PARK ELEKTRİK ÜRETİM
MADENCİLİK SANAYİ VE TİCARET A.Ş.

CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024 TOGETHER
WITH THE INDEPENDENT AUDITOR'S REPORT

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

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

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

Mersis No :0291001097600016
Ticari Sicil No: 304099

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

INDEPENDENT AUDITOR'S REPORT

To the General Assembly of
Park Elektrik Üretim Madencilik Sanayi ve Ticaret A.Ş.

A) Audit of the Consolidated Financial Statements

1) Opinion

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

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

2) Basis for Opinion

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

3) Key Audit Matters

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

Deloitte.

3) Key Audit Matters (continued)

Key Audit Matter	How the matter was addressed in the audit
Valuation for the fair value of investment properties As stated in Notes 2 and 9, the Group recognises its investment properties at fair values. As of 31 December 2024, investment properties constitute 40% of the Group's aggregate consolidated assets and have a total carrying value of TL 1,706,300,450. As of 31 December 2024, the fair values of investment properties determined by independent valuation experts ('Valuation Experts') have been evaluated by the Group Management and these values were used as the fair values of the investment properties in the consolidated financial statements. The fair values were determined based on comparison of benchmark prices of comparable real estate closely located to the real estate subject to valuation. The valuation of fair values of real estates are important for our audit due to the significance of these real estates on the consolidated financial statements, the use of estimates and assumptions (nature of assets, intended use, location adjustment, etc.) and involvement of our valuation experts in our assessments of these estimates and assumptions involved in valuation.	The audit procedures performed were the examination of the accounting for such valuation, including the evaluations performed by the management, and the implementation of the audit procedures presented below. - Consultation with the Group Management regarding the intended use of the assets, whether the assets are classified as investment property or not, - Checking the title registry of the related assets, - Assessing the competence, capacity and independence of valuation experts, taking into account the scope of the work performed and the terms of the agreement, - Evaluating the appropriateness of the valuation methodology applied and the appropriateness of the estimates and assumptions used in the valuation report prepared by the Group's valuation experts with the support of our experts - Controlling the compliance and adequacy of the fair values of investment properties and the disclosures made in the consolidated financial statements in Notes 2 and 9 in accordance with the related TFRSs.

4) Other Matter

The consolidated financial statements of the Group for the year ended 31 December 2023 were audited by another independent audit firm and an unqualified opinion was given in the consolidated financial statements on 25 April 2024.

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

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

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

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

Deloitte.

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

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

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

As part of an audit in accordance with the standards on auditing issued by Capital Markets Board and the SIA, we exercise professional judgment and maintain professional scepticism throughout the audit.
We also:

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

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

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

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

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

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

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

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

6) Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

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

B) Report on Other Legal and Regulatory Requirements

In accordance with paragraph four of the Article 398 of the Turkish Commercial Code No. 6102 ("TCC"), the auditor's report on the system and the committee of early detection of risk has been submitted to the Board of Directors of the Company on 6 March 2025.

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

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

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

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

Okan Öz
Partner

İstanbul, 6 March 2025

TABLE OF CONTENTS	PAGE

PARK ELEKTRİK ÜRETİM MADENCİLİK SANAYİ VE TİCARET A.Ş.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 31 DECEMBER 2024

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

ASSETS	Notes	Audited Current Period 31 December 2024	Audited Prior Period 31 December 2023
CURRENT ASSETS			
Cash and Cash Equivalents	24	86,121,090	109,514,765
Trade Receivables		109,507,689	87,645,313
Trade Receivables due from Related Parties	*4,5*	*37,300,309*	*40,403,371*
Trade Receivables due from Third Parties	*5*	*72,207,380*	*47,241,942*
Other Receivables		135,029,745	318,476,330
Other Receivables due from Related Parties	*4,6*	*134,331,986*	*317,723,379*
Other Receivables due from Third Parties	*6*	*697,759*	*752,951*
Inventories	8	61,751,100	59,656,415
Prepaid Expenses	7	6,023,724	35,974,681
Current Tax Assets	21	31,016,884	-
Other Current Assets	14	632,514	241,338
TOTAL CURRENT ASSETS		**430,082,746**	**611,508,842**
NON-CURRENT ASSETS			
Other Receivables		589,717	483,009,457
Other Receivables due from Related Parties	*4,6*	-	*482,231,820*
Other Receivables due from Third Parties	*6*	*589,717*	*777,637*
Inventories	8	176,222	1,029,637
Investment Properties	9	1,706,300,450	1,685,839,851
Property, Plant and Equipment	10	1,746,749,237	1,339,934,422
Intangible Assets	11	212,924,274	226,226,605
Deferred Tax Assets	21	-	8,817,453
Other Non-Current Assets	14	174,969,023	92,828,481
TOTAL NON-CURRENT ASSETS		**3,841,708,923**	**3,837,685,906**
TOTAL ASSETS		**4,271,791,669**	**4,449,194,748**

PARK ELEKTRİK ÜRETİM MADENCİLİK SANAYİ VE TİCARET A.Ş.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 31 DECEMBER 2024

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

LIABILITIES AND EQUITY	Notes	Audited Current Period 31 December 2024	Audited Prior Period 31 December 2023
CURRENT LIABILITIES			
Trade Payables		94,450,394	70,119,133
Trade Payables due to Related Parties	*4,5*	*582,725*	*700,217*
Trade Payables due to Third Parties	*5*	*93,867,669*	*69,418,916*
Other Payables		11,019,000	13,495,324
Other Payables due to Related Parties	*4,6*	*3,890*	*3,461*
Other Payables due to Third Parties	*6*	*11,015,110*	*13,491,863*
Employee Benefit Obligations	12	4,064,575	4,588,516
Deferred Income	7	142,177	15,210,867
Current Tax Liability	21	-	37,149,674
Current Provisions	13	46,954,650	89,083,333
Current Provisions for Employee Benefits		*7,264,542*	*5,904,393*
Other Current Provisions		*39,690,108*	*83,178,940*
Other Current Liabilities	14	35,894,801	22,654,814
TOTAL CURRENT LIABILITIES		**192,525,597**	**252,301,661**
NON-CURRENT LIABILITIES			
Other Borrowings		8,838,115	10,672,247
Other Payables due to Third Parties	*6*	*8,838,115*	*10,672,247*
Non-Current Provisions	13	65,223,219	63,766,643
Non-Current Provisions for Employee Benefits		*19,325,280*	*18,154,864*
Other Non-Current Provisions		*45,897,939*	*45,611,779*
Deferred Tax Liability	21	196,436,042	147,981,251
TOTAL NON-CURRENT LIABILITIES		**270,497,376**	**222,420,141**
TOTAL LIABILITIES		**463,022,973**	**474,721,802**
EQUITY			
Equity Attributable to Parent Company			
Issued Capital	15	148,867,243	148,867,243
Inflation Adjustment on Capital	15	2,981,632,218	2,981,632,218
Treasury Shares (-)	15	(43,418,266)	(34,968,756)
Share Premiums	15	2,282,208	2,282,208
Other Accumulated Comprehensive Income (Loss) that will not be Reclassified in Profit or (Loss)		3,173,916	4,838,512
Gains on Revaluaiton of Property, Plant and Equipment		*6,377,756*	*6,727,126*
Gains (Losses) on Remeasurement of Defined Benefit Plans		*(3,203,840)*	*(1,888,614)*
Restricted Reserves Appropriated from Profit	15	823,976,456	2,622,913,244
Prior Years' Losses		(180,791,194)	(2,239,052,421)
Net Profit for the Year		73,046,115	487,960,698
TOTAL EQUITY		**3,808,768,696**	**3,974,472,946**
TOTAL LIABILITIES AND EQUITY		**4,271,791,669**	**4,449,194,748**

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

PARK ELEKTRİK ÜRETİM MADENCİLİK SANAYİ VE TİCARET A.Ş.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD OF 1 JANUARY - 31 DECEMBER 2024

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

PROFIT OR LOSS SECTION	Notes	Audited Current Period 1 January- 31 December 2024	Audited Prior Period 1 January- 31 December 2023
Revenue	16	638,518,544	573,872,450
Cost of Sales (-)	16	(395,594,708)	(355,354,672)
GROSS PROFIT		**242,923,836**	**218,517,778**
General Administrative Expenses (-)	17	(69,833,911)	(76,377,532)
Marketing Expenses (-)		(3,666,428)	(1,846,580)
Other Income from Operating Activities	18	26,110,248	15,728,283
Other Expenses from Operating Activities (-)	18	(25,618,809)	(71,524,262)
OPERATING PROFIT		**169,914,936**	**84,497,687**
Income from Investing Activities	19	76,068,351	415,161,075
Expenses from Investing Activities (-)	19	(42,409,211)	(67,667)
OPERATING PROFIT BEFORE FINANCE INCOME/(EXPENSE)		**203,574,076**	**499,591,095**
Finance Income	20	150,208,745	682,658,702
Finance Expenses (-)	20	(6,614,591)	(3,531,524)
Net Monetary Position (Losses)	25	(216,322,143)	(588,725,541)
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		**130,846,087**	**589,992,732**
Tax Income / (Expenses)		(57,799,972)	(102,032,034)
Current Period Tax (Expense)	21	-	(229,284,326)
Deferred Tax (Expense)/Income	21	(57,799,972)	127,252,292
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		**73,046,115**	**487,960,698**
EARNINGS PER SHARE FROM CONTINUING OPERATIONS	**22**	**0.00494**	**0.03291**
NET PROFIT FOR THE YEAR		**73,046,115**	**487,960,698**
OTHER COMPREHENSIVE INCOME			
Items Not to be Reclassified to Profit or Loss			
Losses on remeasurement of defined benefit plans	13	(1,745,869)	(1,737,303)
Tax effect of remeasurement losses on defined benefit plans		430,643	472,347
Increase (decrease) in revaluation of property, plant and equipment	10	(446,456)	5,501,813
Tax effect of revaluation increase (decrease) on property, plant and equipment		97,086	(1,490,354)
OTHER COMPREHENSIVE INCOME/(EXPENSE)		**(1,664,596)**	**2,746,503**
TOTAL COMPREHENSIVE INCOME/(EXPENSE)		**71,381,519**	**490,707,201**

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

PARK ELEKTRİK ÜRETİM MADENCİLİK SANAYİ VE TİCARET A.Ş.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY OTHER ACCUMULATED COMPREHENSIVE FOR THE PERIOD OF 1 JANUARY - 31 DECEMBER 2024

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

					Other Accumulated Comprehensive Income/(Loss) that will not be Reclassified in Profit or Loss			Retained Earnings or (Losses)		
	Issued Capital	Inflation Adjustments on Capital	Treasury Shares	Share Premiums	Gains on Revaluation of Property, Plant and Eqquipment	Losses on Remeasurement of Defined Benefit Plans	Restricted Reserves Appropriated from Profit	Prior Years' Losses	Net Profit for the Year	Total Equity
1 January 2023	148,867,243	2,981,632,218	(23,160,058)	2,282,208	2,715,667	(623,658)	2,578,817,276	(1,534,716,771)	(325,633,612)	3,830,180,513
Transfers	-	-	-	-	-	-	32,287,270	(357,920,882)	325,633,612	-
Increase/(Decrease) Through Treasury Share Transactions (*)	-	-	(11,808,698)	-	-	-	11,808,698	(11,808,698)	-	(11,808,698)
Dividend	-	-	-	-	-	-	-	(334,606,070)	-	(334,606,070)
Total Comprehensive Income/(Expense)	-	-	-	-	4,011,459	(1,264,956)	-	-	487,960,698	490,707,201
31 December 2023	148,867,243	2,981,632,218	(34,968,756)	2,282,208	6,727,126	(1,888,614)	2,622,913,244	(2,239,052,421)	487,960,698	3,974,472,946
1 January 2024	148,867,243	2,981,632,218	(34,968,756)	2,282,208	6,727,126	(1,888,614)	2,622,913,244	(2,239,052,421)	487,960,698	3,974,472,946
Transfers	-	-	-	-	-	-	(1,807,386,298)	2,295,346,996	(487,960,698)	-
Increase/(Decrease) Through Treasury Share Transactions (*)	-	-	(8,449,510)	-	-	-	8,449,510	(8,449,510)	-	(8,449,510)
Dividend	-	-	-	-	-	-	-	(228,636,259)	-	(228,636,259)
Total Comprehensive Income/(Expense)	-	-	-	-	(349,370)	(1,315,226)	-	-	73,046,115	71,381,519
31 December 2024	148,867,243	2,981,632,218	(43,418,266)	2,282,208	6,377,756	(3,203,840)	823,976,456	(180,791,194)	73,046,115	3,808,768,696

(*) Within the scope of Share Buy-Back Program, considering matching orders as of 31 December 2024, shares with a nominal value of TL 1,245,000, equivalent to 0.84% of the Company's issued capital were repurchased. In addition, shares with a nominal value of TL 750,000 were repurchased in line with capital market regulations, not within the scope of Share Buy-Back Program but through withdrawal right granted to shareholders in 2017.

