

**PARK ELEKTRİK ÜRETİM  
MADENCİLİK SANAYİ VE TİCARET A.Ş.**

CONDENSED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE INTERIM PERIOD  
1 JANUARY – 30 JUNE 2024 AND  
THE INDEPENDENT AUDITOR'S REPORT

(CONVENIENCE TRANSLATION OF THE  
INDEPENDENT AUDITOR'S REPORT AND THE  
CONDENSED CONSOLIDATED FINANCIAL  
STATEMENTS ORIGINALLY ISSUED IN TURKISH)

**(CONVENIENCE TRANSLATION OF THE REPORT ON REVIEW OF CONDENSED INTERIM  
FINANCIAL INFORMATION ORIGINALLY ISSUED IN TURKISH)**

**REPORT ON REVIEW OF CONDENSED CONSOLIDATED INTERIM  
FINANCIAL INFORMATION**

**To the General Assembly of  
Park Elektrik Üretim Madencilik San. ve Tic. A.Ş.**

*Introduction*

We have reviewed the accompanying condensed consolidated statement of financial position of Park Elektrik Üretim Madencilik San. ve Tic. A.Ş. (the “Company”) and its subsidiaries (together will be referred as the “Group”) as of 30 June 2024 and the related condensed consolidated statement of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended. Group management is responsible for the preparation and presentation of this consolidated interim financial information in accordance with Turkish Accounting Standards 34 “Interim Financial Reporting” (“TAS 34”). Our responsibility is to express a conclusion on this consolidated interim financial information based on our review.

*Scope of Review*

We conducted our review in accordance with Independent Auditing Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of consolidated interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Independent Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

*Other Matter*

The independent audit of the consolidated financial statements of the Group for the year ended 31 December 2023 and the review of the interim condensed consolidated financial statements for the six-month interim period ended 30 June 2023 have been performed by another independent auditor. The previous auditor expressed an unmodified review conclusion and an unmodified opinion on the Group's interim condensed consolidated financial statements for the six-month interim period ended 30 June 2023 and for the consolidated financial statements for the year ended 31 December 2023 in their reports dated 16 August 2023 and 25 April 2024, respectively.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information is not prepared, in all material respects, in accordance with TAS 34 “Interim Financial Reporting”.

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

Okan Öz  
Partner

İstanbul, 12 September 2024

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**PARK ELEKTRİK ÜRETİM MADENCİLİK SANAYİ VE TİCARET A.Ş.****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024**

(Amounts expressed in Turkish Lira ('TL') in terms of the purchasing power of the Turkish Lira ('TL') as at 30 June 2024, unless otherwise stated.)

		<b>Reviewed Current Period 30 June 2024</b>	<b>Audited Prior Period 31 December 2023</b>
<b>CURRENT ASSETS</b>	<b>Notes</b>		
Cash and Cash Equivalents	23	35,137,863	94,614,181
Trade Receivables		62,164,393	75,720,289
<i>Trade Receivables due from Related Parties</i>	4,5	28,904,678	34,906,087
<i>Trade Receivables due from Third Parties</i>	5	33,259,715	40,814,202
Other Receivables		560,143,255	275,144,426
<i>Other Receivables due from Related Parties</i>	4,6	558,128,233	274,493,921
<i>Other Receivables due from Third Parties</i>	6	2,015,022	650,505
Inventories	7	59,197,703	51,539,560
Prepaid Expenses		7,538,949	31,079,964
Current Tax Assets	19	30,983,378	-
Other Current Assets	12	32,560	208,501
<b>Total Current Assets</b>		<b>755,198,101</b>	<b>528,306,921</b>
<b>NON-CURRENT ASSETS</b>			
Other Receivables	6	581,275	417,291,168
<i>Other Receivables due from Related Parties</i>	4,6	-	416,619,336
<i>Other Receivables due from Third Parties</i>	6	581,275	671,832
Inventories	7	204,968	889,545
Investment Properties	8	1,439,085,185	1,456,464,401
Property, Plant and Equipment	9	1,340,384,448	1,157,622,881
Intangible Assets	10	189,702,473	195,446,202
Deferred Tax Assets	19	-	7,617,750
Other Non-Current Assets	12	111,566,101	80,198,229
<b>Total Non-Current Assets</b>		<b>3,081,524,450</b>	<b>3,315,530,176</b>
<b>TOTAL ASSETS</b>		<b>3,836,722,551</b>	<b>3,843,837,097</b>

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

# PARK ELEKTRİK ÜRETİM MADENCİLİK SANAYİ VE TİCARET A.Ş.

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

(Amounts expressed in Turkish Lira ('TL') in terms of the purchasing power of the Turkish Lira ('TL') as at 30 June 2024, unless otherwise stated.)

		Reviewed Current Period 30 June 2024	Audited Prior Period 31 December 2023
<b>CURRENT LIABILITIES</b>	<b>Notes</b>		
Trade Payables		110,429,232	60,578,720
<i>Trade Payables due to Related Parties</i>	4,5	3,917,538	604,945
<i>Trade Payables due to Third Parties</i>	5	106,511,694	59,973,775
Other Payables		210,864,857	11,659,149
<i>Other Payables due to Related Parties</i>	4,6	197,530,395	2,990
<i>Other Payables due to Third Parties</i>	6	13,334,462	11,656,159
Employee Benefit Obligations		12,973,158	3,964,202
Deferred Income		284,528	13,141,275
Current Tax Liability	19	-	32,095,088
Current Provisions		54,837,619	76,962,651
<i>Current Provisions for Employee Benefits</i>	11	7,387,207	5,101,041
<i>Other Current Provisions</i>	11	47,450,412	71,861,610
Other Current Liabilities	12	19,299,977	19,572,399
<b>Total Current Liabilities</b>		<b>408,689,371</b>	<b>217,973,484</b>
<b>NON-CURRENT LIABILITIES</b>			
Other Payables		8,238,840	9,220,180
<i>Other Payables due to Third Parties</i>	6	8,238,840	9,220,180
Non-Current Provisions		57,559,943	55,090,550
<i>Non-Current Provisions for Employee Benefits</i>	11	17,006,796	15,684,712
<i>Other Non-Current Provisions</i>	11	40,553,147	39,405,838
Deferred Tax Liability	19	91,594,656	127,846,915
<b>Total Non-Current Liabilities</b>		<b>157,393,439</b>	<b>192,157,645</b>
<b>TOTAL LIABILITIES</b>		<b>566,082,810</b>	<b>410,131,129</b>
<b>EQUITY</b>			
<b>Equity Attributable to Equity Holders of the Parent</b>			
Issued Capital	13	148,867,243	148,867,243
Inflation Adjustments on Capital	13	2,555,696,313	2,555,696,313
Treasury Shares (-)	13	(33,843,051)	(30,210,906)
Share Premiums		1,971,691	1,971,691
Other Accumulated Comprehensive Income (Loss)			
that will not be Reclassified in Profit or (Loss)		4,180,184	4,180,184
<i>Gains on Revaluation of Property, Plant and Equipment</i>		5,811,833	5,811,833
<i>(Losses) on Remeasurement of Defined Benefit Plans</i>		(1,631,649)	(1,631,649)
Restricted Reserves Appropriated from Profit	13	708,800,152	2,266,039,544
Prior Years' Profit/Losses		(153,126,705)	(1,934,406,843)
Current Period Net Profit or (Loss)		38,093,914	421,568,742
<b>Total Equity</b>		<b>3,270,639,741</b>	<b>3,433,705,968</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>3,836,722,551</b>	<b>3,843,837,097</b>

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

**PARK ELEKTRİK ÜRETİM MADENCİLİK SANAYİ VE TİCARET A.Ş.**

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME FOR THE INTERIM PERIOD 1 JANUARY – 30 JUNE 2024**

(Amounts expressed in Turkish Lira (‘TL’) in terms of the purchasing power of the Turkish Lira (‘TL’) as at 30 June 2024, unless otherwise stated.)

		Reviewed Current Period 1 January- 30 June 2024	Not Reviewed Current Period 1 April- 30 June 2024	Reviewed Prior Period 1 January- 30 June 2023	Not Reviewed Prior Period 1 April- 30 June 2023
	Notes				
Revenue	14	246,870,850	125,017,172	193,785,087	112,675,037
Cost of Sales (-)	14	(155,355,617)	(78,520,903)	(147,523,331)	(79,186,163)
<b>GROSS PROFIT</b>		<b>91,515,233</b>	<b>46,496,269</b>	<b>46,261,756</b>	<b>33,488,874</b>
General Administrative Expenses (-)	15	(35,232,105)	(17,954,490)	(32,690,885)	(14,677,926)
Marketing Expenses (-)		(2,446,814)	(1,421,606)	(376,357)	(376,357)
Other Income from Operating Activities	16	22,120,090	1,403,684	11,456,516	4,124,605
Other Expenses from Operating Activities (-)	16	(11,259,209)	(6,696,453)	(41,690,263)	(35,767,668)
<b>OPERATING PROFIT/(LOSS)</b>		<b>64,697,195</b>	<b>21,827,404</b>	<b>(17,039,233)</b>	<b>(13,208,472)</b>
Income from Investment Activities	17	6,919,129	3,576,601	403,711,534	400,114,286
Expenses from Investment Activities (-)	17	(17,380,303)	(17,379,789)	(57,705)	(34,628)
<b>OPERATING PROFIT BEFORE FINANCE INCOME/(EXPENSE)</b>		<b>54,236,021</b>	<b>8,024,216</b>	<b>386,614,596</b>	<b>386,871,186</b>
Finance Income	18	105,316,413	22,245,511	419,897,854	369,592,411
Finance Expenses (-)	18	(3,471,119)	(2,182,223)	(1,392,406)	(781,722)
Monetary Loss (-)		(146,621,911)	(48,042,272)	(227,027,510)	(84,656,299)
<b>PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS</b>		<b>9,459,404</b>	<b>(19,954,768)</b>	<b>578,092,534</b>	<b>671,025,576</b>
Tax Expense		28,634,510	43,711,440	(166,039,860)	(133,748,647)
Current Period Tax Expense	19	-	-	(107,989,416)	(93,870,287)
Deferred Tax Income/(Expense)	19	28,634,510	43,711,440	(58,050,444)	(39,878,360)
<b>PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS</b>		<b>38,093,914</b>	<b>23,756,672</b>	<b>412,052,674</b>	<b>537,276,929</b>
<b>EARNINGS/(LOSS) PER SHARE FROM CONTINUING OPERATIONS</b>	20	<b>0.00258</b>	<b>0.00161</b>	<b>0.02778</b>	<b>0.03622</b>
<b>NET PROFIT FOR THE PERIOD</b>		<b>38,093,914</b>	<b>23,756,672</b>	<b>412,052,674</b>	<b>537,276,929</b>
<b>OTHER COMPREHENSIVE INCOME NOT TO BE RECLASSIFIED TO PROFIT OR LOSS</b>		-	-	-	-
<b>OTHER COMPREHENSIVE INCOME/(LOSS)</b>		-	-	-	-
<b>TOTAL COMPREHENSIVE (LOSS)/INCOME</b>		<b>38,093,914</b>	<b>23,756,672</b>	<b>412,052,674</b>	<b>537,276,929</b>

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

# PARK ELEKTRİK ÜRETİM MADENCİLİK SANAYİ VE TİCARET A.Ş.

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE INTERIM PERIOD 1 JANUARY – 30 JUNE 2024

(Amounts expressed in Turkish Lira ('TL') in terms of the purchasing power of the Turkish Lira ('TL') as at 30 June 2024, unless otherwise stated.)

	Other Accumulated Comprehensive Income/(Loss) That will not be Reclassified in Profit or Loss						Retained Earnings or Losses			
	Issued Capital	Inflation Adjustments onCapital	Treasury Shares	Share Premiums	Property, Plant and Equipment Revaluation Increases	Losses on Remeasurement of Defined Benefit Plans	Restricted Reserves Appropriated from Profit	Prior Years' Profits/Losses	Current Period Net Profit/Loss	Total Equity
1 January 2023	148,867,243	2,555,696,313	(20,008,898)	1,971,690	2,346,172	(538,802)	2,227,943,277	(1,325,903,136)	(281,327,888)	3,309,045,971
Transfers	-	-	-	-	-	-	27,894,257	(309,222,145)	281,327,888	-
Dividend	-	-	-	-	-	-	-	(289,079,549)	-	(289,079,549)
Total Comprehensive Income/(Loss)	-	-	-	-	-	-	-	-	412,052,674	412,052,674
30 June 2023	148,867,243	2,555,696,313	(20,008,898)	1,971,690	2,346,172	(538,802)	2,255,837,534	(1,924,204,830)	412,052,674	3,432,019,096
1 January 2024	148,867,243	2,555,696,313	(30,210,906)	1,971,691	5,811,833	(1,631,649)	2,266,039,544	(1,934,406,843)	421,568,742	3,433,705,968
Transfers	-	-	-	-	-	-	(1,560,871,537)	1,982,440,279	(421,568,742)	-
Increase/(Decrease) through Treasury										
Share Transactions (*)	-	-	(3,632,145)	-	-	-	3,632,145	(3,632,145)	-	(3,632,145)
Dividends Paid	-	-	-	-	-	-	-	(197,527,996)	-	(197,527,996)
Total Comprehensive Income/(Expense)	-	-	-	-	-	-	-	-	38,093,914	38,093,914
30 June 2024	148,867,243	2,555,696,313	(33,843,051)	1,971,691	5,811,833	(1,631,649)	708,800,152	(153,126,705)	38,093,914	3,270,639,741

(\*) Within the scope of the Share Buyback Program, shares with a total nominal value of TL 1,060,000, corresponding to 0.71% of the Company's issued capital were repurchased, considering the orders matched as of 30 June 2024. In 2017, shares with a nominal value of TL 750,000 were repurchased outside the scope of the share buyback program but through withdrawal right granted to shareholders within the scope of capital markets legislation.

