining TRY 3,568,987 thousand was received in cash and advance from the buyer, Gaztrak Enerji AŞ a fully owned subsidiary of Palmet Enerji AŞ.

The assets, liabilities and net assets related to the shares of Zorlu Enerji Dağıtım, which were sold at a 100% rate are as follows at their values as of the transaction date, February 29, 2024 (expressed in purchasing power as of June 30, 2025):

	29 February 2024
Current assets	3,881,705
Non-current assets	7,045,807
Total assets	10,927,512
Short-term liabilities	(9,072,585)
Long-term liabilities	(1,873,690)
Total liabilities	(10,946,275)
Net assets	(18,763)
Ratio of shares sold	100%
Net assets disposed	(18,763)
Net cash inflow from sales	5,390,238
As of June 30,2024, subsidiary sales profit (Note 20)	5,409,001

ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT FOR THE SIX - MONTHS PERIOD ENDED 30 JUNE 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") with the purchasing power of 30 June 2025 unless otherwise stated.)

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

2.2 Basis of consolidation (Continued)

Non-controlling interests

The minority shares in the net assets and operating results of affiliates are separately classified in the condensed consolidated statement of financial position and consolidated statements of profit or loss as "non-controlling interest".

The Group applies a policy of treating transactions with non-controlling interests as transactions with owners of the Parent. Regarding the purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the affiliate is deducted from equity. Gains or losses on disposals to non-controlling interests are also accounted for in equity.

For disposals to non-controlling interests, differences between any proceeds received and the relevant share of non-controlling interests are also recorded in equity.

The table below sets out all subsidiaries and demonstrates the proportion of ownership interest as at June 30, 2025 and December 31, 2024, financial statements of subsidiaries are consolidated using the full consolidation method.

Directly held affiliates	Direct ownership interest by Zorlu Enerji (%)	
	30 June 2025	31 December 2024
Zorlu Osmangazi	100	100
Zorlu Yenilenebilir	100	100
Eway	100	100
ZGP Pakistan	99.70	99.70
Zorlu Enerji Pakistan	99.99	99.99
Zorlu Enerji İsrail	100	100
Zador	100	100
ZJ Strong	75	75
Zorlu Renewable USA	100	100

ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT FOR THE SIX - MONTHS PERIOD ENDED 30 JUNE 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") with the purchasing power of 30 June 2025 unless otherwise stated.)

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

2.2 Basis of consolidation (Continued)

b) Investments accounted for using equity method

Investments in associates are accounted for based on their acquisition cost on the date of initial recording and the equity method in the following periods. These are entities in which the Group generally has between 20% and 50% of the voting rights or over which the Group has significant influence but not control. Unrealized profits arising from transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associate, and unrealized losses are also eliminated if the transaction does not indicate that the transferred asset is impaired. According to the equity method, the net profit/(losses) after tax of the associates after the acquisition are reflected in the net profit/(loss) of the Group to the extent of the Group's share in the associate.

The equity method is abandoned if the carrying value of the investment in the associate is zero or the significant effect of the Group has ended, as long as the Group does not incur an obligation or commitment in relation to the associate. After the Group's share in the associate has decreased to zero, additional provision and recognition of the liability has been incurred if the Group is exposed to legal or constructive obligations or has made payments on behalf of the associate.

The table below sets out direct associates and the effective shareholding rates as at June 30, 2025 and December 31, 2024:

	30 June 2025	31 December 2024
Direct Associates	(%)	(%)
Dorad (*)	25	25
Electrip Global Limited	49.99	49.99

(*) Pursuant to the material event disclosure dated July 14, 2025, the sale of 10% of the Company's shares, corresponding to a total of 1,064 shares with a nominal value of 1 New Israeli Shekel ("NIS") each, which are not subject to the preemptive rights of Dorad's existing shareholders, to the Phoenix Group has been completed at a price of NIS 282,941,776. Pursuant to the material event disclosure dated July 22, 2025, the sale of the remaining 15% of the Company's shares, corresponding to a total of 1,596 shares, each with a nominal value of 1 New Israeli Shekel (NIS), subject to the pre-emption rights of Dorad's current shareholders, Due to Edelcom Ltd.'s failure to obtain the necessary legal approvals within the required timeframe, the sale of 10% of the Company's shares in Dorad to Phoenix Group under the share purchase agreement was completed at the same share value, with Ellomay Luzon Energy Infrastructures Ltd. acquiring the shares for NIS 424,412,664. With the sale of all our shares in Dorad, the Group's activities related to electricity production and sales in Israel have come to an end.

ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT FOR THE SIX - MONTHS PERIOD ENDED 30 JUNE 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") with the purchasing power of 30 June 2025 unless otherwise stated.)

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

2.3 Amendments in International Financial Reporting Standards

a. Standards, amendments and interpretations that are issued but not effective as of June 30, 2025:

Some new standards, interpretations, and amendments that have been published but are not yet effective as of the reporting date, and which the Group has not early adopted even though early adoption is permitted, are as follows:

- TFRS 18 – Presentation and Disclosures in Financial Statements,
- Amendments to the Classification and Measurement of Financial Instruments – TFRS 9 Financial Instruments and TFRS 7 Financial Instruments: Disclosures standards,
- TFRS 19 Entities Not Subject to Public Accountability: Disclosures,
- TFRS Annual Improvements – 11th Amendment.
- Contracts for Electricity from Natural Resources – Amendments to TFRS 9 and TFRS 7

b. Amendments that came into effect and began to be applied as of June 30, 2025:

The changes that came into effect for accounting periods beginning on or after January 1, 2025 are as follows:

- Absence of Exchangeability – Amendments to TAS 21 The Effects of Changes in Foreign Exchange Rates.

These newly implemented standard changes have not had a significant impact on the Group's summary consolidated financial statements.

ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE SIX - MONTHS PERIOD ENDED 30 JUNE 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") with the purchasing power of 30 June 2025 unless otherwise stated.)

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

2.4 Going concern assumption

The Group's EBITDA for the periods ended June 30, 2025 and 2024 is TRY 5,681,379 and TRY 6,873,430, respectively. As of June 30, 2025 and 2024, the Group's net loss and profit attributable to equity holders of the parent amounted to TRY (8,354,703) and TRY 3,375,159, respectively. As of June 30, 2025, current liabilities exceed current assets by TRY 4,998,433 (December 31, 2024: TRY 7,849,323).

The fact that most of the Group's electricity sales are made at guaranteed prices in dollar terms within the scope of the Renewable Energy Resources Support Mechanism ("YEKDEM") positively affects gross profitability. In addition, foreign exchange losses arising from foreign currency loans of companies selling within the scope of YEKDEM are largely eliminated naturally with foreign currency-indexed sales revenues. Among the power plants within the Group, Alaşehir geothermal power plant owned by Zorlu Geothermal will be able to sell electricity within the scope of YEKDEM until December 31, 2025, and Zorlu Doğal's Kızıldere 3 geothermal power plant will be able to sell electricity within the scope of YEKDEM until December 31, 2027.

The Group's licenses for the 0.9 MWm Kızıldere 1 Hybrid GPP, 10 MW Kızıldere 2 Hybrid GPP, 47.7 MWm Kızıldere 3 Hybrid GPP and 18.6 Mwe Alkan Geothermal Power Plant are at the investment stage. In addition to these projects, there are additional new projects, existing facility improvement investments and capacity increase projects.

Pursuant to the material event disclosure dated October 22, 2024, the Capital Markets Board On October 23, 2024, the sale of sustainability-related bonds, the issuance of which was approved on October 22, 2024, to qualified investors abroad was completed and the amounts related to the sale of USD 800,000,000 bonds were transferred to the Company accounts on October 23, 2024. Furthermore, as stated in the material event disclosure dated November 1, 2024, the book-building process for the additional sustainability-linked bonds with a nominal value of USD 200,000,000, planned to be issued for the purpose of being consolidated with the USD 800,000,000 nominal value sustainability-linked bonds, which were previously sold to qualified investors abroad and listed on the Irish Stock Exchange (Euronext Dublin), has been completed. The proceeds from the sale of the additional USD 200,000,000 nominal value bonds were transferred to the Company's accounts on November 7, 2024.

The proceeds amounting to USD 1,000,000,000 obtained from the bond issuance were used for the refinancing of existing financial liabilities of the Company's subsidiaries and the payment of other financing expenses.

ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE SIX - MONTHS PERIOD ENDED 30 JUNE 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") with the purchasing power of 30 June 2025 unless otherwise stated.)

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

2.4 Going concern assumption (Continued)

In this context, the remaining portion of USD 262,500,000 of the bond previously issued abroad by Zorlu Yenilenebilir Enerji A.Ş., a wholly owned subsidiary of the Company, was fully redeemed on October 23, 2024, using the funds obtained from the new issuance. The remaining USD 737,500,000 was utilized for the repayment of financial liabilities and the payment of other financing expenses of the Company's other subsidiaries.

In addition, based on the Company's announcement dated February 27, 2025, an additional US\$100,000,000 nominal value of sustainability-linked bonds were issued. The sale was completed on March 6, 2025. The proceeds were used to repay financial debt, fund capital expenditures, and pay other financing expenses.

