

**MARGÜN ENERJİ ÜRETİM  
SANAYİ VE TİCARET ANONİM ŞİRKETİ  
AND ITS SUBSIDIARIES**

CONDENSED CONSOLIDATED INTERIM  
FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED  
1 JANUARY – JUNE 30, 2024

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

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# MARGÜN ENERJİ ÜRETİM SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION AS OF JUNE 30, 2024

(Amounts expressed in thousands Turkish Lira ("TRY") unless otherwise stated.)

	Notes	Reviewed 30 June 2024	Audited 31 December 2023
<b>ASSETS</b>			
<b>Current Assets</b>		<b>1,116,677,627</b>	<b>1,302,381,082</b>
Cash and Cash Equivalents	27	86,546,646	321,593,481
Trade Receivables	5	699,753,424	768,798,900
Trade Receivables from Third Parties		699,753,424	768,798,900
Other Receivables	6	5,298,590	227,957
Other Receivables from Related Parties		1,351,735	-
Other Receivables from Third Parties		3,946,855	227,957
Derivative Instruments	24-a	15,173,799	23,706,777
Inventories	7	40,998,208	57,501,680
Prepaid Expenses	8	255,797,078	115,255,985
Assets Related to Current Period Tax	22	232,181	4,779,939
Other Current Assets	14	12,877,701	10,516,363
<b>Non-Current Assets</b>		<b>15,788,586,697</b>	<b>15,159,978,727</b>
Financial Investments	24-b	3,351,896,412	2,518,763,916
Other Receivables	6	525,103	613,793
Other Receivables from Third Parties		525,103	613,793
Derivative Instruments	24-a	39,841,685	74,098,781
Investment Properties	9	1,616,860,054	689,779,700
Property, Plant and Equipment	10	10,778,950,143	11,876,469,400
Intangible Assets	11	513,300	191,995
Prepaid Expenses	8	-	61,142
<b>TOTAL ASSETS</b>		<b>16,905,264,324</b>	<b>16,462,359,809</b>

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

# MARGÜN ENERJİ ÜRETİM SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION AS OF JUNE 30, 2024

(Amounts expressed in thousands Turkish Lira ("TRY") unless otherwise stated.)

		Reviewed 30 June 2024	Audited 31 December 2023
	Notes		
<b>LIABILITIES</b>			
<b>Current Liabilities</b>		<b>1,413,478,137</b>	<b>1,572,073,310</b>
Short-Term Borrowings	24-c	198,809,326	194,237,448
Short-Term Portions of Long-Term Borrowings	24-c	724,787,213	817,885,215
Trade Payables	5	438,790,960	494,402,467
Trade Payables to Third Parties		438,790,960	494,402,467
Payables Related to Employee Benefits	14	7,986,421	4,983,192
Other Payables	6	4,572,130	7,742,255
Other Payables to Third Parties		4,572,130	7,742,255
Derivative Instruments	24-a	-	3,041,264
Deferred Income		24,015,909	37,269,135
Short-Term Provisions		2,262,404	1,392,472
Short-Term Provisions Related to Employee Benefits	14	2,262,404	1,392,472
Other Current Liabilities	15	12,253,774	11,119,862
<b>Non-Current Liabilities</b>		<b>3,577,467,374</b>	<b>3,948,148,034</b>
Long-Term Borrowings	24-c	1,950,767,061	2,367,545,190
Long-Term Provisions		2,345,943	2,100,745
Long-term Provisions for Employee Benefits	14	2,345,943	2,100,745
Deferred Tax Liability	22	1,624,354,370	1,578,502,099
<b>EQUITY</b>		<b>11,914,318,813</b>	<b>10,942,138,465</b>
Share Capital	16	1,180,000,000	1,180,000,000
Capital Adjustment Differences	16	3,113,699,782	3,113,699,782
Treasury shares (-)		(83,369)	(35,853,341)
Share Premiums/Discounts		779,574,170	841,519,740
Accumulated Other Comprehensive Income (Expenses)			
to be Reclassified to Profit or Loss		(1,701,618,387)	(1,565,191,744)
- Gains/Losses on Cash Flow Hedges		(1,701,618,387)	(1,565,191,744)
Accumulated Other Comprehensive Income (Expenses)			
not to be Reclassified to Profit or Loss		452,286,495	451,824,530
- Gain / Loss on Remeasurement of Defined Benefit Plans	16	(825,340)	(1,287,305)
- Revaluation and Reclassification Gain/Loss	16	453,111,835	453,111,835
Restricted Reserves Appropriated from Profit	16	38,605,695	37,146,321
Retained earnings		6,917,533,803	6,531,265,471
Net Profit/Loss for the Period		1,134,320,624	387,727,706
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>16,905,264,324</b>	<b>16,462,359,809</b>

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

# MARGÜN ENERJİ ÜRETİM SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS FOR THE SIX-MONTH PERIOD ENDED 1 JANUARY – JUNE 30, 2024

(Amounts expressed in thousands Turkish Lira ("TRY") unless otherwise stated.)

	Notes	Reviewed 1 January- 30 June 2024	Reviewed 1 January- 30 June 2023	Unaudited 1 April- 30 June 2024	Unaudited 1 April- 30 June 2023
<b>PROFIT OR LOSS</b>					
Revenue	17	405,955,145	446,495,069	233,747,408	214,232,204
Cost of Sales (-)	17	(300,203,125)	(285,590,751)	(140,149,977)	(111,055,167)
<b>GROSS PROFIT/LOSS</b>		<b>105,752,020</b>	<b>160,904,318</b>	<b>93,597,431</b>	<b>103,177,037</b>
General Administrative Expenses (-)	18	(71,027,085)	(68,211,175)	(28,150,132)	(40,608,407)
Other Income from Operating Activities	19	25,665,295	309,679,289	697,036	158,106,731
Other Expenses from Operating Activities (-)	19	(32,424,191)	(140,089,957)	28,926,035	(74,101,730)
<b>OPERATING PROFIT/LOSS</b>		<b>27,966,039</b>	<b>262,282,475</b>	<b>95,070,370</b>	<b>146,573,631</b>
Income from Investing Activities	20	845,710,492	138,238,970	1,375,677	46,067,928
Expenses from Investing Activities (-)	20	(6,183,840)	(4,799,995)	(322,459,934)	(867,157,107)
<b>OPERATING PROFIT/LOSS BEFORE FINANCE EXPENSES</b>		<b>867,492,691</b>	<b>395,721,450</b>	<b>(226,013,887)</b>	<b>(674,515,548)</b>
Monetary Gain / (Loss)		599,100,882	1,436,924,195	152,856,932	1,405,543,813
Finance Income (+)	21	26,922,341	181,550,470	21,919,482	154,248,431
Finance Expenses (-)	21	(268,021,460)	(321,594,361)	(53,688,335)	(211,509,051)
<b>PROFIT/LOSS BEFORE TAX FROM CONTINUING OPERATIONS</b>		<b>1,225,494,454</b>	<b>1,692,601,754</b>	<b>(104,925,809)</b>	<b>673,767,645</b>
Tax Expense/Income from Continuing Operations		(91,173,830)	(636,599,730)	(30,481,403)	(365,063,927)
Deferred Tax Expense/Income	22	(91,173,830)	(636,599,730)	(30,481,403)	(365,063,927)
<b>PROFIT/LOSS FOR THE PERIOD</b>		<b>1,134,320,624</b>	<b>1,056,002,024</b>	<b>(135,407,211)</b>	<b>308,703,718</b>
<b>Distribution of Profit/Loss for the Period</b>					
Equity Holders of the Parent		1,134,320,624	1,056,002,024	(135,407,211)	308,703,718
<b>Earnings per share</b>	23	<b>1.03</b>	<b>2.58</b>	<b>(0.12)</b>	<b>0.75</b>
<b>PROFIT/LOSS FOR THE PERIOD</b>		<b>1,134,320,624</b>	<b>1,056,002,024</b>	<b>(135,407,211)</b>	<b>308,703,718</b>
<b>OTHER COMPREHENSIVE INCOME:</b>					
<b>Items not to be Reclassified To Profit or Loss</b>		461,965	1,556,260,641	(201,724)	(342,145,346)
Revaluation Increase/Decrease in Property, Plant and Equipment		-	1,898,203,281	-	-
Remeasurement Gains/Losses of Defined Benefit Plans		615,950	(291,726)	(268,968)	(572,929)
<b>Taxes on Other Comprehensive Income that will not be Reclassified to Profit or Loss</b>		(153,985)	(341,650,914)	67,244	(341,572,417)
Deferred Tax Expense/Income		(153,985)	(341,650,914)	67,244	(341,572,417)
<b>Items to be Reclassified To Profit or Loss</b>		(136,426,643)	(714,738,611)	(58,487,438)	(641,693,817)
Other Comprehensive Income (Expense) Related to Cash Flow Hedges		(181,902,190)	(893,423,263)	(77,983,250)	(802,117,271)
<b>Taxes on Other Comprehensive Income that will be Reclassified to Profit or Loss</b>		45,475,547	178,684,652	19,495,812	160,423,454
Deferred Tax Expense/Income		45,475,547	178,684,652	19,495,812	160,423,454
<b>OTHER COMPREHENSIVE INCOME</b>		<b>(135,964,678)</b>	<b>841,522,030</b>	<b>(58,689,162)</b>	<b>(983,839,163)</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>998,355,946</b>	<b>1,897,524,054</b>	<b>(194,096,373)</b>	<b>(675,135,445)</b>

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

# MARGÜN ENERJİ ÜRETİM SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE SIX – MONTH PERIOD ENDED 1 JANUARY – JUNE 30, 2024

(Amounts expressed in thousands Turkish Lira (“TRY”) unless otherwise stated.)