PARK ELEKTRİK ÜRETİM MADENCİLİK SANAYİ VE TİCARET A.Ş.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD OF 1 JANUARY - 31 DECEMBER 2024

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

	Notes	Audited Current Period 1 January - 31 December 2024	Audited Prior Period 1 January - 31 December 2023
A. CASH FLOWS FROM OPERATING ACTIVITIES			
Net Profit for the Period		**73,046,115**	**487,960,698**
Adjustments Related to Reconciliation of Net Profit for the Period			
Adjustments for Depreciation and Amortization Expense	10,11	279,041,165	250,119,329
Adjustments for Impairment Loss (Reversal of Impariment Loss) of Property, Plant and Equipment	10	4,565,504	-
Adjustments for (Reversal of) Provisions for Employee Benefits	13	10,069,884	10,479,296
Adjustments for (Reversal of) Provisions for Lawsuits and/or Penatlties	13	18,781,519	56,672,559
Adjustments for Interest (Income) and Expenses		(51,043,829)	(116,348,526)
Adjustments for (Gains)/Losses on Disposal of Property, Plant and Equipment	19	-	(178,706)
Adjustments for Unrealized Foreign Currency Translation Differences		(94,697,897)	(567,920,615)
Adjustments for Fair Value Losses (Gains) on Investment Properties	9,19	(20,460,599)	(393,891,590)
Adjustments for Tax (Income) Expense		100,575,779	102,032,035
Adjustments for Other Items Generating Cash Flows from Investing or Financing Activities	19,20	(16,249,403)	(15,991,975)
Other Adjustments for Profit/Loss Reconciliation		(8,453,531)	(57,944)
Adjustments for Gains and Losses on Monetary Positions		220,986,934	578,636,683
Changes in Working Capital			
Adjustments for Decrease (Increase) in Prepaid Expenses		32,465,889	(32,148,346)
Adjustments for Decrease (Increase) in Inventories		(1,241,270)	(17,570,869)
Adjustments for Decrease (Increase) in Trade Receivables		(46,231,652)	(45,127,326)
Adjustments for Decrease (Increase) in Other Receivables Related with Operations		(227,356)	2,119,232
Adjustments for Increase (Decrease) in Trade Payables		13,900,624	1,418,607
Adjustments for Increase (Decrease) in Other Payables Related with Operations		1,377,215	4,748,393
Adjustments for Increase (Decrease) in Employee Benefit Obligations		886,465	3,226,780
Adjustments for Decrease (Increase) in Other Assets Related with Operations		(111,139,277)	(68,861,601)
Adjustments for Increase (Decrease) in Other Liabilities Related with Operations		6,827,114	2,322,497
Adjustments for Increase (Decrease) in Deferred Income		(10,393,213)	7,901,102
Cash Flows from Operating Activities		**402,386,180**	**249,539,713**
Payments Related with Provisions for Employee Benefits	13	(277,445)	(458,377)
Payments Related to Other Provisions	13	(42,667,780)	(46,335,719)
Tax Refunds (Payments)		(60,412,351)	(198,078,147)
		299,028,604	**4,667,470**

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

PARK ELEKTRİK ÜRETİM MADENCİLİK SANAYİ VE TİCARET A.Ş.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD OF 1 JANUARY - 31 DECEMBER 2024

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

	Notes	Audited Current Period 1 January - 31 December 2024	Audited Prior Period 1 January - 31 December 2023
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Cash Inflows from Sale of Property, Plant and Equipment and Intangible Assets		-	378,346
Cash Outflows from Purchases of Property, Plant and Equipment and Intangible Assets	10,11	(634,438,883)	(493,975,793)
Cash Outflows from Purchasing Investment Properties	9	-	(3,220,583)
Interest Received		452,783	3,587,971
Repayments from Cash Advances and Loans to Related Parties		566,459,502	693,572,600
Cash Inflows from Participation (Profit) Share and Other Financial Instruments		-	22,265,573
Cash Outflows from Participation (Profit) Share and Other Financial Instruments		-	(21,841,815)
Other Cash Inflows (Outflows)	19	17,767,009	17,521,621
		(49,759,589)	**218,287,920**
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Cash Outflows from Purchasing the Company's Own Shares	15	(8,449,510)	(11,808,698)
Dividends Paid		(228,636,259)	(334,606,070)
Other Cash Inflows (Outflows)		(1,517,606)	(1,529,647)
		(238,603,375)	**(347,944,415)**
D. NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE THE EFFECT OF FOREIGN CURRENCY TRANSLATION DIFFERENCES (A+B+C)		**10,665,640**	**(124,989,025)**
E. Effect of Foreign Currency Translation Differences on Cash and Cash Equivalents		**(396,951)**	**4,248,601**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D+E)		**10,268,689**	**(120,740,424)**
F. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	**24**	**109,514,765**	**379,398,196**
G. Inflation Effect on Cash and Cash Equivalents		**(33,662,364)**	**(149,143,007)**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (A+B+C+D+E+F+G)	**24**	**86,121,090**	**109,514,765**

1. ORGANIZATION AND OPERATIONS OF THE COMPANY

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 fibre from glass mines and mineral derivatives and to produce all kinds of products from these fibres, 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 Ilgın Elektrik Üretim Sanayi ve Ticaret A.Ş. ("Konya Ilgın") 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 Ilgın, 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 Ilgın 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 Ilgın 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 2029 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 Ilgın.

Konya Ilgın'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 Ilgın'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 Ilgın. On 3 January 2023, Konya Ilgın 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 8 March 2023; decided to reject the request for suspension of execution. As a result of the objection made by Konya Ilgın 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 Ilgın 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 (Note 2.5).

The Company has also signed a royalty contract for the purpose of operating bauxite mining site in Islahiye 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 headquarter is located at Sultantepe Mahallesi, Paşalimanı Caddesi, No: 41, Üsküdar/İstanbul.

As of 31 December 2024, the Group has 47 employees (31 December 2023: 47).

1. ORGANIZATION AND OPERATIONS OF THE GROUP (Continued)

Shares of the Company is listed on Borsa Istanbul since 1997.

The Company's shareholder structure is presented as below.

Shareholders	Share (%)	31 December 2024	Share (%)	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

(*) Considering matching orders as of 31 December 2024, includes treasury shares with a total nominal value of TL 1,995,000.

The Company's main shareholder Park Holding A.Ş. is ultimately controlled by Turgay Ciner.

The Company Included in Consolidation:

Subsidiaries:

The Group has included the following subsidiary in the accompanying consolidated financial statements in accordance with the principles of consolidation.

Company title	Current Operations	Registered Country
Konya Ilgın	Coal production and sale	Türkiye

Approval of Financial Statements

These consolidated financial statements were approved by the Board of Directors on 6 March 2025 and authorized for issue. The Company's General Assembly has the authority to alter consolidated financial statements.

2. BASIS OF THE CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of Presentation

Statement of Compliance to TFRS

The accompanying consolidated financial statements are prepared in accordance with the requirements of Capital Markets Board ("CMB") Communiqué numbered II-14.1 "Communique on the Principles of Financial Reporting in Capital Markets" ("Communiqué"), which was published in the Official Gazette No:28676 on 13 June 2013. In accordance with article 5th of the Communiqué, the accompanying 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 ("POA"). In addition, the financial statements are presented in accordance with the "TFRS Taxonomy" published by POA on 4 July 2024 and the formats specified in the "Financial Statement Examples and User Guide" published by CMB.

The Group maintains its books of account in accordance with rules and principles defined by Turkish Commercial Code ("TCC") and tax legislation.

The consolidated financial statements are prepared in Turkish Lira ("TL") based on the historical cost except for (if any) land, building, plant, machinery and equipment, investment properties and financial assets and liabilities which are presented in fair values.

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

2. BASIS OF THE FINANCIAL STATEMENTS (Continued)

2.1 Basis of Presentation (Continued)

Functional Currency

Consolidated financial statements of the Group are presented in TL which is the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the financial statements, the results and financial position are expressed in TL, which is the functional and presentation currency of the Group.

Restatement of Financial Statements in Hyperinflationary Periods

In accordance with the announcement made by POA on 23 November 2023 and the "Guidance on Financial Reporting in Hyperinflationary Economies" ('TAS 29'), the Group has prepared its financial statements for the reporting periods ending on or after 31 December 2023 by applying TAS 29 Financial Reporting in Hyperinflation Economies.

TAS 29 applies to the financial statements, including the consolidated financial statements, of each entity whose functional currency is the currency of a hyperinflationary economy.

According to the standard, financial statements prepared in the currency of a hyperinflationary economy are presented in terms of the purchasing power of that currency at the balance sheet date. Prior period financial statements are also presented in the current measurement unit at the end of the reporting period for comparative purposes. The Group has therefore presented its consolidated financial statements as of 31 December 2023, on the purchasing power basis as of 31 December 2024.

Pursuant to the decision of the CMB dated 28 December 2023 and numbered 81/1820, it has been decided that issuers and capital market institutions subject to financial reporting regulations that apply Turkish Accounting/Financial Reporting Standards will apply inflation accounting by applying the provisions of TAS 29 starting from their annual financial reports for the periods ending on 31 December 2023.

The Group's first application date of TMS 29 has been determined as 1 January 2022. As of 1 January 2022, retained earnings, including the Net Profit for the Period were amounting TL 716,032,801 before the inflation adjustments. The accumulated losses in the consolidated financial statements prepared in accordance with TAS 29 within the scope of the first inflation adjustment is TL 390,264,510 and the amount of this amount calculated according to the purchasing power of 31 December 2024 is TL 1,525,124,959.

The adjustments made in accordance with TAS 29 were made using the adjustment coefficient obtained from the Consumer Price Index ("CPI") of Türkiye published by the Turkish Statistical Institute ("TUIK").

As of 31 December 2024, the index and adjustment coefficients used in the correction of the consolidated financial statements are as follows:

Date	Index	Adjustment coefficient	Three-year cumulative inflation rates
31.12.2024	2,684.55	1.00000	291%
31.12.2023	1,859.38	1.44379	268%
31.12.2022	1,128.45	2.37897	156%

2. BASIS OF THE FINANCIAL STATEMENTS (Continued)

2.1 Basis of Presentation (Continued)

Restatement of Financial Statements in Hyperinflationary Periods (Continued)

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

- Current period consolidated 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.

- 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 profit/loss account in the consolidated income statement (Note 25).

Comparative Information and Restatement to Previous Year Financial Statements

The consolidated financial statements of the Group are prepared comparatively with the previous period in order to enable the determination of the financial position and performance trends. The Group has prepared the consolidated statement of financial position as of 31 December 2024 comparatively with the statement of financial position as of 31 December 2023 and the Group has compiled the comprehensive income statement, the cash flow statement and the statement of changes in equity for the period ended 31 December 2024 comparatively with the financial statements for the period ended 31 December 2023.

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

2. BASIS OF THE FINANCIAL STATEMENTS (Continued)

2.2 Basis of Presentation (Continued)

Going Concern

The consolidated financial statements have been prepared on the basis of the going concern assumption that the Group will benefit from its assets and fulfil its obligations within the next year during the natural course of its activities.

Basis for Consolidation

Subsidiaries

Subsidiaries are companies in which the Group has control, including structured entities. Control of the Group is ensured by the exposure to variable returns in these companies, the right to be entitled to these assets and the ability to influence them. Subsidiaries are consolidated by using the full consolidation method from the date of transition. They are excluded from the scope of consolidation as of the date on which the control is lost.

The assets, liabilities, equity items, income and expense accounts of the subsidiaries and cash flow movements are included in the consolidated financial statements by full consolidation method. The carrying values of the shares of Park Elektrik and its subsidiary are eliminated against the related equity.

Subsidiaries	**Current Operations**	**Total ownership ratio (%)**
Konya Ilgın	Coal production and sale	100.00

2.2 New and Revised Turkish Financial Reporting Standards

a) Amendments that are mandatorily effective from 2024

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

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

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

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.

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

2. BASIS OF THE FINANCIAL STATEMENTS (Continued)

2.1 New and Revised Turkish Financial Reporting Standards (Continued)

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

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

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

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

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

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

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

TSRS 2 *Climate-related Disclosures*

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

Since the Company does not meet the aforementioned criteria, the Company is not obliged to report in accordance with TSRS standards in the 2024 accounting period.

The amendments did not have a significant impact on the consolidated financial position or performance of the Group.

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

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

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

TFRS 17 *Insurance Contracts*

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

2. BASIS OF THE FINANCIAL STATEMENTS (Continued)

2.2 New and Revised Turkish Financial Reporting Standards (Continued)

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

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

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

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

Amendments are effective with the first application of TFRS 17.