Pursuant to the material event disclosure dated July 14, 2025, the sale of 10% of the Company's shares, corresponding to a total of 1,064 shares with a nominal value of 1 New Israeli Shekel ("NIS") each, which are not subject to the preemptive rights of Dorad's existing shareholders, to the Phoenix Group has been completed at a price of NIS 282,941,776. Pursuant to the material event disclosure dated July 22, 2025, the sale of the remaining 15% of the Company's shares, corresponding to a total of 1,596 shares, each with a nominal value of 1 New Israeli Shekel (NIS), subject to the pre-emption rights of Dorad's current shareholders, Due to Edelcom Ltd.'s failure to obtain the necessary legal approvals within the required timeframe, the sale of 10% of the Company's shares in Dorad to Phoenix Group under the share purchase agreement was completed at the same share value, with Ellomay Luzon Energy Infrastructures Ltd. acquiring the shares for NIS 424,412,664. With the sale of all our shares in Dorad, the Group's activities related to electricity production and sales in Israel have come to an end.

The Group has prepared its summary consolidated financial statements on the assumption that the business will continue as a going concern in the foreseeable future and does not foresee any risks to the continuity of the business.

2.5 Comparatives and restatement of prior year financial statements

The condensed consolidated financial statements of the Group for the current period is prepared in comparison with the prior year in order to be able to determine the financial position and performance trends. Where necessary, comparative figures are reclassified to conform to changes in presentation in the current year and material differences are disclosed.

ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT FOR THE SIX - MONTHS PERIOD ENDED 30 JUNE 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") with the purchasing power of 30 June 2025 unless otherwise stated.)

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

2.6 Critical accounting estimates, assumptions and judgments

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

The estimates and assumptions that are significant in terms of the carrying values of the Group's assets and liabilities and operating results are given below:

a) Deferred tax asset on cumulative tax losses

Deferred tax assets are accounted for only where it is likely that related temporary differences and accumulated losses will be recovered through expected future profits. When accounting for deferred tax assets it is necessary to make critical estimations and evaluations with regard to taxable profits in the future periods. As at June 30, 2025 according to the future projections, deferred tax assets are recognized on the carryforward tax losses amounts to TRY 14,138,496 (December 31, 2024: TRY 12,212,315). Deferred tax asset is not recognized carryforward tax losses for the remaining TRY 9,698,207 (December 31, 2024: TRY 11,783,218).

b) Cash flow hedge transactions

As explained in Note 13, the Group uses bonds amounts to USD 275,579 thousand (December 31, 2024: USD 308,000 thousand) and as a hedging instrument against the highly probable USD spot exchange rate risk the Group is exposed to due to YEKDEM sales income and applies cash flow hedge accounting as a result of the effectiveness tests performed. The estimations in budgets for YEKDEM sales income used for effectiveness test include estimations such as sales quantities and production capacity.

c) Explanations for revaluation methods and fair value measurements

Effective from the presentation of the consolidated financial statements dated 31 December 2013, the cost model, one of the application methods in TAS 16, has been excluded from the application and the revaluation model has been chosen for the presentation of the Group's electricity generation facilities at their fair values. In the accompanying condensed consolidated financial statements as of June 30, 2025, no revaluation study has been carried out and the property, plant and equipment subject to revaluation have been revalued as of the last revaluation date. From December 31, 2024 to the reporting date, adjusted by applying the change in the index.

ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE SIX - MONTHS PERIOD ENDED 30 JUNE 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") with the purchasing power of 30 June 2025 unless otherwise stated.)

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

2.6 Critical accounting estimates, assumptions and judgments (Continued)

d) Uninvoiced sales

The costs of active energy and retail sale services provided to the customer but not invoiced are recognized at estimated amounts. Unbilled electricity costs of active energy and retail sale services are reflected in the consolidated financial statements by multiplying the relevant period's tariff prices by the difference between the date of the customer's most recent meter reading and the last day of the relevant period.

e) Provisions

The Group management is reflecting the best estimation to the consolidated financial statements based on the best available data and results might differ when fulfilling the liabilities. As at June 30, 2025, the Group is the object of several lawsuits. Depending on the reviews of legal counsels, the Group is evaluating the probable results of these lawsuits and setting aside necessary provisions in consolidated financial statements. The Group also ensures the loss of profits or damages incurred during the period regarding the cash-generating facilities with the insurances it has taken out at its facilities. Additionally, insurance income accruals are recorded against current damage and profit losses.

2.7 Seasonality of operations

Business volume shows seasonal changes according to the structure of the industry in which the Group operates. The wind and hydroelectric power plants, which are under production segment, business volumes are higher in second and third quarters and in the second quarter of the year, respectively. Seasonality does not have a significant impact on the volume of business in the remaining segments of the Group.

ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE SIX - MONTHS PERIOD ENDED 30 JUNE 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") with the purchasing power of 30 June 2025 unless otherwise stated.)

NOTE 3 - SEGMENT REPORTING

Management of the Group has determined the reportable parts of the Group as electricity distribution and retail sales, electricity generation and others according to the activity groups. Management of the Group considers earnings before interest, taxes, depreciation and amortisation ("EBITDA") as the most appropriate method for comparability with other companies within the same industry. The segment information on an industrial basis is presented below:

1 January – 30 June 2025	Electricity generation	Electricity distribution and retail sales	Other	Consolidation adjustment	Consolidation total
Revenue	4,376,697	11,756,928	2,346,212	(5,388,176)	13,091,661
Cost of sales	(3,987,933)	(10,854,255)	(2,241,091)	4,924,063	(12,159,216)
Gross profit	388,764	902,673	105,121	(464,113)	932,445
Operating expenses	(225,016)	(752,389)	(327,030)	463,606	(840,829)
Amortisation and depreciation expenses (*)	2,326,465	-	95,668	507	2,422,640
Weighted average cost of capital ("WACC") correction (**)	-	1,123,852	-	-	1,123,852
Indexation difference on financial assets under service concession arrangements (**)	-	2,043,271	-	-	2,043,271
EBITDA (***)	2,490,213	3,317,407	(126,241)	-	5,681,379
Other income	207,547	1,383,833	441,922	(212,696)	1,820,606
Other expense	(360,732)	(1,174,433)	(287,119)	6,315	(1,815,969)
Finance income	555,972	229,132	7,726,298	(5,555,248)	2,956,154
Finance expense	(6,726,029)	(161,611)	(11,843,777)	5,127,959	(13,603,458)
Tax income / (expense)	344,108	14,908	(440,527)	627,460	545,949
1 April – 30 June 2025	Electricity generation	Electricity distribution and retail sales	Other	Consolidation Adjustment	Consolidation total
Revenue	2,086,701	6,078,845	1,577,648	(3,142,888)	6,600,306
Cost of sales	(1,799,162)	(5,552,497)	(1,426,940)	2,780,194	(5,998,405)
Gross profit	287,539	526,348	150,708	(362,694)	601,901
Operating expenses	(122,298)	(431,996)	(164,464)	362,449	(356,309)
Amortisation and depreciation expenses (*)	1,168,600	-	18,224	245	1,187,069
Weighted average cost of capital ("WACC") correction (**)	-	561,925	-	-	561,925
Indexation difference on financial assets under service concession arrangements (**)	-	736,077	-	-	736,077
EBITDA (***)	1,333,841	1,392,354	4,468	-	2,730,663
Other income	80,754	664,172	(196,344)	355,046	903,628
Other expense	(121,154)	(573,711)	(108,407)	(66,221)	(869,493)
Finance income	220,841	169,535	3,284,228	(2,633,074)	1,041,530
Finance expense	(3,082,364)	(56,796)	(5,286,547)	2,540,218	(5,885,489)
Tax income / (expense)	7,687	24,216	(492,033)	294,207	(165,923)

ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE SIX - MONTHS PERIOD ENDED 30 JUNE 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") with the purchasing power of 30 June 2025 unless otherwise stated.)

NOTE 3 - SEGMENT REPORTING (Continued)

1 January – 30 June 2024	Electricity generation	Profit from discontinued operations	Electricity distribution and retail sales	Other	Consolidation adjustment	Consolidation total
Revenue	5,235,374	-	10,667,494	2,146,245	(3,355,620)	14,693,493
Cost of sales	(4,157,458)	-	(10,265,905)	(1,791,069)	3,138,982	(13,075,450)
Gross profit	1,077,916	-	401,589	355,176	(216,638)	1,618,043
Operating expenses	(287,534)	-	(1,016,780)	(227,842)	204,133	(1,328,023)
Amortisation and depreciation expenses (*)	2,267,365	-	16,553	163,047	3,220	2,450,185
Weighted average cost of capital ("WACC") correction (**)	-	-	1,086,647	-	-	1,086,647
Indexation difference on financial assets under service concession arrangements (**)	-	-	3,046,578	-	-	3,046,578
EBITDA (***)	3,057,747	-	3,534,587	290,381	(9,285)	6,873,430
Other income	306,869	-	1,467,907	857,023	(636,258)	1,995,541
Other expense	(106,516)	-	(326,836)	(1,391,347)	93,179	(1,731,520)
Finance income	1,237,750	-	213,398	3,877,238	(1,557,696)	3,770,690
Finance expense	(5,913,696)	-	(1,485,879)	(6,480,195)	1,655,153	(12,224,617)
Tax income / (expense)	1,176,154	-	274,987	652,067	49,387	2,152,595
Period profit from discontinued operations (****)	-	2,428,230	-	-	-	2,428,230

1 April – 30 June 2024	Electricity generation	Profit from discontinued operations	Electricity distribution and retail sales	Other	Consolidation adjustment	Consolidation total
Revenue	2,598,154	-	5,183,861	1,045,287	(1,772,338)	7,054,964
Cost of sales	(1,786,021)	-	(5,285,550)	(860,731)	1,613,701	(6,318,601)
Gross profit	812,133	-	(101,689)	184,556	(158,637)	736,363
Operating expenses	(171,321)	-	(502,785)	(118,679)	153,314	(639,471)
Amortisation and depreciation expenses (*)	818,029	-	3,519	83,540	(480)	904,608
Weighted average cost of capital ("WACC") correction (**)	-	-	543,323	-	-	543,323
Indexation difference on financial assets under service concession arrangements (**)	-	-	1,035,232	-	-	1,035,232
EBITDA (***)	1,458,841	-	977,600	149,417	(5,803)	2,580,055
Other income	131,599	-	723,579	213,699	(168,600)	900,277
Other expense	(36,347)	-	(183,676)	(605,651)	2,629	(823,045)
Finance income	147,160	-	128,243	728,006	(29,402)	974,007
Finance expense	(2,313,264)	-	(757,968)	(1,548,224)	(164,324)	(4,783,780)
Tax income / (expense)	898,560	-	(556,904)	138,968	723,368	1,203,992
Period profit from discontinued operations (****)	-	87,635	-	-	-	87,635

ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT FOR THE SIX - MONTHS PERIOD ENDED 30 JUNE 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") with the purchasing power of 30 June 2025 unless otherwise stated.)