					Accumulated Other Comprehensive Income and Expenses not to be Reclassified to Profit or Loss	Accumulated Other Comprehensive		Retained Earnings			
	Paid-in Capital	Capital Adjustment Differences	Share Repurchases	Share Premiums/ Discounts	Revaluation and Remeasurement Gain / Losses	Accumulated Remeasurement Gains/Losses of Defined Benefit Plans	Cash Flow Hedge Gains (Losses)	Restricted Reserves Appropriated from Profit	Prior Years' Profit / Losses	Net Profit / Loss for the Period	Total Equity
<b>Balances as of 1 January 2023 (Beginning of the Period)</b>	<b>410,000,000</b>	<b>1,420,689,895</b>	-	<b>2,945,707,882</b>	<b>28,138,265</b>	<b>(37,546)</b>	<b>(1,241,496,905)</b>	<b>14,877,664</b>	<b>8,481,185,061</b>	<b>(1,550,989,081)</b>	<b>10,508,075,235</b>
Transfers	-	-	-	-	-	-	-	22,268,657	(1,573,257,738)	1,550,989,081	-
Total Comprehensive Income / (Expense)	-	-	-	-	1,556,494,021	(233,382)	(714,738,611)	-	-	1,056,002,025	1,897,524,053
Increase/Decrease due to Share Repurchase Transactions	-	-	(16,993,162)	-	-	-	-	-	-	-	(16,993,162)
Dividend Payment	-	-	-	-	-	-	-	-	(17,840,106)	-	(17,840,106)
<b>Balances as of 30 June 2023</b>	<b>410,000,000</b>	<b>1,420,689,895</b>	<b>(16,993,162)</b>	<b>2,945,707,882</b>	<b>1,584,632,286</b>	<b>(270,928)</b>	<b>(1,956,235,516)</b>	<b>37,146,321</b>	<b>6,890,087,217</b>	<b>1,056,002,025</b>	<b>12,370,766,020</b>
<b>Balances as of 1 January 2024 (Beginning of the Period)</b>	<b>1,180,000,000</b>	<b>3,113,699,782</b>	<b>(35,853,341)</b>	<b>841,519,740</b>	<b>453,111,835</b>	<b>(1,287,305)</b>	<b>(1,565,191,744)</b>	<b>37,146,321</b>	<b>6,531,265,471</b>	<b>387,727,706</b>	<b>10,942,138,465</b>
Transfers	-	-	-	-	-	-	-	1,459,374	386,268,332	(387,727,706)	-
Total Comprehensive Income / (Expense)	-	-	-	-	-	461,965	(136,426,643)	-	-	1,134,320,624	998,355,946
Increase/Decrease due to Share Repurchase Transactions	-	-	35,769,972	(61,945,570)	-	-	-	-	-	-	(26,175,598)
<b>Balances as of 30 June 2024</b>	<b>1,180,000,000</b>	<b>3,113,699,782</b>	<b>(83,369)</b>	<b>779,574,170</b>	<b>453,111,835</b>	<b>(825,340)</b>	<b>(1,701,618,387)</b>	<b>38,605,695</b>	<b>6,917,533,803</b>	<b>1,134,320,624</b>	<b>11,914,318,813</b>

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

# MARGÜN ENERJİ ÜRETİM SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2024

(Amounts expressed in thousands Turkish Lira ("TRY") unless otherwise stated.)

	Notes	Reviewed 1 January- 30 June 2024	Reviewed 1 January- 30 June 2023
<b>A. Cash Flows from Operating Activities</b>			
<b>Profit/Loss for the Period</b>		<b>1,134,320,624</b>	<b>1,056,002,024</b>
<b>Adjustments Related to Reconciliation of Net Profit/Loss for the Period</b>			
- Adjustments Related to Depreciation and Amortization Expenses	10-11	165,835,531	190,759,582
- Adjustments Related to Provisions	14	869,932	435,307
- Adjustments Related to Interest Income and Expenses		144,091,996	(58,501,685)
- Adjustments Related to Fair Value Losses (Gains) on Derivative Financial Instruments	24-a	39,748,810	(62,934,236)
- Adjustments Related to Unrealised Foreign Currency Translation Differences		122,708,150	17,713,734
- Adjustments Related to Share Based Payments		-	-
- Adjustments Related to Fair Value Losses/Gains		6,183,840	(4,313,152)
- Fair Value Losses (Gains) of Financial Assets	24-b	(833,132,496)	(130,018,900)
- Adjustments Related to Employment Termination Benefits	14	1,090,109	354,085
- Adjustments Related to Tax Expense / Income	22	91,173,830	636,599,730
<b>Changes in working capital</b>		<b>872,890,326</b>	<b>1,646,096,489</b>
- Adjustments Related to Increase / Decrease in Inventories		16,503,472	-
- Adjustments Related to Increase / Decrease in Trade Receivables		69,045,476	120,330,140
- Adjustments Related to Increase / Decrease in Other Payables from Operations		(3,170,124)	1,306,646
- Adjustments Related to Increase / Decrease in Other Receivables from Operations		(3,630,208)	3,908
- Adjustments Related to Decrease (Increase) in Other Assets		(2,361,338)	22,891,506
- Adjustments Related to Increase/Decrease in Trade Payables		(55,611,507)	(108,566,068)
- Adjustments Related to Increase/Decrease in Prepaid Expenses		(140,479,951)	(5,890,137)
- Adjustments Related to Increase / Decrease in Employee Benefits		3,248,427	191,906
- Adjustments Related to Increase (Decrease) in Other Liabilities		1,133,913	3,430,701
- Increase (Decrease) in Deferred Income (Excluding Liabilities arising from Customer Contracts)		(13,253,226)	(380,292)
- Monetary Loss/Gain		(822,109,194)	(664,208,154)
- Employment Termination Benefit Paid	14	(159,937)	(297,071)
- Tax Payments/Refunds	22	4,547,758	1,394,503
		<b>(73,406,113)</b>	<b>1,016,304,077</b>
<b>B. Cash Flows Generated from Investing Activities</b>			
Cash Outflows arising from Share Acquisition or Capital Increase of Associates and/or Joint Ventures	24-b	-	(1,928,034,194)
Cash Inflows from Sales of Property, Plant and Equipment and Intangible Assets		7,627,142	842,571
Cash Outflows from Purchase of Property, Plant and Equipment and Intangible Assets	10-11	(9,520,781)	(70,707,614)
Interest received		16,590,695	175,727,086
Change in financial assets	24-b	-	367,032,638
Repurchased Shares		35,769,972	(16,993,162)
		<b>50,467,028</b>	<b>(1,472,132,675)</b>
<b>C. Cash Flows from Financing Activities</b>			
Cash Inflows/Outflows arising from Other Receivables and Other Payables from Related Parties		(1,351,734)	239,765,144
Cash Inflows from Borrowings		345,354,041	1,178,414,309
Cash Outflows Related to Debt Repayments		(420,583,358)	(429,998,187)
Interest Paid	21	(135,526,699)	(109,411,565)
Dividends paid		-	(17,840,106)
		<b>(212,107,750)</b>	<b>860,929,595</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>		<b>(235,046,835)</b>	<b>405,100,997</b>
<b>D. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>		<b>321,593,481</b>	<b>589,063,084</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D)</b>		<b>86,546,646</b>	<b>994,164,081</b>

# MARGÜN ENERJİ ÜRETİM SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2024

(Amounts expressed in thousands Turkish Lira ("TRY") unless otherwise stated.)

### 1. ORGANIZATION AND OPERATIONS OF THE GROUP

#### Margün Enerji Üretim Sanayi ve Ticaret Anonim Şirketi ("Company" or "Margün"):

Margün Enerji Üretim Sanayi ve Ticaret Anonim Şirketi was established in 2014 in Turkey and operates in the establishment and commissioning of power plants to generate electricity from renewable energy sources, primarily solar energy, electric power generation, establishment and contracting of power generation facilities.

The registered address and head office of the Company is Kızılırmak Mahallesi 1450 Sokak Numara 1/67, Çankaya/Ankara.

As of June 30, 2024, the average number of personnel is 107 (31 December 2023: 94).

The Company's subsidiaries, their main fields of activity and capital shares are as follows:

Subsidiaries	Proportion of ownership interest/controlling interest (%)	Main Activity
Bosphorus Yenilenebilir Enerji A.Ş.	% 100/% 100	Energy production
Agah Enerji Üretim Sanayi ve Ticaret A.Ş.	% 100/% 100	Energy production
Angora Elektrik Üretim A.Ş.	% 100/% 100	Energy production/Repair and maintenance services
Anatolia Yenilenebilir Enerji A.Ş.	% 100/% 100	Energy production
Troya Yenilenebilir Enerji Ticaret A.Ş.	% 100/% 100	Energy production
Soleil Yenilenebilir Enerji Ticaret A.Ş.	% 100/% 100	Energy production
Enerji Teknoloji Yazılım A.Ş.	% 100/% 100	Software
Margun Climatech B.V.	% 100/% 100	Holdings
Margun Italy Climatech S.R.L	% 100/% 100	Climate Tech
Margun Romania Climatech S.R.L	% 100/% 100	Climate Tech
Margun UK Climatech LTD	% 100/% 100	Climate Tech

The Group's installed capacity (kWp) for energy generation is listed below;

Province	District	Installed Power (kWp)	Production Power (kWe)
Ankara	Akyurt/ Kahramankazan/ Kızılcihamam/ Polatlı	25,833	22,581
Yozgat	Akdağmadeni /Sorgun	6,675	5,690
Nevşehir	Merkez	10,318	8,991
Afyon	Dazkırı/ Sinanpaşa	15,485	13,780
Bilecik	Söğüt	2,147	1,998
Konya	Selçuklu/ Tuzlukçu	19,351	17,000
Antalya	Elmalı	3,516	3,540
Eskişehir	Sivrihisar	3,373	2,970
Adana	Çukurova	11,152	9,930
Muğla	Milas	20,170	14,000
		<b>118,020</b>	<b>100,480</b>

#### Approval of the Consolidated Financial Statements

The interim condensed consolidated financial statements for the period ended June 30, 2024, were approved by the Board of Directors on September 9, 2024, and authorized for publication.