Amendments to TAS 21 Lack of Exchangeability

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

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

2.3 Changes in Accounting Policies and Estimates and Errors

Major accounting errors detected are applied retrospectively and prior period financial statements are restated. The effect of change in accounting estimates shall be recognized prospectively, if the change affects that period only; or period of the change and future periods, if the change affects both. The effect of change in accounting estimate shall be recognized prospectively and prior period financial statements are restated.

The accounting policies used in the preparation of the consolidated financial statements for the year ended 31 December 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 Summary of Significant Accounting Policies

Related Parties

A related party is a person or entity that is related to the entity that is preparing its financial statements (reporting entity).

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

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

2. BASIS OF THE FINANCIAL STATEMENTS (Continued)

2.4 Summary of Significant Accounting Policies (Continued)

Related Parties (Continued)

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

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

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

Revenue

The Group adopted TFRS 15 "Revenue From Contracts with Customers" which proposes a five step model framework mentioned below for recognizing the revenue.

- Identify the contact with customers
- Identify separate performance obligations in the contract
- Determine the transaction price in contract
- Allocate the transaction price to the performance obligations in the contract
- Recognise revenue

The Group assess the goods or services promised in a contract with a customer and identify as a performance obligation each promise to transfer to the customer.

For each performance obligation identified, the entity determines at contract inception whether it satisfies the performance obligation over time or satisfies the performance obligation at a point in time. If the Group transfers control of a good or service over time and therefore satisfies a performance obligation and recognises revenue over time.

The Group recognises revenue when the entity satisfies a performance obligation by transferring a promised good or service to the customer. An asset is transferred when (or as) the customer obtains control of that asset or service.

2. BASIS OF THE FINANCIAL STATEMENTS (Continued)

2.4 Summary of Significant Accounting Policies (Continued)

Revenue (Continued)

The Group considers the following in the assessment of transfer of control of goods sold and services,

a) The entity has a right to payment for the goods or service,
b) The customer has legal title to the goods or service,
c) The entity has transferred physical possession of the asset,
d) The customer has the significant risks and rewards related to the ownership of the goods or services,
e) The customer has accepted the goods or services.

The Company does not adjust the promised amount of consideration for the effects of a significant financing component since the Company expects, at contract inception, that the period between when the entity transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less. If the financing component is significant in revenue, future collections are discounted by the interest rate in financing component. The difference is recognised as income from operating activities in current period.

The Group's revenue is mainly obtained from royalty income and coal sales, and the control of coal is transferred to the clients at the mine site and the transport of the coal is the client's responsibility as per the relevant coal sales agreements. The royalty income is accrued on the basis of production during the relevant period and recorded as revenue.

Dividend and Interest Income

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

Dividend revenue from investments is recognized when shareholders have the right to receive such payment.

Inventories

Inventories are stated at the lower of indexed cost and net realizable value. Costs, including an appropriate portion of fixed and variable overhead expenses, are assigned to inventories held by the method most appropriate to the particular class of inventory, with the majority being valued on a weighted average out basis. Net realizable value represents the estimated selling price less all estimated costs of completion and costs necessary to make a sale. When the net realizable value of inventory is less than cost, inventory is written down to net realizable value and expense is included in statement of income/(loss) in the period in which the write-down or loss occurred. When circumstances that previously caused inventories discounted to net realizable value no longer exist or when there is clear evidence of an increase in net realizable value because of the changes in economic circumstances, the amount of the write-down is reversed. The reversal amount is limited to the amount of the initial write-down.

2. BASIS OF THE FINANCIAL STATEMENTS (Continued)

2.4 Summary of Significant Accounting Policies (Continued)

Property, Plant and Equipment

The plant, machinery and equipment kept in use in the production or delivery of goods or services are re-valued, vehicles, furniture and fixtures and construction in progress are expressed in indexed cost values. The revalued amount is determined by deducting the accumulated depreciation and the accumulated impairment in the periods after the fair value determined at the revaluation date. Revaluations are carried out at regular intervals in a way that does not significantly differ from the carrying value of the fair value to be determined on the date of the statement of financial position.

Any revaluation increase arising on the revaluation of such plant, machinery and equipment is recognized in revaluation fund under equity. If there is a revaluation decrease for the same asset previously recognized in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such plant, machinery and equipment is recognized in profit or loss to the extent that it exceeds the balance, if any, held in the property's revaluation reserve relating to a previous revaluation of that asset.

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

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

Estimated useful lives of property, plant and equipment are as follows:

	<u>**Useful life**</u>
Land Improvements	8 - 30 years
Plant, machinery and equipment	5 - 25 years
Vehicles	4 - 5 years
Furniture and fixtures	4 - 20 years
Other property, plant and equipment	10 - 15 years

<u>*Mine Research and Assessment Expenses*</u>

Costs associated with mine preparation expenses (geophysical, topographical, geological etc.) are recognized as an expense as incurred, except where they are expected to contribute to sustainable capital growth in the future. In such cases, those expenses are capitalized and depreciated over the useful life of the mine (total reserve amount) when the mine reaches its trading production capacity. Research and preparation costs written off as expense prior to the development and construction period of a mine cannot be capitalized even though a mine reserve with trading nature is explored following the related period. Estimated useful life, residual value and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in the estimates being accounted for on a prospective basis.

<u>*Mine Preparation and Development Expenses*</u>

After the technical feasibility and commercial applicability of extracting ore from a mine resource is provable, the expenses are capitalised as mine preparation and development expenses. During the development of the mine, the stripping costs incurred both before and after production (removal of the covering layer, etc.) are part of the cost of the mine.

2. BASIS OF THE FINANCIAL STATEMENTS (Continued)

2.4 Summary of Significant Accounting Policies (Continued)

Property, Plant and Equipment (Continued)

Mine Preparation and Development Expenses (Continued)

The material removed during the stripping phase of mining consists of a mixture of coal and waste. Some of the stripping costs that occur when the ore waste rate is low and provides benefits such as facilitating access to the ore, which can be used in coal production, and to ease accessing more coal in the future. The Group accounts for the stripping assets under the mining assets when it is likely to achieve future economic benefits related to the stripping process and when it is applicable to recognize the part of the coal that is easy to access and to reliably measure the relevant stripping costs. In this framework, should the actual stripping rate be higher than the estimated average stripping rate calculated considering the current mining period plan of the Group, a portion of the stripping costs incurred within the year is capitalised in the framework of the above-mentioned rates. The changes in the planned average stripping rate are recognised prospectively.

The mitigation, rehabilitation and closing costs of the mining fields, which are based on the current condition of the mining fields and arise from open quarry mining field development activities and production carried out in the open quarry, reflect the provision for potential expenses during the closing and rehabilitation of the mines in the financial statements based on the reduced cost values as of the balance sheet date. The above-mentioned provisions are reduced using a discount rate that does not include the risk before tax related to the estimation of future cash flow, considering the risk related to the interest rate and the liability in the markets related to the value at the balance sheet date, and the calculations are reviewed in each balance sheet period. The changes caused by the changing method estimations used in the calculation of the mitigation, rehabilitation and closing of the mining fields are reflected in the mining field mitigation, rehabilitation and closing costs.

Mine preparation and development costs consist of the costs incurred for the development of the mine, especially the stripping, the rehabilitation cost of the mine site, the expropriation costs of the mine lands and dewatering costs of the mine site and are amortized proportionally to the production amount during the mine production.

Intangible Assets Acquired

Intangible fixed assets acquired separately are carried at cost, less accumulated amortization and any accumulated impairment losses. Amortization is charged on a straight-line basis over their estimated useful lives. Estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in the estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

	Useful life
Rights	3 - 30 years

Computer Software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful lives.

2. BASIS OF THE FINANCIAL STATEMENTS (Continued)

2.4 Summary of Significant Accounting Policies (Continued)

Impairment of Property, Plant and Equipment and Intangible Assets Other Than Goodwill

At each reporting period, the Group reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than it is carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Financial Instruments

Financial Assets

Classification and measurement

Financial assets are classified by Group into the following specified categories; financial assets recognized at amortized costs, financial assets which change in fair value is reflected to other comprehensive income statement and financial assets which change in fair value is reflected to profit or loss. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. The Group classifies the financial assets on purchase date.

2. BASIS OF THE FINANCIAL STATEMENTS (Continued)

2.4 Summary of Significant Accounting Policies (Continued)

Financial Instruments (Continued)

Financial Assets (Continued)

Financial assets recognized at amortized costs

"Financial assets measured at amortized cost" are financial assets held for trading under a business model which aims to collect cash flows and includes cash flows of principal and interest generated from the principal balance with respect to specific dates of contractual terms, has no transaction in market and is non-derivative. Financial assets with maturities less than 12 months are classified as current assets and as non-current assets if more than 12 months. Financial assets of the Group that are recognized at amortized cost include "cash and cash equivalents" and "trade receivables".

Impairment in trade receivables

The Group has chosen simplified approach for the calculation of impairment of trade receivables that do contain a significant financing component and accounted at amortised cost. In accordance with the simplified approach, Group measures the loss allowances regarding its trade receivables at an amount equal to "lifetime expected credit losses" except incurred credit losses in which trade receivables are already impaired for a specific reason date. The Group uses a provision matrix in the calculation of expected credit losses. Since the change in expected credit loss provisions is not material, it is not accounted in consolidated income statement. For each reporting period, the recalculation is made and revaluated. Provision is recalculated and revised each reporting period if necessary.

i) Financial assets measured at fair value

The assets are classified as "assets recognized at fair value" once the management adopts the business model of collecting and / or selling contract cash flows. If management does not intend to derecognize the related assets within 12 months from the balance sheet date, assets are classified as non-current assets. The Group makes an irrevocable decision during initial recognition of equity based investments by recognizing fair value difference of the investment in other comprehensive income or profit or loss.

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

Financial assets recognized as other comprehensive income at fair value are presented as "financial investments" in the financial statements. The fair value difference of the assets recognized as other comprehensive income can be classified as retained earnings in case they are sold.

Recognition and Derecognition of Financial Assets

All purchases and sales of financial assets are recognized on the trade date i.e. the date that the Group commits to purchase or to sell the asset. These purchases and sales are generally purchases and sales that require the delivery of the financial asset within the time frame determined by the general customs and regulations in the market.

2. BASIS OF THE FINANCIAL STATEMENTS (Continued)

2.4 Summary of Significant Accounting Policies (Continued)

Financial Instruments (Continued)

Recognition and Derecognition of Financial Assets (Continued)

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized where:

- The rights to receive cash flows from the asset have expired
- The Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or
- The Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the assets.

Where the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the consolidated financial statements.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired.

Financial Liabilities

When a financial liability is recognized initially, the Group measures it at its fair value plus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial liability. After initial recognition, the Group measures all financial liabilities at amortised cost using the effective interest method.

Business Combinations and Goodwill

Business combinations that are not under common control are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognized in profit or loss as incurred. At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value.

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

2. BASIS OF THE FINANCIAL STATEMENTS (Continued)

2.4 Summary of Significant Accounting Policies (Continued)

Business Combinations and Goodwill (Continued)

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another TFRS.

The Group purchased 100% shares of Konya Ilgın from Park Holding A.Ş. and Turgay Ciner with the approval of purchase decision in General Assembly meeting dated 10 May 2017. This transaction was concluded to be as business combinations under common control. Within the scope of "Accounting of the business combinations under common control" promulgated in the Official Gazette dated 21 July 2013 the by the POA, it was stated that goodwill will not be included in consolidated financial statements prepared, that consolidated financial statements shall be adjusted as if the business combination took place at the beginning of the reporting period when the common control emerged and the financial statements shall be presented in comparison as of the beginning of that reporting period, and that "Impacts of the Business and Entity Combinations Under Common Control" account will be used as a balancing account under shareholders equity to eliminate potential assets/ liabilities mismatch to arise as a result of business combinations under common control. The amount in related accounts was reclassified to retained earnings in accordance with TAS 29.

It would be appropriate to consider the accounting of business combinations under common control to consolidated financial statements considering the carrying values of assets and liabilities of the acquired entity from the consolidated financial statements of the highest entity that has common control for which consolidated financial statements are prepared. Therefore, on the date when and after the Company takes control of the companies under common control, the consolidated financial statements should be restated retrospectively to reflect the financial statement line items recognised at the time of Konya Ilgın's acquisition by Park Holding A.Ş., which controls the Group.

Effects of Change in Foreign Currency Rates

Foreign Currency Transactions and Balances

In preparing the financial statements, transactions in foreign currencies (currencies other than TL) are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Earnings Per Share

Earnings per share disclosed in the accompanying statement of income are determined by dividing net income by the weighted average number of shares circulating during the related period.

In Türkiye, companies can increase their share capital by making a pro-rata distribution of shares ("bonus shares") to existing shareholders. In computing earnings per share, such bonus share distributions are treated as issued shares. Accordingly, the retrospective effect for such share distributions is taken into consideration in determining the weighted-average number of shares outstanding used in this computation.