NOTE 3 – SEGMENT REPORTING (Continued)

(*) The depreciation and amortisation expenses amounts to TRY 2,422,640 (June 30, 2024: TRY 2,450,185) has been presented in the cost of sales and general administrative expenses and an amortization and depreciation expense amounts to TRY 332,400 and a depreciation expense of TRY 31,199 (June 30, 2024: TRY 334,238 amortisation amount) in the other operating expenses.

(**) Interest income related to weighted average cost of capital correction which are related to OEDAŞ amounts to TRY 1,123,852 (June 30, 2024: TRY 1,086,647), which are accounted in the other income are included in EBITDA calculation. Indexation difference on financial assets under service concession arrangements which are related to OEDAŞ amounts to TRY 2,043,271 (June 30, 2024: TRY 3,046,578), which are accounted in the monetary gain are included in EBITDA calculation.

(***) The Group's EBITDA for the period ending on June 30, 2025 does not include the EBITDA effect of Dorad investments amounting to TRY 342,206 which are included in the fixed assets account classified as held for sale and corresponding to the share owned, and the EBITDA effect of Electrip investments amounting to TRY (86,441) which are classified as investments valued with the equity method and corresponding to the share owned.

(****) Based on the material event statement dated March 12, 2024, it relates to Zorlu Enerji Dağıtım and its subsidiaries, which were sold to Palmet.

30 June 2025	Electricity generation	Electricity distribution and retail sales	Other	Consolidation adjustment	Consolidation total
Segment assets	87,934,783	23,781,821	107,968,153	(90,476,320)	129,208,437
Assets held for sale	-	-	-	4,306,285	4,306,285
Shares from investments accounted for using equity method	-	-	2,969,888	-	2,969,888
Segment liabilities	37,429,983	11,270,848	58,446,823	(33,497,483)	73,650,171
31 December 2024	Electricity generation	Electricity distribution and retail sales	Other	Consolidation adjustment	Consolidation Total
Segment assets	74,678,877	22,604,603	132,264,025	(97,664,113)	131,883,392
Shares from investments accounted for using equity method	-	-	6,707,498	-	6,707,498
Segment liabilities	34,498,131	10,986,538	64,061,407	(39,381,645)	70,164,431

ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT FOR THE SIX - MONTHS PERIOD ENDED 30 JUNE 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") with the purchasing power of 30 June 2025 unless otherwise stated.)

NOTE 3 - SEGMENT REPORTING (Continued)

Reconciliation between Adjusted EBITDA and income/(loss) before tax from continued operations is as follows:

	1 January - 30 June 2025	1 April - 30 June 2025	1 January - 30 June 2024	1 April - 30 June 2024
Adjusted EBITDA (*)	5,681,379	2,730,663	6,873,430	2,580,055
Amortisation and depreciation expenses	(2,786,239)	(1,385,392)	(2,784,423)	(1,073,570)
Financial income/(expenses), net	(10,647,304)	(4,843,959)	(8,453,927)	(3,809,773)
Other operating income/(expenses), net	(755,616)	(329,467)	(488,388)	(297,129)
Share of gain / (loss) of associates	154,890	(9,304)	280,305	293,986
Income from investment activities	76,213	83,856	5,412,193	-
Gains/(losses) on net monetary position	(624,128)	(907,963)	(2,045,349)	(757,160)
Tax income/(expense)	545,949	(165,923)	2,152,595	1,203,992
Profit/(loss) from discontinued operations	-	-	2,428,230	87,635
Net profit/(loss) for the period	(8,354,856)	(4,827,489)	3,374,666	(1,771,964)

(*) The Group's EBITDA for the six-months period ended June 30, 2025 excludes the EBITDA impact of Dorad investments amounting to TRY 342,206 and the EBITDA impact of Electrip investments amounting to TRY (86,441) which are reclassified to investments accounted through equity method.

NOTE 4 - CASH AND CASH EQUIVALENTS

	30 June 2025	31 December 2024
Cash	1,715	4,088
Banks		
- Time deposits	2,239,965	1,196,889
- Demand deposits	561,248	598,040
	2,802,928	1,799,017

The maturities of time deposits are less than 3 months and the average effective annual interest rates for time deposits are as follows:

	30 June 2025 (%)	31 December 2024 (%)
US Dollars	4.45	11.12
Pakistani Rupee	9.50	12.67
TRY	46.04	35.16

The credit risks of the banks where the Group has deposits are evaluated taking into account independent data and no significant credit risk is foreseen.

ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE SIX - MONTHS PERIOD ENDED 30 JUNE 2025**

(Amounts expressed in thousands of Turkish Lira ("TRY") with the purchasing power of 30 June 2025 unless otherwise stated.)

NOTE 4- CASH AND CASH EQUIVALENTS (Continued)

The details of cash and cash equivalents include the following for the purpose of the condensed consolidated statements of cash flows as at June 30, 2025 and June 30, 2024:

	30 June 2025	30 June 2024
Cash and cash equivalents	2,802,928	1,670,833
Less: Restricted cash	(40,631)	(27,461)
	2,762,297	1,643,372

The details of "Other adjustments related to profit / (loss) reconciliation" presented in the cash flow statement are as follows:

	1 January - 30 June 2025	1 January - 30 June 2024
Redemptions related to loan commissions	117,414	96,587
	117,414	96,587

Details of "Other cash inflows / (outflows)" in net cash used in financing activities in cash flows as follows:

	1 January - 30 June 2025	1 January - 30 June 2024
Commission paid related to borrowings	(68,283)	(106,097)
Change in restricted deposits	73,656	116,574
	5,373	10,477

ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE SIX - MONTHS PERIOD ENDED 30 JUNE 2025**

(Amounts expressed in thousands of Turkish Lira ("TRY") with the purchasing power of 30 June 2025 unless otherwise stated.)

NOTE 5 - FINANCIAL ASSETS SERVICE CONCESSION ARRANGEMENTS

	30 June 2025	31 December 2024
Short-term financial assets	3,631,538	3,298,742
Long-term financial assets	8,850,249	10,998,824
	12,481,787	14,297,566

The financial assets under service concession arrangement represent the amounts of the investments not yet recovered by the tariff.

The maturity analysis of financial assets under service concession arrangement has shown as below:

	30 June 2025	31 December 2024
Up to 1 years	3,631,538	3,298,742
Between 1 to 2 years	3,631,538	3,298,742
More than 2 years	5,218,711	7,700,082
	12,481,787	14,297,566

The movement of financial assets related to concession agreements of electricity distribution operations in the current period is as follows:

	1 January - 30 June 2025	1 January - 30 June 2024
Opening balance	14,297,566	15,363,658
Collections (-)	(1,815,779)	(1,649,378)
Closing balance	12,481,787	13,714,280

ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT FOR THE SIX - MONTHS PERIOD ENDED 30 JUNE 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") with the purchasing power of 30 June 2025 unless otherwise stated.)

NOTE 6 - FINANCIAL LIABILITIES

The details of financial liabilities of the Group as at June 30, 2025 and December 31, 2024 is as follows:

	30 June 2025	31 December 2024
Short-term secured bank borrowings	362,577	697,543
Issued debt instruments	1,073,808	1,028,096
Total short-term financial liabilities	1,436,385	1,725,639
Short-term portion of long-term secured bank borrowings	1,767,381	2,128,553
Issued debt instruments	8,424,067	9,114,891
Lease liabilities	111,040	93,053
Total short-term portion of long-term financial liabilities	10,302,488	11,336,497
Long-term secured bank borrowings	3,521,346	4,311,578
Issued debt instruments	38,437,675	35,670,840
Lease liabilities	347,191	309,389
Total long-term financial liabilities	42,306,212	40,291,807
Total financial liabilities	54,045,085	53,353,943

The details of short-term financial liabilities of the Group as at June 30, 2025 and December 31, 2024 is as follows:

	Original currency		Weighted average effective interest rate per annum (%)		TRY equivalent	
	30 June 2025	31 December 2024	30 June 2025	31 December 2024	30 June 2025	31 December 2024
USD	7,618	15,301	10.75%	10.92%	303,303	630,967
TRY	1,133,082	1,094,672	64.43%	51.98%	1,133,082	1,094,672
					1,436,385	1,725,639

ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT FOR THE SIX - MONTHS PERIOD ENDED 30 JUNE 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") with the purchasing power of 30 June 2025 unless otherwise stated.)

