

**ESENBOĞA ELEKTRİK ÜRETİM  
ANONİM ŞİRKETİ  
AND ITS SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS  
AS OF DECEMBER 31, 2025 AND  
INDEPENDENT AUDITOR'S REPORT**

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

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# ESENBÖĞA ELEKTRİK ÜRETİM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## AUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 31 DECEMBER 2025

(Amounts expressed in Turkish Lira ("TL") in terms of purchasing power of the TL at 31 December 2025 unless otherwise indicated.)

	Notes	Current Period 31 December 2025	Prior Period 31 December 2024
<b>ASSETS</b>			
<b>Current Assets</b>		<b>1.324.510.135</b>	<b>1.923.278.302</b>
Cash and Cash Equivalents	30	419.148.532	152.990.239
Trade Receivables	6	682.970.288	1.222.943.489
Trade Receivables from Related Parties	5	-	346.395.689
Trade Receivables from Third Parties		682.970.288	876.547.800
Other Receivables	7	8.827.242	323.048.858
Other Receivables from Related Parties	5	194.380	321.095.980
Other Receivables from Third Parties		8.632.862	1.952.878
Derivative Instruments	25-a	42.676.453	15.468.478
Inventories	8	48.741.990	69.962.244
Prepaid Expenses	9	88.152.457	84.491.689
Assets Related to Current Period Tax	23	6.716.744	13.608.160
Other Current Assets	16	27.276.429	40.765.145
<b>Non-Current Assets</b>		<b>19.763.390.040</b>	<b>20.580.947.771</b>
Financial Investments	25-b	3.256.324.757	4.134.876.347
Other Receivables	7	11.985.336	9.556.445
Other Receivables from Third Parties		11.985.336	9.556.445
Derivative Instruments	25-a	48.033.776	32.881.441
Investments Accounted Through Equity Method		25.971.072	-
Investment Properties	10	2.075.705.001	2.817.174.640
Property, Plant and Equipment	11	14.204.635.907	13.585.429.672
Intangible Assets	12	65.901.844	1.029.226
Right-of-Use Assets		74.832.347	-
<b>TOTAL ASSETS</b>		<b>21.087.900.175</b>	<b>22.504.226.073</b>

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

# ESENBOĞA ELEKTRİK ÜRETİM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## AUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 31 DECEMBER 2025

(Amounts expressed in Turkish Lira ("TL") in terms of purchasing power of the TL at 31 December 2025 unless otherwise indicated.)

	Notes	Current Period 31 December 2025	Prior Period 31 December 2024
<b>LIABILITIES</b>			
<b>Current Liabilities</b>		<b>3,406,020,811</b>	<b>2,715,407,333</b>
Short-Term Borrowings	25-c	1,021,518,863	791,839,009
Short-Term Portions of Long-Term Borrowings	25-c	1,365,843,920	1,287,289,373
Short-Term Lease Liabilities		9,205,508	-
Trade Payables	6	501,647,862	569,965,433
Trade Payables to Third Parties		501,647,862	569,965,433
Payables Related to Employee Benefits	15	11,663,752	9,390,748
Other Payables	7	421,737,311	7,540,901
Other Payables to Related Parties	5	391,272,569	566,454
Other Payables to Third Parties		30,464,742	6,974,447
Derivative Instruments	25-a	747,245	1,316,626
Deferred Income	9	39,837,369	25,581,419
Short-Term Provisions		3,947,254	3,823,204
Short-Term Provisions Related to Employee Benefits	15	3,947,254	3,823,204
Other Current Liabilities	16	29,871,727	18,660,620
<b>Non-Current Liabilities</b>		<b>4,521,152,075</b>	<b>4,423,847,909</b>
Long-Term Borrowings	25-c	2,001,481,701	2,579,340,856
Short-Term Lease Liabilities		61,752,312	-
Long-Term Provisions		3,509,264	2,115,906
Long-term Provisions for Employee Benefits	15	3,509,264	2,115,906
Deferred Tax Liability	23	2,454,408,798	1,842,391,147
<b>EQUITY</b>		<b>13,160,727,289</b>	<b>15,364,970,831</b>
<b>Equity holders of the parent</b>		<b>10,008,460,945</b>	<b>11,660,611,626</b>
Share Capital	17	1,820,000,000	260,000,000
Capital Adjustment Differences	17	980,689,509	1,393,479,338
Repurchased shares (-)		(5,491,844)	(95,495)
Share Premiums/Discounts	17	3,614,168,714	3,692,862,882
Accumulated Other Comprehensive Income (Expenses)			
to be Reclassified to Profit or Loss		(2,511,778,576)	(2,015,933,794)
- Gains/Losses on Cash Flow Hedges	17	(2,511,778,576)	(2,015,933,794)
Accumulated Other Comprehensive Income (Expenses)			
not to be Reclassified to Profit or Loss		5,549,704	(1,536,334)
Foreign Currency Translation Differences		9,721,261	-
- Gain / Loss on Remeasurement of Defined Benefit Plans	17	(4,171,557)	(1,536,334)
Restricted Reserves Appropriated from Profit	17	39,272,183	36,219,125
Retained earnings		7,224,046,843	8,635,664,270
Profit/(loss) for the period		(1,157,995,588)	(340,048,366)
<b>Non-controlling interest</b>		<b>3,152,266,344</b>	<b>3,704,359,205</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>21,087,900,175</b>	<b>22,504,226,073</b>

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

# ESENBOĞA ELEKTRİK ÜRETİM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## AUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2025

(Amounts expressed in Turkish Lira ("TL") in terms of purchasing power of the TL at 31 December 2025 unless otherwise indicated.)

	Notes	Current Period 1 January- 31 December 2025	Prior Period 1 January- 31 December 2024
<b>PROFIT OR LOSS</b>			
Revenue	18	1.491.338.746	1.487.545.866
Cost of Sales (-)	18	(1.127.906.095)	(1.003.590.413)
		<b>363.432.651</b>	<b>483.955.453</b>
<b>GROSS PROFIT/LOSS</b>			
General Administrative Expenses (-)	19	(338.911.054)	(428.040.851)
Other Income from Operating Activities	20	189.721.331	171.742.406
Other Expenses from Operating Activities (-)	20	(78.505.315)	(151.595.648)
		<b>135.737.613</b>	<b>76.061.360</b>
<b>OPERATING PROFIT/LOSS</b>			
Income from Investing Activities	21	1.047.580.501	452.948.953
Expenses from Investing Activities (-)	21	(2.461.685.359)	(1.991.283.848)
Share of Profit of investments accounted for Using the Equity Method		99.402	-
		<b>(1.278.267.843)</b>	<b>(1.462.273.535)</b>
<b>OPERATING PROFIT/LOSS BEFORE FINANCE EXPENSES</b>			
Monetary Gain / (Loss)	27	1.342.611.594	1.679.194.113
Finance Income (+)	22	109.408.528	130.304.179
Finance Expenses (-)	22	(1.427.925.266)	(986.654.406)
		<b>(1.254.172.987)</b>	<b>(639.429.649)</b>
<b>PROFIT/LOSS BEFORE TAX FROM CONTINUING OPERATIONS</b>			
<b>Tax Expense/Income from Continuing Operations</b>			
Deferred Tax Expense/Income	23	(297.930.360)	209.392.630
		<b>(1.552.103.347)</b>	<b>(430.037.019)</b>
<b>PROFIT/LOSS FOR THE PERIOD</b>			
<b>Distribution of Profit/Loss for the Period</b>			
Non-controlling interest		(394.107.759)	(89.988.653)
Equity Holders of the Parent		(1.157.995.588)	(340.048.366)
		<b>(1.552.103.347)</b>	<b>(430.037.019)</b>
<b>Earnings per share</b>			
	24	(0,64)	(0,19)
		<b>(1.552.103.347)</b>	<b>(430.037.019)</b>
<b>PROFIT/LOSS FOR THE PERIOD</b>			
<b>OTHER COMPREHENSIVE INCOME:</b>			
<b>Items not to be Reclassified To Profit or Loss</b>			
Revaluation Increase/Decrease in Property, Plant and Equipment		10.419.197	(907.496.821)
Remeasurement Gains/Losses of Defined Benefit Plans		-	(907.426.640)
Foreign Currency Translation Differences		(2.437.955)	(70.181)
		12.857.152	-
<b>Taxes on Other Comprehensive Income that will not be Reclassified to Profit or Loss</b>			
Deferred Tax Expense/Income	23	609.489	220.951.300
		609.489	220.951.300
<b>Items to be Reclassified To Profit or Loss</b>			
Other Comprehensive Income (Expense) Related to Cash Flow Hedges		(341.097.932)	(393.161.644)
		(341.097.932)	(393.161.644)
<b>Taxes on Other Comprehensive Income that will be Reclassified to Profit or Loss</b>			
Deferred Tax Expense/Income	23	(314.696.780)	98.290.411
		(314.696.780)	98.290.411
		<b>(644.766.026)</b>	<b>(981.416.754)</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
		<b>(2.196.869.373)</b>	<b>(1.411.453.773)</b>
<b>TOTAL COMPREHENSIVE INCOME</b>			
		<b>(2.196.869.373)</b>	<b>(1.411.453.773)</b>
<b>Attributable to:</b>			
Non-controlling interest		(550.115.041)	(329.388.677)
Equity holders of the parent		(1.646.754.332)	(1.082.065.096)

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

# ESENBOĞA ELEKTRİK ÜRETİM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## AUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2025

(Amounts expressed in Turkish Lira ("TL") in terms of purchasing power of the TL at 31 December 2025 unless otherwise indicated.)

	Paid-in Capital	Capital Adjustment Differences	Treasury Shares	Share Premiums/ Discounts	Accumulated Other Comprehensive Income and Expenses not to be Reclassified to Profit or Loss	Accumulated Other Comprehensive Income and Expenses to be Reclassified to Profit or Loss	Retained Earnings			Equity Attributable to Owners of the Parent	Non-Controlling Interests	Total Equity		
					Revaluation and Remeasurement Gains / Losses	Defined Benefit Plans	Foreign Currency Translation Differences	Cash Flow Hedge Gains (Losses)	Restricted Reserves from Profit				Retained Earnings / Accumulated Losses	Net Profit / Loss for the Period
<b>Balances as of 1 January 2024 (Beginning of the Period)</b>	<b>260.000.000</b>	<b>1.393.479.338</b>	<b>(95.283.574)</b>	<b>3.701.450.009</b>	<b>519.055.593</b>	<b>(1.526.617)</b>	-	<b>(1.792.982.374)</b>	<b>33.487.292</b>	<b>8.167.999.247</b>	<b>437.385.507</b>	<b>12.623.064.421</b>	<b>4.043.421.205</b>	<b>16.666.485.626</b>
Transfers	-	-	-	-	-	-	-	-	2.731.833	434.653.674	(437.385.507)	-	-	-
Total Comprehensive Income / (Expense)	-	-	-	-	(519.055.593)	(9.717)	-	(222.951.420)	-	-	(340.048.366)	(1.082.065.096)	(329.388.677)	(1.411.453.773)
Treasury shares (-)	-	-	95.188.079	(8.587.127)	-	-	-	-	-	-	-	86.600.952	(30.806)	86.570.146
Transactions with non-controlling shareholders	-	-	-	-	-	-	-	-	-	33.011.349	-	33.011.349	(9.642.517)	23.368.832
<b>Balances as of 31 December 2024</b>	<b>260.000.000</b>	<b>1.393.479.338</b>	<b>(95.495)</b>	<b>3.692.862.882</b>	<b>-</b>	<b>(1.536.334)</b>	<b>-</b>	<b>(2.015.933.794)</b>	<b>36.219.125</b>	<b>8.635.664.270</b>	<b>(340.048.366)</b>	<b>11.660.611.626</b>	<b>3.704.359.205</b>	<b>15.364.970.831</b>
<b>Balances as of 1 January 2025 (Beginning of the Period)</b>	<b>260.000.000</b>	<b>1.393.479.338</b>	<b>(95.495)</b>	<b>3.692.862.882</b>	<b>-</b>	<b>(1.536.334)</b>	<b>-</b>	<b>(2.015.933.794)</b>	<b>36.219.125</b>	<b>8.635.664.270</b>	<b>(340.048.366)</b>	<b>11.660.611.626</b>	<b>3.704.359.205</b>	<b>15.364.970.831</b>
Transfers	-	-	-	-	-	-	-	-	3.053.058	(343.101.424)	340.048.366	-	-	-
Total Comprehensive Income / (Expense)	-	-	-	-	-	(2.635.223)	9.721.261	(495.844.782)	-	-	(1.157.995.588)	(1.646.754.332)	(550.115.041)	(2.196.869.373)
Treasury shares (-)	-	-	(5.396.349)	-	-	-	-	-	-	-	-	(5.396.349)	(1.977.820)	(7.374.169)
Capital Increase	1.560.000.000	(412.789.829)	-	(78.694.168)	-	-	-	-	-	(1.068.516.003)	-	-	-	-
<b>Balances as of 31 December 2025</b>	<b>1.820.000.000</b>	<b>980.689.509</b>	<b>(5.491.844)</b>	<b>3.614.168.714</b>	<b>-</b>	<b>(4.171.557)</b>	<b>9.721.261</b>	<b>(2.511.778.576)</b>	<b>39.272.183</b>	<b>7.224.046.843</b>	<b>(1.157.995.588)</b>	<b>10.008.460.945</b>	<b>3.152.266.344</b>	<b>13.160.727.289</b>

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

# ESENBOĞA ELEKTRİK ÜRETİM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## AUDITED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2025

(Amounts expressed in Turkish Lira ("TL") in terms of purchasing power of the TL at 31 December 2025 unless otherwise indicated.)

