

THIS OFFERING OF THE NOTES IS AVAILABLE ONLY TO INVESTORS WHO ARE EITHER (1) QIBS (AS DEFINED BELOW) OR (2) PURCHASING THE NOTES FROM OUTSIDE THE UNITED STATES IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”).

IMPORTANT: You must read the following before continuing. The following applies to the offering memorandum (the “**Offering Memorandum**”) following this page and you are therefore advised to read this page carefully before reading, accessing or making any other use of the Offering Memorandum. In accessing the Offering Memorandum, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from Aydem Yenilenebilir Enerji A.Ş. (the “**Issuer**”), Citigroup Global Markets Limited, Goldman Sachs International and Morgan Stanley & Co. International plc (the “**Joint Bookrunners**”) as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE NOTES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER UNITED STATES JURISDICTION, AND THE NOTES MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THE OFFERING MEMORANDUM MAY NOT BE FORWARDED OR DISTRIBUTED IN WHOLE OR IN PART TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER AND, IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE OFFERING MEMORANDUM IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORIZED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE SECURITIES.

Confirmation of your representation: In order to be eligible to view the Offering Memorandum or make an investment decision with respect to the said securities, prospective investors must be either Qualified Institutional Buyers (“**QIBs**”) (within the meaning of Rule 144A under the Securities Act (“**Rule 144A**”)) or purchasing the Notes outside of the United States in an offshore transaction in reliance on Regulation S under the Securities Act. The Offering Memorandum is being sent to you at your request and, by accessing the Offering Memorandum, you shall be deemed to have represented to the Issuer and Joint Bookrunners that (1) either (a) you and any customers you represent are QIBs or (b) you and any customers you represent are outside of the United States and the electronic mail address that you gave us and to which this transmission has been delivered is not located in the United States, its territories and possessions, any State of the United States or the District of Columbia and (2) you consent to delivery of the Offering Memorandum by electronic transmission.

You are reminded that the Offering Memorandum has been delivered to you on the basis that you are a person into whose possession the Offering Memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorized to, deliver the Offering Memorandum to any other person.

The materials relating to this offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the

offering be made by a licensed broker or dealer, and the lead managers or any affiliate of the lead managers is a licensed broker or dealer in the relevant jurisdiction, the offering shall be deemed to be made by the lead managers or such affiliate on behalf of the Issuer in such jurisdiction.

The Offering Memorandum may only be communicated or caused to be communicated to persons in the United Kingdom in circumstances where section 21(1) of the Financial Services and Markets Act 2000 does not apply and may be distributed in the United Kingdom only to (i) persons who have professional experience in matters relating to investments who fall within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “**Order**”); (ii) high net worth entities falling within Article 49(2) (a) to (d) of the Order; or (iii) other persons to whom it may otherwise lawfully be distributed (all such persons together being referred to as “**relevant persons**”). Any person who is not a relevant person should not act or rely on this document or any of its contents.

The Offering Memorandum has been sent to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Issuer and the Joint Bookrunners, any person who controls them or any director, officer, employee or agent of them or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Offering Memorandum distributed to you in electronic format and the hard copy version available to you on request from the Joint Bookrunners.



Aydem Yenilenebilir Enerji A.Ş.

(incorporated in and operating under the laws of the Republic of Türkiye)

Legal entity identifier (LEI): 9845009C50EDA74OA532

\$550,000,000 9.875% Senior Secured Green Notes due 2030

Issue Price: 98.269%

Aydem Yenilenebilir Enerji A.Ş. (the “**Issuer**” and, together with its consolidated subsidiaries, “**we**,” “**our**,” “**us**” or the “**Group**”) is offering \$550,000,000 9.875% Senior Secured Green Notes due 2030 (the “**Notes**”) (the “**Offering**”). The Notes will represent direct, secured, unsubordinated and unconditional obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The Notes shall be senior obligations of the Issuer and will rank at all times at least equally in right of payment with any existing and future unsecured and unsubordinated Indebtedness (as defined in “*Terms and Conditions of the Notes*”) of the Issuer, and will rank senior in right of payment to all existing and future subordinated Indebtedness and any other subordinated liabilities of the Issuer. The Notes will be effectively subordinated in right of payment to any existing and future Indebtedness of the Issuer, if any, that is secured by Liens (as defined in “*Terms and Conditions of the Notes*”) not forming part of the Collateral (as defined below), to the extent of the value of the assets securing such Indebtedness. On the Issue Date, the Issuer’s obligations under the Notes will not be guaranteed; however, the Issuer will be required to designate its restricted subsidiaries as guarantors if the Issuer and any existing guarantors (after eliminating intra-group transactions) comprise less than 85% of each of the Consolidated EBITDA, gross assets, net assets and turnover of the Issuer and its Restricted Subsidiaries (as defined in “*Terms and Conditions of the Notes*”), the Issuer shall cause additional restricted subsidiaries, on a joint and several basis with each other guarantor, to unconditionally and irrevocably guarantee the due payment of all moneys payable by the Issuer and any other existing guarantor under the Notes, subject to the satisfaction of certain other conditions as detailed in “*Terms and Conditions of the Notes—Covenants—Additional Guarantees and Limitations on Guarantees*” and “*Terms and Conditions of the Notes—Guarantee and Status—Addition of Guarantees*.” The guarantee of each guarantor will constitute direct, unsubordinated, (subject as provided in “*Terms and Conditions of the Notes—Covenants—Limitation on Liens*”) unsecured and unconditional obligations of such guarantor. The payment obligations of each guarantor under its guarantee shall at all times rank *pari passu* and without any preference among themselves and with all outstanding unsecured and unsubordinated obligations of such guarantor, present and future. The validity and enforceability of any guarantees and the Collateral and the liability of the Issuer, any guarantors and security providers will be subject to the limitations described in “*Limitations on Validity and Enforceability of the Turkish Collateral and the Turkish Guarantees and Certain Turkish Insolvency Law Considerations*” and “*Risk Factors—Risks Related to the Notes and the Collateral*.”

As soon as reasonably practicable and in any case not later than the dates specified in “*Terms and Conditions of the Notes—Collateral*” and subject to applicable perfection requirements, the Notes will be secured by pledges over the Issuer’s and any Guarantor’s bank accounts (subject to certain exceptions) and moveable assets (including certain assets acquired after the Issue Date, if any) and an assignment over their receivables (including certain future receivables, if any). Such security, collectively, is referred to as the “**Collateral**.” The security interests in the Collateral may be released under certain circumstances.

Interest on the Notes will be payable semi-annually in arrear on March 30 and September 30 in each year, commencing on March 30, 2026. On each of March 30, 2028, September 30, 2028, March 30, 2029, September 30, 2029 and March 30, 2030, the Issuer shall redeem \$75.00 per \$1,000 in principal amount of each Note outstanding at par, together (if applicable) with interest accrued and unpaid to (but excluding) the relevant date (and so that the principal amount of each Note outstanding that shall become due and payable on such date will be ratably reduced upon any earlier partial redemption of such Note pursuant to the other provisions of Condition 9 (*Redemption and Purchase*)). Thereafter the Issuer shall repay the remaining principal amount of Notes on September 30, 2030 (the “**Maturity Date**”) (see “*Terms and Conditions of the Notes—Redemption and Purchase—Mandatory Redemption by Amortization and Final Redemption*”). The Issuer may, at its option, redeem the Notes in whole or in part at any time from (and including) the Issue Date to (but excluding) the second anniversary of the Issue Date at a redemption price equal to 100% of the principal amount of such Notes, plus a “make-whole” payment and, thereafter to (but excluding) the third anniversary of the Issue Date, at 104.938% of the principal amount of such Notes, thereafter to (but excluding) the fourth anniversary of the Issue Date, at 102.469% of the principal amount of such Notes, plus, after the fourth anniversary of the Issue Date, at 100.000% of the principal amount of such Notes, in each case, accrued and unpaid interest and additional amounts, if any, to the date of redemption in each case as detailed in “*Terms and Conditions of the Notes—Redemption and Purchase—Redemption at the Option of the Issuer (Premium)*.”

At any time prior to March 30, 2027 the Issuer may redeem on one or more occasions up to 35% of the original aggregate principal amount of the Notes (including any Further Notes (as defined herein)) using the net proceeds from certain equity offerings at a redemption price equal to 109.875% of the principal amount of the Notes redeemed, plus accrued and unpaid interest and additional amounts, if any, to the date of redemption; provided that at least 60% of the original aggregate principal amount of the Notes (including any Further Notes) remains outstanding after the redemption. The Issuer may also redeem all, but not part only, of the Notes at their principal amount, plus accrued and unpaid interest and additional amounts thereon, if any, if, as a result of a change of law, the Issuer becomes obliged to pay certain additional amounts. Furthermore, upon the occurrence of certain defined events constituting a change of control and a related ratings decline or upon certain asset sales, each holder of Notes may require the Issuer to repurchase all or a portion of the Notes at a purchase price equal to 101% and 100% of the principal amount thereof, respectively, plus accrued and unpaid interest and additional amounts, if any, to the date of purchase. See “*Terms and Conditions of the Notes*.”

Investors should make their own assessment as to the suitability of investing in the Notes. Application has been made to the Irish Stock Exchange plc trading as Euronext Dublin (“**Euronext Dublin**”) for the Notes to be admitted to the official list of Euronext Dublin (the “**Official List**”) and to trading on its Global Exchange Market (the “**Global Exchange Market**”), which is the exchange regulated market of Euronext Dublin. The Global Exchange Market is not a regulated market for the purposes of Directive 2014/65/EU (“**MiFID II**”). This Offering Memorandum constitutes the listing particulars in respect of the Notes to be admitted to the Official List and to trading on the Global Exchange Market of Euronext Dublin and has been approved by Euronext Dublin. References in this Offering Memorandum to the Notes being “listed” (and all related references) will mean that the Notes have been admitted to the Official List and have been admitted to trading on the Global Exchange Market. This Offering Memorandum does not constitute a prospectus for the purposes of Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”). This Offering Memorandum has not been approved or reviewed by any regulator which is a competent authority under the Prospectus Regulation.

The Notes may not be sold outside Türkiye before the issuance is approved by the Capital Markets Board of Türkiye (the “CMB”) in its capacity as competent authority under the Capital Markets Law of the Republic of Türkiye, Law No. 6362 dated December 6, 2012 (the “**Capital Markets Law**”) for the issuance and sale of the Notes by the Issuer outside Türkiye. Application was made to the CMB and the CMB approval relating to the issuance of the Notes was obtained on April 30, 2025. The issuance certificate (*ihraç belgesi*) relating to the Notes was approved by the CMB on May 2, 2025, and a written approval of the CMB relating to the Notes (which may be in the form of a tranche issuance certificate (*tertip ihraç belgesi*) or in any other form required under the applicable legislation) will be required to be obtained from the CMB on or before the Issue Date.

The withholding tax rate on interest payments in respect of bonds issued by Turkish entities outside of Türkiye varies depending on the original maturity of such bonds as specified under decrees numbered 2010/1182 published on December 20, 2010 and numbered 2011/1854 published on June 29, 2011, and Presidential Decree No. 842 published on March 21, 2019 (the “**Tax Decrees**”). Pursuant to the Tax Decrees, the withholding tax rate on interest on the Notes is 0%. See “*Taxation—Certain Turkish Tax Considerations.*”

An investment in the Notes involves a high degree of risk. See “Risk Factors” beginning on page 56.

The Notes have not been and will not be registered under the United States Securities Act of 1933 (the “**Securities Act**”), or any State securities law, and the Notes may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. See “*Form of the notes and Transfer Restrictions.*”

The Notes will on issuance be rated B by S&P Global Ratings Europe Limited (“**S&P**”) and B by Fitch Ratings Ltd (“**Fitch**”). S&P is established in the European Union and Fitch is established in the United Kingdom, but credit ratings issued by Fitch have been endorsed by Fitch Ratings Ireland Limited which is an entity established in the European Union and, together with S&P, is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with Regulation (EU) No 1060/2009, as amended (the “**CRA Regulation**”). Any change in the rating of the Notes may adversely affect the price that a purchaser may be willing to pay for the Notes. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organization.

The Notes are being offered for sale in the United States to qualified institutional buyers (each a “**QIB**”) only as defined in, and in reliance upon, Rule 144A under the Securities Act (“**Rule 144A**”) and to persons purchasing the Notes outside of the United States in an offshore transaction in reliance upon Regulation S under the Securities Act (“**Regulation S**”). Prospective purchasers are hereby notified that the seller of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act pursuant to Rule 144A. Investors in the Notes will be deemed to have made or be required to make certain representations and warranties in connection with purchasing the Notes. For a description of certain restrictions on sale and transfer of investments in the Notes, see “*Subscription and Sale,*” “*Selling Restrictions*” and “*Form of the Notes and Transfer Restrictions*” herein.

The Notes will be issued in registered form in minimum denominations of \$200,000 and integral multiples of \$1,000 in excess thereof. The Notes will initially be represented by global certificates in registered form (the “**Global Certificates**”), one of which will be issued in respect of the Notes (the “**Rule 144A Notes**”) offered and sold in reliance on Rule 144A (the “**Restricted Global Certificate**”) and will be registered in the name of Cede & Co., as nominee for The Depository Trust Company (“**DTC**”) and the other of which will be issued in respect of the Notes (the “**Regulation S Notes**”) offered and sold in reliance on Regulation S (the “**Unrestricted Global Certificate**”) and will be registered in the name of a nominee of a common depository for Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking S.A. (“**Clearstream, Luxembourg**”).

Joint Bookrunners

Citigroup

Goldman Sachs International

Morgan Stanley

Sole Green Structuring Bank

Citigroup

Dated September 26, 2025

IMPORTANT INFORMATION

The Issuer accepts responsibility for the information contained in this Offering Memorandum. To the best of the knowledge of the Issuer, having taken all reasonable care to ensure that such is the case, the information in this Offering Memorandum is in accordance with the facts and this Offering Memorandum makes no omission likely to affect its import.

None of Citigroup Global Markets Limited, Goldman Sachs International, Morgan Stanley & Co. International plc (the “**Joint Bookrunners**”) nor any of their respective directors, affiliates, advisors or agents nor any other party, save for the Issuer makes any representation or warranty, express or implied with respect to the accuracy or completeness of the information contained in this Offering Memorandum. No responsibility is accepted by the Joint Bookrunners or any of their respective directors, affiliates, advisors or agents for any act or omission of the Issuer or any other person (other than the relevant Joint Bookrunner) in connection with the issue and offer of the Notes. The Joint Bookrunners expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Notes or to advise any investor in the Notes of any information coming to their attention. Nothing contained in this Offering Memorandum is, is to be construed as, or shall be relied upon as, a promise, warranty or representation, whether to the past or the future, by the Joint Bookrunners or any of their respective directors, affiliates, advisors or agents in any respect. The contents of this Offering Memorandum are not, are not to be construed as, and should not be relied on as, legal, business or tax advice and each prospective investor should consult its own legal and other advisors for any such advice relevant to it.

No person is authorized to give any information or make any representation not contained in this Offering Memorandum in connection with the issue and offer of the Notes and, if given or made, such information or representation must not be relied upon as having been authorized by any of the Issuer, the Joint Bookrunners, BNY Mellon Corporate Trustee Services Limited, Türkiye Garanti Bankası A.Ş. or any of their respective directors, affiliates, advisors or agents. The delivery of this Offering Memorandum does not imply that there has been no change in the business and affairs of the Issuer since the date hereof or that the information herein is correct as of any time subsequent to its date.

None of the Issuer, the Joint Bookrunners or the Sole-Green Structuring Bank makes any representation as to the suitability of the Notes, including the listing or admission to trading thereof on any dedicated ‘green,’ ‘environmental,’ ‘sustainable,’ ‘social’ or other equivalently labelled segment of any stock exchange or securities market, to fulfil any green, social, environmental or sustainability criteria or labels (including in relation to Regulation EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (the “**EU Taxonomy Regulation**”) and any related technical screening criteria, Regulation (EU) 2023/2631 on European Green Bonds and optional disclosures for bonds marketed as environmentally sustainable and for sustainability-linked bonds which entered into force in December 20, 2023 and became applicable from December 21, 2024 (the “**EU Green Bond Regulation**”), Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (“**SFDR**”) and any implementing legislation and guidelines, or any similar legislation in the United Kingdom (the “**UK**”)) required by any prospective investors, or any requirements of such criteria and/or labels as they may evolve from time to time. The Joint Bookrunners and the Sole-Green Structuring Bank have not undertaken, nor are they responsible for, any assessment of the eligibility criteria for Eligible Green Projects (as defined below), any verification of whether the Eligible Green Projects meet such criteria, the monitoring of the use of proceeds of the Notes (or amounts equal thereto) or the allocation of the proceeds by the Issuer to particular Eligible Green Projects. No assurance is given by the Issuer, the Sole-Green Structuring Bank or the Joint Bookrunners or any other person that the use of the proceeds of issue of the Notes will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which any investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates (in particular with regard to any direct or indirect environmental, sustainability

or social impact of any projects or uses, the subject of or related to, the relevant projects). Investors should refer to the Green Financing Framework (as defined below) which the Issuer may publish from time to time, any second party opinion delivered in respect thereof, and any public reporting by or on behalf of the Issuer in respect of the application of the proceeds of any issue of the Notes for further information. Any such sustainability framework and/or second party opinion and/or public reporting will not be incorporated by reference in this Offering Memorandum and neither the Joint Bookrunners nor the Sole-Green Structuring Bank makes any representation as to the suitability or contents thereof.

This Offering Memorandum does not constitute an offer to sell or a solicitation of an offer to buy the Notes by any person in any jurisdiction where it is unlawful to make such an offer or solicitation. The distribution of this Offering Memorandum and the offer or sale of the Notes in certain jurisdictions is restricted by law. This Offering Memorandum may not be used for, or in connection with, and does not constitute, any offer to, or solicitation by, anyone in any jurisdiction or under any circumstance in which such offer or solicitation is not authorized or is unlawful. In particular, this Offering Memorandum does not constitute an offer of securities to the public in the United Kingdom. No prospectus has been or will be approved in the United Kingdom in respect of the Notes. Consequently this Offering Memorandum is being distributed only to, and is directed at (i) persons who have professional experience in matters relating to investments and fall within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the “**Order**”), (ii) high net worth entities, and other persons to whom it may be lawfully communicated, falling within Article 49(2)(a) to (d) of the Order, and (iii) those persons to whom an invitation or inducement to engage in investment activity (within the same meaning of Section 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of any securities may otherwise lawfully be communicated or be caused to be communicated (all such persons together being referred to as “**relevant persons**”). Any person who is not a relevant person should not act or rely on this Offering Memorandum or any of its contents. Persons into whose possession this Offering Memorandum may come are required by the Issuer and the Joint Bookrunners to inform themselves about and to observe such restrictions. Further information with regard to restrictions on offers, sales and deliveries of the Notes and the distribution of this Offering Memorandum and other offering material relating to the Notes is set out under “*Subscription and Sale*” and “*Form of the Notes and Transfer Restrictions*.”

The Notes have not been and will not be registered under the Securities Act or under the securities laws of any State of the United States or any other U.S. jurisdiction. Each investor, by purchasing a Note (or a beneficial interest therein), agrees that the Notes (or beneficial interests therein) may only be reoffered, resold, pledged or otherwise transferred only upon registration under the Securities Act or pursuant to the exemptions therefrom described under “*Form of the Notes and Transfer Restrictions*.” Each investor also will be deemed to have made certain representations and agreements as described therein. Any resale or other transfer, or attempted resale or other attempted transfer that is not made in accordance with the transfer restrictions may subject the transferor and transferee to certain liabilities under applicable securities laws.

This Offering Memorandum has been prepared solely for use in connection with the Offering. Distribution of this Offering Memorandum to any person other than the prospective investor and any person retained to advise such prospective investor with respect to its purchase is unauthorized, and any other disclosure of any of its contents, without the prior written consent of the Issuer and the Joint Bookrunners is prohibited. Each prospective investor, by accepting delivery of this Offering Memorandum, agrees to the foregoing and to make no photocopies of this Offering Memorandum or any documents referred to in this Offering Memorandum.

The Issuer has obtained the CMB Approval dated April 30, 2025 (the “**CMB Approval**”) and the issuance certificate (in Turkish: *onaylanmış ihraç belgesi*) dated May 2, 2025 and numbered 111/BA-795 required for the issuance of the Notes. In addition, the required tranche issuance certificate (*tertip ihraç belgesi*) relating to the Notes is expected to be obtained from the CMB on or prior to the Issue Date.

Pursuant to the CMB Approval, the Offering has been authorized by the CMB only for the purpose of the sale of the Notes outside of Türkiye in accordance with Article 15(b) of Decree 32 on the Protection of the Value of the Turkish Currency (as amended from time to time, “**Decree 32**,” the Capital Markets Law No. 6362 and Communiqué Serial VII, No 128.8 on Debt Instruments (the “**Communiqué on Debt Instruments**”).

In addition, the Notes (or beneficial interests therein) may only be offered or sold outside of Türkiye in accordance with the CMB Approval. Under the CMB Approval, the CMB has authorized the offering, sale and issue of any Notes on the condition that no sale or offering of Notes (or beneficial interests therein) may be made by way of public offering or private placement in Türkiye. Pursuant to Article 15(d)(ii) of Decree 32, residents of Türkiye may purchase or sell Notes denominated in a currency other than Turkish lira (or beneficial interests therein) in offshore transactions on an unsolicited (reverse inquiry) basis, *provided that* such purchase or sale is made in the financial markets outside of Türkiye through licensed banks and/or licensed brokerage institutions authorized pursuant to the Banking Regulation and Supervision Agency (the “**BRSA**”) and/or CMB regulations and the purchase price is transferred through licensed banks authorized under the BRSA regulations.

Pursuant to the Communiqué on Debt Instruments, the Issuer is required to notify the Central Securities Depository (*Merkezi Kayıt Kuruluşu A.Ş.*) (the “**CSD**”), within three Business Days from the Issue Date, of the amount, issue date, ISIN, term commencement date, maturity date, interest rate, name of the custodian, currency of the Notes and the country of issuance. In case of any change to this information, including early redemption, the Issuer is required to notify the CSD, within three Business Days from the date of the relevant change.

Other than authorization by the CMB, the Notes have not been approved or disapproved by the U.S. Securities and Exchange Commission (the “**SEC**”), any State securities commission or any other U.S., Turkish, Irish, United Kingdom or other regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the Offering or the accuracy or adequacy of this Offering Memorandum.

The Issuer confirms that any information from third party sources has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by such third-party source, no facts have been omitted which would render the reproduced information inaccurate or misleading.

The language of the Offering Memorandum is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

NOTICE TO U.S. INVESTORS

This Offering Memorandum is being submitted on a confidential basis in the United States to a limited number of QIBs for informational use solely in connection with the consideration of the purchase of the Notes. Its use for any other purpose in the United States is not authorized. It may not be copied or reproduced in whole or in part nor may it be distributed or any of its contents disclosed to anyone other than the prospective investors to whom it is originally submitted.

For the Offering, the Issuer and the Joint Bookrunners are relying upon exemptions from registration under the Securities Act for offers and sales of securities which do not involve a public offering, including Rule 144A. Prospective investors are hereby notified that sellers of the Notes may be relying on the exemption from the provision of Section 5 of the Securities Act provided by Rule 144A. The Notes are subject to restrictions on transferability and resale. Purchasers of the Notes may not transfer or resell the Notes except as permitted under the Securities Act and applicable U.S. State securities laws. See “*Transfer Restrictions*.”

The Notes have not been approved or disapproved by the SEC or any other securities commission or regulatory authority in the United States, nor have the foregoing authorities approved this Offering Memorandum or confirmed the accuracy or determined the adequacy of the information contained in this Offering Memorandum. Any representation to the contrary is a criminal offense in the United States.

UK MIFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET

Solely for the purposes of each manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (“**COBS**”), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**EUWA**”) (“**UK MiFIR**”); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturers’ target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers’ target market assessment) and determining appropriate distribution channels.

UK PRIIPS REGULATION/PROHIBITION OF SALES TO UK RETAIL INVESTORS

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “**FSMA**”), and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive (as defined below), where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of UK MiFIR. Consequently, no key information document required by the PRIIPs Regulation (as defined below) as it forms part of domestic law by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and, therefore, offering or selling the Notes or

otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

PRIIPS REGULATION/PROHIBITION OF SALES TO EEA RETAIL INVESTORS

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive 2016/97/EU (the “Insurance Distribution Directive”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments, as amended (“**MiFID II**”). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and, therefore, offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

SINGAPORE SFA PRODUCT CLASSIFICATION

The Issuer has determined, and hereby notifies all persons (including all relevant persons (as defined in Section 309A(1) of the Securities and Futures Act (Chapter 289) of Singapore (as modified or amended from time to time, the “**SFA**”)) that the Notes are ‘prescribed capital markets products’ (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and ‘Excluded Investment Products’ (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

TURKISH TAX CONSIDERATIONS

The withholding tax rate on interest payments in respect of bonds issued by Turkish entities outside of Türkiye varies depending on the original maturity of such bonds as specified under the Tax Decrees. Pursuant to the Tax Decrees, (i) with respect to bonds with a maturity of less than one year, the withholding tax rate on interest is 7%, (ii) with respect to bonds with a maturity of at least one and less than three years, the withholding tax rate on interest is 3%, and (iii) with respect to bonds with a maturity of three years and more, the withholding tax rate on interest is 0% Accordingly, the withholding tax rate on interest on the Notes is 0% See “*Taxation—Certain Turkish Tax Considerations.*”

STABILIZATION

In connection with the issue of the Notes, Citigroup Global Markets Limited may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that Citigroup Global Markets Limited will undertake stabilization action. Any stabilization action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilization action or over-allotment must be conducted by the relevant Stabilizing Manager(s) (or person(s) acting on behalf of any Stabilizing Manager(s)) in accordance with all applicable laws and rules.

AVAILABLE INFORMATION

The Issuer is not currently required to file periodic reports under Sections 13 or 15 of the U.S. Securities Exchange Act of 1934 (the “**Exchange Act**”) with the SEC. To permit compliance with Rule 144A in connection with resales and transfers of Notes, we have agreed that, for so long as any of the Notes are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act, we will provide to any holder or beneficial owner of such restricted securities, or to any prospective purchaser of such restricted securities designated by a holder or beneficial owner, upon the request of such holder, beneficial owner or prospective purchaser, the information required to be provided by Rule 144A(d)(4) under the Securities Act, if at the time of such request the Issuer is not a reporting company under Section 13 or Section 15(d) of the Exchange Act or exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act.

SUITABILITY OF INVESTMENT

Neither this Offering Memorandum nor any other information supplied in connection with the Offering (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer or any of the Joint Bookrunners that any recipient of this Offering Memorandum or any other information supplied in connection with the offer or sale of the Notes should purchase the Notes. Each person contemplating making an investment in the Notes must make its own investigation and analysis of the creditworthiness of the Issuer and its own determination of the suitability of any such investment, with particular reference to its own investment objectives and experience, and any other factors that may be relevant to it in connection with such investment. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained in this Offering Memorandum or any applicable supplement;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such investment will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal and profit payments is different from the potential investor’s currency;
- understand thoroughly the terms of the Notes and be familiar with the behavior of financial markets in which they participate; and
- be able to evaluate (either alone or with the help of a financial advisor) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

None of the Issuer, the Joint Bookrunners or any of their respective representatives is making any representation to any offeree or purchaser of the Notes (or beneficial interests therein) regarding the legality of any investment by such offeree or purchaser under applicable legal investment or similar laws.

Each investor should consult with its own advisors as to the legal, tax, business, financial and related aspects of an investment in the Notes.

Neither the Joint Bookrunners nor the Sole-Green Structuring Bank make any representation as to the suitability of any Notes, including the listing or admission to trading thereof on any dedicated ‘green,’ ‘environmental,’ ‘sustainable,’ ‘social’ or other equivalently labelled segment of any stock exchange or securities market, to fulfil any green, social, environmental or sustainability criteria required by any prospective investors. The Joint

Bookrunners and the Sole-Green Structuring Bank have not undertaken, nor are they responsible for, any assessment of the eligibility criteria for Eligible Green Projects (as defined below), any verification of whether the Eligible Green Projects meet such criteria, the monitoring of the use of proceeds of any Notes (or amounts equal thereto) or the allocation of the proceeds by the Issuer to particular Eligible Green Projects. Investors should refer to the Green Financing Framework (as defined below) and the Second Party Opinion (as defined below), which are available on the Issuer's website at www.aydemrenewables.com.tr, and any public reporting by or on behalf of the Issuer in respect of the application of the proceeds of any issue of Green Financing Instruments for further information. Any such sustainability framework and/or second party opinion and/or public reporting will not be incorporated by reference in this Offering Memorandum and neither the Joint Bookrunners nor the Sole-Green Structuring Bank make any representation as to the suitability or contents thereof.

In connection with the Offering, the Joint Bookrunners are acting exclusively for the Issuer and no one else. Accordingly, in connection with the Offering, the Joint Bookrunners will not be responsible to anyone other than the Issuer for providing the protections (regulatory or otherwise) afforded to their clients or for the giving of advice in relation to the Offering.

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FORWARD-LOOKING STATEMENTS

This Offering Memorandum contains “forward-looking statements” which relate to, without limitation, our plans, objectives, goals, strategies, future operational performance, and anticipated developments in the renewable energy markets and the performance of the Turkish and global economies. Forward-looking statements are characterized by words such as “anticipate,” “estimate,” “believe,” “intend,” “plan,” “predict,” “may,” “will,” “would,” “should,” “continue,” “expect” and similar expressions, but these expressions are not the exclusive means of identifying such statements.

Forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause circumstances or our actual results, performance or achievements to be materially different from any future circumstances, results, performance or achievements expressed or implied by such statements. Such forward-looking statements are inherently uncertain and are based on numerous assumptions about factors, including:

- our financial position and financing plans;
- our business strategies, trends and competitive position, and plans;
- our electricity demand assumptions;
- our plans and objectives for future operations;
- our future earnings, cash flows and liquidity;
- our ability to mitigate the effects of Turkish and international economic and political events;
- our ability to maintain our licenses and permits;
- the regulatory environment and the effects of future regulation and our ability to comply with changes in laws, regulations or governmental policies to which our business is subject;
- electricity prices; and
- meteorological and weather conditions or climate change.

This list of important factors is not exhaustive. When relying on forward-looking statements, which may be found in “Summary,” “Risk Factors,” “Business,” “Management Discussion and Analysis of Financial Condition and Results of Operations” and elsewhere in this Offering Memorandum, you should carefully consider the foregoing factors and other uncertainties and events, especially in light of the political, economic, social and legal environment in which we operate. Such forward-looking statements speak only as of the date on which they are made. Accordingly, we do not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise. We do not make any representation, warranty or prediction that the expected results described in such forward-looking statements will be achieved. Such forward-looking statements represent, in each case, only one of many possible scenarios and should not be viewed as the most likely or standard scenario.

The forward-looking statements contained in this Offering Memorandum are based on the beliefs of our management, as well as the assumptions made by and information currently available to our management. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure you that such expectations will prove to be correct. Given these uncertainties, you should not place undue reliance on forward-looking statements. Cautionary statements in this Offering Memorandum, including in this sub-section and, in particular, in the section entitled “Risk Factors,” describe important factors that could cause actual results to differ materially from our expectations. In addition, under no circumstances should the inclusion of forward-looking statements in this Offering Memorandum be regarded as a representation or warranty by us or the Joint Bookrunners, or by any other person, that we will achieve the

results described in those statements or that the assumptions underlying the statement will prove correct. If any of these risks and uncertainties materialize, or if any of our underlying assumptions prove to be incorrect, our actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected.

All subsequent written and oral forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements. Subject to the requirements of the CMB and Borsa İstanbul or as required by applicable law, we do not intend, and we do not assume any obligation, to update any forward-looking statement contained in this Offering Memorandum.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Financial Statements

We maintain our books of account and prepare our financial statements in Turkish Lira (“TL”) in accordance with the requirements of the Turkish Commercial Code no. 6102 (the “TCC”) and Turkish tax legislation and the Uniform Chart of Accounts issued by the Ministry of Treasury and Finance of Türkiye.

Fiscal Periods and Dates

We have presented financial information as at and for the six months ended June 30, 2024 and 2025 and as at and for the years ended December 31, 2022, 2023 and 2024 in this Offering Memorandum.

Financial Statements

Our audited consolidated financial statements as at and for each of the years ended December 31, 2022, 2023 and 2024, including the notes thereto and the accompanying audit report thereon (the “**Annual Financial Statements**”), our unaudited interim condensed consolidated financial statements as at and for the six month period ended June 30, 2024, including the notes thereto and the accompanying review report by EY (EY is defined below) and our unaudited interim consolidated financial statements as at and for the six month period ended June 30, 2025, including the notes thereto and the accompanying independent auditor’s review report by PwC (PwC is defined below) thereon (the “**Interim Financial Statements**” and together with the Annual Financial Statements, the “**Financial Statements**”) are included in this Offering Memorandum beginning on page F-1. The Annual Financial Statements have been prepared in accordance with Turkish Financial Reporting Standards (“**TFRS**”) issued and as promulgated by the Public Oversight, Accounting and Auditing Standards Authority (“**POA**”) and presented in TL, on the purchasing power basis as of December 31, 2024. The interim financial statements for the six month period ended June 30, 2024 have been prepared in accordance with Turkish Accounting Standard 34 (“**TAS 34**”) “Interim Financial Reporting” and presented in TL, on the purchasing power basis as of June 30, 2024. The Interim Financial Statements for the six month period ended June 30, 2025 have been prepared in accordance with TAS 34 and presented in TL, on the purchasing power basis as of June 30, 2025.

In accordance with the CMB requirements, we have made public our Financial Statements. The Financial Statements and accompanying auditors’ reports included in this Offering Memorandum are a convenience translation into English from the originally issued Financial Statements and accompanying reports, which were prepared in Turkish. The principles of TFRS are in line to those of International Financial Reporting Standards (“**IFRS**”) as issued by the International Accounting Standards Board (“**IASB**”) and the interpretations as issued by the IFRS Interpretations Committee, except as follows:

- the format for presentation of financial statements is regulated by the POA and there are some reclassification differences, such as the reclassification between finance income/expenses and other income/expenses and between prepaid expenses and other assets;
- through its official communiques, the POA has eliminated certain alternative accounting options available under IFRS, for example the impact of business combination of entities under common control transactions; and
- there is a difference in the application period between International Accounting Standards (IAS) 29, Financial Reporting in Hyperinflationary Economies (“**IAS 29**”) and TAS 29, Financial Reporting in Hyperinflationary Economies.

The Annual Financial Statements have been audited by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (“**EY**”) (a member firm of Ernst & Young Global Limited), independent auditors, which we refer to in this Offering Memorandum as EY. The interim condensed consolidated financial statements as at and

for the six-month period ended June 30, 2024 have been reviewed by EY, independent auditors, while the unaudited interim consolidated financial statements for the period ended June 30, 2025 have been reviewed by PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (“PwC”), independent auditors. PwC became our auditors on May 26, 2025, and their first audit will be for the year ended December 31, 2025. Unless otherwise indicated, the financial information presented in this Offering Memorandum is extracted or derived from the Financial Statements.

Hyperinflation Accounting

With the announcements made by the POA on November 23, 2023, entities applying TFRS started to apply inflation accounting in accordance with TAS 29 Financial Reporting in Hyperinflation Economies as of financial statements for the annual reporting period ending on or after December 31, 2023. TAS 29 is applied to the financial statements, including the consolidated financial statements, of any entity whose functional currency is the currency of a hyperinflationary economy.

According to the standard, financial statements prepared in the currency of a hyperinflationary economy are presented in terms of the purchasing power of that currency at the balance sheet date. Prior period financial statements are also presented in the current measurement unit at the end of the reporting period for comparative purposes. The Group has therefore presented its Annual Financial Statements and the figures in the Offering Memorandum on the purchasing power basis as of December 31, 2024, and its Interim Financial Statements on the purchasing power basis as of June 30, 2025.

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

The adjustments made in accordance with TAS 29 were made using the adjustment coefficient obtained from the Consumer Price Index (“CPI”) of Türkiye published by the Turkish Statistical Institute (“TÜİK”). As of December 31, 2024, the indices and adjustment coefficients used in the adjustment of the Annual Financial Statements are as follows:

Date	Index	Adjustment coefficients	Three-year cumulative inflation rates
December 31, 2024	2,684.55	1.00000	291%
December 31, 2023	1,859.38	1.44379	268%
December 31, 2022	1,128.45	2.37897	156%

For further information see Note 2.1 to the Annual Financial Statements.

As of June 30, 2025 the indices and adjustment coefficients used in the adjustment of the Interim Financial Statements are as follows.

Date	Index	Adjustment coefficients	Cumulative inflation rates
June 30, 2025	3,132.17	1.00000	220%
December 31, 2024	2,684.55	1.16674	291%

Date	Index	Adjustment coefficients	Cumulative inflation rates
June 30, 2024	2,319.29	1.35049	324%

For further information see Note 2.1 to the Interim Financial Statements.

Non-TFRS Financial Measures

We have included certain measures in this Offering Memorandum that are not measures of performance under TFRS or any other generally accepted accounting principles. Certain of these measures are termed “non-TFRS measures” because they exclude amounts that are included in, or include amounts that are excluded from, the most directly comparable measure calculated and presented in accordance with TFRS, or are calculated using financial measures that are not calculated in accordance with IFRS. These unaudited non-TFRS financial measures include, among others, EBITDA, Electricity Proprietary Trading EBITDA, Non-Trading EBITDA, EBITDA Margin, Net Financial Liabilities, Free Cash Flow, Cash Conversion, Gross Debt, Run-rate Revenue, Run-rate EBITDA, Capital Expenditure, Net Working Capital and Net Financial Liabilities/EBITDA, each as defined below. The unaudited non-TFRS financial measures included in this Offering Memorandum are unaudited and unreviewed supplementary measures that are not required by, or presented in accordance with, TFRS.

These unaudited non-TFRS financial measures are used by our management to monitor the underlying performance of our business and operations, in presentations to the Board of Directors and as a basis for strategic planning and forecasting, as well as monitoring certain aspects of our operating cash flow and liquidity. We believe that these and similar measures are widely used by certain investors, securities analysts and other interested parties as supplemental measures of performance and liquidity. See “*Selected Historical Financial and Operational Data—Other Financial and Operational Data*,” which includes reconciliations for certain of these unaudited non-TFRS financial measures to the relevant figures in the Financial Statements.

Prospective investors should not place undue reliance on the unaudited non-TFRS financial measures presented herein and should not consider them as an alternative to:

- operating profit or net profit as determined in accordance with generally accepted accounting principles, or as measures of operating performance;
- cash flows from operating, investing or financing activities, as determined in accordance with generally accepted accounting principles, or as a measure of our ability to meet liquidity needs; or
- any other measures of performance under generally accepted accounting principles.

Since all companies do not calculate these measures in an identical manner, our presentation may not be consistent with similar measures used by other companies. These measures have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our operating results as reported under TFRS. As a result, prospective investors should not place undue reliance on this data.

EBITDA

We calculate EBITDA as operating profit plus depreciation and amortization.

Electricity Proprietary Trading EBITDA

We calculate Electricity Proprietary Trading EBITDA as the portion of EBITDA derived from our one-off electricity proprietary trading activities, independent of our electricity generation and supply obligations. As of

the date of this Offering Memorandum, electricity proprietary trading activities were conducted only during the six months ended June 30, 2025.

Non-Trading EBITDA

We calculate Non-Trading EBITDA as EBITDA excluding Electricity Proprietary Trading EBITDA. This metric is intended to reflect our underlying and recurring operational profitability by removing the effects of non-core, one-off proprietary trading transactions.

EBITDA Margin

We calculate EBITDA Margin as Non-Trading EBITDA divided by revenue.

Net Financial Liabilities

We calculate Net Financial Liabilities as the sum of the short-term portion of long-term financial liabilities, non-current financial liabilities less cash and cash equivalents and financial investments.

Free Cash Flow

We calculate Free Cash Flow as EBITDA less maintenance capital expenditure (which we define as capital expenditure excluding one-off items and growth capital expenditure which is the capital expenditure we undertake to prolong the lifespan and operational efficiency of our assets which does not contribute directly to expanding our business). The maintenance capital expenditure used to calculate Free Cash Flow primarily consists of unit modernization, regulator empowerment or replacement and generator improvement costs.

Cash Conversion

We calculate Cash Conversion as Free Cash Flow divided by EBITDA.

Gross Debt

We calculate Gross Debt as short-term position of long-term financial liabilities plus long-term financial liabilities.

Run-rate Revenue

We calculate Run-rate Revenue by applying the applicable price to a power plant's Run-rate Generation. The applicable price is either the Existing FiT for power plants which currently benefit from the Existing FiT or the average sales price for the last twelve months ended June 30, 2025 including balancing costs for power plants which do not benefit from the Existing FiT.

Run-rate EBITDA

We calculate Run-rate EBITDA as Run-rate Revenue multiplied by the average EBITDA margin over the past three years.

Capital Expenditure

We calculate Capital Expenditure as outflows related to the purchase of tangible and intangible assets.

Net Working Capital

We calculate Net Working Capital as the sum of trade receivables, other receivables, inventory, prepaid expenses, other current assets, lease liabilities, trade payables, liabilities for employee benefits, other payables, current provisions and other current liabilities.

Net Financial Liabilities/EBITDA

We calculate Net Financial Liabilities/EBITDA as the sum of the short-term portion of long-term financial liabilities, non-current financial liabilities less cash and cash equivalents and financial investments divided by operating profit plus depreciation and amortization.

Existing FiT-Linked Revenue

We calculate Existing FiT-Linked Revenue as the total revenue of the FiT power plants.

Non-Financial Operating Data

The non-financial operating data included in this Offering Memorandum has been extracted without adjustment from our management records and/or publicly available reports. These measures include Availability Factor, Capacity Factor, Equivalent Forced Outage Rate (“EFOR”), Net Generation, Run-rate Generation and percentage of Existing FiT-Linked Revenue.

Availability Factor

We calculate Availability Factor as the percentage of time that the relevant power plant is able to produce electricity over the relevant period, excluding any planned maintenance time.

EFOR

We calculate EFOR as the number of hours the unit experiences unplanned outages over the total number of hours in a certain period.

Capacity Factor

We calculate Capacity Factor as the actual electricity generated over a given period of time divided by the maximum possible electricity generation capacity allowed by the power plant’s license.

Net Generation

We calculate Net Generation as the total annual power generation by a given power plant for the period indicated. Net Generation figures include the impact of internal consumption during generation and exclude electricity consumption for lighting and other internal use while the power plant is not generating electricity.

Run-rate Generation

We calculate Run-rate Generation using (i) historical long-term hydrological data on a basin-by-basin basis (excluding one-off outages) for HPPs, and (ii) a combination of historical performance (including one-off outages) to project the average annual total energy production. We believe that Run-rate Generation is a useful indicator of the future generation capabilities of our existing HPPs. Historical data suggests that HPP generation levels follow hydrological cycles, which typically run for six to seven years, as dry and rainy periods follow each other. At least two full hydrological cycles need to be available to indicate future potential.

ENFORCEABILITY OF CIVIL JUDGMENTS

The Issuer is a joint stock company organized under the laws of Türkiye. All of our directors and executive officers are resident in Türkiye, and all of our assets are located outside the United States and the United Kingdom, principally in Türkiye. As a result, it may not be possible for investors to effect service of process upon such persons outside Türkiye or to enforce against them in the courts of jurisdictions other than Türkiye any judgments obtained in such courts that are predicated upon the laws of such other jurisdictions. In order to enforce such judgments in Türkiye, investors should initiate enforcement lawsuits before the competent Turkish courts. In accordance with Articles 50-59 of the Turkish International Private and Procedure Law No. 5718, the courts of Türkiye will not enforce any judgment obtained in a court established in a country other than Türkiye unless:

- there is in effect a treaty between such country and Türkiye providing for reciprocal enforcement of court judgments (*de jure reciprocity*);
- there is *de facto* enforcement in such country of judgments rendered by Turkish courts (*de facto reciprocity*); or
- there is a provision in the laws of such country that provides for the enforcement of judgments of Turkish courts.

There is no treaty between the United States and Türkiye or between the United Kingdom and Türkiye providing for reciprocal enforcement of judgments. There is no *de facto* reciprocity between the United States and Türkiye. Moreover, there is uncertainty as to the ability of an investor to bring an original action in Türkiye based on United States federal or non-Turkish securities laws.

Turkish courts have rendered at least one judgment in the past confirming *de facto* reciprocity between the United Kingdom and Türkiye. However, since *de facto* reciprocity is decided by the relevant court on a case-by-case basis, there is uncertainty as to the enforceability of court judgments obtained in the United States or the United Kingdom by the Turkish courts.

In addition, the Turkish courts will not enforce any judgment obtained in a court established in a country other than Türkiye if:

- the defendant was not duly summoned or represented;
- the defendant's fundamental procedural rights were not observed and the defendant brings an objection before the Turkish court against the request for enforcement on either of these grounds;
- the judgment in question was rendered with respect to a matter within the exclusive jurisdiction of the Turkish courts;
- the judgment is incompatible with a judgment of a Turkish court between the same parties and relating to the same issues or, as the case may be, with an earlier foreign judgment on the same issue and enforceable in Türkiye;
- the judgment is not of a civil nature;
- the judgment is clearly against public policy rules of Türkiye;
- the court rendering the judgment did not have jurisdiction to render such judgment;
- the judgment is not final and binding with no further recourse for appeal under the laws of the country where the judgment has been rendered; or

- the judgment was rendered by a foreign court, which treated itself as competent even though it had no actual relationship with the parties or the subject matter at hand and the defendant brings an objection before the Turkish court against the request for enforcement on this ground.

Furthermore, to be enforceable under the laws of Türkiye, the choice of laws of a foreign jurisdiction or submission to the jurisdiction of the courts of such a foreign jurisdiction should indicate the competent courts with sufficient precision. In particular, Turkish courts may not honor general references to “non-exclusive” jurisdiction or to courts of a particular country without a clearly defined exclusive jurisdiction clause. Therefore, if the parties have not explicitly agreed to the exclusive jurisdiction of a particular court (or courts), any Turkish court may, at its discretion, claim jurisdiction if a lawsuit is filed in Türkiye, notwithstanding the parties’ intended choice of forum. Therefore, lack of precision while determining the competent court of a foreign jurisdiction may render the choice of foreign court unenforceable.

As a result, it may not be possible to:

- effect service of process outside Türkiye upon any of the directors and executive officers named in this Offering Memorandum; or
- enforce, in Türkiye, court judgments obtained in courts of jurisdictions other than Türkiye against us or any of the directors and executive officers named in this Offering Memorandum in any action.

In addition, it may be difficult or impossible to enforce, in original actions brought in courts in jurisdictions located outside the United States, liabilities predicated upon securities laws of the United States.

In any suit or action against a company in the Turkish courts, a foreign plaintiff may be required to deposit security for court costs (*cautio judicatum solvi*), provided however that the court may in its discretion waive such requirement for security in the event that the plaintiff is considered to be (i) a national of one of the contracting states of the Convention Relating to Civil Procedures signed at The Hague on March 1, 1954 (ratified by Türkiye by Law No. 1574); save for legal entities incorporated under the laws of such contracting states or (ii) a national of a state that has signed a bilateral treaty with Türkiye which is duly ratified and contains, *inter alia*, a waiver of the *cautio judicatum solvi* requirement on a reciprocal basis.

MARKET AND INDUSTRY INFORMATION

This Offering Memorandum contains historical market data and forecasts that have been obtained from industry publications, market research and other publicly available information. Some information regarding market size, market share, market position, growth rates, economic performance, and other industry data pertaining to us and our business contained in this Offering Memorandum consists of estimates based on data reports compiled by professional organizations and on data from Government and other external sources.

Certain of the information contained in this Offering Memorandum in “*Risk Factors*,” “*Business*,” and “*Management Discussion and Analysis of Financial Condition and Results of Operations*” has been extracted from summaries of information and data publicly released by official sources in Türkiye. We have not independently verified this information.

Where third-party information has been used in this Offering Memorandum, the source of such information has been identified. The information provided from the sources referred to in this Offering Memorandum has been accurately reproduced and, as far as we are aware and have been able to ascertain from information published by such sources, no facts have been omitted which would render the reproduced information inaccurate or misleading. We have not, however, independently verified the information in industry publications, market research or other publicly available information provided by third parties, although we believe the information

contained therein to be from a reliable source. None of the Issuer or any of the Joint Bookrunners represents that this information is accurate.

In some cases, there is no readily available external information (whether from trade and business organizations and associations, government bodies or other organizations) to validate market-related analyses and estimates, requiring us to rely on internally developed estimates. Although we believe our internal estimates to be reasonable, such estimates have not been verified by any independent sources and there can be no assurance as to their accuracy, or that a third party using different methods to assemble, analyze or compute market data would obtain the same results. Finally, behavior, preferences and trends in the marketplace may change.

We do not intend, and do not assume any obligation, to update third-party or internally derived industry or market data set forth in this Offering Memorandum. As a result, you should be aware that data in this Offering Memorandum and estimates based on such data may not be reliable indicators of future market performance or our future results.

CURRENCY PRESENTATION

Unless otherwise specified or the context so requires, in this Offering Memorandum, references to “**TL**” are to Turkish lira; references to “**dollar**” and “**\$**” are to the U.S. dollar; and references to “**euro**” or “**€**” are to the currency of the member states of the European Union (the “**EU**”) participating in the European Economic and Monetary Union. References to “**billions**” are to thousands of millions.

ROUNDING ADJUSTMENTS

Certain figures included in this Offering Memorandum have been subject to rounding adjustments. Accordingly, the figures shown for the same item presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

EXCHANGE RATE INFORMATION

We do not make any representation that the Turkish lira, euro or dollar amounts in this Offering Memorandum have been, could have been or could be converted into any currency at any particular rate, or at all. For a discussion of the effects of fluctuating exchange rates on us, see “*Risk Factors—We are subject to exchange rate risk with respect to the Top-up Payments under the Existing FiT, and our non-FiT revenue and our exchange rate risk will increase as the Existing FiT periods for our power plants expire,*” “*Management Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting Our Results of Operations—Foreign exchange rate exposure,*” “*Management Discussion and Analysis of Financial Condition and Results of Operations—Qualitative and Quantitative Disclosures on Risk—Currency Risk,*” and Note 24 to the Annual Financial Statements and Note 24 to the Interim Financial Statements.

CERTAIN DEFINITIONS OF TERMS RELATING TO US AND OUR BUSINESS

In this Offering Memorandum, unless the context otherwise requires,

- “**affiliate**” means any person who is an “affiliate” within the meaning of Rule 405 or Rule 501(b) under the Securities Act (as applicable in the context used)
- “**Articles of Association**” means our articles of association
- “**Aydem Group**” means Aydem Holding and its consolidated subsidiaries
- “**Aydem Holding**” means our indirect shareholder Aydem Holding A.Ş.

- **“Board of Directors”** means the Issuer’s board of directors
- **“Borsa İstanbul”** means Borsa İstanbul A.Ş.
- **“CAGR”** means compounded annual growth rate, calculated as $(\text{ending value}/\text{beginning value})^{1/\text{time}} - 1$
- **“Cash Conversion”** means the Free Cash Flow divided by EBITDA
- **“CEO”** means Chief Executive Officer
- **“CFO”** means Chief Financial Officer
- **“CMB”** means the Capital Markets Board of Türkiye (*Sermaye Piyasası Kurulu*)
- **“COD”** means commercial operations date
- **“Director”** means a member of the Board of Directors
- **“DSİ”** means the General Directorate of State Hydraulic Works, the state waterworks entity in Türkiye (*Devlet Su İşleri Genel Müdürlüğü*)
- **“EBITDA”** means as operating profit plus depreciation and amortization
- **“EBITDA Margin”** means Non-Trading EBITDA divided by revenue
- **“EFOR”** means Equivalent Forced Outage Rate
- **“EIA”** means Environmental Impact Assessment
- **“EIA Regulation”** means the Regulation regarding Environmental Impact Assessment (*Çevresel Etki Değerlendirmesi Yönetmeliği*), published in the Official Gazette no. 29186 on November 25, 2014
- **“Electricity Market Balancing and Settlement Regulation”** means Electricity Market Balancing and Settlement Regulation (*Elektrik Piyasası Dengeleme ve Uzlaştırma Yönetmeliği*), published in the Official Gazette no. 27200 on April 14, 2009
- **“Electricity Market Capacity Regulation”** means Electricity Market Capacity Regulation (*Elektrik Piyasası Kapasite Mekanizması Yönetmeliği*), published in the Official Gazette no. 31693 dated December 18, 2021
- **“Electricity Market Connection and System Usage Regulation”** means (*Elektrik Piyasası Bağlantı ve Sistem Kullanım Yönetmeliği*), published in the Official Gazette no. 28896 on January 28, 2014
- **“Electricity Grid Regulation”** means Electricity Grid Regulation (*Elektrik Şebeke Yönetmeliği*) published in the Official Gazette no. 29103 dated May 28, 2014
- **“Electricity Market Law”** means Electricity Market Law No. 6446 (*Elektrik Piyasası Kanunu*), published in the Official Gazette no. 28603 dated March 30, 2013
- **“Electricity Market Licensing Regulation”** means Electricity Market Licensing Regulation (*Elektrik Piyasası Lisans Yönetmeliği*) published in the Official Gazette No: 28809, dated November 2, 2013
- **“Electricity Proprietary Trading EBITDA”** means the portion of our EBITDA derived from one-off electricity proprietary trading activities
- **“EMRA”** means Energy Market Regulatory Authority (*T.C. Enerji Piyasası Düzenleme Kurumu*)

- “**Environmental Permit**” means the environmental permit (*Çevre İzni*) to be obtained in accordance with the provisions of the Regulation regarding the Environmental Permits and Licenses, published in the Official Gazette no. 29115 on September 10, 2014
- “**Environmental Permits and Licenses Regulation**” means the Regulation regarding Environmental Permits and Licenses (*Çevre İzin ve Lisans Yönetmeliği*), published in Official Gazette no. 29115 on September 10, 2014
- “**EPIAŞ**” means Enerji Piyasaları İşletme A.Ş., the organized marketplace and market operator for spot transactions and balancing operations, along with settlement and reconciliation of market participants
- “**EU**” means European Union
- “**EÜAŞ**” means Elektrik Üretim A.Ş., the state-owned electricity generation corporation
- “**Existing FiT**” means the YEKDEM feed-in tariff mechanism applicable to power plants that have a COD prior to June 30, 2021, see “*Regulatory Overview—Overview of Electricity Generation Activities—Feed-in Tariff Mechanism*”
- “**Excess Cash**” means, for the relevant period, cash remaining following the servicing of all debt repayment due under the CTA, including any principal, interest, fees, costs, commissions, losses and taxes, and the budgeted operating expenditures for the upcoming month
- “**EY**” means Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (member of Ernst & Young Global Limited), independent auditors
- “**Financial Reporting Communiqué**” means the Communiqué on the Principles regarding Financial Reporting in Capital Markets II-14.1 (*Sermaye Piyasasında Finansal Raporlamaya İlişkin Esaslar Tebliği (II-14.1)*)
- “**General Assembly**” means our general assembly
- “**Göktaş**” means Göktaş HES Elektrik Üretim A.Ş.
- “**Government**” means the government of Türkiye
- “**GPPs**” means geothermal power plants
- “**Gross Debt**” means the short-term portion of long-term financial liabilities plus long-term financial liabilities
- “**GW**” means gigawatt, one GW equals one billion watts
- “**GWh**” means gigawatt hour
- “**HPPs**” means hydroelectric power plants
- “**ISIN**” means International Securities Identification Number
- “**Issue Date**” means September 30, 2025
- “**Issuer**” means Aydem Yenilenebilir Enerji A.Ş., the issuer of the Notes
- “**IT**” means Information Technology
- “**Joint Bookrunners**” means Citigroup Global Markets Limited, Goldman Sachs International and Morgan Stanley & Co. International plc

- “**KW**” means kilowatt, one KW equals 1,000 watts
- “**KWh**” means kilowatt hour
- “**Labor Law**” means Labor Law (*İş Kanunu*) No. 4857, published in the Official Gazette No. 25134 on June 10, 2003
- “**Law of Fees**” means Law of Fees (*Harçlar Kanunu*) No.492 published in the Official Gazette No.11756 on July 17, 1964
- “**LFG**” means landfill gas
- “**MENR**” means Ministry of Energy and Natural Resources of Türkiye
- “**Ministry of Labor**” means the Ministry of Labor and Social Security (*Çalışma ve Sosyal Güvenlik Bakanlığı*) of Türkiye
- “**MW**” means megawatt; one MW equals one million watts
- “**MWh**” means megawatt hour
- “**Net Financial Liabilities**” means total financial debt less cash and cash equivalents
- “**New FiT**” means the YEKDEM feed-in tariff mechanism which is applicable to power plants that have a COD between July 1, 2021 and December 31, 2030, see “*Regulatory Overview—Overview of Electricity Generation Activities—Feed-in Tariff Mechanism*”
- “**Non-Trading EBITDA**” means EBITDA less Electricity Proprietary Trading EBITDA
- “**OEM**” means Original Equipment Manufacturer
- “**Occupational Health and Safety Law**” means Occupational Health and Safety Law (*İş Sağlığı ve Güvenliği Kanunu*) No. 6331, published in the Official Gazette no. 28339 dated June 6, 2012
- “**POA**” means the Turkish Public Oversight, Accounting and Auditing Standards Authority (*Kamu Gözetimi, Muhasebe ve Denetim Standartları Kurumu*)
- “**Principal Shareholder**” means Aydem Enerji Yatırımları A.Ş.
- “**PwC**” means PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.
- “**Regulation on Feed-in Tariff Mechanism of Renewable Energy Resources**” means Regulation on Feed-in Tariff Mechanism of Renewable Energy Resources (*Yenilenebilir Enerji Kaynaklarının Belgelendirilmesi ve Desteklenmesine İlişkin Yönetmelik*) published in the Official Gazette no.28782 dated October 1, 2013
- “**Security Agent**” means Türkiye Garanti Bankası A.Ş.
- “**Security Documents**” means the Bank Account Pledge Agreement, Assignment of Receivables Agreement, Assignment of EPIAŞ Receivables Agreement and Moveable Asset Pledge Agreement (each as defined in “*Terms and Conditions of the Notes*”)
- “**SGK**” means Social Security Institution (*Sosyal Güvenlik Kurumu*)
- “**Sinovel**” means Sinovel Wind Group Co. Ltd.
- “**Söke**” means Söke Rüzgar Enerjisinden Elektrik Üretim A.Ş.

- “**SPPs**” means solar power plants
- “**TAS**” means Turkish Accounting Standards
- “**TCC**” means the Turkish Commercial Code (*Türk Ticaret Kanunu*) no. 6102, published in the Official Gazette no. 27846 on February 14, 2011
- “**TEİAŞ**” means Türkiye Elektrik İletim A.Ş., the state-owned electricity transmission corporation
- “**TEK**” means Türkiye Elektrik Kurumu, the state-owned electricity company
- “**Tender Offer Communiqué**” means the Tender Offer Communiqué II-26.1 (*Pay Alım Teklifi Tebliği* (II-26.1))
- “**Tender Regulation**” means Tender Regulation Regarding Preliminary License Applications for the Establishment of Wind or Solar Energy Based Generation Facilities (*Rüzgâr veya Güneş Enerjisine Dayalı Üretim Tesisi Kurmak Üzere Yapılan Önlisans Başvurularına İlişkin Yarışma Yönetmeliği*) published in the Official Gazette no. 30065 dated May 13, 2017
- “**TORA**” means transfer of operation rights agreement
- “**Türkiye**” means the Republic of Türkiye
- “**TWh**” means terawatt hours. A terawatt is one trillion watts.
- “**VAT**” means value-added tax
- “**Vestas**” means Vestas Rüzgar Enerjisi Sistemleri Sanayi ve Tic. Ltd. Şti.
- “**Turkish Law**” means the laws and all secondary regulations of Türkiye
- “**We,**” “**our,**” “**Group**” and “**us**” mean the Issuer and its consolidated subsidiaries, which are:
 - Sarı Perakende Enerji Satış ve Ticaret A.Ş.
 - Başat Elektrik Üretim ve Ticaret A.Ş.
 - Eytur Enerji Elektrik Üretim ve Ticaret A.Ş.
- “**Workplace Licenses Regulation**” means the Regulation on Workplace Opening and Operation Licenses (*İşyeri Açma ve Çalışma Ruhsatlarına İlişkin Yönetmelik*), published in the Official Gazette No. 25902 on August 10, 2005
- “**WPPs**” means wind power plants
- “**WUAs**” means water usage rights agreements executed with the DSI
- “**Water Usage Regulation**” means Water Usage Regulation (*Elektrik Piyasasında Üretim Faaliyetinde Bulunmak Üzere Su Kullanım Hakkı Anlaşması İmzalanmasına İlişkin Usul ve Esaslar Hakkında Yönetmelik*)
- “**YEKA**” means Renewable Energy Designated Areas (*Yenilenebilir Enerji Kaynak Alanları*)
- “**Zoning Law**” mean Zoning Law (İmar Kanunu) no. 3194, published in the Official Gazette no. 18749 on May 9, 1985.

SUMMARY

The following summary highlights selected information contained elsewhere in this Offering Memorandum, but does not contain all of the information that you should consider before investing in the Notes. It should be read in conjunction with, and is qualified in its entirety by, the more detailed information included elsewhere in this Offering Memorandum. You should carefully read the entire Offering Memorandum to understand the Group's business, the nature and terms of the Notes and the tax and other considerations which are important to your decision to invest in the Notes, including the Financial Statements included elsewhere in this Offering Memorandum, before making an investment decision.

Please see the section entitled "Risk Factors" for factors that you should consider before investing in the Notes and the section entitled "Forward-Looking Statements" for information relating to the statements contained in this Offering Memorandum that are not historical facts.

Overview

We are the largest pure-play renewable energy generation company in Türkiye by installed capacity among companies that operate exclusively in the renewable energy sector, with expertise in the development, acquisition and operation of hydroelectric, wind, geothermal and solar power plants (Source: Enerji Günlüğü & Kearney, "MW100 – Türkiye's Top 100 Electricity Producers 2025 Research Report," February 2025). We operate 25 renewable energy power plants across four regions of Türkiye, comprising 20 hydroelectric power plants ("HPPs"), three wind power plants ("WPPs"), a solar power plant ("SPP") and a geothermal power plant ("GPP"). Our power plants are located in the Black Sea, Marmara, Mediterranean and Aegean regions of Türkiye.

As of June 30, 2025, our total installed capacity was 1,186 MW, of which approximately 72%, or 852 MW, came from our HPPs and 21%, or 245 MW, came from our WPPs with the remainder coming from our SPP (82 MW) and GPP (7 MW).

Each year, we may opt into the existing Feed-in Tariff ("Existing FiT") scheme, provided we remain eligible, which helps us mitigate price risks. For the six months ended June 30, 2025, we sold approximately 43% of the total electricity we generated through the Existing FiT eligible scheme. Existing FiT sales have no price risk, as they allow for the sale of electricity at a fixed unitary dollar sale price for ten years (with the current applicable Existing FiT price being \$73/MWh) and depend on the volume of electricity generated. As of June 30, 2025, the average remaining Existing FiT period for our power plants (weighted by installed capacity) was 1.3 years. For further details on the Existing FiT, see "*Business—Feed-in Tariff Mechanism.*"

Our revenue for the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, was TL 10,923 million, TL 9,181 million, TL 6,584 million and TL 5,844 million, respectively. Our EBITDA for the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, was TL 9,910 million, TL 7,489 million, TL 4,944 million and TL 2,579 million, respectively. The figures for the years ended December 31, 2022, 2023 and 2024 have been adjusted to the purchasing power as of December 31, 2024, while the figures for the six months ended June 30, 2025 have been adjusted to the purchasing power as of June 30, 2025.

Aydem Holding is our principal shareholder, through its 100% shareholding in Aydem Enerji Yatırımları A.Ş., our parent company, and one of Türkiye's largest companies operating in the energy sector, in terms of installed capacity. Aydem Group is Türkiye's first private hydroelectric power generation company, first private electricity distribution company and first integrated energy group (combining generation, distribution and retail activities). As of June 30, 2025, Aydem Group had 2,131 MW of installed capacity, approximately 5.7 million

retail customers and 6.3 million users connected to its electricity distribution system, and in the twelve months ended June 30, 2025, it had electricity sales of 25.0 TWh and distributed 27.5 TWh of electricity. Aydem Group is financially independent and manages its relationships with its subsidiaries by ring-fencing financing arrangements. In the year ended December 31, 2024, Aydem Group had \$3.6 billion in revenue and as of June 30, 2025 had over 10,300 employees.

Our near-term opportunities include additional capacity through hybrid generation at our existing power plants, wind capacity expansion plans and potential asset acquisitions where an acquisition's return on investment aligns with management's strategic goals for growth and prudent debt management.

Competitive Strengths

We believe that the following are our key strengths:

Leading the transition to green energy

Global installed capacity for wind and solar energy is expected to increase from 3.9 TW in 2023 to 11.2 TW in 2030, in order to achieve a target compound annual growth rate (“CAGR”) of 16.4% (Source: International Renewable Energy Agency – UAE Consensus Report, October 2024). To achieve the net-zero target by 2050, a total investment of \$31.5 trillion in renewable energy, grids, flexibility measures, energy efficiency, and conservation is required by 2030 (Source: International Energy Agency (“IEA”). The global demand for investments in renewable energy remains significant. In Türkiye, installed renewable energy capacity is projected to grow significantly. According to the Türkiye 2035 Renewable Energy Roadmap, the country's installed renewable energy capacity is expected to rise from approximately 67.4 GW as of September 2024 to 120 GW in 2035, with a CAGR of 5.8%. These projections emphasize the critical importance of continued investment and policy support to accelerate the transition to clean energy both globally and within Türkiye.

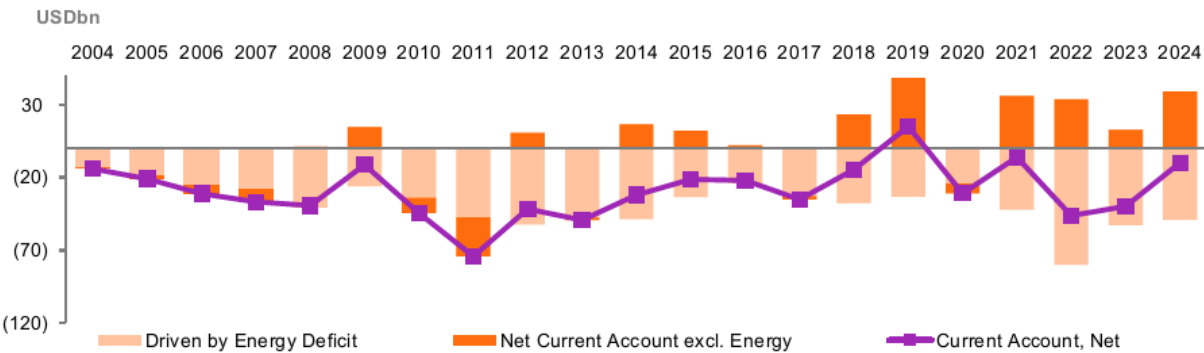
We play a strategic role in Türkiye's energy transition

Between 2004 and 2024, Turkish GDP (in nominal dollar value) grew at a CAGR of 6.1% compared to the EU which grew at a CAGR of 2.7%, while electricity demand in Türkiye increased by a CAGR of 4.3%, and by 2024-2029 Turkish GDP is expected to grow at a CAGR of 4.9% compared to 3.6% in the EU and electricity demand is expected to grow at a CAGR of 2.9% (Source: IMF World Economic Outlook, April 2025, TEİAŞ). A significant part of this demand growth was driven by commercial and industrial electricity consumption. As of December 2023, electricity consumption per capita in Türkiye was 3.8 MWh per year. Electricity consumption is expected to increase in the coming years to be more in line with the electricity consumption per capita in the EU and OECD which was 6.1 MWh per year and 7.5 MWh per year, respectively as of December 2023 (Source: International Energy Agency, December 2023). Historically, the growth of the Turkish renewable sector has been correlated with the growth of the overall economy and the related rise in electricity demand. In the twelve months ended June 30, 2025, renewables accounted for 44% of the total electricity generation in Türkiye (152.4 TWh out of 349.1 TWh in total) and 60.9% of the electricity capacity in Türkiye (119.6 GW in total) (Source: TEİAŞ). We believe that further growth in Turkish GDP will drive an increase in demand for electricity in the future.

On the generation side, Türkiye had 119.6 GW of installed capacity as of June 30, 2025, 29.5% of which came from thermal plants running on imported fuels such as natural gas, imported coal and fuel oil, 9.6% of which came from thermal plants running on local coal and 60.9% of which came from renewable sources (Source: TEİAŞ). Turkish energy policy in recent years has been focused on increasing energy independence and security of supply. Furthermore, policymakers are focused on reducing the account deficit caused by fuel imports. As renewable energy is generated without the use of fossil fuels, the growth of renewable generation in Türkiye serves to both increase energy independence and to reduce the country's account deficit, given its heavy reliance on fossil fuel imports. By displacing such imports, renewables help lower energy-related

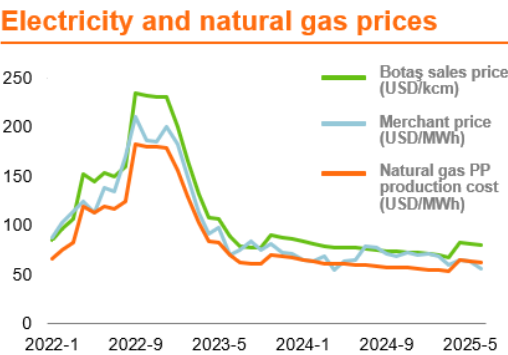
expenditures. Therefore, renewables are at the heart of Turkish energy policy for structural reasons and due to global trends favoring decarbonization.

The following chart shows how the growth of renewables since 2004 has helped Türkiye reduce its reliance on imports and its account deficit.



Source: Central Bank of Republic of Türkiye

Electricity prices are highly affected by the merit order system where typically the natural gas-fired power plants set the market clearing price. As such, fluctuations in natural gas prices have a direct and immediate impact on spot electricity prices as shown below:

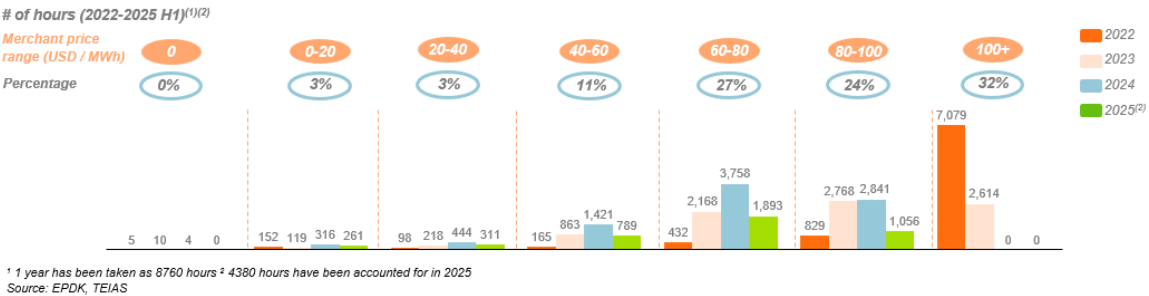


Source: EPIAŞ, BOTAŞ

This relationship is illustrated in the chart above, where merchant electricity prices (USD/MWh) closely mirror movements in BOTAŞ natural gas sales prices (USD/kcm) and the corresponding production costs of gas-fired power plants (USD/MWh).

As of December 31, 2023, 66% of Türkiye’s natural gas supply contracts were long-term contracts, with the remaining 34% spot market purchases. Of Türkiye’s natural gas supply contracts, 80% included take-or-pay provisions which provides a shield against global spot price fluctuations, reduces exposure to short-term market

Electricity price range



volatility and contributes to a more stable natural gas and electricity market. This is shown in the graph below, where 83% of the electricity prices between 2022 and the six months ended June 30, 2025 were higher than 60 USD/MWh:

To incentivize rapid growth in renewable energy generation, the Government introduced various incentive programs for renewable investments, including the Existing FiT, which was introduced in 2005. The Existing FiT mechanism is applicable to all power plants that have a COD before June 30, 2021, and provides a ten year dollar-linked feed-in-tariff mechanism for greenfield renewable energy generation installations. Our portfolio includes four plants under this Existing FiT regime as of the date of this Offering Memorandum. For plants with a COD between July 1, 2021 and December 31, 2030, the Government has announced the New FiT. Under the New FiT, prices are determined in Turkish lira, and are updated every month based on inflation and dollar and euro exchange rates, with a fixed cap set in dollars. The Existing FiT is fixed and calculated in dollars, but the New FiT changes every month and is calculated in Turkish lira. The parameters used to calculate the New FiT are 25% PPI, 15% CPI, 30% dollar and 30% euro. The New FiT price varies according to the coefficient determined based on the monthly changes in these parameters. In addition, each resource type has a floor and ceiling price.

For further details, see “*Regulatory Overview—Feed-in-Tariff Mechanism.*” Currently, none of our power plants participates in the New FiT program. The Government’s other large renewable incentive program, YEKA, involves a 15-year Turkish lira, euro or dollar-linked feed-in-tariff mechanism and a 30-year license period. These programs demonstrate the Government’s commitment to our sector.

We are well-positioned to capture growth opportunities in hybrid, solar power and capacity extension

The Government is focused on significantly growing its renewable capacity in the coming years, and has set renewable capacity targets for the medium-term. For this purpose, it is targeting 120 GW of total WPP and SPP installed capacity by 2035 (Source: Republic of Türkiye, Ministry of Energy and Natural Resources, MENR “Renewable Energy 2035”). As of June 30, 2025, total wind power and solar power capacity was 36.4 GW and 83.6 GW remain to be developed (Source: TEİAŞ “Installed Capacity Report, June 2025”).

With our portfolio of 1.2 GW of installed capacity, strong cash flow profile, industry knowledge and expert management, we believe we are well-positioned to take advantage of this renewable energy expansion program. We are especially well-positioned to take advantage of opportunities in solar power, as Parla Solar, one of our affiliates, is a solar cell and solar panel producer. In the past five years, Parla Solar has developed solid expertise in the solar power industry, created long-lasting relationships with key Chinese and other global suppliers and delivered numerous solar power projects, gaining strong know-how in solar power development in Türkiye and enabling us to easily secure solar panel supply for our future solar power opportunities.

Our near-term opportunities include additional capacity through hybrid generation at existing power plants and wind capacity expansion and asset acquisitions where an acquisition’s return on investment aligns with management expectations.

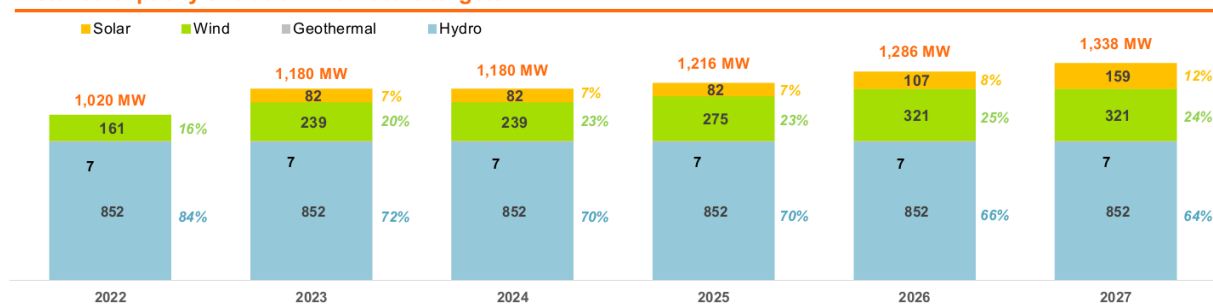
We plan to take advantage of the opportunity introduced by EMRA to generate electricity through ancillary sources at our power plants. See “*Regulatory Overview — Hybrid Power Plant Licenses.*” We have commissioned 82 MW SPP as auxiliary source to the existing Uşak WPP on February 23, 2023. Over the coming years, we plan to expand our auxiliary SPP capacity by a total of 77 MW, comprising of 25 MW floating hybrid SPP and 53 MW of land-based hybrid SPP. As we would only need pay for the cost of plant construction and can use existing land and grid connections at our power plants, our capital expenditure per MW of electricity generated at hybrid power plants will be lower than for greenfield projects. For instance, we expect that building solar power capacity at one of our existing power plants would result in total capital expenditure

savings of 40% to 50% when compared to the capital expenditure required for a similarly sized typical standalone SPP. These savings are mainly expected to arise from shared use of infrastructure, such as transmission lines, land, and switchgear, as well as the absence of license acquisition costs. In addition, we expect that our operating expenses for these projects would be only 5% of revenue, compared to operating expenses of 13% to 15% of revenue for our new standalone projects, and there would be no related increase in the system usage fee. Multiple sources of electricity (such as water, wind and solar power) can be used to produce electricity at the same power plant using the same network infrastructure. EMRA has also in recent regulation allowed the addition of more capacity to the existing renewable generation power plants with different technology, making it possible to construct solar farms to complement existing wind plants, wind farms to complement existing hydro plants or to increase solar capacity on land and water surfaces of existing hydro power plants. EMRA also allows land acquisition or expropriation to expand hybrid capacity, at 15 decares maximum per a 1 MW hybrid source. This change has approximately doubled our potential hybrid investment capacity and we have therefore shifted our focus and resources towards hybrid investments rather than other investment opportunities with comparably lower returns. Hybrid opportunities allow us to increase our total capacity factor, increase our efficiency and diversify our generation profile. In 2023, 82 MW of hybrid generation was already commissioned, and we expect by 2027 to expand our solar hybrid generation by 159 MW.

In 2023, a 78 MW capacity increase was commissioned, comprising 66 MW at Uşak WPP and 12 MW at Söke WPP. Additionally, investments for a further 36 MW capacity expansion at Uşak WPP was commissioned. Of the 36 MW, 6 MW was completed in April 2025 and the remaining commissions which are pending MENR's approval have been scheduled for the second half of 2025. In August 2025, an additional 12 MW increase was commissioned. Moreover, we plan to increase our WPP capacity by an extra 46 MW in the coming years, unless additional capacity increases for our PPs are announced. As of the date of this Offering Memorandum, we have 152 MW of investment ongoing, consisting of hybrid solar and wind capacity expansion projects.

The following graph illustrates our capacity expansion since 2022 and our installed capacity expansion targets for 2025-2027.

Installed capacity evolution with future targets



In addition to short-term growth opportunities through hybrid investments and wind capacity expansion, our investment strategy also includes battery-integrated storage plants. In 2023, Aydem Renewables' subsidiary, Sarı Perakende Enerji Satış ve Ticaret Inc., obtained preliminary licenses for several key projects:

- Kızılağaç Battery-Integrated Storage WPP – a 100 MW WPP integrated with a 100 MWh battery storage system located in Kızılağaç;
- Atlantis 1 Battery-Integrated SPP – a 200 MW SPP coupled with a 200 MWh battery storage system located in Urfa; and
- Atlantis 2 Battery-Integrated SPP – a 200 MW SPP with a 200 MWh battery storage system located in Urfa.

These projects mark a significant step forward in diversifying our portfolio and maintain our energy supply. The impact of these projects on our overall investment strategy is based on diversifying our generation portfolio to reduce the effects of climatic conditions. This strategy is critical to increase our competitiveness in the energy sector and to create a more balanced and sustainable energy generation portfolio. Diversification of energy generation sources makes us more resilient to different climate conditions and market fluctuations and aims to guarantee continuous energy supply.

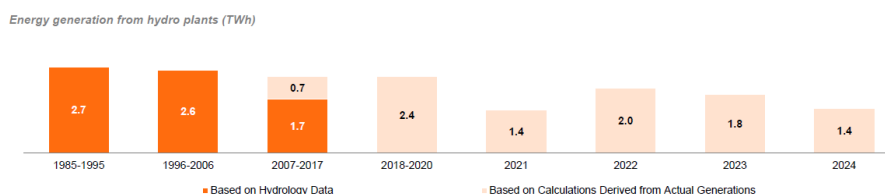
A sizeable, modern, diversified and fast-growing energy portfolio

We are the largest pure-play renewable energy generation company in Türkiye by installed capacity among companies that operate exclusively in the renewable energy sector, with a portfolio of 25 power plants and installed capacity of over 1 GW (Source: Enerji Günlüğü & Kearney, “MW100 – Türkiye’s Top 100 Electricity Producers 2025 Research Report,” February 2025). As of December 31, 2024, approximately 72%, or 852 MW, of our installed capacity came from our HPPs and 20%, or 239 MW of our installed capacity came from our WPPs, with the remainder coming from our SPP (82 MW) and our GPP (7 MW) and as of June 30, 2025, approximately 72%, or 852 MW, of our installed capacity came from our HPPs and 21%, or 245 MW of our installed capacity came from our WPPs, with the remainder coming from our SPP (82 MW) and GPP (7 MW).

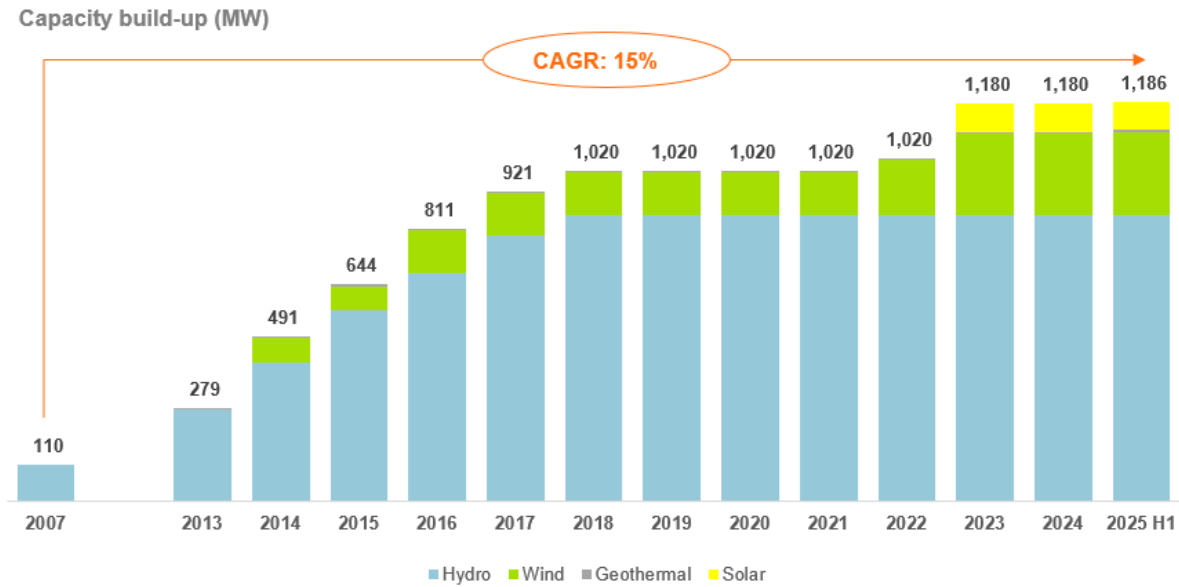
Our sizable portfolio provides stable cash flows, reduced balancing costs and operational knowledge that allow us to profitably manage our power plants. Power plants representing approximately 14% of our generation capacity started their operations in the past three years. As of June 30, 2025, the weighted average operating age of our WPPs, HPPs (excluding acquired power plants) and GPPs is 10 years, 12 years and 17 years, respectively with a weighted average remaining life of 33 years, 30 years and 27 years, respectively. The young age of our power plants enables us to operate with no expected short-to-medium term major capital expenditure, such as plant overhauls and repowering needs. Acquired plants, excluding battery storage power plants, will need \$90 million of investments in the next three years.

Our portfolio is geographically diversified within Türkiye, with plants in the Aegean, Marmara, Black Sea and Mediterranean regions of Türkiye. As of June 30, 2025, we have eleven HPPs (with a total installed capacity of 170 MW), two WPPs (with a total installed capacity of 191 MW), one SPP (with an installed capacity of 82 MW) and one GPP (with an installed capacity of 7 MW) located in the Aegean region which represent 38% of our total installed capacity. One HPP (with an installed capacity of 46 MW) and one WPP (with an installed capacity of 54 MW), together representing 8% of our total installed capacity, are located in the Marmara region. Four HPPs (with an installed capacity of 260 MW), together representing 22% of our total installed capacity, are located in the Black Sea region. Four HPPs (with installed capacity of 375 MW), together representing 32% of our total installed capacity, are located in the Mediterranean region.

The geographical breadth of our activities allows us to diversify the meteorological risk of individual regions across years and also acts to reduce the seasonal volatility of generation over the course of a year. In addition, our diversity of generation sources (which we may further expand through the addition of solar power generation resources at our existing power plants) allows us to reduce our reliance on particular sources of renewable energy. The following graph illustrates the amount of energy generated from our hydro plants from 1985 to 2024.



Our portfolio is also fast-growing, with a CAGR between 2007 and the first half of 2025 of 15%, as illustrated by the following graph:



Notes:

(1) Adıgüzel HPP and Kemer HPP were added to the portfolio when they were privatized in 2017.

(1) Includes GPP.

Resilient and de-risked business model

We have de-risked our business model, due to our dollar-linked Existing FiT revenue, our geographically diversified portfolio, our low cost base, the low average age of our assets and our price realization capabilities. In 2025, all of our FiT-eligible power plants will benefit from the Existing FiT mechanism.

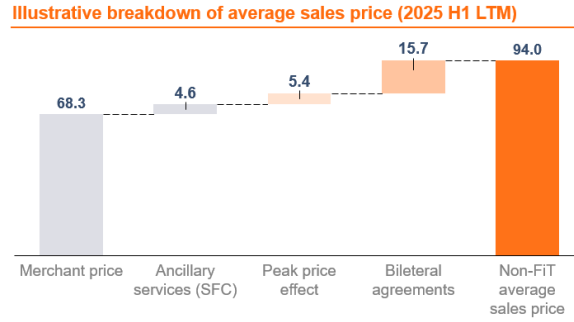
In the year ended December 31, 2024 and the six months ended June 30, 2025, 40% and 48% (excluding electricity proprietary trading activities), respectively, of our revenues, were based on the dollar-denominated Existing FiT and our portfolio has, on average almost two years of Existing FiT remaining (weighted by installed capacity), with a fixed tariff of \$73/MWh for Existing FiT-eligible HPPs and WPPs. This stable revenue stream allows us to limit our exposure to foreign exchange and market risk. The New FiT will also provide us with a mechanism to hedge against volatility in the spot price of electricity.

Our EBITDA Margin for the years ended December 31, 2022, 2023 and 2024 and for the six months ended June 30, 2025, was 91%, 82%, 75% and 62% (excluding electricity proprietary trading activities), respectively. During these periods, 60%, 72%, 80% and 81% (excluding electricity proprietary trading activities) of our costs, respectively, excluding depreciation and amortization costs, were fixed, with the remaining 40%, 28%, 20% and 19% (excluding electricity proprietary trading activities) being variable. This high ratio of the fixed costs offers us a predictable financial structure. In addition, a large part of our income is indexed to the dollar-based Existing FiT mechanism, and most of our costs are in Turkish lira. This gives us a cost advantage if the dollar gains value against the Turkish lira.

In addition, our HPPs benefit from being geographically diversified throughout Türkiye, which helps ensure more stable annual average water flows in aggregate. See “—HPPs.”

In addition to being geographically diversified, we enjoy higher average electricity sales prices than merchant prices. In the six months ended June 30, 2025, we had an average sales price of 79 USD/MWh compared to the average merchant price in Türkiye, 63.8 USD/MWh. We have three reservoir-based HPPs (Göktas I, Adiguzel and Kemer HPPs) and six HPPs which are located downstream from other reservoir-based HPPs. Our reservoir-based HPPs contribute to our higher electricity sales prices because they can generate electricity during peak hours. We also participate in the ancillary services market with Göktas I HPP (122.2 MW), where pricing is typically above spot market levels.

Another factor supporting our higher average electricity sales prices is our use of short-term bilateral contracts. These contracts typically range from one to six months and provide flexibility to capture favorable pricing and generate incremental returns as a result of the opportunity to sell higher prices than the merchant prices. The table below shows the breakdown of the average non-FiT sales price for the last twelve months ended June 30, 2025.



Furthermore, by leveraging our scale and operational knowledge, we are able to operate on a low cost base, with variable costs accounting for 20% and 80% of our operational costs and fixed costs accounting for the balance, in the year ended December 31, 2024, respectively, and 20% and 80% (excluding electricity proprietary trading activities) of our operational costs and fixed costs accounting for the balance, in the six months ended June 30, 2025, respectively.

Finally, our power plants have a low average age, and our portfolio is characterized by low and stable maintenance capital expenditure requirements, which contributes to our strong cash generation capacity. See “Regulatory Overview—Renewal and Amendment of Generation Licenses.”

Our teams consistently achieve excellence in operations and maintenance through a solid base of technical know-how

Our expert team, backed by high quality equipment, ensures that our portfolio maintains high levels of availability in a cost-efficient manner. Our in-house operations and maintenance team consists of 550 employees as of June 30, 2025, and all operations and maintenance work for our HPPs, GPP and LFG were conducted in-house. We use third-party contractors to maintain our WPPs. For the year ended December 31, 2024, our HPPs and WPPs had long-term average availability of 99.7% and 99.4%, respectively, and the EFOR was 0.3% for HPPs and 0.6% for WPPs. For the six months ended June 30, 2025, our HPPs and WPPs had long-term average availability of 99.97% and 99.6%, respectively, and the EFOR was 0.03% for HPPs and 0.4% for WPPs.

Experienced management team and commitment to high standards of corporate governance

Our management has an average industry experience of about 20 years and is experienced in all aspects of the power sector in Türkiye. Our management has clear accountability and is compensated through performance KPIs, which vary depending on the role. Our board of directors comprises four Principal Shareholder representatives and four independent non-executives. Overall, our structure maintains high standards of

corporate governance. The combination of our leadership and sufficient staffing allows us to operate effectively and consistently.

Our Strategy

To achieve our goals, we intend to pursue the following strategies:

We exclusively focus on renewable energy and have a long-standing history of developing renewable energy power plants, as well as proven acquisition capabilities which have given us a strong knowledge base. We are committed to growing shareholder value. Our ambition is to become the largest renewable energy producer in Türkiye through investments that support high profitability and stable cash flows. To achieve this ambition, we intend to pursue the following strategies:

Execute our growth strategy to become the largest renewable energy producer in Türkiye

We are currently the largest pure-play renewable energy generation company in Türkiye by installed capacity among companies that operate exclusively in the renewable energy sector (Source: Enerji Günlüğü & Kearney, “MW100 – Türkiye’s Top 100 Electricity Producers 2025 Research Report,” February 2025). We aim to expand our operations to become the largest renewable energy generation company in Türkiye, surpassing other corporates whose renewable energy operations currently have a greater installed capacity. The Turkish renewable energy market is fragmented; there are 86 different private producers with more than 100 MW in installed capacity, with the largest private producer having only 3% of total installed capacity and a renewable portfolio that is only approximately 700 MW larger than ours (Source: IEA, TEİAŞ “2023 Installed Capacity Report”). There are various inorganic and organic growth opportunities for us in the market and we believe we are well positioned to seize these opportunities.

We are highly selective in choosing growth opportunities to pursue, and have structured internal processes to execute on any opportunities we choose to pursue. As part of this strategy, we recently created a project and development team to select and pursue growth opportunities, and we regularly monitor the market for both organic and inorganic opportunities that fall within our investment criteria.

Our development team investigates growth opportunities and conducts preliminary due diligence. If the team believes the growth opportunity is worth pursuing, it brings it to the attention of our investment committee. Our investment committee, which reports to the Board of Directors, evaluates all investment opportunities above \$1 million, thereby ensuring that any new investments meet our investment criteria. If the investment committee gives preliminary approval, the opportunity is then presented to the Board of Directors for a final investment decision. For further details on our acquisition criteria, see “—*Investment Strategy*.”

We also intend to grow by taking advantage of the opportunity to generate electricity through ancillary sources at our existing power plants, as this will allow us to increase our total capacity factor, diversify our generation profile and increase efficiency by lowering our capital expenditure costs per MW of electricity generated at our power plants. In particular, we intend to use solar power sources to generate and sell additional electricity at peak times, when spot prices are high. This will enable us to increase our revenue per power plant and, following the expiry of the Existing FiT period for a power plant, it will enable that plant to maintain a higher average price.

Achieve high availability rates

We intend to maintain and improve our track record of operational excellence. This begins in the development phase, with the procurement of high-quality equipment, and continues through to our power plant and market management.

Our objective is to achieve high availability rates for our portfolio. To do so, we equip our plants with high quality turbines, monitor our assets using our IT capabilities and employ an in-house operating and maintenance team. We aim to achieve optimal plant availabilities and reliable dispatch through a high-quality, yet cost-effective, in-house operations and maintenance platform. The turbine brands we use include industry-leading names such as Voith, Alstom and Dongfang for hydroelectric plants and Vestas and Sinovel for wind plants.

As of June 30, 2025, we had a team of 550 employees dedicated to the operation and maintenance of our portfolio. The team is split into field staff and main office staff, with the operation and maintenance of the portfolio being generally undertaken by the in-house field staff technical team of 408 employees, including 21 operation engineers, 198 operations technicians, 81 maintenance technicians and 108 support personnel. Our field staff is supported by the main office staff of 142 employees, including 38 engineers, 23 technicians and 81 support personnel.

We intend to continue using an in-house operations and maintenance team, as we believe this provides the reliability and continuous high performance that we seek, as well as enables us to develop a deep knowledge base for each of our power plants.

Generate maximum revenue using our production capabilities

We generate revenue from electricity through five different channels: (i) sales under the Existing FiT mechanism, (ii) spot market sales, (iii) sales under bilateral agreements, (iv) revenue generated from the ancillary services market by our balancing unit power plants (as defined below) and (v) revenue generated from the provision of balancing services by our balancing unit power plants.

We choose between applying for Existing FiT mechanism or selling electricity at spot market prices every year for each power plants that is able to benefit from the Existing FiT mechanism. Every year by October, our energy trade team evaluates the market for the coming year and chooses whether to apply the Existing FiT for each power plant. The amount of production that could fall within the scope of the Existing FiT eligible mechanism was 73% of the total revenue for the year ended on December 31, 2024 and 43% (excluding electricity proprietary trading activities) of the total revenue for the six months ended June 30, 2025.

Our energy trade team manages the production of all power plants in the day-ahead and intra-day markets. For energy traded in the day-ahead and intra-day markets, the energy trade team makes production forecasts for the next day for hourly trading periods and closes any remaining open positions in the intra-day markets to maximize revenue. We have become a member of a large balancing group to minimize imbalance costs that cannot be prevented.

On March 8, 2020, FiT Regulation introduced for hybrid power plants allows a power plant to operate with multiple energy sources. On June 18, 2020, EMRA introduced the Principles to determine the areas integrated on the existing preliminary or generation licenses of hybrid power plants. Lastly, on April 15, 2021, with the Decision No.10142, the principles of applications to be made within the scope of hybrid power plants are regulated. See “*Regulatory Overview—Hybrid Power Plant Licenses*” and “*—Our Strengths— We are well-positioned to capture growth opportunities.*” We intend to take advantage of the opportunity to generate electricity through ancillary sources at our power plants, as this will allow us to increase our total capacity factor and increase efficiency by lowering our capital expenditure per MW of electricity generated and diversify our generation profile. In particular, we intend to use solar power sources to generate and sell additional electricity at peak times, when spot prices are high. This will enable us to increase our revenue per power plant and, following the expiry of the Existing FiT period for a power plant, it will enable that plant to maintain a higher average price.

Maintain fiscal discipline and maximize shareholder value

We intend to maintain and further improve our profitability, and to focus on cost reduction. We have enrolled our eligible plants in the Existing FiT mechanism, which allows us to maintain pricing stability through dollar-linked fixed tariffs for the plants that benefit from the Existing FiT 80%, 30%, 40% and 48% (excluding electricity proprietary trading activities) of our revenues for the years ended December 31, 2022, 2023 and 2024 and June 30, 2025, respectively, were generated through dollar-linked Existing FiT. The young age of our power plants, our operational knowledge, and our lean and cost-conscious corporate structure allow us to operate our portfolio with high EBITDA margins, as demonstrated by our 91%, 82%, 75% and 62% (excluding electricity proprietary trading activities) EBITDA margin for the years ended December 31, 2022, 2023 and 2024 and for the six months ended June 30, 2025, respectively. We intend to maintain and further improve our profitability through investment opportunities that fit our investment criteria, with similar financial profiles and remain focused on cost reduction.

As of June 30, 2025, 89% of all assets on our balance sheet were fixed assets, and we had a 4.8x Net Financial Liabilities/EBITDA ratio (in dollar terms). As of December 31, 2024, 86% of all assets on our balance sheet were fixed assets, and we had a 4.2x Net Financial Liabilities/EBITDA ratio (in dollar terms). For new investments, we target a leverage ratio that does not exceed our corporate leverage ratio. This concentration, together with our existing debt payment plan, is structured to ensure the stability of our cashflow and financial condition from the perspective of servicing our debt.

Uphold globally recognized environmental, social and governance standards

Compliance with ESG standards is an ongoing process and requires continuous improvement in response to changing regulations and business needs.

We regularly monitor and improve ESG performance by ensuring a safe working environment in all of our workplaces and encourage the participation of all employees and the support of senior management in improving our ESG culture. We apply the principles of “zero work accidents” and “zero occupational disease” and take measures to minimize the potential harmful consequences of accidents or emergencies that may occur during our activities. We have kept our lost time incident frequency rate at nil in the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025. We have also decreased our total reportable incident frequency rate, from 1.6 in 2022 to 3.3 in 2023 to 1.7 in 2024.

Furthermore, we conduct health and safety training on a regular basis, with continuous improvements in response to changing regulations and business needs. In addition, we provide induction training to our staff when they are admitted to our workplaces. We plan to further strengthen our environment management systems and culture, by providing trainings and auditing activities. We are one of the few electricity generation companies in Türkiye to have received the ISO 14001 certification in recognition of environmental management systems, ISO 50001 recognition of energy management, ISO 9001 for quality management, ISO 45001 in recognition of occupational health and safety standards and ISO 27001 in recognition of information security management for all of our power plants, and to meet the requirements of UN Global Compact Accreditation.

ESG is also closely monitored by our management as a matter of top priority. We have a Sustainability Committee and a Health, Safety and Environment Committee (“**HSE Committee**”) composed of the General Manager, the Sustainability, Occupational Health and Safety, Environment and Integrated Management System Manager, the Operations Director and the Maintenance and the Project Director. The committee regularly reviews and evaluates the ESG performance and makes necessary recommendations to Board of Directors and follows up on major precautionary items.

We also intend to maintain high standards of corporate governance. In particular, we plan to include independent non-executive directors on our Board of Directors, maintain board committees including an Audit

Committee, a Corporate Governance Committee, an Early Risk Determination Committee, an Investment Committee and a HSE Committee. In addition, we plan to maintain “three lines of defense” with respect to our internal controls, and hire a Compliance Director.

Grow Sustainably

We are focused on ensuring the sustainability of natural resources and the environment, while offering more efficient solutions to today’s needs and using innovation as a key starting point to build a better future. To that end, we commissioned Environmental Resources Management (“**ERM**”) to conduct a corporate environmental and social assessment and provide an independent overview on how corporate environmental and social aspects (including health and safety liability exposure risks) were managed at our assets as well as on a corporate level, and to evaluate the performance of our current operations and assets/facilities. ERM observed that we have taken important steps to go beyond national requirements and improve the conditions at our sites, and provided several recommendations which we intend to follow. For further details on the report, see “—*Health, Safety, Environment and Sustainability—Sustainability*.”

Tender Offer and Early Redemption

On September 18, 2025, pursuant to a tender offer memorandum dated September 18, 2025 (the “**Tender Offer Memorandum**”), we invited holders of our \$750,000,000 7.75% Notes due 2027 (Restricted Global Certificate ISIN: US054644AA72 / Unrestricted Global Certificate ISIN: XS2368781477) (the “**Existing Notes**”) to tender any or all of the Existing Notes for purchase by us for cash on the terms and subject to the conditions set forth in the Tender Offer Memorandum (the “**Tender Offer**”). As of the date of this Offering Memorandum, there is \$539,285,600 in principal amount of the Existing Notes outstanding.

Holders of the Existing Notes that wish to subscribe for the Notes, in addition to participating in the Tender Offer, may request to receive priority in the allocation of the Notes, subject to the completion of the Tender Offer and the other terms and conditions set out in the Tender Offer Memorandum. See “—*Allocations of Notes*.”

The consummation of the Tender Offer is subject to the completion of the offer of the Notes with a minimum aggregate nominal amount of \$539,285,600 (the “**New Issue Condition**”) and certain other conditions more fully set out in the Tender Offer Memorandum. The consummation of the offer of the Notes is not contingent upon the successful completion of the Tender Offer.

On September 18, 2025, we published a notice of our intention to redeem all of the Existing Notes that remain outstanding following the settlement of the Tender Offer on October 20, 2025 in accordance with Condition 10.4 of the Existing Notes (the “**Early Redemption**”). The Early Redemption is conditional on an aggregate principal amount of at least \$539,285,600 of Notes being issued pursuant to the Offering.

Allocation of Notes

We intend, in connection with allocations of the Notes, to consider among other factors whether or not the relevant investor seeking an allocation of the Notes has validly tendered or indicated a firm intention to tender the Existing Notes pursuant to the Tender Offer, and, if so, the aggregate principal amount of the Existing Notes tendered or intended to be tendered by such investor. When considering allocations of any Notes, we intend to give preference to those investors who, prior to such allocation, have tendered, or indicated to us or a Dealer Manager (as defined in the Tender Offer Memorandum) their firm intention to tender, the Existing Notes. Any such preference will, be subject to our sole and absolute discretion, be applicable up to the aggregate principal amount of the Existing Notes tendered or firmly indicated to be tendered by such investor pursuant to the Tender Offer. However, we are not obliged to allocate any Notes to an investor which has validly tendered or

indicated a firm intention to tender the Existing Notes pursuant to the Tender Offer. Any allocation of any Notes, while being considered by us as set out above, will be made in accordance with customary new issue allocation processes and procedures.

OVERVIEW OF THE NOTES

This overview of the Offering must be read as an introduction to this Offering Memorandum and any decision to invest in the Notes should be based on a consideration of this Offering Memorandum as a whole. This overview is indicative only, does not purport to be complete and is qualified in its entirety by the more detailed information appearing elsewhere in this Offering Memorandum. See in particular “*Terms and Conditions of the Notes*.”

Words and expressions defined in “*Terms and Conditions of the Notes*” shall have the same meanings in this section “*Overview of the Notes*.”

Issuer	Aydem Yenilenebilir Enerji A.Ş.
Legal Entity Identifier (“LEI”) of the Issuer	9845009C50EDA74OA532.
Notes Offered.....	\$550,000,000 9.875% Senior Secured Green Notes due 2030.
Issue Price	98.269% of the principal amount of the Notes.
Issue Date	September 30, 2025.
Maturity Date	September 30, 2030.
Interest Rate	The Notes will bear interest at the rate of 9.875% per annum from and including September 30, 2025 to but excluding the Maturity Date (as defined in “ <i>Terms and Conditions of the Notes</i> ”).
Interest Payment Dates.....	Interest will be payable semi-annually in arrear on March 30 and September 30 in each year, commencing on March 30, 2026.
Form and Denomination	The Notes will be issued in denominations of \$200,000 and any integral multiple of \$1,000 in excess thereof. Notes offered and sold in reliance upon Regulation S will be represented by beneficial interests in the Unrestricted Global Certificate in registered form, without interest coupons attached, which will be delivered to a common depositary for, and registered in the name of a common nominee of, Euroclear and Clearstream, Luxembourg. Notes offered and sold in reliance upon Rule 144A will be represented by beneficial interests in the Restricted Global Certificate, in registered form, without interest coupons attached, which will be deposited with the Custodian and registered in the name of Cede & Co. as nominee for DTC. Except in limited circumstances, individual certificates for the Notes will not be issued in exchange for beneficial interests in the Global Certificates. See “<i>Terms and Conditions of the Notes</i>” and “<i>The Global Certificates</i>.”
Ranking of the Notes.....	The Notes constitute direct, secured, unsubordinated and unconditional obligations of the Issuer and shall at all times rank <i>pari passu</i> and without any preference among themselves. The Notes are: senior obligations of the Issuer, ranking at all times at least equally in right of payment with any other existing or future unsecured and unsubordinated Indebtedness of the Issuer;

- senior in right of payment to all existing and future subordinated Indebtedness and any other subordinated liabilities of the Issuer;
- effectively subordinated in right of payment to any existing and future Indebtedness of the Issuer that is secured by Liens, to the extent of the value of the assets securing such Indebtedness; and
- secured by the Liens in respect of the Collateral.

Guarantees.....

From (and including) the Issue Date, the Issuer's obligations under the Notes will not be guaranteed. If at the end of any fiscal quarter, the Issuer and any Guarantors (after eliminating intra-group transactions) comprise less than 85% of each of the Consolidated EBITDA, gross assets, net assets and turnover of the Issuer and its Restricted Subsidiaries, the Issuer shall cause additional Restricted Subsidiaries, on a joint and several basis with each other Guarantor, to unconditionally and irrevocably guarantee the due payment of all moneys payable by the Issuer and any other Guarantor under the Notes, subject to the satisfaction of certain other conditions as detailed in "*Terms and Conditions of the Notes—Covenants—Additional Guarantees and Limitations on Guarantees*" and "*Terms and Conditions of the Notes—Guarantee and Status—Addition of Guarantees.*"

The Guarantee of each Guarantor will constitute direct, unsubordinated, (subject as provided in "*Terms and Conditions of the Notes—Covenants—Limitation on Liens*") unsecured and unconditional obligations of such Guarantor. The payment obligations of each Guarantor under its Guarantee shall at all times rank *pari passu* and without any preference among themselves and with all outstanding unsecured and unsubordinated obligations of such Guarantor, present and future.

Any Guarantee by a Turkish Guarantor may be limited by applicable law or subject to certain defenses that may limit their validity and enforceability. For more information, see "*Limitations on Validity and Enforceability of the Turkish Collateral and the Turkish Guarantees and Certain Turkish Insolvency Law Considerations.*"

Covenants.....

The Conditions contain covenants that, among other things, limit the ability of the Issuer and its Restricted Subsidiaries to:

- incur additional indebtedness and the layering of debt;
- make certain payments, including dividends and other distributions, with respect to outstanding share capital;
- create or incur certain Liens;
- enter into certain transactions with affiliates;
- sell, lease or transfer certain assets;

- effect a merger or consolidated of, or sell, all or substantially all of their assets taken as a whole; and
- impair the Lien with respect to the Secured Property for the benefit of the holders of the Notes.

See “*Terms and Conditions of the Notes—Covenants*” for further information, including the important limitations and exceptions that relate to each covenant.

Collateral As soon as reasonably practicable and in any case not later than the specified dates, the obligations of the Issuer under, or in connection with, the Notes and the Notes Documents will be secured by the Collateral in favor of the Security Agent (as applicable) for and on behalf of and for the benefit of themselves and the other Secured Creditors. See “*Terms and Conditions of the Notes—Collateral*.”

The Collateral may be limited by applicable law or subject to certain defenses that may limit their validity and enforceability. For more information on the Liens granted, see “*Terms and Conditions of the Notes—Collateral*” and for more information and potential limitations to the security interests, see “*Limitations on Validity and Enforceability of the Turkish Collateral and the Turkish Guarantees and Certain Turkish Insolvency Law Considerations*” and “*Risk Factors—Risks Related to the Notes and the Security*.”

Additional Amounts All payments of principal, premium and interest in respect of the Notes shall be made free and clear of, and without withholding or deduction for, or on account of, any present or future taxes, imposts, duties, levies, assessments or governmental charges (including any penalties, interest and additions to tax related thereto) of whatever nature (“**Taxes**”) imposed, assessed or levied by or on behalf of any Relevant Jurisdiction (as defined in Condition 10 (*Taxation*)), unless such withholding or deduction of Taxes is required by law. Subject to certain limited exceptions, in that event, the Issuer or, as the case may be, the relevant Guarantor, shall pay such additional amounts as will result in the receipt by the Noteholders of such amounts as would have been received by them if no such withholding or deduction had been required (including any deduction or withholding attributable to the additional amounts). See “*Terms and Conditions of the Notes—Taxation*.”

Under current Turkish law, withholding tax at the rate of 0% applies on interest on notes with an initial maturity of three years and more. See “*Taxation—Certain Turkish Tax Considerations*.”

Amortization On March 30, 2028, September 30, 2028, March 30, 2029, September 30, 2029, March 30, 2030 and the Maturity Date (each a “**Principal Payment Date**”), the principal amount of each Note

set forth in the following payment schedule will be redeemed at par, together (if applicable) with interest accrued and unpaid to (but excluding) the relevant Principal Payment Date as provided in Condition 8 (*Payments*) (and so that the principal amount of each Note outstanding that shall become due and payable on a Principal Payment Date will be rateably reduced upon any earlier partial redemption of such Note pursuant to the other provisions of Condition 9 (*Redemption and Purchase*)):

	Principal Payment Date	Principal Payment Amortized Amount
		(U.S. \$)
		U.S.\$75.00 per U.S.\$1,000 in principal amount of each Note outstanding
	March 30, 2028.....	
		U.S.\$75.00 per U.S.\$1,000 in principal amount of each Note outstanding
	September 30, 2028 ...	
		U.S.\$75.00 per U.S.\$1,000 in principal amount of each Note outstanding
	March 30, 2029.....	
		U.S.\$75.00 per U.S.\$1,000 in principal amount of each Note outstanding
	September 30, 2029 ...	
		U.S.\$75.00 per U.S.\$1,000 in principal amount of each Note outstanding
	March 30, 2030.....	
		U.S.\$625.00 per U.S.\$1,000 in principal amount of each Note outstanding
	Maturity Date.....	
		outstanding
Redemption at the Option of the Issuer	The Issuer may, at any time, redeem all or part of the Notes at a redemption price equal to 100% of the principal amount of such Notes, plus additional amounts, if any, and accrued and unpaid interest to, but excluding, the redemption date, plus the following applicable premium:	
	Relevant Period	Applicable Premium
	From (and including) the Issue Date to (but excluding) September 30, 2027	the Make-Whole Premium

From (and including) September 30, 2027 to (but excluding) September 30, 2028	\$49.38 per \$1,000 of outstanding principal amount of Notes
From (and including) September 30, 2028 to (but excluding) September 30, 2029	\$24.69 per \$1,000 of outstanding principal amount of Notes
From (and including) September 30, 2029 to (but excluding) the Maturity Date	Nil

See “*Terms and Conditions of the Notes—Redemption and Purchase—Redemption at the Option of the Issuer (Premium).*”

At any time prior to March 30, 2027, the Issuer may on any one or more occasions, redeem up to 35% of the aggregate principal amount of the Notes with the net cash proceeds of an Equity Offering at a redemption price equal to 109.875% of the principal amount of the Notes redeemed, plus accrued and unpaid interest and additional amounts, if any, to the date of redemption, *provided that* at least 60% of the aggregate principal amount of Notes originally issued (including any Further Notes) remains outstanding and the redemption occurs within 180 days of the date of the closing of such Equity Offering. See “*Terms and Conditions of the Notes – Redemption and Purchase – Redemption at the Option of the Issuer (Equity Offering).*”

Redemption for Taxation Reasons

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (subject to certain conditions), at 100% of their aggregate principal amount, together with interest accrued to (but excluding) the date fixed for redemption and all additional amounts (if any) then due and which will become due on the date of the redemption as a result of the redemption or otherwise (subject to the right of Noteholders of such Notes on the relevant Record Date to receive interest due on the relevant Interest Payment Date and additional amounts (if any) in respect thereof) in the event of certain developments affecting taxation. See “*Terms and Conditions of the Notes—Redemption and Purchase—Redemption for Taxation Reasons.*”

Redemption at the Option of Noteholders (Change of Control)

Upon the occurrence of certain events constituting both a Change of Control Event and a Change of Control Ratings Decline, the Issuer is required to redeem any Note presented at the option of the holder thereof at a purchase price in cash of 101% of the principal amount of such Note, plus additional amounts, if any, and accrued and unpaid interest to (but excluding) the Redemption Date.

If 85% or more in aggregate principal amount of the Notes outstanding immediately before the relevant Redemption Date are redeemed on such redemption, the Issuer may redeem all but not some only of the remaining outstanding Notes at 101% of their

	principal amount together (if applicable) with interest accrued and unpaid to (but excluding) the relevant Redemption Date.
Events of Default	The Notes will be subject to certain Events of Default including (among others): • non-payment of principal, premium or interest under the Notes; or • failure to perform or observe certain of its limitations under the Notes and any of its other obligations under the Notes or the Transaction Documents; or • cross-acceleration by the Issuer or any Material Subsidiary (exceeding \$10,000,000 (or its equivalent in any other currency)); or • judgments, orders or arbitration awards against the Issuer and the Material Subsidiaries (exceeding \$10,000,000 (or its equivalent in any other currency) and are not discharged, satisfied and/or stayed within a 30-day grace period); or • if any Collateral under the Security Documents shall, at any time, cease to be in full force and effect; or • if the Issuer or any Material Subsidiary is subject to liquidation, insolvency or other similar proceedings; or • if all or any substantial part of the undertaking, assets and revenues of the Issuer, or all or substantially all of any Guarantor or any of the Issuer's or any Guarantor's Material Subsidiaries is condemned, seized or otherwise appropriated under the authority of any national, regional or local government, in each case subject to important exceptions and cure periods (as applicable) and as further described in “<i>Terms and Conditions of the Notes—Events of Default.</i>”
Use of Proceeds.....	The Issuer intends to use the proceeds of the Offering to finance (i) the purchase of any or all of its outstanding Existing Notes, tendered and accepted for purchase in accordance with the terms and conditions of the Tender Offer; (ii) to pay fees and expenses in connection with the Offering and/or the Tender Offer; and (iii) if any Existing Notes remain outstanding following the Tender Offer, the Early Redemption of such Existing Notes in accordance with their terms. See “<i>Use of Proceeds.</i>”
Tender Offer	On September 18, 2025, pursuant to the Tender Offer Memorandum, the Issuer invited holders of the Existing Notes to tender any or all of the Existing Notes for purchase by the Issuer for cash on the terms and subject to the conditions set forth in the Tender Offer Memorandum.
Early Redemption	On September 18, 2025, the Issuer published a notice of its intention to redeem all of the Existing Notes that remain outstanding following the settlement of the Tender Offer on

October 20, 2025 in accordance with Condition 10.4 of the Existing Notes. The Early Redemption is conditional on an aggregate principal amount of at least \$539,285,600 of Notes being issued pursuant to the Offering.

Modifications and Waivers.....

The Trustee may from time to time and at any time, without any consent or sanction of the Noteholders, (x) concur with the Issuer or any other person or (y) direct either Security Agent to concur with the Issuer or any other person, in making (a) any modification to the Trust Deed (other than in respect of Reserved Matters or any provision of the Trust Deed referred to in that specification), the Notes or any other Transaction Document which in the opinion of the Trustee it may be proper to make provided the Trustee is of the opinion that such modification will not be materially prejudicial to the interests of the Noteholders, (b) any modification to the Trust Deed, the Notes or any other Transaction Document if in the opinion of the Trustee such modification is of a formal, minor or technical nature or made to correct a manifest error. In addition, the Trustee may, without the consent of the Noteholders, authorize or waive any proposed breach or breach of the Conditions or any Transaction Document (other than a proposed breach or breach relating to the subject of a Reserved Matter) if, in the opinion of the Trustee, the interests of the Noteholders will not be materially prejudiced thereby. Any such authorization, waiver or modification shall be binding on the Noteholders and, if the Trustee so requires, shall be notified to the Noteholders as soon as practicable thereafter.

Listing and Clearing

Application has been made to Euronext Dublin for the Notes to be admitted to listing on the Official List and to trading on its Global Exchange Market. Application has also been made to Euronext Dublin for the Notes to be included on the list of Euronext ESG Bonds.

The Notes have been accepted for clearance through DTC, Euroclear and Clearstream, Luxembourg with the following security codes:

Regulation S Security Codes:

ISIN: XS3065322862

Common Code: 306532286

Rule 144A Security Codes:

ISIN: US054644AB55

CUSIP: 054644AB5

Common Code: 306066242

Transfer Restrictions

The Notes have not been and will not be registered under the Securities Act or any State securities laws and beneficial interests therein may not be offered or sold within the United States except to QIBs in reliance upon the exemption from the registration requirements of the Securities Act provided by Rule 144A or

otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

Interests in the Rule 144A Notes will be subject to certain restrictions on transfer. See “*Transfer Restrictions*.” Interests in the Global Certificates will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear and Clearstream, Luxembourg, in the case of Regulation S Notes, and by DTC and its direct and indirect participants, in the case of Rule 144A Notes.

Governing Law	The Trust Deed, the Agency Agreement and the Notes will be governed by, and shall be construed in accordance with, English law. The Bank Account Pledge Agreement, Assignment of Receivables Agreement, EPIAŞ Receivables Agreement and Moveable Asset Pledge Agreement will be governed by Turkish law.
Selling Restrictions	The offering and sale of Notes is subject to applicable laws and regulations including, without limitation, those of the United States, the United Kingdom, Singapore and Türkiye. See “ <i>Subscription and Sale</i> .”
Ratings	The Notes will be rated at issuance: B by S&P and B by Fitch. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organization.
Trustee	BNY Mellon Corporate Trustee Services Limited
Security Agent	Türkiye Garanti Bankası A.Ş.
Principal Paying Agent	The Bank of New York Mellon, London Branch
Registrar and Transfer Agent	The Bank of New York Mellon SA/NV, Dublin Branch
Listing Agent	Walkers Listing Services Limited
Risk Factors	Investing in the Notes involves a high degree of risk. See “ <i>Risk Factors</i> .”

OVERVIEW OF THE COLLATERAL

The following includes a general description of certain principal Security Documents and does not purport to be a full statement or summary of the terms of each such agreement. The following does not include summaries of the terms of the Security Documents and are subject to, and are qualified in their entirety by reference to, all of the provisions of such agreements, including definitions therein. Copies of the Security Documents will be available, free of charge from the Trustee. Words and expressions defined in “Terms and Conditions of the Notes” shall have the same meanings in this section.

Bank Account Pledge Agreement

Pursuant to the terms of the Bank Account Pledge Agreement to be entered by us and the Security Agent not later than November 12, 2025, we will grant the Security Agent (for and on behalf of and for the benefit of itself and the other Secured Creditors) a first degree pledge over all of our present and future bank accounts, (ii) our bank accounts maintained exclusively in relation to any letters of credit and letters of guarantee and (iii) our bank account held with the Istanbul Settlement and Custody Bank (TAKASBANK).

The Bank Account Pledge Agreement will be governed by the laws of Türkiye.

Assignment of Receivables Agreement

Pursuant to the terms of the Assignment of Receivables Agreement, to be entered by us and the Security Agent, not later than November 19, 2025, we will assign by way of security to the Security Agent (for and on behalf of and for the benefit of itself and the other Secured Creditors) all present and future (actual or contingent) receivables, rights, incomes, rights of claim, titles, interests, arisen and/or to arise under any agreement, protocol or contract, including but not limited to electricity sale agreements, as agreed and listed under the Assignment of Receivables Agreement or such other document and/or legal act and/or legal relationship which is or to be executed, issued, signed, or otherwise created by or between the Issuer and third parties which provides or will provide the Issuer with any receivable or claim or any other right.

The Assignment of Receivables Agreement will be governed by the laws of Türkiye.

Assignment of EPIAŞ Receivables Agreement

Pursuant to the terms of the Assignment of EPIAŞ Receivables Agreement, to be entered by us and the Security Agent, not later than November 19, 2025, we will assign by way of security to the Security Agent (for and on behalf of and for the benefit of itself and the other Secured Creditors) all of our present and future (actual or contingent) receivables, rights, incomes, rights of claim, titles, interests, arisen and/or to arise in respect of electricity sales carried out through EPIAŞ and arising from our registry with EPIAŞ.

The Assignment of EPIAŞ Receivables Agreement will be governed by the laws of Türkiye.

Moveable Asset Pledge Agreement

Pursuant to the terms of the Movable Asset Pledge Agreement, to be entered by us and the Security Agent not later than December 18, 2025, we will grant the Security Agent (for and on behalf of and for the benefit of itself and the other Secured Creditors) a security interest over our present and future movable assets including machinery, hardware, equipment, tools, vehicles that are operated on or otherwise allocated to our commercial properties (including the Power Plants).

In addition, if we or any Restricted Subsidiary (other than any Project Subsidiary) acquire property, plant, equipment or any other moveable asset(s), the book value of which exceeds \$50 million in the aggregate (taken together with other property, plant, equipment and other moveable asset(s) acquired by them prior to such date, excluding those specifically pledged, “**New PPE**”), we or such Restricted Subsidiary shall, within 30 Business Days of the date of such acquisition, pursuant to a deed or document supplemental to or amending the Moveable Asset Pledge Agreement or any additional or other pledge agreement as required by applicable law and regulation, grant a first degree pledge over such New PPE.

The Movable Asset Pledge Agreement will be governed by the laws of Türkiye.

Guarantees and Collateral to be provided by Guarantors

We undertake to procure that one or more of our Restricted Subsidiaries will, if certain circumstances occur in the future, become Guarantors in respect of our obligations relating to the Notes and provide Collateral over some of their bank accounts, moveable assets and receivables. See “*Terms and Conditions of the Notes—Covenants—Additional Guarantees and Limitations on Guarantees.*”

As at the Issue Date, the Notes will not be guaranteed. There can be no assurance as to the jurisdiction of incorporation of any such Guarantor. The information contained in “*Limitations on Validity and Enforceability of the Turkish Collateral and the Turkish Guarantees and Certain Turkish Insolvency Law Considerations*” only relates to Turkish law considerations relating to any Guarantors incorporated in Türkiye and does not purport to be exhaustive. Prospective investors in the Notes should consult their own legal advisors with respect to the limitations and considerations in respect of the validity and enforceability of such Guarantees and considerations relating to insolvency and other applicable legal concepts in the relevant jurisdiction of any future Guarantor.

Step-in Scheme

We provide an undertaking to cooperate and facilitate the Trustee’s potential request to the EMRA for the transfer of our license to another entity in the Terms and Conditions of the Notes. See “*Terms and Conditions of the Notes—Covenants—Transfer of Power Generation Licenses.*”

This does not constitute a Lien under Turkish law, and is only a contractual undertaking by us to assist and cooperate in case the Trustee attempts to seek recourse under the applicable law for the transfer of our generation license to complement the enforcement of any other Collateral. Such remedy may be completely unavailable to the Trustee or the Noteholders. See “*Risk Factors—Risks Related to the Notes and the Collateral—Step-in rights provided in favor of the Trustee may not be enforceable or may be enforced by other creditors.*”

Further considerations on the Collateral

There are a number of considerations to be taken into account in respect of the perfection, value, validity, enforceability and the scope of the Collateral. Some of these are briefly described in “*Risk Factors—Risks Related to the Notes and the Collateral,*” although prospective investors in the Notes are strongly advised to consult their own legal advisors with respect to the limitations and considerations in respect of the validity and enforceability of the Collateral.

SUMMARY FINANCIAL AND OPERATING INFORMATION

The following tables set forth our historical financial and operating information as of the dates and for the periods indicated. The following summary financial and operating information should be read in conjunction with, and is qualified in its entirety by reference to, the Financial Statements and other relevant information included elsewhere in this Offering Memorandum. The historical financial information contained herein has been derived from the Financial Statements, which have been prepared and presented in accordance with TFRS. You should read the following information in conjunction with “*Presentation of Financial and Other Information*,” “*Management Discussion and Analysis of Financial Condition and Results of Operations*” and the Financial Statements.

Summary Consolidated Statements of Profit or Loss

	For the year ended December 31, ⁽¹⁾			For the six months ended June 30, ⁽²⁾	
	2022	2023	2024	2024	2025
	(audited)			(unaudited and unreviewed)	(unaudited)
	(TL millions)				
Profit or loss statement					
Revenue	10,923	9,181	6,584	4,724	5,844
Cost of sales	(4,875)	(5,213)	(4,977)	(3,005)	(4,282)
Gross profit	6,048	3,967	1,607	1,719	1,562
General administrative expenses	(504)	(912)	(644)	(311)	(416)
Other operating income	1,295	1,520	989	591	214
Other operating expenses	(30)	(161)	(17)	(2)	(20)
Operating profit	6,809	4,414	1,935	1,997	1,339
Income from investing activities	17	441	73	8	110
Expense from investing activities	(7,153)	(5,289)	(19,086)	(452)	—
(Loss)/profit before finance income/(expense)	(326)	(434)	(17,078)	1,553	1,449
Finance income	1,849	1,507	948	576	268
Finance expenses	(6,102)	(19,049)	(7,089)	(4,744)	(4,884)
Gains on net monetary position	12,435	13,687	7,330	5,469	3,128
Gains/(loss) before tax	7,855	(4,289)	(15,888)	2,854	(38)
Tax (expense)/income	(675)	2,440	4,118	1,131	172
Deferred tax (expense)/income	(675)	2,440	4,118	1,131	172
Net profit/(loss) for the period	7,180	(1,848)	(11,770)	3,985	134

Notes:

- (1) Presented at the purchasing power of TL as of December 31, 2024.
(2) Presented at the purchasing power of TL as of June 30, 2025.

Consolidated Statements of Financial Position

As at December 31, ⁽¹⁾				As at December 31, ⁽²⁾	As at June 30, ⁽²⁾
				2024	2025
(audited)				(unaudited and unreviewed)	(unaudited)
(TL millions)					
ASSETS					
Current assets					
Cash and cash equivalents	3,078	2,012	1,745	2,035	872
Financial investments	845	905	1,629	1,900	1,767
Trade receivables	3,102	2,889	3,162	3,689	3,242
<i>Due from related parties</i>	2,932	2,785	3,132	3,654	591
<i>Due from third parties</i>	171	104	30	35	2,651
Other receivables	156	947	155	181	177
<i>Due from related parties</i>	83	926	110	128	130
<i>Due from third parties</i>	72	21	45	53	47
Inventories	30	30	20	24	26
Prepaid expenses.....	65	58	107	125	165
Other current assets ⁽³⁾	—	—	—	—	—
Total current assets.....	7,276	6,841	6,818	7,954	6,249
Non-current assets					
Other receivables	4	5	5	6	5
<i>Due from third parties</i>	4	5	5	6	5
Property, plant and equipment	75,062	70,181	46,554	54,316	53,273
Right of use assets	375	367	335	391	365
Intangible assets.....	2,510	2,449	2,384	2,782	2,744
Investment properties.....	105	—	—	—	—
Prepaid expenses.....	964	393	288	336	339
Other non-current assets	26	48	37	43	29
Total non-current assets.....	79,046	73,443	49,604	57,875	56,756
Total assets	86,322	80,284	56,422	65,829	63,005
LIABILITIES					
Current liabilities					

	As at December 31, ⁽¹⁾			As at December 31, ⁽²⁾	As at June 30, ⁽²⁾
	2022	2023	2024	2024	2025
	(audited)			(unaudited and unreviewed)	(unaudited)
	(TL millions)				
Short-term portion of long-term financial liabilities	2,393	2,159	6,338	7,395	6,935
Lease liabilities	13	24	32	38	28
Trade payables	1,130	582	229	268	237
<i>Due to related parties</i>	18	17	42	49	39
<i>Due to third parties</i>	1,112	566	187	218	198
Liabilities for employee benefits	8	17	13	15	51
Other payables	1	—	—	—	9
<i>Due from third parties</i>	1	—	—	—	—
<i>Due to related parties</i>	—	—	—	—	8
Current provisions	83	84	103	120	100
<i>Provisions for employee benefits</i>	54	64	87	102	82
<i>Other short-term provisions</i>	30	20	16	18	18
Other current liabilities	174	147	108	126	134
Total current liabilities	3,802	3,013	6,823	7,961	7,494
Non-current liabilities					
Financial liabilities	28,979	26,860	17,959	20,953	17,744
Lease liabilities	60	55	42	49	39
Other payables	96	73	—	—	—
<i>Due to related parties</i>	96	73	—	—	—
Non-current provisions	83	99	89	103	179
<i>Provisions for employee benefits</i>	83	99	89	103	179
Deferred tax liabilities	10,968	8,863	4,144	4,834	4,868
Total non-current liabilities	40,185	35,949	22,233	25,940	22,831
Total liabilities	43,987	38,962	29,056	33,901	30,326
Equity attributable to holders of the parent					
Paid-in capital	705	705	705	705	705
Adjustment to share capital	6,561	6,561	6,561	7,772	7,772
Share premiums	762	762	762	889	889
Treasury shares	—	(173)	(169)	(197)	(197)
Restricted reserves	27	199	238	278	278
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods					

	As at December 31, ⁽¹⁾			As at December 31, ⁽²⁾	As at June 30, ⁽²⁾
	2022	2023	2024	2024	2025
	(audited)			(unaudited and unreviewed)	(unaudited)
	(TL millions)				
	1,818	1,938	101	118	82
<i>Gains on revaluation of property, plant and equipment.....</i>	1,866	2,022	196	229	221
<i>Actuarial losses on defined benefit plans</i>	(48)	(84)	(95)	(111)	(139)
Other comprehensive income that may be reclassified to loss or profit in subsequent periods.....	(18,456)	(17,644)	(17,731)	(20,687)	(20,041)
<i>Reserve of losses on cash flow hedge.....</i>	(18,456)	(17,644)	(17,731)	(20,687)	(20,041)
Retained earnings	43,739	50,822	48,669	56,784	43,058
Net profit/(loss) for the period	7,180	(1,848)	(11,770)	(13,733)	134
Equity attributable to equity holders of the parent.....	42,335	41,322	27,365	31,928	32,679
Total equity	42,335	41,322	27,365	31,928	32,679
Total equity and liabilities.....	86,322	80,284	56,422	65,829	63,005

Notes:

- (1) Presented at the purchasing power of TL as of December 31, 2024.
(2) Presented at the purchasing power of TL as of June 30, 2025.
(3) The balance of “Other current assets” is immaterial and rounds to zero.

Consolidated Statements of Cash Flows

	For the year ended December 31, ⁽¹⁾			For the six months ended June 30, ⁽²⁾	
	2022	2023	2024	2024	2025
	(audited)			(unaudited and unreviewed)	(unaudited)
	(TL millions)				
Cash flows from operating activities	9,801	6,368	3,633	3,628	2,968
Cash flows from investing activities.....	(3,148)	(2,376)	(831)	(241)	(329)
Cash flows from financing activities	(5,015)	(3,718)	(2,403)	(1,224)	(3,668)
Net increase/(decrease) in cash and cash equivalents.....	1,639	274	398	2,162	(1,029)

	For the year ended December 31, ⁽¹⁾			For the six months ended June 30, ⁽²⁾	
	2022	2023	2024	2024	2025
	(audited)			(unaudited and unreviewed)	(unaudited)
	(TL millions)				
Effect of net monetary position differences gains/(losses) on cash and cash equivalents	(4,523)	(1,340)	(665)	(598)	(134)
Cash and cash equivalents beginning of the period.....	5,962	3,078	2,012	2,347	2,035
Cash and cash equivalents at the end of the period.....	3,078	2,012	1,745	3,912	872

Notes:

- (1) Presented at the purchasing power of TL as of December 31, 2024.
(2) Presented at the purchasing power of TL as of June 30, 2025.

Other Financial Data

	As at and for the year ended December 31, ⁽¹⁾			As at and for the six months ended June 30, ⁽²⁾		As at and for the twelve months ended June 30, ⁽²⁾
	2022	2023	2024	2024	2025	2025
	(TL millions)					
EBITDA ⁽³⁾	9,910	7,489	4,944	3,765	2,579	4,582
Electricity Proprietary Trading EBITDA ⁽⁴⁾	—	—	—	—	318	318
Non-Trading EBITDA ⁽⁵⁾	9,910	7,489	4,944	3,765	2,261	4,264
EBITDA Margin ⁽⁶⁾ (%)	91	82	75	80	62	64
Net Financial Liabilities ⁽⁷⁾	27,449	26,102	20,923	N/A	22,040	—
Free Cash Flow ⁽⁸⁾	9,900	7,446	4,889	3,702	2,536	4,483
Cash Conversion ⁽⁹⁾ (%)	100	99	99	98	98	98
Gross Debt ⁽¹⁰⁾	31,372	29,018	24,297	N/A	24,680	—
Capital Expenditure ⁽¹¹⁾	3,243	3,132	690	349	123	576
Net Working Capital ⁽¹²⁾	1,944	3,071	2,959	N/A	3,051	—
Net Financial Liabilities/EBITDA	2.8x	3.5x	4.2x	N/A	4.8x	4.8x

Notes:

- (1) Presented at the purchasing power of TL as of December 31, 2024.

- (2) Presented at the purchasing power of TL as of June 30, 2025.
- (3) We calculate EBITDA as operating profit plus depreciation and amortization.
- (4) We calculate Electricity Proprietary Trading EBITDA as the portion of our EBITDA derived from one-off electricity proprietary trading activities.
- (5) We calculate Non-Trading EBITDA as EBITDA less Electricity Proprietary Trading EBITDA.
- (6) We calculate EBITDA Margin as Non-Trading EBITDA divided by revenue.
- (7) We calculate Net Financial Liabilities as the sum of the short-term portion of long-term financial liabilities, non-current financial liabilities less cash and cash equivalents and financial investments.
- (8) We calculate Free Cash Flow as EBITDA less maintenance capital expenditure (which we define as capital expenditure excluding one-off items and growth capital expenditure which is the capital expenditure we undertake to prolong the lifespan and operational efficiency of our assets which does not contribute directly to expanding our business). The maintenance capital expenditure used to calculate Free Cash Flow primarily consists of unit modernization, regulator empowerment or replacement and generator improvement costs.
- (9) We calculate Cash Conversion as Free Cash Flow divided by EBITDA.
- (10) We calculate Gross Debt as short-term position of long-term financial liabilities plus long-term financial liabilities.
- (11) We calculate Capital Expenditure as outflows related to the purchase of tangible and intangible assets.
- (12) We calculate Net Working Capital as the sum of trade receivables, other receivables, inventory, prepaid expenses, other current assets, lease liabilities, trade payables, liabilities for employee benefits, other payables, liabilities for employee benefits, other payables, current provisions and other current liabilities.

