

**ORGE ENERJİ ELEKTRİK TAAHHÜT ANONİM ŞİRKETİ AND ITS
SUBSIDIARY**

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE ACCOUNTING PERIOD ENDED 30 JUNE 2024

This report has been translated into English for informational purposes. In case of a discrepancy between the Turkish and the English versions of this report, the Turkish version shall prevail.

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ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş AND ITS SUBSIDIARY**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 30 JUNE 2024**

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") as of 30 June 2024, based on purchasing power.)

ASSETS	Note	Reviewed	Audited
		Current Period 30 June 2024	Prior Period 31 December 2023
Current Assets		2.599.045.257	2.320.145.260
Cash and cash equivalents	4	169.138.288	258.464.337
Trade receivables		370.073.254	446.842.523
- Trade receivables from non-related parties	6	370.073.254	446.842.523
Other receivables		5.547.913	6.235.727
- Other receivables from related parties		60.000	-
- Other receivables from non-related parties	7	5.487.913	6.235.727
Contractual assets arising from ongoing construction and contracting works	10	1.979.614.230	1.547.480.006
Inventories	8	37.860.680	25.894.961
Prepaid expenses		32.418.406	23.381.672
- Prepaid expenses to non-related parties	9	32.418.406	23.381.672
Current tax assets	25	-	955.831
Other current assets	19	4.392.486	10.890.203
Non-Current Assets		350.015.103	406.402.230
Other receivables		718.947	590.295
- Other receivables from non-related parties	7	718.947	590.295
Investment property	11	244.180.431	315.073.335
Property, plant and equipment	12	32.334.603	20.459.733
Right of use assets	14	6.026.599	7.542.511
Intangible assets	13	409.484	4.641
Assets related to the current period tax	25	61.357.911	58.148.671
Prepaid expenses	9	4.987.128	4.583.044
TOTAL ASSETS		2.949.060.360	2.726.547.490

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

ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş AND ITS SUBSIDIARY

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 30 JUNE 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") as of 30 June 2024, based on purchasing power.)

	Note	Reviewed	Audited
		Current Period 30 June 2024	Prior Period 31 December 2023
LIABILITIES			
Short-Term Liabilities		656.997.267	764.996.221
Short-term borrowings	5	95.933.103	128.688.551
Short-term Portions of long-term liabilities	5	79.170.977	92.585.729
Trade payables		206.122.437	297.419.463
-Trade payables to non-related parties	6	206.122.437	297.419.463
Employee benefit liabilities	18	12.268.026	9.135.170
Other payables		7.651.879	6.381.726
-Other payables to related parties	27	21.655	27.011
-Other payables to non- related parties	7	7.630.224	6.354.715
Liabilities arising from customer contracts	10	253.121.110	228.709.961
Current income tax liability	25	1.521.822	767.467
Short-term provisions		1.207.913	1.308.154
-Short-term provisions related with employee benefits	18	700.819	675.632
-Other short-term provisions	17	507.094	632.522
Other short-term liabilities	19	-	-
Long-Term Liabilities		500.258.857	312.875.730
Long-term financial liabilities	5	2.825.635	7.219.675
Other payables		13.500	16.839
-Other payables to non-related parties	7	13.500	16.839
Long-term provisions		10.772.766	9.030.872
-Long-term provisions related to employee benefits	18	10.772.766	9.030.872
Deferred tax liabilities	25	486.646.956	296.608.344
EQUITY		1.791.804.236	1.648.675.539
Equities of the Parent Company		1.791.804.236	1.648.675.372
Paid-in capital	20	80.000.000	80.000.000
Capital adjustment differences	20	527.406.301	527.406.301
Treasury shares (-)	20	(39.049.323)	-
Share premium	20	47.053.664	47.053.664
Other accumulated comprehensive income (loss) that will not be reclassified in profit or loss		(7.066.321)	(4.392.017)
- Losses / gains due to defined benefit plans	20	(7.066.321)	(4.392.017)
Restricted reserves	20	64.434.357	25.166.599
Profit / loss of previous years (-)	20	934.173.234	701.165.845
Net profit / loss for the year (-)		184.852.324	272.274.980
Non-controlling interests	20	-	167
TOTAL LIABILITIES		2.949.060.360	2.726.547.490

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

**ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş AND ITS SUBSIDIARY
REVIEWED**

CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE PERIOD ENDED 01 JANUARY - 30 JUNE 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") as of 30 June 2024, based on purchasing power.)

Profit and Loss Statement	Note	01 January- 30 June 2024	01 January- 30 June 2023	01 April- 30 June 2024	01 April- 30 June 2023
Ongoing Operations					
Revenue	21	1.372.426.305	986.662.610	728.037.236	396.856.067
Cost of Sales (-)	21	(551.065.997)	(519.081.775)	(266.776.769)	(93.350.338)
Gross Profit form Operating		821.360.308	467.580.835	461.260.467	303.505.729
General Administration Expenses (-)		(39.177.979)	(39.439.355)	(20.726.810)	(18.464.914)
Other Income from Operating Activities	22	50.374.612	89.540.868	15.924.708	71.417.805
Other Loss from Operating Activities (-)	22	(52.681.877)	(96.856.281)	(10.539.311)	(74.953.780)
Operation Profit / Loss (-)		779.875.064	420.826.067	445.919.054	281.504.840
Income from Investment Activities	23	730.894	42.331.196	262.331	41.800.091
Expense from Investment Activities (-)	23	(14.550.199)	-	(12.680.737)	-
Operating Income / Loss before Financing Expense		766.055.759	463.157.263	433.500.648	323.304.931
Financial Income	24	26.289.905	6.075.105	5.028.713	(479.027)
Financial Expenses (-)	24	(52.798.211)	(28.375.953)	(28.153.078)	(11.696.577)
Net Monetary Gain/Loss		(363.665.667)	(234.381.077)	(100.877.457)	(152.991.948)
Profit/Loss Before Tax from Continuing Operations		375.881.786	206.475.338	309.498.826	158.137.379
Continuing Operations' Tax Income/Expense		(191.029.462)	(50.090.777)	(234.014.595)	(123.196.819)
-Current Period Tax Income/ Loss	25	-	(513.467)	1.046.193	(78.399)
-Deferred Tax Income/ Loss	25	(191.029.462)	(49.577.310)	(235.060.788)	(123.118.420)
Profit/Loss for the Period from Continuing Operations		184.852.324	156.384.561	75.484.231	34.940.560
Profit/Loss for the Period from Discontinued Operations (-)					
Profit / Loss for the Year		184.852.324	156.384.561	75.484.231	34.940.560
Profit/Loss for the Period from Continuing Operations		184.852.324	156.384.561	75.484.231	34.940.560
Distribution of Profit/Loss for the Period		184.852.324	156.384.561	75.484.231	34.940.560
Non-Controlling Interests		-	40	-	(98)
Equity Holders of the Parent		184.852.324	156.384.521	75.484.231	34.940.658
Earnings per Share					
Earnings (Loss) per Share from Continuing Operations	26	2,311	1,955	0,944	0,437
Earnings (Loss) per Share from Discontinued Operations					

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

ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş AND ITS SUBSIDIARY

REVIEWED

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 01 JANUARY - 30 JUNE 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") as of 30 June 2024, based on purchasing power.)

	Note	01 January- 30 June 2024	01 January- 30 June 2023	01 April- 30 June 2024	01 April- 30 June 2023
Profit / Loss for the Year		184.852.324	156.384.561	75.484.231	34.940.560
Other Comprehensive Income Statement					
That Will Not Be Reclassified To Profit Or Loss					
-Gains (Losses) On Remeasurements of Defined Benefit Plans	18	(3.565.739)	(2.594.667)	(2.888.924)	90.646
-Taxes Related to Loss / Gain on Defined Benefit Plans Remeasurement		891.435	518.933	722.231	(18.130)
-Gains (Losses) On Remeasurements of Defined Benefit Plans Tax Effect	25	891.435	518.933	722.231	(18.130)
Other Comprehensive Income / Expense	-	(2.674.304)	(2.075.734)	(2.166.693)	72.516
Total Comprehensive Income	-	182.178.020	154.308.827	73.317.538	35.013.076
Distribution of Total Comprehensive Income					
Non-controlling Shares		-	40	-	(98)
Parent Shares		182.178.020	154.308.787	73.317.538	35.013.174

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

ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş AND ITS SUBSIDIARY

UNREVIEWED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS FOR THE PERIOD ENDED 30 JUNE 2024 and 30 JUNE 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") as of 30 June 2024, based on purchasing power.)

	Note	Paid-in Capital	Capital adjustment differences	Treasury Shares(-)	Share Premium / Discount	Other Accumulated Comprehensive Income (Loss) that will not be Reclassified in Profit or Loss	Reserves on Retained Earnings	Accumulated Profit		Shareholders' Equity	Non-Controlling Interest	Equity
						Revaluation and Remeasurements Gain / (Loss)		Defined Benefit Plans Remeasurement Gains / Losses	Prior Years' Profits or Losses			
Balance at 01 January 2023	20	80.000.000	527.406.301	(1.698.414)	36.743.112	(1.970.926)	27.673.984	698.658.460	-	1.366.812.517	70	1.366.812.587
Transfers		-	-	-	-	-	(2.223.178)	2.223.178	-	-	-	-
Total Comprehensive Income (Expense)		-	-	-	-	(2.075.734)	-	-	156.384.521	154.308.787	40	154.308.827
Period Profit (Loss)		-	-	-	-	-	-	-	156.384.521	156.384.521	40	156.384.561
Other Comprehensive Income (Loss)		-	-	-	-	(2.075.734)	-	-	-	(2.075.734)	-	(2.075.734)
Increase (Decrease) Due to Repurchase of Shares Transactions		-	-	1.414.208	10.310.553	-	-	-	-	11.724.761	-	11.724.761
Balance at 30 June 2023	20	80.000.000	527.406.301	(284.206)	47.053.665	(4.046.660)	25.450.806	700.881.638	156.384.521	1.532.846.065	110	1.532.846.175
Balance at 01 January 2024	20	80.000.000	527.406.301	-	47.053.664	(4.392.017)	25.166.599	701.165.845	272.274.980	1.648.675.372	167	1.648.675.539
Transfers		-	-	-	-	-	39.267.758	233.007.222	(272.274.980)	-	-	-
Total Comprehensive Income (Expense)		-	-	-	-	(2.674.304)	-	-	184.852.324	182.178.020	-	182.178.020
Period Profit (Loss)		-	-	-	-	-	-	-	184.852.324	184.852.324	-	184.852.324
Other Comprehensive Income (Loss)		-	-	-	-	(2.674.304)	-	-	-	(2.674.304)	-	(2.674.304)
Increase (Decrease) Due to Repurchase of Shares Transactions		-	-	(39.049.323)	-	-	-	-	-	(39.049.323)	-	(39.049.323)
Transactions with Non-Controlling Interest		-	-	-	-	-	-	167	-	167	(167)	-
Balance at 30 June 2024	20	80.000.000	527.406.301	(39.049.323)	47.053.664	(7.066.321)	64.434.357	934.173.234	184.852.324	1.791.804.236	-	1.791.804.236

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

ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş. AND ITS SUBSIDIARY
UNAUDITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS FOR THE PERIOD ENDED 01 JANUARY- 30
JUNE 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") as of 30 June 2024, based on purchasing power.)