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



**PARK ELEKTRİK ÜRETİM MADENCİLİK SANAYİ VE TİCARET A.Ş.**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE INTERIM PERIOD 1 JANUARY – 30 JUNE 2024**

(Amounts expressed in Turkish Lira (‘TL’) in terms of the purchasing power of the Turkish Lira (‘TL’) as at 30 June 2024, unless otherwise stated.)

		Reviewed Current Period 1 January- 30 June 2024	Reviewed Prior Period 1 January- 30 June 2023
	Notes		
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Net Profit for the Period</b>		<b>38,093,914</b>	<b>412,052,674</b>
<b><u>Adjustments to Net Profit Reconciliation for the Period</u></b>			
Adjustments for Depreciation and Amortization Expense	9,10	110,195,322	110,130,521
Adjustments for Provisions Related with Employee Benefits	11	8,303,154	5,255,482
Adjustments for Lawsuits and/or Penalty (Cancellation) Provisions	11	8,093,839	30,474,181
Adjustments for Interest Income and Expenses		(35,738,692)	(60,424,371)
Adjustments for Losses/Gains from Disposal of Property, Plant and Equipment	17	-	(175,531)
Adjustments for Foreign Currency Translation Differences		(68,177,507)	(360,407,151)
Adjustments for Fair Value Losses/(Gains) of Investment Properties	8,17	17,379,216	(392,802,235)
Adjustments for Tax (Income) Expense	19	(28,634,510)	166,039,860
Other Adjustments for which Cash Effects are Investing or Financing			
Cash Flow	17,18	(6,056,000)	(7,821,807)
Other Adjustments for Profit/Loss Reconciliation	16	(6,633,653)	(6,470,381)
Monetary Loss / Gain		2,666,728	62,643,966
<b><u>Changes in Working Capital</u></b>			
Adjustments for Decrease (Increase) in Prepaid Expenses		25,713,766	(4,252,099)
Adjustments for (Increases) in Inventories	7	(6,973,566)	(15,961,966)
Adjustments for Decrease (Increase) in Trade Receivables	4,5	14,672,604	(30,653,524)
Adjustments for Decrease (Increase) in Other Receivables Related with Operations	6	(1,273,960)	850,502
Adjustments for Increase (Decrease) in Trade Payables	4,5	24,854,869	(3,946,628)
Adjustments for Increase (Decrease) in Other Payables Related with Operations	4,6	(255,920)	(7,855,210)
Adjustments for Increase in Employee Benefits Payables		9,008,956	263,772
Adjustments for (Increase) in Other Assets Related with Operations	12	(31,191,931)	(273,215)
Adjustments for Increase (Decrease) in Other Liabilities Related with Operations	9,12	(6,641,493)	17,270,502
Adjustments for Increase (Decrease) in Deferred Income		(12,856,747)	228,665
<b>Cash Flows from Operations</b>		<b>54,548,389</b>	<b>(85,833,993)</b>
Payments related with Provisions for Employee Benefits	11	(120,229)	(675,061)
Payments Related with Other Provisions	11	(19,837,351)	(29,759,156)
Tax Refunds (Payments)		(58,572,271)	(42,274,322)
		<b>(23,981,462)</b>	<b>(158,542,532)</b>

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

**PARK ELEKTRİK ÜRETİM MADENCİLİK SANAYİ VE TİCARET A.Ş.****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE INTERIM PERIOD 1 JANUARY – 30 JUNE 2024**

(Amounts expressed in Turkish Lira ('TL') in terms of the purchasing power of the Turkish Lira ('TL') as at 30 June 2024, unless otherwise stated.)

		Reviewed Current Period 1 January- 30 June 2024	Reviewed Prior Period 1 January- 30 June 2023
	Note References		
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Cash Outflows from Participation (Profit) Shares and Other Financial Instruments		-	(22,585,511)
Cash Inflows from Sale of Property, Plant and Equipment and Intangible Assets		-	255,943
Cash Outflows from Purchases of Property, Plant and Equipment and Intangible Assets	9,10	(254,928,489)	(87,590,500)
Cash Outflows from Purchasing Investment Properties	8	-	(2,782,390)
Interest Received		182,232	-
Repayments from Cash Advances and Loans to Related Parties		235,937,722	90,738,714
Other Cash Inflows/Outflows	17	6,919,129	7,073,645
		<b>(11,889,406)</b>	<b>(14,890,099)</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Cash Outflows from Purchasing the Company's Own Shares	13	(3,632,145)	-
Other Cash Inflows/Outflows		(863,129)	(756,407)
		<b>(4,495,274)</b>	<b>(756,407)</b>
<b>D. NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE THE EFFECT OF FOREIGN CURRENCY TRANSLATION DIFFERENCES (A+B+C)</b>			
		<b>(40,366,142)</b>	<b>(174,189,038)</b>
<b>E. Effect of Foreign Currency Translation Differences on Cash and Cash Equivalents</b>			
		<b>(348,396)</b>	<b>3,479,163</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D+E)</b>			
		<b>(40,714,538)</b>	<b>(170,709,875)</b>
<b>F. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>			
		<b>94,614,181</b>	<b>327,777,260</b>
<b>G. Inflation Effect on Cash and Cash Equivalents</b>			
		<b>(18,761,780)</b>	<b>(92,589,496)</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E+F+G)</b>			
		<b>35,137,863</b>	<b>64,477,889</b>

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

## PARK ELEKTRİK ÜRETİM MADENCİLİK SANAYİ VE TİCARET A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 30 JUNE 2024

(Amounts expressed in Turkish Lira ('TL') in terms of the purchasing power of the Turkish Lira ('TL') as at 30 June 2024, unless otherwise stated.)

#### 1. ORGANIZATION AND OPERATIONS OF THE GROUP

Park Elektrik Üretim Madencilik Sanayi ve Ticaret A.Ş. ("Park Elektrik" or the "Company") was established in 1994 and the field of activity of the Company is to search, extract, process and operate all kinds of minerals, ore and their derivatives, to produce all kinds of industrial materials by using those and for this purpose, searching mine sites, acquiring operating licenses and operating privileges, operating or having them operated, processing, purifying, refining all kinds of minerals or materials produced from minerals either produced by itself or acquired, establishing cogeneration power plants to meet the need for electricity, energy and steam, operate them, to sell surplus of the energy produced, to produce all kinds of fiber from glass mines and mineral derivatives and to produce all kinds of products from these fibers, establishing power plants for the electric energy production and distribution, operate them or having them operated or sell those facilities and also establishing any kind of facilities for electric energy production, engages in the acquisition, leasing or renting of those facilities and sale of electric energy produced to companies with wholesale and retail licenses as well as regular customers through bilateral agreements.

On 17 November 2016, a landslide happened in the Madenköy copper mine field of the Company located in Siirt, Şirvan and in the following period, assets related to the concentrated copper production were sold on 17 March 2017. With this transaction, copper production operations of the Company was ceased.

The Company changed its operations following the sale of the copper production business and purchased 100% of the shares of Konya İlgin Elektrik Üretim Sanayi ve Ticaret A.Ş. ("Konya İlgin") owned by the main shareholder's of the Company, Park Holding A.Ş. and Turgay Ciner. The purchase was approved at the General Assembly Meeting held on 10 May 2017 of the Company. This was followed by the subsequent transfer of shares.

The subsidiary Konya İlgin, has the operating rights with the aim of producing lignite coal in the relevant fields through its mining licenses and royalty agreement to which it is a party. It is planned to establish a thermal power plant in the İlgin District of Konya with fluid bed boiler technology that will have an installed capacity of 500 MW. In the field subject to royalty agreement, of which Konya İlgin is a party, stripping works initiated in 2019 for lignite coal production from the open pit as a preparation for the period that power plant will be operational and coal production started in the last quarter of 2019. The priority of the pre-mining planning that covers the June 2019 - December 2027 period is to get prepared for the main mining plan with high coal production capacity which is to be carried out when the power plant is operational, and the coal produced within the scope of the main mining plan will be used to provide fuel for the thermal power plant. The Company will be named as the "Group", collectively together with its subsidiary Konya İlgin.

Konya İlgin's electricity generation license dated 27 February 2013 with a term of 49 years has been cancelled by Energy Market Regulatory Authority's ("EMRA") Board Decision dated 27 October 2022 and numbered 11321-10 as a result of the application made for the amendment of the license to extend the completion period of the facility and in accordance with Article 11 of the Administrative Procedure Law No. 2577 an objection has been filed to EMRA against the said decision. Konya İlgin's requests within the scope of the related objection were rejected by EMRA's Board Decision dated 22 December 2022 and numbered 11471-3 and notified to Konya İlgin. On January 3, 2023, Konya İlgin filed a lawsuit for the suspension of execution and cancellation of the related decision of EMRA before Ankara 21st Administrative Court with the file number 2023/11. Ankara 21st Administrative Court, with its decision dated March 8, 2023; decided to reject the request for suspension of execution. As a result of the objection made by Konya İlgin against the court decision regarding the rejection of the request for suspension of execution, the 8th Administrative Case Division of the Ankara Regional Administrative Court decided to reject the objection request with its decision dated 13 April 2023. The lawsuit filed with number 2023/11 at the Ankara 21st Administrative Court regarding cancellation of EMRA's said decision was rejected by the court on the grounds that EMRA's decision is not a breach of law and legislation. Konya İlgin has used its right to appeal regarding Ankara 21st Administrative Court's decision and the litigation process regarding the merits of the case is ongoing within the scope of that appeal application.

The Company has also signed a royalty contract for the purpose of operating bauxite mining site in İslahiye district of Gaziantep, which it has an operating license, and started to earn royalty income as of the third quarter of 2019. Related income is calculated based on the production amount and reported in the consolidated financial statements.

The Company's legal headquarter is at Sultantepe Mahallesi Paşalimanı Caddesi No: 41 Üsküdar/İstanbul. As of 30 June 2024, the Group has 47 employees (31 December 2023: 47 employees).

## PARK ELEKTRİK ÜRETİM MADENCİLİK SANAYİ VE TİCARET A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 30 JUNE 2024

(Amounts expressed in Turkish Lira ('TL') in terms of the purchasing power of the Turkish Lira ('TL') as at 30 June 2024, unless otherwise stated.)

#### 1. ORGANIZATION AND OPERATIONS OF THE GROUP (cont'd)

The Company's shares have been traded on Borsa Istanbul since 1997. The Company's shareholder structure is as follows.

<u>Name</u>	<u>Share Ratio (%)</u>	<u>30 June 2024</u>	<u>Share Ratio (%)</u>	<u>31 December 2023</u>
Park Holding A.Ş.	61.24%	91,170,622	61.24%	91,170,622
Turgay Ciner	6.76%	10,065,983	6.76%	10,065,983
Other (*)	32.00%	47,630,638	32.00%	47,630,638
	100.00%	148,867,243	100.00%	148,867,243

(\*) Considering the matching orders as of 30 June 2024, it also includes treasury shares with a total nominal value of TL 1,810,000 that have been repurchased.

The main shareholder of the Company is Park Holding A.Ş. and is controlled by Turgay Ciner.

#### Company Included in Consolidation:

#### Subsidiaries:

The subsidiary of the Group which is consolidated within the framework of this financial report is as follows.

<u>Company title</u>	<u>Field of activity</u>	<u>Registered country</u>
Konya Ilgın	Production and sale of coal	Türkiye

#### Approval of Financial Statements

The interim condensed consolidated financial statements approved by Board of Directors and authorized to be issued on 12 September 2024. The General Assembly has the authority to amend the financial statements.

