

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

DECEMBER 31, 2023 CONSOLIDATED FINANCIAL STATEMENTS

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

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.

INDEX**PAGE**

CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION).....	1-2
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME.....	3
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY.....	4
CONSOLIDATED STATEMENT OF CASH FLOW.....	5
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	6-53
1. GROUP'S ORGANIZATION AND NATURE OF OPERATIONS	6
2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS	7
3. SEGMENT REPORTING.....	24
4. CASH AND CASH EQUIVALENTS	24
5. FINANCIAL LIABILITIES.....	25
6. TRADE RECEIVABLES AND PAYABLES	26
7. OTHER RECEIVABLES AND PAYABLES	27
8. INVENTORIES.....	28
9. PREPAID EXPENSES AND DEFERRED INCOME.....	28
10. RECEIVABLES AND PAYABLES ARISING FROM CONSTRUCTION CONTRACTS.....	28
11. INVESTMENT PROPERTIES.....	29
12. PROPERTY, PLANT AND EQUIPMENT.....	30
13. INTANGIBLE ASSETS.....	32
14. RIGHT TO USE ASSETS.....	32
15. IMPROVEMENT OF ASSETS	33
16. GOVERNMENT INCENTIVES	33
17. COMMITMENTS, CONTINGENCIES AND LIABILITIES	34
18. EMPLOYEE BENEFITS	35
19. OTHER ASSETS AND LIABILITIES	36
20. CAPITAL, RESERVES AND OTHER EQUITY ITEMS	36
21. REVENUE AND COST OF SALES	38
22. GENERAL ADMINISTRATIVE EXPENSES, MARKETING EXPENSES, RESEARCH AND DEVELOPMENT EXPENSES	38
23. EXPENSES BY NATURE.....	39
24. OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES.....	40
25. INCOME AND EXPENSES FROM INVESTMENT ACTIVITIES.....	40
26. FINANCIAL INCOME AND EXPENSES.....	40
27. INCOME TAX	41
28. EARNINGS PER SHARE.....	43
29. RELATED PARTY DISCLOSURES	43
30. QUALITY AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS.....	44
31. FINANCIAL INSTRUMENTS (FAIR VALUE AND HEDGE ACCOUNTING DISCLOSURES).....	51
32. SUBSEQUENT EVENTS	52
33. OTHER MATTERS THAT SIGNIFICANTLY AFFECT THE FINANCIAL STATEMENTS OR OTHER MATTERS REQUIRED FOR CLEAR UNDERSTANDING OF FINANCIAL STATEMENT	53

ORGE ENERJİ ELEKTRİK TAAHHÜT ANONİM ŞİRKETİ AND ITS SUBSIDIARY**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2023**

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") as of December 31, 2023, based on purchasing power.)

ASSETS	Notes	Audited Current Year December 31, 2023	Audited Prior Year December 31, 2022
Current Assets		1.860.065.662	1.565.444.904
Cash and cash equivalents	4	207.211.438	128.626.886
Trade receivables		358.234.654	286.682.515
- Trade receivables from non-related parties	6	358.234.654	286.682.515
Other receivables		4.999.196	1.956.599
- Other receivables from non-related parties	7	4.999.196	1.956.599
Contractual assets arising from ongoing construction and contracting works	10	1.240.618.195	927.465.987
Inventories	8	20.760.048	152.073.112
Expenses paid in advance		18.745.139	43.259.734
- Expenses paid in advance to non-related parties	9	18.745.139	43.259.734
Current tax assets		766.292	-
Other current assets	19	8.730.700	25.380.071
Non-Current Assets		325.813.581	319.445.188
Other receivables		473.241	739.727
- Other receivables from non-related parties	7	473.241	739.727
Investment property	11	252.595.000	260.341.212
Property, plant and equipment	12	16.402.614	13.932.623
Right of use assets	14	6.046.848	3.007.343
Intangible assets	13	3.721	6.921
Assets related to the current period tax	27	46.617.920	38.440.665
Expenses paid in advance	9	3.674.237	2.976.697
Total Assets		2.185.879.243	1.884.890.092

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

ORGE ENERJİ ELEKTRİK TAAHHÜT ANONİM ŞİRKETİ AND ITS SUBSIDIARY**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2023**

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") as of December 31, 2023, based on purchasing power.)

		Audited	Audited
		Current Year	Prior Year
LIABILITIES	Notes	December 31, 2023	December 31, 2022
Short-Term Liabilities		613.299.187	609.662.834
Financial liabilities	5	103.169.900	184.117.940
Current installments of long-term financial liabilities	5	74.226.187	18.721.595
Trade payables		238.441.851	193.908.580
-Trade payables to non-related parties	6	238.441.851	193.908.580
Employee benefit liabilities	18	7.323.686	7.188.899
Other payables		5.116.244	5.118.186
-Other payables to related parties	29	21.655	31.562
-Other payables to non- related parties	7	5.094.589	5.086.624
Liabilities arising from customer contracts	10	183.357.289	198.024.560
Current income tax liability	27	615.280	1.553.621
Short-term provisions		1.048.750	1.029.453
-Short-term provisions related with employee benefits	18	541.656	453.379
-Other short-term provisions	17	507.094	576.074
Long-Term Liabilities		250.833.175	179.450.539
Long-term financial liabilities	5	5.788.030	1.373.115
Other payables		13.500	22.244
-Other payables to non-related parties	7	13.500	22.244
Long-term provisions		7.240.070	8.074.025
-Long-term provisions related to employee benefits	18	7.240.070	8.074.025
Deferred tax liabilities	27	237.791.575	169.981.155
SHAREHOLDERS' EQUITY		1.321.746.881	1.095.776.719
Equities of the Parent Company		1.321.746.747	1.095.776.663
Paid-in capital	20	80.000.000	80.000.000
Capital adjustment differences	20	406.958.995	406.958.995
Treasury shares (-)	20	-	(1.361.622)
Share premium (discount)	20	37.723.028	29.457.035
Other accumulated comprehensive income (loss) that will not be reclassified in profit or loss		(3.521.090)	(1.580.096)
- Losses / gains due to defined benefit plans	20	(3.521.090)	(1.580.096)
Restricted reserves set aside from profit	20	20.176.119	22.186.295
Profit / loss of previous years	20	562.126.232	421.889.946
Net profit / loss for the year		218.283.463	138.226.110
Non-controlling interests		134	56
TOTAL OF LIABILITIES AND SHAREHOLDERS' EQUITY		2.185.879.243	1.884.890.092

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

ORGE ENERJİ ELEKTRİK TAAHHÜT ANONİM ŞİRKETİ AND ITS SUBSIDIARY

AUDİTED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS FOR THE PERIOD ENDED JANUARY 01 - DECEMBER 31, 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") as of December 31, 2023, based on purchasing power.)

PROFIT/LOSS STATEMENT	Notes	January 1- December 31, 2023	January 1- December 31, 2022
Revenue	21	1.975.946.092	1.404.595.578
Cost of Sales (-)	21	(1.095.389.242)	(829.217.111)
GROSS OPERATING PROFIT / LOSS		880.556.850	575.378.467
General Administration Expenses (-)	22	(60.196.986)	(31.924.459)
Other Income from Operating Activities	24	84.974.501	77.915.925
Other Loss from Operating Activities (-)	24	(139.883.564)	(78.587.356)
NET OPERATING PROFIT / LOSS		765.450.801	542.782.577
Income from Investment Activities	25	1.466.396	51.316.858
Loss from Investment Activities	25	(7.746.211)	-
OPERATING INCOME / LOSS BEFORE FINANCING EXPENSES		759.170.986	594.099.435
Financial Income	26	40.049.780	51.665.260
Financial Expenses (-)	26	(68.770.797)	(66.959.524)
Net Monetary Gain/Loss	26	(435.951.475)	(417.301.137)
CONTINUING OPERATIONS' PROFIT/LOSS BEFORE TAX FOR THE YEAR		294.498.494	161.504.034
Continuing Operations' Tax Income/Expense		(76.214.953)	(23.277.797)
Current Period Tax Income/ Loss	27	(8.404.533)	(7.252.574)
Deferred Tax Income/ Loss	27	(67.810.420)	(16.025.223)
CONTINUING OPERATIONS' PROFIT/LOSS FOR THE YEAR		218.283.541	138.226.237
PROFIT/LOSS FOR THE YEAR		218.283.541	138.226.237
Distribution of Total Comprehensive Income		218.283.541	138.226.237
Minority Shareholders		78	127
Parent's Company		218.283.463	138.226.110
Earnings Per Share			
Earnings Per Share from Continuing Activities	28	2,729	1,728
PROFIT/LOSS FOR THE YEAR		218.283.541	138.226.237
OTHER COMPREHENSIVE INCOME STATEMENT			
Other Comprehensive Income That Will Not Be Reclassified To Profit Or Loss		(1.940.994)	(1.580.096)
Gains (Losses) On Remeasurements of Defined Benefit Plans	18	(2.587.992)	(1.975.120)
Taxes Related to Loss / Gain on Defined Benefit Plans Remeasurement	27	646.998	395.024
Other Comprehensive Income (Loss)		(1.940.994)	(1.580.096)
Total Comprehensive Income		216.342.547	136.646.141
Distribution of Total Comprehensive Income		216.342.547	136.646.141
Non-controlling Shares		78	127
Parent Shares		216.342.469	136.646.014

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

ORGE ENERJİ ELEKTRİK TAAHHÜT ANONİM ŞİRKETİ AND ITS SUBSIDIARY

AUDİTED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED JANUARY 1 - DECEMBER 31, 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") as of December 31, 2023, based on purchasing power.)

	Notes	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	Revaluation and Remeasurements Gain / (Loss)	Accumulated Profit		Shareholders' Equity	Non-Controlling Interest	Equity
						Defined Benefit Plans Remeasurement Gains / Losses		Prior Years' Profits or Losses	Current Period Net Profit Or Loss			
Balances of January 1, 2022	20	80.000.000	406.958.995	(1.355.297)	10.818.498	-	21.531.417	422.544.824	-	940.498.437	(70)	940.498.367
Transfers		-	-	-	-	-	654.878	(654.878)	-	-	-	-
Total Comprehensive Income (Expense)		-	-	-	-	(1.580.096)	-	-	138.226.110	136.646.014	126	136.646.140
Period Profit (Loss)		-	-	-	-	-	-	-	138.226.110	138.226.110	126	138.226.236
Other Comprehensive Income (Loss)		-	-	-	-	(1.580.096)	-	-	-	(1.580.096)	-	(1.580.096)
Increase (Decrease) Due to Repurchase of Shares Transactions		-	-	(6.325)	18.638.537	-	-	-	-	18.632.212	-	18.632.212
Balance of December 31, 2022	20	80.000.000	406.958.995	(1.361.622)	29.457.035	(1.580.096)	22.186.295	421.889.946	138.226.110	1.095.776.663	56	1.095.776.719
Balances of January 1, 2023	20	80.000.000	406.958.995	(1.361.622)	29.457.035	(1.580.096)	22.186.295	421.889.946	138.226.110	1.095.776.663	56	1.095.776.719
Transfers		-	-	-	-	-	(2.010.176)	140.236.286	(138.226.110)	-	-	-
Total Comprehensive Income		-	-	-	-	(1.940.994)	-	-	218.283.463	216.342.469	78	216.342.547
Period Profit (Loss)		-	-	-	-	-	-	-	218.283.463	218.283.463	78	218.283.541
Other Comprehensive Income (Loss)		-	-	-	-	(1.940.994)	-	-	-	(1.940.994)	-	(1.940.994)
Increase (Decrease) Due to Repurchase of Shares Transactions		-	-	1.361.622	8.265.993	-	-	-	-	9.627.615	-	9.627.615
Balance of December 31, 2023	20	80.000.000	406.958.995	-	37.723.028	(3.521.090)	20.176.119	562.126.232	218.283.463	1.321.746.747	134	1.321.746.881

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

ORGE ENERJİ ELEKTRİK TAAHHÜT ANONİM ŞİRKETİ AND ITS SUBSIDIARY

AUDİTED

CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED JANUARY 1 - DECEMBER 31, 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") as of December 31, 2023, based on purchasing power.)