# MARGÜN ENERJİ ÜRETİM SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2024

(Amounts expressed in thousands Turkish Lira ("TRY") unless otherwise stated.)

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

#### 2.1 Basis of Presentation

##### Statement of Compliance to TFRS

The accompanying financial statements are prepared in accordance with the requirements of Capital Markets Board ("CMB") Communiqué Serial II, No: 14.1 "Basis of Financial Reporting in Capital Markets", which was published in the Official Gazette No:28676 on 13 June 2013. The accompanying financial statements are prepared based on the Turkish Financial Reporting Standards ("TFRS") that have been put into effect by the Public Oversight Accounting and Auditing Standards Authority ("POA") under Article 5 of the Communiqué.

In addition, the consolidated financial statements have been prepared in accordance with the formats of "TFRS Taxonomy Announcement" published by POA and Financial Statement Examples and Guidelines for Use published by CMB, on July 3, 2024 .

The financial statements have been prepared on the historical cost basis except for revaluation of certain property, plant and equipment and financial instruments. In determining the historical cost, the fair value of the amount paid for the assets is generally taken as the basis.

##### Currency Used

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

##### Restatement of financial statements during periods of high inflation

In accordance with the CMB's decision dated 28 December 2023 and numbered 81/1820, issuers and capital market institutions subject to financial reporting regulations applying Turkish Accounting/Financial Reporting Standards are required to apply inflation accounting by applying the provisions of TAS 29 to their interim financial statements for the accounting periods ending on June 30, 2024.

POA made an announcement on 23 November 2023 regarding the scope and application of TAS 29. It stated that the financial statements of the entities applying Turkish Financial Reporting Standards for the interim reporting period ending on or after June 30, 2024 should be presented in accordance with the related accounting principles in TAS 29, adjusted for the effects of inflation.

In this framework, while preparing the consolidated financial statements dated June 30, 2024, inflation adjustment has been made in accordance with TAS 29.

# MARGÜN ENERJİ ÜRETİM SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2024

(Amounts expressed in thousands Turkish Lira ("TRY") unless otherwise stated.)

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

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

##### Restatement of financial statements during periods of high inflation (cont'd)

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

As at the reporting date, entities operating in Türkiye are required to apply TAS 29 "Financial Reporting in Hyperinflationary Economies" for the reporting periods ending on or after June 30, 2024, as the cumulative change in the general purchasing power of the last three years based on the Consumer Price Index ("CPI") is more than 100%.

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

Date	Index	Adjustment coefficient	Three-year cumulative inflation rates
30.06.2024	2,319.29	1.00000	324%
31.12.2023	1,859.38	1.24735	268%
30.06.2023	1,351.59	1.71597	190%

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

- As of the balance sheet date, all items other than those stated in terms of current purchasing power are restated by using the relevant price index coefficients. Prior year amounts are also restated in the same way.
- Monetary assets and liabilities are expressed in terms of the purchasing power at the balance sheet date and are therefore not subject to restatement. Monetary items are cash and items to be received or paid in cash.
- Fixed assets, subsidiaries and similar assets are indexed to their acquisition values, which do not exceed their market values. Depreciation has been adjusted in a similar manner. Amounts included in shareholders' equity have been restated by applying general price indices for the periods in which they were contributed to or arose within the Company.
- All items in the income statement, except for the effects of non-monetary items in the balance sheet on the income statement, have been restated by applying the multiples calculated over the periods when the income and expense accounts were initially recognised in the financial statements.
- The gain or loss arising on the net monetary position as a result of general inflation is the difference between the adjustments to non-monetary assets, equity items and income statement accounts. This gain or loss on the net monetary position is included in net profit.

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(Amounts expressed in thousands Turkish Lira ("TRY") unless otherwise stated.)

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

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

The impact of the application of TAS 29 Inflation Accounting is summarised below:

##### Restatement of the Statement of Financial Position

Amounts in the statement of financial position that are not expressed in terms of the measuring unit current at the end of the reporting period are restated. Accordingly, monetary items are not restated because they are expressed in the currency of the reporting period. Non-monetary items are required to be restated unless they are expressed in terms of the currency in effect at the end of the reporting period.

The gain or loss on the net monetary position arising on restatement of non-monetary items is recognised in profit or loss and presented separately in the statement of comprehensive income.

##### Restatement of the Statement of Profit or Loss

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

Depreciation and amortisation expenses have been restated using the restated balances of property, plant and equipment, intangible assets, investment property and right-of-use assets.

##### Restatement of Statement of Cash Flows

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

##### Consolidated financial statements

The financial statements of a subsidiary whose functional currency is the currency of a hyperinflationary economy are restated by applying the general price index before they are included in the consolidated financial statements prepared by the parent company. If the subsidiary is a foreign subsidiary, its restated financial statements are translated at the closing rate.

When consolidating financial statements with different reporting period ends, all monetary and nonmonetary items are restated in accordance with the measuring unit current at the date of the consolidated financial statements.

##### Comparative figures

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

##### Comparative Information and Restatement of Prior Periods' Consolidated Financial Statements

The consolidated financial statements of the Group are prepared in comparison with the prior period in order to allow the determination of financial position and performance trends. In order to comply with the presentation of the current period consolidated financial statements, comparative information is reclassified when necessary and significant differences are disclosed. In the current period, the Group has not made any changes in its prior period financial statements.

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(Amounts expressed in thousands Turkish Lira ("TRY") unless otherwise stated.)

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

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

##### Going Concern

The consolidated financial statements of the Group are prepared on a going concern basis.

##### Basis of Consolidation

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

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

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

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

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

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

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

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

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

# MARGÜN ENERJİ ÜRETİM SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2024

(Amounts expressed in thousands Turkish Lira ("TRY") unless otherwise stated.)

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

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

##### Basis of Consolidation (cont'd)

##### Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Group.

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable TFRS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under TFRS 9 Financial Instruments, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

#### 2.2 Changes in the Accounting Policies and Errors

The accounting policy changes arising from the first-time application of a new standard are applied retrospectively or prospectively in accordance with the transitional provisions, if any. The changes that take place of any transitional provision, significant changes made optional in accounting policies or determined accounting errors are applied retrospectively by restating prior period financial statements. If changes in accounting estimates are related to only one period, they are applied both in the current period when the amendment is made and for the future periods, both in the current period and in the future.

# MARGÜN ENERJİ ÜRETİM SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2024

(Amounts expressed in thousands Turkish Lira ("TRY") unless otherwise stated.)

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

#### 2.3 New and Amended Turkish Financial Reporting Standards

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

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

##### **Amendments to TAS 1 *Disclosure of Accounting Policies***

The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies.

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

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

Amendments to TFRS 16 clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in TFRS 15 to be accounted for as a sale. Amendments are effective from annual reporting periods beginning on or after 1 January 2024.

##### **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 are effective from annual reporting periods beginning on or after 1 January 2024. The Group evaluates the effects of these standards, amendments and improvements on the consolidated financial statements.

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

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

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

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

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(Amounts expressed in thousands Turkish Lira ("TRY") unless otherwise stated.)

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

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

##### TSRS 2 Climate-related Disclosures

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

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

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

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

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

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

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

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

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

##### ***Amendments are effective with the first application of TFRS 21.***

Amendments to TAS 21 Lack of Exchangeability The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. Amendments are effective from annual reporting periods beginning on or after 1 January 2025. The Group evaluates the effects of these standards, amendments and improvements on the consolidated financial statements.

#### 2.4 Summary of Significant Accounting Policies

Interim condensed consolidated financial statements for the period ending on June 30, 2024 prepared in accordance with the TMS 34 standard for the preparation of the tables. The interim condensed consolidated financial statements for the period ending on 30 June 2024 have been prepared by applying accounting policies consistent with the accounting policies applied during the preparation of the consolidated financial statements for the year ended 31 December 2023. Therefore, these interim condensed consolidated financial statements should be evaluated together with the consolidated financial statements for the year ended 31 December 2023.

# MARGÜN ENERJİ ÜRETİM SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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### 3. SEGMENT REPORTING

The Group has adopted TFRS 8 since its inception and has determined its operating segments based on internal reports regularly reviewed by the authority responsible for making decisions about the Group's activities.

30 June 2024			30 June 2023	
Province	Production amount (KWh)	Sales amount / TL	Production amount (KWh)	Sales amount / TL
Adana	8,171,308	35,720,613 #	8,670,033	40,645,089
Muğla	15,000,237	67,567,047 #	16,512,515	90,034,689
Bilecik	1,677,321	7,387,950 #	1,333,970	6,338,542
Afyon	12,616,228	55,265,257 #	11,205,906	52,683,784
Nevşehir	7,997,250	35,068,372 #	7,556,716	35,432,247
Ankara	18,930,104	82,955,013 #	16,858,119	79,510,623
Yozgat	5,032,119	22,112,625 #	4,637,650	21,789,225
Antalya	3,113,893	13,528,749 #	2,972,608	13,873,282
Eskişehir	2,694,971	11,794,149 #	2,486,182	11,710,996
Konya	15,302,273	66,849,889 #	14,682,363	68,955,779
<b>Total</b>	<b>35,106,010</b>	<b>153,464,413</b>	<b>36,334,689</b>	<b>165,959,959</b>

Electricity Production		Construction Contracting	30 June 2024
Domestic sales	398,249,665	7,705,480	405,955,145
Cost of sales (-)	(293,870,759)	(6,332,366)	(300,203,125)
<b>Gross Profit (Loss)</b>	<b>104,378,906</b>	<b>1,373,114</b>	<b>105,752,020</b>

Electricity Production		Construction Contracting	30 June 2023
Domestic sales	420,974,256	25,520,813	446,495,069
Cost of sales (-)	(276,181,892)	(9,408,859)	(285,590,751)
<b>Gross Profit (Loss)</b>	<b>144,792,364</b>	<b>16,111,954</b>	<b>160,904,318</b>

### 4. RELATED PARTY DISCLOSURES

Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated during consolidation process and are not disclosed in this note.