	Notes	Current Period 1 January- 31 December 2025	Prior Period 1 January- 31 December 2024
<b>A. Cash Flows from Operating Activities</b>			
<b>Profit/Loss for the Period</b>		<b>(1.552.103.347)</b>	<b>(430.037.019)</b>
<b>Adjustments Related to Reconciliation of Net Profit/Loss for the Period</b>			
- Adjustments Related to Depreciation and Amortization Expenses		436.449.640	401.693.749
- Adjustments Related to Provisions		124.050	1.456.455
- Adjustments Related to Interest Income and Expenses		622.871.917	405.661.868
		(42.929.691)	96.540.563
- Adjustments Related to Fair Value Losses (Gains) on Derivative Financial Instruments		480.734.906	300.456.955
- Adjustments Related to Unrealised Foreign Currency Translation Differences		480.734.906	300.456.955
- Adjustments Related to Fair Value Losses/Gains	21	1.566.351.412	1.872.770.175
- Fair Value Losses (Gains) of Financial Assets	21	895.333.947	(318.790.838)
- Adjustments Related to Employment Termination Benefits	15	1.791.583	1.419.714
- Adjustments related to undistributed profits of investments accounted for using the equity method		(99.402)	-
- Adjustments Related to Tax Expense / Income	23	297.930.360	(209.392.630)
- Monetary Loss/Gain		(2.466.702.332)	(1.945.317.364)
		<b>239.753.043</b>	<b>176.461.628</b>
<b>Changes in working capital</b>			
- Adjustments Related to Increase / Decrease in Inventories		21.220.254	19.023.162
- Adjustments Related to Increase / Decrease in Trade Receivables		539.973.201	407.059.963
- Adjustments Related to Increase / Decrease in Other Payables from Operations		23.490.295	(5.844.002)
- Adjustments Related to Increase / Decrease in Other Receivables from Operations		(6.679.984)	(9.536.566)
- Adjustments Related to Decrease (Increase) in Other Assets		13.488.716	1.338.089
- Adjustments Related to Increase/Decrease in Trade Payables		(68.317.571)	(266.334.005)
- Adjustments Related to Increase/Decrease in Prepaid Expenses		(3.660.768)	99.181.424
- Adjustments Related to Increase / Decrease in Employee Benefits		3.790.412	91.740
- Adjustments Related to Increase (Decrease) in Other Liabilities		11.211.107	1.104.515
- Increase (Decrease) in Deferred Income (Excluding Liabilities arising from Customer Contracts)		14.255.950	(49.288.489)
- Employment Termination Benefit Paid	15	(4.564.597)	(2.400.234)
- Tax Payments/Refunds	23	6.891.416	8.878.127
- Other cash inflows/outflows		-	(213.029)
		<b>790.851.474</b>	<b>379.522.323</b>
<b>B. Cash Flows Generated from Investing Activities</b>			
Cash Outflows arising from Share Acquisition or Capital Increase of Associates and/or Joint Ventures	3	(316.010.247)	-
Cash Inflows from Sales of Property, Plant and Equipment and Intangible Assets		43.829.162	72.693.162
Cash Outflows from Purchase of Property, Plant and Equipment and Intangible Assets		(96.799.958)	(105.071.602)
Interest received		145.707.359	83.325.327
Repurchased Shares		(5.396.349)	(86.570.147)
Dividends Received		-	13.742.629
		<b>(228.670.033)</b>	<b>(21.880.631)</b>
<b>C. Cash Flows from Financing Activities</b>			
Cash Inflows/Outflows arising from Other Receivables and Other Payables from Related Parties		711.607.715	(387.339.074)
Cash Inflows from Borrowings	25	960.777.642	1.700.980.552
Cash Outflows Related to Debt Repayments	25	(1.366.746.838)	(1.325.220.002)
Interest Paid	22	(637.769.396)	(546.283.360)
		<b>(332.130.877)</b>	<b>(557.861.884)</b>
<b>THE EFFECT OF FOREIGN CURRENCY TRANSLATION DIFFERENCES (A+B+C)</b>		<b>230.050.564</b>	<b>(200.220.192)</b>
<b>D. INFLATION EFFECT ON CASH AND CASH EQUIVALENTS</b>		<b>36.107.729</b>	<b>(156.750.449)</b>
<b>E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	30	<b>152.990.239</b>	<b>509.960.880</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E)</b>	30	<b>419.148.532</b>	<b>152.990.239</b>

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

# ESENBOĞA ELEKTRİK ÜRETİM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2025

(Amounts expressed in Turkish Lira ("TL") in terms of purchasing power of the TL at 31 December 2025 unless otherwise indicated.)

### 1. ORGANIZATION AND OPERATIONS OF THE GROUP

#### Esenboğa Elektrik Üretim Anonim Şirketi ("Company" or "Esenboğa"):

Esenboğa Elektrik Üretim A.Ş. was established as Naturel 1 Enerji Ticaret Limited Şirketi in Kahramanmaraş as announced in the Trade Registry Gazette numbered 748 dated 2 September 2015, the new trade name Naturel Yenilenebilir Enerji Ticaret A.Ş. with the title of Margün 8 Energy Industry and Trade Limited Company.

According to the Trade Registry Gazette dated May 11, 2016, numbered 1244, the Company was converted into a Joint Stock Company through a change of company type, and its new trade name was changed to Margün 8 Enerji Sanayi ve Ticaret Anonim Şirketi. Subsequently, the Company changed its trade name through a general assembly resolution dated January 8, 2019, and its new trade name became Esenboğa Elektrik Üretim Anonim Şirketi. This change was announced in the Trade Registry Gazette dated January 16, 2019, numbered 1454.

The Company operates in the establishment of power plants, commissioning, electricity generation, construction of energy production facilities, and contracting, primarily to generate electricity from renewable energy sources, particularly solar energy. The Company specializes in the installation of industrial-type rooftop solar power plants.

The company's business address is Kızılırmak Mahallesi, Ufuk Üniversitesi Caddesi No:4/67, Çankaya/Ankara, Turkey.

As of December 31, 2025 the Groups has 158 employees. (31 December 2024: 153).

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

Subsidiaries	Proportion of ownership interest/controlling interest (%)	Main Activity	Their Country
Bosphorus Yenilenebilir Enerji A.Ş.	%75,61/%75,61	Energy production	Turkey
Margün Enerji Üretim Sanayi ve Ticaret A.Ş.	%75,61/%75,61	Energy production	Turkey
Agah Enerji Üretim Sanayi ve Ticaret A.Ş.	%75,61/%75,61	Energy production	Turkey
Angora Elektrik Üretim A.Ş.	%75,61/%75,61	Energy production/ Repair and maintenance services	Turkey
Anatolia Yenilenebilir Enerji A.Ş.	%75,61/%75,61	Energy production	Turkey
Troya Yenilenebilir Enerji Ticaret A.Ş.	%75,61/%75,61	Energy production	Turkey
Soleil Yenilenebilir Enerji Ticaret A.Ş.	%75,61/%75,61	Energy production	Turkey
Ensoft Teknoloji Geliştirme Ve Arge A.Ş.	%75,61/%75,61	Software	Turkey
Margun Climatech B.V. (*)	%75,61/%75,61	Holding	Netherlands
Margun Italy Climatech S.R.L. (*)	%75,61/%75,61	Climatech	Italy
Margun Romania Climatech S.R.L. (*)	%75,61/%75,61	Climatech	Romania
Margun UK Climatech LTD (*)	%75,61/%75,61	Climatech	UK
Margun Spain Climatech S.L. (*)	%75,61/%75,61	Climatech	Spain
Margun Greece Climatech A.E. (*)	%75,61/%75,61	Climatech	Greece
RSC Elektrik Üretim İnşaat Turizm A.Ş.	%75,61/%75,61	Energy production	Turkey
Margün Jeotermal Enerji Üretim A.Ş. (**)	%58,59/%58,59	Energy production	Turkey

(\*) Companies established in 2024 have not commenced active operations. These companies were included in the consolidation in 2025.

(\*\*) Margün Jeotermal Enerji Üretim A.Ş. was registered on November 7, 2025, and published in Trade Registry Gazette No. 1121. The company has been included in the Group's consolidation scope since its date of establishment.

# ESENBOĞA ELEKTRİK ÜRETİM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2025

(Amounts expressed in Turkish Lira ("TL") in terms of purchasing power of the TL at 31 December 2025 unless otherwise indicated.)

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

The Company's joint ventures, main areas of activity, and share capital;

Details of the Group's joint ventures as of December 31, 2025, and December 31, 2024, are as follows:

<u>Joint Ventures</u>	<u>Main Activity</u>	<u>Shareholdin</u> <u>31 December 2025</u>
Naturel Chargen Elektrik A.Ş. (*)	Energy	25%

#### Approval of financial statements

(\*) 75% of the Company's shares were transferred to Naturel Holding A.Ş. on July 3, 2025. Additionally, by the general assembly resolution dated July 11, 2025, the trade name "Esenboğa Batarya Sistemleri A.Ş." was changed to "Naturel Chargen Elektrik A.Ş.", and this name change was published in the Turkish Trade Registry Gazette No. 11371 on July 14, 2025. A joint venture is a joint arrangement in which the parties that have joint control have rights to the net assets of the arrangement.

In the financial statements, the results of operations and the assets and liabilities of joint ventures, except for those classified as held for sale in accordance with IFRS 5, are accounted for using the equity method. Under the equity method, joint ventures are presented in the consolidated balance sheet at the amount obtained by adjusting the cost of the investment for the Group's share of changes in the joint venture's net assets after acquisition, less any impairment losses recognized in the joint venture. Losses of a joint venture exceeding the Group's interest in the joint venture (which, in essence, includes any long-term investment that forms part of the Group's net investment in the joint venture) are not recognized. Additional losses are only recognized if the Group has a legal or constructive obligation, or has made payments on behalf of the joint venture.

The Group's installed capacities for energy production (MWp) are listed below:

<u>Province</u>	<u>District</u>	<u>Field of Activity</u>	<u>Installed Power (MWp)</u>		<u>Production Power (MWp)</u>
Ankara	Akyurt/ Kahramankazan/ Kızılcihamam/ Polatlı	GES	25.84	MWp	22.58
Yozgat	Akdağmadeni /Sorgun	GES	6.68	MWp	5.69
Nevşehir	Merkez	GES	10.32	MWp	8.99
Afyon	Dazkırı/ Sinanpaşa	GES	15.49	MWp	13.78
Bilecik	Söğüt	GES	2.15	MWp	2.00
Konya	Selçuklu/ Tuzlukçu	GES	19.35	MWp	17.00
Antalya	Elmalı	GES	3.52	MWp	3.54
Eskişehir	Sivrihisar	GES	3.38	MWp	2.97
Adana	Çukurova	GES	11.13	MWp	9.93
Muğla	Milas	GES	20.17	MWp	14.00
İzmir	Seferihisar	JES	12.00	MWp	12.00
<b>Total</b>			<b>130.03</b>		<b>112.48</b>

The Group's geothermal power plant, acquired on March 28, 2025, has an installed capacity of 12 MWm. The Group's total installed capacity has increased to 130.03 MWm.

#### Approval of the Consolidated Financial Statements

The consolidated financial statements for the period ended December 31, 2025, were approved by the Board of Directors on March 11, 2026, and authorized for publication.

# ESENBOĞA ELEKTRİK ÜRETİM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2025

(Amounts expressed in Turkish Lira ("TL") in terms of purchasing power of the TL at 31 December 2025 unless otherwise indicated.)

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

#### 2.1 Basis of Presentation

##### Statement of Compliance to TFRS

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

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

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

##### Currency Used

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

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

Pursuant to the Capital Markets Board's (CMB) decision No. 81/1820 dated December 28, 2023, it has been decided that issuers and capital market institutions subject to financial reporting regulations applying Turkish Accounting/Financial Reporting Standards shall implement inflation accounting in accordance with TMS 29, starting from their annual financial reports for the fiscal periods ended December 31, 2023.

Pursuant to the announcement made by the Public Oversight, Accounting and Auditing Standards Authority (POA) on November 23, 2023, and the published "Implementation Guide on Financial Reporting in Hyperinflationary Economies," the Group has prepared its consolidated financial statements as of December 31, 2025, and for the year then ended in accordance with TMS 29 "Financial Reporting in Hyperinflationary Economies." Under this standard, financial statements prepared in the currency of a hyperinflationary economy are expressed in the purchasing power of that currency at the balance sheet date, and prior period financial statements are restated in the current measurement unit at the end of the reporting period for comparative purposes. Accordingly, the Group has also presented its consolidated financial statements as of December 31, 2024, based on purchasing power as of December 31, 2025.

TMS 29 applies to the financial statements of every entity, including consolidated financial statements, whose functional currency is the currency of a hyperinflationary economy. When high inflation exists in an economy, TMS 29 requires that the financial statements of an entity whose functional currency is that of the hyperinflationary economy be expressed in the measuring unit current at the end of the reporting period.

# ESENBOĞA ELEKTRİK ÜRETİM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2025

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

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

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

As of the reporting date, since the cumulative change in general purchasing power over the last three years, based on the Consumer Price Index (CPI), exceeds 100%, entities operating in Turkey are required to apply TMS 29 "Financial Reporting in Hyperinflationary Economies" for reporting periods ending on or after December 31, 2025.

The table below presents the inflation rates for the relevant years, calculated based on the Consumer Price Indices published by the Turkish Statistical Institute (TUIK):

Date	Index	Adjustment Factor	Three-Year Cumulative Inflation Rate
31 December 2025	3,513.87	1.00000	211%
31 December 2024	2,684.55	1.30892	291%
31 December 2023	1,859.38	1.88980	268%

The main outlines of TMS 29 indexing adjustments are as follows:

- All items, except those presented at current purchasing power as of the balance sheet date, have been indexed using the relevant price index coefficients. Amounts from prior years have been indexed in the same manner.
- Monetary assets and liabilities have not been indexed, as they are already expressed at the current purchasing power as of the balance sheet date. Monetary items include cash and items to be received or paid in cash.
- Fixed assets, investments, and similar assets have been indexed based on their acquisition cost, not exceeding market values. Depreciation has been adjusted in a similar manner. Amounts included in equity have been restated using the general price indices applicable at the time they were contributed to or generated within the company.
- All items in the income statement, except for the effects of non-monetary balance sheet items, have been indexed using coefficients calculated based on the periods when the respective income and expense accounts were initially recognized in the financial statements.
- Gains or losses resulting from general inflation on the net monetary position represent the difference between adjustments made to non-monetary assets, equity items, and income statement accounts. These gains or losses calculated on the net monetary position have been included in net profit.

The impact of applying the TMS 29 Inflation Accounting standard is summarized below:

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2025

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

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

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

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

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

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

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

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

##### Restatement of Statement of Cash Flows

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

##### Consolidated financial statements

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

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

##### Comparative figures

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

# ESENBOĞA ELEKTRİK ÜRETİM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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

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

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

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

##### Going Concern

The Group has prepared its consolidated financial statements based on the going concern principle. As of December 31, 2025, and December 31, 2024, the Group's current liabilities exceeded its current assets by TRY 2,081,510,676 and TRY 792,129,031, respectively. However, of the short-term liabilities of TRY 3,406,020,811 as of December 31, 2025, TRY 391,272,569 consists of balances with related parties. The Group's management expects improvements in hybrid solar power plants and wells at RSC, along with capacity increases; accordingly, an increase in EBITDA, revenue, and profitability is anticipated. In addition, credit facilities are being assessed within the framework of current economic conditions, and actions are planned based on the available credit limits. Accordingly, it is assessed that there is no going concern risk related to net working capital.

##### Basis of Consolidation

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

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

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

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

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(Amounts expressed in Turkish Lira ("TL") in terms of purchasing power of the TL at 31 December 2025 unless otherwise indicated.)

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

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

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

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

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

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

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

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

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

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

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

# ESENBOĞA ELEKTRİK ÜRETİM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2025

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

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

##### Transactions Eliminated in Consolidation

Intragroup balances and transactions, and any unrealized income and expenses arising from intragroup transactions are eliminated in preparation of the consolidated financial statements.

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

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

The consolidated financial statements as of 31 December 2024 have been prepared without any changes in the accounting policies.

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

##### a) Amendments that are mandatorily effective from 2025

Amendments to TFRS 21 *Lack of Convertibility*

##### **Amendments to TFRS 21 *Lack of Convertibility***

These amendments provide guidance on when a currency is considered convertible and how the exchange rate should be determined when it is not. The amendments are effective for annual reporting periods beginning on or after January 1, 2025.