	As at and for the year ended December 31, ⁽¹⁾			As at and for the six months ended June 30, ⁽²⁾	
	2022	2023	2024	2024	2025
<i>(TL millions)</i>					
Revenue	10,923	9,181	6,584	4,724	5,844
Cost of sales	(4,875)	(5,213)	(4,977)	(3,005)	(4,282)
Gross profit	6,048	3,967	1,607	1,719	1,562
General administrative expenses	(504)	(912)	(644)	(311)	(416)
Other operating income	1,295	1,520	989	591	214
Other operating expenses	(30)	(161)	(17)	(2)	(20)
Operating profit	6,809	4,414	1,935	1,997	1,339
Depreciation and amortization expenses	3,101	3,075	3,009	1,768	1,240
EBITDA	9,910	7,489	4,944	3,765	2,579

Notes:

- (1) Presented at the purchasing power of TL as of December 31, 2024.
- (2) Presented at the purchasing power of TL as of June 30, 2025.

	As at and for the year ended December 31, ⁽¹⁾			As at and for the six months ended June 30, ⁽²⁾	
	2022	2023	2024	2024	2025
<i>(TL millions)</i>					
Revenue	—	—	—	—	2,187
Cost of sales	—	—	—	—	(1,869)
Electricity Proprietary Trading					
EBITDA	—	—	—	—	318

Notes:

- (1) Presented at the purchasing power of TL as of December 31, 2024.
(2) Presented at the purchasing power of TL as of June 30, 2025.

	As at and for the year ended December 31, ⁽¹⁾			As at and for the six months ended June 30, ⁽²⁾	
	2022	2023	2024	2024	2025
<i>(TL millions)</i>					
Revenue	10,923	9,181	6,584	4,724	5,844
Depreciation and amortization expenses	3,101	3,075	3,009	1,768	1,240
Other operating income	1,295	1,520	989	591	214
Cost of sales	(4,875)	(5,213)	(4,977)	(3,005)	(4,282)
General administrative expenses	(504)	(912)	(644)	(311)	(416)
Other operating expenses	(30)	(161)	(17)	(2)	(20)
Electricity Proprietary Trading EBITDA	—	—	—	—	318
Non-Trading EBITDA	9,910	7,489	4,944	3,765	2,261

Notes:

- (1) Presented at the purchasing power of TL as of December 31, 2024.
(2) Presented at the purchasing power of TL as of June 30, 2025.

	As of December 31, ⁽¹⁾			As of June 30, ⁽²⁾
	2022	2023	2024	2025
<i>(TL millions)</i>				
Total Financial Liabilities				
Dollar	31,372	29,018	24,297	24,680
Less				

	As of December 31, ⁽¹⁾			As of June 30, ⁽²⁾
Cash and cash equivalents	3,078	2,012	1,745	872
Financial investments	845	905	1,629	1,767
Net Financial Liabilities	27,449	26,102	20,923	22,040
EBITDA	9,910	7,489	4,944	4,582 ⁽³⁾
Net Financial Liabilities/EBITDA	2.8x	3.5x	4.2x	4.8x⁽³⁾

Notes:

- (1) Presented at the purchasing power of TL as of December 31, 2024.
- (2) Presented at the purchasing power of TL as of June 30, 2025.
- (3) The calculation of the Net Financial Liabilities/EBITDA is based on the EBITDA for the last twelve months ended June 30, 2025.

	As at and for the year ended December 31, ⁽¹⁾			As at and for the six months ended June 30, ⁽²⁾	
	2022	2023	2024	2024	2025
	<i>(TL millions)</i>				
EBITDA.....	9,910	7,489	4,944	3,765	2,579
Maintenance capital expenditure.....	10	44	54	63	44
Free Cash Flow	9,900	7,446	4,889	3,702	2,536

Notes:

- (1) Presented at the purchasing power of TL as of December 31, 2024.
- (2) Presented at the purchasing power of TL as of June 30, 2025.

	As at and for the year ended December 31, ⁽¹⁾			As at and for the six months ended June 30, ⁽²⁾
	2022	2023	2024	2025
	<i>(TL millions)</i>			
Short-term portion of long-term financial liabilities	2,393	2,159	6,338	6,935
Long-term financial liabilities	28,979	26,860	17,959	17,744
Gross Debt	31,372	29,018	24,297	24,680

Notes:

- (1) Presented at the purchasing power of TL as of December 31, 2024.
- (2) Presented at the purchasing power of TL as of June 30, 2025.

	As at and for the year ended December 31, ⁽¹⁾			As at and for the six months ended June 30, ⁽²⁾	
	2022	2023	2024	2024	2025
<i>(TL millions)</i>					
Outflows related to the purchase of tangible and intangible assets	3,243	3,132	690	349	123
Capital Expenditure	3,243	3,132	690	349	123

Notes:

- (1) Presented at the purchasing power of TL as of December 31, 2024.
(2) Presented at the purchasing power of TL as of June 30, 2025.

Other Operating Data

	For the year ended December 31,			For the six months ended June 30,	
	2022	2023	2024	2024	2025
Availability Factor – HPPs (%)	99.9	99.9	99.7	99.9	99.9
Availability Factor – WPPs (%)	99.5	99.6	99.4	99.6	99.6
EFOR – HPPs (%)	0.1	0.1	0.3	—	—
EFOR – WPPs (%)	0.5	0.4	0.6	0.4	0.4
Capacity Factor – HPPs (%)	27	25	19	26	22
Capacity Factor – WPPs (%)	35	34	31	29	29
Net Generation (TWh).....	2.5	2.4	2.2	1.3	1.2
% of Existing FiT-Linked Revenue	80	30	40	35	30

Run-Rate Data

	As at and for the year ended December 31, ⁽¹⁾			As at and for the six months ended June 30, ⁽²⁾		As at and for the twelve months ended June 30, ⁽²⁾
	2022	2023	2024	2024	2025	2025
<i>(TL millions)</i>						
Run-rate Revenue ⁽³⁾	—	—	—	—	—	11,049
Run-rate EBITDA ⁽⁴⁾	—	—	—	—	—	6,238

Notes:

- (1) Presented at the purchasing power of TL as of December 31, 2024.
(2) Presented at the purchasing power of TL as of June 30, 2025.
(3) We calculate Run-rate Revenue by applying the applicable price to a power plant's Run-rate Generation. The applicable price is either the Existing FiT for power plants which currently benefit from the Existing FiT or the

average sales price for the last twelve months ended June 30, 2025 including balancing costs for power plants which do not benefit from the Existing FiT.

- (4) We calculate Run-rate EBITDA as Run-rate Revenue multiplied by the average EBITDA margin over the past three years.

RISK FACTORS

We believe that the following factors may affect our ability to fulfil our obligations under the Notes. Most of these factors are contingencies which may or may not occur and we are not in a position to express a view on the likelihood of any such contingency occurring.

In addition, factors which we believe are specific to the Notes are also described below. We believe that the factors described below represent the principal risks inherent in investing in the Notes, but our inability to pay interest, principal or other amounts on or in connection with the Notes may occur for other reasons and we do not represent that the statements below regarding the risks of holding the Notes are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Offering Memorandum and reach your own views prior to making any investment decision.

This Offering Memorandum contains forward-looking statements that involve risks and uncertainties. See “Forward-Looking Statements.” Our actual results could differ materially and adversely from those anticipated in these forward-looking statements as a result of certain factors, including the risks facing us described below and elsewhere in this Offering Memorandum.

Risks Related to Our Industry and Business

The generation of electricity from renewable energy sources depends heavily on suitable environmental conditions (including a favorable supply of hydrology and wind).

For each of the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, approximately 95% of the electricity we generated came from HPPs and WPPs. Over the same period, 79%, 75%, 64% and 44%, respectively, of our total revenue came from HPPs and 20%, 20%, 29% and 16%, respectively, came from WPPs. HPPs and WPPs are highly dependent on adequate hydrological and wind conditions, respectively, which are beyond our control and can vary significantly, and can also be materially affected by general weather conditions and unusually severe weather. Any of these factors can cause volatility in production levels and impair the performance of our power plants, and therefore can cause volatility in our profitability.

Our HPPs are dependent on hydrological conditions prevailing from time to time in the geographic regions in which they are located. They are exposed to related issues including droughts, excess water, climate change and developments in the watercourse upstream of the relevant facility. For example, over the last three years, the Göktaş HPP generated approximately 47% less power as compared to its historical average performance in the period between 2021 and 2024, due to the drought in the local region. According to the Turkish State Meteorological Service, due to low rainfall, 2021 was in the driest year in Türkiye since 1971, with notably little rainfall in the latter half of the year. If these adverse hydrological conditions persist, the electricity generated by our HPPs could further decline.

In addition, our HPPs may also experience decreased waterflow due to the General Directorate of State Hydraulic Works’s, the state waterworks entity in Türkiye (*Devlet Su İşleri Genel Müdürlüğü*) (“DSİ”) waterflow studies and controls which decrease the amount of waterflow available to us. The DSİ controls the amount of water that is available to farmers for the purposes of irrigation. During adverse meteorological conditions such as drought, irrigation unions demand more water to be diverted to farmers for the purposes of irrigation and file reports to DSİ reflecting this increase in demand. In such instances, DSİ, along with EÜAŞ, diverts water away from use in our HPPs for the purposes of electricity generation, resulting in a consequent decrease in total energy generation from our HPPs and therefore a decrease in our revenue.

Conversely, our HPPs may experience reduced generation levels due to excess water flow, as excess flow could require them to open floodgates and lose water, thereby reducing the amount of electricity they can generate.

In addition, water issues such as blockages caused by waterborne debris may affect turbine life and energy yield. The associated increased costs of servicing or replacing turbines, as well as the decline in electricity output from a reduction in the availability of turbines could adversely affect our operations. Our WPPs depend on suitable wind conditions, which exhibit seasonal patterns and are difficult to predict. For example, there may be no or very light wind for a period or, conversely, wind speeds may exceed the threshold at which they can be safely operated, requiring us to halt our turbines.

A decrease in energy generation, either due to excess or depleted waterflow, would decrease our revenue and thereby adversely affect our business, financial conditions and results of operations.

We forecast electricity production based on long-term historical average weather conditions. Both hydrological and wind resource estimates are based on historical experience (if historical records are available), and wind resource estimates are also based on studies conducted by third-party companies. These estimates are not expected to reflect actual HPP or WPP production in any given year. While we also consider possible variations in normal weather patterns and the potential impacts of these variations on our operations, there can be no assurance that such planning can prevent these impacts or accurately predict future weather conditions. Any significant variations from normal weather patterns where our HPPs and WPPs are located could negatively impact our operations. In addition, to the extent climate change causes changes in temperature and wind patterns, variability in precipitation or increased intensity or frequency of extreme weather events, it could have a long-term negative impact on our operations.

Electricity suppliers and producers bid their orders to sell electricity in the day-ahead market. However, our actual production may not match our day-ahead order to sell, due to the nature of the business and unforeseeable climatic conditions. As a result, we are exposed to imbalances in the electricity market. We seek to manage this risk by entering into balancing groups with other suppliers to cover the mismatch. However, if we are unable to accurately forecast meteorological conditions or maintain our imbalancing management, our actual production may not match our day-ahead order, which could in turn expose us to imbalance costs. For further details on imbalance costs, see “*Business—Material Contracts—Imbalancing Agreement.*”

Any of the unfavorable meteorological conditions or their consequences discussed above could negatively impact the operations of our power plants, and therefore could have a material adverse effect on our business, financial condition and results of operations.

Our business is dependent on obtaining and maintaining Governmental licenses, permits, regulations and mandatory agreements with Government authorities necessary to operate our power plants, as well as on our continued compliance with applicable laws and regulations.

We operate in a highly regulated environment, and our business is dependent on obtaining and maintaining a variety of governmental licenses and permits. The regulations we are subject to concern a wide variety of issues, including urban planning, agricultural policies, environmental protection, noise regulations, biodiversity, the protection of local communities, workplace health and safety, maintenance and oversight of operations in our power plants.

If we fail to ensure compliance with applicable licenses, permits, regulations and mandatory agreements with Government authorities, we could face fines and sanctions by regulatory authorities or the termination of the relevant licenses, permits, agreements and authorizations necessary to conduct our business. Furthermore, we may also be subject to legal proceedings initiated by or against Government authorities, based on the contractual relationships we have with them. For example, we are required to enter into WUAs with the DSI as a condition of operating our HPPs. The DSI reserves the right to terminate these WUAs if we fail to maintain our generation license or EIA approvals, or if we fail to comply with our obligations under the WUA, such as not polluting the water, not endangering natural life or not complying with certain other requirements. Conversely, EMRA can terminate a power plant’s license if the DSI terminates the WUA for such power plant.

Termination of a WUA would require us to cease operations at such power plant, and could have a material adverse effect on our business, financial condition and results of operations.

In addition, EMRA has the right to impose sanctions on us if our generation activities do not comply with applicable law. These sanctions can include serving notice, issuing fines or revoking our licenses, depending on the scale of the non-compliance. If the licenses, permits and authorizations necessary for us to operate a power plant are terminated, we cannot operate the power plant.

Moreover, we may face changes to the regulatory regime such that we can no longer comply with the terms of our licenses or permits, or an arbitrary or unpredictable exercise of discretion by regulatory or supervisory bodies in enforcing the terms of our licenses or permits.

For example, 11 of our power plants do not have construction permits and building usage permits and although these power plants were widely considered exempt from obtaining construction permit and building usage permit at the time of their COD, due to changes in the interpretation of the applicable rules, driven by MENR, it had become necessary to obtain construction permits and building usage permits to continue operating these power plants. Administrative fines (amounting to TL 31,047,309.91 in total, of which TL 29,985,493.94 is still under review before the Council of State and has not yet become final) and other sanctions were imposed on the Dalaman HPP 1-2-3-4-5 and Gökyar HPP by the Dalaman, Ortaca and Köyceğiz municipal committees, alleging construction violations due to the absence of construction permits and building use permits in such power plants. As we consider these administrative actions to be unlawful since both HPPs qualify as public investments exempt from construction permit and building usage permit requirements, we have filed lawsuits before the administrative court seeking the annulment of these actions, see “*Business—Legal Proceedings*”. However, on July 24, 2025, a new law numbered 7554 (the “**Law No.7554**”) came into force, making certain amendments to the Electricity Market Law, among others. The Law No.7554 introduced the temporary article 34 into the Electricity Market Law, which establishes a regularization mechanism for licensed electricity generation plants, commissioned in full or in part before 31 December 2024, to operate without obtaining a construction permit and/or building use permit. In order to benefit from such regularization mechanism, the relevant electricity generation plant must submit an application to the MENR to obtain a compliance certificate with a report prepared by civil engineers confirming the structural adequacy and a document from the relevant engineers assuming technical responsibility, see “*Business-Permits and Licenses*”. Although we are planning to make an application to the MENR, for all of the relevant power plants that do not have construction permit and building usage permit, in order to obtain the Compliance Certificate (as defined below), there can be no assurance that all of such power plants will be eligible for such certificate. Moreover, while the Law No.7554 is in effect as at the date of this Offering Memorandum, it may be subject to cancellation, repeal, or legal challenge through constitutionality review by the Constitutional Court initiated by affected parties. Failure to obtain the Compliance Certificate (as defined below) and/or a cancellation or repeal of the Law No.7554 may subject us to further administrative procedures regarding the absence of the relevant licenses, such as issue of administrative fines and/or cease and desist orders, which could have a material adverse impact on our business and results of operations.

The Regulation on Workplace Opening and Operation Licenses requires most businesses to obtain a workplace opening and operation license for their workplaces, such as offices, stores, headquarters, warehouses and factories before beginning operations, unless they are exempted. Power plants are not exempted from this requirement, and are required to obtain workplace opening and operation licenses. As of the date of this Offering Memorandum, we have not yet been able to obtain workplace opening and operation license for three of our power plants, namely Bereket 1-2 HPP, Kızıldere GPP and Adıgüzel HPP, which together have approximately 10 MW of installed capacity. See “*Regulatory Overview—Workplace Opening and Operation*”. fine. However, according to the Law No.7554, once obtained, the Compliance Certificate shall also serve as a workplace opening and operation license, and as mentioned above, and we are planning to make an application

to the MENR to obtain the Compliance Certificate for these power plants before the regulatory deadline. Failure to obtain the Compliance Certificate (as defined below) and/or a cancellation or repeal of the Law No.7554 may subject us to administrative procedures regarding the absence of the workplace opening and operation license, such as suspension of operations in the relevant workplace or shutdown of the relevant workplace and/or issue of administrative fines, which could have a material adverse impact on our business and results of operations.

Furthermore, any non-compliance with the terms of our connection agreements with the state-owned electricity transmission corporation (“**TEİAŞ**”), and/or with distribution network operators, or any failure to pay system usage fees, could result in fines, and repeated violations could also result in the potential termination of the relevant agreements or disconnection of the relevant connection point. If the relevant connection point is disconnected, then the power plant in question will not be able to export electricity to the Turkish electricity transmission and distribution grid (the “**grid**”).

With respect to our HPPs, the DSI, the state waterworks entity in Türkiye, controls water resources in Türkiye and directs the flow of water and how much water our HPPs receive. As part of the terms of the WUAs that we are required to enter into with the DSI, it may lessen the flow of water to an HPP under certain conditions, which could render the affected HPP unable to function, either at full capacity or at all. Moreover, we do not have direct control over all of the equipment used to provide water to our HPPs, such as the DSI’s or other third parties’ pipework for water flow. Furthermore, our water flow can also be affected if the upstream reservoirs, including EÜAŞ’s HPPs with reservoirs, hold more water than usual. We also do not have the right to maintain or repair such equipment, should the DSI or the third parties in control of such equipment fail to do so, and cannot force or regulate water flow from the upstream reservoirs, which could lead to our HPPs having an inadequate water supply.

We may also face certain challenges in obtaining the necessary project rights, consents, permits and licenses for new power plants. These challenges include, among other things, obtaining construction and operating consents, permits and licenses, obtaining planning permission for the construction of new power plant and ensuring compliance with the conditions included in our consents, permits and licenses. We may also face certain challenges in maintaining or renewing our existing permits and licenses. If we do not follow the appropriate procedures to renew these permits and licenses in a timely fashion, or otherwise fail to obtain or maintain all necessary licenses, permits, consents and other authorizations necessary to run our business, we could face fines, sanctions and/or revocation or suspension of the consents, permits or licenses granted to us, and we may therefore be required to terminate or suspend our operations, any of which could have a material adverse effect on our business, financial condition and results of operations.

Demand for electricity in Türkiye may decline.

The amount of electricity we sell is affected by the demand for electricity in Türkiye, which is in turn affected by factors including the macroeconomic environment in Türkiye, demographic factors and seasonality. Any negative impact on the macroeconomic environment in Türkiye could cause a decline in overall demand for electricity from private consumers and businesses. In the years ended December 31, 2022, 2023 and 2024 the Turkish economy’s real gross domestic product growth (“**GDP**”) was 5.5%, 5.1% and 3.2%, respectively (Source: IMF World Economic Outlook, October 2024). If the Turkish economy declines, this may cause a decrease in energy consumption in Türkiye or negatively affect the Turkish energy market.

Demographic factors, such as stagnant population growth, a decline in the young and urban population or a halt to the digitalization of the Turkish economy, could also decrease the demand for electricity.

Finally, demand for electricity also fluctuates because of seasonal electricity consumption patterns. Although electricity consumption typically increases during the winter months (due to increased heating and lighting needs) and during the summer months (due to air conditioning and cooling needs), it correspondingly decreases

in the spring and fall months when there is less need for heating or cooling. Furthermore, there can be no guarantee that climate change or adverse weather conditions will not affect electricity consumption patterns across seasons in ways that we are unable to predict or appropriately plan for and could cause a decline or disruption to the general level of demand we expect for the electricity that we generate.

Any of the above macroeconomic, demographic and seasonal factors can affect the demand for the electricity we generate, which could reduce the prices we are able to secure on the spot market, which could in turn have a material adverse effect on our business, financial condition and results of operations.

Electricity market prices and forecast prices may exhibit significant price volatility.

The price of electricity on the spot market may exhibit significant volatility. This is due to the merit order structure in Türkiye, in which the ultimate determinant of electricity prices is the generation costs of natural gas power plants. The generation costs of natural gas power plants are primarily coordinated with Brent oil prices according to long-term gas supply contracts. For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, 80%, 30%, 40% and 48% (excluding electricity proprietary trading activities) of our revenues, respectively, and 72%, 75%, 67% and 41% of our generation capacity (calculated as a percentage of 2024 capacity figures for FiT eligible power plants) as of December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, respectively, were subject to the Government's Existing FiT tariff mechanism, which incentivizes renewable energy power plants through a fixed dollar sales price (which differs by renewable type) for ten years starting from those renewable power plants that have a commercial operation date (the "COD") prior to June 30, 2021. As of June 30, 2025, 43% of our electricity generation benefitted from the Existing FiT and 57% came from merchant sales.

As our plants have aged, we have had less benefit of the Existing FiT. By the end of 2026, we expect that only 5% of our generation portfolio (by installed capacity) will be subject to the Existing FiT. As of December 31, 2028, all of our existing power plants will be out of the scope of the Existing FiT. We currently have no power plants subject to the YEKDEM feed-in tariff mechanism, which is applicable to power plants that have a COD between July 1, 2021 and December 31, 2030 (the "New FiT"). For the current status of which of our power plants benefit from the Existing FiT and the duration, see "*Business – Our Operations*." When our plants move out of the Existing FiT coverage period, we sell our electricity on the spot market, and we are subject to the attendant volatility in spot market prices, which can be affected by electricity supply and demand factors. For the information on price formation in the spot market and spot and Existing FiT electricity sales prices, see "*Business – Feed-in-Tariff Mechanism and Spot Market*."

Furthermore, the New FiT is substantially lower than the Existing FiT and is updated every month based on inflation and dollar and euro exchange rates, with a fixed cap set in dollars. The New FiT is currently lower than the spot price for electricity and there can be no assurance that it will be higher in the future or for what duration.

Electricity prices in the spot market are determined through a merit order sequence, which brings new sources of electricity generation online in order from the cheapest source to the most expensive, with prices being set at the highest bid necessary to satisfy all demand. As such, spot market prices fluctuate depending on demand, and these fluctuations may adversely affect our ability to maintain our revenue levels or rates of return on our assets. Spot market prices can also fluctuate depending on supply, as favorable meteorological conditions could increase the supply of electricity from renewable sources, thereby reducing prices in the spot market. A decline in the market price of electricity or a decline in the costs of other sources of electricity generation, such as fossil fuels or nuclear power, could reduce the wholesale price of electricity, which, in turn, could lead to a decrease in our revenues, and therefore, could have a material adverse effect on our business, financial condition and results of operations.

Reduction or abandonment of governmental support for renewable energy, or other relevant changes in governmental energy policy and regulations, may adversely affect our future investment and growth opportunities.

The development of renewable energy sources and the generation of renewable energy in Türkiye rely, in large part, on governmental regulatory and financial support such as the Existing FiT policy, which guarantees renewable power plants with a fixed dollar electricity sales price for the first ten years of operation. While Türkiye has adopted policies and support mechanisms that actively promote the development of renewable energy, there can be no assurance that this approach will not be modified in the future.

While certain of our power plants currently benefit from the Existing FiT policy, this policy is not applicable for any power plants with a COD after June 30, 2021. The Government's support for renewable energy, particularly through the Existing FiT mechanism, has played a significant role in our growth. The New FiT, which applies to power plants that have a COD between July 1, 2021 and December 31, 2030, sets prices at levels which are substantially lower than the Existing FiT; the upper limit of the New FiT is set at \$82.5 per MWh for reservoir HPPs, \$77 per MWh for run of river HPPs, \$60.5 per MWh for WPPs, \$60.5 per MWh for SPPs, \$115.5 per MWh for GPPs and \$71.5 per MWh for storage integrated SPPs and WPPs. This is substantially lower than Existing FiT rates, except HPPs, which are \$73 per MWh for HPPs and WPPs, \$133 for LFG plants and SPPs and \$105 for GPPs. Furthermore, the New FiT prices are set in Turkish lira and updated every month based on inflation and dollar and euro exchange rates, with a fixed cap set in dollars. Although the New FiT mechanism is updated on a monthly basis, the mechanism may cause a mismatch between the financing of new renewable projects, if such financing is obtained in foreign currency, because exchange rate fluctuations may not be adequately captured at the time payment is due.

Any reversal of, or unfavorable changes to, such governmental incentive policies, or interpretative issues and uncertainties around their implementation, could have a material adverse effect on our business, financial condition and results of operations.

The operation, maintenance and refurbishment of power plants involve significant risks that could result in unplanned power outages, reduced output and unanticipated capital expenditures.

The operation of our power plants involves risks that include the breakdown or failure of equipment or processes, performance below expected levels of output or efficiency and any inability on our part to transport electricity from our power transformers to the grid in an efficient manner due to a lack of capacity or infrastructure issues.

Such failures and performance issues can stem from several factors, including errors in operation, lack of maintenance and general wear over time. As a result, many of our power plants require major periodic overhaul activities and/or upgrades, and downtime due to unplanned maintenance is the principal factor that affects the availability of our power plants. Unplanned outages of generating units, including extensions of scheduled outages due to mechanical failures or other problems relating to our power plants occur from time to time and are an inherent risk of our business. Unplanned outages of our power generating units may reduce our revenue as a result of selling less electricity or require us to incur significant costs (which we may not be able to pass through to customers) as a result of running a higher cost unit. Critical equipment or parts may not always be readily available when needed, and this can also negatively affect the availability of our power plants.

In addition, we cannot be certain of the level of capital expenditures that will be required due to changing environmental, health and safety laws and regulations (including changes in the interpretation or enforcement thereof), necessary facility repairs and unexpected events (such as natural or man-made disasters or terrorist attacks). For example, TEİAŞ may increase the system usage fee at a rate greater than TL inflation, as it has done in the past, which could cause us to incur additional costs.

Any unexpected failure, including failure associated with breakdowns, forced outages or any unanticipated capital expenditures at our power plants, could result in reduced profitability, which could have a material adverse effect on our business, financial condition and results of operations.

A catastrophic loss or unplanned shut down of one of our key power plants could adversely affect our business.

As of the date of this Offering Memorandum, four of our power plants (Akıncı HPP, Göktaş I HPP, Göktaş II HPP and Koyulhisar HPP) individually constitute more than 5% of our total installed capacity and collectively constitute 37% of total installed capacity, and for the year ended December 31, 2024 and the six months ended June 30, 2025, these power plants generated in aggregate 47% and 21%, respectively, of our EBITDA. A catastrophic loss of the use of all or a portion of one of these key power plants, due to accidents, floods, earthquakes, storms or other man-made or natural disasters, whether short- or long-term, could prevent us from carrying out our business activities at the affected location or significantly impact our operations. In addition, severe weather incidents could damage components of our facilities, and replacement and spare parts for key components may be difficult or costly to acquire or may be unavailable. Furthermore, although TEİAŞ, as the grid operator, compensates us for our losses resulting from grid-related issues, severe weather incidents could damage the grid and TEİAŞ may be unable to replace the broken components or fix the damages in a timely manner, resulting in a disruption in the sale and export of electricity. Moreover, there can be no guarantee that compensation from TEİAŞ will be sufficient to cover all our losses.

Although we maintain comprehensive insurance policies to manage the risk of catastrophic loss, these insurance policies may not be adequate to cover all losses arising in the event of a catastrophe at one of our power plants. See “—*Our insurance may not be sufficient to cover all potential losses and it is not possible to insure against all potential risks, whether in the context of a catastrophic event or otherwise.*” Any catastrophes or disruptions or natural disasters relating to these power plants, or to an aggregate of our other power plants, could result in a significant decrease in revenue or significant reconstruction or remediation costs, beyond what could be recovered through insurance policies, which could have a material adverse effect on our business, financial condition and results of operations.

We are subject to certain risks related to the supply and maintenance of the equipment and services that we need for our current and future operations.

Our power plants are subject to electromechanical equipment failure and equipment shutdowns. Circumstances beyond our control, including fires on electromechanical equipment, floods or grid-related issues, could also affect or damage the equipment at these power plants. We are dependent on the availability of equipment and services for both the continued operation of our existing power plants and for the development and construction of new investment projects.

All of our power plants require a supply of construction materials, maintenance equipment, spare parts and technical services. Failure to secure the supply of the equipment and services required for our operations in the necessary quantity and quality and on acceptable commercial terms could make the operation of our existing power plants unprofitable or cause operational issues. This year, the U.S. administration has intensified its trade policies, implementing new tariffs and restrictions, which may in turn impact supply availability or our ability to procure supplies at reasonable or cost-efficient prices. In addition, equipment we purchase may have technical faults that are not apparent to us prior to purchase. A defect or an electromechanical failure in equipment, or an accident which causes an interruption or a decline in the operating performance at a site will directly impact the revenues and profitability of that site. In addition, we control and monitor our operations on an around-the-clock basis. The failure of the hardware or software that supports our control and monitoring systems or the loss of data in the systems could result in fluctuations in electricity generation, potentially leading to equipment failures or imbalance costs, which could in turn adversely affect our operations.

Furthermore, any difficulty in procuring construction materials, equipment and services could prevent us from pursuing new investment projects, make these investment projects less economically attractive, cause delays, result in cost overruns and adversely impact operations and maintenance of our existing power plants. We can provide no assurance that we will be able to secure the supply of the equipment and services that we need for our operations, including with respect to our investment projects or opportunities, on commercially attractive terms, within our required timeframes or at all. In addition, the implementation of any new tariffs and restrictions or any intensification of trade policies (such as those imposed by the U.S. administration this year) may disrupt the supply of construction materials and parts and equipment, which in turn would lead to higher costs for our operations.

Moreover, while the impact of any failure of, or defect in, the equipment used in the operation of our power plants will be reduced to the extent that we have the benefit of any warranties or performance guarantees, these typically only apply in limited circumstances and for a limited period, and may also be conditional on the equipment supplier being engaged to provide maintenance services to the project. Should equipment fail or not perform properly after the expiry of any warranty or performance guarantee period and should insurance policies not cover any related losses or business interruption, we will have to bear the cost of repair or replacement of that equipment. Moreover, equipment warranties and guarantees do not cover consequential damages, such as lost revenues, that could follow from equipment failures or defects. In addition, the timing of any payments under warranties and performance guarantees may adversely affect our cash flow.

Any of the above issues could have a material adverse effect on our business, financial condition and results of operations.

We may be unable to maintain relationships with suppliers.

We rely on current and future relationships with a relatively small number of suppliers, sometimes on an exclusive basis, for the operations of our business and will continue to be reliant on third parties for further development. We have several significant supplier relationships. For example, we rely primarily on Vestas, Sinovel and Goldwind as suppliers for our WPPs. Our dependence on these relationships may impact our ability to negotiate favorable contract terms with these counterparties. Furthermore, it is common to develop a relationship with certain contractors over time (for example, due to the quality of their work) and therefore rely on certain contractors over others.

There is no guarantee that we will be able to replace any material supplier in a timely manner or at all if a relationship is discontinued or terminated. An inability to negotiate favorable contracts with suppliers, or to find suitable replacements if a supplier is unable to fulfill its obligations to us or discontinue business with us, could have a material adverse effect on our business, financial condition and results of operations.

We are subject to exchange rate risk with respect to the New FiT, Top-up Payments under the Existing FiT, and our non-FiT revenue and our exchange rate risk will increase as the Existing FiT periods for our power plants expire and as new power plants are built under the New FiT.

In recent years, the Turkish lira has generally depreciated against other currencies, especially the dollar. Although in the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, 80%, 30%, 40% and 48% (excluding electricity proprietary trading activities), respectively, of our revenue was related to the Existing FiT and therefore indexed to dollars, the remaining 20%, 70%, 60% and 52% (excluding electricity proprietary trading activities), respectively, of our revenue was generated through Turkish lira-denominated sales. As the Existing FiT periods for our power plants expire, and as new power plants are built under the New FiT, we will generate a larger percentage of our revenue in Turkish lira; if our generation capacity remains unchanged, we expect that only 27% of our generation capacity will be subject to the Existing FiT by the end of 2026. Any decrease in the value of the Turkish lira against other currencies, especially the

dollar, will have an increasingly adverse effect on our business, financial condition and results of operations for the reasons set out below.

We are exposed to foreign exchange risk associated with the collection of our receivables, particularly our receivables under the Existing FiT. Our power plants that benefit from the Existing FiT sell electricity either on the day-ahead market or to eligible customers who consume electricity in an amount greater than a threshold set by EMRA (“**eligible customers**”), through bilateral agreements. If the sale price under these arrangements is lower than the incentive price of the Existing FiT (\$73 per MWh for HPPs and WPPs, \$105 per MWh for the GPP and \$133 per MWh for our LFG power plant, for all power plants with a COD before June 30, 2021) the difference between the incentive price of Existing FiT and the day-ahead market price is calculated in dollar terms and converted to Turkish lira at the exchange rate on the relevant date and paid by EPIAŞ to us on the 25th day of the following month (“**Top-up Payment**”). Therefore, we carry between 25 days (i.e., from the last day of the relevant month until the 25th day of the next month) and 55 days (i.e., from the first day of the relevant month until the 25th day of the next month) of foreign exchange risk with respect to the Top-up Payment. Since the annual average price of the day-ahead market was higher than the existing FiT for the years ended December 31, 2022 and 2023, there was no exchange rate risk associated with the Top-up Payment for the relevant period. However, the annual average price of the day-ahead market was slightly lower than the Existing FiT for the year ended December 31, 2024. The mark-up of the Existing FiT compared to the spot price contributed only 3% of incremental revenue for the year ended December 31, 2024 and 6% of incremental revenue for the six months ended June 30, 2025. Any significant fluctuation in the exchange rate before the collection of the Top-up Payment could adversely affect our business, financial condition, and results of operations.

Although we have not built any power plants subject to the New FiT to date, if we do we will be exposed to foreign exchange rate risk associated with power plants built under the New FiT, as the New FiT is set in Turkish lira and is updated every month based on inflation and dollar and euro exchange, with a fixed cap set in dollars. Because the New FiT is only updated every month, any intra-period volatility in the relevant exchange rates would not be captured in the New FiT price until the end of month. Furthermore, because the New FiT cannot exceed an upper price limit in U.S. dollar, it is possible that significant shifts in exchange rates could exceed that upper price limit, resulting in exchange rate shifts not being fully captured in the updated price.

Furthermore, we had \$687 million (TL 24,297 million equivalent presented as purchase power as of December 31, 2024) and \$620 million (TL 24,680 million equivalent presented as purchase power as of June 30, 2025) of total dollar-denominated financial liabilities as of December 31, 2024 and June 30, 2025, respectively. While our dollar-indexed revenue represents a natural hedge against our dollar-denominated indebtedness, there can be no assurance that we will be able to continue to generate dollar-indexed revenue in the future, especially once the Existing FiT periods of our power plants expire. Moreover, as we report our financial statements in Turkish lira, a decline in the value of the Turkish lira relative to other currencies, especially the dollar, could increase our non-cash foreign exchange losses recorded, due to a rise in dollar-denominated indebtedness and increased interest expenses, which could in turn adversely affect our results of operations.

We are subject to substantial uncertainties relating to the development of new power plants. Development projects may not be completed, either efficiently or at all, or perform as expected.

Our portfolio has grown significantly due to our greenfield investments, and our future growth plans are dependent on the tendering for new projects. We are subject to challenges in successfully tendering for new greenfield projects, obtaining necessary projects rights and developing these projects.

We participate in tenders and auctions to acquire and secure project rights for development projects. Failure to win tenders and auctions or otherwise acquire or secure project rights might lead to us being unable to expand

our business. Even if we are successful in tendering, projects may be large and complex, and we may not be able to complete them as planned or at all. There can be no assurance that we will be able to negotiate the required agreements and obtain the necessary licenses, permits and financing.

In addition, various groups, including local residents and associations, may publicly oppose certain development projects, and this opposition, along with political developments, could hinder or prevent our development of certain projects. In particular, permits, authorizations and licenses necessary for the construction of a power plant may, once granted, be subject to challenges by local residents and associations, who may argue that our installations will damage the landscape and biodiversity, cause noise pollution and generally harm the environment. When our permits and authorizations are invalidated or challenged, our development timeframes or associated costs may increase, and in some extreme cases, we may have to abandon projects that are already in development. Furthermore, any such opposition may also impact our ability to obtain financing for the construction and development of such projects on favorable terms or at all.

Successful completion of greenfield power plants also depends on overcoming other substantial risks, including, but not limited to, risks relating to failures of siting, construction, permitting or commissioning delays as a result of a failure to meet certain milestones. When we commit to capital expenditures for projects under development, we expect these costs to be recoverable; however, there can be no assurance that any individual project will be completed and reach commercial operation. If these development efforts are not successful, we may abandon a project under development and write off the costs incurred in connection with such project. At the time of abandonment, we would expense all capitalized development costs incurred in connection therewith and could incur additional losses associated with any related contingent liabilities.

Even if we can develop new projects, inefficient project management or poor execution of the development projects could result in delays or unanticipated cost overruns. The success of our development projects is also subject to additional risks, including, but not limited to, risks associated with operating in developing countries and risks relating to legal and regulatory developments.

Finally, there are a limited number of sites in Türkiye on which it would be economical to construct our hydroelectric, wind, solar or geothermal power plants. As more of these power plants are developed by both us and our competitors, it will become increasingly difficult for us to find suitable locations for these power plants. An inability to find further sites for development, obtain planning permission for sites we have identified, successfully develop at the sites where we have obtained such permission, or overcome the problems outlined above could have a material adverse effect on our business, financial condition, results of operations and prospects.

Any acquisitions we undertake may not be completed or, if completed, perform as expected. Acquisitions may consume a portion of our management's focus, and increase our leverage, and if not successful, reduce our profitability.

We use acquisitions to grow our business. Our continued growth may depend on additional acquisitions, including privatizations. We are constantly looking for new opportunities. From time to time, attractive opportunities may arise because of unusual conditions or circumstances particular to a seller. In these and other situations, we may be required to act quickly or lose the opportunity.

Our ability to act quickly on acquisition opportunities depends on our ability access the necessary funding, either through cash flows or external financing. In addition, activities related to acquisitions may consume a portion of our management's focus and could increase our leverage. Future acquisitions may be large and complex, and we may not be able to complete them as planned or at all. This opposition, along with political developments, could hinder or prevent our development of such acquisitions.

If an acquisition successfully closes, we will then need to integrate the new assets, people and processes. The integration and operation of our potential future acquisitions and development projects may expose us to certain risks, including the following:

- difficulty in integrating the acquired assets in a cost-effective manner, including the establishment of an effective management and operational team as well as management information and financial control systems;
- unforeseen legal, regulatory, contractual, labor or other issues arising out of the acquisitions;
- unforeseen costs, expenses and capital expenditures;
- significant unexpected liabilities or contingencies arising from the acquisitions, for which we are not fully indemnified;
- potential disruptions to our ongoing business caused by our senior management's focus on the acquired companies; and
- performance of acquired assets may not meet our expectations or plans.

If we are unable to successfully integrate our recent acquisitions or any other businesses we may acquire in the future, our business, financial conditions, results of operations and prospects could be materially adversely affected.

Any failure by us to comply with the transfer of operating rights agreement for the Adıgüzel and Kemer HPPs may lead to the relevant authorities taking legal actions or terminating our rights thereunder.

We operate the Adıgüzel and Kemer HPPs under a transfer of operation rights agreement (“**TORA**”), which we have executed with EÜAŞ and the Privatization Administration. The TORA grants the right to operate these HPPs for a period of 49 years starting from 2017 and regulates how we must operate these power plants. Under the TORA we are required to: (i) obtain and maintain all required licenses; (ii) make the required capital expenditure and maintenance investments, as needed; (iii) obtain all required risk insurance coverage; (iv) provide information to the Privatization Administration, if requested, and (v) not pledge any assets dedicated to HPP operations. EÜAŞ reserves the right to terminate the TORA, if we fail to comply with our obligations thereunder and cannot remedy such non-compliance or breach within 60 days following notification.

Although we have not received any notification of non-compliance to date, we cannot guarantee that we will continue to be able to comply with our obligations under the terms of the TORA or remedy any non-compliance within the cure period. In addition, if EÜAŞ were to conclude that we had not complied with the TORA and if we are unable to remedy any non-compliance within the cure period, it may impose monetary fines on us or terminate the TORA, as a result of which we may not be able to continue operating these power plants, which could result in a material adverse effect on our business, financial condition and results of operations.

Any harm to the natural environment caused by or alleged to be caused by the development or operation of our power plants may lead to increased legal, compliance and/or abatement costs.

As a result of the nature of our operations, we may become involved in a variety of legal proceedings based on environmental, health, public liability, safety, land use issues and other related matters. These may include complaints and statutory nuisance actions and claims by third parties (including class actions). Man-made structures have the potential to cause environmental hazards or nuisances to their local human populations, flora and fauna and nature generally. It cannot be guaranteed that our assets will not be considered a source of nuisance, pollution or other environmental harm, or that claims will not be made against us in connection with our projects and their effects on the natural environment or humans (including human health). This can arise

irrespective of compliance with limits contained in planning consents or other relevant permits which would have taken these factors into consideration during the application process.

Claims for nuisance can also arise due to changes in the local population (sensitivity or location), operational changes (such as deterioration of components), or from the aggregation of impacts with new projects constructed subsequently in the vicinity, and irrespective of compliance with limits contained in planning consents or other relevant permits.

Any of the issues described above could lead to increased cost from legal action, compliance and/or abatement of the generation activities for any plants, which in turn could have a material adverse effect on our business, financial condition and results of operations.

Activities in the power generation business can be dangerous and result in accidents and can cause injury to people or property. This could subject us to significant disruptions in our business as well as legal and regulatory actions.

The operation of renewable power plants involves hazardous materials and hazardous activities, including but not limited to, operating large pieces of rotating equipment and delivering electricity to transmission and distribution systems. In addition to natural risks, hazards (such as lightning, high winds, fire, explosion, collapse and machinery failure) are inherent risks to our operations which may occur as a result of inadequate internal processes, technological flaws, human error or external events. These hazards can cause significant injury or death and severe damage to and destruction of property, plant and equipment.

In 2024, there were two major unplanned outages at our power plants: (i) damage to Unit-2 at Dereli HPP in January 2024 (the “**Dereli Incident**”) and (ii) generator failure at Unit-1 of Düzce Aksu HPP in December 2024 (the “**Düzce Aksu Incident**”). The Dereli Incident occurred on January 13, 2024, and resulted in a total production loss of 14,031 MWh (approximately \$1,000,000) and the Düzce Aksu Incident occurred on December 15, 2024, and resulted in a total production loss of 265 MWh (approximately \$20,000) as of December 31, 2024. Both incidents remain are partially remedied and we continue to remedy the rest. The respective insurance claim processes are still ongoing.

See also “*Business—Health, Safety, Environment and Sustainability—Health and Safety.*”

The occurrence of any similar events may result in our being subject to investigation, remediation requirements, substantial damages, environmental clean-up costs, personal injury and natural resource damages, fines and/or penalties and loss of revenue from suspended operations. Legal claims of this nature can result in litigation or regulatory proceedings and could result in liability or harm our reputation. Any of the issues described above could have a material adverse effect on our business, financial condition and results of operations.

In addition, while we maintain insurance and obtain warranties from vendors and require contractors to meet certain performance levels, the proceeds of such insurance, warranties or performance guarantees may not be adequate to cover our lost revenue, increased expenses and financing costs or liquidated damages payments, should we experience significant regulatory or legal action with respect to our operations, due to hazards, accidents or otherwise. We may from time to time become exposed to significant liabilities for which we may not have adequate insurance coverage. See “—*Our insurance may not be sufficient to cover all potential losses and it is not possible to insure against all potential risks, whether in the context of a catastrophic event or otherwise.*” Any losses not covered by insurance could have a material adverse effect on our business, financial condition and results of operations.

Operational difficulties in connecting to the transmission and distribution grid could adversely affect our ability to sell the electricity we generate.

To export and sell the electricity that we generate at our power plants, we must connect the power plants to the grid. As a result, our ability to build our power plants at a given location and operate them successfully depends significantly on our ability to connect the power plant to the grid.

The construction of power plants and grid infrastructure is deeply interconnected; a power plant cannot supply electricity without a distribution network, and a grid cannot function without a power source. These two systems, the plant and grid infrastructure, serve the energy needs of the region.

In Türkiye, TEİAŞ annually announces the regional connectable capacity for the transmission system for the next five and ten years. This assessment divides the country into 15 regions and is based on supply and demand balances, infrastructure, and network development. The available regional connectable capacity announcement by TEİAŞ triggers the need for new power plants. This process involves three critical elements: (i) the plant location (initially unknown), (ii) the “TEİAŞ Grid Connection Assessment” (which provides information about the grid connection point known as “Substation Centre”), and (iii) the “Transmission Line” connecting the plant to the substation center. Grid upgrades or expansions may be necessary to handle increased power generation, and in some cases, new substations must be built. The Government controls grid infrastructure investments, substation centers, and transmission line operations.

Although we select optimal plant locations (considering land qualification, topography, and proximity to substation centers), we can give no assurance that we will obtain adequate grid connections within the expected time periods and at the expected cost for our future planned power plants. This could result in delays in the implementation of future planned projects.

Furthermore, during the operational phase, our existing power plants may experience disruptions in grid access which is regulated by TEİAŞ, due to limited capacity, congestion, or an oversupply of electricity from other connected facilities which could potentially lead to interruptions in our operations.

Also, TEİAŞ may issue fines for overproduction if one of our power plants exceeds its projected generation, and repeated overproduction problems can result in cancellation of the relevant power plant’s license.

We may also incur increased costs or losses because of changes in technology, and in particular because of new technology that may require new equipment to be purchased to improve the grid connection. TEİAŞ carries out all activities relating to grid improvements and the cost relating to these improvements are reflected to the grid connection fees that we pay to TEİAŞ.

Any of the above factors could have a material adverse effect on our business, financial condition and results of operations.

Our insurance may not be sufficient to cover all potential losses and it is not possible to insure against all potential risks, whether in the context of a catastrophic event or otherwise.

We attempt to maintain adequate insurance for our assets, including all risk insurance, comprehensive machinery insurance (which covers losses for events such as mechanical failure, earthquakes, business interruption, loss of profits), third-party liability insurance, employer’s liability insurance, terrorism insurance and directors’ and officers’ liability insurance. In addition, we take commitments from our suppliers and require contractors to meet certain performance levels. We may, however, be unable to procure adequate insurance coverage, which could be either due to market conditions or to our own claims history.

In addition, insurance premium levels increase, we may not be able to maintain insurance coverage comparable to that which is currently in effect or may only be able to do so at a significantly higher cost. An increase in

insurance premium cost may have a material adverse effect on the business, financial condition, results of operations and future growth prospects for us, as well as returns to investors.

In addition to our own direct financial loss, if we were required to terminate agreements because of a catastrophic event, we may be required to pay funds to our contractual counterparties.

The occurrence of any uninsured losses or liabilities or any losses or liabilities in excess of our insured limits could damage our reputation and cause a substantial loss of operating capacity and have a material adverse effect on our business, financial condition and results of operations.

Our business is heavily reliant on our IT infrastructure, and delays or outages in, or any potential cyber-attacks to, our IT systems and networks could adversely affect our operations.

We rely on the efficient and uninterrupted operation of our IT infrastructure, which includes complex and sophisticated computer, telecommunication, supervisory control, data processing, data acquisition and data monitoring systems as well as mobile devices. We may be subject to IT failures in, and disruptions to, such systems and networks, which are used throughout our business, including at our highly automated power plants. These may be caused by issues with system updates, natural disasters, malicious cyber-attacks, accidents, power disruptions, telecommunications failures, acts of terrorism or war, computer viruses, physical or electronic breaches or similar events or disruptions. Disruptions to our IT systems, as well as those of other energy industry participants, could severely disrupt our administrative, industrial, commercial and financial control systems, including through a loss of operational capacity and critical data. Our information technology networks may also be negatively affected by telecommunication failures, natural disasters or other catastrophic events.

A critical material disruption could adversely affect our ability to sell electricity to our customers and cause us to incur significant expense to repair security breaches or system damage and could also lead to loss or misuse of confidential or other information, which could result in legal claims or proceedings, liability or regulatory penalties against us, reputational damage, or otherwise harm our business. An IT failure in our operations monitoring systems (which focus on plant availability, activity and efficiency, operational oversight, health and safety, and compliance with environmental laws and regulations) could also lead to non-compliance with permit requirements and result in the imposition of fines or penalties. Furthermore, our cyber-security insurance coverage may not be adequate to protect us against any related losses. For any of the foregoing reasons, a disruption in our IT infrastructure could have a material adverse effect on our business, financial condition and results of operations.

We are subject to risks related to ethical misconduct or breaches of applicable laws by our employees, suppliers, contractors, agents or other third parties.

There can be no assurance that all of our employees, suppliers, contractors, agents, joint venture partners or other third parties involved in our activities will not take actions in violation of our compliance policies or of applicable law. Any incidents of ethical misconduct or non-compliance with applicable laws and regulations, including anti-corruption, sanctions, anti-money laundering or other applicable laws, by our employees, suppliers, contractors, agents or other third parties may cause us to be subject to significant fines, prevent us from participating in certain projects or may lead to other consequences, including, but not limited to, the termination of existing contracts. Although in the past we have ceased sourcing from existing suppliers in instances where we suspected non-compliance with our policies and procedures and may do so again in the future, we may nonetheless be negatively affected by damage to our reputation as a result of any non-compliance or suspected non-compliance by our suppliers with applicable laws, rules or procedures. Any such non-compliance by our employees, suppliers, agents or other third parties could have a material adverse effect on our business, financial condition and results of operations.

We have entered into, and will continue to enter into, related party transactions with our parent company, as well as other related parties.

In the ordinary course of business, we have engaged in, and intend to continue to engage in, transactions with our related parties. Our related party transactions comprise (i) the provision of shared services, such as IT, finance, corporate communications, tax and accounting consulting services we receive from Aydem Holding, which represented 23%, 43%, 29% and 22% of our general administrative expense in the years ended December, 31 2022, 2023 and 2024 and the six months ended June 30, 2025, respectively, and (ii) electricity sales to retail companies of Aydem Group, which represented 90%, 97%, 71% and 98% of our sales revenue in the years ended December, 31 2022 and 2023 and 2024 and the six months ended June 30, 2025, respectively.

We believe that our prior and existing contracts and other transactions with related parties have been negotiated on an arm's length basis and are in line with market terms. However, the tax authorities may conduct audits on our related party transactions and could allege that our related party transactions are not on an arm's length basis. Furthermore, related party transactions may involve conflicts of interest which may be detrimental to us. Therefore, our related party transactions, individually or in the aggregate, could have a material adverse effect on our business, financial condition and results of operations.

Loss of key personnel or a failure to attract key personnel and qualified employees could limit our growth and negatively impact our operations.

The success of our business depends on the services provided by, and experience of, management, executive officers and other key employees, including our in-house technical personnel who are responsible for the operation and maintenance of our power plants. In addition, a significant proportion of our knowledge base has been internally developed and is therefore difficult to replace from external sources. Our senior management team has retention-related performance objectives, demonstrating the importance that we place on retaining our key employees and this knowledge base. However, there is substantial competition for qualified employees in our industry who have specific technical or industry expertise, as well as competition for senior management team members who can effectively lead a large organization such as ours. The loss of key personnel, especially to a competitor, or any failure to recruit, motivate and retain key personnel and qualified employees (particularly where required for the expansion of our activities), could result in the loss of our knowledge base and leadership capabilities, and adversely affect our ability to operate our existing power plants or expand our operations, either of which could have a material adverse effect on our business, financial condition and results of operations.

As of the date of this Offering Memorandum, there is an ongoing legal proceeding involving Uğur Yüksel, our General Manager and Vice Chairman of the Board of Directors, in connection with matters related to his previous professional activities unrelated to the Group. Depending on the outcome of this proceeding, we may be required to replace Mr. Yüksel in his current roles, which may have an adverse impact on our business, in particular in terms of reputational risk, financial condition and results of operations.

Representation by unions at our power plants may increase our costs and industrial action could negatively impact our operations.

We rely on our employees to operate our power plants. As of the date of this Offering Memorandum, none of our employees are covered by a collective bargaining agreement. We have in the past been party to collective bargaining agreements and we may enter into collective bargaining agreements in the future. If our employees participate in a work stoppage or slowdown or engage in other forms of labor disruption, we would be responsible for procuring replacement labor or we could be forced to reduce activity at, or shut down, the relevant power plants. Although employees working in the electricity generation sector are prohibited by law from conducting strikes, there can be no assurance that this law will continue to exist. If the prohibition on strikes in the Turkish electricity generation sector is lifted and our employees participate in a strike, we would

be responsible for procuring replacement labor or we could be forced to reduce activity at, or shut down, the relevant power plants. Under these circumstances, we may not be able to replace labor in a timely manner or on terms favorable to us or at all, any of which could have a material adverse effect on our business, financial conditions and results of operations.

We strive to maintain good relationships with our employees and their unions; however, there can be no assurance that we will be able to maintain our good relationships with our employees or that we will not be affected by work stoppages, unionization efforts or that new collective bargaining agreements will be reached with the union on terms satisfactory to us. Furthermore, any new collective bargaining agreement may include provisions that are stricter or unfavorable to us, such as significant wage increases, side benefits or additional payment obligations, and this would require us to incur additional direct labor costs. We may also face demands for wage increases from, or other kinds of disputes with, our employees. In addition, employees at other plants may seek to join a union. Any such labor unrest and negotiations with the labor union as well as any future labor unrest could have a material adverse effect on our business, financial condition and results of operations.

We may be adversely affected by changes to tax legislation or its interpretation, increases in effective tax rates in Türkiye or tax audits.

We are subject to taxation in Türkiye, and our effective tax rate may be affected by changes in Turkish tax laws or the interpretation of Turkish tax laws, including those tax laws relating to the utilization of capital allowances, net operating losses and tax loss or credit carry forwards, and changes in management's assessment of certain matters, such as the ability to realize deferred tax assets. We may also be subject to the imposition of new taxes or increases in current tax levels.

Law number 7524 (“**Law on Amendments to Tax Laws, Certain Laws, and Decree Law No. 375**”) was published in the official gazette on August 1, 2024. The new law introduces a domestic minimum tax regime that is applicable as of January 1, 2025 and aims to ensure the corporate tax is not less than 10% of corporate income before certain exemptions and deductions. As of the date of this Offering Memorandum, the standard rate of corporation tax in Türkiye is 25%, however, the effective tax rate of a company may be lower if they benefit from deductions and exemptions. Under the new rule, the corporate taxpayers will compute their tax liability under both the standard tax regime (i.e. 25% tax on taxable income after deductions and exemptions) and a parallel regime (i.e. 10% tax on taxable income before certain deductions and exemptions). The larger amount is then payable. Certain exemption items are excluded from the base for the 10% tax (in other words, these specific exemptions will not be added to the base for the 10% tax). The new regime does not allow the entities to utilize carried forward tax losses against taxable profits.

There can be no assurance that the standard rate of corporation tax will not continue to rise. Our effective tax rate in any given financial year reflects a variety of factors that may not be present in the succeeding financial year or years. An increase in our effective tax rate in future periods could have a material adverse effect on our business, financial condition, results of operations and prospects.

We are jointly and severally liable for certain liabilities of our subcontractors, which may expose us to liabilities and legal proceedings if our subcontractors fail to comply with applicable laws and regulations.

We rely on third-party subcontractors for several activities relating to our business, including security services for our power plants, maintenance of our WPPs and construction work. Pursuant to Turkish labor laws, we are jointly and severally liable for any failure by our subcontractors to comply with health and safety laws and regulations applicable to their employees and for any failure by our subcontractors to pay the salaries of their employees, applicable social security charges or labor receivables. Furthermore, we are also jointly and severally liable for any damages or losses caused by our subcontractors in connection with the work they do on our behalf. We require our subcontractors to provide us with sufficient information to assess their

compliance with applicable laws and regulations. In addition, we receive security from our subcontractors for all injuries or losses to employees and third parties to secure future payments and to secure our prospective loss that may arise from a subcontractor's defective or fraudulent work. Nevertheless, there can be no assurance that such insurance or security payments provide adequate coverage for our joint and several liabilities with our subcontractors, and we may be subject to legal proceedings and claims in excess of such amounts.

Therefore, our joint and several liabilities with our subcontractors could expose us to liabilities and legal proceedings if our subcontractors fail to comply with applicable laws and regulations, as well as reputational damage. We have paid approximately TL 11.6 million in lawsuits initiated by the employees of our subcontractors over the last three years. We are party to a total of ten lawsuits related to our subcontractors, including lawsuits initiated by the employees of our subcontractors, with a total potential liability of approximately TL 1.1 million. We may not prevail in some or all of these lawsuits, and may be required to pay compensation to our subcontractors' employees, which could have a material adverse effect on our business, financial condition and results of operations.

We may be subject to litigation or governmental investigations that could harm or disrupt our business.

We are subject to litigation and regulatory proceedings in the normal course of our business. From time to time, we may be a party to legal proceedings, including, but not limited to, personal injury claims, commercial disputes, regulatory or administrative actions and employment matters. These proceedings may be brought by, among others, current, former or prospective employees, suppliers, governmental agencies or other third parties. See also “—*Our business is dependent on obtaining and maintaining Governmental licenses, permits, regulations and mandatory agreements with Government authorities necessary to operate our power plants, as well as on our continued compliance with applicable laws and regulations.*”

Any such claims or litigation could result in substantial costs of defense, settlement or other disposition, which could have a material adverse effect on our business, financial condition and results of operations.

We are subject to counterparty credit risk arising from our electricity sales.

In the year ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, we sold 93%, 92%, 96% and 93%, respectively, of the electricity we generated outside of the Existing mechanism, on the day-ahead market and to eligible customers through bilateral agreements. Bilateral sales in the day-ahead market are collateralized, as EPIAŞ requires purchasers to provide collateral when transacting. In addition, as a matter of policy, we require our customers to provide collateral when executing bilateral agreements. Nonetheless, there can be no assurance that EPIAŞ will not change this requirement, or that we will maintain our policy to require collateral when executing bilateral agreements, and that we will be able to collect our receivables in a timely manner or at all, or that such collateral will provide sufficient coverage for the liabilities to which it relates. The collection risk associated with bilateral agreements will increase as our use of bilateral agreements increases due to the Existing FiT periods for our power plants expiring. Financial difficulties experienced by our customers, such as liquidity constraints and insolvency events, may affect our ability to collect our receivables, in a timely manner, in full or at all. In addition, we may be required to initiate legal proceedings to collect receivables, which may be burdensome and may require additional time and expense. While amounts subject to enforcement proceedings are immaterial as of the date of this Offering Memorandum, there can be no assurance that this will continue to remain the case, and if we are unable to collect any of the amounts we are due from counterparties for any of these reasons, it could adversely affect our revenue, and therefore our business, financial condition and results of operations.

Risks Related to Our Indebtedness

Our indebtedness could adversely affect our business, financial condition and results of operations.

As of June 30, 2025, we had \$620 million (TL 24,680 million equivalent) of issued bond liabilities, primarily comprising our Existing Notes. As of December 31, 2024, we had \$687 million (TL 24,297 million equivalent) of total dollar-denominated financial liabilities, primarily comprising our Existing Notes. On August 4, 2025, we made an amortization payment of \$67,410,700, reducing our outstanding indebtedness under the Existing Notes to \$539,285,600. The TL-equivalent amount is based on the Turkish Republic Central Bank selling exchange rate of \$1.00 to TL 39.81 as of June 30, 2025. Our debt could have significant consequences on our operations, including:

- reducing the availability of our cash flow to fund working capital, capital expenditures, acquisitions and other general corporate purposes because of our debt service obligations;
- limiting our ability to obtain additional financing and potentially increasing the cost of any additional financing;
- increasing our exposure to foreign exchange fluctuations and changes in interest rates;
- forcing us to restructure or refinance all or a portion of our debt on or before maturity; and
- limiting our flexibility in planning for, or reacting to, and increasing our vulnerability to, changes in our business, the industry in which we operate and the general economy.

Any of these factors and other consequences that may result from our indebtedness could impact our ability to generate cash flow and meet our payment obligations under our debt, and could have an adverse effect on our business, financial condition, results of operations and prospects. This, to some extent, is subject to general economic and regulatory factors as well as other factors that are beyond our control.

An inability to borrow money or raise capital, due to volatility in credit and capital markets or other factors, could make it more difficult for us to further develop our projects or finance any acquisitions we may undertake.

In order to operate and to grow our business, we need to acquire financing via credit or capital markets. In recent years, the Turkish financial markets have experienced extreme volatility and disruption, and our ability to arrange financing will depend on factors beyond our control, including economic conditions, regulatory developments and availability of financing. In addition, any downgrade of Türkiye's credit ratings may negatively affect our ability to raise funds. Moreover, we may not be able to find long-term funding sources on terms favorable to us and we may not be able to find adequate financing from domestic or international financial institutions or the terms of such financing or refinancing may not be on terms favorable to us, and this could have a material adverse effect on our business, financial condition, results of operations and prospects.

Our indirect shareholder Aydem Holding is guarantor to its subsidiaries' financial indebtedness and the Principal Shareholder has provided a share pledge over our shares representing approximately 84% of our share capital in favor of the Principal Shareholder's creditors. An acceleration event under the relevant financing arrangements could result in a change of control.

In 2019, our indirect shareholder Aydem Holding completed a financial restructuring in an amount of approximately \$4.6 billion with its lenders, which also covers our financial restructuring with our lenders. Aydem Holding is a guarantor to all financing arrangements of its subsidiaries. There can be no assurance that other companies within Aydem Holding will be able to satisfy their respective obligations and liabilities under the relevant financing arrangements. There is a first ranking share pledge in favor of the Principal Shareholder's lenders over the Shares representing 84% of our share capital held by the Principal Shareholder.

If an event of default occurs under such financing arrangements and the loans are accelerated, Aydem Holding may be forced to dispose of its shares in the Principal Shareholder, which could lead to a change of control at the Principal Shareholder level, and any enforcement action by such lenders under these financing arrangements may result in a Change of Control Event, in the case that the pledged shares are ultimately transferred to a third party that is not a lender under such financing arrangements, and a Change of Control Ratings Decline also occurs. See “—Risks Related to the Notes and the Collateral—The Issuer may not be able to finance an offer to redeem the Notes upon the occurrence of both a Change of Control Event and a Change of Control Ratings Decline,” “—Risks Related to the Notes and the Collateral—The shares representing the Issuer’s share capital is pledged by the Issuer’s shareholder for its own debt” and “Terms and Conditions of the Notes – Redemption at the Option of Noteholders (Change of Control)” for further information.

Any of the foregoing could have a material adverse effect on our business, financial condition and results of operations.

Risks Related to Türkiye

Our business and financial situations are susceptible to the impact of economic and political developments in Türkiye. Additional risks and uncertainties relating to Türkiye that do not currently exist or that we are unaware of may also become important factors that could have a material adverse effect on our business, financial condition, results of operations and prospects.

Türkiye has been and likely will continue to be significantly negatively affected by uncertainty about the global macroeconomic environment and economic instability in Türkiye.

The Turkish economy has experienced a succession of financial crises and severe macroeconomic imbalances. These include substantial budget deficits, significant current account deficits, high rates of inflation and high real rates of interest. In addition, the Turkish economy remains vulnerable to both external and internal shocks, including volatility in oil prices, changing investor opinion, outbreaks of disease (e.g., SARS and the COVID 19 coronavirus) and natural events such as earthquakes (including the powerful earthquakes in southern Türkiye in February 2023, which resulted in over 48,000 fatalities and will require significant government expenditure for the recovery efforts).

Despite its economic development since 2001, Türkiye has experienced occasional economic difficulties and remains vulnerable to both external and internal shocks, including terrorist activity, domestic political uncertainty and changing investor sentiment. High private sector debt levels and a substantial current account deficit may also contribute to economic vulnerability.

Global macroeconomic and geopolitical uncertainties, slowdown in capital flows to emerging markets and an increasingly protectionist approach to global foreign trade also continue to negatively affect the Turkish economy.

These factors have resulted in a substantial depreciation of the Turkish lira against major foreign currencies. Domestic macroeconomic factors, including the current account deficit, high levels of unemployment (a seasonally adjusted 8.5% in December 2024), high levels of inflation and interest rate and currency volatility, remain of concern. These conditions have had, and likely will continue to have, a material adverse effect on our domestic business, financial condition and results of operations.

As of January 31, 2025, general government gross debt stock was TL 9,579 billion. The general government gross debt to GDP ratio has been volatile and was 31.7%, 29.3% and 27.3% as of December 31, 2022, 2023 and 2024, respectively. The Turkish government has sought to foster economic growth and, in September 2024, the Turkish Treasury published a three-year medium-term economic program (referred to as the “**Medium Term Program**”) under which GDP growth was anticipated to be 3.5% for 2024, 4.0% for 2025, 4.5% for

2026 and 5.0% for 2027; however, consumer inflation has surpassed the Central Bank's target for 2024 with the annual inflation rate reaching 44.4% by the end of that year (Source: Turkish Statistical Institute). Real GDP by purchasing power parity in Türkiye is expected to grow 5.6% per year from 2022 until 2028 (Source: EIU). While these growth targets have been set, there is no guarantee that these targets will be reached, and the successful implementation of the current and proposed economic and fiscal policies remains uncertain. Factors such as the Central Bank's efforts to control inflation, simplify monetary policy, and maintain a lower funding rate, coupled with challenges like the current account deficit, macroeconomic conditions, and political factors, including changes in oil prices and uncertainties related to neighboring conflicts and political developments in Türkiye, add complexity to the economic outlook. Future negative developments in the Turkish economy and the risk of falling short of growth targets could impair our business strategies and have a material adverse effect on our business, financial condition, results of operations and prospects.

Türkiye's economy may be impacted by adverse events in other emerging markets and other global markets.

Emerging markets such as Türkiye are subject to a greater risk of being perceived negatively by investors based upon external events (for example, volatility in the emerging markets, monetary policies in the United States and the Eurozone or a slowdown in China's growth) than more developed markets are, and financial turmoil in any emerging market (or global markets generally) could have a "contagion" effect and disrupt the business environment in Türkiye. Moreover, financial turmoil in one or more emerging markets tends to adversely affect stock prices and the prices for debt securities in all emerging market countries as investors move their money to countries that are perceived to be more stable and economically developed. An increase in the perceived risks associated with investing in emerging economies could dampen capital flows to Türkiye and adversely affect the Turkish economy.

Our performance will continue to be influenced by conditions in the global economy. The outlook for the global economy over the near to medium term remains challenging, which also affects prospects for stabilization and improvement of economic and financial conditions in Türkiye. Investors' interest in Türkiye may be negatively affected by events in other emerging markets or the global economy in general, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

Political instability in Türkiye may adversely affect our business, financial condition and results of operations.

Negative changes in the government and political environment, including the failure of the Government to devise or implement appropriate economic programs, may adversely affect the stability of the Turkish economy and, in turn, our business, financial condition, results of operations and prospects.

Political instability in Türkiye poses potential risks to our business, and developments in the country may impact the demand for our operations. Türkiye has witnessed periods of political and social volatility, with notable changes occurring, including a shift to a presidential system through a 2017 referendum. Subsequent events, such as the replacement of the Central Bank governor and fluctuations in the Turkish lira's value, have influenced market dynamics.

The outcome of the general and presidential elections in May 2023 resulted in the AKP coalition retaining a parliamentary majority, and President Erdoğan securing a third term after a second-round victory. After the elections, the Central Bank gradually increased its policy rate to 42.5% as of December 31, 2023 and to 50.0% in March 21, 2024. The rate remained at 50.0% until December 26, 2024, when the Central Bank lowered the key interest rate by 2.5 percentage points to 47.5%. Subsequently, on January 23, 2025, the Central Bank reduced the rate by another 2.5 percentage points, bringing it to 45.0% and on March 6, 2025, it further reduced the policy rate to 42.5%. On April 17, 2025, the Central Bank increased the interest rate to 46% however this was reduced to 43% on July 24, 2025, which was further reduced to 40.5% on September 11, 2025.

After the presidential elections in May 2023, key appointments, including the new Central Bank governor, Dr. Hafize Gaye Erkan and Dr. Fatih Karahan, and Minister of Treasury and Finance, Mehmet Şimşek, indicated a commitment to orthodox economic policies. Following these appointments, significant rate increases signaling monetary tightening shows commitment to orthodox economic policies within the new economic leadership. On March 19, 2025, the mayor of Istanbul, Ekrem İmamoğlu, certain other members of the Republican People’s Party (Cumhuriyet Halk Partisi) and certain civilians were detained for, among others, allegations of corruption and terrorism support. On March 23, 2025, Ekrem Imamoglu was arrested for alleged corruption. On July 16, 2025, in a separate proceeding, a court convicted Ekrem İmamoğlu of “insulting and threatening” a public prosecutor and sentenced him to a total of one year and eight months in prison. Ekrem İmamoğlu has announced his intention to appeal this verdict. If upheld, the conviction may result in his disqualification from holding public office pursuant to applicable Turkish electoral laws. Additionally, Istanbul University has revoked Ekrem İmamoğlu’s academic diploma, which may further impact his eligibility to stand for presidential elections in the future. While the investigations against Ekrem İmamoğlu are ongoing and the outcome of such investigations are uncertain, such developments caused political unrest, widespread protest and demonstrations, as well as instability in the Turkish financial market. On March 19, 2025, the Turkish lira depreciated to its weakest value ever (exceeding TL 42 per U.S. dollar).

On November 4 and 5, 2023, the CHP’s 38th Ordinary Congress was held. The Congress has since been challenged in court by former Hatay mayor Lütfü Savaş and several delegates on allegations of vote-buying and other irregularities. The plaintiffs seek annulment of the Congress on grounds of “absolute nullity” and are requesting the dismissal of the current party leadership, Özgür Özel. Separate lawsuits have also been initiated challenging the validity of provincial congresses. The first hearing related to the case was brought in April 2025, however the case was adjourned to May 2025 and then subsequently postponed to June 2025. In a hearing on September 15, 2025, the case was adjourned until October 2025. The matter remains pending, and its implications for the political environment in Türkiye are uncertain.

Any adverse developments in this regard may have significant negative impact on the political and economic environment in Türkiye (including the value of the Turkish lira, international investors’ willingness to invest in Türkiye, the cost of financing and domestic demand) and thus have a material adverse effect on our business, financial condition and/or results of operations.

While the recent implementation of orthodox economic policies led to upgrades in Türkiye’s outlook by S&P and Fitch, uncertainties surrounding the government’s economic agenda and Central Bank independence have affected investor perceptions. Moody’s downgraded Türkiye from B1 to B3 during the period from 2020 to the first half of 2023, and S&P’s rating declined from B+ to B with a negative trend. However, on September 6, 2024, Fitch affirmed Türkiye’s long-term foreign currency debt rating at BB- with stable outlook, S&P upgraded Türkiye’s rating to B+ on May 3, 2024 and on July 19, 2024 Moody’s upgraded Türkiye’s rating to B1 with a positive outlook. As of the date of this Offering Memorandum, Türkiye is rated BB- by Fitch, Ba3 by Moody’s and B+ by S&P.

The potential failure of the Central Bank and/or Turkish Treasury to implement effective policies may adversely impact the Turkish economy, consequently affecting our business, financial condition, and results of operations. Ongoing political developments could contribute to Turkish financial market volatility and impact investor perception, potentially hindering Türkiye’s ability to adopt reforms, support economic growth, and manage domestic social conditions. Any perceived or actual political instability in Türkiye may lead to economic volatility, posing material adverse effects on our business, financial condition, and results of operations as well as value of the Notes.

Difficulties financing Türkiye's high current account deficit may result in declining economic growth and demand and consequently negatively affect our business.

Although Türkiye's growth dynamics, to a degree, depend upon domestic demand, Türkiye is also dependent upon trade with Europe. A significant decline in the economic growth of any of Türkiye's major trading partners, such as the EU, could have an adverse impact on Türkiye's balance of trade and adversely affect Türkiye's economic growth. Türkiye has diversified its export markets in recent years, but the EU remains Türkiye's largest export market. A decline in demand for imports into the EU could have a material adverse effect both on Turkish exports and Türkiye's economic growth, resulting in an increase in Türkiye's current account deficit. Financing the current account deficit could be difficult in the event of a global liquidity crisis and/or declining interest from foreign investors. A widening current account deficit could result in an increase in Türkiye's borrowing levels, a decline in the Central Bank's reserves and/or depreciation of the Turkish lira.

Türkiye's economy is subject to inflation and risks relating to its current account deficit.

Türkiye has a current account deficit which has increased significantly recently, owing in part to increased imports and energy costs. Türkiye's current account deficit for and the year ended December 31, 2022, 2023 and 2024 was approximately \$45.5 billion (4.5% of GDP), \$49.1 billion (5.4% of GDP) and \$9.97 billion (0.7% of GDP), respectively (Source: Central Bank, IMF World Economic Outlook April 2024). The size of Türkiye's current account deficit or adverse changes in its balance of payments position (including the availability of external financing for Türkiye) could lead to exchange rate adjustments and higher inflation, which could have a material adverse effect on the Company's business, financial condition and/or results of operations.

Türkiye is an energy-dependent country and any geopolitical development concerning energy security could have a material impact on Türkiye's current account balance. If geopolitical tensions escalate in the Middle East and lead to further concerns around global energy supply, such as any events prejudicing the oil trade in the Strait of Hormuz or any country which is a major global oil supplier (such as Saudi Arabia) or any prospective additional sanctions imposed by the United States and/or the EU on Russia; oil prices may increase and this may entail a higher current account deficit for Türkiye. A higher current account deficit may have an adverse effect on the overall performance of the Turkish economy and thus may have a material adverse effect on the Company's business, financial condition and/or results of operations.

A widening current account deficit may result in an increase in the levels of borrowing by Türkiye, a decline in the Central Bank's reserves to finance the current account deficit and/or depreciation of the Turkish lira, which could have inflationary consequences. Although prior policies have had some success in reducing inflation from its formerly high levels, inflation has increased again in recent years and such policies may not be successful in the future, especially given Türkiye's substantial current account deficit and global liquidity conditions. Since 2021, Türkiye has experienced high levels of inflation, reaching 14.6%, 11.8%, 36.1%, 64.3%, 64.8%, 44.5% and 35.1% as of December 31, 2019, 2020, 2021, 2022, 2023 and 2024 and June 30, 2025, respectively, mainly due to the pass-through effect from the depreciation of the Turkish lira and rising food and other prices (Source: TÜİK, IMF World Economic Outlook April 2024). Inflationary pressures and any further depreciation of the Turkish lira may continue to result in Turkish inflation significantly exceeding the Central Bank's inflation target, which could cause the Central Bank to tighten its monetary policy, which could in turn have a further adverse effect on the Turkish economy. If the level of inflation in Türkiye fluctuates or increase significantly (for any reason), then the Company's costs may increase, and, if not accompanied by an increase in interest rates, then its operating and net margins may decrease. Inflationary pressures may also curtail the Company's ability to access foreign financial markets and may lead to further government intervention in the economy, including the introduction of Turkish government policies that may adversely affect the overall performance of the Turkish economy. The various impacts of inflation thus may have a material adverse effect on the Company's business, financial condition and/or results of operations.

With the announcements made by the POA on November 23, 2023, entities applying TFRS have started to apply inflation accounting in accordance with TAS 29 Financial Reporting in Hyperinflation Economies as of financial statements for the annual reporting period ending on or after December 31, 2023. According to the standard, financial statements prepared in the currency of a hyperinflationary economy are presented in terms of the purchasing power of that currency at the balance sheet date. Prior period financial statements are also presented in the current measurement unit at the end of the reporting period for comparative purposes. The Group has therefore presented its consolidated financial statements as of December 31, 2022 and 2023, on the purchasing power basis as of December 31, 2024 and its reviewed consolidated financial statements as of June 30, 2024 and 2025 on the purchasing power basis as of June 30, 2025.

Türkiye is affected by global and regional political unrest.

Türkiye is located in a region that has been subject to ongoing political and security concerns and regional unrest, particularly as its geographic location places it amidst ongoing political and security challenges in neighboring countries such as Iraq, Syria, Iran, Israel and Ukraine. The potential risks associated with investing in the Turkish market have historically been influenced by political uncertainties in these regions. Recent instances of political instability, exemplified by the conflict in Gaza, internal conflicts in Syria and Iraq, and cross-border operations by Türkiye to counter terrorist activities, underscore the delicate geopolitical landscape.

In October 2023, Hamas carried out attacks in Israel, initiating a broader conflict between Israel and Hamas in and around the Gaza Strip. This conflict has impacted civilian areas of the Gaza Strip, leading to a refugee and humanitarian crisis in the region. As a result of the conflict, the Turkish Foreign Economic Relations Board suspended economic relations between Türkiye and Israel. Following a ceasefire in January 2025, the Turkish Foreign Economic Relations Board announced that trade could restart with Israel if the peace proves to be permanent. However, as of the date of this Offering Memorandum, Israel has resumed military operations in Gaza. On September 10, 2025, Israel launched an attack against Hamas's political leadership in Qatar for the first time, dramatically escalating the war. The situation in the region remains unstable and there can be no assurance on the duration of the ongoing conflict.

In late September 2024, Israel initiated attacks in Lebanon, in and around Beirut, threatening civilian areas of Beirut, which was followed by an attack initiated by Iran on Israel in early October 2024 and by a counterattack initiated by Israel against Iran in late October. Further, in late September 2024, Israel initiated attacks in Yemen, against the ports of Al Hudaydah and Ras Isa, both located in the Houthi-controlled part of the country. Since December 2024, the conflict between Israel and the Houthis, a rebel group controlling north-western Yemen, has intensified. Furthermore, in early 2024, Houthi attacks against shipping in the Red Sea have resulted in delays and additional costs for shipping. Such attacks in the Red Sea have led to and may lead to increases in import prices for Türkiye and thus contribute to inflation and the current account deficit. On December 8, 2024, the government of Bashar al-Assad in Syria collapsed following significant offensives by a rebel coalition, led by the military group Hayat Tahrir al-Sham ("HTS") and other armed groups operating in the country, including the Turkish-backed Syrian National Army. From March 2025, the United States has participated directly in strikes in Yemen.

In June 2025, a new round of direct hostilities broke out between Israel and Iran, involving significant missile and drone strikes exchanged between the two countries. This escalation has prompted direct involvement by the United States, including heightened military presence, heightened regional instability and increased volatility in oil prices, which might negatively impact macroeconomic conditions in Türkiye.

The impact of these conflicts between Israel and Hamas, Lebanon and Iran, including whether other actors might participate directly, potentially then resulting in expanded direct involvement by the United States, Egypt and/or other nations, is uncertain. However, these instabilities have impacted investors' confidence in the

Middle East, which might result in the volatility of Turkish financial markets, have an adverse effect on investor's perception of Türkiye and/or have an adverse effect on Türkiye's ability to support economic growth and manage regional conditions.

Furthermore, the invasion of Ukraine by Russia in 2022 has added layer of complexity, with global economic and market conditions being significantly impacted by widespread sanctions imposed on Russia. The potential consequences, including increased inflation, volatility in interest and exchange rates, and disruptions in global supply chains, pose a material risk to Türkiye's economy.

Türkiye's complex relationship with Russia, as well as its membership in NATO, adds to the uncertainty regarding the impact of geopolitical events. The economic ties with Russia, demonstrated by tourist inflows, energy supply (particularly natural gas), construction partnerships, exports, and imports, highlight the interconnectedness of the Turkish economy with global developments.

Strained relations with the United States further contribute to the risk landscape, as recent developments in the region and Türkiye's acquisition of defense systems from Russia have led to considerations of potential sanctions and limitations on defense acquisitions. The possibility of further sanctions and the unknown outcome of legal processes could impact financial markets and strain diplomatic ties.

In the context of the EU, Türkiye's agreements, particularly in managing refugee flows and conflicting claims in the Eastern Mediterranean, have faced challenges. Potential EU actions, such as abolishing the customs union, ending accession bids, or imposing additional sanctions, could significantly strain Türkiye-EU relations, potentially restricting Türkiye's access to EU funding and negatively impacting the Turkish economy.

In addition, global trade policy remains a source of uncertainty. In April 2025, President Donald Trump announced a 10% baseline tariff on all imports to the United States, effective from April 5, 2025, including imports from Türkiye. In addition to the baseline tariff, the U.S. imposed higher tariffs on certain countries with significant trade surpluses with the U.S. These measures have escalated global trade tensions, leading to retaliatory actions from affected countries and contributing to increased volatility in global financial markets. While the U.S. administration has announced a temporary 90-day reduction of most tariffs (other than in respect of China) on April 9, 2025, which was later extended to August 1, 2025, the tariff reductions have not been further prolonged. On July 27, 2025, the European Commission and the U.S. administration agreed a deal on tariffs and trade, which covers, among others, establishing a single, all-inclusive U.S. tariff ceiling of 15% on EU exports to the U.S., effective from August 1, 2025. The potential reintroduction or expansion of tariffs or other economic measures by the U.S. administration and escalation of trade wars in some major global economies could adversely affect global trade flows, increase equipment costs, and further disrupt supply chains. Such developments may exert additional inflationary pressures, lead to slowdowns in economic growth and volatility in global financial markets, which may negatively impact investment decisions and project execution timelines.

These ongoing developments, characterized by regional unrest and geopolitical tensions, have the potential to exert a negative influence on the Turkish economy. Such impacts could have material adverse effects on our business, financial condition, and results of operations, emphasizing the importance of closely monitoring the evolving geopolitical landscape.

Risks Related to the Notes and the Collateral

The Existing Notes are expected to be refinanced from the proceeds of the Notes after the occurrence of the Issue Date.

The proceeds of the Notes are principally intended to be applied towards the redemption of the Existing Notes following the occurrence of the Issue Date. See “*Use of Proceeds*.” The Issuer’s obligations under, or in connection with, the Existing Notes are secured by certain security interests which overlap with the Collateral to be granted in respect of the Notes. There can be no assurance that the discharge of the Issuer’s obligations and release of security interests under the Existing Notes will be completed before the time periods specified in “*Terms and Conditions of the Notes*” in respect of the Collateral for the Notes. The redemption of the Existing Notes is also subject to the terms of the Tender Offer and the Early Redemption, which are subject to the satisfaction of certain conditions. The settlement date of the Tender Offer and Early Redemption is expected to occur after the occurrence of the Issue Date. Until such time that the redemption of the Existing Notes is completed through the Tender Offer and the Early Redemption, the Existing Notes will remain outstanding in addition to the Notes. As a result, the rights of holders of the Notes will be effectively subordinated to the rights of holders of the Existing Notes to the extent of their security interests, until such time that the redemption of the Existing Notes is completed in full.

Applicable law and other limitations on the enforceability of the Collateral may adversely affect its validity and enforceability.

The obligations of the Issuer under, or in connection with, the Notes and the Notes Documents (as defined in “*Terms and Conditions of the Notes*”) will be, subject to the restrictions and limitations detailed herein, secured by the Collateral. The security may be subject to claims that it should be limited or subordinated in favor of the Group’s existing creditors and future creditors under applicable law. In addition, enforcement of the security will be limited to the extent of the amount which can be secured by the Issuer without rendering the security voidable or otherwise ineffective under applicable law. Enforcement of the security against the Issuer or any Guarantor will be subject to certain defenses available to security providers generally. These laws and defenses include those that relate to insolvency, voidable preference, financial assistance, rules of group of companies, corporate purpose or benefit, the preservation of share capital, thin capitalization and defenses affecting the rights of creditors generally. This will limit the ability of the Trustee, the Security Agent or holders of the Notes to enforce security over, and realize value from, certain assets of the Issuer and the Guarantors. See “*Limitations on Validity and Enforceability of the Turkish Collateral and the Turkish Guarantees and Certain Turkish Insolvency Law Considerations*” for certain Turkish law considerations.

Any guarantees or Collateral that may be provided by Guarantors that are not Turkish entities may be subject to similar or other considerations and limitations in all aspects, including but not limited to perfection, validity, enforcement and value.

It may be difficult to realize the value of the Collateral.

The Collateral will be subject to any and all exceptions, defects, encumbrances, liens and other imperfections permitted under the Trust Deed and Security Documents and accepted by creditors that have the benefit of security interests in the Collateral securing the Notes from time to time, whether on or after the date the Notes are first issued. See “*Terms and Conditions of the Notes—Collateral*” and “*Limitations on Validity and Enforceability of the Turkish Collateral and the Turkish Guarantees and Certain Turkish Insolvency Law Considerations*.” The existence of any such exceptions, defects, encumbrances, liens and other imperfections could adversely affect the value of the Security as well as the ability of the Collateral Agent to enforce such Collateral. Furthermore, neither the Trustee nor any Security Agent has any obligation to take any action, step

or institute any proceedings without first having been indemnified and/or secured and/or prefunded to its satisfaction.

The value of the Collateral is subject to fluctuations based on factors that include, among others, general economic conditions and similar factors. The amount to be received upon a sale of the Collateral would be dependent on numerous factors, including, but not limited to, the market value of the Collateral at such time, currency fluctuations, the timing and the manner of the sale and the availability of buyers. By its nature, portions of the Collateral may be illiquid and may have no readily ascertainable market value. The book value of the Collateral should not be relied on as a measure of realizable value for such assets. In the event of a foreclosure, liquidation, bankruptcy or similar proceeding, the Collateral may not be sold in a timely or orderly manner and the proceeds from any sale or liquidation of this Collateral may not be sufficient to satisfy our obligations under the Notes.

Furthermore, the first-priority ranking of security interests can be affected by a variety of factors, including, among others, the timely satisfaction of perfection requirements, statutory liens, re-characterization and general principles under the laws of Türkiye. For instance, as a general Turkish law principle, security may be granted to the person to whom indebtedness is owed, as security interests are ancillary rights and there is no explicit regulation on the concept of security agency or parallel debt under Turkish law. Although these concepts are commonly used in the Turkish market in recent years, these are never tested before the Turkish courts. Hence, the security agency concept or the parallel debt created in favor of the Security Agent pursuant to the Trust Deed may not be recognized by the courts in Türkiye. Additionally, the enforcement of security interests by the Security Agent will also be subject to practical problems generally associated with the realization of security interests in collateral. For instance, although the relevant pledge agreements would give the right to sell the relevant secured property by way of a private sale without initiating formal foreclosure proceedings before the relevant execution offices in Türkiye, such private sale has not been tested before the Turkish courts. Therefore, it is still not legally concluded as to whether private sale will in fact be upheld by the execution offices or a Turkish court if and when a pledger or debtor objects to such private sale before the execution offices or courts in Türkiye.

In addition, the enforcement of security interest by the Security Agent may require the completion of judicial proceedings in the jurisdiction that is relevant for such security interest or may be limited by the need to meet certain requirements, such as obtaining third party consents, paying court fees and making additional filings. If a Security Agent is unable to obtain these consents, pay such fees or make these filings, the liens may be invalid and such Security Agent may not be entitled to the Collateral or any recovery with respect thereto. In addition, the enforcement of any type of collateral involves a long and costly procedure under Turkish law. The time and costs associated with enforcing security interests in Türkiye may make it uneconomical for the Trustee, any Security Agent or holders of the Notes to pursue such proceedings, adversely affecting their ability to recover losses under the Notes. Any decline in the value or liquidity of the Collateral may prevent the Trustee, any Security Agent or holders of the Notes from realizing on the Collateral for its full value or at all, in the event that the Issuer becomes insolvent and enters bankruptcy, and could thereby have a material adverse effect on the Trustee's, the Security Agent's or holders of the Notes' ability to recover any losses. See *"Limitations on Validity and Enforceability of the Turkish Collateral and the Turkish Guarantees and Certain Turkish Insolvency Law Considerations."*

The Issuer cannot assure you that the required consents, fee payments or filings can or will be obtained on a timely basis or at all. There is no assurance that any Security Agent will successfully complete any judicial proceedings in a timely manner or that other practical problems relating to the foreclosure of Collateral will be overcome by any Security Agent at all or without a material delay. Accordingly, a Security Agent may not have the ability to foreclose upon those assets and the value of the Collateral may significantly decrease. The right of holders of Notes to direct the enforcement of Collateral will be restricted by the Trust Deed. See *"—The*

Collateral will be granted to the Security Agent rather than directly to the holders of the Notes. Holders will be able to direct the enforcement of the Collateral only under certain limited circumstances.”

The Collateral will be granted to the Security Agent rather than directly to the holders of the Notes. Holders will be able to direct the enforcement of the Collateral only under certain limited circumstances.

Any Collateral will not be granted directly to the holders of the Notes but only in favor of the Security Agent, as beneficiary of parallel debt. The parallel debt is created to satisfy the requirement under Turkish law that the Security Agent, as grantee of Turkish law governed Collateral, be a creditor of the Issuer. This is because under Turkish law, collateral may be granted to the person to whom indebtedness is owed, as collateral interests are ancillary rights (not independent from the indebtedness that they secure). The holders of the Notes will not be entitled to enforce such Collateral except through the Security Agent. The Trust Deed will provide that only the relevant Security Agent has the right to enforce the relevant Collateral. As a consequence, holders of the Notes will not have direct security interests and will not be entitled to take enforcement action in respect of the Collateral securing the Notes, except through the Trustee who will provide instructions to the relevant Security Agent in respect of the relevant Collateral. Any decision, instruction or consent requiring action by any Security Agent under the Trust Deed with respect to the enforcement of the Collateral will be required to be made in accordance with the steps set out under *“Terms and Conditions of the Notes—Collateral.”*

The parallel debt obligations referred to above are contained in the Trust Deed, which is governed by English law. It should be noted that there are recent examples of a security agent being named and registered as the collateral right holder acting in the name of, and on behalf of, secured parties in a number of recent international financing deals in Türkiye, and it is not uncommon for parallel debt/security agency structures to be included in financing transactions in Türkiye. Nonetheless, there is no explicit regulation on the concept of parallel debt under Turkish law and it has not been tested before Turkish courts. Therefore, there is a risk that the rights of the Security Agent in, or to, any secured assets the subject of Collateral may not be recognized by, or capable of enforcement before, the Turkish courts.

In addition, enforcement of any Collateral against any security provider will be subject to certain defenses available to security providers generally. These laws and defenses include those that relate to fraudulent conveyance or transfer, voidable preference, financial assistance, corporate purpose or benefit, preservation of share capital, thin capitalization and regulations or defenses affecting the rights of creditors generally. If one or more of these laws and defenses are applicable, a security provider may have no liability or decreased liability under the security documents to which it is a party.

Furthermore, the Collateral held by the Security Agent is not separate from its own assets under Turkish law and holders of the Notes bear some risk associated with a possible insolvency or bankruptcy of the Security Agent, which could in particular result in a delay in enforcement, diminishing value or even loss of the Collateral, where the Collateral is established in favor of the Security Agent.

Decisions of the holders of the required majority of the Notes bind all Noteholders.

The conditions of the Notes will contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions will permit Noteholders holding defined percentages of Notes to bind all Noteholders, including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority. See *“Terms and Conditions of the Notes—Meetings of Noteholders; Modification and Waiver.”*

The grant of Collateral to secure the Notes might be challenged or voidable in an insolvency proceeding

The grant of Collateral in favor of the Security Agent may be voidable by the grantor or by an insolvency trustee, liquidator, receiver or administrator or by other creditors, or may be otherwise set aside by a court, or be unenforceable if certain events or circumstances exist or occur, including, among others, if the grantor is deemed to be insolvent at the time of the grant, or if the grant permits the secured parties to receive a greater recovery than if the grant had not been given and an insolvency proceeding in respect of the grantor is commenced within a legally specified “clawback” period following the grant.

In connection with the incurrence of future indebtedness that is permitted to share in the Collateral and in certain other circumstances, the Issuer will be permitted to amend, restate, modify, replace or release and retake the liens on the Collateral. The granting of new security interests may in certain jurisdictions create hardening periods for security interests previously provided to secure the Notes. The applicable hardening period for these new security interests will run as from the moment each new security interest has been granted, perfected or recreated. At each time, if the security interest granted, perfected or recreated were to be enforced before the end of the respective hardening period applicable in such jurisdiction, it may be declared void and/or it may not be possible to enforce it. If the grantor of such security interest was to become subject to a bankruptcy or winding up proceeding after the Issue Date, any mortgage or security interest in Collateral delivered after the Issue Date would face a greater risk than security interests in place on the Issue Date of being avoided by the grantor or by its trustee, receiver, liquidator, administrator or similar authority, or otherwise set aside by a court, as a preference under insolvency law. To the extent that the grant of any security interest is voided, holders of the Notes would lose the benefit of the security interest. See *“Limitations on Validity and Enforceability of the Turkish Collateral and the Turkish Guarantees and Certain Turkish Insolvency Law Considerations.”*

The Issuer and any other future security providers will have control over the Collateral, which could reduce the pool of assets securing the Notes.

The Security Documents will allow the Issuer and the other security providers to remain in possession of, retain exclusive control over, freely operate, and collect, invest and dispose of any income from, the Collateral securing the Notes. Except under limited circumstances specified in the relevant Security Documents, the Issuer and the other security providers may, among other things, without any release or consent by the Trustee or the Security Agent, conduct ordinary course activities with respect to the Collateral and make ordinary course cash payments, including repayments of indebtedness. Any of these activities could reduce the value of the Collateral, which could reduce the amounts payable to you from the proceeds of any sale of the Collateral in the case of an enforcement of the Collateral. Further, it is argued under Turkish law that given that the general requirement of movable asset pledge sets forth delivery of the pledged asset to the pledgee, accounts which are left operational and freely used by the pledgor cannot be deemed pledged since the pledgee does not have any authority or possessory rights over the pledged accounts or the receivables. Similarly, the assignment under the Assignment of Receivables Agreement and the Assignment of EPİAŞ Receivables Agreement can be challenged due to the assigned receivables being allowed to be paid to the accounts of the assignor (and not into accounts held in the name of the Security Agent) and/or the proceeds of the assigned receivables being in the free use of the assignor.

Your rights in the Collateral may be adversely affected by the failure to perfect security interests in the Collateral.

The Notes will not be secured by the Collateral expressed to be created under all Security Documents on the Issue Date. The creation and perfection of the Collateral under (i) the Bank Account Pledge Agreement is required to be completed not later than November 12, 2025, (ii) the Assignment of Receivables Agreement and the Assignment of EPİAŞ Receivables Agreement is required to be completed not later than November 19,

2025 and (iii) the Moveable Asset Pledge Agreement is required to be completed not later than December 18, 2025.

Applicable law requires that a security interest in certain assets can only be properly perfected and its priority retained through certain actions undertaken by the security provider and/or the secured party. The security interests created by the Collateral securing the Notes may not be perfected with respect to the claims of the Notes if the Issuer and the other relevant security providers are not able to take the actions necessary to perfect any of these liens within the expected timeframe. The Issuer has limited obligations to perfect the security interest of the holders of the Notes in specified Collateral. Additionally, the assignment under the Assignment of EPIAŞ Receivables Agreement can only be perfected upon the receipt of confirmation from EPIAŞ.

The Issuer is only required to notify the assignment made under the Assignment of Receivables Agreement in respect of the debtors of the assigned receivables arising from bilateral electricity sales agreements with a yearly value exceeding \$5.0 million and has only undertook to show best efforts to receive confirmations from such debtors in respect of the assignment. The assigned receivables debtors' (i) to whom the relevant assignment is not required to be notified under the Assignment of Receivables Agreement or (ii) to whom the relevant assignment is required to be notified under the Assignment of Receivables Agreement but are not duly notified by the Issuer, will have the right to pay the assigned receivables to the assignor and such payment will be valid and binding.

Additionally, although the Issuer is required to notify EPIAŞ of the assignment made under the Assignment of EPIAŞ Receivables Agreement and has undertook to provide a confirmation from EPIAŞ of such assignment, the assignment under the Assignment of EPIAŞ Receivables Agreement can only be perfected upon the actual receipt of such confirmation from EPIAŞ.

Any property or other rights that are required to be subject to Collateral under the Security Documents but are acquired by the Issuer after the initial establishment of the relevant Collateral (including but not limited to any receivables arisen, bank accounts opened or assets acquired after the initial execution of the Assignment of Receivables Agreement, Bank Account Agreement and the Moveable Asset Pledge Agreement, respectively) will only be subject to perfected first-ranking Collateral once the relevant supplement or amendment (as applicable) agreement is executed and all perfection requirements thereof are duly completed, in each case, under and as required by the relevant Security Document(s).

The failure to properly perfect first priority Collateral on a timely basis or at all could materially adversely affect or remove the ability of the Security Agent to enforce its rights with respect to the Collateral for the benefit of the holders of the Notes.

There can be no assurance that the Issuer will inform such Trustee or any Security Agent of, the future acquisition of property and rights that should constitute Collateral, and that the necessary action will be taken to properly create and perfect the security interest in such after-acquired property and rights.

The Security Agent and the Trustee for the Notes have no obligation, responsibility or liability to monitor the acquisition of additional property or rights that should constitute Collateral or the creation or perfection of any security interest. Such failure may result in such security interest being created in such property or rights or in the priority of such security interest in favor of the Notes against third parties being adversely affected. See *"Terms and Conditions of the Notes—Collateral."*

There are circumstances other than repayment or discharge of the Notes under which the Collateral securing the Notes will be released, without your consent or the consent of the Trustee or the Security Agent.

Under various circumstances, the Collateral securing the Notes will be released. See *"Terms and Conditions of the Notes—Collateral."*

The Issuer may create and issue further Notes.

The Issuer may from time to time without the consent of the Noteholders create and issue further Notes having terms and conditions that are the same as those of the Notes, or the same except for the amount of the first payment of interest, which new Notes may be consolidated and form a single series with the outstanding Notes even if doing so may adversely affect the value of the original Notes.

There can be no assurance that such use of proceeds will be suitable for the investment criteria of an investor

If any of the risks outlined in this risk factor were to materialize, there may be a material adverse effect on the value of the Notes and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose (including, without limitation, if such investors are required to dispose of their Notes as a result of such Notes not meeting any investment criteria or objectives set by or for such investor, which could lead to increased volatility and/or material decreases in the market price of the Notes).

No assurance that the Notes will satisfy any investor requirements or expectations

The Issuer intends to allocate an amount equal to the net proceeds from the issue of the Notes to finance new or re-finance existing projects and/or assets which qualify as Eligible Green Projects, as described in the Green Financing Framework published on the Issuer's website (as amended, supplemented or otherwise updated from time to time).

In connection with the issuance of the Notes, Sustainalytics (a sustainability consulting firm) has evaluated the Green Financing Framework and has issued an independent opinion confirming that the Eligible Green Projects described in the Green Financing Framework are aligned with the International Capital Market Association's ("ICMA") Green Bond Principles 2021 (with June 2022 Appendix I Use of Proceeds Transactions) (the "**ICMA Green Bond Principles**") published on the Issuer's website (as amended, supplemented or otherwise updated from time to time) and each of which, for the avoidance of doubt, is not incorporated by reference herein.

If the use of such proceeds is a factor in a prospective investor's decision to invest in the Notes, prospective investors should consult with their legal and other advisors before making an investment in any such Notes and must determine for themselves the relevance of such information for the purpose of any investment in such Notes, together with any other investigation such investor deems necessary. In particular, no assurance is given by the Issuer or the Joint Bookrunners that the use of such amounts advanced by the Issuer to customers for the purposes of financing or refinancing any projects which the Issuer has identified as Eligible Green Projects will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, green, sustainability or social impact of any projects or uses that are the subject of, or related to, any Eligible Green Projects.

No assurance regarding any labels

The EU adopted a regulation on a voluntary European green bond standard (the "**EU Green Bond Regulation**") which entered into force on December 20, 2023 and became applicable from December 21, 2024. The EU Green Bond Regulation established a voluntary label for European green bonds and will set out uniform requirements for issuers that wish to use the designation "European green bond" or "EuGB" and the conditions for external review of bonds using the label. It also created an alternative voluntary approach to sustainability disclosures for bonds not using the label but marketed as environmentally sustainable or

sustainability-linked bonds. It is not clear if the establishment of the EuGB label and the optional disclosures regime for bonds issued as “environmentally sustainable” under the EU Green Bond Regulation could have an impact on investor demand for, and pricing of, green use of proceeds bonds that do not comply with the requirements of the EuGB label or the optional disclosures regime in the future, such as the Notes. It could result in reduced liquidity or lower demand or could otherwise affect the market price of the Notes.

Furthermore, no assurance can be given that Eligible Green Projects will meet investor expectations or requirements regarding ‘green,’ ‘environmental,’ ‘sustainable,’ ‘social’ or any similar label (including in relation to the EU Taxonomy Regulation and any related technical screening criteria, the EU Green Bond Regulation, SFDR, and any implementing legislation and guidelines, or any similar legislation in the UK). Furthermore, no assurance can be given that the Sustainable Finance Framework will be aligned with the EU Taxonomy Regulation, the EU Green Bond Regulation or any other sustainability framework.

No assurance that Eligible Green Projects will be completed or meet their objectives

Furthermore, there can be no assurance that any Eligible Green Project will be completed within any specified period or at all or with the results or outcome (whether or not related to the environment) as originally expected or anticipated by the Issuer when making its assessment whether or not to apply any proceeds of the Notes (or amounts equal thereto) to such Eligible Green Project.

Accordingly, no assurance is or can be given by the Issuer, the Sole Green Structuring Bank or the Joint Bookrunners to investors in the Notes that any projects or uses that are the subject of, or related to, any Eligible Green Project will meet any or all investor expectations regarding such ‘green,’ ‘environmental,’ ‘sustainable,’ ‘social’ or other equivalently-labelled performance objectives or that any adverse environmental, green, social and/or other impacts will not occur during the implementation of any projects or uses that are the subject of, or related to, any Eligible Green Projects.

No assurance of suitability or reliability of any second party opinion

In addition, no assurance or representation is given by the Issuer, the Sole Green Structuring Bank or the Joint Bookrunners as to the suitability or reliability for any purpose whatsoever of any opinion, certification or report of any third party, (whether or not solicited by the Issuer) which may be made available in connection with the issue of the Notes and/or the Green Financing Framework (as updated from time to time) established by the Issuer, and in particular with any Eligible Green Projects to fulfil any environmental, green, sustainability, social and/or other criteria. For the avoidance of doubt, any such framework, opinion or certification will not be, and shall not be deemed to be, incorporated in and/or form part of this Offering Memorandum. Any such opinion or certification is not, and should not be deemed to be, a recommendation by the Issuer or any other person to buy, sell or hold the Notes. Any such opinion or certification will only be current as of the date on which that opinion is initially issued. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in the Notes. Any withdrawal of any such opinion, certification or report may have a material adverse effect on the value of the Notes in respect of which such opinion or certification is given and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

No assurance that the Notes will be admitted to trading on any dedicated sustainable (or similar) segment of any stock exchange or market, or that any admission obtained will be maintained

If the Notes are listed or admitted to trading or otherwise displayed on any dedicated ‘green,’ ‘environmental,’ ‘sustainable,’ ‘social’ or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated), no representation or assurance is given by the Issuer, the Sole Green Structuring Bank or the Joint Bookrunners that such listing or admission or display satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines

with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, green, sustainability or social impact of any projects or uses that are the subject of, or related to, any Eligible Green Projects or the funding thereof by the Issuer. Furthermore, it should be noted that the criteria for any such listing or admission to trading or display may vary from one stock exchange or securities market to another. No representation or assurance is given or made by the Issuer, the Sole Green Structuring Bank or the Joint Bookrunners that any such listing or admission to trading or display will be obtained in respect of the Notes or, if obtained, that any such listing or admission to trading or display will be maintained during the life of the Notes. The criteria for acceptance onto any such market may change from time to time. In the event of any actual or anticipated removal of the Notes from any such market, or if access to any such market is sought and refused, that could have a material adverse effect on the market price of the Notes.

Performance of the Notes not linked to the performance of Eligible Green Projects

The performance of the Notes is not linked to the performance of the relevant Eligible Green Projects or the performance of the Issuer in respect of any environmental or similar targets. There will be no segregation of assets and liabilities in respect of the Notes. Consequently, neither payments of principal and/or interest on the Notes nor any rights of Noteholders shall depend on the performance of the relevant Eligible Green Projects or the performance of the Issuer in respect of any such environmental or similar targets. Holders of the Notes shall have no preferential rights or priority against the assets of any Eligible Green Project nor benefit from any arrangements to enhance the performance of the Notes.

No Events of Default

While it is the intention of the Issuer to apply an amount equal to the net proceeds of the Notes to finance new or re-finance existing projects, investments and/or expenditures which qualify as Eligible Green Projects, there can be no assurance that the relevant projects, investments and/or expenditures the subject of, or related to, any Eligible Green Projects will be capable of being implemented in or substantially in such manner and/or in accordance with any timing schedule and that accordingly such amounts will be totally or partially disbursed for such Eligible Green Projects. Nor can there be any assurance that such Eligible Green Projects will be completed within any specified period or at all or with the results or outcome (whether or not related to the environment) as originally expected or anticipated by the Issuer when making its assessment whether or not to advance the relevant loan.

Any such event or failure by the Issuer to apply an amount equal to the net proceeds of any issue of the Notes to finance new or re-finance any existing Eligible Green Projects and/or any withdrawal of any opinion or certification attesting that the Issuer is not complying in whole or in part with any matters for which such opinion or certification is opining or certifying on and/or the Notes no longer being listed or admitted to trading or displayed on any stock exchange or securities market, will not (i) give rise to any claim of a Noteholder against the Issuer (or the Joint Bookrunners), (ii) constitute an Event of Default under the Notes or a breach or violation of any term thereof, or constitute a default by the Issuer for any other purpose or (iii) lead to a right or obligation of the Issuer to redeem the Notes or give any Noteholder the right to require redemption of its Notes.

The Issuer will be permitted to incur substantially more debt.

The Issuer will be permitted under terms and conditions of the Notes to incur substantial additional indebtedness, including secured indebtedness, in the future, subject to certain limitations on debt. See “*Terms and Conditions of the Notes—Covenants—Incurrence of Indebtedness.*” In the event that the Issuer incurs additional secured indebtedness over assets of the Issuer that are not subject to Collateral, such additional

indebtedness (whether secured or not) will increase the Issuer's likelihood of being exposed to creditors' claims and enforcement or litigation proceedings.

It may not be possible for investors to enforce foreign judgments against the Issuer or its management in certain circumstances.

The Issuer is incorporated as a public joint stock company with limited liability (*halka açık anonim şirket*) under the laws of Türkiye. A majority of the directors and officers of the Issuer reside inside Türkiye and all or a substantial portion of the assets of such persons may be, and most of the assets of the Issuer are, located in Türkiye. As a result, it may not be possible for investors to effect service of process upon such persons outside Türkiye or to enforce against them in the courts of jurisdictions other than Türkiye any judgments obtained in such courts that are predicated upon the laws of such other jurisdictions.

In addition, under the Turkish International Private and Procedure Law No. 5718, a judgment of a court established in a country other than the Republic of Türkiye may not be enforced in Turkish courts in certain circumstances. Although Turkish courts generally recognize enforceable judgments of English courts on the basis that there is *de facto* reciprocity between the United Kingdom and Türkiye with respect to the enforcement of judgments of their respective courts, there is no treaty between the United Kingdom and Türkiye providing for reciprocal enforcement of judgments. For further information, see "*Enforceability of Civil Judgments.*"

The Conditions of the Notes are governed by English law and the terms are specified with reference to that law as in effect as at the date of this Offering Memorandum. Similarly, the enforcement rights of the Noteholders against the Issuer and its assets in Türkiye assume the application of Turkish law as presently in effect. Any possible judicial decision or change to English or Turkish law or administrative practice after the date of this Offering Memorandum may impact the Notes.

Furthermore, any claim against the Issuer which is denominated in a foreign currency would, upon pronouncement of bankruptcy of the Issuer, only be payable in Turkish lira, thereby shifting the currency exchange risk from the Issuer to the Noteholders. The relevant exchange rate for determining the Turkish lira amount of any such claim would be the Central Bank's exchange rate for the purchase of the relevant currency, which is effective on the date when the relevant court's decision on the bankruptcy is rendered in accordance with Turkish law. Such exchange rate may be less favorable to a Noteholder than the rate of exchange prevailing at the relevant time.

A Turkish court may not recognize English law as the governing law of certain non-contractual obligations.

A Turkish court may not recognize English law as the governing law of certain non-contractual obligations. The terms and conditions of the Notes provide that the Notes, the Trust Deed and Agency Agreement, and any non-contractual obligations arising out of or in connection therewith, are governed by, and will be construed in accordance with, English law.

However, the Turkish International Private and Procedure Law No. 5718 imposes certain restrictions in relation to the choice of law for certain non-contractual obligations. In particular, the Turkish International Private and Procedure Law No. 5718 provides that parties are permitted to choose the law applicable to claims relating to tort and/or unjust enrichment only after the commitment or occurrence of the relevant tortious act or the relevant unjust enrichment. As a result, a Turkish court may refuse to apply English law to any such non-contractual obligations arising out of or in connection with the Notes, the Trust Deed and Agency Agreement and may decide to apply Turkish law in respect of such obligations. For further information, see "*Enforceability of Civil Judgments.*"

The account banks may have senior bankers' lien over the pledged accounts, may become insolvent and/or may not agree to take instruction upon an attachment or analogous process being levied.

A bank account pledge will be established in favor of the Security Agent over certain operational bank accounts of the Issuer and any Guarantor. As per the general principles of Turkish laws, account banks have senior liens (bankers' lien) over these accounts and are entitled to set off their other receivables from the account holder against the monies credited to such bank accounts. As a result, bankers' lien would rank prior to the pledge held by the Security Agent and the Security Agent could only exercise the account pledge for the remaining balance after the exercise of bankers' lien. Further, if pledged accounts which are operational and freely used by the pledgor are subject to attachment or other analogous process, the account bank can transfer the monies credited to such bank account to the third party beneficiary of the attachment or other analogous process. In addition, when an attachment or other analogous process has been effected by a third party on an account in Türkiye, pursuant to Turkish law, account banks are obligated to maintain any and all deposits standing to the credit of such an account over which there is any such attachment or other analogous process has been levied. As such, the account banks may withhold transfers or not accept transfer instructions issued in accordance with the account pledge agreement.

Moreover, if the account banks become insolvent, their respective assets may not be adequate to satisfy a claim by the Issuer, the Guarantors or any authorized participant.

The Notes will be effectively subordinated to certain claims preferred by statute.

The Issuer's obligations under the Notes are secured by the Security Documents. If there is a default, the value of the collateral provided under the Security Documents may not be sufficient to repay the holders of the Notes. Additionally, the claims of Noteholders that are not covered by the value of such collateral, will rank effectively junior to the Issuer's labor, social security and pension fund related obligations that are preferred by statute in case the Issuer is subject to a bankruptcy or insolvency proceeding.

The value of the Collateral may be insufficient to pay all amounts due under the Notes.

The obligations of the Issuer under, or in connection with, the Notes Documents are secured by the Collateral and the Collateral constitutes certain and not all assets of the Issuer and any Guarantors. In particular and without limitation, the Issuer's obligations are not secured by (i) a pledge over the shares representing the share capital of the Issuer or any Guarantor or any of their respective subsidiaries, (ii) a mortgage over the immovable assets owned by the Issuer or any Guarantor, (iii) pledges established directly on the generation licenses held by the Issuer or any Guarantor (which cannot be pledged as an individual asset or interest) and (iv) pledges over the bank accounts held by the Issuer or any Guarantor exclusively in relation to letters of guarantee or letters of credit and those held with the Istanbul Settlement and Custody Bank (TAKASBANK).

Further, the obligations of any future Guarantor(s) under, or in connection with, the Notes, any guarantee(s) and/or the Notes Documents will not be secured by the Collateral. Any Noteholder that pursues a claim against any Guarantor by enforcing the relevant guarantee following the occurrence and continuation of an Event of Default (as defined in "*Terms and Conditions of the Notes*") under the Notes shall only have recourse against such Guarantor's assets as an unsecured creditor.

The Collateral may not be sufficient to satisfy the Issuer's obligations under the Notes, and the Collateral securing the Notes may be reduced under certain circumstances. In particular, Turkish law requires that the Moveable Asset Pledge Agreement specifies the maximum amount secured by the pledge and that the Assignment of EPIAŞ Receivables Agreement specifies the maximum amount (denominated in Turkish lira) of the assigned receivables. Also, such maximum amount in respect of the Moveable Asset Pledge Agreement is not allowed to exceed 120% of the secured debt amount in cases where the debt amount is determinable. Given that the debt to be secured in respect of the Notes is substantially determinable, the Moveable Asset Pledge Agreement will also be subject to the aforementioned threshold. Such maximum amounts determined

accordingly may not cover the entirety of the relevant secured obligations on their own. Furthermore, in case the assets pledged under the Moveable Asset Pledge Agreement are to be sold as part of an enforcement process under the same, there may be technical difficulties in their extraction to be sold individually or such extraction and/or individual sale (in the absence of the license, the other moveable assets and/or the fixed assets in respect of the relevant Power Plant(s)) there may be significant decreases in their values.

No appraisal of the value of the Collateral has been made in connection with this Offering, and the value of the Collateral at any time will depend on market and other economic conditions, including the availability of suitable buyers for the Collateral. By its nature, some of the Collateral may be illiquid and may have no readily ascertainable market value. The value of the assets and rights pledged as Collateral for the Notes could also be impaired in the future as a result of changing economic conditions, competition or other future trends. In the event of a foreclosure, there is no assurance that the Collateral will be sold in a timely and orderly manner and that the proceeds from any sale or liquidation of the Collateral will be sufficient to pay the Issuer's obligations under the Notes, in full or at all. Also, there is no assurance that the fair market value of the Collateral will be sufficient to pay any amounts due under the Notes, following their acceleration. If the Collateral is not sufficient to repay all amounts due on the Notes, the Noteholders (to the extent not repaid from the liquidation or sale of the Collateral) will have only an unsecured claim against the Issuer's remaining assets. Any claim for the difference between the amount, if any, obtained by the Noteholders from the liquidation or sale of the Collateral and the obligations under the Notes will rank equally in right of payment with all of the Issuer's other unsecured unsubordinated indebtedness and other obligations, including trade payables.

The Turkish Government may have a priority in right of payment of any outstanding taxes in any insolvency proceedings. The Trust Deed and the Security Documents will not require that the Issuer maintain the current value of the Collateral. As a result of the factors described above, when a Noteholder attempts to recover payment from the Collateral, the Issuer may not have sufficient funds to make payments on the Notes.

Enforcing your rights as a holder of Notes may prove difficult.

Your rights under the Notes will be subject to the insolvency and administrative laws of the Republic of Türkiye and there is no assurance that you will be able to effectively enforce your rights in such insolvency or similar proceedings. In addition, insolvency, administrative and other laws of the Republic of Türkiye may be materially different from, or in conflict with, each other jurisdictions, including in the areas of rights of creditors, priority of government entities and related party creditors and ability to obtain post-bankruptcy filing loans or to pay interest. The application of these laws, or any conflict among them, could call into question which and how Turkish laws should apply. The laws of the Republic of Türkiye may not be as favorable to your interests as the laws of jurisdictions with which you are familiar. Such issues may adversely affect your ability to enforce your rights under the Notes in Türkiye or limit any amounts that you may receive.

Step-in rights provided in favor of the Trustee may not be enforceable or may be enforced by other creditors.

The Trustee or the Noteholders may not be able to benefit from, exercise and/or enforce the rights entitled to certain creditors for requesting the transfer of a generation license to another entity, irrespective of the agreement and undertakings provided by the Issuer under “*Terms and Conditions of the Notes—Collateral.*”

As of the date of this Offering Memorandum, Article 5(3)(ç) the Electricity Market License Regulation (*Elektrik Piyasası Lisans Yönetmeliği*) (originally published in the Official Gazette dated February 11, 2013 and numbered 28809) entitles banks and financial institutions which provided limited or non-recourse project financing to an entity that holds a electricity generation license, to, in accordance with the terms of the underlying financing agreement, apply to Energy Market Regulatory Authority (*Enerji Piyasası Denetleme Kurumu*) (“**EMRA**”) and request (with reasoning) EMRA's Energy Market Regulatory Board (*Enerji Piyasası Düzenleme Kurulu*) (“**ERMB**”) to approve the issuance of a license (as a successor of the aforementioned

license) to another entity that will assume all obligations of the previous license holder under the relevant generation license. This mechanism has not been tested and successfully implemented in the Turkish market and is in any case absolutely dependent on the EMRB's discretion even if all statutory prerequisites in respect of being eligible for making such request is satisfied.

The Trustee and the Noteholders' ability to benefit from this step-in mechanism will also depend on the applicable law that is in force at the relevant date, and the Trustee, the Noteholders, the Notes and other relevant components of the issuance may fully or partially fail to satisfy the requirements of such applicable law. Even if such request was to be made at a time when the aforementioned legislation is in force, the EMRB may (i) not deem the Trustee and the Noteholders as banks and financial institutions and/or the financing provided through the issuance of the Notes limited or non-recourse project financing and/or (ii) use its discretion not to approve the request entirely.

Furthermore, if the EMRB grants the Trustee and/or the Noteholders' request for such step-in, it may not be able to enable (i) the transfer of the moveable assets used in the power plants to the replacement entity, given that such assets are private property and/or (ii) the transfer of the fixed assets and land usage rights used for the Power Plants, given that they may be within the ultimate discretion of other governmental / administrative bodies. In this case, the exercise of the step-in right would not provide substantial benefit if the new license holder entity does not enjoy the necessary rights over the moveable and immoveable assets required for the operation of the Power Plants.

If the Issuer incurs additional financial indebtedness in the future, other creditors, should they satisfy the criteria set out by the applicable law in force at the relevant date, may be able to exercise such step-in right and have the Issuer's generation license terminated and issued in the name of a replacement entity.

The shares representing the Issuer's share capital is pledged by the Issuer's shareholder for its own debt.

The shares representing the Issuer's share capital has been pledged as security under the Principal Shareholder Loan Facility by the Principal Shareholder. Such share pledge may be enforced and the shares may be sold to another party as part of such enforcement process pursuant to the terms of the Principal Shareholder Loan Facility. The occurrence of such an event may constitute a Change of Control Event. See *"Risks Related to Our Indebtedness—Our indirect shareholder Aydem Holding is guarantor to its subsidiaries' financial indebtedness and the Principal Shareholder has provided a share pledge over our shares representing approximately 84% of our share capital in favor of the Principal Shareholder's creditors. An acceleration event under the relevant financing arrangements could result in a change of control,"* *"—Risks Related to the Notes and the Collateral—The Issuer may not be able to finance an offer to redeem the Notes upon the occurrence of both a Change of Control Event and a Change of Control Ratings Decline"* and *"Terms and Conditions of the Notes—Redemption at the Option of Noteholders (Change of Control)"* for further information.

Group companies will be required to accede as Guarantors under the Notes in limited circumstances.

If at the end of any fiscal quarter, the Issuer and the Guarantors (after eliminating intra-group transactions) comprise less than 85% of each of the Consolidated EBITDA, gross assets, net assets and turnover of the Issuer and its Restricted Subsidiaries, the Issuer is required to cause additional Restricted Subsidiaries, on a joint and several basis with each other Guarantor, to unconditionally and irrevocably guarantee the due payment of all moneys payable by the Issuer and any other Guarantor under the Notes in order to comply with this covenant. See *"Terms and Conditions of the Notes—Covenants—Additional Guarantees and Limitations on Guarantees"* for further information. The Issuer is not obligated to cause any Project Subsidiaries to accede as a Guarantor in such circumstances.

There can be no assurance that the Trustee or Noteholders will have recourse to material assets and/or revenues of the Group in such circumstances, or, where a member of the Group accedes as a Guarantor, that Noteholders will be able to effectively enforce a claim against a Turkish Guarantor as a matter of Turkish law (see “*Limitations on Validity and Enforceability of the Turkish Collateral and the Turkish Guarantees and Certain Turkish Insolvency Law Considerations*”) or, in the case of any Guarantor that may be incorporated outside of Türkiye, the laws of that jurisdiction.

There is no public trading market for the Notes and an active trading market may not develop or be sustained in the future.

There is no active trading market for investments in the Notes. If investments in the Notes are traded after their initial issuance, then they might trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the Issuer’s financial condition. Although application has been made for the Notes to be listed on the Official List and to be admitted to trading on the Global Exchange Market, there can be no assurance that such application will be accepted, that an active trading market will develop or, if developed, that it can be sustained. If an active trading market for investments in the Notes is not developed or maintained, then the market or trading price and liquidity of investments in the Notes may be adversely affected.

The market price of the Notes is subject to a high degree of volatility.

The market price of investments in the Notes could be subject to significant fluctuations in response to actual or anticipated variations in the Issuer’s operating results, adverse business developments, changes to the regulatory environment in which the Issuer operates, changes in financial estimates by securities analysts and the actual or expected sale by the Issuer of other debt securities, as well as other factors, including the trading market for notes issued by Türkiye. In addition, in recent years the global financial markets have experienced significant price and volume fluctuations that, if repeated in the future, could adversely affect the market price of investments in the Notes without regard to the Issuer’s financial condition or results of operations.

The market price of investments in the Notes is also influenced by economic and market conditions in Türkiye and, to varying degrees, economic and market conditions in emerging markets generally. Although economic conditions differ in each country, the reaction of investors to developments in one country may cause capital markets in other countries to fluctuate. Developments or economic conditions in other emerging market countries have at times significantly affected the availability of credit to the Turkish economy and resulted in considerable outflows of funds and declines in the amount of foreign investments in Türkiye. Crises in other emerging market countries may diminish investor interest in securities of Turkish issuers, including the Issuer’s, which could adversely affect the market price of investments in the Notes.

The Issuer may not be able to finance an offer to redeem the Notes upon the occurrence of both a Change of Control Event and a Change of Control Ratings Decline.

Upon the occurrence of both a Change of Control Event and a Change of Control Ratings Decline, as defined in the Conditions, investors will have the right to require the Issuer to offer to repurchase Notes that they hold at 101% of their aggregate principal amount, plus any additional amounts and accrued and unpaid interest, if any, to the date of redemption.

If such an event were to occur, the Issuer cannot assure you that it would have sufficient funds available at the time to pay the purchase price of the outstanding Notes. Third-party financing may be required in order to provide the funds necessary for the Issuer to redeem such Notes and to refinance any other indebtedness that would become payable upon the occurrence of such events. The Issuer may not be able to obtain such additional financing on terms favorable to it or at all. See “*Terms and Conditions of the Notes—Redemption and Purchase—Redemption at the Option of Noteholders (Change of Control)*.”

The change of control provisions contained in the Conditions may not necessarily afford you protection in the event of certain important corporate events, including a reorganization, restructuring, merger or other similar transaction involving the Issuer that may adversely affect you, because such corporate events may not involve a shift in voting power or beneficial ownership or, even if they do, may not constitute a Change of Control Event or, if so, result in a Change of Control Ratings Decline. Further, investors will only have the right to exercise such option if a Change of Control Ratings Decline occurs on any date within the 60-day period following the occurrence of a Change of Control Event. Except as described under “*Terms and Conditions of the Notes—Redemption and Purchase—Redemption at the Option of Noteholders (Change of Control)*,” the Notes will not contain provisions that would require the Issuer to offer to repurchase or redeem the Notes in the event of a reorganization, restructuring, merger, recapitalization or similar transaction.

Credit ratings may not reflect all risks, and changes to Türkiye’s credit ratings may affect the Group’s ability to obtain funding.

In addition to the ratings on the Notes provided by S&P and Fitch, one or more other independent credit rating agencies may assign credit ratings to the Notes. The ratings might not reflect the potential impact of all risks related to structure, market and other factors that may affect the value of the Notes. Credit ratings assigned to the Notes do not necessarily mean that they are a suitable investment. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organization. Investors must conduct their own assessments of the Issuer and its business, operations, assets and financial position, and are strongly cautioned not to place undue emphasis on any particular rating that has been assigned to the Notes.

Similar ratings on different types of notes do not necessarily mean the same thing. The initial ratings by S&P and Fitch will not address the likelihood that the principal on the Notes will be prepaid or paid on the scheduled maturity date. Such ratings also will not address the marketability of investments in the Notes or any market price. Any change in the credit ratings of the Notes or the Issuer could adversely affect the price that a subsequent purchaser will be willing to pay for investments in the Notes. The significance of each rating should be analyzed independently from any other rating. Moreover, a downgrade or potential downgrade of the Turkish sovereign rating could negatively affect the Group’s ratings. See “—*Political instability in Türkiye may have a material adverse effect on the Group’s business, financial condition and results of operations*” for a discussion of the Turkish sovereign credit rating.

Investors regulated in the UK are subject to restrictions under Regulation (EC) No 1060/2009 as it forms part of UK domestic law by virtue of the EUWA (the “**UK CRA Regulation**”). As such, UK regulated investors are required to use for UK regulatory purposes ratings issued by a credit rating agency established in the UK and registered under the UK CRA Regulation. In the case of ratings issued by third country non-UK credit rating agencies, third country credit ratings can either be: (a) endorsed by a UK registered credit rating agency; or (b) issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation. Note this is subject, in each case, to (a) the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended, and (b) transitional provisions that apply in certain circumstances. In the case of third country ratings, for a certain limited period of time, transitional relief accommodates continued use for regulatory purposes in the UK, of existing pre-2021 ratings, provided the relevant conditions are satisfied.

European regulated investors are similarly restricted under the CRA Regulation from using credit ratings for regulatory purposes in the EEA, unless such ratings are issued by a credit rating agency established in the EEA and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances. Such general restriction will also apply in the case of credit ratings issued by third country non-EEA credit rating agencies, unless the relevant credit ratings are endorsed by an EEA-registered credit rating agency or the relevant third country rating agency is certified

in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). The list of registered and certified rating agencies published by ESMA on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

If the status of the rating agency rating the Notes changes for the purposes of the CRA Regulation or the UK CRA Regulation, relevant regulated investors may no longer be able to use the rating for regulatory purposes in the EEA or the UK, as applicable, and the Notes may have a different regulatory treatment, which may impact the value of the Notes and their liquidity in the secondary market. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Offering Memorandum.

Investors whose financial activities are denominated in a currency or currency unit other than U.S. dollars may receive less interest or principal than expected, or no interest or principal on the Notes, as a result of fluctuations in exchange rates or changes to exchange controls.

The Issuer will pay principal and interest on the Notes in U.S. dollars. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the “**Investor's Currency**”) other than U.S. dollars. These include the risk that exchange rates may significantly change (including changes due to devaluation of the U.S. dollar or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Issuer's currency or the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the U.S. dollar would decrease (i) the Investor's Currency equivalent yield on the Notes, (ii) the Investor's Currency-equivalent value of the principal payable on the Notes and (iii) the Investor's Currency-equivalent market value of the Notes.

Changes in the value of the Investor's Currency relative to the U.S. dollar could be caused by a variety of factors, including changes to the monetary policies maintained in the relevant central banks and vacillating demand for various currencies in the global marketplace.

Furthermore, governmental and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal on the Notes.

Transfer of investments in the Notes will be subject to certain restrictions.

Although the issuance certificate (*ihraç belgesi*) in relation to the issuance and sale of the Notes by the Issuer outside Türkiye has been approved by the CMB, the Notes have not been and will not be registered under the Securities Act or any U.S. State securities laws. Prospective investors may not offer or sell the Notes, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable State securities laws. Similar restrictions will apply in other jurisdictions.

Prospective investors should read the discussion under “*Transfer Restrictions*” for further information about these transfer restrictions. It is their obligation to ensure that their offers and sales of the Notes within the United States and other countries comply with any applicable securities laws.

Investors in the Notes must rely on DTC, Euroclear and Clearstream procedures.

The Regulation S Notes will be represented on issue by an Unrestricted Global Certificate that will be delivered to a common depositary for, and registered in the name of a common nominee of, Euroclear and Clearstream, Luxembourg. Except in the circumstances described in the relevant Unrestricted Global Certificate, investors will not be entitled to receive Notes in definitive form. Euroclear and Clearstream, Luxembourg and their respective participants will maintain records of the beneficial interests in the relevant Unrestricted Global

Certificate. While the Notes are represented by the Unrestricted Global Certificate, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg and their respective participants.

The Rule 144A Notes will be represented on issue by a Restricted Global Certificate that will be deposited with a nominee for DTC. Except in the circumstances described in the relevant Restricted Global Certificate, investors will not be entitled to receive Notes in definitive form. DTC and its direct and indirect participants will maintain records of the beneficial interests in the relevant Restricted Global Certificate. While the Notes are represented by the Restricted Global Certificate, investors will be able to trade their beneficial interests only through DTC. While the Notes are represented by the Restricted Global Certificate, the Issuer will discharge its payment obligation under the Notes by making payments through the relevant clearing systems. A holder of a beneficial interest in a Global Certificate must rely on the procedures of the relevant clearing system and its participants to receive payments under the Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in any Global Certificate. Holders of beneficial interests in a Global Certificate will not have a direct right to vote in respect of the Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant clearing system and its participants to appoint appropriate proxies. The Issuer cannot guarantee that procedures implemented for the granting of such proxies will be sufficient to enable holders of beneficial interests in the Notes to vote on any requested actions, enforce the rights of Noteholders with respect to the Notes or to take any other action on a timely basis or at all.

Legal investment considerations may restrict certain investments.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisors to determine whether and to what extent (i) the Notes are legal investments for it, (ii) the Notes can be used as security for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

Financial turmoil in emerging markets could cause the price of the Notes to suffer.

While in recent years Türkiye has undergone significant political and economic reform, which has increased domestic political and economic stability and contributed to economic growth, Türkiye is nonetheless considered by international investors to be an emerging market. In general, investing in the securities of issuers that have operations primarily in emerging markets like Türkiye involves a higher degree of risk than investing in the securities of issuers with substantial operations in the United States, the countries of the EU or similar jurisdictions. The market price of the Notes is influenced by economic and market conditions in Türkiye and, to a varying degree, economic and market conditions in both emerging market countries and more developed economies, including those in the EU and the United States. Financial turmoil in Türkiye and emerging markets in the past has adversely affected market prices in the world's securities markets for companies that operate in developing economies. Even if the Turkish economy remains relatively stable, financial turmoil in these countries could materially adversely affect the market price of the Notes.

USE OF PROCEEDS

Sources and Uses

We will use an amount equivalent to the net proceeds of the Offering to finance (i) the purchase of any or all of the outstanding Existing Notes, tendered and accepted for purchase in accordance with the terms and conditions of the Tender Offer; (ii) to pay fees and expenses in connection with the Offering and/or the Tender Offer; and (iii) if any Existing Notes remain outstanding following the Tender Offer, the Early Redemption of such Existing Notes in accordance with their terms.

On September 18, 2025, pursuant to the Tender Offer Memorandum, we invited holders of the Existing Notes to tender any or all of the Existing Notes for purchase for cash on the terms and subject to the conditions set forth in the Tender Offer Memorandum. As of the date hereof, there is \$539,285,600 in principal amount of the Existing Notes outstanding. The Existing Notes tendered pursuant to the Tender Offer and accepted for purchase are expected to be settled on October 2, 2025, and the Early Redemption is expected to be completed on October 20, 2025. See *“Plan of Distribution—Tender Offer.”*

The consummation of the Tender Offer is subject to the completion of this Offering (the **“New Issue Condition”**) and certain other conditions more fully set out in the Tender Offer Memorandum. The consummation of this Offering is not contingent upon the successful completion of the Tender Offer.

We cannot provide any assurance that the Tender Offer will be completed on the terms described in the Tender Offer Memorandum, or at all, nor can we provide any assurance that the Tender Offer will result in any of the Existing Notes being tendered and accepted for purchase. Nothing herein shall be construed as an offer, invitation or recommendation to any holders of the Existing Notes to participate in the Tender Offer. The Tender Offer is being made only to the recipients of, and upon the terms and conditions set forth in, the Tender Offer Memorandum. We may (in our sole discretion) amend the Tender Offer in any respect or waive any condition to the Tender Offer (including the New Issue Condition described above), in each case, subject to applicable law.

Green Financing Framework

We have published a Green Financing Framework dated June 2025 on our website at www.aydemrenewables.com.tr (as updated, amended or replaced from time to time, the **“Green Financing Framework”**) in accordance with guidelines specified in the 2021 edition of the Green Bond Principles published by the International Capital Market Association (**“ICMA”**), including the updated Appendix I of June 2022, and in the 2025 edition of the Green Loan Principles administered by the Loan Market Association (**“LMA”**), the Asia Pacific LMA (**“APLMA”**) and the Loan Syndications and Trading Association (**“LSTA”**), under which we can issue Green Financing Instruments (as defined below).

“Green Financing Instruments” include green bonds, green loans, green hybrid bonds, green convertible bonds, green private placements and green project finance where the net proceeds can be exclusively allocated to finance or re-finance in part or in full new and / or existing Eligible Green Projects (as defined below).

In accordance with the Green Financing Framework, we intend to apply an amount equivalent to the net proceeds of the Notes to finance or refinance, in whole or in part, new and/or existing projects and/or assets meeting the eligibility criteria set out in the Green Financing Framework, within the category of renewable energy (**“Eligible Green Projects”**).

Eligible Green Projects may include assets, capital expenditure, operational expenditures and research and development related expenditures (**“R&D”**) associated with the eligibility criteria set out in the Green Financing Framework.

In the case of refinancing existing Eligible Green Projects, investments and expenditures qualifying as operational expenditure and R&D which have been made within a three-year period preceding the issue of the Notes shall be considered for inclusion as Eligible Green Projects while assets and capital expenditure do not have any limit on look-back period.

The proceeds are expected to be fully allocated, within 24 months of the date of issue of the Notes, to new projects and / or refinancing of existing projects identified under the Green Financing Framework.

Reporting

In the Green Financing Framework we have committed to publishing an allocation and impact report annually, until full allocation of an amount equivalent to the net proceeds of the Notes, and in the event of any material changes until the Maturity Date. The allocation report will include, at least the following details: (i) the total amount of net proceeds allocated to Eligible Green Projects; (ii) a breakdown of allocation of net proceeds by Eligible Green Project; (iii) a breakdown of allocation between refinancing and financing; and (iv) any unallocated proceeds. Where possible, the impact report will report on certain key performance indicators as set out in the Green Financing Framework.

Assurance

Second Party Opinion (pre-issuance)

The second party opinion provider, Sustainalytics, has reviewed the Green Financing Framework and assessed its alignment with ICMA's Green Bond Principles and the LMA's Green Loan Principles and issued a second party opinion (the "**Second Party Opinion**") on our Green Financing Framework. The Second Party Opinion has been made available on our website at www.aydemrenewables.com.tr. The Green Financing Framework and the Second Party Opinion are not incorporated in, and do not form part of, this Offering Memorandum, and neither of them is a recommendation to buy, sell or hold the Notes.

Annual Audit (post-issuance)

Starting one year after the Issue Date, and on an annual basis until full allocation, an external auditor will review and prepare an assurance report on the allocation of the net proceeds of the Notes to Eligible Green Projects by us.