Other Receivables	30 June 2024	31 December 2023
Yusuf Şenel (*)	1,351,735	-
	<b>1,351,735</b>	<b>-</b>

(\*) The full collection of the balance was completed on July 3, 2024.



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

Interest income	1 January- 30 June 2024	1 January- 30 June 2023	1 April- 30 June 2024	1 April- 30 June 2023
Esenboğa Elektrik Üretim A.Ş.	17,828,994	-	17,828,994	-
Naturel Holding A.Ş.	-	9,644,807	-	9,644,807
	<u>17,828,994</u>	<u>9,644,807</u>	<u>17,828,994</u>	<u>9,644,807</u>
Interest expenses	1 January- 30 June 2024	1 January- 30 June 2023	1 April- 30 June 2024	1 April- 30 June 2023
Naturel Holding A.Ş.	6,635,901	-	6,635,901	-
Esenboğa Elektrik Üretim A.Ş.	-	564,080	-	564,080
Hermes Uluslararası Ticaret ve Lojistik A.Ş.	167,198	-	167,198	-
Naturel Yenilenebilir Enerji Ticaret A.Ş.	22,539	-	22,539	-
	<u>6,825,638</u>	<u>564,080</u>	<u>6,825,638</u>	<u>564,080</u>

### 5. TRADE RECEIVABLES AND PAYABLES

#### a) Trade Receivables:

As of June 30, 2024 and 31 December 2023, the details of the Group's trade receivables are as follows:

	30 June 2024	31 December 2023
Short-term trade receivables		
Trade receivables	79,636,960	57,973,662
Income accruals (*)	620,116,464	710,825,238
	<u>779,390,384</u>	<u>826,772,562</u>

As of June 30, 2024, the Group has no uncollectible receivables (31 December 2023: None).

(\*) The Group's energy revenues at the end of the period consist of income accruals and the Group's construction contract assets in progress.

# MARGÜN ENERJİ ÜRETİM SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2024

(Amounts expressed in thousands Turkish Lira ("TRY") unless otherwise stated.)

### 5. TRADE RECEIVABLES AND PAYABLES (cont'd)

#### b) Trade Payables:

As of June 30, 2024 and 31 December 2023, the details of the Group's trade payables are as follows:

	30 June 2024	31 December 2023
Short-term trade payables		
Trade payables	34,949,347	12,784,129
Borç senetleri	17,792,680	-
Expense accruals (*)	386,048,933	481,618,338
	<u>438,790,960</u>	<u>494,402,467</u>

(\*) It consists of the Group's construction in progress contract liabilities.

Explanations regarding the nature and level of risks in other receivables are given in Note 25.

### 6. OTHER RECEIVABLES AND PAYABLES

#### a) Other Receivables

	30 June 2024	31 December 2023
Short-Term Other Receivables		
Receivables from the tax office	607,296	212,790
Deposits and guarantees given	11,290	15,167
Other receivables (*)	3,328,269	-
	<u>3,946,855</u>	<u>227,957</u>

(\*) It consists of advances given for office maintenance expenses.

	30 June 2024	31 December 2023
Long-Term Other Receivables		
Deposits and guarantees given	525,103	613,793
	<u>525,103</u>	<u>613,793</u>

#### b) Other Payables

	30 June 2024	31 December 2023
Short-Term Other Payables		
Other miscellaneous payables (*)	4,572,130	7,742,255
	<u>4,572,130</u>	<u>7,742,255</u>

(\*) It consists of consulting services and insurance expenses.

**MARGÜN ENERJİ ÜRETİM SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS  
SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2024**

(Amounts expressed in thousands Turkish Lira ("TRY") unless otherwise stated.)

**7. INVENTORIES**

	30 June 2024	31 December 2023
Trade goods (*)	40,149,726	56,443,330
Other inventories	848,482	1,058,350
	<u>40,998,208</u>	<u>57,501,680</u>

(\*) It consists of materials such as solar panels and connectors purchased for EPC Projects.

**8. PREPAID EXPENSES AND DEFERRED INCOME**

	30 June 2024	31 December 2023
<u>Short-Term Prepaid Expenses</u>		
Order advances given	195,799,282	71,256,933
Business advances	43,521,277	37,343,099
Prepaid expenses	16,476,519	6,655,953
	<u>255,797,078</u>	<u>115,255,985</u>
	30 June 2024	31 December 2023
<u>Long-Term Prepaid Expenses</u>		
Prepaid expenses	-	61,142
	<u>-</u>	<u>61,142</u>
	30 June 2024	31 December 2023
<u>Short-Term Deferred Income</u>		
Order advances received	24,015,909	37,269,135
	<u>24,015,909</u>	<u>37,269,135</u>

# MARGÜN ENERJİ ÜRETİM SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2024

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### 9. INVESTMENT PROPERTIES

Cost Value	Land	Buildings	Total
Opening balance as of 1 January 2024	30,944,780	658,834,920	689,779,700
Transfers	933,264,195	-	933,264,195
Value increase and impairment (-)	(1,958,974)	(4,224,867)	(6,183,841)
Closing balance as of 30 June 2024	962,250,001	654,610,053	1,616,860,054

Cost Value	Land	Buildings	Total
Opening balance as of 1 January 2023	41,105,765	691,273,032	732,378,797
Value increase and impairment (-)	1,793,524	2,519,628	4,313,152
Closing balance as of 30 June 2023	42,899,289	693,792,660	736,691,949

There are no mortgages on the investment properties owned by the Group.

#### Fair value measurements of the Group's investment properties

As of June 30, 2024 and 31 December 2023, the fair values of the Group's investment properties have been determined by Net Kurumsal Değerleme ve Danışmanlık A.Ş., a valuation company independent from the Group and authorized by the CMB. The fair value of land and buildings owned is determined using the market comparative approach, which reflects current transaction prices for similar properties.

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2024

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### 10. PROPERTY, PLANT AND EQUIPMENT

	Land	Leasehold Improvements	Plant, Machinery and Equipment	Vehicles	Furniture and Fixtures	Construction in progress	Total
<b><u>Cost</u></b>							
Opening balance as of 1 January 2024	1,634,989,175	131,937	10,168,968,692	54,477,831	15,362,101	8,012,657	11,881,942,393
Additions	-	-	1,026,481	-	1,640,274	6,389,501	9,056,256
Transfers	(933,264,195)	-	-	-	-	-	(933,264,195)
Disposals	-	-	-	-	-	(7,578,336)	(7,578,336)
Closing balance as of 30 June 2024	701,724,980	131,937	10,169,995,173	54,477,831	17,002,375	6,823,822	10,950,156,118
<b><u>Accumulated Depreciation</u></b>							
Opening balance as of 1 January 2024	-	131,227	-	-	5,341,766	-	5,472,993
Charge for the period	-	474	161,001,421	4,109,070	622,017	-	165,732,982
Closing balance as of 30 June 2024	-	131,701	161,001,421	4,109,070	5,963,783	-	171,205,975
Carrying value as of 30 June 2024	701,724,980	236	10,008,993,752	50,368,761	11,038,592	6,823,822	10,778,950,143

(\*) As of June 30, 2024, there are pledges on property, plant and equipment amounting to TL 6,799,645,845 and mortgages amounting to TL 8,716,619,280.

The depreciation expenses of tangible fixed assets have been recorded in the cost of sales and administrative expenses.

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2024

(Amounts expressed in thousands Turkish Lira (“TRY”) unless otherwise stated.)

### 10. PROPERTY, PLANT AND EQUIPMENT (cont’d)

	Land	Leasehold Improvements	Plant, Machinery and Equipment	Vehicles	Furniture and Fixtures	Construction in progress	Total
<b><u>Cost</u></b>							
Opening balance as of 1 January 2023	926,005,748	131,937	11,076,168,425	59,835,102	10,440,152	-	12,072,581,364
Additions	62,627,074	-	-	91,849	4,979,447	2,778,499	70,476,869
Disposals	-	-	-	-	(842,571)	-	(842,571)
Değer Artışı	379,313,967	-	1,518,889,314	-	-	-	1,898,203,281
Closing balance as of 30 June 2023	988,632,822	131,937	11,076,168,425	59,926,951	14,577,028	2,778,499	14,040,418,943
<b><u>Accumulated Depreciation</u></b>							
Opening balance as of 1 January 2023	-	131,227	-	5,298,335	2,760,827	-	8,190,389
Charge for the period	-	-	183,812,157	4,980,721	1,940,856	-	190,733,734
Disposals	-	(11,629)	-	-	(61,564)	-	(73,193)
Closing balance as of 30 June 2023	-	119,598	183,812,157	10,279,056	4,640,119	-	198,850,930
Carrying value as of 30 June 2023	988,632,822	12,339	10,892,356,268	49,647,895	9,936,909	2,778,499	13,841,568,013

# MARGÜN ENERJİ ÜRETİM SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2024

(Amounts expressed in thousands Turkish Lira ("TRY") unless otherwise stated.)