2. BASIS OF THE FINANCIAL STATEMENTS (Continued)

2.4 Summary of Significant Accounting Policies (Continued)

Events After the Reporting Period

Events after the reporting period comprise any events between the balance sheet date and the date of authorization of the financial statements for issue, even if any events after the balance sheet date occurred subsequent to the announcement of the Group's profit or the publicly disclosed financial information.

The Group adjusts the amounts recognized in its financial statements if adjusting events occur after the balance sheet date.

Provisions, Contingent Assets and Liabilities

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

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date considering the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, it carrying amount is the present value of those cash flows.

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

<u>Environmental Liabilities</u>

The Group is subject to extensive environmental controls and regulations in Türkiye. The activities of the Group may result in negative impact for the land structure and surrounding plant and other living tissue as result of the various pollutant materials and substances spread around as waste.

The Group management is convinced to be fully compliant with all laws and regulations related to the current environment in Türkiye. However, environmental laws and regulations are changing over time and making continuous improvement. In this context, the Group cannot predict the time or extent of changes that may occur in the environmental legal framework. Such changes may require the Group to modernize its technology to comply with environmental standards that will become more stringent if they occur.

Group: within the scope of various mining license contracts, following the end of mining activities, should reinstate the environment by removing the facilities and other assets that it has used in mining. The Group management considers that its environmental obligations include the following:

- Rehabilitation of the land structure and other types of continuous rehabilitation
- Taking out the assets used during mining activities and ensure the safety of the surrounding population and the environment, buildings and other facilities.

The extent of environmental obligations and the costs expected to be incurred in the future are difficult to predict in terms of their structure and are dependent on the scale of the activities undertaken and the timing and development of legal regulations. As of 31 December 2024, the necessary provisions on environmental liabilities have been capitalized in mine preparation development expenses and will be amortized proportionally with the production amount during the mine production.

2. BASIS OF THE FINANCIAL STATEMENTS (Continued)

2.4 Summary of Significant Accounting Policies (Continued)

Operating Segments

The information used by the Group Management to decide on performance evaluation and resource allocation is related to the "Mining" segment in Türkiye, which operates in a single business.

Investment Properties

Investment properties are properties held to earn rentals and/or for capital appreciation, including property under construction for such purposes. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value. Gains or losses arising from changes in the fair values of investment properties are included in the profit or loss in the year in which they arise. At reporting dates when the new fair values are not determined, investment properties are adjusted by using the relevant adjustment factors to reflect the current purchasing power.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognized.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under Property, Plant and Equipment up to the date of change in use.

Taxes Calculated on Corporate Income

Income tax expenses represent the sum of current and deferred tax expenses.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from ‘profit before tax’ as reported in the statement of profit or loss of items of income or expense that are taxable or deductible in other years and it excludes items that are never taxable or deductible. The Group’s current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred Tax

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

2. BASIS OF THE FINANCIAL STATEMENTS (Continued)

2.4 Summary of Significant Accounting Policies (Continued)

Taxes Calculated on Corporate Income (Continued)

Deferred Tax (Continued)

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

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

Corporate and Deferred Tax

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

Employee Benefits

Retirement Pay Provisions

Under the Turkish law and union agreements, severance payments are made to employees retiring or involuntarily leaving the Group. Such payments are considered as part of defined retirement benefit plans as per Turkish Accounting Standard 19 (Revised) "Employee Benefits" ("TAS 19").

The retirement benefit obligation recognized in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognized actuarial gains and losses and reflected in the financial statements. All actuarial gains and losses calculated are presented in the statement of comprehensive income.

Statement of Cash Flows

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

Share Capital and Dividends

Common shares are classified as equity. Dividends on common shares are recognized in equity in the period in which they are approved and declared.

2. BASIS OF THE FINANCIAL STATEMENTS (Continued)

2.5 Significant Accounting Estimates and Assumptions

The Group has estimates and assumptions for the future. The estimates and assumptions that could cause significant adjustments in the carrying value of assets and liabilities in the upcoming financial reporting period are as follows:

Provisions for Legal Cases

As detailed and disclosed in Note 14, the Group is involved in a number of legal proceedings (both as a plaintiff and as a defendant) during the year arising in the ordinary course of business. All of these litigations are evaluated by the Group Management in accordance with TAS 37 "Provisions, Contingent Liabilities and Contingent Assets" and disclosed or accounted in the consolidated financial statements.

Future results or outcome of these litigations might differ from Group Management's expectations. As at the reporting date, the Group Management believes that appropriate recognition criteria and measurement basis are applied to provisions, contingent liabilities and contingent assets and that sufficient information is disclosed in the notes to enable users to understand their nature, timing and amount by considering current conditions and circumstances.

Environmental Obligations

Estimated environmental obligations, comprising rehabilitation and mine closures are based on the Group's environmental management plans in compliance with current technological, environmental and local regulatory requirements. Estimated environmental obligations are also affected by the discount rates applied and amendments in the environmental management plans due to the changes in estimations of proven and probable reserves deviations from projected production plan, use of pattern and physical conditions. Key assumptions are reviewed regularly. Factors that will affect this liability include future development, changes in technology, price increases and changes in interest rates.

As of 31 December 2024, the provision for cost of mine rehabilitation for mine site in Konya Ilgın, was prepared by the management based on the estimates. The present value of the balance is determined by considering the long-term inflation and bond rates accordingly. Related discount rate is used to discount the liabilities from 2059 which is the expected date of realization.

Useful lives for Property, Plant and Equipment and Intangible Assets

The Company evaluates the useful lives of its property, plant and equipment and intangible fixed assets as of the end of each period. The Company, concerning the purposes of use of its property, plant and equipment and intangible fixed assets, related technological developments and management; takes into account the useful life and all other factors that reduce or extend the depreciation of property, plant and equipment and intangible assets.

In the Group's current mining planning, an average stripping rate for the amortization of the mining assets at the planning date is calculated considering the stripping rate expected during planning and the amount of coal expected to be accessed in return for this stripping rate. Changes in the planned estimated stripping rate are reviewed each reporting period and are recognized prospectively.

2. BASIS OF THE FINANCIAL STATEMENTS (Continued)

2.5 Significant Accounting Estimates and Assumptions (Continued)

Impairment of Property, Plant and Equipment and Intangible Assets

Due to the cancellation of Konya Ilgın's electricity generation license by EMRA, the Group has assessed whether there is any impairment on its property, plant and equipment and intangible assets related to the power plant investment and coal mining activities carried out within Konya Ilgın. The lignite production activity carried out in the field with license number 1247, which is operated under royalty agreement within the scope of the pre-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 operate, is not tied to any requirement to establish any power plant or similar facility. The field with license number 2444, which is a continuation of the field with license number 1247, where coal production activities are expected to continue in the future, is directly owned by Konya Ilgın and license is valid until 4 March 2043. In this context, it has been evaluated whether there is any indication that the book values of the related assets may be impaired and whether the book values of the related assets have exceeded their recoverable amounts and whether there is any indication that the book values of the related assets may be impaired. Even if the license cancellation decision is subject to judicial review and there is no finalized decision yet, by taking into account the fact that, in case power plant investment cannot be realized, it does not prevent the Group from continuing coal production activity in related mine sites, so it has been concluded that the carrying values of the assets do not exceed their recoverable values and no impairment has been recognized. The relevant assessment will be performed at each reporting date according to the developments in the judicial process, and as of the date of this report, judicial process is not finalized.

Income Taxes

Significant judgment is required to determine the Group provision for income taxes. The Group estimates its liabilities for tax obligations as well as the utilization of available loss carry forwards. When the final tax outcome is known, the actual positions may vary from these estimates and adjustments to deferred income tax positions may be required.

Fair Value of Investment Properties and Plant, Machinery and Equipment

The assumptions used in the valuation reports used to determine the fair value of the investment properties and plant, machinery and equipment classified in the consolidated financial statements are as follows:

Investment Properties

In 2024, the Group has undertaken revaluation studies to determine the fair value of investment property.

The methods used to determine the fair value of the properties in consolidated financial statements, classified as investment property by valuation experts are cost and comparative market approach.

Plant, Machinery and Equipment

In 2024, the Group has undertaken revaluation studies to determine the fair value of plant, machinery and equipment. In this regard, certain plant, machinery and equipment of the Group has been impaired and impairment losses are recognised in the statement of profit or loss if they exceed the revaluation reserve and/or revaluation fund amount. These impairment losses generally arise from the increase in the fair value of the related assets below the inflation rates (Note 10).

The methods used to determine the fair value of the plant, machinery and equipment in consolidated financial statements, by valuation experts are cost and comparative market approach.

3. OPERATING SEGMENTS

None.

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

4. RELATED PARTY DISCLOSURES

Due from Related Parties

		31 December 2024			
Receivables due from Related Parties	Type of Relationship	Trade Receivables	Other Current Receivables	Other Non-Current Receivables	Total
Park Holding A.Ş.	Shareholder	-	134,331,986	-	134,331,986
Eti Soda Üretim Paz. Nak. ve Elekt. Üretim San. ve Tic. A.Ş.	Related Company	37,300,309	-	-	37,300,309
Total		37,300,309	134,331,986	-	171,632,295

		31 December 2023			
Receivables due from Related Parties	Type of Relationship	Trade Receivables	Other Current Receivables	Other Non-Current Receivables	Total
Park Holding A.Ş.	Shareholder	-	317,723,379	482,231,820	799,955,199
Eti Soda Üretim Paz. Nak. ve Elekt. Üretim San. ve Tic. A.Ş.	Related Company	40,403,371	-	-	40,403,371
Total		40,403,371	317,723,379	482,231,820	840,358,570

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

4. RELATED PARTY DISCLOSURES (Continued)

Due to related parties

		31 December 2024		
Current Payables to Related Parties	Type of Relationship	Trade Payables	Other Payables	Total
Park Holding A.Ş.	Shareholder	567,005	-	567,005
Ciner Turizm Tic. İnş. Servis Hizm. A.Ş.	Group Company	15,720	-	15,720
Dividend payables due to other related parties	Shareholder	-	3,890	3,890
Total		582,725	3,890	586,615

		31 December 2023		
Current Payables to Related Parties	Type of Relationship	Trade Payables	Other Payables	Total
Park Holding A.Ş.	Shareholder	670,928	-	670,928
Ciner Turizm Tic. İnş. Servis Hizm. A.Ş.	Group Company	29,289	-	29,289
Dividend payables due to other related parties	Shareholder	-	3,461	3,461
Total		700,217	3,461	703,678

The monthly interest rates are as follows:

	2024		2023	
	TL	USD	TL	USD
January - March	54.36%	5.38%	20.33%	5.30%
April - June	64.42%	5.31%	24.44%	5.64%
July - September	49.88%	4.86%	34.28%	6.15%
October - December	49.43%	4.49%	49.29%	6.23%

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

4. RELATED PARTY DISCLOSURES (Continued)

Goods and Services Purchased from Related Parties

		31 December 2024					
Purchases of Goods and Services from Related Parties	Type of Relationship	Service	Non-Current Asset	Finance Expense	Rent	Other	Total
Park Holding A.Ş.	Shareholder	3,150,146	-	492,043	304,206	2,781,957	6,728,352
Park Teknik Elekt. Maden.Tur. San. Tic. A.Ş.	Group Company	1,430,875	233,381	5,235	-	-	1,669,491
Silopi Elektrik Üretim A.Ş.	Group Company	-	-	-	-	316,391	316,391
Ciner Turizm Tic. İnş. Servis Hizm. A.Ş.	Group Company	-	-	-	208,592	10,826	219,418
Kasımpaşa Sportif Faaliyetler A.Ş.	Group Company	-	-	-	-	721,309	721,309
Paşalimanı İthalat İhracat ve Ticaret A.Ş.	Group Company	-	-	-	2,980,210	3,196	2,983,406
		4,581,021	233,381	497,278	3,493,008	3,833,679	12,638,367

		31 December 2023					
Purchases of Goods and Services from Related Parties	Type of Relationship	Service	Non-Current Asset	Finance Expense	Rent	Other	Total
Park Holding A.Ş.	Shareholder	3,101,887	-	172,146	6,300,345	5,526,591	15,100,969
Park Teknik Madencilik Turizm San.ve Tic. A.Ş.	Group Company	-	-	1,855	-	-	1,855
Park Sigorta Aracılık Hiz. A.Ş.	Group Company	3,975	-	-	-	-	3,975
Silopi Elektrik Üretim A.Ş.	Group Company	-	649,746	-	-	270,125	919,871
Ciner Turizm Tic. İnş. Servis Hizm. A.Ş.	Group Company	-	-	-	411,812	25,369	437,181
		3,105,862	649,746	174,001	6,712,157	5,822,085	16,463,851

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

4. RELATED PARTY DISCLOSURES (Continued)

Goods Sold and Services Rendered to Related Parties

		31 December 2024		
Sales of Goods and Services to Related Parties	Type of Relationship	Sales of goods	Finance Income	Total
Park Holding A.Ş.	Shareholder	-	147,129,894	147,129,894
Eti Soda Üretim Paz. Nak. ve Elekt. Üretim San. ve Tic. A.Ş.	Related Company	344,354,753	-	344,354,753
		344,354,753	147,129,894	491,484,647

		31 December 2023		
Sales of Goods and Services to Related Parties	Type of Relationship	Sales of goods	Finance Income	Total
Park Holding A.Ş.	Shareholder	-	674,180,161	674,180,161
Silopi Elektrik Üretim A.Ş.	Group Company	91,601	-	91,601
Eti Soda Üretim Paz. Nak. ve Elekt. Üretim San. ve Tic. A.Ş.	Related Company	345,861,471	639,598	346,501,069
Park Teknik Madencilik Turizm San.ve Tic. A.Ş.	Group Company	7,464	-	7,464
		345,960,536	674,819,759	1,020,780,295

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

4. RELATED PARTY DISCLOSURES (Continued)

Benefits Provided to Key Management Personnel

	1 January- 31 December 2024	1 January- 31 December 2023
Salaries, premiums and other similar benefits	1,410,838	1,124,224
	1,410,838	1,124,224

(*) Apart from members of the Board of Directors, the key management consists of General Manager, Deputy General Managers and executives with titles above manager in hierarchy of the Company and its subsidiary. Among key management personnel, only the independent members of the Board of Directors are paid in line with the decision taken at the Ordinary General Assembly meeting and no payment is made to the other Board members due to their duties in the Board of Directors.