For more information see "*Risk Factors—Risks Related to the Notes and the Security—There can be no assurance that the use of proceeds of the Notes will be suitable for the investment criteria of an investor. Any failure to use the net proceeds of the Notes for the financing or refinancing of Eligible Green Projects, and/or any failure to meet, or to continue to meet, the investment requirements of certain environmentally focused investors with respect to such Notes may affect the value and/or trading price of the Notes, and/or may have consequences for certain investors with portfolio mandates to invest in green assets.*"

CAPITALIZATION

The following table sets forth total cash and cash equivalents and our capitalization as at June 30, 2025, on an actual basis and as adjusted to reflect the Offering as if they had occurred on June 30, 2025 and the application of the proceeds thereof, as well as the Tender Offer and the Early Redemption as described under “*Use of Proceeds*” herein.

You should read this table in conjunction with “*Presentation of Financial and Other Information*,” “*Summary Historical Financial and Operational Data*,” “*Selected Historical Financial and Operational Data*” and “*Management Discussion and Analysis of Financial Condition and Results of Operations*” and the Financial Statements included elsewhere in this Offering Memorandum.

Actual amounts may vary from estimated amounts depending on several factors, including but not limited to differences from our estimate of fees and expenses, fluctuations in cash on hand between June 30, 2025 and the Issue Date and fluctuations in applicable exchange rates.

	As at June 30, 2025		
	Actual	Adjustments	As Adjusted ⁽¹⁾
		(TL millions)	
Cash and cash equivalents.....	872	(339)	533
Financial investments.....	1,767	(623) ⁽⁴⁾	1,144
Financial liabilities	24,680	(2,783)	21,897
Debt securities (Existing Notes).....	24,680	(24,680)	—
Notes offered hereby ⁽²⁾	—	21,897	21,897
Total financial liabilities	24,680	(2,783)⁽⁵⁾	21,897
Total equity	32,679	98	32,777
Total capitalization⁽³⁾	57,359	(2,685)	54,674

Notes:

- (1) The ‘As Adjusted’ column reflects adjustments for the Offering and the application of the proceeds thereof, including the repurchase and redemption of the Existing Notes (as described below). Additionally, it includes the subsequent collection of trade receivables which provided a positive effect on our cash and cash equivalents.
- (2) The Notes have been presented at their principal amount. The TL-equivalent amount is based on the Turkish Republic Central Bank exchange rate of \$1.00 to TL 39.8124 as of June 30, 2025.
- (3) Total capitalization represents the sum of total financial liabilities and total equity.
- (4) The change in financial investments is due to payment of accrued interest on the Existing Notes since the last interest payment date.
- (5) Adjustments to ‘Financial Liabilities’ includes a partial scheduled repayment of the Existing Notes on August 2, 2025.

On September 18, 2025, pursuant to the Tender Offer Memorandum, we invited holders of the Existing Notes to tender any or all of the Existing Notes for purchase for cash on the terms and subject to the conditions set forth in the Tender Offer Memorandum. As of the date hereof, there is \$539,285,600 in principal amount of the

Existing Notes outstanding. Furthermore on September 18, 2025, we published a notice of our intention to redeem all of the Existing Notes that remain outstanding following the settlement of the Tender Offer on October 20, 2025 in accordance with Condition 10.4 of the Existing Notes. The Existing Notes tendered in the Tender Offer and accepted for purchase by the Issuer are expected to be settled on October 2, 2025, and the Early Redemption is expected to be completed on October 20, 2025. See “*Plan of Distribution—Tender Offer.*”

There has been no material change in our capitalization since June 30, 2025.

SELECTED HISTORICAL FINANCIAL AND OPERATIONAL DATA

The following tables set forth our selected historical financial and operating data as of the dates and for the periods indicated. The following selected financial and operating information should be read in conjunction with, and is qualified in its entirety by reference to, the Financial Statements and other relevant information included elsewhere in this Offering Memorandum. The selected historical financial information contained herein has been derived from the Financial Statements, which have been prepared and presented in accordance with TFRS. You should read the following information in conjunction with “*Presentation of Financial and Other Information*,” “*Selected Historical Financial and Operational Data—Other Financial and Operational Data*,” “*Management Discussion and Analysis of Financial Condition and Results of Operations*” and the Financial Statements.

Summary Consolidated Statements of Profit or Loss

	For the year ended December 31, ⁽¹⁾			For the six months ended June 30, ⁽²⁾	
	2022	2023	2024	2024	2025
	(audited)			(unaudited and unreviewed)	(unaudited)
	(TL millions)				
Profit or loss statement					
Revenue	10,923	9,181	6,584	4,724	5,844
Cost of sales	(4,875)	(5,213)	(4,977)	(3,005)	(4,282)
Gross profit	6,048	3,967	1,607	1,719	1,562
General administrative expenses	(504)	(912)	(644)	(311)	(416)
Other operating income	1,295	1,520	989	591	214
Other operating expenses	(30)	(161)	(17)	(2)	(20)
Operating profit	6,809	4,414	1,935	1,997	1,339
Income from investing activities	17	441	73	8	110
Expense from investing activities	(7,153)	(5,289)	(19,086)	(452)	—
(Loss)/profit before finance income/(expense)	(326)	(434)	(17,078)	1,553	1,449
Finance income	1,849	1,507	948	576	268
Finance expenses	(6,102)	(19,049)	(7,089)	(4,744)	(4,884)
Gains on net monetary position	12,435	13,687	7,330	5,469	3,128
Gains/(loss) before tax	7,855	(4,289)	(15,888)	2,854	(38)
Tax (expense)/income	(675)	2,440	4,118	1,131	172
Deferred tax (expense)/income	(675)	2,440	4,118	1,131	172
Net profit/(loss) for the period	7,180	(1,848)	(11,770)	3,985	134

Notes:

- (1) Presented at the purchasing power of TL as of December 31, 2024.
(2) Presented at the purchasing power of TL as of June 30, 2025.

Consolidated Statements of Financial Position

As at December 31, ⁽¹⁾				As at December 31, ⁽²⁾	As at June 30, ⁽²⁾
				2024	2025
(audited)				(unaudited and unreviewed)	(unaudited)
(TL millions)					
ASSETS					
Current assets					
Cash and cash equivalents	3,078	2,012	1,745	2,035	872
Financial investments	845	905	1,629	1,900	1,767
Trade receivables	3,102	2,889	3,162	3,689	3,242
<i>Due from related parties</i>	2,932	2,785	3,132	3,654	591
<i>Due from third parties</i>	171	104	30	35	2,651
Other receivables	156	947	155	181	177
<i>Due from related parties</i>	83	926	110	128	130
<i>Due from third parties</i>	72	21	45	53	47
Inventories	30	30	20	24	26
Prepaid expenses.....	65	58	107	125	165
Other current assets ⁽³⁾	—	—	—	—	—
Total current assets.....	7,276	6,841	6,818	7,954	6,249
Non-current assets					
Other receivables	4	5	5	6	5
<i>Due from third parties</i>	4	5	5	6	5
Property, plant and equipment	75,062	70,181	46,554	54,316	53,273
Right of use assets	375	367	335	391	365
Intangible assets.....	2,510	2,449	2,384	2,782	2,744
Investment properties.....	105	—	—	—	—
Prepaid expenses.....	964	393	288	336	339
Other non-current assets	26	48	37	43	29
Total non-current assets.....	79,046	73,443	49,604	57,875	56,756
Total assets	86,322	80,284	56,422	65,829	63,005
LIABILITIES					
Current liabilities					

	As at December 31, ⁽¹⁾			As at December 31, ⁽²⁾	As at June 30, ⁽²⁾
	2022	2023	2024	2024	2025
	(audited)			(unaudited and unreviewed)	(unaudited)
	(TL millions)				
Short-term portion of long-term financial liabilities	2,393	2,159	6,338	7,395	6,935
Lease liabilities	13	24	32	38	28
Trade payables	1,130	582	229	268	237
<i>Due to related parties</i>	18	17	42	49	39
<i>Due to third parties</i>	1,112	566	187	218	198
Liabilities for employee benefits	8	17	13	15	51
Other payables	1	—	—	—	9
<i>Due from third parties</i>	1	—	—	—	—
<i>Due to related parties</i>	—	—	—	—	8
Current provisions	83	84	103	120	100
<i>Provisions for employee benefits</i>	54	64	87	102	82
<i>Other short-term provisions</i>	30	20	16	18	18
Other current liabilities	174	147	108	126	134
Total current liabilities	3,802	3,013	6,823	7,961	7,494
Non-current liabilities					
Financial liabilities	28,979	26,860	17,959	20,953	17,744
Lease liabilities	60	55	42	49	39
Other payables	96	73	—	—	—
<i>Due to related parties</i>	96	73	—	—	—
Non-current provisions	83	99	89	103	179
<i>Provisions for employee benefits</i>	83	99	89	103	179
Deferred tax liabilities	10,968	8,863	4,144	4,834	4,868
Total non-current liabilities	40,185	35,949	22,233	25,940	22,831
Total liabilities	43,987	38,962	29,056	33,901	30,326
Equity attributable to holders of the parent					
Paid-in capital	705	705	705	705	705
Adjustment to share capital	6,561	6,561	6,561	7,772	7,772
Share premiums	762	762	762	889	889
Treasury shares	—	(173)	(169)	(197)	(197)
Restricted reserves	27	199	238	278	278
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods	1,818				

	As at December 31, ⁽¹⁾			As at December 31, ⁽²⁾	As at June 30, ⁽²⁾
	2022	2023	2024	2024	2025
	(audited)			(unaudited and unreviewed)	(unaudited)
	(TL millions)				
		1,938	101	118	82
<i>Gains on revaluation of property, plant and equipment.....</i>	1,866	2,022	196	229	221
<i>Actuarial losses on defined benefit plans</i>	(48)	(84)	(95)	(111)	(139)
Other comprehensive income that may be reclassified to loss or profit in subsequent periods	(18,456)	(17,644)	(17,731)	(20,687)	(20,041)
<i>Reserve of losses on cash flow hedge.....</i>	(18,456)	(17,644)	(17,731)	(20,687)	(20,041)
Retained earnings	43,739	50,822	48,669	56,784	43,058
Net profit/(loss) for the period	7,180	(1,848)	(11,770)	(13,733)	134
Equity attributable to equity holders of the parent.....	42,335	41,322	27,365	31,928	32,679
Total equity	42,335	41,322	27,365	31,928	32,679
Total equity and liabilities.....	86,322	80,284	56,422	65,829	63,005

Notes:

- (1) Presented at the purchasing power of TL as of December 31, 2024.
- (2) Presented at the purchasing power of TL as of June 30, 2025.
- (3) The balance of “Other current assets” is immaterial and rounds to zero.

Consolidated Statements of Cash Flows

	For the year ended December 31, ⁽¹⁾			For the six months ended June 30, ⁽²⁾	
	2022	2023	2024	2024	2025
	(audited)			(unaudited and unreviewed)	(unaudited)
	(TL millions)				
Cash flows from operating activities	9,801	6,368	3,633	3,628	2,968
Cash flows from investing activities.....	(3,148)	(2,376)	(831)	(241)	(329)
Cash flows from financing activities	(5,015)	(3,718)	(2,403)	(1,224)	(3,668)
Net increase/(decrease) in cash and cash equivalents.....	1,639	274	398	2,162	(1,029)

	For the year ended December 31, ⁽¹⁾			For the six months ended June 30, ⁽²⁾	
	2022	2023	2024	2024	2025
	(audited)			(unaudited and unreviewed)	(unaudited)
	(TL millions)				
Effect of net monetary position differences gains/(losses) on cash and cash equivalents	(4,523)	(1,340)	(665)	(598)	(134)
Cash and cash equivalents beginning of the period.....	5,962	3,078	2,012	2,347	2,035
Cash and cash equivalents at the end of the period.....	3,078	2,012	1,745	3,912	872

Notes:

(1) Presented at the purchasing power of TL as of December 31, 2024.

(2) Presented at the purchasing power of TL as of June 30, 2025.

Other Financial Data

	As at and for the year ended December 31, ⁽¹⁾			As at and for the six months ended June 30, ⁽²⁾		As at and for the twelve months ended June 30, ⁽²⁾
	2022	2023	2024	2024	2025	2025
	(TL millions)					
EBITDA ⁽³⁾	9,910	7,489	4,944	3,765	2,579	4,582
Electricity Proprietary Trading EBITDA ⁽⁴⁾	—	—	—	—	318	318
Non-Trading EBITDA ⁽⁵⁾	9,910	7,489	4,944	3,765	2,261	4,264
EBITDA Margin ⁽⁶⁾ (%)	91	82	75	80	62	64
Net Financial Liabilities ⁽⁷⁾	27,449	26,102	20,923	N/A	22,040	—
Free Cash Flow ⁽⁸⁾	9,900	7,446	4,889	3,702	2,536	4,483
Cash Conversion ⁽⁹⁾ (%)	100	99	99	98	98	98
Gross Debt ⁽¹⁰⁾	31,372	29,018	24,297	N/A	24,680	—
Capital Expenditure ⁽¹¹⁾	3,243	3,132	690	349	123	576
Net Working Capital ⁽¹²⁾	1,944	3,071	2,959	N/A	3,051	—
Net Financial Liabilities/EBITDA	2.8x	3.5x	4.2x	N/A	4.8x	4.8x

Notes:

(1) Presented at the purchasing power of TL as of December 31, 2024.

- (2) Presented at the purchasing power of TL as of June 30, 2025.
- (3) We calculate EBITDA as operating profit plus depreciation and amortization.
- (4) We calculate Electricity Proprietary Trading EBITDA as the portion of our EBITDA derived from one-off electricity proprietary trading activities.
- (5) We calculate Non-Trading EBITDA as EBITDA less Electricity Proprietary Trading EBITDA.
- (6) We calculate EBITDA Margin as Non-Trading EBITDA divided by revenue.
- (7) We calculate Net Financial Liabilities as the sum of the short-term portion of long-term financial liabilities, non-current financial liabilities less cash and cash equivalents and financial investments.
- (8) We calculate Free Cash Flow as EBITDA less maintenance capital expenditure (which we define as capital expenditure excluding one-off items and growth capital expenditure which is the capital expenditure we undertake to prolong the lifespan and operational efficiency of our assets which does not contribute directly to expanding our business). The maintenance capital expenditure used to calculate Free Cash Flow primarily consists of unit modernization, regulator empowerment or replacement and generator improvement costs.
- (9) We calculate Cash Conversion as Free Cash Flow divided by EBITDA.
- (10) We calculate Gross Debt as short-term position of long-term financial liabilities plus long-term financial liabilities.
- (11) We calculate Capital Expenditure as outflows related to the purchase of tangible and intangible assets.
- (12) We calculate Net Working Capital as the sum of trade receivables, other receivables, inventory, prepaid expenses, other current assets, lease liabilities, trade payables, liabilities for employee benefits, other payables, current provisions and other current liabilities, see “*Summary Financial and Operating Information.*”

Other Operating Data

	For the year ended December 31,			For the six months ended June 30,	
	2022	2023	2024	2024	2025
Availability Factor – HPPs (%)	99.9	99.9	99.7	99.9	99.9
Availability Factor – WPPs (%)	99.5	99.6	99.4	99.6	99.6
EFOR – HPPs (%)	0.1	0.1	0.3	—	—
EFOR – WPPs (%)	0.5	0.4	0.6	0.4	0.4
Capacity Factor – HPPs (%)	27	25	19	26	22
Capacity Factor – WPPs (%)	35	34	31	29	29
Net Generation (TWh)	2.5	2.4	2.2	1.3	1.2
% of Existing FiT-Linked Revenue	80	30	40	35	30

Run-Rate Data

	As at and for the year ended December 31, ⁽¹⁾			As at and for the six months ended June 30, ⁽²⁾		As at and for the twelve months ended June 30, ⁽²⁾
	2022	2023	2024	2024	2025	2025
(TL millions)						
Run-rate Revenue ⁽³⁾	—	—	—	—	—	11,049
Run-rate EBITDA ⁽⁴⁾	—	—	—	—	—	6,238

Notes:

- (1) Presented at the purchasing power of TL as of December 31, 2024.
- (2) Presented at the purchasing power of TL as of June 30, 2025.
- (3) We calculate Run-rate Revenue by applying the applicable price to a power plant's Run-rate Generation. The applicable price is either the Existing FiT for power plants which currently benefit from the Existing FiT or the average sales price for the last twelve months ended June 30, 2025 including balancing costs for power plants which do not benefit from the Existing FiT.
- (4) We calculate Run-rate EBITDA as Run-rate Revenue multiplied by the average EBITDA margin over the past three years.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This discussion and analysis should be read together with the Financial Statements, which are contained in this Offering Memorandum beginning on page F-1. You should also read the following information in conjunction with “Selected Historical Financial and Operational Data.” Certain statements in this section contain forward-looking statements that reflect our plans, estimates and beliefs and should be read together with “Forward-Looking Statements.” Our actual results of operations may differ materially from those discussed in such forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed below and elsewhere in this Offering Memorandum, including under “Risk Factors” and “Forward Looking Statements.” For a description of the Financial Statements, see “Presentation of Financial and Other Information.”

Overview

We are the largest pure-play renewable energy generation company in Türkiye by installed capacity among companies that operate exclusively in the renewable energy sector, with expertise in the development, acquisition and operation of hydroelectric, wind, geothermal and solar power plants (Source: Enerji Günlüğü & Kearney, “MW100 – Türkiye’s Top 100 Electricity Producers 2025 Research Report,” February 2025). We operate 25 renewable energy power plants across four regions of Türkiye, comprising 20 HPPs, three WPPs, a SPP and a GPP. Our power plants are located in the Black Sea, Marmara, Mediterranean and Aegean regions of Türkiye.

As of June 30, 2025, our total installed capacity was 1,186 MW, of which approximately 72%, or 852 MW, came from our HPPs and 21%, or 245 MW, came from our WPPs with the remainder coming from our SPP (82 MW) and GPP (7 MW).

Each year, we may opt into the Existing FiT scheme, provided we remain eligible, which helps us mitigate price risks. For the six months ended June 30, 2025, we sold approximately 43% of the total electricity we generated through the Existing FiT eligible scheme. Existing FiT sales have no price risk, as they allow for the sale of electricity at a fixed unitary dollar sale price for ten years (with the current applicable Existing FiT price being \$73/MWh) and depend on the volume of electricity generated. As of June 30, 2025, the average remaining Existing FiT period for our power plants (weighted by installed capacity) was 1.3 years. For further details on the Existing FiT, see “*Business—Feed-in Tariff Mechanism.*”

Our revenue for the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, was TL 10,923 million, TL 9,181 million, TL 6,584 million and TL 5,844 million, respectively. Our EBITDA for the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, was TL 9,910 million, TL 7,489 million, TL 4,944 million and TL 2,579 million, respectively. The figures for the years ended December 31, 2022, 2023 and 2024 have been adjusted to the purchasing power as of December 31, 2024, while the figures for the six months ended June 30, 2025 have been adjusted to the purchasing power as of June 30, 2025.

Aydem Holding is our principal shareholder, through its 100% shareholding in Aydem Enerji Yatırımları A.Ş., our parent company, and one of Türkiye’s largest companies operating in the energy sector, in terms of installed capacity. Aydem Group is Türkiye’s first private hydroelectric power generation company, first private electricity distribution company and first integrated energy group (combining generation, distribution and retail activities). As of June 30, 2025, Aydem Group had 2,131 MW of installed capacity, approximately 5.7 million retail customers and 6.3 million users connected to its electricity distribution system, and in the twelve months ended June 30, 2025, it had electricity sales of 25.0 TWh and distributed 27.5 TWh of electricity. Aydem Group

is financially independent and manages its relationships with its subsidiaries by ring-fencing financing arrangements. In the year ended December 31, 2024, Aydem Group had \$3.6 billion in revenue and as of June 30, 2025, had over 10,300 employees.

Our near-term opportunities include additional capacity through hybrid generation at our existing power plants, wind capacity expansion plans and potential asset acquisitions where an acquisition's return on investment aligns with management's strategic goals for growth and prudent debt management.

Key Factors Affecting Our Results of Operations

Our performance and results of operations have been and will continue to be affected by a number of factors. We believe that the key factors affecting our results of operations include the following.

Macroeconomic environment, the energy market and demand for electricity

The level of, and growth in, industrialization in Türkiye directly correlates with macroeconomic conditions in Türkiye, and this impacts growth in the electricity consumption of businesses, which increases the overall demand for electricity. In addition, the macroeconomic environment in Türkiye impacts the real private consumption and disposable income of Turkish residents, which in turn affects the demand for electricity. As such, we are significantly affected by the macroeconomic environment in Türkiye, particularly for spot market sales.

In the years ended December 31, 2022, 2023 and 2024 the Turkish economy's GDP grew at a rate 5.5%, 5.1% and 3.2%, respectively (Source: IMF World Economic Outlook, October 2024). Changes in per capita income can affect the demand for electricity, as it affects the amount of money people have to spend on electricity.

Since 2000, energy consumption in Türkiye has grown at a CAGR of 4.5% and the demand for electricity has grown by 4.4% between 2002 and 2024 (Source: MENR, TEİAŞ, IEA). Our sales fluctuated in parallel with these changes in the demand for electricity in Türkiye.

One of the reasons that electricity consumption has remained relatively robust in Türkiye is the country's high population growth, which leads to a growing customer base. Electricity demand per capita in Türkiye has increased significantly compared to other members of the Organization for Economic Co-operation and Development ("OECD"), with CAGR of 1.7% between 2022 and 2024. Demand for electricity in Türkiye in 2021 was 3.9 MWh per capita, well below the OECD average of 6.8 MWh per capita, indicating there is still room for growth in demand (Source: IEA "World Energy Balances 2023"). Consumption for the year was 335.2 TWh in 2023 and 347.9TWh in 2024 (Source: (TEİAŞ "Annual Statistics 2023"). Energy prices (DAMs) for the year averaged 96.7 USD/MWh in 2023 and 68.0 USD/MWh in 2024 (Source: (EPİAŞ "Monthly Market Reports 2023–2024").

In addition to demographic factors, demand for electricity is affected by electricity consumption patterns, which are affected by seasonality. See "*Effects of seasonality and meteorological conditions in Türkiye.*"

Any of the above macroeconomic and demographic factors can affect the demand for the electricity we generate, which can in turn affect spot market prices, both of which will impact the total revenues we generate through our operations.

Electricity sale prices

Our profitability and ability to grow is substantially determined by the revenue we receive for the sale of electricity. For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, 80%, 30%, 40% and 48% (excluding electricity proprietary trading activities), respectively, of our electricity sales were pursuant to the Existing FiT and, 20%, 70%, 60% and 52% (excluding electricity proprietary trading activities), respectively, of our electricity sales were on the spot market.

Feed-in Tariff Mechanism

Currently, the prices at which we sell the electricity we generate are primarily affected by the Existing FiT mechanism, which allows a renewable power plant to sell electricity for a fixed dollar sales price for ten years, starting from the plant's COD. Under the Existing FiT mechanism, the latest COD is June 30, 2021. A New FiT mechanism, applicable for plants with a COD between July 1, 2021 and December 31, 2030 was announced on January 30, 2021. The New FiT is set in Turkish lira and is updated every month based on inflation and dollar and euro exchange rates, with a fixed cap set in dollars. The tariffs set forth under the FiT mechanism are guaranteed by law.

Pursuant to the Existing FiT, we are paid the spot market price for electricity the day after the electricity is generated. If the spot price is lower than the Existing FiT price, then the difference is recorded, and a receivable is created in our favor in dollars. Receivables for a calendar month are aggregated and then paid on the 25th day of the following month in Turkish lira. The relevant foreign exchange rate is calculated with reference to the Turkish Central Bank's \$/TL buying rate, announced at 3:30 P.M. on the day of the sale of the electricity. For further detail on our exposure to foreign exchange rates, see “—Foreign exchange rate exposure.” There are also certain uplift opportunities in addition to the base Existing FiT, which can be paid if Turkish equipment is used in the construction of the power plant. This uplift is valid for five years from the COD of the power plant.

The following table shows the applicable Existing FiT prices by type of power plant. These prices are applicable for power plants with a COD prior to June 30, 2021.

	Base Existing FiT Price	Ceiling Existing FiT Price	As at January 1, 2025	
			Existing FiT Price	Existing FiT Domestic Component Support Price
			(USD/MWh)N	
Dam Hydro	67.50	82.5	73.7	14.7
Run-of-river Hydro	63.00	77.0	69.1	14.7
Onshore Wind	49.50	60.5	54.2	14.7
Offshore Wind	67.50	82.5	73.7	19.7
Geothermal	94.50	115.5	103.4	14.7
Biomethanization	81.00	99.0	88.5	14.7
Thermal Disposal	57.50	80.0	69.0	11.0
Solar	49.50	60.5	54.2	14.7
Wind or Solar integrated Electricity Storage	58.50	71.5	64.0	19.7
Pumped-storage hydro	94.50	115.5	103.4	19.7
Wave or Tidal Energy	63.00	77.0	69.1	19.7

Source: Law on Utilization of Renewable Energy Sources for Electricity Generation (Law No. 5346)

The revenue we generate through our electricity generation operations is affected by the level of FiT support our power plants have received and will receive in the future. For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, 80%, 81%, 73% and 43% (excluding electricity proprietary trading activities), respectively, of the power we generated was subject to the Existing FiT mechanism.

Assuming our power generation portfolio remains unchanged, we anticipate the proportion of the power we generate that is subject to the Existing FiT will end at the end of 2028.

Once ten years have elapsed from a renewable power plant's COD, it is no longer able to benefit from the Existing FiT. At this point, the power plant sells the electricity that it generates on the spot market. In the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, 20%, 19%, 27% and 57%, respectively, of the power we generated was sold on the spot market.

Plants with a COD between July 1, 2021 and December 31, 2030 will benefit from the New FiT. Instead of the dollar-based Existing FiT, the New FiT is set in Turkish lira. It will be updated every month, according to inflation and dollar and euro exchange rates. The New FiT is substantially lower than the Existing FiT. The maximum price is set in dollars, at \$82.5 per MWh for reservoir HPPs, \$77 per MWh for run of river HPPs, \$60.5 per MWh for WPPs, \$60.5 per MWh for SPPs, \$115.5 per MWh for GPPs and \$71.5 per MWh for storage integrated SPPs and WPPs.

Spot market sales

Sales of electricity by our power plants that do not benefit from the Existing FiT are based on spot market prices in the electricity market. For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, 20%, 70%, 60% and 52% (excluding electricity proprietary trading activities), respectively, of our electricity sales were on the spot market. Assuming our power generation portfolio remains unchanged, we anticipate the proportion of the power we generate that is subject to the Existing FiT will end at the end of 2028. As such, an increasingly important driver of our results of operations is the spot market electricity price, which is in turn significantly affected by hourly electricity prices determined in the market through the merit order sequence.

The merit order sequence aims to economically optimize electricity supply in the market by bringing new sources of electricity generation online in order from the cheapest source to the most expensive. Power plants in the merit order contribute to the electricity supply by bidding for an hourly price to generate electricity for the following day. The electricity price is then set for the relevant hour at the highest bid necessary to satisfy all demand.

Renewable energy power plants that have no ability to manage their output (run-of-the-river HPPs, SPPs and WPPs) typically bid at zero or negligible prices due to negligible operating costs and the inability to withhold generation until periods of higher prices. Reservoir-based HPPs are able to manage their output and bid on a profit-maximizing basis by not bidding during periods of low prices. Non-renewable energy power plants, such as natural gas power plants or fuel oil power plants ("**peaker power plants**"), can stop and start generation in a short period more quickly and efficiently than base load power plants, but have higher marginal costs than renewable energy power plants due to their fuel input costs, and must accordingly bid higher. Base load power plants, such as coal or nuclear power plants, continuously generate electricity regardless of the electricity price for the relevant hour, because the high costs of shutting down and starting back up make it uneconomic for them to temporarily shut down generation. Due to these market dynamics, electricity prices in the spot market are generally determined by peaker power plants, which bridge the gap in demand that is not covered by base load or renewable power plants.

Therefore, a key factor in the spot market price of electricity is the merit order in which power plants are brought online and the highest required bid price that is necessary to meet demand. As more renewable energy power plants are brought online, more electricity can be generated at zero or negligible cost. This leads to a decrease in bid prices, which in turn results in lower overall spot market prices.

In addition to price fluctuations due to the merit order sequence, longer-term key drivers underlying electricity prices include net capacity additions and demand growth. On the demand side, the growth rate is projected to

average 3.7% between 2025 and 2034 and is expected to remain steady until 2034. Meanwhile, the merchant price is anticipated to align closely with the FiT price over time (Source: TEİAŞ – 2025-2034 10-Year Demand Forecast Report).

Our revenues from spot market sales may be affected by any of the above factors that affect the price at which we are able to sell the electricity we generate. In addition to the above factors, any decline in the market price of electricity versus the forecast price or a decline in the costs of other sources of electricity generation, such as fossil fuels or nuclear power, which could reduce the wholesale price of electricity. Any change in the market price of electricity will affect the revenues we generate through our non-FiT-covered sales, which in turn will affect the results of our operations.

Effects of seasonality and meteorological conditions in Türkiye

Renewable electricity generation and energy consumption are both affected by seasonal weather patterns and long-term climate and meteorological conditions.

The amount of electricity we generate from our HPPs and WPPs is dependent on hydrological and wind conditions, respectively, which can vary significantly, as well as general weather conditions and unusually severe weather. The primary reason for the decrease in revenue in 2024 was the dry hydrological conditions in 2024, which had a direct impact on the volume of electricity generated from our HPPs. For example, over the last ten years our average Run-rate Generation was 2,008 GWh and in the last twelve months ended June 30, 2025 our Run-rate Generation was 1,271 GWh and our Run-rate EBITDA was TL 6,238 million. The underperformance in hydro generation we experienced in the last twelve months as compared to our average hydro generation in the past ten years is due to the dry hydrological conditions in 2025. Our power plants are located in the Black Sea, Marmara, Mediterranean and Aegean regions of Türkiye, and our HPPs and WPPs are dependent on meteorological conditions in their respective local environments. In particular, our HPPs depend on the prevailing hydrological conditions in the geographic regions in which they are located. They are exposed to related issues, including droughts, climate change and changes in the watercourse upstream of the relevant facility. Our WPPs are dependent on suitable wind conditions, which exhibit seasonal patterns and are difficult to predict. For example, winds exceeding certain speeds may require us to halt our turbines. Wind conditions may also be affected by nearby trees or other large obstructions near a wind farm, including extensions to the wind farm or nearby buildings.

In addition, electricity consumption patterns can be affected by seasonality. Electricity consumption typically increases during the winter months (due to heating and lighting needs) and during summer months (due to air conditioning and cooling needs). Electricity prices increase during winter and summer months as a result of increases in demand for heating and cooling. In addition, during the summer months, electricity prices increase because energy generation from HPPs decreases due to lower hydrologic inflows. During the autumn and spring seasons, prices generally decrease due to increased electricity supply, as energy generation from hydroelectric power plants increases, due to the generally increased flow of water during these times, as well as due to decreased demand because of less heating and cooling-related consumption. The irrigation season also affects our ability to generate and sell electricity, as during certain periods, the DSI can require that water be provided to farms for crop irrigation, and as such, certain of our reservoir-based HPPs may not independently schedule or control the amount of electricity they generate during these times. See “*Business—Reservoir-based HPPs.*”

Any variations to seasonal weather patterns and long-term climate and meteorological conditions can affect both our ability to generate electricity and the demand for the electricity we do generate and therefore affect our revenues, profitability and the results of our operations.

Generation capacity and availability of our assets

As of June 30, 2025, our total installed capacity was 1,186 MW. As new generation assets come on line and start producing electricity, our electricity generation revenues will increase.

In addition, the actual electricity we produce depends in large part on the availability of our power plants. The availability of a generation asset is defined as the ratio between the energy generated by the plant and the maximum energy it could have generated theoretically.

The following table shows our Capacity Factor (calculated as the actual electricity generated over a given period of time divided by the maximum possible electricity generation capacity) and Availability Factor (calculated as the amount of time that the relevant power plant is able to produce electricity over the relevant period, excluding any planned maintenance time) by power plant type for the periods indicated:

	For the year ended December 31,						For the six months ended June 30,							
	2022		2023		2024		2022		2023		2024		2025	
	Capacity Factor	Availability	Capacity Factor	Availability	Capacity Factor	Availability	Capacity Factor	Availability	Capacity Factor	Availability	Capacity Factor	Availability	Capacity Factor	Availability
							(%)							
Hydro	27.0	99.9	25.0	99.9	19.0	99.7	34.2	99.9	28.2	99.8	26.2	99.9	22.0	99.9
Wind	35.0	99.5	34.0	99.6	31.0	99.4	32.4	99.4	23.3	99.5	29.0	99.6	28.9	99.6
Solar	—	—	—	—	18.0	99.3	—	—	—	—	18.1	99.8	16.3	99.4

The availability of a power plant is principally affected by equipment downtime. It is negatively impacted when facilities experience downtime due to scheduled and unscheduled maintenance, equipment failures, weather disruptions and similar events. For example, our HPPs may experience downtime related to excess water flow, as this may require them to open floodgates and lose the water, which reduces the amount of electricity an HPP can generate.

The Capacity Factor of our power plants is affected by the nature of the generating technology used. For example, WPPs generally require more downtime than other types of power plants, as turbines need to be stopped to carry out maintenance. Improvements to the technology used in our power plants may increase their Capacity Factor, as these improvements could allow us to better harness available resources. For example, new turbine sizes and designs have increased the average amount of electricity that WPPs can produce, making it possible to generate electricity at lower wind speeds and increase the efficiency of the plant.

Our installed capacity, the number of generating assets in our portfolio and their availability all impact the amount of electricity we can generate, and therefore the amount of electricity we can sell. This in turn will affect our revenues, profitability and the results of our operations.

Operations, maintenance and other costs

The profit generated by our power plants is affected by the costs we incur in running our business, including the costs associated with operating and maintaining our power plant, our imbalance costs, regulatory fees and any royalty fees we may incur.

We incur costs in the regular maintenance of our power plants, to upgrade or replace critical parts and to address general wear over time. Although our power plants are relatively young, and we have not had major upgrade or overhaul costs as of the date of this Offering Memorandum, we will also incur costs associated with major periodic overhaul activities and/or upgrades of our power plants from time to time, as well as costs associated with making significant investments in monitoring and optimizing our operations.

In addition, we may incur expenditures to address issues such as the breakdown or failure of equipment or processes, unplanned outages of power generating units or performance below expected levels of output or efficiency, due to a lack of capacity or infrastructure issues. For example, in 2024, we experienced two major unplanned outages at our power plants, the Dereli Incident and the Düzce Aksu Incident. The Dereli Incident occurred on January 13, 2024, and resulted in a total production loss of 14,031 MWh (approximately \$1,000,000) and the Düzce Aksu Incident occurred on December 15, 2024, and resulted in a total production loss of 265 MWh (approximately \$20,000) as of December 31, 2024. Both incidents remain are partially remedied and we continue to remedy the rest. The respective insurance claim processes are still ongoing. For further detail on these incidents, see *“Risk Factors—Risks Related to Our Industry and Business—Any harm to the natural environment caused by or alleged to be caused by the development or operation of our power plants may lead to increased legal, compliance and/or abatement costs.”*

To ensure a stable supply of electricity, EPIAŞ requires electricity suppliers (such as us) and purchasers to bid their orders to sell in the day-ahead market. However, our actual production may not match our day-ahead order to sell. In such circumstances, we may have to pay a fee to EPIAŞ. Although we initially settle our imbalancing within Aydem Group, which then settles their imbalancing within a larger balancing group of suppliers and purchasers, any fees associated with the mismatch of our supply bid in the day-ahead market and our actual production may increase our costs of production, and thereby affect our results of operation. See *“Business—Material Contracts—Imbalancing Agreement.”*

In the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025, our imbalance revenues were TL 409 million, TL 224 million, TL 172 million, TL 112 million and TL 68 million, respectively, and our imbalance costs were, TL 478 million, TL 356 million, TL 201 million, TL 129 million and TL 110 million, respectively. The figures for the years ended December 31, 2022, 2023 and 2024 have been adjusted to the purchasing power as of December 31, 2024, while the figures for the six months ended June 30, 2024 and 2025 have been adjusted to the purchasing power as of June 30, 2025.

In addition, we may incur royalty fees while operating our power plants. These include fees such as connection and system usage fees, and a contribution amount that we pay in connection with certain of our HPPs and WPPs. For further detail on these fees, see *“Business—Material Contracts—System Connection Agreements and System Usage Agreements”* and *“Business—Material Contracts—Contribution Agreement.”*

Finally, we incur expenditures due to changing environmental, health and safety laws and regulations (including changes in the interpretation or enforcement thereof), necessary facility repairs and unexpected events (such as natural or man-made disasters or terrorist attacks).

Fixed costs include personnel expenses, the fixed component of distribution system usage and transmission costs, maintenance and repair expenses, insurance charges, license and dues expenses and other costs. Variable costs include management fees, the variable component of distribution system usage and transmission costs, costs of energy sales and production, taxes, duties and fees, and other costs. Between the years ended December 31, 2023 and 2024, variable costs decreased primarily due to a 10% reduction in generation volume. Between the years ended December 31, 2022 and 2023, variable costs decreased primarily due to a 3% reduction in volume. Variable costs were TL 2,170 million as of June 30, 2025. Trading activity is present only in the June 2025 reporting period. As there were no trading-related purchases as of June 30, 2024, the inclusion of such activity in 2025 resulted in an increase in variable costs. If we exclude electricity proprietary trading activities from variable costs for the six months ended June 30, 2025, variable costs were broadly in line with the variable costs for the six months ended June 30, 2024.

The following table shows our variable and fixed cost distribution for the periods indicated:

	For the year ended December 31, ⁽¹⁾			For the six months ended June 30, ⁽²⁾	
	2022	2023	2024	2024	2025
	(audited)			(unaudited and unreviewed)	(unaudited)
	(TL millions)				
Variable costs	918	847	533	352	2,170 ⁽³⁾
Fixed costs	1,360	2,204	2,079	1,196	1,288
Depreciation and amortization	3,101	3,075	3,009	1,768	1,240
Total costs	5,379	6,125	5,621	3,316	4,699

Notes:

- (1) Presented at the purchasing power of TL as of December 31, 2024.
- (2) Presented at the purchasing power of TL as of June 30, 2025.
- (3) Variable costs for the six months ended June 30, 2025 consists of electricity proprietary trading activities of TL 1,869 million.

Any expenditures we incur, whether planned or unforeseen, could affect the cost of our operations, which in turn will affect our profits and the results of our operations.

Our growth has been supported by the expansion of wind capacity and hybrid solar investments. We increased our wind capacity from 160.5 MW to 244.5 MW over the last 2 years. Additionally, we invested in hybrid solar to add 82 MW of solar capacity to our portfolio in 2023. We also acquired storage capacity licenses with a total installed capacity of 500 MW and 500 MWh of storage capacity. This is split into 400 MW of solar generation capacity, including 400 MWh of storage capacity, and 100 MW of wind generation capacity, including 100 MWh of storage capacity. As a result of this project, we continue to diversify our portfolio to mitigate generation risk due to a low hydro regime.

Financing of our operations

We need financing primarily to fund the growth of our business and to finance acquisitions and development projects. We fund our capital requirements through cash generated from our operations and through credit and equity. Our ability to access the credit and capital markets is therefore a key factor affecting the results of our operations.

In addition, we had \$620 million (TL 24,680 million equivalent) of total dollar-denominated financial liabilities as of June 30, 2025. Our indebtedness could reduce the availability of our cash flow to finance our business and operations because it would require that we use cash to fund our debt service obligations. Our ability to meet our payment obligations under our outstanding debt depends on our ability to generate cash flows in the future. For further details on our indebtedness, see “—Liquidity and Capital Resources—Indebtedness.”

The successful financing of our operations, and the costs associated with obtaining and maintaining such financing, will affect our cash flows and our liabilities, as well as future revenues, profits and results of our operations.

Foreign exchange rate exposure

We are exposed to fluctuations in foreign exchange rates associated with the collection of our receivables, particularly our receivables under the Existing FiT. Our power plants that benefit from the Existing FiT sell electricity either on the day-ahead market or to the eligible customers through bilateral agreements. If the day-ahead market sale price under these arrangements is lower than the incentive price of the Existing FiT, the difference between the incentive price of the Existing FiT and the day-ahead market sale price is calculated in dollar terms and converted to Turkish lira at the exchange rate on the relevant date (i.e., the day ahead) and paid by EPIAŞ to us on the 25th day of the following month. Therefore, we carry between 25 days (i.e., from the last day of the relevant month until 25th day of the next month) and 55 days (i.e. from the first day of the relevant month until 25th day of the next month) of foreign exchange risk with respect to the Top-up Payment. Any movement in exchange rate until the collection of the Top-up Payment will affect the amount of revenue we generate.

Furthermore, we had \$620 million (TL 24,680 million equivalent) of total dollar-denominated total financial liabilities as of June 30, 2025. While our dollar-indexed revenue represents a natural hedge against our dollar-denominated indebtedness, any adverse movements in the exchange rate between the Turkish lira and the dollar could affect the costs associated with our indebtedness. In addition, if we cease to generate a dollar-indexed revenue, especially once the Existing FiT periods of our power plants expires, we will lose our natural hedge, and hence may be increasingly subject to fluctuations in the exchange rate between the Turkish lira and the dollar. See also *“Risk Factors—We are subject to exchange rate risk with respect to the New FiT, Top-up Payments under the Existing FiT, and our non-FiT revenue and our exchange rate risk will increase as the Existing FiT periods for our power plants expire and as new power plants are built under the New FiT.”*

We had unrealized foreign exchange losses of TL 2,920 million, TL 10,418 million, TL 4,711 million, TL 3,397 million and TL 3,879 million for the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025, respectively, which were recorded under net loss for the period.

Description of Key Line Items

The following is a description of the key line items in our consolidated statement of profit or loss and other comprehensive income for the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025.

Revenue

Our revenue includes revenues from electricity sales (including both revenue from Existing FiT and revenue from sources other than Existing FiT), revenues from geothermal heating and other revenues, which include social security premium incentives and revenues from reimbursement of overpaid licensing fees under the Law of Fees, as further discussed in *“Regulatory Overview—Principal Obligations of License Holders—License Fee.”*

Revenue from electricity sales includes revenue generated through the provision of ancillary services to the electricity market. These ancillary services include participation in the balancing market and in the capacity mechanism, each of which is further described below. Our Göktaş I and II HPPs (together, **“Göktaş HPP”**) have participated in an ancillary services market which is managed by TEİAŞ since December 2018. In this ancillary services market, power plants give control of part of their installed capacity to TEİAŞ for the purpose of balancing electricity flows, and in return receive additional income.

In the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025, our total ancillary services revenue generated by Göktaş HPP was TL 791 million, TL 353 million, TL 173 million, TL 172 million and TL 172 million, respectively.

For further detail on these ancillary services, see “*Business—Ancillary Services.*”

Cost of Sales

Cost of sales include cost of energy sales and generation, geothermal heating costs and other costs. Cost of energy sales and generation is further broken down into (i) cost of energy generation and (ii) depreciation and amortization expenses directly associated with our power plants. Cost of energy generation primarily includes costs of energy sales and generation, system usage and transmission costs, maintenance and repair expenses and personnel expenses for personnel working at our power plants.

General Administrative Expenses

General Administrative Expenses include administrative expenses, personnel expenses for our employees who do not work at a power plant, depreciation and amortization expenses (excluding those depreciation and amortization expenses directly associated with our power plants), tax, duties and fees expenses, consultancy expenses, maintenance and repair expenses, insurance charges, license and dues expenses and other expenses.

Other Operating Income

Other operating income includes foreign exchange income arising from operating activities, interest income from commercial transactions, the reversal of expected credit loss (“ECL”) provisions, compensation from insurance, the provision for litigation reversal and other income.

Other Operating Expenses

Other operating expenses include foreign exchange expense arising from operating activities, donations, interest expense on trade transactions, expenses related to other provisions, expenses related to allowance for trade transactions, litigation provision expenses and other expenses.

(Loss)/Profit Before Financial Income/(Expense)

Loss/profit before financial income/expense includes currency protected deposit income, income from the sale of investment properties, securities sales income, gains on financial investments presented at fair value, gains on sales of tangible assets, gains from investing rent, scrap sale income, the impairment of fixed assets, losses arising from the impairment of investments and losses on the sale of property, plant and equipment.

Finance Income

Finance income includes interest income, interest income from related parties, income from derivative transactions, income arising from the buy-back of Existing Notes, foreign exchange income arising from financing activities, and other finance income.

Finance Expenses

Finance expenses include foreign exchange losses arising from financing activities, foreign exchange losses recycled from hedge fund, bond interest expenses, bank commission and other expenses, the unwinding of discount on long term payables, right of use obligations and interest expenses and bail commission.

Tax Income/(Expense)

We are subject to corporate tax applicable in Türkiye. The standard rate of corporation tax in Türkiye is 25%. A 5% discount on the corporate tax liability declared on the annual tax return can be applied by taxpayers who are consistent in filing their tax returns on time and who do not have outstanding tax liability. To qualify such a discount, the taxpayer must meet certain conditions. The amount of the discount cannot exceed 1.5 million TL for 2024. If the discount is higher than the tax payable, the remaining amount may be set off from other taxes arising within one year after the submission of the relevant annual tax return.

Our tax income includes deferred tax income. Our tax expense includes current corporate tax expense and deferred tax expenses.

Results of Operations

	For the year ended December 31, ⁽¹⁾			For the six months ended June 30, ⁽²⁾	
	2022	2023	2024	2024	2025
	(audited)			(unaudited and unreviewed)	(unaudited)
	(TL millions)				
Profit or loss statement					
Revenue.....	10,923	9,181	6,584	4,724	5,844
Cost of sales.....	(4,875)	(5,213)	(4,977)	(3,005)	(4,282)
Gross profit	6,048	3,967	1,607	1,719	1,562
General administrative expenses.....	(504)	(912)	(644)	(311)	(416)
Other operating income	1,295	1,520	989	591	214
Other operating expenses.....	(30)	(161)	(17)	(2)	(20)
Operating profit	6,809	4,414	1,935	1,997	1,339
Income from investing activities.....	17	441	73	8	110
Expense from investing activities	(7,153)	(5,289)	(19,086)	(452)	—
(Loss)/profit before finance income/(expense)	(326)	(434)	(17,078)	1,553	1,449
Finance income.....	1,849	1,507	948	576	268
Finance expenses.....	(6,102)	(19,049)	(7,089)	(4,744)	(4,884)
Gains on net monetary position	12,435	13,687	7,330	5,469	3,128
Gains/(loss) before tax	7,855	(4,289)	(15,888)	2,854	(38)
Tax (expense)/income	(675)	2,440	4,118	1,131	172
Deferred tax (expense)/income	(675)	2,440	4,118	1,131	172
Net profit/(loss) for the period	7,180	(1,848)	(11,770)	3,985	134

Notes:

- (1) Presented at the purchasing power of TL as of December 31, 2024.
- (2) Presented at the purchasing power of TL as of June 30, 2025.

Comparison of Results for the Six Months Ended June 30, 2025 and 2024

Revenue. Revenue increased by TL 1,120 million, or 24%, to TL 5,844 million for the six months ended June 30, 2025 from TL 4,724 million for the six months ended June 30, 2024. This increase was primarily

attributable to revenue generated from electricity proprietary trading activities of TL 2,187 million. Electricity proprietary trading activity is present only in the June 2025 reporting period. As there were no trading-related sales as of June 30, 2024, the inclusion of such activity in 2025 resulted in an increase in revenue.

Cost of Sales. Cost of sales increased by TL 1,277 million, or 43%, to TL 4,282 million for the six months ended June 30, 2025 from TL 3,005 million for the six months ended June 30, 2024. This increase was due to an increase in the cost of energy sales and electricity generation. The cost of energy sales and electricity generation increased mainly due to electricity proprietary trading activities, which resulted in an increase of TL 1,869 million in the cost of energy sales and electricity generation. Such increase was partially offset by a decrease in depreciation and amortization expenses. Trading activity is present only in the June 2025 reporting period. As there was no trading-related purchase as of June 30, 2024, the inclusion of such activity in 2025 resulted in an increase in the cost of sales. If we exclude electricity proprietary trading activities from the cost of sales for the six months ended June 30, 2025, the cost of sales was broadly in line with the cost of sales for the six months ended June 30, 2024.

General Administrative Expenses. General administrative expenses increased by TL 106 million, or 34%, to TL 416 million for the six months ended June 30, 2025 from TL 311 million for the six months ended June 30, 2024. This increase was mainly due to an increase in administrative expenses related to shared services received from the Aydem Group, such as IT, consulting, management support, common services and project support. In addition, personnel expenses and consultancy expenses increased, which were partially offset by a decrease in amortization expenses and tax, duties and fees expenses and license and dues expenses.

Other Operating Income. Other operating income decreased by TL 378 million, or 64%, to TL 214 million for the six months ended June 30, 2025 from TL 591 million for the six months ended June 30, 2024. This decrease was due to a decline in foreign exchange income arising from operating activities, and a decline in provision for lawsuits and compensation from insurances that were no longer applicable. This decrease was partially offset by an increase in interest income from commercial transactions.

Other Operating Expenses. Other operating expenses increased by TL 18 million, or 718%, to TL 20 million for the six months ended June 30, 2025 from TL 2 million for the six months ended June 30, 2024. This increase was due to an increase in foreign exchange expense arising from operating activities and litigation expenses that were not applicable for the six months ended June 30, 2024, and an increase in interest expense on trade transactions. Such increases were partially offset by a decrease in donations.

Profit Before Financial Income/(Expense). Profit before financial income/(expense) decreased by TL 104 million, or 7%, to TL 1,449 million for the six months ended June 30, 2025 from TL 1,553 million for the six months ended June 30, 2024. The decrease was mainly due to a decrease in other operating income. This decrease was partially offset by an increase in the sale of securities and gain on financial investments presented at fair value.

Finance Income. Finance income decreased by TL 308 million, or 53%, to TL 268 million for the six months ended June 30, 2025 from TL 576 million for the six months ended June 30, 2024. This decrease was due to a decline in foreign exchange income arising from financing activities due to changes in the exchange rate compared to the six months ended June 30, 2024 and a decline in interest income which was partially offset by an increase in interest income from related parties.

Finance Expenses. Finance expenses increased by TL 140 million, or 3%, to TL 4,884 million for the six months ended June 30, 2025 from TL 4,744 million for the six months ended June 30, 2024. This increase was due to an increase in foreign exchange losses recycled from hedge fund due to a decrease in our hedge ratio, bank commission and other expenses and right of use obligations interest expenses which was partially offset by a decrease in foreign exchange losses arising from financing activities due to a lower exchange rate and bond interest expenses.

Tax Income. Tax income decreased by TL 959 million, or 85%, to TL 172 million for the six months ended June 30, 2025 from TL 1,131 million for the six months ended June 30, 2024. This decrease was primarily mainly due to a decrease in deferred tax effect on non-temporary differences arising from inflation accounting.

Net Profit for the Period. As a result of the factors discussed above, net profit for the period decreased by TL 3,851 million, or 97%, to TL 134 million for the six months ended June 30, 2025 from TL 3,985 million for the six months ended June 30, 2024.

Comparison of Results for the Years Ended December 31, 2024 and 2023

Revenue. Revenue decreased by TL 2,597 million, or 28%, to TL 6,584 million for the year ended December 31, 2024 from TL 9,181 million for the year ended December 31, 2023. This decrease was mainly due to a decrease in revenues from revenue sources, other than FiT, which was attributable to a decline in generation. As 2024 was a dry year in comparison to 2023, there was a direct impact on hydrological conditions and, consequently, a reduction in the electricity generated by our HPPs. In addition, there was a slight decline in the average selling price from \$91/MWh in 2023 to \$87/MWh in 2024, with inflation-adjusted accounting also affecting the revenue generated in the relevant period.

Cost of Sales. Cost of sales decreased by TL 236 million, or 5%, to TL 4,977 million for the year ended December 31, 2024 from TL 5,213 million for the year ended December 31, 2023. This decrease was due to lower energy sales costs resulting from reduced generation and volumes.

General Administrative Expenses. General administrative expenses decreased by TL 268 million, or 29%, to TL 644 million for the year ended December 31, 2024 from TL 912 million for the year ended December 31, 2023. This decrease was due to a decrease in administrative expenses related to shared services received from the Aydem Group, such as IT, consulting, management support, common services and project support. In addition, personnel expenses and license and dues expenses decreased, which were partially offset by an increase in consulting expenses.

Other Operating Income. Other operating income decreased by TL 531 million, or 35%, to TL 989 million for the year ended December 31, 2024 from TL 1,520 million for the year ended December 31, 2023. This decrease was due to a decline in foreign exchange income arising from bilateral sales which was partially offset by an increase in interest income from commercial transactions, reversal of expected credit loss provisions and compensation from insurances (which was itself the result of a change in the exchange rate in 2024 compared to 2023).

Other Operating Expenses. Other operating expenses decreased by TL 143 million, or 89%, to TL 17 million for the year ended December 31, 2024 from TL 161 million for the year ended December 31, 2023. This decrease was due to a decline in donations, litigation expenses and interest expense on trade transactions which was partially offset by an increase in expenses related to allowance for trade receivables.

(Loss)/Profit Before Financial Income/(Expense). Loss before financial income/(expense) increased by TL 14,165 million, or 292%, to TL 19,013 million for the year ended December 31, 2024 from TL 4,848 million for the year ended December 31, 2023. This increase was due to an increase in the impairment of fixed assets and losses arising from the impairment of investments related to the termination of two of our product licenses, Ey-Tur and Başat on June 13, 2024 along with a decline in scrap sales, sales of tangible fixed assets and investing rent. The increase in loss before financial income/(expense) was partially offset by a decrease in the loss on sale of property, plant and equipment, an increase in currency protected deposit income and gains on financial investments presented at fair value.

Finance Income. Finance income decreased by TL 559 million, or 37%, to TL 948 million for the year ended December 31, 2024 from TL 1,507 million for the year ended December 31, 2023. This decrease was due to a

decline in foreign exchange income arising from financing activities due to changes in the exchange rate compared to 2023. In addition, in 2024 no income arising from buy-back of the Existing Notes was recorded, which also contributed to the decrease in finance income, which was partially offset by an increase in interest income and interest income from related parties.

Finance Expenses. Finance expenses decreased by TL 11,960 million, or 63%, to TL 7,089 million for the year ended December 31, 2024 from TL 19,049 million for the year ended December 31, 2023. This decrease was due to a decrease in foreign exchange losses arising from financing activities and foreign exchange losses transferred from equity as a result of foreign exchange rate fluctuations in 2023 and 2024 which was partially offset by an increase in bank commission and other expenses and the unwinding of discount on long term payables.

Tax Income. Tax income increased by TL 1,677 million, or 69%, to TL 4,118 million for the year ended December 31, 2024 from TL 2,440 million for the year ended December 31, 2023. This increase was mainly due to the deferred tax effect of impairment on fixed assets.

Net Loss for the Period. As a result of the factors discussed above, net loss for the period increased by TL 9,922 million, or 537%, to TL 11,770 million for the year ended December 31, 2024 from TL 1,848 million for the year ended December 31, 2023.

Comparison of Results for the Years Ended December 31, 2023 and 2022

Revenue. Revenue decreased by TL 1,742 million, or 16%, to TL 9,181 million for the year ended December 31, 2023 from TL 10,923 million for the year ended December 31, 2022. As merchant prices were higher in 2022 than 2023, there was a decline in revenues in 2023.

Cost of Sales. Cost of sales increased by TL 338 million, or 7%, to TL 5,213 million for the year ended December 31, 2023 from TL 4,875 million for the year ended December 31, 2022. This increase was due to a rise in the cost of energy sales and generation which mainly includes system usage and transmission costs, maintenance and repair expenses and personnel expenses. This increase in cost of energy sales and generation was primarily the result of an increase in system usage unit prices announced by regulators.

General Administrative Expenses. General administrative expenses increased by TL 408 million, or 81%, to TL 912 million for the year ended December 31, 2023 from TL 504 million for the year ended December 31, 2022. This increase was due to an increase in administrative expenses related to shared services received from Aydem Holding, such as IT, consultancy, management and support services, personnel expenses (consisting of salary increases in line with the inflation), consultancy expenses, and other expenses which was partially offset by a decline in tax, duties and fees expenses.

Other Operating Income. Other operating income increased by TL 225 million, or 17%, to TL 1,520 million for the year ended December 31, 2023 from TL 1,295 million for the year ended December 31, 2022. This increase was due to an increase in interest income from commercial transactions and foreign exchange income arising from operating activities as a result of depreciation of the Turkish lira against the U.S. dollar, which were partially offset by the litigation provision reversal and compensation under our insurance policies.

Other Operating Expenses. Other operating expenses increased by TL 131 million, or 441%, to TL 161 million for the year ended December 31, 2023 from TL 30 million for the year ended December 31, 2022. This increase was due to an increase in donations (in connection with the February 6, 2023 earthquake in Türkiye), litigation expenses, interest expense on trade transactions which was partially offset by a decrease in expenses related to other provisions and expenses related to allowance for trade receivables.

(Loss)/Profit Before Financial Income/(Expense). Loss before financial income/(expense) decreased by TL 2,287 million, or 32%, to TL 4,848 million for the year ended December 31, 2023 from TL 7,135 million for the year ended December 31, 2022. This decrease was the result of an increase in impairments of fixed assets held at fair value. We reevaluate our fixed assets in dollars and convert to Turkish lira at each year end. When the exchange rate increase is lower than Turkish CPI, the resulting loss from investing activities is recognized in our financial statements, even if there is no change in the value of the assets according to inflation accounting. As the CPI in 2022 was higher than the CPI in 2023, there was a decrease in losses from investing activities.

Finance Income. Finance income decreased by TL 342 million, or 18%, to TL 1,507 million for the year ended December 31, 2023 from TL 1,849 million for the year ended December 31, 2022. This decrease was due to the fact that the buy-back of the Existing Notes in 2023 was lower than the buy-back of the Existing Notes in 2022.

Finance Expenses. Finance expenses increased by TL 12,946 million, or 212%, to TL 19,049 million for the year ended December 31, 2023 from TL 6,102 million for the year ended December 31, 2022. This increase was due to an increase in foreign exchange losses arising from financing activities and foreign exchange losses transferred from equity. This increase was primarily due to depreciation of the Turkish lira against the U.S. dollar and the effectiveness rate of our cash flow hedge.

Tax Income/(Expense). Tax income increased by TL 3,116 million, or 461%, to a tax income of TL 2,440 million for the year ended December 31, 2023 from a tax expense of TL 675 million for the year ended December 31, 2022. The main reason for the increase is the deferred tax effect of temporary differences arising from inflation accounting, in accordance with the provisions of the Tax Procedure Law (“**TPL**”), as it was first adopted in the TPL financials.

Net Profit/(Loss) for the Period. As a result of the factors discussed above, net profit for the period decreased by TL 9,028 million, or 126%, to a net loss of TL 1,848 million for the year ended December 31, 2023 from a net profit of TL 7,180 million for the year ended December 31, 2022.

EBITDA Analysis

Our EBITDA decreased by TL 1,186 million, or 31%, to TL 2,579 million for the six months ended June 30, 2025 from TL 3,765 million for the six months ended June 30, 2024. This decrease was due to dry weather in 2025 which impacted hydrologic conditions and reduced the energy generated by our HPPs as well as the decrease in foreign exchange income arising from operating activities.

While reported EBITDA may fluctuate due to year-on-year hydrological variations, these deviations are not indicative of our underlying operational performance. In years of below-average water inflow, actual EBITDA may fall below its normalized potential. To better reflect our sustainable earning capacity, we also calculate Run-rate EBITDA, which adjusts for hydrology-driven anomalies and assumes long-term average water availability across hydroelectric assets. Over the last ten years our average Run-rate Generation was 2,008 GWh. In the last twelve months ended June 30, 2025 our Run-rate Generation was 1,271 GWh and our Run-rate EBITDA was TL 6,238 million.

Our EBITDA decreased by TL 2,545 million, or 34%, to TL 4,944 million for the year ended December 31, 2024 from TL 7,489 million for the year ended December 31, 2023. As 2024 was a dry year in comparison to 2023, there was a direct impact on hydrological conditions and, consequently, a reduction in the electricity generated by our HPPs, which caused a decrease in our EBITDA.

Our EBITDA decreased by TL 2,421 million, or 24%, to TL 7,489 million for the year ended December 31, 2023 from TL 9,910 million for the year ended December 31, 2022. This increase was due to a decline in revenues resulting from lower merchant prices in 2023 as compared to 2022.

The figures for the years ended December 31, 2022, 2023 and 2024 have been adjusted to the purchasing power as of December 31, 2024, while the figures for the six months ended June 30, 2024 and 2025 have been adjusted to the purchasing power as of June 30, 2025.

Liquidity and Capital Resources

Our cash needs have historically come from costs associated with our investments, primarily capital expenditures or acquisition finance needs related to our power plants, as well as funding for our operational and maintenance expenses. We need cash primarily to fund our growth strategy, capital expenditures or acquisition financing needs, as discussed in more detail under “*Business—Our Strategy—Execute our growth strategy to become the largest renewable energy producer in Türkiye*” and “*—Key Factors Affecting Our Results of Operations—Operations, maintenance and other costs.*”

Our principal sources of liquidity are revenue from our operations, equity capital provided by our shareholders and long-term financing provided by our creditors.

On July 29, 2021, we issued the Existing Notes with an aggregate principal amount of \$750 million, pursuant to the trust deed dated July 29, 2021, as amended or supplemented from time to time between, among others, the Issuer, the Trustee and the Security Agents relating to the Existing Notes.

Between May 11, 2022 and October 31, 2023 we bought back \$75,893,000 of the Existing Notes and the related amount was accounted for by deducting the amortized cost using the effective interest rate and the total bond amount. For further information regarding the buy-back of Existing Notes, see Note 23.1 of the Annual Financial Statements and Note 23.1 to the Interim Financial Statements.

On August 4, 2025, we made an amortisation payment of \$67,410,700, reducing our outstanding indebtedness under the Existing Notes to \$539,285,600.

The gross proceeds of this Offering will be used to (i) purchase any or all of the Existing Notes, tendered and accepted for purchase in accordance with the terms and conditions of the Tender Offer, (ii) pay fees and expenses in connection with the Offering and/or the Tender Offer; and (iii) fund the Early Redemption. See “*Use of Proceeds.*”

As of the date of this Offering Memorandum, our management believes that we have liquidity and access to medium and long term financing that will allow us to meet our present obligations and settle liabilities in a timely manner.

Cash Flows

The following table sets out summary cash flow information for the periods indicated.

	For the year ended December 31, ⁽¹⁾			For the six months ended June 30, ⁽²⁾	
	2022	2023	2024	2024	2025
	(audited)			(unaudited)	
	(TL millions)				
Cash flows from operating activities	9,801	6,368	3,633	3,628	2,968
Cash flows from investing activities.....	(3,148)	(2,376)	(831)	(241)	(329)
Cash flows from financing activities	(5,015)	(3,718)	(2,403)	(1,224)	(3,668)
Net increase/(decrease) in cash and cash equivalents.....	1,639	274	398	2,162	(1,029)
Effect of net monetary position differences gains/(losses) on cash and cash equivalents	(4,523)	(1,340)	(665)	(598)	(134)
Cash and cash equivalents beginning of the period.....	5,962	3,078	2,012	2,347	2,035
Cash and cash equivalents at the end of the period.....	3,078	2,012	1,745	3,912	872

Notes:

(3) Presented at the purchasing power of TL as of December 31, 2024.

(4) Presented at the purchasing power of TL as of June 30, 2025.

Cash Flows from Operating Activities

In the six month period ended June 30, 2025, the amount of cash flows from operating activities after accrual-based adjustments was TL 134 million. We generated TL 275 million of cash from financial investments, TL 3,161 million from trade receivables from related parties, TL 15 million from other liabilities and TL 98 million from liabilities for employee benefits. This was offset by cash outflows of TL 2,615 million due to trade receivables from third parties, TL 24 million due to other receivables, TL 3 million due to inventories, TL 21 million due to trade payables to third parties, TL 10 million due to trade payables to related parties and TL 65 million due to provisions for employee benefits. As a result of these transactions, we generated TL 2,968 million of cash from operations during the period.

In the year ended December 31, 2024, the amount of cash flows from operating activities after accrual-based adjustments was negative TL 11,770 million. We generated TL 74 million of cash from trade receivables from third parties, TL 897 million in other receivables, TL 10 million in inventories and TL 26 million in trade payables to related parties. This was offset by cash outflows of TL 23 million due to restricted accounts, TL 198 million due to trade receivables from related parties, TL 378 million due to trade payables to third parties, TL 39 million due to other payables, TL 4 million due to liabilities for employee benefits and TL 16 million of employment termination benefit paid. As a result of these transactions, we generated TL 3,633 million of cash from operations during the year.

In the year ended December 31, 2023, the amount of cash flows from operating activities after accrual-based adjustments was negative TL 1,848 million. We generated TL 75 million from restricted accounts, TL 67 million from trade receivables from third parties, TL 147 million from trade receivables from related parties, and TL 9 million from liabilities for employee benefits. This was offset by cash outflows of TL 237 million

due to other receivables, TL 546 million due to trade payables to third parties, TL 2 million due to trade payables to related parties, TL 67 million due to other payables and TL 11 million of employee termination benefit paid. As a result of these transactions, we generated TL 6,368 million of cash from operations during the year.

In the year ended December 31, 2022, the amount of cash flows from operating activities after accrual-based adjustments was TL 7,180 million. We generated TL 19 million from inventories, TL 862 million from trade payables to third parties, TL 2 million from trade payables due to related parties, TL 63 million due to other payables and TL 2 million due to employee benefits. This was offset by cash outflows of TL 823 million from restricted accounts, TL 93 million from trade receivables from third parties, TL 2,434 million from trade receivables from related parties, TL 290 million due to other receivables, TL 17 million due to taxes paid and TL 6 million of employee termination benefit paid. As a result of these transactions, we generated TL 9,801 million of cash from operations during the year.

Cash Flows (used in)/from Investing Activities

In the six months ended June 30, 2025, we generated cash inflows of TL 78 million from interest, TL 1 million from sales of tangible and intangible assets and TL 7,273 million from the acquisition of shares or debt instruments of other businesses or funds. We paid TL 123 million related to the purchase of tangible and intangible assets and TL 7,559 million related to the acquisition of shares or debt instruments of other businesses or funds. As a result of these transactions, we incurred TL 329 million of cash outflows due to investments during the period.

In the year ended December 31, 2024, we generated cash inflows of TL 466 million from interest, TL 93 million from sales of tangible and intangible assets and TL 219 million from the sale of shares or debt instruments of other businesses or funds. We paid TL 690 million related to the purchase of tangible and intangible assets and TL 919 million from the acquisition of shares or debt instruments of other businesses or funds. As a result of these transactions, we incurred TL 831 million of cash outflows due to investments during the year.

In the year ended December 31, 2023, we generated cash inflows of TL 612 million from interest, TL 436 million from sales of tangible and intangible assets and TL 1,136 million from the sale of shares or debt instruments of other businesses or funds. We paid TL 3,132 million related to the purchase of tangible and intangible assets and TL 1,428 million from the acquisition of shares or debt instruments of other businesses or funds. As a result of these transactions, we incurred TL 2,376 million of cash outflows from investing activities during the year.

In the year ended December 31, 2022, we generated cash inflows of TL 106 million from interest, TL 17 million from sales of tangible and intangible assets and TL 46 million from the sale of shares or debt instruments of other businesses or funds. We paid TL 3,243 million related to the purchase of tangible and intangible assets and TL 74 million from the acquisition of shares or debt instruments of other businesses or funds. As a result of these transactions, we incurred TL 3,148 million of cash outflows due to investments during the year.

Cash Flows from/(used in) Financing Activities

In the six months ended June 30, 2025, we paid TL 2,618 million related to borrowings, TL 35 million related to lease liabilities and TL 1,015 million in interest. As a result of all these financing activities, we incurred TL 3,668 million cash outflow during the period.

In the year ended December 31, 2024, we paid TL 52 million related to lease liabilities, TL 381 million in dividends, and TL 1,970 million in interest. As a result of all these financing activities, we incurred TL 2,403 million cash outflow during the year.

In the year ended December 31, 2023, we paid TL 1,205 million related to borrowings, TL 60 million related to lease liabilities, TL 173 million related to the acquisition of our shares, and TL 2,281 in interest. As a result of all these financing activities, we incurred TL 3,718 million cash outflow during the year.

In the year ended December 31, 2022, we paid TL 2,285 million related to borrowings, TL 306 million related to lease liabilities, TL 112 million related to the acquisition of our shares, and TL 2,649 million in interest. We generated TL 338 million due to the sale of our shares. As a result of all these financing activities, we incurred TL 5,015 million cash outflow during the year.

Working Capital

Our working capital balance consists of (i) trade receivables, (ii) other receivables, (iii) inventory, (iv) prepaid expenses, (v) other current assets, (vi) lease liabilities, (vii) trade payables, (viii) liabilities for employee benefits, (ix) other payables (x) current provisions and (xi) other current liabilities. Trade receivables are driven by the payment cycles for the Existing FiT Top-up Payments (see “—Key Factors Affecting our Results of Operations—Feed-in Tariff Mechanism”), which can range from 20 to 40 days, while EPIAŞ sales from the day-ahead market price settle the next day. Trade payables are primarily composed of trade balances with related third parties, notably in relation to imbalance costs invoicing, as well as system usage costs. Movements in other current assets and short-term liabilities between 2022 and 2024 were primarily driven by financial investments, which mainly consist of funds acquired for investment purposes on the asset side. Other current liabilities primarily consist of VAT, which depends on sales, purchases, and the applicable VAT rate.

The following table sets out our working capital balances for the periods indicated.

	For the year ended December 31, ⁽¹⁾			As at December 31, ⁽²⁾	As at June 30, ⁽²⁾
	2022	2023	2024	2024	2025
		(audited)		(unaudited and unreviewed)	(unaudited)
			(TL millions)		
Trade receivables.....	3,102	2,889	3,162	3,689	3,242
Other receivables.....	156	947	155	181	177
Inventory	30	30	20	24	26
Prepaid expenses.....	65	58	107	125	165
Other current assets ⁽³⁾	—	—	—	—	—
Lease liabilities.....	(13)	(24)	(32)	(38)	(28)
Short-term trade payables	(1,130)	(582)	(229)	(268)	(237)
Liabilities for employee benefits	(8)	(17)	(13)	(15)	(51)
Other payables	(1)	—	—	—	(9)
Current provisions	(83)	(84)	(103)	(120)	(100)
Other current liabilities	(174)	(147)	(108)	(126)	(134)
Net Working Capital	1,944	3,071	2,959	3,452	3,051

Notes:

(1) Presented at the purchasing power of TL as of December 31, 2024.

- (2) Presented at the purchasing power of TL as of June 30, 2025.
- (3) The balance of “Other current assets” is immaterial and rounds to zero.

The following table sets out certain of our key working capital metrics for the periods indicated:

	For the year ended December 31, ⁽⁵⁾			As at December 31, ⁽⁶⁾	As at June 30,
	2022	2023	2024	2024	2025 ⁽³⁾
	<i>(TL million except where otherwise indicated)</i>				
Trade receivables due from third parties.....	171	104	30	35	175 ⁽⁴⁾
Trade receivable days (<i>number of days</i>) ⁽¹⁾	6	4	2	1	9
Trade payables due to third parties	1,112	566	187	103	198
Trade payable days (<i>number of days</i>) ⁽²⁾	221	94	34	15	11

Notes:

- (1) Trade receivables days are calculated using the following formula: $365 \times \text{Trade receivables from third parties} / \text{revenue}$. As of December 31, 2024, the average term of trade receivables is approximately 2 days.
- (2) Trade payable days are calculated using the following formula: $365 \times \text{Trade payables} / \text{cost of sales excluding depreciation}$. As of December 31, 2024, the average payment term of trade payables due to third parties is approximately 34 days.
- (3) Trade receivables days are calculated using the following formula: $180 \times \text{Trade receivables from third parties} / \text{revenue}$. As of June 30, 2025, the average term of trade receivables is approximately 23 days.
Trade payable days are calculated using the following formula: $180 \times \text{Trade payables} / \text{cost of sales excluding depreciation}$. As of June 30, 2025, the average payment term of trade payables due to third parties is approximately 11 days.
- (4) Excludes electricity proprietary trading activities for the six months ended June 30, 2025.
- (5) Presented at the purchasing power of TL as of December 31, 2024.
- (6) Presented at the purchasing power of TL as of June 30, 2025.

Capital Expenditure

Our capital expenditure during the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025 principally resulted from the construction of our power plants and the machinery and equipment used and installed in these power plants. Capital spending is the amount we allocate for the upkeep, repair or replacement of our existing assets, ensuring they continue to function at their intended capacity. Maintenance capital expenditures mainly consist of unit modernization, reinforcement of the regulator structure or replacement and generator improvement. In calculating maintenance capital expenditures, we include capital expenditures that focus solely on maintaining current operational efficiency and preventing the deterioration of assets, unlike growth capital expenditures, which are aimed at expanding our operations or increasing capacity.

Most of our HPPs are relatively young, with an average age (weighted by installed capacity, and only considering own-built plants) of approximately 12 years, as of June 30, 2025. As such, they do not need significant maintenance capital expenditure for many years due to the nature of HPPs. However, our WPPs need maintenance capital expenditure for machinery and equipment in order to generate electricity until the end of the license period. We may also need to invest in new equipment to increase efficiency.

Capital expenditures for HPPs primarily relate to the water structures used in construction. Construction of water structures typically constitutes approximately 75% to 80% of the total capital expenditure. The machinery and equipment for HPPs typically constitute approximately 10% to 15% of the total capital expenditure. The cost of supplying the land where HPPs are established and operating typically constitutes approximately 5% to 10% of the total capital expenditure.

Capital expenditures for WPPs primarily relate to the cost of machinery and equipment. WPP machinery and equipment constitute approximately 80% to 85% of the total capital expenditure. The cost of supplying the land where WPPs are established and operating constitutes approximately 2% to 5% of the total capital expenditure. Other capital expenditure includes costs of construction of the concrete structure where the turbine towers are placed on the ground, which typically constitutes approximately 10% to 15% of the total capital expenditure.

Our capital expenditure has been primarily funded from external sources, but may also be financed by the cash flow from operating activities. New power plant investments are financed by cost-effective long-term bank loans.

As a percentage of revenue, capital expenditure was 30%, 34%, 10% and 2% in 2022, 2023 and 2024 and the six months ended June 30, 2025, respectively.

Our capital expenditures for the six months ended June 30, 2025 totaled TL 123 million, primarily comprising a 36 MW capacity extension at Uşak WPP.

Our capital expenditures for the year ended December 31, 2024 totaled TL 690 million, primarily comprising a 36 MW capacity extension at Uşak WPP.

For the year ended December 31, 2023, capital expenditures amounted to TL 3,132 million, including an 82 MW Hybrid SPP, a 66 MW capacity extension at Uşak WPP, and a 12 MW capacity extension at Söke WPP, utilizing the portions not executed in 2022.

For the year ended December 31, 2022, capital expenditures reached TL 3,243 million, covering an 82 MW Hybrid SPP, a 66 MW capacity extension at Uşak WPP, and a 12 MW capacity extension at Söke WPP.

Indebtedness

The table below shows our outstanding indebtedness as of the dates indicated:

	As at December 31, ⁽¹⁾			As at June 30, ⁽²⁾
	2022	2023	2024	2025
	(TL millions)			
Short-term portion of long-term financial liabilities	2,393	2,159	6,338	6,935
Long-term financial liabilities	28,979	26,860	17,959	17,744
Short-term lease liabilities	13	24	32	28
Long-term lease liabilities	60	55	42	39
Total financial liabilities.....	31,445	29,097	24,371	24,747

Notes:

(1) Presented at the purchasing power of TL as of December 31, 2024.

(2) Presented at the purchasing power of TL as of June 30, 2025.

Our Gross Debt (which excludes short-term and long-term financial lease liabilities) was TL 31,372 million, TL 29,018 million and TL 24,297 million, respectively as of December 31, 2022, 2023 and 2024 and TL 24,680 million as of June 30, 2025.

The following table shows a breakdown of our borrowings by currency of denomination as of the dates indicated:

	As at December 31, ^{(1) (3)}			As at June 30, ^{(2) (4)}
	2022	2023	2024	2025
	(TL millions)			
U.S. dollar.....	31,372	29,018	24,297	24,680
Total.....	31,372	29,018	24,297	24,680

Notes:

(1) Calculated as of December 31, 2024 at an exchange rate of TL 35.3438 per U.S. dollar.

(2) Calculated as of June 30, 2025 at an exchange rate of TL 39.8124 per U.S. dollar.

(3) Presented at the purchasing power of TL as of December 31, 2024.

(4) Presented at the purchasing power of TL as of June 30, 2025.

As of June 30, 2025, the remaining loan life is 1.6 years. As of June 30, 2025, 100% of our indebtedness was attributable to fixed rate loans. Our contractual interest rate for U.S. dollar was 7.75%. Our dollar denominated loans are subject to fixed interest rate loans at a rate of 7.75% (\$539,285,600 in principal amount outstanding).

Existing Notes

On August 4, 2025, we made an amortisation payment of \$67,410,700. As of the date of this Offering Memorandum, we had \$539,285,600 in aggregate principal amount of the Existing Notes outstanding.

Loan Facilities

Our existing gross indebtedness (\$539,285,600 as of the date of this Offering Memorandum) arises from the Existing Notes. As of the date of this Offering Memorandum, we do not have any other loan agreements.

Contractual Obligations and Contingent Liabilities

Contractual Obligations

The following table sets forth our aggregate contractual obligations as of December 31, 2024 and June 30, 2025 and the payments due by period under such obligations.

	As at June 30, 2025 ⁽¹⁾				
	Book value	0-3 months	3-12 months	1-5 years	> 5 years
	(TL millions)				
Financial liabilities ⁽²⁾	24,680	3,620	3,516	20,138	—

	As at June 30, 2025 ⁽¹⁾				
Financial lease liabilities.....	67	11	39	49	90
Trade payables to related parties.....	39	39	—	—	—
Trade payables to third parties.....	198	189	9	—	—
Total.....	24,984	3,860	3,563	20,187	90

Notes:

- (1) Presented at the purchasing power of TL as of June 30, 2025.
- (2) Financial liabilities show the contractual cash outflow that will be paid on the due dates in the coming five years. Therefore, these are not discounted values and the difference between the gross debt figure and the actual cash figure is different.

	As at December 31, 2024 ⁽¹⁾			
	Total	Less than 1 year	1-5 years	More than 5 years
		(TL millions)		
Financial liabilities ⁽²⁾	24,297	6,519	20,999	—
Financial lease liabilities.....	75	58	51	92
Trade payables to related parties.....	42	42	—	—
Trade payables to third parties.....	187	187	—	—
Total.....	24,601	6,807	21,050	92

Notes:

- (1) Presented at the purchasing power of TL as of December 31, 2024.
- (2) Financial liabilities show the contractual cash outflow that will be paid on the due dates in the coming five years. Therefore, these are not discounted values and the difference between the gross debt figure and the actual cash figure is different.

Contingent Liabilities

We have contingent liabilities in respect of legal claims arising in the ordinary course of business. We review these matters in consultation with internal and external legal counsel on a case-by-case basis. These claims involve different parties and are subject to substantial uncertainties. For further information on our legal proceedings, see “*Business—Legal Proceedings*.”

We enter into various contracts that include indemnification and guarantee provisions as a routine part of our business activities. Such contracts may indemnify the counterparty for tax, environmental liability, litigation and other matters, as well as breaches of representations, warranties and covenants as set forth in the relevant agreements.

We also provide letters of guarantee in connection with our business. These are generally taken out from banks and are given to EMRA, Eximbank, TEİAŞ and the Privatization Administration enforcement offices to prevent the risk of lien in litigation and enforcement proceedings.

We also make long-term provisions for retirement pay liabilities. In the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, our provisions for employee benefits were TL 83 million, TL 99 million, TL 89 million and TL 179 million, respectively. The figures for the years ended December 31, 2022, 2023 and 2024 have been adjusted to the purchasing power as of December 31, 2024, while the figures for the six months ended June 30, 2025 have been adjusted to the purchasing power as of June 30, 2025.

For further information regarding our contingent liabilities, see Note 11.4 of the Annual Financial Statements and Note 11.2 to the Interim Financial Statements.

Derivative Financial Instruments and Off-Balance Sheet Arrangements

As of December 31, 2024 and June 30, 2025, other than collaterals, pledges and mortgages, we were not a party to any off-balance sheet obligations or arrangements. As of June 30, 2025, there is no change except for the effect of foreign currency change. For further information, see Note 11.2 to the Annual Financial Statements and Note 11.2 to the Interim Financial Statements.

As of June 30, 2025, we are not party to any derivative financial instruments.

Critical Accounting Policies

Our reported financial condition and results of operations are sensitive to accounting principles, methods and assumptions that are the basis for the Financial Statements. Our accounting policies, the judgments we make in the creation and application of these policies and the sensitivities of reported results to changes in accounting policies and assumptions are factors to be considered along with the Financial Statements. The preparation of the Financial Statements requires our management to make estimates and assumptions that affect the reported amount of income, expense, assets, liabilities and the disclosure of contingent assets and liabilities at the date of the respective Financial Statements.

While we base our estimates and judgments on historical experience and other factors that are believed to be reasonable under the circumstances and review all estimates and judgments continually, many factors may cause actual results to materially differ from those estimates. See “*Forward-Looking Statements*” and “*Risk Factors*.” For a detailed discussion of our significant accounting judgments, estimates and assumptions, see Note 2.10 of the Financial Statements and Note 2.9 to the Interim Financial Statements.

Recent Accounting Pronouncements

The accounting and reporting standards under TFRS and IFRS are subject to regular review and amendment. A number of new standards and amendments to existing standards became effective for annual periods beginning on or after January 1, 2022, including IFRS 19 (Subsidiaries without Public Accountability: Disclosures). For an overview of IFRS 19 (Subsidiaries without Public Accountability: Disclosures) see Note 2.7 of the Financial Statements and Note 2.6 to the Interim Financial Statements.

Hedge Accounting

From March 20, 2021, we began to apply cash flow hedge accounting to hedge the spot risk of highly probable forecast sales that are denominated in dollars with its financial liability in the same foreign currency. For a hedge of foreign currency risk, the foreign currency component of a non-derivative financial asset or liability may be designated, as a hedging instrument. The foreign currency risk component of a non-derivative financial instrument is determined in accordance with TAS 21.

While our functional currency is Turkish lira, we are exposed to foreign risks due to our finances and operations. We have both outstanding debt denominated in as well as sales revenue derived in U.S. dollars.

Our foreign currency risk management objective is to rely on natural currency hedges due to operations. We do this by aligning our forecasted dollar denominated inflows and our dollar denominated loan payments. Our forecasted dollar inflows combined with our scheduled dollar denominated loan repayments constitute a hedged portfolio that allows a Cash Flow Hedge Accounting relationship to reduce our income statement volatility. In particular, we associate our forecasted future dollar denominated cash inflows from electricity sales with our outstanding dollar denominated loans.

As of June 30, 2025, the amount of forecasted revenue under the Existing FiT and bilateral agreements is \$148,139,224 whereas the total notional of the U.S. dollar denominated bonds as of the date of this Offering Memorandum is \$539,285,600. We foresee the hedge to last until December 31, 2028 when our Existing FIT incentives expire.

The accounting treatment applied with respect to the cash flow hedge is as follows:

- Effective portion of the fair value of the hedging instrument (U.S. dollar denominated loans) is deferred in other comprehensive income (“OCI”), until the accompanying hedged item (forecasted dollar denominated cash inflows) occurs.
- Any ineffective portion of the hedge is recognized each reporting period in consolidated statement of profit or loss as “Finance Expenses / Foreign Exchange losses.”
- The hedged item, revenue, is recognized in accordance with TFRS 15 and the settlement of the hedging instrument is realized through the repayments of the bond.
- Gains and losses deferred in OCI, remain in OCI until realization the cash flows associated with hedged item occur. If the cash flows do not occur or will not occur, then the corresponding ‘previously effective’ figures from OCI are recycled to consolidated statement of profit or loss.

Accordingly, the foreign exchange losses incurred between December 31, 2024 and June 30, 2025 to TL 3,018,218,372 has been treated as follows:

	January 1, 2025– June 30, 2025
Foreign Exchange Losses Relating to U.S. Dollar Loans	(TL)
Exchange rate difference subjected to cash flow hedge, accounted in OCI	(860,759,339)
Exchange rate differences accrued in the period.....	3,878,977,711
Total.....	3,018,218,372

As a result of the sensitivity analysis performed on the forecasted revenue figures, we concluded that the 10% increase / decrease in the forecasts do not have a significant effect on the evaluation of the hedge effectiveness tests.

Qualitative and Quantitative Disclosures on Risk

We are exposed to credit risk, liquidity risk, market risk and operational risk.

Credit Risk

Credit risk is the risk that a customer or counterparty will fail to fulfil its obligations under a contract, and is primarily attributable to customer receivables. The carrying values of financial assets represent the maximum exposure to credit risk.

Our maximum exposure to credit risk as of December 31, 2024 and June 30, 2025 is set out in Note 24 of the Annual Financial Statements and Note 24 to the Interim Financial Statements.

Liquidity Risk

Liquidity risk is the risk that we will not be able to meet our financial liabilities in the future. Our liquidity risk is managed by providing sufficient financing facilities from various financial institutions in a way that does not harm or damage our reputation in order to fund our current and future debt requirements under normal conditions or in crisis situations.

The maturity of financial liabilities, including estimated interest payments according to the payment schedule, is set out in Note 24 of the Annual Financial Statements and Note 24 to the Interim Financial Statements.

Market Risk

Market risk includes the risk that changes in the financial markets, including exchange rates, interest rates or the prices of instruments traded in the securities markets, may change our income or the value of our financial assets. Our market risk management aims to optimize returns, while controlling market risk exposure within acceptable limits.

Currency Risk

Currency Risk is a significant component of our market risk. Our foreign currency position with respect to foreign currency assets and liabilities is set out in Note 24 of the Annual Financial Statements and Note 24 to the Interim Financial Statements.

We are mainly exposed to foreign currency risk in dollars and euro. See Note 24 of the Annual Financial Statements and Note 24 to the Interim Financial Statements for a sensitivity analysis of our foreign currency exposure.

Capital Risk Management

Our capital management objectives are to maintain our ability to continue to operate, to maintain an optimal capital structure to provide returns to our shareholders, and to reduce capital costs. We adjust our dividends payable to shareholders to maintain our capital structure.

We monitor capital on the basis of the Net Financial Liabilities/equity ratio. Net Financial Liabilities is calculated by deducting cash and cash equivalents from total financial debt. Our Net Financial Liabilities/equity ratio as of December 31, 2022, 2023 and 2024 and June 30, 2025, was 65%, 63%, 76% and 68%, respectively.

See also Note 24 of the Annual Financial Statements and Note 24 to the Interim Financial Statements for a discussion of certain capital management measures we have taken.

Interest Rate Risk Management

We borrow funds at fixed and variable interest rates, which exposes us to interest rate risk. We manage interest rate risk by using a natural hedge of offsetting interest rates related assets and liabilities. Interest rates on financial assets and liabilities are stated in the related notes.

REGULATORY OVERVIEW

The following is a summary of certain Turkish laws and regulations which are relevant to our renewable energy generation activities. This description is limited and is intended only to provide general information to prospective investors. It is not designed to be a substitute for professional legal advice and is qualified in its entirety by reference to applicable Turkish laws and regulations.

Regulatory and Supervisory Bodies and Other Relevant Governmental Authorities

Our activities are regulated and administered at the national level primarily by the following regulatory bodies:

- **The Ministry of Energy and Natural Resources of Türkiye (MENR):** MENR is the primary governmental authority responsible for carrying out the energy policy in Türkiye.
- **The Turkish Ministry of Treasury and Finance:** The Ministry of Treasury and Finance is the governmental authority responsible for finance and tax affairs in Türkiye.
- **The Turkish Ministry of Labor and Social Security:** The Ministry of Labor and Social Security is the governmental authority responsible for labor-related matters, such as the regulation of employment, employee's rights, remuneration and severance pay, and also occupational health and safety matters in Türkiye.
- **The Turkish Ministry of Environment and Urbanization:** The Ministry of Environment and Urbanization is the governmental authority responsible for the regulation of environmental and urban matters in Türkiye.
- **The Energy Market Regulatory Authority (EMRA) of Türkiye:** EMRA is the regulatory authority in the Turkish electricity market and is responsible for regulating and supervising Türkiye's electricity, natural gas, petroleum and liquefied petroleum markets.
- **The Turkish Electricity Transmission Corporation (TEİAŞ):** TEİAŞ is the state-owned corporation that owns and operates the electricity transmission sector in the country. It is also responsible for the operation of the balancing power market and the ancillary services market.
- **The Electricity Generation Corporation (EÜAŞ) of Türkiye:** EÜAŞ owns and operates the state-owned power plants and operates wholesale trading activities in Türkiye.
- **The General Directorate of State Hydraulic Works (DSİ):** DSİ is the state waterworks entity in Türkiye, and is the primary executive state agency responsible for overall water resource planning, managing, execution and operation.
- **The Energy Exchange Istanbul (EPIAŞ):** EPIAŞ is the market operator, and is responsible for operating the day-ahead and intraday markets in the electricity market.
- **Tax Offices:** Public institutions that conduct tax inspections.

Overview of the Regulatory Environment in the Turkish Electricity Market

The Turkish electricity market is primarily governed by the Electricity Market Law and secondary regulations issued by EMRA. The electricity sector liberalization program was initiated in 2001 with the enactment of the 2001 Electricity Market Law, which laid out the groundwork for restructuring, liberalization and regulation of the Turkish electricity market. The 2001 Electricity Market Law was later repealed in part and replaced by a revised Electricity Market Law (Law No. 6446) enacted in 2013 (the “**Electricity Market Law**”), which has

been amended from time to time. In addition, two strategy papers were issued in 2004 and 2009, setting milestone targets for the liberalization roadmap and medium to long-term supply security. The main objectives of the Electricity Market Law are to ensure a financially sound, stable and transparent electricity market that operates in accordance with the provisions of private law in a competitive environment, and to monitor and conduct audits over this market for the purpose of ensuring efficient, high quality, sustainable, low-cost and environmentally friendly electricity supply. In 2016, Law No. 6719 introduced additional amendments to the Electricity Market Law, including the redefinition of certain regulated electricity market tariffs, their components and distribution network responsibilities, to ensure further clarity in the applicable regulations. In addition to the Electricity Market Law, EMRA introduces secondary regulations in order to provide detailed rules and guidelines. EMRA also issues decisions which provide operational guidelines on the functioning of the market and activities of market participants.

Taken together, the Electricity Market Law, Electricity Market Licensing Regulation, Electricity Market Connection and System Usage Regulation, and Electricity Market Balancing and Settlement Regulation cover the duties and responsibilities of generation license holders. Historically, the entire electricity market in Türkiye was under the state monopoly of Türkiye Elektrik Kurumu (“TEK”), and the market was gradually unbundled into separate entities for generation, transmission and distribution. More recently, on July 9, 2018, Türkiye Elektrik Ticaret ve Taahhüt A.Ş. (“TETAŞ”) was abolished and merged with EÜAŞ, further consolidating the state-owned generation activities. Electricity market activities are regulated and inspected by EMRA. All participants in the electricity market are required to obtain licenses from EMRA for each market activity they undertake, and, for electricity generation activities, for each of the facilities that carry out electricity market activities. EMRA’s responsibilities are to:

- (i) grant and renew licenses;
- (ii) prepare, modify and execute secondary regulations;
- (iii) audit license holders;
- (iv) set the thresholds used to determine the cut-off between eligible customers and regulated customers (each as defined below);
- (v) prepare, modify and execute regulated tariffs;
- (vi) ensure that market activities are conducted in compliance with the Electricity Market Law;
- (vii) sanction license holders in the event of a violation of laws, regulations or license conditions;
- (viii) establish performance standards by monitoring market performance; and
- (ix) approve investment plans of distribution companies, revise the plans if required and audit the application of investment plans that were approved.

Electricity Market Activities

The Electricity Market Law determines the general principles guiding the marketplace and defines the rights and responsibilities associated with each market activity. Electricity market activities consist of (i) generation (*üretim*), (ii) transmission (*iletim*), (iii) wholesale (*toptan satış*), (iv) distribution (*dağıtım*), (v) retail sale (*perakende satış*), (vi) import, (vii) export and (viii) market operation (*piyasa işletim*). EMRA grants, in its sole discretion, electricity market licenses for a minimum period of ten years and a maximum period of 49 years.

In addition, pursuant to Article 3 of the Electricity Market Law (Law No. 6446), the scope of “Market” also covers (ix) aggregation (*toplayıcılık*). It is mandatory to obtain a license from EMRA to conduct all of these

market activities, except for license-exempt electricity generation, which is defined as an exempted activity from the obligation to obtain a license and establish a company according to Article 14 of the Electricity Market Law.

Generation Activities

Under the Electricity Market Law, “generation” is defined as the conversion of energy resources into electricity in power plants. The Turkish electricity generation segment has a fragmented structure in which several types of entities operate. The Electricity Market Law introduced a licensing process, including a preliminary licensing mechanism for the generation license. In addition to private generation license holders, EÜAŞ, a state-owned generation license holder, together with its subsidiaries, owns and operates a generation portfolio comprising thermal and hydroelectric power plants with a total installed capacity of 21,573 MW, equal to approximately 19% of the total installed generation capacity in Türkiye as of December 31, 2024. The privatization process for thermal and small hydroelectric assets of EÜAŞ is underway.

Subject to certain limited exceptions (such as cogeneration plants and power plants with total installed capacity less than 5 MW), legal entities wishing to generate electricity in the Turkish energy market are required to obtain a preliminary license and then a generation license from EMRA for each facility. Generation licenses may be granted for a maximum period of 49 years by EMRA.

A generation license allows the license holder to sell the electricity or capacity generated at the power plants to retail sale and wholesale companies, day-ahead and intra-day markets through EPIAŞ and eligible customers on the market.

Some private generation companies sell the electricity they produce in the free market, while others sell to the public off-taker (EÜAŞ) under Build-Operate (“BO”), Build-Operate-Transfer (“BOT”) or Transfer of Operational Rights (“TOR”) contracts signed before the Electricity Market Law. The share of these producers is gradually decreasing as their contracts expire. In addition, generation license holders are required to sign a system connection agreement and system usage agreement with TEİAŞ (if connected to the transmission system) or with the relevant distribution company (if connected to the distribution system). Furthermore, license-exempt electricity generation, defined in Article 14 of the Electricity Market Law, applies to certain facilities (particularly those using renewable resources), which are exempted from the obligation to obtain a license and to establish a company, provided they meet the capacity limits and other legislative requirements.

Transmission Activities

Under the Electricity Market Law, “transmission” is defined as the transmission of electricity on lines with a voltage level of over 36 Kv. Electricity transmission assets in Türkiye are owned and operated by TEİAŞ. TEİAŞ serves as the system operator and is the sole responsible entity for operating the transmission systems across Türkiye. TEİAŞ, as the system operator, is responsible for load dispatch, keeping the frequency in the national grid at a certain level, balancing the demand and supply, actual performance of load dispatch within the limitations of real-time transmission constraints in line with technical and economic load dispatch rules, and revising the load dispatch order when required in accordance with provisions of the grid code. TEİAŞ is also responsible for preparing transmission investment plans and long-term capacity development projections.

Market Operation Activities

Under the Electricity Market Law, “market operation” activity is defined as the activity of operating organized wholesale electricity markets and financially settling these activities. EPIAŞ was established in 2015 to operate the day-ahead and intra-day markets. EPIAŞ is owned by TEİAŞ (30.0%), Borsa İstanbul (30.8%) and private energy companies (39.2%). In addition, EPIAŞ and TEİAŞ each hold market operation licenses in the electricity sector. EPIAŞ, organized as a joint-stock company subject to the Turkish Commercial Code No.

6102 and private law provisions, also operates the futures electricity market, spot natural gas market, futures natural gas market and the Organized Renewable Energy Resources Guarantee System (“**YEK-G**”) Market within the scope of its license. TEİAŞ, as another market operation license holder, is obligated to operate and monitor the balancing power market and ancillary services market within the organized wholesale electricity markets, and is also responsible for relevant reporting obligations.

The Electricity Market Balancing and Settlement Regulation defines the balancing mechanism as “the activities that will complement futures market and the bilateral energy agreements, and cover the activities consisting of day-ahead, intra-day and the real time balancing activities.” Settlement consists of administrative actions taken by EPIAŞ to determine the monetary claims arising from balancing mechanism activities and/or energy imbalance and preparation of the relevant asset-liability notifications. EPIAŞ nets off the related debts and receivables, and the final balance after netting is either paid by a market participant to EPIAŞ or the market participant receives a payment from EPIAŞ through the Istanbul Settlement and Custody Bank (Takasbank).

The balancing power market is a mechanism which balances out any deviations arising from supply and demand forecasts, thereby ensuring system supply, security and energy quality. The day-ahead market, intra-day market and balancing power market are regulated under the Electricity Market Balancing and Settlement Regulation.

For each settlement period, every market participant must ensure balance between supply of electricity to the system, electricity purchases and imports on the one hand, and withdrawal from the system, electricity sales and exports on the other hand, on an hourly basis. Incumbent retail companies enter into electricity purchase agreements with EÜAŞ, for their regulated customers, and with private wholesale and generation companies for their eligible customers. Wholesale companies enter into electricity purchase agreements with private wholesale and generation companies for their eligible customers. For such power purchase agreements with EÜAŞ, incumbent retail estimate the consumption volumes of their customers for a period of one year. However, for shorter periods, (i.e., on a daily or weekly basis), the actual consumptions of customers (regulated or eligible) may show variations compared to demand forecasts made during sourcing contracts with EÜAŞ, or private suppliers. If retail and wholesale companies fail to meet the real-time electricity demand of their customers, they purchase the additional volumes from the spot market operated by EPIAŞ. It should be noted that EÜAŞ does not always fully meet the regulated customers’ needs through the Authorized Supply Companies, and there have been instances where this support has dropped to zero. In such cases, Authorized Supply Companies procure electricity from the spot market (the “**Day-Ahead Market**”). Similarly, where retail and wholesale companies end up with excess electricity, they sell the excess volumes on the spot market through EPIAŞ. For such daily and intra-day balancing operations, EPIAŞ operates the spot market and conducts settlement operations through the Istanbul Settlement and Custody Bank (Takasbank).

TEİAŞ, is responsible for balancing operations on the real-time supply/demand generation side of the system. When the total electricity demand throughout Türkiye is greater than the total electricity generation, TEİAŞ may require generation companies to generate more electricity than they planned the day ahead. Such real-time balancing activities are carried out by TEİAŞ, while the financial settlement is carried out by EPIAŞ.

Imbalance costs are calculated based on a formula stipulated in the Electricity Market Balancing and Settlement Regulation and imbalances are settled in a “buy expensive, sell cheap” manner. A power plant may have a short (insufficient generation) or long (excess generation) position in any given hour. Insufficient generation is subject to negative imbalance: where there is insufficient generation, the power plant balances it out by paying an amount that is 3% more than the higher of the day-ahead market price and the system marginal price. Conversely, excess generation is subject to positive imbalance: where there is excess generation, the power plant receives an amount that is 3% less than the lesser of the day-ahead market price and the system marginal price. Market participants may form balancing groups with other market participants to manage these imbalances and to incur lower costs, thereby reducing their total imbalance costs. In accordance with the

Electricity Market Law, electricity distribution companies are prohibited from engaging in electricity trading beyond the right to purchase or sell energy from/to organized wholesale electricity markets to cover general lighting and to meet technical and non-technical losses in the distribution system.

Registration with EPIAŞ

Pursuant to the Electricity Market Balancing and Settlement Regulation, legal entities with generation licenses are considered “market participants.” According to the Electricity Market Balancing and Settlement Regulation, market participants must register with EPIAŞ through a market participation agreement (*piyasa katılım sözleşmesi*). Market participants who wish to conduct day-ahead and intra-day transactions can enter into such transactions by entering into the day-ahead (*gün öncesi piyasası katılım anlaşması*) or intra-day (*gün içi piyasası katılım anlaşması*) market participation agreement. Participation in the day-ahead and intra-day markets is not an obligation under Electricity Market Balancing and Settlement Regulation.

The day-ahead market was introduced in order to make production-consumption planning based on supply and demand forecasts of market participants, so that the price of electricity would occur at the intersection of supply and demand and provide the possibility of balancing the system one day ahead. Intra-day trading can occur up to an hour before any particular time, in order to balance day-ahead commitments and to decrease imbalances if production and/or consumption levels change during the day. The balancing power market, on the other hand, is a mechanism to balance supply-demand deviations in real-time in order to ensure system security and improve energy quality. EPIAŞ, as market operator, operates the day-ahead and intra-day markets and conducts settlement management and transparency and disclosure activities. TEİAŞ operates ancillary services including primary and secondary frequency control, reactive power support and the balancing power market.

Balancing Groups

Market participants are allowed to form balancing groups with other market participants to reduce the imbalancing fees paid to EPIAŞ due to failure to meet their forecasted bids. Balancing groups are formed to settle the total imbalance of the group members at the same time, thereby offsetting negative and positive imbalances within the group and enabling each group member to bear lower imbalance costs compared to their individual deviations. Balancing groups are generally formed by integrated energy groups and benefit from the synergy created within the group through reduction of the imbalancing to be settled with EPIAŞ. By settling within the balancing group, the suppliers and purchasers pay less in imbalance cost to EPIAŞ.

Ancillary Services

Under Turkish law, there are six types of ancillary services, including (i) primary frequency control, (ii) secondary frequency control, (iii) instantaneous demand control, (iv) reactive power control, (v) system recovery, and (vi) regional capacity leasing. Generation companies provide these ancillary services, and TEİAŞ manages the ancillary services market.

Power plants responding to frequency volatility (i) in 30 seconds or less can provide primary frequency control, (ii) in 30 seconds to 15 minutes can provide secondary frequency control, and (iii) in more than 15 minutes can provide balancing power market.

Reactive power support helps maintain the existing voltage balance in a large-scale transmission system. All generation license holders that have power plants with an installed capacity of 30 MW and above which are connected to the transmission system at a voltage level of 66 Kv and above are obliged to provide reactive power support service. TEİAŞ signs reactive power support service agreements with the relevant generation license holders.

Distribution Activities

Under the Electricity Market Law, “distribution” is defined as the transmission of electricity over lines at a voltage level of 36 Kv and less. As a result of unbundling of TEK, Türkiye Elektrik Dağıtım A.Ş. (“**TEDAŞ**”) was established in 1994 to own and operate the electricity distribution networks in Türkiye. Until 2004, TEDAŞ and its seven subsidiaries, along with establishments in regions outside these subsidiaries, were structured to manage the electricity distribution sector. In 2004, pursuant to High Planning Council Decision No. 2004/3 (the “**Electric Energy Sector Reform and Privatization Strategy Document**”), Türkiye was divided into 21 electricity distribution regions for privatization purposes. Between 2008 and 2013, these 21 distribution companies were privatized. Following completion of these privatizations by the end of 2013, ownership of existing and new distribution assets remained with TEDAŞ, while private distribution companies operate these regions under Implementation and Operating Agreements signed with TEDAŞ and licenses obtained from EMRA. As of the date of this Offering Memorandum, these 21 regions are operated by private sector companies, while TEDAŞ owns the distribution network assets.

Distribution and retail sale activities were performed by the same companies prior to the unbundling of these activities in 2013. The distribution companies in each distribution region were de-merged and retail companies were established to undertake retail sale activities. As a result of this unbundling process, there is one distribution and one incumbent retail company in each region. The incumbent retail companies, unlike other retail companies, enjoy the exclusive right to sell electricity to regulated consumers in their regions and to act as the supplier of last resort for any consumer in their region. According to the Electricity Market Law, distribution companies are mainly responsible for:

- (i) operating and maintenance of the distribution grid;
- (ii) preparing investment plans (including network investments, meter reading investments, network management investments, environment security and other obligatory investments, and other expenditures attributed to investments) in line with demand forecasts approved by EMRA, submission of these plans to the approval of the board of directors, realization of the necessary improvements, capacity increase investments and construction of new distribution facilities;
- (iii) decreasing theft and loss in the distribution grid;
- (iv) installing, operating and maintaining consumer meters connected at the distribution voltage level;
- (v) providing general illumination and installing and operating measurement systems; reading meter indices and uploading indices and consumption value of distribution users to market management system managed by EPIAŞ;
- (vi) purchasing electricity to cover theft and loss of the distribution systems and general illumination, as well as selling surplus electricity in organized wholesale electricity markets if EÜAŞ-originating electricity exceeds its needs;
- (vii) purchasing electricity to cover theft and loss of the general illumination and distribution systems as well as sales of surplus energy originating from lightning facilities;
- (viii) providing ancillary services; and
- (ix) forecasting demand for the areas specified in the distribution license and reporting these forecasts to TEİAŞ after EMRA approval.

Wholesale and Retail Sale Activities

Under the Electricity Market Law, “wholesale” is defined as the sale of electricity for the purpose of resale. As of the date of this Offering Memorandum, wholesale electricity market activities are conducted by EÜAŞ, a state-owned entity, and private companies.

EÜAŞ sells electricity to incumbent retail companies for regulated customers and to distribution companies for theft and loss replacement, general illumination needs and to some state enterprises.

Until 2018, TETAŞ was the public entity responsible for wholesale/retail activities under state control; however, by virtue of the Law Decree No. 703 published in the Official Gazette dated July 9, 2018 (Repeated 3rd), TETAŞ was merged into EÜAŞ and abolished, transferring TETAŞ’s duties to EÜAŞ. Accordingly, EÜAŞ (i) executes all energy procurement and sales agreements previously entered by TETAŞ, (ii) has the authority to sign energy exchange, import and export agreements, and (iii) is entitled to enter into bilateral agreements for purchasing and selling electricity and capacity or to operate in organized wholesale electricity markets.

Under the Electricity Market Law, “retail sale” is defined as the sale of electricity to end-users. As of March 14, 2024, 21 incumbent retail companies and 383 private retail companies are active in the retail sale market. Incumbent retail companies were established through the unbundling of distribution companies in their respective regions.

End-users are categorized as either “eligible customers” or “regulated customers.” Eligible customers are customers who consume electricity in an amount greater than a threshold set by EMRA. They are able to choose their retail electricity supply company. Regulated customers are customers who do not consume enough electricity to meet the threshold set by EMRA. They are required to buy electricity from the incumbent retail electricity supply company in their region.

Pursuant to the Electricity Market Law, wholesale and retail sales activities can be undertaken by electricity generation companies as well as public and private supply companies operating under supply licenses. Retail companies are entitled to engage in wholesale or retail sales activities for eligible customers without any geographical limitation. Subject to approval from EMRA and MENR, retail companies can engage in electricity import and export activities to or from the countries with suitable international interconnection conditions (i.e., technical conditions related to connecting Türkiye’s electricity system to the electricity systems of other countries).

Incumbent retail companies are obliged to (i) supply electricity on an exclusive basis to the regulated customers in their respective distribution regions, at the regulated retail energy sales tariff determined by EMRA (the eligibility limit for 2025 is 750 kWh per year), and (ii) act as the supplier of last resort to the eligible customers in the same region who have not switched to other private suppliers, at the regulated tariff determined by EMRA. In addition to these regional responsibilities, the incumbent retail companies are able to trade energy and capacity with other private suppliers, operate in the organized wholesale markets, sell electricity to eligible customers without any regional boundaries and export/import electricity. Other retail sellers are private suppliers, who can trade output and capacity with other private suppliers, participate in organized wholesale markets and sell electricity to eligible customers without any regional limitation and without being subject to any tariff regulations. In practice, EÜAŞ sells a portion of its electricity to incumbent retail companies at the wholesale tariff set by EMRA for customers under regulated tariffs. However, EÜAŞ is not obligated to meet the entire electricity demand of incumbent retail companies if the electricity covered under existing BO, BOT and TOR contracts is insufficient. According to EMRA data, there are currently 357 legal entities holding retail licenses in the Turkish electricity market, including 21 incumbent (designated) retail companies.

Overview of Electricity Generation Activities

The Electricity Market Law determines the general principles on generation activities, the marketplace and the main actors. Accordingly, there are three main actors in Türkiye's electricity generation sector: (i) EÜAŞ, the state company responsible for electricity generation; (ii) generation companies operating within the scope of build-operate-transfer and build-operate-own models; and (iii) private sector generation companies.

Electricity generated by generation license holders can be sold to retail sale companies, wholesales companies, EPİAŞ (on the spot market), and eligible customers.

Electricity Market Connection and System Usage Regulation

Facilities operating in the electricity market are required to connect to the grid through transmission or distribution systems in accordance with the Electricity Market Connection and System Usage Regulation and the Electricity Market Licensing Regulation. Pursuant to the Electricity Grid Regulation, if the installed capacity of the power plant is above 50 MW, the transmission lines should be used; however, for capacities below 50 MW the connection can be made either through transmission or distribution lines. Under the Electricity Market Connection and System Usage Regulation, generation license holders must sign a connection agreement with TEİAŞ or the distribution companies, and a system usage agreement with TEİAŞ.

Distribution companies undertake the task of operating the distribution system in delivering electricity produced by generation companies to consumers at voltage levels of 36 kV or less, while TEİAŞ operates the transmission system at voltages above 36 kV. In both cases, for electricity to be delivered to consumers, users wishing to benefit from the respective systems must submit a connection request to TEİAŞ or the relevant distribution company, depending on the voltage level. TEİAŞ and distribution companies are obliged to approve connection requests on a non-discriminatory basis, unless there are reasons specified in the Electricity Market Connection and System Usage Regulation.

In cases where grid connection requires an expansion or renovation of the existing transmission or distribution lines or a new investment due to inadequate capacity for system usage and where sufficient financing is not available, such investment can be made by the potential system users (i.e., generation license holders) on behalf of TEİAŞ and/or the relevant distribution company by maintaining the technical standards under the applicable legislation or can be financed by the user if financing conditions are suitable for TEİAŞ and/or the relevant distribution company. TEİAŞ and/or the relevant distribution company is competent to decide for realization of new transmission and/or distribution lines. To realize the necessary investments, TEİAŞ and/or the relevant distribution company and potential users enter into an installation agreement as an annex to the grid connection agreement. The potential users are reimbursed for the investment amount they have incurred by setting off the amounts from the system usage fees during the operation period. However, such reimbursement shall not exceed 10 years beginning from the acceptance of the transmission facility by TEİAŞ and/or relevant distribution company.

Electricity Grid Regulation

Usage of transmission and distribution services are regulated under the Electricity Market Connection and System Usage Regulation and the Electricity Grid Regulation. These regulations outline the technical and other standards to be met for the grid.

Under these regulations, the general responsibility for assuring transmission grid reliability lies with TEİAŞ. TEİAŞ must meet the demands of third parties for connection to the transmission network and for system use on a non-discriminatory basis. TEİAŞ may take necessary measures and actions if there is any threat to the

reliability and safety of the transmission grid. It is also responsible for the planning and development of the transmission system.

The Electricity Grid Regulation sets out the technical operation procedures for the grid. This includes standards and technical specifications for the generation units to be safely operated, and covers issues such as voltage deviations, wave quality, phase deviations, current harmonics, reactive power, system constraints, performance specifications and ancillary services.

TEİAŞ Contribution Agreement

In accordance with the Electricity Market Licensing Regulation, applicants who have been awarded with a preliminary license or generation license by participating in a tender within the scope of the Tender Regulation are required to sign a standard-form contribution agreement with TEİAŞ during the preliminary licensing process. A contribution agreement is not required for wind power plants that had a wind license before the Tender Regulation entered into force.

Under this agreement, power plants based on wind or solar energy are obliged to pay the contribution amount stated in the agreement to TEİAŞ annually.

Preliminary License and Generation License Application Process

Preliminary License Application

Before a company can receive a generation license, it must first receive a preliminary license. In order to obtain a preliminary license, legal entities that want to engage in generation activity must apply to EMRA within (i) the first five business days of October for wind resources; (ii) the last five business days of October for solar resources, and (iii) 30 business days from the signing of the WUA for hydroelectric resources.

Legal entities applying for a preliminary license must be established as joint stock companies or limited liability companies in accordance with the provisions of the TCC to apply for a preliminary license in order to operate in the market. Their articles of association must include the mandatory provisions requested by EMRA. In the case of public joint-stock companies, all shares other than those traded on the stock exchange must be registered, and neither the legal entity itself, nor its direct or indirect shareholders, nor its board members (or managers in limited liability companies) may be among those prohibited under the eighth paragraph of Article 5 of the Electricity Market Law.

As part of the preliminary license application, a letter of guarantee in an amount determined by EMRA for each installed power plant must be provided, which may not exceed 10% of the total investment amount foreseen by EMRA for the power plant. In addition, the minimum capital of a generation license holder company must be at least 5% of the total investment amount foreseen by EMRA for the power plant.

For wind or solar power plants, if the site where the power plant will be established is owned by a legal entity, a document indicating the ownership of the site must be provided. For HPPs, a WUA with DSİ or a document indicating the right to sign a WUA must be submitted to EMRA.

EMRA consults with TEİAŞ and/or the distribution company in distribution region where the power plant is located regarding the connection of the power plant to the grid and/or the distribution system and the use of the system.

In the preliminary license period, until the license is obtained, any change in the shareholding structure of a preliminary license holder or any share transfer, merger or demerger of a preliminary license holder is restricted, unless the activity falls within certain exceptions, such as share transfers (i) among the direct or indirect shareholders, which do not result in change of control in the license holder, (ii) which are due to an

initial public offering of the license holder, (iii) conducted in the publicly traded shares of the license holder, if any, or (iv) with respect to the license holder as per the YEKA projects. However, in certain cases specified in the Electricity Market Licensing Regulation, direct and indirect shareholding structure changes of 10% or more of the preliminary license holder's capital are subject to EMRA's approval each time.

The legal entity holding the preliminary license (including a license within the scope of YEKA) is obliged to complete the following actions to commence development in the preliminary license period:

- (a) obtain (i) the ownership of or right to use the site, or (ii) an expropriation decision for water retention areas for HPPs, if the site where the power plant to be established is not the owned by the legal entity holding the preliminary license;
- (b) obtain the approval of the zoning plan of the power plant planned to be established;
- (c) obtain the approval of project or final project necessary to commence the construction of the power plant from the MENR;
- (d) apply to TEİAŞ or the relevant distribution company for the connection agreement;
- (e) obtain a decision regarding the need for an EIA;
- (f) submit a construction permit or a substitute document for the power plant;
- (g) execute the mandatory agreements, which may include (i) right of use agreements for mines or geothermal resources for GPPs, (ii) a WUA for HPPs, and (iii) contribution agreement for WPPs or solar power plants with TEİAŞ;
- (h) for WPPs, obtain a technical interaction permit; and
- (i) for WPPs, obtain an affirmative opinion relating to the Military Restricted Zones and Security Zones Regulation and military firing zones and exercise zones.

The decision regarding the need for an EIA must be obtained within 90 days and/or the technical interaction permit must be obtained within 180 days, in each case following EMRA's notification on granting the preliminary license.

A preliminary license is valid for up to 36 months. Preliminary licenses are automatically terminated at the end of the preliminary license term unless the term is extended by EMRA due to force majeure events.

Preliminary licenses are automatically terminated at the end of the preliminary license term unless the term is extended by EMRA. In addition, preliminary licenses may be terminated before the term expires (i) in the event of bankruptcy of the preliminary license holder, (ii) upon request of the preliminary license holder, (iii) upon the acquisition of a generation license by the preliminary license holder; or (iv) on the occurrence of a share transfer or any transaction resulting in a share transfer (subject to the exceptions listed above).

Generation License Application

Following the completion of the obligations listed above, the preliminary license holder must apply to EMRA to obtain a generation license, with (i) evidence of completion of development permits and works, (ii) letter of guarantee and (iii) articles of association, evidencing that the capital of the generation license holder has been increased to at least 20% of the total investment amount envisaged by EMRA.

Renewal and Amendment of Generation Licenses

EMRA grants, in its discretion, electricity market generation licenses for a minimum period of ten years and a maximum period of 49 years.

Generation license holders are required to apply to EMRA for the renewal of their generation licenses within a minimum of nine months and a maximum of 12 months prior to the expiration of the relevant generation license, other than for generation licenses within the scope of YEKA. The renewal process is not applicable for generation licenses which are within the scope of YEKA. EMRA must then decide no later than three months before the expiration of the license, and notify the license holder in writing of its decision, which is at EMRA's sole discretion. Pursuant to the Electricity Market Licensing Regulation, renewal of the license is considered an extension of the license period. EMRA requires a petition request for an extension and a receipt of payment for the license renewal fee.

The licensing status of our generation licenses is as follows:

Generation License Holder	Power Plant	Type	Generation License No	Installed Capacity (MW)	License Issuance Date	Generation License Duration from License Issuance Date	Remaining License Life (as at June 30, 2025)
Company.....	Gökyar	HPP	EÜ/394-1/501	10.95	December 14, 2004	40 Years	19.4 Years
Company.....	Dalaman I-V	HPP	EÜ/386-4/491	37.50	November 18, 2004	35 Years	14.3 Years
Company.....	Bereket I-II	HPP	EÜ/386-3/490	3.15	November 18, 2004	32 Years	11.3 Years
Company.....	Feslek	HPP	EÜ/386-5/492	8.84	November 14, 2004	40 Years	19.3 Years
Company.....	Mentaş	HPP	EÜ/386-6/493	49.60	November 18, 2004	49 Years	28.3 Years
Company.....	Toros	HPP	EÜ/1062-2/782	49.99	January 18, 2007	49 Years	30.5 Years
Company.....	Koyulhisar	HPP	EÜ/434-1/512	63.00	February 10, 2005	40 Years	19.5 Years
Company.....	Uşak	WPP	EÜ/8909-6/04344	12.75	October 24, 2019	38 Years	31.9 Years
Company.....	Yalova	WPP	EÜ/8909-9/04345	54.0	October 24, 2019	38 Years	31.9 Years
Company.....	Söke	WPP	EÜ/8909-11/04346	57.0	October 24, 2019	41 Years	35.4 Years
Company.....	Çırakdamı	HPP	EÜ/11974-4/05741	49.1	July 27, 2023	49 Years	28.2 Years
Company.....	Dereli	HPP	EÜ/11974-5/05740	49.2	July 27, 2023	49 Years	28.3 Years
Company.....	Adıgüzel	HPP	EÜ/9147-10/04431	62.0	January 30, 2020	46 Years	40.8 Years
Company.....	Kemer	HPP	EÜ/9147-9/04434	48.0	January 30, 2020	46 Years	40.8 Years
Company.....	Aksu	HPP	EÜ/8909-3/04348	46.2	October 24, 2019	36 Years	30.1 Years
Company.....	Göktaş I-II	HPP	EÜ/9718-12/04703	275.6	November 26, 2020	35 Years	30.4 Years
Company.....	Akıncı	HPP	EÜ/8909-3/04347	99.0	October 24, 2019	36 Years	30.7 Years
Company.....	Kızıldere	GPP	EÜ/8919-3/04380	6.9	November 7, 2019	33 Years	27.0 Years

As of June 30, 2025, the weighted average operating age of our WPPs, HPPs (excluding acquired power plants) and GPPs is 10 years, 12 years and 17 years, respectively with a weighted average remaining life of 33 years, 30 years and 27 years, respectively.

A generation license can be amended:

- (i) upon the request from the relevant generation license holder, provided that EMRA agrees to the amendment request;
- (ii) if additional information is required to be added to the generation license or such information in the generation license is required to be amended; or
- (iii) if required by applicable laws and regulations.

A generation license can be amended for various reasons, such as a change in the trade name or address of the license holder, or any operational change (such as to installed capacity, total generation capacity or connection point to the grid) in relation to the license holder's power plant.

Generation license of a legal entity can terminate:

- automatically when the relevant license period expires;
- by the decision of EMRA,
- upon the request of the license holder;
- if the license holder has lost the qualifications and conditions for granting the generation license; or
- as a result of the finalized bankruptcy.

With respect to qualifications and conditions sought for granting license, if false documents or misleading information has been submitted or the relevant qualifications and conditions of the license holder have changes and it is not possible to reconstitute them or the license holders do not take a step to reconstitute or correct them within thirty days despite a written notice, the generation license shall be cancelled. The license shall also be cancelled if it is determined that the conditions required for granting license have ceased to exist during the validity term of the license or that these conditions did not exist from the beginning.

The EMRA cancels generation licenses of the facilities, if;

- shareholding structure of the license holder has changed directly or indirectly, until the production facility is operational, without the written approval of the MENR,
- the obligations determined by EMRA in line with the requirements of the legislation or market structure have failed to be fulfilled,
- YEKA Usage Agreement has been terminated upon the determination that domestic products or domestic parts envisaged as per the relevant legislation are not being used in the generation facility and the non-fulfilments notified within the period are not remedied,
- The MENR notify EMRA that legal entity holding a generation license has not fulfilled its commitments under the YEKA Usage Agreement within the time limit, or
- It is determined that fraud or false declaration is detected within the requests and transactions as per the Electricity Market Licensing Regulation.

EMRA may also cancel the license if the amount of the administrative fine exceeds ten percent of the gross income of the legal entity license holder as seen in its balance sheet for the previous fiscal year.

License holders are required to pay a one-time license acquisition fee and an annual license fee determined by EMRA based on the electricity consumed in their activities each year. In the event of any change in the information contained in the license, a license amendment fee must also be paid for the necessary license

amendment applications. These fees are published in the Official Gazette and announced on EMRA's website every December.

As a general rule, licenses for electricity market activities are not transferable. However, according to Article 5 of the Electricity Market Licensing Regulation, the transfer of rights and obligations by a legal entity license holder to another legal entity through a merger or demerger under the Turkish Commercial Code No. 6102 is not considered a license transfer, provided that EMRA approval is obtained. Additionally, EMRA must provide permission for the direct or indirect acquisition of shares representing 5% or more of the share capital (or any other means of taking control) of license holders that are not publicly traded. These restrictions do not apply to the publicly traded portion of shares.

Sanctions

If a legal entity license holder behaves contrary to the provisions of the legislation, sanctions may be applied. The type of sanction to be applied may vary depending on the nature of the violation. One of the possible sanctions is an administrative fine. The main situations in which an administrative fine may be imposed include:

- Providing incorrect, incomplete, or misleading information or failing to provide any information at all during information requests or on-site inspections conducted by EMRA, or denying the opportunity for on-site inspection despite a warning and persisting in non-compliance.
- Non-compliance with the Electricity Market Law, secondary legislation, license provisions, EMRA decisions, and instructions, and persisting in or repeating the violation despite a warning.
- Violation of Electricity Market Law and secondary legislation in a way that cannot be corrected.
- Submission of false documents or misleading information regarding license application or during the validity of the license, or failure to report changes in license conditions that would affect the granting of the license.
- Violation of the prohibition of participation relationships and persisting in the situation despite a warning.
- Operating outside the scope of the license and persisting in non-compliance despite a warning.

If there is a recurrence of the conduct leading to an administrative fine within two years from the imposition of the initial fine, the subsequent administrative fines will be applied at a rate twice as high. The administrative fine is capped at a maximum of 10% of the legal entity's gross income from the preceding financial year.

Revocation of the license is another potential sanction. Instances where the licenses held by legal entities could be subject to revocation include:

- Submission of false documents or misleading information to EMRA, or the inability to correct such documents or information, despite written notice and resistance to rectifying the non-compliance;
- The conditions on which the license issuance is based no longer exist during the validity of the license, or it is determined that these conditions were never present from the beginning; and
- Detection of fraud or false statements against the law in requests and transactions conducted within the scope of the Electricity Market Law.

The legal entity whose license is revoked, shareholders holding 10% or more shares in this legal entity, and board members of joint-stock companies (including those who have resigned within one year before the license

revocation date), and in limited companies, directors, are prohibited from obtaining a license, submitting a license application, being direct or indirect shareholders in license-applying legal entities, and serving on boards of directors for a period of three years following the license revocation. After a license application, in cases where there is a prohibition status for shareholders and board members in joint-stock companies or directors in limited companies, a grace period is given to rectify this non-compliance.

Termination of a license can occur in three different situations, aside from the cancellation of the license by EMRA. The first situation is the expiration of the license term. The second situation is the finalization of the bankruptcy of the legal entity holding the license or the loss of conditions previously provided for obtaining the license. The last situation is when the license holder requests the termination of the license, and this request is approved by EMRA. Requests for the termination of a license should be submitted to EMRA at least six months before the termination date (for distribution companies and authorized retail companies, at least 12 months before). For the termination requests of distribution license holders to be approved, new legal entities continuing the activities within the scope of the license must be identified, and these entities must obtain the necessary licenses.

Hybrid Power Plant Licenses

On March 8, 2020, EMRA introduced amendments to the Electricity Market Licensing Regulation and the Regulation on Feed-in Tariff Mechanism of Renewable Energy Resources (the **“FiT Regulation”**) to allow a power plant to operate with multiple energy sources. Under the FiT Regulation, the ancillary source segment used in multi-source electricity generation facilities is considered the facility’s unit based on the primary source, and the facility is evaluated under a single preliminary or generation license. Therefore, hybrid power plants allow the power plant’s primary source to be supported by ancillary power sources, enabling the power plants to benefit from the extra capacity this would generate within their existing licenses. Electricity generated through ancillary sources can benefit from the Existing FiT mechanism if the primary generation source benefits from the Existing FiT mechanism. In addition, as per the FiT Regulation, under no circumstances may the ancillary source be converted to the primary source in a hybrid power plant.

On June 18, 2020, EMRA introduced the Rules and Principles for the Determination of Boundaries of Power Plant Areas Subject to License or Preliminary License (**“Principles”**) to set out principles for determining the rules regarding hybrid power plant areas. Under the Principles, it is allowed to install and operate two different varieties of renewable energy hybrid power plants which are “combined renewable power plants,” utilizing more than one renewable energy source in a single power plant, and “support-source energy plants,” involving the addition of a secondary renewable source in the generation process.

Accordingly, on April 15, 2021, the EMRA Board Decision No.10142 (**“Decision No.10142”**), published in the Official Gazette, regulates the principles of applications to be made within the scope of hybrid power plants and includes provisions regarding the determination and arrangement of hybrid power plant sites. Per Decision No.10142, in hybrid electricity generation facilities whose ancillary source is solar energy, an area of up to a maximum of 15 acres for each 1 MW of ancillary source power can be added to the power plant area, provided that it is integrated into the existing license, which means that, the areas where the electrical energy needs are met from the same farm and where the consumption facilities belonging to the same legal entity will be included in the same license. Also, the capacity of the ancillary source that can be installed in multi-source electricity production facilities will not exceed the power of the primary source in facilities below 50 MW. In plants over 50 MW, it will not exceed half of the power of the primary source to be added to 50 MW. In any circumstances, the total electrical power of the ancillary source can be up to 100 MW, except for generation facilities where the main source is wind power.

Hybrid power plants, which enable electrical energy generation from more than one source in a single generation facility, enable more efficient use of generation facilities and produce more electricity within their

electricity generation capacity. In hybrid power plants, the effect of seasonal conditions can be minimized by generating from SPP's when the precipitation is low and from HPP's when the insolation is low.

For a further discussion of our hybrid power plant opportunities, see *“Business—Our Strengths—We are well-positioned to capture growth opportunities in solar, wind and hydroelectric power —Short-term opportunities.”*

Conversion of Existing Power Plants

An amendment to an existing license is required to convert a single resource power plant to a hybrid power plant. The license amendment can be requested from EMRA provided that:

- (i) the area allocated under the existing license remains unchanged;
- (ii) the total installed electrical power (i.e., the maximum generation capacity permitted) under the existing license remains unchanged;
- (iii) the current connection type, connection point and voltage level under the existing license remains unchanged;
- (iv) if the ancillary source is wind or solar power, the approval of the General Directorate of Energy Affairs as to the technical assessment is obtained;
- (v) for hydroelectric sources, the approval of the General Directorate of State Hydraulic Works is obtained; and
- (vi) a lease agreement with the General Directorate of State Hydraulic Works is executed for floating solar power plants or solar power units to be installed on the duct surfaces or the reservoir area.

The maximum amount of energy that can be transferred to the grid even after integrating the ancillary source cannot exceed the current license capacity. Currently, power plants may not be able to use the full capacity assigned to them under their licenses, due to natural causes such as slow wind or low water flow. Hybrid generation would enable other source types to fill this gap with electricity generated from an ancillary source. As a result, ancillary sources can top-up existing capacity and increase the capacity factor in a given power plant. The ancillary source can be used to normalize and increase efficiency in the production profile, as it will support the overall production of the power plant through diversification of generation sources. No payment will be made as a result of excess electricity being supplied to the grid above a power plant's license capacity.

Licensing Process for Hybrid Power Plants

For HPPs, application for hybrid generation must be made with the State Hydraulic Works and EMRA. The application is prepared and submitted to the General Directorate of State Hydraulic Works for approval. EMRA will then carry out a field analysis. If this is approved, a lease agreement with the General Directorate of State Hydraulic Works for floating solar power plants or solar power units to be installed on the duct surfaces or the reservoir area is executed. Following this, the preliminary license will be amended by EMRA, and then construction activities can start.

For WPPs, the technical compliance process must go through the General Directorate of Energy Affairs for WPPs. The process is otherwise similar to the process for HPPs, as described in the previous paragraph.

Wind Power Plant Capacity Increases

Pursuant to a Government decision, WPPs may request an increase in their capacity through the following method. First, the WPP must apply to EMRA for the capacity increase, and must receive their preliminary approval. Once this approval is received, the conditions of the capacity increase are set out in the EMRA decision, and a deadline will be set by which the WPP needs to complete these conditions. Conditions may include obtaining an environmental assessment report and obtaining approval of the technical interaction

analysis and the State Airports Authority for the additional turbines. It takes approximately four months for the approval of technical interaction analysis and nine months to obtain an environmental assessment report. As the duration of these processes runs simultaneously with the other permit approval processes, a total of nine months will typically be added to this period. Following this, the license will be amended following the notification to EMRA regarding the completion of the obligations within the given period. After the license amendment, a time period will be given by EMRA for the acquisition of property rights, construction activities and operationalizing processes. Processes for the acquisition of ownership rights, turbine selection, execution of the turbine contract, turbine delivery, construction and electrical works can be conducted concurrently, taking a time period of approximately eight months or longer. In addition, we expect it will take an additional three months or longer to complete the turbine installation, acceptance and operationalizing processes.

Expropriation Process

Legal entities applying for a generation license must be able to obtain the ownership of or right to use the site where the power plant will be located. License holders must resolve any property issues during the preliminary license term.

If the power plant site is not the property of the legal entity holding the preliminary license, that legal entity must obtain the ownership of or right to use the site and, for HPPs, must obtain an expropriation decision for water retention areas.

In addition, EMRA qualifies hydroelectric power plants as water structures. Accordingly, the transfer and registration of the immovable properties at hydroelectric power plants sites must be transferred and registered in favor of the Turkish Ministry of Treasury and Finance on the grounds that those sites are qualified as water structures and cannot be the property of private persons or entities.

If the generation license holder fails to certify its ownership of or right to use the site on which the power plant will be located and fails to fulfil its obligations during the preliminary license period, the generation license shall not be granted to the legal entity. However, an expropriation mechanism has been introduced to solve this issue. Using this expropriation mechanism, EMRA evaluates whether immovable properties required for electricity generation activities which are currently owned by third parties should be subject to expropriation. If EMRA decides that expropriation is in the public interest, the necessary expropriation transactions are carried out by EMRA within the principles specified in the Expropriation Law (Law No. 2942). The process of the expropriation is completed by the execution of administrative and judicial procedures. Expropriation costs and other expenses required by the expropriation transactions are paid by the preliminary license or generation license holder that requests the expropriation.

In some exceptional cases, expropriation may be done immediately. In these circumstances, an expropriation decision is taken as soon as the conditions stated in Electricity Market Law are fulfilled. If there is an immediate expropriation decision, all administrative and judicial procedures except for an expert report on price determination are done after the expropriation.

The Turkish Ministry of Treasury and Finance or the relevant public institution or organization that owns the generation facilities owns and/or has limited real rights on the expropriated property. It grants a costless easement right and/or permits the usage of immovable properties that are registered on behalf of the Turkish Ministry of Treasury and Finance on a title deed to the legal entities which hold a preliminary license or generation license and which paid the expropriation fee. The duration of the easement right and/or usage permission is limited to the validity period of the preliminary license or generation license.

Easement, Usage Permission and Leasing Rights of Immovable Properties Owned by the Turkish Ministry of Treasury and Finance

Legal entities which hold a preliminary license or generation license and which require the use of immovable properties that are owned by the Turkish Ministry of Treasury and Finance or are otherwise subject to government control must request that EMRA (i) establishes an easement right, (ii) grants use permission or (iii) leases the immovable property. If EMRA grants the request, the legal entity must enter into an agreement with the Turkish Ministry of Treasury and Finance that governs the terms of the arrangement, including terms regarding duration of the agreement and payment obligations.

Water Usage Rights Agreements

According to the Electricity Market Licensing Regulation, power plants based on hydraulic resources are required to sign a WUA with the DSİ during the preliminary licensing process.

The WUA is a standard form agreement included in Annex 1 of the Water Usage Regulation. It is signed with the DSİ and is valid through the generation license period. The standard form agreement may be tailored to the specifications of the project.

DSİ, the state waterworks entity of Türkiye, controls water resources in Türkiye and directs the flow of water and how much water an HPP receives. Accordingly, the DSİ may reduce the flow of water that an HPP receives.

A license holder is required to pay a water usage contribution fee and basin observation fee to DSİ in accordance with the WUA. The contribution fee and basin observation fee are calculated based on the total electricity generation of the relevant power plant.

We paid a total amount of TL 50,877,753 million in royalty fees to DSİ for our HPPs in the year ended December 31, 2024.

Feed-in Tariff Mechanism

In May 2005, the renewable energy resources support mechanism was introduced by the Law on Utilization of Renewable Energy Sources for Electricity Generation (Law No. 5346) (the “**Renewable Energy Law**”). The Existing FiT aims to incentivize the development and operation of power plants employing renewable energy sources, such as wind, hydroelectric, solar, bio-waste, solid waste, and geothermal energy sources. Companies eligible for Existing FiT incentives must apply to EMRA by the date announced by EMRA if they seek to benefit from Existing FiT incentives in the subsequent year. Renewable energy power plants with a COD before June 30, 2021 can benefit from the Existing FiT for a term of ten years from the COD of the power plant.

According to the Renewable Energy Law, if certain mechanical and/or electro-mechanical equipment manufactured in Türkiye is used in a power plant, extra benefits are guaranteed to that power plant for a term of five years following the COD of the power plant.

Once a power plant is admitted to the Existing FiT mechanism, the electricity it sells benefits from a dollar-denominated purchase guarantee per kWh of electricity generated.