### 10. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Depreciation periods for property, plant and equipment are as follows:

	Useful Life
Buildings	50 years
Plant, machinery and equipment	45-50 years
Vehicles	5 years
Furniture and fixtures	3-15 years
Leasehold improvements	5 years

### 11. INTANGIBLE ASSETS

	Rights	Other Intangible Assets	Total
<b>Cost Value</b>			
Opening balance as of 1 January 2024	14,634	1,159,850	1,174,484
Additions	-	464,525	464,525
Disposals	-	(48,806)	(48,806)
Closing balance as of 30 June 2024	14,634	1,575,569	1,590,203
<b>Accumulated Amortisation</b>			
Opening balance as of 1 January 2024	3,994	978,494	982,488
Charge for the period	-	102,549	102,549
Disposals	-	(8,134)	(8,134)
Closing balance as of 30 June 2024	3,994	1,072,909	1,076,903
Carrying value as of 30 June 2024	10,640	502,660	513,300

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2024**

(Amounts expressed in thousands Turkish Lira ("TRY") unless otherwise stated.)

**11. INTANGIBLE ASSETS (cont'd)**

	Rights	Other Intangible Assets	Total
<b>Cost Value</b>			
Opening balance as of 1 January 2023	-	449,669	449,669
Additions	-	230,745	230,745
Disposals	-	-	-
Closing balance as of 30 June 2023	-	680,414	680,414
<b>Accumulated Amortisation</b>			
Opening balance as of 1 January 2023	-	138,419	138,419
Charge for the period	-	25,848	25,848
Disposals	-	-	-
Closing balance as of 30 June 2023	-	164,267	164,267
Carrying value as of 30 June 2023	-	516,147	516,147

The amortization periods used for intangible assets are as follows:

	Useful Life
Rights	3 years
Other intangible assets	3-15 years



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### 12. COMMITMENTS

#### Collaterals-Pledge-Mortgage ("CPM")

The Company's collaterals/pledge/mortgage position as of June 30, 2024 and 2023 is as follows:

30 June 2024		TL equivalent	TL	USD	EUR
A. Total Amount of CPM Given for Its Own					
Legal Entity					
	-Collateral	61,521,512	61,521,512	-	-
	-Pledge	3,118,489,000	-	95,000,000	-
	-Mortgage	2,050,987,000	81,415,000	60,000,000	-
B. Total Amount of CPM Given on Behalf of the Fully Consolidated Entities					
	-Collateral	130,454,181	130,454,181	-	-
	-Pledge	3,681,156,845	1,975,000,000	-	48,569,159
	-Mortgage	6,665,632,280	490,000,000	90,000,000	91,700,000
C. Total Amount of CPM Given on Behalf of Third Parties Debts for Continuation of Their Economic Activities					
		-	-	-	-
D. Total Other CPM Given					
		-	-	-	-
i. Total CPM Given on Behalf of the Parent Company					
		-	-	-	-
ii. Total CPM Given on Behalf of Other Group Companies which are not included in the Scope of Items B and C					
		-	-	-	-
iii. Total CPM Given on Behalf of Third Parties which are not included in the Scope of Items C					
		-	-	-	-
<b>Total</b>		15,708,240,818	2,738,390,693	245,000,000	140,269,159

The ratio of other CPMs given by the Company/Group to the equity of the Company/Group is 131,84% as of June 30, 2024.

As of June 30, 2024, there are sureties given on behalf of Group companies amounting to TL 33,905,000,000, USD 24,500,000, EUR 313,000,000 and sureties given on their own behalf amounting to TL 5,201,600,000, USD 102,340,000 and EUR 3,274,000.

# MARGÜN ENERJİ ÜRETİM SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2024

(Amounts expressed in thousands Turkish Lira ("TRY") unless otherwise stated.)

### 12. COMMITMENTS (cont'd)

#### Collaterals-Pledge-Mortgage ("CPM") (cont'd)

31 December 2023	TL equivalent	TL	USD	EUR
A. Total Amount of CPM Given for Its Own				
Legal Entity				
-Collateral	42,010,610	42,010,610	-	-
-Pledge	3,488,363,702	-	118,497,860	-
-Mortgage	101,552,666	101,552,666	-	-
B. Total Amount of CPM Given on Behalf of the Fully Consolidated Entities				
-Collateral	86,265,420	86,265,420	-	-
-Pledge	2,035,776,926	62,367,294	-	60,582,541
-Mortgage	7,641,820,470	611,199,486	112,261,130	114,381,618
C. Total Amount of CPM Given on Behalf of Third Parties Debts for Continuation of Their Economic Activities	-	-	-	-
D. Total Other CPM Given	-	-	-	-
i. Total CPM Given on Behalf of the Parent Company	-	-	-	-
ii. Total CPM Given on Behalf of Other Group Companies which are not included in the Scope of Items B and C	-	-	-	-
iii. Total CPM Given on Behalf of Third Parties which are not included in the Scope of Items C	-	-	-	-
<b>Total</b>	<b>13,395,789,794</b>	<b>903,395,476</b>	<b>230,758,990</b>	<b>174,964,159</b>

The ratio of other CPMs given by the Company/Group to the equity of the Company/Group is 122,42% as of 31 December 2023.

# MARGÜN ENERJİ ÜRETİM SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2024

(Amounts expressed in thousands Turkish Lira ("TRY") unless otherwise stated.)

### 13. CASH FLOW HEDGE ACCOUNTING FOR HIGH-PROBABILITY FORECAST TRANSACTION CURRENCY RISK

The Group hedges the foreign currency risk on the balance sheet by borrowing in the same currency against the foreign currency risks arising from the foreign currency sales amounts that are highly probable to be realized in the future, considering the agreements made and the corporate budget.

Repayments of foreign currency borrowings, that are subject to hedge accounting and determined as hedging instrument, are made with foreign currency sales cash flows that will be realized on close dates and determined as hedged item.

Within the scope of the currency risk management strategy it has determined, the Group applies hedge accounting for the purpose of hedging the currency risk component of the highly probable estimated transaction cash flow risk, and the foreign exchange rate that has occurred on the hedging instrument, whose effectiveness has been mathematically proven in accordance with TFRS 9 and has not yet been realized. It pulls the fluctuations from the income statement and parks it in the comprehensive income statement and aims to present a healthier income statement.

As of June 30, 2024, the hedging ratio is 90% and hedge effectiveness is 92%.

<b>USD</b>	<b>30 June 2024</b>
Present value of the hedged item (current portion)	6,488,674
Present value of the hedged item (non-current portion)	19,562,576
Present value of the hedging instrument (current portion)	8,291,414
Present value of the hedging instrument (non-current portion)	17,048,582
<b>EUR</b>	<b>30 June 2024</b>
Present value of the hedged item (current portion)	4,764,434
Present value of the hedged item (non-current portion)	24,738,001
Present value of the hedging instrument (current portion)	7,457,078
Present value of the hedging instrument (non-current portion)	18,157,557
<b>TRY</b>	<b>30 June 2024</b>
Present value of the hedged item (current portion)	34,154,375
Present value of the hedged item (non-current portion)	129,471,232
Present value of the hedging instrument (current portion)	(47,140,414)
Present value of the hedging instrument (non-current portion)	(104,144,075)
<b>Hedging effectiveness rate</b>	<b>92%</b>
<b>Inactive portion left in the income statement</b>	<b>12,341,117</b>

**MARGÜN ENERJİ ÜRETİM SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS  
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2024**

(Amounts expressed in thousands Turkish Lira ("TRY") unless otherwise stated.)

**14. EMPLOYEE BENEFITS**

**Payables related to employee benefits**

	30 June 2024	31 December 2023
Social security premiums payable	4,053,887	2,205,123
Payables for employees	3,932,534	2,778,069
	<u>7,986,421</u>	<u>4,983,192</u>

**Short-term provisions for employee benefits**

	30 June 2024	31 December 2023
Provision for unused vacation	2,262,404	1,392,472
	<u>2,262,404</u>	<u>1,392,472</u>

**Long-term provisions for employee benefits**

Provision for employment termination benefits:

	30 June 2024	31 December 2023
Provision for employment termination benefits	2,345,943	2,100,745
	<u>2,345,943</u>	<u>2,100,745</u>

# MARGÜN ENERJİ ÜRETİM SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2024

(Amounts expressed in thousands Turkish Lira ("TRY") unless otherwise stated.)

### 14. EMPLOYEE BENEFITS (cont'd)

#### Long-term provisions for employee benefits (cont'd)

##### Provision for employment termination benefits: (cont'd)

According to the articles of Turkish Labor Law in force, the Group have obligation to pay the legal employee termination benefits to each employee whose are 25 years of working life (58 for women and 60 for men) by completing at least one year of service, leaving for military services and deceased.

As of June 30, 2024, the amount payable consists of one month's salary limited to a maximum of TL 35,058 (31 December 2023: TL 23,489).

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

The main assumption is that the maximum liability amount for each year of service will increase in line with inflation. Therefore, the discount rate applied represents the expected real rate after adjusting for the effects of future inflation. Therefore, as of June 30, 2024, provisions in the accompanying financial statements are calculated by estimating the present value of the future probable obligation arising from the retirement of the employees. Provisions at the relevant balance sheet dates are calculated using the real discount rate, which is approximately 5.14% (31 December 2023: 3.12%), based on the assumptions of 22.83% interim inflation and 26.85% interest rate. The maximum amount of TL 41,828 effective as of 1 July 2024 has been taken into account in the calculation of the severance pay provision of the Company (1 July 2023: TL 23,489).

	1 January- 30 June 2024	1 January- 30 June 2023
Provision as of 1 January	2,100,745	720,000
Service cost	637,861	227,848
Interest cost	452,248	126,237
Employment termination benefits paid	(159,937)	(297,071)
Actuarial loss / gain	(268,401)	458,866
Inflation Effect	(416,573)	(118,867)
Provision as of 30 June	2,345,943	1,117,013

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2024

(Amounts expressed in thousands Turkish Lira ("TRY") unless otherwise stated.)