A. CASH FLOWS FROM MAIN OPERATIONS

	Notes	January 1- December 31, 2023	January 1- December 31, 2022
CASH FLOWS FROM OPERATING ACTIVITIES		103.191.129	(46.962.501)
Period profit (Loss)		218.283.541	138.226.238
Profit from continuing operations (Loss)		218.283.541	138.226.238
Adjustments to Reconcile Net Profit/(Loss)		80.500.380	(27.647.234)
Adjustments for depreciation and amortisation expenses	12,13,14	6.002.947	4.818.853
Adjustments for provisions		(2.755.652)	1.857.041
<i>Adjustments for (reversal of) provisions related to employee benefits</i>	18	(2.686.672)	2.630.163
<i>Adjustments related to lawsuits and/or penal provisions</i>	17	(68.980)	(773.122)
Adjustments for interest (income) expenses		1.696.453	211.226
<i>Adjustments for interest (income) expenses</i>		1.696.453	211.226
Adjustments for Fair Value Loss (Gains)		7.746.212	(50.164.552)
<i>Adjustments for fair value loss (gains) of investment properties</i>	11	7.746.212	(50.164.552)
Adjustments for tax (income) expenses	27	67.810.420	15.630.198
Changes in Working Capital		(185.710.904)	(160.691.317)
Adjustments for decrease (increase) in trade receivable		(71.552.139)	(69.017.765)
<i>Adjustments for decrease (increase) from non- related trade receivable</i>	6	(71.552.139)	(69.017.765)
Adjustments for decrease (increase) in other receivables related to operations		(2.776.111)	(1.987.835)
<i>Adjustments for decrease (increase) in other receivables from non-related parties with operations</i>	7	(2.776.111)	(1.987.835)
Adjustments for stage of completion of construction or service contracts in progress	10	(327.819.479)	68.420.997
Adjustments for decrease (increase) in inventories	8	131.313.064	(24.355.804)
Decrease (increase) in prepaid expenses	9	23.817.055	(31.720.321)
Adjustments for increase (decrease) in trade payable		44.533.271	(97.514.328)
<i>Increase (decrease) in trade payables to unrelated parties</i>	6	44.533.271	(97.514.328)
Increase (decrease) in employee benefit liabilities	18	134.787	(545.526)
Adjustments for increase (decrease) in other operating payables		(10.686)	(4.478.247)
<i>Increase (decrease) in other related party payables related to operations</i>	29	(9.907)	(19.925)
<i>Increase (decrease) in other operating payables to unrelated parties</i>	7	(779)	(4.458.322)
Adjustments for other increase (decrease) in working capital		16.649.334	507.512
<i>Decrease (increase) in other assets related to activities</i>	19	16.649.334	507.850
<i>Decrease (increase) in other liabilities related to activities</i>		-	(338)
Cash Flows from Operating Activities		113.073.017	(50.112.313)
Tax rebate (payment)	27	(9.881.888)	3.149.812
B. Cash Flows From (Used In) Investing Activities		(6.039.114)	(2.956.082)
Cash Outflows from Purchase of property, plant, equipment and intangible assets	12,13	(6.039.114)	(2.956.082)
C. Cash Flows From (Used In) Financing Activities		(18.567.463)	66.288.989
Cash Inflows from the Sale of the Business's Own Shares and Other Equity Instruments	20	9.627.615	18.632.212
Cash inflows from borrowings	5	22.564.229	104.503.340
Cash outflows related to debt payments of lease liabilities	5	22.564.229	104.503.340
Interest Paid	26	(44.172.800)	(56.202.367)
Net increase (decrease) in cash and cash equivalents before effect of exchange rate changes		78.584.552	16.370.406
Net Increase (Decrease) In Cash and Cash Equivalents	4	78.584.552	16.370.406
Cash and Cash Equivalents at The Beginning of The Period	4	128.626.886	112.256.480
Cash and Cash Equivalents at The End of The Period		207.211.438	128.626.886

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 DECEMBER 31, 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") as of December 31, 2023, based on purchasing power.)

1. GROUP'S ORGANIZATION AND NATURE OF OPERATIONS

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.

As of December 31, 2023, average number of personnel is 413 (December 31, 2022: 511). As the date of balance sheet, there are no employees in the subsidiary. The group also employs personnel through subcontractors. The average number of subcontracted personnel employed as of December 31, 2023 is 29. (31 December 2022: 27)

As of December 31, 2023, the share capital of the company is 80.000.000 TL (December 31, 2022: 80.000.000 TL), the publicly listed shares are 52,2 % of the total shares. Gündüz Family members are main shareholders of the company and has control in the management (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>CounTL of Incorporation</u>
And İnşaat Ticaret A.Ş.	Construction Equipment	99, 96	Turkey

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 fiscal year ended December 31, 2023, were approved at the Board of Directors meeting held on May 6, 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 DECEMBER 31, 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") as of December 31, 2023, based on purchasing power.)

2. BASIS OF PRESENTATION OF CONSOLIDATED 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 and Tax Legislation.

The financial statements of the Group have been prepared in accordance with the Turkish Financial Reporting Standards, ("TFRS") and interpretations as adopted in line with international standards by the Public Oversight Accounting and Auditing Standards Authority of Turkey ("POA") in line with the communiqué numbered II-14.1 "Communiqué on the Principles of Financial Reporting In Capital Markets" ("the Communiqué") announced by the Capital Markets Board of Turkey ("CMB") on June 13, 2013 which is published on Official Gazette numbered 28676. The financial statements are presented in accordance with "Announcement regarding with TAS Taxonomy" which was published on April 15, 2019 by POA and the format and mandatory information recommended by CMB.

According to the regulations of the Capital Markets Board (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 KGG.

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 December 31, 2023.

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 DECEMBER 31, 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") as of December 31, 2023, based on purchasing power.)

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd) A. Basis of Presentation (cont'd)

Financial Reporting in Hyperinflationary Economies

In accordance with the announcement made by the Public Oversight, Accounting and Auditing Standards Authority (POA) on November 23, 2023, and the published "Practice Guide on Financial Reporting in High Inflation Economies," the Company prepared its consolidated financial statements for the year ending December 31, 2023, applying TAS 29 "Financial Reporting in Hyperinflationary Economies." According to this standard, financial statements prepared in the currency of a hyperinflationary economy are presented in terms of the purchasing power of that currency at the balance sheet date, and comparative information for previous periods is expressed in the current measurement unit at the end of the reporting period for comparison purposes. Therefore, the Company presented its consolidated financial statements as of December 31, 2021, and December 31, 2022, on the basis of purchasing power as of December 31, 2023.

In accordance with the decision dated December 28, 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 December 31, 2023.

The reclassifications made in accordance with TAS 29 were based on the correction coefficients obtained from the Consumer Price Index ("CPI") published by the Turkish Statistical Institute ("TurkStat"). As of December 31, 2023, the indices and correction coefficients used for the correction of non-consolidated financial statements are as follows:

Date	Index	Adjustment Coefficient	Three-Year Compound Inflation Rate
December 31, 2023	1.859,38	1,00000	268%
December 31, 2022	1.128,45	1,64773	156%
December 31, 2021	686,95	2,70672	74%

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 DECEMBER 31, 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") as of December 31, 2023, based on purchasing power.)

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

A. Basis of Presentation (cont'd)

Going Concern

The financial statements of the Company are prepared on the basis of a going concern assumption.

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 Turkish Financial Reporting Standards

Amendments in Turkish Financial Reporting Standards

The accounting policies adopted in preparation of the consolidated financial statements as of December 31, 2023 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, 2023 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 which are effective as of January 1, 2023 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.

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 TAS 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.

ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş. AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") as of December 31, 2023, based on purchasing power.)

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

A. Basis of Presentation (cont'd)

Consolidation principles

As of December 31, 2023, the consolidated financial statements include the financial results of the Company and its subsidiary that are listed at Note 1. Control is normally evidenced when the Group controls an investee if and only if the company has all the following; a) power over the investee b) exposure, or rights, to variable returns from its involvement in the investee and c) the ability to use its power over the investee to affect the amount of company's returns. The results of subsidiaries acquired during the year are included in the consolidated statements of income from the effective date of acquisition as appropriate.

When necessary, adjustments are made to the financial statements of subsidiary to bring their accounting policies in line with those used by other Group Companies. The consolidated financial statements are prepared using uniform accounting policies for similar transactions and events and are prepared for the same chart of accounts of the Group.

All intra-group transactions and balances including intra-group unrealized profits and losses are eliminated.

Non-controlling interest in the net assets of consolidated subsidiary is identified separately from the Group's equity therein. Non-controlling interest consists of the amount of those interests at the date of the original acquisition and the minority's share of changes in equity since the date of the acquisition. Losses within a subsidiary are attributed to non-controlling interest even if that result is in deficit balance.

The share purchase/(sale) transactions of the Group with the minority shareholders without losing the control of the subsidiary are considered as a transaction between the shareholders of the company and are accounted for in the "adjustment difference arising from the change in the share ratio in the subsidiary" account under equity.

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	249.900	99,96

B. Changes in accounting policy

Any change in the accounting policies resulted from the first-time adoption of a new standard is made either retrospectively or prospectively in accordance with the transition requirements. Changes without any transition requirement, material changes in accounting policies or material errors are corrected, retrospectively by restating the prior period consolidated financial statements. If changes in accounting estimates are related to only one period, they are recognised in the period when changes are applied; if changes in estimates are related to future periods, they are recognized both in the period where the change is applied and future periods prospectively.

C.Summary of significant accounting policies

Significant accounting policies applied in the preparation of these consolidated financial statements are summarized below:

ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş. AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") as of December 31, 2023, based on purchasing power.)

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

C. Summary of Significant Accounting Policies (cont'd)

Revenue and Income

Revenue are measured on fair value of amount will be or have been charged. Estimated customer returns, rebates and provisions are deducted from the amount.

Proceeds from the sale of goods, is recognized when all the following conditions are met:

- Group all the significant risks and rewards of ownership are transferred to the buyer
- The Group's and the continuing managerial involvement usually associated with ownership and effective control over the goods sold are the lack of
- The amount of revenue can be measured reliably
- The economic benefits associated with the transaction will flow to the entity being possible, and transaction costs incurred or to be incurred in a reliable way of measuring.

Rendering of services;

The income from which the service is provided is recognized according to the completion stage of the contract.