#### 2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

##### 2.1 Basis of Presentation

#### Statement of Compliance with TFRS

The accompanying condensed consolidated financial statements have been prepared in line with Capital Markets Board ("CMB"), Communiqué Serial Number II-14.1 on "Principles of Financial Reporting in Capital Markets" ("the Communiqué"), promulgated in Official Gazette No. 28676 dated 13 June 2013. In accordance with article 5th of the Communiqué, the accompanying condensed consolidated financial statements are prepared based on Turkish Financial Reporting Standards ("TFRS") and their interpretations that have been put into effect by the Public Oversight Accounting and Auditing Standards Authority of Turkey ("POA"). In addition, the financial statements are presented in accordance with the financial statement formats disclosed to the public by the CMB and the TFRS taxonomy made available by the Merkezi Kayıt Kuruluşu A.Ş.

The Group has prepared its interim condensed consolidated financial statements as of 30 June 2024 in accordance with Turkish Accounting Standard ("TAS") 34 "Interim Financial Reporting". The condensed interim consolidated financial statements do not include all information required to be included in the annual financial statements and therefore, these interim condensed consolidated financial statements shall be read together with the Group's annual financial statements as of 31 December 2023.

## PARK ELEKTRİK ÜRETİM MADENCİLİK SANAYİ VE TİCARET A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 30 JUNE 2024

(Amounts expressed in Turkish Lira ('TL') in terms of the purchasing power of the Turkish Lira ('TL') as at 30 June 2024, unless otherwise stated.)

## 2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (cont'd)

### 2.1 Basis of Presentation (cont'd)

#### Statement of Compliance with TFRS (cont'd)

The Group maintain their books of account and prepare their statutory financial statements in accordance with accounting principles in the Turkish Commercial Code ("TCC") and tax legislation.

The consolidated financial statements have been prepared in Turkish Lira based on the historical cost principle, except for plant, machinery and equipment, investment properties and financial assets and liabilities that are recognized at their fair values.

#### Currency Used

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates. The results and financial position of each entity are expressed in TL, which is the functional currency of the Group, and the presentation currency for the consolidated financial statements.

#### Restatement of Financial Statements During Periods of High Inflation

POA made an announcement on 23 November 2023 regarding the scope and application of TAS 29. It stated that the financial statements of the entities applying Turkish Financial Reporting Standards for the annual reporting period ending on or after 30 June 2024 should be presented in accordance with the related accounting principles in TAS 29, adjusted for the effects of inflation. According to the standard in question, financial statements prepared based on the currency of a hyperinflationary economy should be 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 comparison purposes with the previous period financial statements. Therefore, the Company has also presented its consolidated financial statements as of 30 June 2024 and 31 December 2023 based on the purchasing power principle as of 30 June 2024.

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

The Group's first application date of TAS 29 has been determined as 1 January 2022. As of 1 January 2022, the amount of Retained Earnings, including the Net Profit for the relevant period without inflation adjustment, is TL 716,032,801. Prior Year Losses incurred in the consolidated financial statements prepared in accordance with TAS 29 within the scope of the first transition to inflation are TL 390,264,510 and the amount of this amount calculated according to the purchasing power of 30 June 2024 is TL 1,317,616,385.

Date	Index	Adjustment coefficient	Three-year cumulative inflation rates
30 June 2024	2,319.29	1.00000	324%
31 December 2023	1,859.38	1.24735	268%
30 June 2023	1,351.59	1.71597	190%

The main elements of the Group's adjustment process for financial reporting in hyperinflationary economies are as follows:

- Current period separated financial statements prepared in TL are expressed in terms of the purchasing power at the balance sheet date and amounts from previous reporting periods are also adjusted and expressed in terms of the purchasing power at the end of the reporting period.
- Monetary assets and liabilities are not adjusted as they are already expressed in terms of the current purchasing power at the balance sheet date. In cases where the inflation-adjusted values of non-monetary items exceed their recoverable amount or net realizable value, the provisions of TAS 36 "Impairment of Assets" and TAS 2 "Inventories" are applied, respectively.

## PARK ELEKTRİK ÜRETİM MADENCİLİK SANAYİ VE TİCARET A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 30 JUNE 2024

(Amounts expressed in Turkish Lira ('TL') in terms of the purchasing power of the Turkish Lira ('TL') as at 30 June 2024, unless otherwise stated.)

## 2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (cont'd)

### 2.1 Basis of Presentation (cont'd)

#### Restatement of Financial Statements During Periods of High Inflation (cont'd)

- Non-monetary assets and liabilities and equity items that are not expressed in terms of the current purchasing power at the balance sheet date have been adjusted using the relevant adjustment coefficients.
- All items in the comprehensive income statement, except for those that have an impact on the comprehensive income statement of non-monetary items on the balance sheet, have been indexed using the coefficients calculated for the periods when the income and expense accounts were first reflected in the financial statements.
- The effect of inflation on the Group's net monetary asset position in the current period is recorded in the monetary gain/loss account in the separated income statement.

#### Comparative Information and Restated Financial Statements

The financial statements of the Group have been prepared comparatively with the previous period in order to enable information about financial position and performance trends. The Group has prepared the consolidated statement of financial position as of 30 June 2024 in comparison with the consolidated statement of financial position as of 31 December 2023 and the consolidated statement of comprehensive income, consolidated cash flow statement and consolidated statement of changes in equity for the interim period ended 30 June 2023.

In order to ensure consistency with the presentation of current period financial statements, comparative information is reclassified when necessary and significant differences are explained.

#### Going Concern Assumption

The consolidated financial statements have been prepared on the basis of going concern, assuming that the Group will benefit from its assets and fulfil its obligations within the next year and within the natural flow of its operations.

#### Basis of Consolidation

##### **Subsidiaries**

Subsidiaries are entities on which the Group has control. The Group's control is exercised by the power to be exposed to variable returns in these companies, to be entitled to these returns and to direct them. Subsidiaries are consolidated from the date on which the control is transferred to the Group and are no longer consolidated from the date that control ceases.

The assets, liabilities, equity items, income and expense accounts and cash flow movements of the subsidiaries are included in the consolidated financial statements by full consolidation method. The registered values of the shares owned by Park Elektrik and its subsidiary are mutually netted with the related equities.

Subsidiaries	Field of Activity	Total share ratio (%)
Konya İlgin	Production and sale of coal	100.00

## PARK ELEKTRİK ÜRETİM MADENCİLİK SANAYİ VE TİCARET A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 30 JUNE 2024

(Amounts expressed in Turkish Lira ('TL') in terms of the purchasing power of the Turkish Lira ('TL') as at 30 June 2024, unless otherwise stated.)

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## 2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (cont'd)

### 2.2 New and Amended Turkish Financial Reporting Standards

#### a) Amendments that are mandatorily effective from 2024

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

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

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

Amendments to TAS 1 are effective for annual reporting periods beginning on or after 1 January 2024 and earlier application is permitted.

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

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

Amendments to TAS 16 are effective for annual reporting periods beginning on or after 1 January 2024 and earlier application is permitted.

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

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

Amendments to TAS 1 are effective for annual reporting periods beginning on or after 1 January 2024 and earlier application is permitted.

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

The amendments add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements. Amendments are effective from annual reporting periods beginning on or after 1 January 2024.

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

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

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

## PARK ELEKTRİK ÜRETİM MADENCİLİK SANAYİ VE TİCARET A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 30 JUNE 2024

(Amounts expressed in Turkish Lira ('TL') in terms of the purchasing power of the Turkish Lira ('TL') as at 30 June 2024, unless otherwise stated.)

## 2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (cont'd)

### 2.2 New and Amended Turkish Financial Reporting Standards (cont'd)

#### a) Amendments that are mandatorily effective from 2024 (cont'd)

##### **TSRS 2 Climate-related Disclosures**

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

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

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

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

##### **TFRS 17 Insurance Contracts**

TFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. TFRS 17 has been deferred for insurance, reinsurance and pension companies for a further year and will replace TFRS 4 *Insurance Contracts* on 1 January 2025.

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

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

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

##### **Amendments to TAS 21 Lack of Exchangeability**

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

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



## **PARK ELEKTRİK ÜRETİM MADENCİLİK SANAYİ VE TİCARET A.Ş.**

### **NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 30 JUNE 2024**

(Amounts expressed in Turkish Lira ('TL') in terms of the purchasing power of the Turkish Lira ('TL') as at 30 June 2024, unless otherwise stated.)

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#### **2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (cont'd)**

##### **2.3 Changes in Accounting Policies and Estimates and Errors**

If any significant accounting errors are observed, changes are applied retrospectively, and prior year's financial statements are restated. The effect of change in accounting estimate shall be recognized prospectively, if the change affects that period only; or period of the change and future periods, if the change affects both. Major changes in accounting policies are applied retrospectively and prior period financial statements are restated.

The accounting policies used in the preparation of the consolidated financial statements for the six-month interim period ended 30 June 2024 are consistent with the accounting policies used in the preparation of the consolidated financial statements for the year ended 31 December 2023.

##### **2.4 Significant Accounting Judgement, Estimate and Assumptions**

In preparing the consolidated financial statements, the Group uses estimates and assumptions that may cause significant adjustments to the carrying amounts of assets and liabilities. Although these estimates and assumptions are based on the Group Management's best knowledge of current events and transactions, actual results may differ from the assumptions. These estimates and assumptions are regularly reviewed, adjusted if necessary, and reflected in the results of operations for the relevant period. Estimates and assumptions that may cause significant adjustments to the carrying amounts of assets and liabilities are those used in the determination of provisions for litigation, environmental liabilities, impairment of property, plant and equipment and intangible assets, income tax and fair value of investment properties and plant, machinery and equipment.

The Group assessed whether there was any impairment in the property, plant and equipment and intangible assets related to the power plant investment and coal mining activities carried out within Konya Ilgın due to the cancellation of Konya Ilgın's electricity generation license by EMRA. Within the scope of the preliminary mining planning implemented in 2019 in order to get prepared for the main mining plan with high coal production capacity to be implemented during the period when the power plant will be in operation, the lignite production activity carried out in the field with the registration number 1247, which is operated with the royalty method, does not include the requirement to establish any power plant or similar facility. The license of the field with the registration number 2444, which is the continuation of the field with the registration number 1247, where coal production activities are expected to continue in the future, is directly owned by Konya Ilgın and is valid until 4 March 2043. In this context, considering that the license cancellation decision is subject to judicial review and that there is no final decision, even if the power plant investment cannot be realized as a result of the process, there is no obstacle to coal production from the relevant fields, it has been concluded that the book values of the assets do not exceed their recoverable values and no impairment has been detected. The judicial process has not yet been concluded and the relevant assessment will be carried out at each reporting date according to the developments in the judicial process.

#### **3. SEGMENT REPORTING**

None.

**PARK ELEKTRİK ÜRETİM MADENCİLİK SANAYİ VE TİCARET A.Ş.****NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD 1 JANUARY – 30 JUNE 2024**

(Amounts expressed in Turkish Lira ('TL') in terms of the purchasing power of the Turkish Lira ('TL') as at 30 June 2024, unless otherwise stated.)

**4. RELATED PARTY DISCLOSURES****Receivables due from Related Parties**

30 June 2024					
Receivables due from Related Parties	Nature of Party	Trade Receivables	Other Receivables	Other Non-Current Receivables	Total
Park Holding A.Ş.	Shareholder	-	558,128,233	-	558,128,233
Eti Soda Üretim Paz. Nak. ve Elekt. Üretim San. ve Tic. A.Ş.	Related Company	28,904,678	-	-	28,904,678
Total		28,904,678	558,128,233	-	587,032,911
31 December 2023					
Receivables due from Related Parties	Nature of Party	Trade Receivables	Other Current Receivables	Other Non-Current Receivables	Total
Park Holding A.Ş.	Shareholder	-	274,493,921	416,619,336	691,113,257
Eti Soda Üretim Paz. Nak. ve Elekt. Üretim San. ve Tic. A.Ş.	Related Company	34,906,087	-	-	34,906,087
Total		34,906,087	274,493,921	416,619,336	726,019,344

**PARK ELEKTRİK ÜRETİM MADENCİLİK SANAYİ VE TİCARET A.Ş.****NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
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(Amounts expressed in Turkish Lira ('TL') in terms of the purchasing power of the Turkish Lira ('TL') as at 30 June 2024, unless otherwise stated.)