Park Holding A.Ş.

Group, in line with its cash management policy, may fund Park Holding A.Ş., the controlling shareholder of the Group, or obtain funds from Park Holding A.Ş. if needed. The Group charges or charged interest related with financial receivables and payables at the interest rates stated above.

As discussed above, the Group applies interest for all financial and commercial transactions with related parties. Group recognized financial income amounting to TL 147,129,894 as of 31 December 2024 from Park Holding A.Ş. (31 December 2023: TL 674,180,161).

The Group's other receivables from Park Holding A.Ş. as of 31 December 2024 is TL 134,331,986 (31 December 2023: TL 799,955,199). As of 31 December 2024, other receivable balance consists of both foreign currency and Turkish Lira denominated receivables, with USD denominated amount is equal to USD 3,518,109 (31 December 2023: USD 18,095,960).

The main shareholder of the Company, Park Holding A.Ş. provides Group companies with the management services needed to carry out their activities properly. These services include but not limited to, fulfilment of procurement functions, fulfilment of information processing investments, supply of technical information and support for human resources processes, financial reporting, audit, 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 allocated area of the real estate owned by Paşalimanı İthalat İhracat ve Ticaret A.Ş., a subsidiary of Park Holding A.Ş., as the headquarter and bears the rent and similar usage and operating expenses.

Other Group Companies

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

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

The Group leases cars from Ciner Turizm Ticaret İnşaat Servis Hizmetleri A.Ş.

The Group renders insurance services 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.

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

5. TRADE RECEIVABLES AND PAYABLES

Trade Receivables

Current trade receivables	31 December 2024	31 December 2023
Trade receivables	96,457,296	76,927,203
Trade receivables due from related parties (Note 4)	37,300,309	40,403,371
Provision for doubtful trade receivables (-)	(24,249,916)	(29,685,261)
	109,507,689	87,645,313

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

The maturity analysis of the receivables is provided in Note 21.

The maturity analysis of past due doubtful receivables is as follows:

	31 December 2024	31 December 2023
More than 5 years overdue	24,249,916	29,685,261
	24,249,916	29,685,261

The Group has set provision for its doubtful receivables. Provision for doubtful receivables is 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.

The movement of allowance for doubtful receivables is as follows:

Movement of provision for doubtful receivables	1 January- 31 December 2024	1 January- 31 December 2023
Opening balance (-)	(29,685,261)	(31,577,466)
Effect of foreign exchange differences	(3,689,233)	(10,521,028)
Monetary loss/(gain)	9,124,578	12,413,233
Closing balance	(24,249,916)	(29,685,261)

Trade Payables

Current trade payables	31 December 2024	31 December 2023
Trade payables	93,867,669	69,418,916
Trade payables due to related parties (Note 4)	582,725	700,217
	94,450,394	70,119,133

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

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

6. OTHER RECEIVABLES AND PAYABLES

Other Current Receivables	31 December 2024	31 December 2023
Other receivables due from related parties (Note 4)	134,331,986	317,723,379
Deposits and guarantees given	607,690	608,552
Other miscellaneous receivables	940,587	1,372,366
Provision for other doubtful receivables (-)	(850,518)	(1,227,967)
	135,029,745	318,476,330

Other Non-Current Receivables	31 December 2024	31 December 2023
Deposits and guarantees given	589,717	777,637
Other receivables due from related parties (Note 4)	-	482,231,820
	589,717	483,009,457

Other Current Payables	31 December 2024	31 December 2023
Other payables due to related parties (Note 4)	3,890	3,461
Deposits and guarantees received (*)	11,014,647	13,435,197
Other miscellaneous payables	463	56,666
	11,019,000	13,495,324

(*) The balances are composed of deposits and guarantees received from customers and suppliers as of 31 December 2024.

Other Non-Current Payables	31 December 2024	31 December 2023
Deposits and guarantees received (*)	8,838,115	10,672,247
	8,838,115	10,672,247

(*) The balances are composed of deposits and guarantees received from customers and suppliers as of 31 December 2024.

7. PREPAID EXPENSES AND DEFERRED INCOME

Current Prepaid Expenses	31 December 2024	31 December 2023
Order advances given	-	27,571,246
Prepaid expenses	6,023,724	8,403,435
	6,023,724	35,974,681

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

7. PREPAID EXPENSES AND DEFERRED INCOME (Continued)

Current Deferred Income	31 December 2024	31 December 2023
Deferred income	142,177	15,210,867
	142,177	15,210,867

8. INVENTORIES

Current Inventories

	31 December 2024	31 December 2023
Raw materials	1,644,968	3,069,487
Finished goods (*)	59,971,041	56,391,885
Other inventories	135,091	195,043
	61,751,100	59,656,415

(*) Finished goods consist of coal inventory.

Non-Current Inventories

	31 December 2024	31 December 2023
Non-Current inventories	176,222	1,029,637
	176,222	1,029,637

9. INVESTMENT PROPERTIES

	1 January-31 December 2024	1 January-31 December 2023
Opening balance	1,685,839,851	1,288,912,678
Additions related to investment property	-	3,220,583
Increase / (decrease) in fair value of investment properties (Note 19)	20,460,599	393,706,590
Closing balance	1,706,300,450	1,685,839,851

As of 31 December 2024, there is no mortgage or pledge on the Group's investment properties (31 December 2023: None).

Real estate rental income earned by the Group from investment properties, all of which are leased under operating leases, amounts to TL 17,767,009 (31 December 2023: TL 17,521,621) (Note 19).

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

9. INVESTMENT PROPERTIES (Continued)

As of 31 December 2024, fair values of the investment properties are determined by real estate valuation companies, that are accredited by CMB, in accordance with capital market legislations. The approaches used in determining the fair value of investment properties are comparative market approach and cost approach.

Fair value hierarchy in valuation of investment properties as of 31 December 2024 is as follows:

		Fair value level as of reporting date		
	31 December 2024	Level 1 TL	Level 2 TL	Level 3 TL
Lands	**874,593,587**	-	874,593,587	-
Ceyhan	643,044,112	-	643,044,112	-
Edirne	230,475,946	-	230,475,946	-
Siirt	1,073,529	-	1,073,529	-
Buildings	**831,706,863**	-	831,706,863	-
Ceyhan	185,954,809	-	185,954,809	-
Edirne	62,805,000	-	62,805,000	-
Şişhane	580,800,000	-	580,800,000	-
Siirt	2,147,054	-	2,147,054	-

		Fair value level as of reporting date		
	31 December 2023	Level 1 TL	Level 2 TL	Level 3 TL
Lands	**865,843,222**	-	865,843,222	-
Ceyhan	642,932,963	-	642,932,963	-
Edirne	221,836,730	-	221,836,730	-
Siirt	1,073,529	-	1,073,529	-
Buildings	**819,996,629**	-	819,996,629	-
Ceyhan	192,018,134	-	192,018,134	-
Edirne	59,808,906	-	59,808,906	-
Şişhane	566,022,535	-	566,022,535	-
Siirt	2,147,054	-	2,147,054	-

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

10. 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
Cost value								
Opening balance as of 1 January 2024	17,231,108	1,929,680,850	79,213,355	2,488,761	6,484,808	2,075,383	57,532,178	2,094,706,443
Additions (*)	-	658,782,210	738,183	-	61,447	-	4,601,737	664,183,577
Transfers from construction in progress	-	23,339,965	-	-	-	1,665,823	(25,005,788)	-
Fair value differences	-	-	(446,456)	-	-	-	-	(446,456)
Provision for mine rehabilitation	-	13,376,451	-	-	-	-	-	13,376,451
Provision for impairment	-	-	(4,565,504)	-	-	-	-	(4,565,504)
Closing balance as of 31 December 2024	17,231,108	2,625,179,476	74,939,578	2,488,761	6,546,255	3,741,206	37,128,127	2,767,254,511
Accumulated Depreciation								
Opening balance as of 1 January 2024	2,183,788	734,771,453	10,234,745	2,142,497	5,039,795	399,743	-	754,772,021
Charge for the year	774,712	258,545,518	5,606,370	171,473	299,772	335,408	-	265,733,253
Closing balance as of 31 December 2024	2,958,500	993,316,971	15,841,115	2,313,970	5,339,567	735,151	-	1,020,505,274
Carrying value as of 31 December 2024	14,272,608	1,631,862,505	59,098,463	174,791	1,206,688	3,006,055	37,128,127	1,746,749,237

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

As of 31 December 2024, TL 265,644,721 (31 December 2023: TL 236,526,182) of the period depreciation is included in the cost of sales and TL 88,532 (31 December 2023: TL 318,098) in general administrative expenses. Provision for impairment is recognized in Note 19.

As of 31 December 2024, there is no mortgage or pledge on the Group's property, plant and equipment.

Fair value of Group's plant, machinery and equipment are determined by real estate valuation companies, that are accredited by CMB, in accordance with capital market legislations. The approaches used in determining the fair value of investment properties are comparative market approach and cost approach.

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

10. PROPERTY, PLANT AND EQUIPMENT (Continued)

	Land improvements	Mining assets	Plant, machinery and equipment	Vehicles	Furniture and fixtures	Other property, plant and equipment	Construction in progress	Total
Cost value								
Opening balance as of 1 January 2023	16,093,289	1,435,376,379	71,284,125	2,519,008	6,212,369	2,012,616	52,969,288	1,586,467,074
Additions (*)	1,137,819	501,805,022	2,581,455	-	345,773	117,292	4,562,890	510,550,251
Disposals	-	-	(154,038)	(30,247)	(73,334)	(54,525)	-	(312,144)
Fair value differences	-	-	5,501,813	-	-	-	-	5,501,813
Provision for mine rehabilitation	-	(7,500,551)	-	-	-	-	-	(7,500,551)
Closing balance as of 31 December 2023	17,231,108	1,929,680,850	79,213,355	2,488,761	6,484,808	2,075,383	57,532,178	2,094,706,443
Accumulated Depreciation								
Opening balance as of 1 January 2023	1,492,043	503,981,832	5,583,051	1,955,850	4,800,933	226,535	-	518,040,244
Charge for the year	691,745	230,789,621	4,699,164	205,552	261,362	196,836	-	236,844,280
Disposals	-	-	(47,470)	(18,905)	(22,500)	(23,628)	-	(112,503)
Closing balance as of 31 December 2023	2,183,788	734,771,453	10,234,745	2,142,497	5,039,795	399,743	-	754,772,021
Carrying value as of 31 December 2023	15,047,320	1,194,909,397	68,978,610	346,264	1,445,013	1,675,640	57,532,178	1,339,934,422

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

As of 31 December 2023 there is no mortgage or pledge on the Group's property, plant and equipment.

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

10. PROPERTY, PLANT AND EQUIPMENT (Continued)

Fair value hierarchy in valuation of plant, machinery and equipment as at 31 December 2024 and 31 December 2023 is as follows:

		Fair value level as of reporting date		
	31 December 2024	Level 1 TL	Level 2 TL	Level 3 TL
Plant, machinery and equipment	59,098,463	-	59,098,463	-

		Fair value level as of reporting date		
	31 December 2023	Level 1 TL	Level 2 TL	Level 3 TL
Plant, machinery and equipment	68,978,610	-	68,978,610	-

11. INTANGIBLE ASSETS

	Rights	Total
Cost value		
Opening balance as of 1 January 2024	422,187,322	422,187,322
Additions	5,581	5,581
Closing balance as of 31 December 2024	422,192,903	422,192,903
Accumulated Amortization		
Opening balance as of 1 January 2024	195,960,717	195,960,717
Charge for the year	13,307,912	13,307,912
Closing balance as of 31 December 2024	209,268,629	209,268,629
Carrying value as of 31 December 2024	212,924,274	212,924,274

	Rights	Total
Cost value		
Opening balance as of 1 January 2023	421,964,773	421,964,773
Additions	222,549	222,549
Closing balance as of 31 December 2023	422,187,322	422,187,322
Accumulated Amortization		
Opening balance as of 1 January 2023	182,685,668	182,685,668
Charge for the year	13,275,049	13,275,049
Closing balance as of 31 December 2023	195,960,717	195,960,717
Carrying value as of 31 December 2023	226,226,605	226,226,605

As of 31 December 2024, TL 75,888 of the year amortization is included in cost of sales and TL 13,232,024 in general administrative expenses (31 December 2023: TL 43,025 is included in cost of sales and TL 13,232,024 of the year amortization is in general administrative expenses).