Power plants that benefit from the Existing FiT may sell electricity in all markets (including the day-ahead market, intraday market, balancing power market, ancillary services market and through bilateral agreements, among others), like other market participants, without any restrictions. If the sale price under these arrangements is lower than the incentive price of the Existing FiT (including \$73 per MWh for HPPs and WPPs, \$105 per MWh for GPPs and \$133 per MWh for LFG power plants), then the difference between the Existing FiT price and the day-ahead market price is calculated in dollar terms and converted to Turkish lira at

the exchange rate on the relevant date and paid by EPIAŞ to the owner of the power plant on the 25th day of the following month.

This mechanism to support renewable energy sources results in higher than spot market prices in the system due to dollar denominated Existing FiT purchase prices. Existing FiT costs in the system are directly proportional to (i) dollar/Turkish lira exchange rates, and (ii) actual electricity generation volumes of Existing FiT participants, which are dependent on seasonal and climatic conditions (e.g. wind yields, water inflows, solar radiation) and inversely proportional to day ahead market prices. Under the Renewable Energy Law, market participants, including private suppliers and power plants that sell energy to customers are obliged to bear the costs of Existing FiT, where EPIAŞ, as the market operator, reflects such costs to suppliers serving to end-users.

Thus, the costs of the Existing FiT are paid by all end-users throughout Türkiye via private suppliers and retail companies, either through (i) the Existing FiT cost item included in the retail energy sales tariff applied to regulated customers, or (ii) the Existing FiT cost item included in the free market retail energy sales prices charged to eligible customers. The costs of the Existing FiT are paid by private suppliers and retail companies on a pro rata basis, where the ratio of the electricity volumes a company sells to its end-users to the total electricity volumes sold to all end-users in Türkiye is taken into account. For regulated customers, the Existing FiT cost item is a 100% pass-through item which is paid by these customers as a procurement component in the Retail Energy Sales Tariff. However, for eligible customers, since supply and retail companies execute fixed term agreements generally for a period of one year, such companies carry the price risk arising from the difference between the estimated Existing FiT costs that such companies include as a component in agreements with their customers, and the actual Existing FiT costs that such companies incur on a monthly basis.

Pursuant to a regulatory change on December 15, 2017, Existing FiT costs that are passed through to regulated customers are included in the energy procurement costs item within the Retail Energy Sales Tariff, enabling retail sale companies to apply the 2.38% gross margin on the passed-through Existing FiT costs. Previously, FiT costs were evaluated as other cost items in the retail sales revenue requirement calculation, and no margin was being provided to the incumbent retail companies out of these costs.

On March 8, 2020, FiT Regulation introduced for the hybrid power plants allows a power plant to operate with multiple energy sources. On June 18, 2020, EMRA introduced the Principles to determine the areas integrated on the existing preliminary or generation licenses of hybrid power plants. Lastly, as of April 15, 2021, with the Decision No.10142, the principles of applications to be made within the scope of hybrid power plants are regulated. See “—*Hybrid Power Plant Licenses*.” Electricity generated through ancillary sources can also benefit from the FiT mechanism, provided that the main source benefits from the FiT mechanism. The Existing FiT expiration date of the ancillary source is tied to the remaining Existing FiT period for the main source. The Existing FiT price for the hybrid power plants is the lowest Existing FiT price applied to one of the multiple sources that is being used in the hybrid power plant. For example, if a hydroelectric power plant is converted into a hybrid power plant through inclusion of solar production units as an ancillary source, then the solar power will benefit from hydroelectric Existing FiT price of \$73 MW/h (rather than solar Existing FiT price of \$133 MW/h).

On January 30, 2021, the Government announced the terms of the New FiT, which came into effect on January 30, 2021, and is applicable for all power plants with a COD between July 1, 2021 and December 31, 2030. According to the Presidential Decree No. 3453, prices under the New FiT program are set in Turkish lira, and are updated every month according to inflation and dollar and euro exchange rates, with a fixed cap set in dollars. Prices of electricity generated under the Existing FiT and the New FiT are set out in the following table:

	Existing FiT Price (USD/MWh)	New FiT Price ⁽²⁾ (\$)
Solar	133.0	54.2
Geothermal	105.0	103.4
Dam Hydro	73.0	73.7
Run-of-river- Hydro	73.0	69.1
Onshore Wind	73.0	54.2
Offshore Wind	73.0	73.7

Source: Law on Utilization of Renewable Energy Sources for Electricity Generation (Law No. 5346)

The upper price limits under the New FiT are set as follows \$82.5/MWh for reservoir HPPs, \$77/MWh for run-of-river HPPs, \$60.5/MWh for WPPs, \$60.5/MWh for SPPs, \$115.5/MWh for GPPs and \$71.5/MWh for storage-integrated SPPs and WPPs.

YEK-G System

The renewable energy guarantee system (“**YEK-G System**”) was first introduced on November 14, 2020 by the amendment to the FiT Regulation. In this regard, the Regulation on Renewable Energy Resource Guarantee Certificate in Electricity Market (“**YEK-G Regulation**”) was introduced to enter into force on June 1, 2021 that aims to create a system in harmony with the guarantee of origin system as defined in European Directive 2009/28/EC. The EPIAŞ must issue a renewable energy guarantee certificate (“**YEK-G Certificate**”) that is an electronic document to be issued, each corresponding to 1 MWh electricity generation, to the licensed generation and retail companies upon request. The YEK-G Certificate issued will be valid for 12 months from the end date of the generation period of the energy generated from renewable sources.

Designed primarily as a tracking mechanism, the YEK-G System aims to monitor, verify and disclose that a certain amount or proportion of electrical energy supplied is generated from renewable energy sources. Also, a YEK-G market will be established and operated by EPIAŞ where license holders for generation and retail can trade YEK-G Certificates. This will be a new means of income for those generating electricity from renewable energy sources. In accordance with similar trends in Europe regarding the support of sustainable electricity generation, Türkiye has established this green certificate system to attract investors generating electricity from renewable energy sources and to promote the use of electricity generated from renewable resources.

To be admitted to the YEK-G System, the actors shall be meet certain requirements as per the YEK-G Regulation and shall execute a YEK-G System participation agreement. Hybrid power plants can participate in the YEK-G System and access to the YEK-G market if all of the energy resources used in the facility are renewable.

The Regulation on Renewable Energy Designated Area

Renewable Energy Designated Areas (*Yenilenebilir Enerji Kaynak Alanları*) (“**YEKA**”) projects are part of the domestic and renewable energy strategy of Türkiye. Their purpose is to help use government incentives to develop renewable energy power plants. YEKA lands are specially qualified large public lands set aside by law for renewable energy projects. YEKA projects are meant to be large-scale generation projects that use domestic equipment. The Regulation on Renewable Energy Designated Areas (“**Regulation on YEKA**”) states that YEKAs are to be developed either by the General Directorate of Renewable Energy or by the tender of connection capacity allocation, and sets out certain principles and procedures regarding:

- the determination of YEKAs;
- connection and capacity allocation for these areas;
- determination of usage of allocated capacity conditional on domestic manufacturing or utilization of domestic goods;
- the conditions to be met by legal entities participating in the tender;
- the tender process;
- the processing of license applications by tender winners; and
- the sale of the electricity generated.

YEKA lands can also be identified by potential investors, provided that MENR approves such areas as YEKAs.

YEKA Tenders

Notices of forthcoming tenders for YEKA usage are published both in the Official Gazette and on the website of the General Directorate of Renewable Energy, and contain information such as allocation process, conditions to be fulfilled, letter of guarantee terms, dates of application, price cap and duration of power purchase. Legal entities that fulfil the requirements set out by the Regulation on YEKA and the tender specifications and submit a valid application will earn the right to participate in the tender.

The five participants with the lowest bids proceed to the next phase of the tender, which will be determined by a reverse auction, with the lowest bid winning the tender.

The bid winner must receive approval from the Minister of the MENR, following which they will be invited to sign the YEKA Usage Contract.

Preliminary License and Generation License Application

Within 45 days of signing, the winner must apply to EMRA for a preliminary license and license for electricity generation. Following the grant of the preliminary license, if the winning entity fulfils the conditions set forward by article 12 of the Regulation on YEKA, the entity may apply for the generation license that will be valid for 30 years.

Power generated in renewable energy designated areas will be regarded as within the scope of the Existing FiT with the price predetermined in the contract. Prices will not increase for the period foreseen in the tender specifications. Following the purchasing period provided by the YEKA contract, the entity will continue to be active in the electricity market under the generation license is secured.

Tenders for WPP

TEİAŞ announces its capacity related to wind or solar energy to EMRA every year and EMRA accepts applications from entities based on the capacity information provided by TEİAŞ. For a preliminary license application to EMRA, entities must provide a wind measurement station establishment report obtained in the last eight years and a wind measurement result report. If the site where the wind power plant will be established is owned by the legal entity which applied for a preliminary license, it must also provide documents indicating the ownership of the site.

If the number of preliminary license applications exceed the announced capacity, a tender is held to determine the winning applications to be connected to the system. The tender is done on the basis of offering the lowest price from \$73 per MWh, specified for WPP under the Existing FiT mechanism. The lowest bid price principle is essential for the allocation of connection capacity.

On March 3, 2021, EMRA announced the cancellation of the new 2000 MW wind tender to allocate such capacity within the framework of YEKA regulations.

The Electricity Market Licensing Regulation sets out the procedures for granting a preliminary license and/or generation license to the winner of the tender.

Electricity Storage Activities

The electricity storage activities in the Turkish electricity market have been subject to significant regulatory developments. The Regulation on Storage Activities in the Electricity Market (“**Storage Regulation**”) was first introduced to establish a legal framework for electricity storage facilities, enabling their integration into the market. The most recent amendments to the Storage Regulation, published in 2024, aim to streamline investment procedures and enhance market participation by storage operators.

Under the revised framework, storage facilities can operate as standalone units or in conjunction with generation facilities. Investors seeking to establish storage facilities must obtain an electricity storage license, ensuring compliance with technical and financial criteria set by the EMRA. Additionally, licensed generation companies are now allowed to integrate storage units within their existing facilities without requiring separate licensing, provided they comply with the regulatory conditions.

One of the key incentives introduced by the new amendments is the ability of storage-integrated generation facilities to benefit from priority access to the grid and market mechanisms designed to support renewable energy integration. Storage operators can participate in electricity markets, including capacity and ancillary service markets, contributing to grid stability and energy efficiency. Furthermore, hybrid power plants incorporating storage systems are subject to specific provisions that facilitate their market entry while ensuring compliance with the broader regulatory framework.

Independent Audit

Pursuant to EMRA’s decision No. 5507 dated March 3, 2015, companies that have installed capacity of more than 100 MW are subject to an independent audit requirement. Accordingly, as we have an installed capacity of 1,020 MW, we are required to have our annual accounts audited by an independent audit firm, authorized by the Public Oversight, Accounting and Audit Standards Authority and to be appointed by the shareholders at the general assembly, for each fiscal year. In practice, this independent audit requirement covers both financial statements and other relevant documentation to ensure compliance with EMRA regulations, and it is aligned with current practices in Turkish Commercial Code and Public Oversight, Accounting and Audit Standards Authority regulations. For more detail on our auditors, see “*Description of the Issuer’s Share Capital—Auditors*” and “*Independent Auditors*.”

Transferability of Licenses

As a general rule, licenses for electricity market activities are not transferable. The exception to this general rule is the transfer of a license holder’s rights and obligations under their electricity market licenses due to a merger or spin-off conducted in accordance with the TCC. Prior approval of EMRA is required for such transfer. Although the legislation permits such transfer in cases of merger or spin-off, EMRA approval must be obtained before the transaction, and EMRA may impose additional conditions to ensure the continuity of the licensed activity.

Step-In Mechanism

A bank or financial institution that has provided financing to a generation license holder may lodge a request with EMRA that another legal entity be granted, and the generation license be transferred, under certain circumstances, such as an event of default or nonpayment under the terms of the financing. EMRA will do so if it is satisfied that the grounds for such a request are reasonable and in accordance with the provisions of the contract between the financial institution and the previous license holder, and that the request is made in accordance with the conditions stipulated in the Electricity Market Licensing Regulation. The proposed legal entity shall be granted a new generation license with the same rights and obligations as the continuation of the former, provided that it fulfils the obligations under the Electricity Market Licensing Regulation. This step-in mechanism aims to protect the continuity of electricity generation activities in the event of financial distress and to safeguard the interests of lenders, ensuring the stability of market operations.

Regulatory Authority's Intervention in case of Material Legislative Breaches

As per the Electricity Market Licensing Regulation, EMRA has the right to impose sanctions on generation license holders if: (i) the relevant market activity carried out by the generation license holder is inadmissibly non-compliant with relevant legislation; (ii) breach by the generation license holder inadmissibly diminishes the quality of the services provided; (iii) the generation license holder company is in breach of the relevant legislation regularly; or (iv) the generation license holder company is incapable of fulfilling its obligations or it is deemed incapable through a board resolution of EMRA. Such sanctions may include administrative fines, the requirement to remedy non-compliances within a specified time, or, ultimately, cancellation of the license if the non-compliance persists or is repeated.

Termination and Cancellation of Electricity Market Licenses

Electricity market licenses are automatically terminated at the end of the license term. Generation license holders are required to apply to EMRA for the renewal of their licenses. See “—*Renewal and Amendment of Generation Licenses*.” In addition, licenses for electricity market activities, such as generation licenses, may be terminated before the license term expires: (i) in the event of insolvency of the license holder; (ii) upon request of the license holder; or (iii) if a license holder fails to fulfill its license obligations, as determined by EMRA. If a license holder other than a distribution or a supply license holder requests to terminate its operations, it must make a written application to EMRA, together with the reasons of such termination request, at least six months prior to the cancellation date. EMRA will consider the potential effects of such termination request on consumers and the electricity market in its decision, and may reject the termination request.

Furthermore, if any license holder fails to comply with EMRA's sanctions, fails to remedy its non-compliance with the applicable laws and regulations within the time period given by EMRA or repeats its non-compliance within two years, EMRA may cancel its license. In addition, if: (i) a license holder fails to fulfill its electricity market license obligations; (ii) EMRA determines that the license holder's requests and actions are fraudulent or misleading; or (iii) a license holder provides misleading information regarding the necessary requirements to obtain an electricity market license or fails to notify EMRA regarding any changes in such information, and the license holder does not remedy the deficiencies listed from (i) to (iii) within 30 days of written notification from EMRA, or if it is impossible to remedy such deficiencies, EMRA will cancel the license holder's license. In practice, these rules aim to protect the integrity and reliability of the electricity market, ensuring that participants maintain compliance and do not disrupt supply security or consumer interests.

Share Transfers of Electricity Market License Holders

Pursuant to the Electricity Market Law and the Electricity Market Licensing Regulation, for license holders whose tariffs are subject to regulation, any direct or indirect acquisition of shares representing 5% or more for public companies and 10% or more for other companies or any acquisition resulting in change of the control in such companies is subject to approval of EMRA. However, this approval requirement shall not be applied for a change in shareholding structure due to the acquisition or transfer of the publicly traded shares of a publicly traded company or of the publicly traded shareholder of a license holder company.

For license holders whose tariffs are not subject to regulation (e.g. generation or preliminary license holders), the requirement for the approval of EMRA was abolished by the recent amendment to the Electricity Market Law on November 25, 2020.

For license holders whose tariffs are subject to regulation, the approval by EMRA is given on the condition that the person that acquires the shares meets the conditions required for the shareholders during the license application. If the share acquisition or transfer is not completed within six months from the date of approval, such approval of EMRA becomes invalid. It is also mandatory to request an amendment of license within three months from the date of completion of the share transfer. It is also necessary to obtain EMRA's approval for establishing pledge over the shares or accounts of a license holder whose tariff is subject to regulation each time.

Also, it is obligatory to inform EMRA about the shareholding changes that are not subject to EMRA approval and request for a license amendment within six months following the consummation of such share transfer transaction.

Competition and Market Share Restrictions

The Electricity Market Law and its secondary legislation set forth certain provisions which aim to protect competition in the electricity market.

To support the reliability and security of the electricity market, the market share by volume of electricity generated of market participant is restricted, and any single market participant (together with its affiliates) may only produce up to 20% of the previous year's total amount of total electricity generated in Türkiye. This restriction prevents excessive market concentration and ensures a more balanced generation portfolio among market participants, thereby supporting fair competition and grid stability.

Geothermal Power Plant Regulations

Geothermal resources and natural mineral water are regulated by the Government. To carry out activities related to geothermal resources, the relevant entity must obtain a license in accordance with the Law on Geothermal Resources and Natural Mineral Waters (Law No. 5686) (the "**Law on Geothermal Resources and Natural Mineral Waters**").

There are two kinds of licenses within the scope of the Law on Geothermal Resources and Natural Mineral Waters: (i) exploration licenses and (ii) operating licenses.

Exploration licenses cover activities such as determining the presence of geothermal resources in a certain area, conducting the necessary preliminary investigations and well drilling. An exploration license is issued for a maximum period of three years. During the exploration license period, resource exploration activities are carried out in the specified area. If a licensee finds resources through these research activities, it can apply for an operating license to generate geothermal power.

Operating activities include the generation of fluid, injection, reinjection, discharge and drilling operations. An application for an operating license can be made as long as the exploration license is still valid.

After obtaining an operating license, to the licensee must obtain the necessary permits arising from other legislation regarding the license area and the activity within three months. Operational activities cannot commence until EIA procedures are completed and necessary permits are received. The duration of the operating license is 30 years from the date of registration.

The operating license holder must apply to EMRA within three months of receiving the license to obtain the related electricity generation license. After EMRA issues the generation license, the licensee can complete the construction of the facilities and engage in electricity generation. If the generation license issued by EMRA is revoked for any reason, the operating license is also revoked.

Geothermal resource inspections are periodically carried out by regulators. If license breaches are found, the license may be cancelled.

Principal Obligations of License Holders

License Fee

There are various license fees that are paid to EMRA, such as a license issuance fee (which is a one-off payment) and annual license fees (which are paid on an annual basis). EMRA announces license fees for a year in December of the preceding year. The annual license fee to be paid by the generation license holder is calculated by multiplying the total electricity generated in the previous year and TL 0.015 per kWh.

Pursuant to the Electricity Market Licensing Regulation, power plants based on domestic natural and renewable energy sources are exempted from paying annual license fees for the first eight years after the COD.

The following power plants we own are currently exempt from the license fee: (i) Göktaş HPP; (ii) Aksu HPP; (iii) Söke WPP; (iv) Yalova WPP; (v) Uşak WPP; (vi) Akıncı HPP and (vii) Dereli HPP.

In addition to the annual license fees paid to EMRA under the Electricity Market Licensing Regulation, tariff number 8 of the Law of Fees (Law No. 492) mandates that power plants that generate electricity based on hydroelectric resources and that do not pay privatization, license tender or water usage fees must pay a fee of 1.5% of their gross revenue from the previous year as a hydraulic license fee. Eight of our power plants (Bereket I-II HPP, Dalaman HPP, Feslek HPP, Mentaş HPP, Koyulhisar HPP, Aksu HPP, Çırakdamı HPP and Dereli HPP) pay this fee and the total amount paid for the year ended December 31, 2024 was TL 19.3 million.

Minimum Capital Requirement

Pursuant to the Electricity Market Licensing Regulation, legal entities making a preliminary license application are required to have share capital of at least 5% of the total investment amount determined by EMRA in order to obtain the preliminary license. For the generation license, the share capital of the relevant legal entity is required to be increased to at least 20% of the total investment amount.

If a generation license or preliminary license holder applies for a new preliminary license or generation license, the share capital of such company must not be less than sum of the capital amounts foreseen for the new generation license or preliminary license application.

The total investment amount is calculated by multiplying the total megawatts covered by the project's generation license by the investment value as determined by EMRA, according to the type of resource. Unit investment amount determined by the EMRA as follows:

Resource Type	Unit Investment Amount
	(TL/MW)
Coal.....	17,500,000
Natural Gas/LPG.....	9,000,000
Fuel Oil/Naphtha.....	9,000,000
Hydro	17,500,000
Wind.....	17,500,000
Geothermal.....	24,500,000
Biomass.....	24,000,000
Solar	9,000,000
Nuclear.....	61,500,000
Process Waste Heat	9,000,000
Others.....	12,500,000

The installed capacity of power plants which started operation after provisional acceptance will not be taken into consideration in the calculation of the minimum capital requirement.

Construction Completion Period

Under the Electricity Market Licensing Regulation, if the construction is not completed or cannot be completed by the agreed deadline specified in the license, the relevant license is cancelled.

If a license is cancelled, the chairman and members of the board of directors of the generation license holder, including any who resigned within one year before the date of license revocation, and the shareholders who have 10% or more of the shares of the generation license holder will not be able to:

- obtain a license for three years following the cancellation of the license;
- apply for a license;
- have direct or indirect shares in legal entities applying for a license; or
- take a position as director of legal entities applying for a license.

Insurance

According to the Electricity Market Licensing Regulation, holders of electricity generation licenses must insure the generation assets under “all risk” insurance policies for risks such as natural disasters, fire, theft, terror and accidents. Generation companies are reimbursed for the costs of such insurances. See “*Business—Insurance.*”

Quality Standards

Pursuant to the Electricity Market Licensing Regulation, generation companies are required to submit quality standard certificates, to be issued by a certification authority accredited by the Turkish Accreditation Agency, for TS ISO/IEC 27001 standards.

Environment

The principal legislation relating to environmental matters in Türkiye is the Environmental Law, and several separate regulations promulgated under the Environmental Law, primarily the EIA Regulation, and the Environmental Permits and Licenses Regulation. The Environmental Law sets out the general framework for environmental protection requirements and the consequences of non-compliance with these requirements. Generation companies are required to comply with the Environmental Law and secondary regulations, see “*Business—Health, Safety and Environment—Environment.*”

Approvals from the Treasury and Ministry of Forestry

Pursuant to the Regulation on Implementation of the Article 17/3 and Article 18 of the Forestry Law (Law No. 6831), the General Directorate of Forestry can allow entities to establish a power plant in forest areas. Approvals need to be obtained from the relevant authority for the placement of power plants on lands owned by the Ministry of Forestry and the General Directorate of National Property (*Milli Emlak Genel Müdürlüğü*), land used by military forces, lands classified as historic sites and lands which are directly owned and used by the Ministry of Forestry and the General Directorate of National Property.

As of the date of this Offering Memorandum, we have obtained 53 forestry permits for land used by our power plants or on which our power plants are located. Two of these forestry permits are for Adıgüzel HPP and one is for Kemer HPP on behalf of EÜAŞ.

Generation Facility Compliance Certificate

Pursuant to Article 19 of the Electricity Market Law No. 6446, a provisional Article 34 was introduced on July 24, 2025. The proposed article will allow licensed electricity generation companies which do not have a construction permit and building usage permit to apply for a “Generation Facility Compliance Certificate” (“*Üretim Tesisi Uygunluk Belgesi*”) (“**Compliance Certificate**”). Once obtained, the certificate will eliminate the legal risks associated with the lack of a construction permit and building usage permit and serve as a substitute for workplace opening and operating permits.

While the Ministry has not yet issued the secondary legislation enabling us to apply for the certificate, once the regulation is issued, we will submit the necessary application in order to cover power plants such as Uşak WPP, which do not have a building use permit, as well as other power plants with deficiencies in zoning plans, construction permits, building usage permits and/or workplace opening and operating permits.

Workplace Opening and Operation

The Regulation on Workplace Opening and Operation Licenses requires most businesses to obtain a workplace opening and operation license for their workplaces, such as offices, stores, headquarters, warehouses and factories before beginning operations, unless they are exempted. Power plants are not exempted from this requirement, and are required to obtain workplace opening and operation licenses. As of the date of this Offering Memorandum, we have not yet been able to obtain workplace opening and operation license for three of our power plants, Bereket 1-2 HPP, Kızıldere GPP and Adıgüzel HPP, which together have approximately 10 MW of installed capacity. We have not been able to obtain workplace opening and operation licenses for Bereket 1-2 HPP and Kızıldere GPP, due to ongoing zoning plan applications; once the zoning plans are finalized, we will apply and obtain the workplace opening and operation licenses. As at the date of this Offering Memorandum, the zoning approval process is ongoing for Bereket 1-2 HPP and Kızıldere GPP. For Bereket 1-2 HPP, an amendment to the organised industrial zoning plan is pending before the Denizli Organised Industrial Zone Directorate. In relation to Kızıldere GPP, although zoning approval was not required under the legislation

at the time of its initial development, the municipality has subsequently requested retrospective documentation. As a result, the zoning process has been suspended pursuant to a board resolution. The issuance of workplace opening and operation licence for Adıgüzel HPP is pending receipt of the fire department approval report, which is currently under review by the relevant authority responsible for finalizing the approval process. Furthermore, one of the power plants that we acquired from EÜAŞ was exempt from obtaining a workplace opening and operation license, before we acquired it from EÜAŞ. We have made the relevant applications with the local municipality and anticipate obtaining the license for such power plant.

Furthermore, we are planning to make an application to the MENR, no later than July 24, 2026, in order to obtain a Compliance Certificate (as defined below) in accordance with the Law No.7554 for Bereket 1-2 HPP, Kızıldere GPP and Adıgüzel HPP. According to the Law No.7554, such Compliance Certificate will also serve as a workplace opening and operation license.

BUSINESS

Overview

We are the largest pure-play renewable energy generation company in Türkiye by installed capacity, with expertise in the development, acquisition and operation of hydroelectric, wind, geothermal and solar power plants (Source: Enerji Günlüğü & Kearney, “MW100 – Türkiye’s Top 100 Electricity Producers 2025 Research Report,” February 2025). We operate 25 renewable energy power plants across four regions of Türkiye, comprising 20 HPPs, three WPPs, a SPP and a GPP. Our power plants are located in the Black Sea, Marmara, Mediterranean and Aegean regions of Türkiye.

As of June 30, 2025, our total installed capacity was 1,186 MW, of which approximately 72%, or 852 MW, came from our HPPs and 21%, or 245 MW, came from our WPPs with the remainder coming from our SPP (82 MW) and GPP (7 MW).

Each year, we may opt into the Existing FiT scheme, provided we remain eligible, which helps us mitigate price risks. For the six months ended June 30, 2025, we sold approximately 43% of the total electricity we generated through the Existing FiT eligible scheme. Existing FiT sales have no price risk, as they allow for the sale of electricity at a fixed unitary dollar sale price for ten years (with the current applicable Existing FiT price being \$73/MWh) and depend on the volume of electricity generated. As of June 30, 2025, the average remaining Existing FiT period for our power plants (weighted by installed capacity) was 1.3 years. For further details on the Existing FiT, see “*Business—Feed-in Tariff Mechanism.*”

Our revenue for the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, was TL 10,923 million, TL 9,181 million, TL 6,584 million and TL 5,844 million, respectively. Our EBITDA for the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, was TL 9,910 million, TL 7,489 million, TL 4,944 million and TL 2,579 million, respectively. The figures for the years ended December 31, 2022, 2023 and 2024 have been adjusted to the purchasing power as of December 31, 2024, while the figures for the six months ended June 30, 2025 have been adjusted to the purchasing power as of June 30, 2025.

Aydem Holding is our principal shareholder, through its 100% shareholding in Aydem Enerji Yatırımları A.Ş., our parent company, and one of Türkiye’s largest companies operating in the energy sector, in terms of installed capacity. Aydem Group is Türkiye’s first private hydroelectric power generation company, first private electricity distribution company and first integrated energy group (combining generation, distribution and retail activities). As of June 30, 2025, Aydem Group had 2,131 MW of installed capacity, approximately 5.7 million retail customers and 6.3 million users connected to its electricity distribution system, and in the twelve months ended June 30, 2025, it had electricity sales of 25.0 TWh and distributed 27.5 TWh of electricity. Aydem Group is financially independent and manages its relationships with its subsidiaries by ring-fencing financing arrangements. In the year ended December 31, 2024, Aydem Group had \$3.6 billion in revenue and as of June 30, 2025 had over 10,300 employees.

Our near-term opportunities include additional capacity through hybrid generation at our existing power plants, wind capacity expansion plans and potential asset acquisitions where an acquisition’s return on investment aligns with management’s strategic goals for growth and prudent debt management.

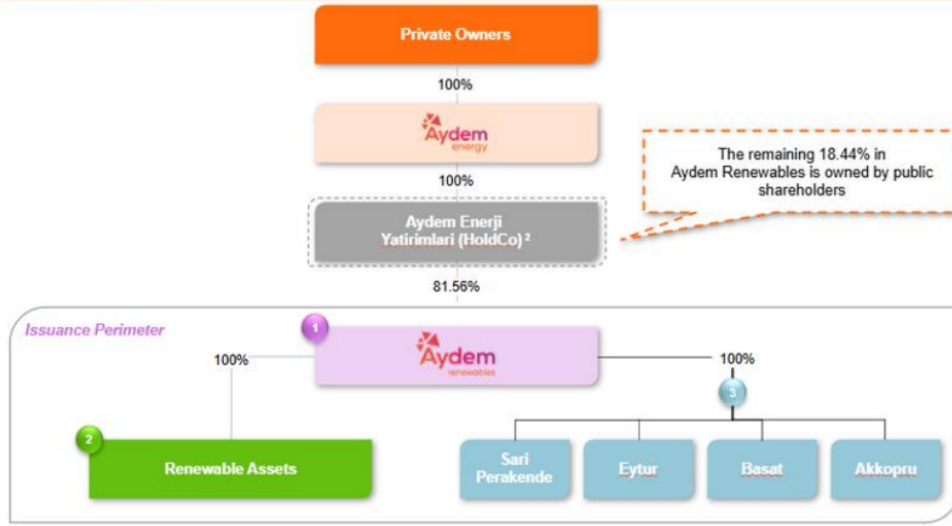
Corporate Structure

Our structure as of the date of this Offering Memorandum is illustrated by the graphic below:

Corporate Structure Chart



Aydem Group today



We have four subsidiaries:

- Ey-Tur Enerji Elektrik Üretim ve Ticaret Ltd. Şti. (“**Ey-tur**”), an HPP which does not currently have a license and is non-operational;
- Başat Elektrik Üretim ve Ticaret Ltd. Şti. (“**Başat**”), an HPP which does not currently have a license and is non-operational;
- Sarı Perakende Enerji Satış ve Ticaret A.Ş. (“**Sarı Perakende**”) which is focused on electricity trade and battery storage. Sarı Perakende is operational and has a license; and
- Akköprü Yenilenebilir Enerji Üretim A.Ş. which is focused on electricity generation using hydropower but does not currently have a license and is non-operational.

None of our subsidiaries is insolvent.

Competitive Strengths

We believe that the following are our key strengths:

Leading the transition to green energy

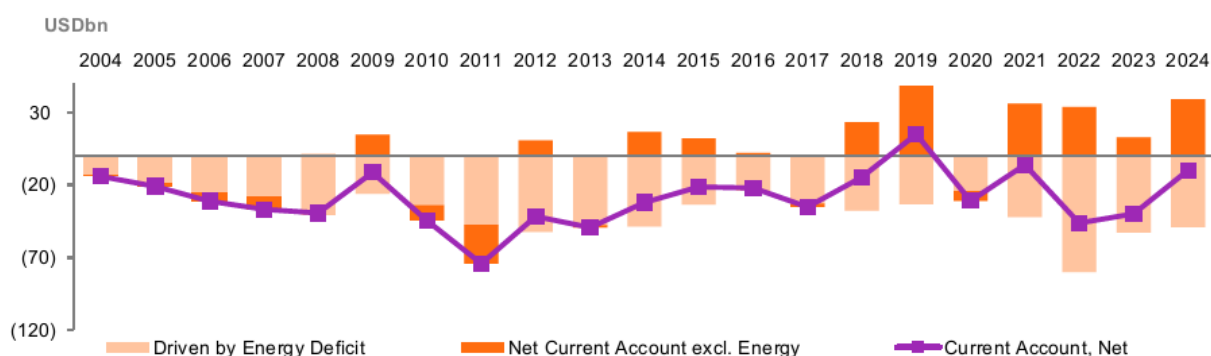
Global installed capacity for wind and solar energy is expected to increase from 3.9 TW in 2023 to 11.2 TW in 2030, in order to achieve a CAGR of 16.4% (Source: International Renewable Energy Agency – UAE Consensus Report, October 2024). To achieve the net-zero target by 2050, a total investment of \$31.5 trillion in renewable energy, grids, flexibility measures, energy efficiency, and conservation is required by 2030 (Source: IEA). The global demand for investments in renewable energy remains significant. In Türkiye, installed renewable energy capacity is projected to grow significantly. According to the Türkiye 2035 Renewable Energy Roadmap, the country's installed renewable energy capacity is expected to rise from approximately 67.4 GW as of September 2024 to 120 GW in 2035, with a CAGR of 5.8%. These projections emphasize the critical importance of continued investment and policy support to accelerate the transition to clean energy both globally and within Türkiye.

We play a strategic role in Türkiye's energy transition

Between 2004 and 2024, Turkish GDP (in nominal dollar value) grew at a CAGR of 6.1% compared to the EU which grew at a CAGR of 2.7%, while electricity demand in Türkiye increased by a CAGR of 4.3%, and by 2024-2029 Turkish GDP is expected to grow at a CAGR of 4.9% compared to 3.6% in the EU and electricity demand is expected to grow at a CAGR of 2.9% (Source: IMF World Economic Outlook, April 2025, TEİAŞ). A significant part of this demand growth was driven by commercial and industrial electricity consumption. As of December 2023, electricity consumption per capita in Türkiye was 3.8 MWh per year. Electricity consumption is expected to increase in the coming years to be more in line with the electricity consumption per capita in the EU and OECD which was 6.1 MWh per year and 7.5 MWh per year, respectively as of December 2022 (Source: International Energy Agency, December 2023). Historically, the growth of the Turkish renewable sector has been correlated with the growth of the overall economy and the related rise in electricity demand. In the twelve months ended June 30, 2025, renewables accounted for 44% of the total electricity generation in Türkiye (152.4 TWh of 349.1 TWh in total) and 60.9% of the electricity capacity in Türkiye (119.6 GW in total) (Source: TEİAŞ). We believe that further growth in Turkish GDP will drive an increase in demand for electricity in the future.

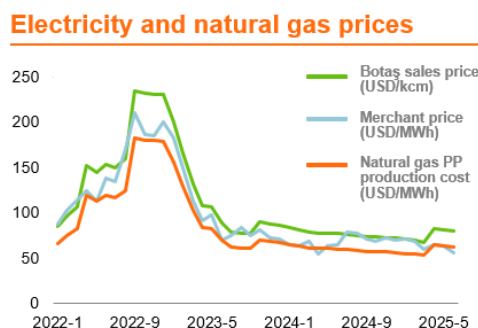
On the generation side, Türkiye had 119.6 GW of installed capacity as of June 30, 2025, 29.5% of which came from thermal plants running on imported fuels such as natural gas, imported coal and fuel oil, 9.6% of which came from thermal plants running on local coal and 60.9% of which came from renewable sources (Source: TEİAŞ). Turkish energy policy in recent years has been focused on increasing energy independence and security of supply. Furthermore, policymakers are focused on reducing the account deficit caused by fuel imports. As renewable energy is generated without the use of fossil fuels, the growth of renewable generation in Türkiye serves to both increase energy independence and to reduce the country's account deficit. Therefore, renewables are at the heart of Turkish energy policy for structural reasons and due to global trends favoring decarbonization.

The following chart shows how the growth of renewables since 2004 has helped Türkiye reduce its reliance on imports and its account deficit.



Source: Central Bank of Republic of Türkiye

Electricity prices are highly affected by the merit order system where typically the natural gas-fired power plants set the market clearing price. As such, fluctuations in natural gas prices have a direct and immediate impact on spot electricity prices as shown below:

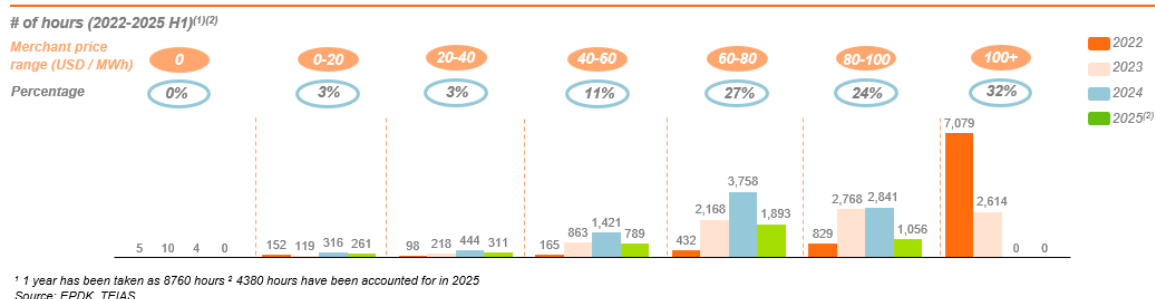


Source: EPIAŞ, BOTAŞ

This relationship is illustrated in the chart above, where merchant electricity prices (USD/MWh) closely mirror movements in BOTAŞ natural gas sales prices (USD/kcm) and the corresponding production costs of gas-fired power plants (USD/MWh).

As of December 31, 2023, 66% of Türkiye’s natural gas supply contracts were long-term contracts, with the remaining 34% spot market purchases. Of Türkiye’s natural gas supply contracts, 80% included take-or-pay provisions which provides a shield against global spot price fluctuations, reduces exposure to short-term market volatility and contributes to a more stable natural gas and electricity market. This is shown in the graph below, where 83% of the electricity prices between 2022 and the six months ended June 30, 2025 were higher than 60 USD/MWh:

Electricity price range



To incentivize rapid growth in renewable energy generation, the Government introduced various incentive programs for renewable investments, including the Existing FiT, which was introduced in 2005. The Existing FiT mechanism is applicable to all power plants that have a COD before June 30, 2021, and provides a ten year dollar-linked feed-in-tariff mechanism for greenfield renewable energy generation installations. Our portfolio includes four plants under this Existing FiT regime as of the date of this Offering Memorandum. For plants with a COD between July 1, 2021 and December 31, 2030, the Government has announced the New FiT. Under the New FiT, prices are determined in Turkish lira, and are updated every month based on inflation and dollar and euro exchange rates, with a fixed cap set in dollars. The Existing FiT is fixed and calculated in dollars, but the New FiT changes every month and is calculated in Turkish lira. The parameters used to calculate the New FiT are 25% PPI, 15% CPI, 30% dollar and 30% euro. The New FiT price varies according to the coefficient determined based on the monthly changes in these parameters. In addition, each resource type has a floor and ceiling price.

For further details, see “Regulatory Overview—Feed-in-Tariff Mechanism.” Currently, none of our power plants participates in the New FiT program. The Government’s other large renewable incentive program, YEKA, involves a 15-year Turkish lira, euro or dollar-linked feed-in-tariff mechanism and a 30-year license period. These programs demonstrate the Government’s commitment to our sector.

We are well-positioned to capture growth opportunities in hybrid, solar power and capacity extension

The Government is focused on significantly growing its renewable capacity in the coming years, and has set renewable capacity targets for the medium-term. For this purpose, it is targeting 120 GW of total WPP and SPP installed capacity by 2035, (Source: Republic of Türkiye, Ministry of Energy and Natural Resources, MENR “Renewable Energy 2035”). As of June 30, 2025, total wind power and solar power capacity was 36.4 GW and 83.6 GW remain to be developed (Source: TEİAŞ “Installed Capacity Report, June 2025”).

With our portfolio of 1.2 GW of installed capacity, strong cash flow profile, industry knowledge and expert management, we believe we are well-positioned to take advantage of this renewable energy expansion program. We are especially well-positioned to take advantage of opportunities in solar power, as Parla Solar, one of our affiliates, is a solar cell and solar panel producer. In the past five years, Parla Solar has developed solid expertise in the solar power industry, created long-lasting relationships with key Chinese and other global suppliers and delivered numerous solar power projects, gaining strong know-how in solar power development in Türkiye and enabling us to easily secure solar panel supply for our future solar power opportunities.

Our near-term opportunities include additional capacity through hybrid generation at existing power plants and wind capacity expansion and asset acquisitions where an acquisition’s return on investment aligns with management expectations.

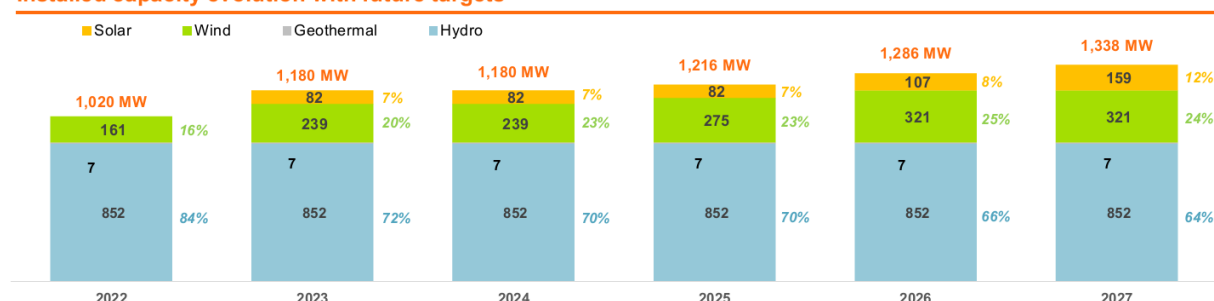
We plan to take advantage of the opportunity introduced by EMRA to generate electricity through ancillary sources at our power plants. See “*Regulatory Overview — Hybrid Power Plant Licenses.*” We have commissioned 82 MW SPP as auxiliary source to the existing Uşak WPP on February 23, 2023. Over the coming years, we plan to expand our auxiliary SPP capacity by a total of 77 MW, comprising of 25 MW floating hybrid SPP and 53 MW of land-based hybrid SPP. As we would only need pay for the cost of plant construction and can use existing land and grid connections at our power plants, our capital expenditure per MW of electricity generated at hybrid power plants will be lower than for greenfield projects. For instance, we expect that building solar power capacity at one of our existing power plants would result in total capital expenditure savings of 40% to 50% when compared to the capital expenditure required for a similarly sized typical standalone SPP. These savings are mainly expected to arise from shared use of infrastructure, such as transmission lines, land, and switchgear, as well as the absence of license acquisition costs. In addition, we expect that our operating expenses for these projects would be only 5% of revenue, compared to operating expenses of 13% to 15% of revenue for our new standalone projects, and there would be no related increase in the system usage fee. Multiple sources of electricity (such as water, wind and solar power) can be used to produce electricity at the same power plant using the same network infrastructure. EMRA has also in recent regulation allowed the addition of more capacity to the existing renewable generation power plants with different technology, making it possible to construct solar farms to complement existing wind plants, wind farms to complement existing hydro plants or to increase solar capacity on land and water surfaces of existing hydro power plants. EMRA also allows land acquisition or expropriation to expand hybrid capacity, at 15 decares maximum per a 1 MW hybrid source. This change has approximately doubled our potential hybrid investment capacity and we have therefore shifted our focus and resources towards hybrid investments rather than other investment opportunities with comparably lower returns. Hybrid opportunities allow us to increase our total capacity factor, increase our efficiency and diversify our generation profile. In 2023, 82 MW of hybrid generation was already commissioned, and we expect by 2027 to expand our solar hybrid generation by 159 MW.

In 2023, a 78 MW capacity increase was commissioned, comprising 66 MW at Uşak WPP and 12 MW at Söke WPP. Additionally, investments for a further 36 MW capacity expansion at Uşak WPP was commissioned. Of the 36 MW, 6 MW was completed in April 2025 and the remaining commissions which are pending MENR’s approval have been scheduled for the second half of 2025. In August 2025, an additional 12 MW increase was commissioned. Moreover, we plan to increase our WPP capacity by an extra 46 MW in the coming years,

unless additional capacity increases for our PPs are announced. As of the date of this Offering Memorandum, we have 152 MW of investment ongoing, consisting of hybrid solar and wind capacity expansion projects.

The following graph illustrates our capacity expansion since 2022 and our installed capacity expansion targets for 2025-2027.

Installed capacity evolution with future targets



In addition to short-term growth opportunities through hybrid investments and wind capacity expansion, our investment strategy also includes battery-integrated storage plants. In 2023, Aydem Renewables’ subsidiary, Sarı Perakende Enerji Satış ve Ticaret Inc., obtained preliminary licenses for several key projects:

- Kızılağaç Battery-Integrated Storage WPP – a 100 MW WPP integrated with a 100 MWh battery storage system located in Kızılağaç;
- Atlantis 1 Battery-Integrated SPP – a 200 MW SPP coupled with a 200 MWh battery storage system located in Urfa; and
- Atlantis 2 Battery-Integrated SPP – a 200 MW SPP with a 200 MWh battery storage system located in Urfa.

These projects mark a significant step forward in diversifying our portfolio and maintain our energy supply. The impact of these projects on our overall investment strategy is based on diversifying our generation portfolio to reduce the effects of climatic conditions. This strategy is critical to increase our competitiveness in the energy sector and to create a more balanced and sustainable energy generation portfolio. Diversification of energy generation sources makes us more resilient to different climate conditions and market fluctuations and aims to guarantee continuous energy supply.

A sizeable, modern, diversified and fast-growing energy portfolio

We are the largest pure-play renewable energy generation company in Türkiye by installed capacity among companies that operate exclusively in the renewable energy sector, with a portfolio of 25 power plants and installed capacity of over 1.2 GW (Source: Enerji Günlüğü & Kearney, “MW100 – Türkiye’s Top 100 Electricity Producers 2025 Research Report,” February 2025). As of December 31, 2024, approximately 72%, or 852 MW of our installed capacity came from our HPPs and 20%, or 239 MW of our installed capacity came from our WPPs, with the remainder coming from our SPP (82 MW) and our GPP (7 MW) and as of June 30, 2025, approximately 72%, or 852 MW of our installed capacity came from our HPPs and 21%, or 245 MW of our installed capacity came from our WPPs, with the remainder coming from our SPP (82 MW) and GPP (7 MW).

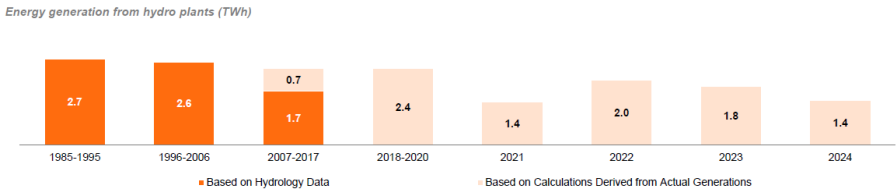
Our sizable portfolio provides stable cash flows, reduced balancing costs and operational knowledge that allow us to profitably manage our power plants. Power plants representing approximately 16% of our generation capacity started their operations in the past three years. As of June 30, 2025, the weighted average operating age of our WPPs, HPPs (excluding acquired power plants) and GPPs is 10 years, 12 years and 17 years, respectively with a weighted average remaining life of 33 years, 30 years and 27 years, respectively. The young

age of our power plants enables us to operate with no expected short-to-medium term major capital expenditure, such as plant overhauls and repowering needs. Acquired plants, excluding battery storage power plants, will need \$90 million of investments in the next three years.

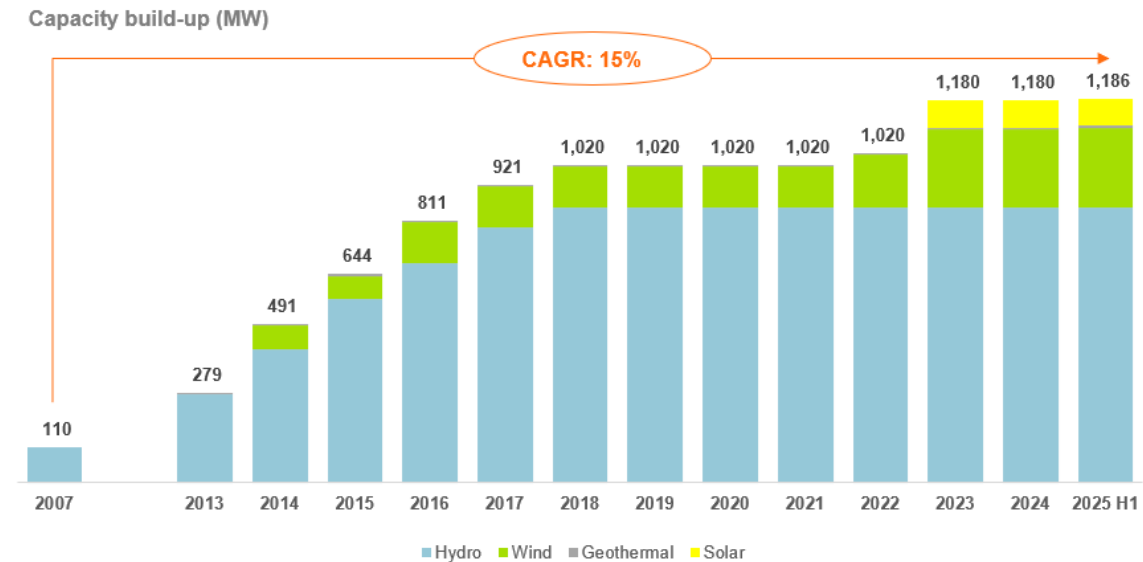
Our portfolio is geographically diversified within Türkiye, with plants in the Aegean, Marmara, Black Sea and Mediterranean regions of Türkiye. As of June 30, 2025, we have eleven HPPs (with a total installed capacity of 170 MW), two WPPs (with a total installed capacity of 191 MW), one SPP (with an installed capacity of 82 MW) and one GPP (with an installed capacity of 7 MW) located in the Aegean region which represent 38% of our total installed capacity. One HPP (with an installed capacity of 46 MW) and one WPP (with an installed capacity of 54 MW), together representing 8% of our total installed capacity, are located in the Marmara region. Four HPPs (with an installed capacity of 260 MW), together representing 22% of our total installed capacity, are located in the Black Sea region. Four HPPs (with installed capacity of 375 MW), together representing 32% of our total installed capacity, are located in the Mediterranean region.

The geographical breadth of our activities allows us to diversify the meteorological risk of individual regions across years and also acts to reduce the seasonal volatility of generation over the course of a year. In addition, our diversity of generation sources (which we may further expand through the addition of solar power generation resources at our existing power plants) allows us to reduce our reliance on particular sources of renewable energy.

The following graph illustrates the amount of energy generated from our hydro plants from 1985 to 2024.



Our portfolio is also fast-growing, with a CAGR between 2007 and the first half of 2025 of 15%, as illustrated by the following graph:



Notes:

- (1) Adıgüzel HPP and Kemer HPP were added to the portfolio when they were privatized in 2017.
- (2) Includes GPP.

Resilient and de-risked business model

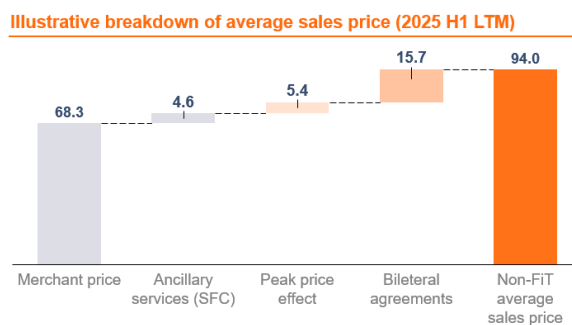
We have de-risked our business model, due to our dollar-linked Existing FiT revenue, our geographically diversified portfolio, our low cost base, the low average age of our assets and our price realization capabilities. In 2025, all of our FiT-eligible power plants will benefit from the Existing FiT mechanism.

In the year ended December 31, 2024 and the six months ended June 30, 2025, 40% and 48% (excluding electricity proprietary trading activities), respectively, of our revenues, were based on the dollar-denominated Existing FiT and our portfolio has, on average 1.3 years of Existing FiT remaining (weighted by installed capacity), with a fixed tariff of \$73/MWh for Existing FiT-eligible HPPs and WPPs. This stable revenue stream allows us to limit our exposure to foreign exchange and market risk. The New FiT will also provide us with a mechanism to hedge against volatility in the spot price of electricity.

Our EBITDA Margin for the years ended December 31, 2022, 2023 and 2024 and for the six months ended June 30, 2025 was 91%, 82%, 75% and 62% (excluding electricity proprietary trading activities), respectively. For the years ended December 31, 2022, 2023 and 2024 and for the six months ended June 30, 2025, 60%, 72%, 80% and 37% of our costs, respectively, excluding depreciation and amortization costs, were fixed, with the remaining 40%, 28%, 20% and 19% (excluding electricity proprietary trading activities) being variable. This high ratio of the fixed costs offers us a predictable financial structure. In addition, a large part of our income is indexed to the dollar-based Existing FiT mechanism, and most of our costs are in Turkish lira. This gives us a cost advantage if the dollar gains value against the Turkish lira.

In addition, our HPPs benefit from being geographically diversified throughout Türkiye, which helps ensure more stable annual average water flows in aggregate. See “—HPPs.”

In addition to being geographically diversified, we enjoy higher average electricity sales prices than merchant prices. In the six months ended June 30, 2025, we had an average sales price of 79 USD/MWh compared to the average merchant price in Türkiye of 63.8 USD/MWh. We have three reservoir-based HPPs (Göktas I, Adıgüzel and Kemer HPPs) and six HPPs which are located downstream from other reservoir-based HPPs. Our reservoir-based HPPs contribute to our higher electricity sales prices because they can generate electricity during peak hours. We also participate in the ancillary services market with Göktas I HPP (122.2 MW), where pricing is typically above spot market levels.



Furthermore, by leveraging our scale and operational knowledge, we are able to operate on a low cost base, with variable costs accounting for 20% and 80% of our operational costs and fixed costs accounting for the balance, in the year ended December 31, 2024, respectively, and 19% and 81% of our operational costs and fixed costs accounting for the balance, in the six months ended June 30, 2025, respectively.

Finally, our power plants have a low average age, and our portfolio is characterized by low and stable maintenance capital expenditure requirements, which contributes to our strong cash generation capacity. See “Regulatory Overview—Renewal and Amendment of Generation Licenses.”

Our teams consistently achieve excellence in operations and maintenance through a solid base of technical know-how

Our expert team, backed by high quality equipment, ensures that our portfolio maintains high levels of availability in a cost-efficient manner. Our in-house operations and maintenance team consists of 550 employees as of June 30, 2025, and all operations and maintenance work for our HPPs, GPP and LFG were conducted in-house. We use third-party contractors to maintain our WPPs. For the year ended December 31, 2024, our HPPs and WPPs had long-term average availability of 99.7% and 99.4%, respectively, and the EFOR was 0.3% for HPPs and 0.6% for WPPs. For the six months ended June 30, 2025, our HPPs and WPPs had long-term average availability of 99.97% and 99.6%, respectively, and the EFOR was 0.03% for HPPs and 0.4% for WPPs.

Experienced management team and commitment to high standards of corporate governance

Our management has an average industry experience of about 20 years and is experienced in all aspects of the power sector in Türkiye. Our management has clear accountability and is compensated through performance KPIs, which vary depending on the role. Our board of directors comprises four Principal Shareholder representatives and four independent non-executives. Overall, our structure maintains high standards of corporate governance. The combination of our leadership and sufficient staffing allows us to operate effectively and consistently.

Our Strategy

To achieve our goals, we intend to pursue the following strategies:

We exclusively focus on renewable energy and have a long-standing history of developing renewable energy power plants, as well as proven acquisition capabilities which have given us a strong knowledge base. We are committed to growing shareholder value. Our ambition is to become the largest renewable energy producer in Türkiye through investments that support high profitability and stable cash flows. To achieve this ambition, we intend to pursue the following strategies:

Execute our growth strategy to become the largest renewable energy producer in Türkiye

We are currently the largest pure-play renewable energy generation company in Türkiye by installed capacity among companies that operate exclusively in the renewable energy sector (Source: Enerji Günlüğü & Kearney, “MW100 – Türkiye’s Top 100 Electricity Producers 2025 Research Report,” February 2025). We aim to expand our operations to become the largest renewable energy generation company in Türkiye, surpassing other corporates whose renewable energy operations currently have a greater installed capacity. The Turkish renewable energy market is fragmented; there are 86 different private producers with more than 100 MW in installed capacity, with the largest private producer having only 3% of total installed capacity and a renewable portfolio that is only approximately 700 MW larger than ours (Source: IEA, TEİAŞ “2023 Installed Capacity Report”). There are various inorganic and organic growth opportunities for us in the market and we believe we are well positioned to seize these opportunities.

We are highly selective in choosing growth opportunities to pursue, and have structured internal processes to execute on any opportunities we choose to pursue. As part of this strategy, we recently created a project and development team to select and pursue growth opportunities, and we regularly monitor the market for both organic and inorganic opportunities that fall within our investment criteria.

Our development team investigates growth opportunities and conducts preliminary due diligence. If the team believes the growth opportunity is worth pursuing, it brings it to the attention of our investment committee. Our investment committee, which reports to the Board of Directors, evaluates all investment opportunities above \$1 million, thereby ensuring that any new investments meet our investment criteria. If the investment committee gives preliminary approval, the opportunity is then presented to the Board of Directors for a final investment decision. For further details on our acquisition criteria, see “—*Investment Strategy*.”

We also intend to grow by taking advantage of the opportunity to generate electricity through ancillary sources at our existing power plants, as this will allow us to increase our total capacity factor, diversify our generation profile and increase efficiency by lowering our capital expenditure costs per MW of electricity generated at our power plants. In particular, we intend to use solar power sources to generate and sell additional electricity at peak times, when spot prices are high. This will enable us to increase our revenue per power plant and, following the expiry of the Existing FiT period for a power plant, it will enable that plant to maintain a higher average price.

Achieve high availability rates

We intend to maintain and improve our track record of operational excellence. This begins in the development phase, with the procurement of high-quality equipment, and continues through to our power plant and market management.

Our objective is to achieve high availability rates for our portfolio. To do so, we equip our plants with high quality turbines, monitor our assets using our IT capabilities and employ an in-house operating and maintenance team. We aim to achieve optimal plant availabilities and reliable dispatch through a high-quality, yet cost-effective, in-house operations and maintenance platform. The turbine brands we use include industry-leading names such as Voith, Alstom and Dongfang for hydroelectric plants and Vestas and Sinovel for wind plants.

As of June 30, 2025, we had a team of 550 employees dedicated to the operation and maintenance of our portfolio. The team is split into field staff and main office staff, with the operation and maintenance of the portfolio being generally undertaken by the in-house field staff technical team of 408 employees, including 21 operation engineers, 198 operations technicians, 81 maintenance technicians and 108 support personnel. Our field staff is supported by the main office staff of 142 employees, including 38 engineers, 23 technicians and 81 support personnel.

We intend to continue using an in-house operations and maintenance team, as we believe this provides the reliability and continuous high performance that we seek, as well as enables us to develop a deep knowledge base for each of our power plants.

Generate maximum revenue using our production capabilities

We generate revenue from electricity through five different channels: (i) sales under the Existing FiT mechanism, (ii) spot market sales, (iii) sales under bilateral agreements, (iv) revenue generated from the ancillary services market by our balancing unit power plants (as defined below) and (v) revenue generated from the provision of balancing services by our balancing unit power plants.

We choose between applying for Existing FiT mechanism or selling electricity at spot market prices every year for each power plants that is able to benefit from the Existing FiT mechanism. Every year by October, our energy trade team evaluates the market for the coming year and chooses whether to apply the Existing FiT for each power plant. The amount of production that could fall within the scope of the Existing FiT eligible mechanism was 73% of the total revenue for the year ended on December 31, 2024 and 45% (excluding electricity proprietary trading activities) of the total revenue for the six months ended June 30, 2025.

Our energy trade team manages the production of all power plants in the day-ahead and intra-day markets. For energy traded in the day-ahead and intra-day markets, the energy trade team makes production forecasts for the next day for hourly trading periods and closes any remaining open positions in the intra-day markets to maximize revenue. We have become a member of a large balancing group to minimize imbalance costs that cannot be prevented.

On March 8, 2020, FiT Regulation introduced for hybrid power plants allows a power plant to operate with multiple energy sources. On June 18, 2020, EMRA introduced the Principles to determine the areas integrated on the existing preliminary or generation licenses of hybrid power plants. Lastly, on April 15, 2021, with the Decision No.10142, the principles of applications to be made within the scope of hybrid power plants are regulated. See “*Regulatory Overview—Hybrid Power Plant Licenses*” and “*—Our Strengths— We are well-positioned to capture growth opportunities.*” We intend to take advantage of the opportunity to generate electricity through ancillary sources at our power plants, as this will allow us to increase our total capacity factor and increase efficiency by lowering our capital expenditure per MW of electricity generated and diversify our generation profile. In particular, we intend to use solar power sources to generate and sell additional electricity at peak times, when spot prices are high. This will enable us to increase our revenue per power plant and, following the expiry of the Existing FiT period for a power plant, it will enable that plant to maintain a higher average price.

Maintain fiscal discipline and maximize shareholder value

We intend to maintain and further improve our profitability, and to focus on cost reduction. We have enrolled our eligible plants in the Existing FiT mechanism, which allows us to maintain pricing stability through dollar-linked fixed tariffs for the plants that benefit from the Existing FiT. 80%, 30%, 40% and 48% (excluding electricity proprietary trading activities) of our revenues for the years ended December 31, 2022, 2023 and 2024 and June 30, 2025, respectively, were generated through dollar-linked Existing FiT. The young age of our power plants, our operational knowledge, and our lean and cost-conscious corporate structure allow us to operate our portfolio with high EBITDA margins, as demonstrated by our 91%, 82%, 75% and 62% (excluding electricity proprietary trading activities) EBITDA margin for the years ended December 31, 2022, 2023 and 2024 and for the six months ended June 30, 2025, respectively. We intend to maintain and further improve our profitability through investment opportunities that fit our investment criteria, with similar financial profiles and remain focused on cost reduction.

As of June 30, 2025, 89% of all assets on our balance sheet were fixed assets, and we had a 4.8x Net Financial Liabilities/EBITDA ratio (in dollar terms). As of December 31, 2024, 86% of all assets on our balance sheet were fixed assets, and we had a 4.2x Net Financial Liabilities/EBITDA ratio (in dollar terms). For new investments, we target a leverage ratio that does not exceed our corporate leverage ratio. This concentration, together with our existing debt payment plan, is structured to ensure the stability of our cashflow and financial condition from the perspective of servicing our debt.

Uphold globally recognized environmental, social and governance standards

Compliance with ESG standards is an ongoing process and requires continuous improvement in response to changing regulations and business needs.

We regularly monitor and improve ESG performance by ensuring a safe working environment in all of our workplaces and encourage the participation of all employees and the support of senior management in improving our ESG culture. We apply the principles of “zero work accidents” and “zero occupational disease” and take measures to minimize the potential harmful consequences of accidents or emergencies that may occur during our activities. We have kept our lost time incident frequency rate at nil in the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025. We have also decreased our total reportable incident frequency rate, from 1.6 in 2022 to 3.3 in 2023 to 1.7 in 2024.

Furthermore, we conduct health and safety training on a regular basis, with continuous improvements in response to changing regulations and business needs. In addition, we provide induction training to our staff when they are admitted to our workplaces. We plan to further strengthen our environment management systems and culture, by providing trainings and auditing activities. We are one of the few electricity generation companies in Türkiye to have received the ISO 14001 certification in recognition of environmental management systems, ISO 50001 recognition of energy management, ISO 9001 for quality management, ISO 45001 in recognition of occupational health and safety standards and ISO 27001 in recognition of information security management for all of our power plants, and to meet the requirements of UN Global Compact Accreditation.

ESG is also closely monitored by our management as a matter of top priority. We have a Sustainability Committee and a Health, Safety and Environment Committee (“**HSE Committee**”) composed of the General Manager, the Sustainability, Occupational Health and Safety, Environment and Integrated Management System Manager, the Operations Director and the Maintenance and the Project Director. The committee regularly reviews and evaluates the ESG performance and makes necessary recommendations to Board of Directors and follows up on major precautionary items.

We also intend to maintain high standards of corporate governance. In particular, we plan to include independent non-executive directors on our Board of Directors, maintain board committees including an Audit Committee, a Corporate Governance Committee, an Early Risk Determination Committee, an Investment Committee and a HSE Committee. In addition, we plan to maintain “three lines of defense” with respect to our internal controls, and hire a Compliance Director.

Grow Sustainably

We are focused on ensuring the sustainability of natural resources and the environment, while offering more efficient solutions to today’s needs and using innovation as a key starting point to build a better future. To that end, we commissioned Environmental Resources Management (“**ERM**”) to conduct a corporate environmental and social assessment and provide an independent overview on how corporate environmental and social aspects (including health and safety liability exposure risks) were managed at our assets as well as on a corporate level, and to evaluate the performance of our current operations and assets/facilities. ERM observed that we have taken important steps to go beyond national requirements and improve the conditions at our sites, and provided several recommendations which we intend to follow. For further details on the report, see “—*Health, Safety, Environment and Sustainability—Sustainability*.”

History

The timeline below sets out certain key events in our corporate history.

1980	Our two founders, Ceyhan Saldanlı and Ali Yağlı (who are also our principal indirect shareholders, indirectly holding 72.70% and 23.80% of the Shares, respectively), together with their two partners, established Elsan Elektrik, the first company of what is now known as Aydem Group.
1995	The first energy generation company within Aydem Group, Bereket Enerji Üretim Oto Prodüktör Grubu Sanayi ve Ticaret Anonim Şirketi (which later changed its trade name to the current trade name of the Issuer), was established to generate electricity from domestic and renewable sources. We also began construction of the Bereket I Hydroelectric Power Plant (“ Bereket I ”) on the Çürükçü Brook in Denizli.

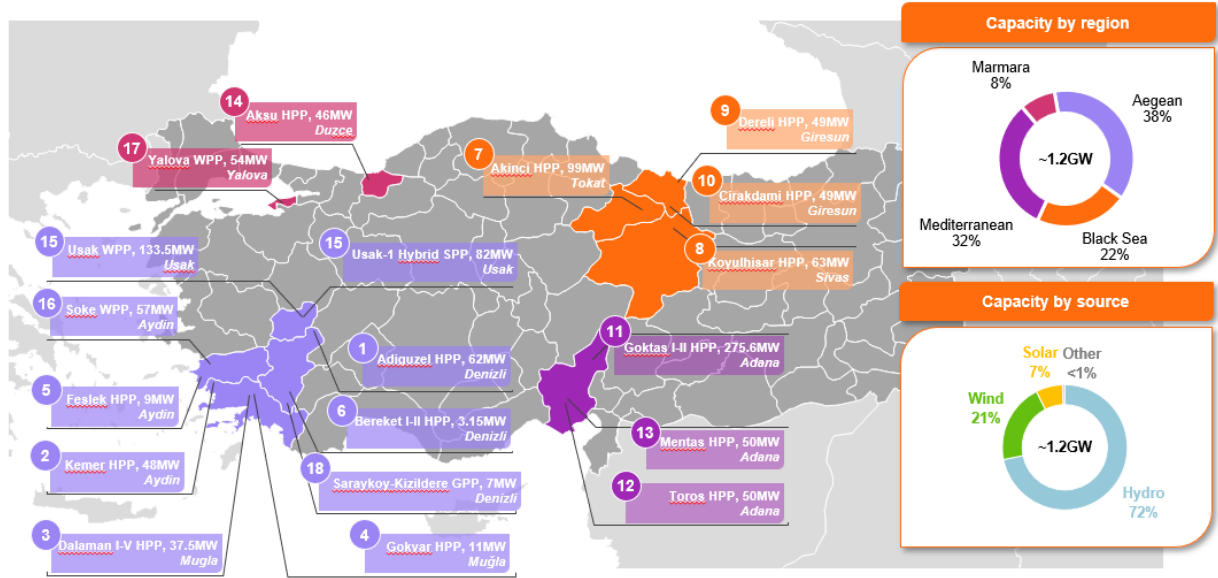
1997	Construction of Bereket I was completed and it began operations as Türkiye's first private HPP.
2008	The Kızıldere GPP, our first and only GPP, began operations.
2012	Our first and only LFG power plant, Kumkısıık Landfill Gas Power Plant, began operations.
2014	Uşak WPP, our first WPP, began operations.
2015	Aydem Holding was established. Our largest HPP, Göktaş II HPP began operations in October.
2016	We won the tender for privatization of the Kemer and Adıgüzel HPPs. Göktaş I HPP, began operations in December.
2019	We started our Corporate Reorganization and rebranded ourselves under the name Aydem Yenilenebilir Enerji A.Ş.
2020	We joined the Global Compact in February 2020, and became a signatory of UNGC. We completed our Corporate Reorganization.
2021	In April 2021, we completed our initial public offering, where 18.4% of our shares are listed on Borsa İstanbul. We issued Türkiye's largest green corporate bond offering worth \$750 million. The Issuer's loan debts to the banks have all been repaid with the amount obtained through the bond issuance; and the remaining amount will be used within the next three years in line with the goal of doubling our installed power. For the third time, we were recognized as a "Low Carbon Hero" by the Sustainable Production and Consumption Association ("SÜT-D"). We elevated our CDP Climate Change and Water Security ratings to a B Management Level, the highest rating received in Türkiye's energy sector. In CDP Supplier Engagement Rating ("SER"), we achieved the highest rating received in Türkiye's energy generation sector in 2021, reaching an A Leadership Level. Akköprü Yenilenebilir Enerji Üretim A.Ş. was established in 2021.
2022	LFG power plant was transferred to Denizli Büyükşehir Belediyesi on June 17, 2022. Auxiliary Source SPP investment approvals were obtained for Uşak WPP, Yalova WPP and Söke WPP. Installation works of the Uşak WPP Hybrid SPP 82.15 MW project were completed. Kumkısıık LFG Power Plant, whose generation license expired, was transferred to Denizli Metropolitan Municipality. Our first Annual Report received five awards at the LACP 2021 Vision Awards. We were selected for BIST Corporate Governance Index (XKURY) and won the "IPO/Equity Capital Markets Deal of the Year" and placed second for the "Corporate Bond Deal of the Year" at the Bonds and Loans conference in

	Türkiye. We received the “Best Hybrid Power Plants” and “Best Main Equipment” awards at the ICCI Energy Awards.
2023	On February 23, 2023, MENR approved the commissioning of Uşak Hybrid SPP, Türkiye’s largest hybrid solar power plant, with a capacity of 82.15 MW. Our pre-license application for a total capacity of 500 MW (200 MW Atlantis-1 SPP, 200 MW Atlantis-2 SPP and 100 MW Kızılağaç WPP), including 400 MW SPP and 100 MW WPP, for storage generation facilities through Sarı Perakende Enerji Satış ve Tic. A.Ş, a 100% subsidiary was also accepted. On June 8, 2023, MENR approved our application for a 54 MW capacity increase at Uşak WPP. Subsequently, on August 31, 2023, MENR approved an additional application for a 12 MW capacity increase at Uşak WPP. As of December 15, 2023, MENR accepted our proposal to increase the capacity at the Söke WPP by 12 MW. We commissioned 11 wind turbines, each with an installed capacity of 6 MW, at Uşak WPP, increasing the plant’s total installed capacity from 61.5 MW to 127.5 MW. These turbines have the largest rotor diameter in Türkiye. We commissioned two 6 MW turbines at Söke WPP, increasing the plant’s installed capacity from 45 MW to 57 MW. Selected for BIST Sustainability Index and received the “Bronze Stevie®” award for our “Purple Turbine Blades Project.”
2024.....	An application was made to the EMRA for the termination of the production licenses of Ey-Tur and Başat, subsidiaries of Aydem Yenilenebilir Enerji A.Ş. The termination request was approved by the board decision dated June 13, 2024 published in the Official Gazette dated July 5, 2024. Our investor relations website received “Gold Stevie®” awards in the “Energy” and “User Experience” categories at The Stevie International Business Awards®. As part of the capacity increase at Uşak WPP, five 1.5 MW turbines in the most productive area were replaced with 6 MW turbines. Additionally, five old turbines and one new turbine were installed in different parts of the site. Our integrated report received six Awards, including Platinum, from LACP Vision Awards and we ranked 61st in the Top 100 Reports list worldwide. We also won the third prize in the Sustainability Management category at the Green Transformation Awards organized annually by the Istanbul Chamber of Industry and were the highest rated company in the BIST Electricity Index for our corporate governance principles.
2025.....	We received the highest possible rating, “A Leadership Level,” in both the CDP Climate Change and Water Security Reporting for 2024 and were included in the Global A List for achieving top scores in both categories for a third consecutive year. We were the only company in Türkiye to receive “A Leadership Level” in both areas across all sectors and the only one in the energy sector to do so in 2024. As part of the 54 MW capacity increase at Uşak WPP, EMRA commissioned 6 MW increase on April 18, 2025 and an additional 12 MW increase on August 14, 2025.

Our Operations

We operate 25 renewable energy power plants, comprising 20 HPPs, three WPPs, one SPP and one GPP. Our power plants are located in the Black Sea, Marmara, Mediterranean and Aegean regions of Türkiye. As of June 30, 2025, our total installed capacity was 1,186 MW, of which approximately 72%, or 852 MW, came from our HPPs and 21%, or 245 MW, came from our WPPs, with the remainder coming from our SPP (82 MW) and our GPP (7 MW).

The following map shows the locations of our power plants:



The following table provides an overview of our power plants as at the date of this Offering Memorandum:

Name of power plant	Location	Installed Capacity (MW)	Commercial Operations Date	Existing FiT expiration date (if applicable)
Hydroelectric				
Aksu HPP	Düzce (Black Sea)	46.20	2014	2024
Akıncı HPP	Tokat (Black Sea)	99.00	2018	2028
Dereli HPP	Giresun (Black Sea)	49.20	2014	2024
Çırakdamı HPP	Giresun (Black Sea)	49.10	2012	2023
Kemer HPP	Aydın (Aegean)	48.00	1958 ⁽¹⁾	N/A
Feslek HPP	Aydın (Aegean)	8.84	2004	N/A
Bereket HPP I	Denizli (Aegean)	1.54	1997	N/A
Bereket HPP II	Denizli (Aegean)	1.61	1998	N/A
Adıgüzel HPP	Denizli (Aegean)	62.00	1993 ⁽²⁾	N/A
Koyulhisar HPP	Sivas (Black Sea)	63.00	2009	N/A
Gökyar HPP	Muğla (Aegean)	10.95	2006	N/A
Dalaman I HPP	Muğla (Aegean)	7.50	2005	N/A

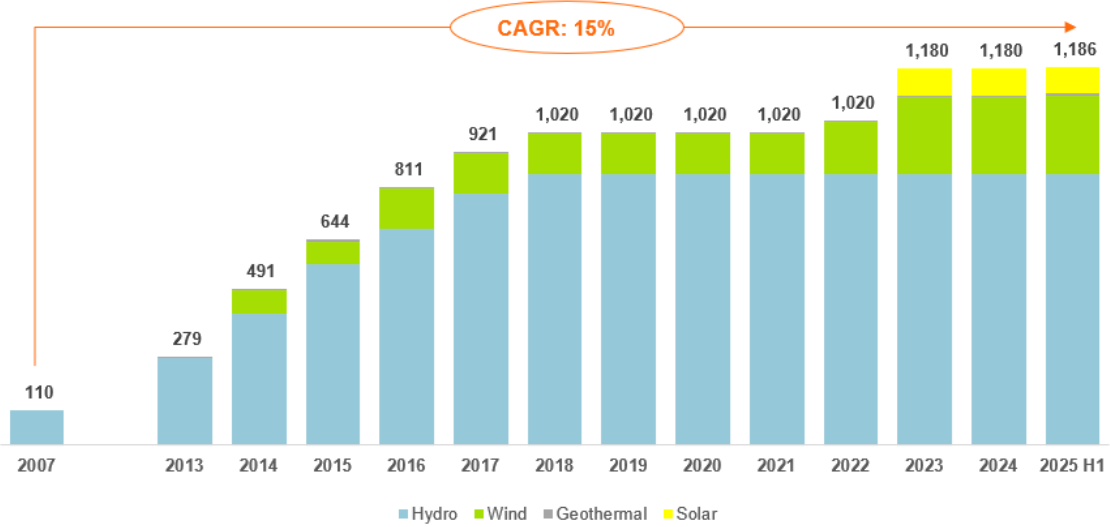
Name of power plant	Location	Installed Capacity (MW)	Commercial Operations Date	Existing FiT expiration date (if applicable)
Dalaman II HPP.....	Muğla (Aegean)	7.50	2001	N/A
Dalaman III HPP	Muğla (Aegean)	7.50	2000	N/A
Dalaman IV HPP	Muğla (Aegean)	7.50	1999	N/A
Dalaman V HPP.....	Muğla (Aegean)	7.50	2001	N/A
Mentaş HPP	Adana (Mediterranean)	49.60	2006	N/A
Toros HPP	Adana (Mediterranean)	49.99	2013	2023
Göktaş HPP I.....	Adana (Mediterranean)	122.20	2016	2025
Göktaş HPP II.....	Adana (Mediterranean)	153.40	2015	2025
Wind				
Yalova WPP	Yalova (Marmara)	54.00	2016	2026
Söke WPP.....	Aydın (Aegean)	57.00	2015 ⁽³⁾	2026
Uşak WPP.....	Uşak (Aegean)	133.50	2014 ⁽⁴⁾	2024
Geothermal				
Sarayköy- Kızıldere.....	Denizli (Aegean)	6.85	2008	N/A
Solar				
Uşak SPP	Uşak (Aegean)	82.15	2023	2024

Notes:

- (1) We purchased Kemer HPP as part of an asset privatization process in May 2017.
- (2) We purchased Adıgüzel HPP as part of an asset privatization process in May 2017.
- (3) As of December 15, 2023, MENR approved a 12 MW capacity increase at Söke WPP by 12 MW.
- (4) As of June 8, 2023, MENR approved our application for a 54 MW capacity increase at Uşak WPP. Subsequently, on August 31, 2023, MENR approved an additional application for a 12 MW capacity increase, on April 18, 2025 an additional 6 MW and on August 14, 2025, additional 12 MW increase at Uşak WPP.

The following chart shows our capacity build-up and increases to the installed capacity for our HPPs, WPPs and other power plants in the period between 2007 and June 30, 2025.

Capacity build-up (MW)



Notes:

(1) Adigüzel hydro plant (62MW, COD: 1996) and Kemer hydro plant (48MW, COD: 1958) accounted into the portfolio since date of privatization (2017)

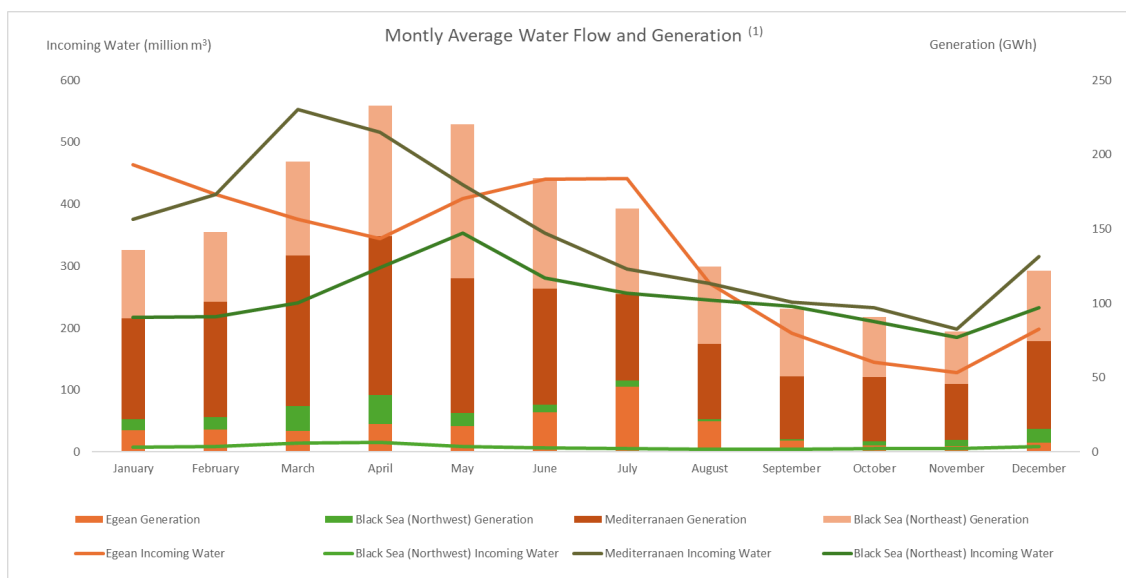
(2) Geothermal and biogas.

HPPs

Our HPPs have a weighted average age of 12 years since their COD and an Availability Factor Average of 99.97% as of and for the six months ended June 30, 2025. Our HPPs represent the majority of our business, with 84%, 72%, 72% and 72% respectively, of our installed capacity, 81%, 77%, 66% and 69% respectively, of our Net Generation and 79%, 75%, 64% and 44% respectively, of our net sales, in each case as of and for the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, coming from our HPP operations.

Our HPP portfolio is regionally diverse, as it is spread across four different hydrological regions, with each region having different stream characteristics. As of June 30, 2025, 20% (170.4 MW) of our installed capacity came from HPPs in the Aegean region, 44% (375.2 MW) came from HPPs in the Mediterranean region, 31% (260.3 MW) came from HPPs in the Black Sea region and 5% (46.2 MW) came from HPPs in the Marmara region. This regional diversity benefits our operations by smoothing out our electricity generation levels from HPPs throughout the year, as different regions experience different weather patterns and hydrological conditions.

The following table shows the maximum average amount of power we able to generate by region over the course of a year, during the period between 2018 and June 30, 2025.

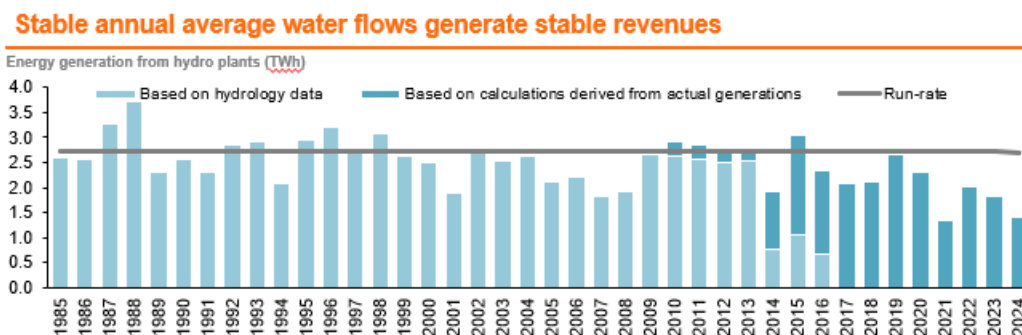


Source: Calculated by proportioning the total of 7-year monthly generation on the basis of the region to the total of 7-year monthly generation from the all HPP in the relevant quarter.

Note:

(1) Line graphs indicate incoming water; bar graphs show generation.

The following table shows the annual average amount of power we have generated from our HPPs between 1985 and 2024.

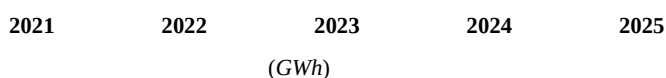


Note:

(1) Total TWh production assuming that all power plants of the Issuer were operational since 1985. All data shown in light blue are sourced from Hidro Dizayn (an affiliate of Engie/Tractebel). Any missing hydraulic data for any power plant has been supplemented with management data. The dark blue data from 2010 to 2024 refers to actual hydraulic data accumulated by management for the specific power plants for which hydraulic data is not available. Management data is adjusted to account for outages.

Source: Hidro Dizayn

Power generation from our HPPs tends to pick up in the second quarter of the year based on the hydrology pattern of our power plants as shown in the table below.



First quarter	319	537	306	488	296
Second quarter	496	696	710	480	516

Our HPP portfolio includes both “run-of-the-river” and “reservoir-based” HPPs, with 73% of our installed capacity (619.9 MW) coming from “run-of-the-river” HPPs and 27% of our installed capacity (232.2 MW) coming from “reservoir-based” HPPs as of June 30, 2025. Our “run-of-the-river” HPPs and our “reservoir-based” HPPs generated 736.7 MW and 76.6 MW electricity in the six months ended June 30, 2025, respectively.

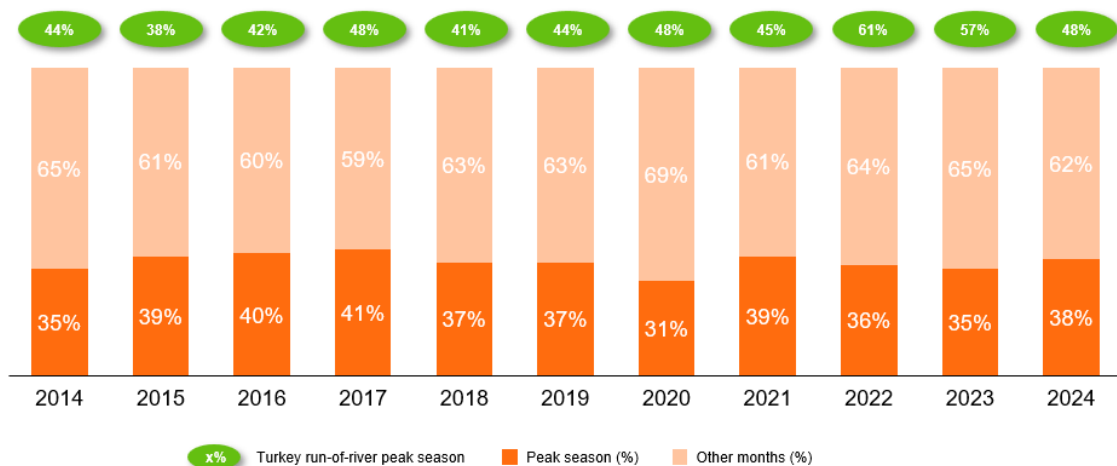
To operate our HPPs, we must enter into WUAs with the DSİ. For further details, see “—*Material Contracts—Water Usage Agreements.*”

Run-of-the-river HPPs

Run-of-the-river HPPs generate electricity through transferring water from the main source to a headpond via a water transmission tunnel or channel, and then converting pressurized water into electricity by transmitting it to a turbine through a penstock. Electricity can also be produced by transferring pressurized water to turbine from the regulated structure without a transmission tunnel or channel in run-of-the-river HPPs. Gökyar, Dalaman I-IV and Mentaş HPPs generate electricity using the diversion of water from the main water course, while Aksu, Akıncı, Dereli, Çırakdamı, Feslek, Bereket, Koyulhisar, Dalaman V, Toros and Göktaş II HPPs generate electricity through the use of a small elevated dam.

We target sites with a steady and substantial flow of water for our run-of-the-river HPPs, with elevation decreases that enhance the water’s kinetic energy that can be captured. Once built and in operation, run-of-the-river HPPs require minimal maintenance, and the major components of these HPPs, such as hydraulic turbines, do not require frequent replacement. In addition, our run-of-the-river HPPs require low operational expenditure. While run-of-the-river HPPs cause greater environmental impact during the installation phase than reservoir based HPPs due to construction structures (such as water transmission channels and tunnels), their impact on the environment during operation is lower than reservoir-based HPPs.

The following table shows the share of run-of-the-river hydroelectric generation during “peak season” (defined as the months of March, April and May) between 2014. Typically, the peak season represents a larger share of the annual generation output in the overall Turkish run-of-the-river hydroelectric generation market.



Reservoir-based HPPs

Reservoir-based HPPs function by storing a body of water behind a dam and then releasing it in a controlled manner to generate electricity. Water released from the dam flows through turbines, which activate generators to produce electricity. The power extracted from the water depends on the volume and on the difference in height between the water's source and its outflow.

Certain reservoir-based HPPs are classified as irrigation dams. These power plants cannot independently schedule their production. Production forecasts for these power plants are set by DSİ and they produce electricity according to this forecast. Dams that are not irrigation dams can independently schedule their production (they only provide yearly estimates at the beginning of the year to DSİ).

Non-irrigation reservoir-based HPPs can provide base load capacity and can also be shut down or restarted at short notice according to the demands of the system. Dams can offer enough storage capacity for reservoir-based HPPs to operate independently of the hydrological inflow for an extended period, thus mitigating the impact of seasonal variations and droughts on power generation from HPPs.

Kemer and Adıgüzel are irrigation reservoir-based HPPs and Göktaş I is a non-irrigation reservoir-based HPPs.

Our Key HPPs

As of June 30, 2025, four of our HPPs (Akıncı HPP, Göktaş I HPP, Göktaş II HPP and Koyulhisar HPP) individually constituted more than 5% of our total installed capacity and collectively constituted 37% of our total installed capacity, and for the years ended December 31, 2022, 2023 and the six months ended June 30, 2024 and 2025, these power plants generated in aggregate 49%, 51%, 38% and 21%, respectively, of our EBITDA.

Akıncı HPP

Our Akıncı HPP has been in operation since October 2018 and has an installed capacity of 99 MW. The electricity generated through this HPP is sold through the Existing FiT, which will remain in place until December 31, 2028. The operational license for Akıncı HPP was granted in March 2012, and is valid until April 2056.

We maintain insurance coverage for this plant, including comprehensive machinery insurance, third party liability insurance and employer's liability insurance.

Göktaş I and II HPPs

Our Göktaş I and II HPPs have been in operation since December 2016, and October 2015, respectively. They have a combined installed capacity of 275.6 MW. The electricity generated through these HPPs is sold through the Existing FiT, which will remain in place until December 31, 2025. The operational license for our Göktaş HPPs was granted in December 2006, and is valid until December 2055. We maintain insurance coverage for these plants, including comprehensive machinery insurance, third party liability insurance and employer's liability insurance.

Koyulhisar HPP

Our Koyulhisar HPP has been in operation since May 2009, and has an installed capacity of 63 MW. The electricity generated through this HPP is sold through merchant sales. The operational license for Koyulhisar HPP was granted in February 2005, and is valid until February 2045.

We maintain insurance coverage for this plant, including comprehensive machinery insurance, third party liability insurance and employer's liability insurance.

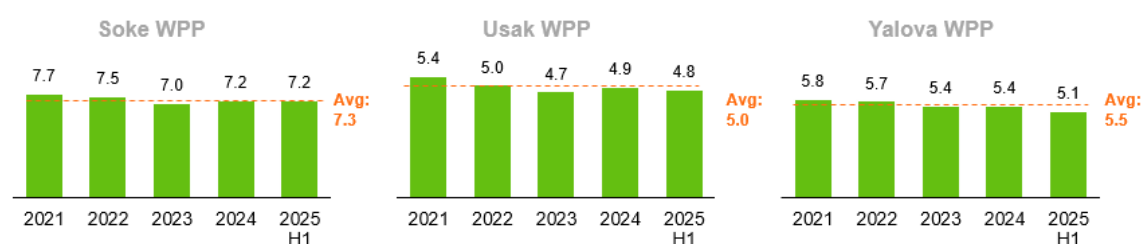
WPPs

We currently operate three WPPs, with a total installed capacity of 244.5 MW, power generation of 303.6 GWh, a weighted average age of ten years since their COD and an Availability Factor Average of 99.6% as June 30, 2025. Wind power represents the second-largest portion of our business, with 16%, 20%, 20% and 21%, respectively, of our installed capacity, 19%, 20%, 28% and 26%, respectively, of our Net Generation and 20%, 20%, 29% and 16%, respectively, of our net sales, in each case as of and for the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, coming from our WPP operations. Our WPPs are in Yalova, which is in Marmara Region, and Aydın and Uşak, which are in the Aegean region of Türkiye.

The following table shows the average wind speeds for the period between 2021 and June 30, 2025 in our Söke, Uşak and Yalova WPPs:

Wind plants are located in the regions with stable wind flows

Wind speed (m/sec)



WPPs generate electricity by converting kinetic energy from the wind into mechanical energy. The wind turbines have aerodynamically designed blades which, when caught by the wind, cause a rotor to turn, which drives the generator to produce electricity, which is then fed into the grid.

One of our WPPs, Söke WPP, is subject to a contribution agreement with TEİAŞ, because this WPP license was obtained through a capacity auction held by TEİAŞ. The related agreement will expire on January 31, 2035. For further details on our contribution agreement, see “—Material Contracts—Contribution Agreement.”

The Government recently allowed WPPs to increase their capacity. For further details on this process, see “Regulatory Overview—WPP Capacity Increases.” As part of the Uşak WPP capacity expansion projects initiated in 2020, our installed capacity has increased from 61.5 MW to 127.5 MW in 2024. With the investments and projects carried out during this period, capacity expansion has been achieved. Furthermore, it is expected that our installed capacity will reach 163.5 MW after the Ministry’s approval in 2025. As part of the Söke WPP capacity increase project, which was launched in 2023, our existing installed capacity has been increased from 45 MW to 57 MW.

Our Key WPPs

As of June 30, 2025, two of our WPPs (Uşak WPP and Yalova WPP) individually constituted more than 5% of our total installed capacity and collectively constituted 16% of our total installed capacity, and for the year ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025 these power plants generated in aggregate 10%, 11%, 16%, 9% and 6%, respectively, of our EBITDA.

Uşak WPP

Our Uşak WPP has been in operation since May 2014, and has an installed capacity of 135.5 MW. The electricity generated through this WPP is sold through the Existing FiT, which will remain in place until December 31, 2024. The operational license for Uşak WPP was granted in July 2008 and is valid until July 2057.

All project approval and provisional acceptance procedures for our power plants are carried out in accordance with the MENR Project and Acceptance Regulation. Within this framework, a building permit is required for the provisional acceptance of wind turbines, whereas an occupancy (building use) permit is not required. The necessary building permits for the turbines at Uşak WPP have been obtained.

Maintenance for this WPP is carried out by Sinovel under a maintenance agreement which is set to terminate in July 2026. For further details on the maintenance agreement, see “—Operations and Maintenance—Yalova and Uşak WPP Turbine Maintenance Service Agreements.” We maintain insurance coverage for this plant, including comprehensive machinery insurance, third party liability insurance and employer’s liability insurance.

As of June 8, 2023, MENR approved our application for a 54 MW capacity increase at Uşak WPP. Subsequently, on August 31, 2023, MENR approved an additional application for a 12 MW capacity increase at Uşak WPP. On April 18, 2025, MENR approved an additional 6 MW and on August 14, 2025 an additional 12 MW. As of the date of this Offering Memorandum, MENR approved a total capacity increase of 54 MW. The remaining 18 MW of capacity is expected to be approved in the second half of 2025.

Yalova WPP

Our Yalova WPP has been in operation since June 2016, and has an installed capacity of 54 MW. The electricity generated through this WPP is sold through the Existing FiT, which will remain in place till December 31, 2026. The operational license for Yalova WPP was granted in July 2008 and is valid until July 2057.

Maintenance for this WPP is carried out by Sinovel under a maintenance agreement which is set to terminate in July 2026. For further details on the maintenance agreement, see “—Operations and Maintenance—Yalova and Uşak WPP Turbine Maintenance Service Agreements.” We maintain insurance coverage for this plant, including comprehensive machinery insurance, third party liability insurance and employer’s liability insurance.

Solar Power Plant

Our Uşak SPP has been in operation since February 2023 and has an installed capacity of 82 MW. The electricity generated through this SPP is sold through the Existing FiT, which will remain in place until December 31, 2024. Our SPP is the largest Hybrid SPP in Türkiye and our current license is valid until July 2057.

Geothermal Power Plant

We currently operate a GPP, Sarayköy-Kızıldere, which has an installed capacity of 7 MW. This GPP is in the Sarayköy-Kızıldere geothermal field, in Denizli province in the Aegean region. It began operations in 2008 and was Türkiye’s first high-potential geothermal field explored for energy generation purposes. Our license expires on July 17, 2052.

The Kızıldere geothermal field consists of geothermal reservoirs, which are pools of water heated by magma below the earth’s surface. Water that escapes from these reservoirs in the form of geysers can be harnessed into electricity. Hot water from below the earth’s surface is pumped at a high pressure to flash tanks, which turns the water into steam. The steam produced powers the turbines and is then cooled and condensed back into water that is pumped back into the ground using an injection well so that it can be reused later.

As of the date of this Offering Memorandum, our GPP provides approximately 5,000 households with water heated by the geothermal source. Currently, our GPP can only provide heating service due to reasons arising from the geothermal source, and therefore electricity generation from the GPP has been limited in recent years. In each of the years ended December 31, 2022, 2023 and 2024, and in the six months ended June 30, 2025 0.3%, 0.5%, 0.6% and 0.0%, respectively of our revenue came from our GPP.

Investment Strategy

Our investment committee (the “**Investment Committee**”) oversees our investment strategy and evaluates all investment and business development projects with values in excess of \$1 million. If the Investment Committee gives preliminary approval, the opportunity is then presented to the Board of Directors for a final investment decision. We aim to achieve investment diversification principally through investing in a range of portfolio assets across a number of distinct geographies and a mix of wind, solar, geothermal and hydroelectric technologies associated with renewable energy generation. We seek out investments which meet the following investment criteria:

- not more than 20% of our Gross Asset Value is invested in any single asset, to the extent the relevant asset will not have significant and strategic importance for the Issuer’s growth opportunities and long-term strategies;
- not more than 25% of our Gross Asset Value is invested in assets under development and/or construction;
- assets under development and/or construction must achieve a minimum 10% equity IRR in dollar terms;
- the investment must be compliant with the covenants of our existing financing arrangements;
- the investment must comply with our sustainability, environmental, occupational health and safety, governance and social policies;
- the investment must not be in fossil fuel assets; and
- not more than 30% of the revenue related to an investment is from contracts with a single offtaker.

Power Plant Development and Construction

Building a new power plant involves four main phases: (i) initiating, (ii) development, (iii) construction and (iv) ramp-up/commissioning.

In the initiating phase, our in-house team conducts preliminary due diligence and feasibility studies on the proposed project to obtain the necessary authorizations.

In the development phase, our in-house team, external engineers and designers carry out the following steps: (i) the project and the grid connection are designed, (ii) applications for all relevant licenses, approvals and environmental impact assessments are submitted, and mandatory agreements (such as the water use agreement (“**WUA**”) and system connection agreement) are executed, (iii) land acquisition is conducted through leasing, expropriation, obtaining usage rights, and/or securing permits for land use, and (iv) financing is acquired during the development phase. Our in-house team may be supported by external consultants who may conduct a feasibility analysis covering technical, environmental, and commercial aspects, as well as assist in project design.

In the construction phase, our in-house team coordinates the outsourcing of execution works including: (i) geotechnical investigation, (ii) earthworks, (iii) civil works, (iv) electrical works, (v) mechanical works, (vi) facility security infrastructure and surveillance, (vii) grid connection works, (viii) main equipment procurement and (ix) documentation. External consultants provide support as needed.

In the ramp-up/commissioning phase, we carry out ramp-up testing with external consultant support, monitor test results and report to relevant regulatory bodies. Performance evaluation is conducted to assess if project objectives have been met. During this phase we also commission reports from suppliers. Final project closure

documents are prepared and submitted to acceptance authorities for approval. After the acceptance phase, the plant is passed on to operations teams.

Operations and Maintenance

Our success depends on our ability to achieve operational efficiencies and high availability at our power plants, and to this end we believe that we have built a strong team of experienced and qualified engineers and technicians to carry out the operation and maintenance of our power plants, with expertise in a wide variety of technical disciplines. The operation and maintenance of our HPPs, SPP and GPP are undertaken by our in-house technical team. As of June 30, 2025, our in-house technical team comprised a field staff of 13 operations engineers, 200 operations technicians, 32 maintenance technicians and 77 support personnel, and an engineering staff at our headquarters of 14 engineers, 17 technicians and two support personnel. We conduct maintenance of our Uşak and Yalova WPPs together with a third-party original equipment manufacturer (“OEM”) provider, and the Söke WPP is maintained by another third-party OEM provider.

We adopted a 20-year maintenance schedule, which sets out when we conduct maintenance and replacement operations in each power plant. We also implemented the SAP Plant Maintenance software module on February 24, 2020. The SAP Plant Maintenance software module enables us to run key maintenance activities, such as inspections, notifications, corrective and preventive maintenance, repairs, and other measures necessary to maintain the technical systems of our power plants.

For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, our capital expenditures, which consists one-off expenditures and expenditures related to growth, were TL 3,243 million, TL 3,132 million, TL 690 million and TL 123 million, respectively.

Power Evacuation

Our power plants are connected to the grid and evacuate the power they generate through transmission lines. In order for our power plants to be allowed to do so however, we must first execute system connection agreements and system usage agreements with TEİAŞ. See “—Material Contracts—System Connection Agreements and System Usage Agreements.”

Electricity Sales

We sell the electricity that we generate either under the Existing FiT or on the spot market. The following table sets out our Existing FiT and spot market sales for the periods indicated:

	For the year ended December 31,						For the six months ended June 30,			
	2022		2023		2024		2024		2025	
	As a percentage of total sales		As a percentage of total sales		As a percentage of total sales		As a percentage of total sales		As a percentage of total sales	
	Total		Total		Total		Total		Total	
	(TL millions)	(%)	(TL millions)	(%)	(TL millions)	(%)	(TL millions)	(%)	(TL millions)	(%)
Revenues from FiT..	8,726	80	2,728	30	2,654	40	1,661	35	1,769	30
of which HPPs	6,524	75	1,615	59	355	13	332	20	1,235	70
of which WPPs	2,198	25	1,113	41	1,895	71	1,090	66	535	30
of which SPP.....	—	—	—	—	403	15	239	14	—	—
of which GPP.....	—	—	—	—	—	—	—	—	—	—
of which LFG.....	4	—	—	—	—	—	—	—	—	—

	For the year ended December 31,						For the six months ended June 30,			
Other than FiT	2,190	20	6,453	70	3,930	60	3,040	65	1,850	32
of which HPPs	2,157	98	5,309	82	3,890	99	3,040	100	1,314	71
of which WPPs	—	—	766	12	—	—	—	—	377	20
of which SPP	—	—	330	5	—	—	—	—	159	9
of which GPP	33	2	47	1	40	1	—	—	—	—
Trade	—	—	—	—	—	—	—	—	2,225	38

In order to augment our sales volume, we consider and evaluate bilateral contract options to mitigate volume risk. In the future, we may also consider selling electricity to the Aydem Group's retail business under a power purchase agreement ("PPA") framework agreement, based on market prices and on an arm's length basis, should a suitable opportunity arise.

Currently, we have one PPA in place with Türkiye Sınai Kalkınma Bankası.

Feed-in Tariff Mechanism

The Government incentivizes the production of renewable energy by offering a FiT mechanism, which allows a renewable power plant the option to sell electricity for a fixed sale price. For renewable plants with a COD before June 30, 2021, the Existing FiT mechanism allows the sale of electricity at a fixed unitary dollar sale price for ten years, starting from January 1 on the year following the plant's COD. On January 30, 2021, the Government introduced the New FiT, which applies to all renewable power plants which have a COD between July 1, 2021 and December 31, 2030. Under the New FiT, prices are determined in Turkish lira, and are updated every month based on inflation and dollar and euro exchange rates, with a fixed cap set in dollars.

Under the current Existing FiT regime, which is still applicable to all of our power plants with a COD prior to June 30, 2021, each power plant must choose by the date announced by EMRA if they want to apply to benefit from the Existing FiT for the following year. Because the Existing FiT is set at a fixed price, a power plant may choose not to apply for the Existing FiT if it believes that the price of electricity on the open market will be higher than the Existing FiT price. If New FiT prices are lower than spot market prices, we will be able to sell the electricity in the spot market the following year.

Pursuant to the Existing FiT, we are paid the spot market price for electricity the day after the electricity is generated. The spot price is calculated as the day-ahead price for electricity. The relevant foreign exchange rate is calculated with reference to the Turkish Central Bank's \$/TL buying rate, announced at 3:00 P.M. on the day of the sale of the electricity. If the day-ahead spot price is lower than the Existing FiT price, then the difference is recorded, and a receivable from EPIAŞ is created in our favor. Receivables for a calendar month are aggregated and then paid by EPIAŞ in the Turkish lira equivalent amount on the 25th day of the following month. See "Regulatory Overview—Feed-in Tariff Mechanism."

We can also sell electricity in the balancing power market, ancillary services market and on the intra-day spot market, all of which provides us with a higher price than the day-ahead market price. By doing so, we have increased the average selling price in our power plants which benefit from the Existing FiT mechanism (calculated as the total revenue generated by the relevant power plant divided by the total electricity generated) to \$125 per MWh, \$109 per MWh and \$87 per MWh in the year ended December 31, 2022, 2023 and 2024, respectively.

The following table shows the applicable Existing FiT prices by type of power plant. These prices are applicable for power plants with a COD prior to June 30, 2021.

As of January 1, 2025				
	Base Existing FiT Price	Ceiling Existing FiT Price	Existing FiT Price	Existing FiT Domestic Component Support Price
	(USD/MWh)			
Dam Hydro	67.50	82.5	73.7	14.7
Run-of-river Hydro	63.00	77.0	69.1	14.7
Onshore Wind	49.50	60.5	54.2	14.7
Offshore Wind	67.50	82.5	73.7	19.7
Geothermal	94.50	115.5	103.4	14.7
Biomethanization	81.00	99.0	88.5	14.7
Thermal Disposal	57.50	80.0	69.0	11.0
Solar	49.50	60.5	54.2	14.7
Wind or Solar integrated Electricity Storage	58.50	71.5	64.0	19.7
Pumped-storage hydro	94.50	115.5	103.4	19.7
Wave or Tidal Energy	63.00	77.0	69.1	19.7

Source: Law on Utilization of Renewable Energy Sources for Electricity Generation (Law No. 5346)

For the year ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, 80%, 81%, 73% and 43% (excluding electricity proprietary trading activities), respectively, of the power we generated was subject to the Existing FiT mechanism. Assuming our power generation portfolio remains unchanged, we anticipate the proportion of the power we generate that is subject to the Existing FiT will end at the end of 2028.

Further, five of our power plants are still within their Existing FiT eligibility period, and the average length of time left on the Existing FiT periods of our Existing FiT-eligible power plants, weighted by installed capacity, is approximately almost two years.

The following table sets out the applicable Existing FiT price and dates on which the Existing FiT expires for each of our power plants that currently benefits from the Existing FiT.

Power Plant	Existing FiT Price	Existing FiT end year (inclusive)
	(USD/MWh)	December 31,
Akıncı HPP	73.0	2028
Göktaş I HPP	73.0	2025
Göktaş II HPP	73.0	2025
Söke WPP	73.0	2026
Yalova WPP	73.0	2026
Uşak SPP	73.0	2024

There are also certain uplift opportunities in addition to the base Existing FiT, which can be paid if local equipment is used in the construction of the power plant. This uplift is valid for five years from the COD of the power plant.

Spot Market

Once ten years have elapsed from a renewable power plant's COD, the power plant is no longer able to benefit from the Existing FiT. At this point, the power plant sells the electricity that it generates on the spot market. As of the date of this Offering Memorandum, our Bereket I-II HPP, Feslek HPP, Dalaman HPP, Gökyar HPP, Mentaş HPP, Koyulhisar HPP, Toros HPP, Aksu HPP, Kemer HPP, Adıgüzel HPP, Çırakdamı HPP, Dereli HPP, Uşak WPP and Kızıldere GPP sell their power through the spot market. In the years ended December 31, 2022, 2023 and 2024, 20%, 19% and 27%, respectively, of the power we generated was sold on the spot market, and the average sales price for spot market sales was 147.2 USD/MWh, 96.7 USD/MWh and 68.0 USD/MWh respectively.

EPİAŞ is the market operator in the spot market. There are different operations in the spot market, including the day-ahead market, the intraday market and the balancing power market. The day-ahead market is the market in which the merit-order mechanism is applied and general market price is determined. Hourly generation projections for next day are provided to the market operator every day. Stated volumes can be directly sold to the market at the market price. The intraday market is the market in which electricity trades are made between market participants, such as distribution companies, retail companies, wholesale companies and generation companies during the day. These trades are not connected to the volumes stated for the day-ahead market. The market is managed by the market-maker EPİAŞ, and in most of the transactions, the counterparty market participant is unknown. The balancing market includes the balancing power market and ancillary services.

Ancillary Services

Our Göktaş HPP also participates in secondary frequency control services in the ancillary services market which is managed by TEİAŞ. In this ancillary services market, power plants give control of part of their capacity to TEİAŞ to manage the system in real-time balance, and in return receive additional income. This allows our Göktaş HPP to generate additional revenue in addition to its Existing FiT income and Göktaş HES has been generating income within the scope of ancillary services since December 2018. In the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, 24%, 17%, 13% and 27%, respectively, of Göktaş HPP's total revenue was generated from ancillary services. Göktaş HPP is our only power plant with the capability to participate in secondary frequency control services in the ancillary services market.

Carbon Assets Market

We are in the process of developing carbon assets for most of our power plants, in compliance with the Verified Carbon Standard ("VCS") and/or Gold Standard ("GS") for carbon certification. As of the date of this Offering Memorandum, two of our power plants have the GS, seven have the VCS and nine have the Emission Reduction Certificate.

The Voluntary carbon market works as an over the counter market. When demand for VCS or GS certificates occur, prices in the market are calculated through a bid and offer mechanism. We closely monitor these markets, and have sold more than 3,000,000 tons of Verified Carbon Units ("VCUs") since 2021 at average \$0.90 per ton. We have sold 12 tons of GS carbon credits since 2023 at an average of \$3 per ton.

We plan to continue monitoring the market and improving our efforts in this market. Monitorization efforts take place within the unique dynamics of each project. In 2024, the revalidation processes for the Çırakdamı and Toros HPP projects were completed, and they earned the right to proceed with the verification process for the second period of carbon crediting. With the completion of the verification work for other projects, the approved carbon credit amount is recorded as 1,342,859 tCO₂e for VCS-certified plants and 263,935 tCO₂e for GS-certified plants.

Due to the capacity increases at Söke WPP and Uşak WPP, design change works are ongoing. The revalidation processes for Söke WPP and Yalova WPP were initiated after completing their first periods. Upon the completion of the ongoing processes, approximately 200,000 tCO₂e VCS and 485,000 tCO₂e GS carbon credits will be approved. Moving forward, revalidation and verification processes will be carried out for Dereli HPP, Düzce Aksu HPP, and Uşak WPP.

In addition to the above, nine of the facilities in our portfolio have been registered on the International Renewable Energy Certificate (“I-REC”) system. In the past four years, management believes based on data available from Foton that we have certified the energy obtained from renewable sources with 4 million I-REC (International Renewable Energy Certificate). We maintained our leadership in this area by providing 30% of the I-REC certificates derived from hydroelectric power in Türkiye based on transactions carried out between 2020 and 2023 (Source: FOTON Platform, Türkiye I-REC Market). These certificates offer industries such as manufacturing, textiles, automotive, and banking the opportunity to reduce carbon emissions and comply with international standards. In the last four years, nearly 3 million I-REC certificates were sold, generating a total revenue of TL 13.4 million (Source: FOTON Platform, Türkiye I-REC Market). During this period, the company contributed to its customers gaining significant environmental, financial, marketing, and reputational advantages through the I-REC certificates provided.

Material Contracts

We have entered into a number of material contracts in the course of our business. These material contracts include the following.

Water Usage Rights Agreements

As a prerequisite for obtaining a generation license under the Electricity Market Licensing Regulation (“EMLR”), HPP operators must execute a WUA (*su kullanım anlaşmaları*) with DSİ during the preliminary licensing process. The relevant WUA must be drafted to comply with the form WUA that is provided under the Water Usage Regulation and the relevant WUA must be tailored to the needs of each HPP. The WUA is valid for the lifetime of the generation license which it is associated with. We have executed WUAs with DSİ for all our HPPs, and all of these WUAs are valid for the lifetime of the respective generation licenses of our HPPs.

Under the WUAs, we are required to preserve the quality of the water used for electricity generation, and not pollute the water, or alter its natural course. We are liable for any loss or damage caused by our failure to comply with our obligations under the WUA, such as polluting the water through oil leakage or endangering natural life in the area. If the DSİ finds evidence of a breach of WUA obligations, it gives the operator notice to comply. If non-compliance continues, a fine may be imposed in proportion to the damage caused by the operator. Although the DSİ has the right to terminate the WUA if there has been a breach, in practice, termination is only used as a last resort. In addition, WUA can be invalidated if its EIA positive or not necessary decision is rescinded. If a WUA is terminated by the DSİ or becomes invalid due to an EIA decision, EMRA can terminate the generation license of the relevant HPP. See also “*Risk Factors – Our business is dependent on obtaining and maintaining governmental licenses, permits, regulations and mandatory agreements with government authorities necessary to operate our power plants.*”

Under the WUAs, if our power plants stop operating due to a force majeure or natural disaster, we are liable for any loss or damage that occurs with respect to electricity generation, generation facilities and their intangible parts. If our HPPs do not receive enough water due to force majeure or extraordinary events, we cannot claim any compensation from DSI due to a decrease or disruption of electricity production.

Under certain of the WUAs, DSI reserves the right to make temporary or permanent changes to an HPP's operational plan after 20 years from the date the WUA. It can do this if there have been changing circumstances, when considering the hydrological data for the relevant basin, changes in basin projects and updated needs.

We comply with all of our obligations under our WUAs. As of the date of this Offering Memorandum, we have not received any notification of non-compliance related to our WUAs.

Transfer of Operating Rights Agreement

We operate our Adıgüzel and Kemer HPPs under the TORA, which we executed with EÜAŞ and the Privatization Administration on May 5, 2017. The TORA gives us the right to operate these HPPs for a period of 49 years, starting from 2017, and regulates how we operate them. Responsibility for the Adıgüzel and Kemer HPPs passed from EÜAŞ to us on the effective date of the TORA.

The total amount payable under the TORA is TL 324.1 million, which we paid to the Privatization Administration in instalments. All pending instalment payments were completed on May 5, 2021.

The TORA requires us to protect the rights of all of our personnel subject to Turkish labor laws, respect the terms of any collective bargaining agreements we have entered into and make any severance or other payments we are required to make. However, EÜAŞ is responsible for limited severance payments that were due before the transfer date.

At the end of the term of the TORA, we are required to return to EÜAŞ all assets related to the operation of the Adıgüzel and Kemer HPPs, free from any claims or defects. There is no renewal structure or process specified under the TORA. Following the expiry of the TORA's term, we are required to participate in a privatization tender, and can only continue to operate the relevant HPP if we win the privatization tender, in which case we would execute a new TORA.

EÜAŞ has the right to terminate the TORA if we fail to comply with our obligations thereunder and cannot remedy such non-compliance or breach within 60 days following notification. EÜAŞ may also impose monetary fines on us if we are unable to comply with our obligations under the terms of the TORA, or do not remedy any non-compliance within the cure period.

System Connection Agreements and System Usage Agreements

We have executed system connection agreements (*sistem bağlantı anlaşması*) and system usage agreements (*sistem kullanım anlaşması*) with TEİAŞ for each of our power plants with respect to grid connection and usage. These agreements are standard agreements that are approved by the EMRA and, pursuant to the relevant regulations, they remain in force as long as the connection point is available, unless they are terminated for cause.

The following table sets out the system usage costs of our power plants in the second half of 2024:

Name of power plant	System Usage Cost (fixed) ⁽¹⁾	System Usage Cost (variable) ⁽¹⁾
	(TL/MWh)	(TL/MWh)
Hydroelectric		

Name of power plant	System Usage Cost (fixed) ⁽¹⁾ (TL/MWh)	System Usage Cost (variable) ⁽¹⁾ (TL/MWh)
Aksu HPP	163.826	167,10
Akıncı HPP	269.495	167,10
Dereli HPP	269.495	167,10
Çırakdamı HPP	269.495	167,10
Kemer HPP	169.307	167,10
Feslek HPP	—	230,91
Bereket HPP I-II	—	230,91
Adıgüzel HPP	179.706	167,10
Koyulhisar HPP	269.495	167,10
Gökyar HPP	—	230,91
Dalaman I-V HPP	—	230,91
Mentaş HPP	264.717	167,10
Toros HPP	264.717	167,10
Göktaş HPP I-II	264.717	167,10
Wind		
Yalova WPP	174.430	167,10
Söke WPP	169.307	167,10
Uşak WPP	179.706	167,10
Geothermal		
Sarayköy- Kızıldere	—	230,91
Solar		
Uşak SPP	—	167,10

Note:

(1) Since the tariffs were increased on July 1, 2024, the latest figures have been provided.

The maximum capacity under each system connection or system usage agreement is defined, and this capacity sets the limit of the power plant's ability to supply or receive electricity from the connection point. TEİAŞ imposes fines on any power plants which exceed these capacity limits, and pays any losses that arise due to its failure to provide the guaranteed capacity under the agreement. Under these agreements, TEİAŞ may also impose fines under other circumstances, such as SCADA system errors. For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, we have not received material fines.

Under the system connection agreements (*sistem bağlantı anlaşması*) and system usage agreements (*sistem kullanım anlaşması*) executed with TEİAŞ, we are required to provide collateral to TEİAŞ as a guarantee for our debts arising from the system connection agreements and system usage agreements.

Contribution Agreement

As a prerequisite for obtaining a generation license under the EMLR, operators of WPPs and SPPs are required to execute a contribution agreement (*katkı payı sözleşmesi*) with TEİAŞ during the preliminary licensing process. The relevant contribution agreement must be drafted to comply with the form contribution agreement that is provided under the Competition Regulation on Associate Applications for Establishment of Wind or Solar Power Generation Facility and the agreement is tailored to the specific needs of each WPP or SPP. The operators of the WPPs and SPPs are obliged to pay a yearly contribution amount in three equal instalments to TEİAŞ.

We executed a WPP contribution agreement with TEİAŞ for our Söke WPP on August 19, 2011, and the agreement will remain in force until January 1, 2035. We are required to pay a contribution fee calculated based on the total electricity generated until the expiry of the term. We paid TL 984,631.93, TL 1,398,625.08 and TL 2,775,661.12 for the years ended December 31, 2022, 2023 and 2024.

We acquired the WPP licenses for our WPPs other than Söke prior to the beginning of the contribution share system. Therefore, we are not required to execute, and have not executed, contribution agreements for the Uşak WPP and Yalova WPP, and no contribution payments are being made for those WPPs.

Market Participation Agreements

Entities that wish to become market participants and conduct day-ahead and intra-day transactions are required to register with EPIAŞ through a market participation agreement (*piyasa katılım sözleşmesi*), as required by the Electricity Market Balancing and Settlement Regulation. Market participants can enter into these transactions by entering into the day-ahead (*gün öncesi piyasası katılım anlaşması*) market participation agreement or intra-day (*gün içi piyasası katılım anlaşması*) market participation agreement. Participation in the day-ahead and intra-day markets is not an obligation under Electricity Market Balancing and Settlement Regulation.

These agreements determine the conditions and provisions of market participants' notification requirements to EPIAŞ with respect to the bilateral agreements they execute and participation in related markets and the operation of EPIAŞ in these markets within the framework of the Electricity Market Law (Law No. 6446), Electricity Market Balancing and Settlement Regulation and other relevant legislation. By signing these agreements, we are entitled to participate in the bilateral agreement notifications and balancing and settlement mechanism, including the day-ahead market and/or the intra-day market. We are required to provide collateral to EPIAŞ, generally in the form of letters of guarantee or deposits, to carry out intra-day and day-ahead market transactions.

We have executed all of these agreements with EPIAŞ and actively trade in these markets.

As we sell electricity in the day-ahead market, we commit to selling a certain amount of electricity each day. However, because the ability of our power plants to generate electricity is dependent on inherently unpredictable factors such as meteorological conditions, our generation each day may fluctuate from expected levels. If we are unable to supply the amount of electricity that we have committed to provide, we need to purchase electricity in the intra-day market at additional cost. If we generate more electricity than we have committed to sell in the day-ahead market, we sell the excess electricity in the intra-day market, generating additional revenue.

Market participation agreements are standard form agreements prepared by EPIAŞ and cannot be amended without the prior approval of EMRA. These agreements are valid and remain in force until the relevant license is terminated. There are no provisions for termination of the agreement by the parties in other circumstances.

Financing Agreements

We are party to loan and other financing agreements that we have entered into in connection with financing our capital expenditures and operations. See “*Management Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Indebtedness.*”

Operations and Maintenance Agreements

We have entered into operations and maintenance agreements in connection with all of our WPPs.

Yalova and Uşak WPP Turbine Maintenance Service Agreements

On July 1, 2021, we executed a service maintenance agreement with Sinovel with respect to the operation, maintenance and repair of our Yalova and Uşak turbines for five years.

Pursuant to the agreement, Sinovel will provide troubleshooting and planned and routine maintenance services to us through a Supervisory Control and Data Acquisition system for the wind turbines at these WPPs. This system allows Sinovel to observe and control the status of the turbines and the power plant.

Sinovel guarantees that the availability of our turbines during operation will not be less than 97% per month for each power plant. If the guaranteed performance cannot be achieved, Sinovel will pay us for the generation loss. Generation loss is calculated based on the hourly average generation when availability is below 97%. For each megawatt loss in generation per hour due to the availability being under 97%, Sinovel pays us \$73. However, if turbine availability during operation is greater than 97.75%, 98.5% and 99.0%, we will pay Sinovel a 30%, 40% or 60% profit share, respectively. The profit share is calculated based on profits on generation amounts that exceed the specified threshold.

Under the Uşak and Yalova turbine maintenance service agreements, the scope of the support provided has expanded, with Sinovel agreeing to the following additional terms:

- New penalties are introduced for Sinovel if there are equipment supply issues;
- Spare parts can be no older than three years old;
- Sinovel will provide a free oil analysis once per year;
- Sinovel will provide one-time free gearbox oil changes for all turbines; and
- Two sets of turbine blades will be provided free of charge (for Yalova WPP).

Söke and Uşak WPP Turbine Goldwind Maintenance Service Agreements

On September 2022 and April 2022, we executed turbine maintenance and service agreements with Goldwind for planned and routine maintenance and troubleshooting services for our Söke and Uşak WPP. The agreements are valid for ten years.

Pursuant to the agreements, Goldwind will provide troubleshooting and planned and routine maintenance services to us through a Supervisory Control and Data Acquisition system for the wind turbines at these WPPs. This system allows Goldwind to observe and control the status of the turbines and the power plant.

Goldwind, guarantees that the availability of all wind turbines comprising 96% during first six months of the availability warranty period and 98% for the remaining months of the availability warranty period, however, if turbine availability during operation is greater than 98.5% and 99.51%, we will pay Goldwind a 20% or 40% profit share, respectively. The profit share is calculated based on profits on generation amounts that exceed the specified threshold.

Söke WPP Turbine Maintenance Service Agreement

On March 21, 2014, we executed a turbine maintenance and service agreement with Vestas for planned and routine maintenance and troubleshooting services for our Söke WPP. The agreement is valid until December 25, 2035.

Under this agreement, Vestas guarantees an annual availability ratio of 97%. If availability is below the guaranteed amount, Vestas must pay us an amount calculated according to an agreed formula based on yearly average generation where availability is below 97%. The total amount owed by Vestas is calculated by multiplying the yearly average electricity sale price with the shortfall between warranted and measured electricity generated. If the availability exceeds 98% for the relevant generation period, we must pay Vestas an agreed amount.

After the expiration of our operations and maintenance agreements in connection with our WPPs, we plan on reducing outsourcing and increasing our in-house capabilities in our WPPs. For our Söke WPP, we plan on reducing the scope of maintenance with Vestas. For our Yalova and Uşak WPPs, we plan to maintain the limited scope of our operations with Sinovel.

Collective Bargaining Agreements

On May 8, 2023, we executed a collective bargaining agreement with the Tes-İş trade union, effective from January 1, 2023 to December 31, 2024. The collective bargaining agreement governs the employment terms and conditions of employees in our Kemer and Adıgüzel HPPs, including their salary increases, trial periods, working hours, overtime salaries, vacations and severance payments. As of December 31, 2024, 22 of our employees were members of the Tes-İş trade union. The last agreement with Tes-İş trade union covers the dates January 1, 2023 to December 31, 2024. A new agreement has not been signed as of January 1, 2025 and as of the date of this Offering Memorandum we do not have any employees who benefit from union rights.

Our collective bargaining agreement provides greater rights to blue-collar employees than the rights they are entitled to under Turkish labor laws and regulations. For example, under our collective bargaining agreement, termination notice periods and periods of paid vacation are extended beyond those required by Turkish labor laws, and we provide additional benefits, such as financial help for marriage and birth, death and disability benefits, shift premiums, occupational premiums and maintenance premiums to blue-collar employees.

According to the Trade Unions and Collective Bargaining Agreements Law No. 6356, strikes and lock-outs in the electricity generation business are prohibited. Therefore, our unionized employees are unable to organize labor strikes.

Imbalancing Agreement

To ensure a stable supply of electricity, EPIAŞ requires electricity suppliers (such as us) and purchasers to bid their orders to sell in the day-ahead market. However, a supplier's actual production may not match their day-ahead order to sell. To manage disparities in their portfolio, suppliers or purchasers who exceed their forecasted bids in the day-ahead market can enter into balancing groups with other suppliers or purchasers to cover the mismatch. Balancing groups are generally formed by integrated energy groups and benefit from the synergy created within the group through reduction of imbalancing to be settled with EPIAŞ. By settling with the balancing group, suppliers and purchasers pay less fees to EPIAŞ.

We initially settle our imbalancing within Aydem Group, and Aydem Group settles its total balancing within a larger balancing group. Aydem Group receives 95% of the fee saved by the balancing group, and we receive our proportion pro rata to Aydem Group's total savings.

Permits and Licenses

Entities which own power plants are required to obtain and maintain various sector-specific authorizations, licenses and permits pursuant to the applicable regulations based on the type and scope of the electricity they generate.

We operate in a heavily regulated sector with strictly applied rules and frequent government inspections. In order to continue our activities, we are obligated to obtain the required licenses and permits, execute and comply with all relevant mandatory agreements and comply with the requirements of applicable laws and rules promulgated by relevant governmental authorities, especially EMRA. These permits, licenses and mandatory agreements include (i) electricity generation licenses, (ii) EIAs decisions, (iii) environmental permits, (iv) system connection agreements, (v) system usage agreements, (vi) WUAs, (vii) workplace opening and operation licenses, (viii) forest permits and (ix) construction permits and building use permits.

As of the date of this Offering Memorandum, 11 of our power plants do not have construction permits and building usage permits. These power plants were widely considered exempt from obtaining construction permit and building usage permit at the time of their COD. Due to changes in the interpretation of the applicable rules, driven by MENR, it had become necessary to obtain construction permits and building usage permits to continue operating these power plants. However, on July 24, 2025, the Law No.7554 came into force, making certain amendments to the Electricity Market Law, among others. The Law No.7554 introduced the temporary article 34 into the Electricity Market Law, which establishes a regularization mechanism for licensed electricity generation plants, commissioned in full or in part before 31 December 2024, to operate without obtaining a construction permit and/or building use permit. In order to benefit from such regularization mechanism, the relevant electricity generation plant must have been recorded in the zoning plan and an application must be submitted to the MENR until 24 July 2026, together with the necessary documentation required under the Law No.7554, including without limitation a report prepared by civil engineers confirming the structural adequacy and a document from the relevant engineers assuming technical responsibility. Following such application, the eligible licensed electricity generation plants will be issued a Compliance Certificate by the MENR, which will also serve as a workplace opening and operation license. The secondary legislation clarifying the practical steps that must be taken by the applicants to benefit from such regularization mechanism and have a Compliance Certificate issued is still expected to be introduced as of the date of this Offering Memorandum. We are planning to make an application to the MENR, for all of the relevant power plants that do not have a construction permit or a building usage permit, as soon as the secondary legislation is issued and no later than 24 July 2026.

See “*Risk Factors—Risks Related to Our Industry and Business—Our business is dependent on obtaining and maintaining Governmental licenses, permits, regulations and mandatory agreements with Government authorities necessary to operate our power plants, as well as on our continued compliance with applicable laws and regulations.*”

For more information on licenses and permissions required under the applicable Turkish laws regulations, see “*Regulatory Overview—Overview of Electricity Generation Activities*” and for more information on the mandatory agreements executed with governmental authorities, see “*—Material Contracts.*”

Health, Safety, Environment and Sustainability

Health and Safety

We are subject to a wide range of health and safety laws and regulations. The main health and safety legislation regarding our operations includes risk assessment regulations, occupational health and safety training regulations, management of occupational health and safety regulations. The principal health and safety

legislation relating to our operations is the Occupational Health and Safety Law, and several separate regulations promulgated under the Occupational Health and Safety Law, primarily the Communiqué on the Workplace Hazard Groups and the Occupational Health and Safety Risk Assessment Regulation.

The Occupational Health and Safety Law sets out the general framework regarding the health and safety requirements for employers and the consequences of non-compliance with these requirements. Under the Occupational Health and Safety Law and other applicable regulations, relevant authorities may conduct audits and impose fines for any violations. Pursuant to the Occupational Health and Safety Law, employers are now required to have (or appoint, if election is not possible) one or more “employee representative(s)” elected from its employees and to appoint occupational safety expert(s), workplace doctor(s) and other health personnel from among their employees.

In order to monitor the health and safety implementations, all of our power plants have health and safety teams. To create an occupational health and safety culture, we conduct occupational health and safety committee meetings with elected committee members, who include employees and members of management. Furthermore, different types of training programs, including trainings on risk assessment, emergency events, first aid and defensive driving, are periodically organized for our employees. As of the date of this Offering Memorandum, we are in material compliance with applicable health and safety rules and regulations.

The following table sets out certain safety and incident-related data for all of our power plants for the periods indicated:

	For the year ended December 31,			For the six months ended June 30,
	2022	2023	2024	2025
	(TL thousands)			
Lost time incidents.....	—	—	—	1
Total reportable incidents	2	4	2	1
Total reportable incident frequency rate ⁽¹⁾ ..	1.6	3.3	1.7	1.8
Lost time incident frequency rate ⁽²⁾	—	—	—	1.8
Lost time incident frequency rate target ⁽²⁾ ..	1.7	0.9	—	—

Notes:

- (1) Total reportable incident frequency rate is calculated as the total recordable and reportable incidents times 1,000,000 divided by total man hours worked.
- (2) Lost time incident frequency rate is calculated as the number of lost time incidents times 1,000,000 divided by the total man hours worked.

We have four occupational health and safety unit personnel, including the department manager, and three occupational health specialists. At our offices and our power plants, we have five different Common Health and Safety Units comprising of seven occupational health specialists, nine workplace doctors and seven part-time medical personnel. We assign part-time employees at our offices and power plants through a health and safety system managed by the Ministry of Labor and Social Security called İSG Katip. Under this system, working hours are determined by the current occupational health and safety regulations in Türkiye, including Occupational Health and Safety Law No. 6331. Occupational health and safety data is monitored and tracked

through this system by the Ministry of Labor, Social Services and Family. In addition, we employ a full-time occupational health and safety specialist to safely carry out maintenance and rehabilitation works.

Our senior management evaluates risks in the field to ensure safe working conditions at our enterprises. Our management team has established a health and safety board consisting of 12 members from our management team, led by our General Manager. Health and safety board members conduct monthly planned safety controls, behavioral safety audits, near miss, unsafe act and unsafe condition reporting, management walks, toolbox talks and one-on-one briefings with the workforce. In addition to the legally required health and safety board, we have established the HSE Committee to oversee matters related to health, safety, environment, sustainability and social corporate responsibility at the board level. Our health and safety board reports monthly to our General Manager, and quarterly to our HSE Committee.

We are certified under ISO 45001 for Occupational Health and Safety.

Environment

The principal legislation relating to environmental matters in Türkiye is the Environmental Law, and several separate regulations promulgated under the Environmental Law, primarily the EIA Regulation, the Environmental Permit and License Regulation and Waste Management Regulation. The Environmental Law sets out the general framework for environmental protection requirements and the consequences of non-compliance with these requirements, whereas the EIA Regulation governs the types of EIA studies (EIA reports or informative files) and the contents of these studies, the administrative and technical principles and procedures applicable during an EIA process.

The facilities subject to EIA requirements are stated in the EIA Regulation. All of our power plants comply with the EIA regulation, and have received either “affirmative,” “not necessary” or “out of scope” decisions from the EIA.

Our power plants do not perform any activities that are within the scope of the Environmental Permit and License Regulation, which regulates issues such as air pollution, environmental noise, wastewater discharge and deep-sea water discharge. Therefore, our power plants are not subject to the permit and license requirements under the Environmental Permit and License Regulation.

Waste generated from the maintenance activities of our power plants is segregated at the source into dedicated hazardous and non-hazardous storage areas within our facilities. Once properly separated, these wastes are routinely sent to recycling companies. Over the past three years, we have significantly advanced environmental sustainability through its recycling practices, achieving a 24.63% reduction in hazardous waste compared to the previous year. Additionally, all our operational power plants have secured “Zero Waste Certificates,” and the renewal processes for expired certificates are continuously monitored.

Pursuant to the Waste Management Regulation, facilities which produce waste are required to prepare a waste management plan to handle the waste produced and to prevent and reduce waste. As of the date of this Offering Memorandum, we have waste management plans in effect for all of our power plants.

As of the date of this Offering Memorandum, we are in material compliance with applicable environmental rules and regulations.

We are committed to raising environmental awareness in all of our workplaces, to increase environmental and social awareness on an individual level to improve sustainability. We apply sustainable business practices, such as wildlife watching in all of our power plants, bird-and-bat watching for all of our WPPs, building fish and fauna passages in some of our HPPs and planting works in areas around our power plants. We are committed to operating our company in a manner that respects the environment and remain aware of our social responsibilities for sustainable development.

We are certified under ISO 14001 for Environmental Management and Systems and ISO 50001 for Energy Management. We are also accredited under the UN Global Compact.

In order to measure our environmental impacts, ensure efficient use of resources and support the transition to a low-carbon economy, we have calculated our carbon and water footprint since 2020. We verify our calculations in accordance with ISO 14064 and ISO 14046 standards and have recently expanded our study to include the environmental impact of our supply chain.

Our Scope 1-2 greenhouse gas emissions in 2024 decreased by 5% compared to 2023, and total greenhouse gas emissions (Scope 1-2-3) decreased by 87%.

Further, greenhouse gas emissions are complemented by regular monitoring of process water quality in our HEPP plants. We conduct routine analyses of key parameters such as pH, electrical conductivity, temperature, dissolved oxygen, and oil/grease levels, along with extended measurements including free chlorine, suspended solids, ammonium nitrogen, phosphate, nitrate, total nitrogen, and total phosphorus.

Our initiatives under the carbon net-zero target such as implementing LED lighting, utilizing A++ product groups, deploying vehicle tracking systems, and adopting robotic process automation, have collectively resulted in a total emission reduction of 557.5 tCO₂.

We succeeded in being listed among the leading companies in the “Global A List” in the CDP Climate Change and Water Security categories, and received the “CDP Climate Change and Water Security Global Leaders” award in 2024. Further, we maintained our leadership in the sector as the only energy company to be included in the Global A List in both categories for the third consecutive year.

We continuously develop and update our Climate Transition Plan to achieve “Net Zero Emissions” target. Concrete and ambitious goals are set for reducing greenhouse gas emissions, and the processes for reaching these goals are shared transparently. We have taken significant steps to strengthen our sustainability-focused approach in the fight against climate change. The emission reduction target approved by the Science Based Targets initiative (“SBTi”) demonstrates our commitment and determination in this area on an international level. We officially communicated our net-zero target to SBTi in 2024, clarifying our long-term strategy. We are committed to reducing Scope 1 and Scope 2 greenhouse gas emissions by 51% by 2032, compared to 2022 baseline levels. In addition, we have set a goal of reducing Scope 3 greenhouse gas emissions from capital goods by 30% compared to 2022 baseline levels over the same period.