**4. RELATED PARTY DISCLOSURES (cont'd)****Payables due to Related Parties**

Current Payables due to Related Parties	Nature of Party	30 June 2024		
		Trade Payables	Other Payables	Total
Park Holding A.Ş.	Shareholder	586,173	122,485,807	123,071,980
Turgay Ciner	Shareholder	-	13,523,436	13,523,436
Eti Soda Üretim Paz. Nak. ve Elekt. Üretim San. ve Tic. A.Ş.	Related Company	3,071,520	-	3,071,520
Ciner Turizm Tic. İnş. Servis Hizm. A.Ş.	Intragroup Company	15,593	-	15,593
Park Teknik Elekt. Maden.Tur. San. Tic. A.Ş	Intragroup Company	244,252	-	244,252
Dividend payables to other related parties	Shareholder	-	61,521,152	61,521,152
Total		3,917,538	197,530,395	201,447,933

Current Payables due to Related Parties	Nature of Party	31 December 2023		
		Trade Payables	Other Payables	Total
Park Holding A.Ş.	Shareholder	579,642	-	579,642
Ciner Turizm Tic. İnş. Servis Hizm. A.Ş.	Intragroup Company	25,303	-	25,303
Dividend payables to other related parties	Shareholder	-	2,990	2,990
Total		604,945	2,990	607,935

The monthly interest rates are as follows:

	2024		2023	
	TL	US Dollar	TL	US Dollar
January - March	54.36%	5.38%	20.33%	5.30%
April - June	64.42%	5.31%	24.44%	5.64%

**PARK ELEKTRİK ÜRETİM MADENCİLİK SANAYİ VE TİCARET A.Ş.****NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD 1 JANUARY – 30 JUNE 2024**

(Amounts expressed in Turkish Lira ('TL') in terms of the purchasing power of the Turkish Lira ('TL') as at 30 June 2024, unless otherwise stated.)

**4. RELATED PARTY DISCLOSURES (cont'd)****Purchases of Goods and Services from Related Parties**

		1 January - 30 June 2024					
Purchases of Goods and Services from Related Parties	Nature of Party	Service	Non-Current Assets	Finance Expense	Rent	Other	Total
Park Holding A.Ş.	Shareholder	1,416,307	-	103,174	126,134	976,268	2,621,883
Park Teknik Elekt. Maden.Tur. San. Tic. A.Ş.	Intragroup Company	1,236,190	201,627	4,523	-	-	1,442,340
Silopi Elektrik Üretim A.Ş.	Intragroup Company	-	-	-	-	121,207	121,207
Ciner Turizm Tic.İnş.Servis Hizm. A.Ş.	Intragroup Company	-	-	-	105,272	20,712	125,984
Kasımpaşa Sportif Faaliyetler A.Ş.	Intragroup Company	-	-	-	-	308,529	308,529
Paşalimanı İthalat İhracat ve Ticaret. A.Ş.	Intragroup Company	-	-	-	1,397,148	2,761	1,399,909
Total		2,652,497	201,627	107,697	1,628,554	1,429,477	6,019,852

  

		1 January - 30 June 2023					
Purchases of Goods and Services from Related Parties	Nature of Party	Service	Non-Current Assets	Finance Expense	Rent	Other	Total
Park Holding A.Ş.	Shareholder	1,167,766	-	42,203	3,085,587	2,456,100	6,751,656
Park Teknik Madencilik Turizm San.ve Tic. A.Ş.	Intragroup Company	-	-	235	-	-	235
Park Sigorta Aracılık Hiz. A.Ş.	Intragroup Company	3,434	-	-	-	-	3,434
Silopi Elektrik Üretim A.Ş.	Intragroup Company	-	-	-	-	247,814	247,814
Ciner Turizm Tic.İnş.Servis Hizm. A.Ş.	Intragroup Company	-	-	-	207,832	10,702	218,534
Total		1,171,200	-	42,438	3,293,419	2,714,616	7,221,673

**PARK ELEKTRİK ÜRETİM MADENCİLİK SANAYİ VE TİCARET A.Ş.****NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD 1 JANUARY – 30 JUNE 2024**

(Amounts expressed in Turkish Lira ('TL') in terms of the purchasing power of the Turkish Lira ('TL') as at 30 June 2024, unless otherwise stated.)

**4. RELATED PARTY DISCLOSURES (cont'd)****Sales of Goods and Services to Related Parties**

		1 January - 30 June 2024			
Sales of Goods and Services to Related Parties	Nature of Party	Sales of goods	Finance Income	Other	Total
Park Holding A.Ş.	Shareholder	-	102,952,698	17,423	102,970,121
Eti Soda Üretim Paz. Nak. ve Elekt. Üretim San. ve Tic. A.Ş.	Intragroup Company	140,997,342	-	-	140,997,342
Total		140,997,342	102,952,698	17,423	243,967,463

  

		1 January - 30 June 2023			
Sales of Goods and Services to Related Parties	Nature of Party	Sales of goods	Finance Income	Other	Total
Park Holding A.Ş.	Shareholder	-	416,247,771	-	416,247,771
Silopi Elektrik Üretim A.Ş.	Intragroup Company	79,137	-	-	79,137
Eti Soda Üretim Paz. Nak. ve Elekt. Üretim San. ve Tic. A.Ş.	Intragroup Company	121,081,296	407,048	-	121,479,897
Total		121,160,433	416,654,819	-	537,806,805

## PARK ELEKTRİK ÜRETİM MADENCİLİK SANAYİ VE TİCARET A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 30 JUNE 2024

(Amounts expressed in Turkish Lira ('TL') in terms of the purchasing power of the Turkish Lira ('TL') as at 30 June 2024, unless otherwise stated.)

#### 4. RELATED PARTY DISCLOSURES (cont'd)

##### Benefits Provided to Key Management

###### Short-term benefits provided to key management personnel

	1 January- 30 June 2024	1 January- 30 June 2023
Salaries, bonuses and other similar benefits	535,501	721,171
	<u>535,501</u>	<u>721,171</u>

(\*) Apart from the members of the Board of Directors, the key management consists of the General Manager, Deputy General Managers and the executives above the manager level of the Company and its subsidiary. There is no payment made to these positions within the Group, and only the independent board members are paid in accordance with the decision taken at the Ordinary General Assembly meeting, and no payment is made to the other board members due to their duties on the Board of Directors.

##### Park Holding A.Ş.

Within the scope of its cash management policy, the Group can provide funds to its main shareholder, Park Holding A.Ş., as well as use funds from Park Holding A.Ş. The Group charges or charged interest related with its financial payables and receivables at the interest rates stated above.

As stated above, the Group applies interest for all financial and commercial transactions with its related parties. As a result, the Group has obtained financing income of TL 102,952,698 from Park Holding A.Ş. as of 30 June 2024 (30 June 2023: TL 416,247,771).

The Group's total other receivables from Park Holding A.Ş. is TL 558,128,233 as of 30 June 2024. The other receivables as of 30 June 2024 consist of both foreign currency and Turkish lira balances, and the foreign currency balance is USD 16,441,343 (31 December 2023: USD 18,095,960).

Park Holding A.Ş., the main shareholder of the Company, provides the group companies with the management services they need to carry out their activities in a healthy manner. This service includes, but is not limited to, the fulfillment of purchasing functions, the realization of IT investments, the provision of technical information and support for human resources processes, support in financial reporting, auditing and tax planning, and legal consultancy processes. Park Holding A.Ş. allocates the costs incurred in order to provide the indicated services to companies based on the level of utilization of these services..

The Company also uses the area allocated to it on the real estate owned by Paşalimanı İthalat İhracat ve Ticaret A.Ş., a subsidiary of Park Holding A.Ş., as the Company headquarters and incurs rent and similar usage and operating expenses within this scope.

##### Other Group Companies

The Group has procured labor and non-current assets from Park Teknik Elektrik Madencilik Turizm Sanayi ve Ticaret A.Ş.

The Group sold supplies to Silopi Elektrik Üretim A.Ş.

The Group carries out car rental transactions with Ciner Turizm Ticaret İnşaat Servis Hizmetleri A.Ş.

The Group purchases insurance policies from Park Sigorta Aracılık Hizmetleri A.Ş.

The Group sells coal to Eti Soda Üretim Pazarlama Nakliyat ve Elektrik Üretim San. ve Tic. A.Ş.

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

	30 June 2024	31 December 2023
<u>Current trade receivables</u>		
Trade receivables	56,119,181	66,460,485
Trade receivables due from related parties (Note 4)	28,904,678	34,906,087
Provision for doubtful trade receivables (-)	(22,859,466)	(25,646,283)
	<u>62,164,393</u>	<u>75,720,289</u>

As of 30 June 2024, the average maturity of current trade receivables varies between 15 and 30 days (31 December 2023: 15 to 30 days).

The maturity analysis of receivables is provided in Note 21.

The analysis of overdue and doubtful receivables is as follows:

	30 June 2024	31 December 2023
More than 5 years past due	22,859,466	25,646,283
	<u>22,859,466</u>	<u>25,646,283</u>

The Group has set provision for its doubtful receivables. Provision for doubtful receivables are determined by reference to past default experience. In determination of whether its receivables can be collected or not, the Group evaluates whether there has been a change in the credit quality of the receivables from the first occurrence to the balance sheet date. Therefore, the Group Management considers that there is no need for a provision more than the provision for doubtful receivables in the consolidated financial statements.

Movements in provision for doubtful trade receivables are as follows:

	1 January- 30 June 2024	1 January- 30 June 2023
<u>Movement of provision for doubtful receivables</u>		
Opening balance (-)	(25,646,283)	(27,281,035)
Effect of foreign exchange rate difference	(2,298,783)	(8,295,399)
Monetary loss/gain	5,085,600	4,503,947
Closing balance	<u>(22,859,466)</u>	<u>(31,072,487)</u>

**Trade Payables**

	30 June 2024	31 December 2023
<u>Current trade payables</u>		
Trade payables	106,511,694	59,973,775
Trade payables due to related parties (Note 4)	3,917,538	604,945
	<u>110,429,232</u>	<u>60,578,720</u>

As of 30 June 2024, the average maturity of trade payables varies between 30 and 45 days (31 December 2023: 30 to 45 days).

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**6. OTHER RECEIVABLES AND PAYABLES**

	30 June 2024	31 December 2023
<u>Other Current Receivables</u>		
Other receivables due from related parties (Note 4)	558,128,233	274,493,921
Deposits and guarantees given	1,960,546	525,753
Other miscellaneous receivables	904,994	1,185,642
Provision for other doubtful receivables (-)	(850,518)	(1,060,890)
	<u>560,143,255</u>	<u>275,144,426</u>

	30 June 2024	31 December 2023
<u>Other Non-Current Receivables</u>		
Deposits and guarantees given	581,275	671,832
Other receivables due from related parties (Note 4)	-	416,619,336
	<u>581,275</u>	<u>417,291,168</u>

	30 June 2024	31 December 2023
<u>Other Current Payables</u>		
Other payables due to related parties (Note 4)	197,530,395	2,990
Deposits and guarantees received (*)	13,333,999	11,607,203
Other miscellaneous payables	463	48,956
	<u>210,864,857</u>	<u>11,659,149</u>

(\*) Balance consists of deposits and guarantees received from customers and suppliers as of 30 June 2024.

	30 June 2024	31 December 2023
<u>Other Non-Current Payables</u>		
Deposits and guarantees received (*)	8,238,840	9,220,180
	<u>8,238,840</u>	<u>9,220,180</u>

(\*) Balance consists of deposits and guarantees received from customers and suppliers as of 30 June 2024.

**7. INVENTORIES****Current Inventories**

	30 June 2024	31 December 2023
Raw materials	1,991,135	2,651,852
Finished goods (*)	57,071,477	48,719,202
Other inventories	135,091	168,506
	<u>59,197,703</u>	<u>51,539,560</u>

(\*) The products consist of coal inventories.

**Non-Current Inventories**

	30 June 2024	31 December 2023
Non-current inventories	204,968	889,545
	<u>204,968</u>	<u>889,545</u>



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**8. INVESTMENT PROPERTIES**

	1 January- 30 June 2024	1 January- 30 June 2023
Opening balance	1,456,464,401	1,113,543,158
Additions related to investment properties	-	2,782,390
Increase / (decrease) in fair value of investment properties (Note 17)	(17,379,216)	392,802,235
Closing balance	1,439,085,185	1,509,127,783

There are no mortgages or pledges on the Group's investment properties as of 30 June 2024 (31 December 2023: None).

The fair values of the Group's investment properties have been determined by real estate valuation companies authorized by the CMB and providing real estate valuation services in accordance with capital market legislation. The fair values of investment properties have been determined according to the market approach and cost approaches.