The standard, amendments, and improvements do not have a significant impact on the Group's consolidated financial position or performance.

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

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

TFRS 17	<i>Insurance Contracts</i>
Amendments to TFRS 17	<i>Initial Application of TFRS 17 and TFRS 9 — Comparative Information (Amendment to TFRS 17)</i>
TFRS 18	<i>Presentation and Disclosures in Financial Statements</i>
TFRS 19	<i>Non-Publicly Accountable Subsidiaries: Disclosures</i>
Amendments to TFRS 9 and TFRS 7	<i>Classification and Measurement of Financial Instruments</i>
Amendments to TFRS 9 and TFRS 7	<i>Contracts Based on Nature-Linked Electricity</i>
Annual Improvements	<i>Annual Improvements to IFRSs – Volume 11</i>
Amendments to TFRS 19	<i>Non-Publicly Accountable Subsidiaries: Disclosures</i>

# ESENBOĞA ELEKTRİK ÜRETİM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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

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

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

TFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more consistent measurement and presentation approach for all insurance contracts. These requirements are designed to achieve consistent, principle-based accounting for insurance contracts. TFRS 17 has been deferred by one year for insurance, reinsurance, and pension companies and will replace TFRS 4 Insurance Contracts as of January 1, 2027.

##### **TFRS 17 (Amendments) – Insurance Contracts and First-Time Application of TFRS 17 and TFRS 9: Comparative Information**

Amendments to TFRS 17 have been made to reduce implementation costs and to facilitate the disclosure of results and the transition.

Additionally, the amendment regarding comparative information allows companies applying TFRS 7 and TFRS 9 for the first time simultaneously to present comparative information for their financial assets as if the classification and measurement requirements of TFRS 9 had previously been applied to those financial assets. The amendments will be applied upon the first-time application of TFRS 17.

##### **TFRS 18 – Presentation and Disclosures in Financial Statements**

It sets out the requirements for the presentation and disclosure of information in the financial statements for all entities applying IFRS. This standard is effective for annual reporting periods beginning on or after January 1, 2027.

##### **TFRS 9 and TFRS 7 (Amendments) – Classification and Measurement of Financial Instruments**

The amendments address issues identified during the post-implementation review of the classification and measurement requirements of TFRS 9 Financial Instruments. These amendments are effective for annual reporting periods beginning on or after January 1, 2026.

##### **TFRS 9 and TFRS 7 (Amendments) – Contracts Based on Nature-Linked Electricity**

The amendments aim to allow entities to include information about contracts based on nature-linked electricity in their financial statements, as these contracts are considered to provide a more faithful representation. These amendments are effective for annual reporting periods beginning on or after January 1, 2026.

##### **TFRS 19 – Non-Publicly Accountable Subsidiaries: Disclosures**

TFRS 19 specifies the disclosure requirements that a subsidiary meeting the appropriate criteria is permitted to apply instead of the disclosure requirements in other Turkish Financial Reporting Standards. This standard is effective for annual reporting periods beginning on or after January 1, 2027.

##### **Annual Improvements to IFRSs – Volume 11**

The announcement includes the following amendments:

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

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

##### **Annual Improvements to IFRSs – Volume 11 (cont'd)**

- TFRS 1: Hedge accounting for first-time adopters
- TFRS 7: Gains or losses arising from derecognition in the financial statements
- TFRS 7: Disclosure of the deferred difference between the transaction price and fair value
- TFRS 7: Presentation of origin and credit risk disclosures
- TFRS 9: Derecognition of lease liability by the lessee
- TFRS 9: Transaction price
- TFRS 10: Determination of 'de facto agent'
- TMS 7: Cost method

These amendments are effective for annual reporting periods beginning on or after January 1, 2026.

##### **TFRS 19 (Amendments) – Non-Publicly Accountable Subsidiaries: Disclosures**

The amendments cover new or revised Turkish Financial Reporting Standards that were not considered when TFRS 19 was first issued. These amendments are effective for annual reporting periods beginning on or after January 1, 2027.

The potential effects of the standard, amendments, and improvements on the Group's financial position and performance are being assessed.

#### 2.4 Summary of Significant Accounting Policies

##### **Related Parties**

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

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

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

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

- (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

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### 2.4 Summary of Significant Accounting Policies (cont'd)

#### Related Parties (cont'd)

- (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

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

#### Revenue

When a performance obligation is satisfied by transferring promised goods or services to a customer, the Group recognizes the revenue as the amount of the transaction price that is allocated to that performance obligation. The goods or services are transferred when the control of the goods or services is delivered to the customers. Returns, discounts and provisions are reduced from the related amount.

Group recognizes revenue based on the following five principles:

- (a) Identification of customer contracts,
- (b) Identification of performance obligations,
- (c) Determination of the transaction price in the contracts,
- (d) Allocation of transaction price to the performance obligations,
- (e) Recognition of revenue when the performance obligations are satisfied.

Group recognizes revenue from its customer when all of the following criteria are met:

- (a) The parties have approved the contract (written or orally or in accordance with other customer business practices) and are committed to perform their respective obligations,
- (b) Group can identify the right of parties related to goods and services,
- (c) Group can identify the payment terms of goods and services to be transferred,
- (d) The contract has commercial substance,
- (e) It is probable that Group will collect the consideration to which it will be entitled in exchange for the goods and services that will be transferred to the customer. In evaluating whether collectability of a consideration is probable, the entity shall consider only the customer's ability and intention to pay the consideration when it is due.

#### *Income from electricity sales*

Revenue is recognized on the billed amount, on accrual basis, upon the delivery of electricity.

#### **Inventories**

Inventories are valued at the lower of cost or net realizable value and the weighted average cost method. 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

# ESENBOĞA ELEKTRİK ÜRETİM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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### 2.4 Summary of Significant Accounting Policies (cont'd)

#### Inventories (cont'd)

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.

#### Property, Plant and Equipment

##### Revaluation Method

Land and plant, machinery and equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated in the consolidated statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the end of each reporting period.

Any revaluation increase arising on the revaluation of such land is recognized in other comprehensive income and accumulated in equity, except to the extent that it reverses a revaluation decrease for the same asset previously recognized in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such land is recognized in profit or loss to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

Properties in the course of construction for administrative purposes, or for purposes not yet determined, are carried at cost, less any recognized impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs are capitalized in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation on revalued plant, machinery and equipment is charged to profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings. There is no transfer from the revaluation fund to retained earnings unless the asset is derecognized.

Freehold land is not depreciated. Plant, machinery and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

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

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

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2025

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

#### 2.4 Summary of Significant Accounting Policies (cont'd)

##### **Intangible Assets**

###### Computer software

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

Costs associated with developing or maintaining computer software programmes are recognized as an expense as incurred. Costs that are directly associated with the development of identifiable and unique software products controlled by the Group, and that will probably generate economic benefits exceeding costs beyond one year, are recognized as intangible assets. Costs include the software development employee costs and an appropriate portion of relevant overheads.

Computer software development costs recognized as non-current assets are amortized over their estimated useful lives.

###### Derecognition of intangible assets

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

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

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

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

# ESENBOĞA ELEKTRİK ÜRETİM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2025

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

#### 2.4 Summary of Significant Accounting Policies (cont'd)

##### Intangible Assets (cont'd)

##### Impairment of Property, Plant and Equipment and Intangible Assets Other Than Goodwill (cont'd)

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

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

##### Financial Instruments

Financial assets and financial liabilities are recognized in the Group's 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.

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

#### 2.4 Summary of Significant Accounting Policies (cont'd)

##### Financial Instruments (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 Company 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 consolidated financial statements.

###### Classification of financial assets

Financial assets 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.

Financial assets 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.

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

#### 2.4 Summary of Significant Accounting Policies (cont'd)

##### Financial Instruments (cont'd)

##### *Financial assets (cont'd)*

##### Classification of financial assets (cont'd)

##### (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 Company 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 consolidated 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 Company applies the effective interest rate to the amortized cost of the asset in the subsequent reporting periods.

Interest income is recognized using the effective interest method for debt instruments measured subsequently at amortized cost and at FVTOCI.

Interest income is recognized in profit or loss and is shown under the item "finance income - interest income" (Note: 22).

##### (ii) Financial assets at FVTOCI

The corporate bonds held by the Group are classified as at FVTOCI. The corporate bonds are initially measured at fair value plus transaction costs.

##### (iii) Equity instruments at FVTOCI

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI.

# ESENBOĞA ELEKTRİK ÜRETİM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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

#### 2.4 Summary of Significant Accounting Policies (cont'd)

##### Financial Instruments (cont'd)

##### *Financial assets (cont'd)*

##### (iii) Equity instruments at FVTOCI (cont'd)

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss is not to be reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss in accordance with TFRS 9 unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the 'income from investing activities' line item in profit or loss (Note 20).

The Group has designated all investments in equity instruments that are not held for trading as at FVTOCI on initial application of TFRS 9.

##### (iv) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortized cost or FVTOCI (see (i) to (iii) above) are measured at FVTPL.

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).

# ESENBOĞA ELEKTRİK ÜRETİM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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

#### 2.4 Summary of Significant Accounting Policies (cont'd)

##### Financial Instruments (cont'd)

##### *Financial assets (cont'd)*

##### 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;
- 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. Other exchange differences are recognized in other comprehensive income;
- for financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss; and
- for equity instruments measured at FVTOCI, exchange differences are recognized in other comprehensive income.

##### Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on borrowing instruments, lease receivables, trade receivables, assets arising from contracts with customers and expected credit losses from investments to financial guaranty contract that are measured at amortized cost or at FVTOCI. 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.

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

#### 2.4 Summary of Significant Accounting Policies (cont'd)

##### Financial Instruments (cont'd)

##### *Financial assets (cont'd)*

##### 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 (all cash-deficiencies) 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 (or credit-based adjusted effective interest rate for financial assets with credit-value impairment when purchased or incurred).

##### 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 investments 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 investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

# ESENBOĞA ELEKTRİK ÜRETİM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2025

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

#### 2.4 Summary of Significant Accounting Policies (cont'd)

##### Financial Instruments (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:

(a) Financial liabilities at FVTPL: These liabilities including derivative instruments are subsequently measured at fair value.

(b) 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.

(c) 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 entity does not reclassify any financial liability.

###### Derecognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

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

#### 2.4 Summary of Significant Accounting Policies (cont'd)

##### Financial Instruments (cont'd)

##### Derivative financial instruments

In order to keep the risks associated with foreign exchange and interest rates under control, the Group uses various derivative financial instruments, including foreign exchange forward contracts, options and interest rate swap contracts. Further details of derivative financial instruments are disclosed in Note 24.

Derivatives are recognized initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognized as a financial asset whereas a derivative with a negative fair value is recognized as a financial liability. Derivatives are not offset in the financial statements unless the Group has both legal right and intention to offset. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realized or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

##### Hedge accounting

The Group designates certain derivatives as hedging instruments in respect of foreign currency risk and interest rate risk in fair value hedges, cash flow hedges, or hedges of net investments in foreign operations as appropriate. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group makes the following evaluations regarding the effectiveness of the relevant instrument:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e., rebalances the hedge) so that it meets the qualifying criteria again. The Group designates the full change in the fair value of a forward contract (i.e., including the forward elements) as the hedging instrument for all of its hedging relationships involving forward contracts.

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

#### 2.4 Summary of Significant Accounting Policies (cont'd)

##### Financial Instruments (cont'd)

##### Hedge accounting (cont'd)

Note 14 sets out details of the fair values of the derivative instruments used for hedging purposes.

##### Business Combinations

The acquisition of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognized in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value, except that:

- Deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with TAS 12 *Income Taxes* and TAS 19 *Employee Benefits* respectively;
- Liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with TFRS 2 *Share-based Payment* at the acquisition date and
- Assets (or disposal groups) that are classified as held for sale in accordance with TFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

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

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

#### 2.4 Summary of Significant Accounting Policies (cont'd)

##### Business Combinations (cont'd)

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

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination.

Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is measured to fair value at subsequent reporting dates with changes in fair value recognized in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e., the date when the Group obtains control) and the resulting gain or loss, if any, is recognized in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

##### Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any. For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

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

#### 2.4 Summary of Significant Accounting Policies (cont'd)

##### Goodwill (cont'd)

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in profit or loss in the statement of profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The Group's policy for goodwill arising on the acquisition of an associate is described under Investments in associates heading.

##### Effects of Changes in Exchange Rate

##### Foreign Currency Transactions and Balances

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

In preparing the financial statements of the individual entities, transactions in currencies other than TL (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

The income statements of Group companies that prepare their financial statements in a functional currency other than TRY have been translated into TRY using the average exchange rate for the relevant year. The assets and liabilities of these Group companies have been translated into TRY using the closing exchange rate at the end of the reporting period. Exchange differences arising from the translation of the opening net assets of these Group companies into TRY, as well as the differences between the average and closing exchange rates, have been recognized in equity under the foreign currency translation differences account.

Exchange differences are recognized in profit or loss in the period in which they arise except for:

- Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets where they are regarded as an adjustment to interest costs on those foreign currency borrowings;

# ESENBOĞA ELEKTRİK ÜRETİM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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

#### 2.4 Summary of Significant Accounting Policies (cont'd)

##### Effects of Changes in Exchange Rate (cont'd)

##### Foreign Currency Transactions and Balances (cont'd)

- Exchange differences on transactions entered in order to hedge certain foreign currency risks (see below for hedging accounting policies),
- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur, which form part of the net investment in a foreign operation, and which are recognized in the foreign currency translation reserve and recognized in profit or loss on disposal of the net investment.

##### Earnings Per Share

Earnings per share stated in the consolidated statement of profit or loss are calculated by dividing net profit by the weighted average number of shares outstanding during the year. Companies in Türkiye can increase their capital through "bonus shares" that they distribute to their shareholders from retained earnings. Such "bonus shares" distributions are treated as issued shares in earnings per share calculations. Accordingly, the weighted average number of shares used in these calculations has been calculated by taking into account the retrospective effects of the aforementioned share distributions.

##### Events After the Reporting Period

Events after the reporting period include all events that take place between the reporting date and the date of authorization for the release of the statement of financial position, although the events occurred after the announcements related to the profit or even after the public disclosure of other selected financial information.

In the case that events requiring an adjustment occur, the Group adjusts the amounts recognized in its financial statements to reflect the adjustments after the reporting date.

##### Provisions, Contingent Asset and Liabilities

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

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

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

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

#### 2.4 Summary of Significant Accounting Policies (cont'd)

##### **Investment Properties**

Investment properties are properties held to earn rentals and/or for capital appreciation and are initially recognized at cost plus transaction costs. After initial recognition, investment properties are measured at fair value, which reflects market conditions at the balance sheet date. Gains or losses arising from changes in the fair value of investment properties are recognized in the statement of profit or loss in the period in which they arise.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from disposal. Any gain or loss arising on derecognition of the property is included in profit or loss in the period in which the property is derecognized.