Sustainability

As a responsible global citizen, we are committed to creating a sustainable business environment and integrate our sustainability principles into all aspects of our business, daily operations and strategy. Our perception of sustainability goes beyond legal requirements on HSE or social projects.

We believe that we need to create value for our stakeholders and society in order to achieve long term success. We adopt an approach that considers the requirements of global initiatives and standards, sustainability of natural resources, our environmental, social and economic impact and the needs of future generations.

We focus on climate change adaptation, following a zero-waste strategy and embrace sustainability. We have developed a sustainability strategy by evaluating our environmental, social and economic impact areas, our stakeholders’ expectations and our corporate strategy. Our vision is “clean energy for a sustainable future.”

We released our last sustainability report for 2024 as an Integrated Annual Report in March 2025, in accordance with the Turkish Sustainability Reporting Standards (“TSRS”), European Sustainability Reporting Standards (“ESRS”) and Global Reporting Initiative (“GRI”) Standards, highlighting our commitment to a clearly defined set of principles and values that are aligned with the United Nations Global Compact Network Principles and United Nations Sustainable Development Goals. We believe this report shows our commitment

to sustainable development and being a responsible global citizen, through assuming certain additional liabilities such as transparency and publicly reporting operating, health, safety and environment performance, even though not required under applicable law.

We joined the United Nations Global Compact in February 2020, the world's largest sustainability initiative promoted by the United Nations.

We commissioned a corporate environmental and social assessment from ERM to provide an independent overview on how the corporate environmental and social aspects (including health and safety liability exposure risks) are managed at our assets as well as on a corporate level, and to evaluate the performance of our current operations and assets/facilities.

ERM observed that we have taken important steps to go beyond national requirements and improve the conditions at our sites. ERM's recommendations include: (i) widening the scope of our performance indicators and target settings to include consideration of a larger range of environmental and social issues, such as external grievance management; (ii) revisiting our risk assessment at Göktaş and Koyulhisar HPP and updating them if necessary, following the Göktaş and Koyulhisar Incidents; (iii) reducing working hours in compliance with regulatory requirements; (iv) reassessing our groundwater wells to stay above a depth of ten meters, in compliance with applicable law; (v) considering ERM's site observations at several sites, and revisiting risk assessments for these sites, focusing on community health and safety; (vi) considering the cumulative impacts on downstream water uses of our HPPs; (vii) improving due diligence procedures associated with new projects to better consider environmental, social, health and safety and sustainability standards; and (viii) reviewing and revising our contractor and supplier contracts as necessary to include specific and detailed clauses on environmental, health and safety and social security requirements.

We plan to take the following measures to maintain our compliance record with environmental and social standards:

- widen the scope of the environmental and social issues we consider in our annual KPI setting process;
- increase the efficiency of our workforce through digitization projects to reflect compliance with regulatory requirements on a national level;
- conduct emergency drills, start campaigns to raise public safety awareness and hold regular safety meetings with affected communities;
- finalize our stakeholder engagement plans; and
- develop our social and environmental due diligence requirements for future investments.

Corporate Social Responsibility

We are committed to providing reliable and clean energy and developing and improving our society and environment, especially in areas where our power plants are located. Since January 1, 2017, we have invested TL 75.8 million in social responsibility projects. These projects are focused on education, the environment, health and local communities.

We also aim to improve conditions of our local schools. In Adana, where our Göktaş, Mentaş and Toros HPPs are located, we have renovated and constructed four schools with a capacity of 224 students. One of those schools is a renewable energy and natural resources school. We have also established science laboratories, libraries and provided financial support for education in various cities where our power plants are located.

We have a scholarship program A Generation (*A Kuşak*), dedicated to university students who study an undergraduate engineering program. We have provided more than 420 students scholarship since 2015 and we aim to increase the number of students we reach out every year.

Information Technology

Information technology is important to our ability to operate efficiently, and our IT systems support all aspects of our business operations. Our IT governance is based on five principles: (i) ensuring that IT contributes to the development of the business through the provision of effective, efficient and innovative digital technologies, (ii) designing enterprise IT architecture and developing an effective IT plan that is in line with our overall direction and goals, (iii) planning short-term, medium-term and long-term IT projects and budgeting in order to achieve the strategic objectives of the Issuer, (iv) implementing best-in-class IT platforms, enterprise business solutions, cybersecurity technologies and services and (v) executing, analyzing and monitoring IT systems to provide a secure, stable and robust IT environment.

We use digital technology to improve all of our areas of operation, including human resources, finance, electricity price forecasting, balancing, dispatch and power generation monitoring. In the first quarter of 2020, we implemented new digital solutions, such as SAP Plant Maintenance to reduce unplanned outages and accident rates and to be able to monitor planned and predicted maintenance in all power plants, manage all of our maintenance activities and follow-up inspections, notifications, corrective and preventive maintenance works, repair and other necessary works. We have also implemented a document management system.

We have our own IT team for daily operations and internal needs. Aydem Holding provides additional IT services for more comprehensive projects. IT infrastructure, enterprise business software and information security services are provided by Aydem Holding or third-party service providers appointed by Aydem Holding as per the Shared Services Agreement.

Our IT systems and data center are located at our head office in Denizli. Our IT systems are primarily based on SAP S4HANA software, with other third-party software used for certain tasks. We are certified in compliance with ISO 27001 for information security management.

We have upgraded our disaster recovery center, by improving our recovery strategies and IT contingency platforms to ensure that systems can be quickly and effectively recovered following any major IT disruption. In the first quarter of 2020, we completed a comprehensive new IT Continuity Improvement Project. With this project we have (i) introduced a new disaster recovery capability collection service in Istanbul to diversify our risk in Denizli, (ii) updated mission critical IT platforms, (iii) upgraded recovery time and point objectives with actual needs and (iv) implemented missing IT platforms to improve our disaster recovery capability. Finally, while we already maintain information security systems and software, we are also hardening our IT systems and improving our cybersecurity measures.

We use supervisory control and data acquisition (“SCADA”) systems to control our key equipment and collect and record real-time operational data at all of our power plants except our Bereket I-II, Feslek, Gökyar, Kemer, Adıgüzel and Dalaman HPPs. By collecting and monitoring real-time data, SCADA provides us with an overview of how the key equipment in our power plants is performing.

We monitor the generation, availability level and maintenance status of our power plants in real-time through several programs, including the BESIS program for real-time asset monitoring on desktops and mobile apps; the Smartpulse system, which allows for real-time monitoring for trading purposes; the SCADA system and through Sinovel and Vestas monitoring systems (for our WPPs). We also use robotic process automation to increase our efficiency and ability to work digitally. This includes the following applications:

- QDMS: allows us to move 1,952 processes, policies and procedures to a digital environment. QDMS includes an Action Tracking Module which allows operational teams to connect with different locations and track projects based on actions;
- Electronic Documents Flow: tracks annual leave, travel, expenses and vehicle requests;
- Envision: an official correspondence tracking and electronic signature program that digitalizes documentation processes with third parties, including public authorities;
- SAP Success Factors: digitalizes performance management system processes; and
- IT Helpdesk: digitalizes our IT support related to employee IT requests.

Intellectual Property

Our intellectual property comprises trademarks and domain names. We have ten trademarks and 70 domain names.

The “Aydem” brand we have been using after our change of name to “Aydem Yenilenebilir Enerji A.Ş.” belongs to Aydem Holding. We have signed a brand usage agreement with Aydem Energy, enabling the use of “Aydem” brands.

Save as disclosed above, as of the date of this Offering Memorandum, we do not own any patents, copyrights or industrial designs or have any pending trademark applications.

Employees

The table below shows the number of employees we employed as of the dates indicated:

	As at December 31,			As at June 30,
	2022	2023	2024	2025
Employees				
Field personnel	415	430	411	408
of which operation engineers.....	22	21	19	21
of which operation technicians	206	217	204	198
of which maintenance technicians	76	79	77	81
of which support personnel.....	111	113	111	108
Headquarters personnel	138	134	142	142
of which engineers.....	45	41	38	38
of which technicians	22	23	24	23
of which support personnel.....	71	70	80	81
Total	553	564	553	550

Of our total staff of 550 employees as of June 30, 2025, 302 were technicians, 59 were engineers and 189 were support personnel. 394 of our employees as of June 30, 2025 had more than five years of experience with us.

We are subject to various Turkish laws that regulate wages, hours, benefits and other terms and conditions relating to employment. Employment relations in Türkiye are generally governed by the Labor Code and related regulations.

As of the date of the Offering Memorandum, we do not have any employees who benefit from union rights. As of March 31, 2025, 22 of our employees were unionized. The last agreement with Tes-İş trade union covers the dates January 1, 2023 to March 31, 2025. A new agreement has not been signed as of August 12, 2025 and for further information on the related collective bargaining agreements, see “—*Material Contracts—Collective Bargaining Agreements.*”

We have not experienced any material labor disputes or significant problems with the recruitment or retention of our employees or suffered from any material disruption of our business operations as a result of any labor dispute or employee dispute. Because it is illegal for employees in the electricity generation business to strike, we have not experienced any employee strikes.

We believe that a motivated and highly qualified workforce is essential to our business operations. We also believe that our future success and sustainability depend on the continuing ability to identify, hire, attain, train and retain qualified and talented employees. We are creating a training and development program to offer development opportunities to our employees, focusing on technical expertise and competency development. As part of this, we offer training programs to our employees on a periodic basis, covering technical expertise development and competency development, among other things. Once hired, all of our employees receive health and safety and code of conduct training.

We have several employee-related projects ongoing, including a cultural transformation project, a company values project, a mentor-mentee program, a succession planning project and a learning and development project known as the “Aydem Academy.”

We also received the “Great Place to Work” certification in 2020, 2021, 2022 and 2023. As a result of our high score in the Trust Index employee survey and emphasis on workplace culture, we are awarded the “Türkiye’s Best Employers List” in 2020, 2021, 2022 and 2023.

In 2020, we launched a “Goal and Competency Based Performance Management System” to monitor the performance of our white-collar employees. This system enables us to evaluate our employees’ performance and measure their progress with respect to their determined targets. We also review the job performance of our employees. In connection with the performance review, each employee obtains a success score and receives a corresponding performance bonus. We designed this system with external management consultancy advisors and it is comparable to global and sectoral examples.

Insurance

We maintain the types and amounts of insurance coverage at our power plants that we believe are appropriate for our business and consistent with customary industry practices in Türkiye. In assessing the type of insurance coverage we need, we (i) identify insurable risks, (ii) seek out and design risk-appropriate policies and optimize existing policies and (iii) purchase the policies that best suit our needs. Our insurance policies generally cover employee-related accidents and injuries, property damage and machinery breakdown, third-party liability insurance, terrorism insurance, all-risk insurance and business interruption insurance. We also maintain coverage in respect of directors’ and officers’ liability. In the past five years, we have made material claims in relation to both the Dereli Incident and Düzce Aksu Incident.

Regulations require us to maintain insurance for all of our power plants. Article 47 (1) of the EMLR provides that licensees are obliged to insure the assets of their power plants which are related to their generation activities in order to protect them against possible risks.

Our insurance policies are usually valid for a period of one year and are renewed annually upon their expiry. We are not aware of any matter that would invalidate our insurance policies.

We cannot assure investors, however, that our insurance coverage will adequately protect us from all risks that may arise or in amounts sufficient to prevent any material loss. See “*Risk Factors—Risks Related to Our Industry and Business—Our insurance may not be sufficient to cover all potential losses and it is not possible to insure against all potential risks, whether in the context of a catastrophic event or otherwise.*”

In addition, we require our contractors to be covered by insurance.

Properties

We lease our headquarters office in Denizli from Aydem Elektrik Perakende Satış A.Ş., a related party, on an arm’s-length basis. In addition to our Denizli office, we also lease properties in other cities. These properties are principally used as housing for employees, parking and storage areas. Most of our leases have a one-year term, subject to automatic renewal. Our properties are primarily leased from third parties.

We also lease forest land for our power plants, subject to permits that are required for any power plants located in the forest. We paid TL 6.9 million, TL 20.4 million, TL 32.3 million and TL 33.3 million for the lease of forest land in various cities for the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, respectively.

There are four legal structures through which we own or use the land on which our power plants are built: (i) easement rights and expropriation, as expropriation is an integral part of the easement rights process, (ii) direct ownership, (iii) operational permits for forest lands, and (iv) contractual rights, such as lease agreements or operational rights. Expropriation decisions have been issued for all our power plants, while expropriation proceedings are still ongoing for certain projects. For further details on the expropriation process, see “*Regulatory Overview—Expropriation Process.*”

As part of the preliminary license applications process, EMRA requires applicants to have ownership or usage rights over the sites on which the power plant will be established. The applicant must provide an opinion as to no ownership conflicts (*mülkiyet sorunu yoktur görüşü*). We have obtained a no ownership conflict opinion for all our power plants.

Name of power plant	Easement Right	Ongoing Expropriation Process (Third Parties’ Properties)	Permit for Forestry Land	Owned	Leased
Hydroelectric					
Aksu HPP	✓		✓		
Akıncı HPP		✓	✓	✓	
Dereli HPP		✓	✓		
Çırakdamı HPP.....		✓	✓		
Kemer HPP			✓		
Feslek HPP				✓	
Bereket HPP I.....		✓		✓	✓
Bereket HPP II		✓		✓	✓
Adıgüzel HPP			✓		
Koyulhisar HPP.....	✓	✓	✓	✓	

Name of power plant	Easement Right	Ongoing Expropriation Process (Third Parties' Properties)	Permit for Forestry Land	Owned	Leased
Gökyar HPP			✓		
Dalaman I-V HPP.....			✓	✓	
Mentaş HPP.....	✓	✓	✓	✓	✓
Toros HPP		✓	✓	✓	
Göktaş HPP I.....		✓	✓		
Göktaş HPP II		✓	✓		
Wind					
Yalova WPP.....			✓		
Söke WPP			✓		
Uşak WPP		✓		✓	✓
Geothermal					
Sarayköy- Kızıldere.....				✓	
Landfill Gas					
Kumkısıık LFG					✓

Under Turkish law and regulation, immovable property on the site of an HPP (except for HPPs located on forest lands) must be transferred to the Ministry of Finance and Treasury, which must in turn grant an easement right to the relevant license holder for the period of the license. Nine of our HPPs are situated on our immovable properties in accordance with the regulatory legislation at the time they were constructed. Thus, the transfer of the related immovable properties to the Ministry of Finance and Treasury may be the case in the upcoming period. For further detail, see “*Regulatory Overview—Expropriation Process.*” In this case, after the transfer of our immovable property to the Ministry of Finance and Treasury, easement rights will be granted in our favor over such immovable property. Currently there is no specific request, sanction or fine with respect to transferring the immovable property.

There is currently an ongoing expropriation process over immovable property at 10 of our power plants. We paid TL 86.0 million, TL 13.9 million, TL 4.2 million and TL 3.2 million in the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, respectively, for the expropriation costs. Expropriation lawsuits are filed by us on behalf of EMRA and are ultimately registered in the name of the Turkish Ministry of Treasury and Finance. We are responsible for the payment of expropriation costs and carry out the litigation processes. We are currently pursuing 82 expropriation lawsuits. 32 of these lawsuits have been resolved and the registration processes are ongoing, and the remaining 50 lawsuits are pending. We also plan to file further lawsuits, excluding ones relating to the potential hybrid projects. Together with the existing and planned lawsuits, we expect total expropriation costs of approximately TL 25 million.

In addition, EMRA has granted a public interest decision (*kamu yararı kararı*) with respect to all our power plants for the expropriation of such third-party immovable properties, see “*Regulatory Overview—Expropriation Process.*”

Adıgüzel and Kemer HPPs, which we acquired through privatization, are operated based on the contractual terms of the TORA. EÜAŞ has obtained the relevant permits for forest lands on the sites of these HPPs.

Our WPPs' sites are located on (i) land in an ongoing expropriation process that will result in the granting of easements rights in our favor, (ii) land directly owned by us, (iii) land that we lease from Turkish Ministry of Treasury and Finance or (iv) forest land for which we have appropriate permits.

Our geothermal power plant is located on land we own.

Currently there are mortgages, commercial enterprises and moveable pledges given by us in favor of our creditors in some portion of our lands related to power plants and moveable assets, under the CTA. See *"Management Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Indebtedness—Common Terms Agreement and Loan Facilities."* The proceeds of the Offering will be used to repay all of our existing bank loans outstanding under the CTA, see *"—Use of Proceeds."* Accordingly, the mortgages and other securities provided to the creditors under the CTA will be removed.

Legal Proceedings

From time to time, we are involved in litigation in the ordinary course of our business activities, such as disputes with customers, contractors, suppliers, and tax authorities.

Administrative fines (amounting to TL 31,047,309.91 in total, of which TL 29,985,493.94 is still under review before the Council of State and has not yet become final) and other sanctions were imposed on the Dalaman HPP 1-2-3-4-5 and Gökyar HPP by the Dalaman, Ortaca and Köyceğiz municipal committees, alleging construction violations due to the absence of construction permits and/or building use permits in such power plants. As we consider these administrative actions to be unlawful since both HPPs qualify as public investments exempt from construction permit requirements, we have filed lawsuits before the administrative court seeking the annulment of these actions. With respect to such lawsuits, as of the date of this Offering Memorandum, 95 court rulings were annulled in our favor and one lawsuit was rejected in favor of the municipality. Among the annulment decisions, 82 are final and 13 are currently under appeal before the Council of State.

Although such appeal proceedings are still ongoing as at the date of this Offering Memorandum, we expect the relevant courts to order for the non-application of the administrative fines and/or to order that there is no reason for a judgment because the relevant administrative fines are non-applicable by law, following receipt of the Compliance Certificate for the relevant power plants in accordance with the Law No.7554. This is because the Law No. 7554 provides that the courts shall, ex officio, decide that there is no need for a judgment for the cases relating to administrative decisions issued due to the lack of construction permits and/or building use permits for the relevant power plants. Likewise, we also expect the unpaid portion of the administrative fines imposed on the Dalaman HPP 1-2-3-4-5 and Gökyar HPP to be cancelled, following receipt of the Compliance Certificate for the relevant power plants in accordance with the Law No.7554, which provides that the administrative decisions and administrative fines (unpaid portion of such fines) issued due to lack of construction permits and building use permits shall not be applied.

Currently, we are not involved in any legal, arbitration or other governmental proceedings which, if decided against us, would individually or in the aggregate have a material adverse effect on our business, results of operations or financial condition.

MANAGEMENT

Board of Directors

The Board of Directors is responsible for our management.

Under Turkish law, members of a board of directors can be appointed from among shareholders as well as non-shareholders, and both real persons and legal entities can be appointed as members of a board of directors. In the event a legal entity is appointed as a member of a board of directors, a real person must be appointed by the legal entity member of the board of directors as its representative to exercise all rights and fulfill all duties of a member of the board of directors on behalf of that legal entity. Our current chairman is a legal entity, the Aydem Holding A.Ş., and its real person representative is Serdar Marangoz.

Each director is elected for a maximum of three years. Directors may be re-elected after their terms have expired. The re-election of independent members to the board of directors should be in accordance with the Corporate Governance Principles.

As of the date of this Offering Memorandum, three members of our Board of Directors (each a “**Director**”) are independent: Mehmet Hayati Öztürk, Fatma Dilek Bil and Serpil Demirel. See “*Management—Composition.*”

Pursuant to the Articles of Association, the quorum for meetings of the Board of Directors is five members.

Composition

The Articles of Association require that the Board of Directors be composed of eight members appointed by our shareholders, including the minimum number of independent board members required by the Corporate Governance Principles.

The following table shows the members of our Board of Directors as of the date of this Offering Memorandum:

Name	Position	Year of birth	Year first elected	Year term ends
Aydem Holding A.Ş. (real person representative Serdar Marangoz)....	Executive Chairman	1982	2019	2026
Uğur Yüksel.....	Vice Chairman	1964	2025	2026
Asya Vuslat Saldanlı.....	Member	1997	2021	2026
Aslı Yağlı Durmaz	Member	1989	2024	2026
Baran Saldanlı	Member	1989	2024	2026
Mehmet Hayati Öztürk.....	Independent Member	1952	2020	2026
Serpil Demirel	Independent Member	1970	2021	2026
Fatma Dilek Bil	Independent Member	1960	2021	2026

The address of the Board of Directors is the registered office of the Issuer.

Serdar Marangoz

Serdar Marangoz, a graduate of the Department of Electrical and Electronics Engineering at Middle East Technical University (ODTÜ), began his career in 2006 at Siemens AG, bringing nearly 20 years of experience in the energy sector.

Since 2009, Mr. Marangoz has held senior executive roles at various companies under the umbrella of Aydem Energy. He served as the Aydem Electricity Market and Regulation Manager, and as a Board Member at ADM Elektrik Dağıtım A.Ş. and GDZ Elektrik Dağıtım A.Ş. In 2019, he was appointed as the Aydem Energy Trading Group President (CCO) and a Board Member of our company.

In addition to his Board memberships at Aydem Elektrik Perakende Satış A.Ş. and Gediz Elektrik Perakende Satış A.Ş., he also took on the role of General Manager in 2021.

Mr. Marangoz continued to serve as the General Manager of the retail group companies until 2023. As of October 25, 2023, he took on the role of General Manager and Vice Chairman of the Board at our company. On November 1, 2024, Mr. Marangoz was appointed as CEO of Aydem Energy.

Uğur Yüksel

Uğur Yüksel has over 30 years of experience in the energy, IT, and defense industries and has held key positions, including Project Manager at the Ministry of National Defense Undersecretariat for Defense Industries and General Manager at ODTÜ Teknokent, where he played a pivotal role establishing Türkiye's first technopark. Mr. Yüksel also served as the Procurement and Business Development Director at Lotus Enerji in Turkmenistan and as the Secretary General of ELDER, the Electricity Distribution Services Association in Türkiye.

Mr. Yüksel joined the Aydem Energy Group in 2018, as General Manager and Board Member at GDZ Elektrik Dağıtım A.Ş., and was also appointed as a Board Member at ADM Elektrik Dağıtım A.Ş. As of January 1, 2025, he serves as the Vice Chairman of the Board of Directors and General Manager of our company.

See “*Risk Factors—Risks Related to our Industry and Business—Loss of key personnel or a failure to attract key personnel and qualified employees could limit our growth and negatively impact our operations.*”

Baran Saldanlı

Baran Saldanlı graduated from the Department of Industrial and Systems Engineering at Yeditepe University and holds an Executive MBA from Sorbonne University. Mr. Saldanlı began his career in 2011 working in production at Tümaş Marble before joining the Project Finance department of our company in 2013. In 2014, he became the Customer Relations Center Regional Directorate of Gediz Elektrik Perakende Satış A.Ş. and the General Directorate of Aydem Elektrik Perakende Satış A.Ş. Between 2015 and 2018, he conducted various projects at ADM Elektrik Dağıtım A.Ş., Aydem Elektrik Perakende Satış A.Ş. and our company. In 2018, Mr. Saldanlı joined the holding management of Aydem Energy.

Since July 2021, Mr. Saldanlı has served as a Board Member at Aydem Holding, and as of November 1, 2024, as a Board Member of our company.

Aslı Yağlı Durmaz

Aslı Yağlı Durmaz began her career as a Project Engineer at Aydem Enerji in 2012, where she was responsible for engineering coordination, planning, site management, and design control in hydroelectric and WPPs between 2012 and 2014.

In 2014, she transitioned to ABB Elektrik as a Product Manager in marketing and was later promoted to Market Development Manager for ABB's Digital Products and Platforms in 2017. In 2022, she joined ABB S.p.A. and currently serves as a Global Application Engineer in Bergamo, Italy.

Aslı Yağlı Durmaz was appointed as a Board Member of our company in March 2024.

Asya Vuslat Saldanlı

Asya Vuslat Saldanlı graduated from George Mason University with a degree in Systems Engineering, focusing on operations research and renewable energy. Ms. Saldanlı joined Aydem Energy in 2020 and has been actively involved in various projects within Aydem Energy's subsidiaries. In December 2021, she was appointed as a Board Member of our company.

Mehmet Hayati Öztürk

Mehmet Hayati Öztürk graduated from Hacettepe University, Faculty of Chemistry and Chemical Engineering, in 1976. He began his career at Petkim, a publicly listed company, in 1977 and held various roles within the organization. He was eventually appointed as Petkim's Assistant General Manager, overseeing workflows in R&D, finance, projects, investments, planning, sales, and marketing.

Mr. Öztürk served as Petkim's General Manager from 2010 to 2012 and as a Board Member between 2012 and 2015. He later worked as an advisor to the CEO of SOCAR Türkiye until August 2017. In April 2020, he was appointed as an Independent Board Member of our company.

Fatma Dilek Bil

Fatma Dilek Bil holds a bachelor's degree in International Finance and International Marketing from the University of North Texas. She began her banking career in credit and marketing at American Express Bank, Koç – American Bank, BNP – AK-Dresdner, and Société Générale between 1985 and 1994.

From 1994 to 2013, she led Kangaro Communication and Consultancy, providing strategic brand communication and creative advertising solutions to numerous national and international brands. Since 2016, she has served as an independent board member of Akmerkez GYO. She is also a board member of WWF – Türkiye and serves as the sustainability advisor to the Turkish Clothing Manufacturers' Association. Ms. Bil is the founding mentor of GENÇ TGSD – Sustainability Platform, representing TGSD.

In 2010, she was the former president of the board and is currently an Honorary Board Member of KAGIDER (Women Entrepreneurs Association of Türkiye). She is the president of Accademia Italiana della Cucina Istanbul, a cultural institution of the Italian Republic. Additionally, she is a founding member and former vice president of the Financial Literacy and Inclusion Association of Türkiye (FODER). Ms. Bil was appointed as an Independent Board Member of our company in June 2021.

Serpil Demirel

Serpil Demirel holds a bachelor's degree in metallurgical engineering from Middle East Technical University. She began her career in 1993 as a sales engineer at Eczacıbaşı Doğa Madencilik, where she worked as a marketing and sales manager between 1999 and 2004.

Following the merger of Doğa Madencilik and Esan Eczacıbaşı in 2004, she continued her career at Esan, holding various positions including Domestic Sales Manager, Marketing Sales Manager, Marketing Sales Director, and Assistant General Manager.

From 2015 to 2021, she served as the General Manager and later CEO of Esan. She was appointed as an Independent Board Member of our company in June 2021.

Senior Management

Name	Position	Year of birth
Uğur Yüksel	General Manager	March 16, 1964

Name	Position	Year of birth
Erdem Uysal.....	Investment and Business Development Director	May 19, 1982
İsmail Beyhan.....	Operations and Maintenance Director	May 5, 1982

Erdem Uysal

Erdem Uysal graduated from the Department of Civil Engineering at Middle East Technical University and began his career in 2006 working on Gama's industrial facility project abroad. He later contributed to the cultural center and residential complex projects at İçtaş.

In 2010, Mr. Uysal returned to Türkiye and joined Finansbank's project finance team. He subsequently took on various roles in project management, budget management, work scheduling, and contract management for İçtaş and Rönesans' domestic projects.

Mr. Uysal served as the Asset Management Director at Rönesans, overseeing investment planning and operating budget processes until 2022. He then joined Aydem Energy and began working as the Investment and Business Development Director of our company in 2023.

İsmail Beyhan

İsmail Beyhan, graduated from Ege University, Department of Mechanical Engineering. He holds an MBA from Beykent University. He started his career as a Maintenance Manager at ISKO, a subsidiary of Sanko Holding, in 2007. He has more than 14 years of experience in the energy sector. He served as the Maintenance Unit Manager at Borusan EnBW Energy between 2009-2015. He continued his career as the Director of Wind Investments and Operations at Mogan Energy between 2015-2023. In May 2023, he assumed the position of Project Manager at ASELSAN. As of March 17, 2025, Mr. Beyhan started his position as the Operations and Maintenance Director at Aydem Renewables.

Other Information

As of the date of this Offering Memorandum, no Director or member of the Issuer's senior management, for the previous five years:

- has had any convictions in relation to fraudulent offences; nor
- was a member of the administrative, management or supervisory bodies of any company at the time of or preceding any bankruptcy, receivership or liquidation; nor
- has been subject to any official public incrimination and/or sanction by any statutory or regulatory authority (including any designated professional body); nor
- has ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or to conduct of the affairs of any company.

Shareholdings

As of the date of this Offering Memorandum, no Director or member of the Issuer's senior management directly holds any shares or options to acquire any shares in the Issuer.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the Conditions of the Notes that (except for the paragraphs in italics, which are for information purposes only and do not form part of the Conditions) will be endorsed on the Definitive Certificates issued in respect of the Notes:

The U.S.\$550,000,000 9.875% Senior Secured Green Notes due 2030 (the “**Notes**”, which expression includes any further notes issued pursuant to Condition 18 (*Further Issues*) and forming a single series therewith) of Aydem Yenilenebilir Enerji A.Ş. (the “**Issuer**”) are (a) constituted by and subject to, and have the benefit of, a trust deed dated on or around September 30, 2025 (as amended or supplemented from time to time, the “**Trust Deed**”) between (i) the Issuer, (ii) BNY Mellon Corporate Trustee Services Limited as trustee (the “**Trustee**”, which expression includes all persons for the time being appointed as trustee for the Noteholders (as defined below) under the Trust Deed), and (iii) Türkiye Garanti Bankası A.Ş. as onshore security agent (the “**Security Agent**”, which expression includes all persons for the time being appointed as security agent for the Noteholders), and (b) are the subject of a paying agency agreement dated on or around September 30, 2025 (as amended or supplemented from time to time, the “**Agency Agreement**”) between the Issuer, the Trustee and The Bank of New York Mellon, London Branch as principal paying agent (the “**Principal Paying Agent**”, which expression includes any successor principal paying agents appointed from time to time in connection with the Notes), and the other paying agents named therein (together with the Principal Paying Agent, the “**Paying Agents**”, which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes), and The Bank of New York Mellon SA/NV, Dublin Branch, in its capacity as Registrar and Transfer Agent (the “**Registrar and Transfer Agent**”, which expression shall include any successor registrar and transfer agent appointed from time to time in connection with the Notes).

Certain provisions of these Conditions are summaries of the Trust Deed and the Agency Agreement and are subject to their detailed provisions. The Noteholders (as defined below) are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the Agency Agreement applicable to them. Copies of the Trust Deed and the Agency Agreement (i) are available for inspection by Noteholders upon reasonable prior notice being given and during normal business hours at the Specified Offices (as defined in the Agency Agreement) of the Principal Paying Agent and the Paying Agents, or (ii) may be provided by email to a Noteholder following their prior written request to any Paying Agent and provision of proof of holding and identity (in a form satisfactory to the relevant Paying Agent) during normal business hours on any Business Day, in each case subject to the Principal Paying Agent and Paying Agent being supplied by the Issuer with copies of such documents. References to “**Conditions**” are, unless the context otherwise requires, to the numbered paragraphs of these terms and conditions.

1 Form, Denomination and Title

1.1 Form and Denomination

The Notes are in registered form, serially numbered. Notes sold (i) in transactions in reliance on Regulation S under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”) and (ii) to qualified institutional buyers (“**QIBs**”) in reliance on Rule 144A under the Securities Act will in each case be issued in minimum denominations of U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof (an “**Authorised Denomination**”).

1.2 Title

Title to the Notes will pass by transfer and registration as described in Conditions 2 (*Registration*) and 3 (*Transfer of Notes*). The holder (as defined below) of any Note will (except as otherwise required by law or as ordered by a court of competent jurisdiction) be treated as its absolute owner for all purposes

whether or not it is overdue and regardless of any notice of ownership, trust or any other interest in it, any writing thereon by any Person (as defined below) (other than a duly executed transfer thereof in the form endorsed thereon) or any notice of any previous theft or loss thereof; and no Person will be liable for so treating the holder.

In these Conditions, “**Person**” means any individual, company, corporation, firm, partnership, joint venture, association, unincorporated organization, trust or other legal entity, including, without limitation, any state or agency of a state or other entity, whether or not having separate legal personality, “**Noteholder**” or, in relation to a Note, “**holder**” means the Person in whose name a Note is for the time being registered in the Register (as defined below) (or, in the case of joint holders, the first named thereof).

For so long as such Notes or any part thereof are represented by a global certificate (a “Global Certificate”) registered in the name of the common depositary (or its nominee) for Euroclear Bank SA/NV (“Euroclear”) and Clearstream Banking, S.A. (“Clearstream, Luxembourg”) or so long as Cede & Co., as nominee for The Depository Trust Company (“DTC”) or another nominee is the registered holder of the Global Certificate or, in respect of Notes in definitive form held in an account with Euroclear or Clearstream, Luxembourg or DTC, each person who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg (other than Clearstream, Luxembourg, if Clearstream, Luxembourg shall be an accountholder of Euroclear, and Euroclear, if Euroclear shall be an accountholder of Clearstream, Luxembourg) or, as the case may be, DTC as the holder of a particular nominal amount of the Notes shall be deemed to be the holder of such nominal amount of such Notes (and the registered holder of the relevant Note shall be deemed not to be the holder) and, in the case of DTC or its nominee, voting, giving consents and making requests pursuant to the Trust Deed, the rights to which shall be vested, as against the Issuer and the Trustee, solely in such common depositary or, as the case may be, DTC or its nominee and for which purpose such common depositary or, as the case may be, DTC or its nominee shall be deemed to be the holder of such nominal amount of such Notes in accordance with and subject to its terms and the provisions of the Trust Deed; and the words “holder” and “holders” and related expressions shall (where appropriate) be construed accordingly. A Note in definitive form (a “Definitive Certificate”) will be issued to each Noteholder upon exchange of the Global Certificate (only in accordance with the terms thereof).

Notes sold to qualified institutional buyers in the United States in reliance on Rule 144A under the Securities Act will be represented by one or more restricted global certificates (the “Restricted Global Certificates”). Notes sold to investors outside the United States in reliance on Regulation S under the Securities Act will be represented by an unrestricted global certificate (the “Unrestricted Global Certificate” and, together with the Restricted Global Certificate, the “Global Certificates”). The Restricted Global Certificate will be deposited with a custodian for, and registered in the name of, Cede & Co., as nominee of DTC. The Unrestricted Global Certificate will be deposited with, and registered in the name of a nominee for, a common depositary for Euroclear and Clearstream, Luxembourg. Ownership of beneficial interests in the Restricted Global Certificate will be limited to Persons that have accounts with DTC or Persons that may hold interests through such participants. Ownership of beneficial interests in the Unrestricted Global Certificate will be limited to Persons that have accounts with Euroclear or Clearstream, Luxembourg or Persons that may hold interests through such participants. Beneficial interests in the Global Certificates will be shown on, and transfers thereof will be effected through, records maintained in book-entry form by DTC and its participants or by Euroclear, Clearstream, Luxembourg and their participants as applicable. Interests in the Global Certificates will be exchangeable for Definitive Certificates only in certain limited circumstances specified in the relevant Global Certificate.

1.3 Third Party Rights

No Person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any Person which exists or is available apart from that Act.

2 Registration

The Issuer will cause to be kept at the Specified Office of the Registrar and Transfer Agent a register (the “**Register**”) in which will be entered the names and addresses of the holders of the Notes and the particulars of the Notes held by them and all transfers and redemptions of the Notes.

3 Transfer of Notes

3.1 Transfer

Each Note may, subject to the terms of the Agency Agreement and to Conditions 3.2 (*Formalities Free of Charge*), 3.3 (*Closed Periods*) and 3.5 (*Regulations Concerning Transfer and Registration*), be transferred in whole or in part in an Authorised Denomination by lodging the relevant Definitive Certificate (with the endorsed form of application for transfer in respect thereof duly executed and duly stamped where applicable) at the Specified Office of the Registrar and Transfer Agent or any Paying Agent. A Note may be registered only in the name of, and transferred only to, a named person or persons. No transfer of a Note will be valid unless and until entered on the Register.

The Registrar and Transfer Agent will within five Business Days (as defined below) of any duly made application for the transfer of a Note, register the transfer and deliver a new Definitive Certificate to the transferee (and, in the case of a transfer of part only of a Note, deliver a Definitive Certificate for the untransferred balance to the transferor), at the Specified Office of the Registrar and Transfer Agent or (at the risk and, if mailed at the request of the transferee or, as the case may be, the transferor otherwise than by ordinary mail, at the expense of the transferee or, as the case may be, the transferor) mail the Definitive Certificate by uninsured mail to such address as the transferee or, as the case may be, the transferor may request.

3.2 Formalities Free of Charge

Such transfer will be effected without charge subject to (i) the person making such application for transfer paying or procuring the payment of any taxes, duties and other governmental charges in connection therewith, (ii) the Registrar and Transfer Agent being satisfied with the documents of title and/or identity of the person making the application and (iii) such reasonable regulations as the Issuer may from time to time agree with the Registrar and Transfer Agent and the Trustee. A copy of the current regulations will be mailed (free of charge) by the Registrar and Transfer Agent to any Noteholder who requests in writing a copy of such regulations.

3.3 Closed Periods

Neither the Issuer nor the Registrar and Transfer Agent will be required to register the transfer of any Note (or part thereof) (i) during the period of 15 days immediately prior to the due date for any payment of principal or interest in respect of the Notes, or (ii) after any such Note has been called for redemption.

3.4 Business Day

In these Conditions, “**Business Day**” means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and

foreign currency deposits) in New York City, London and Istanbul and the city in which the Specified Office of the Registrar and Transfer Agent or, as the case may be, the Principal Paying Agent is located.

3.5 Regulations Concerning Transfer and Registration

All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfer of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer to reflect changes in legal requirements or in any other manner which is not prejudicial to the interests of Noteholders with the prior approval of the Registrar and Transfer Agent (such approval not to be unreasonably withheld or delayed) and the Trustee. A copy of the current regulations will be mailed (free of charge) by the Registrar and Transfer Agent to any Noteholder who requests in writing a copy of such regulations.

3.6 Authorised Denominations

No Note may be transferred unless the nominal amount of Notes transferred and (where not all of the Notes held by a holder are being transferred) the nominal amount of the balance of the Notes not transferred are Authorised Denominations.

4 Guarantee and Status

4.1 Status of Notes

The Notes constitute direct, secured, unsubordinated and unconditional obligations of the Issuer shall at all times rank *pari passu* and without any preference among themselves. The Notes are:

- (a) senior obligations of the Issuer, ranking at all times at least equally in right of payment with any other existing or future unsecured and unsubordinated Indebtedness of the Issuer;
- (b) senior in right of payment to all existing and future subordinated Indebtedness and any other subordinated liabilities of the Issuer;
- (c) effectively subordinated in right of payment to any existing and future Indebtedness of the Issuer, if any, that is secured by Liens not forming part of the Collateral, to the extent of the value of the assets securing such Indebtedness; and
- (d) secured by the Liens in respect of the Collateral.

4.2 Guarantee

As of the Issue Date, the Notes will not be guaranteed. The Issuer may from time to time designate a Restricted Subsidiary as a Guarantor of the Notes in accordance with Condition 6.15 (*Additional Guarantees and Limitations on Guarantees*). The Guarantee of each Guarantor will constitute direct, unsubordinated, (subject as provided in Condition 6.1 (*Limitation on Liens*)) unsecured and unconditional obligations of such Guarantor. The payment obligations of each Guarantor under its Guarantee shall at all times rank *pari passu* and without any preference among themselves and (subject as provided in Condition 6.1 (*Limitation on Liens*)) with all outstanding unsecured and unsubordinated obligations of such Guarantor, present and future.

4.3 Addition of Guarantees

The Issuer shall give not less than five Business Days' prior written notice to the Trustee and the Noteholders in accordance with Condition 15 (*Notices*) of the addition of a Guarantee. The addition of any Guarantee(s) shall be conditional upon:

- (a) the satisfaction of the terms of Condition 6.15(d) (*Additional Guarantees and Limitations on Guarantees*); and
- (b) receipt by the Trustee of such other conditions, documents or certificates as it may reasonably require, including in connection with its “know your customer” obligations or other identification checks or procedures necessary to comply with any applicable law and regulation.

5 Collateral

5.1 Collateral

- (a) The obligations of the Issuer under, or in connection with, the Notes and the Notes Documents will be secured in favor of the Security Agent for and on behalf of and for the benefit of itself and the other Secured Creditors as follows:
 - (i) by the Issuer:
 - (A) not later than November 12, 2025, pursuant to the Bank Account Pledge Agreement, by a first degree pledge over all of its present and future bank accounts (save for any such bank accounts maintained by the Issuer exclusively in relation to any letters of credit or letters of guarantee and any bank account held with the Istanbul Settlement and Custody Bank (TAKASBANK));
 - (B) not later than November 19, 2025, pursuant to the Assignment of Receivables Agreement, by an assignment by way of collateral of all its present and future (actual or contingent) receivables, rights, incomes, rights of claim, titles, interests, which have arisen and/or which may arise under any agreement, protocol or contract including, but not limited to, electricity sale agreements;
 - (C) not later than November 19, 2025, pursuant to the Assignment of EPIAŞ Receivables Agreement, by an assignment by way of collateral of all its present and future (actual or contingent) receivables, rights, incomes, rights of claim, titles, interests, which have arisen and/or which may arise in respect of electricity sales carried out through EPIAŞ and arising from the Issuer’s registry with EPIAŞ;
 - (D) as soon as reasonably practicable and in any case not later than December 18, 2025, pursuant to the Moveable Asset Pledge Agreement, by a first degree pledge over all of the Issuer’s movable assets (including, without limitation, machinery, hardware, equipment, tools and vehicles) that are operated on or otherwise allocated to its commercial property (including the Power Plants), in any case existing on the Issue Date; and
 - (ii) by each Guarantor, to the extent it owns any such assets and as soon as reasonably practicable and in any case not later than 15 Business Days following the relevant date of its accession to the Trust Deed:
 - (A) by a first degree pledge over all of such Guarantor’s present and future bank accounts (save for any such bank accounts maintained by such Guarantor in connection with any letters of credit or letters of guarantee and any bank account held with the Istanbul Settlement and Custody Bank (TAKASBANK));
 - (B) by an assignment by way of collateral of all its present and future (actual or contingent) receivables, rights, incomes, rights of claim, titles, interests, which

have arisen and/or which may arise under any agreement, protocol or contract including, but not limited to, electricity sale agreements;

- (C) by an assignment by way of collateral of all its present and future (actual or contingent) receivables, rights, incomes, rights of claim, titles, interests, which have arisen and/or which may arise in respect of electricity sales carried out through EPIAŞ and arising from such Guarantor's registry with EPIAŞ; and
 - (D) by a first degree pledge over all of such Guarantor's present and future movable assets (including, without limitation, machinery, hardware, equipment, tools and vehicles) that are operated on or otherwise allocated to its commercial property and in any case existing on the date of such accession.
- (b) To the extent the Issuer and/or any Guarantor establishes a new or additional bank account (irrespective of the currency of such account and including any sub-accounts, but excluding any bank accounts established exclusively in relation to any letters of credit or letters of guarantee and any bank account held with the Istanbul Settlement and Custody Bank (TAKASBANK)) following the Issue Date or the date of accession to the Trust Deed (as applicable), the Issuer or relevant Guarantor (as the case may be) shall, not later than date on which such bank account is established or otherwise in accordance with the Bank Account Pledge Agreement (including any analogous agreement or supplement thereto to be entered into by a Guarantor for the purposes of granting a Lien pursuant to Condition 5.1(a)(ii)(A) (*Collateral*)), secure such new or additional bank account by a first degree pledge in favor of the relevant Security Agent for and on behalf of and for the benefit of such Security Agent and the other Secured Creditors in a manner analogous to the Liens granted or to be granted pursuant to Conditions 5.1(a)(i)(A) and 5.1(a)(ii)(A) (*Collateral*).
- (c) To the extent, following the Issue Date, the Issuer or any Restricted Subsidiary (other than any Project Subsidiary) acquires property, plant, equipment or any other moveable asset(s) the book value of which exceeds U.S.\$50.0 million in the aggregate (taken together with other property, plant, equipment and other moveable asset(s) acquired by any of them prior to such date, excluding those specifically pledged in accordance with this paragraph (c), "**New PPE**"), the Issuer and/or such Restricted Subsidiary shall, within 30 Business Days of the date of such acquisition, pursuant to a deed or document supplemental to or amending the Moveable Asset Pledge Agreement or any additional or other pledge agreement as required by applicable law and regulation, grant a first degree pledge over such New PPE, *provided that* such documentation is in a form satisfactory to the Trustee and the relevant Security Agent (and such requirement shall be deemed to be satisfied following receipt of an Opinion of Counsel by the Trustee and relevant Security Agent that is addressed to each of them (and furnished at the expense of the Issuer and/or the relevant Restricted Subsidiary) as to the effectiveness of such security and enforceability of the Issuer or such Restricted Subsidiary's obligations under such documentation and as to the due capacity and authority of the Issuer or such Restricted Subsidiary (as applicable) in respect of its entry into and performance of such obligations thereunder (which opinion may be subject to customary qualifications and assumptions)).
- (d) To the extent required under the terms of the Assignment of Receivables Agreement and/or the Assignment of EPIAŞ Receivables Agreement (including any analogous agreement or supplement thereto to be entered into by a Guarantor for the purposes of granting a Lien pursuant to Conditions 5.1(a)(ii)(B) and 5.1(a)(ii)(C) (*Collateral*)), the Issuer and/or the Guarantors shall assign any future receivables in accordance with the terms thereof and in favor of the relevant

Security Agent for and on behalf of and for the benefit of such Security Agent and the other Secured Creditors.

- (e) Each Guarantor shall execute and deliver such documents (including any deed or document supplemental to the Issuer Security Documents or the Trust Deed) and perform such acts as the Trustee and/or the relevant Security Agent in their absolute discretion may determine necessary for the purposes of giving full effect to the Liens contemplated by Condition 5.1(a)(ii) (*Collateral*) (including the perfection of such Liens) on or by the date falling not later than 15 Business Days following its accession to the Trust Deed.
- (f) The property secured, or to be secured (including any Guarantor's property pursuant to Condition 5.1(a)(ii) (*Collateral*)), pursuant to the relevant Security Documents as specified in this Condition 5.1 (*Collateral*), together with any other property or assets held by and/or charged in favor of and/or assigned to the Security Agent (as security agent for and on behalf of the Secured Creditors) pursuant to the Trust Deed, the Security Documents and/or any deed or document supplemental thereto is referred to in these Conditions as the “**Secured Property**”, and the collateral created thereby is referred to as the “**Collateral**.”

5.2 Further Collateral

As soon as reasonably practicable following any changes in the composition of the Secured Property and/or any other property that is intended to be subject of the Collateral (other than the release of any Secured Property from the Collateral as provided in these Conditions or the Transaction Documents and without prejudice to any specific provisions under the Security Documents in this respect), the Issuer and/or the relevant Guarantor will procure that title to such property be transferred or collateral interests in a form and manner satisfactory to the Trustee and the relevant Security Agent are created over any such property which is not already, to the satisfaction of the Trustee and the relevant Security Agent, transferred to or secured by or pursuant to the collateral arrangements described above, in each case in favor of the Security Agent to hold on behalf of themselves, the Trustee, the Noteholders and the other Secured Creditors, as collateral for or otherwise securing the obligations described in these Conditions, the Trust Deed and the other Transaction Documents. Any such documentation shall be deemed to be in a form and substance satisfactory to the Trustee and the relevant Security Agent following their receipt of an Opinion of Counsel that is addressed to each of them (and furnished at the expense of the Issuer and/or the relevant Guarantor) as to the effectiveness of such security and enforceability of the Issuer or such Guarantor's obligations under such documentation and as to the due capacity and authority of the Issuer or such Guarantor (as applicable) in respect of its entry into and performance of such obligations thereunder (which opinion may be subject to customary qualifications and assumptions))

Neither the Trustee nor the Security Agent shall be under any obligation to monitor or supervise and shall not have any duty to make any investigation in respect of or in any way be liable whatsoever for the performance or observance by the Issuer of this Condition 5.2 (*Further Collateral*) and shall be entitled to assume that the Issuer is properly performing and complying with its obligations under these Conditions, the Trust Deed and the other Transaction Documents. Neither the Trustee nor the Security Agent shall have any responsibility for, or have any duty to make any investigation in respect of, or in any way be liable whatsoever for, the execution, delivery, legality, validity, adequacy, admissibility in evidence, enforceability, genuineness, effectiveness or suitability of any Transaction Document or any other document entered into in connection therewith or of any transfer, collateral or trust effected or constituted or purported to be effected or constituted by any Transaction Document or any other document entered into in connection therewith.

5.3 Release of Collateral

Prior to the Collateral becoming enforceable, the Security Agent shall (acting on the instructions and at the cost of the Issuer) take all reasonably necessary actions required under applicable laws and regulations to effect the release of the relevant Collateral (or, as the case may be, the relevant part thereof as described below) in the following circumstances (subject as expressly provided in the Security Documents and/or the Trust Deed):

- (a) in connection with any sale or other disposition of the property or assets to a Person that is not (either before or after giving effect to such transaction) the Issuer or a Restricted Subsidiary, if the sale or other disposition does not violate Condition 6.5 (*Asset Sales*);
- (b) following the redemption or purchase and cancellation of all of the Notes, so that no Note remains outstanding (as defined in the Trust Deed) and no amounts remain due and payable under any of the Transaction Documents; and
- (c) otherwise in accordance with the terms of the Trust Deed or the Security Documents.

As soon as practicable following the occurrence of any of the circumstances specified in paragraphs (a) to (c) above, the Issuer shall notify the Trustee and the Security Agent and deliver to them an Officers' Certificate confirming the occurrence thereof and the necessary actions required under applicable laws and regulations in relation thereto.

Upon any occurrence giving rise to the release of any Collateral, the Security Agent will take all actions reasonably necessary to be taken by them to effectuate the release of such Collateral created by the relevant Security Documents that is in accordance with these Conditions without requiring any consent of the Noteholders.

5.4 Enforcement of Collateral

Subject to the provisions of the Security Documents and the Trust Deed, the Collateral shall become enforceable upon notice being given by the Trustee to the Issuer and/or the Guarantors that the Notes are due and payable pursuant to Condition 12 (*Events of Default*).

If the Collateral becomes enforceable, the Trustee may at its discretion and without further notice or formality and shall, if so requested in writing by Noteholders holding at least one-quarter in principal amount of Notes then outstanding or if so directed by an Extraordinary Resolution (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction against all Liabilities (as defined in the Trust Deed), actions, proceedings, claims and demands to which it may thereby render itself liable and all costs, charges, damages and expenses which it may incur by so doing and, for this purpose, the Trustee may demand prior to taking any such action, that there be paid to it in advance such sums as it considers (without prejudice to any further demand) shall be sufficient so to indemnify it) instruct the relevant Security Agent (subject to such Security Agent being indemnified and/or secured and/or prefunded to its satisfaction against all Liabilities, actions, proceedings, claims and demands to which it may thereby render itself liable and all costs, charges, damages and expenses which it may incur by so doing and, for this purpose, the Trustee may demand prior to taking any such action, that there be paid to it in advance such sums as it considers (without prejudice to any further demand) shall be sufficient so to indemnify it) to enforce all or any of the Collateral in accordance with the terms thereof and subject as provided below and may cause the Secured Property to be transferred to it or to its order.

Following any realisation of the Secured Property in accordance with the foregoing provisions of this Condition 5.4 (*Enforcement of Collateral*) and of the Trust Deed, the relevant Security Agent will apply

the proceeds of such realization to the Trustee for application in accordance with the terms of the Trust Deed.

The Trustee may at its discretion (and to the extent required or appropriate under applicable law) instruct either Security Agent to appoint a receiver to take possession of and/or realize all or any part of the Secured Property and/or take action or proceedings against any person liable in respect of all or any part of the Secured Property and take any step, action or proceedings provided for in or pursuant, and/or subject to, the Transaction Documents, but without any liability to any person as to the consequences of such step, action or proceedings and without having regard to the effect of such action or proceedings on the Issuer or individual Noteholders, and provided that the Trustee shall not be required to take any action, step or proceedings (including, without limitation, instructing a Security Agent to take any action, step or proceeding under the Trust Deed, the Security Documents or any other Transaction Document) without first being requested to do so in writing by holders of at least one-quarter in principal amount of the outstanding Notes or directed to do so by an Extraordinary Resolution and, in any case, without each of the Trustee and the relevant Security Agent being indemnified and/or secured and/or prefunded to its satisfaction against all Liabilities, actions, proceedings, claims and demands to which it may thereby render itself liable and all costs, charges, damages and expenses which it may incur by so doing and, for this purpose, the Trustee may demand prior to taking any such action, that there be paid to it in advance such sums as it considers (without prejudice to any further demand) shall be sufficient so to indemnify it.

5.5 Undertakings Regarding the Secured Property

Other than as required under Condition 5.2 (*Further Collateral*) and the Trust Deed or as otherwise expressly contemplated or permitted in any of the Transaction Documents, and other than as approved by an Extraordinary Resolution, Written Resolution or Electronic Consent, the Issuer shall not, for so long as any Note remains outstanding:

- (a) create or permit to subsist any Lien (other than the Collateral) upon all or any of the Secured Property; or
- (b) transfer, sell, lend, part with or otherwise dispose of, or grant any option or present or future right to acquire any of the Secured Property other than any such sale or other disposition that does not violate Condition 6.5 (*Asset Sales*); or
- (c) subject to Condition 14.4 (*Modification without Noteholders' Consent*), permit any of the Transaction Documents to be amended, terminated, postponed or discharged, or consent to any variation of, or exercise of any powers of consent or waiver pursuant to any of the Transaction Documents, or permit any party to any of the Transaction Documents or any other person whose obligations form part of the Collateral to be released from such obligations.

6 Covenants

So long as any Notes remain outstanding:

6.1 Limitation on Liens

- (a) The Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, assume or suffer to exist any Lien, other than a Permitted Lien, on any of its assets, now owned or hereafter acquired, or any income or profits therefrom, securing Indebtedness, unless, at the same time or prior thereto, the Notes and the Guarantees (i) are secured equally

and rateably therewith or (ii) have the benefit of other collateral or other arrangement (in each case for so long as such other Indebtedness is so secured) to the satisfaction of the Trustee.

- (b) Any such Lien thereby created in favor of the holders of the Notes or any such Guarantee pursuant to this Condition 6.1 will be automatically and unconditionally released and discharged upon the release and discharge of the initial Lien to which it relates.

Notwithstanding the foregoing, the Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create, Incur, assume or suffer to exist any Lien on any of the Secured Property, if granted in favor of Indebtedness (other than the Notes including any Further Notes and the Guarantees) and that would materially interfere with the ability of the Security Agent to enforce the Notes Security.

- (c) For the purposes of determining compliance with this covenant and for the purposes of the definitions of Permitted Lien (other than in respect of clause (c) of the definition thereof), in the event that a Lien meets the criteria of more than one of the categories or exceptions contained in the definition of, as the case may be, “Permitted Lien” (or any other definition used in this covenant or such definition), as applicable, the Issuer may, at its sole discretion, divide and classify such Lien in any manner that complies with this covenant or such definition and may later divide and/or reclassify any such Lien at any time and in any manner that complies with this covenant or such definition.

6.2 Incurrence of Indebtedness

- (a) The Issuer will not, and will not permit any of its Restricted Subsidiaries to, Incur any Indebtedness *provided that* the Issuer or any Guarantor may Incur Indebtedness if on the date of such Incurrence and after giving effect thereto on a *pro forma* basis (including a *pro forma* application of the net proceeds therefrom):
 - (i) the Consolidated Net Leverage Ratio of the Group would be for any Relevant Period ending (i) prior to September 30, 2026, not more than 3.75 to 1.0, (ii) from and after September 30, 2026 and prior to September 30, 2027, not more than 3.50 to 1.0, (iii) from and after September 30, 2027 and prior to September 30, 2028, not more than 3.25 to 1.0, and (iii) from and after September 30, 2028, not more than 3.00 to 1.0; and
 - (ii) the Fixed Charge Coverage Ratio of the Group for the Relevant Period would be at least 2.25 to 1.0.
- (b) Notwithstanding the foregoing Condition 6.2(a), the Issuer and/or (where applicable) its Restricted Subsidiaries will be entitled to Incur any or all of the following Indebtedness (collectively, “**Permitted Debt**”):
 - (i) Indebtedness represented by the Notes issued on the Issue Date and the related Guarantees (including any future Guarantees);
 - (ii) Indebtedness of the Issuer or any of its Restricted Subsidiaries (other than the Notes and the Guarantees) outstanding on the Issue Date, after giving effect to the application of proceeds of the Indebtedness being Incurred on the Issue Date;
 - (iii) Indebtedness of the Issuer or any of its Restricted Subsidiaries owed to and held by the Issuer or any of its Restricted Subsidiaries; *provided, however, that* (i) any Indebtedness in respect of which either the Issuer or any Guarantor is an obligor and the lender is not the Issuer or a Guarantor is unsecured and fully subordinated and junior in right of payment to the Notes at any time while an Event of Default has occurred and is continuing

pursuant to a written agreement to that effect and (ii) any subsequent issuance or transfer of any Capital Stock which results in any Indebtedness Incurred pursuant to this paragraph being beneficially held by a Person other than the Issuer or a Restricted Subsidiary or any subsequent transfer of such Indebtedness to a Person other than to the Issuer or another Restricted Subsidiary of the Issuer shall be deemed, in each case, to constitute the Incurrence of such Indebtedness by the obligor thereon;

- (iv) Indebtedness Incurred and outstanding on or prior to the date on which such Restricted Subsidiary was acquired by or merged, consolidated, amalgamated or otherwise combined with (including pursuant to any acquisition of assets and assumption of related liabilities) the Issuer or a Restricted Subsidiary (*provided that* such Indebtedness was not Incurred or assumed in connection with, or in contemplation of, such acquisition, merger, consolidation or amalgamation); *provided, however, that* on the date of such acquisition, merger, consolidation or amalgamation or combination and after giving *pro forma* effect thereto, either (a) the Issuer would have been entitled to Incur at least U.S.\$1.00 of additional Indebtedness pursuant to Condition 6.2(a) or 6.2(b) the Consolidated Net Leverage Ratio of the Issuer would not be greater than it was immediately prior to giving *pro forma* effect to the incurrence of such Indebtedness pursuant to this paragraph (iv);
- (v) Refinancing Indebtedness in respect of Indebtedness Incurred pursuant to Condition 6.2(a) or pursuant to paragraph 6.2(b)(i) or 6.2(b)(iv) above or this paragraph (v);
- (vi) Hedging Obligations Incurred by the Issuer; provided they are Incurred for the purpose of fixing, hedging, swapping or otherwise managing interest rate, commodity price or foreign currency exchange rate risk and not for speculative purposes;
- (vii) Obligations of the Issuer or any of its Restricted Subsidiaries that are Guarantors in respect of bankers' acceptances, performance, bid, completion, surety or appeal bonds or similar instruments, guarantees or other obligations, judgment, advance payment, customs, VAT or other tax guarantees or similar instruments issued in the ordinary course of business of the Issuer or any Restricted Subsidiary of the Issuer or for governmental, tax or regulatory requirements and not in connection with the borrowing of money, including similar instruments in respect of such obligations;
- (viii) Indebtedness of the Issuer or any of its Restricted Subsidiaries arising from the honoring by a bank or other financial institution of a cheque, draft or similar instrument inadvertently drawn against insufficient funds; *provided, however, that* such Indebtedness is extinguished within five business days of its Incurrence;
- (ix) Indebtedness Incurred in respect of workers' compensation claims, self-insurance obligations, reclamation bonds or similar obligations Incurred by the Issuer or a Restricted Subsidiary in the ordinary course of business and any contingent obligations in respect of early retirement or termination obligations, pension fund obligations or contributions or similar claims, obligations or contributions or social collateral or wage Taxes;
- (x) Indebtedness arising from agreements of the Issuer providing for indemnification, obligations in respect of earn-outs or other adjustments of purchase price or similar obligations, in each case, Incurred or assumed in connection with the acquisition or disposition of any business or assets or Person or Capital Stock of a Subsidiary of the Issuer (other than Indebtedness Incurred by any Person acquiring or disposing of such

business or assets for the purpose of financing such acquisition or disposition); provided that in the case of a disposition, the maximum aggregate liability in respect of all such Indebtedness shall at no time exceed the gross proceeds, including the Fair Market Value of non-cash proceeds (measured at the time received and without giving effect to any subsequent changes in value), actually received by the Issuer or its Restricted Subsidiary in connection with such disposal;

- (xi) Indebtedness in respect of any customary cash management, netting, set-off or cash pooling arrangements;
 - (xii) Guarantees by the Issuer or any Guarantor of Indebtedness of the Issuer or any Guarantor to the extent that the guaranteed Indebtedness was permitted to be Incurred by such Person under another paragraph of this Condition 6.2, *provided that* if the Indebtedness being guaranteed is *pari passu* with the Notes or a Guarantee, then in each case the guarantee must be *pari passu* to the same extent as the Indebtedness guaranteed; and
 - (xiii) Indebtedness of the Issuer or any of its Restricted Subsidiaries that are Guarantors in an aggregate outstanding principal amount which, when taken together with the principal amount of all other Indebtedness Incurred pursuant to this paragraph (xiii) and then outstanding, will not exceed U.S.\$50.0 million.
- (c) For the purposes of determining compliance with this Condition 6.2, in the event that an item of Indebtedness meets the criteria of more than one of the categories of Permitted Debt described in paragraph (i) through (xiii) of Condition 6.2(b), or is entitled to be Incurred pursuant to Condition 6.2(a), the Issuer, in its sole discretion, will be permitted to classify such item of Indebtedness on the date of its Incurrence and only be required to include the amount and type of such Indebtedness in one of such paragraphs and will be permitted on the date of such Incurrence to divide and classify an item of Indebtedness in more than one of the types of Indebtedness described in Condition 6.2(a) and Condition 6.2(b), and from time to time to reclassify all or a portion of such item of Indebtedness, in any manner that complies with this Condition 6.2.
- (d) For the purposes of determining compliance with any Dollar-denominated restriction on the Incurrence of Indebtedness where the Indebtedness Incurred is denominated in a different currency, the amount of such Indebtedness will be the U.S. Dollar Equivalent determined by the Issuer on the date of the Incurrence of such Indebtedness (or in the case of any revolving credit facility or letter of credit, the date such Indebtedness was first committed); *provided, however, that* (A) if any such Indebtedness denominated in a different currency is subject to a Currency Agreement with respect to U.S. Dollars covering all principal, if any, and interest payable on such Indebtedness, the amount of such Indebtedness expressed in U.S. Dollars will be as provided in such Currency Agreement and (B) the U.S. Dollar Equivalent of the principal amount of any such Indebtedness outstanding on the Issue Date shall be calculated based on the relevant currency exchange rate in effect on the Issue Date. The principal amount of any refinancing Indebtedness Incurred in the same currency as the Indebtedness being Refinanced will be the U.S. Dollar Equivalent of the Indebtedness Refinanced determined on the date such Indebtedness was originally Incurred, except to the extent that (1) such U.S. Dollar Equivalent was determined based on a Currency Agreement, in which case the Refinancing Indebtedness will be determined in accordance with the preceding sentence and (2) the principal amount of the Refinancing Indebtedness exceeds the principal amount of the Indebtedness being Refinanced, in which case the U.S. Dollar Equivalent of such excess will be determined on the date such Refinancing Indebtedness is Incurred. Notwithstanding any other provision of this Condition 6.2, the

maximum amount that the Issuer or a Restricted Subsidiary may Incur pursuant to this Condition 6.2 shall not be deemed to be exceeded with respect to any outstanding Indebtedness due solely to the result of fluctuations in the exchange rates of currencies.

- (e) For purposes of calculating the Consolidated Net Leverage Ratio and Fixed Charge Coverage Ratio, any amount of Consolidated EBITDA or Fixed Charges (each, a “**Corresponding Amount**”) denominated in a currency other than U.S. Dollars will be the U.S. Dollar Equivalent determined by applying the average daily official exchange rate published by the Central Bank of the Republic of Türkiye (the “**average U.S. Dollar rate**”) as follows:
 - (i) with respect to the financial statements for the first half of a financial year prepared in accordance with IFRS, as A+B–C, where:

“A” is the Corresponding Amount for the first half of the financial year converted into a U.S. Dollar Equivalent at the average U.S. Dollar rate for the period from January 1 to June 30 of such financial year;

“B” is the Corresponding Amount for the calendar year preceding the financial year converted into a U.S. Dollar Equivalent at the average U.S. Dollar rate for the period from January 1 to December 31 of the calendar year preceding such financial year;

“C” is the Corresponding Amount for the first half of the calendar year preceding such financial year converted into a U.S. Dollar Equivalent at the average U.S. Dollar rate for the period from January 1 to June 30 of the calendar year preceding such financial year,
 - (ii) with respect to the financial statements for a financial year, the Corresponding Amount converted into a U.S. Dollar Equivalent at the average U.S. Dollar rate for the period from January 1 to December 31 of such financial year.
- (f) The amount of any Indebtedness outstanding as of any date will be:
 - (i) in the case of any Indebtedness issued with original issue discount, the amount of the liability in respect thereof determined in accordance with the Accounting Standards; and
 - (ii) the principal amount of the Indebtedness, in the case of any other Indebtedness.

6.3 Limitation on Restricted Payments

- (a) The Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, make any Restricted Payments, if at the time the Issuer or such Restricted Subsidiary makes such Restricted Payment:
 - (i) a Potential Event of Default or an Event of Default shall have occurred and be continuing (or would result therefrom);
 - (ii) the Issuer would not, at the time of such Restricted Payment and after giving *pro forma* effect thereto as if such Restricted Payment had been made at the beginning of the Relevant Period, have been permitted to Incur an additional U.S.\$1.00 of Indebtedness pursuant to Condition 6.2(a) (*Incurrence of Indebtedness*); or
 - (iii) such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by the Issuer and its Restricted Subsidiaries since the Issue Date (including Restricted Payments made pursuant to Conditions 6.3(b)(iii), (vii), (ix), (x) and (xi)) but excluding all other Restricted Payments permitted by Condition 6.3(b)), would exceed the sum of (without duplication):

- (A) 50% of the Consolidated Net Income of the Issuer accrued during the period (treated as one accounting period) beginning after 30 June 2025 and ending at the end of the most recent six month period for which financial statements have been provided under Condition 6.18 (*Financial Information*) prior to the date of such Restricted Payment (or, in case such Consolidated Net Income shall be a deficit, minus 100% of such deficit); plus
 - (B) 100% of the aggregate Net Cash Proceeds received by the Issuer since the Issue Date from the issuance or sale of its Capital Stock (other than Disqualified Stock) (other than an issuance or sale to a Subsidiary of the Issuer and other than an issuance or sale to an employee stock ownership plan or to a trust established by the Issuer or any of its Subsidiaries for the benefit of their employees), any Subordinated Shareholder Funding or capital contribution received by the Issuer; plus
 - (C) 100% of the aggregate Net Cash Proceeds and the Fair Market Value of property or assets or marketable securities received by the Issuer since the Issue Date from the issue or sale by the Issuer or any Restricted Subsidiary subsequent to the Issue Date of any Indebtedness that has been converted into or exchanged for Capital Stock of the Issuer (other than Capital Stock and convertible or exchangeable Disqualified Stock or debt securities sold to a Subsidiary of the Issuer) or Subordinated Shareholder Funding; plus
 - (D) to the extent that any Restricted Investment that was made after the Issue Date is (a) sold, disposed of or otherwise cancelled, liquidated or repaid, 100% of the aggregate amount received in cash and the Fair Market Value of the property or assets or marketable securities received by the Issuer or any Restricted Subsidiary (other than from a Person that is the Issuer or a Restricted Subsidiary), or (b) made in an entity that subsequently becomes a Restricted Subsidiary, 100% of the Fair Market Value of the Restricted Investment of the Issuer and its Restricted Subsidiaries as of the date such entity becomes a Restricted Subsidiary; plus
 - (E) to the extent that any Unrestricted Subsidiary of the Issuer designated as such after the Issue Date is re-designated as a Restricted Subsidiary or is merged or consolidated into the Issuer or a Restricted Subsidiary, or all of the assets of such Unrestricted Subsidiary are transferred to the Issuer or a Restricted Subsidiary, the Fair Market Value of the property received by the Issuer or Restricted Subsidiary or the Issuer's Restricted Investment in such Subsidiary as of the date of such redesignation, merger, consolidation or transfer of assets, to the extent such Investments reduced the Restricted Payments capacity under this paragraph (E) and were not previously repaid or otherwise reduced.
- (b) The preceding provisions will not prohibit any or all of the following (collectively, “**Permitted Payments**”):
- (i) any Restricted Payment made in exchange for, or out of or with the Net Cash Proceeds of (1) the substantially concurrent sale or issuance of Capital Stock of the Issuer (other than (x) Disqualified Stock and (y) Capital Stock issued or sold to a Restricted Subsidiary or pursuant to an employee stock ownership plan or to a trust established by the Issuer or any of its Restricted Subsidiaries for the benefit of their employees), or (2) substantially concurrent financing by means of Subordinated Shareholder Funding or cash capital

contribution received by the Issuer; *provided, however*, that the amount of any such Net Cash Proceeds that are utilized for any such Restricted Payment will be excluded from the calculation of amounts under sub-clause (iii)(C) above;

- (ii) any purchase, repurchase, redemption, defeasance or other acquisition or retirement for value of Subordinated Obligations of the Issuer or a Guarantor made by exchange for, or out of, the proceeds of the substantially concurrent Incurrence of, Indebtedness of such Person which is permitted to be Incurred pursuant to Condition 6.2 (*Incurrence of Indebtedness*), provided that such Indebtedness is subordinated to the Notes and the Guarantees to the same extent as such Subordinated Obligations;
- (iii) dividends and distributions paid within 60 days after the date of declaration thereof if, at such date of declaration, such dividend or distribution would have complied with Condition 6.3 (*Limitation on Restricted Payments*) provided, however, that at the time of payment of such dividend, no Event of Default shall have occurred and be continuing (or result therefrom);
- (iv) the purchase, redemption or other acquisition or retirement for value of shares of Capital Stock of the Issuer or any of its Restricted Subsidiaries from any current or former employee, officer or director of the Issuer or any of its Restricted Subsidiaries (or permitted transferees of such current or former employee, officer or directors), pursuant to the terms of the agreements (including employment agreements) or plans (or amendments thereto) approved by the Board of Directors under which such individuals purchase or sell or are granted the option to purchase or sell, shares of such Capital Stock; *provided, however, that* the aggregate amount of such Restricted Payments (excluding amounts representing cancellation of Indebtedness) shall not exceed U.S.\$1.0 million in any calendar year;
- (v) the declaration and payments of dividends on Disqualified Stock of the Issuer or any Preferred Stock of any Restricted Subsidiary issued pursuant to Condition 6.2 (*Incurrence of Indebtedness*);
- (vi) repurchases of Capital Stock deemed to occur upon exercise of stock options or warrants if such Capital Stock represents a portion of the exercise price of such stock options or warrants;
- (vii) so long as no Potential Event of Default or Event of Default has occurred and is continuing or would be caused thereby, following a public Equity Offering, the declaration and payment of dividends or distributions on the Capital Stock of the Issuer up to 6.0% per annum of the net cash proceeds received by the Issuer in any such Equity Offering or any subsequent public Equity Offering; *provided that* if such public Equity Offering was of the Capital Stock of a direct or indirect parent of the Issuer, the net proceeds of any such dividend or distribution are used to fund a corresponding dividend or distribution in an equal or greater amount on the Capital Stock of such direct or indirect parent of the Issuer;
- (viii) cash payments in lieu of the issuance of fractional shares in connection with the exercise of warrants or options or the conversion or exchange of Capital Stock of the Issuer or any Restricted Subsidiary; *provided, however, that* any such cash payment shall not be for the purpose of evading the limitation of the covenant described under this subheading

- (ix) any payment, purchase, redemption, defeasance or other acquisition or retirement for value of Subordinated Obligations of the Issuer or any Guarantor, upon a Change of Control Event or Asset Sale, and *provided that* no Potential Event of Default or Event of Default shall have occurred and be continuing, to the extent required by the agreements governing such Indebtedness at a purchase price not greater than 101% of the principal amount of such Indebtedness, in the case of a Change of Control Event, and 100%, in the case of an Asset Sale, in each case plus any accrued and unpaid interest thereon, but only if the Issuer (or a third party to the extent permitted by these Conditions) has complied with its obligations under Condition 6.5 (*Asset Sales*) and Condition 9.5 (*Redemption at the Option of Noteholders (Change of Control)*) and has repurchased the Notes to the extent validly tendered and not withdrawn in connection with such Asset Sale Offer or redeemed the Notes pursuant to the exercise of Noteholder redemption rights in respect of the Change of Control Event (as applicable);
 - (x) the declaration or payment of any dividends or other distributions made by a Restricted Subsidiary to holders of its Capital Stock (or owners of an equivalent interest in the case of a Restricted Subsidiary that is an entity other than a corporation) on no more than a *pro rata* basis; and
 - (xi) so long as no Potential Event of Default or Event of Default has occurred and is continuing, other Restricted Payments in an aggregate amount pursuant to this Condition 6.3 not to exceed U.S.\$30.0 million.
- (c) The Fair Market Value of property or assets (other than cash) shall be the Fair Market Value thereof as determined in good faith by an officer or the Board of Directors of the Issuer. The amount of all Restricted Payments (other than cash) will be the Fair Market Value on the date of the Restricted Payment of the asset(s) or securities proposed to be transferred or issued by the Issuer or such Restricted Subsidiary, as the case may be, pursuant to the Restricted Payment.
- (d) or purposes of determining compliance with Condition 6.3 (*Limitation on Restricted Payments*), in the event that a Restricted Payment (or portion thereof) meets the criteria of more than one of the categories of Permitted Payments described in paragraphs (i) through (xi) of Condition 6.3(b), or is permitted pursuant to Condition 6.3(a) and/or one or more of the paragraphs contained in the definition of “Permitted Investment”, the Issuer will be entitled to classify such Restricted Payment or Investment (or portion thereof) on the date of its payment or later reclassify (based on circumstances existing on the date of such reclassification) such Restricted Payment or Investment (or portion thereof) in any manner that complies with Condition 6.3 (*Limitation on Restricted Payments*), including as an Investment pursuant to one of more paragraphs contained in the definition of “Permitted Investment.”

6.4 Transactions with Affiliates

- (a) The Issuer will not, and will not permit any Restricted Subsidiary to, enter into or permit to exist any transaction or a series of related transactions (including the purchase, sale, lease or exchange of any property, employee compensation arrangements or the rendering of any service) with, or for the benefit of, any Affiliate of the Issuer (an “**Affiliate Transaction**”), unless:
 - (i) the terms of the Affiliate Transaction are no less favorable to the Issuer or such Restricted Subsidiary than those that could be obtained at the time of the Affiliate Transaction in arm’s length dealings with a Person who is not an Affiliate;

- (ii) the terms of the Affiliate Transaction are in all material respects compliant with all applicable Turkish laws and regulations relating to transactions with affiliates that are applicable to public companies which have their shares admitted to listing and trading on a regulated stock exchange in Türkiye including (A) the rules and regulations regarding related party transactions under the Capital Markets Board of Türkiye's Corporate Governance Communiqué (II-17.1) (the "**Corporate Governance Communiqué**") as may be modified or amended from time to time, and (B) any similar law or regulation that may supersede or replace the rules regarding related party transactions under the Corporate Governance Communiqué; and
 - (iii) with respect to any Affiliate Transaction involving an aggregate value in excess of U.S.\$15.0 million the Issuer delivers to the Trustee an Officers' Certificate confirming that such Affiliate Transaction complies with paragraph (i) above and a copy of a resolution adopted by a majority of the Disinterested Directors of the Board of Directors of the Issuer or the relevant Restricted Subsidiary (or, in the event that there is only one such Disinterested Director, adopted by such Disinterested Director). The Trustee shall be entitled to rely on any such Officers' Certificate and resolution, without further investigation and without liability to any person.
- (b) The following items will not be deemed to be Affiliate Transactions and, therefore, will not be subject to the provisions of Condition 6.4(a):
- (i) any Restricted Payment that does not violate Condition 6.3 (*Limitation on Restricted Payments*) and any Permitted Investments (other than any Permitted Investments described in paragraphs (c), (i), (j), (q) and (s) of the definition thereof);
 - (ii) any employment agreement, collective bargaining agreement or benefit arrangements with any employee, officer or director of the Issuer or any of its Restricted Subsidiaries, including under any stock option, stock incentive plans or similar plans, entered into in the ordinary course of business (including severance, termination and other similar payments to former or departing employees, officers or directors);
 - (iii) payment of reasonable fees and compensation and reimbursements of expenses (pursuant to indemnity arrangements or otherwise) to employees, officers, directors, consultants or agents of the Issuer or any of its Restricted Subsidiaries in the ordinary course of business;
 - (iv) transactions between the Issuer and its Restricted Subsidiaries and between and among the Issuer's Restricted Subsidiaries;
 - (v) transactions with customers, clients, suppliers, purchasers or sellers and other providers of goods or services, lessors or lessees of plant, equipment and property or providers of employees or other labor, in each case, in the ordinary course of business and which are otherwise on terms that are fair to the Issuer or the relevant Restricted Subsidiaries of the Issuer, in the reasonable determination of the members of the Board of Directors of the Issuer or the relevant Restricted Subsidiary or the senior management thereof, or are on terms at least as favorable to the Issuer or the relevant Restricted Subsidiary of the Issuer as might reasonably be obtained at such time from an unrelated third party (in each case, taken as a whole);
 - (vi) issuances or sales of, and any contribution to the capital of the Issuer in exchange for, Capital Stock (other than Disqualified Stock) of the Issuer;
 - (vii) Management Advances;

- (viii) transactions in the ordinary course of business with a Person (other than an Unrestricted Subsidiary) that is an Affiliate of the Issuer solely because a director of such Person is also a director of the Issuer or any direct or indirect Issuer of the Issuer; *provided, however, that* such director abstains from voting as a director of the Issuer or such direct or indirect Issuer, as the case may be, on any matter involving such other Person;
- (ix) transactions in the ordinary course of business with a Person (other than an Unrestricted Subsidiary) that is an Affiliate of the Issuer solely because the Issuer owns, directly or through a Restricted Subsidiary, Capital Stock in, or controls, such Person; and
- (x) in any calendar year, Affiliate Transaction or Affiliate Transactions involving an aggregate value for all such transactions pursuant to this paragraph (x) in an amount not to exceed U.S.\$5.0 million.

6.5 Asset Sales

- (a) The Issuer will not, and will not permit any Restricted Subsidiary to, directly or indirectly, consummate any Asset Sale, unless:
 - (i) the consideration received by the Issuer or the relevant Restricted Subsidiary, as the case may be, is at least equal to the Fair Market Value (measured as of the date of the definitive agreement with respect to such Asset Sale) of the assets subject to such Asset Sale;
 - (ii) at least 75% of the consideration received in the Asset Sale by the Issuer or the relevant Restricted Subsidiary, as the case may be, is in the form of cash, Cash Equivalents or a combination thereof. For the purposes of this provision, each of the following shall be deemed to be cash:
 - (A) any liabilities, as recorded on the most recent consolidated balance sheet of any of the Issuer or any Restricted Subsidiary (other than contingent liabilities and other than liabilities that are by their terms subordinated in right of payment to the Notes or any Guarantee) of the Issuer or any Restricted Subsidiary that are assumed by the transferee or otherwise released and/or discharged pursuant to a customary novation or a set-off agreement in connection with such Asset Sale;
 - (B) any securities, notes or other obligations received by the Issuer or any Restricted Subsidiary from such transferee that are within 180 days of the Asset Sale converted by the Issuer or such Restricted Subsidiary into cash or Cash Equivalents (to the extent of the cash or Cash Equivalents received in that conversion);
 - (C) Indebtedness of any Restricted Subsidiary that is no longer a Restricted Subsidiary as a result of such Asset Sale, to the extent that the Issuer and each other Restricted Subsidiary are released from any guarantee of such Indebtedness in connection with such Asset Sale;
 - (D) consideration consisting of Senior Indebtedness of the Issuer or any Guarantor received from Persons who are not the Issuer or any Restricted Subsidiary that is cancelled; and
 - (E) in the case of an Asset Sale of the assets of a Project Subsidiary, Project Finance Indebtedness of such Project Subsidiary;
 - (F) any Additional Assets; and

- (iii) to the extent that any consideration received by the Issuer (or such Restricted Subsidiary, as the case may be) in any such Asset Sale of Secured Property constitutes property or other assets that are of a type or class that constitutes Secured Property, such property or other assets are added to the Secured Property securing the Notes in the manner and to the extent required by these Conditions and the Trust Deed or any of the Security Documents with the Lien on such Security Documents securing the Notes being of the same priority with respect to the Notes as the Lien on the property or assets disposed of in the Asset Sale.
- (b) Within 365 days after the receipt of any Disposal Proceeds from an Asset Sale, the Issuer (or any of its Restricted Subsidiaries) may:
 - (i) apply such Disposal Proceeds (at the option of the Issuer or Restricted Subsidiary):
 - (A) to the extent the Issuer or any Restricted Subsidiary, as the case may be, elects, or is required by the terms of any Senior Indebtedness (other than the requirements to make an Asset Sale Offer pursuant to Condition 6.5(d)) to prepay, repay or purchase any Senior Indebtedness of the Issuer or its Restricted Subsidiaries (including the Notes, but excluding, in each case, (1) Indebtedness owed to the Issuer or an Affiliate of the Issuer and (2) Indebtedness owed by a Project Subsidiary, except in the case of an Asset Sale of the assets of a Project Subsidiary, Project Finance Indebtedness of the applicable Project Subsidiary, *provided, however, that*, in connection with any prepayment, repayment or purchase of Indebtedness pursuant to this paragraph (A), the Issuer or such Restricted Subsidiary will retire such Indebtedness and will cause the related commitment (if any) to be permanently reduced in an amount equal to the principal amount so prepaid, repaid or purchased;
 - (B) to invest in Additional Assets; or
 - (C) any combination of the foregoing; or
 - (ii) enter into a binding commitment to apply the Disposal Proceeds pursuant to Condition 6.5(b)(i)(B) above; *provided that* such commitment shall be treated as a permitted application of the Disposal Proceeds from the date of such commitment until the earlier of (1) the date on which such acquisition or expenditure is consummated, and (2) the 180th day following the expiration of the aforementioned 365 day period.
- (c) To the extent that any Disposal Proceeds received by the Issuer (or such Restricted Subsidiary, as the case may be) that relate to an Asset Sale of Secured Property are utilized to invest in or purchase assets that constitutes property or other assets that are of a type or class that constitutes Secured Property, such property or other assets are added to the Secured Property securing the Notes in the manner and to the extent required by these Conditions or the Trust Deed or any of the Security Documents with the Lien on such Security Documents securing the Notes being of the same priority with respect to the Notes as the Lien on the property or assets disposed of in the Asset Sale.
- (d) Pending the final application of any Disposal Proceeds, the Issuer (or the applicable Restricted Subsidiary) may temporarily reduce Indebtedness or otherwise invest the Disposal Proceeds in any manner that is not prohibited by these Conditions.
- (e) Any Disposal Proceeds from Asset Sales that are not applied or invested as provided in Condition 6.5(b) will constitute “**Excess Proceeds.**” When the aggregate amount of Excess

Proceeds exceeds U.S.\$15.0 million, within 10 Business Days thereof, or at any earlier time at the Issuer's election, the Issuer will make an offer (an "**Asset Sale Offer**") to all holders of Notes and, to the extent notified by the Issuer in such notice, make an offer to all holders of other Indebtedness that is *pari passu* with the Notes or any Guarantee to purchase, prepay or redeem with the proceeds of sales of assets, the maximum principal amount of Notes and such other *pari passu* Indebtedness (plus all accrued interest on the Indebtedness and the amount of all fees and expenses, including premiums, Incurred in connection therewith) that may be purchased, prepaid or redeemed out of the Excess Proceeds. The offer price for the Notes in any Asset Sale Offer will be equal to 100% of the principal amount and the offer price for any *pari passu* Indebtedness may be no greater than 100% of the principal amount, in each case, plus accrued and unpaid interest to the date of purchase, prepayment or redemption, subject to the rights of holders of Notes on the relevant record date to receive interest due on the relevant interest payment date, and will be payable in cash. If any Excess Proceeds remain after consummation of an Asset Sale Offer, the Issuer and its Restricted Subsidiaries may use those Excess Proceeds for any purpose not otherwise prohibited by these Conditions. If the aggregate principal amount of Notes and other *pari passu* Indebtedness tendered into (or to be prepaid or redeemed in connection with) such Asset Sale Offer exceeds the amount of Excess Proceeds, the Notes will be selected in the manner described under Condition 9.7 (*Selection and Notice*), based on the amounts tendered or required to be prepaid or redeemed. Upon completion of each Asset Sale Offer, the amount of Excess Proceeds will be reset at zero. For the avoidance of doubt, the Issuer may make an Asset Sale Offer prior to the expiration of the 365 day period referred to above.

- (f) To the extent that any portion of Disposal Proceeds payable in respect of the Notes is denominated in a currency other than U.S. Dollars, the amount thereof payable in respect of such Notes shall not exceed the net amount of funds in U.S. Dollars that is actually received by the Issuer upon converting such portion of the Disposal Proceeds into U.S. Dollars.
- (g) The Issuer will comply with the requirements of any applicable securities laws and regulations to the extent those laws and regulations are applicable in connection with the repurchase of the Notes as a result of an Asset Sale Offer. To the extent that the provisions of any securities laws or regulations conflict with the Asset Sale provisions of this Condition 6.5, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Condition 6.5 by virtue of such compliance.

6.6 Limitations on Restrictions on Distributions from Restricted Subsidiaries

- (a) The Issuer will not, and will not permit any Restricted Subsidiary to, create or otherwise cause or permit to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to (x) pay dividends or make any other distributions on its Capital Stock to the Issuer or a Restricted Subsidiary or pay any Indebtedness owed to the Issuer, (y) make any loans or advances to the Issuer or a Restricted Subsidiary or (z) transfer any of its property or assets to the Issuer or a Restricted Subsidiary, *provided that* (a) the priority of any preferred stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on common stock and (b) the subordination of (including the application of any standstill period to) loans or advances made to the Issuer or any Subsidiary to other Indebtedness Incurred by the Issuer or any Restricted Subsidiary, in each case, shall not be deemed to constitute such an encumbrance or restriction.

- (b) The preceding restrictions will not apply to encumbrances or restrictions arising under or by reason of:
- (i) any encumbrance or restriction pursuant to an agreement in effect at on the Issue Date;
 - (ii) any encumbrance or restriction with respect to a Restricted Subsidiary pursuant to an agreement relating to any Indebtedness or Capital Stock of a Person acquired by the Issuer or any of its Restricted Subsidiaries as in effect at the time of such acquisition (except to the extent such Indebtedness or Capital Stock was Incurred in connection with or in contemplation of such acquisition);
 - (iii) any encumbrance or restriction arising pursuant to an agreement or instrument relating to any Indebtedness permitted to be Incurred subsequent to the Issue Date pursuant to Condition 6.2 (*Incurrence of Indebtedness*) if the encumbrances and restrictions contained in any such agreement or instrument taken as a whole are not materially less favorable to the Noteholders than (1) the encumbrances and restrictions contained in the Notes Documents or Indebtedness of the Issuer or any Restricted Subsidiary, in each case, as in effect on the Issue Date (as determined in good faith by the Issuer) or (2) is customary in the Group's comparable financings, where such encumbrances or restrictions will not materially impair the Issuer's ability to make principal or interest payments on the Notes or comply with the respective obligations of the Issuer or any Guarantor under the Notes Documents (as determined in good faith by the Issuer);
 - (iv) any encumbrance or restriction pursuant to an agreement effecting a Refinancing of Indebtedness Incurred pursuant to an agreement referred to in paragraph (i) to (iii) above or this paragraph (iv) or contained in any amendment, modification, restatement, renewal, extension, supplement, refunding, replacement or refinancing to or of an agreement referred to in paragraph (i) to (iii) above or this paragraph (iv); *provided, however, that* the encumbrances and restrictions with respect to such Restricted Subsidiary contained in any such agreement, taken as a whole, are no less favorable to the Noteholders in any material respect than (1) encumbrances and restrictions with respect to such Restricted Subsidiary contained in such predecessor agreements or (2) is customary in the Group's comparable financings, where such encumbrances or restrictions will not materially impair the Issuer's ability to make principal or interest payments on the Notes or comply with the respective obligations of the Issuer or any Guarantor under the Notes Documents (as determined in good faith by the Issuer);
 - (v) any encumbrance or restriction with respect to a Restricted Subsidiary imposed pursuant to an agreement entered into for the sale or disposition of all or substantially all the Capital Stock or assets of such Restricted Subsidiary pending the closing of such sale or disposition;
 - (vi) existing under or by reason of applicable law, rule, regulation, decree or order of any governmental, local or regulatory authority or the terms of any license, authorization, concession or permit;
 - (vii) customary limitations on the disposition or distribution of assets or property in joint venture agreements, asset sale agreements, agreements related to Project Finance Indebtedness, sale-leaseback agreements, stock sale agreements and other similar agreements entered into in the ordinary course of business and in good faith; *provided that* (1) the encumbrance or restriction is not materially more disadvantageous to Noteholders than is customary in comparable financings and (2) such encumbrances or

restrictions will not materially impair the Issuer's ability to make principal or interest payments on the Notes or comply with the respective obligations of the Issuer or any Guarantor under the Notes Documents (as determined in good faith by the Issuer); and

- (viii) any encumbrance or restriction consisting of customary non-assignment provisions in contracts, leases and licenses entered into in the ordinary course of business;
- (ix) any encumbrance or restriction contained in collateral agreements or mortgages securing Indebtedness of a Restricted Subsidiary to the extent such encumbrance or restriction restricts the transfer of the property subject to such collateral agreements or mortgages;
- (x) purchase money obligations and Lease Obligations that impose restrictions on the property purchased or leased of the nature described in Condition 6.6(a); or
- (xi) Liens permitted to be Incurred under Condition 6.1 (*Limitation on Liens*) that limit the right of the debtor to dispose of the assets subject to such Liens.

6.7 Limitation on Layering

Neither the Issuer nor any Guarantor will Incur any Indebtedness that is or purports to be by its terms (or by the terms of any agreement governing such Indebtedness) subordinated in right of payment to any Senior Indebtedness of the Issuer or such Guarantor, unless such Indebtedness is also by its terms (or by the terms of any agreement governing such Indebtedness) made subordinated in right of payment to the Notes and the applicable Guarantee; provided that the foregoing limitation shall not apply to distinctions between categories of Senior Indebtedness that exist by reason of (x) any Liens or guarantees arising or created in respect of some but not all such Senior Indebtedness or (y) being secured on a junior priority basis or by virtue of the application of waterfall or other payment ordering provisions affecting different tranches of Indebtedness or (z) being unsecured.

6.8 Mergers and Similar Transactions

- (a) The Issuer will not consolidate with or merge with or into, or convey, transfer or lease, in one transaction or a series of transactions, directly or indirectly, all or substantially all of the assets of the Issuer and its Restricted Subsidiaries taken as a whole to, any Person, unless:
 - (i) either (x) the Issuer will be the surviving entity or (y) the resulting, surviving or transferee Person, if not the Issuer (the "**Successor Company**"), shall be a Person organized in an Approved Jurisdiction and the Successor Company (if not the Issuer) shall expressly assume, by documentation supplemental thereto, executed and delivered to the Trustee, in form satisfactory to the Trustee, all the obligations of the Issuer under the Notes Documents;
 - (ii) immediately after giving *pro forma* effect to such transaction (and treating any Indebtedness which becomes an obligation of the Successor Company or any Restricted Subsidiary of the Successor Company as a result of such transaction as having been Incurred by such Successor Company or such Restricted Subsidiary at the time of such transaction), no Potential Event of Default or Event of Default shall have occurred and be continuing;
 - (iii) immediately after giving *pro forma* effect to such transaction, the Successor Company would, on the date of such transaction after giving *pro forma* effect thereto and any related financing transactions, be able to Incur an additional U.S.\$1.00 of Indebtedness pursuant to Condition 6.2(a) (*Incurrence of Indebtedness*) or (2) have a Consolidated Net Leverage

Ratio no more than it was immediately prior to giving *pro forma* effect to such transaction; and

- (iv) the Issuer shall have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such consolidation, merger, conveyance, lease or transfer and such supplemental trust deed (if any) comply with the provisions of this Condition 6.8(a) and the Trust Deed and upon each of which the Trustee shall be entitled to rely without further investigation and without liability to any Person,

provided, however, that paragraph (iii) above will not be applicable to (x) a Restricted Subsidiary consolidating with, merging into or selling, leasing, assigning, transferring or otherwise disposing of all or part of its properties and assets to the Issuer (so long as no Capital Stock of the Issuer is distributed to any Person) or (y) the Issuer disposing all or substantially all of its assets or merging with an Affiliate of the Issuer solely for the purpose and with the sole effect of reincorporating the Issuer in another jurisdiction, or changing the legal form of the Issuer.

The Successor Company will be the successor to the Issuer shall succeed to, and be substituted for, and may exercise every right and power of, the Issuer under the Notes Documents, and the predecessor Issuer, except in the case of a lease (in which case such predecessor Issuer shall become a Guarantor pursuant to Condition 4.3 (*Addition of Guarantees*)), shall be released from the obligation to pay the principal of and interest on the Notes.

- (b) The Issuer will not permit any Guarantor (other than any Guarantor whose Guarantee is to be released in connection with such transaction in accordance with the terms of these Conditions) to consolidate with or merge with or into, or convey, transfer or lease, in one transaction or a series of transactions, all or substantially all of its assets to any Person unless:
 - (i) the resulting, surviving or transferee Person shall be organized in an Approved Jurisdiction and shall expressly assume, by executing and delivering to the Trustee a Deed of Accession, all the obligations of such Guarantor, if any, under its Guarantee; and
 - (ii) where the resulting, surviving or transferee Person is not the Issuer or a Restricted Subsidiary, either: (x) the Person acquiring the property in any such sale or disposition or the Person formed by or surviving any such consolidation or merger assumes, by executing and delivering to the Trustee a Deed of Accession, all the obligations of such Guarantor, if any, under its Guarantee; or (y) such sale or other disposition is otherwise not prohibited by these Conditions; and
 - (iii) immediately after giving effect to such transaction or transactions on a *pro forma* basis (and treating any Indebtedness which becomes an obligation of the resulting, surviving or transferee Person as a result of such transaction as having been issued by such Person at the time of such transaction), no Potential Event of Default or Event of Default shall have occurred and be continuing; and
 - (iv) the Issuer delivers to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such consolidation, merger, conveyance, lease or transfer and such Deed of Accession, if any, complies with the provisions of this Condition 6.8(b) and the Trust Deed and upon each of which the Trustee shall be entitled to rely without further investigation and without liability to any person.

This Condition 6.8 will not apply to any Guarantor consolidating with or merging with or into or selling, conveying, assigning, transferring, leasing or otherwise disposing of all or substantially all of its assets to the Issuer or another Guarantor.

- (c) For the purposes of this Condition 6.8, the sale, lease, conveyance, assignment, transfer or other disposition of all or substantially all of the properties and assets of one or more Restricted Subsidiaries of the Issuer or a Guarantor, which properties and assets, if held by the Issuer or such Guarantor instead of such Restricted Subsidiaries, would constitute all or substantially all of the properties and assets of the Issuer or such Guarantor on a consolidated basis, shall be deemed to be the transfer of all or substantially all of the properties and assets of the Issuer or such Guarantor.

6.9 Maintenance of Authorizations:

- (a) Each of the Issuer and the Guarantors will, and will cause each of their respective Material Subsidiaries to, take all necessary action to obtain and do or cause to be done all things necessary to ensure the continuance of its corporate existence, its business and intellectual property relating to its business, except, in respect of the continuation of its intellectual property only, where failure to do so does not and will not have a Material Adverse Effect; and
- (b) the Issuer will, and will cause each Guarantor to, obtain or make, and procure the continuance or maintenance of, all registrations, recordings, filings, consents, licenses, approvals and authorizations, which may at any time be required to be obtained or made in any relevant jurisdiction for the purposes of the execution, delivery or performance of the Notes Documents and for the validity and enforceability thereof,

provided that, in any case, if the Issuer, a Guarantor or the relevant Material Subsidiary remedies any failure to comply with Conditions 6.9(a) and 6.9(b) within 90 days of such failure, then this covenant shall be deemed not to have been breached.

6.10 Maintenance of Property:

Each of the Issuer and the Guarantors will, and will cause each of their respective Material Subsidiaries to, cause all property used in the conduct of its or their core business to be maintained and kept in good condition, repair and working order and supplied with all necessary equipment and shall cause to be made all necessary repairs, renewals, replacements and improvements thereof, all as may be reasonably necessary so that the core business carried on in connection therewith may be properly conducted at all times, except where failure to do so does not and will not have a Material Adverse Effect.

6.11 Payment of Taxes and Other Claims:

Each of the Issuer and the Guarantors will, and will cause each of their respective Material Subsidiaries to, pay or discharge, or cause to be paid and discharged, before the same shall become overdue and without incurring penalties, (a) all Taxes levied or imposed upon, or upon the income, profits or property of, respectively, the Issuer, any Guarantor or any Material Subsidiary and (b) all lawful claims for labor, materials and supplies which, if unpaid, might by law become a Lien (other than a Permitted Lien) upon the property of, respectively, the Issuer, the Guarantors or any Material Subsidiary; *provided that* none of the Issuer, the Guarantors or the Material Subsidiaries shall be required to pay or discharge or cause to be paid or discharged any such Tax or claim (i) whose amount, applicability or validity is being contested in good faith by appropriate proceedings and for which adequate reserves in accordance with Accounting Standards as consistently applied or other appropriate provisions have been made or (ii) whose amount, together with all such other unpaid or undischarged taxes, assessments, charges and claims of the Issuer, the Guarantors and their respective Material Subsidiaries, not so contested and for which adequate reserves, if necessary, in accordance with Accounting Standards as consistently applied or other appropriate provisions have been or will be made does not in the aggregate exceed U.S.\$10.0 million.

6.12 Maintenance of Insurance:

Each of the Issuer and the Guarantors will, and will cause each of their respective Material Subsidiaries to, obtain and maintain insurance with an insurer or insurers of sufficient standing (in the reasonable judgment of the Issuer, the relevant Guarantor or the relevant Material Subsidiary) against such losses and risks and in such amounts as are prudent and customary in the businesses in which it is engaged in the jurisdiction(s) where it operates, except where failure to do so does not, and could not reasonably be expected to have, a Material Adverse Effect.

6.13 Environmental Compliance:

Each of the Issuer and the Guarantors will, and will cause each of their respective Material Subsidiaries to, comply with all Environmental Laws and obtain and maintain any Environmental Licenses and take all reasonable steps in anticipation of known or expected future changes to or obligations under the same, except where failure to do so does not and will not have a Material Adverse Effect.

6.14 Change of Business

The Issuer shall not, and shall cause the Material Subsidiaries not to, make any material change to the Core or Related Business.

6.15 Additional Guarantees and Limitations on Guarantees

- (a) The Issuer shall not permit any Restricted Subsidiary that is not a Guarantor, directly or indirectly, to guarantee any Indebtedness of the Issuer or any Guarantor, unless such Restricted Subsidiary becomes a Guarantor, with the Guarantee of such Guarantor ranking equal with or senior to, its guarantee in respect of such other Indebtedness. If such other Indebtedness being guaranteed by such Restricted Subsidiary is a Subordinated Obligation, such guarantee of a Subordinated Obligation shall be subordinated in right of payment to the Guarantee of the Notes to at least the same extent that such Subordinated Obligation is subordinated to the Notes.
- (b) If at the end of any fiscal quarter, the Issuer and the Guarantors (after eliminating intra-group transactions) comprise less than 85% of any of the Consolidated EBITDA, gross assets, net assets or turnover of the Issuer and its Restricted Subsidiaries (such requirement to so maintain the composition of at least 85% of each of the foregoing in the Issuer and the Guarantors being the “**Guarantor Coverage Threshold**”), the Issuer shall, within 30 days of the date the financial statements for such fiscal quarter are (or are required to be) made publicly available pursuant to these Conditions, cause additional Restricted Subsidiaries, on a joint and several basis with each other Guarantor, to unconditionally and irrevocably guarantee the due payment of all moneys payable by the Issuer and any other Guarantor under the Notes and the Trust Deed in order to comply with the Guarantor Coverage Threshold.
- (c) Subject to Condition 4.3 (*Addition of Guarantees*), the Issuer will also cause any Restricted Subsidiary designated as a Guarantor pursuant to the above to (i) execute and deliver to the Trustee and the Agents a Deed of Accession pursuant to which such Guarantor will, on a joint and several basis with each other Guarantor, unconditionally and irrevocably guarantee, to the maximum extent permitted by law, the due payment of all moneys payable by the Issuer and any other Guarantor under the Notes and the Notes Documents and will become vested with all the duties and obligations of a Guarantor, and (ii) waive and not in any manner whatsoever claim or take the benefit or advantage of any rights of reimbursement, indemnity or subrogation or any other rights against the Issuer or another Restricted Subsidiary as a result of any payment by such Restricted Subsidiary under its Guarantee. The Trustee shall (at the expense of the Issuer) enter into such Deed of Accession or such other document as may be reasonably required to be

executed pursuant to this Condition 6.15 in a form and manner satisfactory to the Trustee and *provided that* such Deed of Accession shall not impose any personal obligations on the Trustee or adversely affect the personal rights, protections, duties liabilities, indemnifications or immunities of the Trustee.

- (d) The addition of any Guarantee(s) shall be conditional upon:
- (i) completion of all matters referred to in Condition 6.15(c) above;
 - (ii) such accession not causing or otherwise resulting in the occurrence and continuation of a Potential Event of Default or an Event of Default under the Notes;
 - (iii) without prejudice to the generality of the foregoing paragraphs, where a Guarantor is incorporated, domiciled or resident in a territory other than the Republic of Türkiye, undertakings or covenants are given in terms corresponding to the provisions of the Trust Deed and Condition 10 (*Taxation*) with the substitution of the references to the Republic of Türkiye with references to the territory or territories in which such Guarantor is incorporated, domiciled or resident or to the taxing jurisdiction of which, or of any political subdivision or authority of or in which, such Guarantor is otherwise subject generally;
 - (iv) receipt by the Trustee of (i) an Opinion of Counsel (at the expense of the Issuer and/or the acceding Guarantor) as to the enforceability of the Guarantor's obligations under the Trust Deed, the Agency Agreement and the Guarantee and as to the due capacity and authority of any such Guarantor thereunder (which opinion may be subject to customary qualifications and assumptions and may be addressed to the Issuer or the acceding Guarantor), and (ii) an Officers' Certificate confirming that the conditions precedent to the addition of such Guarantor in this Condition 6.15 have been satisfied; and
 - (v) receipt by the Trustee of such other conditions, documents or certificates as it may reasonably require, including in connection with its "know your customer" obligations or other identification checks or procedures necessary to comply with any applicable law and regulation.

The Trustee shall be entitled to accept and rely on the Opinion of Counsel referred to in sub-paragraph (iv)(i) above and the Officers' Certificate referred to in sub-paragraph (iv)(ii) above without further enquiry or liability to any Person as sufficient evidence of the matters certified or opined on therein.

- (e) Notwithstanding the above, (i) the Issuer shall not be required to cause any Restricted Subsidiary, and no Restricted Subsidiary shall be required, to grant a Guarantee in respect of the Notes to the extent that such Guarantee would reasonably be expected to give rise to or result in (x) any violation of applicable law or regulation which cannot be avoided or otherwise prevented through measures reasonably available to the Issuer or such Restricted Subsidiary (including, but not limited to, 'whitewash' or similar procedures) or (y) liability or criminal sanctions for the officers, directors or (except in the case of a Restricted Subsidiary that is a partnership) shareholders of such Restricted Subsidiary (or, in the case of a Restricted Subsidiary that is a partnership, the directors or shareholders of the partners of such partnership) and (ii) no Project Subsidiary shall be required to provide a Guarantee with respect to the Notes. A Project Subsidiary cannot be a Guarantor.
- (f) This Condition 6.15(f) will not be applicable to any guarantees of any Restricted Subsidiary (i) existing on the Issue Date or pursuant to an amendment, modification, refinancing, replacement,

exchange, renewal or extension to any such guarantee existing on the Issue Date, so long as such amendment, modification, refinancing, replacement, exchange, renewal or extension, taken as a whole, is not more disadvantageous to the holders of the Notes in any material respect than the original guarantee as in effect on the Issue Date or (ii) given to a bank or trust company having combined capital and surplus and undivided profits of not less than U.S.\$250.0 million, whose debt has a rating, at the time such guarantee was given, of at least BBB+ or the equivalent thereof by Fitch, BBB+ or the equivalent thereof by S&P and at least Baa1 or the equivalent thereof by Moody's, in connection with the operation of cash management programs established in the ordinary course of business for the benefit of the Issuer or any of its Restricted Subsidiaries.

- (g) Notwithstanding the above, each Guarantee may be limited as necessary to recognize certain defenses generally available to guarantors (including those that relate to fraudulent conveyance or transfer, voidable preference, financial assistance, corporate purpose, capital maintenance or similar laws, regulations or defenses affecting the rights of creditors generally) or other considerations under applicable law.
- (h) A Guarantor will be automatically and unconditionally released and discharged from its Guarantee:
 - (i) upon any sale, exchange, transfer or other disposition of Capital Stock of such Guarantor or any holding company of such Guarantor to a Person that is not the Issuer or a Restricted Subsidiary (which sale, exchange, transfer or other disposition is not prohibited by these Conditions) and the Guarantor ceases to be a Restricted Subsidiary as a result of the sale, exchange, transfer or other disposition;
 - (ii) upon any sale, exchange, transfer or other disposition of all or substantially all of the assets of such Guarantor (including by way of merger, consolidation, amalgamation or combination) to a Person that is not the Issuer or a Restricted Subsidiary (which sale, exchange, transfer or other disposition is not prohibited by these Conditions);
 - (iii) if the Issuer designates any Restricted Subsidiary that is a Guarantor to be an Unrestricted Subsidiary in accordance with these Conditions;
 - (iv) upon the payment in full of principal, interest and all other obligations on the Notes (or the Notes have otherwise been purchased and cancelled in whole, and not in part, in accordance with these Conditions);
 - (v) as a result of a transaction permitted by Condition 6.8 (*Mergers and Similar Transactions*);
 - (vi) with respect to the Guarantee of any Guarantor that was required to provide such Guarantee pursuant to Condition 6.15(a), upon such Guarantor being unconditionally released and discharged from its liability with respect to the Indebtedness giving rise to the requirement to provide such Guarantee so long as no Potential Event of Default or Event of Default would arise as a result and no other Indebtedness is at that time guaranteed by the relevant Guarantor that would result in the requirement that such Guarantor provide a Guarantee pursuant to Condition 6.15(a); or
 - (vii) pursuant to an Extraordinary Resolution of the Noteholders.
- (i) The Issuer will give written notice to the Trustee in accordance with the Trust Deed of any Guarantor becoming or ceasing to be a Guarantor (upon which the Trustee shall be entitled to rely without further enquiry or liability) and, so long as the Notes are listed on the Stock

Exchange and/or any other stock exchange on which the Notes may be listed or quoted from time to time, shall comply with applicable rules of the Stock Exchange and/or such other exchange in relation to any Guarantor becoming or ceasing to be a Guarantor.

- (j) The Issuer shall maintain an updated list of Guarantors and provide such list to the Trustee which, when furnished, (A) shall be made available for inspection by Noteholders at the registered office of the Trustee upon request during normal business hours on any Business Day or (B) may be provided by email to a Noteholder following their prior written request to the Trustee and provision of proof of holding and identity (in a form satisfactory to the Trustee) during normal business hours on any Business Day.

6.16 Impairment of Lien

- (a) The Issuer shall not, and the Issuer shall not permit any Restricted Subsidiary to, take or knowingly or negligently omit to take any action that would have the result of materially impairing the Lien with respect to the Secured Property for the benefit of the Trustee and the holders, and the Issuer shall not, and the Issuer shall not permit any Restricted Subsidiary to grant to any person other than the Security Agent, for the benefit of the Trustee and the holders and the other beneficiaries described in the Security Documents, any interest whatsoever in any of the Secured Property, except (i) the Secured Property may be discharged and released in accordance with the Trust Deed, (ii) the applicable Security Documents may be amended from time to time to (A) cure any ambiguity, mistake, omission, defect, error or inconsistency therein or add to the Secured Property, (B) evidence the succession of another person to the Issuer or any Restricted Subsidiary providing Secured Property and the assumption of such successor of the obligations under the Trust Deed and/or the Security Documents, in each case, including in accordance with Condition 6.8 (*Mergers and Similar Transactions*) and (C) to evidence and provide for the acceptance of the appointment of a successor Trustee or Security Agent, and (iii) the Issuer and the Restricted Subsidiaries may amend, extend, renew, restate, supplement, release or otherwise modify or replace the Liens in any manner that does not adversely affect the holders of the Notes in any material respect as determined in good faith by the Issuer or otherwise if there is a retaking of a Lien of at least equivalent value over the same assets.
- (b) Notwithstanding the above, the Security Documents may not be amended, extended, renewed, restated, supplemented, released or otherwise modified or replaced pursuant to the above, unless contemporaneously with any such action, the Issuer delivers to the Trustee and the Security Agent, either (i) a solvency opinion, in a form and substance reasonably satisfactory to the Trustee and the Security Agent from an Independent Financial Adviser confirming the solvency of the Person granting the lien under the Security Document after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, release, modification or replacement, and (ii) a certificate from the Board of Directors of the relevant Person, in form and substance reasonably satisfactory to the Trustee and the Security Agent, which confirms the solvency of the person granting such lien under the Security Document, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, release, modification or replacement, or (iii) an Opinion of Counsel, in form and substance reasonably satisfactory to the Trustee, confirming that, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, release, modification or replacement, the Lien or Liens created under the Security Documents, so amended, extended, renewed, restated, supplemented, released, modified or replaced are valid Liens not otherwise subject to any limitation, imperfection or new hardening period, in equity or at law, that such Lien or Liens were not otherwise subject to immediately prior to such

amendment, extension, renewal, restatement, supplement, release, modification or replacement. In the event that the Issuer or any Restricted Subsidiary party to any Security Documents (as applicable) complies with the requirements of this Condition 6.16, the Trustee and the Security Agent shall (subject to customary protections and indemnifications) consent to any amendment, extension, renewal, restatement, supplement, release or other modification or replacement requested in accordance with this Condition 6.16 without the need for instructions from any holder.

6.17 Designation of Restricted and Unrestricted Subsidiaries

- (a) The Board of Directors of the Issuer may designate any Restricted Subsidiary (including any newly acquired or newly formed Restricted Subsidiary) to be an Unrestricted Subsidiary if that designation would not cause a Potential Event of Default. If a Restricted Subsidiary is designated as an Unrestricted Subsidiary, the aggregate Fair Market Value of all outstanding Investments owned by the Issuer and its Restricted Subsidiaries in the Subsidiary designated as an Unrestricted Subsidiary will be deemed to be an Investment made as of the time of the designation and will reduce the amount available for Restricted Payments under Condition 6.3 (*Limitation on Restricted Payments*) or under one or more paragraphs of the definition of Permitted Investments, as determined by the Issuer. That designation will only be permitted if the Investment would be permitted at that time and if the Restricted Subsidiary otherwise meets the definition of an Unrestricted Subsidiary. The Issuer may re-designate any Unrestricted Subsidiary to be a Restricted Subsidiary if that redesignation would not cause a Potential Event of Default.
- (b) Any designation of a Subsidiary of the Issuer as an Unrestricted Subsidiary will be evidenced to the Trustee by delivering to the Trustee a copy of a resolution of the Board of Directors giving effect to such designation and an Officers' Certificate certifying that such designation complied with the conditions set forth in Condition 6.17(a) and was permitted by Condition 6.3 (*Limitation on Restricted Payments*). The Trustee shall be entitled to rely on any such Officers' Certificate and resolution without further investigation and without liability to any person. If, at any time, any Unrestricted Subsidiary would fail to meet the requirements as an Unrestricted Subsidiary, it will thereafter cease to be an Unrestricted Subsidiary for purposes of these Conditions and any Indebtedness of such Subsidiary will be deemed to be Incurred by a Restricted Subsidiary as of such date and, if such Indebtedness is not permitted to be Incurred as of such date under Condition 6.2 (*Incurrence of Indebtedness*) the Issuer will be in default of such covenant. The Board of Directors of the Issuer may at any time designate any Unrestricted Subsidiary to be a Restricted Subsidiary; *provided that* such designation will be deemed to be an Incurrence of Indebtedness by a Restricted Subsidiary of any outstanding Indebtedness of such Unrestricted Subsidiary, and such designation will only be permitted if (i) such Indebtedness is permitted under Condition 6.2 (*Incurrence of Indebtedness*), calculated on a *pro forma* basis as if such designation had occurred at the beginning of the applicable reference period; and (ii) no Potential Event of Default or Event of Default would be in existence following such designation.

6.18 Financial Information

- (a) The Issuer shall deliver to the Trustee as soon as the same become available, but in any event within 150 days after the end of each of its financial years, commencing with the financial year ending 31 December 2025, the Issuer's consolidated financial statements for such financial year, with accompanying notes, audited by the Auditors and accompanied by a report thereon of the Auditors and prepared in accordance with Accounting Standards consistently applied with the

corresponding financial statements for the preceding period prepared in accordance with Accounting Standards.

- (b) The Issuer shall deliver to the Trustee as soon as the same become available, but in any event within 120 days after the end of the first half of each of its financial years, commencing with the six months ended 30 June 2025, the Issuer's reviewed consolidated financial statements for such period, with accompanying notes, reviewed by the Auditors and accompanied by a review report thereon of the Auditors.
- (c) Contemporaneously with the furnishing of the financial statements discussed in Conditions 6.18(a) and 6.18(b) above, the Issuer shall deliver to the Trustee (i) supplemental disclosure of the Consolidated Net Leverage Ratio as at the end of the period for which such financial statements are delivered; (ii) reviewed financial information comprising a statement of income, calculation of EBITDA and statement of financial position of the Guarantors on a combined basis for such financial period, prepared in accordance with IFRS and (iii) reviewed financial information comprising a statement of income, calculation of EBITDA and statement of financial position of each Project Subsidiary, *provided that* information delivered pursuant to this paragraph (c) may, at the Issuer's option and in satisfaction of its obligations under this paragraph (c), be included in the explanatory notes to the financial statements provided (pursuant to Conditions 6.18(a) and 6.18(b) above).
- (d) At any time that any of the Issuer's Subsidiaries are Unrestricted Subsidiaries and any such Unrestricted Subsidiary or group of Unrestricted Subsidiaries, if taken as together as one Subsidiary, constitutes a Material Subsidiary of the Issuer, then the annual and semi-annual financial information discussed in 6.18(a) and 6.18(b) above will be either (i) a reasonably detailed presentation, either on the face of the financial statements or in the footnotes thereto, of the financial condition and results of operations of the Issuer and its Restricted Subsidiaries separate from the financial condition and results of operations of the Unrestricted Subsidiaries of the Issuer or (ii) stand-alone audited or reviewed financial statements, as the case may be, of such Unrestricted Subsidiary or Unrestricted Subsidiaries (as a group or otherwise) together with an reviewed reconciliation to the financial information of the Issuer and its Subsidiaries.
- (e) The Issuer will, by no later than the date on which the respective financial statements and reports are delivered to the Trustee pursuant to Conditions 6.18(a) and 6.18(b) above, publish such financial statements and supplementary information delivered to the Trustee pursuant to Condition 6.18(c) on the Issuer's website and maintain their availability on such website for so long as any Note remains outstanding. In addition, if and so long as the Notes are listed on the Stock Exchange and the rules of the Stock Exchange so require, the Issuer will also publish all such financial statements and reports in the manner required by the rules of the Stock Exchange.
- (f) The Issuer will deliver to the Trustee, without undue delay, such additional information regarding the financial position or the business of the Issuer and the Guarantors (or, so far as permitted by applicable law, any information, and in such form, as it requires for the purposes of the discharge of the duties and discretions vested in it under the Trust Deed or by operation of law) as the Trustee may reasonably request.
- (g) The Issuer shall deliver to the Trustee within 14 Business Days (or such longer period as the Trustee may determine) of the time of delivery of any financial statements pursuant to Condition 6.18(a) and within 14 Business Days (or such longer period as the Trustee may determine) of any request by the Trustee, an Officers' Certificate certifying that, to the best of the knowledge, information and belief of the signatories thereof: (i) that no Event of Default or

Potential Event of Default has occurred and is continuing, and, if such an event had occurred, specifying all such Events of Default or Potential Events of Default and the details thereof of which the signatories may have knowledge and what action the Issuer is taking or proposes to take with respect thereto, (ii) that a Change of Control Event and a Change of Control Ratings Decline has not occurred, and, if such an event had occurred since the Certification Date (as defined in the Trust Deed), specifying all such details thereof; and (iii) which Restricted Subsidiaries are Material Subsidiaries. The Trustee may rely on such Officers' Certificate absolutely without liability to any person for so doing and without further enquiry.

6.19 Transfer of Power Generation Licenses

For so long as any Note remains outstanding and at any time after the occurrence of any Event of Default that is continuing, the Issuer agrees that the Trustee may in its discretion or if so directed by an Extraordinary Resolution (subject, in each case, to being indemnified and/or prefunded and/or secured to its satisfaction):

- (a) notify the Energy Market Regulatory Board (*Enerji Piyasası Düzenleme Kurulu*) of the Energy Market Regulatory Authority of Türkiye (the “**EMRA**”) that an Event of Default has occurred and is continuing; and
- (b) request the EMRA that a replacement entity or entities specified by the Trustee (and which satisfies all necessary qualifications and requirements under the laws of the Republic of Türkiye) is granted new generation licenses (as a continuation of, and on the same terms as, the relevant generation licenses), *provided that* such replacement entity or entities shall assume all obligations of the Issuer in accordance with the Electricity Market Licensing Regulation of the Republic of Türkiye.

The Issuer shall promptly take all necessary steps and actions that may be required (including, without limitation, signing documents and attending meetings and hearings) to ensure (i) that the Trustee is able to properly give the notice referred to in paragraph (a) above, (ii) that the EMRA is able to consent to and implement any reasonable request made by the Trustee as contemplated in paragraph (b) above, and (iii) (including but not limited to by way of making (or procuring the making of) any requests to be made to the EMRA or any other authority) that the easement rights, permits or any other rights relating to the use of the lands pertaining to the Power Plants are also duly transferred to the relevant replacement entity or entities.

6.20 Use of Certain Accounts

- (a) Each of the Issuer and the Guarantors shall, and shall cause each of their respective Restricted Subsidiaries to, utilize the bank accounts established and/or maintained for and on behalf of each of them in connection with processing applicable tax payments and payments in respect of letters of credit and letters of guarantees solely for such purposes, and such accounts shall not at any time have any amounts standing to their credit at the end of each Business Day.
- (b) Upon any letter of credit or letter of guarantee being repaid or otherwise discharged, the Issuer and the Guarantors shall, and shall cause their respective Restricted Subsidiaries to, as the case may be, promptly and irrevocably terminate the bank account relating to such letter(s).

6.21 Minimum Liquidity

For so long as any Note remains outstanding, the Issuer shall ensure that at all times an aggregate cash balance of at least U.S.\$30.0 million is standing to the credit of any one or more of its bank accounts that are not subject to any Liens (other than any Liens in respect of such bank account(s) that is created

or exists in favor of the holders of the Notes). The Issuer shall maintain such aggregate cash balance in U.S. Dollars.

7 Interest

7.1 Interest Accrual

Each Note bears interest from (and including) September 30, 2025 (the “**Issue Date**”) at the rate of 9.875% per annum (the “**Rate of Interest**”) payable semi-annually in arrear on March 30 and September 30 in each year commencing on March 30, 2026 (each, an “**Interest Payment Date**”), subject as provided in Condition 8 (*Payments*). The period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date, is herein called an “**Interest Period**.”

7.2 Cessation of Interest

Each Note will cease to bear interest from the due date for final redemption unless, upon due surrender of the relevant Note, payment of principal is improperly withheld or refused. In such case, it will continue to bear interest at such rate (after as well as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is five Business Days after the Principal Paying Agent or the Trustee has notified the Noteholders that it has received all sums due in respect of the Notes up to such fifth Business Day (except to the extent that there is any subsequent default in payment) in accordance with Condition 15 (*Notices*).

7.3 Calculation of Interest for an Interest Period

The amount of interest payable in respect of each Note for any Interest Period shall be calculated by applying the Rate of Interest to the then outstanding principal amount of such Note, dividing the product by two and rounding the resulting figure to the nearest cent (half a cent being rounded upwards).

7.4 Calculation of Interest for any other Period

If interest is required to be calculated for any period other than an Interest Period, it will be calculated on the basis of a year of 360 days consisting of 12 months of 30 days each and, in the case of an incomplete month, the actual number of days elapsed on the basis of a month of 30 days.

8 Payments

8.1 Principal

Payment of principal and premium in respect of each Note will be made in United States dollars upon application by the holder to the Specified Office of the Registrar and Transfer Agent or any Paying Agent not less than 15 days before the due date for any such payment, by transfer to a United States dollar account maintained by the payee with a bank in New York City and subject to the surrender (or, in the case of part payment only, endorsement) of the relevant Definitive Certificate at the Specified Office of the Registrar and Transfer Agent or of the Paying Agents.

8.2 Interest

Payments of interest in respect of each Note will be made to the persons shown on the Register at close of business on the Record Date.

8.3 Record Date

Each payment in respect of a Note will be made to the person shown in the Register at the close of business on the fifteenth day before the due date for the relevant payment (the “Record Date”).

8.4 Payments

Each payment in respect of the Notes pursuant to Conditions 8.1 (*Principal*) and 8.2 (*Interest*) will be made by transfer to a United States dollar account maintained by the payee with a bank in New York City. Payment instructions (for value the due date, or, if the due date is not a business day, for value the next succeeding business day) will be initiated, in the case of principal, on the later of the due date for payment and the day on which the relevant Definitive Certificate is surrendered (or, in the case of part payment only, endorsed) and, in the case of interest on the due date for payment.

8.5 Agents

The names of the initial Paying Agents and Registrar and Transfer Agent and their Specified Offices are set out below. The Issuer may at any time appoint additional Agents and/or terminate the appointment of any Agent at any time with the prior written approval of the Trustee (such consent not to be unreasonably withheld or delayed) by giving to the relevant Agent concerned at least 60 days’ prior written notice, which notice shall expire at least 30 days before or after any due date for payment in respect of the Notes, to vary or terminate the appointment of any Paying Agent or the Registrar and Transfer Agent (including in circumstances where the Paying Agent does not become or ceases to be, a Participating FFI at a time when the Issuer or any Guarantor would be required to withhold or deduct any amount from any payment made by it to the Paying Agent pursuant to FATCA) and to appoint successor or additional Paying Agents or another Registrar and Transfer Agent, *provided that* it will at all times maintain:

- (a) a Principal Paying Agent;
- (b) a Paying Agent in a jurisdiction other than the Relevant Jurisdiction; and
- (c) a Registrar and Transfer Agent.

Notice of any such removal or appointment and of any change in the Specified Office of any Paying Agent or Registrar and Transfer Agent will be given to Noteholders in accordance with Condition 15 (*Notices*) as soon as practicable.

8.6 Payments Subject to Fiscal Laws; Commissions

All payments in respect of the Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 10 (*Taxation*) and any withholding or deduction required pursuant to FATCA. No commissions or expenses shall be charged to the Noteholders in respect of such payments.

8.7 Delay in Payment

Noteholders will not be entitled to any interest or other payment in respect of any delay in payment resulting from the due date for payment not being a Payment Business Day.

8.8 Payment Business Days

Payment instructions (for value the due date, or, if the due date is not a Payment Business Day, for value the next succeeding Payment Business Day) will be initiated (i) in the case of payments of principal and interest payable on redemption, on the later of the due date for payment and the Payment Business Day

on which the relevant Definitive Certificate is surrendered (or endorsed as the case may be) and (ii) in the case of payments of interest payable other than on redemption, on the due date for payment. In this Condition 8 (*Payments*), “**Payment Business Day**” means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in New York City and, in the case of surrender of a Definitive Certificate, the place of the Specified Office of the Registrar and Transfer Agent or relevant Paying Agent, to whom the relevant Definitive Certificate is surrendered.

9 Redemption and Purchase

9.1 Mandatory Redemption by Amortization and Final Redemption

On March 30, 2028, September 30, 2028, March 30, 2029, September 30, 2029, March 30, 2030 and the Maturity Date (each a “**Principal Payment Date**”), the principal amount of each Note set forth in the following payment schedule will be redeemed at par, together (if applicable) with interest accrued and unpaid to (but excluding) the relevant Principal Payment Date as provided in Condition 8 (*Payments*) (and so that the principal amount of each Note outstanding that shall become due and payable on a Principal Payment Date will be rateably reduced upon any earlier partial redemption of such Note pursuant to the other provisions of this Condition 9 (*Redemption and Purchase*)):

Principal Payment Date	Principal Payment Amortized Amount
	(U.S. \$)
March 30, 2028	U.S.\$75.00 per U.S.\$1,000 in principal amount of each Note outstanding
September 30, 2028.....	U.S.\$75.00 per U.S.\$1,000 in principal amount of each Note outstanding
March 30, 2029	U.S.\$75.00 per U.S.\$1,000 in principal amount of each Note outstanding
September 30, 2029.....	U.S.\$75.00 per U.S.\$1,000 in principal amount of each Note outstanding
March 30, 2030	U.S.\$75.00 per U.S.\$1,000 in principal amount of each Note outstanding
Maturity Date	U.S.\$625.00 per U.S.\$1,000 in principal amount of each Note outstanding

The outstanding principal amount of each Note shall be reduced by the principal amount set forth in the above payment schedule for all purposes with effect from the relevant Principal Payment Date, unless the payment of the relevant principal amount is improperly withheld or refused, in which case, such amount shall remain outstanding until the date on which they are paid in accordance with these

Conditions. Unless previously redeemed or purchased and cancelled as provided elsewhere in this Condition 9 (*Redemption and Purchase*), each Note will be redeemed at its then outstanding principal amount on September 30, 2030 (the “**Maturity Date**”) subject as provided in Condition 8 (*Payments*).

In these Conditions, references to the “due date” for payment shall, unless the context requires otherwise, be deemed to include any Principal Payment Date on which any principal amount in respect of a Note is scheduled to be paid.

9.2 Redemption for Taxation Reasons

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 10 nor more than 60 days’ notice to the Noteholders in accordance with Condition 15 (*Notices*) (which notice shall be irrevocable) at 100% of their aggregate principal amount, together with interest accrued to (but excluding) the date fixed for redemption then due and which will become due on the date of the redemption as a result of the redemption or otherwise (subject to the right of Noteholders of such Notes on the relevant Record Date to receive interest due on the relevant Interest Payment Date in respect thereof), if, immediately before giving such notice, the Issuer satisfies the Trustee that:

- (a) it has become or will become obliged to pay additional amounts as provided or referred to in Condition 10 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of the Relevant Jurisdiction or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment is publicly announced and becomes effective on or after September 23, 2025 (or, if the Relevant Jurisdiction did not become a Relevant Jurisdiction until after September 23, 2025, after such later date), and
- (b) such obligation cannot be avoided by the Issuer, taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due.

Prior to the publication of any notice of redemption pursuant to this Condition 9.2 (*Redemption for Taxation Reasons*), the Issuer shall deliver to the Trustee (x) an Officers’ Certificate stating that the obligation referred to in (a) above cannot be avoided by the Issuer taking reasonable measures available to it and (y) an opinion in form and substance satisfactory to the Trustee of independent legal or tax advisers of recognized standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment (which opinion may be addressed to the Issuer). The Trustee shall be entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the condition precedent set out in (a) above in which event it shall be conclusive and binding on the Noteholders.

Upon the expiry of any such notice as is referred to in this Condition 9.2 (*Redemption for Taxation Reasons*), the Issuer shall be bound to redeem the Notes in accordance with this Condition 9.2 (*Redemption for Taxation Reasons*).

9.3 Redemption at the Option of the Issuer (Equity Offering)

At any time prior to March 30, 2027, the Issuer may on any one or more occasions, upon not less than 10 days nor more than 60 days’ notice to the Noteholders, redeem up to 35% of the aggregate principal amount of the Notes at a redemption price equal to 109.875% of the principal amount of the Notes redeemed, plus accrued and unpaid interest to the date of redemption (subject to the rights of holders of

the Notes on the relevant record date to receive interest on the relevant Interest Payment Date), with the net cash proceeds of an Equity Offering to the extent the proceeds from such Equity Offering are contributed to the shares of common stock of or other common equity interests of the Issuer or are paid to the Issuer as consideration for the issuance of or as Subordinated Shareholder Funding, *provided that*:

- (a) at least 60% of the aggregate principal amount of the Notes originally issued (excluding the Notes held by the Issuer and its Subsidiaries) remains outstanding immediately after the occurrence of such redemption; and
- (b) the redemption occurs within 180 days of the date of the closing of such Equity Offering.

Notice of any redemption upon any Equity Offering may be given prior to the completion thereof, and any such redemption or notice may, at the Issuer's discretion, be subject to one or more conditions precedent, including but not limited to, completion of the related Equity Offering.

Unless the Issuer defaults in the payment of the redemption price payable under this Condition 9.3, interest will cease to accrue on the Notes or portions thereof called for redemption on (but excluding) the applicable redemption date.

9.4 Redemption at the Option of the Issuer (Premium)

The Issuer may, at any time having given:

- (a) not less than 10 nor more than 60 days' notice to the Noteholders in accordance with Condition 15 (*Notices*); and
- (b) not less than seven days before the giving of the notice referred to in paragraph (a) above, notice to the Trustee and to the Principal Paying Agent,

(which notices shall specify the date fixed for redemption), redeem all, or some only, of the Notes at a redemption price equal to the sum of the principal amount of Notes then outstanding, plus any interest accrued and unpaid to (but excluding) the date fixed for redemption, plus the following applicable premium:

Relevant Period	Applicable Premium
From (and including) the Issue Date to (but excluding) September 30, 2027	the Make-Whole Premium
From (and including) September 30, 2027 to (but excluding) September 30, 2028	U.S.\$49.38 per U.S.\$1,000 of outstanding principal amount of Notes
From (and including) September 30, 2028 to (but excluding) September 30, 2029	U.S.\$24.69 per U.S.\$1,000 of outstanding principal amount of Notes
From (and including) September 30, 2029 to (but excluding) the Maturity Date	Nil

Any such redemption and notice may, in the Issuer's discretion, be subject to the satisfaction of one or more conditions precedent. If such redemption or notice is subject to satisfaction of one or more conditions precedent, such notice shall state that, in the Issuer's discretion, the redemption date may be delayed until such time as any or all such conditions shall be satisfied, or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been

satisfied by the redemption date, or by the redemption date so delayed, *provided that* in no case shall the notice have been delivered less than 10 days or more than 60 days prior to the date on which such redemption (if any) occurs. In addition, the Issuer may provide in such notice that payment of the redemption price and performance of the Issuer's obligations with respect to such redemption may be performed by another Person. In no event shall the Trustee be responsible for monitoring, or charged with knowledge of, the maximum aggregate amount of the Notes eligible under these Conditions to be redeemed.

For the purposes of this Condition 9.4 (*Redemption at the Option of the Issuer (Premium)*):

"Make-Whole Premium" means, with respect to any Note redeemed pursuant to this Condition 9.4 (*Redemption at the Option of the Issuer (Premium)*), the greater of:

- (a) the amount equal to 1.0% of the then outstanding principal amount of such Note; and
- (b) the excess (to the extent positive) of:
 - (i) the present value of the remaining scheduled payments of principal and interest due on such Note to and including September 30, 2027 (excluding accrued but unpaid interest to the redemption date), computed using a discount rate equal to the Treasury Rate as of such redemption date plus 50 basis points; over
 - (ii) the outstanding aggregate principal amount of the Note at the relevant redemption date,

for the purposes of which, **"Treasury Rate"** means, as of any redemption date, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (**"Statistical Release"**) that has become publicly available at least two Business Days prior to the redemption date (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to September 30, 2027; *provided, however, that* if the period from the redemption date to September 30, 2027 is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used. For the avoidance of doubt, calculation of the Make-Whole Premium shall not be an obligation of the Trustee or any Agent.

9.5 Redemption at the Option of Noteholders (Change of Control)

Upon the occurrence of both:

- (a) a Change of Control Event (as defined below); and
- (b) a Change of Control Ratings Decline (as defined below),

the Issuer shall, at the option of the holder of any Note, upon the holder of such Note giving notice to the Issuer as provided in this Condition 9.5 (*Redemption at the Option of Noteholders (Change of Control)*) at any time during the Redemption Period (as defined below), redeem such Note on the Redemption Date (as defined below) at 101% of its principal amount together (if applicable) with interest accrued and unpaid to (but excluding) the Redemption Date.

Immediately upon the Issuer becoming aware that (i) a Change of Control Event and/or (ii) a Change of Control Ratings Decline has occurred, the Issuer shall give notice (a **"Change of Control Notice"**) to the Noteholders in accordance with Condition 15 (*Notices*) specifying the nature of the Change of Control Event and/or Change of Control Ratings Decline and (if applicable) the procedure for exercising

the put option contained in this Condition 9.5 (*Redemption at the Option of Noteholders (Change of Control)*)).

To exercise the right to require the Issuer to redeem a Note pursuant to this Condition 9.5 (*Redemption at the Option of Noteholders (Change of Control)*), the Noteholder must deposit, at the Specified Office of any Paying Agent at any time during normal business hours of such Paying Agent on a Business Day falling within the Redemption Period, the relevant Note(s), together with a duly completed and signed notice of exercise (a “**Put Notice**”) in the form (for the time being current) obtainable from the Specified Office of any Paying Agent. The Paying Agent with which a Note and Put Notice are so deposited shall deliver a duly completed receipt (in the form specified in the Agency Agreement) (the “**Put Receipt**”) to the depositing Noteholder. Payment by the Issuer in respect of any Note so delivered shall be made to the bank account or otherwise as specified in the Put Notice by transfer to that account (or as otherwise specified in the Put Notice) on the relevant Redemption Date. No Note, once deposited with a duly completed Put Notice in accordance with this Condition 9.5 (*Redemption at the Option of Noteholders (Change of Control)*), may be withdrawn; *provided, however, that* if, prior to the relevant Redemption Date, any such Note becomes immediately due and payable or, upon due presentation of any such Note on the relevant Redemption Date, payment of the redemption moneys is improperly withheld or refused, the relevant Paying Agent shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold the relevant Note(s) at its Specified Office for collection by the depositing Noteholder against surrender of the relevant Put Receipt. For so long as any outstanding Note is held by a Paying Agent in accordance with this Condition 9.5 (*Redemption at the Option of Noteholders (Change of Control)*), the depositor of such Note and not such Paying Agent shall be deemed to be the holder of such Note for all purposes.