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

12. EMPLOYEE BENEFIT OBLIGATIONS

	31 December 2024	31 December 2023
Payables to personnel	2,132,184	2,166,515
Social security premiums payable	832,211	1,690,122
Other liabilities payable	1,100,180	731,879
	4,064,575	4,588,516

13. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

a) Current provisions

	31 December 2024	31 December 2023
Unused vacation provision	7,264,542	5,904,393
	7,264,542	5,904,393

The movement of provision for unused vacation is presented as below:

	1 January-31 December 2024	1 January-31 December 2023
Opening balance	5,904,393	5,052,923
Period expense/(Provision released),net	4,004,168	4,171,378
Payments during the period	-	(161,579)
Monetary gain	(2,644,019)	(3,158,329)
Closing balance	7,264,542	5,904,393

Current provisions	31 December 2024	31 December 2023
Provision for litigation (*)	39,690,108	83,178,940
	39,690,108	83,178,940

(*) During the period, the Group is involved in a number of legal proceedings (both as a plaintiff and as a defendant) arising in the ordinary course of business. A significant portion of the Group's existing lawsuits are employee lawsuits related to the Madenköy operation in the Şirvan district of Siirt, which was closed in 2017, and the claims include the Company's personnel and subcontractors and their legal successors (pecuniary and non-pecuniary indemnities due to death, receivables and reemployment). The Group has recognized a provision amounting to TL 39,690,108 (31 December 2023: TL 83,178,940) as a result of the evaluation of legal opinions related to prosecuted law, business, commercial and administrative lawsuits and current lawsuits which are similar and concluded in the past. The provision amount is updated in every reporting period by considering the risks and uncertainties regarding the liabilities and the developments occur in ongoing cases. In this context, the Group management believes that there is no undisclosed litigation or legal proceeding in the footnotes of consolidated financial statements or that the required provisions are not considered which might have a negative impact on the financial position or operating results of the Group.

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

13. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

a) Current provisions (Continued)

The movement of provisions for litigation during the current year is presented as below:

Movement of provision for litigation	1 January- 31 December 2024	1 January- 31 December 2023
Opening balance	83,178,940	140,689,359
Period expense/(Provision released),net	18,781,519	49,769,765
Payments	(42,667,780)	(46,335,719)
Effect of foreign exchange differences	1,164,611	6,902,794
Monetary gain	(20,767,182)	(67,847,259)
Closing balance	39,690,108	83,178,940

b) Non-current provisions

	31 December 2024	31 December 2023
Provision for employment termination benefits	19,325,280	18,154,864
	19,325,280	18,154,864

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

The amount payable consists of one month's salary limited to a maximum of TL 41,828.42 for each period of service at 31 December 2024 (31 December 2023: TL 23,489.83).

The liability is not funded, as there is no funding requirement. Provision is calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees. Revised TAS 19 "Employee Benefits" requires actuarial valuation methods to be developed to estimate the Group's obligation under the defined benefit plans. Accordingly, the following actuarial assumptions are used in the calculation of the total liability.

The principal assumption is that the maximum liability for each year of service will increase parallel with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Consequently, in the accompanying financial statements as at 31 December 2024, the provision has been calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees. The provisions at the respective balance sheet dates have been calculated with the assumption 2.94% real discount rate (31 December 2023: 2.94%) calculated by using 14.17% annual inflation rate and 17.53% interest rate. Voluntary leave rates are also taken into consideration as 5% for employees 0-15 years and 0% for employees 16 years and over.

Ceiling amount of TL 46,655.43 which is effective as of 1 January 2025 is used in the calculation of Group's provision for retirement pay liability (31 December 2023: TL 35,058.58 effective as of 1 January 2024). The principal assumptions used in the calculation of retirement pay liability are discount rate and anticipated turnover rate.

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

13. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

b) Non-current provisions (Continued)

The movement of the employment termination benefits is as follows:

	1 January- 31 December 2024	1 January- 31 December 2023
Opening balance	18,154,864	17,079,157
Service cost	5,704,544	7,884,669
Interest cost	361,172	160,551
Actuarial loss / gain	1,745,869	1,737,303
Payment during the year (-)	(277,445)	(296,798)
Monetary gain	(6,363,724)	(8,410,018)
Closing balance	19,325,280	18,154,864

Non-current provisions	31 December 2024	31 December 2023
Mine closure provisions	45,897,939	45,611,779
	45,897,939	45,611,779

The provision for cost of mine rehabilitation was prepared by the Management based on certain estimates. The critical assumptions used in the 31 December 2024 forecast are the timing of spendings by 2059. In determining the present value of the balance, a real discount rate of approximately 2.94% has been 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

Collaterals received	31 December 2024		31 December 2023	
	Original Amount	TL Equivalent	Original Amount	TL Equivalent
Letters of guarantee (TL)	2,400,000	2,400,000	3,465,091	3,465,091
Letters of guarantee (USD)	100,000	3,522,330	100,000	4,250,251
Guarantee cheques (TL)	200,000,000	200,000,000	288,757,543	288,757,543
Cash guarantees (TL)	11,046,937	11,046,937	13,481,818	13,481,818
Cash guarantees (USD)	250,000	8,805,825	250,000	10,625,628
		225,775,092		320,580,331

The details of the Group's Guarantees/Pledges/Mortgages ("GPMs") position as of 31 December 2024 and 31 December 2023 is presented as follows:

31 December 2024	TL equivalent	TL
A. GPMs given on behalf of its own legal entity	221,797,188	221,797,188
-Letter of guarantees (*)	*221,010,337*	*221,010,337*
-Cash guarantees	*786,851*	*786,851*
B. GPM's given on behalf of the fully consolidated companies	-	-
C. GPM's given on behalf of third parties for ordinary course of business	-	-
D. Total amount of other GPM's given	-	-
Total	221,797,188	221,797,188

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

13. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

c) Guarantees received and given (Continued)

31 December 2023	TL equivalent	TL
A. GPMs given on behalf of its own legal entity	167,305,689	167,305,689
-Letter of guarantees (*)	*166,301,465*	*166,301,465*
-Cash guarantees	*1,004,224*	*1,004,224*
B. GPM's given on behalf of the fully consolidated companies	-	-
C. GPM's given on behalf of third parties for ordinary course of business	-	-
D. Total amount of other GPM's given	-	-
Total	167,305,689	167,305,689

(*) Among the letters of guarantee given on behalf of the Group's own legal entity, the Company has become guarantor for the letter of guarantee amounting to TL 75,117,449 (TL 108,453,650 at 31 December 2023 purchasing power) given by its subsidiary Konya Ilgın.

(**) All guarantees, pledges and mortgages included in the above table are denominated in TL.

14. OTHER ASSETS AND LIABILITIES

Other current assets	31 December 2024	31 December 2023
Business advances	5,051	212,749
Personnel advances	627,463	28,589
	632,514	241,338

Other non-current assets	31 December 2024	31 December 2023
Deferred deductible VAT	174,969,023	92,828,481
	174,969,023	92,828,481

Other current liabilities	31 December 2024	31 December 2023
Taxes and funds payable	35,894,801	22,654,814
	35,894,801	22,654,814

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

15. EQUITY, RESERVES AND OTHER SHAREHOLDERS' EQUITY ITEMS

a) Issued Capital

The Company's share capital structure as of 31 December 2024 and 2023 is presented as follows:

Shareholders	Share (%)	31 December 2024	Share (%)	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

Information on the Shares Representing the Capital

Group	Type	Nominal Value (TL)	Ratio to Issued Capital (%)	Rights
A	Registered	18,290,866	12.29	Right to nominate 6 members of the Board of Directors
B	Registered	130,576,377	87.71	Right to nominate 3 members of the Board of Directors

The issued capital amount of the Company is TL 148,867,243 and authorized share capital upper limit is TL 6,000,000,000.

b) Treasury shares

Under the Share Buy-back 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 considering matching orders. The relevant programmed ended on 2 June 2023 and a new, three-year share repurchase programme was approved at the ordinary general assembly meeting for 2022 held on 19 June 2023. In the scope of the said program, repurchase of shares with a nominal value of TL 335,000 was carried out in 2024. Repurchase of shares with a nominal value of TL 360,000 was also carried out in 2023. As of 31 December 2024, considering the matched orders, the ratio of the repurchased shares within the scope of the relevant programs to the capital reached 0.84. In 2024, TL 8,449,510 (31 December 2023: TL 11,808,698) including transaction costs was paid for share repurchases. In 2017, Company also acquired its shares with a nominal value of TL 750,000 through withdrawal right granted to shareholders under capital market regulations. The relevant shares are exempt in calculation of maximum number of shares that can be purchased, which is set as 10% of the capital per capital markets regulation.

c) Restricted reserves appropriated from profit

50% of the profits arising from the sales of the immovables included in the assets of the corporations for at least two full years in accordance with the first paragraph of the 5th article of the Tax Law No. 5520 (e) by themselves (the effective date of the Article 89 of the Law No. 7061 dated 5 December 2017 the 75% portion of the sales made before the date of the sale) is exempt from the corporation tax and the exceptional amount is exempted from the corporation tax and the exempted portion of the sales profit must be held in a special fund account until the end of the fifth year following the sale.

With the Law Introducing Additional Motor Vehicle Tax to Compensate for Economic Losses Arising from Earthquakes on 6 February 2023, the Law Amending Certain Laws, and Statutory Decree No. 375, promulgated in the Official Gazette dated 15 July 2023, the 50% tax exemption for earnings from sales of immovables in Corporate Income Tax Law No. 5520 was revoked. However, a 25% exemption will still apply for sales of immovables included in corporate's assets before 15 July 2023.

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

15. EQUITY, RESERVES AND OTHER SHAREHOLDERS' EQUITY ITEMS (Continued)

c) Restricted reserves appropriated from profit (Continued)

At the Company's Ordinary General Assembly meeting for 2017 on 12 June 2018, it was decided that TL 243,523,090, which corresponds to 75% of the earnings from sale of immovables related to the company's copper concentrate production activities, should be recognized in a specific fund account under equity and set aside as a special contingency reserve in order to benefit from tax exemption in line with sub-paragraph (e) of the first paragraph of article 5 of Corporate Income Tax Law No. 5520. The five-year term for keeping the relevant amount in a special fund account under equity expired on 1 January 2023, and at the General Assembly meeting of the Company held on 25 June 2024, it was decided to transfer the related fund amount from restricted reserves to retained earnings account.

At the Ordinary General Assembly meeting of the Company held on 2 June 2021, it has been decided to set aside TL 1,390,503 (nominal amount on the relevant date), 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" in the financial statements of the Group.

As per TCC and CMB regulations, a legal reserve equivalent to acquisition value is allocated for treasury shares. Accordingly, under the restricted reserves appropriated from profit item in the consolidated financial statements as of 31 December 2024, a legal reserve in the amount of TL 43,418,266 (31 December 2023 TL 34,968,756), including transaction costs was allocated for treasury shares.

The historical values and inflation adjustment impact of the accounts under Park Elektrik's equity as of 31 December 2024 are as follows, in line with TFRS and Tax Procedure Law ("TPL") financial statements:

31 December 2024 (TFRS)	**Historical Amount**	**Inflation Adjustment Effect**	**Indexed Value**
Inflation adjustment on capital	16,484,812	2,965,147,406	2,981,632,218
Share premium	137,848	2,144,360	2,282,208
Restricted reserves appropriated from profit	115,441,521	708,534,935	823,976,456
- Legal reserves	*93,845,010*	*679,894,890*	*773,739,900*
- Gain on sale of real estate	*1,390,504*	*5,427,786*	*6,818,290*
- Reserves related to treasury shares	*20,206,007*	*23,212,259*	*43,418,266*
Total	**132,064,181**	**3,675,826,701**	**3,807,890,882**

31 December 2024 (TPL)	**Historical Amount**	**Inflation Adjustment Effect**	**Indexed Value**
Inflation adjustment on capital	16,484,812	2,685,845,197	2,702,330,009
Share premium	137,848	3,121,536	3,259,384
Restricted reserves appropriated from profit	115,402,453	1,021,961,581	1,137,364,034
- Legal reserves	*93,845,010*	*988,609,692*	*1,082,454,702*
- Gain on sale of real estate	*1,390,504*	*7,539,422*	*8,929,926*
- Reserves related to treasury shares	*20,166,939*	*25,812,467*	*45,979,406*
Total	**132,025,113**	**3,710,928,314**	**3,842,953,427**

TL 35,062,545 the difference between the adjusted amounts in the financial statements prepared in line with TFRS and the amounts adjusted according to inflation in the legal records (TPL), is recognized under previous years' losses.