### 15. OTHER ASSETS AND LIABILITIES

	30 June 2024	31 December 2023
<u>Other Current Assets</u>		
Deferred VAT	12,725,291	10,488,142
Personnel advances	152,410	28,221
	<u>12,877,701</u>	<u>10,516,363</u>

	30 June 2024	31 December 2023
<u>Other Current Liabilities</u>		
Taxes and funds payables	12,253,774	11,119,862
	<u>12,253,774</u>	<u>11,119,862</u>

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

#### a) Share Capital / Treasury Shares Adjustment

The paid-in capital structure of the Company as of June 30, 2024 and 31 December 2023 is as follows:

Shareholders	%	30 June 2024	%	31 December 2023
Esenboğa Elektirk Üretim A.Ş.	75.61%	892,195,122	%75.61	892,195,122
Publicly traded	24.39%	287,804,878	%24.39	287,804,878
Nominal capital		<u>1,180,000,000</u>		<u>1,180,000,000</u>
Inflation adjustment		<u>3,113,699,782</u>		<u>3,113,699,782</u>
Adjusted share capital		<u>3,960,799,155</u>		<u>3,960,799,155</u>

Restricted reserves appropriated from profit:

	30 June 2024	31 December 2023
Legal reserves	38,605,695	37,146,321
	<u>38,605,695</u>	<u>37,146,321</u>

# MARGÜN ENERJİ ÜRETİM SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2024

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### 16. SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS (cont'd)

#### a) Share Capital / Treasury Shares Adjustment (cont'd)

Other comprehensive income and expenses not to be reclassified to profit or loss:

	30 June 2024	31 December 2023
Increase in revaluation of non-current assets	453,111,835	453,111,835
	<u>453,111,835</u>	<u>453,111,835</u>
	30 June 2024	31 December 2023
Actuarial gains / losses from pension plans fund	(825,340)	(1,287,305)
	<u>(825,340)</u>	<u>(1,287,305)</u>
Share premiums:		
	30 June 2024	31 December 2023
Share premiums	779,574,170	841,519,740
	<u>779,574,170</u>	<u>841,519,740</u>

### 17. REVENUE AND COST OF SALES

	1 January- 30 June 2024	1 January- 30 June 2023	1 April- 30 June 2024	1 April- 30 June 2023
Domestic Sales	405,955,145	446,495,069	233,747,408	214,232,204
<b>Revenue</b>	<b><u>405,955,145</u></b>	<b><u>446,495,069</u></b>	<b><u>233,747,408</u></b>	<b><u>214,232,204</u></b>
Cost of services sold (-)	(300,203,125)	(285,590,751)	(140,149,977)	(111,055,167)
<b>Cost of Sales</b>	<b><u>(300,203,125)</u></b>	<b><u>(285,590,751)</u></b>	<b><u>(140,149,977)</u></b>	<b><u>(111,055,167)</u></b>
<b>Gross Profit</b>	<b><u>105,752,020</u></b>	<b><u>160,904,318</u></b>	<b><u>93,597,431</u></b>	<b><u>103,177,037</u></b>

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### 18. GENERAL ADMINISTRATIVE EXPENSES, MARKETING EXPENSES, RESEARCH AND DEVELOPMENT EXPENSES

	1 January- 30 June 2024	1 January- 30 June 2023	1 April- 30 June 2024	1 April- 30 June 2023
General Administrative Expenses	(71,027,085)	(68,211,175)	(28,150,132)	(40,608,407)
	(71,027,085)	(68,211,175)	(28,150,132)	(40,608,407)
	1 January- 30 June 2024	1 January- 30 June 2023	1 April- 30 June 2024	1 April- 30 June 2023
Consultancy and service expenses	(17,013,752)	(6,388,140)	(3,829,577)	(1,407,341)
Personnel wage expenses	(16,588,633)	(10,404,593)	(8,731,453)	(1,955,579)
Depreciation and amortisation expenses	(9,670,450)	(39,784,656)	(2,479,159)	(33,054,120)
Taxes, duties and charges	(9,178,635)	(1,093,757)	(1,248,517)	(881,754)
Traveling expenses	(8,902,037)	(95,518)	(8,303,717)	(56,393)
Rental and office expenses	(3,540,234)	(4,995,828)	(1,782,584)	(3,511,186)
Donation and aid expenses	(1,760,166)	(2,603,534)	(1,005,208)	(576,859)
Representation and hospitality expenses	(1,500,885)	(80,340)	17,747	(51,732)
Notary and chamber of commerce expenses	(239,004)	(10,308)	(221,365)	567
Insurance costs	(179,779)	(1,567,959)	7,770	(1,023,956)
Communication expenses	(126,675)	(15,928)	(60,816)	(12,558)
Maintenance and repair expenses	(47,452)	(49,791)	(6,351)	(19,541)
Advertisement and advertisement expenses	(7,991)	(160,188)	584	(75,677)
Other expenses	(2,271,391)	(960,635)	(507,485)	2,017,722
	(71,027,085)	(68,211,175)	(28,150,132)	(40,608,407)

### 19. OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES

The details of other income from core operations for the periods ending on June 30, 2024, and June 30, 2023, are as follows:

	1 January- 30 June 2024	1 January- 30 June 2023	1 April- 30 June 2024	1 April- 30 June 2023
<b>Other Income from Operating Activities</b>				
Foreign exchange gains arising from operating activities	20,672,634	305,876,910	(4,146,696)	158,850,886
Rental income	599,931	1,596,546	456,180	(102,425)
Other income	4,392,730	2,205,833	4,387,552	(641,730)
	25,665,295	309,679,289	697,036	158,106,731



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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2024

(Amounts expressed in thousands Turkish Lira ("TRY") unless otherwise stated.)

### 19. OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES (cont'd)

The details of other expenses from operating activities for the years ended June 30, 2024 and 2023 are as follows:

Other Expenses from Operating Activities	1 January- 30 June 2024	1 January- 30 June 2023	1 April- 30 June 2024	1 April- 30 June 2023
Foreign exchange losses from operating activities	(24,949,045)	(139,517,953)	35,170,720	(139,517,953)
Rent expenses	(5,767,993)	-	(5,473,459)	-
Commission expenses	(210,806)	-	18,404	-
Other expenses	(1,496,346)	(572,004)	(789,629)	(572,004)
	<u>(32,424,191)</u>	<u>(140,089,957)</u>	<u>28,926,035</u>	<u>(140,089,957)</u>

### 20. INCOME AND EXPENSES FROM INVESTING ACTIVITIES

For the years ended June 30, 2024 and 2023, income from investing activities are as follows:

Income from Investing Activities	1 January- 30 June 2024	1 January- 30 June 2023	1 April- 30 June 2024	1 April- 30 June 2023
Increase in value of financial investments presented at fair value	833,132,496	130,018,900	-	37,847,859
Increase in revaluation of investment property	-	4,313,152	-	4,313,152
Repo income	12,577,996	3,906,918	1,375,677	3,906,917
	<u>845,710,492</u>	<u>138,238,970</u>	<u>1,375,677</u>	<u>46,067,928</u>

For the years ended June 30, 2024 and 2023, expenses from investing activities are as follows:

Expenses from Investing Activities	1 January- 30 June 2024	1 January- 30 June 2023	1 April- 30 June 2024	1 April- 30 June 2023
Tangible assests and investment properties impairment	(6,183,840)	-	(100,599,477)	-
Impairment of property, plant and equipment and investment property	-	-	(221,860,457)	(865,592,524)
Loss on sale of marketable securities	-	(4,799,995)	-	(1,564,583)
	<u>(6,183,840)</u>	<u>(4,799,995)</u>	<u>(322,459,934)</u>	<u>(867,157,107)</u>

# MARGÜN ENERJİ ÜRETİM SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2024

(Amounts expressed in thousands Turkish Lira ("TRY") unless otherwise stated.)

### 21. FINANCE INCOME AND EXPENSES

The details of income from financing activities for the periods ending on June 30, 2024, and June 30, 2023, are as follows:

Finance income	1 January- 30 June 2024	1 January- 30 June 2023	1 April- 30 June 2024	1 April- 30 June 2023
Interest income from currency hedged and time deposits	-	138,936,887	-	120,327,521
Interest income from derivative instruments	4,012,699	32,883,281	372,392	32,883,281
Foreign exchange gains on bank borrowings	5,080,648	85,495	3,718,096	(4,222,845)
Discounted credit interest incom	-	-	-	(4,384,333)
Accrued income from related parties	17,828,994	9,644,807	17,828,994	9,644,807
	<u>26,922,341</u>	<u>181,550,470</u>	<u>21,919,482</u>	<u>154,248,431</u>

The details of expenses from financing activities for the periods ending on June 30, 2024, and June 30, 2023, are as follows:

Finance expenses	1 January- 30 June 2024	1 January- 30 June 2023	1 April- 30 June 2024	1 April- 30 June 2023
Foreign exchange differences arising from banks	(114,394,532)	(184,158,186)	28,316,653	(128,283,689)
Interest expenses on loans	(135,526,699)	(109,411,565)	(69,942,842)	(67,296,179)
Bank commission expenses	(9,906,877)	(18,443,343)	(4,793,304)	(13,229,767)
Interest expense on maturity differences	(471,074)	(8,291,829)	40,399	(8,291,829)
Letter of guarantee commission expenses	(896,640)	(725,358)	(483,603)	(208,384)
Interest expense from derivative instruments	-	-	-	6,364,877
Accrued expenses from related parties	(6,825,638)	(564,080)	(6,825,638)	(564,080)
	<u>(268,021,460)</u>	<u>(321,594,361)</u>	<u>(53,688,335)</u>	<u>(211,509,051)</u>

# MARGÜN ENERJİ ÜRETİM SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2024

(Amounts expressed in thousands Turkish Lira ("TRY") unless otherwise stated.)