The completion phase of the contract is determined as follows:

- Electrical and mechanical contracting works are accounted for according to their completion stage. The completion phase is determined as the ratio of the time passed as of the balance sheet date to the total time estimated for the completion of the commitment,
- Service fees included in the prices of goods sold are accounted for based on the total cost of services rendered for goods sold, taking into account the number of services provided in previous sales of goods, and
- Income from contracts that depend on the time spent, working hours and direct expenses are recognized over contract fees as they occur.

Construction contract activities

In case the results of the construction contracts cannot be estimated reliably, the income to be obtained from the contract shall be as much as the recoverable portion of the realized contract expenses. Contract expenses are recognized when incurred.

Contract revenue is recognized over the contract period when the outcome of construction contracts can be estimated reliably and the contract is likely to yield a profit. Where it is probable that total contract expenses will exceed total contract revenue, the expected loss is recognized as an expense immediately. Changes to contracts, requested payments and incentive payments are added to contract revenues at the rate accepted by the customer and as long as they can be measured reliably.

Where the revenue of a construction contract can be estimated reliably, revenues are recorded at the rate of completion of the construction activity at the balance sheet date. Completion rate is calculated according to the ratio of the construction cost incurred until the balance sheet date to the total estimated cost. This calculation is not valid where the rate of completion cannot be calculated fairly.

Changes in the amount of the construction contract, additional claims and incentive payments are likely to be approved by the employer and the relevant income is a reliable source of income.

ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş. AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") as of December 31, 2023, based on purchasing power.)

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

C. Summary of Significant Accounting Policies (cont'd)

It is included in the project revenues if it can be measured in an appropriate way. Construction contract costs include all initial material and direct labor costs, indirect labor related to contract performance, It covers indirect costs such as material, repair and depreciation expenses. Selling and general administrative expenses are expensed as they occur.

Provisions for estimated losses on incomplete contracts are recorded in the financial statements in the periods when these losses are determined. Job performance, job conditions, contract penalty provisions, and changes in the estimated profitability due to the final agreement arrangements may cause the revision of the cost and income amounts that will occur at the end of the project. These revisions were made at the time of their discovery.reflected in the consolidated financial statements.

Receivables from ongoing construction contracts, the unbilled amount of the revenue reflected in the consolidated financial statements; Payables from ongoing construction contracts are included in the consolidated financial statements.Indicates the invoice amount that exceeds the reflected revenue.

Group management records additional receivables within the scope of compensation that are not covered by the contract, when the negotiations with the employer regarding the said additional receivable claims are at the stage of approval of the collection and when the collections to be made can be measured reliably.

The Group does not have products under warranty.

Interest income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Inventories

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

ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş. AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") as of December 31, 2023, based on purchasing power.)

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

C. Summary of Significant Accounting Policies (cont'd)

Property, Plant and Equipment

The Group's tangible assets, excluding real estate, such as land, buildings, facilities, machinery, and equipment held for use in production or supply of goods and services to others (for assets other than real estate) or for administrative purposes, which are expected to be used for more than one period, are recognized at cost under the cost model.

The cost of tangible assets comprises the purchase price, import duties, and non-refundable taxes incurred to bring the tangible asset into its usable condition. Expenditures incurred for repairs and maintenance after the tangible asset is put into use are expensed in the income statement when they occur. If such expenditures increase the economic benefits of the asset in future periods, they are added to the asset's cost.

Direct costs include expenditures made for leased real estate and are amortized over the lease term if the useful life exceeds the lease term, or over their useful lives if shorter.

Depreciation is recognized from the date when the tangible assets are ready for use. Depreciation continues to be recognized even when the assets are idle.

The economic life and depreciation method are reviewed regularly to ensure they are consistent with the anticipated economic benefits from the asset and adjustments are made as necessary (Note 12)

Cost Method

Property, plant and equipment reported at cost less accumulated depreciation and accumulated impairment losses, on the same basis.

Assets under construction for leasing or administrative purposes, or for other purposes not yet determined, are presented at their cost less any impairment loss if applicable.

Rental or administrative purposes, or for purposes not yet determined the course of construction assets are carried at cost less any recognized impairment loss. The cost of legal fees are also included. Such assets, the depreciation method used for other fixed assets, as well as when they are ready for use are depreciated.

Land and construction in progress, except for the cost of Property, plant and equipment to their estimated useful lives are amortized using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year for the possible effects of changes in estimates if a change in estimate being accounted for on a prospective basis.

Disposal of Property, plant and equipment of the asset, or a gain or loss arising on the difference between the sales proceeds and the carrying amount of the asset is included in the income statement is determined.

ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş. AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") as of December 31, 2023, based on purchasing power.)

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

C. Summary of Significant Accounting Policies (cont'd)

Intangible Assets

Intangible Assets Acquired

Intangible assets acquired separately are carried at cost, less accumulated amortization and any accumulated impairment losses.

Amortization is charged on a straight-line basis over their estimated useful lives. Estimated useful life and amortization method are reviewed at the end of each year and the effect of any change in the estimate is accounted for on a prospective basis. There is no intangible assets made within the business.

Derecognition of intangible assets

When a non-current intangible asset is disposed of or its use or sale is discontinued, and future economic benefits are not expected to be obtained, it is derecognized from the financial position statement (balance sheet). Any profit or loss arising from the derecognition of a non-current intangible asset is calculated as the difference between the net proceeds from disposal and its carrying amount, if any. This difference is recognized in profit or loss when the asset is derecognized from the financial position statement (balance sheet)

Investment Properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Initially, they are measured at cost, including transaction costs. Subsequently, investment properties are measured at fair value, reflecting market conditions at the balance sheet date.

Investment properties are derecognized from the balance sheet when they are sold or when they become permanently impaired and no future economic benefits are expected from their disposal. Any gains or losses arising from the retirement or disposal of investment properties are recognized in the income statement in the period in which they arise. (Note 11)

Fair Value Method

After initial recognition, the Group has elected the fair value model and measures all investment properties at fair value.

Gains or losses arising from changes in fair value of investment properties are included in profit or loss for the period in which they arise.

Transfers are made when there is a change in the use of investment properties. In a transfer from an investment property carried at fair value to owner-occupied property, the estimated cost at the date of change in use is the fair value of the property at that date. If a property that was previously owner-occupied becomes an investment property carried at fair value, the entity applies the accounting policy applicable to Property, Plant and Equipment until the date of change in use.

Properties held for own use by the Group are reported under Property, Plant and Equipment.

ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş. AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") as of December 31, 2023, based on purchasing power.)

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

C. Summary of Significant Accounting Policies (cont'd)

Right of use asset

The Group recognizes right-of-use assets at the commencement date of the lease agreement (for example, as of the date the asset is available for use). right-of-use assets, it is calculated by deducting accumulated depreciation and impairment losses from the cost price. In case of revaluation of rental debts, this figure is also adjusted. The cost of the right-of-use asset includes:

- (a) the initial measurement of the lease liability;
- (b) of all lease payments made on or before the commencement date of the lease, the amount less lease incentives, and
- (c) all initial direct costs incurred by the group.

Unless the transfer of ownership of the underlying asset to the Group at the end of the lease term is reasonably certain, the Group depreciates the right-of-use asset from the date the lease actually commences to the end of the useful life of the underlying asset. Right-of-use assets are subject to impairment assessment.

Lease liability

At the commencement date, the Group shall measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined incremental borrowing interest rate shall be used for discounting.

At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

- a) Fixed payments, less any lease incentives receivable;
- b) Variable lease payments that depend on an index or a rate, initially measured using the index or Rate as at the commencement date
- c) Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.
- d) the exercise price of the call option if the Group is reasonably confident that it will exercise; and
- e) penalties for termination of the lease if the lease term indicates that the Group will exercise an option to terminate the lease.

Variable lease payments not dependent on an index or rate are recognized as expenses in the period in which the triggering event or condition occurs. The Group determines the revised discount rate for the remaining lease term based on the implicit rate in the lease if readily determinable; if not readily determinable, the Group determines it as the alternative borrowing rate at the date of reassessment.

After the commencement date, the Company shall measure the lease liability by:

- a) Increasing the carrying amount to reflect interest on the lease liability;
- b) Decreases book value to reflect lease payments made. In addition, the value of the finance lease liabilities is remeasured if there is a change in the lease term, a change in the underlying fixed lease payments, or a change in the assessment of the option to purchase the underlying asset.

ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş. AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") as of December 31, 2023, based on purchasing power.)

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

C. Summary of Significant Accounting Policies (cont'd)

Impairment of Assets

Assets that have an indefinite useful life are not subject to amortization of goodwill. These assets are tested for impairment annually. The carrying value of assets subject to amortization may not be recoverable in the event of a situation or events are reviewed for impairment. If the carrying amount exceeds the recoverable amount of the asset is recognized for the impairment. The recoverable amount is fair value less costs to sell or value in use is the one obtained. For purposes of assessing impairment, assets are grouped at the lowest level of identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting.

Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, one that takes a substantial period of time to get ready for its intended use or sale, are capitalised as part of the cost of that asset in the period in which the asset is prepared for its intended use or sale. Borrowing costs that are not in this scope are recognized directly in the income statement. Borrowing costs are recognized directly in the income statement.

Related Parties

Related parties of the Group include companies that can directly or indirectly control or significantly affect the other party through shareholding, contractual rights, family relations or similar means. In the attached consolidated financial statements, the shareholders of the Group and the companies owned by these shareholders, their key management personnel and other companies known to be related are defined as related parties. Transaction with related parties is the transfer of resources, services or obligations between related parties, regardless of whether a price is charged (Note 29).

Financial Instruments

Financial assets and financial liabilities are recognized in the Group's consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") as of December 31, 2023, based on purchasing power.)

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

C. Summary of Significant Accounting Policies (cont'd)

Financial Assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

The Group classifies its financial assets as (a) Business model used for managing financial assets, (b) financial assets subsequently measured at amortized cost, at fair value through other comprehensive income or at fair value through profit or loss based on the characteristics of contractual cash flows. The Group reclassifies all financial assets effected from the change in the business model it uses for the management of financial assets. The reclassification of financial assets is applied prospectively from the reclassification date. In such cases, no adjustment is made to gains, losses (including any gains or losses of impairment) or interest previously recognized in the financial statements.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortized cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset; the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met.

(i) Amortized cost and effective interest method

Interest income on financial assets carried at amortized cost is calculated using the effective interest method. The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. This income is calculated by applying the effective interest rate to the gross carrying amount of the financial asset:

- a) Credit-impaired financial assets when purchased or generated. For such financial assets, the Group applies the effective interest rate on the amortized cost of a financial asset based on the loan from the date of the recognition in the financial statements
- b) Non-financial assets that are impaired at the time of acquisition or generation but subsequently become a financial asset that has been impaired. For such financial assets, the Group applies the effective interest rate to the amortized cost of the asset in the subsequent reporting periods.

Interest income is accounted for using the effective interest method for debt instruments where amortized costs and fair value changes are reflected in other comprehensive income. Interest income is recognized in the consolidated profit or loss and presented under the line item 'finance income - interest income' (Note 26).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") as of December 31, 2023, based on purchasing power.)