A. CASH FLOWS FROM MAIN OPERATIONS	Note	01 January- 30 June 2024	01 January- 30 June 2023
CASH FLOWS FROM OPERATING ACTIVITIES	-	(39.526.698)	(2.337.462)
Period profit (Loss)		184.852.324	156.384.561
Profit from continuing operations (Loss)		184.852.324	156.384.561
Adjustments to Reconcile Net Profit/(Loss)		209.320.852	11.969.593
Adjustments for depreciation and amortization expenses	12,13,14	5.071.051	3.205.750
Adjustments for provisions		(1.924.086)	(2.843.434)
<i>Adjustments for (reversal of) provisions related to employee benefits</i>	18	(1.798.658)	(2.992.163)
<i>Adjustments Related to Provisions for Lawsuits and/or Penalties (Reversal)</i>	17	(125.428)	148.729
Adjustments for interest (income) expenses		594.226	3.611.454
<i>Adjustments for interest expenses</i>		594.226	3.611.454
<i>Adjustments Related to Fair Value Losses (Gains)</i>		-	(41.581.487)
<i>Adjustments Related to Fair Value Losses (Gains) of Investment Properties</i>	11	-	(41.581.487)
Adjustments for tax (income) expenses	25	191.029.462	49.577.310
Adjustments for Losses (Gains) from the Disposal of Investment Properties	11	14.550.199	-
Changes in Working Capital		(432.200.820)	(167.570.241)
Adjustments for decrease (increase) in trade receivable		76.769.269	59.749.395
<i>Decrease (Increase) in Trade Receivables from Unrelated Parties</i>	6	76.769.269	59.749.395
Adjustments Related to Decrease (Increase) in Other Receivables Related to Operations		559.162	(8.099.367)
<i>Adjustments for decrease (increase) in other receivables related to operations</i>		(60.000)	-
<i>Adjustments for decrease (increase) in other receivables unrelated to operations</i>	7	619.162	(8.099.367)
Decrease (Increase) in Contract Assets Arising from Ongoing Construction and Contracting Works	10	(407.723.075)	(150.948.223)
Adjustments for decrease (increase) in inventories	8	(11.965.719)	(28.450.707)
Decrease (increase) in prepaid expenses	9	(9.440.818)	22.142.174
Adjustments for increase (decrease) in trade payable		(91.297.026)	(67.167.823)
<i>Increase (decrease) in trade payables to unrelated parties</i>	6	(91.297.026)	(67.167.823)
Increase (decrease) in employee benefit liabilities	18	3.132.856	15.378.585
Adjustments for increase (decrease) in other operating payables		1.266.814	(2.806.159)
<i>Increase (decrease) in other related party payables related to operations</i>	27	(5.356)	100.943
<i>Increase (decrease) in other operating payables to unrelated parties</i>	7	1.272.170	(2.907.102)
Adjustments for other increase (decrease) in working capital		6.497.717	(7.368.116)
<i>Decrease (increase) in other assets related to activities</i>	19	6.497.717	(7.551.907)
<i>Decrease (increase) in other liabilities related to activities</i>		-	183.791
Cash Flows from Operating Activities		(38.027.644)	783.913
Tax rebate (payment)	25	(1.499.054)	(3.121.375)
B. CASH FLOWS FROM INVESTING ACTIVITIES		40.507.853	(4.220.506)
Cash Outflows from Purchase of property, plant, equipment and intangible assets	12,13	(15.834.852)	(4.220.506)
Cash Inflows from the Sale of Investment Properties	11	56.342.705	
C. CASH FLOW FROM FINANCING ACTIVITIES		(90.307.204)	(42.144.494)
Cash Inflows from the Sale of the Business's Own Shares and Other Equity Instruments		-	11.724.761
Cash Outflows Due to the Acquisition of the Entity's Own Shares	20	(39.049.323)	-
Cash inflows from borrowings	5	(10.547.370)	2.738.572
Cash outflows related to debt payments of lease liabilities	5	(724.201)	(405.460)
Paid interest	24	(39.986.310)	(56.202.367)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE CHANGES		(89.326.049)	(48.702.462)
Net Increase In Cash and Cash Equivalents	4	(89.326.049)	(48.702.462)
Cash and Cash Equivalents at the Beginning of The Period	4	258.464.337	160.442.218
Cash and Cash Equivalents at the end of The Period		169.138.288	111.739.756

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

ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş. AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") as of 30 June 2024, based on purchasing power.)

1. GROUP'S ORGANIZATION AND NATURE OF OPERATION

Orge Enerji Elektrik Taahhüt A.Ş. ("Company") was established in 1998. The main activity of the Company and its subsidiary ("Group") is to undertake electricity contracting works of residential and business construction works.

The company was established as the name of Orge Enerji Sistemleri İnşaat Metal Ticaret ve Taahhüt A.Ş. Trade name was changed and registered to Orge Enerji Elektrik Taahhüt A.Ş. on 30.06.2010.

The Company's shares have been quoted on the Borsa Istanbul ("BIST") since 15.02.2012.

The Group's head office is located in "Kozyatağı Mahallesi Değirmen Sokak Nida Kule No: 18 Kat: 18 34742 Kadıköy, İstanbul" and there is no any branch offices.

For the period ended 30 June 2024, the average number of personnel employed within the Group was 356 people, and as of the balance sheet date, there were no employees employed within subsidiary companies. (31 December 2023: 442).

As of 30 June 2024, 51,9% of the company's capital, amounting to 80,000,000 TL (31 December 2023: 80,000,000 TL), is publicly traded. The Gündüz family is the main shareholder and holds management control of the Group. (Note 20).

The subsidiary is consolidated to financial statements by using fully consolidation method:

<u>Subsidiary</u>	<u>Nature of Business</u>	<u>Proportion of Effective Interest (%)</u>	<u>Country of Incorporation</u>
And İnşaat Ticaret A.Ş.	Construction Equipment	100	Türkiye

The Group does not have any subsidiaries traded on the stock exchange.

The Group, within the framework of the profit distribution policies to be determined by the general assembly and the relevant, distributes in accordance with the provisions of the legislation by the decision of the general assembly as of the report date, there is no profit distribution decision taken by the Group.

Approval of the consolidated financial statements

The financial statements for the period 1 January to 30 June 2024 were approved at the Board of Directors meeting held on 13 September 2024. The financial statements will be finalized upon approval at the General Assembly.

ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş. AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") as of 30 June 2024, based on purchasing power.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

A. Basis of Presentation

Basis of Presentation of Consolidated Financial Statements

The Group registered in Turkey maintains their books of account and prepare their statutory financial statements in accordance with accounting principles in the Turkish Commercial Code ("TTK") and Tax Legislation.

The accompanying consolidated financial statements have been prepared in accordance with the Turkish Financial Reporting Standards (TFRS) issued by the Public Oversight Accounting and Auditing Standards Authority (POA) pursuant to the provisions of the Capital Markets Board's (CMB) Communiqué No. II-14.1 "Principles of Financial Reporting in Capital Markets," published in the Official Gazette No. 28676 dated 13 June 2013. They comprise the Turkish Financial Reporting Standards together with their additions and interpretations. Additionally, they have been presented in compliance with the TAS taxonomy published by the POA.

According to the regulations of the CMB, companies reporting under the provisions of the Communiqué apply the Turkish Financial Reporting Standards issued by the Public Oversight, Accounting and Auditing Standards Authority (POA), including the additional guidance and interpretations ("TFRS") published by the POA.

The Group maintains its accounting records and statutory financial statements in Turkish Lira in accordance with the requirements of the commercial legislation, tax legislation applicable in Turkey, and the Uniform Chart of Accounts published by the Ministry of Finance.

The consolidated financial statements are prepared based on the Group's statutory records and expressed in Turkish Lira, and have been subject to certain adjustments and reclassifications in accordance with the Turkish Financial Reporting Standards issued by the POA to properly reflect the Group's financial position.

The preparation of the consolidated financial statements in accordance with TFRS requires the use of certain assumptions and significant accounting estimates that may affect the explanatory notes related to assets and liabilities, as well as contingent assets and liabilities. While these estimates are based on management's best estimates considering current events and actions, actual results may differ from those anticipated. Assumptions and estimates that are more complex and require a higher level of interpretation can have a significant impact on the financial statements. There have been no changes to the assumptions and significant accounting estimates used in the preparation of the consolidated financial statements for the year ended 30 June 2024.

There are no seasonal and periodical changes that will significantly affect the Group's activities.

The consolidated financial statements are prepared on historical cost basis, except for the financial instruments and investment properties carried at fair value.

ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş. AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") as of 30 June 2024, based on purchasing power.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continue)

A. Basis of Presentation (continue)

Financial Reporting in Hyperinflationary Economies

Based on the announcement made by the POA on 23 November 2023 and the published "Implementation Guide on Financial Reporting in Hyperinflationary Economies," the Group has prepared its consolidated financial statements as of 30 June 2024 and for the year ended on the same date by applying TAS 29 "Financial Reporting in Hyperinflationary Economies." According to this standard, financial statements prepared based on the currency of a hyperinflationary economy should be expressed in terms of the purchasing power of that currency at the balance sheet date, and comparative information from previous periods should be restated in terms of the current measuring unit at the end of the reporting period for comparison purposes. Therefore, the Group has also presented its consolidated financial statements as of 30 June 2023 and 31 December 2023 in terms of the purchasing power as of 30 June 2024.

In accordance with the decision dated 28 December 2023, numbered 81/1820 by the Capital Markets Board of Turkey (CMB), it has been decided to apply inflation accounting by applying the provisions of TAS 29, starting from the annual financial statements of issuers and capital market institutions subject to financial reporting regulations applying Turkish Accounting / Financial Reporting Standards for the accounting periods ending on 30 June 2024.