NOTE 6 - FINANCIAL LIABILITIES (Continued)

The details of short-term portion of long-term financial liabilities of the Group as at June 30, 2025 and December 31, 2024 is as follows:

	Original currency		Weighted average effective interest rate per annum (%)		TRY equivalent	
	30 June	31 December	30 June	31 December	30 June	31 December
	2025	2024	2025	2024	2025	2024
USD	137,243	132,654	11.29%	12.81%	5,463,967	5,470,256
EUR	13,832	12,806	7.38%	8.39%	645,834	549,875
TRY	4,190,352	5,316,366	59,15%	53,45%	4,190,352	5,316,366
NIS	198	-	5.50%	-	2,335	-
					10,302,488	11,336,497

The details of long-term financial liabilities of the Group as at June 30, 2025 and December 31, 2024 is as follows:

	Original currency		Weighted average effective interest rate per annum (%)		TRY equivalent	
	30 June	31 December	30 June	31 December	30 June	31 December
	2025	2024	2025	2024	2025	2024
USD	1,029,597	950,616	11.30%	11.30%	40,990,723	39,200,562
EUR	18,129	16,854	7.25%	8.13%	846,467	723,691
TRY	404,367	306,963	41,41%	%17,80	404,367	306,963
PKR	17,779	16,541	-	-	2,473	2,428
NIS	5,272	5,146	7.25%	7.25%	62,182	58,163
					42,306,212	40,291,807

Letters of guarantees given, pledges and mortgages related to financial liabilities are explained in Note 12.

ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT FOR THE SIX - MONTHS PERIOD ENDED 30 JUNE 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") with the purchasing power of 30 June 2025 unless otherwise stated.)

NOTE 6 - FINANCIAL LIABILITIES (Continued)

The movements of financial liabilities as of June 30, 2025 and 2024 as follows:

	2025	2024
As at 1 January	53,353,943	71,582,783
Cash inflows from borrowings	80,368	88,290
Cash inflows from issued debt instruments	5,709,690	2,653,895
Cash outflows due to the repayment of bank borrowings	(1,068,148)	(9,254,708)
Cash outflows from debt repayments of issued debt instruments	(1,711,870)	(1,265,631)
Interest accruals	3,772,833	5,923,390
Cash outflows from debt repayments of lease agreements	(8,497)	(64,381)
Interest paid	(4,069,201)	(5,718,288)
Interest accruals related to lease contract	64,966	44,256
Change of exchange difference	5,233,552	2,868,655
Other classifications	49,131	(9,510)
Net monetary position gain / (loss)	(7,361,682)	(13,741,964)
30 June	54,045,085	53,106,787

NOTE 7 - OTHER RECEIVABLES AND PAYABLES

a) Short-term other receivables:

	30 June 2025	31 December 2024
Other receivables from related parties (Note 23)	1,267,477	1,220,342
Other short-term receivables from third parties	97,151	58,637
	1,364,628	1,278,979

b) Long-term other receivables:

	30 June 2025	31 December 2024
Other receivables from related parties (Note 23)	15,266,094	14,459,546
Other long-term receivables from third parties	-	34,373
	15,266,094	14,493,919

ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT FOR
THE SIX - MONTHS PERIOD ENDED 30 JUNE 2025**

(Amounts expressed in thousands of Turkish Lira ("TRY") with the purchasing power of 30 June 2025 unless otherwise stated.)

NOTE 7 - OTHER RECEIVABLES AND PAYABLES (Continued)**c) Short-term other payables:**

	30 June 2025	31 December 2024
Deposit received	2,615,930	2,583,844
Other payables to related parties (Note 23)	44,806	52,119
Other short-term payables to third parties	188	77
	2,660,924	2,636,040

d) Long-term other payables:

	30 June 2025	31 December 2024
Other payables to related parties (Note 23)	18,597	18,472
	18,597	18,472

NOTE 8 - OTHER ASSETS AND LIABILITIES**a) Other current assets:**

	30 June 2025	31 December 2024
VAT receivable	798,965	825,141
Insurance income accruals (*)	161,262	69,727
Other	8,752	13,522
	968,979	908,390

(*) Insurance income accruals are related to the damage compensation income that the Group's commercial enterprises and elements have secured, collected and expect to collect based on insurance policies against all risks such as machine breakdown, loss of profit, fire, etc.

b) Other non-current assets:

	30 June 2025	31 December 2024
Prepaid taxes	1,130	1,318
	1,130	1,318

c) Other current liabilities:

	30 June 2025	31 December 2024
VAT payable	621,726	265,409
Taxes and funds payable	249,374	165,937
Other	1,771	1,415
	872,871	432,761

ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT FOR THE SIX - MONTHS PERIOD ENDED 30 JUNE 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") with the purchasing power of 30 June 2025 unless otherwise stated.)

NOTE 9 – ASSETS HELD FOR SALE

The Company has decided to sell its subsidiary Dorad, which is evaluated under TFRS 5 “Non-current Assets Held for Sale and Discontinued Operations.” Following the fulfillment of the conditions required by TFRS 5, the assets and liabilities related to this subsidiary have been classified as “non-current assets classified as held for sale.”

Pursuant to the material event disclosure dated July 14, 2025, the sale of 10% of the Company's shares, corresponding to a total of 1,064 shares with a nominal value of 1 New Israeli Shekel (“NIS”) each, which are not subject to the preemptive rights of Dorad's existing shareholders, to the Phoenix Group has been completed at a price of NIS 282,941,776. Pursuant to the material event disclosure dated July 22, 2025, the sale of the remaining 15% of the Company's shares, corresponding to a total of 1,596 shares, each with a nominal value of 1 New Israeli Shekel (NIS), subject to the pre-emption rights of Dorad's current shareholders, due to Edelcom Ltd.'s failure to obtain the necessary legal approvals within the required timeframe, the sale of 10% of the Company's shares in Dorad to Phoenix Group under the share purchase agreement was completed at the same share value, with Ellomay Luzon Energy Infrastructures Ltd. acquiring the shares for NIS 424,412,664. With the sale of all our shares in Dorad, the Group's activities related to electricity production and sales in Israel have come to an end.

**1 January -
30 June 2025**

Assets held for sale	4,306,285
	4,306,285

NOTE 10- TANGIBLE ASSETS

As of June 30, 2025, the net book value of the Group's property, plant, and equipment is TRY 61,911,312 (December 31, 2024: TRY 64,131,307). The depreciation expense for property, plant, and equipment for the first six months of 2025 is TRY 2,409,464 (June 30, 2024: TRY 2,369,853).

As of June 30, 2025, the Group's tangible fixed assets amounted to TRY 428,029 (June 30, 2024: TRY 438,152), while the disposal amount related to its tangible fixed assets is TRY 91,596 (June 30, 2024: TRY 12,456).

As of June 30, 2025, the impact of the foreign currency translation of foreign subsidiaries on the net book value of the Group's fixed assets is TRY (232,638).

The collateral, pledges, and mortgages on property, plant, and equipment are disclosed in Note 12.

ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT FOR THE SIX - MONTHS PERIOD ENDED 30 JUNE 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") with the purchasing power of 30 June 2025 unless otherwise stated.)

NOTE 11 - INTANGIBLE ASSETS

As of June 30, 2025, the net book value of the Group's intangible assets is TRY 11,902,191 (December 31, 2024: TRY 12,236,277). The amortization expense for intangible assets for the first six months of 2025 is TRY 333,784 (June 30, 2024: TRY 345,478).

As of June 30, 2025, the Group's non-current intangible assets amounted to TRY 6,281 (June 30, 2024: TRY 23,024), while there were no disposals of non-current intangible assets (June 30, 2024: None).

NOTE 12 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

12.1 Short-term provisions

	30 June 2025	31 December 2024
Provisions for annual leave	115,578	113,831
Provisions for lawsuits	22,367	35,416
	137,945	149,247

12.2 Long-term provisions

	30 June 2025	31 December 2024
Provisions for employment benefits	605,632	518,197
	605,632	518,197

12.3 Contingent assets

The Group's guarantees, pledges and mortgages ("GPM") as at June 30, 2025 and December 31, 2024 are summarized as follows:

		30 June 2025		31 December 2024	
	Original currency	Original amount	TRY equivalent (*)	Original amount	TRY equivalent (*)
Letters of guarantees received	TRY	1,409,504	1,409,504	1,381,131	1,381,131
Letters of guarantees received	USD	5,459	216,945	5,976	245,592
Letters of guarantees received	EUR	692	32,252	670	28,723
Cheques received	TRY	38,860	38,860	38,718	38,718
Cheques received	USD	38	1,510	73	3,000
Cheques received	EUR	65	3,029	65	2,786
			1,702,100		1,699,950

(*) As at June 30, 2025 and December 31, 2024, all other currencies presented in Turkish Lira are expressed in terms of the purchasing power of June 30, 2025.

Guarantee letters received consist of letters, cheques and notes received from customers in relation to the Group's operations.

ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT FOR THE SIX - MONTHS PERIOD ENDED 30 JUNE 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") with the purchasing power of 30 June 2025 unless otherwise stated.)