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

C. Summary of Significant Accounting Policies (cont'd)

Financial Assets (cont'd)

(ii) Financial assets fair value through other comprehensive income (FVTOCI):

A financial asset is measured at fair value through other comprehensive income if both conditions are met:

- a) Retention of the financial asset in the context of a business model aimed at collecting the contractual cash flows and selling the financial asset,
- b) The contractual terms of the financial asset will result in cash flows that include interest payments on principal and principal balance on certain dates.

Any gains or losses arising from a financial asset measured at fair value through profit or loss are included in other comprehensive income until the financial asset is derecognized or reclassified. When the financial asset is reclassified, the cumulative gain or loss previously reflected to other comprehensive income is recognized in profit or loss on the reclassification date as a reclassification correction. In case of reclassification of the financial asset that is measured at fair value through profit or loss, the entity shall present the total gain or loss previously recognized in other comprehensive income to the financial statements. Interest calculated using the effective interest method is recognized in profit or loss in the financial statements. At initial recognition in the financial statements, an irrevocable preference can be made to present the subsequent changes in the fair value of the investment in the equity instrument that is not held for commercial purposes in other comprehensive income.

(iii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortized cost or FVTOCI (see (i) to (ii) above) are measured at FVTPL. Specifically: Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss to the extent they are not part of a designated hedging relationship (see hedge accounting policy).

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically,

- For financial assets measured at amortized cost that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss in the 'other gains and losses' line item;
- For debt instruments measured at FVTOCI that are not part of a designated hedging relationship, exchange differences on the amortized cost of the debt instrument are recognized in profit or loss in the 'other gains and losses' line item. Other exchange differences are recognized in other comprehensive income in the investment's revaluation reserve;
- For financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss in the 'other gains and losses' line item; and
- For equity instruments measured at FVTOCI, exchange differences are recognized in other comprehensive income in the investment's revaluation reserve.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") as of December 31, 2023, based on purchasing power.)

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

C. Summary of Significant Accounting Policies (cont'd)

Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on investments in debt instruments that are measured at amortized cost or at FVTOCI, lease receivables, trade receivables and contract assets, as well as financial guarantee contracts. No impairment loss is recognized for investments in equity instruments. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group utilizes a simplified approach for trade receivables, contract assets and lease receivables that does not have significant financing component and calculates the allowance for impairment against the lifetime ECL of the related financial assets.

For all other financial instruments, the Group recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investment's revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investment's revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş. AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") as of December 31, 2023, based on purchasing power.)

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

C. Summary of Significant Accounting Policies (cont'd)

Financial Liabilities

Financial liabilities are classified as at FVTPL on initial recognition. On initial recognition of liabilities other than those that are recognized at FVTPL, transaction costs directly attributable to the acquisition or issuance thereof are also recognized in the fair value.

A financial liability is subsequently classified at amortized cost except:

- Financial liabilities at FVTPL: These liabilities including derivative instruments are subsequently measured at fair value. (Note 31)
- Financial liabilities arising if the transfer of the financial asset does not meet the conditions of derecognition from the financial statements or if the ongoing relationship approach is applied: When the Group continues to present an asset based on the ongoing relationship approach, a liability in relation to this is also recognized in the financial statements. The transferred asset and the related liability are measured to reflect the rights and liabilities that the Group continues to hold. The transferred liability is measured in the same manner as the net book value of the transferred asset
- A contingent consideration recognized in the financial statements by the entity acquired in a business combination where TFRS 3 is applied: After initial recognition, the related contingent consideration is measured as at FVTPL.

The Group does not reclassify any financial liability.

Effects of Changes in Foreign Exchange

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

During the preparation of the financial statements of the individual entities, denominated in foreign currencies (currencies other than TL) from the transactions, foreign exchange rates prevailing at the transaction date are recorded at. In the balance sheet foreign currency denominated monetary assets and liabilities using the exchange rates prevailing at the balance sheet date are translated into TL. Followed by the fair value of nonmonetary items denominated in foreign currencies which are those recorded at fair value as determined by rates prevailing on the date are retranslated. Measured in terms of historical cost in a foreign currency non-monetary items, are not retranslated.

Exchange differences, except as specified below, are recognized in profit or loss in the period in which they occur:

- Assets under construction for future productive use, which are associated with and on foreign currency borrowings are regarded as an adjustment to interest costs and the cost of such assets are included in the exchange rate differences,
- Risks arising from foreign currency (providing financial protection against risks related to the accounting policies described in Note 30) to provide financial protection against exchange differences arising from the operation,
- In overseas activities of the net investment, forming part accounted in translation reserves and net investment in sales profit or loss associated with the unpaid intention or unlikely overseas operations arising from the monetary receivables and payables arising from exchange rate differences.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") as of December 31, 2023, based on purchasing power.)

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)
C. Summary of Significant Accounting Policies (cont'd)

Earnings per share

Earnings per share presented in the consolidated statements of profit or loss are determined by dividing consolidated net income attributable to that class of shares by the weighted average number of such shares outstanding during the year concerned.

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares ("bonus shares") to existing shareholders from retained earnings or inflation adjustments. For the purpose of earnings per share computations, the weighted average number of shares outstanding during the year has been adjusted in respect of bonus shares issued without a corresponding change in resources by giving them retroactive effect for the year in which they were issued and for each earlier period.

Shareholders have equal rights on the shares and there is no preferred share (Note 28).

Events after the Reporting Period

Events after the reporting period, the balance date and the date of approval of the financial statements to be published, in favor or against the Group refers to events that occur. According to perform smoothing, two types of situations can be identified:

- Events that require adjustment after the reporting period, the balance sheet date of the relevant facts showing there is evidence that the conditions of the situation,
- Related events that occur after the reporting period showing improvements (non-adjusting events after the reporting period)

The accompanying financial statements of the Group in the reporting period, adjusting subsequent events have been registered and non-adjusting events after the reporting period are shown in the notes (Note 32).

Provisions, Contingent Liabilities and Contingent Assets

Provisions

There is a present legal or constructive obligation as a result of past events, and resources embodying economic benefits to settle the obligation and it is probable that they kept the company is expected to have a safe manner in the event of liability should be recognized in the consolidated financial statements. The provisions of the expenditure required to settle the obligation at the balance sheet date, with the most realistic estimates calculated by the Company's management and are discounted to present value where the effect is material.

Contingent Liabilities

Obligations under this group, within the control of the entity arising from past events, and the presence of one or more uncertain future events on the realization of the non-existence will be confirmed as the assessed liabilities Contingent liabilities are not included in the consolidated financial statements. Because, to settle the obligation, have the possibility of an outflow of resources embodying economic benefits or the amount of obligation cannot be measured with sufficient reliability. Too far from the entity of resources embodying economic benefits likely to come out, unless the notes to the consolidated financial statements show that conditional obligations

ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş. AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") as of December 31, 2023, based on purchasing power.)

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

C. Summary of Significant Accounting Policies (cont'd)

Contingent Assets

The Group within the control of the entity arising from past events, and the presence of one or more uncertain events, which will be confirmed by the realization of assets, is considered as a contingent asset. If an inflow of resources embodying economic benefits is not certain contingent assets described in the notes to the consolidated financial statements.

All of the economic benefits required to settle a provision are expected to be part of the cases, which shall be collected by third parties, it is virtually certain that reimbursement will be received and the amount of the event can be measured reliably, are recognized and reported as an asset. (Note 17)

Government Incentive

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions (Note 16).

Government grants relating to costs are deferred and recognised in the income statement over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to property, plant and equipment are included in non-current liabilities as deferred government grants and are credited to the income statement on a straight- line basis over the expected lives of the related assets, or alternatively netted off with the cost of related asset.

Current and Deferred Income Tax

The tax expense for the year comprises current and deferred tax. Tax is recognized in the statement of profit or loss, except to the extent that it relates to items recognized directly in equity. In such case, the tax is also recognized in shareholders' equity (Note 27).

The current income tax charge is calculated in accordance with the tax laws enacted or substantively enacted at the balance sheet date in the countries where the subsidiaries of the Company operate.

Deferred income tax is provided in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying values in the consolidated financial statements. Currently enacted tax rates are used to determine deferred income tax at the balance sheet date.

The principal temporary differences arise from the carrying values of property, plant and equipment and available for-sale-investments and their historical costs, various provisions and unused tax allowances and exemptions.

Deferred tax liabilities are recognized for all taxable temporary differences, where deferred tax assets resulting from deductible temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities, and deferred taxes relate to the same taxable entity and the same taxation authority.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") as of December 31, 2023, based on purchasing power.)

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

C. Summary of Significant Accounting Policies (cont'd)

Employment Termination Benefits

Employment termination benefits, as required by the Turkish Labor Law and the laws applicable in the countries where the subsidiaries operate, represent the estimated present value of the total reserve of the future probable obligation of the Company arising in case of the retirement of the employees, termination of employment without due cause, call for military service, be retired or death upon the completion of a minimum one year service. Provision which is allocated by using defined benefit pension's current value is calculated by using prescribed liability method. Actuarial gains and losses are recognized as other comprehensive income or loss in shareholders' equity in the period in which they arise (Note 18).

Statements of Cash Flows

The Group's net assets, financial structure, and the ability to affect the amounts and timing of cash flows, financial statement users to provide information about the cash flow statement holds. Cash flow statement, cash flows from operating, investing and financing activities are classified.

Cash flows from operating activities, cash flows from operating activities of the Group. From investing activities Cash flows from investing activities (Non-current asset investments and financial investments) and the cash flows. Cash flows related to financing activities, the resources used in financing activities of the Group and repayments. Cash and cash equivalents include cash, bank deposits and investments that are readily convertible into cash at short-term, highly liquid investments with original maturities of three months or less.

Capital and Dividends

Ordinary shares are classified as owner's equity. Dividends books after deducted from accumulated profit

D. Significant Accounting Estimates

The preparation of consolidated financial statements requires management to affect the reported amounts of assets and liabilities in the balance sheet at the date of the possible liabilities and commitments and the amounts of revenue and expenses during the reporting period required to make certain assumptions and estimates. These estimates and assumptions are based on management's best knowledge of current events and transactions despite the actual results may vary. Estimates are revised regularly and any necessary corrections are made and are reflected in the income statement in the periods. Critical judgments in applying the Group's accounting policies Summary of Significant Accounting Policies in the process of applying the accounting policies specified in management, with a significant impact on the amounts recognized in the financial statements (other than the estimates discussed below) made the following comments:

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below

a) Severance pay provision calculates under actuarial estimations (discount rate, future salary increases and employee leave rate)

ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş. AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") as of December 31, 2023, based on purchasing power.)

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

D. Significant Accounting Estimates (cont'd)

b) Doubtful receivable provisions reflects future loss of possible uncollectible receivable amounts as at balance sheet date. While the determination impairment of receivables, past performance of third party receivables, market credibility's and performances from balance sheet date until the confirmation of financial statements taking into consideration.

c) While the determination provision for lawsuits, Group's legal advisors and Group Management's opinions regarding possibility of lose lawsuits and liabilities in case of lose took into consideration. Group Management determines lawsuit provision according to best estimations.