If 85% or more in aggregate principal amount of the Notes outstanding immediately before the relevant Redemption Date are redeemed on such redemption, the Issuer may, on giving not less than 10 nor more than 60 days’ notice to the Noteholders in accordance with Condition 15 (*Notices*) (such notice to be given within 30 days of the relevant Redemption Date), redeem all but not some only of the remaining outstanding Notes at 101% of their principal amount together (if applicable) with interest accrued and unpaid to (but excluding) the relevant Redemption Date.

For the purpose of this Condition 9.5 (*Redemption at the Option of Noteholders (Change of Control)*):

- (a) a “**Change of Control Event**” will occur if at any time any Person or Persons acting in concert acquires or otherwise obtains direct or indirect Control of the Issuer, *provided that* such Change of Control Event shall not be deemed to occur in respect of (1) any such Control that is acquired or otherwise obtained by a Permitted Holder or any Affiliate thereof, or (2) any commercial lender or regulated entity in its capacity as security agent (or any affiliate thereof) which acquires Control of the Issuer directly as a result of enforcement of collateral over the Issuer’s Voting Stock.

For the purposes of this definition, a Person will be deemed to “**Control**” the Issuer if (whether directly or indirectly and whether by ownership of share capital, the possession of voting power, contract, trust or otherwise, or any combination thereof) they have the power to appoint and/or remove all or the majority of the members of the Board of Directors of the Issuer or other governing body of management of the Issuer or otherwise direct or cause the direction of the management and affairs of the Issuer;

- (b) a “**Change of Control Ratings Decline**” means the occurrence on any date within the 90 day period following the occurrence of a Change of Control Event (which period shall be extended

so long as during such period the rating of the Notes is under publicly announced consideration by a Rating Agency, unless such Rating Agency has indicated that the rating is on review for upgrade) of any of the following events;

- (i) at least one Rating Agency shall issue or confirm a rating on the Notes which rating is at least one notch below the rating of the Notes issued by such Rating Agency as of the date immediately prior to the earlier of (i) such Change of Control Event, (ii) the date of public notice of the occurrence of such Change of Control Event, or (iii) public notice of the intention by the Issuer to effect such Change of Control Event; or
- (ii) at least one Rating Agency shall withdraw its rating of the Notes,

provided that, in the case of the preceding paragraphs (i) and (ii), such rating decline or withdrawal will not be deemed to have occurred in respect of a particular Change of Control Event (and thus will be disregarded in determining whether a Change of Control Rating Decline has occurred) if the Rating Agency making the reduction or withdrawal does not announce or publicly confirm or inform the Issuer that the reduction was the result, in whole or in part, of any event or circumstance comprising of or arising as a result of, or in connection with, the applicable Change of Control Event (whether or not the applicable Change of Control Event has occurred at the time of the decline or withdrawal). For the avoidance of doubt and notwithstanding the previous sentence, no Change of Control Rating Decline shall apply to a Change of Control Event following the first date on which each of the relevant rating Agencies has publicly affirmed or upgraded the ratings of the Notes after the occurrence of such Change of Control Event. If no Rating Agency which has an issued rating of the Notes announces an action with regard to its rating of the Notes within 30 days after the occurrence of an event specified in the definition of Change of Control Event, the Issuer shall request each such Rating Agency to confirm its rating of the Notes before the end of such 90-day period;

- (c) **“Redemption Date”** means, in respect of any Note, the date which falls 14 days after the date on which the relevant holder exercises its option in accordance with this Condition 9.5 (*Redemption at the Option of Noteholders (Change of Control)*); and
- (d) **“Redemption Period”** means the period from and including the first date on which both a Change of Control Event and a Change of Control Ratings Decline have occurred (whether or not the Issuer has given a Change of Control Notice in respect of such event) to and including the date falling 60 days after the date on which such Change of Control Notice is given, *provided that* if no Change of Control Notice is given, the Redemption Period shall not terminate.

9.6 No Other Redemption

The Issuer shall not be entitled to redeem the Notes otherwise than as *provided this* in Condition 9.

9.7 Selection and Notice

In the case of a partial redemption of any Note under these Conditions, the Notes shall be redeemed on a *pro rata* basis according to the holding of each Noteholder; subject, in each case, to compliance with any applicable laws and Stock Exchange or other relevant regulatory requirements. Only Notes in an amount equal to or in excess of the Authorised Denomination may be redeemed under these Conditions.

If the Notes are represented by Global Certificates or are in definitive form and held through DTC, Euroclear or Clearstream, Luxembourg, in the case of a partial redemption of Notes, the Notes to be redeemed will be selected in accordance with the rules and procedures of Euroclear and/or

Clearstream, Luxembourg and/or DTC (to be reflected in the records of Euroclear, Clearstream, Luxembourg and/or DTC as either a pool factor or a reduction in principal amount, at their discretion).

9.8 Purchases and Tender Offers

The Issuer may at any time purchase or procure others to purchase for its account Notes in the open market or otherwise and at any price. All Notes so purchased will be surrendered for cancellation at the option of the Issuer or otherwise, as the case may be in compliance with Condition 9.9 (*Cancellation of Notes*) below, and may not be held, reissued or resold.

Notwithstanding the foregoing, in connection with any tender offer for any Notes, if holders of not less than 90% in aggregate principal amount of Notes then outstanding validly tender and do not withdraw such Notes in such tender offer and the Issuer, any of its Subsidiaries or any other person making such a tender offer in lieu of the Issuer, purchases all of the Notes validly tendered and not withdrawn by such holders, all of the holders of such Notes will be deemed to have consented to such tender or other offer and, accordingly the Issuer, the relevant Subsidiary or such other person will have the right upon not less than 10 nor more than 60 days' prior notice, given not more than 10 days following such tender offer expiration date, to redeem the Notes that remain outstanding in whole, but not in part (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date), following such purchase at a price equal to the price (excluding any early tender fee) offered to each other holder of Notes in such tender offer, plus, to the extent not included in the tender offer payment, accrued and unpaid interest thereon, if any, to (but excluding) such redemption date.

9.9 Cancellation of Notes

All Notes which are redeemed pursuant to Conditions 9.2 (*Redemption for Taxation Reasons*) to 9.5 (*Redemption at the Option of Noteholders (Change of Control)*) or submitted for cancellation pursuant to Condition 9.8 (*Purchase and Tender Offers*) will be cancelled and may not be reissued or resold. For so long as the Notes are admitted to trading on the Stock Exchange and the rules of such exchange so require, the Issuer shall promptly inform the Stock Exchange of the cancellation of any Notes under this Condition 9.9 (*Cancellation of Notes*).

10 Taxation

10.1 All payments of principal, premium and interest in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any taxes, imposts, duties, assessments or governmental charges (including any penalties, interest and additions to tax related thereto) of whatsoever nature imposed, levied, collected, withheld or assessed by or on behalf of any Relevant Jurisdiction ("**Taxes**"), unless such withholding or deduction is required by law. In that event, the Issuer or, as the case may be, the relevant Guarantor, shall pay such additional amounts as will result in the receipt by the Noteholders of such amounts as would have been received by them if no such withholding or deduction had been required (including any deduction or withholding attributable to the additional amounts), except that no such additional amounts shall be payable in respect of any Note:

- (a) **Other Connection:** presented for payment by or on behalf of a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note by reason of a holder having some connection with a Relevant Jurisdiction other than the mere holding of such Note; or
- (b) **Presentation in Türkiye:** presented for payment in the Republic of Türkiye; or
- (c) **Presentation more than 30 days after the Relevant Date:** where (in the case of a payment of principal, premium or interest on redemption) the relevant Definitive Certificate is surrendered

for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on surrendering such Definitive Certificate or Coupon for payment on the last day of such period of 30 days.

For the avoidance of doubt, neither the Issuer or, as the case may be, any Guarantor nor any Agent nor any other person will be obliged to make any additional payments to the Noteholders in respect of amounts withheld or deducted pursuant to FATCA.

10.2 Taxing Jurisdiction

If the Issuer or, as the case may be, a Guarantor, becomes subject at any time to any taxing jurisdiction other than a Relevant Jurisdiction, references in this Condition 10 (*Taxation*) to Relevant Jurisdiction shall, subject to Clause 4.2 (*Change of Taxing Jurisdiction*) of the Trust Deed, be construed as references to the Republic of Türkiye and/or such other jurisdiction or, in each case, any political subdivision or any authority thereof or therein having power to tax.

11 Prescription

Claims in respect of principal, premium and interest will become void unless the relevant Definitive Certificate is surrendered for payment as required by Condition 8 (*Payments*) within a period of 10 years, in the case of principal and premium, or five years, in the case of interest, from the appropriate Relevant Date.

12 Events of Default

The Trustee at its discretion may, and if so requested in writing by the holders of not less than one-quarter in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (subject, in each case, to being indemnified and/or prefunded and/or secured to its satisfaction against all Liabilities, actions, proceedings, claims and demands to which it may thereby render itself liable and all costs, charges, damages and expenses which it may incur by so doing and, for this purpose, the Trustee may demand prior to taking any such action, that there be paid to it in advance such sums as it considers (without prejudice to any further demand) shall be sufficient so to indemnify it), give notice to the Issuer that the Notes are, and shall thereupon immediately become, due and repayable, in each case at their principal amount together with accrued interest if any of the following events (each, an “**Event of Default**”) occurs and is continuing.

12.1 Non-Payment

The Issuer or the Guarantors, as the case may be, fails to pay any amount of principal or premium in respect of the Notes within 7 days of the due date for payment when the same becomes due and payable either at maturity, by declaration or otherwise or the Issuer or the Guarantors, as the case may be, is in default with respect to the payment of interest or any additional amount payable in respect of any of the Notes and such default in respect of interest or additional amounts continues for a period of 14 days.

12.2 Breach of Certain Limitations

The Issuer does not comply with its obligations under Condition 5 (*Collateral*), Condition 6.21 (*Minimum Liquidity*), Condition 6.1 (*Limitation on Liens*), Condition 6.16 (*Impairment of Lien*) or Condition 6.19 (*Transfer of Power Generation Licenses*) or (b) any of the Restricted Subsidiaries do not perform or comply with their respective obligations set out Condition 6.8 (*Mergers and Similar Transactions*).

12.3 Breach of Other Obligations

The Issuer or the Guarantors, as the case may be, defaults in the performance or observance of any of its other obligations under the Notes or the Transaction Documents and such default: (i) is in the opinion of the Trustee, incapable of remedy or (ii) being a default which is, in the opinion of the Trustee, capable of remedy, remains unremedied for 45 days after the Trustee has given written notice thereof, addressed to the Issuer and the Guarantors (it being understood that the foregoing paragraph (ii) is without prejudice to the proviso in Condition 6.9 (*Maintenance of Authorizations*) in respect of the Issuer's obligations thereunder).

12.4 Cross-Acceleration

- (a) Any Indebtedness for Borrowed Money of the Issuer, the Guarantors or any of their respective Material Subsidiaries becomes due and payable prior to its Stated Maturity by reason of an event of default (howsoever described), or is not repaid at maturity within the originally applicable grace period for the payment thereof; or
- (b) Any Indebtedness Guarantee in respect of Indebtedness for Borrowed Money given by the Issuer, the Guarantors or any of their respective Material Subsidiaries is not honored when due and called upon,

provided that the amount of Indebtedness for Borrowed Money referred to in Condition 12.4(a) above and/or the amount payable under any Indebtedness Guarantee referred to in Condition 12.4(b) above individually or in the aggregate exceeds U.S.\$10,000,000 (or its equivalent in any other currency or currencies).

12.5 Consents

If any authorization, consent of, or filing or registration with, any governmental authority necessary for the performance of any payment obligation of the Issuer or any Guarantor under the Notes and, as the case may be, the relevant Guarantee, when due, ceases to be in full force and effect or remain valid and subsisting.

12.6 Judgment Default

One or more judgments or orders or arbitration awards for the payment an amount in excess of U.S.\$10,000,000 (or its equivalent in any other currency or currencies), whether individually or in aggregate, is rendered or granted against the Issuer, the Guarantor or any of their respective Material Subsidiaries and continue(s) unsatisfied and unstayed for a period of 30 days after the date thereof or, if later, the date therein specified for payment.

12.7 Collateral Enforced

Any Collateral under the Security Documents shall, at any time, cease to be in full force and effect (other than in accordance with the terms of the relevant Security Document and the Trust Deed) for any reason other than the satisfaction in full of all obligations under the Trust Deed or the release of any such Collateral in accordance with the terms of the Trust Deed or Security Documents, and any such default continues for 10 days, or any such Lien created thereunder shall be declared invalid or unenforceable or any member of the Group shall assert in writing that any such Lien is invalid or unenforceable.

12.8 Insolvency Etc.

- (a) (i) The Issuer, any Guarantor or any of their respective Material Subsidiaries fails or is unable to pay its debts generally as they come due, (ii) the Issuer, any Guarantor or any Material Subsidiary seeking, consenting or acquiescing in the introduction of proceedings for its liquidation or bankruptcy or the appointment to it of a liquidation commission or a similar officer; (ii) the commencement of any proceedings in respect of the Issuer, any Guarantor or any Material Subsidiary in any court, arbitration court or before any agency for its bankruptcy, insolvency, dissolution or liquidation which, in the case of any proceedings that are commenced pursuant to a petition presented or filed by a Person other than the Issuer, such Guarantor or such Material Subsidiary, as the case may be, is not dismissed within 60 days; (iv) the Issuer, any Guarantor or any of their respective Material Subsidiaries takes any action for a readjustment, deferment or a moratorium of payment of its debts generally or makes a general assignment or an arrangement or composition with or for the benefit of its creditors generally; or (v) the Issuer, any Guarantor or any of their respective Material Subsidiaries ceases or threatens to cease to carry on all or (in the case of the Issuer) any substantial part of or (in the case of any Guarantor or any of the Issuer's or any Guarantor's respective Material Subsidiaries) substantially all of its business, save in each case in connection with a Permitted Reorganization; or
- (b) An order is made or an effective resolution is passed for the winding up (*tasfiye*), liquidation (*iradi tasfiye*) or striking off the register or dissolution (*infisah*) of the Issuer, any Guarantor or any of their respective Material Subsidiaries, save in connection with a Permitted Reorganization; or
- (c) Any event occurs which under the laws of any Relevant Jurisdiction has an analogous effect to any of the events referred to in Conditions 12.8(a) and 12.8(b) above.

12.9 Invalidity or Unenforceability

- (a) Any action, condition or thing at any time required to be taken, fulfilled or done in order (A) to enable the Issuer or any Guarantor lawfully to enter into, exercise their rights and perform and comply with their obligations under and in respect of the Notes or any Transaction Document (including, in the case of any Guarantors, the relevant Guarantee), (B) to ensure that those obligations are legal, valid, binding and enforceable, and (C) to make the Notes and the Transaction Documents admissible as evidence in the courts of the Relevant Jurisdiction, in each case is not taken, fulfilled or done; or
- (b) It is or will become unlawful for the Issuer or any Guarantor to perform or comply with any of their obligations under or in respect of the Notes or any Transaction Document (including, in the case of any Guarantors, the relevant Guarantee), including, without limitation, the payment of interest on the Notes, as a result of any change in law or regulation in any Relevant Jurisdiction or any ruling of any court in any Relevant Jurisdiction whose decision is final and unappealable or for any reason such obligations cease to be in full force and effect.

12.10 Government Intervention

- (a) All or any substantial part of the undertaking, assets and revenues of the Issuer is condemned, seized or otherwise appropriated by any Person acting under the authority of any national, regional or local government; or
- (b) All or substantially all of the undertaking, assets and revenues of any Guarantor or any of Issuer's or any Guarantor's respective Material Subsidiaries is condemned, seized or otherwise

appropriated by any Person acting under the authority of any national, regional or local government; or

- (c) The Issuer, any Guarantor or any of their respective Material Subsidiaries is prevented by any national, regional or local government from exercising normal control over all or (in the case of the Issuer) any substantial part of, or (in the case of any Guarantor or any of the Issuer's or any Guarantor's respective Material Subsidiaries) substantially all of, its undertaking, assets and revenues.

13 Replacement of Notes

If any Definitive Certificate is lost, stolen, mutilated, defaced or destroyed it may be replaced at the Specified Office of the Registrar and Transfer Agent or any Paying Agent subject to all applicable laws and stock exchange or other relevant authority requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, collateral, indemnity and otherwise as the Issuer may require (provided that the requirement is reasonable in the light of prevailing market practice). Mutilated or defaced Definitive Certificates must be surrendered before replacements will be issued.

14 Meetings of Noteholders; Modification and Waiver

14.1 Meetings of Noteholders

The Trust Deed contains provisions for convening meetings of Noteholders to consider any matters relating to the Notes, including the modification of any provision of these Conditions or the Transaction Documents. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Trustee or the Issuer, or by the Trustee upon the request in writing of Noteholders holding not less than one-tenth in principal amount of the outstanding Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more persons holding or representing in the aggregate a clear majority of the principal amount of the Notes for the time being outstanding, or, at any adjourned meeting, one or more persons being or representing Noteholders whatever the principal amount of the Notes for the time being outstanding so held or represented; *provided, however, that* certain proposals (including any proposal (i) to change any date fixed for payment of principal, premium or interest in respect of the Notes, (ii) to reduce or cancel the amount of principal or interest or additional amounts payable on any date in respect of the Notes or to reduce the rate of interest on the Notes, (iii) to change the currency of payment under the Notes, (iv) to amend this proviso, (v) to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution, or (vi) to release all or substantially all of the Security Property from Collateral granted for the benefit of the holders, other than in accordance with the provisions of the Trust Deed, these Conditions and the Security Documents (each, a “**Reserved Matter**”)) may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which two or more persons holding or representing not less than three-quarters or, at any adjourned meeting, one-quarter of the aggregate principal amount of the outstanding Notes form a quorum. The Trust Deed provides that an Extraordinary Resolution shall be passed at a meeting of Noteholders duly convened and held in accordance with the provisions of the Trust Deed if such Extraordinary Resolution is approved by at least three-quarters of the votes cast at such meeting.

The Noteholders may sanction by Extraordinary Resolution the waiver of any or all past or existing Events of Default and rescind any declaration that the Notes are immediately due and payable as a result of any such Event of Default (including any failure to pay any principal and/or interest following such declaration); *provided, however, that* any proposal for any waiver of any Event of Default (or related

rescission of a declaration that the Notes are immediately due and payable) arising from a matter (including any modification of any provisions of these Conditions or the Trust Deed) a proposal to effect which would be a Reserved Matter shall itself be a Reserved Matter. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders, whether present at the meeting(s) or not.

References to “**meeting**” a meeting shall include a meeting conducted by means of video or telephone conference facilities.

14.2 Electronic Consent

The Trust Deed provides that a resolution proposed and notified to the Noteholders through the relevant Clearing System(s) (as defined in the Trust Deed) will take effect as if it were an Extraordinary Resolution if such Noteholders have been given at least 10 days’ notice of such resolution, and the resolution is approved by or on behalf of persons holding at least three-quarters of the aggregate principal amount of the outstanding Notes.

14.3 Written Resolution

The Trust Deed provides that a resolution in writing will take effect as if it were an Extraordinary Resolution if it is signed (i) by or on behalf of all Noteholders who for the time being are entitled to receive notice of a meeting of Noteholders under the Trust Deed or (ii) if such Noteholders have been given at least 10 days’ notice of such resolution, by or on behalf of persons holding at least three-quarters of the aggregate principal amount of the outstanding Notes. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

14.4 Modification Without Noteholders’ Consent

The Trustee may from time to time and at any time, without any consent or sanction of the Noteholders, (x) concur with the Issuer or any other person or (y) direct either Security Agent to concur with the Issuer or any other person, in making (a) any modification to the Trust Deed (other than in respect of Reserved Matters (as specified and defined in this Condition 14 (*Meetings of Noteholders; Modification and Waiver*)) or any provision of the Trust Deed referred to in that specification), the Notes or any other Transaction Document which in the opinion of the Trustee it may be proper to make provided the Trustee is of the opinion that such modification will not be materially prejudicial to the interests of the Noteholders, (b) any modification to the Trust Deed, the Notes or any other Transaction Document if in the opinion of the Trustee such modification is of a formal, minor or technical nature or made to correct a manifest error.

The Trustee shall not be obliged to agree to (or direct a Security Agent to agree to) any modification which, in the sole opinion of the Trustee, would have the effect of: (a) exposing the Trustee or a Security Agent, as applicable, to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction; or (b) increasing the obligations or duties, or decreasing the rights or protections, of the Trustee or a Security Agent, as applicable, in the Transaction Documents and/or these Conditions.

In addition, the Trustee may, without the consent of the Noteholders, authorize or waive any proposed breach or breach of these Conditions or any Transaction Document (other than a proposed breach or breach relating to the subject of a Reserved Matter) if, in the opinion of the Trustee, the interests of the Noteholders will not be materially prejudiced thereby.

Any such modification, waiver or authorization or determination may be made on such terms and subject to such conditions (if any) as the Trustee may determine, shall be binding upon the Noteholders and the Secured Creditors and shall be notified by the Issuer to the Noteholders and the Secured Creditors in accordance with Condition 15 (*Notices*) as soon as practicable thereafter.

15 Notices

Notices required to be given to Noteholders pursuant to these Conditions will be sent to them by first class mail (or its equivalent) or (if posted to an overseas address) by airmail at their respective addresses recorded in the Register. Any such notice shall be deemed to have been given on the fourth day after the date of mailing. Notices to Noteholders will be valid if published, for so long as the Notes are admitted to trading on the Stock Exchange and the rules of such exchange so require.

So long as any of the Notes are represented by the Global Certificates, notices required to be published in accordance with Condition 15 (Notices) may instead be given by delivery of the relevant notice to DTC, Euroclear and Clearstream, Luxembourg for communication by them to the relevant accountholders, provided however, that, so long as the Notes are admitted to trading on the Stock Exchange, and its rules so require, notices will also be published on the website of the Stock Exchange.

16 Trustee and Security Agent

16.1 Indemnification

Under the Trust Deed, the Trustee and the Security Agent are entitled to be indemnified and relieved from responsibility in certain circumstances and to be paid their respective costs and expenses in priority to the claims of any Secured Creditor. In addition, the Trustee and the Security Agent are entitled to enter into business transactions with the Issuer, any Guarantor or any other person without accounting for any profit and to act as trustee or security agent for the holders of any other securities issued or guaranteed by, or relating to, the Issuer, the Guarantors and/or any of their respective Subsidiaries.

16.2 Exercise of Power and Discretion

In the exercise of its powers and discretion under these Conditions and the Trust Deed, the Trustee will have regard to the interests of the Noteholders as a class and will not be responsible for any consequence for individual holders of Notes as a result of such holders being connected in any way with a particular territory or taxing jurisdiction.

16.3 Enforcement; Reliance

The Trustee may at any time after the Notes become due and payable, at its discretion and without notice, institute such proceedings as it thinks fit under or in connection with any Transaction Documents, including, but not limited to, the giving of a direction to either Security Agent to enforce the Collateral under any of the Security Documents) to enforce its rights under the Trust Deed in respect of the Notes, but it shall not be bound to do so unless:

- (a) it has been so requested in writing by the holders of at least one-quarter in principal amount of the outstanding Notes or has been so directed by an Extraordinary Resolution; and
- (b) each of the Trustee and the Security Agent has been indemnified, prefunded or provided with collateral to its satisfaction.

Until the Trustee has actual or express knowledge to the contrary, the Trustee may assume that no Event of Default or Potential Event of Default (as defined in the Trust Deed) has occurred.

The Trustee is not liable for any failure to monitor compliance by the Issuer with the Conditions (including Conditions 6 (*Covenants*) and 12 (*Events of Default*)), however, the Trust Deed obliges the Issuer to furnish the Trustee with a certificate annually, on which the Trustee may rely as to such compliance.

16.4 Failure to Act

No Noteholder may proceed directly against the Issuer or any Guarantor unless the Trustee, having become bound to do so, fails to do so within a reasonable time and such failure is continuing.

16.5 Confidentiality

Unless ordered to do so by a court of competent jurisdiction or unless required by the rules of the Stock Exchange, the Trustee shall not be required to disclose to any Noteholder any confidential financial or other information made available to the Trustee by the Issuer or any Guarantor.

17 Provision of Information

The Issuer shall, during any period in which it is not subject to or in compliance with the reporting requirements of Section 13 or 15(d) of the United States Securities Exchange Act of 1934 (the “**Exchange Act**”) nor exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act, duly provide to any holder of a Note which is a “**restricted security**” within the meaning of Rule 144(a)(3) under the Securities Act, or to any prospective purchaser of such securities designated by such Noteholder, upon the written request of such Noteholder or (as the case may be) prospective Noteholder addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Registrar and Transfer Agent, the information specified in Rule 144A(d)(4) under the Securities Act.

18 Further Issues

The Issuer may from time to time, without notice to or the consent of the Noteholders and in accordance with the Trust Deed, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the date for and amount of the first payment of interest) so as to be consolidated and form a single series with the Notes (“**Further Notes**”), *provided that* such Further Notes are issued with less than a de minimis amount of original issue discount for U.S. federal income tax purposes or are otherwise fungible with the existing Notes for U.S. federal income tax purposes (or, if not so fungible, trade under a separate CUSIP, ISIN or other identifying number) and (if applicable) will be guaranteed together with the outstanding Notes, to the satisfaction of the Trustee. Any such Further Notes shall be constituted by a deed supplemental to the Trust Deed. Any holders of such Further Notes shall be Secured Creditors and entitled to the benefit of the Collateral.

19 Currency Indemnity

The Trust Deed provides that if any Noteholder receives or recovers any amount in a currency other than the Contractual Currency (as defined in the Trust Deed) (whether as a result of, or the enforcement of, a judgment or order of a court of any jurisdiction, in the insolvency, winding up or dissolution of the Issuer or otherwise), in respect of any sum expressed to be due to it from the Issuer, that amount will only discharge the Issuer to the extent of the Contractual Currency amount which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt of recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so).

If that Contractual Currency amount is less than the Contractual Currency amount expressed to be due to the relevant Noteholder under the Notes, the Issuer will indemnify such Noteholder against any loss sustained by

it as a result on the written demand of such Noteholder addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Registrar and Transfer Agent or any Paying Agent with its Specified Office in London. In any event, the Issuer will indemnify the relevant Noteholder against the cost of making any such purchase.

20 Governing Law and Jurisdiction

20.1 Governing Law

The Notes, including any non-contractual obligations arising out of or in connection with the Notes, are governed by, and shall be construed in accordance with, English law.

20.2 Jurisdiction

The Issuer and the Guarantors agree for the benefit of the Trustee and the Security Agent that the High Court of Justice of England and Wales sitting in London (the “**High Court of Justice**”) (and any competent England and Wales appellate court in respect of any appeal relating to any judgment or order originally from the High Court of Justice) shall have exclusive jurisdiction to hear and determine any suit, action or proceedings arising out of or in connection with the Notes (including any non-contractual obligations arising out of or in connection with the Notes) (“**Proceedings**”) and, for such purposes, irrevocably submits to the jurisdiction of such courts. Nothing in this paragraph shall (or shall be construed so as to) limit the right of the Trustee or Security Agent to take Proceedings in any other court of competent jurisdiction, nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings by the Trustee or Security Agent in any other jurisdiction (whether concurrently or not) if and to the extent permitted by law.

20.3 Appropriate Forum

For the purposes of Condition 20.2 (*Jurisdiction*), the Issuer and each Guarantor irrevocably waives any objection which it might now or hereafter have to the High Court of Justice in London (and any competent England and Wales appellate court in respect of any appeal relating to any judgment or order originally from the High Court of Justice) being nominated as the forum to hear and determine any Proceedings and agrees not to claim that any such court is not a convenient or appropriate forum.

20.4 Consent to Enforcement

The Issuer and each Guarantor agrees, without prejudice to the enforcement of a judgment obtained in the High Court of Justice (and any competent England and Wales appellate court in respect of any appeal relating to any judgment or order originally from the High Court of Justice) according to the provisions of Article 54 of the International Private and Procedural Law of Türkiye (Law No. 5718), that in the event that any action is brought in relation to the Issuer or a Guarantor in a court in the Republic of Türkiye in connection with the Notes, in addition to other permissible legal evidence pursuant to the Civil Procedure Code of Türkiye (Law No. 6100), any judgment obtained in the High Court of Justice (and any competent England and Wales appellate court in respect of any appeal relating to any judgment or order originally from the High Court of Justice) in connection with such action shall constitute conclusive evidence of the existence and amount of the claim against the Issuer or the relevant Guarantor pursuant to the provisions of the first sentence of Article 193 of the Civil Procedure Code of Türkiye (Law No. 6100) and Articles 58 and 59 of the International Private and Procedural Law of Türkiye (Law No. 5718).

20.5 Proceedings in Türkiye

To the extent that the Issuer or any Guarantor may, in any suit, action or proceeding brought before a court of the Republic of Türkiye or elsewhere arising out of or in connection with the Notes, be entitled to the benefit of any provisions of law requiring the Trustee or Security Agent in such suit, action or proceeding to post security for the costs of the Issuer or the relevant Guarantor, as the case may be (*cautio judicatum solvi*), or to post a bond or to take similar action, the Issuer and each Guarantor hereby irrevocably waives such benefit, in each case to the fullest extent now or hereafter permitted under the laws of the Republic of Türkiye or, as the case may be, such other jurisdiction.

20.6 Service of Process

The Issuer and each Guarantor agrees that the process by which any Proceedings are commenced in England pursuant to Condition 20.2 (*Jurisdiction*) may be served on it by being delivered to Law Debenture Corporate Services Limited at 8th Floor, 100 Bishopsgate, London EC2N 4AG or, if different, Law Debenture Corporate Services Limited's registered office from time to time. If such person is not or ceases to be effectively appointed to accept service of process on behalf of the Issuer or a Guarantor, the Issuer or the relevant Guarantor shall, on the written demand of the Trustee, appoint a further person in England to accept service of process on its behalf and, failing such appointment within 14 days, the Trustee shall be entitled to appoint such a person by written notice to the Issuer. Nothing in this paragraph shall affect the right of the Trustee to serve process in any other manner permitted by law.

21 Definitions

For the purposes of these Conditions:

Any reference in these Conditions or the Notes to principal, premium and/or interest shall be deemed to include any additional amounts which may be payable under Condition 10 (*Taxation*) or any undertaking given in addition to or substitution for it under the Trust Deed.

“Accounting Standards” means IFRS, Turkish Financial Reporting Standards or any other internationally recognized set of accounting standards deemed equivalent to IFRS by the Committee of European Securities Regulators from time to time; *provided however, that* where such term is used with respect to the financial statements of the Restricted Subsidiaries, it shall, where financial statements prepared in accordance with IFRS are not available, be deemed to include any other generally accepted accounting standards of the jurisdiction of incorporation of the relevant Restricted Subsidiary from time to time.

“Additional Assets” means:

- (a) any assets (other than Capital Stock, cash or Cash Equivalents or assets classified as current assets under IFRS) that are used or useful in a Core or Related Business;
- (b) the Capital Stock of a Person that becomes a Restricted Subsidiary engaged in a Core or Related Business as a result of the acquisition of such Capital Stock by the Issuer or a Restricted Subsidiary; or
- (c) Capital Stock constituting a minority interest in any Person that at such time is a Restricted Subsidiary engaged in a Core or Related Business;

provided, however, that, in the case of paragraphs (b) and (c) above, such Restricted Subsidiary is engaged in a Core or Related Business.

“Affiliate” of any specified Person means any other Person, directly or indirectly controlling, controlled by, or under direct or indirect common control with, such specified Person. For the purposes of this definition,

“control” (including, with correlative meanings, the terms **“controlling”**, **“controlled by”** and **“under common control with”**), as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise, provided that ownership of 30% or more of the voting securities of any Person shall be deemed to be control.

“Agency” means any agency, authority, central bank, department, committee, government, legislature, minister, ministry, official or public or statutory person (whether autonomous or not).

“Approved Bank” means a bank or trust company which is organized under, or authorized to operate as a bank or trust company under, the laws of a member state of the Pre-Expansion European Union (including the United Kingdom) or of the United States of America or any state thereof or Switzerland, provided that the long-term debt of such bank or trust company is rated “A1” or higher by Moody’s or “A” or higher by S&P or the equivalent rating category of another internationally recognized rating agency.

“Approved Jurisdiction” means any member state of the European Union as of 1 January 2004 (including Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden and the United Kingdom), Norway, Switzerland, the United Kingdom, the United States of America, any state thereof, the District of Columbia and Türkiye.

“Asset Acquisition” means (i) an investment by the Issuer or any Restricted Subsidiary in any other Person pursuant to which such Person shall become a Restricted Subsidiary or shall be consolidated or merged with the Issuer or any Restricted Subsidiary or (ii) the acquisition by the Issuer or any Restricted Subsidiary of assets of any Person which constitute all or substantially all of the assets of such Person or which comprise a division or line of business of such Person.

“Asset Sale” means any lease, sale, sale and lease-back, transfer or other disposition either in one transaction or in a series of related transactions, including any disposition by means of a merger, consolidation or similar transaction, of any of its assets (including any shares of Capital Stock of a Restricted Subsidiary (other than directors’ qualifying shares or shares required by applicable law to be held by a Person other than the Issuer or a Restricted Subsidiary)) or properties, other than:

- (a) the sale, lease, transfer or other disposition of any asset or property in a single transaction or a series of related transactions with an aggregate Fair Market Value of less than U.S.\$5.0 million;
- (b) by and among the Issuer and its Restricted Subsidiaries (other than a Project Subsidiary);
- (c) a disposition of all or substantially all the assets of the Issuer, the Issuer or any Guarantor in accordance with Condition 6.8 (*Mergers and Similar Transactions*);
- (d) the creation of a Lien (but not the sale or other disposition of the property subject to such Lien) in compliance with Condition 6.1 (*Limitation on Liens*);
- (e) the licensing or sublicensing of rights to software, intellectual property or other intangibles in the ordinary course of business and on arms’ length terms;
- (f) the abandonment, sale, lease or other disposition of obsolete, redundant, written-off (in accordance with Accounting Standards), damaged, worn out, negligible, surplus or outdated plant, equipment or machinery or other assets, in each case which is no longer used or useful in the conduct of the business of the Issuer and its Restricted Subsidiaries;
- (g) the lease, assignment or sublease of any property in the ordinary course of business (including any operating lease);

- (h) sales or other dispositions of assets or property received by the Issuer or any Restricted Subsidiary upon the foreclosure on a Lien granted in favor of the Issuer or any Restricted Subsidiary or any other transfer of title with respect to any ordinary course secured investment in default;
- (i) the foreclosure, condemnation or any similar action with respect to any property or other assets or the surrender or waiver of contract rights or the settlement, release, or surrender of contract, tort or other claims, in the ordinary course of business;
- (j) sales of energy, inventory, stock-in-trade, goods, services and other current assets (including accounts receivable) in the ordinary course of business;
- (k) sales and dispositions of cash and Cash Equivalents;
- (l) a Restricted Payment that does not violate Condition 6.3 (*Limitation on Restricted Payments*) or a Permitted Investment; and
- (m) any sale or other disposition of Capital Stock in, or Indebtedness or other securities of, an Unrestricted Subsidiary, for so long as such entities are Unrestricted Subsidiaries.

“**Asset Sale Offer**” has the meaning given in Condition 6.5(e) (*Asset Sales*).

“**Assignment of EPIAŞ Receivables Agreement**” means the notarized assignment of EPIAŞ receivables agreement governed by Turkish law to be dated on or about November 19, 2025 (and as amended, restated or supplemented from time to time) and entered into between the Issuer and the Security Agent.

“**Assignment of Receivables Agreement**” means the assignment of receivables agreement governed by Turkish law to be dated on or about November 19, 2025 (and as amended, restated or supplemented from time to time) and entered into between the Issuer and the Security Agent.

“**Auditors**” means any of any of PricewaterhouseCoopers LLP, KPMG LLP, Deloitte & Touche LLP, Ernst & Young LLP as the auditors for the time being of the Issuer and its Subsidiaries if they are unable or unwilling to carry out any action requested of them under the Trust Deed, any other firm of chartered accountants of internationally recognized standing appointed by the Issuer.

“**Authorised Signatory**” means any person who (i) is a director or member of the management board of the Issuer or (ii) has been notified by the Issuer in writing to the Trustee as being duly authorized to sign documents and to do other acts and things on behalf of the Issuer for the purposes of this Trust Deed.

“**Bank Account Pledge Agreement**” means the bank account pledge agreement governed by Turkish law to be dated not later than November 12, 2025 (and as amended, restated or supplemented from time to time) and entered into between the Issuer and the Security Agent.

“**Board of Directors**” means, as to any Person, the board of directors, supervisory board or other equivalent executive body of such Person (including, without limitation, a general director) or any duly authorized committee thereof.

“**Capital Stock**” means, with respect to any Person, any and all shares, interests (including partnership interests), rights to purchase, warrants, options, participations or other equivalents (however designated, whether voting or non-voting) of such Person’s equity, including any Preferred Stock of such Person, whether now outstanding or issued after the Issue Date, including without limitation, all series and classes of such Capital Stock but excluding any debt securities convertible into or exchangeable for such Capital Stock.

“**Cash Equivalents**” means:

- (a) securities issued or directly and fully guaranteed or insured by the government of any of the United States of America or any member state of the European Union or Türkiye or any agency or instrumentality of any of the foregoing (provided that the full faith and credit of the relevant jurisdiction is pledged in support thereof) or by any European Union central bank, and in each case having maturities of not more than one year from the date of acquisition;
- (b) certificates of deposit, time deposits and money market deposits denominated in Turkish lira, Euro, U.S. dollars or British pound sterling with maturities of one year or less from the date of acquisition, bankers' acceptances with maturities not exceeding six months and overnight bank deposits, in each case, with a commercial bank or trust company which commercial bank or trust company has which has a rating for its long-term unsecured and non-credit-enhanced debt obligations of at least "BBB-" or the equivalent thereof by S&P, at least "Baa3" or the equivalent thereof by Moody's or at least "BBB-" or the equivalent thereof by Fitch or, with respect to banks in Türkiye, the highest rating obtainable by commercial banks in such jurisdiction;
- (c) repurchase obligations with a term of not more than seven days for underlying securities of the types described in paragraphs (a) and (b) above entered into with any commercial bank or trust company which commercial bank or trust company has which has a rating for its long-term unsecured and non-credit-enhanced debt obligations of at least "BBB-" or the equivalent thereof by S&P, at least "Baa3" or the equivalent thereof by Moody's or at least "BBB-" or the equivalent thereof by Fitch or, with respect to banks in Türkiye, the highest rating obtainable by commercial banks in such jurisdiction;
- (d) commercial paper having a rating at the time of the investment of at least "P-1" from Moody's or "A-1" from S&P (or, if no rating is available in respect of the commercial paper, the issuer of which has, in respect of its long-term debt obligations, an equivalent rating) and in each case maturing within one year after the date of acquisition; and
- (e) money market funds at least 95.0% of the assets of which constitute Cash Equivalents of the kinds described in paragraphs (a) through (d) of this definition.

For purposes of this definition of "Cash Equivalents", a subsidiary of an international bank or financial institution will be attributed the same rating as its issuer.

"Code" means the U.S. Internal Revenue Code of 1986, as amended.

"Consolidated EBITDA" means, with respect to any specified Person for any period, the Consolidated Net Income of such Person for such period:

- (a) before deducting any expense or provision for taxes based on income or profits of such Person and its Restricted Subsidiaries for such period;
- (b) before deducting any interest, commission, fees, discounts, prepayments, fees, premiums or charges and other finance payments, whether paid, payable or capitalized in respect of that period;
- (c) excluding any transaction costs incurred in connection with the issuance of the Notes;
- (d) after adding back any amount attributable to the amortization, depreciation or depletion of assets,

in each case, without duplication and solely to the extent increasing or decreasing Consolidated Net Income for such period and determined on a consolidated basis in accordance with the Accounting Standards for such period.

"Consolidated Net Debt" means, at any Determination Date, the aggregate amount of Indebtedness of the Group (excluding (i) Hedging Obligations and (ii) for the avoidance of doubt, any other Indebtedness of the

type specified in Condition 6.2(b)(vi) (*Incurrence of Indebtedness*) as determined in accordance with the Accounting Standards, less the aggregate amount of cash and Cash Equivalents of the Group.

“**Consolidated Net Income**” means, with respect to any specified Person for any period, the aggregate of the net profit (or loss) of such Person for such period, on a consolidated basis, determined in accordance with the Accounting Standards; *provided that* there shall be excluded therefrom:

- (a) any net gain (or loss) realized upon the sale or other disposition of any asset, disposed operations or abandonments or reserves relating thereto of the Issuer (or any Restricted Subsidiaries) which is not sold or otherwise disposed of in the ordinary course of business;
- (b) any extraordinary, exceptional, unusual or non-recurring gain, loss or charge;
- (c) solely for purposes of determining compliance with Condition 6.3 (*Limitation on Restricted Payments*), the net income of any Restricted Subsidiary will be excluded to the extent that the declaration or payment of dividends or similar distributions by that Restricted Subsidiary of that net income is not at the date of determination permitted without any prior governmental approval (that has not been obtained) or, directly or indirectly, by operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Restricted Subsidiary or its shareholders (other than (A) restrictions that have been waived or otherwise released, (B) restrictions pursuant to the Notes or these Conditions, (C) restrictions in effect on the Issue Date with respect to a Restricted Subsidiary and other restrictions with respect to such Restricted Subsidiary that taken as a whole are not materially less favorable to the holders of Notes than such restrictions in effect on the Issue Date and (D) restrictions specified in limb (x) of the second paragraph of the covenant described under Condition 6.6 (*Limitations on Restrictions on Distributions from Restricted Subsidiaries*)); provided that Consolidated Net Income will be increased by the amount of dividends or distributions or other payments actually paid in cash (or to the extent converted into cash) to the Issuer or a Restricted Subsidiary that is a Guarantor in respect of such period, to the extent not already included therein (*provided that* the Issuer or Guarantor’s equity in a net loss of any such Restricted Subsidiary for such period shall be included in determining Consolidated Net Income);
- (d) the net income or loss of any Person that is not a Restricted Subsidiary of the Issuer or of any Project Subsidiary or that is accounted for by the equity method of accounting, except to the extent of the amount of dividends or distributions actually paid in cash by such Person to the Issuer or a Restricted Subsidiary that is a Guarantor;
- (e) any restoration to income of any contingency reserve, except to the extent that provision for such reserve was made out of Consolidated Net Income accrued at any time following the Issue Date;
- (f) non-cash foreign exchange gains or losses;
- (g) non-cash gains or losses with respect to Hedging Obligations attributable to mark-to-market valuation of Hedging Obligations;
- (h) any unrealized or realized gain or loss due solely to fluctuations in currency values and the related tax effects, determined in accordance with IFRS;
- (i) any goodwill or other intangible asset impairment charge;
- (j) any non-cash compensation charge arising from any grant of stock, stock options or other equity-based awards;
- (k) any income or charge attributable to a post-employment benefit scheme other than the current service costs attributable to the scheme; and

- (l) the cumulative effect of a change in accounting principles during such period,

in each case, without duplication and solely to the extent increasing or decreasing Consolidated Net Income for such period and determined on a consolidated basis in accordance with the Accounting Standards for such period.

“Consolidated Net Leverage Ratio” as of any date of determination (a **“Determination Date”**) means the ratio of: (x) Consolidated Net Debt to (y) Consolidated EBITDA for the Relevant Period ending prior to such Determination Date (the **“EBITDA Calculation Period”**); *provided, however, that:*

- (a) if (i) any member of the Group has incurred any Indebtedness since the balance sheet date (the **“Balance Sheet Date”**) of the most recent consolidated financial statements of the Group which remains outstanding on the Determination Date; or (ii) the transaction giving rise to the need to calculate the Consolidated Net Leverage Ratio is an incurrence of Indebtedness, or both, the Consolidated Net Leverage Ratio shall be calculated by adjusting the Consolidated Net Debt for such period to give effect to the incurrence of any Indebtedness mentioned in (i) or (ii) above, or both, as if such Indebtedness had been incurred on the Balance Sheet Date; provided that no effect shall be given to any cash or Cash Equivalents received by any member of the Group as proceeds of such Indebtedness that gave rise to the need to calculate the Consolidated Net Leverage Ratio;
- (b) if: (i) any member of the Group has repaid, repurchased, defeased or otherwise discharged any Indebtedness since the Balance Sheet Date; or (ii) if any Indebtedness is to be repaid, repurchased, defeased or otherwise discharged (in each case other than Indebtedness incurred under any revolving credit facility unless such Indebtedness has been permanently repaid and has not been replaced) on the date of the transaction giving rise to the need to calculate the Consolidated Net Leverage Ratio, or both, the Consolidated Net Leverage Ratio shall be calculated by adjusting the Consolidated Net Debt for such period to give effect to such repayment, repurchase, defeasement or discharge mentioned in (i) or (ii) above, as if such repayment, repurchase, defeasement or discharge had occurred on the Balance Sheet Date;
- (c) if since the Balance Sheet Date any member of the Group has made an Asset Sale as a result of which a Person ceased to be a member of the Group, the Consolidated Net Leverage Ratio shall be calculated by adjusting the Consolidated Net Debt for such period to give effect to any reduction of Indebtedness (to the extent originally included) equal to the Indebtedness of such Person as if such disposal had occurred on the Balance Sheet Date;
- (d) if since the beginning of the EBITDA Calculation Period any member of the Group (by merger or otherwise) shall have made an investment in any Person which as a result of such investment becomes a member of the Group or an acquisition of assets which constitutes all or substantially all of an operating unit of a business (including any acquisition of assets occurring in connection with a transaction requiring a calculation to be made hereunder), the Consolidated Net Leverage Ratio shall be calculated by adjusting the Consolidated EBITDA for such EBITDA Calculation Period as if such investment or acquisition had occurred on the first day of such EBITDA Calculation Period; and
- (e) if since the beginning of the EBITDA Calculation Period any member of the Group shall have made an Asset Sale, the Consolidated Net Leverage Ratio shall be calculated by reducing the Consolidated EBITDA for such EBITDA Calculation Period by an amount equal to the Consolidated EBITDA (if positive) directly attributable to the assets which are the subject of such Asset Sale, or increased by an amount equal to the Consolidated EBITDA (if negative), directly attributable thereto for such period as if such Asset Sale had occurred on the first day of such EBITDA Calculation Period.

The Consolidated Net Leverage Ratio shall be determined in good faith by an authorized officer of the Issuer, whose determination will be conclusive (in the absence of manifest error)

“Consolidated Interest Expense” means, with respect to any person for any period, without duplication, the sum of:

- (a) consolidated interest expense of such person and its Subsidiaries that are Restricted Subsidiaries for such period (in each case, determined on the basis of IFRS), to the extent such expense was deducted (and not added back) in computing Consolidated Net Income (including (i) amortization of original issue discount or premium resulting from the issuance of Indebtedness at less than par, (ii) all commissions, discounts and other fees and charges owed with respect to letters of credit or bankers acceptances, (iii) non-cash interest payments (but excluding any non-cash interest expense attributable to the movement in the mark to market valuation of any hedging obligations or other derivative instruments pursuant to IFRS), (iv) the interest component of lease obligations, and (v) net payments, if any, pursuant to interest rate Hedging Obligations with respect to Indebtedness but excluding any payment-in-kind interest accruing on any Subordinated Shareholder Funding); plus
- (b) consolidated capitalized interest of such person and its Subsidiaries that are Restricted Subsidiaries (and excluding Project Subsidiaries) for such period, whether paid or accrued (but excluding any interest capitalized, accrued, accreted or paid in respect of Subordinated Shareholder Funding),

provided that, for the purposes of this definition, interest on a lease (including any Lease Obligation) shall be deemed to accrue at an interest rate reasonably determined by such person to be the rate of interest implicit in such lease in accordance with IFRS.

“Contingent Obligations” means, with respect to any Person, any obligation of such Person guaranteeing in any manner, whether directly or indirectly, any operating lease, dividend or other obligation that, in each case, does not constitute Indebtedness (*“primary obligations”*) of any other Person (the *“primary obligor”*), including any obligation of such Person, whether or not contingent:

- (a) to purchase any such primary obligations or any property constituting direct or indirect collateral therefor;
- (b) to advance or supply funds:
 - (i) for the purchase or payment of any such primary obligation; or
 - (ii) to maintain the working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor; or
- (c) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligations of the ability of the primary obligor to make payment of such primary obligations against loss in respect thereof.

“Core or Related Business” means the production and development of wind power, solar power, hydroelectric power, landfill gas and other renewable energy generation and related technologies and any business related, ancillary or complementary to any of the foregoing.

“Currency Agreement” means any foreign exchange contract, currency swap agreement or other similar agreement with respect to currency values.

“Deed of Accession” has the meaning given in the Trust Deed.

“Disinterested Director” means, with respect to any Affiliate Transaction or Asset Sale, a member of the Board of Directors of the Issuer or the relevant Restricted Subsidiary having no material direct or indirect

financial interest in or with respect to such Affiliate Transaction or Asset Sale and who is not an officer or director of the Affiliate that is the counterparty to the Affiliate Transaction or Asset Sale. For the avoidance of doubt, the members of the Board of Directors will not be deemed to have such a financial interest solely by virtue of having been appointed to such position by a Permitted Holder or by reason of such member's holding Capital Stock of the Issuer or a Restricted Subsidiary of the Issuer or any options, warrants or other rights in respect of such Capital Stock.

“Disposal Proceeds” means the aggregate cash proceeds received by the Issuer or any of its Restricted Subsidiaries in respect of any Asset Sale (including, without limitation, any cash received upon the sale, conversion or other disposition of other consideration received in non-cash form or Cash Equivalents substantially concurrently received in any Asset Sale), net of the direct costs relating to such Asset Sale or other consideration received in non-cash form, including, without limitation:

- (a) brokerage or sales commissions and other fees and expenses (including fees and expenses of accounting and/or legal advisers and/or investment bankers), title and recording tax expenses, commissions and other fees and expenses relating to such Asset Sale;
- (b) provision for all taxes required to be paid or payable, or required to be accrued as a liability determined in conformity with Accounting Standards as a result of such Asset Sale;
- (c) payments made to repay Indebtedness or any other obligation outstanding at the time of such Asset Sale that either is secured by a Lien on the property or assets sold, or is required, in the ordinary course of business and not in contemplation of such sale, to be paid as a result of such sale;
- (d) all distribution and other payments required to be made to minority interest holders in Restricted Subsidiaries of the Issuer as a result of such Asset Sale;
- (e) any relocation expenses incurred as a result of the Asset Sale;
- (f) any portion of the purchase price from an Asset Sale placed in escrow, whether as a reserve for adjustment of the purchase price, for satisfaction of indemnities in respect of such Asset Sale or otherwise in connection with that Asset Sale; *provided, however, that* upon the termination of that escrow, Disposal Proceeds will be increased by any portion of funds in the escrow that are released to the Issuer or any Restricted Subsidiary; and
- (g) appropriate amounts to be provided by the Issuer or any of its Restricted Subsidiaries as a reserve against any liabilities associated with such Asset Sale, including, without limitation, pension and other post-employment benefit liabilities, liabilities related to environmental matters and liabilities under any indemnification obligation associated with such Asset Sale, all as determined in conformity with Accounting Standards.

“Disqualified Stock” means, with respect to any Person, any Capital Stock which by its terms (or by the terms of any collateral into which it is convertible or for which it is exchangeable at the option of the holder) or upon the happening of any event:

- (a) matures or is mandatorily redeemable (other than redeemable only for Capital Stock of such Person which is not itself Disqualified Stock) pursuant to a sinking fund obligation or otherwise;
- (b) is convertible or exchangeable at the option of the holder for Indebtedness or Disqualified Stock; or
- (c) is mandatorily redeemable or must be purchased upon the occurrence of certain events or otherwise, in whole or in part,

in each case on or prior to the date that is six months after the final maturity of the Notes; *provided, however, that* any Capital Stock that would not constitute Disqualified Stock but for provisions thereof giving holders thereof the right to require such Person to purchase or redeem such Capital Stock upon the occurrence of an “asset sale” or “change of control” occurring prior to the six month anniversary of the final maturity of the Notes shall not constitute Disqualified Stock if the terms of such Capital Stock provide that the issuer thereof may not repurchase or redeem any such Capital Stock pursuant to such provisions unless such repurchase or redemption complies with Condition 6.3 (*Limitation on Restricted Payments*).

The amount of any Disqualified Stock that does not have a fixed redemption, repayment or repurchase price will be calculated in accordance with the terms of such Disqualified Stock as if such Disqualified Stock were redeemed, repaid or repurchased on any date on which the amount of such Disqualified Stock is to be determined pursuant to the Trust Deed; *provided, however, that* if such Disqualified Stock could not be required to be redeemed, repaid or repurchased at the time of such determination, the redemption, repayment or repurchase price will be the book value of such Disqualified Stock as reflected in the most recent financial statements of such Person.

“**EBITDA**” means the earnings before interest, tax, depreciation and amortization of the relevant Restricted Subsidiary after allocation of the Issuer’s consolidation adjustments, prepared in accordance with Accounting Standards, consistently applied.

“**Environment**” means living organisms including the ecological systems of which they form part and the following media:

- (a) air (including air within natural or man-made structures, whether above or below ground);
- (b) water (including territorial, coastal and inland waters, water under or within land and water in drains and sewers); and/or
- (c) land (including land under water).

“**Environmental Laws**” means all laws and regulations of any relevant jurisdiction which:

- (a) have as a purpose or effect the protection of, and/or prevention of harm or damage to, the Environment;
- (b) provide remedies or compensation for harm or damage to the Environment; and
- (c) relate to hazardous substances or health or safety matters.

“**Environmental Licenses**” means any authorisation, consent, approval, resolution, license, exemption, filing or registration required at any time under Environmental Law for the operation of the business of the Issuer, the Guarantors and their respective Material Subsidiaries conducted on or from the properties owned or used by the Issuer, the Guarantors and their respective Material Subsidiaries.

“**EPIAŞ**” means Enerji Piyasaları İşletme A.Ş., the organised marketplace and market operator for spot transactions and balancing operations, along with settlement and reconciliation of market participants.

“**Escrowed Property**” means the proceeds from the offering of any debt securities or other Indebtedness paid into segregated escrow accounts with an independent escrow agent on the date of the applicable offering or Incurrence pursuant to escrow arrangements that permit the release of amounts on deposit in such escrow account upon satisfaction of certain conditions or the occurrence of certain events. The term “Escrowed Property” shall include any interest earned on the amounts held in escrow.

“**Equity Interest**” means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

“**Equity Offering**” means any public or private sale or issuance of common stock or preferred stock of the Issuer (excluding Disqualified Stock) other than issuances to any Material Subsidiary of the Issuer.

“**Excess Proceeds**” has the meaning set out in Condition 6.5(e) (*Asset Sales*).

“**Exchange Act**” means the U.S. Securities Exchange Act of 1934, as amended.

“**Extraordinary Resolution**” means a resolution passed (a) at a meeting duly convened and held in accordance with these Conditions and the Trust Deed, (b) by a Written Resolution (as defined in the Trust Deed) or (c) by an Electronic Consent (as defined in the Trust Deed).

“**Fair Market Value**” means with respect to any property, asset or Investments, the fair market value of such property, asset or Investment at the time of the event requiring such determination, as determined in good faith by the competent senior management body of the Issuer or the relevant Restricted Subsidiary, as applicable, or, with respect to any property, asset or Investments in excess of U.S.\$10.0 million (other than cash or Cash Equivalents), as determined in good faith by the Board of Directors of the Issuer.

“**FATCA**” means sections 1471 to 1474 of the Code, any regulations or agreements promulgated thereunder, any official interpretations thereof, any agreement described in section 1471(b) of the Code, or any law implementing an intergovernmental approach thereto.

“**FFI**” means a “foreign financial institution” as such term is defined pursuant to FATCA.

“**Fitch**” means Fitch Ratings Inc. and any successor to its rating agency business.

“**Fixed Charge Coverage Ratio**” as of any date of determination means the ratio of (x) the Consolidated EBITDA for the Relevant Period, to (y) Fixed Charges for the Relevant Period, after giving effect on a *pro forma* basis to, if applicable:

- (a) the Incurrence of any Indebtedness the permissibility of which is then being measured, the Incurrence, repayment or discharge of any other Indebtedness during the Relevant Period or subsequent to the Relevant Period and on or prior to the relevant date of determination and, in each case, the receipt and application of the proceeds therefrom (but not giving effect to (i) any Indebtedness Incurred on the relevant date of determination pursuant to Condition 6.2(b) (*Incurrence of Indebtedness*) or (ii) the repayment or other discharge of any Indebtedness on the relevant date of determination, to the extent that such repayment or other discharge is made with the proceeds of Indebtedness Incurred pursuant to Condition 6.2(b) (*Incurrence of Indebtedness*)), as if the same had occurred on the first day of the Relevant Period;
- (b) the exclusion of EBITDA associated with any Asset Sale or the inclusion of earnings before interest, tax, depreciation and amortization of the Person subject to any Asset Acquisition (“**Acquired EBITDA**”) (including, without limitation, any Asset Acquisition giving rise to the need to make such calculation as a result of the Incurrence or assumption of Indebtedness) made during the Relevant Period or subsequent to the Relevant Period and on or prior to the relevant date of determination, as if the same had occurred on the first day of the Relevant Period; *provided, however, that* any such *pro forma* Acquired EBITDA in respect of an Asset Acquisition may only be so included if such *pro forma* Acquired EBITDA shall have been derived from (i) financial statements of, or relating to or including, such acquired entity, that have been prepared in accordance with Accounting Standards or (ii) such other financial statements or financial reports of the acquired entity that the chief financial officer of the Issuer believes in good faith to present fairly the financial position and results of operations of the acquired entity so as to permit such a *pro forma* Acquired EBITDA to be prepared on the basis of reasonable assumptions and estimates;

- (c) any Person that is a Restricted Subsidiary on the relevant date of determination will be deemed to have been a Restricted Subsidiary at all times during the Relevant Period;
- (d) any Person that is not a Restricted Subsidiary on the relevant date of determination will be deemed not to have been a Restricted Subsidiary at any time during the Relevant Period;
- (e) Interest on a lease (including any Lease Obligation) shall be deemed to accrue at an interest rate reasonably determined by a responsible financial or accounting officer of the Issuer to be the rate of interest implicit in such lease in accordance with IFRS; and
- (f) for purposes of making the computation referred to above, interest on any Indebtedness under a revolving credit facility computed with a *pro forma* basis shall be computed based upon the average daily balance of such Indebtedness during the Relevant Period except to the extent such revolving credit facility has been permanently repaid and the commitments thereunder cancelled.

“Fixed Charges” means, with respect to any person for any period, the sum of:

- (a) Consolidated Interest Expense of such person for such period;
- (b) all cash dividends or other distributions paid (excluding items eliminated in consolidation) on any series of Preferred Stock of any Restricted Subsidiary of such person during such period; and
- (c) all cash dividends or other distributions paid (excluding items eliminated in consolidation) on any series of Disqualified Stock during this period.

“Group” means the Issuer, the Guarantors and their respective Subsidiaries.

“Guarantees” means a guarantee of the Notes under the Trust Deed.

“Guarantors” means those entities that have executed and delivered an accession deed to the Trust Deed and provided a Guarantee of the Notes, and **“Guarantor”** means any of them, but which expressions exclude any entity released for the time being from being a Guarantor pursuant to these Conditions.

“Hedging Obligations” of any Person means the obligations of such Person pursuant to any Interest Rate Agreement or Currency Agreement or any other derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (including but not limited to fluctuations with respect to any index or the price of any commodity), with the amount of obligations in respect of any such derivative transaction determined with reference to the marked to market value thereof (or, if any actual amount is due as a result of the termination or close-out of that derivative transaction, that amount), without set off for any cash collateral in respect of such obligations.

“IFRS” means International Financial Reporting Standards.

“Incur” means, with respect to any Indebtedness or other obligation of any Person, to create, issue, incur (including by conversion or exchange, but for the avoidance of doubt, excluding extensions of maturity), assume, guarantee or otherwise become liable in respect of such Indebtedness or other obligation of such Person (and **“Incurrence”**, **“Incurred”** and **“Incurrence”** shall have meanings correlative to the preceding). Indebtedness of any acquired Person or any of its Restricted Subsidiaries existing at the time such acquired Person becomes a Restricted Subsidiary (or is merged into or consolidated with the Issuer or any Restricted Subsidiary), whether or not such Indebtedness was Incurred in connection with, as a result of, or in contemplation of, such acquired Person becoming a Restricted Subsidiary (or being merged into or consolidated with the Issuer or any Restricted Subsidiary), shall be deemed Incurred at the time any such acquired Person becomes a Restricted Subsidiary (or merges into or consolidates with the Issuer or any Restricted Subsidiary). Notwithstanding the foregoing, the following will not be deemed to be an Incurrence:

- (a) the accrual of interest or preferred stock dividends or the accretion or amortization of original issue discount;
- (b) the amortization of debt discount or the accretion of principal with respect to a non-interest bearing or other discount collateral;
- (c) the payment of interest in the form of additional Indebtedness or the payment of dividends on Capital Stock in the form of additional Capital Stock of the same class and with the same terms;
- (d) the reclassification of preferred stock as Indebtedness due to a change in accounting principles; and
- (e) the obligation to pay a premium in respect of Indebtedness arising in connection with the issuance of the notice of redemption or the making of a mandatory offer to purchase such Indebtedness.

“Indebtedness” means, with respect to any Person at any date of determination (without duplication):

- (a) indebtedness for, or in respect of, moneys borrowed;
- (b) any amount raised by acceptance under any acceptance credit facility;
- (c) any amount raised pursuant to any note purchase facility or issue of bonds, notes, debentures, loan stock or other similar instruments, including, in each case, any premium on such indebtedness to the extent such premium has become due and payable;
- (d) any amounts raised pursuant to any issue of shares which are expressed to be redeemable, including any Disqualified Stock or, with respect to any Restricted Subsidiary, any Preferred Stock (for the avoidance of doubt, excluding any issue of Preferred Stock of the Issuer);
- (e) representing Lease Obligations;
- (f) the amount of any liability in respect of any advance or deferred purchase agreement if the primary reason for entering into such agreement is to raise finance;
- (g) all conditional sale obligations of such Person and all obligations of such Person under any title retention agreement, if one of the primary reasons for entering into such obligations is to raise finance (but excluding any accounts payable or other liability to trade creditors arising in the ordinary course of business);
- (h) all obligations of such Person in respect of letters of credit or similar instruments (other than obligations with respect to documentary facilities, including without limitation, letters of credit, performance guarantees, documentary credits and advance payment bonds, provided by or at the request of such Person, in the ordinary course of business of such Person to the extent such documentary facilities, letters of credit, performance guarantees, documentary credits and advance payment bonds are not drawn upon or, if and to the extent drawn upon, such drawing is reimbursed no later than the 30 days following receipt by such Person of a demand for reimbursement following payment on such documentary facilities, letters of credit, performance guarantees, documentary credits and advance payment bonds);
- (i) all obligations of the type referred to in paragraphs (a) through (h) above and (j) through (l) below of other Persons secured by any Lien on any property or asset of such Person (whether or not such obligation is assumed by such Person), the amount of such outstanding obligation being deemed to be the lesser of the Fair Market Value of such property or assets at the date of determination and the amount of the obligation so secured;
- (j) to the extent not otherwise included in this definition, Hedging Obligations of such Person;

- (k) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing; and
- (l) the amount of any liability in respect of any guarantee, suretyship or indemnity for any of the items referred to in paragraphs (a) to (k) above (other than the Guarantees),

if and to the extent any of the preceding items (other than Hedging Obligations and the items specified in paragraphs (h), (i) and (l) above) would appear as a liability upon a balance sheet (excluding the notes thereto) of the specified Person prepared in accordance with the Accounting Standards. The amount of Indebtedness of any Person at any date shall be the outstanding balance at such date of all unconditional obligations as described above and, with respect to contingent obligations as described above, the liability upon the occurrence of the contingency giving rise to the obligation.

The term “Indebtedness” shall not include:

- (x) Project Finance Indebtedness of a Project Subsidiary;
- (y) Subordinated Shareholder Funding;
- (z) Contingent Obligations in the ordinary course of business; and
- (aa) (i) trade payables and accrued expenses and (ii) deferred or prepaid revenues including prepayments or deposits received from clients or customers, in each case, in the ordinary course of business.

“Indebtedness for Borrowed Money” means any indebtedness of any Person for or in respect of:

- (a) moneys borrowed;
- (b) amounts raised by acceptance under any acceptance credit facility;
- (c) amounts raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or similar instruments;
- (d) the amount of any liability in respect of leases or hire purchase contracts which would, in accordance with International Financial Reporting Standards, be treated as finance or capital leases;
- (e) the amount of any liability in respect of any purchase price for assets or services the payment of which is deferred primarily as a means of raising finance or financing the acquisition of the relevant asset or service;
- (f) amounts raised under any other transaction (including any forward sale or purchase agreement and the sale of receivables or other assets on a “with recourse” basis) having the commercial effect of a borrowing;
- (g) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the mark-to-market value shall be taken into account); or
- (h) any counter-indemnity obligation in respect of any guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution.

“Indebtedness Guarantee” means in relation to any indebtedness of any Person, any obligation of another Person to pay such indebtedness including (without limitation) (i) any obligation to purchase such indebtedness, (ii) any obligation to lend money, to purchase or subscribe shares or other securities or to purchase assets or services in order to provide funds for the payment of such indebtedness, (iii) any indemnity

against the consequences of a default in the payment of such indebtedness and (iv) any other agreement to be responsible for repayment of such indebtedness.

“Independent Financial Adviser” means any investment banking, accountancy, appraisal or financial advisory firm, in each case of international standing, appointed, at the expense of the Issuer, by the competent management body of the Issuer or the relevant Restricted Subsidiary, provided it is not an Affiliate of the Issuer or any Restricted Subsidiary; *provided further that* if the Issuer fails to make such appointment and such failure continues for a reasonable period (as determined by the Trustee) and the Trustee has been indemnified and/or secured and/or prefunded to its satisfaction in connection with such appointment, such firm may be appointed by the Trustee (at the cost of the Issuer without liability for so doing), and notified to the Issuer.

“Interest Rate Agreement” means any interest rate swap agreement, interest rate cap agreement or other financial agreement or arrangement with respect to exposure to interest rates.

“International Financial Reporting Standards” means the International Financial Reporting Standards (formerly International Accounting Standards) issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB (as amended, supplemented or re issued from time to time).

“Intra-Group Debt” means any Indebtedness for money borrowed owed to, or advanced by, or the payment of which is guaranteed by the Issuer or any Restricted Subsidiary to the Issuer or another Restricted Subsidiary, as applicable.

“Investments” means, with respect to any Person, all direct or indirect investments by such Person in other Persons (including Affiliates) in the form of any direct or indirect advance, loan or other extension of credit (excluding advances or extensions of credit to customers, suppliers, directors, officers or employees of any Person made in the ordinary course of business and rent deposits), or capital contribution to (including by means of any transfer of cash or other property to others, but excluding commission, travel and similar advances to officers and employees made in the ordinary course of business and further excluding any capital expenditure), or the incurrence of any guarantee of any obligation of, or any purchase or other acquisition of Capital Stock, Indebtedness or other securities issued by, such other Persons, together with all items that are or would be classified as investments on a balance sheet (excluding the footnotes) prepared in accordance with Accounting Standards. If the Issuer or any Restricted Subsidiary sells or otherwise disposes of any Capital Stock of any direct or indirect Restricted Subsidiary such that, after giving effect to any such sale or disposition, such Person is no longer a Restricted Subsidiary, the Issuer shall be deemed to have made an Investment on the date of any such sale or disposition equal to the Fair Market Value of the Issuer’s Investments in such Restricted Subsidiary that were not sold or disposed of. The acquisition by the Issuer or any Restricted Subsidiary of a Person that holds an Investment in a third Person shall be deemed to be an Investment by the Issuer or such Restricted Subsidiary in such third Person in an amount equal to the Fair Market Value of the Investment held by the acquired Person in such third Person. The amount of any Investment outstanding at any time shall be the original cost of such Investment, reduced (at the Issuer’s option) by any dividend, distribution, interest payment, return of capital, repayment or other amount or value received in respect of such Investment.

“Issuer Security Documents” means each of:

- (a) the Bank Account Pledge Agreement;
- (b) the Assignment of Receivables Agreement;
- (c) the Assignment of EPIAŞ Receivables Agreement;
- (d) the Moveable Asset Pledge Agreement; and

- (e) such documents (including any deed or document supplemental to, or amending and/or restating, the foregoing documents) to be entered into from time to time by the Issuer as the Trustee and/or the relevant Security Agent may in their absolute discretion determine necessary for the purposes of giving full effect to the Liens contemplated by Conditions 5.1 (*Collateral*) and 5.2 (*Further Collateral*) (including the perfection of such Liens) in respect of any Issuer's property.

"Joint Venture" means any joint venture entity, whether a company, unincorporated firm, undertaking, association, joint venture or partnership or any other entity.

"Lease Obligation" means, at the time any determination is to be made, the amount of the liability in respect of any lease that would at that time would be required to be treated as a balance sheet liability in accordance with IFRS. The Stated Maturity of any Lease Obligation shall be the date of the last payment of rent or any other amount due under the relevant lease prior to the first date upon which such lease may be prepaid by the lessee without payment of a penalty.

"Lien" means any mortgage, pledge, lien, encumbrance, lien or charge of any kind (including, without limitation, any conditional sale or other title retention agreement or lease in the nature thereof, any sale with recourse against the seller or any Affiliate of the seller, or any agreement to give any lien) securing any obligation of any Person.

"Management Advances" means loans or advances made to, or guarantees with respect to loans or advances made to, directors, officers, employees or consultants of the Issuer or any Restricted Subsidiary:

- (a) in respect of travel, entertainment or moving-related expenses incurred in the ordinary course of business of the Issuer or any of its Restricted Subsidiaries;
- (b) in respect of moving-related expenses incurred in connection with any closing or consolidation of any facility or office of the Issuer or any of its Restricted Subsidiaries; or
- (c) any other such loans, advances or guarantees *provided that* they are made in the ordinary course of business of the Issuer or any of its Restricted Subsidiaries and do not exceed U.S.\$5.0 million in the aggregate outstanding at any time.

"Material Adverse Effect" means a material adverse effect on (other than any Project Subsidiary):

- (a) the business, results of operations, property, assets, condition (financial or otherwise) or prospects of the Issuer, any Guarantor or any of their respective Material Subsidiaries; or
- (b) the Issuer's or the Guarantors' ability to perform its obligations under the Notes Documents (including, in the case of the Guarantors, the Guarantee) to which it is a party; or
- (c) the validity, legality or enforceability of the Trust Deed (including the Guarantee) or the rights or remedies of the Noteholders, the Security Agent or the Trustee under the Transaction Documents.

"Material Subsidiary" means at any relevant time a Restricted Subsidiary (other than any Project Subsidiary):

- (a) whose total assets, EBITDA or revenue represent not less than 10% of the Total Assets, Consolidated EBITDA or consolidated revenue of the Group (determined by reference to the most recent publicly available annual or quarterly consolidated financial statements of the Group prepared in accordance with Accounting Standards and the latest annual or quarterly financial statements of the Restricted Subsidiary prepared in accordance with Accounting Standards);
- (b) to which is transferred all or substantially all the assets and undertakings of a Restricted Subsidiary (the **"Original Material Subsidiary"**) of the Issuer which immediately prior to such transfer is a Material Subsidiary *provided that* (i) the transferee (the **"New Material Subsidiary"**) shall cease to be a Material

Subsidiary if upon delivery of any of the financial statements referred to in paragraph (a) above it no longer constitutes a Material Subsidiary under paragraph (a) above and (ii) the Original Material Subsidiary shall cease to be a Material Subsidiary on the date of such transfer until such time as it may constitute a Material Subsidiary again under paragraph (a) above; or

(c) that is a Guarantor.

“Moody’s” means Moody’s Investors Service, Inc. and any successor to its rating agency business.

“Moveable Asset Pledge Agreement” means the moveable asset pledge agreement governed by Turkish law to be dated on or about December 18, 2025 (and as amended, restated or supplemented from time to time) and entered into between the Issuer and the Security Agent.

“Nationally Recognized Statistical Rating Organization” means a nationally recognized statistical rating organization within the meaning of Rule 15c3-1(c)(2)(vi)(F) under the Exchange Act.

“Net Cash Proceeds”, with respect to any issuance or sale of Capital Stock or Indebtedness, means the cash proceeds of such issuance or sale net of legal fees, accountants’ fees, underwriters’ or placement agents’ fees, discounts or commissions and brokerage, consultant and other fees actually incurred in connection with such issuance or sale and net of taxes paid or payable as a result thereof.

“Non-Recourse Indebtedness” means Indebtedness as to which neither the Issuer nor any of its Restricted Subsidiaries (other than a Project Subsidiary) (a) provides credit support of any kind (including any undertaking, agreement or instrument that would constitute Indebtedness), except as permitted under paragraph (y) of the definition of Permitted Liens or (b) is directly or indirectly liable as a guarantor or otherwise.

“Notes Documents” means the Trust Deed, any Guarantee and the Agency Agreement.

“Officers’ Certificate” means a certificate signed by two Authorised Signatories of the Issuer.

“Opinion of Counsel” means a written opinion from legal counsel of international standing which is acceptable to the Trustee and/or the Security Agent (as applicable) in each case acting reasonably.

“outstanding principal amount” means, in respect of each Note, its nominal amount less payments of principal made on such Note from time to time pursuant to Condition 9 (*Redemption and Purchase*).

“Participating FFI” means an FFI that is a “participating foreign financial institution” as from the effective date of withholding on “passthru payments” (as terms are defined pursuant to FATCA).

“Permitted Debt” has the meaning set out in Condition 6.2(b) (*Incurrence of Indebtedness*).

“Permitted Holders” means Ceyhan Saldanl, his spouse and their direct descendants and any entities solely Controlled directly or indirectly by them. Any Person or Persons acting in concert that acquires or otherwise obtains direct or indirect Control (as defined in Condition 9.5 (*Redemption at the Option of Noteholders (Change of Control)*)) of the Issuer and which constitutes a Change of Control Event in respect of which Noteholders have been granted the right to have their Notes redeemed in accordance with Condition 9.5 (*Redemption at the Option of Noteholders (Change of Control)*) and the relevant Redemption Period has expired will thereafter, together with its Affiliates, constitute an additional Permitted Holder.

“Permitted Investments” means:

(a) any Investment in the Issuer or any Restricted Subsidiary (other than an Investment in a Project Subsidiary) by the Issuer or a Restricted Subsidiary that is not a Project Subsidiary;

- (b) any Investment in cash, (for the avoidance of doubt, including cash held in any current account with any bank or financial institution) or Cash Equivalents;
- (c) any Investment by the Issuer or a Restricted Subsidiary in a Person, if as a result of such Investment: (i) such Person becomes a Restricted Subsidiary (other than a Project Subsidiary); or (ii) such Person is merged, consolidated or amalgamated with or into, or transfers or conveys all or substantially all of its assets to, or is liquidated into, the Issuer or a Restricted Subsidiary (other than a Project Subsidiary);
- (d) any Investment made as a result of the receipt of non-cash consideration from a sale or other disposition of property or assets, including an Asset Sale, in each case, that was made pursuant to and in compliance with Condition 6.5 (*Asset Sales*);
- (e) any Investment to the extent made using Capital Stock of the Issuer (other than Disqualified Stock), Subordinated Shareholder Funding or Capital Stock of any Issuer entity as consideration;
- (f) any Investments received in settlement of debts created in the ordinary course of business or in compromise or resolution of (i) obligations of trade creditors or customers that were incurred in the ordinary course of business of the Issuer or any Restricted Subsidiary, including pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of any trade creditor or customer; or (ii) litigation, arbitration or other disputes;
- (g) Investments in receivables owing to the Issuer or any Restricted Subsidiary if created or acquired in the ordinary course of business (other than owing to a Project Subsidiary);
- (h) Investments represented by Hedging Obligations, which obligations are permitted by Condition 6.2(b)(vi) (*Incurrence of Indebtedness*);
- (i) Pledges or deposits (i) with respect to leases or utilities provided to third parties in the ordinary course of business or (ii) otherwise described in the definition of “Permitted Liens” or made in connection with Liens permitted under Condition 6.1 (*Limitation on Liens*);
- (j) (i) guarantees of Indebtedness not prohibited by Condition 6.2 (*Incurrence of Indebtedness*) hereof and (ii) (other than with respect to Indebtedness) guarantees, keepwells and similar arrangements in the ordinary course of business;
- (k) (i) Investments in the Notes and (ii) any Investments in any other Indebtedness of the Issuer or any Restricted Subsidiary *provided that* any such investments in Project Finance Indebtedness of a Project Subsidiary may only be made by such Project Subsidiary;
- (l) any Investment existing on, or made pursuant to legally binding commitments in existence on, the Issue Date and any extension, modification or renewal of any such Investment; *provided that* the amount of the Investment may be increased (i) as required by the terms of the Investment or (ii) as otherwise permitted under the Trust Deed;
- (m) Investments acquired after the Issue Date as a result of the acquisition by the Issuer or any Restricted Subsidiary of another Person, including by way of a merger, amalgamation or consolidation with or into the Issuer or any of its Restricted Subsidiaries in a transaction that is not prohibited by Condition 6.8 (*Mergers and Similar Transactions*) after the Issue Date to the extent that such Investments were not made in contemplation of such acquisition, merger, amalgamation or consolidation and were in existence on the date of such acquisition, merger, amalgamation or consolidation;
- (n) Management Advances;

- (o) any performance, bid, completion, surety or appeal bonds or similar instruments, guarantees or obligations entered into in the ordinary course of business;
- (p) any guarantee given in respect of the netting or set-off arrangements permitted pursuant to paragraph (n) of the definition of “Permitted Liens”;
- (q) Investments in Project Subsidiaries having an aggregate Fair Market Value (measured on the date each such Investment was made and without giving effect to subsequent changes in value), when taken together with all other Investments made pursuant to this paragraph (q) that are at the time outstanding, not to exceed the greater of (i) U.S.\$75.0 million and (ii) 6.5% of Total Assets;
- (r) Investments by a Project Subsidiary; and
- (s) other Investments in any Person having an aggregate Fair Market Value (measured on the date each such Investment was made and without giving effect to subsequent changes in value), when taken together with all other Investments made pursuant to this paragraph (s) that are at the time outstanding do not exceed the greater of (i) U.S.\$25.0 million and (ii) 2.5 % of Total Assets; *provided that* if an Investment is made pursuant to this paragraph (s) in a Person that is not a Restricted Subsidiary at the date of the making of such Investment and such Person subsequently becomes a Restricted Subsidiary or is subsequently designated a Restricted Subsidiary (other than a Project Subsidiary) pursuant to Condition 6.3 (*Limitation on Restricted Payments*), such Investment shall thereafter be deemed to have been made pursuant to paragraph (a) or ((c)) above and not this paragraph ((s)).

“Permitted Liens” means:

- (a) Liens in favor of the Issuer or any of its Restricted Subsidiaries (other than a Project Subsidiary unless granted by another Project Subsidiary);
- (b) any Lien existing on the Issue Date;
- (c) Liens securing Indebtedness in an aggregate principal amount under this paragraph (c) not to exceed U.S.\$50.0 million at the time Incurred in aggregate;
- (d) Liens imposed by law or by agreement having the same effect, including but without limitation, Liens of landlords and carriers, warehousemen, mechanics, suppliers, material men, repairmen or other similar Liens arising in the ordinary course of business;
- (e) Liens on property or shares of Capital Stock of another Person at the time such other Person becomes a Restricted Subsidiary of or is merged or consolidated with or into the Issuer or any of its Restricted Subsidiaries; *provided, however, that* the Liens may not extend to any other property owned by the Issuer or any of its Restricted Subsidiaries (other than assets and property affixed or appurtenant thereto);
- (f) Liens on property at the time the Issuer or any of its Restricted Subsidiaries acquires the property, including any acquisition by means of a merger or consolidation with or into the Issuer or such Restricted Subsidiary; *provided, however, that* the Liens may not extend to any other property owned by the Issuer or any of its Restricted Subsidiaries (other than assets and property affixed or appurtenant thereto);
- (g) any Lien securing the Notes and the Guarantees;
- (h) any Lien incurred, or pledges or deposits in connection with workers’ compensation, unemployment insurance and other social security benefits and other obligations of like nature in the ordinary course of business;

- (i) Liens (including deposits) to secure the performance of bids, trade contracts, government contracts, leases, statutory obligations, customs duties, guarantees, completion, surety and appeal bonds, performance or return-of-money bonds or liabilities to insurance carriers under insurance or self-insurance arrangements and other obligations of like nature, in each case so long as such Liens do not secure obligations constituting Indebtedness for money borrowed and are incurred in the ordinary course of business, including Liens to secure letters of credit or other documentary facilities issued to assure payment of such obligations;
- (j) survey exceptions, easements, rights of way, restrictions (including zoning restrictions), reservations, permits, servitudes, defects or irregularities in title and other similar charges and encumbrances, and Liens arising under leases or subleases granted to others, in each case not interfering in any material respect with the business of the Issuer or any of its Restricted Subsidiaries and existing, arising or incurred in the ordinary course of business incidental to the conduct of the business of such Person or to the ownership of its properties which were not Incurred in connection with Indebtedness and which do not individually or in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of such Person;
- (k) any Lien securing reimbursement obligations of the Issuer or any of its Restricted Subsidiaries with respect to letters of credit or bank guarantees encumbering only documents and other property relating to such letters of credit or bank guarantees and the products or proceeds thereof in the ordinary course of business; provided that such letters of credit or bank guarantees do not constitute Indebtedness;
- (l) Liens on property of the Issuer securing Hedging Obligations permitted to be Incurred under Condition 6.2(b)(vi) (*Incurrence of Indebtedness*);
- (m) (i) a right of set-off, right to combine accounts or any analogous right which any bank or other financial institution may have relating to any credit balance of the Issuer or any of its Restricted Subsidiaries; *provided, however, that* (x) such deposit account is not a dedicated cash collateral account and is not subject to restrictions against access by the Issuer or any of its Restricted Subsidiaries and (y) such deposit account is not intended by the Issuer or any Restricted Subsidiary to provide collateral to the depository institution and (ii) any Lien arising in the ordinary course of banking transactions, *provided that* the Lien is limited to the assets which are the subject of the relevant transaction;
- (n) any Lien for taxes, assessments, customs or other governmental charges and similar charges or claims, including VAT, which either are not delinquent or are being contested in good faith by appropriate proceedings for which the Issuer or relevant Restricted Subsidiary has set aside in its accounts reserves to the extent required by Accounting Standards;
- (o) Liens to secure any Refinancing Indebtedness (excluding Liens to secure Refinancing Indebtedness initially secured pursuant to paragraph (l) above) permitted to be Incurred under these Conditions; *provided, however, that:*
 - (i) the new Lien is limited to all or part of the same property and assets (or property or assets of equivalent value, excluding property, assets or Capital Stock of any Guarantor) under the written agreements pursuant to which the original Lien arose, could secure the original Lien (plus improvements and accessions to such property or proceeds or distributions thereof); and
 - (ii) the Indebtedness secured by the new Lien is not increased to any amount greater than the sum of (A) the outstanding principal amount, or, if greater, committed amount, of the Indebtedness Refinanced with such Refinancing Indebtedness and (B) an amount necessary to pay any fees and expenses, including premiums, related to such Refinancing;

- (p) any Liens arising under any retention of title, hire purchase, consignment or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to the Issuer or any of its Restricted Subsidiaries in the ordinary course of business and on the supplier's standard or usual terms and not arising as a result of any default or omission by the Issuer or any of its Restricted Subsidiaries;
- (q) Liens arising out of judgments or awards not constituting an Event of Default and notices of *lis pendens* and associated rights related to litigation being contested in good faith by appropriate proceedings or for which adequate reserves have been made;
- (r) Liens on insurance policies and proceeds thereof, or other deposits, to secure insurance premium financings;
- (s) Liens on cash, Cash Equivalents or other property arising in connection with the defeasance, discharge or redemption of Indebtedness;
- (t) Liens on specific items of inventory or other goods (and the proceeds thereof) of any Person securing such Person's obligations in respect of bankers' acceptances issued or created in the ordinary course of business for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;
- (u) leases (including operating leases), licenses, subleases and sublicenses of assets in the ordinary course of business;
- (v) (i) mortgages, liens, liens, restrictions, encumbrances or any other matters of record that have been placed by any developer, landlord or other third party on property over which the Issuer or any Restricted Subsidiary has easement rights or on any real property leased by the Issuer or any Restricted Subsidiary and subordination or similar agreements relating thereto and (ii) any condemnation or eminent domain proceedings or compulsory purchase order affecting real property;
- (w) Liens on property or assets under construction (and related rights) in favor of a contractor or developer or arising from progress or partial payments by a third party relating to such property or assets;
- (x) Liens (including put and call arrangements) on Capital Stock or other securities of any Unrestricted Subsidiary that secure Indebtedness of such Unrestricted Subsidiary;
- (y) limited recourse Liens in respect of the ownership interests in, or assets owned by, any joint ventures which are not Restricted Subsidiaries securing obligations of such joint ventures;
- (z) Liens on any proceeds loan made by the Issuer, any Subsidiary of the Issuer or a special purpose financing entity to the Issuer or a Restricted Subsidiary in connection with, and in the amount not exceeding the proceeds of, any future Incurrence of Indebtedness and securing that Indebtedness, provided that the Incurrence of such Indebtedness and the Incurrence of such proceeds loan are permitted by these Conditions;
- (aa) any interest or title of a lessor under any operating lease;
- (bb) Liens (i) on Escrowed Property for the benefit of the related holders of debt securities or other Indebtedness (or the underwriters or arrangers thereof) or (ii) on cash set aside at the time of the Incurrence of any Indebtedness or government securities purchased with such cash, in the case of this paragraph (bb) to the extent such cash or government securities prefund the payment of interest on such Indebtedness and are held in an escrow account or similar arrangement to be applied for such purpose;

- (cc) Liens Incurred in connection with a cash management program established in the ordinary course of business;
- (dd) pledges of goods, the related document of title and/or other related documents arising or created in the ordinary course of the Issuer's or any Restricted Subsidiary's business or operations as Liens only for Indebtedness to a bank or financial institution directly relating to the goods or documents on or over which the pledge exist;
- (ee) any Lien created or permitted to be outstanding by a Project Subsidiary in respect of Project Finance Indebtedness; *provided that* such Lien is only over the property or assets and Capital Stock of the relevant Project Subsidiary; and
- (ff) any extension, renewal or replacement, in whole or in part, of any Lien described in the foregoing paragraphs (a) through (ee); *provided that* any such extension, renewal or replacement shall not extend to any additional property or assets,

provided that any Lien securing Indebtedness on any of its Real Estate Assets shall not be a Permitted Lien (other than within the foregoing paragraph (g)).

"Permitted Project Business" means (a) any businesses, services or activities relating to a Core or Related Business and (b) any businesses, services and activities engaged in by a Project Subsidiary that are related to any of the foregoing or are developments of any thereof.

"Permitted Reorganization" means:

- (a) any disposal by any Subsidiary of the Issuer or the Guarantors of the whole or substantially all of its business, undertaking or assets either (i) to the Issuer, the Guarantors or any other Subsidiary of the Issuer or the Guarantors, or (ii) on arms' length terms (provided, in the case of the sale of all or substantially all of the assets of the Issuer, the Guarantors and their respective Subsidiaries taken together (in one or a series of transactions), the acquirer(s) assumes the obligations of the Issuer and the Guarantors under the Transaction Documents pursuant to supplements thereto);
- (b) any amalgamation, consolidation or merger of a Subsidiary with:
 - (i) the Issuer or a Guarantor (*provided that* the Issuer or such Guarantor is the surviving entity of such amalgamation, consolidation or merger); or
 - (ii) any other Subsidiary of the Issuer or the Guarantors; or
- (c) any amalgamation, consolidation, restructuring, merger or reorganization (including with any person which is not a member of the Group on arms' length terms) or voluntary winding-up or dissolution whilst solvent of a Subsidiary *provided that*, in the case of any amalgamation, consolidation, restructuring, merger or reorganization involving all or substantially all of the assets of the Issuer, the Guarantors and their respective Subsidiaries taken together (in one or a series of transactions), the acquirer(s) assumes the obligations of the Issuer and the Guarantors under the Transaction Documents pursuant to supplements thereto), or on terms approved by an Extraordinary Resolution of Noteholders,

provided that, in each case, any such actions contemplated in paragraphs (a), (b) or (c) above are performed in compliance with, or do not otherwise violate, Condition 6.8 (*Mergers and Similar Transactions*).

"Potential Event of Default" means any condition, event or act which, with the lapse of time and/or the issue, making or giving of any notice, certification, declaration, demand, determination and/or request and/or the taking of any similar action, would constitute an Event of Default.

“Power Plants” means the following power plants (with such license numbers (as may be amended and/or replaced from time to time)) operated by the Issuer as licenseholder:

- (a) Adıgüzel Hidroelektrik Santrali located in Denizli, the Republic of Türkiye (license number: EÜ/9147-10/04431);
- (b) Akıncı Hidroelektrik Santrali located in Tokat, the Republic of Türkiye (license number: EÜ/8909-3/04347);
- (c) Aksu Hidroelektrik Santrali located in Düzce, the Republic of Türkiye (license number: EÜ/8909-3/04348);
- (d) Çırakdamı Hidroelektrik Santrali located in Giresun, the Republic of Türkiye (license number: EÜ/365-2/478);
- (e) Dalaman Hidroelektrik Santrali 1, 2, 3, 4 and 5 located in Muğla, the Republic of Türkiye (license number: EÜ/386-4/491);
- (f) Dereli Hidroelektrik Santrali located in Giresun, the Republic of Türkiye (license number: EÜ/391-1/500);
- (g) Göktaş Hidroelektrik Santrali I ve Göktaş Hidroelektrik Santrali II located in Adana, the Republic of Türkiye (license number: EÜ/9718-12/04703);
- (h) Gökyar Hidroelektrik Santrali located in Muğla, the Republic of Türkiye (license number: EÜ/394-1/501);
- (i) Kemer Hidroelektrik Santrali located in Aydın, the Republic of Türkiye (license number: EÜ/9147-9/04434);
- (j) Koyulhisar Hidroelektrik Santrali located in Sivas, the Republic of Türkiye (license number: EÜ/434-1/512);
- (k) Mentaş Hidroelektrik Santrali located in Adana, the Republic of Türkiye (license number: EÜ/386-6/493);
- (l) Söke Rüzgar Santrali located in Aydın, the Republic of Türkiye (license number: EÜ/8909-11/04346);
- (m) Toros Hidroelektrik Santrali located in Adana, the Republic of Türkiye (license number: EÜ/1062-2/782);
- (n) Uşak Rüzgar Santrali located in Uşak, the Republic of Türkiye (license number: EÜ/8909-6/04344);
- (o) Yalova Rüzgar Santrali located in Yalova, the Republic of Türkiye (license number: EÜ/8909-9/04345);
- (p) Bereket Hidroelektrik Santrali 1 and 2 located in Denizli, the Republic of Türkiye (license number: EÜ/386-3/490);
- (q) Feslek Hidroelektrik Santrali located in Aydın, the Republic of Türkiye (license number: EÜ/386-5/492);
- (r) Sarayköy-Kızıldere Jeotermal Enerji Santrali located in Denizli, the Republic of Türkiye (license number: EÜ/8919-3/04380);
- (s) Kumkısıık Biyogaz Santrali located in Denizli, the Republic of Türkiye (license number: EÜ/2837-2/1726); and
- (t) any other power plants the Issuer or any Guarantor may construct and/or operate after the Issue Date.

“Pre-Expansion European Union” means the European Union as of 1 January 2004, including the countries of Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Ireland, the Netherlands, Portugal, Spain, Sweden and the United Kingdom, but not including any country which became or becomes a member of the European Union after 1 January 2004.

“Preferred Stock”, as applied to the Capital Stock of any Person, means Capital Stock of any class or classes (however designated) which is preferred as to the payment of dividends or distributions, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over shares of Capital Stock of any other class of such Person.

“Project Finance Indebtedness” means any Indebtedness which is Non-Recourse Indebtedness and which is issued, borrowed or raised by a Project Subsidiary to finance the ownership, acquisition, development and/or operation of an asset or project.

“Project Subsidiary” means any Restricted Subsidiary of the Issuer (i) which is acquired or established solely for the purpose of ownership, acquisition, development and operation of an asset or project constituting a Permitted Project Business, (ii) of which any and all Indebtedness outstanding at any time qualifies as Project Finance Indebtedness, (iii) with respect to which none of the Issuer or any Restricted Subsidiary has any direct or indirect obligation to subscribe for additional Equity Interests or to maintain or preserve such Restricted Subsidiary’s financial condition or to cause such Restricted Subsidiary to achieve any specified levels of operating results, and (iv) which has not guaranteed or otherwise directly or indirectly provided credit support for any Indebtedness of the Issuer or any Subsidiary. The Issuer may re-designate a “Project Subsidiary” as a “Restricted Subsidiary” (which shall no longer be a “Project Subsidiary”) (1) at any time that such Project Subsidiary does not have Project Finance Indebtedness outstanding and (2) *provided that* such designation will be deemed to be an Incurrence of Indebtedness by a Restricted Subsidiary of any outstanding Indebtedness of such Project Subsidiary, and such designation will only be permitted if (A) such Indebtedness is permitted under Condition 6.2 (*Incurrence of Indebtedness*), calculated on a *pro forma* basis as if such designation had occurred at the beginning of the applicable reference period; and (B) no Potential Event of Default or Event of Default would be in existence following such designation and (3) *provided that* simultaneously with such re-designation such Restricted Subsidiary becomes a Guarantor. The Issuer shall maintain an updated list of Project Subsidiaries and provide such list to the Trustee which shall be available for inspection by Noteholders at the registered office of the Trustee upon request during normal business hours on any Business Day.

“Rating Agency” means S&P, Fitch and Moody’s.

“Real Estate Assets” means any land or real estate (including all constructions, structures and buildings on or over land, and all other rights classified as immovable property (in Turkish, “*taşınmaz*”)) or any easement rights, permits or any other rights relating to the use thereof, in each case, of the Issuer and its Restricted Subsidiaries (other than any Project Subsidiary).

“Refinance” means, in respect of any collateral or Indebtedness, to refinance, extend, renew, refund, repay, prepay, redeem, defease, discharge or retire, or to issue a collateral or Indebtedness in exchange or replacement for, such collateral or Indebtedness in whole or in part. **“Refinanced”** and **“Refinancing”** shall have correlative meanings.

“Refinancing Indebtedness” means Indebtedness of the Issuer or any of its Restricted Subsidiaries that Refinances any Indebtedness of the Issuer or any Restricted Subsidiary existing on the Issue Date or Incurred in compliance with the Trust Deed, including Indebtedness that Refinances Refinancing Indebtedness; *provided, however, that:*

- (a) such Refinancing Indebtedness has a final maturity date that is either (i) no earlier than the final maturity date of the Indebtedness being Refinanced or (ii) after the final maturity date of the Notes;

- (b) such Refinancing Indebtedness has a Weighted Average Life to Maturity at the time such Refinancing Indebtedness is Incurred that is equal to or greater than the Weighted Average Life to Maturity of the Indebtedness being Refinanced;
- (c) such Refinancing Indebtedness has an aggregate principal amount (or if Incurred with original issue discount, an aggregate issue price) that is equal to or less than the aggregate principal amount (or if Incurred with original issue discount, the aggregate accreted value) then outstanding (plus accrued interest, fees and expenses, including any premium and defeasance costs) under the Indebtedness being Refinanced;
- (d) if the Indebtedness being Refinanced is contractually subordinated in right of payment to the Notes or any Guarantee, such Refinancing Indebtedness is subordinated in right of payment to the Notes and such Guarantee at least to the same extent as the Indebtedness being Refinanced;
- (e) if the Issuer or any Guarantor was the obligor on the Indebtedness being Refinanced, such Indebtedness is Incurred either by the Issuer or by a Guarantor; and
- (f) Refinancing Indebtedness shall not include Indebtedness of the Issuer or a Restricted Subsidiary (other than a Project Subsidiary) that refinances Indebtedness of an Unrestricted Subsidiary or a Project Subsidiary.

Refinancing Indebtedness in respect of any credit facility, pre-export financing or any other Indebtedness may be Incurred from time to time after the termination, discharge or repayment of any such credit facility, pre-export financing or other Indebtedness; *provided that* it is used to refinance amounts thereunder or other Indebtedness within six months of the relevant termination, disclosure or repayment date.

“Relevant Date” means, in relation to a payment of principal, premium and/or interest, whichever is the later of (i) the date on which such payment first becomes due and (ii) if the full amount payable has not been received in New York City by the Principal Paying Agent or the Trustee on or prior to such due date, the date on which (the full amount plus any accrued interest having been so received) notice to that effect shall have been given to the Noteholders by the Issuer in accordance with Condition 15 (*Notices*).

“Relevant Jurisdiction” means the Republic of Türkiye or any political subdivision or any authority thereof or therein having power to tax.

“Relevant Period” means the most recently ended two semi-annual periods for which the Group’s financial statements are prepared in accordance with Accounting Standards and are delivered or deliverable to the Trustee pursuant to Conditions 6.18(a) and 6.18(b) (*Financial Information*).

“Restricted Investment” means an Investment other than a Permitted Investment.

“Restricted Payment” with respect to any Person means:

- (a) the declaration or payment of any dividends or any other distributions in respect of its Capital Stock (including any payment in connection with any merger or consolidation involving such Person) to the direct or indirect holders of its Capital Stock (other than (A) dividends or distributions payable solely in its Capital Stock (other than Disqualified Stock) or in options, warrants or other rights to purchase such stock or in Subordinated Shareholder Funding and (B) dividends or distributions payable solely to the Issuer or a Restricted Subsidiary);
- (b) the purchase, repurchase, redemption, defeasance or other acquisition or retirement for value of any Capital Stock of the Issuer held by any Person (other than by a Restricted Subsidiary), including in connection with any merger or consolidation and including the exercise of any option to exchange any Capital Stock (other than into Capital Stock of the Issuer that is not Disqualified Stock);

- (c) the purchase, repurchase, redemption, defeasance or other acquisition or retirement for value, prior to scheduled maturity, scheduled repayment or scheduled sinking fund payment of any Subordinated Obligations of the Issuer or any Guarantor (other than (A) any Intra-Group Debt or (B) the purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Obligations purchased in anticipation of satisfying a sinking fund obligation, principal instalment or final maturity, in each case due within one year of the date of such purchase, repurchase, redemption, defeasance or other acquisition or retirement);
- (d) the making of any payment (whether in respect of interest or principal), or the purchase, repurchase, redemption, defeasance or other acquisition or retirement for value of Subordinated Shareholder Funding (other than any payment of interest thereon in the form of additional Subordinated Shareholder Funding); or
- (e) the making of any Restricted Investment.

“Restricted Subsidiary” means any Subsidiary of the Issuer that is not an Unrestricted Subsidiary.

“Secured Creditors” means the Trustee, any receiver or other Appointee (as defined in the Trust Deed) of the Trustee, the Noteholders, the Security Agent and the Agents.

“Secured Indebtedness” means any Indebtedness secured by a Lien.

“Secured Property” has the meaning provided in Condition 5.1(f) (*Collateral*).

“Security Documents” means:

- (a) the Issuer Security Documents; and
- (b) such documents (including any document or deed supplemental to, or amending and/or restating, the Issuer Security Documents) to be entered into by any acceding Guarantor and the Trustee and/or the relevant Security Agent may in their absolute discretion determine necessary for the purposes of giving full effect to the Liens contemplated by Conditions 5.1(a)(ii) (*Collateral*) and 5.2 (*Further Collateral*) (including the perfection of such Liens) in respect of any Guarantor’s property.

“Senior Indebtedness” means, whether outstanding on the Issue Date or thereafter incurred, all amounts payable by, under or in respect of all other Indebtedness of the Issuer or any Restricted Subsidiary including premiums and accrued and unpaid interest (including interest accruing on or after the filing of any petition in bankruptcy or for reorganization relating to the Issuer or such Restricted Subsidiary at the rate specified in the documentation with respect thereto whether or not a claim for post filing interest is allowed in such proceeding) and fees relating thereto; *provided, however, that* Senior Indebtedness will not include:

- (a) any obligation of the Issuer or any Restricted Subsidiary to the Issuer or any Restricted Subsidiary;
- (b) any liability for taxes owed or owing by the Issuer or any Restricted Subsidiary;
- (c) any Indebtedness of the Issuer or any Restricted Subsidiary in respect of Subordinated Obligations or Disqualified Stock;
- (d) any accounts payable or other liability to trade creditors arising in the ordinary course of business (including guarantees thereof or instruments evidencing such liabilities); and
- (e) that portion of any Indebtedness which at the time of Incurrence is Incurred in violation of these Conditions.

“S&P” means Standard & Poor’s, a division of The McGraw-Hill Companies, Inc., and any successor to its rating agency business.

“Stated Maturity” means:

- (a) with respect to any Indebtedness, the date specified in such Indebtedness as the fixed date on which the final instalment of principal of such Indebtedness is due and payable; and
- (b) with respect to any scheduled instalment of principal of or interest on any Indebtedness, the date specified in such Indebtedness as the fixed date on which such instalment is due and payable.

“Stock Exchange” means the Irish Stock Exchange plc trading as Euronext Dublin.

“Subordinated Obligation” means, with respect to a Person, any Indebtedness of such Person (whether outstanding on the Issue Date or thereafter Incurred) which is subordinate or junior in right of payment to the Notes or a Guarantee, pursuant to a written agreement to that effect.

“Subordinated Shareholder Funding” means, collectively, any funds provided to the Issuer or any Restricted Subsidiary by any direct or indirect parent of the Issuer or any Permitted Holder in exchange for or pursuant to any collateral, instrument or agreement other than Capital Stock, in each case, issued to and held by any of the foregoing Persons, *provided that* such Subordinated Shareholder Funding:

- (a) does not mature or require any amortization, redemption or other repayment of principal or any sinking fund payment prior to the first anniversary of the final maturity of the Notes (other than through conversion or exchange of such funding into Capital Stock (other than Disqualified Stock) of the Issuer or any funding meeting the requirements of this definition);
- (b) does not require, prior to the first anniversary of the final maturity of the Notes, payment of cash interest, cash withholding amounts or other cash gross-ups, or any similar cash amounts, except for any such payments made in compliance with Condition 6.3 (*Limitation on Restricted Payments*);
- (c) contains no change of control or similar provisions and does not accelerate and has no right to declare a default or event of default or take any enforcement action or otherwise require any cash payment, in each case, prior to the first anniversary of the Stated Maturity of the Notes;
- (d) does not provide for or require any lien or encumbrance over any property or asset of the Issuer or any of its Restricted Subsidiaries; and
- (e) is made to the Issuer or any Restricted Subsidiary and pursuant to its terms is fully subordinated and junior in right of payment to the Notes pursuant to a written agreement or deed poll,

and, *provided further that* in any event or circumstance that results in such funds ceasing to qualify as Subordinated Shareholding Funding, such funds shall constitute an incurrence of Indebtedness by the Issuer and any and all Restricted Payments made through the use of the net proceeds from the incurrence of such Indebtedness since the date of the original issuance of such Subordinated Shareholder Funding shall constitute new Restricted Payments that are deemed to have been made after the date of the original issuance of such Subordinated Shareholder Funding.

“Subsidiary” of any Person means (a) any corporation, association or other business entity more than 50% of the outstanding voting power of the Capital Stock of which is owned or controlled, directly or indirectly, by such Person or by one or more other Restricted Subsidiaries of such Person, or by such Person and one or more other Restricted Subsidiaries thereof, (b) any limited partnership of which such Person or any Subsidiary of such Person is a general partner, (c) any other Person in which such Person, or one or more other Restricted Subsidiaries of such Person, or such Person and one or more other Restricted Subsidiaries, directly or indirectly, has more than 50% of the outstanding partnership or similar interests or has the power, by contract or otherwise, to direct or cause the direction of the policies, management and affairs thereof or (d) any Person whose financial

statements are required by Accounting Standards to be consolidated into the consolidated financial statements of the relevant Person.

“**Taxes**” has the meaning set out in Condition 10 (*Taxation*).

“**Tax Jurisdiction**” means Türkiye (in the case of a payment by the Issuer) or the applicable tax residence of any applicable Guarantor (in the case of a payment by any Guarantor).

“**Total Assets**” means the consolidated assets of the Issuer and its Restricted Subsidiaries (and excluding any Project Subsidiaries) as shown in the latest consolidated financial statements of the Group which are internally available and prepared in accordance with Accounting Standards.

“**Transaction Documents**” means the Notes Documents and the Security Documents.

“**Unrestricted Subsidiary**” means any Subsidiary of the Issuer that is designated by the Board of Directors of the Issuer as an Unrestricted Subsidiary pursuant to a resolution of the Board of Directors but only to the extent that such Subsidiary:

- (a) has no Indebtedness other than Non-Recourse Indebtedness;
- (b) except as permitted by Condition 6.4 (*Transactions with Affiliates*), is not party to any agreement, contract, arrangement or understanding with the Issuer or any Restricted Subsidiary unless the terms of any such agreement, contract, arrangement or understanding are no less favorable to the Issuer or such Restricted Subsidiary than those that might be obtained at the time from Persons who are not Affiliates of the Issuer; and
- (c) is a Person with respect to which neither the Issuer nor any Restricted Subsidiary has any direct or indirect obligation to maintain or preserve such Person’s financial condition or to cause such Person to achieve any specified levels of operating results.

“**U.S. Dollar Equivalent**” means with respect to any amount denominated in a currency other than U.S. Dollars, at any time for the determination thereof, the amount of U.S. Dollars obtained by converting such other currency involved into U.S. Dollars at the spot rate for the purchase of U.S. Dollars with the applicable foreign currency as quoted by Reuters at approximately 11:00 a.m. (New York time) on the date not more than two Business Days prior to the date of determination.

“**VAT**” means:

- (a) any tax imposed in compliance with the Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112); and
- (b) any other tax of a similar nature, whether imposed in a member state of the European Union in substitution for, or levied in addition to, such tax referred to in paragraph (a) above, or imposed elsewhere.

“**Voting Stock**” of a Person means all classes of Capital Stock of such Person then outstanding and normally entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof.

“**Weighted Average Life to Maturity**” means, when applied to any Indebtedness at any date, the number of years obtained by dividing:

- (a) the sum of the products obtained by multiplying:
 - (i) the amount of each then remaining instalment, sinking fund, serial maturity or other required payment of principal or liquidation preference, as the case may be, including payment at final

maturity, in respect thereof (*provided that* any payments of principal, the making of which is subject to any conditions, including availability of cash of an obligor, shall be not treated as “required” for the purposes of this paragraph (i)), by

- (ii) the number of years (calculated to the nearest one-twelfth) which will elapse between such date and the making of such payment, by
- (b) the then outstanding aggregate principal amount or liquidation preference, as the case may be, of such Indebtedness.

THE GLOBAL CERTIFICATES

The Global Certificates contain the following provisions which apply to the Notes in respect of which they are issued while they are represented by the Global Certificates, some of which modify the effect of the Conditions. Terms defined in the Conditions have the same meaning in the paragraphs below.

1 Form of the Notes

All Notes will be in definitive fully registered form, without interest coupons attached. Notes offered and sold outside the United States in reliance on Regulation S will be represented by interests in the Unrestricted Global Certificate, in definitive fully registered form, without interest coupons attached, which will be deposited on or about the Issue Date with a common depositary for Euroclear and Clearstream, Luxembourg, and registered in the name of a nominee for such common depositary in respect of interests held through Euroclear and Clearstream, Luxembourg.

Notes offered and sold in reliance on Rule 144A will be represented by interests in one or more Restricted Global Certificates, in definitive fully registered form, without interest coupons attached, which will be registered in the name of Cede & Co., as nominee for, and which will be deposited on or about the Issue Date with The Bank of New York Mellon, London Branch acting as custodian (the “**Custodian**”) for, DTC. The Restricted Global Certificate (and any Definitive Certificates (as defined below) issued in exchange therefor) will be subject to certain restrictions on transfer contained in a legend appearing on the face of such Note as set forth under “*Transfer Restrictions*.”

For the purposes of the Restricted Global Certificate and the Unrestricted Global Certificate, any reference in the Conditions to “**Definitive Certificate**” or “**Definitive Certificates**” shall, except where the context otherwise requires, be construed so as to include the Restricted Global Certificate or, as the case may be, the Unrestricted Global Certificate and interests therein.

2 Holders

For so long as DTC or its nominee or Euroclear, Clearstream, Luxembourg or the nominee of their common depositary is the registered holder of a Global Certificate, DTC, Euroclear, Clearstream or such nominees, as the case may be, will be considered the sole owner or holder of the Notes represented by such Global Certificates. Payments of principal, premium, interest and additional amounts, if any, in respect of the Global Certificates will be made to DTC, Euroclear, Clearstream, Luxembourg or such nominee, as the case may be, as the registered holder thereof. None of the Issuer, any Agent or any Joint Bookrunner or any affiliate of any of the above or any person by whom any of the above is controlled for the purposes of the Securities Act will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in the Global Certificates or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

The holdings of book-entry interests in the Notes through Euroclear, Clearstream, Luxembourg and DTC will be reflected in the book entry accounts of each such institution. As necessary, the Registrar and Transfer Agent will adjust the amounts of each series of Notes on the Register for the accounts of (i) a nominee of Euroclear and Clearstream, Luxembourg (ii) Cede & Co. to reflect the amounts of each series of Notes held through Euroclear and Clearstream, Luxembourg on the one hand and DTC on the other. Beneficial ownership of Notes will be held directly through DTC, Euroclear or Clearstream, Luxembourg in the case of accountholders (“**Direct Participants**”) or indirectly through organizations that are accountholders therein (“**Indirect Participants**” and, together with Direct Participants, “**Participants**”).

3 Notices

So long as the Notes are represented by a Global Certificate and such Global Certificate is held on behalf of a clearing system, notices to Noteholders may be given by delivery of the relevant notice to that clearing system for communication by it to entitled Accountholders in substitution for notification as required by Condition 15 (*Notices*). Any such notice shall be deemed to have been given to such Noteholders on the day after the day on which such notice is delivered to such clearing system.

Whilst any of the Notes held by a Noteholder are represented by a Global Certificate, notices to be given by such Noteholder may be given by such Noteholder (where applicable) through the applicable clearing system's operational procedures and otherwise in such manner as the Trustee and the applicable clearing system may approve for this purpose.

4 Exchange of Interests in Global Certificates for Definitive Certificates

The Restricted Global Certificate will become exchangeable, free of charge to the holder, in whole but not in part, for Note certificates in definitive form ("**Restricted Definitive Certificates**") if DTC (a) notifies the Issuer that it is no longer willing or able to discharge properly its responsibilities as depositary with respect to the Restricted Global Certificate or ceases to be a "**clearing agency**" registered under the Exchange Act, or is at any time no longer eligible to act as such, and the Issuer is unable to locate a qualified successor within 90 days of receiving notice of such ineligibility on the part of DTC or (b) an Event of Default (as defined and set out in Condition 12 (*Events of Default*) of the Notes) occurs. In such circumstances, such Restricted Definitive Certificates shall be registered in such names as DTC shall direct in writing and the Issuer will procure that the Registrar and Transfer Agent notify the holders as soon as practicable after the occurrence of the events specified in (a) and (b).

The Unrestricted Global Certificate will become exchangeable, free of charge to the holder, in whole but not in part, for Note certificates in definitive form ("**Unrestricted Definitive Certificates**") if (a) Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or does in fact do so or (b) an Event of Default (as defined and set out in Condition 12 (*Events of Default*) of the Notes) occurs. In such circumstances, such Unrestricted Definitive Certificates will be registered in such names as Euroclear and Clearstream, Luxembourg shall direct in writing and the Issuer will procure that the Registrar and Transfer Agent notify the holders as soon as practicable after the occurrence of the events specified in (a) and (b).

In the event that the Restricted Global Certificate is to be exchanged for Restricted Definitive Certificates or the Unrestricted Global Certificate is to be exchanged for Unrestricted Definitive Certificates (together "**Definitive Certificates**") the relevant Global Certificate shall be exchanged in full for the relevant Definitive Certificates and the Issuer will, without charge to the holder or holders thereof, but against such indemnity as the Registrar and Transfer Agent may require in respect of any tax or other duty of whatever nature which may be levied or imposed in connection with such exchange, cause sufficient Definitive Certificates to be executed and delivered to the Registrar and Transfer Agent for completion, authentication and dispatch to the relevant Noteholders.

On exchange, a person having an interest in a Global Certificate must provide the Registrar and Transfer Agent with (i) a written order containing instructions and such other information as the Issuer and the Registrar and Transfer Agent may require to complete, execute and deliver such Definitive Certificates and (ii) in the case of the Restricted Global Certificate only, a fully completed, signed certification substantially to the effect that the exchanging holder is not transferring its interest at the time of such exchange or, in the case of simultaneous sale pursuant to Rule 144A, a certification that the transfer is being made in compliance with the provisions of Rule 144A. Definitive Certificates issued in exchange for a beneficial interest in the Restricted Global

Certificate shall bear the legends applicable to transfers pursuant to Rule 144A, as set out under “*Transfer Restrictions*.” Restricted Definitive Certificates issued as described above will not be exchangeable for beneficial interests in the Unrestricted Global Certificate and Unrestricted Definitive Certificates issued as described above will not be exchangeable for beneficial interests in the Restricted Global Certificate.

In addition to the requirements described under “*Transfer Restrictions*,” the holder of a Note may transfer such Note only in accordance with the provisions of Condition 3 (*Transfer of Notes*) of the Notes.

Upon the transfer, exchange or replacement of a Restricted Definitive Certificate bearing the legend referred to under “*Transfer Restrictions*,” or upon specific request for removal of the legend on a Restricted Definitive Certificate, the Issuer will deliver only Restricted Definitive Certificates that bear such legend, or will refuse to remove such legend, as the case may be, unless there is delivered to the Issuer and the Registrar and Transfer Agent such satisfactory evidence, which may include an opinion of counsel, as may reasonably be required by the Issuer that neither the legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

The Registrar and Transfer Agent will not register the transfer of any Notes or exchange of interests in a Global Certificate for Definitive Certificates for a period of 15 calendar days ending on the due date of any payment of principal, premium or interest in respect of such Notes.

5 Prescription

Claims against the Issuer in respect of principal, premium and interest on the Notes while the Notes are represented by a Global Certificate will become void unless it is presented for payment within a period of ten years (in the case of principal and premium) and five years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 10 (*Taxation*) of the Notes).

6 Payments

So long as the Notes are represented by a Global Certificate, payments of principal, premium and interest in respect of Notes represented by a Global Certificate shall be made to the person(s) shown as the Noteholder(s) in the Register at the close of business on the Clearing System Business Day before the due date for payment, where “Clearing System Business Day” means a day on which each clearing system for which the Global Certificate is being held is open for business, and shall be made against presentation for endorsement and if no further payment falls to be made in respect of the Notes, surrender of the Global Certificate.

7 Meetings

The holder of a Global Certificate will be treated as being two persons for the purposes of any quorum requirements of, or the right to demand a poll at, a meeting of Noteholders and, at any such meeting, as having one vote in respect of each \$1,000 in principal amount of Notes for which the Global Certificate may be exchanged.

8 Purchase and Cancellation

Cancellation of any Note required by the Conditions to be cancelled following its purchase will be effected by reduction in the principal amount of the relevant Global Certificate.

9 Trustee's Powers

In considering the interests of Noteholders while a Global Certificate is held on behalf of a clearing system, the Trustee may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders with entitlements to the Global Certificate and may consider such interests as if such accountholders were the holder of the Global Certificate.

10 Call Option

No drawing of Notes will be required under Conditions 9.3 (*Redemption at the Option of the Issuer (Equity Offering)*) and 9.4 (*Redemption at the option of the Issuer (Premium)*) of the Notes in the event that the Issuer exercises its call option in such Condition while the Notes are represented by a Global Certificate in respect of less than the aggregate principal amount of Notes outstanding. In such event, the partial redemption will be effected in accordance with the rules and procedures of DTC, Euroclear and Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion).

11 Put Option

The Noteholders' put option in Condition 9.5 (*Redemption at the option of the Noteholders (Change of Control)*) of the Notes may be exercised by the holder of the relevant Global Certificate giving notice to the Principal Paying Agent of the principal amount of Notes in respect of which the option is exercised and presenting the Global Certificate for endorsement of exercise within the time limits specified in such Condition.

CLEARING AND SETTLEMENT

Custodial and depository links are to be established between DTC, Euroclear and Clearstream, Luxembourg to facilitate the initial issue of the Notes and cross-market transfers of the Notes associated with secondary market trading. Investors may hold their interests in a Global Certificate directly through DTC, Euroclear or Clearstream, Luxembourg as Direct Participants or indirectly through organizations that are accountholders therein as Indirect Participants.

Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each hold securities for their customers and facilitate the clearance and settlement of securities transactions through electronic book-entry transfer between their respective accountholders. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions which clear through or maintain a custodial relationship with an accountholder of either system. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective customers may settle trades with each other. Their customers are worldwide financial institutions including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations.

DTC

DTC has advised the Issuer as follows: DTC is a limited purpose trust company organized under the laws of the Issuer of New York, a “banking organization” under the laws of the Issuer of New York, a member of the US Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial code and a “clearing agency” registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities for its Participants and facilitate the clearance and settlement of securities transactions between Participants through electronic computerized book-entry changes in accounts of its Participants, thereby eliminating the need for physical movement of certificates. Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. Indirect access to DTC is available to others, such as banks, securities brokers, dealers and trust companies that clear through or maintain a custodial relationship with a DTC Direct Participant, either directly or indirectly.

Investors may hold their interests in the Restricted Global Certificate directly through DTC if they are Direct Participants in the DTC system, or as Indirect Participants through organizations which are Direct Participants in such system.

DTC has advised the Issuer that it will take any action permitted to be taken by a holder of Notes only at the direction of one or more Direct Participants and only in respect of such portion of the aggregate principal amount of the Restricted Global Certificate as to which such Participant or Participants has or have given such direction. However, in the circumstances described under “*The Global Certificates—Exchange of Interest in Global Certificates for Definitive Certificates*,” DTC will cause the Custodian to surrender the Restricted Global Certificate for exchange for a Restricted Definitive Certificate.

Book-Entry Ownership

Euroclear and Clearstream, Luxembourg

The Unrestricted Global Certificate will have an ISIN and a Common Code and will be registered in the name of a nominee for, and deposited with a common depository on behalf of, Euroclear and Clearstream, Luxembourg.

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium, and the address of Clearstream, Luxembourg is 42 Avenue J.F. Kennedy, L-1855, Luxembourg.

DTC

The Restricted Global Certificate will have an ISIN and a CUSIP number and will be deposited with the Custodian for, and registered in the name of Cede & Co. as nominee of, DTC. The Custodian and DTC will electronically record the principal amount of the Notes held within the DTC System.

The address of DTC is 55 Water Street, New York, New York 10041, United States of America.

Relationship of Participants with Clearing Systems

Each of the persons shown in the records of DTC, Euroclear or Clearstream, Luxembourg as the holder of any Note evidenced by a Global Certificate must look solely to DTC, Euroclear or Clearstream, Luxembourg (as the case may be) for its share of each payment made by the Issuer to the holder of such Global Certificate and in relation to all other rights arising under such Global Certificate, subject to and in accordance with the respective rules and procedures of DTC, Euroclear or Clearstream, Luxembourg (as the case may be). The Issuer expects that, upon receipt of any payment in respect of Notes evidenced by a Global Certificate, the common depository by whom such Note is held, or nominee in whose name it is registered, will immediately credit the relevant Participants' or accountholders' accounts in the relevant clearing system with payments in amounts proportionate to their respective beneficial interests in the principal amount of the relevant Global Certificate as shown on the records of the relevant common depository or its nominee. The Issuer also expects that payments by Direct Participants in any clearing system to owners of beneficial interests in any Global Certificate held through such Direct Participants in any clearing system will be governed by standing instructions and customary practices. Save as aforesaid, such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are evidenced by such Global Certificate and the obligations of the Issuer will be discharged by payment to the registered holder of such Global Certificate in respect of each amount so paid. None of the Issuer or any Agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of ownership interests in any Global Certificate or for maintaining, supervising or reviewing any records relating to such ownership interests.

Euroclear, Clearstream, Luxembourg and DTC Arrangements

So long as DTC or its nominee or Euroclear, Clearstream, Luxembourg or the nominee of their common depository is the registered holder of a Global Certificate, DTC, Euroclear, Clearstream, Luxembourg or such nominee, as the case may be, will be considered the sole owner or holder of the Notes represented by such Global Certificate for all purposes under the Agency Agreement, the Trust Deed and the Notes. Payments of principal, premium, interest and Additional Amounts, if any, in respect of Global Certificates will be made to DTC, Euroclear, Clearstream, Luxembourg or such nominee, as the case may be, as the registered holder thereof. None of the Issuer, the Trustee, any Paying Agent or the Joint Bookrunners or any affiliate of any of the above or any person by whom any of the above is controlled for the purposes of the Securities Act will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in the Global Certificates or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Distributions of principal, premium and interest with respect to book-entry interests in the Notes held through Euroclear or Clearstream, Luxembourg will be credited, to the extent received by Euroclear or Clearstream, Luxembourg from the Principal Paying Agent, to the cash accounts of Euroclear or Clearstream, Luxembourg customers in accordance with the relevant system's rules and procedures.

Holders of book-entry interests in the Notes through DTC will receive, to the extent received by DTC from the Principal Paying Agent, all distributions of principal, premium and interest with respect to book-entry interests in the Notes from the Principal Paying Agent through DTC. Distributions in the United States will be subject to relevant U.S. tax laws and regulations.

The laws of some states of the United States require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer interests in a Global Certificate to such persons will be limited. Because DTC, Euroclear and Clearstream, Luxembourg can only act on behalf of Participants, who in turn act on behalf of Indirect Participants, the ability of a person having an interest in a Global Certificate to pledge such interest to persons or entities which do not participate in the relevant clearing system, or otherwise take actions in respect of such interest, may be affected by the lack of a physical certificate in respect of such interest.

The holdings of book-entry interests in the Notes in Euroclear, Clearstream, Luxembourg and DTC will be reflected in the book-entry accounts of each such institution. As necessary, the Registrar and Transfer Agent will adjust the amounts of Notes on the Register for the accounts of a nominee of the common depositary for Euroclear and Clearstream, Luxembourg and Cede & Co. to reflect the amounts of Notes held through Euroclear and Clearstream, Luxembourg on the one hand and DTC, on the other. Beneficial ownership in Notes will be held through financial institutions as Direct and Indirect Participants in Euroclear, Clearstream, Luxembourg and DTC.

Interests in the Unrestricted Global Certificate and the Restricted Global Certificate will be in uncertificated book-entry form.

Trading between Euroclear and/or Clearstream, Luxembourg Account Holders. Secondary market sales of book-entry interests in the Notes held through Euroclear or Clearstream, Luxembourg to purchasers of book-entry interests in the Notes through Euroclear or Clearstream, Luxembourg will be conducted in accordance with the normal rules and operating procedures of Euroclear and Clearstream, Luxembourg and will be settled using the procedures applicable to conventional Eurobonds.

Trading between DTC Participants. Secondary market sales of book-entry interests in the Notes between DTC participants will occur in the ordinary way in accordance with DTC rules and will be settled using the procedures applicable to United States corporate debt obligations in DTC's Same Day Funds Settlement System. Under Rule 15c6 of the Exchange Act, trades in the secondary market generally are required to settle in one business day unless the parties to any such trade agree otherwise.

Trading between DTC Seller and Euroclear/Clearstream, Luxembourg Purchaser. When book-entry interests in Notes are to be transferred from the account of a DTC participant holding a beneficial interest in the Restricted Global Certificate to the account of a Euroclear or Clearstream, Luxembourg accountholder wishing to purchase a beneficial interest in the Unrestricted Global Certificate (subject to such certification procedures as are provided in the Agency Agreement), the DTC participant will deliver instructions for delivery to the relevant Euroclear or Clearstream, Luxembourg accountholder to DTC by 12 noon, New York time, on the settlement date. Separate payment arrangements are required to be made between the DTC participant and the relevant Euroclear or Clearstream, Luxembourg accountholder. On the settlement date, the Custodian will instruct the Registrar and Transfer Agent to (a) decrease the amount of Notes registered in the name of Cede & Co. and evidenced by the Restricted Global Certificate(s) and (b) increase the amount of Notes registered in the name of the nominee of the common depositary for Euroclear and Clearstream, Luxembourg and evidenced

by the Unrestricted Global Certificate. Book-entry interests will be delivered free of payment to Euroclear or Clearstream, Luxembourg, as the case may be, for credit to the relevant accountholder on the first Business Day following the settlement date. See “*The Global Certificates*” concerning the Record Date for payment of interest.

Trading between Euroclear/Clearstream, Luxembourg Seller and DTC Purchaser. When book-entry interests in the Notes are to be transferred from the account of a Euroclear or Clearstream, Luxembourg accountholder to the account of a DTC participant wishing to purchase a beneficial interest in the Restricted Global Certificate (subject to such certification procedures as are provided in the Agency Agreement), the Euroclear or Clearstream, Luxembourg participant must send to Euroclear or Clearstream, Luxembourg delivery free of payment instructions by 7:45 p.m. Brussels or Luxembourg time, one Business Day prior to the settlement date. Euroclear or Clearstream, Luxembourg, as the case may be, will in turn transmit appropriate instructions to the common depositary for Euroclear and Clearstream, Luxembourg and the Registrar and Transfer Agent to arrange delivery to the DTC participant on the settlement date. Separate payment arrangements are required to be made between the DTC participant and the relevant Euroclear or Clearstream, Luxembourg account holder, as the case may be. On the settlement date, the common depositary for Euroclear and Clearstream, Luxembourg will (a) transmit appropriate instructions to the Custodian who will in turn deliver such book-entry interest in the Notes free of payment to the relevant account of the DTC participant and (b) instruct the Registrar and Transfer Agent to (i) decrease the amount of Notes registered in the name of the nominee for the common depositary for Euroclear and Clearstream, Luxembourg and evidenced by the Unrestricted Global Certificate and (ii) increase the amount of Notes registered in the name of Cede & Co. and evidenced by the Restricted Global Certificate. See “*The Global Certificates*” concerning the Record Date for payment of interest.

Although the foregoing sets out the procedures of Euroclear, Clearstream, Luxembourg and DTC in order to facilitate the transfers of interests in the Notes among participants of DTC, Clearstream, Luxembourg and Euroclear, none of Euroclear, Clearstream, Luxembourg or DTC is under any obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Trustee, any Paying and Transfer Agent or any of the Joint Bookrunners or any affiliate of any of the above, or any person by whom any of the above is controlled for the purposes of the Securities Act, will have any responsibility for the performance by DTC, Euroclear and Clearstream, Luxembourg or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations or for the sufficiency for any purpose of the arrangements described above.

LIMITATIONS ON VALIDITY AND ENFORCEABILITY OF THE TURKISH COLLATERAL AND THE TURKISH GUARANTEES AND CERTAIN TURKISH INSOLVENCY LAW CONSIDERATIONS

The following further includes brief descriptions of certain Turkish insolvency law and enforcement considerations in connection with the Secured Property located in Türkiye that is, or will be, provided by the Issuer. The descriptions below do not purport to be complete or discuss all of the limitations or considerations that may affect the Notes, the Secured Property or the Collateral, nor discuss any matters pertaining to the laws of any jurisdiction outside of Türkiye. Any guarantees or Liens that may be provided by Guarantors that are not Turkish entities may be subject to similar or other considerations and limitations applicable under the relevant jurisdiction in all aspects, including but not limited to those relating to perfection, validity, enforcement and value.

Prospective investors in the Notes should consult their own legal advisors with respect to the limitations and considerations in respect of the validity and enforceability of any Liens, any guarantees and considerations relating to insolvency and other applicable legal concepts. Please also see “Risk Factors— Risks Related to the Notes and the Collateral” for certain additional information.

Parallel Debt Structure

Please see “Risk Factors— Risks Related to the Notes and the Collateral – The Collateral will be granted to the Security Agent rather than directly to the holders of the Notes. Holders will be able to direct the enforcement of the Collateral only under certain limited circumstances.” for certain considerations and risks in respect of the parallel debt structure established for the purposes of the Collateral.

Enforceability of Judgments

It should be noted that enforcement of court judgments obtained in countries other than Türkiye is subject to certain limitations. Please see “Enforceability of Civil Judgments” for further details.

Bankruptcy

Bankruptcy proceedings may be initiated either by (i) application to the commercial court after initiation of a debt collection proceeding in which the debtor objects the debt or does not pay the claimed amount while not objecting, or (ii) direct application to the commercial court by the debtor itself or the creditors under certain conditions.

The general cause for bankruptcy is the inability of a debtor to pay their debts as they become due, in spite of the bankruptcy suit.

*In such cases, where a creditor initiates a bankruptcy proceeding through request for payment of a due debt, the debtor may avoid the bankruptcy by payment of the claimed debt or raising a valid objection against such request. On the other hand, the creditors may directly file a bankruptcy lawsuit against the debtor without being required to start a debt collection proceeding if the debtor (a) does not have a permanent residence and is likely to change its location for the purposes of avoiding the discharge of its obligations; (b) executes or attempts to execute fraudulent transactions to the detriment of its creditors; (c) conceals its assets during attachment procedures; (d) permanently suspends its payments; (e) fails to make any payment despite an execution order based on a court judgment; or (f) if the concordat (*konkordato*) request of the debtor is not approved by the relevant court.*

Finally, the debtor is obliged to file for its own bankruptcy if (i) half of the assets are attached as a result of a debt collection proceeding(s) and the other half is not adequate to cover its due and payable debts and the debts that will become due and payable within a year or (ii) if the assets of the company is not sufficient to cover its liabilities.

In case where the bankruptcy request is filed by the creditors, the commercial court hearing the request may decide to enforce protective measures over the assets of the debtor.

In the event a person is declared bankrupt, all its assets will form the bankrupt's estate over which the bankruptcy administration would have utmost control. In this case, the bankruptcy administration would liquidate all the assets of the relevant person and distribute the proceeds thereof to the creditors pursuant to ranking of receivables prescribed by the Code of Execution and Bankruptcy of the Republic of Türkiye numbered 2004 (the "**Bankruptcy Code**"). However, the rights secured with pledges have priority to the other receivables. The debts for which the bankrupt person issued a suretyship are recorded with the bankruptcy estate although they are not due.

In case of the declaration of the bankruptcy, any person possessing an asset of the bankrupt person is required to deliver such asset to the order of the bankruptcy estate regardless under what capacity they hold such assets. If the assets are not delivered in the required time, then the holder of the asset will not be able to use its priority rights (e.g. pledge) and would be subject to penalty. This rule also covers the assets located outside of Türkiye.

Creditors have 15 days from the announcement of the bankruptcy decision to intervene in the court proceedings and object to the bankruptcy, but the filing or declaration of bankruptcy is not individually notified or served to each creditor.

Once a person is declared bankrupt by the court, all of its unsecured debts are accelerated. All of its assets are liquidated by the bankruptcy office for repayment of its debts. In the liquidation of assets, secured claims and unsecured claims are treated separately in terms of priority. Upon the sale of the secured assets by the bankruptcy administration and the deduction of the sale and bankruptcy administration expenses, the secured creditors of the bankrupt person will have priority over its other creditors with respect to the receivables covered by the assets pledged to them. If the secured assets are insufficient to pay the secured creditors for the debts of the bankrupt person, such creditors will be entitled to proceed against the remaining assets of the bankrupt person as unsecured creditors.

Impact of the Bankruptcy over (if any) the Guarantees provided by the Turkish Guarantors

The guarantee undertaken by (if any) Turkish Guarantors of the debts of the Issuer will need to be treated differently than a pledge of assets by the Guarantor under Turkish bankruptcy law, as an independent obligation from the underlying contract, constituting a personal and ordinary claim against such Guarantors. This claim will be satisfied according to the priority of claims set forth in Article 206 of the Bankruptcy Code, as amended. Claims arising from a guarantee, as unsecured claims, are paid on a pro rata basis out of the sale proceeds of the Guarantors' estate in the fourth rank, behind payment of expenses of the bankruptcy administration, public claims relating to the secured assets, such as taxes relating to the *in rem* rights of the assets, assets subject to security and legally privileged claims as listed in the first three ranks of Article 206 of the Bankruptcy Code.

The obligations and liabilities of (if any) the Guarantors under the Guarantees will rank at least *pari passu* with all other unsecured obligations of the Guarantor to the extent permitted by applicable laws relating to creditors' rights in the event of insolvency and other than those obligations which are preferred by law.

Furthermore, any claim against (if any) Turkish Guarantors which is denominated in a foreign currency may only be recorded in Turkish lira by the bankruptcy estate. In such circumstances, the relevant exchange rate for determining the Turkish lira amount of any such claim would be the Central Bank of Türkiye's effective selling rate of the relevant currency by the date when the court declares the bankruptcy.

Other Forms of Insolvency Proceedings

There are two types of other formal debt reorganization procedures under Turkish bankruptcy law: (i) concordat (*konkordato*), and (ii) restructuring upon settlement. Secured creditor rights are not affected in principle by these organizations, but enforcement of the security rights may be delayed.

As explained below, in concordat, no execution proceeding may be initiated against the debtor, and pending execution proceedings are suspended, except for those initiated by the secured creditors. Nevertheless, proceedings for the enforcement of a pledge may be initiated by the secured creditors, but the secured assets may not be sold during the course of the concordat.

In the restructuring upon settlement, which is not a common method used in the Turkish practice, terms and conditions of enforcement of the security and debt collection proceedings would be subject to the restructuring project that is accepted by (i) the majority of the creditors who are affected by the restructuring project, and (ii) the receivables of such majority corresponding to two-thirds of the receivables the creditors who are affected by the restructuring and participated to the voting. It should also be noted that the court is entitled to reject the restructuring plan although these quorums are met.

Concordat

Purpose of the concordat is for the debtor is gaining the ability to pay the debts while avoiding bankruptcy to protect both the continuity of the business and the creditors. The restructuring can be carried out in a variety of methods, including but not limited to by extending the maturity of the debts, and/or by making a discount on the debts due to its creditors. Creditors are also entitled to request a debtor to be subject to the concordat in certain cases.