NOTE 12 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

12.4 Guarantees, pledges and mortgages given by the Group

The Group's guarantees, pledges and mortgages ("GPM") as at June 30, 2025 and December 31, 2024 are summarized as follows:

		30 June 2025		31 December 2024	
	Original currency	Original amount	TRY amount (*)	Original amount	TRY amount (*)
GPMS's given by the Group					
A. Total amount of GPMS given on behalf of its own legal entity	USD	12,205	485,036	10,400	427,402
	TRY	1,694,151	1,694,151	1,036,331	1,036,331
B. Total amount of GPMS given in favor of subsidiaries included in the scope of full consolidation	TRY	559,454	559,454	345,409	345,409
	USD	550	21,857	550	22,603
C. Total amount of GPMS given in order to secure the debt of other third parties for the purpose of conducting ordinary commercial activities	USD	20,696	822,476	18,892	776,394
	NIS	1,567	15,163	9,062	102,313
D. Total amount of other GPMS		-	-	-	-
			3,598,137		2,710,452

(*) As at 30 June 2025 and 31 December 2024, all other currencies presented in Turkish Lira are expressed in terms of the purchasing power of 2024.

The guarantees provided generally consist of guarantee letters and guarantee certificates given to state institutions (primarily "EMRA" and other state institutions providing electricity transmission and distribution services) in relation to the Group's electricity distribution operations, and to banks for loans obtained from banks.

The ratio of other guarantees, pledges and mortgages given by the Group to the total equity of the Group is 0% as at June 30, 2025 (December 31, 2024: 0%).

ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT FOR THE SIX - MONTHS PERIOD ENDED 30 JUNE 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") with the purchasing power of 30 June 2025 unless otherwise stated.)

NOTE 13 - CASH FLOW HEDGE RESERVE

As explained in Note 2.6, the Group has a loan with a total amount of USD 275,579 thousand (December 31, 2024: USD 308,000 thousand) which are used as a hedging instrument for the USD spot exchange rate risk. The Group is exposed to foreign exchange risk due to highly probable YEKDEM revenues and applies cash flow hedge accounting as a result of the effectiveness tests performed.

Alaşehir geothermal power plant of Zorlu Jeotermal will sell electricity in scope of YEKDEM until the end of 2025 and Kızıldere 3 geothermal power plant of Zorlu Doğal will sell electricity in scope of YEKDEM until the end of 2027. The maturity dates of the hedging items are considered to be the end of YEKDEM sales. Also the maturity dates of the hedging instruments are considered to be the final payment dates of the loans which are subject to hedge relationships. Hedge ratios are 100% and 100% for the six - month period ended June 30, 2025 and the year ended December 31, 2024 respectively. These hedge ratios represent the portion of YEKDEM sales revenue included in the effectiveness tests.

	30 June 2025		31 December 2024	
	Carried at fair value through		Carried at fair value through	
	Original amount USD	other comprehensive income (TRY) (*)	Original amount USD	other comprehensive income (TRY) (*)
Hedging amount	275,579	(35,467,459)	308,000	(38,608,149)
	275,579	(35,467,459)	308,000	(38,608,149)

(*) The amount reclassified to the income statement from cash flow hedging is TRY 5,105,316 thousand.

ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT FOR THE SIX - MONTHS PERIOD ENDED 30 JUNE 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") with the purchasing power of 30 June 2025 unless otherwise stated.)

NOTE 14 - DEFERRED REVENUE

a) Short term deferred revenue from third parties

	30 June 2025	31 December 2024
Deferred income related to income difference adjustment component (*)	25,664	-
Retail sales net profit margin income accruals (OMEGA 4) (**)	-	59,321
Advances received from customers	-	54
	25,664	59,375

(*) The income adjustment component includes the correction of the difference between the system operating income cap for a tariff year, calculated based on the Consumer Price Index (CPI) for December of the relevant tariff year, and the actual system operating income for the relevant tariff year, also calculated based on the CPI for December of the relevant tariff year. In the second year following the occurrence of this difference, the adjustment related to the difference is considered by the Energy Market Regulatory Authority (EPDK) as the corrective system operating income cap and is used in the calculation of the income cap for the relevant year.

(**) The retail company should obtain a net profit margin of 2.38% from sales made by tariff customers. The retail sales net margin consists of the adjustment components recorded to equalize net profit margin to 2.38%.

b) Short-term deferred revenue from related parties

	30 June 2025	31 December 2024
Short-term advances received from related parties (Note 23)	1,249,531	1,047,104
	1,249,531	1,047,104

c) Long-term deferred revenue from related parties

	30 June 2025	31 December 2024
Long-term advances received from related parties (Note 23)	418,945	866,437
	418,945	866,437

ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT FOR THE SIX - MONTHS PERIOD ENDED 30 JUNE 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") with the purchasing power of 30 June 2025 unless otherwise stated.)

NOTE 15 - EQUITY

a) Share capital

	30 June 2025	31 December 2024
Limit on registered share capital	6,000,000	6,000,000
Issued capital	5,000,000	5,000,000

The Group's shareholders and shareholding structure as at June 30, 2025 and December 31, 2024 are as follows:

Trade name of shareholder	Share (%)	30 June 2025	Share (%)	31 December 2024
		Nominal Share Amount (Thousand TRY)		Nominal Share Amount (Thousand TRY)
Zorlu Holding	32.31	1,615,531	32.31	1,615,531
Korteks	17.55	877,373	17.55	877,373
Publicly held	37.40	1,869,884	37.40	1,869,884
Wren House Infrastructure LP	12.34	617,212	12.34	617,212
Other	0.40	20,000	0.40	20,000
	100	5,000,000	100	5,000,000
Adjustment to share capital		30,308,136		30,308,136
Total		35,308,136		35,308,136

As of June 30, 2025 and December 31, 2024, the Group's inflation adjustment to share capital amounts to TRY 30,308,136 and represents the restatement difference arising from the restatement of the Group's paid-in capital amount according to inflation and not offset by accumulated losses.

b) Premiums related to shares

The share premiums presented in the consolidated financial statements arise from the difference between the issue price and the nominal value of shares issued at a premium during capital increases subsequent to the initial establishment of the Group. As of June 30, 2025, the Group's consolidated financial statements reflect share premiums amounting to TRY 54,818 (December 31, 2024: TRY 54,818).

c) Restricted reserves and retained earnings

	30 June 2025	31 December 2024
Legal reserves	169,504	169,504

In accordance with the Turkish Commercial Code ("TCC"), legal reserves are classified as first and second legal reserves. Under the Turkish Commercial Code, the first legal reserve is appropriated at 5% of the statutory net profit until it reaches 20% of the paid-in capital. The second legal reserve is appropriate at 10% of the portion of the profit distributed that exceeds 5% of the paid-in capital.

ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT FOR
THE SIX - MONTHS PERIOD ENDED 30 JUNE 2025**

(Amounts expressed in thousands of Turkish Lira ("TRY") with the purchasing power of 30 June 2025 unless otherwise stated.)

NOTE 16 - REVENUE

	1 January- 30 June 2025	1 April- 30 June 2025	1 January- 30 June 2024	1 April- 30 June 2024
Electricity generation and wholesale income	4,810,269	2,594,008	6,624,047	3,225,683
Retail sales income	4,577,963	2,330,015	5,312,282	2,780,472
Income from electricity distribution activities	2,593,963	1,304,385	1,261,512	358,497
General lighting income	468,015	191,722	647,395	260,026
Other	641,451	180,176	848,257	430,286
	13,091,661	6,600,306	14,693,493	7,054,964

NOTE 17 - COST OF SALES

	1 January- 30 June 2025	1 April- 30 June 2025	1 January- 30 June 2024	1 April- 30 June 2024
Retail electricity purchase	4,534,073	2,217,661	4,219,981	2,200,569
Depreciation and amortisation	2,392,796	1,174,750	2,432,041	895,389
Energy purchase cost related to electricity distribution activities	1,388,414	833,831	2,078,387	1,025,821
Cost of electricity generation and wholesale purchase	1,258,617	661,052	1,441,648	765,508
Electricity generation and retail system utilization fee	861,579	420,000	1,203,331	575,400
Employee and personnel expenses	691,652	326,796	665,598	332,445
Maintenance and repair expenses	294,821	72,193	235,674	170,331
Other	737,264	292,122	798,790	353,138
	12,159,216	5,998,405	13,075,450	6,318,601

ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT FOR
THE SIX - MONTHS PERIOD ENDED 30 JUNE 2025**

(Amounts expressed in thousands of Turkish Lira ("TRY") with the purchasing power of 30 June 2025 unless otherwise stated.)

NOTE 18 - GENERAL ADMINISTRATIVE AND MARKETING EXPENSES**a) General Administrative Expenses**

	1 January- 30 June 2025	1 April- 30 June 2025	1 January- 30 June 2024	1 April- 30 June 2024
Employee and personnel expenses	302,081	106,010	482,003	189,379
Consulting and outsourcing expenses	64,471	22,884	253,379	92,853
Office expenses	111,319	32,547	86,402	64,256
Maintenance and repair expenses	52,677	36,878	31,795	27,458
Rent expenses	44,194	24,728	34,085	24,226
Tax expenses	35,574	21,099	151,389	76,184
Depreciation and amortisation expense	29,844	12,319	18,144	9,219
Advertising expenses	13,064	3,021	12,171	10,346
Other	50,032	32,769	109,716	70,157
	703,256	292,255	1,179,084	564,078

b) Marketing expenses

	1 January- 30 June 2025	1 April- 30 June 2025	1 January- 30 June 2024	1 April- 30 June 2024
Employee and personnel expenses	88,981	42,047	90,527	44,411
Communication expenses	11,017	7,372	3,676	2,370
Commission expenses	10,339	4,793	12,672	5,571
Consulting and outsourcing expenses	4,792	1,618	8,381	4,271
Advertising expense	4,367	608	8,634	8,500
Office expenses	3,362	1,527	5,145	2,378
Other	14,715	6,089	19,904	7,892
	137,573	64,054	148,939	75,393

ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT FOR
THE SIX - MONTHS PERIOD ENDED 30 JUNE 2025**

(Amounts expressed in thousands of Turkish Lira ("TRY") with the purchasing power of 30 June 2025 unless otherwise stated.)