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

##### **Taxation**

Turkish tax legislation does not permit a parent company and its subsidiary to file a consolidated tax return. Therefore, provisions for taxes, as reflected in the accompanying consolidated financial statements, have been calculated on a separate-entity basis.

Income tax expense represents the sum of the tax currently payable and deferred tax.

##### Current tax

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

##### Deferred tax

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

# ESENBOĞA ELEKTRİK ÜRETİM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2025

(Amounts expressed in Turkish Lira ("TL") in terms of purchasing power of the TL at 31 December 2025 unless otherwise indicated.)

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

#### 2.4 Summary of Significant Accounting Policies (cont'd)

##### **Taxation (cont'd)**

##### *Deferred tax (cont'd)*

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

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

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

##### *Current and deferred tax for the period*

Tax is included in the statement of profit or loss, unless it is related to a transaction recognized directly in equity. Otherwise, the tax is recognized in equity together with the related transaction.

##### **Employee Benefits**

##### *Termination benefits:*

Under Turkish law and union agreements, lump sum payments are made to employees retiring or involuntarily leaving the Group. Such payments are considered as being part of defined retirement benefit plan as per IAS 19 *Employee Benefits* ("IAS 19").

The retirement benefit obligation recognized in the consolidated statement of financial position represents the present value of the defined benefit obligation. The actuarial gains and losses are recognized in other comprehensive income.

# ESENBOĞA ELEKTRİK ÜRETİM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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(Amounts expressed in Turkish Lira ("TL") in terms of purchasing power of the TL at 31 December 2025 unless otherwise indicated.)

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

#### 2.4 Summary of Significant Accounting Policies (cont'd)

##### Statement of Cash Flows

In the statement of cash flows, cash flows are classified according to operating, investment and financing activities.

##### Capital and Dividends

Ordinary shares are classified as equity. Dividends on ordinary shares are recognized in equity in the period in which the dividend is decided.

#### 2.5 Significant Accounting Judgments, Estimates, and Assumptions

##### Critical Judgments Made by the Group in Applying Accounting Policies

###### Deferred Tax

The Group recognizes deferred tax assets and liabilities arising from temporary differences between its legal financial statements, prepared for tax purposes, and its financial statements prepared in accordance with TFRS. The Group has deferred tax assets arising from unused tax losses and other deductible temporary differences that can be offset against future taxable profits of its subsidiaries. The recoverable amount of the deferred tax assets has been estimated based on the current circumstances. In making this assessment, the Group has considered future profit projections, current period losses, the expiration dates of unused losses and other tax assets, and, where applicable, available tax planning strategies.

###### Fair Values of Derivative Financial Instruments

The Group measures its derivative financial instruments at fair value as of the balance sheet date, based on exchange rate and interest rate forecasts as of the recognition date.

###### Fair value measurement of property, plant, and equipment

As of December 31, 2018, the Group has adopted the revaluation model instead of the historical cost model as the accounting policy for its power plants' facilities, machinery, and equipment, in accordance with the measurement methods specified under IAS 16. The significant valuation techniques, estimates, and assumptions considered in the independent valuations of the remeasured amounts have been consistently applied in the fair value determination studies conducted as of December 31, 2025, and December 31, 2024.

Given the sensitivity of long-term price expectations, electricity generation projections, and discount rates (such as the "Weighted Average Cost of Capital" ("WACC")) to sectoral and economic variables, as well as the complexity of inputs and calculations, an independent valuation firm has been appointed to conduct the revaluation.

As of December 31, 2025, and December 31, 2024, the fair value determined by an independent valuation firm licensed by the Capital Markets Board (CMB) has been used for the facilities, machinery, and equipment. The "discounted cash flow method" has been applied in these valuation and impairment assessments. The Group's fair value measurements are classified as Level 3 within the fair value hierarchy.

# ESENBOĞA ELEKTRİK ÜRETİM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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(Amounts expressed in Turkish Lira ("TL") in terms of purchasing power of the TL at 31 December 2025 unless otherwise indicated.)

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

#### 2.5 Significant Accounting Judgments, Estimates, and Assumptions (cont'd)

##### Fair value measurement of property, plant, and equipment (cont'd)

When calculating the net present value of future cash flows, estimates for the long-term growth rate and the weighted average cost of equity (WACC) were taken into account. To determine the recoverable amount of the unit, a post-tax discount rate based on the WACC was used: 7.5% for solar power plants (SPPs) and 8.5% for geothermal power plants (GPPs), expressed in US Dollars. Sensitivity analysis results are disclosed assuming a possible 10% decrease in the estimated long-term growth rates and a 10% lower WACC.

As of 31 December 2025 Value of Machinery and Equipment	13,215,511,345
Total Value at Reduction Rate with -10% Default Rate of Change	12,193,560,991 (7.73%)
Total Value at Reduction Rate +10% Default Rate of Change	14,404,305,018 9.75%

For major maintenance of the power plants, useful lives different from the plants' overall useful lives have been determined. Accordingly, maintenance activities are recorded as separate components of the plants. Depreciation methods and useful lives are reviewed at each reporting date and adjusted if necessary. The Group has set the useful life of solar power plants at 50 years and that of the geothermal power plant at 30 years.

# ESENBOĞA ELEKTRİK ÜRETİM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2025

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### 3. BUSINESS COMBINATIONS

A purchase agreement was signed between the Group and RSC Elektrik Üretim İnşaat Turizm A.Ş., which owns the RSC-1 Seferihisar Geothermal Power Plant with an installed capacity of 12 MWm, and the transaction was completed on March 28, 2025. As of the agreement date, 100% of its shares were acquired.

The purchase consideration amounted to TRY 488,976,877, and the remaining amount, after deducting all bank and market liabilities of the acquired company, was paid as the share purchase price. As a result of the acquisition, the carrying amounts of the acquired assets and liabilities and their fair values under TFRS 3 "Business Combinations" are summarized as follows:

	<b>28 March 2025 (*)</b>
Cash and Cash Equivalents	18,363,915
Trade Receivables	851,601
Property, Plant, and Equipment (Note 11) (**)	1,890,729,380
Intangible Assets	10,283
Right-of-Use Assets	82,605,360
Other Non-Current Assets	102,917,101
Trade Payables	(6,346,094)
Lease Liabilities	(90,790,156)
Short- and Long-Term Borrowings	(263,949,321)
Other Liabilities	(5,663,726)
Deferred Tax Assets/(Liabilities), Net	(350,241,655)
<b>Total Identifiable Net Assets (100%)</b>	<b>1,378,486,688</b>
Total Purchase Consideration	488,976,877
<b>Negative Goodwill (Note 21)</b>	<b>889,509,811</b>

(\*) The purchase consideration as of March 28, 2025, and the fair values of the acquired assets and liabilities have been expressed in terms of purchasing power as of December 31, 2025.

(\*\*) On March 28, 2025, 100% of the shares of RSC Elektrik Üretim İnşaat Turizm A.Ş., which was published in the Trade Registry Gazette No. 11311 dated April 14, 2025, were acquired. The related purchase consideration, after net debt adjustments, amounts to TRY 488,976,877. Of the purchase price, TRY 154,602,715 was offset against liabilities to shareholders, and TRY 334,374,162 was paid in cash. Considering the cash and cash equivalents acquired, the total cash outflow amounts to TRY 316,010,247.

(\*\*\*) The fair value of property, plant, and equipment has been presented in accordance with TFRS 3.

# ESENBOĞA ELEKTRİK ÜRETİM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2025

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### 4. SEGMENT REPORTING

The Group has implemented TFRS 8 since its establishment and has determined operating segments based on internal management of reports used by governing body by the competent authority to make decisions about the Group's operations.

Province	31 December 2025		31 December 2024	
	Production amount (KWh)	Sales amount / TL	Production amount (KWh)	Sales amount / TL
Ankara	38,805,395	233,982,163 #	36,281,890	230,397,572
Konya	32,497,761	195,938,940 #	29,988,989	190,443,868
Muğla	31,244,528	194,699,874 #	30,783,474	210,593,378
Afyon	24,950,765	150,623,371 #	24,286,841	154,262,367
İzmir (JES)	28,541,614	167,268,398 #	-	-
Adana	17,540,345	105,540,135 #	16,270,291	103,331,566
Nevşehir	16,120,731	97,317,213 #	16,090,482	102,371,300
Yozgat	9,694,940	58,526,836 #	9,489,427	60,254,515
Antalya	5,747,259	34,534,940 #	5,987,438	38,041,249
Eskişehir	5,053,152	25,730,896 #	5,123,096	32,484,115
Bilecik	3,126,059	18,857,882	3,103,780	19,697,174
<b>Total</b>	<b>213,322,549</b>	<b>1,283,020,648</b>	<b>177,405,708</b>	<b>1,141,877,104</b>

  

	Electricity Production	Construction Contracting	31 December 2025
Domestic sales	1,283,020,648	208,318,098	1,491,338,746
Cost of sales (-)	(944,934,857)	(182,971,238)	(1,127,906,095)
<b>Gross Profit (Loss)</b>	<b>338,085,791</b>	<b>25,346,860</b>	<b>363,432,651</b>

  

	Electricity Production	Construction Contracting	31 December 2024
Domestic sales	1,141,877,104	345,668,762	1,487,545,866
Cost of sales (-)	(687,447,487)	(316,142,926)	(1,003,590,413)
<b>Gross Profit (Loss)</b>	<b>454,429,617</b>	<b>29,525,836</b>	<b>483,955,453</b>

# ESENBOĞA ELEKTRİK ÜRETİM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2025

(Amounts expressed in Turkish Lira ("TL") in terms of purchasing power of the TL at 31 December 2025 unless otherwise indicated.)

### 5. RELATED PARTY DISCLOSURES

As of 31 December 2025 and 31 December 2024, the details of the Group's trade receivables from related parties are as follows:

Trade receivables	31 December 2025	31 December 2024
Naturel Yenilenebilir Enerji Ticaret A.Ş.	-	346,395,689
	<u>-</u>	<u>346,395,689</u>

Trade receivables from related parties consist of transactions within the scope of energy construction contracting works.

As of 31 December 2025 and 31 December 2024, the details of the Group's other receivables from related parties are as follows:

Other receivables	31 December 2025	31 December 2024
Naturel Holding A.Ş. (*)	194,380	321,063,369
Hermes Uluslararası Ticaret ve Lojistik A.Ş.	-	32,611
	<u>194,380</u>	<u>321,095,980</u>

(\*) The Group's other receivables from related parties are of a financing nature and bear interest at rates comparable to market borrowing conditions.

As of 31 December 2025 and 31 December 2024, the details of the Group's other payables to related parties are as follows:

Other payables	31 December 2025	31 December 2024
Naturel Yenilenebilir Enerji Ticaret A.Ş.	284,324,129	-
Naturel Chargen Elektrik A.Ş.	102,723,630	-
Pluginn Elektrikli Taşıtlar Şarj Sistemleri ve Yazılım Hizmetleri	2,571,738	-
Egaraj Elektrikli Taşıtlar Danışmalık ve Servis Hizmetleri Ticaret A.Ş.	1,653,072	-
Hermes Uluslararası Ticaret Ve Lojistik A.Ş.	-	566,454
	<u>391,272,569</u>	<u>566,454</u>

# ESENBOĞA ELEKTRİK ÜRETİM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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

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

Purchases	31 December 2025	31 December 2024
Naturel Yenilenebilir Enerji Ticaret A.Ş.	92,770,089	167,842,544
Hermes Uluslararası Ticaret ve Lojistik A.Ş.	30,453,673	-
Naturel Holding A.Ş.	6,429,466	-
	<u>129,653,228</u>	<u>167,842,544</u>
Sales	31 December 2025	31 December 2024
Naturel Yenilenebilir Enerji Ticaret A.Ş.	101,241,416	358,542,813
Eğaraj Elektrikli Taşıtlar Danışmanlık ve Servis Hizmetleri Ticaret A.Ş.	138,691	-
	<u>101,380,107</u>	<u>358,542,813</u>
Interest income	1 January- 31 December 2025	1 January- 31 December 2024
Naturel Holding A.Ş.	30,448,155	7,809,726
Naturel Yenilenebilir Enerji Ticaret A.Ş.	6,757,339	28,518,879
Hermes Uluslararası Ticaret ve Lojistik A.Ş.	20,348	121,619
	<u>37,225,842</u>	<u>36,450,224</u>

As of December 31, 2025, the interest rates applied by Esenboğa Elektrik Üretim A.Ş. for related party receivables/payables are 54–58.68% for TRY receivables/payables (December 31, 2024: 46–66%), 9.5% for USD receivables/payables (December 31, 2024: 10.5%), and 10–11% for EUR receivables/payables (December 31, 2024: 6.50–8.15%).

Interest expense	1 January- 31 December 2025	1 January- 31 December 2024
Naturel Holding A.Ş.	46,814,462	14,304,253
Naturel Yenilenebilir Enerji Ticaret A.Ş.	7,503,575	13,777,821
Hermes Uluslararası Ticaret ve Lojistik A.Ş.	939,413	2,177,692
	<u>55,257,450</u>	<u>30,259,766</u>

### Key Management Compensation

As of December 31, 2025, the benefits compensation to the Group's key management personnel amount to 7,177,191 TL (December 31, 2024: 4,429,300 TL).

# ESENBOĞA ELEKTRİK ÜRETİM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2025

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### 6. TRADE RECEIVABLES AND PAYABLES

#### a) Trade Receivables:

As of 31 December 2025 and 31 December 2024, the details of the Group's trade receivables are as follows:

	31 December 2025	31 December 2024
<u>Short-term trade receivables</u>		
Income accruals (*)	618,619,512	815,334,150
Trade receivables from related parties (Note 5)	-	346,395,689
Trade receivables	64,350,776	61,213,650
	<u>682,970,288</u>	<u>1,222,943,489</u>

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

As of 31 December 2025, the Group has no uncollectible receivables (31 December 2024: None).

#### b) Trade Payables:

As of 31 December 2025 and 31 December 2024, the details of the Group's trade payables are as follows:

	31 December 2025	31 December 2024
<u>Short-term trade payables</u>		
Trade payables	109,853,978	48,109,381
Notes payables	-	4,210,220
Expense accruals (*)	391,793,884	517,645,832
	<u>501,647,862</u>	<u>569,965,433</u>

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

### 7. OTHER RECEIVABLES AND PAYABLES

#### a) Other Receivables

	31 December 2025	31 December 2024
<u>Short-Term Other Receivables</u>		
Deposits and guarantees given	247,815	99,328
Other receivables from related parties (Note 5)	194,380	321,095,980
Other miscellaneous receivables (*)	7,983,782	1,568,027
Receivables from the tax office	401,265	285,523
	<u>8,827,242</u>	<u>323,048,858</u>

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

# ESENBOĞA ELEKTRİK ÜRETİM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2025

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### 7. OTHER RECEIVABLES AND PAYABLES (cont'd)

#### a) Other Receivables (cont'd)

	31 December 2025	31 December 2024
<u>Long-Term Other Receivables</u>		
Deposits and guarantees given	11,985,336	9,556,445
	<u>11,985,336</u>	<u>9,556,445</u>

#### b) Other payables

	31 December 2025	31 December 2024
<u>Short-Term Other Payables</u>		
Other payables to related parties (Note 5)	391,272,569	566,454
Other miscellaneous payables (*)	30,464,742	6,974,447
	<u>421,737,311</u>	<u>7,540,901</u>

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

### 8. INVENTORIES

	31 December 2025	31 December 2024
Trade goods (*)	43,568,432	68,851,646
Raw material and materials	3,872,195	-
Other inventories	1,301,363	1,110,598
	<u>48,741,990</u>	<u>69,962,244</u>

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

# ESENBOĞA ELEKTRİK ÜRETİM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2025

(Amounts expressed in Turkish Lira ("TL") in terms of purchasing power of the TL at 31 December 2025 unless otherwise indicated.)