If there is no missing document in the concordat application, the commercial court will declare immediately a temporary standstill period (*geçici mühlet*). The initial temporary standstill period may be three months. Prior to expiry of such three-month period, the commercial court may extend the temporary standstill period for a maximum of two months. The total period of temporary standstill cannot exceed five months.

In its decision to declare temporary standstill period, the commercial court shall also appoint 1 (one) to 3 (three) temporary concordat trustee(s), whose main duty is examining the likelihood of success of concordat and acting as a custodian to the operations.

The main consequences of a concordat period which apply to the temporary standstill period are as follows:

- Suspension of execution proceedings: During the temporary stay, except for any employee claims, the existing execution proceedings are suspended and no new execution proceeding can be initiated. Further, the courts and execution offices cannot enforce any decision imposing an interim injunction (*ihiyati tedbir*) or interim attachment (*ihiyati haciz*). Limitation periods that may restart through an execution proceeding are suspended.
- Invalidity regarding assigned future receivables: If any future receivables (i.e. receivable that are not in existence by the date of assignment) prior to the temporary standstill period are assigned, and such receivable has arisen during the temporary standstill period; such assignment becomes automatically invalid.
- Suspension of sale of pledged assets: The secured creditors can initiate execution proceedings or continue existing proceedings for their pledges during the temporary standstill period. However, no interim measures can be imposed over the assets within the scope of such execution, and the asset cannot be liquidated as a result of such execution proceeding.

- Impact to certain contractual provisions: As for the agreements, which are important for the continuity of the operations (material agreements), irrespective as to whether the counterparty of an agreement is affected by the concordat project, the following provisions are deemed to be inapplicable, and in any case, the counterparty may not terminate the agreement due to the concordat request:
 - (i) Concordat request is a breach of the agreement.
 - (ii) Concordat request is a valid ground for termination.
 - (iii) Concordat request accelerates the debt under the agreement.
- Termination of certain agreements on the grounds of concordat: The debtor is entitled to terminate continuing performance agreements (i.e. an agreement regarding long term service supply) preventing the successful completion of the concordat project, upon approval of the commercial court and the affirmative consent of the concordat trustees. Any indemnification that the debtor is obliged to pay as a result of such termination is subject to concordat project.
- Continuing the operations during the temporary standstill period: During the temporary standstill period, in principle, the debtor can continue its operations, under the custody of the concordat trustee. However, when declaring the standstill period, the court may order that the concordat trustee, rather than management of the debtor, will continue the operations of the debtor. Alternatively, the court may also order that, certain transactions of the debtor can only be effected upon approval of the concordat trustee. If this is the case and the concordat trustee commissar does not approve such transactions, those will be deemed invalid.
- Prohibition on granting security and providing guarantees: As of the temporary standstill period, the debtor cannot (i) grant any pledge over its assets, (ii) sell real estates or permanent assets of the business or establish any encumbrance over thereof; (iii) cannot issue suretyship for any debt and (iv) cannot dispose any asset without consideration. The debtor subject to concordat can only consummate such transactions upon approval of the commercial court. If the commercial court does not approve such transactions, those will be deemed invalid.

If the commercial court arrives at the judgment that the successful completion of concordat is likely, it declares a definite standstill period (*kesin mühlet*). When deciding on the definite standstill, the commercial court considers the opinion of the temporary concordat trustee, or panel of trustees, as well as objections of the creditors, if any. The commercial court is obliged within the temporary standstill period to decide whether it will grant a definite standstill. The initial period for definite standstill is one year. This period may be extended for a maximum of six months.

The commercial court orders the temporary concordat trustee to continue its duty during the definite standstill, unless there is a reasonable ground reason for his/her removal from duty.

The commercial court hearing the concordat request may also order the formation of a creditors' committee, consisting of a maximum of seven persons and in an odd number. The creditors' committee takes decisions with simple majority of the attendants at its meetings. The creditors' committee's main duty is examining the activities of the concordat trustee, and submitting complaints to the commercial court about such activities, if necessary.

Unless otherwise included in the restructuring project, unsecured debts shall not accrue interest during the definitive stay period.

Upon declaration of temporary standstill, the temporary concordat trustee invites the creditors to declare their receivables from the debtor within 15 days.

After the declarations of receivables and completion of the verification of these declared receivables, the commercial court invites the creditors to negotiate the concordat project submitted by the debtor in a meeting set on a date at least 15 days later than such invitation.

The concordat trustee chairs such meeting, and reports on the status of the debtor. The proposed concordat project is accepted if:

- (i) Approved by a majority exceeding (a) 50% of the declared creditors and (b) 50% of the declared receivable; or
- (ii) Approved by a majority exceeding (a) 25% of the declared creditors and (b) two-third of the declared receivable.

Only the creditors affected by the project can vote. The secured creditors' receivables are taken into account; to the extent the value of their security is not sufficient to cover the total amount of their receivables.

The creditors present at the aforementioned meeting sign the minutes of meeting to indicate their affirmative or dissenting vote. Alternatively, within seven (7) days from the meeting, any creditor can participate to the voting by signing the minutes of meeting and indicating its affirmative or dissenting vote. After the expiry of such period of seven days, the concordat trustee submits a reasoned report to the commercial court within seven days, along with the minutes of meeting and all other documents regarding the concordat.

The last step for the concordat project to be binding, is its approval by the commercial court. The commercial court shall decide after hearing the concordat trustee and examining its reasoned report regarding concordat, and in any case, before the end of standstill period. The commercial court requires the following conditions to be met for approving the concordat project:

- The actual amount proposed to be paid to the creditors in the concordat project should be higher than the amount which can be collected by the creditors in a possible scenario of bankruptcy.
- The actual amount proposed to be paid to the creditors should be proportionate to the resources of the debtor.
- The concordat project is duly approved by the majority of creditors and receivables, in accordance with the quorums described above.
- Full repayment of the receivables of the employees' of the debtor, and the receivables arisen due to agreements executed within the standstill period with the approval of the concordat trustee must be sufficiently secured with collateral.
- Litigation expenses for the approval of the concordat, as well as any charges to be collected over the amounts agreed to be paid to the creditors in case of such approval, must be deposited prior to the court's final decision.

The commercial court is entitled to make adjustments in the concordat project ex officio or upon demand.

The decision on approval of the concordat request contains the rates of discounts made in the receivables and the timetable of payments of the debts.

Further, in its decision to approve the concordat project, the commercial court shall also be entitled to appoint a custodian (*kayyim*) to the debtor to supervise the operations of the debtor and take the necessary measures for the concordat to succeed.

Consequences of approval of the concordat project

If the project is accepted by the required creditors and approved by the commercial court, it covers certain obligations of the debtor and binds certain creditors as detailed below. The discount rates and repayment schedule as approved in the concordat project become applicable to all the creditors affected by the concordat. The attachments within scope of the execution proceedings initiated prior to the temporary standstill period become invalid, provided that the attached assets are not liquidated.

The creditors of the following privileged/secured receivables are not affected by the concordat, in respect of their privileged receivables:

- proceedings of secured debts;
- public debts in relation to specific assets, e.g. real estate tax for immovable, customs tax for movables,
- privileged receivables, which are registered during the concordat period, defined in the applicable law, e.g. employee receivables, alimony debts, receivables of Savings Deposit Insurance Fund; and
- receivables arising from transactions executed with the approval of the concordat trustee during the concordat period.

In addition, upon request of the debtor, in its decision of approval of the concordat project, the commercial court may postpone seizure and the sale of collateral as result of the enforcement proceedings of secured creditors provided that:

- The secured debt has arisen before filing the concordat request.
- Whole interest accrued on the secured debt prior to the date of concordat request has been repaid.
- The debtor plausibly proves that the asset given as security for such debt is mandatory for its operations and if it is sold, the debtor's economic integrity and operations will be endangered.

Bankruptcy during the concordat process and revocation of the concordat

If any of the following cases occur during the standstill period, the commercial court dismisses the concordat request and declares the bankruptcy of the debtor *ex officio*, upon receiving the written report of the concordat trustee:

- Bankruptcy is a better option to protect the creditors and the estate of the debtor.
- It is understood that the concordat cannot be completed successfully.
- The debtor acts in breach of prohibition on providing security and guarantees, or orders/instructions of the concordat trustee.
- The debtor requests its own bankruptcy.

Separately, in any case, if the commercial court rejects to approve the concordat project, it should declare the company bankrupt *ex officio*, in the presence of a reason for direct bankruptcy.

Finally, after the approval of the concordat project, any creditor against whom the debtor has failed to fulfil its obligations in accordance with the approved project, can request revocation of the concordat or disapplication of the project specifically for itself. Furthermore, any creditor can request the revocation of concordat in case the concordat becomes ineffective due to bad faith of the debtor. Accordingly, any secured creditor against whom the debtor has failed to fulfil its obligations in accordance with the agreement reached for restructuring of its secured obligations, can request cancellation of such agreement. Further, if the cancellation of such agreements results in the overall secured receivable which agreed to the restructuring of secured obligations

falling below the threshold of two-third of the secured receivable; (i) the dissenting secured creditors will be no longer subject to the longest maturity in the agreements made with other secured creditors, and (ii) other secured creditors will be entitled to unilaterally terminate the restructuring agreement that they have reached with the debtor.

Restructuring of secured obligations

As a relatively new mechanism introduced by the Law No. 7101 on Amendment of Enforcement and Bankruptcy Code, secured receivables can also be restructured under certain circumstances.

For restructuring the secured obligations, the debtor must indicate its plan to restructure its secured obligations in the preliminary project for concordat. This restructuring process runs in parallel with the ordinary restructuring of unsecured receivables.

Within the period of definitive stay, the concordat trustee invites all secured creditors for negotiating the restructuring proposals made in the preliminary project for concordat, such as discount in principal or interest, and extension of maturity. In such meeting of the secured creditors, the proposed restructuring of secured obligations is deemed accepted if the debtor reaches an agreement to restructure with creditors having two-third of the total secured debt. Similar to the process described above for approval of the concordat project, within seven days from the meeting, the debtor may agree with any secured creditor to restructure and such agreement will also be taken into account for the calculation whether the aforementioned the required quorum.

If the debtor succeeds to agree with the creditors on the restructuring by the quorum mentioned above; the secured creditors who have not agreed to restructure, become subject to the longest maturity in the agreements made with other secured creditors.

If the agreements meet the foregoing requirements; the commercial court includes the agreements executed with the secured creditors and the repayment plan for secured creditors in the decision approving the concordat project. Accordingly, if the proposed concordat project is not accepted by the majority of the creditors as described above; the agreements made to restructure the secured debts are also deemed refused and the repayment plan relating to the secured creditors would not be valid.

Out-of-Court Restructuring

In addition to the foregoing, certain formal out-of-court restructuring regimes are available to debtors, notably under restructuring framework agreements executed by Turkish creditor institutions (i.e., mainly banks and financial institutions) under the “Financial Restructuring Program (FYY)” introduced by the Banking Regulation and Supervision Authority.

Within the scope of this program, debtors may conclude out-of-court financial restructuring agreements with creditor institutions that are signatories of the framework agreements executed under such program and (if any) other creditors opting-into the restructuring.

The restructuring agreement is in principle approved by two or more creditors holding two thirds of the total debt within the restructuring, and binding over all creditor institutions that are signatories to the framework agreement.

The framework agreements prescribe a contractual standstill on the creditor institutions that are signatories of the framework agreement or otherwise opted-into the restructuring, such that, during the restructuring negotiations and during the continuation of the restructuring program, no execution or bankruptcy proceedings, or enforcement of security may be initiated by them against the debtor or any ongoing execution, bankruptcy or enforcement proceedings initiated by such creditors against the debtor cannot be continued, save for certain exceptions.

Voidability of Liens

Articles 277, 278, 279 and 280 of the Bankruptcy Code govern the cancellation lawsuits with respect to certain transactions. However, the transactions identified in these articles of the Bankruptcy Code are not exhaustive. The Turkish Court of Cassation has explicitly stated in various instances that Turkish courts have the discretion to cancel transactions in addition to those identified in Articles 278, 279 and 280 of the Bankruptcy Code. The legal framework established in such articles of the Bankruptcy Code would be applied by the court in such instances.

Pursuant to Article 277 of the Bankruptcy Code, (i) each creditor holding a certificate of insolvency (*aciz vesikası*) (either temporary (*muvakkat*) or conclusive (*kat'i*)), (ii) the bankruptcy administration, or (iii) creditors in the cases which Article 245 or Article 255(3) of the Bankruptcy Code apply, may file a cancellation lawsuit.

Under Article 278 of the Bankruptcy Code, gratuitous dispositions and donations by a debtor (other than those undertaken in the ordinary course of business) within two years preceding the date of the bankruptcy, insolvency or attachment may be deemed void. “Gratuitous dispositions” and “donations” are those transactions with a material imbalance between the considerations exchanged by the parties. In the case of attachment, the date to be taken into account to determine the two years is the date attachment is made. If the debtor has no property to be attached or such property is not sufficient to satisfy the debt, this situation is registered in the attachment report prepared by the execution office and constitutes a determination of the borrower’s inability to pay its debts. This report is deemed to as a certificate of insolvency.

Under Article 279 of the Bankruptcy Code, certain dispositions may be deemed void if (i) they are realized within one year preceding a bankruptcy judgment, the debtor’s inability to pay its debts (as determined by the execution office), or a judgment of attachment, and (ii) the debtor was insolvent at the time of the disposition. The dispositions subject to this article are: (i) prepayments of undue debts, (ii) payments made by means other than cash or other regular payment method, (which may include by check, commercial bill and interest coupon), (iii) pledges established by the debtor to secure an existing debt save for cases where the debtor has previously undertaken to provide security and (iv) registration of a personal right with the land registry to strengthen its effect against third parties. Turkish law assumes that the recipient of the relevant disposition was aware of the debtor’s insolvency at the time of the disposition and the burden is on the recipient to prove otherwise.

Finally, Article 280 of the Bankruptcy Code governs other statutory claims of voidability, especially fraudulent conveyances. Under this article, all dispositions realized (i) within five years preceding the date on which attachment or bankruptcy proceedings are initiated against an insolvent debtor, (ii) that were realized with the intent of harming the creditors of the debtor and (iii) where the counterparty of the disposition was aware or should reasonably have been aware of such intent and of the financial status of the debtor, may be deemed void.

Under Article 284 of the Bankruptcy Code, the general statute of limitations for initiating cancellation lawsuits against dispositions subject to cancellation is five years from the date of occurrence of such disposition.

Apart from the grounds established in the Bankruptcy Code for voiding a disposition, an action for the recovery of property (*istihkak davası*) or unjust enrichment (*sebepsiz zenginleşme*) could be initiated in the event of “simulation,” i.e., a sham contract. “Simulation” covers the situation in which the parties to a contract agree that such contract will not actually have any effect between them or will have the effect of an agreement other than as set forth in the contract. Pursuant to Article 19 of the TCO, contracts constituting simulations will not be taken into account and the actual intention of the parties will be considered.

Additional considerations regarding Guarantees by Turkish Guarantors

To the extent it is determined by a Turkish court or other competent authority that the execution and delivery of the Guarantees by any Turkish Guarantors and the performance of obligations under such Guarantees in favor of its controlling company does not sufficiently benefit such Guarantor and due compensation is not provided within the given timeframe, as contemplated under article 202 of the Turkish Commercial Code of the Republic of Türkiye numbered 6102, shareholders and creditors of such Guarantor may request due compensation of the Guarantor from the controlling company and the directors of the controlling company which caused damages to the Guarantor.

As per Article 18 of the Decision Regarding Protection of the Value of the Turkish Currency, persons domiciled in Türkiye that provide guarantees in favor of a person domiciled outside of Türkiye, has to notify the Ministry of Treasury and Finance within 30 days of execution of the guarantee agreement.

TAXATION

United States Federal Income Tax Considerations to U.S. Holders

The following is a summary of certain U.S. federal income tax consequences of the acquisition, ownership and disposition of the Notes by a U.S. Holder (as defined below). This summary deals only with initial purchasers of the Notes at the “issue price” (the first price at which a substantial amount of the Notes are sold for money, excluding sales to underwriters, placement agents or wholesalers) in the initial offering that are U.S. Holders and that will hold the Notes as capital assets. The discussion does not cover all aspects of U.S. federal income taxation that may be relevant to, or the actual tax effect that any of the matters described herein will have on, the acquisition, ownership or disposition of the Notes by particular investors (including consequences under the alternative minimum tax or net investment income tax), and does not address U.S. State, local, non-U.S. or other tax laws (such as estate or gift tax laws). This summary also does not discuss all of the tax considerations that may be relevant to certain types of investors subject to special treatment under the U.S. federal income tax laws (such as financial institutions, insurance companies, individual retirement accounts and other tax-deferred accounts, tax-exempt organizations, dealers in securities or currencies, investors that will hold the Notes as part of straddles, hedging transactions or conversion transactions for U.S. federal income tax purposes, persons that have ceased to be U.S. citizens or lawful permanent residents of the United States, investors holding the Notes in connection with a trade or business conducted outside of the United States, U.S. citizens or lawful permanent residents living abroad, U.S. Holders that are required to take certain amounts into income no later than the time such amounts are reflected on an applicable financial statement or investors whose functional currency is not the U.S. dollar). Furthermore, except as specifically described below under “Payments of Interest”, this summary does not address any differing tax consequences that may apply to U.S. Holders that acquire Notes in this offering and whose Existing Notes are sold pursuant to the Tender Offer or redeemed pursuant to the Early Redemption. U.S. Holders acquiring Notes in this offering and holding Existing Notes should consult their own tax advisors regarding the U.S. federal income tax consequences to them of the acquisition of Notes in this offering and the substantially concurrent disposition of their Existing Notes pursuant to the Tender Offer or Early Redemption.

As used herein, the term “**U.S. Holder**” means a beneficial owner of the Notes that is, for U.S. federal income tax purposes, (i) an individual citizen or resident of the United States, (ii) a corporation created or organized under the laws of the United States, any state thereof or the District of Columbia, (iii) an estate the income of which is subject to U.S. federal income tax without regard to its source or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or the trust has validly elected to be treated as a domestic trust for U.S. federal income tax purposes.

The U.S. federal income tax treatment of a partner in an entity or arrangement treated as a partnership for U.S. federal income tax purposes that holds the Notes will depend on the status of the partner and the activities of the partnership. Prospective purchasers that are entities or arrangements treated as partnerships for U.S. federal income tax purposes and their partners should consult their tax advisors concerning the U.S. federal income tax consequences to them and their partners of the acquisition, ownership and disposition of the Notes by the partnership.

This summary is based on the tax laws of the United States, including the Internal Revenue Code of 1986, as amended, its legislative history, existing and proposed regulations thereunder, published rulings and court decisions, as well as on the income tax treaty between the United States and Türkiye (the “**Treaty**”), all as of the date hereof and all subject to change at any time, possibly with retroactive effect.

THE SUMMARY OF U.S. FEDERAL INCOME TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. ALL PROSPECTIVE PURCHASERS SHOULD CONSULT

THEIR TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF ACQUIRING, OWNING, AND DISPOSING OF THE NOTES, INCLUDING THEIR ELIGIBILITY FOR THE BENEFITS OF THE TREATY, THE APPLICABILITY AND EFFECT OF U.S. STATE, LOCAL, NON-U.S. AND OTHER TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.

Characterisation of the Notes

In certain circumstances (including, for example, but not limited to, “Terms and Conditions of the Notes – Redemption and Purchase – Redemption for Taxation Reasons”, “Terms and Conditions of the Notes – Redemption and Purchase – Redemption at the Option of the Issuer (Equity Offering)”, “Terms and Conditions of the Notes – Redemption and Purchase – Redemption at the Option of the Issuer (Premium)”, and “Terms and Conditions of the Notes – Redemption and Purchase – Redemption at the Option of Noteholders (Change of Control)”), the Issuer may redeem or be obligated to redeem the Notes prior to maturity or to pay amounts on the Notes that are in excess of stated interest and/or principal on the Notes. These potential payments may implicate the provisions of U.S. Treasury regulations relating to “contingent payment debt instruments,” but the Issuer does not intend to treat the possibility of such contingent payments on the Notes as subjecting the Notes to the contingent payment debt instrument rules. The Issuer’s determination that the Notes are not subject to the contingent payment debt instrument rules is binding on a U.S. Holder, unless such U.S. Holder discloses its contrary position in the matter required by applicable U.S. Treasury regulations. It is possible that the Internal Revenue Service (“**IRS**”) may take a different position, in which case, if such position is sustained, a U.S. Holder might be required to accrue ordinary interest income at a higher rate than the stated interest rate and to treat as ordinary income rather than capital gain any gain realised on the taxable disposition of the Notes. The remainder of this discussion assumes that the Notes will not be treated as contingent payment debt instruments. U.S. Holders are encouraged to consult their own tax advisors regarding the possible application of the contingent payment debt instrument rules to the Notes.

Payments of Interest

The Notes are expected to be issued with original issue discount (“**OID**”) for U.S. federal income tax purposes. The Notes will be treated as issued without OID if the difference between the principal amount of the Notes and their issue price is less than the product of one-fourth of one percent (0.25%) of their principal amount multiplied by the weighted average maturity of the Notes, as defined by the applicable U.S. Treasury regulations (“**de minimis OID**”), in which case such OID is generally ignored, except as discussed below under “Amortization and De Minimis OID.” However, as described above, the Notes are expected to be issued with OID that is not de minimis OID. The “issue price” of the Notes should generally be the first price at which a substantial amount of the Notes is sold for cash to persons other than bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers. In connection with the issue price determination, the Issuer intends to treat the sale of Existing Notes pursuant to the Tender Offer (and a redemption pursuant to the Early Redemption) and any concurrent acquisition of Notes in this offering as a taxable sale of the Existing Notes for cash and a separate acquisition of Notes for cash, and not as an exchange of the Existing Notes for Notes for U.S. federal income tax purposes. If, however, the sale and purchase were treated as an exchange, and no substantial amount of Notes is treated as issued for new cash (i.e., not as part of an exchange for Existing Notes), the “issue price” of the Notes would likely be determined by reference to the fair market value of the Notes (or, potentially, the Existing Notes) on the date of such exchange. U.S. Holders should consult their own tax advisers regarding the “issue price” determination and any resulting tax consequences. The remainder of this discussion assumes that a substantial amount of the Notes will be treated as issued for cash, and except as noted otherwise, that the Notes are issued with OID that is not de minimis OID.

Payments of stated interest (including any foreign withholding tax imposed on, and any additional amounts paid with respect to, such payments) on a Note will be taxable to a U.S. Holder as ordinary income at the time

it is received or accrued, depending on such holder's method of accounting for U.S. federal income tax purposes. Interest paid by the Issuer on the Notes constitutes income from sources outside the United States.

In the event the Notes are issued with OID, U.S. Holders of the Notes generally will be required to include such OID in gross income (as ordinary income) for U.S. federal income tax purposes on an annual basis under a constant yield accrual method regardless of their regular method of accounting for U.S. federal income tax purposes. As a result, U.S. Holders generally will include any OID in income in advance of the receipt of cash attributable to such income.

The amount of OID includible in income by a U.S. Holder of a Note is the sum of the daily portions of OID with respect to the Note for each day during the taxable year or portion of the taxable year on which the U.S. Holder holds the Note ("**accrued OID**"). The daily portion is determined by allocating to each day in any "accrual period" a pro rata portion of the OID allocable to that accrual period. Accrual periods with respect to a Note may be of any length selected by the U.S. Holder and may vary in length over the term of the Note as long as (i) no accrual period is longer than one year; and (ii) each scheduled payment of interest or principal on the Note occurs on either the final or first day of an accrual period. The amount of OID allocable to an accrual period equals the excess of (a) the product of the Note's adjusted issue price at the beginning of the accrual period and the Note's yield to maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) over (b) the sum of the payments of stated interest on the Note allocable to the accrual period. The "adjusted issue price" of a Note at the beginning of any accrual period is the issue price of the Note increased by the amount of accrued OID for each prior accrual period.

Subject to significant, complex and evolving limitations, a U.S. Holder may be entitled to a credit against its U.S. federal income tax liability, or a deduction in computing its U.S. federal taxable income, for any Turkish income taxes withheld. Interest (including OID) generally will constitute income from sources outside the United States and "passive category income" for purposes of the foreign tax credit rules. The rules governing foreign tax credits are complex. Accordingly, prospective purchasers should consult their tax advisors concerning the foreign tax credit and deductibility implications of Turkish withholding taxes.

Amortization Payments and De Minimis OID

In the event the Notes are issued with de minimis OID, a U.S. Holder must include such de minimis OID in income upon receipt of payments of stated principal on the Notes pursuant to the amortization schedule. The includible amount with respect to each payment will be equal to the product of the total amount of the Note's de minimis OID and a fraction, the numerator of which is the amount of the principal payment made and the denominator of which is the stated principal amount of the Note immediately prior to such payment. Any amount of de minimis OID includible in income under the preceding sentence is treated as an amount received in retirement of the debt instrument and thus as capital gain.

Sale or Retirement of the Notes

A U.S. Holder generally will recognize gain or loss on the sale or retirement of a Note equal to the difference between the amount realized on the sale or retirement and the U.S. Holder's adjusted tax basis of the Note. A U.S. Holder's adjusted tax basis in a Note generally will be its U.S. dollar cost reduced by the amount of any payments received (including payments of principal pursuant to the amortization schedule) that are not qualified stated interest payments, and increased by any OID previously included in income by the U.S. Holder and, if the Note was issued with de minimis OID likely increased by the amount of de minimis OID included in the U.S. Holder's income. The amount realized does not include the amount attributable to accrued but unpaid interest, which will be taxable as interest income to the extent not previously included in income.

Gain or loss recognized by a U.S. Holder on the sale or retirement of a Note will be capital gain or loss and will be long-term capital gain or loss if the Note was held by the U.S. Holder for more than one year. Non-corporate U.S. Holders generally are subject to tax on long-term capital gains at reduced rates. The deductibility of capital losses is subject to limitations.

Gain or loss realized by a U.S. Holder on the sale or retirement of a Note generally will be U.S. source. Therefore, a U.S. Holder may have insufficient foreign source income to utilize foreign tax credits attributable to any foreign (including Turkish) tax imposed on the sale or disposition. See “—*Certain Turkish Tax Considerations*.” The rules governing foreign tax credits are complex and there are significant limitations on the credibility of foreign taxes imposed on disposition gains. Prospective purchasers should consult their tax advisors U.S. federal income tax consequences (including creditability, deductibility and determination of the amount realized and any applicable limitations) of foreign taxes imposed in connection with the sale or retirement of the Notes.

Backup Withholding and Information Reporting

Payments of principal and interest (including accrued OID, if any) on, and the proceeds of the sale or retirement of the Notes by a U.S. or U.S. connected paying agent or other U.S. or U.S.-connected intermediary will be reported to the IRS and to the U.S. Holder as may be required under applicable U.S. Treasury regulations. Backup withholding may apply to these payments if the U.S. Holder fails to provide an accurate taxpayer identification number or certification of exempt status or fails to comply with applicable certification requirements. Certain U.S. Holders are not subject to backup withholding. U.S. Holders should consult their tax advisors about these rules and any other reporting obligations that may apply to the ownership or disposition of the Notes, including requirements related to the holding of certain specified foreign financial assets.

Turkish Tax Considerations

The withholding tax rate on interest payments in respect of bonds issued by Turkish entities outside of Türkiye varies depending on the original maturity of such bonds as specified under the Tax Decrees. Pursuant to the Tax Decrees, (i) with respect to bonds with a maturity of less than one year, the withholding tax rate on interest is 7%, (ii) with respect to bonds with a maturity of at least one and less than three years, the withholding tax rate on interest is 3%, and (iii) with respect to bonds with a maturity of three years and more, the withholding tax rate on interest is 0%. Accordingly, the withholding tax rate on interest on the Notes is 0%.

Certain Turkish Tax Considerations

The following discussion is a summary of certain Turkish tax considerations relating to an investment by a person who is a non-resident of Türkiye in Notes of a Turkish company issued abroad. The discussion is based upon current law and is for general information only. The discussion below is not intended to constitute a complete analysis of all tax consequences relating to the acquisition, ownership or disposition of the Notes that may be relevant to a decision to make an investment in the Notes. Furthermore, the discussion only relates to the investment by a person where the Notes will not be held in connection with the conduct of a trade or business through a permanent establishment in Türkiye. Each investor should consult its own tax advisors concerning the tax considerations applicable to its particular situation. This discussion is based upon laws and relevant interpretations thereof in effect as of the date of this Prospectus, all of which are subject to change, possibly with retroactive effect. In addition, it does not describe any tax consequences: (a) arising under the laws of any taxing jurisdiction other than Türkiye or (b) applicable to a resident of Türkiye or a permanent establishment in Türkiye that is constituted either by the existence of a fixed place of business or appointment of a permanent representative. This summary does not discuss all of the income tax consequences that may be relevant to an investor in light of such investor's particular circumstances or to investors subject to special rules, such as regulated investment companies, certain financial institutions or insurance companies.

Prospective investors are advised to consult their tax advisors with respect to the tax consequences of the purchase, ownership or disposition of the Notes (or the purchase, ownership or disposition by an owner of beneficial interests therein). References to “resident” herein refer to tax residents of Türkiye and references to “non-resident” herein refer to persons who are not tax residents of Türkiye.

For Turkish tax purposes, a legal entity is a resident of Türkiye if its corporate domicile is in Türkiye or its effective place of management is in Türkiye. A resident legal entity is subject to Turkish taxes on its worldwide income, whereas a non-resident legal entity is only liable to the Turkish taxes for the trading income made through a permanent establishment or for the income sourced in Türkiye otherwise.

An individual is a resident of Türkiye if such individual has established domicile in Türkiye or stays in Türkiye more than six months in a calendar year. On the other hand, foreign individuals who stay in Türkiye for six months or more for a specific job or business or particular purposes that are specified in the Turkish Income Tax Law may not be treated as a resident of Türkiye, depending on the characteristics of the stay. A resident individual is liable for Turkish taxes on his/her worldwide income, whereas a non-resident individual is liable for Turkish tax for the income sourced in Türkiye.

Income from capital investment is sourced in Türkiye when the principal is invested in Türkiye. Capital gain derived from trading income is considered sourced in Türkiye when the activity or transaction generating such income is performed or accounted for in Türkiye, which means that a payment is made in Türkiye, or if the payment is made abroad, it is recorded in the books in Türkiye or apportioned from the profits of the payer or the person on whose behalf the payment is made in Türkiye.

Any withholding tax levied on income derived by a non-resident person is the final tax for the non-resident person and no further declaration is needed. Any other income of a non-resident person sourced in Türkiye that has not been subject to withholding tax will be subject to taxation through declaration unless subject to an exemption.

Interest paid on notes (such as the Notes) issued abroad by Turkish corporates is subject to withholding tax. Through the Decrees, the withholding tax rates are set according to the original maturity of notes issued abroad as follows:

- 7% withholding tax for notes with an initial maturity of less than one year;
- 3% withholding tax for notes with an initial maturity of at least one year and less than three years; and
- 0% withholding tax for notes with an initial maturity of three years and more.

In general, capital gains are not taxed through withholding tax and therefore any capital gain sourced in Türkiye with respect to the Notes may be subject to declaration. However, pursuant to Provisional Article

67 of the Turkish Income Tax Law, as amended by Law No. 6111, special or separate tax returns will not be submitted for capital gains from the notes of a Turkish corporate issued abroad when the income is derived by a non-resident. Therefore, no tax is levied on the non-resident persons on capital gains from such Notes and no declaration is required.

A non-resident holder will not be liable for Turkish estate, inheritance or similar tax with respect to its investment in the Notes, nor will it be liable for any Turkish stamp, registration or similar tax or duty relating thereto.

Reduced Withholding Tax Rates

Under current Turkish laws and regulations, interest payments on notes by an issuer to a non-resident holder will be subject to a withholding tax at a rate between 7% and 0% in Türkiye, as detailed above.

If a double taxation treaty is in effect between Türkiye and the country of the holder of the notes (in some cases, the term “beneficial owner” is used), which provides for the application of a lower withholding tax rate than the local rate to be applied by the corporation, then the lower rate may be applicable. For the application of withholding at a reduced rate that benefits from the provisions of a double taxation treaty concluded between Türkiye and the nation where the investor is a resident, an original copy of the certificate of residence signed by the competent authority is required. In the event the certificate of residence is not delivered prior to the application of withholding tax, then upon the subsequent delivery of the certificate of residence, a refund of the excess tax shall be granted pursuant to the provisions of the relevant double taxation treaty and the Turkish tax legislation.

Value Added Tax (“VAT”)

Note issuances and interest payments on the bonds are exempt from the VAT pursuant to Article 17/4-g of the VAT Law No. 3065, as amended pursuant to the Turkish Tax Bill Regarding Improvement of the Investment Environment Law No. 6728, published in the Official Gazette dated August 9, 2016 and numbered 29796.

TRANSFER RESTRICTIONS

As the following restrictions will apply with respect to the Notes, purchasers of the Notes are advised to consult legal counsel prior to making an offer, resale, pledge or transfer of any of the Notes. References to “Notes” in this section should, as appropriate, be deemed to refer to the Notes themselves and/or beneficial interests therein.

By its purchase of Notes, each purchaser of Notes will be deemed to have acknowledged, represented and agreed with the Joint Bookrunners and the Issuer as follows:

1. the purchaser (a) (i) is a QIB within the meaning of Rule 144A, (ii) is acquiring the Notes for its own account or for the account of such a QIB and (iii) is aware that the sale of the Notes to it is being made in reliance on Rule 144A or (b) is purchasing the Notes outside of the United States in an offshore transaction pursuant to and in accordance with Regulation S;
2. the Notes are being offered only in a transaction not involving any public offering in the United States within the meaning of the Securities Act, and the Notes offered hereby have not been and will not be registered under the Securities Act and may not be reoffered, resold, pledged, or otherwise transferred except pursuant to an exemption from or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable State securities laws;
3. it is purchasing these Notes for its own account, or for one or more investor accounts for which it is acting as a fiduciary or agent, in each case for investment, and not with a view to, or for offer or sale in connection with, any distribution thereof in violation of the Securities Act or any other securities laws, subject to any requirement of law that the disposition of its property or the property of such investor account or accounts be at all times within its or their control and subject to its or their ability to resell such Notes pursuant to Rule 144A, Regulation S or any other available exemption from registration available under the Securities Act;
4. it acknowledges that this Offering Memorandum relates to an offering that is exempt from registration under the Securities Act and may not comply in important respects with SEC rules that would apply to an offering document relating to a public offering of securities;
5. the Restricted Global Certificate and any Restricted Definitive Certificate will bear a legend to the following effect, unless the Issuer determines otherwise in accordance with applicable law:

“THE NOTES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”) OR ANY SECURITIES LAW OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING THE NOTES REPRESENTED HEREBY, AGREES FOR THE BENEFIT OF THE ISSUER THAT THE NOTES REPRESENTED HEREBY MAY BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY IN COMPLIANCE WITH THE SECURITIES ACT AND OTHER APPLICABLE LAWS AND ONLY (1) PURSUANT TO RULE 144A UNDER THE SECURITIES ACT (“**RULE 144A**”) TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER (“**QIB**”) WITHIN THE MEANING OF RULE 144A PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QIB WHOM THE HOLDER HAS INFORMED, IN EACH CASE, THAT THE REOFFER, RESALE, PLEDGE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (2) OUTSIDE OF THE UNITED STATES IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES

ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE), OR (4) TO THE ISSUER OR ITS AFFILIATES.”

6. if it is acquiring any Notes for the account of one or more investor accounts, the purchaser represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account;
7. it acknowledges that neither the Issuer, the Joint Bookrunners nor any person representing the Issuer or the Joint Bookrunners, has made any representation to it with respect to the Issuer or the offer or sale of any of the Notes, other than (in the case of the Issuer) the information contained in this Offering Memorandum, which Offering Memorandum has been delivered to it and upon which it is relying in making an investment decision with respect to the Notes. It acknowledges that the Joint Bookrunners make no representation or warranty as to the accuracy or completeness of this Offering Memorandum;
8. it understands that such Notes have not been and will not be registered under the Securities Act and that, according to Article 15d(ii) of Decree 32, residents in Türkiye will be free to purchase and sell securities and other capital market instruments traded on financial markets abroad, and to transfer funds for the purchase of such securities abroad only through licensed banks or licensed brokerage institutions authorized pursuant to the Banking Law and/or the Capital Markets Law and related legislation;
9. if it is an investor in the European Economic Area, that it represents that it is not a “retail investor.” For the purposes of this paragraph, the expression “retail investor” means a person who is one (or more) of the following:
 - a “retail client” as defined in point (11) of Article 4(1) of MiFID II; or
 - a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II;
10. if it is an investor in the United Kingdom, that it represents that it is not a “retail investor.” For the purposes of this paragraph, the expression “retail investor” means a person who is one (or more) of the following:
 - a “retail client” as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or
 - a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA;
11. it understands that the Issuer, the Joint Bookrunners, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of the acknowledgements, representations or agreements deemed to have been made by it by its purchase of the Notes is no longer accurate, it shall promptly notify the Issuer and the Joint Bookrunners
12. it agrees that it will give to each person to whom it transfers these Notes notice of any restrictions on the transfer of the Notes; and
13. it understands that no action has been taken in any jurisdiction (including the United States) by the Issuer or the Joint Bookrunners that would permit a public offering of the Notes or the possession, circulation or distribution of this Offering Memorandum or any other material relating to the Issuer or

the Notes in any jurisdiction where action for such purpose is required. Consequently, any transfer of the Notes will be subject to the selling restrictions set forth under “*Subscription and Sale.*”

SUBSCRIPTION AND SALE

The Issuer intends to offer the Notes through the Joint Bookrunners and their broker-dealer affiliates, as applicable, named below. Subject to the terms and conditions stated in a subscription agreement dated September 26, 2025 among the Joint Bookrunners and the Issuer (the “**Subscription Agreement**”), each of the Joint Bookrunners has severally (and not jointly or jointly and severally) and subject to the satisfaction of certain conditions agreed to subscribe for the Notes, and the Issuer has agreed to sell to each of the Joint Bookrunners, the principal amount of the Notes set forth opposite each Joint Bookrunner’s name below.

Joint Bookrunner	Principal Amount of Notes
Citigroup Global Markets Limited.....	\$183,334,000
Goldman Sachs International	\$183,333,000
Morgan Stanley & Co. International plc	\$183,333,000
Total	\$550,000,000

The Subscription Agreement provides that the obligations of the Joint Bookrunners to purchase the Notes are subject to approval of legal matters by counsel and to other conditions. The Offering by the Joint Bookrunners is subject to receipt and acceptance of, and the Joint Bookrunners’ right to reject, any order in whole or in part.

We have agreed to indemnify the Joint Bookrunners against certain liabilities, including liabilities under the Securities Act. The Joint Bookrunners are entitled in certain circumstances to be released and discharged from their obligations under the Subscription Agreement prior to the closing of the Offering, including in the event that certain conditions precedent are not delivered or met to their satisfaction on the Issue Date. In this situation, the Offering may not be completed. Investors will have no rights against us or the Joint Bookrunners in respect of any expense incurred or loss suffered in these circumstances.

The Joint Bookrunners initially propose to offer the Notes for resale at the prices indicated on the cover page of this Offering Memorandum. After the initial offering of the Notes, the offering prices and other selling terms of the Notes may, from time to time, be varied by the Joint Bookrunners without notice. The Joint Bookrunners may offer and sell Notes through certain of their affiliates. If a jurisdiction requires that the Offering be made by a licensed broker or dealer and one or more of the Joint Bookrunners is/are or any affiliate of one or more of the Joint Bookrunners is/are a licensed broker or dealer in that jurisdiction, the Offering shall be deemed to be made by such Joint Bookrunner(s) or such affiliate(s) on behalf of the Issuer in such jurisdiction.

Persons who purchase Notes from the Joint Bookrunners may be required to pay stamp duty, taxes and other charges in accordance with the laws and practice of the country of purchase in addition to the offering price set forth on the cover page hereof.

The Conditions will not incorporate, or include any of, or otherwise be subject to, the provisions of the U.S. Trust Indenture Act of 1939, as amended.

It is expected that delivery of the Notes will be made against payment therefor on or about September 30, 2025 which will be five business days (as such term is used for the purposes of Rule 15c6-1 of the U.S. Exchange Act) following the date of the pricing of the Notes (such settlement cycle being referred to as “**T+5**”). Under Rule 15c6-1 of the U.S. Exchange Act, trades in the secondary market generally are required to settle in one business day unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade the Notes on the date of the pricing or the next three succeeding business days will be required, by

virtue of the fact that the Notes initially will settle in T+5, to specify an alternative settlement cycle at the time of any such trades to prevent failed settlement. Purchasers of the Notes who wish to make such trades should consult their own advisors. The Notes will constitute a new class of securities of the Issuer with no established trading market. The Issuer cannot provide any assurances to investors that the prices at which the Notes (or beneficial interests therein) will sell in the market after this Offering of the Notes will not be lower than the initial offering price or that an active trading market for such Notes will develop and continue after this Offering. The Joint Bookrunners have advised the Issuer that they currently intend to make a market in the Notes. However, they are not obligated to do so, and they may discontinue any market-making activities with respect to the Notes at their sole discretion and at any time without notice. In addition, any such market-making activity will be subject to the limits imposed by the Securities Act and the Exchange Act. Applications have been made to admit the Notes to listing on the Official List and to have the Notes admitted to trading on the Global Exchange Market. The Issuer cannot provide any assurances to investors as to the liquidity of or the trading market for the Notes. See *“Risk Factors—Risks Related to the Notes and the Collateral—There is no public trading market for the Notes and an active trading market may not develop or be sustained in the future.”*

In connection with the Offering, the Joint Bookrunners may purchase and sell the Notes in the open market. These transactions may include short sales and purchases on the open market to cover positions created by short sales. Short sales involve the sale by the Joint Bookrunners of a greater principal amount of Notes than they are required to purchase in the Offering. The Joint Bookrunners must close out any short position by purchasing Notes in the open market. A short position is more likely to be created if the Joint Bookrunners are concerned that there may be downward pressure on the price of the Notes in the open market after pricing that could adversely affect investors who purchase in the Offering described in this Offering Memorandum.

Similar to other purchase transactions, the Joint Bookrunners' purchases to cover the syndicate short sales may have the effect of raising or maintaining the market price of the Notes or preventing or retarding a decline in the market price of the Notes. As a result, the price of the Notes may be higher than the price that might otherwise exist in the open market.

Neither the Issuer nor the Joint Bookrunners make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the Notes. In addition, neither the Issuer nor the Joint Bookrunners make any representation that the Joint Bookrunners will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

The Joint Bookrunners and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. The Joint Bookrunners or their respective affiliates may have performed investment banking and advisory services for the Issuer and its affiliates from time to time for which they may have received fees, expenses, reimbursements and/or other compensation. The Joint Bookrunners or their respective affiliates may, from time to time, engage in transactions with and perform advisory and other services for the Issuer and its affiliates in the ordinary course of their business. Certain of the Joint Bookrunners and/or their respective affiliates may have acted and could in the future act as a lender to the Issuer and/or its subsidiaries and/or otherwise participate in transactions with the Issuer and/or its subsidiaries.

In the ordinary course of their various business activities, the Joint Bookrunners and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and/or instruments of the Issuer (including the Notes) or the Issuer's affiliates. In addition, the Joint Bookrunners and/or their respective affiliates hedge any credit exposure to the Issuer pursuant to their customary risk management policies. These

hedging activities could have an adverse effect on the future trading prices of the Notes offered hereby. The Joint Bookrunners and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

SELLING RESTRICTIONS

General

No action has been taken by the Issuer or any of the Joint Bookrunners that would, or is intended to, permit a public offer of the Notes, or possession or distribution of this Offering Memorandum or any other offering or publicity material relating to the Notes in any country or jurisdiction where any such action for that purpose is required.

Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Offering Memorandum nor any other offering material or advertisements in connection with the Notes may be distributed or published, in or from any country or jurisdiction, except in compliance with any applicable rules and regulations of any such country or jurisdiction. This Offering Memorandum does not constitute an offer to purchase or a solicitation of an offer to sell in any jurisdiction where such offer or solicitation would be unlawful. Persons into whose possession this Offering Memorandum comes are advised to inform themselves about, and to observe any restrictions relating to, the Offering, the distribution of this Offering Memorandum and re-sale of the Notes. See “*Transfer Restrictions.*”

United States

The Notes have not been and will not be registered under the Securities Act and, may not be offered or sold within the United States except in certain transactions exempt from the registration requirements of the Securities Act.

The Notes are being offered and sold outside of the United States in reliance on Regulation S. The Subscription Agreement provides that the Joint Bookrunners may directly or through their respective U.S. broker-dealer affiliates arrange for the offer and resale of Notes within the United States only to QIBs in reliance on Rule 144A.

Until 40 days after the commencement of the Offering, any offer or sale Notes within the United States by a dealer (whether or not participating in the Offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A.

Türkiye

THE OFFERING HAS BEEN AUTHORIZED BY THE CMB ON APRIL 30, 2025 THROUGH THE APPROVAL OF THE ISSUANCE CERTIFICATE (*İHRAÇ BELGESİ*) DATED MAY 2, 2025 ONLY FOR THE PURPOSE OF THE SALE OF THE NOTES OUTSIDE OF TÜRKİYE IN ACCORDANCE WITH ARTICLE 11 OF THE CAPITAL MARKETS LAW, ARTICLE 15(b) OF DECREE 32 AND THE COMMUNIQUE ON DEBT INSTRUMENTS. THE NOTES (OR BENEFICIAL INTERESTS THEREIN) MUST BE OFFERED OR SOLD OUTSIDE OF TÜRKİYE AND THE CMB HAS APPROVED THE ISSUANCE CERTIFICATE (*İHRAÇ BELGESİ*); PROVIDED THAT, FOLLOWING THE PRIMARY SALE OF THE NOTES, NO TRANSACTION THAT MAY BE DEEMED AS A SALE OF THE NOTES (OR BENEFICIAL INTERESTS THEREIN) IN TÜRKİYE BY WAY OF PRIVATE PLACEMENT OR PUBLIC OFFERING MAY BE ENGAGED IN.

NOTWITHSTANDING THE FOREGOING, IN ACCORDANCE WITH ARTICLE 15(d)(ii) OF DECREE 32, RESIDENTS OF TÜRKİYE MAY PURCHASE OR SELL NOTES DENOMINATED IN A CURRENCY OTHER THAN TURKISH LIRA (OR BENEFICIAL INTERESTS THEREIN) IN OFFSHORE TRANSACTIONS ON AN UNSOLICITED (REVERSE INQUIRY) BASIS, PROVIDED THAT SUCH PURCHASE OR SALE IS MADE IN THE FINANCIAL MARKETS OUTSIDE OF

TÜRKIYE THROUGH LICENSED BANKS AUTHORIZED BY THE BRSA OR LICENSED BROKERAGE INSTITUTIONS AUTHORIZED PURSUANT TO THE CMB REGULATIONS AND THE PURCHASE PRICE IS TRANSFERRED THROUGH SUCH LICENSED BANKS. AS SUCH, TURKISH RESIDENTS SHOULD USE SUCH BANKS OR LICENSED BROKERAGE INSTITUTIONS WHILE PURCHASING THE NOTES (OR BENEFICIAL INTERESTS THEREIN) AND TRANSFER THE PURCHASE PRICE THROUGH SUCH LICENSED BANKS.

ANY DIRECTED SELLING EFFORTS WITHIN TÜRKIYE IN CONNECTION WITH THE NOTES ARE STRICTLY PROHIBITED. UNDER NO CIRCUMSTANCES, NO FORM OF GENERAL SOLICITATION OR GENERAL ADVERTISING IN CONNECTION WITH ANY OFFER AND SALE OF THE NOTES IN TÜRKIYE IS PERMITTED AND NO ANY DISCLOSURE IN TÜRKIYE IN RELATION TO THE ISSUER, THE NOTES OR THE OFFERING MEMORANDUM MAY BE MADE WITHOUT THE PRIOR CONSENT OF THE ISSUER, SAVE AS MAY BE REQUIRED BY APPLICABLE LAW, COURT ORDER OR REGULATION.

European Economic Area

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU, as amended (“**MiFID II**”); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the “**Insurance Distribution Directive**”) where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; the expression “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

This Offering Memorandum has been prepared on the basis that any offer of Notes in any Member State of the EEA will be made pursuant to an exemption under Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”) from a requirement to publish a prospectus for offers of such securities. This Offering Memorandum is not a prospectus for the purposes of the Prospectus Regulation.

United Kingdom

Prohibition of sales to United Kingdom retail investors

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the “**United Kingdom**” or the “**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “**FSMA**”) and any rules or regulations made under the FSMA to implement Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of UK MiFIR; the expression “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

This Offering Memorandum has been prepared on the basis that any offer of the Notes in the UK will be made pursuant to an exemption under Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA (the “**UK Prospectus Regulation**”) from a requirement to publish a prospectus for offers of Notes. This Offering Memorandum is not a prospectus for the purpose of the UK Prospectus Regulation.

Other United Kingdom regulatory restrictions

No person may communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the Notes other than in circumstances in which Section 21(1) of the FSMA does not apply.

Singapore

Each of the Joint Bookrunners has acknowledged that this Offering Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each of the Joint Bookrunners has represented, warranted and agreed (1) that it has not offered or sold any Notes (2) or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the “SFA”)) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018.

GENERAL INFORMATION

Issuer

The Issuer is a public joint stock company with limited liability (*halka açık anonim şirket*). The Issuer was incorporated on July 6, 1995 in Türkiye under the Denizli Trade Registry (Registration No. 13798) and is domiciled in Denizli/Türkiye.

The Issuer operates under the Electricity Market Law and secondary regulations issued by EMRA (including the Electricity Market Licensing Regulation, Electricity Market Connection and System Usage Regulation, and Electricity Market Balancing and Settlement Regulation).

Clearing Systems

The Notes have been accepted for clearance through DTC, Euroclear and Clearstream, Luxembourg.

The ISIN for the Regulation S Notes is XS306532286 and for the Rule 144A Notes is US054644AB55. The Common Code for the Regulation S Notes is 306532286 and for the Rule 144A Notes is 306066242. The CUSIP number for the Rule 144A Notes is 054644AB5.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels. The address of Clearstream, Luxembourg is Clearstream Banking S.A., 42 Avenue JF Kennedy, L-1855 Luxembourg.

Authorizations

The Issuer has obtained all necessary consents, approvals and authorizations in Türkiye in connection with the issue and performance of the Notes. The issue of the Notes was authorized by resolution of the Board of Directors of the Issuer passed on February 27, 2025.

Listing

Application has been made to Euronext Dublin for the Notes to be admitted to the Official List and to trading on the Global Exchange Market. It is expected that admission of the Notes to the Official List and to trading on the Global Exchange Market will become effective on or about September 30, 2025.

Application has also been made to Euronext Dublin for the Notes to be included on the list of Euronext ESG Bonds.

Listing Agent

Walkers Listing Services Limited is acting solely in its capacity as listing agent for the Issuer in relation to the Notes and is not itself seeking admission of the Notes to the Official List of Euronext Dublin or to trading on the Global Exchange Market.

Material Adverse Change

There has been no significant change in the financial position of the Issuer or of the Group since June 30, 2025 and no material adverse change in the prospects of the Issuer or of the Group since December 31, 2024.

Litigation

Neither the Issuer nor any of its subsidiaries is involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened) which may have, or have had during the 12 months preceding the date of this Offering Memorandum, a significant effect on the financial position or profitability of the Issuer or of the Group.

Material Contracts

Except as disclosed in this Offering Memorandum, the Issuer has not entered into any material contract outside the ordinary course of its business that could result in the Issuer being under an obligation or entitlement that is material to its ability to meet its obligations in respect of the Notes.

Documents on Display

For as long as the Notes are listed on the Official List of Euronext Dublin and admitted to trading on the Global Exchange Market, copies of the following documents will be available in physical form for inspection at the registered office of the Issuer and at the specified offices of the Paying Agent for the time being at One Canada Square, London, E14 5AL, United Kingdom:

- the Articles of Association of the Issuer;
- the consolidated reviewed financial statements of the Issuer in respect of the six months ended June 30, 2024 and 2025, together with the review report in connection therewith;
- the consolidated audited financial statements of the Issuer in respect of the financial years ended December 31, 2022, 2023 and 2024, together with the audit report in connection therewith. The Issuer currently prepares audited consolidated accounts on an annual basis;
- the Trust Deed;
- the Agency Agreement; and
- this Offering Memorandum and any supplements thereto.

Independent Auditors

The consolidated financial statements of Aydem Yenilenebilir Enerji A.S. as of and for years ended December 31, 2022, 2023 and 2024 included in this Offering Memorandum have been audited by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (member of Ernst & Young Global Limited), independent auditors, as stated in their audit reports appearing herein. The Interim Financial Statements of Aydem Yenilenebilir Enerji A.S. as of and for the six month period ended June 30, 2024 included in this Offering Memorandum have been reviewed by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (member of Ernst & Young Global Limited), independent auditors, as stated in their review report appearing herein.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. have applied limited procedures in accordance with professional standards for their review of the Interim Financial Statements. However, their review report dated August 22, 2024, appearing herein states that they did not audit and they do not express an opinion on that the Interim Financial Statements. Accordingly, the degree of reliance on their report on such information should be restricted in light of the limited nature of the review procedures applied.

The address of Güney Bağımsız Denetim Serbest Muhasebecilik ve Mali Müşavirlik A.Ş. (member of Ernst & Young Global Limited) is Maslak Mahallesi Eski Büyükdere Caddesi No 27 Orjin Maslak Daire 54-57-59 Kat 2-3-4 34485 Sarıyer, İstanbul. Güney Bağımsız Denetim Serbest Muhasebecilik ve Mali Müşavirlik A.Ş. is a member of the Chambers of Certified Public Accountants of Türkiye, and is authorized by the Public Oversight, Accounting and Auditing Standards Authority to conduct independent audits of companies in Türkiye.

With respect to the unaudited financial information of Aydem Yenilenebilir Enerji A.S. as at and for the six month period ended June 30, 2025 included in this Offering Memorandum have been reviewed by PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş., independent auditors, as stated in their review report appearing herein. PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. have applied limited procedures in accordance with professional standards for a review of such information. However, their separate report dated August 19, 2025, appearing herein states that they did not audit and they do not express an opinion on that unaudited financial information. Accordingly, the degree of reliance on their report on such information should be restricted in light of the limited nature of the review procedures applied.

The address of PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. is Kılıçlı Paşa Mah. Meclis-i Mebusan Cad. No: 8 Galataport İstanbul D Blok Beyoğlu/İstanbul. PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. is a member of the Chambers of Certified Public Accountants of Türkiye, and is authorized by the Public Oversight, Accounting and Auditing Standards Authority to conduct independent audits of companies in Türkiye.

Conflicts of Interest

There are no potential conflicts of interest between any duties of the members of the administrative, management or supervisory bodies of the Issuer towards the Issuer and their private interests and/or other duties.

Enforcement by the Trustee

The Conditions provide for the Trustee to take action on behalf of the Noteholders in certain circumstances, but only if the Trustee and each Security Agent is indemnified to its satisfaction. It may not be possible for the Trustee to take certain actions in relation to the Notes and accordingly in such circumstances the Trustee will be unable to take action, notwithstanding the provision of an indemnity to it, and it will be for Noteholders to take action directly. See “*Terms and Conditions of the Notes – Trustee and Security Agent.*”

APPENDIX: CONVERSION OF DECEMBER 31, 2022, 2023 AND 2024 AND JUNE 30, 2024 FINANCIAL STATEMENTS

The following tables show the conversion of financial statements for the years ended December 31, 2022, 2023 and 2024 from the purchasing power of the Turkish Lira as of December 31, 2024 to the purchasing power of the Turkish Lira as of June 30, 2025 and the conversion of the interim financial statements for the six months ended June 30, 2024 from the purchasing power of Turkish Lira as of June 30, 2024 to the purchasing power of the Turkish Lira as of June 30, 2025.

The indices and adjustment coefficients used in the conversion to the purchasing power of the Turkish Lira as of June 30, 2025, are as follows:

Date	Index⁽¹⁾	Conversion factor⁽¹⁾
June 30, 2025	3,132.17	
June 30, 2024	2,319.29	1.3505
December 31, 2024	2,684.55	1.1667

Note:

(1) Source: Turkish Statistical Institute.

	Purchasing power of TL as of December 31, 2024		Purchasing power of TL as of June 30, 2025
	December 31, 2024	Conversion factor	December 31, 2024
	<i>(audited)</i>		<i>(unaudited and unreviewed)</i>
	<i>(TL millions)</i>		<i>(TL millions)</i>
Assets			
Current Assets.....	6,818	1.1667	7,954
Cash and cash equivalents.....	1,745	1.1667	2,035
Financial investments.....	1,629	1.1667	1,900
Trade receivables	3,162	1.1667	3,689
<i>Due from related parties.....</i>	<i>3,132</i>	<i>1.1667</i>	<i>3,654</i>
<i>Due from third parties.....</i>	<i>30</i>	<i>1.1667</i>	<i>35</i>
Other receivables	155	1.1667	181
<i>Due from related parties.....</i>	<i>110</i>	<i>1.1667</i>	<i>128</i>
<i>Due from third parties.....</i>	<i>45</i>	<i>1.1667</i>	<i>53</i>
Inventories	20	1.1667	24

	Purchasing power of TL as of December 31, 2024		Purchasing power of TL as of June 30, 2025
	December 31, 2024	Conversion factor	December 31, 2024
	(audited)		(unaudited and unreviewed)
	(TL millions)		(TL millions)
Prepaid expenses	107	1.1667	125
Other current assets.....	—	1.1667	—
Non-Current Assets	49,604	1.1667	57,875
Other receivables	5	1.1667	6
<i>Due from third parties.....</i>	<i>5</i>	<i>1.1667</i>	<i>6</i>
Property, plant and equipment	46,554	1.1667	54,316
Right of use assets.....	335	1.1667	391
Intangible assets.....	2,384	1.1667	2,782
Investment properties.....	—	1.1667	—
Prepaid expenses	288	1.1667	336
Other non-current assets.....	37	1.1667	43
Total Assets	56,422	1.1667	65,829
Liabilities			
Short-term liabilities.....	6,823	1.1667	7,961
Short-term portion of long-term financial liabilities.....	6,338	1.1667	7,395
Lease liabilities	32	1.1667	38
Trade payables	229	1.1667	268
<i>Due to related parties</i>	<i>42</i>	<i>1.1667</i>	<i>49</i>
<i>Due to third parties.....</i>	<i>187</i>	<i>1.1667</i>	<i>218</i>
Liabilities for employee benefits.....	13	1.1667	15
Other payables	—	1.1667	—
<i>Due to related parties</i>	<i>—</i>	<i>1.1667</i>	<i>—</i>
<i>Due to third parties.....</i>	<i>—</i>	<i>1.1667</i>	<i>—</i>
Current provisions.....	103	1.1667	120
<i>Provisions for employee benefits</i>	<i>87</i>	<i>1.1667</i>	<i>102</i>
<i>Other short-term provisions</i>	<i>16</i>	<i>1.1667</i>	<i>18</i>
Other current liabilities	108	1.1667	126
Long-term liabilities.....	22,233	1.1667	25,940
Financial liabilities.....	17,959	1.1667	20,953
Lease liabilities	42	1.1667	49
Other payables	—	1.1667	—

	Purchasing power of TL as of December 31, 2024		Purchasing power of TL as of June 30, 2025
	December 31, 2024	Conversion factor	December 31, 2024
	(audited)		(unaudited and unreviewed)
	(TL millions)		(TL millions)
<i>Due to related parties</i>	—	1.1667	—
Non-current provisions	89	1.1667	103
<i>Provisions for employee benefits</i>	89	1.1667	103
Deferred tax liabilities.....	4,144	1.1667	4,834
Total Liabilities	29,056	1.1667	33,901
Equity			
Paid-in capital	705	1.1667	823
Adjustment to share capital.....	6,561	1.1667	7,655
Share premiums	762	1.1667	889
Treasury shares	(169)	1.1667	(197)
Restricted reserves	238	1.1667	278
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods	101	1.1667	118
<i>Gains on revaluation of property, plant and equipment</i>	196	1.1667	229
<i>Actuarial losses on defined benefit plans</i>	(95)	1.1667	(111)
Other comprehensive income that may be reclassified to loss or profit it subsequent periods	(17,731)	1.1667	(20,687)
<i>Reserve of losses on cash flow hedge</i>	(17,731)	1.1667	(20,687)
Retained earnings.....	48,669	1.1667	56,784
Net profit/(loss) for the period	(11,770)	1.1667	(13,733)
Total Equity	27,365	1.1667	31,928
Total Equity and Liabilities	56,422	1.1667	65,829

	Purchasing power of TL as of June 30, 2024		Purchasing power of TL as of June 30, 2025
	January 1 – June 30, 2024	Conversion factor	January 1 – June 30, 2024
	(unaudited)		(unaudited and unreviewed)
	(TL millions)		(TL millions)
Revenue	3,498	1.3505	4,724
Cost of sales.....	(2,225)	1.3505	(3,005)
Gross profit	1,273	1.3505	1,719
General administrative expenses.....	(230)	1.3505	(311)
Other operating income	438	1.3505	591
Other operating expenses.....	(2)	1.3505	(2)
Operating profit	1,479	1.3505	1,997
Income from investing activities.....	6	1.3505	8
Expense from investing activities	(334)	1.3505	(452)
(Loss)/profit before finance income/(expense)	1,150	1.3505	1,553
Finance income.....	427	1.3505	576
Finance expense.....	(3,512)	1.3505	(4,744)
Gains on net monetary position	4,050	1.3505	5,469
Gain before tax	2,114	1.3505	2,854
Tax income	837	1.3505	1,131
Deferred tax income	837	1.3505	1,131
Net profit for the period	2,951	1.3505	3,985

	Purchasing power of TL as of June 30, 2024		Purchasing power of TL as of June 30, 2025
	January 1 – June 30, 2024	Conversion factor	January 1 – June 30, 2024
	(unaudited)		(unaudited and unreviewed)
	(TL millions)		(TL millions)
Revenue	3,498	1.3505	4,724
<i>FiT</i>	1,230	1.3505	1,661

	Purchasing power of TL as of June 30, 2024		Purchasing power of TL as of June 30, 2025
	January 1 – June 30, 2024	Conversion factor	January 1 – June 30, 2024
	<i>(unaudited)</i>		<i>(unaudited and unreviewed)</i>
	<i>(TL millions)</i>		<i>(TL millions)</i>
<i>Non-FiT</i>	2,268	1.3505	3,063
Cash flow from operating activities	2,686	1.3505	3,628
Adjustment related to amortization and depreciation.....	1,309	1.3505	1,768
Adjustment related to unrealized foreign exchange loss.....	2,515	1.3505	3,397
Cash flow from investing activities	(179)	1.3505	(242)
Cash flow from financing activities	(906)	1.3505	(1,224)
Net increase/ in cash and cash equivalents	1,601	1.3505	2,162
Effect of net monetary position differences gains/(losses) on cash and cash equivalents	(443)	1.3505	(597)
Cash and cash equivalents at the beginning of the period.....	1,738	1.3505	2,347
Cash and cash equivalents at the end of the period	2,897	1.3505	3,912

	Purchasing power of TL as of June 30, 2024		Purchasing power of TL as of June 30, 2025
	January 1 - June 30, 2024	Conversion factor	January 1 - June 30, 2024
	<i>(unaudited)</i>		<i>(unaudited and unreviewed)</i>
	<i>(TL millions)</i>		<i>(TL millions)</i>
EBITDA	2,788	1.3505	3,765
Non-Trading EBITDA.....	2,788	1.3505	3,765
EBITDA Margin(%).....	80%	1.3505	80%
Gross Debt	22,482	1.3505	N/A
Capital Expenditure	259	1.3505	350
Net Working Capital.....	2,088	1.3505	2,820

	Purchasing power of TL as of June 30, 2024		Purchasing power of TL as of June 30, 2025
	January 1 - June 30, 2024	Conversion factor	January 1 - June 30, 2024
	(unaudited)		(unaudited and unreviewed)
	(TL millions)		(TL millions)
Revenue	3,498	1.3505	4,724
Cost of sales.....	(2,225)	1.3505	(3,005)
Gross profit	1,273	1.3505	1,719
General administrative expenses.....	(230)	1.3505	(311)
Other operating income	438	1.3505	591
Other operating expenses.....	(2)	1.3505	(2)
Operating profit	1,479	1.3505	1,997
Depreciation and amortization expenses.....	1,309	1.3505	1,768
EBITDA	2,788	1.3505	3,765

	Purchasing power of TL as of June 30, 2024		Purchasing power of TL as of June 30, 2025
	January 1 - June 30, 2024	Conversion factor	January 1 - June 30, 2024
	(unaudited)		(unaudited and unreviewed)
	(TL millions)		(TL millions)
Revenue	3,498	1.3505	4,724
Depreciation and amortization expenses.....	1,309	1.3505	1,768
Other operating income	438	1.3505	591
Cost of sales.....	(2,225)	1.3505	(3,005)
General administrative expenses.....	(230)	1.3505	(311)
Other operating expenses.....	(2)	1.3505	(2)
Electricity Proprietary Trading EBITDA.....	—	1.3505	—
Non-Trading EBITDA	2,788	1.3505	3,765

	Purchasing power of TL as of June 30, 2024
	January 1 - June 30, 2024
	<i>(unaudited)</i>
	<i>(TL millions)</i>
Short-term portion of long-term financial liabilities	3,771
Long-term financial liabilities	18,711
Gross Debt	22,482

	Purchasing power of TL as of June 30, 2024		Purchasing power of TL as of June 30, 2025
	January 1 - June 30, 2024	Conversion factor	January 1 - June 30, 2024
	<i>(unaudited)</i>		<i>(unaudited and unreviewed)</i>
	<i>(TL millions)</i>		<i>(TL millions)</i>
Outflows related to the purchase of tangible and intangible assets.....	259	1.3505	349
Capital Expenditure	259	1.3505	349

	Purchasing power of TL as of June 30, 2024		Purchasing power of TL as of June 30, 2025
	January 1 - June 30, 2024	Conversion factor	January 1 - June 30, 2024
	<i>(unaudited)</i>		<i>(unaudited and unreviewed)</i>
	<i>(TL millions)</i>		<i>(TL millions)</i>
Trade receivables	2,366	1.3505	3,195
Other receivables	125	1.3505	169
Inventory	26	1.3505	35
Prepaid expenses.....	139	1.3505	188
Other current assets	—	1.3505	—
Lease liabilities	(27)	1.3505	(36)

	Purchasing power of TL as of June 30, 2024		Purchasing power of TL as of June 30, 2025
	January 1 - June 30, 2024	Conversion factor	January 1 - June 30, 2024
	(unaudited)		(unaudited and unreviewed)
	(TL millions)		(TL millions)
Short-term trade payables	(298)	1.3505	(402)
Liabilities for employee benefits	(19)	1.3505	(26)
Other payables	(1)	1.3505	(1)
Current provisions	(60)	1.3505	(81)
Other current liabilities	(163)	1.3505	(220)
Net Working Capital	2,088	1.3505	2,820

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**Aydem Yenilenebilir Enerji
Anonim Şirketi and Its Subsidiaries**

**Interim Consolidated Financial Statements
For the Period Ended 30 June 2025
and Independent Auditor's Review Report**



REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS

To the General Assembly of Aydem Yenilenebilir Enerji Anonim Şirketi

Introduction

We have reviewed the accompanying consolidated interim statement of financial position of Aydem Yenilenebilir Enerji Anonim Şirketi (the “Company”) and its subsidiaries (collectively referred to as the “Group”) as at 30 June 2025 and the related consolidated interim statements of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and notes, comprising material accounting policy information and other explanatory information. The management of the Group is responsible for the preparation and fair presentation of these consolidated interim financial statements in accordance with Turkish Accounting Standard 34 (“TAS 34”) “Interim Financial Reporting”. Our responsibility is to express a conclusion on these consolidated interim financial statements based on our review.

Scope of review

We conducted our review in accordance with the Standard on Review Engagements (“SRE”) 2410, “Review of interim financial information performed by the independent auditor of the entity”. A review of consolidated interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements do not give a true and fair view of the financial position of Aydem Yenilenebilir Enerji Anonim Şirketi as at 30 June 2025, and its financial performance and cash flows for the six-month period then ended in accordance with TAS 34.

PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.

Kılıçali Paşa Mah. Meclis-i Mebusan Cad. No:8 İç Kapı No:301 Beyoğlu/İstanbul

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Mersis Numaramız: 0-1460-0224-0500015



Other matter

The consolidated financial statements of the Group for the year ended 31 December 2024 were audited by another firm of auditors whose report, dated 11 March 2025, expressed an unmodified opinion on those statements.

The consolidated interim financial information of the Group for the six-month period then ended 30 June 2024 was reviewed by another firm of auditors whose report, dated 22 August 2024, expressed an unmodified conclusion on that financial information.

PwC Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.

A handwritten signature in blue ink, appearing to read 'Çağlar Sürücü'.

Çağlar Sürücü, SMMM
Independent Auditor

Istanbul, 19 August 2025

Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries

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Interim consolidated statement of financial position as at 30 June 2025

(Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of June 30, 2025, unless otherwise indicated.)

		Reviewed	Audited
	Notes	30 June 2025	31 December 2024
ASSETS			
Current assets:			
Cash and cash equivalents	3	872,220,111	2,035,489,292
Financial investments	27	1,767,439,126	1,900,246,529
Trade receivables		3,241,645,605	3,688,837,190
- Due from related parties	5	591,145,365	3,653,824,014
- Due from third parties	6	2,650,500,240	35,013,176
Other receivables		176,532,020	180,923,613
- Due from related parties	5	129,713,252	128,069,361
- Due from third parties	7	46,818,768	52,854,252
Inventories	8	26,352,802	23,808,137
Prepaid expenses	26	164,924,435	124,928,882
Other current assets	13.1	32,678	182,997
Total current assets		6,249,146,777	7,954,416,640
Non-current assets:			
Other receivables		5,386,149	6,296,501
- Due from third parties	7	5,386,149	6,296,501
Property, plant and equipment	9.1	53,273,285,382	54,316,056,019
Right of use assets	9.2	364,948,647	391,418,379
Intangible assets	10	2,743,693,006	2,781,763,047
Prepaid expenses	26	339,472,223	336,283,517
Other non-current assets	13.2	28,809,909	43,021,864
Total non-current assets		56,755,595,316	57,874,839,327
Total assets		63,004,742,093	65,829,255,967

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

Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries
Interim consolidated statement of financial position as at 30 June 2025

(Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of June 30, 2025, unless otherwise indicated.)

		Reviewed	Audited
	Notes	30 June 2025	31 December 2024
LIABILITIES			
Current liabilities:			
Short-term portion of long-term financial liabilities	23.1	6,935,382,665	7,394,580,067
Lease liabilities	23.2	28,102,646	37,604,240
Trade payables		236,988,353	267,709,139
- Due to related parties	5	39,399,129	49,262,618
- Due to third parties	6	197,589,224	218,446,521
Liabilities for employee benefits	12	51,433,543	14,607,647
Other payables		8,575,623	276,214
- Due to related third parties	7	8,336,426	-
- Due to third parties		239,197	276,214
Current provisions		100,123,218	119,829,347
- Provisions for employee benefits	11.1	81,707,740	101,744,148
- Other short-term provisions	11.1	18,415,478	18,085,199
Other current liabilities	13.3	133,510,327	126,439,174
Total current liabilities		7,494,116,375	7,961,045,828
Non-current liabilities:			
Financial liabilities	23.1	17,744,361,439	20,953,234,575
Lease liabilities	23.2	39,356,411	49,361,675
Non-current provisions		179,326,830	103,261,640
- Provisions for employee benefits	11.4	179,326,830	103,261,640
Deferred tax liabilities	22	4,868,376,672	4,834,440,795
Total non-current liabilities		22,831,421,352	25,940,298,685
Total liabilities		30,325,537,727	33,901,344,513

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

Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries
Interim consolidated statement of financial position as at 30 June 2025

(Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of June 30, 2025, unless otherwise indicated.)

		Reviewed	Audited
	Notes	30 June 2025	31 December 2024
EQUITY			
Equity attributable to holders of the parent:			
Paid-in capital	14	705,000,000	705,000,000
Adjustment to share capital	14	7,772,490,100	7,772,490,100
Share premiums	14	888,688,995	888,688,995
Treasury shares	14	(197,402,258)	(197,402,258)
Restricted reserves	14	277,628,803	277,628,803
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods		82,441,071	117,699,428
- <i>Gains on revaluation of property, plant and equipment</i>		221,274,938	228,753,041
- <i>Actuarial losses on defined benefit plans</i>		(138,833,867)	(111,053,613)
Other comprehensive income that may be reclassified to loss or profit in subsequent periods		(20,041,345,710)	(20,686,915,214)
- <i>Reserve of losses on cash flow hedge</i>		(20,041,345,710)	(20,686,915,214)
Retained earnings		43,058,199,703	56,783,567,994
Net profit/(loss) for the period		133,503,662	(13,732,846,394)
Equity attributable to equity holders of the parent		32,679,204,366	31,927,911,454
Total equity		32,679,204,366	31,927,911,454
Total equity and liabilities		63,004,742,093	65,829,255,967

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

Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries

Interim consolidated statement of profit or loss and other comprehensive income for the six-months period ended 30 June 2025

(Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of June 30, 2025, unless otherwise indicated.)

		Reviewed	Unaudited	Reviewed	Unaudited
	Notes	1 January – 30 June 2025	1 April – 30 June 2025	1 January – 30 June 2024	1 April – 30 June 2024
LOSS OR PROFIT STATEMENT					
Revenue	15	5,844,429,432	2,146,030,992	4,723,760,453	2,219,991,613
Cost of sales	16	(4,282,410,276)	(1,206,433,303)	(3,005,068,531)	(1,494,826,378)
Gross profit		1,562,019,156	939,597,689	1,718,691,922	725,165,235
General administrative expenses	17	(416,331,196)	(197,724,111)	(310,779,955)	(123,747,041)
Other operating income	19	213,562,820	10,851,598	591,464,422	194,446,893
Other operating expenses	19	(20,174,316)	(11,397,175)	(2,465,308)	(1,554,307)
Operating profit		1,339,076,464	741,328,001	1,996,911,081	794,310,780
Income from investing activities	21	110,194,243	57,026,421	7,657,471	4,348,563
Expense from investing activities	21	-	-	(451,715,517)	(451,254,949)
Profit before finance income/(expense)		1,449,270,707	798,354,422	1,552,853,035	347,404,394
Finance income	20	268,383,810	119,072,758	575,994,542	213,980,406
Finance expenses	20	(4,884,252,083)	(2,333,218,421)	(4,743,572,046)	(1,571,340,581)
Gains/(losses) on net monetary position	28	3,128,107,355	1,180,295,141	5,469,068,196	1,913,961,347
Gain/(loss) before tax		(38,490,211)	(235,496,100)	2,854,343,727	904,005,566
Tax income/(expense)		171,993,873	198,147,969	1,130,888,204	2,132,269,970
- Deferred tax income/(expenses)	22	171,993,873	198,147,969	1,130,888,204	2,132,269,970
Net profit/(loss) for the period		133,503,662	(37,348,131)	3,985,231,931	3,036,275,536
Gain attributable to					
Equity holders of the parent		133,503,662	(37,348,131)	3,985,231,931	3,036,275,536
Gain/(loss) earnings per share					
- Gain/(loss) earnings per share	25	0.19	(0.05)	5.70	4.34
OTHER COMPREHENSIVE INCOME/(LOSS) STATEMENT					
Other comprehensive income/(loss) that will not be reclassified to profit or loss		(27,780,254)	(25,108,873)	(36,187,274)	(16,886,990)
- Actuarial losses on defined benefit plans	11.4	(37,040,339)	(33,478,497)	(48,249,699)	(22,515,987)
- Total tax on remeasurement losses on defined benefit plans		9,260,085	8,369,624	12,062,425	5,628,997
Other comprehensive income/(loss) that will be reclassified to profit or loss		645,569,504	407,321,089	(125,145,228)	234,382,652
- Reserve of gains or losses on cash flow hedge	23.1	860,759,339	543,094,786	(166,860,304)	312,510,203
- Tax related to other comprehensive income that will be reclassified to profit or loss		(215,189,835)	(135,773,697)	41,715,076	(78,127,551)
Other comprehensive income/(loss)		617,789,250	382,212,216	(161,332,502)	217,495,662
Total comprehensive income/(loss)		751,292,912	344,864,085	3,823,899,429	3,253,771,198

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

Interim consolidated statement changes in equity for the six-months period ended 30 June 2025

	Other comprehensive income that will not be reclassified to (loss) or profit	Other comprehensive income that will be reclassified to (loss) or profit

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Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries

Interim consolidated statement of cash flows for the six-months period ended 30 June 2025

(Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of June 30, 2025, unless otherwise indicated.)

		Reviewed 1 January- 30 June 2025	Reviewed 1 January- 30 June 2024
	Notes		
A, CASH FLOWS FROM OPERATING ACTIVITIES		2,967,602,584	3,627,908,937
Net profit for the period		133,503,662	3,985,231,931
Net profit for the period adjustment to reconcile		2,021,309,424	(1,102,057,091)
Adjustment related to amortization and depreciation	9, 10	1,240,317,559	1,768,452,332
Adjustment related to other provisions	6	(29,538)	(31,933)
Adjustment related to provisions for employee benefits	11	60,602,186	24,097,581
Adjustment related to provisions for litigations		3,089,839	(3,817,650)
Adjustment related to income of interest	20, 21	(78,333,288)	(292,778,492)
Adjustment related to expense of interest	23	979,396,451	1,327,283,760
Adjustment related to tax income / expense	22	(171,993,873)	(1,130,888,204)
Adjustment related to unrealized foreign exchange loss	23.1	3,878,977,711	3,396,668,453
Adjustment related to losses arising from disposal of fixed assets		-	451,115,038
Adjustment to related party to interest income / expense from related parties	20	(98,626,266)	(39,937,619)
Adjustments related to fair value gain		(10,598,167)	-
Other Adjustments related to (profit)/loss reconciliation		-	248,178
Monetary (gains)/losses on net monetary position		(3,781,493,190)	(6,602,468,535)
Changes in working capital		877,977,930	787,072,518
Increase/decrease in financial investments		275,089,636	(94,833,528)
Increase/decrease in trade receivables from third parties		(2,615,457,526)	(60,340,022)
Increase/decrease in trade receivables from related parties		3,161,304,915	276,338,192
Increase/decrease in other receivables		(23,520,040)	903,867,269
Increase/decrease in inventories		(2,544,665)	527,418
Increase/decrease in trade payables to third parties		(20,857,297)	(274,882,558)
Increase/decrease in trade payables to related parties		(9,863,489)	(2,138,178)
Increase/decrease in other liabilities		15,370,562	32,141,663
Increase/decrease in liabilities for employee benefits		98,455,834	6,392,262
Payments related to provisions for employee benefits		(65,188,432)	(42,338,421)
B, CASH FLOWS FROM INVESTING ACTIVITIES		(329,289,317)	(241,354,190)
Interest received		78,333,288	306,236,366
Inflow related to sales of tangible assets	9, 21	1,246,450	135,747,937
Outflow related to purchase of tangible and intangible assets		(123,438,944)	(349,584,757)
Cash inflows arising from disposal of shares or debt instruments of other businesses or funds		7,273,423,416	233,907,418
Cash outflows arising from acquisition of shares or debt instruments of other businesses or funds		(7,558,853,527)	(567,661,154)
C, CASH FLOWS FROM FINANCING ACTIVITIES		(3,667,718,476)	(1,224,089,307)
Cash outflow for borrowings	23.1	(2,618,487,455)	-
Cash outflow related to lease liabilities	23.2	(34,567,132)	(28,463,821)
Interest paid	23.1	(1,014,663,889)	(1,195,625,486)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		(1,029,405,209)	2,162,465,440
D, EFFECT OF NET MONETARY POSITION DIFFERENCES GAINS (LOSSES) ON CASH AND CASH EQUIVALENTS		(133,863,972)	(597,851,703)
E, CASH AND CASH EQUIVALENTS BEGINNING OF PERIOD		2,035,489,292	2,347,127,406
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E)		872,220,111	3,911,741,143

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

Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries

Notes to the interim consolidated financial statements for the six-month period ended 30 June 2025

(Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of June 30, 2025, unless otherwise indicated.)

1 Organization and nature of operations of the Group

Aydem Yenilenebilir Enerji Anonim Şirketi ("Aydem Yenilenebilir" or "the Company") was established on 6 July 1995 as Bereket Enerji Üretim Otoprodüktör Grubu Sanayi ve Ticaret Anonim Şirketi. The Company first changed its corporate name to Bereket Enerji Üretim Anonim Şirketi on 21 May 2004 and then on 27 December 2019, the Company changed again its corporate name to Aydem Yenilenebilir Enerji Anonim Şirketi. In 2019, the Company has been restructured in a way that it operates solely in renewable energy generation business. In relation to the restructuring process, Aydem Yenilenebilir has merged with all of its subsidiaries which are operating in renewable energy generation business and disposed the non-relevant operations and subsidiaries and became a pure renewable energy generation Company, the shares of the Company has started to be traded on Borsa Istanbul as of 29 April 2021.

In these consolidated financial statements, Aydem Yenilenebilir, its subsidiaries and its associate are referred to together as "the Group".

Aydem Yenilenebilir generates electricity from local renewable sources. The Group installed its first hydroelectric power plant ("HPP") on the Bereket Çayı stream and continues to generate electricity with hydro, wind ("WPP"), solar power plant ("SPP") and geothermal ("GPP") in different regions of the country.

The address of the registered office of the Company is as follows:

Adalet Mah, Hasan Gönüllü Bulvarı No:15/1 Merkezefendi, Denizli,

As of 30 June 2025, and 31 December 2024, the Group's subsidiaries ("subsidiaries") and their main business activities are as follows:

Subsidiaries	Location	Main Activities	Ownership Percentage	
			30 June 2025	31 December 2024
Ey-Tur Enerji Elektrik Üretim ve Ticaret Ltd, Şti, ("Ey-tur") /HPP	Kağızman/Kars	Electricity generation by hydropower	100%	100%
Başat Elektrik Üretim ve Ticaret Ltd, Şti, ("Başat") / HPP	Üzümlü/Erzincan	Electricity generation by hydropower	100%	100%
Sarı Perakende Enerji Satış ve Ticaret A.Ş., ("Sarı Perakende")	İzmir	Trading of electricity	100%	100%
Akköprü Yenilenebilir Enerji A.Ş., ("Akköprü HPP")	Muğla	Electricity generation by hydropower	100%	100%

Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries

Notes to the interim consolidated financial statements for the six-month period ended 30 June 2025

(Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of June 30, 2025, unless otherwise indicated.)

1 Organization and nature of operations of the Group (*continued*)

As of 30 June 2025, and 31 December 2024, the number of employees of the Company and its subsidiaries and its associate are as shown in the table below:

The Company and its subsidiaries	30 June 2025	31 December 2024
Aydem Yenilenebilir	550	553
Sarı Perakende	-	-
Ey-Tur	-	-
Başat	-	-
Akköprü	-	-
Total	550	553

Laws and regulations affecting the business activities

The Group is subject to the regulation and board decisions communiques issued by the Energy Market Regulatory Authority (EMRA) and obliged to carry out electricity generation and sales activities in accordance with the Electricity Market Law No. 6446 dated 14 March 2013 which entered into force with the Official Gazette No.28603 dated 30 March 2013.

List of shareholders

As of 30 June 2025, and 31 December 2024, the composition of shareholders and their respective percentage of ownership can be summarized as follows:

Shareholders	30 June 2025		31 December 2024	
	TL	%	TL	%
Aydem Enerji Yatırımları A.Ş.*	574,975,680	81.56	574,975,680	81.56
Publicly traded	130,000,000	18.44	130,000,000	18.44
Others	24,320	0.00	24,320	0.00
Total paid in capital	705,000,000	100	705,000,000	100
Adjustment to share capital **	7,772,490,100		7,772,490,100	
Total capital	8,477,490,100		8,477,490,100	

* Aydem Enerji Yatırımları A.Ş. is controlled by Aydem Holding A.Ş.

** Adjustment to share capital represents the restatement effect of cash and cash equivalent contributions to share capital restated for the effects of inflation. Adjustment to share capital is not available for any other use except to be added to share capital.

As of 29 April 2021, the Company started to be traded on Borsa Istanbul - Star Market.

Approval of consolidated financial statements:

Consolidated financial statements prepared as of 30 June 2025 were approved for publication by the Board of Directors on 19 August 2025. The General Assembly have the right to amend the consolidated financial statements.

Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries

Notes to the interim consolidated financial statements for the six-month period ended 30 June 2025

(Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of June 30, 2025, unless otherwise indicated.)

2 Basis of presentation of consolidated financial statements

2.1 Basic principles of presentation

The accompanying consolidated 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 consolidated financial statements have been prepared in accordance with Turkish Financial Reporting Standards ("TFRS") and interpretations regarding these standards that have been put into effect by Public Oversight Accounting and Auditing Standards Authority of Türkiye ("POA") under Article 5 of the Communiqué. TFRS is updated through communiqués to be in line with the changes in International Financial Reporting Standards ("IFRS").

The interim consolidated financial statements have been prepared in accordance with the formats stated in "Announcement regarding to TAS Taxonomy" which was published on 4 July 2024 by POA. Group's interim consolidated financial statements for the period ended 30 June 2025 have been prepared in accordance with the TAS 34 Interim Financial Reporting ("TAS 34"). Interim financial information does not include all the information and disclosures required to be included in the annual financial statements. In addition, significant accounting policies and significant accounting estimates and assumptions used in the preparation of the interim consolidated financial statement for the six months period ended 30 June 2025 are consistent with consolidated financial statements as at 31 December 2024. Therefore, the interim consolidated financial statements should be read and evaluated together with the annual financial statements prepared by the Group as of 31 December 2024.

Financial reporting in hyperinflationary economy

In accordance with the announcement made by the Public Oversight, Accounting and Auditing Standards Authority (POA) on November 23, 2023, and the decision of the Capital Markets Board (CMB) dated December 28, 2023 and numbered 81/1820, inflation accounting has been implemented as of December 31, 2023, in line with Turkish Accounting Standard 29 (TAS 29) – Financial Reporting in Hyperinflationary Economies.

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

According to the standard, financial statements prepared in the currency of a hyperinflationary economy are presented in terms of the purchasing power of that currency at the balance sheet date. Prior period financial statements are also presented in the current measurement unit at the end of the reporting period for comparative purposes. The Group has therefore presented its consolidated financial statements as of December 31, 2024 and June 30, 2024 on the purchasing power basis as of June 30, 2025.

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

The adjustments made in accordance with IAS 29 were made using the adjustment coefficient obtained from the Consumer Price Index (CPI) of Türkiye published by the Turkish Statistical Institute (TÜİK). As of June 30, 2025, the indices and adjustment coefficients used in the adjustment of the consolidated financial statements are as follows:

Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries

Notes to the interim consolidated financial statements for the six-month period ended 30 June 2025

(Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of June 30, 2025, unless otherwise indicated.)

2 Basis of presentation of consolidated financial statements (*continued*)

2.1 Basic principles of presentation (*continued*)

Financial reporting in hyperinflationary economy (continued)

Year-end	Index	Adjustment coefficient	Three-year cumulative inflation rates
30 June 2025	3,132.17	1.00000	220%
31 December 2024	2,684.55	1.16674	291%
30 June 2024	2,319.29	1.35049	324%

Assets and liabilities were separated into those that were monetary and non-monetary, with non-monetary items were further divided into those measured on either a current or historical basis to perform the required restatement of financial statements under TAS 29. Monetary items (other than index -linked monetary items) and non-monetary items carried at amounts current at the end of the reporting period were not restated because they are already expressed in terms of measuring unit as of 30 June 2025. Nonmonetary items which are not expressed in terms of measuring unit as of 30 June 2025 were restated by applying the conversion factors. The restated amount of a non-monetary item was reduced, in accordance with appropriate TFRSs, in cases where it exceeds its recoverable amount or net realizable value. Components of shareholders' equity in the statement of financial position and all items in the statement of profit or loss and other comprehensive income have also been restated by applying the conversion factors.

Non-monetary items measured at historical cost that were acquired or assumed and components of shareholders' equity that were contributed or arose before the time when the Turkish lira previously ceased to be considered currency of hyperinflationary economy, i.e. before 1 January 2005, were restated by applying the change in the CPI from 1 January 2005 to 30 June 2025.

Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries

Notes to the interim consolidated financial statements for the six-month period ended 30 June 2025

(Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of June 30, 2025, unless otherwise indicated.)

2 Basis of presentation of consolidated financial statements (*continued*)

2.1 Basic principles of presentation (*continued*)

Financial reporting in hyperinflationary economy (continued)

The application of TAS 29 results in an adjustment for the loss of purchasing power of the Turkish lira presented in Net Monetary Position Gains (Losses) item in the profit or loss section of the statement of profit or loss and comprehensive income. In a period of inflation, an entity holding an excess of monetary assets over monetary liabilities loses purchasing power and an entity with an excess of monetary liabilities over monetary assets gains purchasing power to the extent the assets and liabilities are not linked to a price level. This gain or loss on the net monetary position is derived as the difference resulting from the restatement of non-monetary items, owners' equity and items in the statement of profit or loss and other comprehensive income and the adjustment of index linked assets and liabilities.

In addition, in the first reporting period in which TAS 29 is applied, the requirements of the Standard are applied as if the economy had always been hyperinflationary. Therefore, the statement of financial position at the beginning of the earliest comparative period, i.e. as of 1 January 2022, was restated as the base of all subsequent reporting. Restated retained earnings/losses in the statement of financial position as of 1 January 2022 was derived as balancing figure in the restated statement of financial position.

As with the statement of profit or loss, all items in the statement of other comprehensive income are presented in the measurement unit current at the balance sheet date. Therefore, all amounts are restated by applying changes in the general price index from the dates when the related income and expense items were initially recognized in the financial statements. The effects of inflation accounting on cash flow hedge gains/(losses) are transferred to retained earnings at the earlier of when the inflation accounting practice is discontinued or when the hedge accounting ceases. Similarly, all items in the statement of cash flows are expressed in the current measurement unit as of the balance sheet date.

2.2 Functional and presentation currency

The Group has presented its consolidated financial statements in TL, which is the functional currency of the Company and its subsidiaries as well as its associate.

The preparation of the Group's interim consolidated financial statements, transactions in foreign currencies (currencies other than TL) are recorded based on the exchange rates on the transaction date. Monetary assets and liabilities indexed to foreign currency in the consolidated statement of financial position are translated into TL using the exchange rates valid on the date of the statement of financial position. Non-monetary items recorded in foreign currency that are monitored at fair value are translated into TL using the exchange rates on the date the fair value is determined. Non-monetary items in foreign currency measured in terms of historical cost are not subject to re-translation. Income or expense arising from the adjustments or translations of items in foreign currency are included in the statement of profit or loss and other comprehensive income.

Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries

Notes to the interim consolidated financial statements for the six-month period ended 30 June 2025

(Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of June 30, 2025, unless otherwise indicated.)

2 Basis of presentation of consolidated financial statements (*continued*)

2.3 Basis of consolidation

Consolidated financial statements include the financial statements of the company and its subsidiaries as of 30 June 2025. Subsidiaries are companies over which the Group has direct or indirect control over their operations. Control is provided if the Group meets the following conditions:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

If a situation or event occurs that could cause a change in at least one of the criteria listed above, the Group re-evaluates whether it has control over its investment.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Group's voting rights and potential voting rights.
- Events and conditions that may indicate whether the Group has the power to decide on management of operations (including voting at previous general assembly meetings).

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

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

Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries

Notes to the interim consolidated financial statements for the six-month period ended 30 June 2025

(Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of June 30, 2025, unless otherwise indicated.)

2 Basis of presentation of consolidated financial statements (*continued*)

2.3 Basis of Consolidation (*continued*)

i) Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of TFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with TFRS 9. Other contingent consideration that is not within the scope of TFRS 9 is measured at fair value at each reporting.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries

Notes to the interim consolidated financial statements for the six-month period ended 30 June 2025

(Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of June 30, 2025, unless otherwise indicated.)

2 Basis of presentation of consolidated financial statements (*continued*)

2.3 Basis of consolidation (*continued*)

iii) *Associates*

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. Associates are accounted for equity method in the consolidated financial statements. Under equity method, investment in an associate is initially recognised at cost. After initial recognition, Group's share of the profit or loss of the investee, is recorded to the financial statements by increasing or decreasing the net book value. Group's share of the profit or loss and other comprehensive income of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate or joint venture.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the investment, including any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit or loss within operating profit when the associate's main course of business is renewable energy generation and represents profit or loss after tax.

The financial statements of the associate are prepared for the same reporting period as the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss within "Share of profit of an associate" in the statement of profit or loss.

iv) *Non-controlling interests*

For each business combination, the Group elects to measure any non-controlling interests in the acquiree either:

- at fair value; or
- at their proportionate share of the acquiree's identifiable net assets, which are generally at fair value.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

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2 Basis of presentation of consolidated financial statements (*continued*)

2.3 Basis of consolidation (*continued*)

v) *Partial share purchase and sale transactions with non-controlling interests*

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners. Accordingly, in the case of additional share purchases from and sales to non-controlling interests, the difference between the acquisition cost and the carrying amount of the net assets of the subsidiary in proportion to the acquired interest is recognized in equity. No adjustments are made to goodwill and no gain or loss is recognised in profit or loss.

vi) *Acquisition of companies under common control*

For the accounting of business combinations under common control, assets and liabilities subject to business combination are included in the consolidated financial statements with carrying values of historical TFRS financial statements, which were prepared for the purpose of consolidation of the ultimate parents' consolidated financial statements. The financial statements of the acquired entities have been consolidated from the beginning of the financial year in which the business combination occurs. Prior period financial statements have been restated in the same manner for comparability purposes. As a result of these transactions, no goodwill or negative goodwill has been calculated. Any difference between the consideration paid and the share capital of the acquired entity are accounted under equity as "Share Premiums".

vii) *Eliminations*

During the preparation of the consolidated financial statements, unrealized gains and losses arising from intra-group transactions between entities included in the consolidated financial statements, intra-group balances and intra-group transactions are eliminated. Gains and losses arising from the transactions between the associate and the parent company and the consolidated subsidiaries of the parent company and jointly controlled entities are offset against the parent company's interest in the associate. Unrealized losses are eliminated in the same manner as unrealized gains, unless there is evidence of impairment.

viii) *Loss of control*

Upon the loss of control, the Group derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

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2 Basis of presentation of consolidated financial statements (*continued*)

2.4 Going concern

The Group has prepared consolidated financial statements on a going concern basis and does not expect any significant risks to this assumption.

The Group's EBITDA for the periods ended 30 June 2025 and 2024 amounts to TL 2,579,394,023 and TL 3,765,363,413 respectively (Note 4.3). The Group's net profit for the same periods are TL 133,503,662 and TL 3,985,231,931 respectively. As of 30 June 2025, the Group's short-term liabilities exceed its current assets by TL 1,244,969,598 (31 December 2024: TL 6,629,188), primarily due to the short-term maturities of the long-term loan, amounting to TL 3,590,738,124 due August 2025 and TL 3,344,644,541 due February 2026 (Note 23.1).

The Group is expecting to cover a large portion of bond liabilities with cash generated from operations. The Group is in the process of preparing to refinance its outstanding Eurobond debt in this year in order to provide longer term funding. The Group also plans to support growth investments with refinancing.

The fact that a portion of the Group's electricity sales are guaranteed prices in USD under the Feed in Tariff Mechanism ("YEKDEM") positively impacts gross profitability. Moreover, the exchange rate losses arising from the foreign currency loans of companies operating under the feed-in tariff ("FIT") are largely offset by their foreign currency-indexed revenues.

As of 14 August 2025, the Ministry of Energy and Natural Resources (MENR) officially approved the total of 18 MW portion of the Group's 36 MW capacity increase project for the Uşak region Wind Power Plant (WPP). Accordingly, as of that date, the Group's total installed capacity has increased from 1,186 MW to 1,198 MW. Approval for the remaining 18 MW is expected by the end of the year. These capacity enhancements are anticipated to have a favourable impact on the Group's cash flows.

2.5 Comparative information and restatement of prior period financial statements

The accompanying consolidated financial statements are prepared comparatively to present the tendency in the financial position, financial performance and cash flows of the Group. If necessary, in order to meet the consistency with the presentation of the financial statements in the current period, comparative information is reclassified and material differences are explained in related notes.

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2 Basis of presentation of consolidated financial statements (*continued*)

2.6 The new standards, amendments and interpretations

The accounting policies adopted in preparation of the consolidated financial statements as of 30 June 2025 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRS interpretations effective as of January 1, 2025 and thereafter. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

i) Standards, amendments, and interpretations applicable as of 30 June 2025:

Amendments to IAS 21 - Lack of Exchangeability; effective from annual periods beginning on or after 1 January 2025. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

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

ii) Standards, amendments, and interpretations that are issued but not effective as of 30 June 2025:

Amendment to TFRS 9 and TFRS 7 - Classification and Measurement of Financial Instruments; effective from annual reporting periods beginning on or after 1 January 2026 (early adoption is available). These amendments:

- clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
- make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

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

Annual improvements to TFRS – Volume 11; effective from annual periods beginning on or after 1 January 2026 (earlier application permitted), Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 amendments are to the following standards:

- TFRS 1 First-time Adoption of International Financial Reporting Standards;
- TFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing TFRS 7;
- TFRS 9 Financial Instruments;
- TFRS 10 Consolidated Financial Statements; and
- TAS 7 Statement of Cash Flows.

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

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2 Basis of presentation of consolidated financial statements (*continued*)

2.6 The new standards, amendments and interpretations (*continued*)

Amendment to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity; effective from annual periods beginning on or after 1 January 2026 but can be early adopted subject to local endorsement where required. These amendments change the 'own use' and hedge accounting requirements of IFRS 9 and include targeted disclosure requirements to IFRS 7. These amendments apply only to contracts that expose an entity to variability in the underlying amount of electricity because the source of its generation depends on uncontrollable natural conditions (such as the weather). These are described as 'contracts referencing nature-dependent electricity'.

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

IFRS 18 Presentation and Disclosure in Financial Statements; effective from annual periods beginning on or after 1 January 2027. This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

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

IFRS 19 Subsidiaries without Public Accountability: Disclosures; effective from annual periods beginning on or after 1 January 2027. This new standard works alongside other IFRS Accounting Standards. An eligible subsidiary applies the requirements in other IFRS Accounting Standards except for the disclosure requirements and instead applies the reduced disclosure requirements in IFRS 19. IFRS 19's reduced disclosure requirements balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers. IFRS 19 is a voluntary standard for eligible subsidiaries. A subsidiary is eligible if:

- it does not have public accountability; and
- it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

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

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2 Basis of presentation of consolidated financial statements (*continued*)

2.7 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,

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

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

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2 Basis of presentation of consolidated financial statements (continued)

2.7 Summary of significant accounting policies (continued)

Property, plant and equipment

Accounting and measurement

The Group, has adopted the revaluation method in accordance with TAS 16 for its entire power plants, Power plants are measured at fair value less accumulated depreciation and impairment losses recognised after the date of revaluation. Other tangible assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Construction in progress is also stated at cost, net of accumulated impairment losses, if any. An investment in a power plant is classified as construction in progress during the physical construction process; when completed, it is transferred to the power plant class (Note 9.1) and recognized at fair value.

The frequency of revaluations depends on the changes in the fair values of property, plant and equipment subject to revaluation. The Group revalued the property, plant and equipment consisting of the power plant as of 31 December 2024 and performed a detailed impairment analysis as of 30 June 2025. The Renewable Energy Group consist of power plants below:

Çırakdamı HPP, Dereli HPP, Bereket I-II HPP, Dalaman I-V HPP, Gökyar HPP, Feslek HPP, Koyulhisar HPP, Mentaş HPP, Toros HPP, Gökteş I-II HPP, Aksu HPP, Akıncı HPP, Uşak WPP, Yalova WPP, Söke WPP and Uşak SPP.

A revaluation surplus is recorded in OCI and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation surplus.

An annual transfer from the asset revaluation surplus to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to retained earnings.

Depreciation is calculated using the straight-line method over property, plant and equipment. Land is not depreciated on the basis that it has an indefinite life. Purchase costs are accounted by separating the land and building components in the purchases of buildings, including land.

The estimated useful lives of the significant property, plant and equipment as of 30 June 2025 are as follows:

	<u>Years</u>
Power plants	20-49

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

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2 Basis of presentation of consolidated financial statements (continued)

2.7 Summary of significant accounting policies (continued)

Property, plant and equipment (continued)

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate. Repair and maintenance costs are recognised in profit or loss as incurred.

A class of power plant is a grouping of assets of a similar nature and used in an entity's operations and contains land, buildings, machinery and equipment, furniture and fixtures.

Expenses for the repair of property, plant and equipment are normally charged as expense. They are, however, capitalized if they result in an enlargement or substantial improvement of the respective assets.

Intangible assets

Accounting and measurement

Intangible assets acquired by the Group with a finite useful life are measured at acquisition cost less accumulated amortization and any permanent impairment losses.

Right to operate licences

The Adıgüzel HPP and Kemer HPP operating licences which has been obtained through Transfer of Operating Rights Agreement ("Agreement") with the Privatization Administration and the Electricity Generation Corporation ("EÜAŞ") are accounted as intangible assets.

Computer software

Computer software are recognized at acquisition cost and amortized on a straight-line basis over their estimated useful lives of 3-15 years. Where an indication of impairment exists, the carrying amount of any intangible assets is assessed and written down immediately to its recoverable amount.

Subsequent costs

Subsequent costs are capitalized only if they have an impact that increases the future economic benefits of the intangible assets to which they relate. All other expenditures are recognized in profit or loss when incurred.

Amortization

Intangible assets are recognized in profit or loss on a straight-line basis over their estimated useful lives starting from the date they are ready for use. The estimated useful lives for the current and comparative periods are valid until the end of the license terms.

Amortization methods, useful lives and residual values are reviewed at each reporting date and, where appropriate, adjusted.

The estimated useful lives in the current periods are as follows:

	<u>Years</u>
Right to operate licences	12-49
Computer software	3-15

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2 Basis of presentation of consolidated financial statements (*continued*)

2.7 Summary of significant accounting policies (*continued*)

Financial liabilities

Non-derivative financial liabilities of the Group comprised of “borrowings”, “trade payables” and “other payables” in the statement of financial position.

i. Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates. Borrowings are derecognised from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired.

ii. Borrowing costs

If financing costs arising from the loans are associated with acquisition or construction of qualifying assets, they are included in cost value of qualifying assets. Qualifying assets refer to assets which require a long time to be available for use or sales as intended. Other borrowing costs are accounted in statement of profit or loss in the period they occur.

iii. Trade and other payables

Trade and other payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

Financial assets

i. Financial investment

The Group’s financial assets at fair value through profit or loss include short-term bonds and mutual funds held for sale. These financial investments are initially recognized at acquisition cost, which reflects their fair value at the transaction date. In subsequent periods, they are measured at fair value. Gains and losses arising from the valuation of these assets are recognized in the consolidated statement of profit or loss.

ii. Cash and cash equivalents

Cash and cash equivalents include cash on hand, time deposits held in banks with maturities of three months or less, and demand deposits. The Company reviews these cash and cash equivalents for impairment using the expected credit loss model.

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2 Basis of presentation of consolidated financial statements (*continued*)

2.8 Cash flow hedge transactions

For a hedge of foreign currency risk, the foreign currency component of a non-derivative financial asset or liability may be designated, as a hedging instrument. The foreign currency risk component of a non-derivative financial instrument is determined in accordance with TAS 21.

Accordingly, starting from 20 March 2021, the Company hedges the spot risk of highly probable forecast sales that are denominated in USD with its financial liability in the same foreign currency.

While the Company's functional currency is TL, the Company is exposed to exchange rate risks due to its finances and operations. The Company has outstanding USD debt due to its power plant investments. The Company also generates significant sales revenue in USD.

The source of USD denominated revenue is sales of electricity generated via renewable power plants. Such production is incentivized in Türkiye through a feed-in tariff mechanism (Council of Ministers Decree No. 2013/5625). The kWh sale price of generated electricity is guaranteed in USD prices, whereas the amount of future renewable generation remains uncertain and depends on climate conditions and/or operational risks. The feed-in tariff ("FIT") revenues are calculated on a daily basis and are aggregated at monthly intervals. This enables the Company to classify expected future revenues as a monthly stream of forecasted USD cash inflows for risk management purposes.

The Company's foreign currency risk management objective is to rely on natural currency hedges due to operations. It achieves this feat by aligning its forecasted USD inflows and its USD bond payments. Moreover, the forecasted USD inflows vs scheduled USD bond repayments constitute a hedged portfolio that allows a Cash Flow Hedge Accounting relationship to reduce the Company's income statement volatility. In particular, the Company associates its forecasted future USD cash inflows due to renewable-generated electricity sales, with its outstanding USD bonds. The Company is implementing Hedge Accounting under TFRS 9 to reflect its economic hedges onto financial reporting:

Hedge Accounting Component	Definition
Hedged Item	Forecasted future USD cash inflows due to FIT incentive
Hedging Instrument	USD denominated financial borrowings
Hedged Risk	Foreign exchange risk of forecasted future USD cash inflows due to FIT incentive

As of 30 June 2025, the amount of forecasted revenue under FIT and bilateral agreements are USD 148,139,224 whereas the total notional of the outstanding USD denominated bonds is USD 606,696,300. The Group designates USD 506,696,300 of this amount as part of its rebalanced hedge accounting relationship, per TFRS 9.6.2.4 (c). Due to under-hedged nature of the hedged-item, the Company achieves 1:1 hedge ratio with the hedging instrument at all times by way of re-balancing, in line with TFRS 9.6.4.1.c.iii. As a result of the sensitivity analysis performed on the forecasted revenue figures, the Group concluded that the 10% increase/decrease in the forecasts do not have a significant effect on the evaluation of the hedge effectiveness tests.

The maturity breakdown of the designated layer of the hedging instrument notional as of 30 June 2025 is provided below;

Payment Date	Principal Payment Amount
August 2025	56,299,589
February 2026	56,299,589
August 2026	56,299,589
February 2027	337,797,533
Total	506,696,300

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2 Basis of presentation of consolidated financial statements (*continued*)

2.8 Cash flow hedge transactions (*continued*)

The accounting treatment applied with respect to the cash flow hedge is as follows:

- The portion of the foreign exchange gain or loss of the hedging instrument (USD denominated bonds) that is determined to be an effective hedge is recognised in other comprehensive income ("OCI"), until the accompanying hedged item (forecasted USD cash inflows) occurs.
- Any ineffective portion of the hedge is recognized each reporting period in consolidated statement of profit or loss as "Finance Expenses / Foreign Exchange losses".
- The hedged item, revenue, is recognised in accordance with TFRS 15 and the settlement of the hedging instrument is realised through the repayments of the bond.
- Gains and losses deferred in OCI, remain in OCI until the cash flows associated with the hedged item occur. At the time when a forecast sale occurs, the respective amount of foreign exchange gain/loss is reclassified from OCI to profit or loss (within financial expense / "Finance Expenses – Foreign Exchange losses transferred from equity (cash flow hedge)") as a reclassification adjustment in the same periods during which the hedged expected forecasted sales affect profit or loss.
- If the cash flows are not expected to occur, then the corresponding 'previously effective' foreign exchange gain/loss in OCI are recycled immediately to consolidated statement of profit or loss as "Finance Expenses / Foreign Exchange losses transferred from equity (cash flow hedge)".

As of 30 June 2025, the hedge relationship has been measured as effective.

2.9 Significant accounting judgments, estimates and assumptions

The preparation of consolidated financial statements in conformity with TFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements:

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Note 6 – Trade receivables

Note 9 – Property, plant and equipment

Note 11 – Provisions

Note 2.8 – Cash flow hedge transactions

Note 22 – Taxation on income

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. The assumptions underlying estimates and estimates are constantly monitored. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

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2 Basis of presentation of consolidated financial statements (continued)

2.9 Significant accounting judgments, estimates and assumptions (continued)

The Group has chosen revaluation method instead of historical cost model as an accounting policy among application methods mentioned under TAS 16 for its power plants. An independent valuation firm has been authorized for revaluation because using of long-term price expectation, electricity generation expectation and discount rate which are sensitive to sectoral and economic variables and also complexity of inputs and calculations. As of 31 December 2024, the fair value which is determined with valuation study by an independent valuation company which has CMB license is used for power plants. In the aforementioned valuation and impairment studies, "income reduction method - discounted cash flow analysis " was applied.

Since long term electricity prices and generations are the most important inputs of "Income Approach - discounted cash flow analysis". Long term electricity prices and generation estimations are considered long term electricity demand, entrance of new plants, renewable total capacity and evolution of capacity factor.

Generation forecasts have been prepared using historical generation data and feasibility reports. In valuation models prepared in USD terms, discount rate has been determined as 10.7%, 10.3%, 10.0% HPP, WPP, SPP respectively. In real terms, considering the prevailing macroeconomic market conditions. An increase in the discount rate negatively affects the fair value of the power plants. The portion of the relevant valuation results related to the decrease in value that is associated with "Gains/(losses) on revaluation of property, plant and equipment" has been recognized in the consolidated statement of other comprehensive income statement, while the remaining amount has been accounted for in the consolidated statement of profit or loss statement. The valuation report is prepared by an independent valuation firm holding the relevant Capital Markets Board (CMB) license and possessing the necessary professional expertise.

2.10 Revenue

The operations of the Group entities are regulated under Electricity Market Law No. 6446, the Regulation on Electricity Market License of EMRA, the Electricity Market Balancing and Settlement Regulation ("BSR") and other related legislative provisions.

Electricity sales is recognised as revenue at the time of electricity delivery, on an accrual basis. In the case of revenue from feed-in-tariff ("FIT"), sale of electricity is recorded based upon output delivered at rates specified under FIT. In the case of revenue from other than FIT, sale of electricity is again recorded based upon output delivered but at market rates.

The Company sells electricity to related parties Gediz Elektrik Perakende A.Ş. ("Gediz EPSAŞ"), Aydem Elektrik Perakende A.Ş. ("Aydem EPSAŞ") and other third parties within the scope of bilateral agreements. Bilateral agreements are commercial agreements made between real or legal persons, subject to the provisions of private law, regarding the purchase and sale of electrical energy or capacity and not subject to the approval of the Energy Market Regulatory Board. In bilateral agreements, conditions related to the supply of electrical energy such as unit price, price commitment, security fee conditions, contract duration are determined and signed.

2.11 Seasonal changes in operations

Due to the nature of the industry in which the Group operates, its business volume exhibits seasonal fluctuations. Business volume tends to be higher in the second quarter for hydroelectric power plants, first quarter for wind power plants and third quarter for solar power plants. Seasonality does not have a significant impact on the business volume of the Group's remaining segments.

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3 Cash and Cash Equivalents

As of June 30, 2025 and December 31, 2024 cash and cash equivalents are as follows:

	30 June 2025	31 December 2024
Cash at banks	872,170,652	2,035,088,338
- Demand deposits	35,939,395	3,633,831
- Time deposits	836,231,257	2,031,454,507
Cash	9,708	-
Other cash and cash equivalents	39,751	400,954
	872,220,111	2,035,489,292

As of 30 June 2025, the interest rate of the Group's term TL denominated time deposits amounting is between 5% to 47%, average maturity 1 day. (31 December 2024: between 40% and 48.5%, average maturity 3 days). US Dollars denominated time deposits amounting interest rate is between 0.01% to 2.50%, average maturity 1 day. (31 December 2024: between 0.01% and 2.25%, average maturity 4 days). There is no EUR time deposits. (31 December 2024: 1%, average maturity 3 days).

As of June 30, 2025, the Group's restricted deposits amount to USD 210,469 (December 31, 2024: TL 10,042,000 and USD 2,843,000).

4 Segment reporting

4.1 Statement of financial position

Financial information is provided on a power plant-by-power plant basis to board of directors, which collectively comprise the chief operating decision maker. The information provided to the members of the executive management includes results or operation, valuation gains and losses on power plants, assets and liabilities of each power plant. The individual properties are also monitored based on type of power plants such as Hydro, Wind, Geothermal and Solar. The Group management considers that it is appropriate to report the segments based on this aggregation, to monitor the financial performance.

Group management assesses segment performance over earnings before interest, tax, depreciation and amortization ("EBITDA"). EBITDA is calculated by adjusting the operating income by depreciation and amortization expenses.

The Company management preferred to use EBITDA in the evaluation of department performances in terms of comparability with companies in the same sector. EBITDA is not a measure of financial performance defined in TFRS. It may not be comparable to similar indicators defined by other companies.

The accounting policies adopted by each of the reportable segments are consistent with TFRS used in preparation of consolidated financial statements of the Group. The detailed information regarding the reporting segments of Group is presented below:

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4 Segment reporting (continued)

4.1 Statement of financial position (continued)

30 June 2025	Hydro Power Plants	Wind Power Plants	Solar Power Plants	Other	Unallocated *	Consolidated
Segment assets	42,905,841,614	10,529,042,806	2,350,043,876	232,050,092	6,987,763,705	63,004,742,093
Segment liabilities	18,723,239,364	2,193,243,642	1,724,051,886	-	7,685,002,835	30,325,537,727

31 December 2024	Hydro Power Plants	Wind Power Plants	Solar Power Plants	Other	Unallocated *	Consolidated
Segment assets	43,460,479,244	11,066,927,350	2,339,161,929	231,250,543	8,731,436,901	65,829,255,967
Segment liabilities	19,355,412,480	2,387,156,453	1,980,292,141	-	10,178,483,439	33,901,344,513

* Includes assets and liabilities which are not attributable to a reportable segment such as cash, trade receivables, other assets, trade payables, other liabilities, tax assets and liabilities, etc.

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4 Segment reporting (continued)

4.2 Statement of profit or loss

1 January- 30 June 2025	Hydro Power Plants	Wind Power Plants	Solar Power Plant	Total Renewable Energy	Unallocated *	Consolidated
Revenues	2,548,670,891	911,399,095	159,346,296	3,619,416,282	2,225,013,150	5,844,429,432
- Revenues from Feed in Tariff (FIT)	1,234,779,972	534,521,481	-	1,769,301,453	-	1,769,301,453
- Other than FIT	1,313,890,919	376,877,614	159,346,296	1,850,114,829	2,225,013,150	4,075,127,979
Cost of Sales	(1,465,585,227)	(744,858,946)	(79,019,714)	(2,289,463,887)	(1,992,946,389)	(4,282,410,276)
Operational Expenses/Income (incl. Other Expense and Income)	-	-	-	-	(222,942,692)	(222,942,692)
Earnings before interest and taxes (EBIT)	1,083,085,664	166,540,149	80,326,582	1,329,952,395	9,124,069	1,339,076,464
Add-back, Depreciation & Amortization Expenses	747,539,779	392,963,967	50,687,913	1,191,191,659	49,125,900	1,240,317,559
Earnings before interest, taxes, depreciation and amortization (EBITDA) **	1,830,625,443	559,504,116	131,014,495	2,521,144,054	58,249,969	2,579,394,023

* Within the unallocated portion, TL 2,187,076,565 of the revenue is attributable to wholesale commercial sales, specifically derived from electricity trading activities. In the cost of sales, TL 1,868,770,090 corresponds to the cost incurred from electricity trading activities. Also, includes head office costs and expenses which is not attributable to a reportable segment. Operational expenses mainly consist of personnel expenses. Operational income is mainly composed of foreign exchange income and interest income from commercial transactions related to trading activities.

** EBITDA is calculated by adjusting the operating income by depreciation and amortization expenses.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker function is carried out by the Board of Directors.

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4 Segment reporting (continued)

4.2 Statement of profit or loss (continued)

1 January- 30 June 2024	Hydro Power Plants	Wind Power Plants	Solar Power Plant	Total Renewable Energy	Unallocated *	Consolidated
Revenues	3,371,550,090	1,090,231,950	238,744,931	4,700,526,971	23,233,482	4,723,760,453
- Revenues from Feed in Tariff (FIT)	331,814,723	1,090,231,950	238,744,931	1,660,791,604	-	1,660,791,604
- Other than FIT	3,039,735,367	-	-	3,039,735,367	23,233,482	3,062,968,849
Cost of Sales	(1,753,503,162)	(822,698,947)	(116,150,137)	(2,692,352,246)	(312,716,285)	(3,005,068,531)
Operational Expenses/Income (incl. Other Expense and Income)	-	-	-	-	278,219,159	278,219,159
Earnings Before Interest and Taxes (EBIT)	1,618,046,928	267,533,003	122,594,794	2,008,174,725	(11,263,644)	1,996,911,081
Add-back, Depreciation & Amortization Expenses	939,011,663	443,180,493	80,147,906	1,462,340,062	306,112,270	1,768,452,332
Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) **	2,557,058,591	710,713,496	202,742,700	3,470,514,787	294,848,626	3,765,363,413

* Includes head office costs and expenses which is not attributable to a reportable segment. Operational expenses mainly consist of personnel expenses. Most of operational income is composed of foreign exchange income and interest income from commercial transactions related to trading activities.

** EBITDA is calculated by adjusting the operating income by depreciation and amortization expenses.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker function is carried out by the Board of Directors.

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4 Segment reporting (*continued*)

4.3 Reconciliations of EBITDA

	30 June 2025	30 June 2024
Profit for the period	133,503,662	3,985,231,931
Add/(Less):		
Income tax expense	(171,993,873)	(1,130,888,204)
Income from investing activities	(110,194,243)	(7,657,471)
Expense from investing activities	-	451,715,517
Finance income	(268,383,810)	(575,994,542)
Finance expense	4,884,252,083	4,743,572,046
Depreciation and amortization	1,240,317,559	1,768,452,332
Monetary gain	(3,128,107,355)	(5,469,068,196)
Consolidated EBITDA	2,579,394,023	3,765,363,413

5 Related party disclosures

Aydem Holding A.Ş. ("Aydem Holding") is the ultimate parent company and controlling party of the Group. The Group controlled by Ceyhan Saldanlı.

Transactions with related parties are classified according to the following groups and include all related party disclosures in this note.

1. Ultimate parent and its subsidiaries
2. Other companies controlled by the shareholders of Aydem Holding and other key persons.

Since the transactions between the Group and its subsidiaries, which are related parties of the Group, are eliminated during consolidation, they are not disclosed in this note.

The shareholders, key management personnel and members of the Board of Directors, their families and partners and entities controlled by the ultimate shareholders are considered and referred to as related parties in the consolidated financial statements. The Group companies have carried out various transactions with related parties during their operations.

Trade receivables from related parties generally arise from sale of electricity. Trade payables to related parties generally arise from the service purchases. The Company, related parties Gediz Elektrik Perakende A.Ş. ("Gediz EPSAŞ") and Aydem Elektrik Perakende A.Ş. ("Aydem EPSAŞ") sells electricity to companies within the scope of bilateral agreements. Bilateral agreements are commercial agreements made between real or legal persons, subject to the provisions of private law, regarding the purchase and sale of electrical energy or capacity and not subject to the approval of the Energy Market Regulatory Board. In bilateral agreements, conditions related to the supply of electrical energy such as unit price, price commitment, security fee conditions, contract duration are determined and signed.

Other receivables from related parties arise from sale of subsidiary shares and amounts arisen from operational activities. At the end of each quarter period for other receivables and payables interest is accrued using market interest rates, which are determined using the Group external cost of borrowing.

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5 Related party disclosures (continued)**5.1 Related party balances**

As of 30 June 2025, and 31 December 2024, short-term trade receivables due from related parties are as follows:

	30 June 2025	31 December 2024
Gediz EPSAŞ ⁽¹⁾	591,145,365	828,501,399
Aydem EPSAŞ ⁽¹⁾	-	2,825,322,615
	591,145,365	3,653,824,014

As of 30 June 2025, and 31 December 2024, short-term other receivables due from related parties are as follows:

	30 June 2025	31 December 2024
Aydem Holding A.Ş. ("Aydem Holding") ⁽¹⁾ *	129,713,252	128,069,361
	129,713,252	128,069,361

* Mainly consists of receivables related to the sale of 50% shares belonging to Yalova Karacabey. Group sold the 50% shares of Yalova on 30 June 2020 to Aydem Holding A.Ş. The interest rate applied by the Group on USD-denominated intercompany balances is 7.95% (31 December 2024: 9.01%)

As of 30 June 2025, and 31 December 2024, short-term trade payables due to related parties are as follows:

	30 June 2025	31 December 2024
GDZ Enerji Yatırımları A.Ş. ("GDZ Enerji") ⁽¹⁾	15,361,503	7,704,880
Aydem Holding ⁽¹⁾	15,032,916	37,894,792
Aydem EPSAŞ ⁽¹⁾	5,331,318	-
ADM Elektrik Dağıtım A.Ş. ("ADM EDAŞ") ⁽¹⁾	3,290,461	2,800,954
Other	382,931	861,992
	39,399,129	49,262,618

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5 Related party disclosures (continued)**5.2 Related party transactions**

For the period ended 30 June 2025 and 2024, income and expense transactions with related parties are as follows:

Electricity sales and other sales	1 January- 30 June 2025	1 January- 30 June 2024
Gediz EPSAŞ ⁽¹⁾	2,815,142,717	2,184,283,486
Aydem EPSAŞ ⁽¹⁾	85,685,096	328,259,337
Other	23,838	1,066,994
	2,900,851,651	2,513,609,817
Purchase of electricity and services	1 January- 30 June 2025	1 January- 30 June 2024
Aydem EPSAŞ ⁽¹⁾	113,575,973	146,881,997
Aydem Holding ⁽¹⁾	89,117,573	61,283,848
GDZ Enerji ⁽¹⁾	48,410,391	36,971,619
ADM EDAŞ ⁽¹⁾	16,013,852	20,395,583
Gediz EPSAŞ ⁽¹⁾	3,375,287	70,368,599
Other	3,148,891	2,678,605
	273,641,967	338,580,251
Other income	1 January- 30 June 2025	1 January- 30 June 2024
Aydem EPSAŞ ⁽¹⁾ *	138,890,245	424,357,469
Gediz EPSAŞ ⁽¹⁾ *	66,390,321	56,375,495
Aydem Holding ⁽¹⁾	15,108,055	12,421,385
Other	12,354	-
	220,400,975	493,154,349
Finance income	1 January- 30 June 2025	1 January- 30 June 2024
Aydem EPSAŞ ⁽¹⁾	82,789,405	33,204,635
Aydem Holding ⁽¹⁾	4,950,517	6,732,986
Gediz EPSAŞ ⁽¹⁾	4,517,603	-
	92,257,525	39,937,621

* Consists of net foreign exchange income and late interest income regarding trade receivables.

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5 Related party disclosures (continued)**5.2 Related party transactions (continued)**

The executive management of the Group is comprised of general manager and directors. For the period ended 30 June 2025 and 2024, the sum of short-term benefits, such as remuneration and attendance fees, provided to key management executives personnel is as follows:

	1 January- 30 June 2025	1 January- 30 June 2024
Benefits to key management personnel	30,876,419	30,008,661
	30,876,419	30,008,661

6 Trade receivables and payables**Short term trade receivables**

As of 30 June 2025, and 31 December 2024, the Group's short-term trade receivables are as follows:

	30 June 2025	31 December 2024
Trade receivables due from related parties (Note 5)	591,145,365	3,653,824,014
Trade receivables due from third parties	2,657,569,650	43,293,021
	3,248,715,015	3,697,117,035
Less: Allowances for doubtful trade receivables	(7,069,410)	(8,279,845)
	3,241,645,605	3,688,837,190

As of 30 June 2025, and 31 December 2024, short-term receivables consist of the following items:

	30 June 2025	31 December 2024
Trade receivables related to electricity sales *	3,241,089,410	3,688,428,906
Income accruals related to electricity sales **	556,195	408,284
Doubtful trade receivables	7,069,410	8,279,845
Allowances for doubtful trade receivables	(7,069,410)	(8,279,845)
	3,241,645,605	3,688,837,190

* Consists of electricity sales and ancillary income within the bilateral agreements.

** Consists of the Group's unbilled receivables arising from the electricity sales.

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6 Trade receivables and payables (continued)**Short term trade receivables (continued)**

As of 30 June 2025, and 31 December 2024, The Group has overdue trade receivables and that receivables have not been impaired. The aging of trade receivables is as follows:

	30 June 2025	31 December 2024
Not overdue	3,217,434,133	1,131,883,768
1-30 days past due	-	501,765,803
1-3 months past due	13,585,486	1,002,372,617
3-12 months past due	10,625,986	1,052,815,002
	3,241,645,605	3,688,837,190

The liquidity and exchange rate risk that the Group is exposed in relation with trade receivables are explained under Note 24.

The movement of provisions for doubtful receivables for the period ended 30 June 2025 and 2024 are as follows:

	2025	2024
Opening balance (1 January)	8,279,845	11,895,644
Provisions no longer required	(29,538)	(31,933)
Inflation effect	(1,180,897)	(2,355,654)
Closing balance (30 June)	7,069,410	9,508,057

Short term trade payables

As of 30 June 2025, and 31 December 2024, the Group's short-term trade payables are as follows:

	30 June 2025	31 December 2024
Trade payables due to third parties	197,589,224	218,446,521
Trade payables due to related parties (Note 5)	39,399,129	49,262,618
	236,988,353	267,709,139

As of 30 June 2025, and 31 December 2024, short-term trade payables from third parties consist of the following items:

	30 June 2025	31 December 2024
Trade payables	157,090,391	158,773,729
Expense accruals	40,498,833	59,672,792
	197,589,224	218,446,521

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7**Other receivables and payables****Other short term receivables**

As of 30 June 2025, and 31 December 2024, the Group's short-term other receivables are as follows:

	30 June 2025	31 December 2024
Other receivables due from related parties (Note 5)	129,713,252	128,069,361
Other receivables due from third parties	46,818,768	52,854,252
	176,532,020	180,923,613

As of 30 June 2025, and 31 December 2024, short-term other receivables from third parties consist of the following items:

	30 June 2025	31 December 2024
Receivables from tax administration	46,538,518	52,646,481
Deposits and guarantees given	280,250	207,771
	46,818,768	52,854,252

Other long term receivables

As of 30 June 2025, and 31 December 2024, other long-term receivables from third parties consist of the following items:

	30 June 2025	31 December 2024
Other receivables due from third parties	5,386,149	6,296,501
	5,386,149	6,296,501

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7 Other receivables and payables (continued)**Other short term payables**

As of 30 June 2025, and 31 December 2024, the Group's short-term other payables are as follows:

	30 June 2025	31 December 2024
Other payables due to related parties	8,336,426	-
Other payables due to third parties	239,197	276,214
	8,575,623	276,214

As of 30 June 2025, and 31 December 2024, other short-term payables to third parties consist of the following items:

	30 June 2025	31 December 2024
Deposits and guarantees taken	235,709	275,011
Other payables	3,488	1,203
	239,197	276,214

8 Inventories

As of 30 June 2025, and 31 December 2024, inventories are as follows:

	30 June 2025	31 December 2024
Spare parts *	26,352,802	23,808,137
	26,352,802	23,808,137

* Inventories consist of spare parts used in the maintenance of power plants and consumable materials.

As of 30 June 2025, there is no insurance coverage on the Group's inventories (31 December 2024: None).

As of 30 June 2025, there are no inventories presented as collateral for liabilities (31 December 2024: None).

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9 Property, plant and equipment and right of use assets

9.1 Property, plant and equipment

The ending 30 June 2025 and 2024, movements of property, plant and equipment are as follows:

	Land	Power plants	Construction in progress *	Other	Total
Cost or valuation as of 1 January 2025	59,151,684	77,556,877,236	2,126,898,346	360,800,235	80,103,727,501
Additions	-	6,341,440	114,764,726	1,920,885	123,027,051
Disposals	-	(1,333,358)	-	-	(1,333,358)
Transfers	-	346,853,074	(346,853,074)	-	-
Cost or valuation as of 30 June 2025	59,151,684	77,908,738,392	1,894,809,998	362,721,120	80,225,421,194
Accumulated depreciation as of 1 January 2025	-	(25,515,358,707)	-	(272,312,775)	(25,787,671,482)
Additions	-	(1,152,739,632)	-	(11,811,606)	(1,164,551,238)
Disposals	-	86,908	-	-	86,908
Accumulated depreciation as of 30 June 2025	-	(26,668,011,431)	-	(284,124,381)	(26,952,135,812)
Net book value as of 30 June 2025	59,151,684	51,240,726,961	1,894,809,998	78,596,739	53,273,285,382

	Land	Power plants	Construction in progress *	Other	Total
Cost or valuation as of 1 January 2024	59,151,683	114,156,130,163	2,097,853,646	337,692,593	116,650,828,085
Additions	-	65,442,242	277,345,928	5,816,837	348,605,007
Disposals	-	(119,844,239)	(520,218,041)	(97,975)	(640,160,255)
Cost or valuation as of 30 June 2024	59,151,683	114,101,728,166	1,854,981,533	343,411,455	116,359,272,837
Accumulated depreciation as of 1 January 2024	-	(34,520,948,916)	-	(247,047,451)	(34,767,996,367)
Additions	-	(1,664,652,234)	-	(12,253,517)	(1,676,905,751)
Disposals	-	53,234,973	-	62,307	53,297,280
Accumulated depreciation as of 30 June 2024	-	(36,132,366,177)	-	(259,238,661)	(36,391,604,838)
Net book value as of 30 June 2024	59,151,683	77,969,361,989	1,854,981,533	84,172,794	79,967,667,999

* Mainly consists of investments regarding hybrid solar and capacity increase.

As of 30 June 2025, there are pledges and mortgages on property, plant and equipment of the Group amounting to USD 1,248,750,000 in original currencies (30 June 2024: USD 1,248,750,000 in original currencies) in favour of lenders.

Total depreciation expense of property, plant and equipment amounting to TL 1,152,739,632 (30 June 2024: TL 1,664,652,234) has been reflected to cost of sales and amounting to TL 11,811,606 (30 June 2024: TL 12,253,517) has been reflected to general administration expense.

The Group determined that the power plants constitute a separate class of property, plant and equipment, based on the nature, characteristics and risks of the property and as also mentioned in Note 2, elected to use revaluation method for such assets.

Power plant assets were measured at fair value as of 31 December 2024 and adjusted in accordance with TAS 29 to reflect the purchasing power as of 30 June 2025.

The Company applied the "Income Reduction Method- DCF Analysis" in its valuation and impairment studies. Given that long-term electricity market prices are the most important factor in the "DCF Analysis," the Company collaborated with an independent consultant providing services to companies operating in the energy market. When determining long-term electricity prices, the most important inputs in the model were the forecasted trends in demand, capacity, capacity factor development, electricity export & import trends, and coal prices. The most important assumptions in the income reduction method are, respectively, electricity prices, projected production volume, weighted average cost of capital, discount rate, and exchange rates. The Company does not expect significant changes in the forecasts and assumptions used in the valuation reports. In the income reduction method, the Company discounted its estimated revenues based on the useful life of the power plants.

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9 Property, plant and equipment and right of use assets (continued)**9.2 Right of use assets**

The Group has lease contracts for various items of plant, machinery, vehicles, land right of use assets and other equipment used in its operations.

For the period then ended as of 30 June 2025, movements of right of use assets is as follows:

Cost as of 1 January 2025	755,876,212
Additions	10,814,655
Cost as of 30 June 2025	766,690,867
Accumulated depreciation as of 1 January 2025	(364,457,833)
Additions	(37,284,387)
Accumulated depreciation as of 30 June 2025	(401,742,220)
Net book value as of 30 June 2025	364,948,647

For the period then ended as of 30 June 2024, movements of right of use assets is as follows:

Cost as of 1 January 2024	697,025,604
Additions	29,514,153
Cost as of 30 June 2024	726,539,757
Accumulated depreciation as of 1 January 2024	(268,952,907)
Additions	(51,186,121)
Accumulated depreciation as of 30 June 2024	(320,139,028)
Net book value as of 30 June 2024	406,400,729

Total depreciation expense of right of use assets amounting to TL 28,930,511 (30 June 2024: TL 38,104,018) has been reflected to cost of sales and amounting to TL 8,353,876 (30 June 2024: TL 13,082,103) has been reflected to general administration expense.

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(Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of June 30, 2025, unless otherwise indicated.)

10 Intangible assets

As of 5 May 2017, the Company has signed a Transfer of Operating Rights Agreement ("Agreement") with the Privatization Administration and the Electricity Generation Corporation ("EÜAŞ") for Adıgüzel and Kemer Hydroelectric Plants. According to the agreement, the Company obtained the operating rights of the plants for 49 years and is responsible for the transfer of EÜAŞ at the end of the period in a complete and a functional state. During the contract period, the Company is required to carry out all the maintenance, repairs and improvements which are necessary to ensure the convenience and efficiency of the plants for the generation activity, at their own expense. The Company is responsible for any damages and losses that may occur in the generation facilities in general referred as "Power Plants". During the contract period; the Company is required to perform all kinds of additional facilities, the investment for rehabilitation and development in accordance with the legislation, and will obtain the approval of EÜAŞ during the works and procedures to be carried out within this framework. In addition, the company must obtain approval from EÜAŞ in case it wants to make investments and transactions for capacity changes.

As of the transfer date, it is EÜAŞ's responsibility to monitor and solve the administrative, legal disputes regarding the ownership of the immovable on which plants are located and the immovable in use, that are available now or will arise after the transfer date and all responsibilities and obligations arising from this matter.

Intangible assets related to agreements are amortized until the end of the related contract period.

Although the Company has the right to obtain substantially all of the economic benefits from use of the asset, it does not have the right to manage the use of power plants according to Article 7 of the contract signed with the EÜAŞ. Therefore, the contract has not been considered as a lease contract under TFRS 16. On the other hand, the Agreement is not accounted within the scope of TFRIC 12 Service Concession Agreements because although the residual interest of the power plants belongs to EÜAŞ, EÜAŞ does not control at what price electricity will be sold.

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(Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of June 30, 2025, unless otherwise indicated.)

10 Intangible assets (continued)

As of 30 June 2025, and 2024, movements of intangible assets are as follows:

	Licences	Operating rights	Softwares	Total
Cost as of 1 January 2025	66,892,104	3,268,202,238	45,272,821	3,380,367,163
Additions	411,893	-	-	411,893
Cost as of 30 June 2025	67,303,997	3,268,202,238	45,272,821	3,380,779,056
Accumulated depreciation as of 1 January 2025	(51,548,635)	(511,351,372)	(35,704,109)	(598,604,116)
Additions	(4,276,275)	(33,349,003)	(856,656)	(38,481,934)
Accumulated depreciation as of 30 June 2025	(55,824,910)	(544,700,375)	(36,560,765)	(637,086,050)
Net book value as of 30 June 2025	11,479,087	2,723,501,863	8,712,056	2,743,693,006
	Licences	Operating rights	Softwares	Total
Cost as of 1 January 2024	62,803,728	3,268,202,238	45,272,820	3,376,278,786
Additions	979,750	-	-	979,750
Cost as of 30 June 2024	63,783,478	3,268,202,238	45,272,820	3,377,258,536
Accumulated depreciation as of 1 January 2024	(40,026,146)	(444,653,367)	(33,983,270)	(518,662,783)
Additions	(6,147,281)	(33,349,003)	(864,176)	(40,360,460)
Accumulated depreciation as of 30 June 2024	(46,173,427)	(478,002,370)	(34,847,446)	(559,023,243)
Net book value as of 30 June 2024	17,610,051	2,790,199,868	10,425,374	2,818,235,293

Amortization expense of intangible assets amounting to TL 33,349,003 (30 June 2024: TL 33,349,003) has been reflected to cost of sales and amounting to TL 5,132,931 (30 June 2024: TL 7,011,457) has been reflected to general administrative expenses.