NOTE 19 - OTHER OPERATING INCOME AND EXPENSES**a) Other operating income:**

	1 January - 30 June 2025	1 April - 30 June 2025	1 January - 30 June 2024	1 April - 30 June 2024
Interest income related to weighted overage cost of capital correction	1,123,852	561,925	1,086,647	543,323
Foreign exchange differences from trading activities	321,246	152,778	431,977	136,851
Interest income from trading activities	148,018	40,596	289,259	84,410
Insurance income	146,307	107,284	14,195	959
Other	81,183	41,045	173,463	134,734
	1,820,606	903,628	1,995,541	900,277

b) Other operating expense:

	1 January - 30 June 2025	1 April - 30 June 2025	1 January - 30 June 2024	1 April - 30 June 2024
Interest expense from trading activities	994,467	496,336	924,154	531,130
Foreign exchange differences from trading activities	317,643	85,765	322,389	25,117
Depreciation of service concession arrangements	240,884	121,110	242,216	122,442
Depreciation of customer relations	91,516	46,014	92,022	46,520
Provisions	50,578	40,485	33,092	30,794
Depreciation expense of the non-operating portion	31,199	31,199	-	-
Other	89,682	48,584	117,647	67,042
	1,815,969	869,493	1,731,520	823,045

NOTE 20 - INCOME FROM INVESTING ACTIVITIES**a) Income from investing activities**

	1 January - 30 June 2025	1 April - 30 June 2025	1 January - 30 June 2024	1 April - 30 June 2024
Gain on sale of fixed assets	76,213	83,856	3,192	-
Gain on sale of subsidiaries (Note 2.2)	-	-	5,409,001	-
	76,213	83,856	5,412,193	-

ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT FOR THE SIX - MONTHS PERIOD ENDED 30 JUNE 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") with the purchasing power of 30 June 2025 unless otherwise stated.)

NOTE 21 - FINANCE INCOME AND EXPENSES

a) Financial income:

	1 January - 30 June 2025	1 April - 30 June 2025	1 January - 30 June 2024	1 April - 30 June 2024
Foreign exchange gains	1,905,073	378,545	1,566,789	198,793
Interest income	1,051,081	662,985	1,738,532	772,997
Income on derivative instruments	-	-	465,369	2,217
	2,956,154	1,041,530	3,770,690	974,007

b) Financial expense:

	1 January - 30 June 2025	1 April - 30 June 2025	1 January - 30 June 2024	1 April - 30 June 2024
Foreign exchange loss	9,471,119	3,672,601	5,961,280	1,954,781
Interest expense	3,912,454	2,106,165	6,027,154	2,743,475
Bank commission and other financial expenses	219,885	106,723	236,183	85,524
	13,603,458	5,885,489	12,224,617	4,783,780

ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT FOR THE SIX - MONTHS PERIOD ENDED 30 JUNE 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") with the purchasing power of 30 June 2025 unless otherwise stated.)

NOTE 22 - NET MONETARY GAINS/(LOSSES)

30 June 2025

Non-Monetary Items

Statement of Financial Position Items

Inventories	21,001
Tangible assets	5,728,319
Intangible assets	1,379,112
Right of use assets	151,827
Deferred tax assets/(liabilities)	625,712
Paid-in capital	(5,045,843)
Actuarial losses on employment benefit obligations	48,853
Restricted reserves	(24,224)
Hedge reserves	3,158,682
Other short - term liabilities (*)	(367,788)
Financial assets under service concession arrangements	2,043,271
Retained earnings/(losses)	(8,307,955)

Statement of Profit or Loss Items

Revenue	(648,064)
Cost of sales	601,906
Marketing expense	6,673
General administrative expense	34,813
Other operating income/(expense)	570,013
Finance income/(expense)	599,352
Income/ (loss) from investing activities	8,637
Period tax income/(expense)	834,846
Net monetary position gains/(losses)	1,419,143

(*) It consists of deposits received.

ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT FOR THE SIX - MONTHS PERIOD ENDED 30 JUNE 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") with the purchasing power of 30 June 2025 unless otherwise stated.)

NOTE 23 - RELATED PARTY TRANSACTIONS

i) Related party balances:

a) Short-term trade receivables from related parties

	30 June 2025	31 December 2024
Korteks	1,794,893	1,514,977
Zorluteks Tekstil Ticaret ve Sanayi AŞ ("Zorluteks")	380,085	228,836
Meta Nikel Kobalt Madencilik Sanayi AŞ ("Meta Nikel")	210,785	168,257
Zes Teknik Enerji Tesisleri AŞ ("Zes Teknik")	76,034	-
Zorlu Tesis Yönetim AŞ ("Zorlu Tesis Yönetimi")	34,647	32,467
ZES Dijital Ticaret AŞ ("ZES Dijital")	20,230	247,919
Vestel Ticaret AŞ ("Vestel Ticaret")	13,118	14,381
Other	177,865	27,945
	2,707,657	2,234,782

The Group's trade receivables consist of electricity and commercial goods sales within the scope of its main activity.

b) Short-term other receivables from the related parties

	30 June 2025	31 December 2024
Zorlu Holding (*)	1,111,965	1,184,835
Zorlu Doğal Gaz İth.İhr.ve Top.AŞ. ("Zorlu Doğal Gaz")	155,512	35,507
	1,267,477	1,220,342

(*) TRY 1,111,965 of the Group's total receivables from Zorlu Holding amounting to TRY 13,131,158 are short-term. All of the short-term receivables have a financing nature and the interest rates of the receivables amounting to are 9% for USD.

ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT FOR THE SIX - MONTHS PERIOD ENDED 30 JUNE 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") with the purchasing power of 30 June 2025 unless otherwise stated.)

NOTE 23 - RELATED PARTY TRANSACTIONS (Continued)

c) Long-term other receivables from related parties

	30 June 2025	31 December 2024
Zorlu Holding (*)	12,019,193	11,446,659
Zorlu O&M Enerji Tesisleri İşletme ve Bakım Hizmetleri AŞ ("Zorlu O&M") (**)	3,246,901	3,012,887
	15,266,094	14,459,546

(*) TRY 12,019,193 of the Group's total receivables from Zorlu Holding amounting to TRY 13,131,158 are long-term. All of the long-term receivables have a financing nature and the interest rates of the receivables amounting to are 9% for USD.

(**) The Group's entire long-term receivable amounting to TRY 3,246,901 from Zorlu O&M have a financial nature and the interest rate is 9% for USD.

d) Short-term trade payables to related parties

	30 June 2025	31 December 2024
Zorlu O&M (*)	146,912	123,879
Zes Solar Mena Dmcc ("Zes Solar Mena")	40,616	46,917
Vestel Ticaret	34,173	31,913
Vestel Elektronik Sanayi ve Ticaret AŞ. ("Vestel Elektronik")	27,127	36,993
Zorlu Gayrimenkul Geliştirme ve Yatırım AŞ. ("Zorlu Gayrimenkul")	11,577	47,793
Zorlu Holding	3,815	18,986
Other	6,336	33,542
	270,556	340,023

(*) The Group's trade payables to Zorlu O&M consists of the maintenance and repair services provided to the power plants which belongs to the Group.

ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT FOR THE SIX - MONTHS PERIOD ENDED 30 JUNE 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") with the purchasing power of 30 June 2025 unless otherwise stated.)

NOTE 23 - RELATED PARTY TRANSACTIONS (Continued)

i) **Related party balances (Continued):**

e) **Short-term other payables to related parties**

	30 June 2025	31 December 2024
Zorlu O&M	44,806	52,119
	44,806	52,119

f) **Long term other payables to related parties**

	30 June 2025	31 December 2024
Zorlu O&M	18,597	18,472
	18,597	18,472

g) **Short-term deferred income from related parties**

	30 June 2025	31 December 2024
Vestel Elektronik (*)	820,231	720,833
Vestel Beyaz Eşya Sanayi ve Ticaret AŞ. ("Vestel Beyaz Eşya") (*)	429,300	326,271
	1,249,531	1,047,104

(*) As of June 30, 2025 and December 31, 2024 the balances represent the Group's short term advance payables due to Vestel Elektronik and Vestel Beyaz Eşya.

h) **Long-term deferred income from related parties**

	30 June 2025	31 December 2024
Vestel Beyaz Eşya (*)	238,454	493,158
Vestel Elektronik (*)	180,491	373,279
	418,945	866,437

(*) As of June 30, 2025 and December 31, 2024 the balances represent the Group's long term advance payables from Vestel Elektronik and Vestel Beyaz Eşya.

ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT FOR THE SIX - MONTHS PERIOD ENDED 30 JUNE 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") with the purchasing power of 30 June 2025 unless otherwise stated.)