### 9. PREPAID EXPENSES AND DEFERRED INCOME

	31 December 2025	31 December 2024
<b>Short-Term Prepaid Expenses</b>		
Order advances given	53,788,596	58,274,335
Prepaid expenses	22,287,277	14,157,830
Business advances	12,076,584	12,059,524
	<u>88,152,457</u>	<u>84,491,689</u>
	31 December 2025	31 December 2024
<b>Short-Term Deferred Income</b>		
Order advances received	39,837,369	25,581,419
	<u>39,837,369</u>	<u>25,581,419</u>

### 10. INVESTMENT PROPERTIES

<b>Cost Value</b>	<b>Land</b>	<b>Buildings</b>	<b>Total</b>
Opening balance as of 1 January 2025	1,521,340,589	1,295,834,051	2,817,174,640
Disposals	(47,679,237)	-	(47,679,237)
Value increase and impairment (-)	(654,406,352)	(39,384,050)	(693,790,402)
Closing balance as of 31 December 2025	<u>819,255,000</u>	<u>1,256,450,001</u>	<u>2,075,705,001</u>
<b>Cost Value</b>	<b>Land</b>	<b>Buildings</b>	<b>Total</b>
Opening balance as of 1 January 2024	46,883,285	1,237,823,818	1,284,707,103
Transfers	1,413,953,863	-	1,413,953,863
Value increase and impairment (-)	60,503,441	58,010,233	118,513,674
Closing balance as of 31 December 2024	<u>1,521,340,589</u>	<u>1,295,834,051</u>	<u>2,817,174,640</u>

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

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

As of 31 December 2025 and 31 December 2024, the fair value of the Group's investment properties has been determined by Smart Kurumsal Değerleme ve Danışmanlık A.Ş., an independent appraisal company authorized by the CMB. The fair value of the owned land and buildings has been determined using the market-comparative approach, reflecting current transaction or asking prices for similar properties. The level of the Group's fair value measurements for land, plots, and buildings in the hierarchy is Level 2, which includes inputs other than quoted market prices that are observable for the assets or liabilities.

The net carrying amounts of the investment properties owned by the Group, as measured under the historical cost basis, are presented below:

	31 December 2025	31 December 2024
Cost of Investment Properties and Land	1,008,293,098	1,393,541,917
Accumulated Depreciation of Investment Properties and Land	(34,018,244)	(33,237,092)
Net Book Value	<u>974,274,854</u>	<u>1,360,304,825</u>

## ESENBOĞA ELEKTRİK ÜRETİM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2025

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#### 11. PROPERTY, PLANT AND EQUIPMENT

	Land	Land Improvements	Plant, Machinery and Equipment	Vehicles	Furniture and Fixtures	Construction in progress	Total
<b><u>Cost</u></b>							
Opening balance as of 1 January 2025	782,092,133	20,856	12,640,284,088	79,222,585	32,765,110	61,494,648	13,595,879,420
Additions	-	1,079,491	5,136,709	-	8,430,581	16,950,489	31,597,270
Transfers	-	-	(372,844,294)	(8,754,303)	-	-	(381,598,597)
Value increase and impairment (-)	61,965,531	-	(940,421,623)	5,895,082	-	-	(872,561,010)
Disposals	-	-	(6,824,000)	(30,864,924)	-	(6,140,238)	(43,829,162)
Effect of subsidiary acquisition	-	-	1,890,180,465	1,238	547,677	-	1,890,729,380
Closing balance as of 31 December 2025	844,057,664	1,100,347	13,215,511,345	45,499,678	41,743,368	72,304,899	14,220,217,301
<b><u>Accumulated Depreciation</u></b>							
Opening balance as of 1 January 2025	-	13,316	-	-	10,436,432	-	10,449,748
Charge for the period	-	-	374,145,979	15,886,032	5,131,646	-	395,163,657
Transfers	-	-	(372,844,294)	(8,754,303)	-	-	(381,598,597)
Disposals	-	-	(1,301,685)	(7,131,729)	-	-	(8,433,414)
Closing balance as of 31 December 2025	-	13,316	-	-	15,568,078	-	15,581,394
Carrying value as of 31 December 2025	844,057,664	1,087,031	13,215,511,345	45,499,678	26,175,290	72,304,899	14,204,635,907

One of the main reasons for impairment expenses is the negative spread between the USD/TRY exchange rate and CPI, which became significant due to the application of inflation accounting specific to the period. While the USD/TRY exchange rate, used as the basis for the Turkish Lira equivalent of power plant assets valued in US dollars, increased by 22% compared to the previous year, the CPI used in updating the previous year's valuation under the inflation accounting application was 31%.

The level of the Group's fair value measurements for land and plots in the hierarchy is Level 2, which includes inputs other than quoted market prices that are observable for the assets or liabilities. The discounted cash flow method has been applied in the valuation and impairment assessments of plants, machinery, and equipment. The level of these fair value measurements in the hierarchy for plants, machinery, and equipment is Level 3.

As of 31 December 2025, there are TL 15,881,188,119 of movable pledges and TL 16,647,735,290 of mortgages on tangible fixed assets. Depreciation expenses of tangible fixed assets have been recognized in the cost of sales and general administrative expenses.

## ESENBOĞA ELEKTRİK ÜRETİM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2025

(Amounts expressed in Turkish Lira ("TL") in terms of purchasing power of the TL at 31 December 2025 unless otherwise indicated.)

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

	Land	Land Improvements	Plant, Machinery and Equipment	Vehicles	Furniture and Fixtures	Construction in progress	Total
<b><u>Cost</u></b>							
Opening balance as of 1 January 2024	2,477,111,275	20,856	15,406,626,173	123,963,607	25,072,983	12,139,678	18,044,934,572
Additions	-	-	11,482,642	25,553,186	7,692,127	59,033,699	103,761,654
Transfers	(1,413,953,863)	-	(372,734,999)	(17,194,864)	-	-	(1,803,883,726)
Value increase and impairment (-)	(281,065,279)	-	(2,405,089,728)	8,798,947	-	-	(2,677,356,060)
Disposals	-	-	-	(61,898,291)	-	(9,678,729)	(71,577,020)
Closing balance as of 31 December 2024	782,092,133	20,856	12,640,284,088	79,222,585	32,765,110	61,494,648	13,595,879,420
<b><u>Accumulated Depreciation</u></b>							
Opening balance as of 1 January 2024	-	12,101	-	-	8,079,932	-	8,092,033
Charge for the period	-	1,215	372,734,999	26,156,751	2,356,500	-	401,249,465
Transfer	-	-	(372,734,999)	(17,194,864)	-	-	(389,929,863)
Disposals	-	-	-	(8,961,887)	-	-	(8,961,887)
Closing balance as of 31 December 2024	-	13,316	-	-	10,436,432	-	10,449,748
Carrying value as of 31 December 2024	782,092,133	7,540	12,640,284,088	79,222,585	22,328,678	61,494,648	13,585,429,672

# ESENBOĞA ELEKTRİK ÜRETİM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2025

(Amounts expressed in Turkish Lira ("TL") in terms of purchasing power of the TL at 31 December 2025 unless otherwise indicated.)

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

The net book values of the facilities, machinery, and equipment owned by the Group measured on a historical cost basis are presented below:

	31 December 2025	31 December 2024
Cost of Plant, Machinery, and Equipment	10,617,602,427	10,440,511,035
Accumulated Depreciation of Plant, Machinery, and Equipment	(7,930,367,017)	(6,129,200,265)
Net Book Value	<u>2,687,235,410</u>	<u>4,311,310,770</u>

The useful lives of tangible fixed assets are as follows:

	<u>Useful life</u>
Plant, machinery, and equipment	45-50 years
Vehicles	5 years
Fixtures and fittings	3-15 years
Intangible costs	5 years

# ESENBOĞA ELEKTRİK ÜRETİM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2025

(Amounts expressed in Turkish Lira ("TL") in terms of purchasing power of the TL at 31 December 2025 unless otherwise indicated.)

### 12. INTANGIBLE ASSETS

Cost Value	Rights	Other	
		Intangible	Total
		Assets	
Opening balance as of 1 January 2025	1,353,033	1,951,051	3,304,084
Addition	64,774,377	428,311	65,202,688
Effect of subsidiary acquisition	6,790	1,068,713	1,075,503
Closing balance as of 31 December 2025	66,134,200	3,448,075	69,582,275
<u>Accumulated Amortisation</u>			
Opening balance as of 1 January 2025	387,102	1,887,756	2,274,858
Charge for the period	93,494	236,576	330,070
Effect of subsidiary acquisition	6,790	1,068,713	1,075,503
Closing balance as of 31 December 2025	487,386	3,193,045	3,680,431
Carrying value as of 31 December 2025	65,646,814	255,030	65,901,844

Cost Value	Rights	Other	
		Intangible	Total
		Assets	
Opening balance as of 1 January 2024	1,353,033	1,757,245	3,110,278
Additions	-	1,309,948	1,309,948
Disposals	-	(1,116,142)	(1,116,142)
Closing balance as of 31 December 2024	1,353,033	1,951,051	3,304,084
<u>Accumulated Amortisation</u>			
Opening balance as of 1 January 2024	387,102	1,482,479	1,869,581
Charge for the period	-	444,284	444,284
Disposals	-	(39,007)	(39,007)
Closing balance as of 31 December 2024	387,102	1,887,756	2,274,858
Carrying value as of 31 December 2024	965,931	63,295	1,029,226

The amortization periods used for intangible assets are as follows:

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

# ESENBOĞA ELEKTRİK ÜRETİM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2025

(Amounts expressed in Turkish Lira ("TL") in terms of purchasing power of the TL at 31 December 2025 unless otherwise indicated.)

### 13. COMMITMENTS

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

The Company's collaterals/pledge/mortgage position as of 31 December 2025 and 31 December 2024 is as follows:

31 December 2025		TL equivalent	TL	USD	EUR
<b>A. Total Amount of CPM Given for Its Own Legal Entity</b>					
	-Collateral	57,220,292	5,000,000	595,590	531,000
	-Pledge	-	-	-	-
	-Mortgage	2,457,147,500	1,200,000,000	-	25,000,000
<b>B. Total Amount of CPM Given on Behalf of the Fully Consolidated Entities</b>					
	-Collateral	177,482,464	75,723,927	2,375,000	-
	-Pledge	15,881,188,119	7,975,000,000	95,000,000	76,280,759
	-Mortgage	14,190,587,790	1,881,415,000	90,000,000	168,100,000
<b>C. Total Amount of CPM Given on Behalf of Third Parties Debts for Continuation of Their Economic Activities</b>					
		-	-	-	-
<b>D. Total Other CPM Given</b>					
<b>i. Total CPM Given on Behalf of the Parent Company</b>					
		-	-	-	-
<b>ii. Total CPM Given on Behalf of Other Group Companies which are not included in the Scope of Items B and C</b>					
		-	-	-	-
<b>iii. Total CPM Given on Behalf of Third Parties which are not included in the Scope of Items C</b>					
		-	-	-	-
<b>Total</b>		<b>32,763,626,165</b>	<b>11,137,138,927</b>	<b>187,970,590</b>	<b>269,911,759</b>

The ratio of other CPMs given by the Company/Group to the equity of the Company/Group is 0% as of 31 December 2025.

As of 31 December 2025, guarantees provided on behalf of the Group's companies amount to TL 47,605,000,000, USD 49,500,000, and EUR 421,000,000, while guarantees provided on its own behalf amount to TL 10,401,600,000, USD 102,340,000, and EUR 3,274,000.

# ESENBOĞA ELEKTRİK ÜRETİM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2025

(Amounts expressed in Turkish Lira ("TL") in terms of purchasing power of the TL at 31 December 2025 unless otherwise indicated.)

### 13. COMMITMENTS (cont'd)

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

31 December 2024		TL equivalent	TL	USD	EUR
A. Total Amount of CPM Given for Its Own					
Legal Entity					
	-Collateral	66,990,271	66,990,271	-	-
	-Pledge	-	-	-	-
	-Mortgage	1,202,121,685	-	-	32,723,082
B. Total Amount of CPM Given on Behalf					
of the Fully Consolidated Entities					
	-Collateral	119,594,611	119,594,611	-	-
	-Pledge	10,587,289,327	2,585,123,484	124,347,712	98,408,144
	-Mortgage	12,084,201,646	747,938,398	196,338,492	120,028,265
C. Total Amount of CPM Given on Behalf					
of Third Parties Debts for Continuation of					
Their Economic Activities		-	-	-	-
D. Total Other CPM Given					
i. Total CPM Given on Behalf of					
the Parent Company		-	-	-	-
ii. Total CPM Given on Behalf of Other Group					
Companies which are not included in the					
Scope of Items B and C		-	-	-	-
iii. Total CPM Given on Behalf of Third Parties					
which are not included in the Scope of Items C		-	-	-	-
<b>Total</b>		<b>24,060,197,540</b>	<b>3,519,646,764</b>	<b>320,686,204</b>	<b>251,159,491</b>

The ratio of other CPMs given by the Company/Group to the equity of the Group is 0% as of 31 December 2024.

As of 31 December 2024, guarantees provided on behalf of the Group's companies amount to TL 34,605,000,000 nominal, USD 49,500,000 nominal, and EUR 1,621,000,000 nominal, while guarantees provided on its own behalf amount to TL 8,401,600,000 nominal, USD 102,340,000 nominal, and EUR 203,274,000 nominal.

#### Received Collaterals

	Original currency	31 December 2025		31 December 2024	
		Original amount	Turkish Lira equivalent	Original amount	Turkish Lira equivalent
Letters of guarantee	TL	20,000,000	20,000,000	-	-
	USD	2,100,000	89,975,970	-	-
		<b>22,100,000</b>	<b>109,975,970</b>	<b>-</b>	<b>-</b>

# ESENBOĞA ELEKTRİK ÜRETİM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2025

(Amounts expressed in Turkish Lira ("TL") in terms of purchasing power of the TL at 31 December 2025 unless otherwise indicated.)

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

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

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

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

As of 31 December 2025, the hedging ratio is 91% and hedge effectiveness is 93%.