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 EQUIVALENTS

	December 31, 2023	December 31, 2022
Cash	6.104	66.057
Cash at banks		
- Time deposits	98.655.021	90.782.460
- Demand deposits	106.367.636	34.913.256
Other liquid assets	2.182.677	2.865.113
Total	207.211.438	128.626.886

As of 31.12.2023 and 31.12.2022, the time deposit details are as follows:

Currency type	Interest Rate (%)	Maturity Date	31.12.2023	Interest Rate (%)	Maturity Date	31.12.2022
TL	2%-30%	2.07.2023	44.188.849	9,31%	2.01.2023	47.598.592
EUR	2,5%-2,75%	2.07.2023	42.781.286	1,33%	2.01.2023	31.883.993
USD	0,01%-4%	2.07.2023	11.684.886	2,25%	2.01.2023	11.299.875
Total			98.655.021			90.782.460

12.883.106 TL of time deposits consist of profit share participation partnership accounts of participation banks (December 31, 2022: 16.225.076 TL).

Foreign currency distribution of deposit accounts are as follows:

	December 31, 2022	December 31, 2022
TL	59.372.867	67.906.815
EUR	112.741.009	35.860.452
USD	32.908.781	21.928.449
Total	205.022.657	125.695.716

There is no blockage on deposits (December 31, 2022: 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 DECEMBER 31, 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") as of December 31, 2023, based on purchasing power.)

5. FINANCIAL LIABILITIES

	December 31, 2023	December 31, 2022
Short-term financial liabilities	103.169.900	184.117.940
a) Bank Loans	84.988.975	182.513.704
b) Liabilities from Operating Leases	1.181.484	750.277
c) Credit Cards	16.999.441	853.959
Short-term portion of long-term financial liabilities	74.226.187	18.721.595
a) Bank Loans	74.226.187	18.721.595
Total	177.396.087	202.839.535
 Long-term financial liabilities	 December 31, 2023	 December 31, 2022
a) Bank Loans	1.522.975	-
b) Liabilities from Operating Leases	4.265.055	1.373.115
Total	5.788.030	1.373.115

a) Bank Loans

December 31, 2023

<u>Currency</u>	<u>Effective Interest Rate (%)</u>	<u>Short-term</u>	<u>Short-term portion of long-term loans</u>	<u>Long-term</u>
TL	0,57% -20,53%	84.988.975	74.226.187	1.522.975
Total		84.988.975	74.226.187	1.522.975

December 31, 2022

<u>Currency</u>	<u>Effective Interest Rate (%)</u>	<u>Short-term</u>	<u>Short-term portion of long-term loans</u>	<u>Long-term</u>
TL	7,69% -33,83%	182.513.704	18.721.595	-
Total		182.513.704	18.721.595	-

As of December 31, 2023, and December 31, 2022, the repayment information for bank loans by year is as follows:

	December 31, 2023	December 31, 2022
Will paid within 1 year	159.215.162	201.235.299
Will paid within 1 to 5 year	1.522.975	-
Total	160.738.137	201.235.299

As of December 31, 2023, there are participation bank loans of 38.261.647 TL (December 31, 2022: 19.466.934 TL)

ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş. AND ITS SUBSIDIARY**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2023**

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") as of December 31, 2023, based on purchasing power.)

5. FINANCIAL LIABILITIES (Cont'd)**b) Payables from rental transactions**

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

December 31, 2023		
	Minimum Rent Payments	Present Value of Minimum Payments
Payables from Rental Transactions		
Less than 1 year	532.466	1.181.484
More than 1 year- Less than 5 year	274.937	4.265.055
Present Value of the Lease Obligation	807.403	5.446.539

December 31, 2022		
	Minimum Rent Payments	Present Value of Minimum Payments
Payables from Rental Transactions		
Less than 1 year	480.240	455.340
More than 1 year- Less than 5 year	687.344	833.338
Present Value of the Lease Obligation	1.167.584	1.288.678

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:

Short-term trade receivables	December 31, 2023	December 31, 2022
Receivables (*)	242.251.079	191.479.640
Notes receivables (*)	118.738.852	97.383.029
Unearned credit finance income (-)	(2.654.078)	(2.013.405)
Doubtful receivables (**)	1.245.754	1.180.204
Provision for doubtful receivables (-)	(1.245.754)	(1.180.204)
TFRS 9 provision	(101.199)	(166.749)
Total	358.234.654	286.682.515

(*)Trade and Notes Receivables

	December 31, 2023	December 31, 2022
Maturity with 1-3 Months	332.922.661	273.405.143
Maturity with 3-6 Months	28.067.270	15.457.525
Total	360.989.931	288.862.668

As of December 31, 2023, amount of 1.346.953 TL (December 31, 2022: 2.219.414 TL) of trade receivables are doubtful receivables. There is no provision has been made for doubtful receivables in 2023.

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

	December 31, 2023	December 31, 2022
As of January 1	1.346.953	1.346.953
Period Charge	-	-
As of December 31	1.346.953	1.346.953

ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş. AND ITS SUBSIDIARY**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2023**

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") as of December 31, 2023, based on purchasing power.)

6. TRADE RECEIVABLES AND PAYABLES (Cont'd)**b) Trade Payables:**

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

<u>Short-term Trade Payables</u>	December 31, 2023	December 31, 2022
Payables (*)	226.546.518	171.079.801
Notes payables (*)	13.580.732	24.564.016
Unearned credit finance charges (-)	(1.685.399)	(1.735.237)
Total	238.441.851	193.908.580

<u>(*)Trade and Notes Payables</u>	December 31, 2023	December 31, 2022
Maturity with 1-3 Months	225.679.668	194.813.958
Maturity with 3-6 Months	14.447.582	829.859
Total	240.127.250	195.643.817

7. OTHER RECEIVABLES AND PAYABLES

<u>Other Short-term Receivables</u>	December 31, 2023	December 31, 2022
Due From Tax Authorities	-	165.434
Other Miscellaneous Debts	4.999.196	1.791.165
Total	4.999.196	1.956.599

<u>Other Long-term Receivables</u>	December 31, 2023	December 31, 2022
Deposits and Guarantees Given	473.241	739.727
Total	473.241	739.727

<u>Other Short-term Payables</u>	December 31, 2023	December 31, 2022
Taxes and Funds Payable	1.694.607	2.007.030
Payable Other Liabilities	73	83.340
Other Miscellaneous Debts	3.399.909	2.996.254
Sub-Total	5.094.589	5.086.624
Due to Related Parties (Note 27)	21.655	31.562
Total	5.116.244	5.118.186

<u>Other Long-term Payables</u>	December 31, 2023	December 31, 2022
Deposits and Guarantees Received	13.500	22.244
Total	13.500	22.244

ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş. AND ITS SUBSIDIARY**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2023**

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") as of December 31, 2023, based on purchasing power.)

8. INVENTORIES

	December 31, 2023	December 31, 2022
Raw materials and supplies	10.690.710	33.755.594
Trade goods	10.069.338	118.317.518
Total	20.760.048	152.073.112

As of the balance sheet date, the Group does not have any stocks with a net realizable value less than its cost. (December 31, 2022: None).

Group does not have any pledged inventory in return for loans as at December 31, 2023 (December 31, 2022: None).

9. PREPAID EXPENSES AND DEFERRED INCOME**Short-term Prepaid Expenses**

<u>Prepaid Expenses</u>	December 31, 2023	December 31, 2022
Expenses for next months	1.186.385	-
Business advances	2.142.179	1.364.068
Advances given for inventories	15.416.575	41.895.666
Total	18.745.139	43.259.734

Long-term prepaid expenses

	December 31, 2023	December 31, 2022
Advances for real estate purchases	3.674.237	2.461.633
Expenses for the next month	-	515.064
Total	3.674.237	2.976.697

10. RECEIVABLES AND PAYABLES ARISED FROM CONSTRUCTION CONTRACTS

	December 31, 2023	December 31, 2022
Assets Related to Ongoing Construction Contracts	1.240.618.195	927.465.987
Total	1.240.618.195	927.465.987

The details of assets related to ongoing construction contracts are as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Receivables Arising from Customer Contracts	1.240.618.195	927.465.987
- Assets relating with domestic construction contracts	-	-
- Assets not yet acquired relating with domestic construction contracts (*)	1.240.618.195	927.465.987

(*) Since there is no possible doubt about whether the group will meet the requirements for the acquisition of unearned assets, costs of the unearned assets are reflected in the financial statements on an accrual basis at fair value.

Liabilities Arising from Customer Contracts	December 31, 2023	December 31, 2022
Advances received	183.357.289	198.024.560
Total	183.357.289	198.024.560

ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş. AND ITS SUBSIDIARY**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2023**

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") as of December 31, 2023, based on purchasing power.)

11. INVESTMENT PROPERTIES

As of December 31, 2023 and December 31, 2022, the movements of investment property are as follows:

January 1-December 31, 2023

Fair value	Land	Buildings	Total
Opening Balance	14.829.563	245.511.649	260.341.212
Value increase/decrease	7.375.437	(15.121.649)	(7.746.212)
Transfers from Property, plant and equipment	-	-	-
Closing Balance	22.205.000	230.390.000	252.595.000

January 1-December 31, 2022

Fair value	Land	Buildings	Total
Opening Balance	12.653.907	197.522.754	210.176.661
Value increase/decrease	2.175.656	47.988.895	50.164.551
Transfers from Property, plant and equipment	-	-	-
Closing Balance	14.829.563	245.511.649	260.341.212

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 December 29, 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		22.205.000	230.390.000	

There is no mortgage on investment properties as of December 31, 2023 (December 31, 2022: None).

The Group's rent income from investment properties in the current year is 1.468.448 TL. (December 31, 2022: 699.380 TL)

There is insurance coverage amounting to 82.103.054 TL on Investment Properties (December 31, 2022: 89.443.130 TL).

ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş. AND ITS SUBSIDIARY**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2023**

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") as of December 31, 2023, based on purchasing power.)

12. PROPERTY, PLANT AND EQUIPMENT

<u>Property, plant and equipment</u>	January 1, 2023	Additions	Disposals	December 31, 2023
Vehicles	11.312.076	4.555.288	-	15.867.364
Fixtures	20.533.764	1.324.369	-	21.858.133
Special costs	1.807.135	159.457	-	1.966.592
Other Property, plant and equipment	1.089.659	-	-	1.089.659
Total	34.742.634	6.039.114	-	40.781.748
<u>Accumulated depreciation</u>	January 1, 2023	Additions	Disposals	December 31, 2023
Vehicles	7.278.561	1.667.411	-	8.945.972
Fixtures	11.060.084	1.750.526	-	12.810.610
Special costs	1.381.707	151.186	-	1.532.893
Other Property, plant and equipment	1.089.659	-	-	1.089.659
Total	20.810.011	3.569.123	-	24.379.134
Net amount	13.932.623			16.402.614

The total of the current period depreciation expenses is 3.569.123 TL (December 31, 2022: 3.415.748 TL).

There is no mortgage on investment Property, plant and equipment as of December 31, 2023 (December 31, 2022: None).

As of December 31, 2023, there is insurance coverage on tangible assets amounting to 28.404.160 TL (December 31, 2022: 17.462.606)

ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş. AND ITS SUBSIDIARY**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2023**

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") as of December 31, 2023, based on purchasing power.)