The reclassifications made in accordance with TAS 29 were based on the correction coefficients obtained from the Consumer Price Index ("TÜFE") published by the Turkish Statistical Institute ("TÜİK"). As of 30 June 2024, the indices and correction coefficients used for the correction of consolidated financial statements are as follows:

Date	Index	Adjustment Coefficient	Three-Year Compound Inflation Rate
30 June 2024	2.319,29	1,00000	324%
31 December 2023	1.859,38	1,24735	268%
30 June 2023	1.351,59	1,71597	190%

The main elements of the adjustment process undertaken by the Company for financial reporting in high inflation economies are as follows:

- The non-consolidated financial statements prepared in Turkish Lira (TL) are expressed in terms of the purchasing power at the balance sheet date, with the amounts for previous reporting periods also adjusted to reflect the purchasing power at the end of the reporting period.
- Monetary assets and liabilities are not adjusted since they are already expressed in the current purchasing power at the balance sheet date. If the inflation-adjusted values of non-monetary items exceed their recoverable amount or net realizable value, the provisions of TAS 36 and TAS 2 are applied accordingly.

Comparative information and restatement of prior year financial statements

Consolidated financial statements of the Group have been prepared comparatively with the prior year in order to give accurate trend analysis regarding financial position and performance. In order to maintain consistency with current year consolidated financial statements, comparative information is reclassified and significant changes are disclosed where necessary.

ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş. AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") as of 30 June 2024, based on purchasing power.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continue)

A. Basis of Presentation (continue)

Going Concern

The consolidated financial statements have been prepared on a going concern basis, assuming that the Group will derive benefits from its assets and fulfill its obligations in the ordinary course of business over the next year.

Offsetting

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

Functional Currency and Presentation Currency for Financial Statements

Each item in the financial statements of the companies within the Group has been accounted for using the functional currency, which is the currency of the primary economic environment in which the companies operate. The consolidated financial statements are presented using Turkish Lira, which is the presentation currency of the Group's financial statements.

New and Amended Standards and Interpretations

The accounting policies adopted in preparation of the consolidated financial statements as of 30 June 2024 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRS interpretations effective as of January 1, 2024 and thereafter. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

a) The new standards, amendments and interpretations effective as of January 1, 2024 are as follows:

- Amendments to TFRS 3 - Reference to the Conceptual Framework
- Amendments to TAS 16 – Proceeds before intended use
- Amendments to TAS 37 – Onerous contracts – Costs of Fulfilling a Contract

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

ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş. AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") as of 30 June 2024, based on purchasing power.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continue)

b) Standards issued but not yet effective and not early adopted

Standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of issuance of the condensed consolidated financial statements are as follows. The Group will make the necessary changes if not indicated otherwise, which will be affecting the consolidated financial statements and disclosures when the new standards and interpretations become effective.

- TFRS 10 and TAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments)
- TFRS 17 - The New Standard for Insurance Contracts
- Amendments to IAS 1 - Classification of Liabilities as Current and Non-Current Liabilities
- Amendments to TAS 8 - Definition of Accounting Estimates
- Amendments to TAS 1 - Disclosure of Accounting Policies
- Amendments to TAS 12 - Deferred Tax on assets and liabilities arising from a single transaction

The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

Consolidation Principles

As of 30 June 2024, the consolidated financial statements include the financial statements of the Group and its subsidiary mentioned in Note 1. Control is achieved when the Group has all of the following: a) power over the investee; b) exposure, or rights, to variable returns from its involvement with the investee; and c) the ability to use its power over the investee to affect the amount of the investor's returns. The profit or loss of the subsidiary is included in the consolidated statement of profit or loss from the acquisition date.

Adjustments have been made where necessary when the accounting principles of the subsidiary differ from those used by the Group. The consolidated financial statements are prepared using uniform accounting policies for similar transactions and events and the same chart of accounts as the Company.

All intra-group transactions, balances, income, and expenses, including unrealized gains, are eliminated in full on consolidation.

The non-controlling interests in the net assets of the consolidated subsidiary are presented within the Group's equity as a separate item. Non-controlling interests consist of the amounts of those interests at the acquisition date and the non-controlling share of changes in equity since the acquisition date. Non-controlling interests continue to share in the subsidiary's losses even if this results in a negative (-) balance.

Transactions with non-controlling interests in which the Group does not lose control are accounted for as equity transactions. The differences between the fair value of the consideration paid or received and the amount by which the non-controlling interests are adjusted are recognized in equity under "adjustment difference arising from the change in share ratio in subsidiary.

Information on the subsidiary within the scope of consolidation is as follows:

<u>Subsidiary</u>	<u>Capital</u>	<u>Capital of Acquired (TL)</u>	<u>Effective Share Ratio (%)</u>
And İnşaat Ticaret A.Ş.	250.000	250.000	100

ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş. AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") as of 30 June 2024, based on purchasing power.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continue)

B. Changes in Accounting Policy

The summary consolidated financial statements for the interim period ended 30 June have been prepared in accordance with TAS 34, Interim Financial Reporting, as adopted by TFRS. The Company's interim summary consolidated financial statements do not include all the disclosures and notes that would be required in annual financial statements and should therefore be read in conjunction with the Group's consolidated financial statements as of 31 December 2023.

3. SEGMENT REPORTING

Financial performances are not followed separately by the Financial Management. Hence, the Group is not reporting according to the departments of activity.

4. CASH AND CASH EQUIVALENT

	30 June 2024	31 December 2023
Cash	63.961	7.614
Cash at banks		
- Time deposits	59.488.297	123.056.935
- Demand deposits	108.274.623	132.677.234
Other liquid assets	1.311.407	2.722.554
Total	169.138.288	258.464.337

As of 30 June 2024 and 31 December 2023, the time deposit details are as follows:

Currency type	Interest Rate	Maturity Date	30.06.2024	Interest Rate	Maturity Date	31.12.2023
TL	2%-47%	28.06.2024	872.103	2%-30%	2.07.2023	55.118.779
EURO	0,65%-1,50%	3.06.2024	45.521.437	2,5%-2,75%	2.07.2023	53.363.061
USD	1%-1%	24.06.2024	13.094.757	0,01%-4%	2.07.2023	14.575.095
Total			59.488.297			123.056.935

9.202.660 TL of time deposits consist of profit share participation partnership accounts of participation banks (31 December 2023: 16.069.689 TL).

Foreign currency distribution of deposit accounts are as follows:

	30 June 2024	31 December 2023
TL	109.146.722	74.058.502
EURO	45.521.437	140.627.034
USD	13.094.761	41.048.633
Total	167.762.920	255.734.169

There is no blockage on deposits (31 December 2023: None).

Explanations on the nature and level of risks in cash and cash equivalents are explained in Note 28.

ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş. AND ITS SUBSIDIARY**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024**

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") as of 30 June 2024, based on purchasing power.)

5. FINANCIAL BORROWINGS

	<u>30 June 2024</u>	<u>31 December 2023</u>
Short-term financial liabilities	95.933.103	128.688.551
a) Bank Loans	81.601.995	106.010.649
b) Liabilities from Operating Leases	2.490.929	1.473.719
c) Credit Cards	11.840.179	21.204.183
Short-term portion of long-term financial liabilities	79.170.977	92.585.729
a) Bank Loans	79.170.977	92.585.729
Total	175.104.080	221.274.280
Long-term financial liabilities	30 June 2024	31 December 2023
a) Bank Loans	-	1.899.677
b) Liabilities from Operating Leases	2.825.635	5.319.998
Total	2.825.635	7.219.675

a) Bank Loans30 June 2024

<u>Currency</u>	<u>Effective Interest</u>	<u>Short-term</u>	<u>Short-term portion of long-term loans</u>	<u>Long-term</u>
	<u>Rate (%)</u>			
TL	5,77% -76,34%	81.601.995	79.170.977	-
Total		81.601.995	79.170.977	-

31 December 2023

<u>Currency</u>	<u>Effective Interest</u>	<u>Short-term</u>	<u>Short-term portion of long-term loans</u>	<u>Long-term</u>
	<u>Rate (%)</u>			
TL	7,69% -33,83%	106.010.649	92.585.729	1.899.677
Total		106.010.649	92.585.729	1.899.677

As of 30 June 2024, and 31 December 2023, the repayment information for bank loans by year is as follows:

	<u>30 June 2024</u>	<u>31 December 2023</u>
Will paid within 1 year	160.772.972	198.596.378
Will paid within 1 to 5 year	-	1.899.677
Will paid within 3 to 4 year	-	-
Will paid within 4 to 5 year	-	-
Total	160.772.972	200.496.055

An amount of 46.234.838 TL of the bank loans consists of participation bank loans. (31 December 2023: 54.914.698 TL)

ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş. AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") as of 30 June 2024, based on purchasing power.)

5. FINANCIAL BORROWINGS (continue)

b) Payables from rental transactions

The maturity breakdown of the Company's liabilities regarding lease transactions in accordance with TFRS 16 is as follows:

30 June 2024		
	Minimum Lease Payments	Current Value of Minimum Payments
Payables from Leasing Transactions		
Less than 1 year	1.851.416	2.490.929
More than 1 year – Less than 5 year	2.357.872	2.825.635
Current Value of Leasing Liabilities	4.209.288	5.316.564

31 December 2023		
	Minimum Lease Payments	Current Value of Minimum Payments
Payables from Leasing Transactions		
Less than 1 year	2.771.585	1.473.719
More than 1 year – Less than 5 year	3.339.286	5.319.998
Current Value of Leasing Liabilities	6.110.871	6.793.717

All lease obligations are in Turkish Lira.

6. TRADE RECEIVABLES AND PAYABLES

a) Trade Receivables

Details of Group's trade receivables as of balance sheet date:

<u>Short Term Trade Receivables</u>	<u>30 June 2024</u>	<u>31 December 2023</u>
Receivables	270.801.117	302.170.887
Notes receivables(*)	106.261.025	148.108.419
Less: Unearned income	(6.887.689)	(3.310.553)
Doubtful trade receivables (**)	1.245.754	1.553.886
Less: Provision of doubtful trade receivables	(1.245.754)	(1.553.886)
TFRS 9 provision	(101.199)	(126.230)
Total	370.073.254	446.842.523

(*) Receivables and Notes Receivables	<u>30 June 2024</u>	<u>31 December 2023</u>
1-3 Month forward	365.505.383	415.269.713
3-6 Month forward	11.556.759	35.009.593
Total	377.062.142	450.279.306

As of 30 June 2024, a provision for doubtful receivables amounting to TL 1,346,953 (31 December 2023: TL 2,219,414) has been set aside for trade receivables. No provision for doubtful receivables was set aside in 2023.

ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş. AND ITS SUBSIDIARY**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024**

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") as of 30 June 2024, based on purchasing power.)

6. TRADE RECEIVABLES AND PAYABLES (continue)

(**) The movements of provision for doubtful receivables are as follows:

	<u>30 June 2024</u>	<u>31 December 2023</u>
As of January 1	1.346.953	1.346.953
TAS 9 Effect	-	333.163
As of December 31	<u>1.346.953</u>	<u>1.680.116</u>

b) Trade Payables:

Details of Group's trade payables as of balance sheet date:

<u>Short-term Trade Payables</u>	<u>30 June 2024</u>	<u>31 December 2023</u>
Sellers (*)	200.339.214	282.581.868
Notes payables (*)	12.398.908	16.939.870
Unearned credit finance charges (-)	(6.615.685)	(2.102.275)
Total	<u>206.122.437</u>	<u>297.419.463</u>

<u>(*)Sellers and Notes Payables</u>	<u>30 June 2024</u>	<u>31 December 2023</u>
Maturity with 1-3 Months	212.179.598	281.500.607
Maturity with 3-6 Months	558.524	18.021.131
Total	<u>212.738.122</u>	<u>299.521.738</u>

7. OTHER RECEIVABLES AND PAYABLES**Other Short-term Receivables**

	<u>30 June 2024</u>	<u>31 December 2023</u>
Other Miscellaneous Receivables	5.487.913	6.235.727
Total	<u>5.487.913</u>	<u>6.235.727</u>

Other Long-term Receivables

	<u>30 June 2024</u>	<u>31 December 2023</u>
Deposits and Guarantees Given	718.947	590.295
Total	<u>718.947</u>	<u>590.295</u>

Other Short-term Payables

	<u>30 June 2024</u>	<u>31 December 2023</u>
Taxes and Funds Payable	115.078	2.113.761
Payable Other Liabilities	155.490	91
Other Miscellaneous Debts	7.359.656	4.240.863
Sub-Total	<u>7.630.224</u>	<u>6.354.715</u>
Due to Related Parties (Note 27)	21.655	27.011
Total	<u>7.651.879</u>	<u>6.381.726</u>

Other Long-term Payables

	<u>30 June 2024</u>	<u>31 December 2023</u>
Deposits and Guarantees Received	13.500	16.839
Total	<u>13.500</u>	<u>16.839</u>

ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş. AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") as of 30 June 2024, based on purchasing power.)

8. INVENTORIES

	<u>30 June 2024</u>	<u>31 December 2023</u>
Raw materials and supplies	11.803.522	13.335.013
Trade goods	26.057.158	12.559.948
Total	37.860.680	25.894.961

As of the balance sheet date, the Group does not have any stocks with a net realizable value less than its cost. Therefore, no provision for inventory impairment has been set aside (31 December 2023: None).

Group does not have any pledged inventory in return for loans as at 30 June 2024 (31 December 2023: None).

9. PREPAID EXPENSES AND DEFERRED INCOME

Short-term Prepaid Expenses

<u>Prepaid Expenses</u>	<u>30 June 2024</u>	<u>31 December 2023</u>
Expenses for upcoming months	1.328.784	1.479.832,00
Business advances	1.848.705	2.672.038
Advances given for inventories	29.240.917	19.229.802
Total	32.418.406	23.381.672

Long-term prepaid expenses

<u>Prepaid expenses</u>	<u>30 June 2024</u>	<u>31 December 2023</u>
Advances for real estate purchases	4.987.128	4.583.044
Total	4.987.128	4.583.044

10. RECEIVABLES AND LIABILITIES ARISING FROM CUSTOMER CONTRACTS

	<u>30 June 2024</u>	<u>31 December 2023</u>
Assets Arised from Customer Contracts	1.979.614.230	1.547.480.006
Total	1.979.614.230	1.547.480.006

The details of assets related to customer contracts are as follows:

	<u>30 June 2024</u>	<u>31 December 2023</u>
Assets Arising from Customer Contracts	1.979.614.230	1.547.480.006
- Assets relating with domestic construction contracts	-	-
- Assets not yet acquired relating with domestic construction contracts (*)	1.979.614.230	1.547.480.006

(*) Since there is no doubt that the necessary conditions for acquiring unearned assets will be met, the amount receivable has been accrued and reflected in the consolidated financial statements at its fair value.

<u>Liabilities Arising from Customer Contracts</u>	<u>30 June 2024</u>	<u>31 December 2023</u>
Advances received	253.121.110	228.709.961
Total	253.121.110	228.709.961

ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş. AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") as of 30 June 2024, based on purchasing power.)

11. INVESTMENT PROPERTIES

As of 30 June 2024 and 31 December 2023, the movements of investment property are as follows:

	01 January 30 June 2024		
Fair Value	Land	Building	Total
Opening Balance	27.697.315	287.376.020	315.073.335
Disposals	(27.697.315)	(43.195.589)	(70.892.904)
Closing Balance	-	244.180.431	244.180.431

	01 January 31 December 2023		
Fair Value	Land	Building	Total
Opening Balance	18.497.594	306.237.946	324.735.540
Value Increase/Decrease	9.199.721	(18.861.926)	(9.662.205)
Closing Balance	27.697.315	287.376.020	315.073.335

(*) On 28 February 2024, the Company sold two shops located in the İstanbul Kartal İlçesi, Soğanlık Mahallesi Uprise Elite Projesi, for a cash consideration of 11,300,000 TL.

On May 6, 2024, the Company completed the sale of 3 plots of land located in Değirmendere İmar Mahallesi, Hatay İskenderun, for a cash price of TL 21,000,000.

On May 24, 2024, the Company completed the sale of 4 apartments and 1 shop located in Çakmak Mahallesi, Üsküdar, İstanbul, for a cash price of TL 22,000,000.

The Group had its lands in Hatay and its buildings located in Şile, Kartal, Kadıköy, Ümraniye, and Maltepe valued by Aden Real Estate Valuation and Consultancy Inc., an independent appraisal company licensed by the CMB, most recently on 29.12.2023. The Group management believes that the said valuation company possesses relevant professional expertise and has current information regarding the class and location of the real estate and machinery in question.

Detail of non-current assets made valuation:

Location	Expertise Date	Expertise Value TL		Valuation Method
		Land	Buildings	
İskenderun	29.12.2023	22.205.000	-	Market Approach
Şile	29.12.2023	-	91.860.000	Market Approach
Kartal	29.12.2023	-	11.630.000	Market Approach
Kadıköy	29.12.2023	-	66.400.000	Market Approach
Maltepe	29.12.2023	-	37.500.000	Market Approach
Ümraniye	29.12.2023	-	23.000.000	Market Approach
Total				

There is no mortgage on investment properties as of 30 June 2024 (December 31, 2023: None).

The Group's rental income from investment properties in the current period is 732.254 TL (30 June 2023: 759.806 TL).

There is insurance coverage of 75.333.840 TL on the investment properties (31 December 2023: 102.410.907 TL).

ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş. AND ITS SUBSIDIARY**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024**

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") as of 30 June 2024, based on purchasing power.)

12. PROPERTY, PLANT AND EQUIPMENT

<u>Property, plant and equipment</u>	1 January 2024	Additions	Disposals	30 June 2024
Vehicles	19.792.092	11.380.975	(243.139)	30.929.928
Fixtures	27.264.652	2.390.450	-	29.655.102
Special costs	2.453.020	1.655.361	-	4.108.381
Other Property, plant and equipment	1.359.182	-	-	1.359.182
Total	50.868.946	15.426.786	(243.139)	66.052.593

<u>Accumulated Depreciation</u>	1 January 2024	Additions	Disposals	30 June 2024
Vehicles	11.158.722	2.151.089	(237.796)	13.072.015
Fixtures	15.979.261	1.179.492	-	17.158.753
Special costs	1.912.048	215.992	-	2.128.040
Other Property, plant and equipment	1.359.182	-	-	1.359.182
Total	30.409.213	3.546.573	(237.796)	33.717.990

Net Amount	20.459.733			32.334.603
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The total depreciation expense for the current period 3.546.573 TL (30 June 2023: 2.056.972 TL).

As of 30 June 2024, there are no mortgages on property, plant, and equipment (31 December 2023: None).

As of 30 June 2024, there is insurance coverage amounting to 96.131.810 TL on property, plant, and equipment (31 December 2023: 81.783.955 TL)

ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş. AND ITS SUBSIDIARY**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024**

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") as of 30 June 2024, based on purchasing power.)

12. PROPERTY, PLANT AND EQUIPMENT (continue)

<u>Property, plant and equipment</u>	1 January 2023	Additions	Disposals	30 June 2023
Vehicles	14.110.072	5.682.020	-	19.792.092
Fixtures	25.612.706	1.651.946	-	27.264.652
Special costs	2.254.122	198.898	-	2.453.020
Other Property, plant and equipment	1.359.182	-	-	1.359.182
Total	43.336.082	7.532.864	-	50.868.946

<u>Property, plant and equipment</u>	1 January 2023	Additions	Disposals	30 June 2023
Vehicles	9.078.883	2.079.839	-	11.158.722
Fixtures	13.795.750	2.183.511	-	15.979.261
Special costs	1.723.467	188.581	-	1.912.048
Other Property, plant and equipment	1.359.182	-	-	1.359.182
Total	25.957.282	4.451.931	-	30.409.213

Net Amount	17.378.800			20.459.733
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(*) The building in Maltepe, which was previously included in Property, plant and equipment, has been transferred to investment properties as of 31.12.2021.

ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş. AND ITS SUBSIDIARY**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024**

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") as of 30 June 2024, based on purchasing power.)

12. PROPERTY, PLANT AND EQUIPMENT (continue)

The Group uses the straight-line depreciation method. The depreciation periods for property, plant, and equipment are as follows

	Useful Life
Buildings	50 Year
Vehicles	4-5 Year
Fixtures	3-20 Year
Speacial Costs	5 Year

13. INTENGIBLE ASSETS

<u>Intangible Assets</u>	<u>31 December 2022</u>	<u>Addition</u>	<u>31 December 2023</u>	<u>Addition</u>	<u>30 June 2024</u>
Rights	575.167	-	575.167	413.408	988.575
Total	575.167	-	575.167	413.408	988.575

<u>Accumulated Depreciation</u>	<u>31 December 2022</u>	<u>Addition</u>	<u>31 December 2023</u>	<u>Addition</u>	<u>30 June 2024</u>
Rights	566.534	3.992	570.526	8.565	579.091
Total	566.534	3.992	570.526	8.565	579.091

Net Amount	8.633		4.641		409.484
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The total depreciation expense for the current period is 8.565 TL, all of which has been included in general administrative expenses. (30 June 2023: 1.995 TL).