NOTE 23 - RELATED PARTY TRANSACTIONS (Continued)

All other transactions between the Company and its subsidiaries that are not mentioned in this footnote have been eliminated during consolidation. Details of transactions between the Group and other related parties are explained below.

i) Sales to related parties

	1 January- 30 June 2025	1 April- 30 June 2025	1 January- 30 June 2024	1 April- 30 June 2024
Korteks	260,258	158,535	480,302	239,835
Zorluteks	153,660	87,237	211,022	97,306
Zorlu Tesis Yönetimi	150,588	103,933	153,123	76,902
Vestel Beyaz Eşya	141,148	82,257	225,405	115,229
Vestel Elektronik	84,194	52,533	156,831	85,420
Meta Nikel	23,265	17,006	122,038	58,196
Zes Solar	3,312	1,657	21,544	-
Other	134,007	83,126	83,258	10,504
	950,432	586,284	1,453,523	683,392

i) Purchases from related parties

	1 January- 30 June 2025	1 April- 30 June 2025	1 January- 30 June 2024	1 April- 30 June 2024
Zorlu O&M	108,092	82,359	132,063	81,674
Zes Solar	23,862	-	3,213	3,213
Other	25,752	20,171	3,734	1,933
	157,706	102,530	139,010	86,820

j) General administrative expenses and marketing expenses from related parties

	1 January- 30 June 2025	1 April- 30 June 2025	1 January- 30 June 2024	1 April- 30 June 2024
Zorlu Gayrimenkul	33,012	16,371	28,779	9,591
Zorlu Yapı Yatırım AŞ.	11,388	104	15,678	15,629
Zorlu Holding	8,406	5,260	15,903	6,608
Zorlu Tesis Yönetimi	5,539	2,585	8,415	3,989
ABH Turizm Temsilcilik ve Ticaret AŞ ("ABH Turizm")	4,727	1,123	8,599	4,142
Other	7,381	1,763	5,401	2,970
	70,453	27,206	82,775	42,929

ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT FOR
THE SIX - MONTHS PERIOD ENDED 30 JUNE 2025**

(Amounts expressed in thousands of Turkish Lira ("TRY") with the purchasing power of 30 June 2025 unless otherwise stated.)

NOTE 23 - RELATED PARTY TRANSACTIONS (Continued)**k) Other operating income to related parties**

	1 January- 30 June 2025	1 April- 30 June 2025	1 January- 30 June 2024	1 April- 30 June 2024
Korteks	292,302	146,490	154,859	58,111
Zorluteks	44,804	23,062	92,688	36,318
Meta Nikel	42,343	29,849	172,672	165,371
Other	26,720	22,678	2,593	2,155
	406,169	222,079	422,812	261,955

l) Other operating expenses to related parties

	1 January- 30 June 2025	1 April- 30 June 2025	1 January- 30 June 2024	1 April- 30 June 2024
Vestel Elektronik	84,619	21,153	418,757	212,260
Vestel Beyaz Eşya	84,532	39,811	128,599	61,461
Vestel Ticaret	55,877	23,845	-	-
Other	15,637	26	18,563	19
	240,665	84,835	565,919	273,740

m) Interest income from related parties

	1 January- 30 June 2025	1 April- 30 June 2025	1 January- 30 June 2024	1 April- 30 June 2024
Zorlu Holding	640,284	302,644	698,761	406,794
Zorlu O&M	127,007	67,795	162,422	30,792
Other	20,086	7,097	13,643	6,446
	787,377	377,536	874,826	444,032

n) Interest expenses from related parties

	1 January- 30 June 2025	1 April- 30 June 2025	1 January- 30 June 2024	1 April- 30 June 2024
Zorlu O&M	1,092	531	1,600	1,600
Other	2,987	13	2,123	37
	4,079	544	3,723	1,637

ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT FOR THE SIX - MONTHS PERIOD ENDED 30 JUNE 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") with the purchasing power of 30 June 2025 unless otherwise stated.)

NOTE 23 - RELATED PARTY TRANSACTIONS (Continued)

o) Foreign exchange gain from related parties

	1 January- 30 June 2025	1 April- 30 June 2025	1 January- 30 June 2024	1 April- 30 June 2024
Zorlu Holding	1,312,880	467,598	665,378	75,548
Zorlu O&M	367,787	158,392	595,549	92,298
Zorlu Doğal Gaz	10,182	6,168	42,100	10,046
Ezotech Electric Ltd.	-	-	133,419	35,646
Other	18,606	18	45,375	8,198
	1,709,455	632,176	1,481,821	221,736

p) Foreign exchange loss from related parties

	1 January- 30 June 2025	1 April- 30 June 2025	1 January- 30 June 2024	1 April- 30 June 2024
Zes Solar Mena	5,206	2,111	-	-
Vestel Ticaret	4,807	3,508	-	-
ZES Dijital	2,819	1,389	-	-
Other	8,750	8,675	-	-
	21,582	15,683	-	-

Sales and purchase transactions with related parties generally include electricity, product and service sales and purchase transactions made within the framework of the main activity.

Exchange rate differential income and expenses from related parties and interest income and expenses are related to receivables and debits from related parties that are in the nature of financing.

The operating income and expenses related parties included trade receivables related to the Group's related parties interest income and expense related to debt and income and foreign exchange gains and loss.

ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT FOR THE SIX - MONTHS PERIOD ENDED 30 JUNE 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") with the purchasing power of 30 June 2025 unless otherwise stated.)

NOTE 23 - RELATED PARTY TRANSACTIONS (Continued)

ii) Key management compensations for the periods between 1 January – 30 June 2025 and 2024 are as follows:

For the purpose of this consolidated financial statements, key management compensation consists of the payments made to Group shareholders and top management (General Manager and Vice General Managers and directors).

	1 January- 30 June 2025	1 April- 30 June 2025	1 January- 30 June 2024	1 April- 30 June 2024
Salaries and other benefits	97,239	60,988	122,720	60,581

There are no guarantees, pledges or mortgages regarding the Group's related party transactions.

NOTE 24 - TAXES

Corporation tax

The Company and its subsidiaries located in Turkey are subject to the tax legislation and practices in force in Turkey. Corporate tax is payable in one installment by the end of the fourth month following the end of the accounting period to which it relates. Corporations are required to calculate advance tax at the current rate on their quarterly financial profits and declare it until the 17th day of the second month following the end of the period and pay it until the 17th day of the second month. Advance taxes paid during the year are offset against the corporate tax calculated on the annual corporate tax return for that year. If there is an amount of advance tax paid despite the offset, this amount can be refunded in cash or offset against other financial debts.

The reconciliation of current tax expense and tax income/(expense) calculated using the current tax rate on profit before tax in the profit or loss statements for the accounting periods ending on June 30, 2025 and 2024 is as follows:

	1 January - 30 June 2025	1 January - 30 June 2024
Loss before taxation	(8,900,805)	(1,206,159)
Local tax rate	25%	25%
Tax calculated with local tax rate	2,225,201	301,540
Deductions and exemptions	2,754	293,935
Disallowable expenses	(1,530,390)	(508,399)
Tax losses on which deferred tax is not recognized	(953,670)	(430,737)
Tax impact classified to discontinued operations	-	372,899
Monetary gain/(loss)	691,026	2,125,678
Other	111,028	(2,321)
Tax income	545,949	2,152,595

ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT FOR THE SIX - MONTHS PERIOD ENDED 30 JUNE 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") with the purchasing power of 30 June 2025 unless otherwise stated.)

NOTE 24 – TAXES (Continued)

Deferred taxes

The Group calculates its deferred tax assets and liabilities by taking into account the effects of temporary differences that arise as a result of different evaluations of financial statements prepared in accordance with TFRS and Tax Procedure Law.

As of June 30, 2025, the tax rate used in the calculation of deferred tax assets and liabilities is 25% (December 31, 2024: 25%).

	30 June 2025	31 December 2024
Deferred tax assets	11,194,992	12,340,064
Deferred tax liabilities	(4,007,058)	(4,974,151)
Deferred tax assets/(liabilities), net	7,187,934	7,365,913

	Temporary differences		Deferred tax assets/(liabilities)	
	30 June 2025	31 December 2024	30 June 2025	31 December 2024
Tangible and intangible assets	(27,990,552)	(29,962,042)	6,997,638	7,490,510
Carry forward tax losses	(14,138,496)	(12,212,315)	3,534,624	3,053,079
Receivables from service concession arrangement	12,481,787	14,297,566	(3,120,447)	(3,574,391)
Credit comission and unearned credit finance expcense	1,238,792	(5,913)	(309,698)	1,478
Indexation of deposits received	(1,834,103)	(1,812,654)	458,526	453,164
Investment incentive	(784,342)	(735,334)	196,086	183,834
Provision for employee termination benefits	(683,982)	(567,477)	170,995	152,395
Other	2,959,160	1,527,846	(739,790)	(394,156)
Deferred tax assets/(liabilities), net	(28,751,736)	(29,470,323)	7,187,934	7,365,913

The movements in deferred tax assets and liabilities for the years ended June 30, 2025 and June 30, 2024 are as follows:

	2025	2024
1 January	7,365,913	3,632,980
Charged to statement of profit or loss from continued operations (net)	849,068	2,561,220
Charged to statement of other comprehensive income (net)	(1,027,047)	(1,336,224)
30 June	7,187,934	4,857,976

ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT FOR THE SIX - MONTHS PERIOD ENDED 30 JUNE 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") with the purchasing power of 30 June 2025 unless otherwise stated.)

NOTE 25 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

Foreign exchange risk

The sources used to finance the Group's investments are predominantly in foreign currencies. The Group is exposed to foreign exchange risk arising from the translation of amounts owed or receivable in US Dollars, Euro, and NIS into Turkish Lira. To mitigate these risks, the Group implements hedging policies by using various derivative instruments. Additionally, foreign exchange losses arising from foreign currency loans of companies selling under the YEKDEM (Renewable Energy Support Mechanism) scheme are largely offset naturally through foreign currency-indexed sales revenues (Note 13).