### 22. INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)

	30 June 2024	30 June 2023
Current corporate tax provision	-	-
Less: Prepaid taxes and funds	(232,181)	(4,779,939)
<b>Tax provision in the balance sheet</b>	<b>(232,181)</b>	<b>(4,779,939)</b>

#### Tax expense in the statement of profit or loss:

<u>Tax expense / (income) consists of the following:</u>	30 June 2024	30 June 2023
Current tax expense / (income)	-	-
Deferred tax (income)/expense	(91,173,830)	(636,599,730)
	<u>(91,173,830)</u>	<u>(636,599,730)</u>

#### Corporate Tax

The Group is subject to Turkish corporate taxes. Provision is made in the accompanying financial statements for the estimated charge based on the Group results for the years and periods. Turkish tax legislation does not permit a parent company and its subsidiary to file a consolidated tax return. Therefore, provisions for taxes, as reflected in the accompanying consolidated financial statements, have been calculated on a separate-entity basis.

Corporate tax is applied on taxable corporate income, which is calculated from the statutory accounting profit by adding back non-deductible expenses, and by deducting non-deductible income and other deductions (prior years' losses, if any, and investment incentives used, if preferred).

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

The Law numbered 7061 on "Amendment of Certain Taxes and Laws and Other Acts" was published on the Official Gazette dated 5 December 2017 and numbered 30261. In accordance with (a) clause in the first paragraph of the Article, the exemption of 75% applied to gains from the sales of lands and buildings held by the entities for two full years has been reduced to rate of 50%. This regulation has been effective from 5 December 2017.

# MARGÜN ENERJİ ÜRETİM SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2024

(Amounts expressed in thousands Turkish Lira ("TRY") unless otherwise stated.)

### 22. INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (cont'd)

#### Deferred Tax:

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

According to TAS 12 Income taxes Article 48; "Current and deferred tax assets and liabilities are generally measured using enacted tax rates (and tax laws). However, in some cases, government announcements regarding tax rates (and tax laws) may have a significant effect on the enactment of legislation and may be enacted several months after the announcement. In such cases, the tax asset and liability are calculated based on the tax rates (or laws) announced." According to this paragraph, "Currency hedged deposits tax exemption" has been applied for the financial statements as of 31 December 2021. The public offering of the Group was realized as of 28 September 2021, and as announced in the official gazette dated 25 May 2021 and numbered 31491 with the said public offering transaction, the corporate tax rate of Margün Enerji Üretim Sanayi ve Ticaret AŞ, which is one of the institutions with a public offering of at least 20%, has been applied with a 2 percentage point discount on the corporate income to be obtained in the 2021 - 2025 accounting periods and as announced in the official gazette dated 22 January 2022 and numbered 31727, a discount of 2 points in the tax rate has been made due to the industrial registry certificate and actual production activities.

The tax rate used in the calculation of deferred tax assets and liabilities is 25%.

<u>Deferred tax assets/(liabilities):</u>	<u>30 June 2024</u>	<u>30 June 2023</u>
Adjustments related to investment property, property, plant and equipment and intangible assets	(1,555,497,726)	(2,020,163,138)
Adjustments related to fair value	(512,512,390)	(279,317,235)
Provision for unused vacation	520,353	320,269
Provision for employment termination benefits	523,507	483,171
Expense accruals	(27,321,475)	(43,878,061)
Financial losses	169,708,671	211,685,413
Cash flow hedge losses	302,310,530	547,318,844
Other	(2,085,840)	5,048,638
	<u>(1,624,354,370)</u>	<u>(1,578,502,099)</u>

# MARGÜN ENERJİ ÜRETİM SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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(Amounts expressed in thousands Turkish Lira ("TRY") unless otherwise stated.)

### 22. INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (cont'd)

#### *Deferred Tax: (cont'd)*

The movement of deferred tax assets / (liabilities) for the year ended June 30, 2024 and 2023 are given below:

<u>Movements in deferred tax assets / (liabilities):</u>	<u>1 January- 30 June 2024</u>	<u>1 January- 30 June 2023</u>
Opening balance as of 1 January	(1,578,502,099)	(1,919,214,037)
Recognised in the income statement	(91,173,830)	(636,599,730)
Recognised under equity	45,321,562	(162,966,262)
Closing balance as of 30 June	<u>(1,624,354,367)</u>	<u>(2,718,780,029)</u>

### 23. EARNINGS PER SHARE

Earnings per share are calculated by dividing net profit by the weighted average number of shares that have been outstanding during the year. Companies can increase their capital by distributing shares ("Bonus Shares") from accumulated profits and reassessment funds to current shareholders based on the number of shareholders' shares. When calculating earnings per share, the issuance of bonus shares is considered to be the same as shares issued. Therefore, the weighted average number of shares, which is used when calculating the earning per share, is gained by retrospectively counting the issuance of bonus shares. Earnings per share are determined by dividing net profit attributable to shareholders by the weighted average number of issued ordinary shares. The nominal value of one share of the Group is TL 1.

	<u>1 January- 30 June 2024</u>	<u>1 January- 30 June 2023</u>	<u>1 Nisan- 30 June 2024</u>	<u>1 Nisan- 30 June 2023</u>
<b>Earnings per share</b>				
Net profit / (loss) for the period	1,134,320,624	1,056,002,024	(135,407,211)	308,703,718
Number of shares	1,101,376,260	409,376,854	1,101,376,260	409,376,854
<b>Earnings per share (TL)</b>	<u><b>1.03</b></u>	<u><b>2.58</b></u>	<u><b>(0.12)</b></u>	<u><b>0.75</b></u>

# MARGÜN ENERJİ ÜRETİM SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2024

(Amounts expressed in thousands Turkish Lira ("TRY") unless otherwise stated.)

### 24. FINANCIAL INSTRUMENTS

#### a) Derivative Instruments

##### 30 June 2024

##### Derivative financial assets

Presentation of hedging derivative instruments at fair value:

*Derivative instrument*

*Cross currency swap transactions*

Short-term

Long-term

Contract Amount

Asset

Liability

-

-

-

625,287,533

55,015,484

-

625,287,533

55,015,484

-

-

15,173,799

-

-

39,841,685

-

-

55,015,484

-

##### 31 December 2023

##### Derivative financial assets

Presentation of hedging derivative instruments at fair value:

*Derivative instrument*

*Cross currency swap transactions*

Short-term

Long-term

Sözleşme Tutarı

Varlık

Yükümlülük

-

-

3,041,264

820,734,043

97,805,557

-

820,734,043

97,805,557

3,041,264

-

23,706,777

2,805,467

-

74,098,781

-

-

97,805,558

-

# MARGÜN ENERJİ ÜRETİM SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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### 24. FINANCIAL INSTRUMENTS (cont'd)

#### **b) Financial Investments**

<u>Long-Term Financial Investments</u>	<u>30 June 2024</u>	<u>31 December 2023</u>
Financial investments at fair value through profit or loss (*)	3,351,896,412	2,518,763,916
	<u>3,351,896,412</u>	<u>2,518,763,916</u>

(\*) On 20 January 2023, the Group acquired 30.39% of Enda Enerji Holding A.Ş. for TL 1,123,581,672. The Company is not listed on the stock exchange. The Company classifies as long term financial investment at fair value through profit or loss. Fair value increase amounting to TL 833,132,496 is recognized in income from investing activities.

#### **c) Financial Liabilities**

The details of financial liabilities carried at amortized cost are as follows:

<u>Short-Term Financial Borrowings</u>	<u>30 June 2024</u>	<u>31 December 2023</u>
Short-term bank loans	198,809,326	194,237,448
Short-term portion of long-term bank borrowings	724,787,213	817,885,215
	<u>923,596,539</u>	<u>1,012,122,663</u>
<u>Long-Term Financial Borrowings</u>	<u>30 June 2024</u>	<u>31 December 2023</u>
Long-term bank loans	1,950,767,061	2,367,545,190
Total debt	<u>1,950,767,061</u>	<u>2,367,545,190</u>

Currency	Weighted average effective interest rate	30 June 2024		
		Short-term	Weighted average effective interest rate	Long-term
TL	%51,00	64,421,529	%51,00	8,915,665
USD	%13,34	384,824,312	%13,34	693,182,238
EUR	%5,46	466,589,397	%5,46	1,127,832,411
CHF	%6,41	7,761,301	%6,41	120,836,747
		<u>923,596,539</u>		<u>1,950,767,061</u>

# MARGÜN ENERJİ ÜRETİM SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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(Amounts expressed in thousands Turkish Lira ("TRY") unless otherwise stated.)

### 24. FINANCIAL INSTRUMENTS (cont'd)

#### c) Financial Liabilities (cont'd)

Currency	Weighted average effective interest rate	31 December 2023		
		Short-term	Weighted average effective interest rate	Long-term
TL	%20.15	33,810,386	-	-
USD	%6.81	408,768,555	%13.34	1,363,552,444
EUR	%4.92	569,543,722	%5.46	1,003,992,746
		<u>1,012,122,663</u>		<u>2,367,545,190</u>

The maturities of bank loans are as follows:

	30 June 2024	31 December 2023
Payable in 1 year	923,596,539	1,012,122,663
Payable in 1 - 2 years	622,063,763	716,233,747
Payable in 2 - 3 years	626,682,072	614,669,066
Payable in 3 - 4 years	361,240,619	525,925,670
Payable in 4 - 5 years	168,715,036	510,716,707
5 years and longer	172,065,571	-
	<u>2,874,363,600</u>	<u>3,379,667,853</u>

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

#### a) Financial risk factors

The Group is exposed to market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk, and price risk), credit risk, and liquidity risk due to its activities. The Group's risk management program focuses primarily on minimizing the potential adverse effects of uncertainty in financial markets on the company's financial performance.