The Group uses the straight-line method of depreciation. Depreciation periods for intangible assets are as follows:

	Useful Life
Rights	3-10 year

14. RIGHT OF USE ASSETS

	01 January-31 December 2024		
Cost Value	<u>Office</u>	<u>Vehicles</u>	<u>Total</u>
TFRS 16 opening effect	15.357.072	-	15.357.072
Purchases	-	-	-
Disposals	-	-	-
Closing Balance	15.357.072	-	15.357.072
Accumulated depreciation			
Opening balance	(7.814.561)	-	(7.814.561)
Period expense	(1.515.912)	-	(1.515.912)
Disposals	-	-	-
Closing Balance	(9.330.473)	-	(9.330.473)
Property, Plant and Equipment, net	6.026.599	-	6.026.599

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14. RIGHT OF USE ASSETS (continue)

	01 January 30 June 2023		
Cost Value	Office	Vehicles	Total
TFRS 16 opening effect	8.897.116	-	8.897.116
Purchases	6.823.143	-	6.823.143
Disposals	(363.187)	-	(363.187)
Closing Balance	15.357.072	-	15.357.072
Accumulated depreciation			
Opening balance	(5.145.919)	-	(5.145.919)
Period expense	(3.031.829)	-	(3.031.829)
Disposals	363.187	-	363.187
Closing Balance	(7.814.561)	-	(7.814.561)
Property, Plant and Equipment, net	7.542.511	-	7.542.511

The total depreciation expense for the current period is 1.215.311 TL (30 June 2023: 1.146.781 TL). This amount has been fully included in general administrative expenses (30 June 2023: fully included).

The Company leases several assets including offices, warehouses, and vehicles, with lease terms ranging from 2 to 5 years (31 December 2023: 2-5 years). The lease agreements involve periods ranging from 2 to 5 years and pertain to leases for storage, office space, and vehicles. All operating leases include a provision allowing the Company to review the terms based on market conditions if it exercises its renewal option. The Company does not have a purchase option for the leased asset at the end of the lease term.

15. IMPAIRMENT OF ASSETS

A provision for impairment is set aside for doubtful receivables by the Group (Note 6).

16. GOVERNMENT INCENTIVES

The incentives received by the Group, accounted for under other income, are as follows:

30 June 2024

i) The Group benefits from an incentive amounting to 5% of the monthly employer's share of social security premiums, as there has been no delay in the payment of SSP premiums for its employees under the Social Security Law No. 5510, 27103, 6111,4857. As of June 30, 2024, the amount of the incentive received by the Group is 388,205 TL.

ii) With the law numbered 6824 on 'Restructuring Certain Receivables and Amending Some Laws and Decrees' published in the Official Gazette dated March 8, 2017, and numbered 30001, a 5% tax reduction is provided for tax-compliant taxpayers. The amount of the incentive received by the Group for the year 2024 is 1,515,503 TL.

31 December 2023

i) The Group benefits from an incentive amounting to 5% of the monthly employer's share of social security premiums, as there has been no delay in the payment of SSP premiums for its employees under the Social Security Law No. 5510, 27103, 6111,4857. As of December 31, 2023, the amount of the incentive received by the Group is 691,367 TL.

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16. GOVERNMENT INCENTIVES (continue)

ii) With the Law No. 6824 on the “Restructuring of Certain Receivables and Amending Certain Laws and Decrees with the Force of Law” in the Official Gazette dated March 8, 2017 and numbered 30001, 5% tax deduction is provided to the taxpayers. The amount of incentive benefited by the Group is 2.398.704 TL for 2024.

17. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Short-term Lawsuit Provisions	30 June 2024	31 December 2023
Provision for lawsuits	507.094	632.522
Total	507.094	632.522

Provisions for lawsuits relate to labor claims received by workers.

Long-term Payable Provisions

None. (December 31, 2023: None)

Contingent Assets

None. (December 31, 2023: None)

Collateral, Pledges, Mortgages, and Guarantees:

The tables below outline the Group's collateral/pledges/mortgages/guarantees positions as of 30 June 2024 and 31 December 2023:

1. CPM's given for Company's own legal personality	861.227.949	879.322.827
2. CPM's given on behalf of fully consolidated companies	-	-
3. CPM's given on behalf of third parties for ordinary course of business	-	-
4. Total amount of other CPM's	-	-
- Total amount of CPM's given on behalf of the majority shareholder	-	-
- Total amount of CPM's given on behalf of other Group companies which are not in scope of 2 and 3	-	-
- Total amount of CPM's given on behalf of third parties which are not in scope of 3	-	-
Total	861.227.949	879.322.827

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17. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (continue)

As of 30 June 2024 and 31 December 2023, the distribution of CPM's by type is shown below:

<u>CPM's</u>	<u>30 June 2024</u>			
	<u>Total TL</u> <u>Equivalents</u>	<u>USD</u>	<u>EUR</u>	<u>TL</u>
Guarantee Letter	861.227.949	3.144.021	15.094.044	227.792.072
Total	861.227.949	3.144.021	15.094.044	227.792.072

<u>CPM's</u>	<u>31 December 2023</u>			
	<u>Total TL</u> <u>Equivalents</u>	<u>USD</u>	<u>EUR</u>	<u>TL</u>
Guarantee Letter	879.322.827	1.012.088	15.931.039	156.224.964
Total	879.322.827	1.012.088	15.931.039	156.224.964

All of the performance bonds have been issued for the electrical contracting projects undertaken by the Group. (31 December 2023: all)

As of 30 June 2024, the proportion of "Other CPM's" provided by the Group to its equity is 0%. (31 December 2023: 0%)

18. EMPLOYEE BENEFITS

	<u>30 June 2024</u>	<u>31 December 2023</u>
Payables to employees	8.097.138	6.318.686
Social security deductions to be paid	4.170.888	2.816.484
Total	12.268.026	9.135.170

	<u>30 June 2024</u>	<u>31 December 2023</u>
Leave provision	700.819	675.632
Total	700.819	675.632

	<u>30 June 2024</u>	<u>31 December 2023</u>
Severance pay provision	10.382.612	8.330.687
Total	10.382.612	8.330.687

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

Retirement pay liability is not subject to any kind of funding legally. Provision for retirement pay liability is calculated by estimating the present value of probable liability amount arising due to retirement of employees. TAS 19 ("Employee Benefits") stipulates the development of Company's liabilities by using actuarial valuation methods under defined benefit plans.

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18. EMPLOYEE BENEFITS (continue)

The provisions at the balance sheet date are calculated based on an assumed annual salary increase rate of 22% and a discount rate of 22.70%, resulting in an approximate real discount rate of 0.57%, and assumptions regarding retirement ages as follows. (31 December 2023: 22%, 22.70%, and 0.57% respectively).

	<u>30 June 2024</u>	<u>31 December 2023</u>
Annual discount rate (%)	0,57	0,57
Retirement probability (%)	97,23	97,23

Therefore, the applied discount rate represents the expected real rate after adjusting for future inflation effects. Hence, as of 30 June 2024, the provisions in the attached financial statements are calculated by estimating the present value of the probable obligation arising from future retirement of employees. The Group's provision for severance pay is calculated based on 35,058.58 TL effective from 01 January 2024, as the severance pay ceiling is adjusted every six months (31 December 2023: 23,489.83 TL).

Movements of severance pay provisions during the year are as follows:

	<u>30 June 2024</u>	<u>30 June 2023</u>
Opening balance	9.030.872	10.071.102
Service cost	916.499	2.920.441
Interest cost	20.578	11.818
Monetary gain / losses	(970.119)	2.594.666
TAS 29 Effect	(1.790.801)	(1.662.683)
Reversals of severance	3.565.737	(4.323.710)
Closing Balances	10.772.766	9.611.634

As of 30 June 2024, remeasurement gains/(losses) on defined benefit plans amounted to (970.119) TL (31 December 2023: 1.649.916 TL).

19. OTHER ASSETS AND LIABILITIES

<u>Other current assets</u>	<u>30 June 2024</u>	<u>31 December 2023</u>
Deferred VAT	4.061.045	10.036.341
Deductible VAT	-	687.564
Other	331.441	166.298
Total	4.392.486	10.890.203

Other Short Term Liabilities

None (31 December 2023: None).

Other Long Term Liabilities

None (31 December 2023: None).

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

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20. CAPITAL, RESERVES AND EQUITY ITEMS

a) Capital

The Company's issued share capital structure as of 30 June 2024 and 31 December 2023 is as follows:

Shareholders	30 June 2024		31 December 2023	
	Amount (TL)	Share(%)	Amount (TL)	Share(%)
Nevhan Gündüz	13.914.892	17,39%	13.704.892	17,13%
Orhan Gündüz	24.523.109	30,65%	24.523.109	30,65%
Other Shares	41.561.999	51,95%	41.771.999	52,21%
Paid-in capital	80.000.000	100%	80.000.000	100%

The company has adopted an authorized capital system. The current authorized capital limit of the company is 250,000,000 TL, and the issued capital is 80,000,000 TL (as of 31 December 2023: 80,000,000 TL). Each unit of this capital is divided into 80,000,000 shares with a nominal value of 1 TL, and there are no preferred shares.

Capital Adjustment Differences	30 June 2024	31 December 2023
Capital adjustment differences	527.406.301	527.406.301
Total	527.406.301	527.406.301
Share Premiums/Discounts	30 June 2024	31 December 2023
Share Premiums/Discounts	47.053.664	47.053.664
Total	47.053.664	47.053.664
Treasury Shares	30 June 2024	31 December 2023
Treasury Shares	(39.049.323)	-
Total	(39.049.323)	-

Within the framework of the CMB's principle decision dated February 14, 2024, and numbered 9/177, based on the Board of Directors' decisions on share buybacks dated February 14, 2024, February 24, 2024, February 16, 2024, and June 25, 2024, the Company has repurchased shares with a nominal value of TL 582,159. As of the end of the period, the total nominal value of the repurchased shares is TL 582,159.