<b>USD</b>	<b>31 December 2025</b>
Present value of the hedged item (current portion)	6,993,164
Present value of the hedged item (non-current portion)	10,202,456
Present value of the hedging instrument (current portion)	7,538,197
Present value of the hedging instrument (non-current portion)	7,651,342
<b>EUR</b>	<b>31 December 2025</b>
Present value of the hedged item (current portion)	5,005,149
Present value of the hedged item (non-current portion)	14,241,618
Present value of the hedging instrument (current portion)	5,849,500
Present value of the hedging instrument (non-current portion)	12,443,053
<b>TRY</b>	<b>31 December 2025</b>
Present value of the hedged item (current portion)	120,724,352
Present value of the hedged item (non-current portion)	270,155,313
Present value of the hedging instrument (current portion)	(136,288,450)
Present value of the hedging instrument (non-current portion)	(226,485,092)
<b>Hedging effectiveness rate</b>	<b>93%</b>
<b>Inactive portion left in the income statement</b>	<b>28,106,123</b>

# ESENBOĞA ELEKTRİK ÜRETİM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2025

(Amounts expressed in Turkish Lira ("TL") in terms of purchasing power of the TL at 31 December 2025 unless otherwise indicated.)

### 15. EMPLOYEE BENEFITS

#### Payables related to employee benefits

	31 December 2025	31 December 2024
Payables for employees	7,895,093	5,394,883
Social security premiums payable	3,768,659	3,995,865
	<u>11,663,752</u>	<u>9,390,748</u>

#### Short-term provisions for employee benefits

	31 December 2025	31 December 2024
Provision for unused vacation	3,947,254	3,823,204
	<u>3,947,254</u>	<u>3,823,204</u>

#### Long-term provisions for employee benefits

##### Provision for employment termination benefits:

	31 December 2025	31 December 2024
Provision for employment termination benefits	3,509,264	2,115,906
	<u>3,509,264</u>	<u>2,115,906</u>

# ESENBOĞA ELEKTRİK ÜRETİM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2025

(Amounts expressed in Turkish Lira ("TL") in terms of purchasing power of the TL at 31 December 2025 unless otherwise indicated.)

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

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

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

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

As of December 31, 2025, the amount payable consists of one month's salary limited to a maximum of TL 53,919.68 (31 December 2024: TL 41,828.42).

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

The main assumption is that the maximum liability amount for each service year will increase in line with inflation. Accordingly, the discount rate applied represents the expected real rate after adjusting for future inflation effects. Therefore, as of 31 December 2025, provisions in the accompanying financial statements are calculated by estimating the present value of the probable obligations arising from employees' retirement. The provisions at the relevant balance sheet dates have been calculated using a real discount rate of approximately 4.85%, derived from assumptions of 24.02% annual inflation and a 30.04% discount rate (31 December 2024: 4.41%). In calculating the Group's provision for severance pay, the nominal ceiling amount of TL 64,948.77 effective from 1 January 2026 has been considered (1 January 2025: TL 46,655.43 nominal).

	1 January- 31 December 2025	1 January- 31 December 2024
Provision as of 1 January	2,115,906	3,276,053
Service cost	1,337,340	783,120
Interest cost	454,243	636,595
Employment termination benefits paid	(4,564,597)	(2,400,234)
Actuarial loss / gain	4,665,754	827,357
Inflation Effect	(499,382)	(1,006,985)
Provision as of 31 December	<u>3,509,264</u>	<u>2,115,906</u>

# ESENBOĞA ELEKTRİK ÜRETİM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2025

(Amounts expressed in Turkish Lira ("TL") in terms of purchasing power of the TL at 31 December 2025 unless otherwise indicated.)

### 16. OTHER ASSETS AND LIABILITIES

<u>Other Current Assets</u>	<u>31 December 2025</u>	<u>31 December 2024</u>
VAT deductible	18,897,907	3,870,544
Deferred VAT	8,301,029	36,274,819
Personnel advances	77,493	619,782
	<u>27,276,429</u>	<u>40,765,145</u>

<u>Other Current Liabilities</u>	<u>31 December 2025</u>	<u>31 December 2024</u>
Taxes and funds payables	29,324,377	18,568,713
Other payables	85,699	91,907
	<u>29,410,076</u>	<u>18,660,620</u>

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

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

The paid-in capital structure of the Company as of 31 December 2025 and 31 December 2024 is as follows

<u>Shareholders</u>	<u>%</u>	<u>31 December 2025</u>	<u>%</u>	<u>31 December 2024</u>
Naturel Yenilenebilir Enerji Tic. A.Ş.	%62.50	1,137,500,000	%62.50	162,500,000
Publicly traded	%37.50	682,500,000	%37.50	97,500,000
<u>Nominal capital</u>	<u>%100</u>	<u>1,820,000,000</u>	<u>%100</u>	<u>260,000,000</u>
Inflation adjustment		980,689,509		1,393,479,338
Restated capital		2,800,689,509		1,653,479,338
Adjusted share capital		<u>2,800,689,509</u>		<u>1,653,479,338</u>

The Company's issued capital is TL 1,820,000,000, divided into 1,820,000,000 shares with a nominal value of TL 1.00 each. The entire capital has been fully paid in a manner free of collusion. The previous capital of TL 260,000,000 had been fully paid. Of the newly increased capital of TL 1,560,000,000, TL 991,840,910.38 was covered from Retained Earnings, TL 73,047,193.13 from Share Premiums, and TL 495,111,896.49 from Positive Differences Arising from Capital Adjustments. These amounts were fully subscribed and paid, and the bonus share capital increase was registered on 18 August 2025 and published in the Trade Registry Gazette dated 18 August 2025, issue number 11,395.

# ESENBOĞA ELEKTRİK ÜRETİM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2025

(Amounts expressed in Turkish Lira ("TL") in terms of purchasing power of the TL at 31 December 2025 unless otherwise indicated.)

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

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

In accordance with the Tax Procedure Law and the relevant Communiqué published in the Official Gazette No. 32415 (2nd Supplement) dated 30 December 2023, the balance sheet prepared as of 31 December 2023 under the Tax Procedure Law was adjusted for inflation using the Producer Price Index (PPI) published by the Turkish Statistical Institute. The accompanying financial statements, however, have been adjusted for inflation in accordance with TMS 29 using the Consumer Price Index (CPI) published by the Turkish Statistical Institute, and consequently, the amounts for the current and prior reporting periods are expressed in terms of purchasing power as of 31 December 2025.

Differences have arisen between the amounts reported in the balance sheet prepared under the Tax Procedure Law and those reported in the financial statements prepared in accordance with TFRS. These differences have been reflected in the TFRS financial statements under the line item 'Retained Earnings or Losses from Prior Years,' and the details of these differences are provided below:

<b>31 December 2025</b>	<b>Amounts adjusted for inflation included in the financial statements prepared in accordance with Law No. 6102 and other relevant legislation.</b>	<b>Amounts adjusted in accordance with the requirements of TMS 29 in compliance with TFRS.</b>	<b>Difference classified to prior years' profit / (loss)</b>
Capital adjustment differences	1,958,182,579	980,689,509	(977,493,070)
Share premiums	1,099,944,604	3,614,168,714	2,514,224,110
Restricted reserves appropriated from profit	80,424,341	39,272,183	(41,152,158)

#### b) Restricted reserves appropriated from profit:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Legal reserves	39,272,183	36,219,125
	<u>39,272,183</u>	<u>36,219,125</u>

# ESENBOĞA ELEKTRİK ÜRETİM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2025

(Amounts expressed in Turkish Lira ("TL") in terms of purchasing power of the TL at 31 December 2025 unless otherwise indicated.)

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

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

	31 December 2025	31 December 2024
Actuarial gains / losses from pension plans fund	(4,171,557)	(1,536,334)
	<u>(4,171,557)</u>	<u>(1,536,334)</u>

#### d) Share premiums:

	31 December 2025	31 December 2024
Share premiums	3,614,168,714	3,692,862,882
	<u>3,614,168,714</u>	<u>3,692,862,882</u>

#### e) Cash flow hedging

	31 December 2025	31 December 2024
Cash flow hedging	(2,511,778,576)	(2,015,933,794)
	<u>(2,511,778,576)</u>	<u>(2,015,933,794)</u>

### 18. REVENUE AND COST OF SALES

	1 January- 31 December 2025	1 January- 31 December 2024
Domestic Sales	1,491,338,746	1,487,545,866
<b>Revenue</b>	<u><b>1,491,338,746</b></u>	<u><b>1,487,545,866</b></u>
Cost of services sold (-)	(1,127,906,095)	(1,003,590,413)
<b>Cost of Sales</b>	<u><b>(1,127,906,095)</b></u>	<u><b>(1,003,590,413)</b></u>
<b>Gross Profit</b>	<u><b>363,432,651</b></u>	<u><b>483,955,453</b></u>

# ESENBOĞA ELEKTRİK ÜRETİM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2025

(Amounts expressed in Turkish Lira ("TL") in terms of purchasing power of the TL at 31 December 2025 unless otherwise indicated.)

### 19. GENERAL ADMINISTRATIVE EXPENSES

	1 January- 31 December 2025	1 January- 31 December 2024
General Administrative Expenses	(338,911,054)	(428,040,851)
	<u>(338,911,054)</u>	<u>(428,040,851)</u>
	1 January- 31 December 2025	1 January- 31 December 2024
Personnel expenses	(121,582,041)	(162,899,462)
Depreciation and amortization expenses	(46,447,956)	(43,704,003)
Rent and office expenses	(35,778,900)	(35,827,489)
Consultancy and audit expenses	(28,937,291)	(58,825,744)
Fair / Exhibition expenses	(18,251,333)	(24,990,291)
Travel expenses	(17,828,498)	(41,740,138)
Taxes, duties and fees	(17,503,978)	(18,128,619)
Donations and aid expenses	(11,974,985)	(9,170,650)
Representation and entertainment expenses	(3,542,251)	(10,145,837)
Insurance expenses	(3,032,820)	(2,288,875)
Legal and notary expenses	(1,757,703)	(1,666,138)
Maintenance and repair expenses	(1,674,298)	(3,061,827)
Communication expenses	(623,348)	(678,001)
Advertising and publicity expenses	(136,962)	(2,302,687)
Other expenses	(29,838,690)	(12,611,090)
	<u>(338,911,054)</u>	<u>(428,040,851)</u>

## ESENBOĞA ELEKTRİK ÜRETİM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2025

(Amounts expressed in Turkish Lira ("TL") in terms of purchasing power of the TL at 31 December 2025 unless otherwise indicated.)

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

The details of other income from core operations for the periods ending on December 31, 2025, and December 31, 2024, are as follows:

	1 January- 31 December 2025	1 January- 31 December 2024
<b>Other Income from Operating Activities</b>		
Foreign exchange gains arising from operating activities	173,026,601	150,000,623
Rental income	324,748	957,946
Other income	16,369,982	20,783,837
	<u>189,721,331</u>	<u>171,742,406</u>
	1 January- 31 December 2025	1 January- 31 December 2024
<b>Other Expenses from Operating Activities</b>		
Foreign exchange losses from operating activities	(67,945,835)	(133,131,424)
Provision for litigation	(510,286)	-
Other expenses	(10,049,194)	(18,464,224)
	<u>(78,505,315)</u>	<u>(151,595,648)</u>

# ESENBOĞA ELEKTRİK ÜRETİM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2025

(Amounts expressed in Turkish Lira ("TL") in terms of purchasing power of the TL at 31 December 2025 unless otherwise indicated.)

### 21. INCOME AND EXPENSES FROM INVESTING ACTIVITIES

For the years ended December 31, 2025 and 2024, income from investing activities are as follows:

	1 January- 31 December 2025	1 January- 31 December 2024
<b>Income from Investing Activities</b>		
Gain from business combination (*)	889,509,811	-
Repo income	130,809,880	1,901,813
Gains on sale of tangible assets	27,260,810	-
Fair value gains on financial investments	-	318,790,838
Revaluation increase of investment property	-	118,513,674
Dividend income	-	13,742,628
	<u>1,047,580,501</u>	<u>452,948,953</u>

(\*) On 28 March 2025, following the acquisition of shares of RSC Elektrik Üretim İnşaat Turizm A.Ş. by Margün Enerji A.Ş., a valuation report for the acquired assets was obtained from Smart Kurumsal Gayrimenkul Değerleme ve Danışmanlık A.Ş. Based on the values of the assets in the valuation report, the total net identifiable assets were determined to be TL 1,378,486,688. The difference between this amount and the consideration for the business combination, amounting to TL 488,976,877, which is TL 889,509,811, has been recognized as negative goodwill (gain from a business combination) in accordance with TFRS 3 Business Combinations and reflected in the profit for the period in the financial statements.

For the years ended December 31, 2025 and 2024, expenses from investing activities are as follows:

	1 January- 31 December 2025	1 January- 31 December 2024
<b>Expenses from Investing Activities</b>		
Impairment of tangible assets and investment properties	(1,566,351,412)	(1,991,283,848)
Impairment of financial investments at fair value (Note 25)	(895,333,947)	-
	<u>(2,461,685,359)</u>	<u>(1,991,283,848)</u>

# ESENBOĞA ELEKTRİK ÜRETİM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2025

(Amounts expressed in Turkish Lira ("TL") in terms of purchasing power of the TL at 31 December 2025 unless otherwise indicated.)

### 22. FINANCE INCOME AND EXPENSES

The details of income from financing activities for the periods ending on December 31, 2025, and December 31, 2024, are as follows:

	1 January- 31 December 2025	1 January- 31 December 2024
<b>Finance income</b>		
Foreign exchange gains from banks	57,285,207	46,947,674
Interest income from related parties (Note 5)	37,225,842	36,450,224
Interest income from time deposits	14,897,479	41,016,800
Interest income from derivative instruments	-	5,889,481
	<u>109,408,528</u>	<u>130,304,179</u>

The details of expenses from financing activities for the periods ending on December 31, 2025, and December 31, 2024, are as follows:

	1 January- 31 December 2025	1 January- 31 December 2024
<b>Finance expenses</b>		
Foreign exchange losses from banks	(642,122,751)	(354,378,543)
Interest expense on borrowings	(637,769,396)	(546,283,360)
Interest expense to related parties (Note 5)	(55,257,450)	(30,259,766)
Bank commission expenses	(53,057,206)	(51,796,486)
Letter of guarantee commission expenses	(34,807,562)	(3,194,257)
Other financing expenses	(4,910,901)	(741,994)
	<u>(1,427,925,266)</u>	<u>(986,654,406)</u>

# ESENBOĞA ELEKTRİK ÜRETİM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2025

(Amounts expressed in Turkish Lira ("TL") in terms of purchasing power of the TL at 31 December 2025 unless otherwise indicated.)

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

	31 December 2025	31 December 2024
Current corporate tax provision	-	-
Less: Prepaid taxes and funds	(6,716,744)	(13,608,160)
<b>Tax provision in the balance sheet</b>	<b>(6,716,744)</b>	<b>(13,608,160)</b>
<i>Tax expense in the statement of profit or loss:</i>		
	1 January- 31 December 2025 #	1 January- 31 December 2024
<u>Tax expense / (income) consists of the following:</u>		
Current tax expense / (income)	-	-
Deferred tax (income)/expense	(297,930,360)	209,392,630
	<u>(297,930,360)</u>	<u>209,392,630</u>

#### Corporate Tax

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

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

The effective tax rate in 2025 is 25% (2024: 25%).