The Group's investment properties and the fair value hierarchy of these assets as of 30 June 2024 are as follows:

		Fair value level as of reporting date		
	30 June 2024	Level 1 TL	Level 2 TL	Level 3 TL
<b>Lands</b>	<b>724,846,099</b>	-	724,846,099	-
Ceyhan	534,925,839	-	534,925,839	-
Edirne	188,992,795	-	188,992,795	-
Siirt	927,465	-	927,465	-
<b>Buildings</b>	<b>714,239,086</b>	-	714,239,086	-
Ceyhan	168,594,161	-	168,594,161	-
Edirne	50,110,000	-	50,110,000	-
Şişhane	493,680,000	-	493,680,000	-
Siirt	1,854,925	-	1,854,925	-

		Fair value level as of reporting date		
	31 December 2023	Level 1 TL	Level 2 TL	Level 3 TL
<b>Lands</b>	<b>748,036,553</b>	-	748,036,553	-
Ceyhan	555,455,474	-	555,455,474	-
Edirne	191,653,613	-	191,653,613	-
Siirt	927,466	-	927,466	-
<b>Buildings</b>	<b>708,427,848</b>	-	708,427,848	-
Ceyhan	165,892,136	-	165,892,136	-
Edirne	51,671,303	-	51,671,303	-
Şişhane	489,009,483	-	489,009,483	-
Siirt	1,854,926	-	1,854,926	-

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**9. PROPERTY, PLANT AND EQUIPMENT**

	Land improvements	Mining assets	Plant, machinery and equipment	Vehicles	Furniture and fixtures	Other property, plant and equipment	Construction in progress	Total
<u>Cost value</u>								
Opening balance as of 1 January 2024	14,886,644	1,667,128,383	68,435,582	2,150,141	5,602,478	1,793,007	49,704,348	1,809,700,583
Additions (*)	-	275,288,847	485,512	-	33,415	-	2,904,034	278,711,808
Transfers from construction in progress	-	-	-	-	-	1,371,485	(1,371,485)	-
Mine rehabilitation provision	-	8,496,529	-	-	-	-	-	8,496,529
Closing balance as of 30 June 2024	14,886,644	1,950,913,759	68,921,094	2,150,141	5,635,893	3,164,492	51,236,897	2,096,908,920
<u>Accumulated Depreciation</u>								
Opening balance as of 1 January 2024	1,886,662	634,798,412	8,842,204	1,850,989	4,354,080	345,355	-	652,077,702
Charge for the period	334,653	101,349,840	2,414,164	87,975	129,583	130,555	-	104,446,770
Closing balance as of 30 June 2024	2,221,315	736,148,252	11,256,368	1,938,964	4,483,663	475,910	-	756,524,472
Net book value	12,665,329	1,214,765,507	57,664,726	211,177	1,152,230	2,688,582	51,236,897	1,340,384,448

(\*) The increase in mining assets is mainly due to the ongoing stripping activity in the Konya Ilgın lignite field.

As of 30 June 2024, TL 104,422,852 (30 June 2023: TL 104,324,010) of the period depreciation is included in the cost of sales, and TL 23,918 is included in general administrative expenses (30 June 2023: 85,554).

There are no mortgages or pledges on the Group's property, plant and equipment as of 30 June 2024.

**PARK ELEKTRİK ÜRETİM MADENCİLİK SANAYİ VE TİCARET A.Ş.****NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
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**9. PROPERTY, PLANT AND EQUIPMENT (cont'd)**

	Land improvements	Mining assets	Plant, machinery and equipment	Vehicles	Furniture and fixtures	Other property, plant and equipment	Construction in progress	Total
<u>Cost value</u>								
Opening balance as of 1 January 2023	13,903,636	1,240,079,001	61,585,203	2,176,272	5,367,115	1,738,779	45,762,285	1,370,612,291
Additions (*)	-	117,014,652	43,822	228,080	108,118	101,335	3,567,393	121,063,400
Disposals	-	-	-	(26,133)	(63,357)	(47,107)	-	(136,597)
Transfers from construction in progress	-	-	576,191	-	-	-	(576,191)	-
Mine rehabilitation provision	-	1,105,290	-	-	-	-	-	1,105,290
Closing balance as of 30 June 2023	13,903,636	1,358,198,943	62,205,216	2,378,219	5,411,876	1,793,007	48,753,487	1,492,644,384
<u>Accumulated Depreciation</u>								
Opening balance as of 1 January 2023	1,289,034	435,410,042	4,823,421	1,689,738	4,147,719	195,712	-	447,555,666
Charge for the period	272,119	101,898,062	1,966,636	89,608	98,646	84,493	-	104,409,564
Disposals	-	-	-	(16,333)	(19,439)	(20,413)	-	(56,185)
Closing balance as of 30 June 2023	1,561,153	537,308,104	6,790,057	1,763,013	4,226,926	259,792	-	551,909,045
Net book value	12,342,483	820,890,839	55,415,159	615,206	1,184,950	1,533,215	48,753,487	940,735,339

(\*) The increase in mining assets is mainly due to the ongoing stripping activity in the Konya Ilgın lignite field.

There are no mortgages or pledges on the Group's property, plant and equipment as of 30 June 2023.

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**9. PROPERTY, PLANT AND EQUIPMENT (cont'd)**

Information related to the plant, machinery and equipment owned by the Group as of 30 June 2024 and 31 December 2023 and the fair value hierarchy of these assets are as follows:

	30 June 2024	Fair value level as of reporting date		
		Level 1	Level 2	Level 3
		TL	TL	TL
Plant, machinery and equipment	57,664,726	-	57,664,726	-

	31 December 2023	Fair value level as of reporting date		
		Level 1	Level 2	Level 3
		TL	TL	TL
Plant, machinery and equipment	59,593,378	-	59,593,378	-

**10. INTANGIBLE ASSETS**

	Rights	Total
<u>Cost Value</u>		
Opening balance as of 1 January 2024	364,744,492	364,744,492
Additions	4,823	4,823
Closing balance as of 30 June 2024	364,749,315	364,749,315
<u>Accumulated Amortization</u>		
Opening balance as of 1 January 2024	169,298,290	169,298,290
Charge for the period	5,748,552	5,748,552
Closing balance as of 30 June 2024	175,046,842	175,046,842
Net book value	189,702,473	189,702,473

	Rights	Total
<u>Cost Value</u>		
Opening balance as of 1 January 2023	364,552,226	364,552,226
Additions	184,537	184,537
Closing balance as of 30 June 2023	364,736,763	364,736,763
<u>Accumulated Amortization</u>		
Opening balance as of 1 January 2023	157,829,448	157,829,448
Charge for the period	5,720,962	5,720,962
Closing balance as of 30 June 2023	163,550,410	163,550,410
Net book value	201,186,353	201,186,353

As of 30 June 2024, TL 32,714 of the period amortization is included in the cost of sales, and TL 5,715,838 in general administrative expenses (30 June 2023: TL 5,120 in cost of sales, and TL 5,715,842 in general administrative expenses).

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**11. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES****a) Current provisions**Current provisions for employee benefits:

	30 June 2024	31 December 2023
Provision for unused vacation	7,387,207	5,101,041
	<u>7,387,207</u>	<u>5,101,041</u>

The movement of provision for unused vacation liability is as follows:

	1 January- 30 June 2024	1 January- 30 June 2023
Opening balance	5,101,041	4,365,422
Charge for the period/(Provision released),net	3,559,568	2,251,748
Payments during the period (-)	-	(368,922)
Monetary loss	(1,273,402)	(844,216)
Closing balance	<u>7,387,207</u>	<u>5,404,032</u>

	30 June 2024	31 December 2023
<u>Current provisions</u>		
Provision for litigation (*)	47,450,412	71,861,610
	<u>47,450,412</u>	<u>71,861,610</u>

(\*) The Group has been a party to multiple lawsuits as a defendant and plaintiff within the scope of its activities during the period. A significant portion of the Group's current lawsuits are labor lawsuits related to the Company's Madenköy facility located in the Şirvan district of Siirt, which was closed in 2017, and include the rights claims (material and moral compensation, receivables and reinstatement due to death) of the Company's personnel and subcontractor personnel working in this facility and their legal heirs. The Group has set aside a total provision of TL 47,450,412 (31 December 2023: TL 71,861,610) in the consolidated financial statements as a result of the legal opinions it has received regarding the legal, labor, commercial and administrative lawsuits filed against it and the evaluation of similar lawsuits concluded in the past and the current litigation stages. The amount set aside as a provision is updated in each reporting period, taking into account the risks and uncertainties related to the liability, and within the framework of developments in the lawsuits. In this context, the Group Management is of the opinion that there are no ongoing lawsuits or legal proceedings that may have a negative impact on the Group's financial position or operating results, and that the Group has not made any undisclosed or necessary provisions in the consolidated financial statement notes.

The movement in the litigation provisions during the period is as follows.

	1 January- 30 June 2024	1 January- 30 June 2023
Movement of provision for litigation		
Opening balance	71,861,610	121,547,158
Charge for the period/(Provision released),net	7,086,692	25,177,850
Payment during the period (-)	(19,837,351)	(29,759,156)
Exchange rate effect	1,007,147	5,296,331
Monetary loss	(12,667,686)	(16,662,146)
Closing balance	<u>47,450,412</u>	<u>105,600,037</u>

**PARK ELEKTRİK ÜRETİM MADENCİLİK SANAYİ VE TİCARET A.Ş.****NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
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**11. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (cont'd)****a) Non-current provisions**Non-current provisions for employee benefits:

	30 June 2024	31 December 2023
Retirement pay provision	17,006,796	15,684,712
	<u>17,006,796</u>	<u>15,684,712</u>

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

The amount payable consists of one month's salary limited to a maximum of TL 35,058.58 for each period of service as of 30 June 2024 (31 December 2023: TL 29,300.04).

Retirement pay liability is not subject to any kind of funding legally. Provision for retirement pay liability is calculated by estimating the present value of probable liability amount arising due to retirement of employees. TAS 19 Employee Benefits stipulates the development of company's liabilities by using actuarial valuation methods under defined benefit plans. In this direction, actuarial assumptions used in calculation of total liabilities are described as follows.

The principal assumption is that the maximum liability for each year of service will increase parallel with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Consequently, in the accompanying financial statements as of 30 June 2024, the provision has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees. The provisions at the respective reporting dates have been calculated with the assumption of 2.94% real discount rate (31 December 2023: 2.94%) calculated by using 14.17% annual inflation rate and 17.53% interest rate. Estimated amount of retirement pays not paid due to voluntary leaves is also taken into consideration as 5% for employees with 0-15 years of service, and 0% for those 16 or more years of service.

Ceiling amount of TL 41,428.42 which is in effect since 1 January 2024 is used in the calculation of Company's provision for retirement pay liability. The significant estimates used in the calculation of the retirement pay liability are the discount rate and the probability of voluntary leave.

The movement of retirement pay provision is as follows:

	1 January- 30 June 2024	1 January- 30 June 2023
Opening balance	15,684,712	14,755,366
Service cost	4,548,814	2,948,793
Interest cost	194,772	54,941
Payment during the period (-)	(120,229)	(306,140)
Monetary gain	(3,301,273)	(1,593,455)
Closing balance	<u>17,006,796</u>	<u>15,859,505</u>

**PARK ELEKTRİK ÜRETİM MADENCİLİK SANAYİ VE TİCARET A.Ş.****NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
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**11. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (cont'd)****b) Non-current provisions (cont'd)**

	30 June 2024	31 December 2023
<u>Non-current provisions</u>		
Mine rehabilitation provision	40,553,147	39,405,838
	<u>40,553,147</u>	<u>39,405,838</u>

The provision for cost of mine rehabilitation has been prepared by management based on its estimates. The critical assumptions used in the 30 June 2024 estimate are the timing of expenditures to be made by 2057. In determining the present value of the balance, a real discount rate of approximately 2.94% was used based on the assumptions of a 14.17% inflation rate and a 17.53% interest rate, taking into account long-term bond rates and long-term inflation rates.

**c) Guarantees received and given**

<u>Collaterals received</u>	30 June 2024		31 December 2023	
	Original Amount	TL Equivalent	Original Amount	TL Equivalent
Letters of guarantee (TL)	2,400,000	2,400,000	2,993,630	2,993,630
Letters of guarantee (USD)	100,000	3,282,620	100,000	3,671,962
Collateral securities (TL)	200,000,000	200,000,000	249,469,178	249,469,178
Cash collaterals (TL)	13,366,289	13,366,289	11,647,481	11,647,481
Cash collaterals (USD)	250,000	8,206,550	250,000	9,179,904
Total		<u>227,255,459</u>		<u>276,962,155</u>

As of 30 June 2024 and 31 December 2023, the tables related to the Group's guarantee/pledge/mortgage ("GPM") position are as follows:

30 June 2024	TL equivalent	TL
A. Total Amount of GPMs Given on Behalf of Its Own Legal Entity	222,732,995	222,732,995
-Letters of guarantee (*)	222,139,337	222,139,337
-Pledge	-	-
-Mortgage	-	-
- Assignment of receivables	-	-
-Security	-	-
-Cash guarantee	593,658	593,658
B. GPMs Given on Behalf of Consolidated Subsidiaries	-	-
C. GPMs Given on Behalf of Third Parties to Secure Their Debt within the Scope of Ordinary Business Activities	-	-
D. Total amount of other GPMs	-	-
Total	<u>222,732,995</u>	<u>222,732,995</u>

(\*)The Company has become a guarantor for the guarantee letter of TL 93,697,441 given by its subsidiary Konya Ilgın, among the guarantee letters specified in item A of the table and given on behalf of the Group's own legal entity.