The Company classifies the shares acquired under the liquidity provider transaction as repurchased shares at the end of the periods, and as of June 30, 2024, the Company holds shares with a nominal value of TL 4,750 under the liquidity provider transaction. (31 December 2023: None).

Repurchased shares are shown in equity at their purchase value.

ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş. AND ITS SUBSIDIARY**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024**

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20. CAPITAL, RESERVES AND EQUITY ITEMS (continue)

Other Accumulated Comprehensive Income (Loss) that will not be Reclassified in Profit or Loss	30 June 2024	31 December 2023
Revaluation and measurement gains	-	-
Defined benefit plans remeasurement gains/losses	(7.066.321)	(4.392.017)
Total	(7.066.321)	(4.392.017)

Restricted Reserves Appropriated From Profits	30 June 2024	31 December 2023
1st order reserve fund	25.385.034	25.166.599
Treasury share reserves	39.049.323	-
Total	64.434.357	25.166.599

In accordance with Article 519 of the Turkish Commercial Code ("TCC") No. 6102, companies allocate as general legal reserves an amount equal to 5% of their annual profits until reaching 20% of their paid-up capital. If the company has losses from previous years, they are deducted from the calculation of the 5% from annual profit. Additionally, pursuant to Article 519/c of the TCC, after distributing a 5% dividend to shareholders, 10% of the portion designated for distribution to shareholders and other profit participants is added to the general legal reserves.

Prior Year's Profit / Loss (-)	30 June 2024	31 December 2023
As of 1 January	701.165.845	526.242.690
Prior years profits (losses)	272.274.980	172.415.770
Transfers to legal reserves	(39.267.758)	2.507.385
Changes in non-controlling shares	167	-
Total	934.173.234	701.165.845

Non-Controlling Shares	30 June 2024	31 December 2023
As of 1 January	167	70
Non-controlling interest in profit / (loss)	-	97
Changes in non-controlling shares	(167)	-
Total	-	167

21. REVENUE AND COST OF SALES

	01 January– 30 June 2024	01 January – 30 June 2023	01 April- 30 June 2024	01 April- 30 June 2023
Sale Revenue (Net)				
Contracting sales	1.157.817.560	781.861.365	628.031.419	284.577.124
Materials sales	214.608.745	204.801.245	100.005.817	112.278.943
Sale income (Net)	1.372.426.305	986.662.610	728.037.236	396.856.067

	01 January– 30 June 2024	01 January – 30 June 2023	01 April- 30 June 2024	01 April- 30 June 2023
Cost of Sales (-)				
Cost of services sold	(386.656.304)	(361.478.972)	(191.251.799)	(11.100.550)
Cost of trade goods sold	(163.329.913)	(154.931.535)	(74.876.760)	(82.717.983)
Expense of depreciation	(1.079.780)	(2.671.268)	(648.210)	468.195
Cost of sales	(551.065.997)	(519.081.775)	(266.776.769)	(93.350.338)
Gross profit/ (loss)	821.360.308	467.580.835	461.260.467	303.505.729

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22. OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES

<u>Other Income From Operating Activities</u>	<u>01 January– 30 June 2024</u>	<u>01 January– 30 June 2023</u>	<u>01 April– 30 June 2024</u>	<u>01 April– 30 June 2023</u>
Foreign exchange gains	30.166.553	68.025.049	11.388.031	62.556.000
Deferred finance income	9.718.263	-	(3.276.689)	(5.433.408)
Rediscount interest income	-	5.426.417	-	5.426.417
Maturity difference income	464.759	4.430.911	429.252	4.350.672
Scrap sales revenues	1.930.845	-	1.930.845	(3.976.447)
Reflection income	-	3.131.003	-	3.131.003
Fixed asset sale profit	307.423	-	307.423	-
Incentive income	2.027.401	3.009.145	1.089.893	1.778.322
Price difference	599	-	-	(40.732)
Bank promotion income	17.303	-	-	-
Other income	5.741.466	5.518.343	4.055.953	3.625.978
Total	50.374.612	89.540.868	15.924.708	71.417.805

<u>Other Expense From Operating Activities (-)</u>	<u>01 January– 30 June 2024</u>	<u>01 January– 30 June 2023</u>	<u>01 April– 30 June 2024</u>	<u>01 April– 30 June 2023</u>
Foreign exchange loss	33.398.338	91.039.488	5.125.222	76.407.929
Deferred finance expense	8.857.895	4.473.540	(522.293)	(2.403.825)
Non-tax-deductible expenses	5.565.627	857.483	1.126.711	629.644
Price difference expenses	48.414	193.901	48.414	193.901
Donation and aid	-	190.624	-	190.624
Fixed asset sale loss	1.497.615	-	1.497.615	-
Other expenses	3.313.988	101.245	3.263.642	(64.493)
Total	52.681.877	96.856.281	10.539.311	74.953.780

23. INCOME AND EXPENSES FROM INVESTMENT ACTIVITIES

<u>Other Income From Investment Activities</u>	<u>01 January– 30 June 2024</u>	<u>01 January– 30 June 2023</u>	<u>01 April– 30 June 2024</u>	<u>01 April– 30 June 2023</u>
Investment property valuation income	-	41.581.488	-	41.581.488
Rent Income	730.894	749.708	262.331	218.603
Total	730.894	42.331.196	262.331	41.800.091

<u>Other Expenses From Investment Activities (-)</u>	<u>01 January– 30 June 2024</u>	<u>01 January– 30 June 2023</u>	<u>01 April– 30 June 2024</u>	<u>01 April– 30 June 2023</u>
Loss of Sales of Investment Property	14.550.199	-	12.680.737	-
Total	14.550.199	-	12.680.737	-

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24. FINANCE INCOME AND EXPENSES

<u>Finance Income</u>	<u>01 January– 30 June 2024</u>	<u>01 January– 30 June 2023</u>	<u>01 April– 30 June 2024</u>	<u>01 April– 30 June 2023</u>
Foreign exchange gains	19.339.080	-	2.801.304	(2.321.714)
Interest income	6.950.825	6.075.105	2.227.409	1.842.687
Total	26.289.905	6.075.105	5.028.713	(479.027)

<u>Finance Expense (-)</u>	<u>01 January– 30 June 2024</u>	<u>01 January– 30 June 2023</u>	<u>01 April– 30 June 2024</u>	<u>01 April– 30 June 2023</u>
Interest and commission expenses	52.786.628	28.375.953	28.150.787	11.696.577
Foreign exchange losses	11.583	-	2.291	-
Total	52.798.211	28.375.953	28.153.078	11.696.577

<u>Net Monetary Gain/Loss</u>	<u>01 January– 30 June 2024</u>	<u>01 January– 30 June 2023</u>	<u>01 April– 30 June 2024</u>	<u>01 April– 30 June 2023</u>
Net Monetary Gain/Loss	363.665.667	234.381.077	100.877.457	152.991.948
Total	363.665.667	234.381.077	100.877.457	152.991.948

25. INCOME TAX

	<u>1 January– 30 June 2024</u>	<u>1 January– 30 June 2023</u>
Tax provision in income statements		
Current year corporation tax expense	(191.029.462)	(49.577.310)
Deferred tax provision	(191.029.462)	(50.090.777)
Total		

<u>Current Period Tax Related Non-Current Assets</u>	<u>30 June 2024</u>	<u>31 December 2023</u>
Withholding Tax Paid on Long-Term Contracts	61.357.911	58.148.671
Total	61.357.911	58.148.671

<u>Current Period Tax Related Current Assets</u>	<u>30 June 2024</u>	<u>31 December 2023</u>
Prepaid taxes and funds	-	955.831
Total	-	955.831

	<u>30 June 2024</u>	<u>31 December 2023</u>
Current year corporation tax expense	10.505.666	10.483.360
Prepaid temporary taxes and funds (-)	(8.983.844)	(9.715.893)
Current profit tax liability	1.521.822	767.467

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25. INCOME TAX (continue)

Corporate Tax

The Group is subject to corporate income tax applicable in Turkey. Provisions for estimated tax liabilities related to the current period's operating results have been made in the attached financial statements.

Corporate income tax is calculated based on the taxable income of the company, which is determined by adding back non-deductible expenses from commercial income, and deducting exempt income, non-taxable revenues, and other deductions (including prior year losses and investment allowances if elected).

The corporate tax rate in Turkey is 25%. This rate is applied to the net corporate income determined after adding back non-deductible expenses and deducting exemptions and deductions as per tax laws. Corporate income tax must be declared by the twenty-fifth day after the end of the year it relates to and paid by the end of the same month.

Companies also calculate provisional tax at a rate of 25% on their quarterly financial profits and must declare and pay it by the seventeenth day following the second month after the end of each quarter. The provisional tax paid during the year is offset against the corporate income tax calculated on the annual corporate tax return for that year. Any excess provisional tax paid can be refunded in cash or offset against any other financial obligation to the state.

In Turkey, there is no definitive and final reconciliation procedure concerning tax assessments. Companies prepare tax returns for the relevant year between 1st and 25th of April following the year-end closing period. These tax returns and underlying accounting records can be reviewed and amended by the Tax Office within five years.

Income Tax Withholding

In addition to corporate taxes, their share of the profit from the distribution of dividends in the event of the company's income in the statements, including non-resident institutions and branches of foreign companies in Turkey on any dividends distributed, except for the calculation of income tax withholding is required. Income tax withholding rate for the period of April 24, 2003 – July 22, 2006 was 10% in all companies. This rate has been implemented as 10% since July 22 with the Council of Ministers Decision No. 2006/10731. Undistributed dividends incorporated in share capital are not subject to income tax withholding.

Deferred Tax:

The Group accounts for deferred tax assets and deferred tax liabilities arising from temporary timing differences resulting from the differences between the tax-based statutory financial statements and the financial statements prepared in accordance with TFRS. These differences generally stem from certain income and expense items being recognized in different periods in tax-based financial statements compared to those prepared according to TFRS. The said variances are outlined below.

As of 30 June 2024, the corporate income tax rate of 25% applies. Due to changes in corporate earnings tax rates, which were 23% for 2022 and 25% for 2023, deferred tax calculations as of 30 June 2024 use a tax rate of 25% for temporary differences expected to realize/settle within 2023 and for temporary differences expected to realize/settle after 2023.