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

# ESENBOĞA ELEKTRİK ÜRETİM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2025

(Amounts expressed in Turkish Lira ("TL") in terms of purchasing power of the TL at 31 December 2025 unless otherwise indicated.)

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

#### Deferred Tax:

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

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

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

Under the temporary article added to the Tax Procedure Law ("TPL") by the omnibus law No. 7571 published in the Official Gazette dated 24 December 2025, it has been stipulated that the PPI-based inflation adjustment shall not be applied for the 2025, 2026, and 2027 fiscal years, even if the conditions are met. Accordingly, no inflation adjustment has been applied to the TPL financial statements, which will form the basis for corporate tax returns for these periods.

Revaluation increases of immovable property and depreciable assets in the TPL financial statements, in accordance with the conditions set forth in Temporary Article 32 and Repeated Article 298(c) of the Tax Procedure Law, have been taken into account in the calculation of deferred tax in the TFRS financial statements.

The movements of deferred tax assets/(liabilities) during the periods ended 31 December 2025 and 2024 are presented below:

	31 December 2025	31 December 2024
<u>Deferred tax assets/(liabilities):</u>		
Adjustments related to investment property, tangible and int	(2,011,281,479)	(1,950,332,362)
Cash flow hedge gains	-	431,708,870
Fair value adjustments	(822,255,673)	(612,764,651)
Financial losses	399,295,885	307,879,614
Accrued income and expenses	(20,763,382)	(15,366,808)
Provision for severance pay	800,887	488,540
Provision for unused vacation	750,025	889,819
Other	(3,630,857)	(4,894,169)
Lease transactions	2,675,796	-
	<u>(2,454,408,798)</u>	<u>(1,842,391,147)</u>

# ESENBOĞA ELEKTRİK ÜRETİM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2025

(Amounts expressed in Turkish Lira ("TL") in terms of purchasing power of the TL at 31 December 2025 unless otherwise indicated.)

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

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

The expiration dates of unused accumulated losses over which deferred tax assets calculated are as follows:

	31 December 2025	31 December 2024
Ending in 2026	15,456,355	20,450,421
Ending in 2027	41,094,505	58,643,567
Ending in 2028	111,322,490	159,615,969
Ending in 2029	51,111,812	69,169,657
Ending in 2030	180,310,723	-
	<u>399,295,885</u>	<u>307,879,614</u>

The movement of deferred tax assets / (liabilities) for the year ended December 31, 2025 and 2024 is given below:

	1 January- 31 December 2025	1 January- 31 December 2024
<u>Movements in deferred tax assets / (liabilities):</u>		
Opening balance as of 1 January	(1,842,391,147)	(2,371,025,488)
Recognised in the income statement	(297,930,360)	209,392,630
Recognised under equity	(314,087,291)	319,241,711
Closing balance as of 31 December	<u>(2,454,408,798)</u>	<u>(1,842,391,147)</u>

The reconciliation of the period tax expense with the profit for the period is as follows:

	31 December 2025	31 December 2024
Profit before tax from operations	(1,254,172,987)	(639,429,649)
Income tax rate	25%	25%
Tax (expense) / income	<u>313,543,247</u>	<u>159,857,412</u>
– Non-deductible expenses	(18,242,518)	(25,946,501)
– Deferred tax asset arising from prior year losses	91,416,271	(12,837,081)
– Tax effect of deductible temporary differences	(72,663,679)	(68,170,626)
– Inflation effect	(614,233,858)	155,185,493
– Other	2,250,177	1,303,933
Tax expense in the income statement	<u>(297,930,360)</u>	<u>209,392,630</u>

# ESENBOĞA ELEKTRİK ÜRETİM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2025

(Amounts expressed in Turkish Lira ("TL") in terms of purchasing power of the TL at 31 December 2025 unless otherwise indicated.)

### 24. EARNINGS PER SHARE

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

	1 January- 31 December 2025	1 January- 31 December 2024
<b>Earnings per share</b>		
Net profit / (loss) for the period	(1,157,995,588)	(340,048,366)
Number of shares	1,805,920,146	1,805,556,349
<b>Earnings per share (TL)</b>	<b>(0.64)</b>	<b>(0.19)</b>

### 25. FINANCIAL INSTRUMENTS

#### a) Derivative Instruments

31 December 2025	Contract Amount	Asset	Liability
<b>Derivative financial assets</b>			
Presentation of hedging derivative instruments at fair value:			
<i>Derivative instrument</i>	1,091,980,238	90,710,229	-
<i>Cross currency swap transactions</i>	30,225,900	-	747,245
	<u>1,122,206,138</u>	<u>90,710,229</u>	<u>747,245</u>
Short-term	-	42,676,453	747,245
Long-term	-	48,033,776	-
	<u>-</u>	<u>90,710,229</u>	<u>747,245</u>
<b>31 December 2024</b>	<b>Sözleşme Tutarı</b>	<b>Varlık</b>	<b>Yükümlülük</b>
<b>Derivative financial assets</b>			
Presentation of hedging derivative instruments at fair value:			
<i>Derivative instrument</i>	1,176,939,120	48,349,919	-
<i>Cross currency swap transactions</i>	59,436,990	-	1,316,626
	<u>1,236,376,110</u>	<u>48,349,919</u>	<u>1,316,626</u>
Short-term	-	15,468,478	1,316,626
Long-term	-	32,881,441	-
	<u>-</u>	<u>48,349,919</u>	<u>1,316,626</u>

# ESENBOĞA ELEKTRİK ÜRETİM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2025

(Amounts expressed in Turkish Lira ("TL") in terms of purchasing power of the TL at 31 December 2025 unless otherwise indicated.)

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

#### b) Financial Investments

<u>Long-Term Financial Investments</u>	<u>31 December 2025</u>	<u>31 December 2023</u>
Financial investments at fair value through profit or loss (*)	3,239,542,400	4,134,876,347
Venture capital investments (**)	16,782,357	-
	<u>3,256,324,757</u>	<u>4,134,876,347</u>

(\*) On 20 January 2023, the Group acquired 30.39% of Enda Enerji Holding A.Ş. for a nominal consideration of TL 1,123,581,672. Following the initial public offering in February 2025, Enda Enerji Holding A.Ş. began trading on Borsa İstanbul. As a result of this offering, the Group's ownership in Enda Enerji Holding A.Ş. decreased from 30.39% to 24.02%. The Company classifies this investment as a long-term financial investment measured at fair value through profit or loss. A fair value impairment of TL 895,333,947 has been recognized under expenses from investing activities. The fair value hierarchy level of investments measured at fair value through profit or loss is Level 3. In determining the fair value, while the market prices of Enda Enerji Holding A.Ş. shares traded on Borsa İstanbul were considered, reliance solely on market prices was deemed inappropriate. Therefore, the Discounted Cash Flow ("DCF") method and acceptable market approaches were also applied. The methods used for significant assessments, estimates, and assumptions in independent valuations are consistent with those applied in the fair value determination as of 31 December 2025. Given the sensitivity of long-term price expectations, electricity generation forecasts, discount rate (Weighted Average Cost of Equity, "WACE"), and capacity utilization rate estimates to sectoral and economic variables, and the complexity of the inputs and calculations, an independent valuation firm was authorized to perform the revaluation. As of 31 December 2025, the fair value determined by an independent appraisal company licensed by the CMB is used for plants, machinery, and equipment.

(\*\*) The Group's venture capital investments consist of investments in companies operating in the electric vehicle charging infrastructure and related software solutions sectors.

# ESENBOĞA ELEKTRİK ÜRETİM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2025

(Amounts expressed in Turkish Lira ("TL") in terms of purchasing power of the TL at 31 December 2025 unless otherwise indicated.)

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

#### c) Financial Liabilities

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

	31 December 2025	31 December 2024
<u>Short-Term Financial Borrowings</u>		
Short-term bank loans	1,021,518,863	791,839,009
Short-term portion of long-term bank borrowings	1,365,843,920	1,287,289,373
	<u>2,387,362,783</u>	<u>2,079,128,382</u>
<u>Long-Term Financial Borrowings</u>		
Long-term bank loans	2,001,481,701	2,579,340,856
	<u>2,001,481,701</u>	<u>2,579,340,856</u>

The details of bank loans are as follows:

31 December 2025				
Currency	Weighted average effective interest rate	Short-term	Weighted average effective interest rate	Long-term
TL	%28,72-%93,20	661,975,230	%28,72-%93,20	180,295,014
USD	%5,50-%15,95	328,177,828	%5,50-%15,95	766,786,772
EUR	%4,26-%10,51	1,394,911,045	%4,26-%10,51	868,076,873
CHF	%1,69	2,298,680	%1,69	186,323,042
		<u>2,387,362,783</u>		<u>2,001,481,701</u>
31 December 2024				
Currency	Weighted average effective interest rate	Short-term	Weighted average effective interest rate	Long-term
TL	%49,73 - %87,38	310,336,354	%49,73 - %87,38	161,362,281
USD	%5,50 - %14,1	423,425,688	%5,50 - %14,1	891,119,662
EUR	%4,68 - %8,79	1,334,423,537	%4,68 - %8,79	1,353,875,404
CHF	%5,02	10,942,803	%5,02	172,983,509
		<u>2,079,128,382</u>		<u>2,579,340,856</u>

# ESENBOĞA ELEKTRİK ÜRETİM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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

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

The maturities of bank loans are as follows:

	31 December 2025	31 December 2024
Payable in 1 year	2,387,362,783	2,079,128,382
Payable in 1 - 2 years	1,125,867,684	989,311,020
Payable in 2 - 3 years	411,256,418	887,527,177
Payable in 3 - 4 years	289,484,051	338,839,566
Payable in 4 - 5 years	128,831,174	216,140,815
5 years and longer	46,042,374	147,522,278
	<u>4,388,844,484</u>	<u>4,658,469,238</u>
	1 January- 31 December 2025	1 January- 31 December 2024
<u>Financial Borrowings</u>		
Beginning of the period - 1 January	4,658,469,238	5,425,866,766
Recent financial borrowings	960,777,642	1,700,980,552
Principal payments	(1,366,746,838)	(1,325,220,002)
Change in foreign exchange rate	976,579,688	523,408,375
Change in interest accruals	15,420,239	1,222,369
Effect of subsidiary acquisition	263,949,321	-
Inflation impact	(1,119,604,806)	(1,667,788,822)
	<u>4,388,844,484</u>	<u>9,047,313,722</u>

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

#### a) Capital risk management

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

The Group's capital structure consists of borrowings, including the loans disclosed in Note 16, cash and cash equivalents, and equity attributable to the parent company shareholders, comprising issued capital, legal reserves, and retained earnings. The Group's Board of Directors evaluates the risks associated with each class of capital together with the cost of capital. Based on the recommendations of the Board, the Company aims to maintain a balanced capital structure through obtaining new borrowings or repaying existing debt.

## ESENBOĞA ELEKTRİK ÜRETİM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2025

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

As of 31 December 2025 and 31 December 2024, the Group's net debt/total capital ratio is as follows:

	31 December 2025	31 December 2024
Borrowings	4,388,844,484	4,658,469,238
Less: Cash and cash equivalents	(419,148,532)	(152,990,239)
<b>Net Debt</b>	<b>3,969,695,952</b>	<b>4,505,478,999</b>
Total Equity	13,160,727,289	15,364,970,831
Total Capital	17,130,423,241	19,870,449,830
<b>Net Debt/Total Capital Ratio</b>	<b>0.23</b>	<b>0.23</b>

#### b) Financial risk factors

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

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

## ESENBOĞA ELEKTRİK ÜRETİM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2025

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

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

##### b.1) Credit risk management (cont'd)

##### Credit risks by types of financial instruments

31 December 2025	Receivables						Derivative Instruments	Other
	Trade Receivables		Other Receivables		Deposit at Banks			
	Related Party	Other	Related Party	Other				
Maximum exposure to credit risk as of reporting date (A+B+C+D)	-	682,970,288	194,380	20,618,198	416,721,854	89,962,984	-	
- The portion of the maximum risk secured by collateral, etc.	-	-	-	-	-	-	-	
A. Net book value of financial assets that are not overdue or impaired	-	682,970,288	194,380	20,618,198	416,721,854	89,962,984	-	
B. Net book value of overdue but not impaired assets	-	-	-	-	-	-	-	
C. Net book values of impaired assets	-	-	-	-	-	-	-	
- Past due (gross book value)	-	-	-	-	-	-	-	
- Impairment (-)	-	-	-	-	-	-	-	
- Secured portion of the net book value by collateral, etc.	-	-	-	-	-	-	-	
- Not past due (gross amount)	-	-	-	-	-	-	-	
- Impairment (-)	-	-	-	-	-	-	-	
- Secured portion of the net book value by collateral, etc.	-	-	-	-	-	-	-	
D. Off-balance sheet items that include credit risk	-	-	-	-	-	-	-	

## ESENBOĞA ELEKTRİK ÜRETİM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2025

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

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

##### b.1) Credit risk management (cont'd)

##### Credit risks by types of financial instruments

31 December 2024	Receivables				Deposit at Banks	Derivative Instruments	Other
	Trade Receivables		Other Receivables				
	Related Party	Other	Related Party	Other			
Maximum exposure to credit risk as of reporting date (A+B+C+D)	346,395,689	876,547,800	321,095,980	11,509,323	151,314,900	47,033,293	-
- The portion of the maximum risk secured by collateral, etc.	-	-	-	-	-	-	-
A. Net book value of financial assets that are not overdue or impaired	346,395,689	876,547,800	321,095,980	11,509,323	151,314,900	47,033,293	-
B. Net book value of overdue but not impaired assets	-	-	-	-	-	-	-
C. Net book values of impaired assets							
- Past due (gross book value)	-	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-	-
- Secured portion of the net book value by collateral, etc.	-	-	-	-	-	-	-
- Not past due (gross amount)	-	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-	-
- Secured portion of the net book value by collateral, etc.	-	-	-	-	-	-	-
D. Off-balance sheet items that include credit risk	-	-	-	-	-	-	-

**ESENBOĞA ELEKTRİK ÜRETİM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2025**

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

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

***b.2) Liquidity risk management***

**31 December 2025**

<b><u>Contractual maturities</u></b>	<b><u>Carrving value</u></b>	<b><u>Total Contracted Cash Outflows (I+II+III)</u></b>	<b><u>Less than 3 months (I)</u></b>	<b><u>Between 3-12 months (II)</u></b>	<b><u>Between 1-15 years (III)</u></b>
<b>Non-derivative financial liabilities</b>					
Financial liabilities	4,388,844,484	5,112,445,583	682,330,833	1,858,071,127	2,572,043,623
Liabilities arising from lease transactions	70,957,820	76,634,446	-	6,966,768	69,667,678
Trade payables	501,647,862	501,647,862	-	501,647,862	-
Other payables	421,737,311	30,464,742	-	30,464,742	-
<b>Total liability</b>	<b>5,383,187,477</b>	<b>5,721,192,633</b>	<b>682,330,833</b>	<b>2,397,150,499</b>	<b>2,641,711,301</b>

**31 December 2024**

<b><u>Contractual maturities</u></b>	<b><u>Carrving value</u></b>	<b><u>Total Contracted Cash Outflows (I+II+III)</u></b>	<b><u>Less than 3 months (I)</u></b>	<b><u>Between 3-12 months (II)</u></b>	<b><u>Between 1-15 years (III)</u></b>
<b>Non-derivative financial liabilities</b>					
Financial liabilities	4,658,469,238	6,341,427,655	1,210,254,104	1,696,466,570	3,434,706,981
Trade payables	569,965,433	569,965,433	-	569,965,433	-
Other payables	7,540,901	7,540,901	-	7,540,901	-
<b>Total liability</b>	<b>5,235,975,572</b>	<b>6,918,933,989</b>	<b>1,210,254,104</b>	<b>2,273,972,904</b>	<b>3,434,706,981</b>

# ESENBOĞA ELEKTRİK ÜRETİM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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(Amounts expressed in Turkish Lira ("TL") in terms of purchasing power of the TL at 31 December 2025 unless otherwise indicated.)