12. PROPERTY, PLANT AND EQUIPMENT (cont'd)

<u>Property, plant and equipment</u>	January 1, 2022	Additions	Disposals	December 31, 2022
Vehicles	10.774.602	537.474	-	11.312.076
Fixtures	18.115.156	2.418.608	-	20.533.764
Special costs	1.807.135	-	-	1.807.135
Other Property, plant and equipment	1.089.659	-	-	1.089.659
Total	31.786.552	2.956.082	-	34.742.634
<u>Accumulated depreciation</u>	January 1, 2022	Additions	Disposals	December 31, 2022
Vehicles	5.840.788	1.437.773	-	7.278.561
Fixtures	9.234.054	1.826.030	-	11.060.084
Special costs	1.229.762	151.945	-	1.381.707
Other Property, plant and equipment	1.089.659	-	-	1.089.659
Total	17.394.263	3.415.748	-	20.810.011
Net amount	14.392.289			13.932.623

(*) 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 DECEMBER 31, 2023**

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") as of December 31, 2023, based on purchasing power.)

12. PROPERTY, PLANT AND EQUIPMENT (cont'd)

The group uses the straight-line method. Depreciation periods for tangible assets are as follows:

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

13. INTENGIBLE ASSETS

Intangible Assets	December 31, 2021	Additions	December 31, 2022	Additions	December 31, 2023
Right	461.113	-	461.113	-	461.113
Total	461.113	-	461.113	-	461.113

Accumulated depreciation	December 31, 2021	Additions	December 31, 2022	Additions	December 31, 2023
Right	450.163	4.029	454.192	3.200	457.392
Total	450.163	4.029	454.192	3.200	457.392

Net amount	10.950		6.921		3.721
-------------------	---------------	--	--------------	--	--------------

The total of amortization expenses for the current period is 3.200 TL and all of them are included in general administrative expenses. (December 31, 2022: 4.029 TL).

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

	Useful Life
Rights	3-10 years

14. RIGHT TO USE ASSETS

	January 1-December 31, 2023		
Cost value	Office	Vehicles	Total
TFRS 16 opening effect	7.132.838	-	7.132.838
Purchases	5.470.129	-	5.470.129
Disposals	(291.168)	-	(291.168)
Closing Balance	12.311.799	-	12.311.799

Accumulated depreciation			
Opening balance	(4.125.495)	-	(4.125.495)
Period expense	(2.430.624)	-	(2.430.624)
Disposals	291.168		291.168
Closing Balance	(6.264.951)	-	(6.264.951)
Property, Plant and Equipment, net	6.046.848	-	6.046.848

ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş. AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") as of December 31, 2023, based on purchasing power.)

14. RIGHT TO USE ASSETS (cont'd)

	January 1-December 31, 2022		
Cost value	Office	Vehicles	Total
TFRS 16 opening effect	7.132.838	-	7.132.838
Purchases	-	-	-
Disposals	-	-	-
Closing Balance	7.132.838	-	7.132.838
Accumulated depreciation			
Opening balance	(2.726.419)	-	(2.726.419)
Period expense	(1.399.076)	-	(1.399.076)
Disposals	-	-	-
Closing Balance	(4.125.495)	-	(4.125.495)
Property, Plant and Equipment, net	3.007.343	-	3.007.343

The total depreciation expenses for the current period is 2.430.624 TL (December 31, 2022: 1.399.076). All of this amount (December 31, 2022: All) is included in general administrative expenses. The company leases many assets, including offices, warehouses and vehicles. The rental period is 2-5 years. (December 31, 2022: 2-5 years). Rental contracts, the rental period is between 2 and 5 years, and they are related to storage, office and vehicle rentals. All operating leases bear a statement regarding the revision of conditions according to market conditions, in case the Company exercises its right to renew. The Company does not have the right to purchase the leased asset at the end of the lease period.

15. IMPROVEMENT 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:

December 31, 2023

i) The Group, within the scope of Social Security Law No. 5510, 27103,6111, 4857, benefits from an incentive amounting to 5% of the employer's share in the monthly SGK premium, since there is no delay in the payment of SSI premiums of its employees. As of December 31, 2023, the amount of incentive benefited by the Group is 691.367 TL.

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 2023.

December 31, 2022

The Group benefits from an incentive amounting to 5% of the employer's share in the monthly SGK premium, since there is no delay in the payment of the SSI premiums of its employees within the scope of the Social Security Law No. 5510, 27103,6111, 4857. As of December 31, 2022, the amount of incentive benefited by the Group is 1.172.715 TL.

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 1.231.416 TL for 2022.

ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş. AND ITS SUBSIDIARY**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2023**

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") as of December 31, 2023, based on purchasing power.)

17. COMMITMENTS, CONTINGENCIES AND LIABILITIES

Short-term Lawsuit Provisions	December 31, 2023	December 31, 2022
Provision for lawsuits	507.094	576.074
Total	507.094	576.074

Provisions for lawsuits relate to labor claims received by workers.

Long-term Payable Provisions

None. (December 31, 2022: None)

Contingent Assets

None. (December 31, 2022: None)

Collaterals, Pledges, Mortgages:

Collaterals/pledges/mortgages ("CPM") position of the Group as of December 31, 2023 and December 31, 2022 is as follows:

<u>CPM's given by the Company (Collaterals, Pledges, Mortgages)</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
1. CPM's given for Company's own legal personality	704.955.084	429.157.317
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	704.955.084	429.157.317

TL equivalents of collaterals, pledges and mortgages give as of December 31, 2023 and December 31, 2022 are as follows on original currency basis are as follows:

<u>CPM's given by the Company</u>	<u>December 31, 2023</u>			
	<u>TL Equivalents</u>	<u>USD</u>	<u>EUR</u>	<u>TL</u>
Guarantee Letter	704.955.084	1.012.088	15.931.039	156.224.964
Total	704.955.084	1.012.088	15.931.039	156.224.964

<u>CPM's given by the Company</u>	<u>December 31, 2022</u>			
	<u>TL Equivalents</u>	<u>USD</u>	<u>EUR</u>	<u>TL</u>
Guarantee Letter	429.157.317	965.997	8.518.127	72.584.924
Total	429.157.317	965.997	8.518.127	72.584.924

All letters of guarantee have been given for the electrical contracting project works of the Group (December 31, 2022: all). The ratio of other CPM's given by the Group to the equities of Group is 0% as of December 31, 2023 (December 31, 2022: 0%).

ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş. AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") as of December 31, 2023, based on purchasing power.)

18. EMPLOYEE BENEFITS

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Payables to employees	5.065.705	4.739.528
Social security deductions to be paid	2.257.981	2.449.371
Total	7.323.686	7.188.899

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Provision for vacation pay liability	541.656	453.379
Total	541.656	453.379

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Provision for employment termination	7.240.070	8.074.025
Total	7.240.070	8.074.025

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.

As of balance sheet date, provisions calculated according to assumption 22% expected salary increasing rate and 22,70% discount rate and about 0,57% real discount rate and retiring assumption as follows (31.12.2022: 22%, 22,70% and 0,57%).

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Annual discount rate (%)	0,57	3,45
Retirement probability (%)	97,23	97,23

Main assumption is that maximum liability amount increases parallel to inflation rate for every service year. Therefore, discount rate used is the expected real rate adjusted for the future inflationary effects. Because of this, provisions in the accompanying financial statements as of December 31, 2023 are calculated by estimating present value of probable liabilities arising due to retirement of employees.

23.489,83 TL (December 31, 2022: 15.371,40 TL) maximum amount used on calculation of retirement pay provision with effect from January 1, 2023.

ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş. AND ITS SUBSIDIARY**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2023**

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") as of December 31, 2023, based on purchasing power.)

18. EMPLOYEE BENEFITS (Cont'd)

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

	December 31, 2023	December 31, 2022
Opening balance	8.074.025	2.217.646
Service cost	2.627.318	4.463.015
Interest cost	6.887	93.364
Monetary gain / losses (*)	(1.322.741)	1.975.121
Reversals of severance	(2.145.419)	(675.121)
Closing Balances	7.240.070	8.074.025

(*) As of December 31, 2023, Actuarial Income/Loss is calculated as (1.322.741) TL (December 31, 2022: 1.975.121 TL) in the statement of comprehensive income.

19. OTHER ASSETS AND LIABILITIES

<u>Other Current Assets</u>	December 31, 2023	December 31, 2022
Deferred VAT	8.046.157	25.125.194
Deductible VAT	551.222	-
Other	133.321	254.877
Total	8.730.700	25.380.071

<u>Other Short-term Liabilities</u>	December 31, 2023	December 31, 2022
Expense accruals	-	-
Total	-	-

<u>Other Long-term Liabilities</u>	December 31, 2023	December 31, 2022
Expense accruals	-	-
Total	-	-

20. CAPITAL, RESERVES AND OTHER EQUITY ITEMS**a) Capital:**

The capital structure as of December 31, 2023 and December 31, 2022 is as follows:

	December 31, 2023		December 31, 2022	
Shareholders	Amount (TL)	Share (%)	Amount (TL)	Share (%)
Nevhan Gündüz	13.704.892	17%	15.582.033	19%
Orhan Gündüz	24.523.109	31%	24.523.109	31%
Other Shares	41.771.999	52%	39.894.858	50%
Paid-in capital	80.000.000	100%	80.000.000	100%

Company has accepted the authorised capital system. Current authorised capital ceiling of the Company is 250.000.000 TL and the issued capital is 80.000.000 TL (31.12.2022: 80.000.000 TL). Each of this capital is divided into 80,000,000 shares with a nominal value of 1 TL, and there are no privileged shares.

ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş. AND ITS SUBSIDIARY**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2023**

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") as of December 31, 2023, based on purchasing power.)

20. CAPITAL, RESERVES AND OTHER EQUITY ITEMS (cont'd)

Capital Adjustment Differences	December 31, 2023	December 31, 2022
Capital adjustment differences	406.958.995	406.958.995
Total	406.958.995	406.958.995
Share Premium (Discount)	December 31, 2023	December 31, 2022
Share premium (discount)	37.723.028	29.457.035
Total	37.723.028	29.457.035
Treasury Shares	December 31, 2023	December 31, 2022
Treasury Shares	-	(1.361.622)
Total	-	(1.361.622)

Taking into consideration the Communiqué on Repurchased Shares published by the Capital Markets Board and the announcements made on January 21, 2016 and July 25, 2016, the Company bought shares with a total nominal value of 891,413 TL during the current and previous financial reporting periods. The sale of all repurchased shares with a nominal value of 891,413 TL to institutional investors was carried out through special orders on 13.06.2023. There is no period-end balance.

The Company also classifies the shares acquired within the scope of the liquidity provider transaction within the shares repurchased at the end of the period, and as of December 31 2023, the Company has no shares repurchased within the scope of the liquidity provider. (December 31, 2022: None).

Repurchased shares are shown in equity at their purchase value.

Other Accumulated Comprehensive Income (Loss) that will not be Reclassified in Profit or Loss	December 31, 2023	December 31, 2022
Defined benefit plans remeasurement gains/losses	(3.521.090)	(1.580.096)
Total	(3.521.090)	(1.580.096)
Restricted Reserves Appropriated From Profits	December 31, 2023	December 31, 2022
1st order reserve fund	20.176.119	20.824.673
Treasury share reserves	-	1.361.622
Total	20.176.119	22.186.295

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.

ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş. AND ITS SUBSIDIARY**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2023**

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") as of December 31, 2023, based on purchasing power.)