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25. INCOME TAX (continue)

	Cumulative Temporary Differences		Deferred Tax Asset / (Liabilities)	
	30.06.2024	31.12.2023	30.06.2024	31.12.2023
<u>Deferred Tax Asset</u>				
Doubtful Receivables Provision Expense	1.258.389	1.680.116	314.597	420.029
Provisions for Lawsuits	507.094	632.522	126.774	158.131
Cost Adjustments for Long-Term Construction Projects	3.373.325.697	3.104.904.580	843.331.424	776.226.149
Accrued Loan Interest	4.909.677	16.584.412	1.227.419	4.146.103
Unused Vacation Provisions	700.819	675.632	175.205	168.908
Severance Pay Adjustment	10.772.766	9.030.872	2.693.192	2.257.719
Other Adjustments	10.654.881	3.335.138	2.484.920	833.786
Total	3.402.129.323	3.136.843.272	850.353.531	784.210.825
<u>Deferred Tax Liabilities</u>				
Difference Between the Carrying Values and Tax Bases of Investment Properties	(5.205.352)	(8.186.767)	(185.126)	(1.535.018)
Difference Between the Carrying Values and Tax Bases of Tangible and Intangible Assets	(94.904.370)	(47.853.410)	(19.549.529)	(10.527.072)
Revenue Adjustments for Long-Term Construction Projects	(5.262.360.190)	(4.273.680.726)	(1.315.590.048)	(1.068.420.185)
Accrued Deposit Interest	(53.238)	(211.242)	(13.310)	(52.810)
Other Revenue Adjustments	(6.649.893)	(1.136.335)	(1.662.473)	(284.084)
Total	(5.369.173.043)	(4.331.068.480)	(1.337.000.486)	(1.080.819.169)
Deferred Tax Asset / (Liabilities), net	(1.967.043.720)	(1.194.225.208)	(486.646.955)	(296.608.344)
Deferred Tax Income / (Expense)			(190.138.027)	(83.776.019)
Included in the Actuarial (Gain) / Loss Fund			(891.435)	(807.030)
Amount Offset from the Revaluation Surplus Fund			-	-
Deferred Tax Income / (Expense) for the Period			(191.029.462)	(84.583.049)

Deferred tax movement is as follows:

	01 January– 30 June 2024	01 January– 30 June 2023
Beginning of the period	(296.608.344)	(212.025.297)
Current year income statement gain / (loss)	(190.930.046)	(85.390.078)
Defined Benefit Plans Remeasurement Gains/Losses	891.435	807.030
Total	(486.646.955)	(296.608.345)

26. EARNINGS PER SHARE

	01 January– 30 June 2024	01 January– 30 June 2023
Weighted average number of ordinary shares outstanding	80.000.000	80.000.000
Net profit / (loss) for the period (TL)	184.852.324	156.384.561
Earnings / (Loss) Per Share from Continuing Operations	2,311	1,955

The weighted average number of shares outstanding during the period has been calculated taking into account shares (bonus) issued without increasing resources.

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27. RELATED PARTY DISCLOSURES

<u>30 June 2024</u>	Receivables	Payables
	Short-Term	Short-Term
Balances with related parties	Commercial	Non-commercial
Orhan Gündüz	-	21.655
Total	-	21.655

<u>31 December 2023</u>	Receivables	Payables
	Short-Term	Short-Term
Balances with related parties	Commercial	Non-commercial
Orhan Gündüz	-	27.011
Total	-	27.011

The transactions of the Group with the related parties in the periods 01 January - 30 June 2024 and 01 January - 31 December 2023 are as follows:

	<u>01 January– 30 June 2024</u>	<u>01 January– 30 June 2023</u>
Rent Income		
Orhan Gündüz	160.960	147.869
Total	160.960	147.869

The Group has determined key management personnel as board members, group presidents, vice - presidents, Benefits provided to key management personnel as 1 January - 30 June 2024 and 1 January – 31 December 2023 is as follows:

	<u>01 January– 30 June 2024</u>	<u>01 January– 30 June 2023</u>
Benefits for Key Managements Members		
Benefits for key managements members	344.455	485.049
Total	344.455	485.049

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28. NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS

a) Capital Risk Management

The Group aims to ensure the continuity of its operations while also striving to increase profitability by utilizing the balance between debt and equity in the most efficient manner. The Group's capital structure consists of liabilities, including loans described in Note 5, cash and cash equivalents detailed in Note 4, and equity items outlined in Note 20, which include paid-in capital, share premiums/discounts, revaluation measurement gains and losses, defined benefit plan remeasurement gains/losses, restricted reserves from profits, and retained earnings/(losses) from previous years).

The Group Management evaluates risks associated with each capital class alongside the cost of capital. Based on these evaluations, the Group Management aims to maintain balance in its capital structure through new borrowings or repayment of existing debt, as well as dividend payments and issuance of new shares.

The Group monitors its capital using the debt/Total equity ratio. This ratio is calculated by dividing net debt by Total equity. Net debt is calculated by subtracting cash and cash equivalents from Total debt (including financial liabilities and obligations, financial leases, and commercial borrowings as presented in the financial statements).

a) Capital Risk Management

Capital Risk Management

	<u>30 June 2024</u>	<u>31 December 2023</u>
Total Payables	1.157.256.124	1.077.871.951
Less: Cash and cash equivalents	(169.138.288)	(258.464.337)
Net Debt	988.117.836	819.407.614
Total Equity	1.791.804.236	1.648.675.539
Net Debt/Total Capital Ratio	55%	50%

b) Financial Risk Factors

The Group's activities expose a variety of financial risks: 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 potential adverse effects on the Company's financial performance.

b.1) Credit Risk

The risk of financial loss to the Group due to the failure of one of the parties to the financial instrument to fulfill its contractual obligations is defined as credit risk. The Group seeks to mitigate credit risk by conducting transactions only with creditworthy parties and, where possible, obtaining adequate collateral. The credit risks that the Group is exposed to and the credit ratings of its customers are constantly monitored. Credit risks exposed by types of financial instruments:

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28. NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS (continue)

b) Financial Risk Factors (continue)

b.1) Credit Risk (continue)

Details of credit and receivable risk are as follows:

	Receivables				Assets related to customer contracts	Deposits in bank
	Trade receivables		Other receivables			
	Related parties	Other parties	Related parties	Other parties		
30 June 2024						
Maximum credit risk exposed as of balance sheet date (*)	-	369.972.055	60.000	6.206.860	1.979.614.230	167.762.920
- Secured portion of the maximum credit risk by guarantees, etc, (*)		-		-		-
A. Net book value of financial assets that are neither past due nor impaired	-	370.073.254	60.000	6.206.860	1.979.614.230	167.762.920
B. Carrying value of financial assets whose conditions have been renegotiated, which would otherwise be considered overdue or impaired.	-	-	-	-	-	-
C. Net book value of overdue but not impaired assets	-	-	-	-	-	-
- Secured portion of the net carrying value by guarantees, etc,	-	-	-	-	-	-
D. Net book values of impaired assets	-	-	-	-	-	-
-Overdue (Gross book value)	-	1.245.754	-	-	-	-
-Impairment (-)	-	(1.245.754)	-	-	-	-
-The portion of the net worth secured by collateral, etc.	-	-	-	-	-	-
-Not overdue (Gross book value)	-	-	-	-	-	-
-Impairment (-)	-	(101.199)	-	-	-	-
-Secured portion of the net carrying value by guarantees, etc,	-	-	-	-	-	-
E. Off-balance sheet items include credit risk	-	-	-	-	-	-

⁽¹⁾ In determining the amount, factors that increase credit reliability, such as guarantees received, are not taken into account.

⁽²⁾ Trade receivables consist of note receivables and account receivables from customer. The management of the Group foresees that no problems will be encountered in collecting the relevant amounts, considering its past experience.

⁽³⁾ Impairment tests have been conducted within the framework of the suspicious receivable policy determined by the management regarding the receivables of the Group from its customers.

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28. NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS (continue)

Details of credit and receivable risk are as follows:

	31 December 2023					
	Receivables		Receivables		Assets related to customer contracts	Deposits in bank
	Trade receivables	Trade receivables	Trade receivables	Trade receivables		
	Related Parties	Other	Related Parties	Other		
Maximum credit risk exposed as of balance sheet date (*)	-	446.716.293	-	6.826.022	1.547.480.006	255.734.169
- Secured portion of the maximum credit risk by guarantees, etc, (*)	-	-	-	-	-	-
A. Net book value of financial assets that are neither past due nor impaired	-	446.842.523	-	6.826.022	1.547.480.006	255.734.169
B. Carrying value of financial assets whose conditions have been renegotiated, which would otherwise be considered overdue or impaired.	-	-	-	-	-	-
C. Net book value of overdue but not impaired assets	-	-	-	-	-	-
- Secured portion of the net carrying value by guarantees, etc,	-	-	-	-	-	-
D. Net book values of impaired assets	-	-	-	-	-	-
-Overdue (Gross book value)	-	1.553.886	-	-	-	-
-Impairment (-)	-	(1.553.886)	-	-	-	-
-The portion of the net worth secured by collateral, etc.	-	-	-	-	-	-
-Not overdue (Gross book value)	-	-	-	-	-	-
-Impairment (-)	-	(126.230)	-	-	-	-
-Secured portion of the net carrying value by guarantees, etc,	-	-	-	-	-	-
E. Off-balance sheet items include credit risk	-	-	-	-	-	-

⁽¹⁾ In determining the amount, factors that increase credit reliability, such as guarantees received, are not taken into account.

⁽²⁾ Trade receivables consist of note receivables and account receivables from customer. The management of the Group foresees that no problems will be encountered in collecting the relevant amounts, considering its past experience.

⁽³⁾ Impairment tests have been conducted within the framework of the suspicious receivable policy determined by the management regarding the receivables of the Group from its customers.

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28. NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS (continue)**b.2) Liquidity Risk**

The main responsibility for liquidity risk management rests with the board of directors. The Board of Directors has established an appropriate liquidity risk management for the short, medium and long term funding and liquidity requirements of the Group management. The Group manages its liquidity risk by regularly monitoring the estimated and actual cash flows and by ensuring the continuation of sufficient funds and borrowing reserves by matching the maturities of financial assets and liabilities.

The table below shows the maturity distribution of the Group's non-derivative financial liabilities. Non-derivative financial liabilities are prepared without discounting and based on the earliest due dates. Interests to be paid on these liabilities are included in the table below.