(\*\*) All guarantee letters and cash guarantees subject to the Group's GPM position are in Turkish Lira.

**PARK ELEKTRİK ÜRETİM MADENCİLİK SANAYİ VE TİCARET A.Ş.****NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
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**11. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (cont'd)****c) Guarantees received and given (cont'd)**

31 December 2023	TL equivalent	TL
A. Total Amount of GPMs Given on Behalf of Its Own Legal Entity	144,542,068	144,542,068
-Letters of guarantee (*)	143,674,479	143,674,479
-Pledge	-	-
-Mortgage	-	-
- Assignment of receivables	-	-
-Security	-	-
-Cash guarantee	867,589	867,589
B. GPMs Given on Behalf of Consolidated Subsidiaries	-	-
C. GPMs Given on Behalf of Third Parties to Secure Their Debt within the Scope of Ordinary Business Activities	-	-
D. Total amount of other GPMs	-	-
Total	144,542,068	144,542,068

(\*)The Company has become a guarantor for the guarantee letter of TL 93,697,441 given by its subsidiary Konya Ilgın, among the guarantee letters specified in item A of the table and given on behalf of the Group's own legal entity.

(\*\*) All guarantee letters and cash guarantees subject to the Group's GPM position are in Turkish Lira.

**12. OTHER ASSETS AND LIABILITIES**

	30 June 2024	31 December 2023
<u>Other current assets</u>		
Business advances	32,560	24,699
Personnel advances	-	183,802
	32,560	208,501
<u>Other non-current assets</u>		
Value Added Tax deductible in future years	111,566,101	80,198,229
	111,566,101	80,198,229
<u>Other Current Liabilities</u>		
Taxes and funds payable	19,299,977	19,572,399
	19,299,977	19,572,399



## PARK ELEKTRİK ÜRETİM MADENCİLİK SANAYİ VE TİCARET A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 30 JUNE 2024

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#### 13. CAPITAL, RESERVES AND OTHER EQUITY ITEMS

##### a) Issued Capital

As of 30 June 2024 and 31 December 2023, the capital structure is as follows:

Name	Share Ratio (%)	30 June 2024	Share Ratio (%)	31 December 2023
Park Holding A.Ş.	61.24%	91,170,622	61.24%	91,170,622
Turgay Ciner	6.76%	10,065,983	6.76%	10,065,983
Other (*)	32.00%	47,630,638	32.00%	47,630,638
	100.00%	148,867,243	100.00%	148,867,243
Inflation Adjustments on Capital		2,555,696,313		2,555,696,313
Total		2,704,563,556		2,704,563,556

##### Information on the Shares Representing the Capital

Group	Registerer/ Bearer	Nominal Value (TL)	Ratio to Issued Capital (%)	Rights
A	Registered	18,290,866	12.29	Right to nominate 6 Board Members
B	Registered	130,576,377	87.71	Right to nominate 3 Board Members

The issued capital of the Company is TL 148,867,243 and the authorized capital ceiling is TL 6,000,000,000.

##### b) Treasury shares

Under the Share Buyback Program approved on 2 June 2021 in the Ordinary General Assembly related to 2020, the Company had acquired its shares with a total nominal value of TL 550,000. The related program expired on 2 June 2023 and a new Share Buyback Program for a period of 3 years was approved at the Ordinary General Assembly meeting for the year 2022 held on 19 June 2023. Within the scope of the program, another share buyback with a nominal value of TL 150,000 was realized in the first half of 2024. In the first half of 2023, no share buybacks were realized. As of 30 June 2024, considering the matched orders, the ratio of the shares repurchased under the relevant programs to the capital reached 0.71%. In the first half of 2024, TL 3,632,145 (30 June 2023: None) including transaction costs was paid for share buybacks. In 2017, the Company also repurchased shares with a nominal value of TL 750,000 within the scope of the withdrawal right granted to its shareholders under capital market legislation, and the related shares are not taken into consideration in the calculation of the share buyback upper limit determined as 10% of the capital in accordance with the capital market legislation.

##### c) Restricted Reserves Appropriated from Profit

According to subparagraph (e) of the first paragraph of Article 5 of the Corporate Tax Law Numbered 5520, 50% (75% for sales made before 5 December 2017, which is the effective date of Article 89 of Law No. 7061) of the gains arising from the sale of immovable properties that have been included in the assets of the corporations for at least two full years are exempt from corporate tax, and according to the same article, the exemption amount must be applied in the period in which the sale is made and the part of the sales gain benefiting from the exemption must be kept in a special fund account under the equity until the end of the fifth year following the year of sale.

With the Law Numbered 5520 "Law on Additional Motor Vehicles Tax and Amendments to Certain Laws and Decree Law Numbered 375 for the Compensation of Economic Losses Caused by the Earthquakes Occurring on 6 February 2023" published in the Official Gazette dated 15 July 2023, the 50% tax exemption stipulated in the Corporate Tax Law No. 5520 for immovable property sales gains has been abolished. However, this exemption will be applied as 25% for the sales of immovable properties included in the assets of the entities before 15 July 2023.

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#### 13. SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS

At the 2017 Ordinary General Assembly Meeting of the Company held on 12 June 2018, it has been resolved to allocate TL 243,523,090, which is 75% of the gains from the sale of immovable properties related to the Company's concentrated copper production activities in accordance with the tax legislation, to a special fund account under equity as a special reserve in order to benefit from tax exemption in accordance with subparagraph (e) of the first paragraph of Article 5 of the Corporate Tax Law No. 5520. The five-year period for keeping the related amount in a special fund account under equity has expired as of 1 January 2023, and at the Ordinary General Assembly meeting of the Company held on 25 June 2024, it was decided to transfer the related fund amount from the restricted reserves account to the retained earnings account.

At the Ordinary General Assembly meeting of the Company held on 2 June 2021, it has been resolved to set aside TL 1,390,503, which is 50% of the gain from the sale of a portion of the Company's immovable properties in accordance with the tax legislation over the period profit in the consolidated financial statements for the 2020 accounting period, as a special reserve by taking it into a special fund account under equity in order to benefit from tax exemption in accordance with subparagraph (e) of the first paragraph of Article 5 of the Corporate Tax Law No. 5520. Accordingly, the related amounts are reported as "Restricted Reserves Appropriated from Profit" in the Group's financial statements.

In accordance with the Turkish Commercial Code and CMB regulations, a reserve is appropriated for treasury shares at an amount equal to their acquisition value. Accordingly, as of 30 June 2024, a reserve for treasury shares amounting to TL 33,843,051 (31 December 2023: TL 30,210,906), including transaction costs, has been set aside in the restricted reserves in the consolidated financial statements.

The historical values and inflation adjustment effects of the following accounts under equity of Park Elektrik as of 30 June 2024 in accordance with TFRS and Tax Procedure Law ("TPL") financial statements are as follows:

30 June 2024 (TFRS)	Historical Value	Inflation Adjustment Effect	Indexed value
Inflation adjustments on capital	16,484,812	2,539,211,501	2,555,696,313
Share premium	137,848	1,833,843	1,971,691
Restricted reserves appropriated from profit	111,609,341	597,190,811	708,800,152
- Legal reserves	93,845,010	575,221,498	669,066,508
- Gain on sale of real estate	1,390,504	4,500,089	5,890,593
- Reserves for treasury shares	16,373,827	17,469,224	33,843,051
<b>Total</b>	<b>128,232,001</b>	<b>3,138,236,155</b>	<b>3,266,468,156</b>

30 June 2023 (TPL)	Historical Value	Inflation Adjustment Effect	Indexed value
Inflation adjustments on capital	16,484,812	2,485,493,040	2,501,977,852
Share premium	137,848	2,892,500	3,030,348
Restricted reserves appropriated from profit	111,578,303	942,167,384	1,053,745,687
- Legal reserves	93,845,010	912,546,074	1,006,391,084
- Gain on sale of real estate	1,390,504	6,911,920	8,302,424
- Reserves for treasury shares	16,342,789	22,709,390	39,052,179
<b>Total</b>	<b>128,200,963</b>	<b>3,430,552,924</b>	<b>3,558,753,887</b>

The difference between the inflation adjusted amounts in the statutory records ("TPL") and the restated amounts in the financial statements prepared in accordance with TFRS amounting to TL 292,285,731 is recognized in accumulated losses.

#### d) Increase/(decrease) in revaluation of property, plant and equipment

The revaluation reserve reflects the difference between the net book value and the fair value of land, buildings and plant, machinery and equipment carried at fair value on a cost basis, net of deferred tax effect.

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**14. REVENUE AND COST OF SALES**

	1 January- 30 June 2024	1 April- 30 June 2024	1 January- 30 June 2023	1 April- 30 June 2023
Domestic sales	246,870,850	125,017,172	193,869,899	112,675,037
-Coal sales revenues	140,997,342	64,181,446	121,166,108	63,734,070
-Royalty income	105,862,748	60,824,966	72,431,756	48,937,525
-Other	10,760	10,760	272,035	3,441
Sales returns	-	-	(84,812)	-
	<u>246,870,850</u>	<u>125,017,172</u>	<u>193,785,087</u>	<u>112,675,037</u>
	1 January- 30 June 2024	1 April- 30 June 2024	1 January- 30 June 2023	1 April- 30 June 2023
Depreciation expenses	104,455,566	56,050,354	104,329,130	56,796,884
General production expenses	40,339,380	20,751,233	42,777,541	21,403,285
Personnel expenses	15,391,246	7,373,549	11,704,009	5,450,653
Raw material and supplies expenses	3,521,700	1,705,562	3,083,532	1,400,895
Change in finished goods inventories	(8,352,275)	(7,359,795)	(14,388,092)	(5,865,554)
Cost of other sales	-	-	17,211	-
	<u>155,355,617</u>	<u>78,520,903</u>	<u>147,523,331</u>	<u>79,186,163</u>

**15. GENERAL ADMINISTRATIVE EXPENSES**

	1 January- 30 June 2024	1 April- 30 June 2024	1 January- 30 June 2023	1 April- 30 June 2023
General Administrative Expenses				
Personnel expenses	21,152,455	9,998,029	14,033,938	5,976,904
Depreciation and amortization	5,739,756	2,839,508	5,801,396	2,780,222
Management service fee and cost distribution	3,006,594	1,737,518	3,912,232	1,392,912
Taxes, duties and fees	1,811,832	1,718,330	874,632	792,614
Rent expenses	1,788,418	857,385	3,442,136	1,669,772
Outsourced benefits and services	595,964	296,826	1,431,568	604,518
Energy expenses	291,671	124,714	552,289	226,088
Insurance expenses	175,441	75,227	160,596	70,422
Fee expenses	138,919	122,435	122,622	106,496
Litigation and notary expenses	90,683	55,420	235,303	76,661
Communication expenses	38,193	23,045	75,570	41,321
Aid and donations	34,293	-	484,148	-
Maintenance and repair expenses	25,434	14,205	111,943	46,363
Office expenses	23,604	11,988	49,212	14,712
Other expenses	318,848	79,860	1,403,300	878,921
	<u>35,232,105</u>	<u>17,954,490</u>	<u>32,690,885</u>	<u>14,677,926</u>

**PARK ELEKTRİK ÜRETİM MADENCİLİK SANAYİ VE TİCARET A.Ş.****NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
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**16. OTHER OPERATING INCOME AND EXPENSES****Other Operating Income**

	1 January- 30 June 2024	1 April- 30 June 2024	1 January- 30 June 2023	1 April- 30 June 2023
Litigation income	12,411,181	-	-	-
Exceptions and discounts	6,633,653	-	6,470,381	-
Discount income	1,530,576	765,143	1,062,631	955,749
Foreign exchange gains	1,401,839	524,927	3,502,746	3,188,583
Interest income	-	-	407,049	127,505
Other income	142,841	113,614	13,709	(147,232)
	<u>22,120,090</u>	<u>1,403,684</u>	<u>11,456,516</u>	<u>4,124,605</u>

**Other Operating Expenses**

	1 January- 30 June 2024	1 April- 30 June 2024	1 January- 30 June 2023	1 April- 30 June 2023
Provision expenses	8,093,839	5,660,850	34,145,106	30,824,900
Foreign exchange losses	971,720	138,299	4,233,860	4,019,225
Interest expenses	-	-	42,438	16,676
Discount expense	752,917	83,397	1,224,948	(370,353)
Mining state rights, license and permit fees	1,255,296	628,561	1,748,194	1,043,418
Other expenses	185,437	185,346	295,717	233,802
	<u>11,259,209</u>	<u>6,696,453</u>	<u>41,690,263</u>	<u>35,767,668</u>

**PARK ELEKTRİK ÜRETİM MADENCİLİK SANAYİ VE TİCARET A.Ş.****NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
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**17. INCOME AND EXPENSES FROM INVESTING ACTIVITIES****Income from Investing Activities**