20. CAPITAL, RESERVES AND OTHER EQUITY ITEMS (cont'd)

Prior Year's Profit / Loss	December 31, 2023	December 31, 2022
As of 1 January	421.889.946	422.544.824
Prior years profits (losses)	138.226.110	-
Transfers to legal reserves	2.010.176	(654.878)
Total	562.126.232	421.889.946

Non-controlling Shares	December 31, 2023	December 31, 2022
As of 1 January	56	(70)
Profit for the year attributable to non-controlling interest portion	78	126
Total	134	56

21. REVENUE AND COST OF SALES

Sale Revenue	January 1- December 31, 2023	January 1- December 31, 2022
Contracting sales	1.601.106.143	1.139.603.503
Materials sales	374.839.949	264.992.075
Total Income	1.975.946.092	1.404.595.578

Cost of Sales (-)	January 1- December 31, 2023	January 1- December 31, 2022
Cost of services sold (-)	(800.926.685)	(601.696.373)
Cost of trade goods sold (-)	(292.743.784)	(226.065.716)
Expense of depreciation (-)	(1.718.773)	(1.455.022)
Cost of Sales (-)	(1.095.389.242)	(829.217.111)
Gross Profit	880.556.850	575.378.467

22. GENERAL ADMINISTRATIVE EXPENSES, MARKETING EXPENSES, RESEARCH AND DEVELOPMENT EXPENSES

General Administrative Expenses	December 31, 2023	December 31, 2022
Personnel expenses	47.633.441	15.823.883
Depreciation expenses	4.284.174	3.363.831
Representation hospitality expenses	1.976.194	1.454.497
Consultancy expenses	1.456.141	2.695.383
Rent expense	731.427	1.683.699
Repair & Maintenance expenses	540.890	383.066
Travelling expenses	290.389	124.766
Stationery expenses	197.920	150.100
Advertisement and public relation expenses	120.259	63.314
Registration expense	71.646	60.991
Transportation expenses	71.646	60.991
Provision for employment termination	-	3.517.612
Other	2.850.594	2.555.921
Total	60.196.986	31.924.459

ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş. AND ITS SUBSIDIARY**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2023**

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") as of December 31, 2023, based on purchasing power.)

23. EXPENSES BY NATURE

Depreciation Expenses	January 01 - December 31, 2023	January 01 - December 31, 2022
Service cost	1.715.573	1.452.574
General administrative expenses	4.284.174	3.363.831
Total	5.999.747	4.816.405

Amortization and Exhaustion Shares	January 01 - December 31, 2023	January 01 - December 31, 2022
General administrative expenses	3.200	2.448
Total	3.200	2.448

Personnel Expenses	January 01 - December 31, 2023	January 01 - December 31, 2022
Wage	100.480.675	89.032.479
Social Security expenses	23.030.645	19.807.476
Provision for employment termination	-	6.221.842
Other Social Benefits	2.270.227	665.439
Total	125.781.547	115.727.236

Fees for Services Received from independent Auditor/Independent audit firms

	January 01 - December 31, 2023	January 01 - December 31, 2022
Group Independent Audit Firm		
Audit fee for the reporting period (*)	580.000	230.682
Fees for tax advisory services	-	-
Fees for other assurance services	-	-
Fees for non-audit services	-	-
Total	580.000	230.682

ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş. AND ITS SUBSIDIARY**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2023**

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") as of December 31, 2023, based on purchasing power.)

24. OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES

<u>Other Income From Operating Activities</u>	January 1- December 31, 2023	January 1- December 31, 2022
Foreign exchange gains	63.672.926	49.505.938
Deferred finance income	3.573.280	2.555.308
Maturity difference income	5.271.202	129.831
Scrap sales revenues	3.566.861	6.605.433
Incentive income	3.998.386	4.809.927
Price difference	423.304	280.130
Bank promotion income	20.667	10.153.019
Other income	4.447.875	3.876.339
Total	84.974.501	77.915.925
<u>Other Expense From Operating Activities(-)</u>	January 1- December 31, 2023	January 1- December 31, 2022
Foreign exchange loss	122.277.720	63.024.420
Deferred finance expense	4.281.133	4.778.189
Non-tax-deductible expenses	6.161.883	8.190.015
Price difference expenses	372.470	518.969
Other expenses	6.790.358	2.075.763
Total	139.883.564	78.587.356

25. INCOME AND EXPENSES FROM INVESTMENT ACTIVITIES

<u>Other Income From Investment Activities</u>	January 1- December 31, 2023	January 1- December 31, 2022
Investment property valuation income	-	50.164.552
Rent income	1.466.396	1.152.306
Total	1.466.396	51.316.858
<u>Other Expenses From Investment Activities (-)</u>	January 1- December 31, 2023	January 1- December 31, 2022
Investment property valuation expenses	7.746.211	-
Total	7.746.211	-

26. FINANCIAL INCOME AND EXPENSES

<u>Financial Income</u>	January 1- December 31, 2023	January 1- December 31, 2022
Foreign exchange gains	30.119.600	48.879.320
Interest income	9.930.180	2.785.940
Total	40.049.780	51.665.260
<u>Financial Expense</u>	January 1- December 31, 2023	January 1- December 31, 2022
Interest and commission expenses (-)	68.093.117	62.901.058
Foreign exchange losses(-)	677.680	4.058.466
Total	68.770.797	66.959.524
<u>Net Monetary Gain/Loss</u>	January 1- December 31, 2023	January 1- December 31, 2022
Net Monetary Gain/Loss	11.404.559	74.659.895
Total	11.404.559	74.659.895

ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş. AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") as of December 31, 2023, based on purchasing power.)

27. INCOME TAX

	December 31, 2023	December 31, 2022
Current year corporation tax expense	8.404.533	7.252.574
Prepaid taxes and withholding taxes (-)	(7.789.253)	(5.698.953)
Current income tax liability	615.280	1.553.621
Tax provision in income statements	January 1 - December 31, 2023	January 1 - December 31, 2022
Current period income tax provision (-)	(8.404.533)	(7.252.574)
Deferred tax income / (expense)	(67.810.420)	(16.025.223)
Total	(76.214.953)	(23.277.797)
Current Period Tax Related Non-Current Assets	December 31, 2023	December 31, 2022
Withholding tax paid under long-term liabilities	46.617.920	38.440.665
Total	46.617.920	38.440.665
Current Period Tax Related Current Assets	December 31, 2023	December 31, 2022
Prepaid taxes and funds	766.292	-
Total	766.292	-

Corporate Tax

The Group is subject to corporate tax valid in Turkey. Necessary provisions have been made in the accompanying financial statements for the estimated tax liabilities of the Group regarding the current period operating results.

The corporate tax rate to be accrued on taxable corporate income is over the remaining tax base after adding the non-deductible expenses from the tax base in the determination of the commercial income and deducting the tax-exempt gains, non-taxable incomes and other deductions.

The tax legislation provides for a temporary tax (prepaid tax) of 25% to be calculated and paid based on earnings generated for each quarter. The amounts thus calculated and paid are offset against the final tax liability for the year.

In addition, temporary taxes are levied at a rate of 25% over the bases declared in current periods during the year to be deducted from the corporation tax. The temporary taxes paid within the year will be offset against the final corporate tax liability for the year. The temporary tax can be offset against any other financial liability against the state.

Tax losses that are reported in the Corporation tax return may be carried forward and deducted from the corporation tax base for a maximum period of five years following the year in which the losses were incurred.

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 15% 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.

ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş. AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") as of December 31, 2023, based on purchasing power.)

27. INCOME TAX (cont'd)

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 December 31, 2023, the corporate tax rate, which was 25%, changed to 23% for the 2022 fiscal year earnings and remained at 25% for the 2023 fiscal year earnings. Therefore, for the calculation of deferred taxes as of December 31, 2023, a tax rate of 25% was applied for temporary differences expected to occur/closed within 2023, and a tax rate of 25% was also used for temporary differences expected to occur/close after 2023.

	Cumulative Temporary Differences		Deferred Tax Assets / (Liabilities)	
<u>Deferred Tax Assets</u>	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Doubtful receivables provision	1.346.953	2.219.414	336.738	443.883
Lawsuit provision	507.094	576.074	126.774	115.214
Cost adjustment of long-term construction project	2.489.208.973	1.050.985.407	622.302.247	210.197.085
Loan interest accruals	13.295.760	2.715.632	3.323.940	583.402
Unused vacation provision	541.656	453.379	135.414	104.277
Employee termination adjustment	7.240.070	8.074.025	1.810.018	1.614.804
Other	2.673.788	2.045.882	668.448	469.578
Total	2.514.814.294	1.067.069.813	628.703.579	213.528.243
<u>Deferred Tax Liabilities</u>				
Difference between registered values of investment properties and tax bases	(6.563.350)	7.771.828	(1.230.627)	777.183
Book value and tax basis difference of tangible and intangible assets	(38.364.186)	(14.807.422)	(8.439.578)	(1.025.314)
Construction projects revenue adjustments	(3.426.219.433)	(1.911.794.511)	(856.554.859)	(382.358.904)
Deposit interest accrual	(169.353)	(47.529)	(42.338)	(10.931)
Other	(911.002)	(4.196.870)	(227.751)	(891.433)
Total	(3.472.227.324)	(1.923.074.504)	(866.495.153)	(383.509.398)
Deferred Tax Asset / (Liability), net	(957.413.030)	(856.004.691)	(237.791.574)	(169.981.155)
Deferred Tax Expense / (Revenue)			(67.163.422)	(15.630.198)
Included in the actuarial (Profit) / Loss Fund			(646.998)	(395.025)
Amount Offset from the Revaluation Surplus Fund			-	-
Deferred tax expense / (income) for the period			(67.810.420)	(16.025.223)

ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş. AND ITS SUBSIDIARY**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2023**

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") as of December 31, 2023, based on purchasing power.)

27. INCOME TAX (cont'd)**Deferred tax movement is as follows:**

	January 1 - December 31, 2023	January 1 - December 31, 2022
Beginning of the period	(169.981.155)	(93.078.750)
Current year deferred tax (expense) / benefit	(68.457.417)	(77.297.428)
Defined Benefit Plans Remeasurement Gains/Losses	646.998	395.023
Total	(237.791.574)	(169.981.155)

28. EARNINGS PER SHARE

	January 1 - December 31, 2023	January 1 - December 31, 2022
Weighted average number of ordinary shares outstanding	80.000.000	80.000.000
Net profit / (loss) for the period (TL)	218.283.541	138.226.237
Earnings / (Loss) Per Share from Continuing Operations	2,729	1,728

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

29. RELATED PARTY DISCLOSURES**December 31, 2023**

	Receivables	Payables
	Short-Term	Short-Term
Balances with related parties	Commercial	Non-commercial
Orhan Gündüz	-	21.655
Total	-	21.655

December 31, 2022

	Receivables	Payables
	Short-Term	Short-Term
Balances with related parties	Commercial	Non-commercial
Orhan Gündüz	-	31.562
Total	-	31.562

The transactions of the Group with the related parties in the periods 01.01.-31.12.2023 and 01.01.-31.12.2022 are as follows:

Transactions with related parties

	January 1 - December 31, 2023	January 1 - December 31, 2022
Rent Income		
Orhan Gündüz	231.356	167.566
Total	231.356	167.566

The Group has determined key management personnel as board members, group presidents, vice - presidents, Benefits provided to key management personnel as January 1, 2023 – December 31, 2023 and January 1, 2022 – December 31, 2022 is as follows:

Benefits for Key Managements Members

	January 1 - December 31, 2023	January 1 - December 31, 2022
Benefits for key managements members	741.973	784.677
Total	741.973	784.677

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") as of December 31, 2023, based on purchasing power.)