Tables related to liquidity risk are given below:

30 June 2024					
Maturity according to the contract	<u>Book value</u>	<u>Total expected cash outflows</u>	<u>1-3 months</u>	<u>3-12 months</u>	<u>1-5 years</u>
Non-Derivative Financial Obligations	391.704.031	334.618.493	242.277.051	88.249.890	4.091.552
Bank loans	160.772.972	98.179.025	9.028.916	87.416.429	1.733.680
Operating lease obligations	5.316.564	4.209.288	1.576.479	274.937	2.357.872
Bank credit cards	11.840.179	11.840.179	11.840.179	-	-
Trade payables	206.122.437	212.738.122	212.179.598	558.524	-
Other payables	7.651.879	7.651.879	7.651.879	-	-

31 December 2023					
Maturity according to the contract	<u>Book value</u>	<u>Total expected cash outflows</u>	<u>1-3 months</u>	<u>3-12 months</u>	<u>1-5 years</u>
Non-Derivative Financial Obligations	533.873.637	565.575.946	322.076.946	240.993.559	2.505.441
Bank loans	200.496.054	235.882.694	11.262.181	222.458.014	2.162.499
Operating lease obligations	6.793.717	1.007.111	149.756	514.413	342.942
Bank credit cards	21.204.183	21.204.183	21.204.183	-	-
Trade payables	297.419.463	299.521.738	281.500.606	18.021.132	-
Other payables	7.960.220	7.960.220	7.960.220	-	-

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28. NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS (continue)

b.3) Market Risk Management

The market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Any changes did not occur in the current year in the methods of management and measurement of market risk exposed by the Group and the risks exposed compare to the previous year.

b.3.1) Foreign Exchange Risk Management

Foreign currency denominated transactions cause foreign currency risk. Foreign exchange risk is managed with currency purchase/sale contracts which are based on approved policy.

Group's foreign currency denominated monetary and non-monetary assets and monetary and non-monetary liabilities at the balance sheet date is as follows:

Effects of Foreign Exchange

30 June 2024	TL Equivalent (Functional Currency)	USD	EURO	GBP
1. Trade receivables	179.204.222	1.991.181	3.701.965	-
2a. Monetary financial assets (Includes cash in hand and bank accounts)	148.214.173	1.575.260	3.126.471	0,39
2b. Non-monetary financial assets	-	-	-	-
3. Other	-	-	-	-
4. Current assets (1+2+3)	327.418.395	3.566.441	6.828.436	0,39
5. Trade receivables	-	-	-	-
6a- Monetary Financial Assets	-	-	-	-
6b- Non-monetary financial assets	-	-	-	-
7. Other	-	-	-	-
8. Non-Current Assets (5+6+7)	-	-	-	-
9. Total Assets (4+8)	327.418.395	3.566.441	6.828.436	0,39
10- Trade Payables	83.417.407	526.048	2.085.458	-
11- Financial Liabilities	-	-	-	-
12a. Monetary Other Liabilities	-	-	-	-
12b. Non-Monetary Other Liabilities	-	-	-	-
13. Short-term Liabilities (10+11+12)	83.417.407	526.048	2.085.458	-
14. Trade Receivables	-	-	-	-
15. Financial Liabilities	-	-	-	-
16a. Monetary Other Liabilities	-	-	-	-
16b. Non-Monetary Other Liabilities	-	-	-	-
17. Long-term Liabilities (14+15+16)	-	-	-	-
18. Total Liabilities (13+17)	83.417.407	526.048	2.085.458	-
Net Foreign Exchange Assets/ (Liability) Position	244.000.988	3.040.393	4.742.978	0,39

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28. QUALITY AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS (continue)

Effects of Foreign Exchange (continue)

31 December 2023	TL Equivalent (Functional Currency)	USD	EURO
1. Trade receivables		1.734.837	5.677.213
2a. Monetary financial assets (Includes cash in hand and bank accounts)	181.675.668	1.117.894	3.461.084
2b. Non-monetary financial assets	-	-	-
3. Other	-	-	-
4. Current assets (1+2+3)	476.048.608	2.852.731	9.138.297
5. Trade receivables	-	-	-
6a- Monetary Financial Assets	-	-	-
6b- Non-monetary financial assets	-	-	-
7. Other	-	-	-
8. Non-Current Assets (5+6+7)	-	-	-
9. Total Assets (4+8)	476.048.608	2.852.731	9.138.297
10- Trade Payables	209.963.808	1.784.778	3.554.619
11- Financial Liabilities	-	-	-
12a. Monetary Other Liabilities	-	-	-
12b. Non-Monetary Other Liabilities	-	-	-
13. Short-term Liabilities (10+11+12)	209.963.808	1.784.778	3.554.619
14. Trade Receivables	-	-	-
15. Financial Liabilities	-	-	-
16a. Monetary Other Liabilities	-	-	-
16b. Non-Monetary Other Liabilities	-	-	-
17. Long-term Liabilities (14+15+16)	-	-	-
18. Total Liabilities (13+17)	209.963.808	1.784.778	3.554.619
Net Foreign Exchange Assets/ (Liability) Position	266.084.801	1.067.953	5.583.678

The Group is mainly exposed to Euro and US Dollars risks.

The table below presents the Group's sensitivity to a 10% deviation in foreign exchange rates, especially US dollars and Euro. 10% 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 10% 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 profit / loss or equity.

	30 June 2024	
Profit /(Loss) before Tax	%10 appreciation of the foreign currency	%10 depreciation of the foreign currency
1- US Dollars net assets / liabilities	8.950.370	(8.950.370)
2- US Dollars hedged from risks (-)	-	-
3- US Dollars net effect (1+2)	8.950.370	(8.950.370)
4- Euro net assets / liabilities	15.449.729	(15.449.729)
5- Euro hedged from risks (-)	-	-
6- Euro net effect (4+5)	15.449.729	(15.449.729)
Total (3+6+9)	24.400.099	(24.400.099)

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28. NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS (continue)

b) Financial Risk Factors (continue)

b.2.1) Foreign Exchange Risk Management (continue)

31 December 2023

Profit/(Loss) before Tax

	% 10 appreciation of the foreign currency	% 10 depreciation of the foreign currency
1- US Dollars net assets / liabilities	3.143.861	(3.143.861)
2- US Dollars hedged from risks (-)	-	-
3- US Dollars net effect (1+2)	3.143.861	(3.143.861)
4- Euro net assets / liabilities	18.188.217	(18.188.217)
5- Euro hedged from risks (-)	-	-
6- Euro net effect (4+5)	18.188.217	(18.188.217)
Total (3+6+9)	21.332.078	(21.332.078)

b.3.2) Interest rate risk management

The fact that changes in market interest rates cause fluctuations in the fair value or future cash flows of financial instruments necessitates the Group's need to cope with interest rate risk. Hedging strategies are evaluated regularly to ensure that they are consistent with the interest rate expectation and defined risk. Thus, it is aimed to establish an optimal hedging strategy to review the position of the balance sheet and to keep interest expenditures under control at different interest rates.

As of 30 June 2024 and 31 December 2023, the Group's interest position table is as follows:

Fixed rate financial instruments	<u>30 June 2024</u>	<u>31 December 2023</u>
Financial Liabilities (Note 5)	166.089.536	207.289.773
Cash and Cash Equivalents (Note 4)	59.488.297	123.056.935

All of the Group's financial liabilities consist of fixed-rate loans. Therefore, no interest rate risk calculations have been made regarding interest rate changes (December 31, 2023: None).

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29. FINANCIAL INSTRUMENTS (FAIR VALUE AND HEDGE ACCOUNTING DISCLOSURES)

30 June 2024	Measured at fair value through other comprehensive income	Measured at fair value through profit or loss	Measured at amortized cost	Book Value	Note
Financial Assets					
Cash and cash equivalents	-	-	169.138.288	169.138.288	4
Trade receivables	-	-	370.073.254	370.073.254	6
Financial liabilities					
Financial liabilities	-	-	177.929.715	177.929.715	5
Trade payables	-	-	206.122.437	206.122.437	6
Other financial liabilities	-	-	11.840.179	11.840.179	5
31 December 2023					
Financial Assets					
Cash and cash equivalents	-	-	258.464.335	258.464.335	4
Trade receivables	-	-	446.842.523	446.842.523	6
Financial liabilities					
Financial liabilities	-	-	228.493.955	228.493.955	5
Trade payables	-	-	297.419.463	297.419.463	6
Other financial liabilities	-	-	21.204.183	21.204.183	5

Group management considers that the recorded values of financial instruments reflect their reasonable values.

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29. FINANCIAL INSTRUMENTS (FAIR VALUE AND HEDGE ACCOUNTING DISCLOSURES) (continue)

The fair value of financial assets and liabilities are determined as follows:

- Level 1: Implies that in determining the fair values of assets and liabilities, active market trading price is used for valuation purposes.
- Level 2: Implies that in determining the fair values of assets and liabilities, should other market price be observed other than first degree market prices, then observed market price is used for valuation purposes.
- Level 3: Implies that in determining the fair values of assets and liabilities, data not based on market observation is used for valuation purposes.

As of 30 June 2024 and 31 December 2023, the Group does not have any financial assets with their fair values.

30. SUBSEQUENT EVENTS

Following the reporting period, by the Group management;

- The Company is repurchasing ORGE shares under the regulations of the Capital Markets Board to mitigate the negative short-term effects that price movements in the stock market may have on investors, and also to use them for employee share ownership plans when deemed appropriate and necessary by the Company management. During the period, a repurchase transaction for shares with a nominal value of TL 582,159 was conducted, followed by a repurchase transaction for shares with a nominal value of TL 352,096. As of the latest status, the total nominal value of the repurchased shares is TL 934,255.

- On July 2, 2024, a contract was signed between the Company and the Employer Kalyon İnşaat Sanayi ve Ticaret A.Ş. for the construction of the Electrical Installation Works for the Hangar A-B Project of the Istanbul Airport MRO (Maintenance-Repair) Facilities, amounting to USD 3,900,000 + VAT and TL 118,000,000 + VAT.

- On August 16, 2024, a contract was signed between the Company and the Employer Gülermak Nurol Makyol Metro Adi Ortaklığı for the construction of the Electrical Installation Works for the Ümraniye-Ataşehir-Göztepe Metro Project, amounting to USD 9,475,337 + VAT and TL 209,772,135 + VAT.

- On August 19, 2024, an agreement was reached between the Company and the Employer Astaş - Yapı ve Yapı Adi Ortaklığı for the construction of the Electrical Installation Works for the T2-T3 Blocks of the Mandarin Oriental Etiler Project, amounting to TL 256,000,000 + VAT. Contract negotiations with the Employer have begun.

31. OTHER MATTERS THAT SIGNIFICANTLY AFFECT THE FINANCIAL STATEMENTS OR OTHER MATTERS REQUIRED FOR CLEAR UNDERSTANDING OF FINANCIAL STATEMENTS

None.