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

15. EQUITY, RESERVES AND OTHER SHAREHOLDERS' EQUITY ITEMS (Continued)

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

The revaluation fund is the difference between land, buildings and plant, machinery and equipment reflected in fair value and net book value on a cost basis after the deferred tax effect is deducted.

16. REVENUE AND COST OF SALES

Revenue	1 January- 31 December 2024	1 January- 31 December 2023
Domestic sales	638,518,544	573,970,620
-Coal sales revenues	344,354,753	345,959,641
-Royalty income	293,017,871	225,762,988
-Other	1,145,920	2,247,991
Sales returns	-	(98,170)
	638,518,544	573,872,450

Cost of Sales	1 January- 31 December 2024	1 January- 31 December 2023
Depreciation expenses (Note 10,11)	265,720,609	236,569,207
General production expenses	93,780,826	101,385,752
Personnel expenses	32,408,264	27,950,965
Raw material and supplies expenses	7,264,166	8,816,182
Change in finished products	(3,579,157)	(19,729,815)
Cost of other sales	-	362,381
	395,594,708	355,354,672

17. GENERAL ADMINISTRATIVE EXPENSES

	1 January- 31 December 2024	1 January- 31 December 2023
Personnel expenses	38,578,569	33,927,354
Depreciation expenses and amortization (Note 10,11)	13,320,556	13,550,122
Management service fee and cost distribution	7,057,279	8,025,404
Taxes, duties and fees	1,569,688	2,766,622
Rent expenses	3,849,269	7,046,124
Outsourced benefits and services	1,445,918	3,180,614
Litigation and notary expenses	150,638	335,679
Grants and donations	39,694	775,555
Other operating expenses	3,822,300	6,770,058
	69,833,911	76,377,532

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

18. OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES

Other Operating Income

	1 January- 31 December 2024	1 January- 31 December 2023
Litigation income	14,172,326	-
Exemptions and discounts	7,754,206	7,484,720
Foreign exchange gains	2,847,370	6,857,928
Rediscount interest income	1,008,695	706,351
Discount interest income	-	639,599
Other income	90,444	39,685
Provisions released	237,207	-
	26,110,248	15,728,283

Other Operating Expenses

	1 January- 31 December 2024	1 January- 31 December 2023
Provision expenses	19,946,130	56,607,578
Mining state rights, license and permission fees	3,368,153	6,360,578
Foreign exchange losses	1,772,921	6,647,157
Discount interest expense	288,566	1,389,813
Other expenses	243,039	519,136
	25,618,809	71,524,262

19. INCOME AND EXPENSES FROM INVESTING ACTIVITIES

Income from Investing Activities

	1 January- 31 December 2024	1 January- 31 December 2023
Rental income	17,767,009	17,521,621
Increase in value of financial investments	-	185,176
Gain on sale of financial investments	-	58,352
Interest income on currency hedged deposits	-	3,445,409
Increase in fair value of investment property	58,301,342	393,706,590
Income from sale of property, plant and equipment	-	243,927
	76,068,351	415,161,075

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

19. INCOME AND EXPENSES FROM INVESTING ACTIVITIES (Continued)

Expenses from Investing Activities

	1 January- 31 December 2024	1 January- 31 December 2023
Decrease in fair value of investment property	37,840,743	-
Trading commission on financial investments	2,964	2,446
Loss on sales of property, plant and equipment	-	65,221
Impairment of property, plant and equipment	4,565,504	-
	42,409,211	67,667

20. FINANCING INCOME AND EXPENSES

Finance income	1 January- 31 December 2024	1 January- 31 December 2023
Foreign exchange gains	95,204,323	567,933,048
Interest income	55,004,422	114,725,654
	150,208,745	682,658,702

Finance expenses	1 January- 31 December 2024	1 January- 31 December 2023
Interest expense	4,680,722	1,778,674
Foreign exchange losses	416,264	223,202
Other financial expenses	1,517,605	1,529,648
	6,614,591	3,531,524

21. INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)

	31 December 2024	31 December 2023
Current tax (asset)/liability:		
Corporate tax provision	-	175,695,553
Less: Prepaid tax	(31,016,884)	(138,545,879)
	(31,016,884)	37,149,674

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

21. INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (Continued)

Tax expenses recognized in the statement of profit or loss for the year ending 31 December 2024 and 2023 is as follows:

Income tax (expense) / income:	31 December 2024	31 December 2023
Corporate tax provision	-	(229,284,326)
Deferred tax income / (expense)	(57,799,972)	127,252,292
	(57,799,972)	(102,032,034)

Deferred Tax Assets and Liabilities

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

The breakdown of deferred income tax assets and liabilities and cumulative temporary differences provided using enacted tax rates at 31 December 2024 and 31 December 2023 are as follows:

	31 December 2024	31 December 2023
Deferred tax assets	-	8,817,453
Deferred tax liabilities	(196,436,042)	(147,981,251)
Deferred tax assets / (liabilities) (net)	(196,436,042)	(139,163,798)

Deferred tax assets / (liabilities):	31 December 2024	31 December 2023
Adjustments related to property, plant and equipment, intangible assets and investment property	(227,061,574)	(166,528,236)
Provision for employment termination and unused vacation	6,607,108	5,980,507
Prior years' losses to be deducted from tax	4,893,769	-
Mining closure costs	11,015,505	10,946,827
Provisions for payables and expense accruals	4,346,381	11,777,755
Discount on receivables and payables	26,521	90,176
Adjustments related to inventories	3,727,197	(3,876,846)
Other	9,051	2,446,019
	(196,436,042)	(139,163,798)

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

21. INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (Continued)

Reconciliation of tax provision:	1 January- 31 December 2024	1 January- 31 December 2023
Profit before tax from continuing operations	130,846,087	589,992,732
Profit before tax	130,846,087	589,992,732
Income tax rate 25% (2023: 25%)	25%	25%
Tax expense at the applicable tax rate	(32,711,522)	(147,498,183)
Tax effect:		
-Base increase	-	(16,973,703)
-Non-deductible expenses	(12,595,469)	(9,011,138)
-Discounts and exemptions	(528,757)	3,779,673
-Effect of tax losses for which no deferred tax is calculated	(57,216,031)	-
-Deferred tax effect of statutory inflation accounting policies	(114,079,511)	396,298,707
-Non-taxable inflation adjustments	160,381,660	(194,323,096)
-Tax rate differences / changes	(2,118,257)	(138,692,024)
-Other	1,067,915	4,387,730
Total tax expense	(57,799,972)	(102,032,034)

22. EARNINGS PER SHARE

Earnings per share from continuing operations	1 January- 31 December 2024	1 January- 31 December 2023
Weighted average number of shares with nominal value of Kr 1 each (*)	14,778,082,223	14,827,481,276
Net profit attributable to equity holders of the parent company	73,046,115	487,960,698
Diluted earnings per share	0.00494	0.03291

(*) Calculated by adjusting for treasury shares.

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

23. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

a) Capital Risk Management

The Company manages its capital to ensure that the Company will be able to continue as going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance.

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.

As a part of this review, the Group Management considers the cost of capital and the risks associated with each class of capital. Based on the Group Management's assessment, the Group will balance its overall capital structure through the payment of dividends, new share issues, as well as the issue of new debt or the redemption of existing debt.

The Group controls its capital using the net debt / total equity ratio. This ratio is the calculated as net debt divided by the total equity. Net debt is calculated as total liability amount (comprises of financial liabilities, leasing and trade payables as presented in the balance sheet) less cash and cash equivalents.

As of 31 December 2024 and 31 December 2023 the Group's net debt / total equity ratio is detailed as follows:

	31 December 2024	31 December 2023
Financial Liabilities	-	-
Less: Cash and Cash Equivalents and Short Term Financial Investments	(86,121,090)	(109,514,765)
Net Debt	(86,121,090)	(109,514,765)
Total Equity	3,808,768,696	3,974,472,946
Net Debt/Total Capital Ratio	(2.261%)	(2.755%)
	(2,261%)	(2,755%)

The Group has not made any changes to its overall capital risk management policy in the current period.

b) Financial Risk Factors

The Company's activities are exposed to various risk such as financial risk, market risk (including 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 the potential adverse effects over 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 by using the reports prepared on a daily, weekly and monthly basis and the data is compared to the monthly and yearly cash flow budgets.

Risk management is carried out by the Risk Management Department which is independent from steering, under the policies approved by the Board of Directors. The Group's Risk Management Department identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units.

(b.1) Credit Risk Management

Credit risk refers to the risk that counterparty will default on its contractual obligations. The Group's Management mitigates such risk by putting limitations on the contracts with counterparties and obtaining sufficient collaterals, where appropriate. Trade receivables are evaluated based on the Group's policies and procedures and presented net of doubtful provision in the financial statements accordingly (Note 5).

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

23. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

b) Financial Risk Factors (Continued)

(b.1) Credit Risk Management (Continued)

	Receivables					
	Trade Receivables		Other Receivables			
31 December 2024	Related Party	Third party	Related Party	Third party	Cash at Banks	Other
Maximum credit risk exposed as of balance sheet date (A+B+C+D+E)	37,300,309	72,207,380	134,331,986	1,287,476	86,113,362	-
- Portion of maximum risk covered by guarantees, collaterals, etc. (*)	-	(3,522,330)	(134,331,986)	-	-	-
A. Net book value of financial assets that are neither past due nor impaired	37,300,309	72,207,380	134,331,986	1,197,407	86,113,362	-
- Portion covered by guarantees, collaterals, etc.	-	(3,522,330)	(134,331,986)	-	-	-
B. Net book of financial assets that are renegotiated, if not that will be accepted as past due or impaired	-	-	-	-	-	-
- Portion covered by guarantees, collaterals, etc.	-	-	-	-	-	-
C. Net carrying value of financial assets that are past due but not impaired	-	-	-	90,069	-	-
- Portion covered by guarantees, collaterals, etc.	-	-	-	-	-	-
D. Net book value of the impaired assets	-	-	-	-	-	-
- Past due (gross amount)	-	24,249,916	-	850,518	-	-
- Impairment (-)	-	(24,249,916)	-	(850,518)	-	-
- Portion of net value covered by guarantees, collaterals, etc.	-	-	-	-	-	-
- Past due (gross amount)	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-
- Portion of net value covered by guarantees, collaterals, etc.	-	-	-	-	-	-
E. Off-balance sheet items that include credit risk	-	-	-	-	-	-

(*) Factors that increase the credit reliability, such as; guarantees received, are not taken into consideration in the calculation.

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

23. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

b) Financial Risk Factors (Continued)

(b.1) Credit Risk Management (Continued)

	Receivables					
	Trade Receivables		Other Receivables			
31 December 2023	Related Party	Third party	Related Party	Third party	Cash at Banks	Other
Maximum credit risk exposed as of balance sheet date (A+B+C+D+E)	40,403,371	47,241,942	799,955,199	1,530,588	109,514,082	-
- Portion of maximum risk covered by guarantees, collaterals, etc. (*)	-	(4,250,251)	(288,757,543)	-	-	-
A. Net book value of financial assets that are neither past due nor impaired	40,403,371	46,674,000	799,955,199	1,511,660	109,514,082	-
- Portion covered by guarantees, collaterals, etc.	-	(4,250,251)	(288,757,543)	-	-	-
B. Net book of financial assets that are renegotiated, if not that will be accepted as past due or impaired	-	-	-	-	-	-
- Portion covered by guarantees, collaterals, etc.	-	-	-	-	-	-
C. Net carrying value of financial assets that are past due but not impaired	-	567,942	-	18,928	-	-
- Portion covered by guarantees, collaterals, etc.	-	-	-	-	-	-
D. Net book value of the impaired assets	-	-	-	-	-	-
- Past due (gross amount)	-	29,685,261	-	1,227,967	-	-
- Impairment (-)	-	(29,685,261)	-	(1,227,967)	-	-
- Portion of net value covered by guarantees, collaterals, etc.	-	-	-	-	-	-
- Past due (gross amount)	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-
- Portion of net value covered by guarantees, collaterals, etc.	-	-	-	-	-	-
E. Off-balance sheet items that include credit risk	-	-	-	-	-	-

(*) Factors that increase the credit reliability, such as; guarantees received, are not taken into consideration in the calculation.