30. QUALITY AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

a) Capital Risk Management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance,

The capital structure of the Group consists of debt, which includes the borrowings, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and equity items including the previous year earnings as specified in note 20.

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

The group monitors capital using the debt/total equity ratio. This ratio is found by dividing net debt by total equity. Net debt is calculated by deducting cash and cash equivalents from the total debt amount (includes financial liabilities and leasing and trade payables as shown in the statement of financial position).

As of December 31, 2023 and December 31, 2022, the net debt / total equity ratio is as follows;

Capital Risk Management

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Total Payables	864.132.362	789.113.373
Less: Cash and cash equivalents	(207.211.438)	(128.626.886)
Net Debt	656.920.924	660.486.487
Total Equity	1.321.746.881	1.095.776.719
Net Debt/Total Capital Ratio	50%	60%

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:

ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş. AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") as of December 31, 2023, based on purchasing power.)

30. QUALITY AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Cont'd)

b) Financial Risk Factors (Cont'd)

b.1) Credit Risk (Cont'd)

Details of credit and receivable risk are as follows:

<u>December 31, 2023</u>	Receivables					
	Trade receivables from		Other receivables from			
	Related parties	Other parties	Related parties	Other parties	Assets related to customer contracts	Deposits in bank
Maximum credit risk exposed as of balance sheet date	-	358.133.455	-	5.472.437	1.240.618.195	205.022.657
- Secured portion of the maximum credit risk by guarantees, etc, (*)						
A. Net book value of financial assets that are neither past due nor impaired	-	358.133.455	-	5.472.437	1.240.618.195	205.022.657
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.

ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş. AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") as of December 31, 2023, based on purchasing power.)

30. QUALITY AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Cont'd)

b) Financial Risk Factors (Cont'd)

b.1) Credit Risk (Cont'd)

	<u>December 31, 2022</u>		Receivables		Assets related to customer contracts	Deposits in bank
	Trade receivables from Related parties	Other parties	Other receivables from Related parties	Other parties		
Maximum credit risk exposed as of balance sheet date (*)	-	286.515.766	-	2.696.326	927.465.987	125.695.716
- Secured portion of the maximum credit risk by guarantees, etc, (*)	-	-	-	-	-	-
A. Net book value of financial assets that are neither past due nor impaired	-	286.682.515	-	2.696.326	927.465.987	125.695.716
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)	-	2.052.665	-	-	-	-
-Impairment (-)	-	(2.052.665)	-	-	-	-
-The portion of the net worth secured by collateral, etc.	-	-	-	-	-	-
-Not overdue (Gross book value)	-	-	-	-	-	-
-Impairment (-)	-	(166.749)	-	-	-	-
-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.

ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş. AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") as of December 31, 2023, based on purchasing power.)

30. QUALITY AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Cont'd)

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:

<u>December 31, 2023</u>	<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>
Maturity according to the contract					
Non-Derivative Financial Obligations	426.742.212	452.158.023	256.944.329	193.205.077	2.008.617
Bank loans	160.738.137	189.107.685	9.028.916	178.345.089	1.733.680
Operating lease obligations	5.446.539	807.403	120.060	412.406	274.937
Bank credit cards	16.999.441	16.999.441	16.999.441	-	-
Trade payables	238.441.851	240.127.250	225.679.668	14.447.582	-
Other payables	5.116.244	5.116.244	5.116.244	-	-

<u>December 31, 2022</u>	<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>
Maturity according to the contract					
Non-Derivative Financial Obligations	404.815.281	408.731.576	268.765.370	138.811.406	1.154.800
Bank loans	201.235.299	203.615.888	66.227.820	137.388.068	-
Operating lease obligations	2.123.392	1.923.861	197.826	593.479	1.132.556
Bank credit cards	853.959	853.959	853.959	-	-
Trade payables	193.908.580	195.643.817	194.813.958	829.859	-
Other payables	6.694.051	6.694.051	6.671.807	-	22.244

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.

ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş. AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") as of December 31, 2023, based on purchasing power.)

30. QUALITY AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Cont'd)

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:

	Foreign Currency Position					
	December 31, 2023			December 31, 2022		
	TL	USD	EUR	TL	USD	EUR
1. Trade receivables	235.999.447	1.734.837	5.677.213	156.143.893	850.850	3.966.234
2a. Monetary financial assets (Includes cash in hand and bank accounts)	145.649.791	1.117.894	3.461.084	57.642.553	495.447	1.293.651
2b. Non-monetary financial assets	-	-	-	-	-	-
3. Other	-	-	-	-	-	-
4. Current assets (1+2+3)	381.649.238	2.852.731	9.138.297	213.786.446	1.346.297	5.259.885
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)	381.649.238	2.852.731	9.138.297	213.786.446	1.346.297	5.259.885
10- Trade Payables	168.328.456	1.784.778	3.554.619	67.751.147	714.834	1.395.910
11- Financial Liabilities	-	-	-	-	-	-
12a. Monetary Other Liabilities	-	-	-	-	-	-
12b. Non-Monetary Other Liabilities	-	-	-	-	-	-
13. Short-term Liabilities (10+11+12)	168.328.456	1.784.778	3.554.619	67.751.147	714.834	1.395.910
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)	168.328.456	1.784.778	3.554.619	67.751.147	714.834	1.395.910
Net Foreign Exchange Assets/ (Liability) Position	213.320.782	1.067.953	5.583.678	146.035.298	631.463	3.863.975

ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş. AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") as of December 31, 2023, based on purchasing power.)

30. QUALITY AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Cont'd)

b) Financial Risk Factors (Cont'd)

b.3.1) Foreign Exchange Risk Management (Cont'd)

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.

December 31, 2023

Profit /(Loss) before Tax

	10% depreciation of the foreign currency	10% appreciation 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)

ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş. AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") as of December 31, 2023, based on purchasing power.)

30. QUALITY AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Cont'd)

b) Financial Risk Factors (Cont'd)

b.3.1) Foreign Exchange Risk Management (Cont'd)

December 31, 2022

Profit /(Loss) before Tax

	10% depreciation of the foreign currency	10% appreciation of the foreign currency
1- US Dollars net assets / liabilities	1.180.621	(1.180.621)
2- US Dollars hedged from risks (-)	-	-
3- US Dollars net effect (1+2)	1.180.621	(1.180.621)
4- Euro net assets / liabilities	7.682.201	(7.682.201)
5- Euro hedged from risks (-)	-	-
6- Euro net effect (4+5)	7.682.201	(7.682.201)
Total (3+6+9)	8.862.822	(8.862.822)

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 December 31, 2023 and December 31, 2022, the Group's interest position table is as follows:

Fixed rate financial instruments	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Financial Liabilities (Note 5)	166.184.676	203.358.691
Cash and Cash Equivalents (Note 4)	98.655.021	90.782.460

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, 2022: None).

ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş. AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") as of December 31, 2023, based on purchasing power.)

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

December 31, 2023	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	-	-	207.211.438	207.211.438	4
Trade receivables	-	-	358.234.654	358.234.654	6
Financial liabilities					
Financial liabilities	-	-	183.184.117	183.184.117	5
Trade payables	-	-	238.441.851	238.441.851	6
Other financial liabilities	-	-	16.999.441	16.999.441	5
December 31, 2022					
Financial Assets					
Cash and cash equivalents	-	-	128.626.886	128.626.886	4
Trade receivables	-	-	286.682.515	286.682.515	6
Financial liabilities					
Financial liabilities	-	-	203.358.691	203.358.691	5
Trade payables	-	-	193.908.580	193.908.580	6
Other financial liabilities	-	-	853.959	853.959	5

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") as of December 31, 2023, based on purchasing power.)

31. FINANCIAL INSTRUMENTS (FAIR VALUE AND HEDGE ACCOUNTING DISCLOSURES)(Cont'd)

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

- Category 1: Implies that in determining the fair values of assets and liabilities, active market trading price is used for valuation purposes.
- Category 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.
- Category 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 December 31, 2023 and December 31, 2022, the Group does not have any financial assets with their fair values.

32. SUBSEQUENT EVENTS

Following the reporting period, by the Group management;

- On January 3, 2024, an additional order amounting to 280.000 EUR + VAT was received from the Employer for the ongoing Pendik-Fevzi Çakmak Metro Project.
- On January 30, 2024, a contract worth 10.480.070 USD + VAT was signed with the Employer for the construction of the Dynamic UPS System to be built in Ardahan province under the Trans Anadolu Doğal Gaz Boru Hattı Project (TANAP).
- On February 15, 2024, a supplementary agreement was signed with the Employer for a price difference of 810.363,87 EUR + VAT related to the ongoing Dudullu-Bostancı Metro Project.
- On February 21, 2024, the contract size for the ongoing İzmir Amerikan Hastanesi Project, totaling 2.782.818,59 EUR + VAT and 56.631.163,52 TL + VAT, was revised to 2.782.818,59 EUR + VAT and 70.033.144,60 TL + VAT with the Employer under the framework of a new unit price protocol.
- On February 27, 2024, an agreement was reached with the Employer Metal Oksit Kimya Sanayii A.Ş. for the construction of a Roof Solar Power Plant amounting to 147.900 USD + VAT. Contract negotiations with the Employer have commenced.
- On March 15, 2024, the Company received an Investment Incentive Certificate from the Ministry of Industry and Technology of the Republic of Turkey for machinery and equipment investment amounting to 45.683.669 TL, within the scope of the investment in Electric Vehicle Charging Units production in Istanbul/Sancaktepe, valid for 3 years.
- On March 27, 2024, contracts totaling 725.158,96 EUR + VAT, 1.215.674,75 USD + VAT, and 65.065.443,43 TL + VAT were signed with the Employer Folkart Yapı San. Tic. A.Ş. for the Electrical Installation Works of the Folkart Nova Project.
- On April 5, 2024, a Letter of Intent was signed for the purchase of shares representing 15% of the capital of Lixhium Bilişim Hizmetleri A.Ş. for a price of 10.000.000 TL.

ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş. AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2023

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") as of December 31, 2023, based on purchasing power.)

32. SUBSEQUENT EVENTS (Cont'd)

- On April 29, 2024, an agreement was reached with the Employer Kalyon İnşaat Sanayi ve Ticaret A.Ş. for the construction of Electrical Installation Works of Istanbul Airport MRO (Maintenance-Repair-Overhaul) Facilities Hangar A-B Project, amounting to 3.900.000 USD + VAT and 118.000.000 TL + VAT. Contract negotiations with the Employer have commenced.
- A total of 110.000 TL nominal value shares were repurchased by the Company between March 18, 2023, and April 2, 2023.
- On February 28, 2024, the Company completed the sale of 2 shops located in the Uprise Elite Project in Kartal District, Soğanlık Neighborhood, for a cash price of 11,300,000 TL + VAT.
- On May 3, 2024, lands located in Değirmendere İmar Neighborhood, İskenderun District, Hatay Province were sold for a total cash price of 21.000.000 TL + VAT.

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

None.