Risk management is carried out by a centralized finance department in accordance with policies approved by the Board of Directors. Regarding risk policies, the Group's finance department identifies, evaluates, and mitigates financial risks using tools in collaboration with the Group's operational units.



# MARGÜN ENERJİ ÜRETİM SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2024

(Amounts expressed in thousands Turkish Lira ("TRY") unless otherwise stated.)

### 25. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

#### b) Financial risk factors

##### Foreign exchange risk management

Transactions in foreign currency cause exchange rate risk.

The distribution of the Group's monetary assets and liabilities in foreign currency as of the balance sheet date is as follows:

	30 June 2024			
	TL Equivalent (Functional currency)	USD	EUR	Other Currency Equivalent in TL
1. Trade Receivables	15,723	487	-	-
2a. Monetary Financial Assets	45,751,510	36,109	325,264	931,113
2b. Non-Monetary Financial Assets	-	-	-	-
3. Other	58,999,070	1,562,093	246,141	-
4. CURRENT ASSETS	104,766,303	1,598,689	571,405	931,113
5. Trade Receivables	322,854	10,000	-	-
6a. Monetary Financial Assets	64,356,785	1,981,754	10,777	-
6b. Non-Monetary Financial Assets	-	-	-	-
7. Other	-	-	-	-
8. NON-CURRENT ASSETS	64,679,639	1,991,754	10,777	-
9. TOTAL ASSETS	169,445,942	3,590,443	582,182	931,113
10. Trade Payables	3,644,846	54,914	53,599	-
11. Financial Liabilities	854,803,667	12,074,518	13,086,598	222,660
12a. Monetary Other Liabilities	14,753,455	456,148	-	-
12b. Non-Monetary Other Liabilities	-	-	-	-
13. CURRENT LIABILITIES	873,201,968	12,585,580	13,140,197	222,660
14. Trade Payables	-	-	-	-
15. Financial Liabilities	2,041,140,816	22,020,855	34,750,395	3,263,254
16a. Monetary Other Liabilities	-	-	-	-
16b. Non-Monetary Other Liabilities	-	-	-	-
17. NON-CURRENT LIABILITIES	2,041,140,816	22,020,855	34,750,395	3,263,254
18. TOTAL LIABILITIES	2,914,342,784	34,606,435	47,890,593	3,485,914
19. Net Asset/ (Liability) Position of Off-Balance Sheet Derivative Instruments (19a-19b)	137,628,908	2,382,603	1,744,299	-
19a. Hedged portion of assets amount	137,628,908	2,382,603	1,744,299	-
19b. Hedged portion of liabilities amount	-	-	-	-
20. Net foreign currencies assets / (liability) position	(2,607,267,934)	(28,633,389)	(45,564,112)	(2,554,801)
21. Monetary Items Net Foreign Currency Asset/Liability Position (1+2a+5+6a-10-11-12a-14-15- 16a)	(2,803,895,912)	(32,578,085)	(47,554,552)	(2,554,801)

# MARGÜN ENERJİ ÜRETİM SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2024

(Amounts expressed in thousands Turkish Lira ("TRY") unless otherwise stated.)

### 25. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

#### b) Financial risk factors (cont'd)

#### *Foreign exchange risk management (cont'd)*

	31 December 2023			Other Currency Equivalent in TL
	TL Equivalent (Functional currency)	USD	EUR	
1. Trade Receivables	197,258	6,701	-	-
2a. Monetary Financial Assets	49,589,446	1,188,990	438,874	7,796
2b. Non-Monetary Financial Assets	-	-	-	-
3. Other	87,915,048	2,703,647	255,559	-
4. CURRENT ASSETS	137,701,752	3,899,338	694,432	7,796
5. Trade Receivables	367,196	12,473	-	-
6a. Monetary Financial Assets	128,289,389	4,350,146	7,028	-
6b. Non-Monetary Financial Assets	-	-	-	-
7. Other	-	-	-	-
8. NON-CURRENT ASSETS	128,656,586	4,362,620	7,028	-
9. TOTAL ASSETS	266,358,338	8,261,958	701,460	7,796
10. Trade Payables	8,262,420	99,791	163,011	-
11. Financial Liabilities	978,312,276	14,915,023	16,500,336	-
12a. Monetary Other Liabilities	51,407,276	-	1,575,335	-
12b. Non-Monetary Other Liabilities	-	-	-	-
13. CURRENT LIABILITIES	1,037,981,972	15,014,813	18,238,682	-
14. Trade Payables	-	-	-	-
15. Financial Liabilities	2,367,545,187	28,591,481	46,712,344	-
16a. Monetary Other Liabilities	-	-	-	-
16b. Non-Monetary Other Liabilities	-	-	-	-
17. NON-CURRENT LIABILITIES	2,367,545,187	28,591,481	46,712,344	-
18. TOTAL LIABILITIES	3,405,527,159	43,606,295	64,951,026	-
19. Net Asset/ (Liability) Position of Off-Balance Sheet Derivative Instruments (19a-19b)	897,956,367	13,731,909	15,107,117	-
19a. Hedged portion of assets amount	897,956,367	13,731,909	15,107,117	-
19b. Hedged portion of liabilities amount	-	-	-	-
20. Net foreign currencies assets / (liability) position	(2,241,212,454)	(21,612,428)	(49,142,449)	7,796
21. Monetary Items Net Foreign Currency Asset/Liability Position (1+2a+5+6a-10-11-12a-14-15- 16a)	(3,227,083,870)	(38,047,984)	(64,505,125)	7,796

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(Amounts expressed in thousands Turkish Lira ("TRY") unless otherwise stated.)

### 25. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

#### b) Financial risk factors (cont'd)

##### Foreign exchange risk management (cont'd)

##### Foreign currency sensitivity

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US Dollar and Euro. The table below shows the Group's sensitivity to 20% increase or decrease in USD and Euro exchange rates. The 10% rate is the rate used when reporting the exchange rate risk within the Group to the senior managers, and this rate represents the possible change expected by the management in the exchange rates. The sensitivity analysis covers only outstanding foreign currency denominated monetary items at year-end and shows the effects of 20% change in foreign currency rates at the end of the year. This analysis includes foreign borrowings, as well as non-functional currency loans of borrowers and borrowers used for foreign operations within the Group. A positive value represents an increase in profit/loss and other equity items.

		<b>30 June 2024</b>	
		Profit / Loss	
		Appreciation of foreign currency	Depreciation foreign currency
In case of a 20% appreciation of US Dollar against TL			
1 - USD net asset/liability	(187,985,073)	187,985,073	
2 - Portion hedged against USD risk (-)	-	-	
<b>3 - USD net effect (1 +2)</b>	<b>(187,985,073)</b>	<b>187,985,073</b>	
In case of a 20% appreciation of EUR against TL			
4 - EUR net asset/liability	(320,118,869)	320,118,869	
5 - Portion hedged against EUR risk (-)	-	-	
<b>6 - EUR net effect (4+5)</b>	<b>(320,118,869)</b>	<b>320,118,869</b>	
In case of appreciation of other foreign exchange rates by 20% against TL			
7- Other foreign currency net assets / liabilities	(18,605,848)	18,605,848	
8- Other foreign currency hedged portion (-)	-	-	
<b>9- Other Foreign Currency Assets net effect (7+8)</b>	<b>(18,605,848)</b>	<b>18,605,848</b>	
<b>TOTAL (3 + 6 +9)</b>	<b>(526,709,790)</b>	<b>526,709,790</b>	

# MARGÜN ENERJİ ÜRETİM SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2024

(Amounts expressed in thousands Turkish Lira ("TRY") unless otherwise stated.)

### 25. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

#### b) Financial risk factors (cont'd)

#### *Foreign exchange risk management (cont'd)*

#### *Foreign currency sensitivity (cont'd)*

		31 December 2023	
		Profit / Loss	
		Appreciation of foreign currency	Depreciation foreign currency
In case of a 20% appreciation of US Dollar against TL			
1 - USD net asset/liability	(127,246,194)		127,246,194
2 - Portion hedged against USD risk (-)	-		-
<b>3 - USD net effect (1 +2)</b>	<b>(127,246,194)</b>		<b>127,246,194</b>
In case of a 20% appreciation of EUR against TL			
4 - EUR net asset/liability	(320,152,242)		320,152,242
5 - Portion hedged against EUR risk (-)	-		-
<b>6 - EUR net effect (4+5)</b>	<b>(320,152,242)</b>		<b>320,152,242</b>
In case of appreciation of other foreign exchange rates by 20% against TL			
7- Other foreign currency net assets / liabilities	58,378		(58,378)
8- Other foreign currency hedged portion (-)	-		-
<b>9- Other Foreign Currency Assets net effect (7+8)</b>	<b>58,378</b>		<b>(58,378)</b>
<b>TOTAL (3 + 6 +9)</b>	<b>(447,340,058)</b>		<b>447,340,058</b>

### 26. EVENTS AFTER THE REPORTING PERIOD

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

**MARGÜN ENERJİ ÜRETİM SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS  
SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2024**

(Amounts expressed in thousands Turkish Lira ("TRY") unless otherwise stated.)

**27. DISCLOSURES RELATED TO THE STATEMENT OF CASH FLOWS**

	30 June 2024	31 December 2023
Cash on hand	237,868	1,703,434
Cash at banks	86,005,169	319,889,420
Demand deposits	65,748,416	52,543,024
Time deposits	20,256,753	267,346,396
Other	303,609	627
	<u>86,546,646</u>	<u>321,593,481</u>

There are no blocked deposits (31 December 2023: None).