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

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

##### *b.3 ) Foreign exchange risk management*

Transactions denominated in foreign currencies give rise to foreign exchange risk. The distribution of the Group's monetary and non-monetary assets and liabilities denominated in foreign currencies as of the reporting date is as follows:

	31 December 2025				
	TL Equivalent (Functional currency)	USD	EUR	GBP	CHF
1. Trade Receivables	8,252,101	39,943	130,071	-	-
2a. Monetary Financial Assets	39,581,399	209,552	535,393	62,747	1,328
2b. Non-Monetary Financial Assets	-	-	-	-	-
3. Other	78,574,734	842,571	839,368	4,622	-
<b>4. CURRENT ASSETS</b>	<b>126,408,234</b>	<b>1,092,066</b>	<b>1,504,832</b>	<b>67,369</b>	<b>1,328</b>
5. Trade Receivables	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-	-
7. Other	7,576,962	176,843	-	-	-
<b>8. NON-CURRENT ASSETS</b>	<b>7,576,962</b>	<b>176,843</b>	-	-	-
<b>9. TOTAL ASSETS</b>	<b>133,985,196</b>	<b>1,268,909</b>	<b>1,504,832</b>	<b>67,369</b>	<b>1,328</b>
10. Trade Payables	20,167,738	395,129	66,726	2,660	-
11. Financial Liabilities	715,000,315	570,000	13,707,468	-	-
12a. Monetary Other Liabilities	18,921,838	110,292	274,708	5,509	562
12b. Non-Monetary Other Liabilities	-	-	-	-	-
<b>13. CURRENT LIABILITIES</b>	<b>754,089,891</b>	<b>1,075,421</b>	<b>14,048,902</b>	<b>8,169</b>	<b>562</b>
14. Trade Payables	-	-	-	-	-
15. Financial Liabilities	2,832,083,228	25,339,327	30,886,798	-	3,475,000
16a. Monetary Other Liabilities	-	-	-	-	-
16b. Non-Monetary Other Liabilities	-	-	-	-	-
<b>17. NON-CURRENT LIABILITIES</b>	<b>2,832,083,228</b>	<b>25,339,327</b>	<b>30,886,798</b>	-	<b>3,475,000</b>
<b>18. TOTAL LIABILITIES</b>	<b>3,586,173,119</b>	<b>26,414,748</b>	<b>44,935,700</b>	<b>8,169</b>	<b>3,475,562</b>
19. Net Asset/ (Liability) Position of Off-Balance Sheet Derivative Instruments (19a-19b)	362,773,541	2,682,065	4,928,988	-	-
19a. Hedged portion of assets amount	362,773,541	2,682,065	4,928,988	-	-
19b. Hedged portion of liabilities amount	-	-	-	-	-
20. Net foreign currencies assets / (liability) position	(3,089,414,382)	(22,463,774)	(38,501,880)	59,200	(3,474,234)
21. Monetary Items Net Foreign Currency Asset/Liability Position (1+2a+5+6a-10-11-12a-14-15-16a)	(3,538,339,619)	(26,165,253)	(44,270,236)	54,578	(3,474,234)

# ESENBOĞA ELEKTRİK ÜRETİM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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(Amounts expressed in Turkish Lira ("TL") in terms of purchasing power of the TL at 31 December 2025 unless otherwise indicated.)

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

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

##### *b.3.) Foreign exchange risk management (cont'd)*

	31 December 2024				
	TL Equivalent (Functional currency)	USD	EUR	GBP	CHF
1. Trade Receivables	2,628,357	13,647	58,441	-	-
2a. Monetary Financial Assets	83,380,702	380,746	1,874,785	-	27,613
2b. Non-Monetary Financial Assets	-	-	-	-	-
3. Other	41,785,926	1,158,207	25,152	-	-
<b>4. CURRENT ASSETS</b>	<b>127,794,985</b>	<b>1,552,600</b>	<b>1,958,378</b>	-	<b>27,613</b>
5. Trade Receivables	8,166,463	231,474	-	-	-
6a. Monetary Financial Assets	27,995,585	788,931	4,406	-	-
6b. Non-Monetary Financial Assets	-	-	-	-	-
7. Other	-	-	-	-	-
<b>8. NON-CURRENT ASSETS</b>	<b>36,162,048</b>	<b>1,020,405</b>	<b>4,406</b>	-	-
<b>9. TOTAL ASSETS</b>	<b>163,957,033</b>	<b>2,573,005</b>	<b>1,962,784</b>	-	<b>27,613</b>
10. Trade Payables	30,462,962	342,421	496,003	2,394	-
11. Financial Liabilities	1,768,792,028	11,980,197	36,259,145	-	279,192
12a. Monetary Other Liabilities	12,862,425	5,538	344,181	-	-
12b. Non-Monetary Other Liabilities	-	-	-	-	-
<b>13. CURRENT LIABILITIES</b>	<b>1,812,117,415</b>	<b>12,328,156</b>	<b>37,099,329</b>	<b>2,394</b>	<b>279,192</b>
14. Trade Payables	-	-	-	-	-
15. Financial Liabilities	2,417,978,575	25,212,899	36,787,693	-	4,413,452
16a. Monetary Other Liabilities	-	-	-	-	-
16b. Non-Monetary Other Liabilities	-	-	-	-	-
<b>17. NON-CURRENT LIABILITIES</b>	<b>2,417,978,575</b>	<b>25,212,899</b>	<b>36,787,693</b>	-	<b>4,413,452</b>
<b>18. TOTAL LIABILITIES</b>	<b>4,230,095,990</b>	<b>37,541,055</b>	<b>73,887,022</b>	<b>2,394</b>	<b>4,692,644</b>
19. Net Asset/ (Liability) Position of Off-Balance Sheet Derivative Instruments (19a-19b)	290,424,333	4,762,599	3,317,610	-	-
19a. Hedged portion of assets amount	290,424,333	4,762,599	3,317,610	-	-
19b. Hedged portion of liabilities amount	-	-	-	-	-
20. Net foreign currencies assets / (liability) position	(3,775,714,624)	(30,205,451)	(68,606,628)	(2,394)	(4,665,031)
21. Monetary Items Net Foreign Currency Asset/Liability Position (1+2a+5+6a-10-11-12a-14- 15-16a)	(4,107,924,883)	(36,126,257)	(71,949,390)	(2,394)	(4,665,031)

# ESENBOĞA ELEKTRİK ÜRETİM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2025

(Amounts expressed in Turkish Lira ("TL") in terms of purchasing power of the TL at 31 December 2025 unless otherwise indicated.)

### 26. NATURE 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)

##### Foreign currency sensitivity

The Group is mainly exposed to foreign exchange risk denominated in US Dollars and Euros. The table below shows the Group's sensitivity to a 20% increase and decrease in USD and EUR exchange rates. The 20% rate is the rate used when reporting foreign exchange risk internally to key management personnel and represents management's assessment of the possible change in exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items at year-end and shows the effects of a 20% change in exchange rates at the reporting date. This analysis includes foreign currency denominated borrowings obtained and utilized by entities within the Group for overseas operations, as well as external borrowings, where the functional currency of the borrowing entity differs from the currency of the borrowing. A positive amount indicates an increase in profit or loss due to the appreciation of TL against the relevant currency.

	31 December 2025	
	Profit / Loss	
	Appreciation of foreign currency	Depreciation foreign currency
In case of a 20% appreciation of US Dollar against TL		
1 - USD net asset/liability	(186,479,875)	186,479,875
2 - Portion hedged against USD risk (-)	-	-
<b>3 - USD net effect (1 +2)</b>	<b>(186,479,875)</b>	<b>186,479,875</b>
In case of a 20% appreciation of EUR against TL		
4 - EUR net asset/liability	(375,402,570)	375,402,570
5 - Portion hedged against EUR risk (-)	-	-
<b>6 - EUR net effect (4+5)</b>	<b>(375,402,570)</b>	<b>375,402,570</b>
In case of a 20% appreciation of GBP against TL		
7 - GBP net asset/liability	659,500	(659,500)
8 - Portion hedged against GBP risk (-)	-	-
<b>9 - GBP net effect (7+8)</b>	<b>659,500</b>	<b>(659,500)</b>
In case of a 20% appreciation of CHF against TL		
10 - CHF net asset/liability	(36,111,814)	36,111,814
11 - Portion hedged against CHF risk (-)	-	-
<b>12 - CHF net effect (10+11)</b>	<b>(36,111,814)</b>	<b>36,111,814</b>
<b>TOTAL (3 + 6 + 9 + 12)</b>	<b>(597,334,759)</b>	<b>597,334,759</b>

# ESENBOĞA ELEKTRİK ÜRETİM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2025

(Amounts expressed in Turkish Lira ("TL") in terms of purchasing power of the TL at 31 December 2025 unless otherwise indicated.)

### 26. NATURE 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)

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

	31 December 2024	
	Profit / Loss	
	Appreciation of foreign currency	Depreciation foreign currency
In case of a 20% appreciation of US Dollar against TL		
1 - USD net asset/liability	(213,131,475)	213,131,475
2 - Portion hedged against USD risk (-)	-	-
<b>3 - USD net effect (1 +2)</b>	<b>(213,131,475)</b>	<b>213,131,475</b>
In case of a 20% appreciation of EUR against TL		
4 - EUR net asset/liability	(504,069,362)	504,069,362
5 - Portion hedged against EUR risk (-)	-	-
<b>6 - EUR net effect (4+5)</b>	<b>(504,069,362)</b>	<b>504,069,362</b>
In case of appreciation of other foreign exchange rates by 20% against TL		
7- Other foreign currency net assets / liabilities	(21,166)	21,166
8- Other foreign currency hedged portion (-)	-	-
<b>9 - GBP net effect (7+8)</b>	<b>(21,166)</b>	<b>21,166</b>
In case of a 20% appreciation of CHF against TL		
10 - CHF net asset/liability	(36,335,553)	36,335,553
11 - Portion hedged against CHF risk (-)	-	-
<b>12 - CHF net effect (10+11)</b>	<b>(36,335,553)</b>	<b>36,335,553</b>
<b>TOTAL (3 + 6 + 9 + 12)</b>	<b>(753,557,556)</b>	<b>753,557,556</b>

# ESENBOĞA ELEKTRİK ÜRETİM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2025

(Amounts expressed in Turkish Lira ("TL") in terms of purchasing power of the TL at 31 December 2025 unless otherwise indicated.)

### 27. NET MONETARY POSITION GAINS AND LOSSES

As of December 31, 2025 and December 31, 2024, the Group's monetary gains and losses are as follows:

<u>Non-Monetary Items</u>	<u>31 December 2025</u>	<u>31 December 2024</u>
<b>Balance Sheet Items</b>	<b>1,512,287,107</b>	<b>1,756,305,481</b>
Inventories	4,972,141	20,532,751
Prepaid expenses	8,273,161	13,222,958
Financial investments	975,885,748	1,172,978,443
Right-of-use assets	10,483,063	-
Property, plant, and equipment (PPE)	3,173,398,278	5,497,990,764
Investment properties	664,890,640	394,889,929
Deferred income	(6,037,555)	(9,314,314)
Deferred tax liabilities	434,828,786	141,879,395
Treasury shares	(1,900,632)	32,444,784
Capital adjustment differences	(390,243,089)	(508,242,180)
Share premiums and discounts	(871,564,698)	(1,129,154,955)
Cash flow hedge gains (losses)	796,405,191	609,342,124
Restricted reserves from profit	(8,548,195)	(10,293,237)
Retained earnings / accumulated losses	(1,955,368,949)	(3,227,114,683)
Non-controlling interests	(1,323,186,783)	(1,242,856,298)
<b>Income Statement Items</b>	<b>(169,675,513)</b>	<b>(77,111,368)</b>
Revenue	(170,449,492)	(149,944,538)
Cost of sales	93,833,191	48,062,714
General administrative expenses	29,589,657	32,977,488
Other operating income	(23,438,635)	(15,039,365)
Other operating expenses	7,482,344	23,551,294
Investment income	(230,518,275)	(143,187,994)
Finance income	(23,979,856)	(13,682,738)
Finance costs	147,805,553	140,151,771
<b>Net monetary position gains (losses)</b>	<b><u>1,342,611,594</u></b>	<b><u>1,679,194,113</u></b>

## ESENBOĞA ELEKTRİK ÜRETİM ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2025

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#### 28. FEES FOR SERVICES RECEIVED FROM INDEPENDENT AUDIT FIRM

The fees related to the services received by the Group from the Independent Audit Firm (IAF) for the periods 1 January - 31 December 2025 and 1 January - 31 December 2024 are as follows:

	2025		2024			
	BDK	Other BDK	Total	BDK	Other BDK	Total
Independent audit fee for the reporting period	2.900.040	-	2.900.040	2.575.606	-	2.575.606
Fees for tax advisory services	-	1.587.886	1.587.886	-	1.711.210	1.711.210
Fees for other assurance services	-	-	-	-	-	-
Fees for other non-audit services	-	-	-	-	-	-
	<u>2.900.040</u>	<u>1.587.886</u>	<u>4.487.926</u>	<u>2.575.606</u>	<u>1.711.210</u>	<u>4.286.816</u>

#### 29. EVENTS AFTER THE REPORTING PERIOD

The Group is assessing the potential impact of the conflicts between Iran, Israel, and the United States on its operations. As of the reporting date, these developments do not have a material effect on the Group's operations, assets, liabilities, or financial position.

#### 30. DISCLOSURES RELATED TO THE STATEMENT OF CASH FLOWS

	31 December 2025	31 December 2024
Cash on hand	248,101	187,256
Cash at banks	416,721,854	151,314,900
Demand deposits	239,866,944	91,966,441
Time deposits	176,854,910	59,348,459
Other	2,178,577	1,488,083
	<u>419,148,532</u>	<u>152,990,239</u>

There are no blocked deposits (31 December 2024: None).