	1 January- 30 June 2024	1 April- 30 June 2024	1 January- 30 June 2023	1 April- 30 June 2023
Rent income	6,919,129	3,576,601	7,073,645	3,758,275
Increase in value of financial investments	-	-	117,148	67,862
Interest income from currency hedged deposits	-	-	2,098,493	2,098,493
Fair value difference on currency hedged deposits	-	-	1,387,421	1,387,421
Increase in fair value of investment property	-	-	392,802,235	392,802,235
Income from sale of property, plant and equipment	-	-	232,592	-
	<u>6,919,129</u>	<u>3,576,601</u>	<u>403,711,534</u>	<u>400,114,286</u>

**Expenses from Investing Activities**

	1 January- 30 June 2024	1 April- 30 June 2024	1 January- 30 June 2023	1 April- 30 June 2023
Decrease in fair value of investment property	17,379,216	17,379,216	-	-
Financial investments trading commission	1,087	573	644	191
Loss on sale of property, plant and equipment	-	-	57,061	34,437
	<u>17,380,303</u>	<u>17,379,789</u>	<u>57,705</u>	<u>34,628</u>

**18. FINANCE INCOME AND EXPENSES**

	1 January- 30 June 2024	1 April- 30 June 2024	1 January- 30 June 2023	1 April- 30 June 2023
<b>Finance income</b>				
Foreign exchange gain	68,104,518	9,089,558	361,231,789	336,323,792
Interest income	37,211,895	13,155,953	58,666,065	33,268,619
	<u>105,316,413</u>	<u>22,245,511</u>	<u>419,897,854</u>	<u>369,592,411</u>
<b>Finance expenses</b>				
Interest expense	2,250,863	1,221,025	542,479	301,827
Foreign exchange losses	357,127	354,181	93,520	92,632
Other financial expenses	863,129	607,017	756,407	387,263
	<u>3,471,119</u>	<u>2,182,223</u>	<u>1,392,406</u>	<u>781,722</u>

**PARK ELEKTRİK ÜRETİM MADENCİLİK SANAYİ VE TİCARET A.Ş.****NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
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**19. INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)**

## Current Period Tax Related Assets

	30 June 2024	31 December 2023
<i>Current tax (asset)/liability:</i>		
Current corporate tax liability	-	151,790,408
Less: Prepaid tax	(30,983,378)	(119,695,320)
	<u>(30,983,378)</u>	<u>32,095,088</u>

The tax amounts reflected in the profit or loss statement for the periods ending 30 June 2024 and 2023 are as follows:

	30 June 2024	30 June 2023
<i>Income tax (expense) / income:</i>		
Current corporate tax provision	-	(107,989,416)
Deferred tax income / (expense)	28,634,510	(58,050,444)
	<u>28,634,510</u>	<u>(166,039,860)</u>

**Deferred Tax Assets and Liabilities**

The Group recognizes deferred tax assets and liabilities based upon the temporary differences between financial statements as reported in accordance with TFRS and its tax base of statutory financial statements. These differences usually result in the recognition of revenue and expense items in different periods for TFRS and statutory tax purposes.

The breakdown of accumulated temporary differences and deferred tax assets and liabilities as of 30 June and 31 December 2023, prepared using the current tax rates, is as follows:

	30 June 2024	31 December 2023
Deferred tax assets	-	7,617,750
Deferred tax liabilities	(91,594,656)	(127,846,915)
Deferred tax assets / (liabilities) (net)	<u>(91,594,656)</u>	<u>(120,229,165)</u>
<i>Deferred tax assets / (liabilities):</i>		
Adjustments related to property, plant and equipment, intangible assets and investment properties	(175,633,714)	(143,870,397)
Provision for retirement pay and unused vacation	6,063,640	5,166,799
Prior year losses to be deducted from tax	51,196,348	-
Mining closure costs	9,732,755	9,457,401
Provisions for liability and expense accruals	10,875,469	10,175,273
Discount on receivables and payables	(264,311)	77,907
Adjustments related to inventories	6,251,866	(3,349,362)
Other	183,291	2,113,214
	<u>(91,594,656)</u>	<u>(120,229,165)</u>

**PARK ELEKTRİK ÜRETİM MADENCİLİK SANAYİ VE TİCARET A.Ş.****NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
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**19. INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (cont'd)**

	1 January- 30 June 2024	1 January- 30 June 2023
<u>Reconciliation of tax provision:</u>		
Continuing Operations (loss)/profit before tax	9,459,404	578,092,534
(Loss)/profit before tax	9,459,404	578,092,534
Income tax rate 25% (2023: 20%)	25%	20%
Tax expense at the enacted tax rate	(2,364,851)	(115,618,507)
Tax effect:		
-Increase in tax base	-	(15,360,605)
-Non-deductible expenses	(5,190,059)	(10,067,222)
-Discounts and exemptions	1,242,969	7,029,052
-Donations and aids	-	90,753
-Tax losses on which deferred tax has not been calculated in prior years	(12,050,627)	-
-Deferred tax effect of statutory inflation accounting applications	46,245,700	-
-Non-taxable adjustments	-	287,973
-Tax rate differences / changes	(369,631)	52,010,477
-Other	1,121,009	(579,402)
-Inflation differences not subject to deferred tax	-	(83,832,379)
Total tax expense	28,634,510	(166,039,860)

**20. EARNINGS PER SHARE**

	1 January- 30 June 2024	1 January- 30 June 2023
<u>Earnings per share from continuing operations</u>		
Weighted average of shares with a nominal value of Kr 1 each average number (*)	14,789,411,113	14,831,724,300
Net profit for the period attributable to equity holders of the parent company	38,093,914	412,052,674
Diluted earnings per share	0.00258	0.02778

(\*) The calculations have been made by adjusting treasury shares.

## PARK ELEKTRİK ÜRETİM MADENCİLİK SANAYİ VE TİCARET A.Ş.

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#### 21. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

##### a) Capital Risk Management

While trying to ensure the continuity of its activities in capital management, the Group also aims to increase its profits by using the debt and equity balance in the most efficient way.

The Group's capital structure consists of short-term borrowings, cash and cash equivalents disclosed in Note 24 and equity items including issued capital, capital reserves, profit reserves and retained earnings disclosed in Note 13.

The Group's cost of capital and the risks associated with each capital class are assessed by the Group Management. Based on Group Management assessments, the aim is to keep the capital structure in balance through dividend payments, issuance of new shares, as well as acquiring new debt or repaying existing debt.

The Group monitors capital using the net debt/total equity ratio. This ratio is found by dividing net debt by total equity. Net debt is calculated as total debt amount (includes borrowings and other financial liabilities as shown in the statement of financial position) less cash and cash equivalents.

As of 30 June 2024 and 31 December 2023, the net debt/total equity ratio is as follows:

	30 June 2024	31 December 2023
Financial Liabilities	-	-
Less: Cash and Cash Equivalents and Short-Term Financial Investments	(35,137,863)	(94,614,181)
Net Debt	(35,137,863)	(94,614,181)
Total Equity	3,270,639,741	3,433,705,968
Net Debt/Total Capital Ratio	(1.074%)	(2.755%)

The general strategy of the Group does not differ from the previous period.

##### b) Financial Risk Factors

The Company's activities expose it to a various financial risk such as market risk (foreign currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

The Group manages its financial instruments within the framework of risk policies. The Group's cash inflows and outflows are monitored daily, monthly cash flow budgets are monitored through weekly reports and annual cash flow budgets are monitored through monthly cash reports.

Risk management is carried out by a centralized Risk Management Unit in line with policies approved by the Board of Directors. In relation to risk policies, the Group's Risk Management Unit identifies and assesses financial risk and uses tools to mitigate risk by working with the Group's operating units.

##### (b.1) Credit Risk Management

Owning financial instruments involves the risk that the counterparty may not fulfill the terms of the agreement. The Group Management manages these risks by limiting the average risk for each counterparty in each agreement and by obtaining collateral where necessary. Trade receivables are evaluated in accordance with the Group's policies and procedures and are recognized net of allowance for doubtful receivables in the statement of financial position (Note 5).



**PARK ELEKTRİK ÜRETİM MADENCİLİK SANAYİ VE TİCARET A.Ş.****NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
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**21. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)****b) Financial Risk Factors (cont'd)****(b.1) Credit Risk Management (cont'd)**

	Receivables				
	<u>Trade Receivables</u>		<u>Other Receivables</u>		<u>Banks</u>
<u>30 June 2024</u>	<u>Related Party</u>	<u>Third Party</u>	<u>Related Party</u>	<u>Third Party</u>	<u>Deposit</u>
Maximum credit risk exposure at the balance sheet date (A+B+C+D+E)	28,904,678	33,259,715	558,128,233	2,596,297	35,109,026
- Secured portion of maximum credit risk via guarantee or etc (*)	-	(3,282,620)	(200,000,000)	-	-
A. Net book value of not overdue or not impaired financial assets	28,904,678	33,259,715	558,128,233	2,572,198	35,109,026
- Portion secured with collateral, etc.	-	(3,282,620)	(200,000,000)	-	-
B. Net book value of financial assets that are renegotiated or otherwise will be accepted as overdue or impaired	-	-	-	-	-
- Portion secured with collateral, etc.	-	-	-	-	-
C. Overdue but not impaired net book value of assets	-	-	-	24,099	-
- Portion secured with collateral, etc.	-	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-
- Overdue (gross book value)	-	22,859,466	-	850,518	-
- Impairment (-)	-	(22,859,466)	-	(850,518)	-
- Secured net value via guarantee or etc.	-	-	-	-	-
- Not due (gross book value)	-	-	-	-	-
- Impairment (-)	-	-	-	-	-
- Secured net value via guarantee or etc.	-	-	-	-	-
E. Off balance sheet items bearing credit risk	-	-	-	-	-

(\*) The factors that increase the credibility, such as guarantees received are not considered in the determination of the balance.

**PARK ELEKTRİK ÜRETİM MADENCİLİK SANAYİ VE TİCARET A.Ş.****NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
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(Amounts expressed in Turkish Lira ('TL') in terms of the purchasing power of the Turkish Lira ('TL') as at 30 June 2024, unless otherwise stated.)

**21. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)****b) Financial Risk Factors (cont'd)****(b.1) Credit Risk Management (cont'd)**

	Receivables				
	Trade Receivables		Other Receivables		Banks
31 December 2023	Related Party	Third Party	Related Party	Third Party	Deposit
Maximum credit risk exposure at the balance sheet date (A+B+C+D+E)	34,906,087	40,814,202	691,113,257	1,322,337	94,613,591
- Secured portion of maximum credit risk via guarantee or etc (*)	-	(3,671,962)	(249,469,178)	-	-
A. Net book value of not overdue or not impaired financial assets	34,906,087	40,323,534	691,113,257	1,305,983	94,613,591
- Portion secured with collateral, etc.	-	(3,671,962)	(249,469,178)	-	-
B. Net book value of financial assets that are renegotiated or otherwise will be accepted as overdue or impaired	-	-	-	-	-
- Portion secured with collateral, etc.	-	-	-	-	-
C. Overdue but not impaired net book value of assets	-	490,668	-	16,354	-
- Portion secured with collateral, etc.	-	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-
- Overdue (gross book value)	-	25,646,283	-	1,060,890	-
- Impairment (-)	-	(25,646,283)	-	(1,060,890)	-
- Secured net value via guarantee or etc.	-	-	-	-	-
- Not due (gross book value)	-	-	-	-	-
- Impairment (-)	-	-	-	-	-
- Secured net value via guarantee or etc.	-	-	-	-	-
E. Off balance sheet items bearing credit risk	-	-	-	-	-

(\*) The factors that increase the credibility, such as guarantees received are not considered in the determination of the balance.

**PARK ELEKTRİK ÜRETİM MADENCİLİK SANAYİ VE TİCARET A.Ş.**

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**21. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)**

**b) Financial Risk Factors (cont'd)**

**(b.1) Credit Risk Management (cont'd)**

Assets that are overdue but not impaired are as follows:

	<b>30 June 2024</b>	
	<b><u>Trade receivables</u></b>	<b><u>Other receivables</u></b>
1 - 30 days overdue	-	-
1 - 3 months overdue	-	24,099
3 - 12 months overdue	-	-
1 - 5 years overdue	-	-
<b>Total overdue receivables</b>	<b>-</b>	<b>24,099</b>
	<b>31 December 2023</b>	
	<b><u>Trade receivables</u></b>	<b><u>Other receivables</u></b>
1 - 30 days overdue	344,843	8,952
1 - 3 months overdue	145,825	-
3 - 12 months overdue	-	7,402
1 - 5 years overdue	-	-
<b>Total overdue receivables</b>	<b>490,668</b>	<b>16,354</b>

**(b.2) Liquidity Risk Management**

The Group manages liquidity risk by maintaining adequate reserves and borrowing reserves by regularly monitoring cash flows and matching the maturities of financial assets and liabilities.