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

23. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

b) Financial Risk Factors (Continued)

(b.1) Credit Risk Management (Continued)

Past due but not impaired assets are presented as below:

	31 December 2024	
	Trade receivables	**Other receivables**
1 - 30 days past due	-	-
1 - 3 months past due	-	-
3 - 12 months past due	-	90,069
1 - 5 years past due	-	-
	-	**90,069**

	31 December 2023	
	Trade receivables	**Other receivables**
1 - 30 days past due	399,152	10,361
1 - 3 months past due	168,790	-
3 - 12 months past due	-	8,567
1 - 5 years past due	-	-
	567,942	**18,928**

(b.2) Liquidity Risk Management

The Group manages its liquidity through a systematic monitoring of its cash flows and matching the maturities of its assets and liabilities to maintain adequate funds and loan reserves.

Liquidity risk tables

Conservative liquidity risk management requires maintaining adequate reserves, having the ability to utilize adequate level of credit lines and funds, and closing market positions.

Funding risk attributable to current and future potential borrowing needs is managed by providing ongoing access to adequate number of creditors with high quality.

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

23. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

b) Financial Risk Factors (Continued)

(b.2) Liquidity Risk Management (Continued)

The following table represents the Group's financial liabilities and their maturities. The table below has been drawn up based on the undiscounted liabilities and earliest payment dates of financial liabilities. Interest to be paid over those liabilities are included and summarized in the table below.

31 December 2024

Contractual maturities	Carrying value	Total contractual cash outflows (I+II+III)	Less than 3 months (I)	3 - 12 months (II)	1- 5 years (III)
Trade payables	94,450,394	107,853,969	59,377,595	48,476,374	-
Other payables	19,857,115	19,857,115	10,915,110	103,890	8,838,115
Other current and non-current liabilities	35,894,801	35,894,801	35,894,801	-	-
Employee benefit obligations	4,064,575	4,064,575	4,064,575	-	-
Total liabilities	154,266,885	167,670,460	110,252,081	48,580,264	8,838,115

31 December 2023

Contractual maturities	Carrying value	Total contractual cash outflows (I+II+III)	Less than 3 months (I)	3 - 12 months (II)	1- 5 years (III)
Trade payables	70,119,133	78,851,553	42,930,233	35,921,320	-
Other payables	24,167,571	24,167,571	60,126	13,435,198	10,672,247
Other current and non-current liabilities	22,654,814	22,654,814	20,607,083	2,047,731	-
Employee benefit obligations	4,588,516	4,588,516	4,588,516	-	-
Total liabilities	121,530,034	130,262,454	68,185,958	51,404,249	10,672,247

(b.3) Market Risk Management

The Group's activities are exposed primarily to the financial risks of changes in foreign exchange rates and interest rates. At a Group level, market risk exposures are measured by sensitivity analysis. When compared to prior periods, there has been no changes in the Group's exposure to market risks, hedging methods used or the measurement methods used for such risks.

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

23. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

b) Financial Risk Factors (Continued)

(b.3) Market Risk Management (Continued)

(b.3.1) Foreign currency risk management

Foreign currency risk is the risk of volatility in the foreign currency denominated monetary assets, monetary liabilities and off-balance sheet liabilities due to changes in currency exchange rates. The breakdown of the Group's foreign currency denominated monetary and non-monetary assets and liabilities as of the balance sheet date are as follows:

	31 December 2024		
	TL Equivalent (Functional currency)	**USD**	**EUR**
1. Trade Receivables	32,874,998	933,331	-
2a. Monetary Financial Assets	134,044,645	3,519,079	274,640
2b. Non-Monetary Financial Assets	-	-	-
3. Other	-	-	-
4. CURRENT ASSETS	166,919,643	4,452,410	274,640
8 NON-CURRENT ASSETS	-	-	-
9. TOTAL ASSETS	166,919,643	4,452,410	274,640
10. Trade Payables	216,412	6,144	-
11. Financial Liabilities	-	-	-
12a. Other Monetary Liabilities	11,067,035	-	301,202
12b. Other Non-Monetary Liabilities	-	-	-
13. CURRENT LIABILITIES	11,283,447	6,144	301,202
14. Trade Payables	-	-	-
15. Financial Liabilities		-	-
16a. Other Monetary Liabilities	8,805,825	250,000	-
16b. Other Non-Monetary Liabilities	-	-	-
17. NON-CURRENT LIABILITIES	8,805,825	250,000	-
18. TOTAL LIABILITIES	20,089,272	256,144	301,202
19. Net asset/(liability) liability position of off-balance sheet derivative instruments (19a-19b)	-	-	-
19a. Off-Balance Sheet Foreign Currency Derivative Financial Assets	-	-	-
19.b Off-Balance Sheet Foreign Currency Derivative Financial Liabilities	-	-	-
20. Net foreign assets/(liability) position	146,830,371	4,196,266	(26,562)
21. Net foreign currency asset/(liability) position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)	146,830,371	4,196,266	(26,562)
22. Fair value of derivative instruments used in foreign currency hedge	-	-	-
23. Total amount of assets hedged	-	-	-
24. Total amount of liabilities hedged	-	-	-

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

23. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

b) Financial Risk Factors (Continued)

(b.3) Market Risk Management (Continued)

(b.3.1) Foreign currency risk management (Continued)

	31 December 2023		
	TL Equivalent (Functional currency)	**USD**	**EUR**
1. Trade Receivables	16,436,627	386,721	-
2a. Monetary Financial Assets	287,021,407	6,750,732	2,091
2b. Parasal Olmayan Finansal Varlıklar	-	-	-
3. Diğer	-	-	-
4. CURRENT ASSETS	303,458,034	7,137,453	2,091
5. Trade Receivables	-	-	-
6a. Monetary Financial Assets	482,231,820	11,345,961	-
6b. Non-monetary Financial Assets	-	-	-
7. Other	-	-	-
8 NON-CURRENT ASSETS	482,231,820	11,345,961	-
9. TOTAL ASSETS	785,689,854	18,483,414	2,091
10. Trade Payables	294,534	6,930	-
11. Financial Liabilities	-	-	-
12a. Other Monetary Liabilities	18,516,134	-	393,711
12b. Other Non-Monetary Liabilities	-	-	-
13. CURRENT LIABILITIES	18,810,668	6,930	393,711
14. Trade Payables	-	-	-
15. Financial Liabilities	-	-	-
16a. Other Monetary Liabilities	10,625,628	250,000	-
16b. Other Non-Monetary Liabilities	-	-	-
17. NON-CURRENT LIABILITIES	10,625,628	250,000	-
18. TOTAL LIABILITIES	29,436,296	256,930	393,711
19. Net asset/(liability) liability position of off-balance sheet derivative instruments (19a-19b)	-	-	-
19a. Off-Balance Sheet Foreign Currency Derivative Financial Assets	-	-	-
19.b Off-Balance Sheet Foreign Currency Derivative Financial Liabilities	-	-	-
20. Net foreign assets/(liability) position	756,253,558	18,226,484	(391,620)
21. Net foreign currency asset/(liability) position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)	756,253,558	18,226,484	(391,620)
22. Fair value of derivative instruments used in foreign currency hedge	-	-	-
23. Total amount of assets hedged	-	-	-
24. Total amount of liabilities hedged	-	-	-

The Group is mainly exposed to risk of fluctuations in USD. The effect of other currencies are immaterial.

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

23. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

b) Financial Risk Factors (Continued)

(b.3) Market Risk Management (Continued)

(b.3.1) Foreign currency risk management (Continued)

Assets and liabilities denominated in foreign currencies are translated at the exchange rates announced by the Turkish Central Bank as of 31 December 2024 (31 December 2024: USD 1 = TL 35.2233, Euro 1 = TL 36.7429, 31 December 2023: USD 1 = TL 29.4382, Euro 1 = TL 32.5739).

The table below presents the Group's sensitivity to a 20% deviation in foreign exchange rates. 20% is the rate used by the Group when generating its report on exchange rate risk; the related rate stands for the presumed possible change in the foreign currency rates by the Group's Management. 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. This analysis includes foreign currency denominated bank loans other than the functional currency of the ultimate user or borrower of the bank loans. The positive amount indicates increase in the statement of profit or loss or equity.

Foreign currency sensitivity

	31 December 2024	
	Profit / Loss	Equity
	Appreciation of foreign currency	Depreciation of foreign currency
In a case of 20% appreciation of USD against TL		
1 - USD net asset / liability	29,561,267	(29,561,267)
2- US Dollar hedged portion (-)	-	-
3- USD net effect (1 +2)	29,561,267	(29,561,267)
In a case of 20% appreciation of EUR against TL		
4 - Euro net asset / liability	(195,193)	195,193
5 - Euro hedged portion (-)	-	-
6- Euro net effect (4+5)	(195,193)	195,193
TOTAL (3 + 6 +9)	29,366,074	(29,366,074)

	31 December 2023	
	Profit / Loss	Equity
	Appreciation of foreign currency	Depreciation of foreign currency
In a case of 20% appreciation of USD against TL		
1 - USD net asset / liability	154,934,269	(154,934,269)
2- US Dollar hedged portion (-)	-	-
3- USD net effect (1 +2)	154,934,269	(154,934,269)
In a case of 20% appreciation of EUR against TL		
4 - Euro net asset / liability	(3,683,562)	3,683,562
5 - Euro hedged portion (-)	-	-
6- Euro net effect (4+5)	(3,683,562)	3,683,562
TOTAL (3 + 6 +9)	151,250,707	(151,250,707)

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

23. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

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

Financial Instruments Categories

31 December 2024	Financial liabilities measured at amortised cost	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Book value	Notes
Financial assets	-	331,248,241	-	331,248,241	
Cash and cash equivalents	-	86,121,090	-	86,121,090	24
Trade receivables	-	72,207,380	-	72,207,380	5
Trade receivables due from related part	-	37,300,309	-	37,300,309	4, 5
Other receivables	-	1,287,476	-	1,287,476	6
Other receivables due from related part	-	134,331,986	-	134,331,986	4, 6
Financial liabilities	118,372,084	-	-	118,372,084	
Trade payables	93,867,669	-	-	93,867,669	5
Trade payables due to related parties	582,725	-	-	582,725	4, 5
Other payables	19,853,225	-	-	19,853,225	6
Other payables due to related parties	3,890		-	3,890	4, 6
Employee benefits payables	4,064,575	-	-	4,064,575	12

31 December 2023	Financial liabilities measured at amortised cost	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Book value	Notes
Financial assets	-	998,645,865	-	998,645,865	
Cash and cash equivalents	-	109,514,765	-	109,514,765	24
Trade receivables	-	47,241,942	-	47,241,942	5
Trade receivables due from related part	-	40,403,371	-	40,403,371	4, 5
Other receivables	-	1,530,588	-	1,530,588	6
Other receivables due from related part	-	799,955,199	-	799,955,199	4, 6
Financial liabilities	98,875,220	-	-	98,875,220	
Trade payables	69,418,916	-	-	69,418,916	5
Trade payables due to related parties	700,217	-	-	700,217	4, 5
Other payables	24,164,110	-	-	24,164,110	6
Other payables due to related parties	3,461	-	-	3,461	4, 6
Employee benefits payables	4,588,516	-	-	4,588,516	12

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

24. CASH AND CASH EQUIVALENTS

	31 December 2024	31 December 2023
Cash	7,728	683
Cash at bank	86,113,362	109,514,082
Demand deposits	*85,478,418*	*109,514,082*
Repurchase agreements	*634,944*	-
	86,121,090	109,514,765

As of 31 December 2024, there is no restricted cash or cash equivalents (31 December 2023: None).

25. GAINS / (LOSSES) ON NET MONETARY POSITION

Non-monetary items	31 December 2024
Statement of financial position items	(260,713,077)
Inventories	(4,135,748)
Prepaid expenses	1,877
Investments accounted by equity method, financial investments, subsidiaries	133,136,313
Property, plant and equipment and intangible assets	342,161,594
Investment properties	79,600,453
Other liabilities	(202,649)
Issued capital	(206,072,626)
Share premium	(58,743)
Other comprehensive income and expenses not to be reclassified to profit or loss	(813,939)
Restricted reserves appropriated from profit	(144,573,352)
Prior years' profit	(459,756,257)
Statement of profit or loss items	44,390,934
Revenue	65,128,836
Cost of sales	1,573,938
Marketing expenses	(223,020)
General administrative expenses	8,062,079
Other operating income/expenses	54,502
Income/expenses from investing activities	(2,245,641)
Finance income/expenses	(27,959,760)
Net monetary position gains/(losses)	(216,322,143)

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

26. FEES FOR SERVICES OBTAINED FROM INDEPENDENT AUDIT FIRM

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

	31 December 2024		31 December 2023	
	IAF	Total	IAF	Total
Independent audit fee for the reporting period	1,575,000	1,575,000	986,687	986,687
Fees for tax advisory services	-	-	-	-
Fees for other assurance services	-	-	-	-
Fees for other non-audit services	-	-	-	-
	1,575,000	1,575,000	986,687	986,687

27. EVENTS AFTER THE REPORTING PERIOD

None.