As of June 30, 2025, and December 31, 2024, the amounts of foreign currency assets and liabilities held by the Group are as follows:

	30 June 2025	31 December 2024
Assets	18,824,494	18,189,976
Liabilities	(51,770,417)	(50,812,948)
Foreign currency position, (net)	(32,945,923)	(32,622,972)

ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT FOR THE SIX - MONTHS PERIOD ENDED 30 JUNE 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") with the purchasing power of 30 June 2025 unless otherwise stated.)

NOTE 25 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

Foreign exchange risk (Continued)

The amounts and TRY equivalent of assets and liabilities denominated in foreign currency held by the Group at June 30, 2025 and December 31, 2024 are as follows:

		30 June 2025			
		TRY equivalent (functional currency)	USD	EURO	NIS
1-	Trade receivables	1,573,753	38,776	703	-
2a-	Monetary financial assets	1,922,346	45,630	2,080	1,017
2b-	Non-monetary financial assets	-	-	-	-
3-	Other	62,301	936	537	-
4-	Current Assets (1+2+3)	3,558,400	85,342	3,320	1,017
5-	Trade receivables	-	-	-	-
6a-	Monetary financial assets	15,266,094	384,142	-	-
6b-	Non-monetary financial assets	-	-	-	-
7-	Other	-	-	-	-
8-	Non-Current Assets (5+6+7)	15,266,094	384,142	-	-
9-	Total Assets (4+8)	18,824,494	469,484	3,320	1,017
10-	Trade payables	1,841,630	38,868	6,301	-
11-	Financial liabilities	6,413,104	144,861	13,832	-
12a-	Other monetary liabilities	1,259,545	31,637	-	-
12b-	Other non-monetary liabilities	-	-	-	-
13-	Short-term Liabilities (10+11+12)	9,514,279	215,366	20,133	-
14-	Trade payables	-	-	-	-
15-	Financial liabilities	41,837,190	1,029,597	18,129	-
16a-	Other monetary liabilities	418,948	10,542	-	-
16b-	Other non-monetary liabilities	-	-	-	-
17-	Long-term Liabilities (14+15+16)	42,256,138	1,040,139	18,129	-
18-	Total Liabilities (13+17)	51,770,417	1,255,505	38,262	-
19-	Net asset/liability position of off-balance sheet derivative instruments (19a-19b)	-	-	-	-
19a-	Amount of active off-balance sheet derivative products denominated in foreign currency	-	-	-	-
19b-	Amount of passive off-balance sheet foreign currency derivative products	-	-	-	-
20-	Net foreign currency denominated assets/(liabilities) position (9-18+19)	(32,945,923)	(786,021)	(34,942)	1,017
21-	Monetary accounts net foreign currency denominated assets/(liabilities) position (1+2a+5+6a-10-11-12a-14-15-16a)	(33,008,224)	(786,957)	(35,479)	1,017
22-	Total fair value of financial instruments used for foreign exchange hedge	-	-	-	-
23-	Export	80,276	2,020	-	-
24-	Import	104,041	2,618	-	-

ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT FOR THE SIX - MONTHS PERIOD ENDED 30 JUNE 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") with the purchasing power of 30 June 2025 unless otherwise stated.)

NOTE 24 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

Foreign exchange risk (Continued)

31 December 2024					
	TRY equivalent (functional currency)	USD	EURO	NIS	
1- Trade receivables	1,809,414	40,329	3,320	860	
2a- Monetary financial assets	1,847,505	42,498	2,080	1,047	
2b- Non-monetary financial assets	-	-	-	-	
3- Other	73,511	1,237	527	-	
4- Current Assets (1+2+3)	3,730,430	84,064	5,927	1,907	
5- Trade receivables	-	-	-	-	
6a- Monetary financial assets	14,459,546	351,844	-	-	
6b- Non-monetary financial assets	-	-	-	-	
7- Other	-	-	-	-	
8- Non-Current Assets (5+6+7)	14,459,546	351,844	-	-	
9- Total Assets (4+8)	18,189,976	435,908	5,927	1,907	
10- Trade payables	1,982,508	46,135	1,864	-	
11- Financial liabilities	6,651,098	147,955	12,806	-	
12a- Other monetary liabilities	2,211,748	62,578	-	-	
12b- Other non-monetary liabilities	-	-	-	-	
13- Short-term Liabilities (10+11+12)	10,845,354	256,668	14,670	-	
14- Trade payables	-	-	-	-	
15- Financial liabilities	39,924,253	950,616	16,854	-	
16a- Other monetary liabilities	43,341	-	1,180	-	
16b- Other non-monetary liabilities	-	-	-	-	
17- Long-term Liabilities (14+15+16)	39,967,594	950,616	18,034	-	
18- Total Liabilities (13+17)	50,812,948	1,207,284	32,704	-	
19- Net asset/liability position of off-balance sheet derivative instruments (19a-19b)	-	-	-	-	
19a- Amount of active off-balance sheet derivative products denominated in foreign currency	-	-	-	-	
19b- Amount of passive off-balance sheet foreign currency derivative products	-	-	-	-	
20- Net foreign currency denominated assets/(liabilities) position (9-18+19)	(32,622,972)	(771,376)	(26,777)	1,907	
21- Monetary accounts net foreign currency denominated assets/(liabilities) position (1+2a+5+6a-10-11-12a-14-15-16a)	(32,696,483)	(772,613)	(27,304)	1,907	
22- Total fair value of financial instruments used for foreign exchange hedge	-	-	-	-	
23- Export	7,808	190	-	-	
24- Import	555,705	13,522	-	-	

ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT FOR THE SIX - MONTHS PERIOD ENDED 30 JUNE 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") with the purchasing power of 30 June 2025 unless otherwise stated.)

NOTE 25 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

Market risk (Continued)

As at June 30, 2025 and December 31, 2024, had the TRY appreciated or depreciated by 10% against USD, EUR and NIS with all other variables held constant, the effect over current consolidated net income/ (loss) and equity would be as follows:

	30 June 2025		30 June 2025	
	Profit or loss		Equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
In case of 10% appreciation				
/ depreciation USD against TRY:				
USD net asset/(liability)	(3,132,700)	3,132,700	(3,132,700)	3,132,700
Amount hedged for USD risk (-)	1,095,173	(1,095,173)	-	-
USD net effect	(2,037,527)	2,037,527	(3,132,700)	3,132,700
In case of 10% appreciation				
/ depreciation of EUR against TRY:				
EUR net asset/(liability)	(163,176)	163,176	(163,176)	163,176
Amount hedged for EUR risk (-)	-	-	-	-
EUR net effect	(163,176)	163,176	(163,176)	163,176
In case of 10% appreciation				
/ depreciation of NIS against TRY:				
NIS net asset/(liability)	1,284	(1,284)	1,284	(1,284)
Amount hedged for NIS risk (-)	-	-	-	-
NIS net effect	1,284	(1,284)	1,284	(1,284)
Total net effect	(2,199,419)	2,199,419	(3,294,592)	3,294,592

ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT FOR THE SIX - MONTHS PERIOD ENDED 30 JUNE 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") with the purchasing power of 30 June 2025 unless otherwise stated.)

NOTE 25 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

Foreign exchange risk (Continued)

As at June 30, 2025, the Group uses investment loans amounting to USD 275,579 thousand as a hedging instrument against the USD spot exchange rate risk the Group is exposed to due to highly probable YEKDEM sales income and applies cash flow hedge accounting as a result of the effectiveness tests performed (December 31, 2024: USD 388,000 thousand).

	31 December 2024		31 December 2024	
	Profit or loss		Equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
In case of 10% appreciation				
/ depreciation USD against TRY:				
USD net asset/(liability)	(3,150,175)	3,150,175	(3,150,175)	3,150,175
Amount hedged for USD risk (-)	1,265,771	(1,265,771)	-	-
USD net effect	(1,884,404)	1,884,404	(3,150,175)	3,150,175
In case of 10% appreciation				
/ depreciation of EUR against TRY:				
EUR net asset/(liability)	(114,293)	114,293	(114,293)	114,293
Amount hedged for EUR risk (-)	-	-	-	-
EUR net effect	(114,293)	114,293	(114,293)	114,293
In case of 10% appreciation				
/ depreciation of NIS against TRY:				
NIS net asset/(liability)	2,171	(2,171)	2,171	(2,171)
Amount hedged for NIS risk (-)	-	-	-	-
NIS net effect	2,171	(2,171)	2,171	(2,171)
Total net effect	(1,996,526)	1,996,526	(3,262,297)	3,262,297

ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT FOR THE SIX - MONTHS PERIOD ENDED 30 JUNE 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") with the purchasing power of 30 June 2025 unless otherwise stated.)

NOTE 26 - SUBSEQUENT EVENTS

Pursuant to the material event disclosure dated July 14, 2025, the sale of 10% of the Company's shares, corresponding to a total of 1,064 shares with a nominal value of 1 New Israeli Shekel ("NIS") each, which are not subject to the preemptive rights of Dorad's existing shareholders, to the Phoenix Group has been completed at a price of NIS 282,941,776.

Pursuant to the material event disclosure dated July 22, 2025, the sale of the remaining 15% of the Company's shares, corresponding to a total of 1,596 shares, each with a nominal value of 1 New Israeli Shekel (NIS), subject to the pre-emption rights of Dorad's current shareholders, due to Edelcom Ltd.'s failure to obtain the necessary legal approvals within the required timeframe, the sale of 10% of the Company's shares in Dorad to Phoenix Group under the share purchase agreement was completed at the same share value, with Ellomay Luzon Energy Infrastructures Ltd. acquiring the shares for NIS 424,412,664. With the sale of all our shares in Dorad, the Group's activities related to electricity production and sales in Israel have come to an end.