Liquidity risk tables

Prudent liquidity risk management means keeping sufficient cash, availability of sufficient credit transactions and fund resources, and the power to close market positions.

The funding risk of current and prospective debt requirements is managed by maintaining the availability of sufficient number of high-quality lenders.

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**21. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)****b) Financial Risk Factors (cont'd)****(b.2) Liquidity Risk Management (cont'd)**

The table below shows the maturity distribution of the Group's non-derivative financial liabilities. The following tables have been prepared on the basis of the earliest dates on which the Group's liabilities are due and payable, without discounting. Interest payable on these liabilities is included in the table below.

**30 June 2024**

<b>Contractual maturities</b>	<b>Carrying value</b>	<b>Total contractual cash outflows (I+II+III)</b>	<b>Less than 3 months (I)</b>	<b>3 to 12 months (II)</b>	<b>1 to 5 years (III)</b>
Trade payables	110,429,232	122,168,624	102,490,598	523,300	19,154,726
Other payables	219,103,697	378,952,464	370,613,624	100,000	8,238,840
Other current and non-current liabilities	19,299,977	19,299,977	19,299,977	-	-
Liabilities related to employee benefits	12,973,158	12,973,158	12,973,158	-	-
<b>Total liability</b>	<b>361,806,064</b>	<b>533,394,223</b>	<b>505,377,357</b>	<b>623,300</b>	<b>27,393,566</b>

**31 December 2023**

<b>Contractual maturities</b>	<b>Carrying value</b>	<b>Total contractual cash outflows (I+II+III)</b>	<b>Less than 3 months (I)</b>	<b>3 to 12 months (II)</b>	<b>1 to 5 years (III)</b>
Trade payables	60,578,720	68,123,005	37,089,143	31,033,862	-
Other payables	20,879,329	20,879,329	51,944	11,607,205	9,220,180
Other current and non-current liabilities	19,572,399	19,572,399	17,803,282	1,769,117	-
Liabilities related to employee benefits	3,964,202	3,964,202	3,964,202	-	-
<b>Total liability</b>	<b>104,994,650</b>	<b>112,538,936</b>	<b>58,908,572</b>	<b>44,410,184</b>	<b>9,220,180</b>

**(b.3) Market Risk Management**

Due to its activities, the Group is exposed to financial risks related to changes in foreign exchange rates and interest rates. Market risks encountered at the company level are measured on the basis of sensitivity analysis. Compared to the previous year, there has been no change in the market risk the Group is exposed to in the current year, or in the method of handling the risks encountered or in the method used to measure these risks.

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**21. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)****b) Financial Risk Factors (cont'd)****(b.3.1) Exchange rate risk management**

Transactions in foreign currencies cause exchange rate risk. The distribution of the Group's monetary and non-monetary assets in foreign currency and monetary and non-monetary liabilities as of the balance sheet date is as follows:

	30 June 2024		
	TL Equivalent (Functional currency)	USD	EUR
1. Trade Receivables	21,477,231	654,271	-
2a. Monetary Financial Assets	539,819,330	16,442,533	2,091
2b. Non-Monetary Financial Assets	-	-	-
3. Other	-	-	-
4. CURRENT ASSETS	561,296,561	17,096,804	2,091
5. Trade Receivables	-	-	-
6a. Monetary Financial Assets	-	-	-
6b. Non-Monetary Financial Assets	-	-	-
7. Other	-	-	-
8 NON-CURRENT ASSETS	-	-	-
9. TOTAL ASSETS	561,296,561	17,096,804	2,091
10. Trade Payables	66,670	2,031	-
11. Financial Liabilities	-	-	-
12a. Other Monetary Liabilities	14,070,364	-	400,541
12b. Other Non-Monetary Liabilities	-	-	-
13. CURRENT LIABILITIES	14,137,034	2,031	400,541
14. Trade Payables	-	-	-
15. Financial Liabilities	-	-	-
16a. Other Monetary Liabilities	8,206,550	250,000	-
16b. Other Non-Monetary Liabilities	-	-	-
17. NON-CURRENT LIABILITIES	8,206,550	250,000	-
18. TOTAL LIABILITIES	22,343,584	252,031	400,541
19. Net asset / liability position of off-balance sheet derivative instruments (19a-19b)	-	-	-
19a. Amount of Foreign Currency Derivative Products out of Statement of Financial Position with Active Character	-	-	-
19b. Amount of Foreign Currency Derivative Products Excluded Statement of Financial Position Statement with Liable Character	-	-	-
20. Net foreign currency asset / (liability) position	538,952,977	16,844,773	(398,450)
21. Net foreign currency assets / (liabilities) on monetary items position (1+2a+5+6a-10-11-12a-14-15-16a)	538,952,977	16,844,773	(398,450)
22. Total fair value of financial instruments used for foreign currency hedges	-	-	-
23. Hedged portion of foreign currency assets	-	-	-
24. Hedged portion of foreign currency liabilities	-	-	-

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**21. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)****b) Financial Risk Factors (cont'd)****(b.3.1) Exchange rate risk management (cont'd)**

	31 December 2023		
	TL Equivalent (Functional currency)	USD	EUR
1. Trade Receivables	14,200,258	386,721	-
2a. Monetary Financial Assets	247,969,261	6,750,732	2,091
2b. Non-Monetary Financial Assets	-	-	-
3. Other	-	-	-
4. CURRENT ASSETS	262,169,519	7,137,453	2,091
5. Trade Receivables	-	-	-
6a. Monetary Financial Assets	416,619,336	11,345,961	-
6b. Non-Monetary Financial Assets	-	-	-
7. Other	-	-	-
8 NON-CURRENT ASSETS	416,619,336	11,345,961	-
9. TOTAL ASSETS	678,788,855	18,483,414	2,091
10. Trade Payables	254,460	6,930	-
11. Financial Liabilities	-	-	-
12a. Other Monetary Liabilities	15,996,828	-	393,711
12b. Other Non-Monetary Liabilities	-	-	-
13. CURRENT LIABILITIES	16,251,288	6,930	393,711
14. Trade Payables	-	-	-
15. Financial Liabilities	-	-	-
16a. Other Monetary Liabilities	9,179,904	250,000	-
16b. Other Non-Monetary Liabilities	-	-	-
17. NON-CURRENT LIABILITIES	9,179,904	250,000	-
18. TOTAL LIABILITIES	25,431,192	256,930	393,711
19. Net asset / liability position of off-balance sheet derivative instruments (19a-19b)	-	-	-
19a. Amount of Foreign Currency Derivative Products out of Statement of Financial Position with Active Character	-	-	-
19b. Amount of Foreign Currency Derivative Products Excluded Statement of Financial Position Statement with Liabe Character	-	-	-
20. Net foreign currency asset / (liability) position	653,357,663	18,226,484	(391,620)
21. Net foreign currency assets / (liabilities) on monetary items position (1+2a+5+6a-10-11-12a-14-15-16a)	653,357,663	18,226,484	(391,620)
22. Total fair value of financial instruments used for foreign currency hedges	-	-	-
23. Hedged portion of foreign currency assets	-	-	-
24. Hedged portion of foreign currency liabilities	-	-	-

The Group is exposed to currency risk mainly in terms of USD. The effect of other exchange rates is insignificant.

As of 30 June 2024, foreign currency balances in assets and liabilities are translated at the exchange rates announced by the Central Bank of the Republic of Turkey for the statement of financial position date. 30 June 2024: USD 1: TL 32.8262 and EUR 1: TL 35.1284 (31 December 2023: USD 1: TL 29.4382 and EUR 1: TL 32.5739).

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**21. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)****b) Financial Risk Factors (cont'd)****(b.3.1) Exchange rate risk management (cont'd)**

The following table details the Group's sensitivity to a 20% increase and decrease in the TL against the relevant foreign currencies, 20% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 20% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where the denomination of the loan is in a currency other than the currency of the lender or the borrower. A positive number indicates an increase in profit or loss where the TL strengthens against the relevant currency.

**Sensitivity to currency risk**

	<b>30 June 2024</b>	
	<u>Profit / Loss</u>	<u>Equity</u>
	<u>Appreciation of foreign currency</u>	<u>Depreciation of foreign currency</u>
In case of a 20% appreciation of USD against TL		
1 - USD net asset / liability	110,589,977	(110,589,977)
2- USD hedged portion (-)	-	-
<b>3- USD net effect (1 +2)</b>	<u>110,589,977</u>	<u>(110,589,977)</u>
In case of a 20% appreciation of EUR against TL		
4 - EUR net asset / liability	(2,799,382)	2,799,382
5 - EUR hedged portion (-)	-	-
<b>6- EUR net effect (4+5)</b>	<u>(2,799,382)</u>	<u>2,799,382</u>
In case of a 20% appreciation of other foreign currencies against TL		
7- Other foreign currency net assets / liabilities	-	-
8- Other foreign currency hedged portion (-)	-	-
<b>9- Net effect of Other Foreign Currency Assets (7+8)</b>	<u>-</u>	<u>-</u>
<b>TOTAL(3 + 6 +9)</b>	<u>107,790,595</u>	<u>(107,790,595)</u>

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**21. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)****b) Financial Risk Factors (cont'd)****Sensitivity to currency risk (cont'd)**

	<b>31 December 2023</b>	
	<u>Profit / Loss</u>	<u>Equity</u>
	<u>Appreciation of foreign currency</u>	<u>Depreciation of foreign currency</u>
In case of a 20% appreciation of USD against TL		
1 - USD net asset / liability	133,853,905	(133,853,905)
2- USD hedged portion (-)	-	-
<b>3- USD net effect (1 +2)</b>	<u>133,853,905</u>	<u>(133,853,905)</u>
In case of a 20% appreciation of EUR against TL		
4 - EUR net asset / liability	(3,182,376)	3,182,376
5 - EUR hedged portion (-)	-	-
<b>6- EUR net effect (4+5)</b>	<u>(3,182,376)</u>	<u>3,182,376</u>
In case of a 20% appreciation of other foreign currencies against TL		
7- Other foreign currency net assets / liabilities	-	-
8- Other foreign currency hedged portion (-)	-	-
<b>9- Net effect of Other Foreign Currency Assets (7+8)</b>	<u>-</u>	<u>-</u>
<b>TOTAL(3 + 6 +9)</b>	<u>130,671,528</u>	<u>(130,671,528)</u>



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**21. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)**

The Group's financial assets and liabilities do not expose the Company to interest rate risk.

**Categories of Financial Instruments**

30 June 2024	Financial liabilities measured at amortized cost	Financial assets measured at amortized cost	Book value
<u>Financial assets</u>	-	658,026,786	658,026,786
Cash and cash equivalents	-	35,137,863	35,137,863
Trade receivables	-	33,259,715	33,259,715
Receivables from related parties	-	587,032,911	587,032,911
Other receivables	-	2,596,297	2,596,297
<u>Financial liabilities</u>	342,506,087	-	342,506,087
Trade payables	106,511,694	-	106,511,694
Payables to related parties	201,447,933	-	201,447,933
Other payables	21,573,302	-	21,573,302
Payables related to employee benefits	12,973,158	-	12,973,158

31 December 2023	Financial liabilities measured at amortized cost	Financial assets measured at amortized cost	Book value
<u>Financial assets</u>	-	862,770,064	862,770,064
Cash and cash equivalents	-	94,614,181	94,614,181
Trade receivables	-	40,814,202	40,814,202
Receivables from related parties	-	726,019,344	726,019,344
Other receivables	-	1,322,337	1,322,337
<u>Financial liabilities</u>	85,422,251	-	85,422,251
Trade payables	59,973,775	-	59,973,775
Payables to related parties	607,935	-	607,935
Other payables	20,876,339	-	20,876,339
Payables related to employee benefits	3,964,202	-	3,964,202

**PARK ELEKTRİK ÜRETİM MADENCİLİK SANAYİ VE TİCARET A.Ş.**

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**22. EVENTS AFTER THE REPORTING PERIOD**

In the Official Gazette dated 2 August 2024 and numbered 32620, "Law No. 7524 on Amendments to Tax Laws and Certain Laws and Decree Law No. 375" was published. With this Law, regulations and amendments have been made on domestic minimum corporate tax application, global minimum tax application and many other tax-related issues. The Group is in the process of assessing the impact of the amendments on the financial statements.

**23. EXPLANATIONS ON THE STATEMENT OF CASH FLOWS**

	30 June 2024	31 December 2023
Cash on hand	28,837	590
Cash at bank	35,109,026	94,613,591
<i>Demand deposits</i>	34,324,327	94,613,591
<i>Repo</i>	784,699	-
	<u>35,137,863</u>	<u>94,614,181</u>

The Group has no restricted cash and cash equivalents as of 30 June 2024 (31 December 2023: None).