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11 Provisions, contingent assets and liabilities**11.1 Short-term provisions**

As of 30 June 2025, and 31 December 2024, the breakdown of short-term provisions are as follows:

	30 June 2025	31 December 2024
Short-term provisions for employee benefits	81,707,740	101,744,148
Provision for litigations	18,415,478	18,085,199
	100,123,218	119,829,347

Short-term provisions for employee benefits consist of unused vacation days provisions and premium provisions.

The movement table of unused vacation days provisions is as follows:

	2025	2024
Opening balance (1 January)	29,838,077	25,763,881
Net change in provision within the period	15,213,775	11,397,980
Inflation effect	(5,319,663)	(6,276,763)
Closing balance (30 June)	39,732,189	30,885,098

The movement table of premium provisions is as follows:

	2025	2024
Opening balance (1 January)	71,906,071	48,695,677
Net change in provision within the period	(21,119,604)	(4,900,732)
Inflation effect	(8,810,916)	(9,154,114)
Closing balance (30 June)	41,975,551	34,640,831

Other short-term provisions consist of provisions for ongoing litigations of the Group.

The movement table is as follows:

	2025	2024
Opening balance (1 January)	18,085,199	23,129,320
Net change in provision within the period (Note 19)	3,089,839	-
Inflation effect	(2,759,560)	(8,030,233)
Closing balance (30 June)	18,415,478	15,099,087

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11 Provisions, contingent assets and liabilities (continued)**11.2 Contingent liabilities**

As of 30 June 2025, and 31 December 2024, the Group's collateral/pledge/mortgage ("CPM") balances are as follows:

		30 June 2025	31 December 2024
	Currency	TL Amount	TL Amount
A, Guarantees given in the name of its own legal personality*	TL	-	-
B, Guarantees given on behalf of the fully consolidated companies	US Dollars	49,626,324,000	51,402,187,217
C, Total amount of CPM's given to other 3rd parties for the purpose of carrying out their ordinary commercial activities	TL	-	-
D, Other guarantees	TL	-	-
i, Guarantees given on behalf of the majority shareholder		-	-
ii, Guarantees given to on behalf of other group companies which are not in scope of B and C	TL	-	-
iii, Guarantees given on behalf of third parties which are not in scope of C	TL	-	-
Total		49,626,324,000	51,402,187,217

* On 2 December 2021, within the scope of the Eurobond, movable pledge was established on the Company's movable assets to form the guarantee of the bond issuance. The outstanding amount of Eurobond has a nominal value of TL 24,154,035,774.

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Notes to the interim consolidated financial statements for the six-month period ended 30 June 2025

(Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of June 30, 2025, unless otherwise indicated.)

11 Provisions, contingent assets and liabilities (continued)**11.3 Letters of guarantees received and guarantees given**

		30 June 2025	31 December 2024
	Currency	TL equivalent	TL equivalent
Guarantees given *	TL	452,577,316	471,339,176
Total		452,577,316	471,339,176

* Guarantees given, in general, are comprised of the letters of guarantees given to the several institutions and organizations within the operations of the Group (to Energy Market Regulatory Authority ("EMRA"), Turkish Electricity Transmission Company ("TEİAŞ"), privatization administration and to the judicial authorities for some of the on-going lawsuits.

		30 June 2025	31 December 2024
	Currency	TL equivalent	TL equivalent
Guarantees received *	TL	2,489,461,428	35,681,336
Guarantees received *	EURO	757,370	8,480,161
Guarantees received *	US Dollars	4,413,096,618	4,797,838,057
		6,903,315,416	4,841,999,554

* Guarantees received from Aydem EPSAŞ, Gediz EPSAŞ and third parties.

11.4 Long term provisions

As of 30 June 2025, and 31 December 2024, the long-term provisions are as follows:

	30 June 2025	31 December 2024
Provisions for retirement pay liability	179,326,830	103,261,640
	179,326,830	103,261,640

As of 30 June 2025, and 2024, movements of provisions for retirement pay liability are as follows:

	2025	2024
Opening balance (1 January)	103,261,640	115,492,965
Service cost	48,117,531	4,921,610
Interest cost	18,390,484	12,678,723
Retirement payments paid	(3,558,494)	(3,298,988)
Actuarial loss/(gain)	37,040,339	48,249,699
Inflation effect	(23,924,670)	(33,628,485)
Closing balance (30 June)	179,326,830	144,415,524

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11 Provisions, contingent assets and liabilities (continued)**11.4 Long term provisions (continued)**

TFRS require actuarial valuation methods to be developed to estimate the enterprise's obligation under defined benefit plans. Accordingly, the following actuarial assumptions have been used in the calculation of the total liability. Related rates have been presented by considering the weighted average of actuarial assumptions of the subsidiaries within the scope of consolidation.

The main actuarial assumptions used as of 30 June 2025 and 31 December 2024 are as follows:

	30 June 2025	31 December 2024
Expected interest in the coming years %	29.32	27.15
Expected inflation in the coming years %	24.95	21.95
Expected probability of leaving without compensation in the coming years %	3.50	4.26

12 Liabilities for employee benefits

As of 30 June 2025, and 31 December 2024, short-term payables related to employee benefits are as follows:

	30 June 2025	31 December 2024
Social security withholdings payable	15,737,047	13,326,279
Payables to personnel	35,696,496	1,281,368
	51,433,543	14,607,647

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(Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of June 30, 2025, unless otherwise indicated.)

13 Other current, non-current assets and other liabilities**13.1 Other current assets**

As of 30 June 2025, and 31 December 2024, other current assets are as follows:

	30 June 2025	31 December 2024
Advances to personnel	5,212	159,540
Short-term deferred value added tax ("VAT")	27,466	23,457
	32,678	182,997

13.2 Other non-current assets

As of 30 June 2025, and 31 December 2024, other non-current assets are as follows:

	30 June 2025	31 December 2024
Long-term deferred VAT	28,809,909	43,021,864
	28,809,909	43,021,864

13.3 Other short-term liabilities

As of 30 June 2025, and 31 December 2024, other liabilities are as follows:

	30 June 2025	31 December 2024
Taxes and funds payable	133,359,235	126,294,270
Other	151,092	144,904
	133,510,327	126,439,174

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14 Share capital

Paid-in capital

The Company adopter the registered share capital system available to companies registered to the CMB and set a limit on its registered share capital representing registered type shares with a nominal value of TL 1, Registered and issued share capital of the Company is as follows:

	30 June 2025	31 December 2024
Limit on registered share capital	2,000,000,000	2,000,000,000
Issued share capital in nominal value	705,000,000	705,000,000
Adjustment to share capital	7,772,490,100	7,772,490,100

Companies in Türkiye may exceed the limit on registered share capital in the event of the issuance of bonus shares to existing shareholders.

As of 30 June 2025, the Group's paid-in capital is divided into 705,000,000 shares (31 December 2024: 705,000,000 shares), each with a nominal value of TL 1. The ultimate shareholder of the Group is Aydem Holding Anonim Şirketi, whose controlling individual shareholder is Ceyhan Saldanlı. Shareholding structure is given in Note 1.

Legal reserves

According to the Turkish Commercial Code ("TCC"), legal reserves are comprised of first and second legal reserves. The first legal reserves are generated by annual appropriations amounting to 5 percent of income disclosed in the Company's statutory accounts until it reaches 20 percent of paid-in share capital. If the dividend distribution is made in accordance with Dividend Distribution Communiqué II-19.1. a further 1/10 of dividend distributions, in excess of 5 percent of paid-in capital is to be appropriated to increase second legal reserves. If the dividend distribution is made in accordance with statutory records, a further 1/11 of dividend distributions, in excess of 5 percent of paid-in capitals are to be appropriated to increase second legal reserves. Under the TCC, the legal reserves can be used only to offset losses and are not available for any other usage unless they exceed 50 percent of paid-in capital. At 30 June 2025, legal reserves of the Group amounted to TL 277,628,803 (31 December 2024: TL 277,628,803).

Dividend distribution

Companies distribute their profits in accordance with their dividend policy determined by the General Assembly and with General Assembly resolution in accordance with provisions of the relevant legislation. According to the Turkish Commercial Code, legal reserves can only be distributed as dividends after they reach 50% of the Company's paid in capital or issued share capital. Accordingly the Group determined its dividend distribution policy in line with the communique. Companies pay dividends according to their articles of association or dividend distribution policy. In addition, dividends may be paid in equal or different amount of installments, and cash dividend advances may be distributed over profit for the year period presented in financial statements.

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14 Share capital (*continued*)

Share premium

Excess amount of selling price and nominal value for each share was recorded as share premium in equity.

As of December 31, 2022, the Company has gained TL 94,753,311 from the block sale of 5,733,502 shares purchased within the scope of the share buyback program with a price of TL 24.76 per share on December 23, 2022 at Borsa İstanbul. The inflation adjusted value of the related amount is TL 263,001,001.

5,000,000 shares of the Company with a nominal value of 1 TL were offered to the public on 29 April 2021 and were sold at TL 9.9 per share. The amount of TL 5,000,000 was used in the capital increase and the remaining TL 40,098,520 was recorded in the "Share Premium/(Discounts)" account. Expenses amounting to TL 4,401,480 incurred within the scope of initial public offering was deducted from "Share Premium/(Discount)" within the scope of TAS 32. The inflation adjusted value of the related amount is TL 235,939,625.

On April 16, 2019, in accordance with EMRA permission dated April 16, 2019, a total of 1,200 Düzce Aksu shares of Aydem Elektrik Perakende A.Ş. with a total value of TL 120,000,000 were taken over and the amount of TL 49,474,498 resulting from the transaction was recorded in the "Share Premium/(Discount)" account. The inflation adjusted value of the related amount is TL 378,298,802.

On December 31, 2020, the Company signed a share sale agreement to sell its 50% shares in Yalova RES Elektrik Üretim A.Ş. to Aydem Holding A.Ş. for TL 38,316,320. The Company has recognized the difference amounting to TL 1,845,320 between the value of the subsidiary disposed of and the fair value determined by independent valuation experts in equity. The inflation adjusted value of the related amount is TL 11,449,567.

Treasury Shares

As of December 31, 2023, within the scope of the share buyback program, shares were repurchased at an average price of TL 13.66 TL. 83,423,193 related to the transaction was recorded under "Treasury Shares" account. The inflation adjusted value of the related amount is TL 197,402,258.

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14 Share capital (continued)**Treasury Shares (continued)**

As at the end of June 30, 2025 and December 31, 2024, the comparative amounts of equity items prepared in accordance with Tax Procedural Law and TAS/TFRS are as follows:

30 June 2025	Historical value	Indexed value	Inflation adjustment effect
Paid-in capital	705,000,000	8,477,490,100	7,772,490,100
Share premium / discount	186,171,649	888,688,995	702,517,346
Treasury shares	(80,091,338)	(197,402,258)	(117,310,920)
Restricted reserves	123,781,283	277,628,803	153,847,520
	934,861,594	9,446,405,640	8,511,544,046

31 December 2024	Historical value	Indexed value	Inflation adjustment effect
Paid-in capital	705,000,000	8,477,490,100	7,772,490,100
Share premium / discount	186,171,649	888,688,995	702,517,346
Treasury shares	(80,091,338)	(197,402,258)	(117,310,920)
Restricted reserves	123,781,283	277,628,803	153,847,520
	934,861,594	9,446,405,640	8,511,544,046

15 Revenue

Details of revenue for the periods ended 30 June 2025 and 2024 are as follows:

	1 January-30 June 2025	1 January-30 June 2024
Revenues from electricity sales	5,844,429,432	4,723,760,453
- Revenues from feed in tariff (FIT)	1,769,301,453	1,660,791,604
- Other than FIT*	4,075,127,979	3,062,968,849
	5,844,429,432	4,723,760,453

Management monitor revenues into two categories due to its risk group: FIT and Other than FIT.

* Amount of TL 2,187,076,565 of the income is attributable to commercial operations, specifically derived from electricity trading activities.

16 Cost of sales

Details of the cost of sales for the periods ended 30 June 2025 and 2024 are as follows:

	1 January-30 June 2025	1 January-30 June 2024
Cost of energy sales and generation	(4,282,410,276)	(3,005,068,531)
- Depreciation and amortization expenses	(1,215,019,146)	(1,736,105,255)
- Cost of energy sales and generation *	(3,067,391,130)	(1,268,963,276)
	(4,282,410,276)	(3,005,068,531)

* Cost of energy generation mainly includes costs of energy sales and generation, system usage and transmission costs, maintenance and repair expenses and personnel expenses. In the cost of energy sales and generation, TL 1,868,770,090 corresponds to the cost incurred from electricity trading activities.

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17 General and administrative expenses

The details of general administrative expenses for the periods ended 30 June 2025 and 2024 are as follows:

	1 January- 30 June 2025	1 January- 30 June 2024
Personnel expenses	(201,261,944)	(163,602,620)
Administrative expenses *	(90,604,266)	(61,176,052)
Consultancy expenses	(71,373,383)	(22,626,487)
Depreciation and amortization expenses	(25,298,413)	(32,347,077)
Tax, duties and fees expenses	(4,961,848)	(8,299,626)
Maintenance and repair expenses	(4,479,038)	(4,056,517)
License and dues expenses	(1,687,303)	(2,228,993)
Insurance charges	(804,794)	(1,016,537)
Other	(15,860,207)	(15,426,046)
	(416,331,196)	(310,779,955)

* Consists of expenses related to shared services received from Aydem Holding.

18 Expenses by nature

The details of expenses incurred for the periods ended 30 June 2025 and 2024 are as follows:

	1 January- 30 June 2025	1 January- 30 June 2024
Costs of energy sales and generation *	(2.564.774.338)	(854.278.523)
Depreciation and amortization expenses	(1.240.317.559)	(1.768.452.332)
Personnel expenses	(580.218.057)	(435.063.182)
Administrative expenses	(90.604.266)	(61.176.052)
Consulting expenses	(80.459.150)	(33.602.469)
License and dues expenses	(25.395.190)	(33.220.414)
Other	(116.972.912)	(130.055.514)
	(4,698,741,472)	(3,315,848,486)

* In the cost of energy sales and generation, TL 1,868,770,090 corresponds to the cost incurred from electricity trading activities.

19 Other operating income and other operating expenses

Details of other operating income for the periods ended 30 June 2025 and 2024 are as follows:

	1 January- 30 June 2025	1 January- 30 June 2024
Interest income from commercial transactions	190,230,240	154,255,177
Foreign exchange income arising from operating activities	4,705,065	289,342,768
Provision for trade receivables no longer applicable	29,538	31,933
Provision for lawsuits no longer applicable	-	3,830,726
Compensation from insurances	-	101,856,398
Other	18,597,977	42,147,420
	213,562,820	591,464,422

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19 Other operating income and other operating expenses (continued)

Details of other operating expenses for the periods ended 30 June 2025 and 2024 are as follows:

	1 January- 30 June 2025	1 January- 30 June 2024
Foreign exchange expense arising from operating activities	(12,802,410)	-
Litigation expenses	(3,089,839)	-
Interest expense on trade transactions	(3,008,642)	(248,177)
Donations	(989,284)	(1,478,844)
Other	(284,141)	(738,287)
	(20,174,316)	(2,465,308)

20 Financial income and expense

The details of finance income for the periods ended 30 June 2025 and 2024 is as follows:

	1 January- 30 June 2025	1 January- 30 June 2024
Interest income from related parties	98,626,266	39,937,619
Foreign exchange income arising from financing activities	91,424,256	244,439,416
Interest income	78,323,665	291,586,273
Other	9,623	31,234
	268,383,810	575,994,542

The details of financial expenses for the periods ended 30 June 2025 and 2024 is as follows:

	1 January- 30 June 2025	1 January- 30 June 2024
Foreign exchange losses arising from financing activities	(2,254,508,283)	(2,386,428,849)
Foreign exchange losses recycled from hedge fund	(1,624,469,428)	(1,010,239,604)
Bond interest expenses	(963,576,148)	(1,315,944,401)
Bank commission and other expenses	(25,877,921)	(19,619,833)
Right of use assets obligations interest expenses (Note 23)	(15,820,303)	(11,339,359)
	(4,884,252,083)	(4,743,572,046)

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21 Income and expense from investing activities

The details of gains from investing activities for the periods ended 30 June 2025 and 2024 are as follows:

	1 January- 30 June 2025	1 January- 30 June 2024
Securities sales income	99,393,827	4,867,389
Gains on financial investments presented at fair value	10,598,167	-
Gains from investing rent	202,249	216,950
Currency protected deposit income	-	1,160,986
Gain from the sale of the tangible fixed assets	-	20,765
Gains on scrap sales	-	1,391,381
	110,194,243	7,657,471

The details of losses from investing activities for the year periods 30 June 2025 and 2024 are as follows:

	1 January- 30 June 2025	1 January- 30 June 2024
Losses arising from disposal of investments in progress*	-	(451,135,803)
Losses from the sale of the tangible fixed assets	-	(579,714)
	-	(451,715,517)

*An application was made to the Energy Market Regulatory Authority for the termination of the production licenses of Ey-Tur and Başat, subsidiaries of Aydem Yenilenebilir Enerji A.Ş. The termination request was approved by the board decision dated June 13, 2024. Based on the decision recognized under expenses from investment activities.

22 Taxation on income

Corporation tax

The Group is subject to corporation tax applicable in Türkiye. The corporate tax rate is 25%. Corporate tax rate to be accrued on the taxable corporate income is determined by adding the expenses that cannot be deducted from the tax base in the determination of the commercial income and deducting gains from the tax, non-taxable income and other discounts (previous year losses, if any, and investment discounts used, if preferred).

In Türkiye, provisional tax is calculated and accrued on a quarterly basis. The provisional tax rate that should be calculated on corporate earnings during the taxation phase of 2025 corporate earnings as of temporary tax periods is 25% (31 December 2024: 25%).

Losses can be carried forward for a maximum of 5 years to be deducted from future taxable profits. However, losses cannot be deducted retrospectively from the profits of previous years.

There is no clear and definitive agreement on tax assessment procedures in Türkiye. Companies file their tax returns between 1-25 April following the close of the accounting year to which they relate. These declarations and the accounting records that are the basis of these declarations can be examined and changed by the Tax Office within 5 years.

Deferred taxes

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

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22 Taxation on income (*continued*)

Income withholding tax

There is a withholding tax liability on dividend distributions and this withholding tax liability is accrued in the period in which the dividend payment is made. Dividend payments other than those made to non-resident corporations which have a place of business or permanent representative in Türkiye and resident corporations are subject to withholding tax at the rate of 15%. In the application of withholding tax rates for dividend payments to non-resident corporations and real persons, the withholding tax rates in the related Double Tax Treaty Agreements are also taken into consideration. Allocation of retained earnings to capital is not considered as profit distribution and therefore not subject to withholding tax.

Transfer pricing arrangements

In Türkiye, the transfer pricing provisions of the Corporate Tax Law "disguised profit distribution via transfer pricing" is stated in Article 13 entitled. The communiqué of 18 November 2007 on disguised profit distribution through transfer pricing regulates the details of the application.

If the taxpayer purchases or sells goods or services at a price or price that they determine in contradiction with the principle of conformity with peers, the gain is deemed to be completely or partially distributed implicitly through transfer pricing. Disguised profit distribution through such transfer pricing is considered an unacceptable expense for corporate tax.

Transfer pricing regulations

Transfer pricing is disclosed in the 13th clause of the Corporate Tax Law under the heading "veiled shifting of profit" via transfer pricing. The application details are stated in the "general communiqué regarding veiled shifting of profits via transfer pricing" published on 18 November 2007. Veiled shifting of profits via transfer pricing will not be deducted from tax assessment for the purposes of corporate tax.

Disguised capital

The provisions on disguised capital are regulated under Article 12 of the Corporate Tax Law and accordingly, the portion of all kinds of debts obtained directly or indirectly from shareholders or persons related to shareholders and used in the enterprise exceeding three times the beginning-of-period equity capital of the corporation at any time during the accounting period is considered as disguised capital for the relevant accounting period.

In order for the debts used in the enterprise to be considered as implicit capital;

- Obtained directly or indirectly from a shareholder or a person related to a shareholder,
- Use in business,
- It must exceed three times the institution's equity at any time during the accounting period.

Tax expense

The expense tax for the periods ended 30 June 2025 and 2024 are as follows:

	1 January- 30 June 2025	1 January- 30 June 2024
Deferred tax income	171,993,873	1,130,888,204
	171,993,873	1,130,888,204

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22 Taxation on income (continued)*Reconciliation of effective tax rate*

As of 30 June 2025 and 2024, the reported tax provision is different from the amount calculated using the statutory tax rate on profit before tax. The reconciliation of tax expense / income is as follows:

	1 January- 30 June 2025	1 January- 30 June 2024
Period profit / (loss)	133,503,662	3,985,231,931
Tax income/(expenses)	171,993,873	1,130,888,204
Profit/(loss) before taxation	(38,490,211)	2,854,343,727
Tax calculated with the company's legal tax rate	9,622,553	(713,585,932)
Non-deductible expenses	(44,954,199)	(32.796.764)
Tax exemption	139,779,768	157.395.167
The effect of tax losses which no deferred tax recognized	(523,562,462)	(441.352.664)
Non-temporary element of monetary gain/loss	579,521,483	2.155.671.452
Other	11,586,730	5.556.945
Tax income/(expense)	171,993,873	1,130,888,204

Deferred tax liabilities

As of 30 June 2025 and 2024, the movement of deferred tax liability is as follows:

	2025	2024
Opening balance (1 January)	4,834,440,795	10,341,066,606
Recognized in other comprehensive income	205,929,750	(53,777,501)
Recognised in profit or loss	(171,993,873)	(1,130,888,204)
Closing balance (30 June)	4,868,376,672	9,156,400,901

As of 30 June 2025, and 31 December 2024, the breakdown of deferred tax liabilities is as follows:

	30 June 2025	31 December 2024
Increase / decrease in value of tangible assets measured by fair value	(6,383,551,794)	(6,399,346,452)
Tangible and intangible assets	14,579,691	(6,314,662)
Amortized cost adjustment for financial borrowings	(54,845,379)	(49,563,576)
Rediscount on payables	30,305,009	34,530,172
Provision for litigation	4,603,870	4,159,596
Provisions for retirement pay and unused vacation liabilities	54,764,755	30,853,750
Foreign exchange differences related to prepaid expenses	59,188,053	55,717,049
Capitalized borrowing costs	1,447,791,029	1,530,821,784
Other	(41,211,906)	(35,298,456)
Deferred tax liabilities	(4,868,376,672)	(4,834,440,795)

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22 Taxation on income (continued)

Deferred tax liabilities (continued)

The breakdown of the unused tax loss carry forwards of the Group are as follows:

	30 June 2025		31 December 2024	
	Deferred tax		Deferred tax	
	Recognized	Not recognized	Recognized	Not recognized
Expire in 2025	-	-	-	69,023,166
Expire in 2026	-	2,406,815,885	-	2,808,126,692
Expire in 2027	-	156,512,065	-	182,608,778
Expire in 2028	-	2,488,404,904	-	2,903,319,807
Expire in 2029	-	1,283,540,958	-	1,497,557,685
Expire in 2030	-	1,714,947,573	-	-
	-	8,050,221,385	-	7,460,636,128

The Group has not recognized deferred tax asset over the unused tax loss carry forwards as of 30 June 2025 due to the significant uncertainties in the projection of the taxable profits in under the Tax Provision Law.

23 Financial liabilities

23.1 Issued bond liabilities

As of 30 June 2025, and 31 December 2024, terms and conditions of financial liabilities are as follows:

30 June 2025					
Currency	Effective interest rate	Maturity for the latest payment	Original currency amount	Short-term	Long-term
USD	8.63%	2027	619,900,938	6,935,382,665	17,744,361,439
				6,935,382,665	17,744,361,439
31 December 2024					
Currency	Effective interest rate	Maturity for the latest payment	Original currency amount	Short-term	Long-term
USD	8.63%	2027	687,436,385	7,394,580,067	20,953,234,575
				7,394,580,067	20,953,234,575

The Group on the Irish Stock Exchange issued USD 750,000,000 with a maturity of 5.5 years, coupon payments every 6 months, principal and coupon payments at maturity, annual fixed interest rate of 7.75%, on 2 August 2021. With the amount obtained through the bond issuance, the entire loan debt of the Company to the banks has been repaid, and the remaining amount is going to be used for the investments in line with the Company's growth strategy.

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23 Financial liabilities (continued)**23.1 Issued bond liabilities (continued)**

The repayments of the bond and debt instruments agreements according to their original maturities as of 30 June 2025 and 31 December 2024 are as follows:

	30 June 2025	31 December 2024
To be paid within 3 months	3,590,738,124	3,826,959,184
To be paid within 3-12 months	3,344,644,541	3,567,620,883
To be paid in 1-2 year	17,744,361,439	6,415,763,280
To be paid in 2-3 year	-	14,537,471,295
	24,679,744,104	28,347,814,642

As of June 30, 2025, the fair value of the issued bonds, which are classified as fixed-interest debt instruments and have a carrying amount of TL 24,679,744,104 (December 31, 2024: TL 28,347,814,642) on the balance sheet, has been determined as TL 24,487,405,798 (December 31, 2024: TL 28,029,506,307) based on calculations using market interest rates, and this value is considered to be close to the carrying amount.

The movement of issued financial liabilities for the period ended 30 June 2025 and 2024 is as follows:

	2025	2024
Opening balance (1 January)	28,347,814,642	33,856,640,734
Principal payments in the period	(2,618,487,455)	-
Interest accrued in the period	963,576,148	1,315,944,401
Interest paid	(1,014,663,889)	(1,195,625,486)
Exchange rate differences accrued in the period	3,878,977,711	3,396,668,453
Exchange rate differences subjected to cash flow hedge, accounted in OCI	(860,759,339)	166,860,304
Inflation effect	(4,016,713,714)	(7,178,642,357)
Closing balance (30 June)	24,679,744,104	30,361,846,049

Financial covenants on bank borrowings

The Issuer shall, not later than the first Interest Payment Date (being 2 February 2022) and at all times thereafter for so long as any Note remains outstanding, maintain one or more cash accounts denominated in U.S. Dollars with one or more Approved Banks (the "Interest Reserve Accounts") and the Issuer shall, commencing from (and including) the first Interest Payment Date and at all times thereafter for so long as any Note remains outstanding, maintain an aggregate amount of cash deposited in its Interest Reserve Accounts in an amount at least equal to:

The Company shall, so long as any Note remains outstanding, fund the interest reserve account on a monthly basis and maintain the required balance given the amount of upcoming interest payment, the amount standing in the account will gradually increase and finally be equal to debt service amount on the date of debt service.

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23 Financial liabilities (continued)**23.2 Lease liabilities**

The repayments of the lease liabilities according to their original maturities as of 30 June 2025 and 31 December 2024 are as follows:

	30 June 2025	31 December 2024
To be paid within a year	28,102,646	37,604,240
To be paid in 1-5 years	13,802,153	17,624,107
To be paid over 5 years	25,554,258	31,737,568
	67,459,057	86,965,915

For the period then ended as of 30 June 2025 and 2024, movements of lease liabilities are as follows:

	2025	2024
Opening balance (1 January)	86,965,915	91,795,556
Additions	10,814,655	29,514,153
Accretion of interest	15,820,303	11,339,359
Payments	(34,567,132)	(28,463,821)
Inflation effect	(11,574,684)	(18,701,308)
Closing balance (30 June)	67,459,057	85,483,939

23.3 Hedge reserve

The movement of cash flow hedge reserve for the period ended 30 June 2025 and 2024 is as follows:

	2025	2024
Opening balance (1 January)	20,686,915,214	20,585,815,610
Current year exchange differences recognised in OCI	763,710,091	1,127,054,629
Reclassified from OCI to profit or loss	(1,624,469,430)	(960,194,325)
Deferred tax	215,189,835	(41,715,076)
Closing balance (30 June)	20,041,345,710	20,710,960,838

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24 Nature and level of risks arising from financial instruments

Financial instruments and financial risk management

The Group may be exposed to the following risks depending on the use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

This note provides information on the Group's exposure to the risks outlined above, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

Credit risk

Credit risk is the risk that a customer or a counterparty will fail to fulfil its obligations under the contract and is mainly attributable to customer receivables. The carrying values of financial assets represent the maximum exposure to credit risk.

The maximum credit risk the Group is exposed to as of 30 June 2025 and 31 December 2024 are as follows:

30 June 2025	Receivables				Cash and cash equivalents
	Trade receivables		Other receivables		
	Related parties	Other parties	Related parties	Other parties	
Maximum exposure to credit risk as of reporting date (A+B+C+D)	591,145,365	2,650,500,240	129,713,252	52,204,917	872,220,111
- Secured part of the maximum credit risk exposures via collateral etc.	591,145,365	2,475,989,752	-	-	-
A. Net book value of financial assets those are neither overdue nor impaired	591,145,365	2,626,288,768	129,713,252	52,204,917	872,220,111
B. Net book value of assets that are overdue but not impaired	-	24,211,472	-	-	-
C. Net book value of impaired financial assets	-	-	-	-	-
- Overdue (gross carrying amount)	-	7,069,410	-	-	-
- Impairment amount (-)	-	(7,069,410)	-	-	-
- Secured portion covered with guarantees, etc	-	-	-	-	-
- Overdue (gross carrying amount)	-	-	-	-	-
- Impairment amount (-)	-	-	-	-	-
- Secured portion covered with guarantees, etc	-	-	-	-	-
D. Off-balance sheet items including risk	-	-	-	-	-

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24 Nature and level of risks arising from financial instruments (continued)

Credit risk (continued)

31 December 2024	Receivables				Cash and cash equivalents
	Trade receivables		Other receivables		
	Related parties	Other parties	Related parties	Other parties	
Maximum exposure to credit risk as of reporting date (A+B+C+D)	3,653,824,014	35,013,176	128,069,361	59,150,753	2,035,489,292
- Secured part of the maximum credit risk exposures via collateral etc,	3,653,824,014	-	-	-	-
A. Net book value of financial assets those are neither overdue nor impaired	1,096,870,593	35,013,176	128,069,361	59,150,753	2,035,489,292
B. Net book value of assets that are overdue but not impaired	2,556,953,421	-	-	-	-
C. Net book value of impaired financial assets	-	-	-	-	-
- Overdue (gross carrying amount)	-	8,279,845	-	-	-
- Impairment amount (-)	-	(8,279,845)	-	-	-
- Secured portion covered with guarantees, etc	-	-	-	-	-
- Overdue (gross carrying amount)	-	-	-	-	-
- Impairment amount (-)	-	-	-	-	-
- Secured portion covered with guarantees, etc	-	-	-	-	-
D. Off-balance sheet items including risk	-	-	-	-	-

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24 Nature and level of risks arising from financial instruments (*continued*)

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial liabilities in the future. The Group's liquidity risk is managed by providing sufficient financing facilities from various financial institutions in a way that does not harm or damage the Group's reputation in order to fund the current and future debt requirements under normal conditions or in crisis situations.

As at 30 June 2025 and 31 December 2024, the maturity of financial liabilities including estimated interest payments according to the payment schedule is as follows:

30 June 2025	Book value	Contractual cash outflow	0-3 months	3-12 months	1-5 years	> 5 years
Non-derivative financial liabilities						
Financial liabilities	24,679,744,104	27,273,932,072	3,619,750,654	3,515,754,096	20,138,427,322	-
Financial lease liabilities (TFRS 16)	67,459,057	189,252,710	11,449,031	38,940,981	48,698,653	90,164,045
Trade payables to related parties	39,399,129	39,399,129	39,399,129	-	-	-
Trade payables to third parties	197,589,224	197,589,224	188,980,331	8,608,893	-	-
Total	24,984,191,514	27,700,173,135	3,859,579,145	3,563,303,970	20,187,125,975	90,164,045

31 December 2024	Book Value	Contractual cash outflow	0-3 months	3-12 months	1-5 years	> 5 years
Non-derivative financial liabilities						
Financial liabilities	28,347,814,642	32,106,864,157	3,856,993,412	3,749,275,603	24,500,595,142	-
Financial lease liabilities (TFRS 16)	86,965,915	235,138,338	11,889,186	55,956,559	59,730,198	107,562,395
Trade payables to related parties	49,262,618	49,262,618	49,262,618	-	-	-
Trade payables to third parties	218,446,521	218,446,521	164,923,692	53,522,829	-	-
Total	28,702,489,696	32,609,711,634	4,083,068,908	3,858,754,991	24,560,325,340	107,562,395

Market risk

Market risk; The risk of changes in the money market, such as exchange rates, interest rates or the prices of instruments traded in the securities markets, may change the Group's income or the value of its financial assets. Market risk management aims to optimize return while controlling market risk exposure within acceptable limits.

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24 Nature and level of risks arising from financial instruments (*continued*)

Currency risk

While the Group's functional currency is Turkish Lira, the Group is exposed to foreign exchange risks. The Group has outstanding US Dollar debt instruments due to power plant investments. The Group also realizes significant USD indexed sales within the scope of the Feed-in Tariff.

As of 30 June 2025, and 31 December 2024, the foreign currency position of the Group arises from foreign currency assets and liabilities stated in the table below.

	30 June 2025		
	Original Amounts		
	TL Equivalent	US Dollars	EUR
Assets			
Cash and cash equivalents	171,703,528	4,319,068	1,294
Other receivables from related parties	129,708,010	3,263,850	-
Trade receivables due from related parties	27,776,277	628,386	60,156
Trade receivables due from third parties	233	-	5
Total Assets	329,188,048	8,211,304	61,455
Liabilities			
Short-term and long-term financial liabilities	(24,679,744,104)	(619,900,938)	-
Short-term trade payables due to third parties	(121,661,677)	(2,408,146)	(552,300)
Short-term trade payables due to related parties	(2,118,418)	(53,210)	-
Total liabilities	(24,803,524,199)	(622,362,294)	(552,300)
Foreign currency liability position	(24,474,336,151)	(614,150,990)	(490,845)
Amounts subject to cash flow hedge accounting *	5,630,198,782	141,418,221	-
Net foreign currency position after cash flow hedge	(18,844,137,369)	(472,732,769)	(490,845)

	31 December 2024			
	Original Amounts			
	TL Equivalent (indexed values)	TL Equivalent	US Dollars	EUR
Assets				
Cash and cash equivalents	399,395,917	342,318,044	9,694,057	8,406
Financial investments	919,133,675	787,779,816	22,329,170	-
Other receivables due from related parties	128,069,361	109,766,927	3,111,281	-
Trade receivables due from related parties	1,513,482,693	1,297,190,092	36,761,983	5,888
Total assets	2,960,081,646	2,537,054,879	71,896,491	14,294
Liabilities				
Short-term and long-term financial liabilities	(28,347,814,642)	(24,296,614,104)	(687,436,385)	-
Short-term trade payables due to third parties	(27,371,524)	(23,459,846)	(460,541)	(195,166)
Total liabilities	(28,375,186,166)	(24,320,073,950)	(687,896,926)	(195,166)
Foreign currency liability position	(25,415,104,520)	(21,783,019,071)	(616,000,435)	(180,872)
Amounts subject to cash flow hedge accounting *	7,958,880,750	6,821,473,074	193,350,767	-
Net foreign currency position after cash flow hedge	(17,456,223,770)	(14,961,545,997)	(422,649,668)	(180,872)

* Please refer to Note 2.8

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24 Nature and level of risks arising from financial instruments (continued)**Currency risk (continued)**Sensitivity analysis

The Group is mainly exposed to foreign currency risk in USD Dollars. The following table details the Group's sensitivity to a 10% increase and decrease in US Dollars and Euro, 10% is the rate used to report the exchange rate risk within the Group to the executives and this rate indicates the possible change in the exchange rates expected by the management. The sensitivity analysis covers only foreign currency denominated monetary items at the end of the year and shows the effects of the 10% increase in foreign exchange rates of these items at the end of the year excluding tax effects. A positive value indicates an increase in profit or loss and other equity items.

Exchange rate sensitivity analysis table		
30 June 2025		
	Increase in value of foreign currency	Decrease in value of foreign currency
If US dollar gains/losses 10% against TL		
1- TL net assets / liabilities	(1,882,062,609)	1,882,062,609
2- TL hedged portion (-)	562,007,322	(562,007,322)
3- TL net effect (1 + 2)	(1,320,055,287)	1,320,055,287
If Euro gains/losses 10% against TL		
4- TL net assets / liabilities	(2,291,819)	2,291,819
5- TL hedged portion (-)	-	-
6- Net effect of TL (4 + 5)	(2,291,819)	2,291,819
Total (3 + 6)	(1,322,347,106)	1,322,347,106

Exchange rate sensitivity analysis table		
31 December 2024		
	Increase in value of foreign currency	Decrease in value of foreign currency
If US dollar gains/losses 10% against TL		
1- TL net assets / liabilities	(1,742,880,463)	1,742,880,463
2- TL hedged portion (-)	795,888,073	(795,888,073)
3- TL net effect (1 + 2)	(946,992,390)	946,992,390
If Euro gains/losses 10% against TL		
4- TL net assets / liabilities	(776,642)	776,642
5- TL hedged portion (-)	-	-
6- Net effect of TL (4 + 5)	(776,642)	776,642
Total (3 + 6)	(947,769,032)	947,769,032

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Nature and level of risks arising from financial instruments (continued)**Capital risk managements**

In managing capital, the Group's objectives are to maintain the Group's ability to continue to operate in order to maintain an optimal capital structure to provide returns to shareholders, benefits to other shareholders, and to reduce capital costs.

In order to maintain or adjust the capital structure, the Group determines the amount of dividend payable to shareholders.

The Group monitors capital on the basis of the net financial debt / equity ratio. Net financial debt is calculated by deducting cash and cash equivalents from total financial debt.

As of 30 June 2025, and 31 December 2024, net financial liabilities/equity ratios are as follows:

	30 June 2025	31 December 2024
Total financial liabilities *	24,679,744,104	28,347,814,642
Cash and cash equivalents	(2,639,659,237)	(3,935,735,821)
Net financial liabilities	22,040,084,867	24,412,078,821
Equity	32,679,204,366	31,927,911,454
	67.44%	76.46%

* Includes issued bond liabilities (Note 23.1).

Fair value of financial instruments

When measuring the fair value of an asset or liability, the Company uses market observable inputs. Fair value measurements are categorised into different levels of the fair value hierarchy based on the information used in the valuation techniques described below.

- Level 1: Quoted prices (unadjusted) in markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair value hierarchy table as of 30 June 2025 is as follows:

Financial assets at fair value in statement of financial position	Level 1	Level 2	Level 3
Financial investment	-	1,143,943,216	-
Power plants	-	-	51,240,726,961
Total assets	-	1,143,943,216	51,240,726,961

Fair value hierarchy table as of 31 December 2024 is as follows:

Financial assets at fair value in statement of financial position	Level 1	Level 2	Level 3
Financial investment	-	1,001,660,983	-
Power plants	-	-	52,041,518,529
Total assets	-	1,001,660,983	52,041,518,529

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Nature and level of risks arising from financial instruments (*continued*)

Fair value of financial instruments (*continued*)

If the information used to measure the fair value of an asset or liability can be categorised into a different level of the fair value hierarchy, that fair value is categorised into the same level of the fair value hierarchy that includes the least significant information for the overall measurement.

The Company recognises transfers between levels in the fair value hierarchy at the end of the reporting period in which the change occurs.

Fair value is the amount that would be realised in a sale transaction between two parties willing to exchange a financial asset, other than in a forced sale or liquidation, and is most readily measurable at fair value.

The Company has generally assumed that the carrying amounts of financial instruments with short remaining maturities or financial instruments that are initially recognised close to the reporting date approximate their fair values. It is also assumed that the fair value of foreign currency assets and liabilities within financial instruments, which are translated into Turkish Lira at the year-end exchange rate, approximates their carrying value.

However, since it is necessary to use judgement to determine the estimated fair value, fair value measurements may not reflect the values that may occur in current market conditions. Therefore, apart from the aforementioned assumptions, inputs that are not based on observable market data for financial assets or liabilities (unobservable inputs), which are used by the Company management in the use of judgement in fair value analysis, have been assessed within the scope of the classification defined as level 3 of the valuation method for the comparative fair value analysis of long-term financial liabilities.

Financial assets

The carrying values of financial assets including cash and cash equivalents and financial investments which are accounted with their costs are estimated to be their fair values since they are short term.

The carrying values of trade receivables along with the related allowances for uncollectability are estimated to be their fair values.

Financial liabilities

The carrying values of trade payables are estimated to be their fair values since they are short term and leasing liabilities are estimated to be their fair values assuming that there is no significant change in the market prices of similar leases with the same maturity. The fair value of the Eurobond liability has been calculated and disclosed in Note 23.1.

Derivative instruments

The Company uses derivative financial instruments (mainly foreign currency forward contracts) to hedge its foreign currency risk. Derivative financial instruments are measured at fair value at the contracts date and remeasured at fair value at subsequent reporting dates. Changes in the fair value of derivative financial instruments are recognised in the statement of profit or loss in the period in which they arise.

Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries

Notes to the interim consolidated financial statements for the six-month period ended 30 June 2025

(Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of June 30, 2025, unless otherwise indicated.)

25 Earnings per share

The calculation of basic and diluted Earnings per share for the periods ended 30 June 2025 and 2024 were based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares as follows:

	30 June 2025	30 June 2024
Numerator:		
Income / (loss) for the period attributable to owners of the company	133,503,662	3,985,231,931
Denominator:		
Weighted average number of shares	698,894,974	698,894,974
Basic and diluted profit /(loss) per share	0.19	5.70
30 June 2025	Number of shares	Time weighting (days)
Outstanding ordinary shares as of 1 January 2025 (Par Value: TL 1)	698,894,974	180
Weighted average for the period	698,894,974	180 / 180
30 June 2024	Number of shares	Time weighting (days)
Outstanding ordinary shares as of 1 January 2024 (Par Value: TL 1)	698,894,974	180
Weighted average for the period	698,894,974	180 / 180

Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries

Notes to the interim consolidated financial statements for the six-month period ended 30 June 2025

(Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of June 30, 2025, unless otherwise indicated.)

26 Prepaid expenses

As of 30 June 2025 and 31 December 2024, short term prepaid expenses as follows:

	30 June 2025	31 December 2024
Advances given for purchase orders	37,435,884	87,803,470
Prepaid expense for the following months	127,214,130	36,909,189
Job advances	274,421	216,223
	164,924,435	124,928,882

As of 30 June 2025 and 31 December 2024, long term prepaid expenses as follows:

	30 June 2025	31 December 2024
Advances given *	339,472,223	336,283,517
	339,472,223	336,283,517

* This amount comprises advances paid to Parla Solar Hücre ve Panel Üretim A.Ş. for the procurement of solar panels.

27 Financial investments

As of 30 June 2025 and 31 December 2024, financial investments are as follows:

	30 June 2025	31 December 2024
Restricted accounts	623,495,910	898,585,546
- Interest reserve account related to Eurobond *	623,495,910	898,585,546
Other financial investments **	1,143,943,216	1,001,660,983
	1,767,439,126	1,900,246,529

* The Company shall, so long as any Note remains outstanding, fund the interest reserve account on a monthly basis and maintain the required balance given the amount of upcoming interest payment, the amount standing in the account will gradually increase and finally be equal to debt service amount on the date of debt service.

** Comprised of short-term funds and bonds with maturities of less than one year.

Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries

Notes to the interim consolidated financial statements for the six-month period ended 30 June 2025

(Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of June 30, 2025, unless otherwise indicated.)

28 Monetary gain

	1 January- 30 June 2025
Balance sheet items	2,921,194,772
Tangible and intangible fixed assets	8,095,696,546
Right of use assets	54,712,084
Inventories	5,200,150
Prepaid expenses	46,575,269
Paid-in capital	(1,211,522,401)
Restricted reserves	(39,676,073)
Premiums/discounts on shares	(127,002,994)
Treasury shares	28,210,857
Deferred tax liabilities	(690,892,381)
Accumulated other comprehensive income and expenses not to be reclassified to profit or loss	(11,527,031)
Accumulated other comprehensive income and expenses to be reclassified to profit or loss	2,923,821,158
Retained earnings	(6,152,400,412)
Profit or loss statement items	206,912,583
Revenue	(330,696,466)
Cost of sales	262,833,296
General administrative expenses	27,854,324
Other income/expenses from operating activities	(16,073,437)
Income/expenses from investing activities	(8,367,664)
Financing income/expenses	271,362,530
	3,128,107,355

29 Events after the reporting period

On August 4, 2025, USD 90,920,182 was transferred to the relevant investor accounts for the payment of coupon number 8 and principal payment of the bonds with a nominal value of USD 750 million and a maturity of 5.5 years.

Uşak WPP capacity increase project has been completed as of 14 August 2025 with the approval of the Ministry of Energy and Natural Resources (MENR) for the displacement of 5 * 1.5 MW = 7.5 MW turbines and commissioning of 6 MW 2 new turbines in order to increase efficiency. The capacity increase of 12 MWm, the total installed capacity of Uşak WPP has increased from 215.65 MWm to 227.65 MWm. Total installed capacity, which was 1,186 MWm as of 14 August 2025, increased by 1% to 1,198 MWm.

**(CONVENIENCE TRANSLATION OF
THE REPORT AND FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH)**

**Aydem Yenilenebilir Enerji
Anonim Şirketi and Its Subsidiaries**

**Interim Condensed Consolidated Financial Statements
As at and For the Six – Month Period Ended
30 June 2024**

**(Convenience translation of a report and condensed consolidated financial statements
originally issued in Turkish)**

Report on Review of Interim Condensed Consolidated Financial Statements

To the Board of Directors of Aydem Yenilenebilir Enerji Anonim Şirketi

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Aydem Yenilenebilir Enerji Anonim Şirketi (the Company) and its subsidiaries ("the Group") as of June 30, 2024 and the interim condensed consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and the consolidated statement cash flows for the six-months period then ended, and explanatory notes. Group management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with Turkish Accounting Standard 34, Interim Financial Reporting ("TAS 34"). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with the Standard on Review Engagements ("SRE") 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review of interim financial information is substantially less in scope than an audit conducted in accordance with Independent Auditing Standards and the objective of which is to express an opinion on the financial statements. Consequently, a review of the interim financial information does not provide assurance that the audit firm will be aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with TAS 34.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst & Young Global Limited



Onur Unal, SMMM
Partner

22 August 2024
İstanbul, Turkey

Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries

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(Convenience Translation of The Report and Financial Statements Originally Issued in Turkish)

Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries

Interim condensed consolidated statement of financial position as at 30 June 2024

(Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of June 30, 2024, unless otherwise indicated.)

		Reviewed	Audited
	Notes	30 June 2024	31 December 2023
ASSETS			
Current assets:			
Cash and cash equivalents	3	2,896,542,051	1,737,986,483
Financial investments	18	1,080,680,987	781,623,255
Trade receivables		2,365,688,661	2,496,033,250
- Due from related parties	5	2,230,950,474	2,405,998,918
- Due from third parties	6	134,738,187	90,034,332
Other receivables		124,905,795	818,217,742
- Due from related parties	5	98,688,821	800,226,167
- Due from third parties	7	26,216,974	17,991,575
Inventories	8	25,892,801	26,283,340
Prepaid expenses	17	139,061,150	50,198,439
Other current assets	13.1	122,044	53,121
Total current assets		6,632,893,489	5,910,395,630
Non-current assets:			
Other receivables		3,358,951	4,068,937
- Due from third parties	7	3,358,951	4,068,937
Property, plant and equipment	9.1	59,213,967,541	60,632,096,206
Right of use assets	9.2	300,929,115	316,976,641
Intangible assets	10	2,086,829,557	2,115,989,944
Prepaid expenses	17	282,659,167	339,921,309
Other non-current assets	13.2	34,509,020	41,446,662
Total non-current assets		61,922,253,351	63,450,499,699
Total assets		68,555,146,840	69,360,895,329

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

(Convenience Translation of The Report and Financial Statements Originally Issued in Turkish)

Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries

Interim condensed consolidated statement of financial position as at 30 June 2024

(Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of June 30, 2024, unless otherwise indicated.)

		Reviewed	Audited
	Notes	30 June 2024	31 December 2023
LIABILITIES			
Current liabilities:			
Short-term portion of long-term financial liabilities	14.1	3,771,202,764	1,864,840,673
Lease liabilities	14.2	26,988,195	20,737,490
Trade payables		297,805,652	502,932,265
- Due to related parties	5	12,681,102	14,264,367
- Due to third parties	6	285,124,550	488,667,898
Liabilities for employee benefits	12	19,408,104	14,674,801
Other payables		706,474	294,466
- Due to third parties	7	706,474	294,466
Current provisions		59,700,717	72,262,013
- Provisions for employee benefits	11.1	48,520,238	55,135,356
- Other short-term provisions	11.1	11,180,479	17,126,657
Other current liabilities	13.3	162,990,883	127,118,054
Total current liabilities		4,338,802,789	2,602,859,762
Non-current liabilities:			
Financial liabilities	14.1	18,710,950,479	23,205,116,669
Lease liabilities	14.2	36,310,427	47,234,720
Other payables		50,567,972	62,868,979
- Due to related parties	5	50,567,972	62,868,979
Non-current provisions		106,935,920	85,519,521
- Provisions for employee benefits	11.4	106,935,920	85,519,521
Deferred tax liabilities	20	6,780,075,491	7,657,289,474
Total non-current liabilities		25,684,840,289	31,058,029,363
Total liabilities		30,023,643,078	33,660,889,125

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

(Convenience Translation of The Report and Financial Statements Originally Issued in Turkish)

Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries

Interim condensed consolidated statement of financial position as at 30 June 2024

(Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of June 30, 2024, unless otherwise indicated.)

	Reviewed	Audited
Notes	30 June 2024	31 December 2023
EQUITY		
Paid-in capital	705,000,000	705,000,000
Adjustment to share capital	5,572,359,790	5,572,359,790
Share premiums	658,050,967	658,050,967
Treasury shares	(149,049,734)	(149,049,734)
Restricted reserves	172,026,433	172,026,433
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods	1,596,430,056	1,674,280,395
- Gains on revaluation of property, plant and equipment	1,696,132,041	1,747,186,650
- Actuarial losses on defined benefit plans	(99,701,985)	(72,906,255)
Other comprehensive income that may be reclassified to loss or profit in subsequent periods	(15,335,925,049)	(15,243,258,280)
- Reserve of losses on cash flow hedge	(15,335,925,049)	(15,243,258,280)
Retained earnings	42,361,651,242	43,907,324,779
Net profit/(loss) for the period	2,950,960,057	(1,596,728,146)
Equity attributable to equity holders of the parent	38,531,503,762	35,700,006,204
Total equity	38,531,503,762	35,700,006,204
Total equity and liabilities	68,555,146,840	69,360,895,329

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

(Convenience Translation of The Report and Financial Statements Originally Issued in Turkish)

Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries

Interim condensed consolidated statement of profit or loss and other comprehensive income for the six-months period ended 30 June 2024

(Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of June 30, 2024, unless otherwise indicated.)

		Reviewed 1 January – 30 June 2024	Unaudited 1 April – 30 June 2024	Reviewed 1 January – 30 June 2023	Unaudited 1 April – 30 June 2023
	Notes				
LOSS OR PROFIT STATEMENT					
Revenue		3,497,821,121	1,643,845,751	4,256,698,684	2,707,463,604
Cost of sales		(2,225,174,685)	(1,106,879,854)	(2,388,070,389)	(1,241,552,591)
Gross profit		1,272,646,436	536,965,897	1,868,628,295	1,465,911,013
General administrative expenses		(230,124,432)	(91,631,451)	(537,518,038)	(375,621,902)
Other operating income		437,963,942	143,982,838	541,028,410	375,264,859
Other operating expenses		(1,825,496)	(1,150,923)	(84,084,853)	(55,258,896)
Operating profit		1,478,660,450	588,166,361	1,788,053,814	1,410,295,074
Income from investing activities		5,670,157	3,219,998	299,717,674	229,758,620
Expense from investing activities		(334,483,531)	(334,142,493)	(152,530,304)	(152,530,304)
Profit/(Loss) before financing income/(expense)		1,149,847,076	257,243,866	1,935,241,184	1,487,523,390
Gains/(losses) on net monetary position		4,049,702,019	1,417,238,343	4,109,074,505	1,046,760,612
Finance income	19	426,508,900	158,446,897	864,249,265	788,415,579
Finance expenses	19	(3,512,491,088)	(1,163,536,620)	(6,541,618,517)	(4,627,634,472)
Net finance income/(expense)		963,719,831	412,148,620	(1,568,294,747)	(2,792,458,281)
(Loss)/Gain before tax		2,113,566,907	669,392,486	366,946,437	(1,304,934,891)
Tax expense		837,393,150	1,578,890,169	(223,876,555)	98,097,412
- Deferred tax income/(expenses)	20	837,393,150	1,578,890,169	(223,876,555)	98,097,412
Net profit/(loss) for the period		2,950,960,057	2,248,282,655	143,069,882	(1,206,837,479)
(Loss)/Gain attributable to Equity holders of the parent		2,950,960,057	2,248,282,655	143,069,882	(1,206,837,479)
(Loss)/Gain earnings per share					
- (Loss)/Gain earnings per share	16	4.22	3.22	0.20	(1.72)
OTHER COMPREHENSIVE INCOME/(LOSS) STATEMENT					
Other comprehensive income that will not be reclassified to profit or loss		(26,795,730)	(12,504,374)	(34,015,777)	(33,107,674)
- Actuarial losses on defined benefit plans	11.4	(35,727,640)	(16,672,499)	(42,519,721)	(41,384,592)
- Total tax on remeasurement losses / gains on defined benefit plans		8,931,910	4,168,125	8,503,944	8,276,918
Other comprehensive income that will be reclassified to profit or loss		(92,666,769)	173,554,227	(2,529,474,272)	(3,105,029,426)
- Reserve of losses on cash flow hedge	14.1	(123,555,692)	231,405,636	(3,161,842,840)	(3,881,286,783)
- Tax related to other comprehensive income that will be reclassified to profit or loss		30,888,923	(57,851,409)	632,368,568	776,257,357
Other comprehensive income/(loss)		(119,462,499)	161,049,853	(2,563,490,049)	(3,138,137,100)
Total comprehensive income/(loss)		2,831,497,558	2,409,332,508	(2,420,420,167)	(4,344,974,579)

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

(Convenience Translation of The Report and Financial Statements Originally Issued in Turkish)

Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries

Interim condensed consolidated statement changes in equity for the six-months period ended 30 June 2024

(Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of June 30, 2024, unless otherwise indicated.)

						Other comprehensive income that will not be reclassified to (loss) or profit	Other comprehensive income that will be reclassified to (loss) or profit				
	Paid-in capital	Adjustment to share capital	Share premiums	Treasury shares	Restricted reserves	Gains on revaluation of property, plant and equipment	Actuarial (loss)/gain on defined benefit plans	Reserve of (losses)/gains on cash flow hedge	Retained earnings	Net profit/ (loss) for the period	Total equity
Balance as of 1 January 2023	705,000,000	5,572,359,790	658,050,967	-	22,976,699	1,612,247,608	(41,323,603)	(15,945,255,891)	37,787,850,933	6,203,080,510	36,574,987,013
Transfers	-	-	-	-	-	-	-	-	6,203,080,510	(6,203,080,510)	-
Net profit/(loss) for the period	-	-	-	-	-	-	-	-	-	143,069,882	143,069,882
Other comprehensive income/(loss)	-	-	-	-	-	-	(34,015,777)	(2,529,474,272)	-	-	(2,563,490,049)
Total comprehensive income/(loss)	-	-	-	-	-	-	(34,015,777)	(2,529,474,272)	-	143,069,882	(2,420,420,167)
Acquisition of own shares *	-	-	-	(138,042,721)	138,042,721	-	-	-	(138,042,721)	-	(138,042,721)
Depreciation transfers related to revaluation of property, plant and equipment	-	-	-	-	-	(29,027,959)	-	-	29,027,959	-	-
Balance as of 30 June 2023	705,000,000	5,572,359,790	658,050,967	(138,042,721)	161,019,420	1,583,219,649	(75,339,380)	(18,474,730,163)	43,881,916,681	143,069,882	34,016,524,125
Balance as of 1 January 2024	705,000,000	5,572,359,790	658,050,967	(149,049,734)	172,026,433	1,747,186,650	(72,906,255)	(15,243,258,280)	43,907,324,779	(1,596,728,146)	35,700,006,204
Transfers	-	-	-	-	-	-	-	-	(1,596,728,146)	1,596,728,146	-
Net profit/(loss) for the period	-	-	-	-	-	-	-	-	-	2,950,960,057	2,950,960,057
Other comprehensive income/(loss)	-	-	-	-	-	-	(26,795,730)	(92,666,769)	-	-	(119,462,499)
Total comprehensive income/(loss)	-	-	-	-	-	-	(26,795,730)	(92,666,769)	-	2,950,960,057	2,831,497,558
Depreciation transfers related to revaluation of property, plant and equipment	-	-	-	-	-	(51,054,609)	-	-	51,054,609	-	-
Balance as of 30 June 2024	705,000,000	5,572,359,790	658,050,967	(149,049,734)	172,026,433	1,696,132,041	(99,701,985)	(15,335,925,049)	42,361,651,242	2,950,960,057	38,531,503,762

* During the fiscal year that ends on June 30, 2023, the Company repurchased 5,605,026 shares for a total of TL 76,400,088 in shares. The "Repurchased Shares (-)" account shows TL 76,400,088 as the sum paid for the buyback of shares, or 0.7950% of the Company's capital. Reserve funds have been set aside in an amount equal to the acquisition values for the repurchased shares in compliance with Law No. 6102, Article 520. The aforementioned reserves are displayed in the "Restricted Reserves Allocated from Profit" account since they are only eliminated upon the transfer or cancellation of the repurchased shares.

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

(Convenience Translation of The Report and Financial Statements Originally Issued in Turkish)

Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries

Interim condensed consolidated statement of cash flows for the six-months period ended 30 June 2024

(Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of June 30, 2024, unless otherwise indicated.)

		Reviewed	Reviewed
	Notes	1 January- 30 June 2024	1 January- 30 June 2023
A. CASH FLOWS FROM OPERATING ACTIVITIES		2,686,371,721	3,659,938,333
Net profit/(loss) for the period		2,950,960,057	143,069,882
Net profit/(loss) for the period adjustment to reconcile		(816,044,465)	3,325,143,380
Adjustment related to amortization and depreciation	9, 10	1,309,492,720	1,312,301,978
Adjustment related to provisions		14,993,112	24,866,727
Adjustment related to incomes / expenses of interest, net		766,024,105	613,315,102
Adjustment related to tax income / expense	20	(837,393,150)	223,876,555
Adjustment related to exchanges differences		2,515,144,190	5,711,732,201
Adjustment related to gains of sales of tangible and intangible assets, net		334,038,892	(5,550,391)
Adjustment to related party to interest incomes / expenses from related parties	19	(29,572,763)	(2,659,921)
Adjustments for fair value gains and losses		-	(18,010,148)
Other adjustments to reconcile net income / expense		183,769	9,047,254
Monetary gains/(losses) on net monetary position		(4,888,955,340)	(4,543,775,977)
Changes in working capital		582,806,623	212,850,468
Related to increase / decrease in restricted accounts		(70,221,748)	(93,548,328)
Related to increase / decrease in trade receivables		159,940,998	543,900,227
Related to increase / decrease in other receivables		669,290,083	(467,137,009)
Related to increase / decrease in the inventories		390,539	(2,891,146)
Related to increase / decrease in trade payables		(205,126,613)	53,182,033
Related to increase / decrease in other payables		23,800,061	168,695,145
Related to increase / decrease in liabilities for employee benefits		4,733,303	10,649,546
Employee termination benefit paid		(31,350,494)	(21,125,397)
B. CASH FLOWS FROM INVESTING ACTIVITIES		(178,716,467)	(1,629,825,883)
Interest received		226,760,023	124,768,713
Inflow related to sales of tangible and intangible assets		100,517,798	473,896,222
Outflow related to purchase of tangible and intangible assets		(258,858,373)	(1,496,940,799)
Cash inflows arising from acquisition of shares or debt instruments of other businesses or funds		173,202,328	125,990,613
Cash outflows arising from acquisition of shares or debt instruments of other businesses or funds		(420,338,243)	(857,540,632)
C. CASH FLOWS FROM FINANCING ACTIVITIES		(906,406,130)	(1,175,186,919)
Cash inflow related to proceeds from borrowings	14.1	-	(54,744,370)
Cash outflow related to lease liabilities	14.2	(21,076,715)	(32,132,795)
Cash outflows for the acquisition of own shares		-	(138,042,721)
Interest paid	14.1	(885,329,415)	(950,267,033)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		1,601,249,124	854,925,531
D. EFFECT OF NET MONETARY POSITION DIFFERENCES GAINS (LOSSES) ON CASH AND CASH EQUIVALENTS		(442,693,556)	(289,043,556)
E. CASH AND CASH EQUIVALENTS BEGINNING OF PERIOD		1,737,986,483	2,659,117,961
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E)		2,896,542,051	3,224,999,936

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

Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries

Notes to the interim condensed consolidated financial statements for the six-months period ended 30 June 2024

(Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of June 30, 2024, unless otherwise indicated.)

1 Organization and nature of operations of the Group

Aydem Yenilenebilir Enerji Anonim Şirketi ("Aydem Yenilenebilir" or "the Company") was established on 6 July 1995 as Bereket Enerji Üretim Otoprodüktör Grubu Sanayi ve Ticaret Anonim Şirketi. The Company first changed its corporate name to Bereket Enerji Üretim Anonim Şirketi on 21 May 2004 and then on 27 December 2019, the Company changed again its corporate name to Aydem Yenilenebilir Enerji Anonim Şirketi. In 2019, the Company has been restructured in a way that it operates solely in renewable energy generation business. In relation to the restructuring process, Aydem Yenilenebilir has merged with all of its subsidiaries which are operating in renewable energy generation business and disposed the non-relevant operations and subsidiaries and became a pure renewable energy generation Company. The Company has started to be traded on Borsa Istanbul as of 29 April 2021.

In these consolidated financial statements, Aydem Yenilenebilir, its subsidiaries and its associate are referred to together as "the Group".

Aydem Yenilenebilir generates electricity from local renewable sources. The Group installed its first hydroelectric power plant ("HPP") on the Bereket Çayı stream and continues to generate electricity with hydro, wind ("WPP"), solar power plant ("SPP") and geothermal ("GPP") in different regions of the country.

The address of the registered office of the Group is as follows:

Adalet Mah. Hasan Gönüllü Bulvarı No:15/1 Merkezefendi, Denizli.

As of 30 June 2024, and 31 December 2023, the Group's subsidiaries ("subsidiaries") and their main business activities are as follows:

Subsidiaries	Location	Main Activities	Ownership Percentage	
			30 June 2024	31 December 2023
Ey-Tur Enerji Elektrik Üretim ve Ticaret Ltd. Şti. ("Ey-tur") /HPP	Kağızman/Kars	Electricity generation by hydropower	100%	100%
Başat Elektrik Üretim ve Ticaret Ltd. Şti. ("Başat") / HPP	Üzümlü/Erzincan	Electricity generation by hydropower	100%	100%
Sarı Perakende Enerji Satış ve Ticaret A.Ş. ("Sarı Perakende")	İzmir	Trading of electricity	100%	100%
Akköprü Yenilenebilir Enerji A.Ş. ("Akköprü HPP") *	Muğla	Electricity generation by hydropower	100%	100%

* Akköprü HPP was established on 15 October 2021. The Group was awarded the Akköprü HPP with a capacity of 115 MW in the tender held by The Republic of Turkey Prime Ministry Privatization administration on 23 September 2021. However, the tender was cancelled on 19 January 2022 with the President's Decision and this decision was notified to Company on 24 January 2022.

Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries

Notes to the interim condensed consolidated financial statements for the six-months period ended 30 June 2024

(Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of June 30, 2024, unless otherwise indicated.)

1

Organization and nature of operations of the Group (continued)

As of 30 June 2024, and 31 December 2023, the number of employees of the Company and its subsidiaries and its associate are as shown in the table below:

The Company and its subsidiaries	30 June 2024	31 December 2023
Aydem Yenilenebilir	572	567
Sarı Perakende	-	-
Ey-Tur	-	-
Başat	-	-
Akköprü	-	-
Total	572	567

Laws and regulations affecting the business activities

The Group is subject to the regulation and board decisions communiques issued by the Energy Market Regulatory Authority (EMRA) and obliged to carry out electricity generation and sales activities in accordance with the Electricity Market Law No.6446 dated 14 March 2013 which entered into force with the Official Gazette No.28603 dated 30 March 2013.

List of shareholders

As of 30 June 2024, and 31 December 2023, the composition of shareholders and their respective percentage of ownership can be summarized as follows:

Shareholders	30 June 2024		31 December 2023	
	TL	%	TL	%
Aydem Enerji Yatırımları A.Ş.*	574,975,680	81.56%	574,975,680	81.56%
Publicly traded	130,000,000	18.44%	130,000,000	18.44%
Others	24,320	0.00%	24,320	0.00%
Total paid in capital	705,000,000	100%	705,000,000	100%
Adjustment to share capital **	5.572.359.790		5.572.359.790	
Total capital	6.277.359.790		6.277.359.790	

* Aydem Enerji Yatırımları A.Ş. is controlled by Aydem Holding A.Ş.

** Adjustment to share capital represents the restatement effect of cash and cash equivalent contributions to share capital restated for the effects of inflation. Adjustment to share capital is not available for any other use except to be added to share capital.

As of 29 April 2021, the company started to be traded on Borsa Istanbul - Star Market.

Approval of consolidated financial statements:

Interim condensed consolidated financial statements prepared as of 30 June 2024 were approved for publication by the Board of Directors on 22 August 2024. The General Assembly have the right to amend the consolidated financial statements.

Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries

Notes to the interim condensed consolidated financial statements for the six-months period ended 30 June 2024

(Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of June 30, 2024, unless otherwise indicated.)

2 Basis of presentation of consolidated financial statements

2.1 Basic principles of presentation

The accompanying interim condensed consolidated financial statements are prepared in accordance with Turkish Financial Reporting Standards ("TFRS") published by Public Oversight Accounting and Auditing Standards Authority ("POA") as set out in the Communiqué numbered II-14.1 "Communiqué on Principles of Financial Reporting in Capital Markets" published in the Official Gazette numbered 28676 on 13 June 2013. TFRSs consist of standards and interpretations which are published as Turkish Accounting Standards ("TAS"), Turkish Financial Reporting Standards, interpretations of TAS and interpretations of TFRS.

Consolidated financial statements are presented in accordance with the formats specified in the "Announcement on TMS Taxonomy" and the "Financial Statement Samples User Guide" published by the POA on July 3, 2024.

The Group and its subsidiaries and associate maintain their books of accounts and prepare their statutory financial statements in accordance with the Turkish Commercial Code ("TCC"), tax legislation, the Uniform Chart of Accounts issued by the Ministry of Finance.

The Ministry of Finance's Uniform Chart of Accounts, tax laws, and the Turkish Commercial Code ("TTK") serve as the foundation for the Group's accounting records and the preparation of statutory financial statements. Consolidated financial statements have been prepared using the historical cost principle, with the exception of the power plants that are reported under tangible fixed assets and are presented with their revalued amounts. The arrangements of the financial statements have taken into account the necessary corrections and classifications to guarantee accurate presentation in compliance with TFRS in necessary records.

Financial reporting in hyperinflationary economy

Entities applying TFRSs have started to apply inflation accounting in accordance with TAS 29 Financial Reporting in Hyperinflation Economies as of financial statements for the annual reporting period ending on or after 31 December 2023 with the announcements made by the Public Oversight Accounting and Auditing Standards Authority (POA) on 23 November 2023. TAS 29 is applied to the financial statements, including the consolidated financial statements, of any entity whose functional currency is the currency of a hyperinflationary economy.

The accompanying financial statements are prepared on a historical cost basis, except for financial investments, derivative instruments measured at fair value and fixed assets and investment properties measured at revalued amounts.

Financial statements and corresponding figures for previous periods have been restated for the changes in the general purchasing power of Turkish lira and, as a result, are expressed in terms of purchasing power of Turkish lira as of 30 June 2024 as per TAS 29.

On the application of TAS 29, the entity used the conversion coefficient derived from the Customer Price Indexes (CPI) published by Turkey Statistical Institute according to directions given by POA. The CPI for current and previous year periods and corresponding conversion factors since the time when the Turkish lira previously ceased to be considered currency of hyperinflationary economy, i.e., since 1 January 2005, were as follow:

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Notes to the interim condensed consolidated financial statements for the six-months period ended 30 June 2024

(Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of June 30, 2024, unless otherwise indicated.)

2 Basis of presentation of consolidated financial statements (continued)

2.1 Basic principles of presentation (continued)

Financial reporting in hyperinflationary economy (continued)

Year	Index	Index, %	Correction coefficient
2004	113.86	9.35	18,79036
2005	122.65	7.72	17,44370
2006	134.49	9.65	15,90802
2007	145.77	8.39	14,67703
2008	160.44	10.06	13,33502
2009	170.91	6.53	12,51811
2010	181.85	6.40	11,76503
2011	200.85	10.45	10,65208
2012	213.23	6.16	10,03363
2013	229.01	7.40	9,34226
2014	247.72	8.17	8,63665
2015	269.54	8.81	7,93749
2016	292.54	8.53	7,31343
2017	327.41	11.92	6,53453
2018	393.88	20.30	5,43178
2019	440.50	11.84	4,85691
2020	504.81	14.60	4,23817
2021	686.95	36.08	3,11445
2022	1,128.45	64.27	1,89594
2023-Q2	1.351,59	19,77	1,71597
2023	1,859.38	64.77	1,15064
2024-Q2	2.319,29	24,73	1,00000

Assets and liabilities were separated into those that were monetary and non-monetary, with non-monetary items were further divided into those measured on either a current or historical basis to perform the required restatement of financial statements under TAS 29. Monetary items (other than index -linked monetary items) and non-monetary items carried at amounts current at the end of the reporting period were not restated because they are already expressed in terms of measuring unit as of 30 June 2024. Nonmonetary items which are not expressed in terms of measuring unit as of 30 June 2024 were restated by applying the conversion factors. The restated amount of a non-monetary item was reduced, in accordance with appropriate TFRSs, in cases where it exceeds its recoverable amount or net realizable value. Components of shareholders' equity in the statement of financial position and all items in the statement of profit or loss and other comprehensive income have also been restated by applying the conversion factors.

Non-monetary items measured at historical cost that were acquired or assumed and components of shareholders' equity that were contributed or arose before the time when the Turkish lira previously ceased to be considered currency of hyperinflationary economy, i.e before 1 January 2005, were restated by applying the change in the CPI from 1 January 2005 to 30 June 2024.

Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries

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(Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of June 30, 2024, unless otherwise indicated.)

2 Basis of presentation of consolidated financial statements (*continued*)

2.1 Basic principles of presentation (*continued*)

Financial reporting in hyperinflationary economy (continued)

The application of TAS 29 results in an adjustment for the loss of purchasing power of the Turkish lira presented in Net Monetary Position Gains (Losses) item in the profit or loss section of the statement of profit or loss and comprehensive income. In a period of inflation, an entity holding an excess of monetary assets over monetary liabilities loses purchasing power and an entity with an excess of monetary liabilities over monetary assets gains purchasing power to the extent the assets and liabilities are not linked to a price level. This gain or loss on the net monetary position is derived as the difference resulting from the restatement of non-monetary items, owners' equity and items in the statement of profit or loss and other comprehensive income and the adjustment of index linked assets and liabilities.

In addition, in the first reporting period in which TAS 29 is applied, the requirements of the Standard are applied as if the economy had always been hyperinflationary. Therefore, the statement of financial position at the beginning of the earliest comparative period, i.e as of 1 January 2022, was restated as the base of all subsequent reporting. Restated retained earnings/losses in the statement of financial position as of 1 January 2022 was derived as balancing figure in the restated statement of financial position.

The financial statements of subsidiaries whose functional currencies are not in the hyperinflationary economy are subject to IAS 21. In this context, TAS 29 has been applied only to subsidiaries resident in Turkey, and other subsidiaries and affiliates have been evaluated and accounted within the scope of TAS 21.

2.2 Functional and presentation currency

The Group has presented its interim condensed consolidated financial statements in TL, which is the functional currency of the Company and its subsidiaries as well as its associate.

Foreign currency transactions are translated into the functional currency (currencies other than TL) using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss.

2.3 Comparative Information and Correction of Prior Period Financial Statements

In order to enable the determination of financial status and performance trends, the Group's interim condensed financial statements are prepared comparatively with the previous period. Comparative information is rearranged or classified when necessary to ensure compliance with the presentation of current period financial statements.

There is no rearrangement or classification in the Group's interim condensed financial statements as of June 30, 2024.

Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries

Notes to the interim condensed consolidated financial statements for the six-months period ended 30 June 2024

(Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of June 30, 2024, unless otherwise indicated.)

2 Basis of presentation of consolidated financial statements (*continued*)

2.4 Basis of Consolidation

Consolidated financial statements include the financial statements of the company and its subsidiaries as of 30 June 2024. Subsidiaries are companies over which the Group has direct or indirect control over their operations. Control is provided if the Group meets the following conditions:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- Events and conditions that may indicate whether the Group has the power to decide on management of operations (including voting at previous general assembly meetings)

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

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

Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries

Notes to the interim condensed consolidated financial statements for the six-months period ended 30 June 2024

(Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of June 30, 2024, unless otherwise indicated.)

2 Basis of presentation of consolidated financial statements (*continued*)

2.4 Basis of Consolidation (*continued*)

i) Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of TFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with TFRS 9. Other contingent consideration that is not within the scope of TFRS 9 is measured at fair value at each reporting.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries

Notes to the interim condensed consolidated financial statements for the six-months period ended 30 June 2024

(Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of June 30, 2024, unless otherwise indicated.)

2 Basis of presentation of consolidated financial statements (*continued*)

2.4 Basis of consolidation (*continued*)

iii) Associates:

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. Associates are accounted for equity method in the consolidated financial statements. Under equity method, investment in an associate is initially recognised at cost. After initial recognition, Group's share of the profit or loss of the investee, is recorded to the financial statements by increasing or decreasing the net book value. Group's share of the profit or loss and other comprehensive income of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate or joint venture.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the investment, including any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit or loss within operating profit when the associate's main course of business is renewable energy generation and represents profit or loss after tax.

The financial statements of the associate are prepared for the same reporting period as the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss within 'Share of profit of an associate' in the statement of profit or loss.

iv) Non-controlling interests

For each business combination, the Group elects to measure any non-controlling interests in the acquiree either:

- at fair value; or
- at their proportionate share of the acquiree's identifiable net assets, which are generally at fair value.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

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Notes to the interim condensed consolidated financial statements for the six-months period ended 30 June 2024

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2 Basis of presentation of consolidated financial statements (*continued*)

2.4 Basis of consolidation (*continued*)

v) *Partial share purchase and sale transactions with non-controlling interests*

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners. Accordingly, in the case of additional share purchases from and sales to non-controlling interests, the difference between the acquisition cost and the carrying amount of the net assets of the subsidiary in proportion to the acquired interest is recognized in equity. No adjustments are made to goodwill and no gain or loss is recognised in profit or loss.

vi) *Acquisition of companies under common control*

For the accounting of business combinations under common control, assets and liabilities subject to business combination are included in the consolidated financial statements with carrying values of historical TFRS financial statements, which were prepared for the purpose of consolidation of the ultimate parents' consolidated financial statements. The financial statements of the acquired entities have been consolidated from the beginning of the financial year in which the business combination occurs. Prior period financial statements have been restated in the same manner for comparability purposes. As a result of these transactions, no goodwill or negative goodwill has been calculated. Any difference between the consideration paid and the share capital of the acquired entity are accounted under equity as "Share Premium / Discount".

vii) *Eliminations*

During the preparation of the consolidated financial statements, unrealized gains and losses arising from intra-group transactions between entities included in the consolidated financial statements, intra-group balances and intra-group transactions are eliminated. Gains and losses arising from the transactions between the associate and the parent company and the consolidated subsidiaries of the parent company and jointly controlled entities are offset against the parent company's interest in the associate. Unrealized losses are eliminated in the same manner as unrealized gains, unless there is evidence of impairment.

viii) *Loss of control*

Upon the loss of control, the Group derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

2.5 Going Concern

The consolidated financial statements have been prepared in accordance with the going concern principle.

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2 Basis of presentation of consolidated financial statements (*continued*)

2.6 The new standards, amendments and interpretations

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

i) The new standards, amendments and interpretations which are effective as of January 1, 2024

- Amendments to TAS 1 - Classification of Liabilities as Current and Non-Current Liabilities
- Amendments to TFRS 16 - Lease Liability in a Sale and Leaseback
- Amendments to TAS 7 and TFRS 7 – Disclosures: Supplier Finance Arrangements

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

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

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

- Amendments to TFRS 10 and TAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- TFRS 17 – The new Standard for insurance contracts
- Amendments to TAS 21 - Lack of exchangeability

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

iii) The amendments which are effective immediately upon issuance

- Amendments to TAS 12 – International Tax Reform – Pillar Two Model Rules

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

iv) The new amendments that are issued by the International Accounting Standards Board (IASB) but not issued by Public Oversight Authority (POA)

The following amendments to IAS 21 and IFRS 18 are issued by IASB but not yet adapted/issued by POA. Therefore, they do not constitute part of TFRS. The Group will make the necessary changes to its consolidated financial statements after the amendments and new Standard are issued and become effective under TFRS.

- IFRS 18 – The new Standard for Presentation and Disclosure in Financial Statements
- IFRS 9 and IFRS 7 Amendments – Classification and Measurement of Financial Instruments
- IFRS 19 – New Non-Publicly Accountable Subsidiaries: Disclosure Standard

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

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2 Basis of presentation of consolidated financial statements (*continued*)

2.7 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.

- a) A person or a close member of that person's family is related to a reporting entity if that person:
- has control or joint control over the reporting entity.
 - has significant influence over the reporting entity.
 - 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:
- 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).
 - 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).
 - Both entities are joint ventures of the same third party.
 - One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - 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.
 - The entity is controlled or jointly controlled by a person identified in (a).
 - 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.

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2 Basis of presentation of consolidated financial statements (*continued*)

2.7 Summary of significant accounting policies (*continued*)

Property, plant and equipment

Accounting and measurement

The Group, has adopted the revaluation method in accordance with TAS 16 for its entire power plants. Power plants are measured at fair value less accumulated depreciation and impairment losses recognised after the date of revaluation. Other tangible assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Construction in progress is also stated at cost, net of accumulated impairment losses, if any. An investment in a power plant is classified as construction in progress during the physical construction process; when completed, it is transferred to the power plant class (Note 9.1) and recognized at fair value.

The frequency of revaluations depends on the changes in the fair values of property, plant and equipment subject to revaluation. The Group revalued the property, plant and equipment consisting of the power plant as of 31 December 2023 and performed a detailed impairment analysis as of 30 June 2024. The Renewable Energy Group consist of power plants below:

Çırakdamı HPP, Dereli HPP, Bereket I-II HPP, Dalaman I-V HPP, Gökyar HPP, Feslek HPP, Koyulhisar HPP, Mentaş HPP, Toros HPP, Göktaş I-II HPP, Aksu HPP, Akıncı HPP Uşak WPP, Yalova WPP, Söke WPP and Uşak SPP.

A revaluation surplus is recorded in OCI and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation surplus.

An annual transfer from the asset revaluation surplus to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to retained earnings.

Depreciation is calculated using the straight-line method over property, plant and equipment. Land is not depreciated on the basis that it has an indefinite life. Purchase costs are accounted by separating the land and building components in the purchases of buildings, including land.

The estimated useful lives of the significant property, plant and equipment as of 30 June 2024 are as follows:

	<u>Years</u>
Power plants	20-49

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

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2 Basis of presentation of consolidated financial statements (*continued*)

2.7 Summary of significant accounting policies (*continued*)

Property, plant and equipment (*continued*)

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. Repair and maintenance costs are recognised in profit or loss as incurred.

A class of power plant is a grouping of assets of a similar nature and used in an entity's operations and contains land, buildings, machinery and equipment, furniture and fixtures.

Expenses for the repair of property, plant and equipment are normally charged as expense. They are, however, capitalized if they result in an enlargement or substantial improvement of the respective assets.

Intangible assets

Accounting and measurement

Intangible assets are carried at cost less accumulated depreciation and impairment losses. Intangible assets are carried at cost less accumulated depreciation and impairment losses. Intangible assets comprise rights to operate licenses and computer software.

Right to Operate Licences

The Adıgüzel HPP and Kemer HPP operating licences which has been obtained through Transfer of Operating Rights Agreement ("Agreement") with the Privatization Administration and the Electricity Generation Corporation ("EÜAŞ") are accounted as intangible assets.

Computer Software

Computer software are recognized at acquisition cost and amortized on a straight-line basis over their estimated useful lives of 3-15 years. Where an indication of impairment exists, the carrying amount of any intangible assets is assessed and written down immediately to its recoverable amount.

Subsequent costs

Subsequent costs are capitalized only if they have an impact that increases the future economic benefits of the intangible assets to which they relate. All other expenditures are recognized in profit or loss when incurred.

Amortization

Intangible assets are recognized in profit or loss on a straight-line basis over their estimated useful lives starting from the date they are ready for use.

Amortization methods, useful lives and residual values are reviewed at each reporting date and, where appropriate, adjusted.

The estimated useful lives in the current periods are as follows:

	<u>Years</u>
Right to Operate Licences	12-49
Computer Software	3-15

Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries

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(Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of June 30, 2024, unless otherwise indicated.)

2 Basis of presentation of consolidated financial statements (*continued*)

2.7 Summary of significant accounting policies (*continued*)

Financial liabilities

Non-derivative financial liabilities of the Group comprised of “borrowings”, “trade payables” and “other payables” in the statement of financial position

i. Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are derecognised from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired.

ii. Borrowing costs

If financing costs arising from the loans are associated with acquisition or construction of qualifying assets, they are included in cost value of qualifying assets. Qualifying assets refer to assets which require a long time to be available for use or sales as intended. Other borrowing costs are accounted in statement of profit or loss in the period they occur.

iii. Trade and other payables

Trade and other payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

2.8 Cash flow hedge transactions

For a hedge of foreign currency risk, the foreign currency component of a non-derivative financial asset or liability may be designated, as a hedging instrument. The foreign currency risk component of a non-derivative financial instrument is determined in accordance with TAS 21.

Accordingly, starting from 20 March 2021, the Company hedge the spot risk of highly probable forecast sales that are denominated in USD with its financial liability in the same foreign currency.

While the Company’s functional currency is TRY, the company is exposed to FX risks due to its finances and operations. The Company has outstanding USD debt due to power plant investments. The company also generates significant sales revenue in USD.

Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries

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2 Basis of presentation of consolidated financial statements (*continued*)

2.8 Cash flow hedge transactions (*continued*)

The source of USD denominated revenue is sales of electricity generated via renewable power plants. Such production is incentivized in Turkey through a feed-in tariff mechanism (Council of Ministers Decree No.2013/5625). The kWh sale price of generated electricity is guaranteed in USD prices, whereas the amount of future renewable generation remains uncertain and depends on climate conditions and/or operational risks. The feed-in tariff ("FIT") revenues are calculated on a daily basis, and are aggregated at monthly intervals. This enables the Company to classify expected future revenues as a monthly stream of forecasted USD cash inflows for risk management purposes.

The Company's foreign currency risk management objective is to rely on natural currency hedges due to operations. It achieves this feat by aligning its forecasted USD inflows and its USD bond payments. Moreover, the forecasted USD inflows vs scheduled USD bond repayments constitute a hedged portfolio that allows a Cash Flow Hedge Accounting relationship to reduce the Company's income statement volatility. In particular, the Company associates its forecasted future USD cash inflows due to renewable-generated electricity sales, with its outstanding USD bonds. The Company is implementing Hedge Accounting under TFRS 9 to reflect its economic hedges onto financial reporting:

Hedge Accounting Component	Definition
Hedged Item	Forecasted future USD cash inflows due to FIT incentive
Hedging Instrument	USD denominated financial borrowings
Hedged Risk	Foreign exchange risk of forecasted future USD cash inflows due to FIT incentive

As of 30 June 2024, the amount of forecasted revenue under FIT and bilateral agreements are USD 242,383,253 whereas the total notional of the outstanding USD denominated bonds is USD 674,107,000. The Group designates USD 574,107,000 of this amount as part of its rebalanced hedge accounting relationship, per TFRS 9 6.2.4 (c). Due to under-hedged nature of the hedged-item, the Company achieves 1:1 hedge ratio with the hedging instrument at all times by way of re-balancing, in line with TFRS 9, 6.4.1.c.iii.

The maturity breakdown of the designated layer of the hedging instrument notional as of 30 June 2024 is provided below;

Payment Date	Principal Payment Amount
February 2025	57,410,700
August 2025	57,410,700
February 2026	57,410,700
August 2026	57,410,700
February 2027	344,464,200
Total	574,107,000

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2 Basis of presentation of consolidated financial statements (*continued*)

2.8 Cash flow hedge transactions (*continued*)

The accounting treatment applied with respect to the cash flow hedge is as follows:

- The portion of the foreign exchange gain or loss of the hedging instrument (USD denominated bonds) that is determined to be an effective hedge is recognised in other comprehensive income ("OCI"), until the accompanying hedged item (forecasted USD cash inflows) occurs.
- Any ineffective portion of the hedge is recognized each reporting period in consolidated statement of profit or loss as "Finance Expenses / Foreign Exchange losses".
- The hedged item, revenue, is recognised in accordance with TFRS 15 and the settlement of the hedging instrument is realised through the repayments of the bond.
- Gains and losses deferred in OCI, remain in OCI until the cash flows associated with the hedged item occur. At the time when a forecast sale occurs, the respective amount of foreign exchange gain/loss is reclassified from OCI to profit or loss (within financial expense / "Finance Expenses – Foreign Exchange losses transferred from equity (cash flow hedge)") as a reclassification adjustment in the same periods during which the hedged expected forecasted sales affect profit or loss.
- If the cash flows are not expected to occur, then the corresponding 'previously effective' foreign exchange gain/loss in OCI are recycled immediately to consolidated statement of profit or loss as "Finance Expenses / Foreign Exchange losses transferred from equity (cash flow hedge)".

As of 30 June 2024, the hedge relationship has been measured as 39.30% effective. As a result of the sensitivity analysis performed on the forecasted revenue figures, the Group concluded that the 10% increase/decrease in the forecasts do not have a significant effect on the evaluation of the hedge effectiveness tests.

Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries

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2 Basis of presentation of consolidated financial statements (*continued*)

2.9 Significant accounting judgments, estimates and assumptions

The preparation of consolidated financial statements in conformity with TFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements:

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Note 5 – Trade receivables

Note 9 – Property, plant and equipment

Note 11 – Provisions

Note 2.7 – Cash flow hedge transactions

Note 20 – Taxation on income

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. The assumptions underlying estimates and estimates are constantly monitored. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries

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2 Basis of presentation of consolidated financial statements (*continued*)

2.10 Revenue

The operations of the Group entities are regulated under Electricity Market Law No. 6446, the Regulation on Electricity Market License of EMRA, the Electricity Market Balancing and Settlement Regulation ("BSR") and other related legislative provisions.

Electricity sales is recognised as revenue at the time of electricity delivery, on an accrual basis. In the case of revenue from feed-in-tariff ("FIT"), sale of electricity is recorded based upon output delivered at rates specified under FIT. In the case of revenue from other than FIT, sale of electricity is again recorded based upon output delivered but at market rates.

With EMRA's board decision dated March 17, 2022 and numbered 10866, "Procedures and Principles Regarding the Determination and Implementation of Resource Based Support Fee" was published. Pursuant to this decision, the Maximum Settlement Price (MSP) has been determined for the resource types used in the generation of electricity and is applied as a ceiling price in the electricity sales price for power plants not covered by FIT. The MSP is updated on a monthly basis by taking into account the commodity prices that are inputs to energy production and other parameters deemed appropriate by the Board in addition to one or more of the inflation and exchange rate parameters.

The MSP mechanism has been expired on 1 October 2023.

The company, related parties Gediz Elektrik Perakende A.Ş. ("Gediz EPSAŞ") and Aydem Elektrik Perakende A.Ş. ("Aydem EPSAŞ") sells electricity to companies within the scope of bilateral agreements. Bilateral agreements are commercial agreements made between real or legal persons, subject to the provisions of private law, regarding the purchase and sale of electrical energy or capacity and not subject to the approval of the Energy Market Regulatory Board. In bilateral agreements, conditions related to the supply of electrical energy such as unit price, price commitment, security fee conditions, contract duration are determined and signed.

2.11 Seasonal changes in operations

The Group's activities are not subject to seasonal fluctuations.

Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries

Notes to the interim condensed consolidated financial statements for the six-months period ended 30 June 2024

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3 Cash and Cash Equivalents

As of June 30, 2024 and December 31, 2023 cash and cash equivalents are as follows:

	30 June 2024	31 December 2023
Cash at banks	2,896,537,808	1,737,986,483
- Time deposits	2,895,509,439	1,737,048,354
- Demand deposits	1,028,369	938,129
Cash	4,243	-
	2,896,542,051	1,737,986,483

As of 30 June 2024, the interest rate of the Group's term TL denominated time deposits amounting is between 35% to 51.4% average maturity period is 3 days (31 December 2023: between 20% and 41% average maturity period is 20 days); US Dollars denominated time deposits amounting interest rate is between 2.25% to 5% average maturity period is 20 days (31 December 2023: between 2% and 4% average maturity period is 9 days), Euro denominated time deposits amounting interest rate is between 1.5% to %3.5 average maturity period is 3 days (31 December 2023: 1.5% average maturity period is 3 days).

4 Segment reporting

4.1 Statement of financial position

Financial information is provided on a power plant-by-power plant basis to members of executive management, which collectively comprise the chief operating decision maker. The information provided to the members of the executive management includes results or operation, valuation gains and losses on power plants, assets and liabilities of each power plant. The individual properties are also monitored based on type of power plants such as Hydro, Wind, Geothermal and Solar. The Group management considers that it is appropriate to report the segments based on this aggregation, to monitor the financial performance.

Group management assesses segment performance over earnings before interest, tax, depreciation and amortization ("EBITDA"). EBITDA is calculated by adjusting the operating income by depreciation and amortization expenses.

Company management preferred to use EBITDA in the evaluation of department performances in terms of comparability with companies in the same sector. EBITDA is not a measure of financial performance defined in TFRS. It may not be comparable to similar indicators defined by other companies.

The accounting policies adopted by each of the reportable segments are consistent with TFRS' used in preparation of consolidated financial statements of the Group. The detailed information regarding the reporting segments of Group is presented below:

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4 Segment reporting (*continued*)

4.1 Statement of financial position (*continued*)

30 June 2024	Hydro Power Plants	Wind Power Plants	Solar Power Plant	Other	Unallocated *	Consolidated
Segment assets	47,932,660,668	9,034,657,677	2,834,291,150	181,565,520	8,571,971,825	68,555,146,840
Segment liabilities	24,833,494,355	4,714,083,106	2,229,784,406	6,527,383	(1,760,246,172)	30,023,643,078
31 December 2023	Hydro Power Plants	Wind Power Plants	Solar Power Plant	Other	Unallocated *	Consolidated
Segment assets	48,766,104,581	9,397,407,266	2,895,022,069	216,246,760	8,086,114,653	69,360,895,329
Segment liabilities	26,386,452,865	4,912,597,877	2,406,025,964	110,328	(44,297,909)	33,660,889,125

* Includes assets and liabilities which are not attributable to a reportable segment such as cash, trade receivables, other assets, trade payables, other liabilities, tax assets and liabilities, etc.

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4 Segment reporting (continued)

4.2 Statement of profit or loss

1 January- 30 June 2024	Hydro Power Plants	Wind Power Plants	Geothermal Power Plant	Solar Power Plant	Total Renewable Energy	Unallocated *	Consolidated
Revenues	2,496,544,699	807,288,257	17,203,785	176,784,380	3,497,821,121	-	3,497,821,121
- Revenues from Feed in Tariff (FIT)	245,700,128	807,288,257	-	176,784,380	1,229,772,765	-	1,229,772,765
- Other than FIT	2,250,844,571	-	17,203,785	-	2,268,048,356	-	2,268,048,356
Cost of Sales	(1,298,423,249)	(609,187,062)	(17,744,862)	(86,006,140)	(2,011,361,313)	(213,813,372)	(2,225,174,685)
Operational Expenses/Income (incl. Other Expense and Income)	223,135,453	74,228,115	1,123,316	16,591,415	315,078,299	(109,064,285)	206,014,014
Earnings Before Interest and Taxes (EBIT)	1,421,256,903	272,329,310	582,239	107,369,655	1,801,538,107	(322,877,657)	1,478,660,450
Add-back, Depreciation & Amortization Expenses	695,313,588	328,163,569	-	59,347,429	1,082,824,586	226,668,134	1,309,492,720
Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) **	2,116,570,491	600,492,879	582,239	166,717,084	2,884,362,693	(96,209,523)	2,788,153,170
Gains from investing activities	-	-	-	-	-	5,670,157	5,670,157
Expenses from investing activities ***	-	-	-	-	-	(334,483,531)	(334,483,531)
Finance income	-	-	-	-	-	426,508,900	426,508,900
Finance expense	-	-	-	-	-	(3,512,491,088)	(3,512,491,088)
Monetary gain/(loss)	-	-	-	-	-	4,049,702,019	4,049,702,019
Tax expense	-	-	-	-	-	837,393,150	837,393,150
Depreciation & amortization expenses	(695,313,588)	(328,163,569)	-	(59,347,429)	(1,082,824,586)	(226,668,134)	(1,309,492,720)
Net Profit for the Period							2,950,960,057

* Includes head office costs and expenses which is not attributable to a reportable segment. Operational expenses mainly consist of personnel expenses. Operational income is mainly composed of foreign exchange income related to trading activities.

** EBITDA is calculated by adjusting the operating income by depreciation and amortization expenses.

*** An application was made to the Energy Market Regulatory Authority for the termination of the production licenses of Ey-Tur and Başat, subsidiaries of Aydem Yenilenebilir Enerji A.Ş. The termination request was approved by the board decision dated June 13, 2024. Based on the decision, the amount of TL 326,928,112 in the construction in progress account was recognized under expenses from investment activities.

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4 Segment reporting (continued)

4.2 Statement of profit or loss (continued)

1 January- 30 June 2023	Hydro Power Plants	Wind Power Plants	Geothermal Power Plant	Solar Power Plant	Total Renewable Energy	Unallocated	Consolidated
Revenues	3,446,133,574	706,824,110	30,886,212	72,854,788	4,256,698,684	-	4,256,698,684
- Revenues from Feed in Tariff (FIT)	1,179,024,700	457,189,624	-	-	1,636,214,324	-	1,636,214,324
- Other than FIT	2,267,108,874	249,634,486	30,886,212	72,854,788	2,620,484,360	-	2,620,484,360
Cost of Sales	(1,548,133,601)	(550,877,866)	(33,255,609)	(58,114,352)	(2,190,381,428)	(197,688,961)	(2,388,070,389)
Operational Expenses/Income (incl. Other Expense and Income)	428,417,246	88,886,485	3,666,907	9,251,357	530,221,995	(610,796,476)	(80,574,481)
Earnings Before Interest and Taxes (EBIT)	2,326,417,219	244,832,729	1,297,510	23,991,793	2,596,539,251	(808,485,437)	1,788,053,814
Add-back, Depreciation & Amortization Expenses	880,724,800	284,432,715	12,155,835	51,802,216	1,229,115,566	83,186,412	1,312,301,978
Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) **	3,207,142,019	529,265,444	13,453,345	75,794,009	3,825,654,817	(725,299,025)	3,100,355,792
Gains from investing activities	-	-	-	-	-	299,717,674	299,717,674
Expenses from investing activities	-	-	-	-	-	(152,530,304)	(152,530,304)
Finance income	-	-	-	-	-	864,249,265	864,249,265
Finance expense	-	-	-	-	-	(6,541,618,517)	(6,541,618,517)
Monetary gain/(loss)	-	-	-	-	-	4,109,074,505	4,109,074,505
Tax expense	-	-	-	-	-	(223,876,555)	(223,876,555)
Depreciation & amortization expenses	(880,724,800)	(284,432,715)	(12,155,835)	(51,802,216)	(1,229,115,566)	(83,186,412)	(1,312,301,978)
Net Profit for the Period							143,069,882

* Includes head office costs and expenses which is not attributable to a reportable segment. Operational expenses mainly consist of personnel expenses. Most of operational income is composed of foreign exchange income related to trading activities.

** EBITDA is calculated by adjusting the operating income by depreciation and amortization expenses.

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5 Related party disclosures

Aydem Holding A.Ş. ("Aydem Holding") is the ultimate parent company and controlling party of the Group.

Transactions with related parties are classified according to the following groups and include all related party disclosures in this note.

1. Ultimate parent and its subsidiaries
2. Other companies controlled by the shareholders of Aydem Holding and other key persons.

Since the transactions between the Group and its subsidiaries, which are related parties of the Group, are eliminated during consolidation, they are not disclosed in this note.

The shareholders, key management personnel and members of the Board of Directors, their families and partners and entities controlled by the ultimate shareholders are considered and referred to as related parties in the consolidated financial statements. The Group companies have carried out various transactions with related parties during their operations.

Trade receivables from related parties generally arise from sale of electricity. Trade payables to related parties generally arise from the electricity purchases. The company, related parties Gediz Elektrik Perakende A.Ş. ("Gediz EPSAŞ") and Aydem Elektrik Perakende A.Ş. ("Aydem EPSAŞ") sells electricity to companies within the scope of bilateral agreements. Bilateral agreements are commercial agreements made between real or legal persons, subject to the provisions of private law, regarding the purchase and sale of electrical energy or capacity and not subject to the approval of the Energy Market Regulatory Board. In bilateral agreements, conditions related to the supply of electrical energy such as unit price, price commitment, security fee conditions, contract duration are determined and signed.

Other receivables from related parties arise from sale of subsidiary shares and amounts arisen from operational activities. At the end of each quarter period for other receivables and payables interest is accrued using market interest rates, which are determined using the Group external cost of borrowing.

5.1 Related party balances

As of 30 June 2024, and 31 December 2023, short-term trade receivables due from related parties are as follows:

	30 June 2024	31 December 2023
Aydem EPSAŞ ⁽¹⁾	1,683,208,062	2,120,413,300
Gediz EPSAŞ ⁽¹⁾	547,296,889	285,010,751
Other	445,523	574,867
	2,230,950,474	2,405,998,918

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5 Related party disclosures (*continued*)

5.1 Related party balances (*continued*)

As of 30 June 2024, and 31 December 2023, short-term other receivables due from related parties are as follows:

	30 June 2024	31 December 2023
Aydem Holding ⁽¹⁾ *	98,688,821	107,965,682
Aydem EPSAŞ ⁽¹⁾	-	692,260,485
	98,688,821	800,226,167

* Mainly consists of receivables related to the sale of 50% shares belonging to Yalova Karacabey.

As of 30 June 2024, and 31 December 2023, short-term trade payables due to related parties are as follows:

	30 June 2024	31 December 2023
Aydem Holding ⁽¹⁾	7,544,968	8,714,215
GDZ Enerji Yatırımları A.Ş. ("GDZ Enerji") ⁽¹⁾	1,593,158	3,734,141
ADM Elektrik Dağıtım A.Ş. ("Adm EDAŞ") ⁽¹⁾	2,796,400	1,702,218
Other	746,576	113,793
	12,681,102	14,264,367

As of 30 June 2024, and 31 December 2023 long-term other payables to related parties are as follows:

	30 June 2024	31 December 2023
Aydem EPSAŞ ⁽¹⁾ *	50,567,972	62,868,979
	50,567,972	62,868,979

* Consists of acquisition of Düzce WPP through under common control business transaction. The payment term is 27 June 2029 according to agreement signed between the Group and Aydem EPSAŞ.

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5 Related party disclosures (*continued*)

5.2 Related party transactions

For the period ended 30 June 2024 and 2023, income and expense transactions with related parties are as follows:

Electricity Sales and Other Sales	1 January- 30 June 2024	1 January- 30 June 2023
Gediz EPSAŞ ⁽¹⁾ *	1,617,404,817	2,481,214,468
Aydem EPSAŞ ⁽¹⁾ *	243,067,457	2,197,078,366
Parla Solar Hücre ve Panel Üretim A.Ş. ("Parla") ⁽¹⁾ **	-	149,149,780
Adm EDAŞ ⁽¹⁾	-	5,921,375
Other	790,082	128,366
	1,861,262,356	4,833,492,355

* It consists of revenues related to electricity trade within the scope of bilateral agreements.

** It includes the sale amount of investment property. The sales profit of TL 55,550,276 related to the transaction was recognized in the income from investment activities line.

Since the price in the spot electricity market was higher than the AUF and YEKDEM electricity sales prices in the period ending on December 31, 2023, a completion payment was made to EPIAŞ for the difference. The difference between revenue and electricity sales arises from this payment..

Purchase of Electricity and Services	1 January- 30 June 2024	1 January- 30 June 2023
Aydem EPSAŞ ⁽¹⁾	108,762,279	89,544,070
Gediz EPSAŞ ⁽¹⁾	52,106,108	-
Aydem Holding ⁽¹⁾	45,379,087	319,332,647
GDZ Enerji ⁽¹⁾	27,376,517	19,120,904
Adm EDAŞ ⁽¹⁾	15,102,396	12,992,199
Yeni Filo A.Ş. ⁽²⁾	484,316	688,369
Parla Solar Hücre ve Panel Üretim A.Ş. ("Parla") ⁽¹⁾	1,016,760	-
Diğer	482,361	55,862
	250,709,824	441,734,051

Financing income	1 January- 30 June 2024	1 January- 30 June 2023
Aydem EPSAŞ ⁽¹⁾ *	24,587,164	370,053,987
Aydem Holding ⁽¹⁾	4,985,600	2,093,568
Gediz EPSAŞ ⁽¹⁾ *	-	223,563,188
Diğer	-	19,723
	29,572,764	595,730,466

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5 Related party disclosures (continued)

5.2 Related party transactions (continued)

Other Income	1 January- 30 June 2024	1 January- 30 June 2023
Aydem EPSAŞ ⁽¹⁾ *	314,225,612	298,170,465
Gediz EPSAŞ ⁽¹⁾ *	41,744,580	208,280,364
Parla Solar ⁽¹⁾	33,241,111	-
Aydem Holding ⁽¹⁾	9,197,711	2,103,515
Other	-	19,222
	398,409,014	508,573,566

* Consists of net foreign exchange income and late interest income regarding trade receivables.

The executive management of the Group is comprised of general manager and directors. For the period ended 30 June 2024 and 2023, the sum of short-term benefits, such as remuneration and attendance fees, provided to key management executives personnel is as follows:

	1 January- 30 June 2024	1 January- 30 June 2023
Benefits to key management personnel	22,220,629	21,525,401
	22,220,629	21,525,401

6 Trade receivables and payables

Short term trade receivables

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

	30 June 2024	31 December 2023
Trade receivables due from related parties (Note 5)	2,230,950,474	2,405,998,918
Trade receivables due from third parties	141,778,655	98,842,746
	2,372,729,129	2,504,841,664
Less: Allowances for doubtful trade receivables	(7,040,468)	(8,808,414)
	2,365,688,661	2,496,033,250

As of 30 June 2024, and 31 December 2023, short-term receivables consist of the following items:

	30 June 2024	31 December 2023
Trade receivables related to electricity sales	2,353,323,731	2,431,518,143
Income accruals related to electricity sales *	12,364,930	64,515,107
Doubtful trade receivables	7,040,468	8,808,414
Allowances for doubtful trade receivables	(7,040,468)	(8,808,414)
	2,365,688,661	2,496,033,250

* Consists of the Group's unbilled receivables arising from the electricity sales.

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6 Trade receivables and payables (continued)

Short term trade receivables (continued)

The movement of provisions for doubtful receivables for the period ended 30 June 2024 and 2023 are as follows:

	2024	2023
Opening balance (1 January)	8,808,414	14,711,262
Provisions no longer required	(23,646)	(33,104)
Inflation effect	(1,744,300)	(2,427,648)
Closing balance (30 June)	7,040,468	12,250,510

Short term trade payables

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

	30 June 2024	31 December 2023
Trade payables from third parties	285,124,550	488,667,898
Trade payables due from related parties (Note 5)	12,681,102	14,264,367
	297,805,652	502,932,265

As of 30 June 2024 and 31 December 2023, short-term trade payables from third parties consist of the following items:

	30 June 2024	31 December 2023
Trade payables	247,309,309	410,826,183
Expense accruals	37,815,023	77,817,615
Other trade payables	218	24,100
	285,124,550	488,667,898

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7

Other receivables and payables

Other short-term receivables

As of 30 June 2024 and 31 December 2023, the Group's short-term other receivables are as follows:

	30 June 2024	31 December 2023
Other receivables due from related parties (Note 5)	98,688,821	800,226,167
Other receivables due from third parties	26,216,974	17,991,575
	124,905,795	818,217,742

As of 30 June 2024 and 31 December 2023, short-term other receivables from third parties consist of the following items:

	30 June 2024	31 December 2023
Receivables from tax administration	26,081,298	17,865,638
Deposits & guarantees given	135,676	125,937
	26,216,974	17,991,575

Other long-term receivables

As of 30 June 2024 and 31 December 2023, other long-term receivables from third parties consist of the following items:

	30 June 2024	31 December 2023
Other receivables due from third parties	3,358,951	4,068,937
	3,358,951	4,068,937

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7 Other receivables and payables (continued)

Other short-term payables

As of 30 June 2024 and 31 December 2023, the Group's short-term other payables are as follows:

	30 June 2024	31 December 2023
Other payables due to third parties	706,474	294,466
	706,474	294,466

As of 30 June 2024 and 31 December 2023, other short-term payables to third parties consist of the following items:

	30 June 2024	31 December 2023
Deposits and guarantees taken	235,709	294,017
Other payables	470,765	449
	706,474	294,466

8 Inventories

As of 30 June 2024 and 31 December 2023, inventories are composed of spare parts for property, plant and equipment:

	30 June 2024	31 December 2023
Spare parts *	25,892,801	26,283,340
	25,892,801	26,283,340

* Inventories consist of spare parts used in the maintenance of power plants and consumable materials.

As of 30 June 2024, there is no insurance coverage on the Group's inventories (31 December 2023: None).

As of 30 June 2024, there are no inventories presented as collateral for liabilities (31 December 2023: None).

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9 Property, plant and equipment and right of use assets**9.1 Property, plant and equipment**

The ending 30 June 2024 and 2023, movements of property, plant and equipment are as follows:

	Land	Power plants	Construction in progress *	Other	Total
Cost or valuation as of 1 January 2024	43,800,275	84,529,629,977	1,553,405,780	250,052,537	86,376,888,569
Additions	-	48,458,269	205,367,409	4,307,216	258,132,894
Disposals **	-	(88,741,526)	(385,207,859)	(72,548)	(474,021,933)
Cost or valuation as of 30 June 2024	43,800,275	84,489,346,720	1,373,565,330	254,287,205	86,160,999,530
Accumulated depreciation as of 1 January 2024	-	(25,561,860,184)	-	(182,932,179)	(25,744,792,363)
Additions	-	(1,232,631,460)	-	(9,073,409)	(1,241,704,869)
Disposals	-	39,419,106	-	46,137	39,465,243
Accumulated depreciation as of 30 June 2024	-	(26,755,072,538)	-	(191,959,451)	(26,947,031,989)
Net book value as of 30 June 2024	43,800,275	57,734,274,182	1,373,565,330	62,327,754	59,213,967,541

* Mainly consists of investments regarding hybrid solar and capacity increase.

**An application was made to the Energy Market Regulatory Authority for the termination of the production licenses of Ey-Tur and Başat, subsidiaries of Aydem Yenilenebilir Enerji A.Ş. The termination request was approved by the board decision dated June 13, 2024. Based on the decision, the amount of TL 326,928,112 in the construction in progress account was recognized under expenses from investment activities.

	Land	Power plants	Construction in progress *	Other	Total
Cost or valuation as of 1 January 2023	43,800,275	88,799,973,340	1,715,100,060	232,874,720	90,791,748,395
Additions	-	144,737,707	1,346,079,979	4,147,836	1,494,965,522
Disposals***	-	(479,322)	(377,564,570)	(130,484)	(378,174,376)
Transfers	-	1,596,371,628	(1,596,371,628)	-	-
Cost or valuation as of 30 June 2023	43,800,275	90,540,603,353	1,087,243,841	236,892,072	91,908,539,541
Accumulated depreciation as of 1 January 2023	-	(25,776,548,103)	-	(165,919,789)	(25,942,467,892)
Additions	-	(1,223,068,112)	-	(8,323,274)	(1,231,391,386)
Disposals	-	390,185	-	25,809	415,994
Accumulated depreciation as of 30 June 2023	-	(26,999,226,030)	-	(174,217,254)	(27,173,443,284)
Net book value as of 30 June 2023	43,800,275	63,541,377,323	1,087,243,841	62,674,818	64,735,096,257

*** Includes the amount related to the sale of Horsunlu geothermal operating license

Within the scope of TAS 23, interest amounting to TL 124,296,424 and exchange rate difference amounting to TL 322,284,724 were capitalized during the period.

As of 30 June 2024, there are pledges and mortgages on property, plant and equipment of the Group amounting to USD 1,248,750,000 in original currencies (31 December 2023: USD 1,248,750,000 in original currencies) in favor of lenders.

Total depreciation expense of property, plant and equipment amounting to TL 1,232,631,460 (30 June 2023: TL 1,223,068,112) has been reflected to cost of sales and amounting to TL 9,073,409 (30 June 2023: TL 8,323,274) has been reflected to general administration expense.

The Group determined that the power plants constitute a separate class of property, plant and equipment, based on the nature, characteristics and risks of the property and as also mentioned in Note 2, elected to use revaluation method for such assets.

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9 Property, plant and equipment and right of use assets (*continued*)

9.2 Right of use assets

The Group has lease contracts for various items of plant, machinery, vehicles, land right of use and other equipment used in its operations.

For the period then ended as of 30 June 2024, movements of right of uses is as follows:

Cost as of 1 January 2024	516,129,237
Additions	21,854,459
Cost as of 30 June 2024	537,983,696
Accumulated depreciation as of 1 January 2024	(199,152,596)
Additions	(37,901,985)
Accumulated depreciation as of 30 June 2024	(237,054,581)
Net book value as of 30 June 2024	300,929,115

For the period then ended as of 30 June 2023, movements of right of uses is as follows:

Cost as of 1 January 2023	430,590,703
Additions	82,016,719
Cost as of 30 June 2023	512,607,422
Accumulated depreciation as of 1 January 2023	(106,942,524)
Additions	(51,087,260)
Accumulated depreciation as of 30 June 2023	(158,029,784)
Net book value as of 30 June 2023	354,577,638

Total depreciation expense of right of uses amounting to TL 27,395,792 (30 June 2023: 40,589,088) has been reflected to cost of sales and amounting to TL 10,506,193 (30 June 2023: TL 10.498.172) has been reflected to general administration expense.

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10 Intangible assets

As of 5 May 2017, the Company has signed a Transfer of Operating Rights Agreement ("Agreement") with the Privatization Administration and the Electricity Generation Corporation ("EÜAŞ") for Adıgüzel and Kemer Hydroelectric Plants. According to the agreement, the Company obtained the operating rights of the plants for 49 years and is responsible for the transfer of EÜAŞ at the end of the period in a complete and a functional state. During the contract period, the Company has to carry out all the maintenance, repairs and improvements which are necessary to ensure the convenience and efficiency of the plants for the generation activity, at their own expense. The Company is responsible for any damages and losses that may occur in the generation facilities in general referred as "Power Plants". During the contact period; the Company has to perform all kinds of additional facilities, the investment for rehabilitation and development in accordance with the legislation, and will obtain the approval of EÜAŞ during the works and procedures to be carried out within this framework. In addition, the company must obtain approval from EÜAŞ in case it wants to make investments and transactions for capacity changes.

As of the transfer date, it is EÜAŞ's responsibility to monitor and solve the administrative, legal disputes regarding the ownership of the immovable on which plants are located and the immovable in use, that are available now or will arise after the transfer date and all responsibilities and obligations arising from this matter.

Intangible assets related to agreements are amortized until the end of the related contract period.

Although the Company has the right to obtain substantially all of the economic benefits from use of the asset, it does not have the right to manage the use of power plants according to Article 7 of the contract signed with the EÜAŞ. Therefore, the contract has not been considered as a lease contract under TFRS 16, On the other hand, the Agreement is not accounted within the scope of TFRIC 12 Service Concession Agreements because although the residual interest of the power plants belongs to EÜAŞ, EÜAŞ does not control at what price electricity will be sold.

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10 Intangible assets (*continued*)

As of 30 June 2024 and 2023, movements of intangible assets are as follows:

	Licences	Operating rights	Softwares	Total
Cost as of 1 January 2024	46,504,519	2,420,018,316	33,523,340	2,500,046,175
Additions	725,479	-	-	725,479
Cost as of 30 June 2024	47,229,998	2,420,018,316	33,523,340	2,500,771,654
Accumulated depreciation as of 1 January 2024	(29,638,315)	(329,254,193)	(25,163,723)	(384,056,231)
Additions	(4,551,901)	(24,694,065)	(639,900)	(29,885,866)
Accumulated depreciation as of 30 June 2024	(34,190,216)	(353,948,258)	(25,803,623)	(413,942,097)
Net book value as of 30 June 2024	13,039,782	2,066,070,058	7,719,717	2,086,829,557
	Licences	Operating rights	Softwares	Total
Cost as of 1 January 2023	38,825,985	2,420,018,316	32,556,401	2,491,400,702
Additions	1,185,636	-	789,640	1,975,276
Cost as of 30 June 2023	40,011,621	2,420,018,316	33,346,041	2,493,375,978
Accumulated depreciation as of 1 January 2023	(19,872,172)	(279,866,058)	(23,543,546)	(323,281,776)
Additions	(4,277,752)	(24,694,065)	(851,515)	(29,823,332)
Accumulated depreciation as of 30 June 2023	(24,149,924)	(304,560,123)	(24,395,061)	(353,105,108)
Net book value as of 30 June 2023	15,861,697	2,115,458,193	8,950,980	2,140,270,870

Amortization expense of intangible assets amounting to TL 24,694,065 (30 June 2023: TL 24,694,065) has been reflected to cost of sales and amounting to TL 5,191,801 (30 June 2023: TL 5,129,267) has been reflected to general administrative expenses.

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11 Provisions, contingent assets and liabilities

11.1 Short-term provisions

As of 30 June 2024 and 31 December 2023, the breakdown of short-term provisions are as follows:

	30 June 2024	31 December 2023
Short-term provisions for employee benefits	48,520,238	55,135,356
Provision for litigations	11,180,479	17,126,657
	59,700,717	72,262,013

Short-term provisions for employee benefits consist of unused vacation days provisions and premium provisions.

The movement table of unused vacation days provisions is as follows:

	2024	2023
Opening balance (1 January)	19,077,480	15,449,178
Net change in provision within the period	8,439,907	4,502,783
Inflation effect	(4,647,779)	(2,833,065)
Closing balance (30 June)	22,869,608	17,118,896

The movement table of premium provisions is as follows:

	2024	2023
Opening balance (1 January)	36,057,876	30,995,658
Net change in provision within the period	(3,628,866)	(780,940)
Inflation effect	(6,778,380)	(5,068,217)
Closing balance (30 June)	25,650,630	25,146,501

Other short-term provisions consist of provisions for ongoing litigations of the Group.

The movement table is as follows:

	2024	2023
Opening balance (1 January)	17,126,657	25,609,818
Net change in provision within the period	(2,826,870)	6,585,115
Inflation effect	(3,119,308)	(4,228,039)
Closing balance (30 June)	11,180,479	27,966,894

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11 Provisions, contingent assets and liabilities (*continued*)

11.2 Contingent liabilities

As of 30 June 2024 and 31 December 2023, the Group's collateral/pledge/mortgage ("CPM") balances are as follows:

		30 June 2024	31 December 2023
	Currency	TL Amount	TL Amount
A. Guarantees given in the name of its own legal personality*	TL	-	-
B. Guarantees given on behalf of the fully consolidated companies	US Dollars	40,991,717,250	45,853,622,683
C. Total amount of CPM's given to other 3rd parties for the purpose of carrying out their ordinary commercial activities	TL	-	-
D. Other guarantees	TL	-	-
i. Guarantees given on behalf of the majority shareholder		-	-
ii. Guarantees given to on behalf of other group companies which are not in scope of B and C.	TL	-	-
iii. Guarantees given on behalf of third parties which are not in scope of C.		-	-
Total		40,991,717,250	45,853,622,683

* On 2 December 2021, within the scope of the Eurobond, movable pledge was established on the Company's movable assets to form the guarantee of the bond issuance.

The Company are subject to litigation and regulatory proceedings in the normal course of the business. From time to time, The Company may be a party to legal proceedings, including, but not limited to, personal injury claims, commercial disputes, regulatory or administrative actions and employment matters. These proceedings may be brought by, among others, current, former or prospective employees, suppliers, governmental agencies or other third parties.

- Administrative fines and other administrative sanctions for all structures, with the decision of the Dalaman, Ortaca and Köyceğiz Municipal Committees, for alleged violation of the reconstruction legislation due to the absence of a building permit for Dalaman HPP 1-2-3-4-5 and Gökyar HPPs, Since these administrative actions are against the law and HPPs are public investments, they are exempt from construction permits. For this reason, lawsuits have been filed by the Company to the Administrative Courts for the cancellation of the transactions. As a result of the proceedings conducted by the courts, in 95 of these cases, the court decisions regarding the cancellation of the transaction in favor of the Company were notified to the Company, the court was decided one case rejected the transaction. Of the decisions given for the annulment of the aforementioned administrative transactions, in only 1 case, the request for annulment was rejected. Of the decisions on the annulment of administrative actions, 13 are under appeal at the Council of State and in 82 cases the annulment decisions have been finalized. The Company does not foresee any legal and financial risk in the form of any payment or penalty due to the administrative sanction decisions of the municipalities that have been decided to be cancelled.

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11 Provisions, contingent assets and liabilities (*continued*)

11.2 Contingent liabilities (*continued*)

Within the scope of the authority granted by the Electricity Market Law, EMRA has decided on the Procedures and Principles Regarding the Determination and Implementation of Resource Based Support Fee ("Procedures and Principles") dated 17 March 2022 and numbered 10866. With the Board Decision dated 29 March 2022 and numbered 10887, amendments were made to the Procedures and Principles. Accordingly, it has been ruled that fixed price and approved bilateral agreements entered into the market management system, which is an operating system where all contracts in the market are entered for 1 February and later, before 8 March 2022 may be exempted if they are submitted to Enerji Piyasaları İşletme A.Ş. ("EPIAŞ") together with the information and documents specified in the Procedures and Principles. According to the regulation, the bilateral agreements that are included in the scope of exemption will not be subject to the support price debt amount application. Following the Company's exemption application, which was duly submitted in due time within the scope of the Procedures and Principles, after the necessary information and documents were examined by EPIAŞ, the Company was notified by official letter that the Company's exemption application was accepted. In the following period, the Company performed the bilateral agreement transactions regarding the exemption in accordance with the relevant Procedures and Principles. At the end of the first 6-month implementation period of April - September 2022, with EMRA's Board Decision dated 29 September 2022 and numbered 11269, paragraph 1 of Article 7 of the Procedures and Principles was amended to enter into force on 1 October 2022. With the amended version of the article, the term "fixed price bilateral agreements" has been extended to include agreements up to the final consumer. On 13 January 2023, EMRA Board Decision dated 12 January 2023 and numbered 11574-13 was notified to the Company. In the aforementioned Board Decision, it was stated that it was determined that the Company had unjustly failed to pay the support fee debt amounts amounting to (not inflation accounted applied) TL 264,859,740 in the April-September 2022 period and it was decided to collect these amounts. Taking into account the precedent decisions in this regard, the Company reserves its legal rights with the assessment that if this retroactive decision is cancelled, the unlawful administrative action will be eliminated retroactively. In accordance with the agreements, the Company will reflect the additional costs that may arise regarding the transactions made within the scope of bilateral agreements to Gediz Elektrik Perakende Satış A.Ş., one of the group companies.

As of 30 June 2024, in accordance with the EMRA Board Decision dated 12 January 2023 and numbered 11574-13, the Company has made refund to EPIAŞ amounting to (not inflation accounted applied) TL 355,161,858 (including late fee and VAT) and reflected the same amount to Gediz EPSAŞ in accordance with the bilateral agreement. There is no impact on the financial statements related to this issue.

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11 Provisions, contingent assets and liabilities (continued)

11.3 Letters of guarantees received and guarantees given

		30 June 2024	31 December 2023
	Currency	TL equivalent	TL equivalent
Guarantees given *	TL	383,570,083	342,258,146
Total		383,570,083	342,258,146

* Guarantees given, in general, are comprised of the letters of guarantees given to the several institutions and organizations within the operations of the Group (to Energy Market Regulatory Authority ("EMRA"), Turkish Electricity Transmission Company ("TEİAŞ"), privatization administration and to the judicial authorities for some of the on-going lawsuits.

		30 June 2024	31 December 2023
	Currency	TL equivalent	TL equivalent
Guarantees received *	TL	45,808,521	20,348,899
Guarantees received *	EURO	6,315,489	7,865,009
Guarantees received **	US Dollars	3,132,506,579	4,584,062,824
		3,184,630,589	4,612,276,732

* Guarantees received against the risk of failure to provide the services to be received from suppliers.

** Letters of guarantees received from Aydem EPSAŞ and Gediz EPSAŞ for electricity trade and regarding power plant investments.

11.4 Long term provisions

As of 30 June 2024 and 31 December 2023, the long-term provisions are as follows:

	30 June 2024	31 December 2023
Provisions for retirement pay liability	106,935,920	85,519,521
	106,935,920	85,519,521

As of 30 June 2024 and 2023, movements of provisions for retirement pay liability are as follows:

	2024	2023
Opening balance (1 January)	85,519,521	71,405,302
Service cost	3,644,324	9,004,421
Interest cost	9,388,263	5,588,452
Retirement payments paid	(2,442,814)	(6,044,467)
Actuarial loss/(gain)	35,727,640	42,519,721
Inflation effect	(24,901,014)	(14,670,064)
Closing balance (30 June)	106,935,920	107,803,365

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11 Provisions, contingent assets and liabilities (*continued*)

11.4 Long term provisions (*continued*)

TFRS require actuarial valuation methods to be developed to estimate the enterprise's obligation under defined benefit plans. Accordingly, the following actuarial assumptions have been used in the calculation of the total liability. Related rates have been presented by considering the weighted average of actuarial assumptions of the subsidiaries within the scope of consolidation.

The main actuarial assumptions used as of 30 June 2024 and 31 December 2023 are as follows:

	30 June 2024	31 December 2023
Expected interest in the coming years %	25	25
Expected inflation in the coming years %	21	21
Expected probability of leaving without compensation in the coming years %	3.56	3.56

12 Liabilities for employee benefits

As of 30 June 2024 and 31 December 2023, short-term payables related to employee benefits are as follows:

	30 June 2024	31 December 2023
Social security withholdings payable	18,901,009	14,339,102
Payables to personnel	507,095	335,699
	19,408,104	14,674,801

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13 Other current, non-current assets and other liabilities

13.1 Other current assets

As of 30 June 2024 and 31 December 2023, other current assets are as follows:

	30 June 2024	31 December 2023
Advances to personnel	105,346	36,593
Short-term deferred value added tax ("VAT")	16,698	16,528
	122,044	53,121

13.2 Other non-current assets

As of 30 June 2024 and 31 December 2023, other non-current assets are as follows:

	30 June 2024	31 December 2023
Long-term deferred VAT	34,509,020	41,446,662
	34,509,020	41,446,662

13.3 Other short-term liabilities

As of 30 June 2024 and 31 December 2023, other liabilities are as follows:

	30 June 2024	31 December 2023
Taxes and funds payable	162,840,006	123,010,933
Other	150,877	4,107,121
	162,990,883	127,118,054

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14 Financial liabilities

14.1 Issued bond liabilities

As of 30 June 2024 and 31 December 2023, terms and conditions of financial liabilities are as follows:

30 June 2024					
Currency	Effective interest rate	Maturity for the latest payment	Original currency amount	Short-term	Long-term
USD	8.63%	2027	670,703,376	3,771,202,764	18,710,950,479
				3,771,202,764	18,710,950,479
31 December 2023					
Currency	Effective interest rate	Maturity for the latest payment	Original currency amount	Short-term	Long-term
USD	8.63%	2027	682,740,150	1,864,840,673	23,205,116,669
				1,864,840,673	23,205,116,669

The Group on the Irish Stock Exchange issued USD 750,000,000 with a maturity of 5.5 years, coupon payments every 6 months, principal and coupon payments at maturity, annual fixed interest rate of 7.75%, on 2 August 2021. With the amount obtained through the bond issuance, the entire loan debt of the Company to the banks has been repaid, and the remaining amount is going to be used for the investments in line with the Company's growth strategy.

The repayments of the bond and debt instruments agreements according to their original maturities as of 30 June 2024 and 31 December 2023 are as follows:

	30 June 2024	31 December 2023
To be paid within 3 months	850,992,908	951,926,642
To be paid within a 3-12 months	2,920,209,856	912,914,031
To be paid in 1-2 year	5,258,061,062	6,053,097,753
To be paid in 2-3 year	13,452,889,417	5,251,852,303
To be paid in 3-4 year	-	11,900,166,613
	22,482,153,243	25,069,957,342

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14 Financial liabilities (continued)

14.1 Issued bond liabilities (continued)

The movement of financial liabilities for the period ended 30 June 2024 and 2023 is as follows:

	2024	2023
Opening balance (1 January)	25,069,957,342	27,103,523,748
Repayment of financial liabilities *	-	(54,744,370)
Interest accrued in the period	974,422,426	961,767,149
Interest paid	(885,329,415)	(950,267,033)
Exchange rate differences accrued in the period	2,515,144,190	5,711,732,201
Exchange rate differences subjected to cash flow hedge accounted in OCI	123,555,692	3,161,842,840
Inflation effect	(5,315,596,992)	(4,787,379,146)
Closing balance (30 June)	22,482,153,243	31,146,475,389

* Repurchase amount related to bond issuance.

14.2 Lease liabilities

The repayments of the lease liabilities according to their original maturities as of 30 June 2024 and 31 December 2023 are as follows:

	30 June 2024	31 December 2023
To be paid within a year	26,988,195	20,737,490
To be paid in 1-5 years	10,484,873	13,155,286
To be paid over 5 years	25,825,554	34,079,434
	63,298,622	67,972,210

For the period then ended as of 30 June 2024 and 2023, movements of lease of uses is as follows:

	2024	2023
Lease Liabilities (1 January)	67,972,210	62,844,787
Additions	21,854,459	82,016,719
Accretion of interest	8,396,499	9,075,766
Payments	(21,076,715)	(32,132,795)
Inflation effect	(13,847,831)	(16,068,865)
Lease Liabilities (30 June)	63,298,622	105,735,612

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15 Nature and level of risks arising from financial instruments

Financial instruments and financial risk management

The Group may be exposed to the following risks depending on the use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

This note provides information on the Group's exposure to the risks outlined above, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

Credit risk

Credit risk is the risk that a customer or a counterparty will fail to fulfil its obligations under the contract and is mainly attributable to customer receivables. The carrying values of financial assets represent the maximum exposure to credit risk.

The maximum credit risk the Group is exposed to as of 30 June 2024 and 31 December 2023 are as follows:

30 June 2024	Receivables				Cash and cash equivalents
	Trade receivables		Other receivables		
	Related parties	Other parties	Related parties	Other parties	
Maximum exposure to credit risk as of reporting date (A+B+C+D+E)	2,230,950,474	134,738,187	98,688,821	29,575,925	2,896,542,051
- Secured part of the maximum credit risk exposures via collateral etc.	2,230,950,474	-	-	-	-
A. Net book value of financial assets those are neither overdue nor impaired	590,956,465	134,738,187	98,688,821	29,575,925	2,896,542,051
B. Net book value of assets that are overdue but not impaired	1,639,994,009	-	-	-	-
C. Net book value of impaired financial assets	-	-	-	-	-
- Overdue (gross carrying amount)	-	7,040,468	-	-	-
- Impairment amount (-)	-	(7,040,468)	-	-	-
- Secured portion covered with guarantees, etc	-	-	-	-	-
- Overdue (gross carrying amount)	-	-	-	-	-
- Impairment amount (-)	-	-	-	-	-
- Secured portion covered with guarantees, etc	-	-	-	-	-
D. Off-balance sheet items including risk	-	-	-	-	-

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15 Nature and level of risks arising from financial instruments (continued)

Credit risk (continued)

31 December 2023	Receivables				Cash and cash equivalents
	Trade receivables		Other receivables		
	Related parties	Other parties	Related parties	Other parties	
Maximum exposure to credit risk as of reporting date (A+B+C+D+E)	2,405,998,918	90,034,332	800,226,167	22,060,512	1,737,986,483
- Secured part of the maximum credit risk exposures via collateral etc.	2,405,998,918	-	-	-	-
A. Net book value of financial assets those are neither overdue nor impaired	434,791,070	90,034,332	800,226,167	22,060,512	1,737,986,483
B. Net book value of assets that are overdue but not impaired	1,971,207,848	-	-	-	-
C. Net book value of impaired financial assets	-	-	-	-	-
- Overdue (gross carrying amount)	-	8,808,414	-	-	-
- Impairment amount (-)	-	(8,808,414)	-	-	-
- Secured portion covered with guarantees, etc	-	-	-	-	-
- Overdue (gross carrying amount)	-	-	-	-	-
- Impairment amount (-)	-	-	-	-	-
- Secured portion covered with guarantees, etc	-	-	-	-	-
D. Off-balance sheet items including risk	-	-	-	-	-

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15 Nature and level of risks arising from financial instruments (*continued*)

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial liabilities in the future. The Group's liquidity risk is managed by providing sufficient financing facilities from various financial institutions in a way that does not harm or damage the Group's reputation in order to fund the current and future debt requirements under normal conditions or in crisis situations.

As at 30 June 2024 and 31 December 2023, the maturity of financial liabilities including estimated interest payments according to the payment schedule is as follows:

30 June 2024	<u>Book value</u>	<u>Contractual cash outflow</u>	<u>0-3 months</u>	<u>3-12 months</u>	<u>1-5 years</u>	<u>> 5 years</u>
Non-derivative financial liabilities						
Financial liabilities	22,482,153,243	26,415,743,116	857,474,376	3,070,311,496	22,487,957,244	-
Financial lease liabilities (TFRS 16)	63,298,622	174,817,332	7,228,641	35,011,110	38,282,644	94,294,937
Other long term payables to related parties	50,567,972	174,329,348	-	-	174,329,348	-
Trade payables to related parties	12,681,102	12,681,102	12,681,102	-	-	-
Trade payables to third parties	285,124,550	285,808,815	266,286,554	19,522,261	-	-
Total	22,893,825,489	27,063,379,713	1,143,670,673	3,124,844,867	22,700,569,236	94,294,937

31 December 2023	<u>Book Value</u>	<u>Contractual cash outflow</u>	<u>0-3 months</u>	<u>3-12 months</u>	<u>1-5 years</u>	<u>> 5 years</u>
Non-derivative financial liabilities						
Financial liabilities	25,069,957,342	30,508,012,547	959,176,856	959,176,856	28,589,658,835	-
Financial lease liabilities (TFRS 16)	67,972,210	199,832,107	5,863,770	26,861,928	46,540,609	120,565,800
Other long term payables to related parties	62,868,979	217,448,996	-	-	-	217,448,996
Trade payables to related parties	14,264,367	14,264,367	14,264,367	-	-	-
Trade payables to third parties	488,667,898	419,276,063	417,983,720	1,292,343	-	-
Total	25,703,730,796	31,358,834,080	1,397,288,713	987,331,127	28,636,199,444	338,014,796

Market risk

Market risk; The risk of changes in the money market, such as exchange rates, interest rates or the prices of instruments traded in the securities markets, may change the Group's income or the value of its financial assets. Market risk management aims to optimize return while controlling market risk exposure within acceptable limits.

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15 Nature and level of risks arising from financial instruments (continued)**Currency risk**

While the Group's functional currency is Turkish Lira, the Group is exposed to foreign exchange risks. The Group has outstanding US Dollar debt instruments due to power plant investments. The Group also realizes significant USD indexed sales within the scope of the Feed-in Tariff.

As of 30 June 2024 and 31 December 2023, the foreign currency position of the Group arises from foreign currency assets and liabilities stated in the table below.

	30 June 2024		
	Original Amounts		
	TL Equivalent	US Dollars	EUR
Assets			
Cash and cash equivalents	2,015,633,219	59,050,448	2,198,546
Financial investments	732,403,731	22,311,560	-
Other receivables from related parties	111,538,074	3,333,462	60,156
Trade receivables from related parties	1,704,711,735	51,925,136	5,888
Total Asset	4,564,286,759	136,620,606	2,264,590
Liabilities			
Short-term and long-term financial liabilities	(22,482,153,243)	(684,884,429)	-
Short-term trade payables to third parties	(209,602,258)	(5,763,662)	(580,816)
Total liabilities	(22,691,755,501)	(690,648,091)	(580,816)
Foreign currency liability position	(18,127,468,742)	(554,027,485)	1,683,774
Amounts subject to cash flow hedge accounting *	18,845,751,203	574,107,000	-
Net foreign currency position after cash flow hedge	718,282,461	20,079,515	1,683,774
	31 December 2023		
	Original Amounts		
	TL Equivalent	US Dollars	EUR
Assets			
Cash and cash equivalents	351,170,601	9,303,295	235,219
Financial investments	781,623,255	21,286,258	-
Trade receivables from third parties	106,595,857	2,902,967	-
Other receivables from related parties	2,454,859,096	66,770,418	75,678
Total assets	3,694,248,809	100,262,938	310,897
Liabilities			
Short-term and long-term financial liabilities	(25,069,957,340)	(682,740,150)	-
Short-term trade payables to third parties	(307,829,611)	(8,197,504)	(167,862)
Total liabilities	(25,377,786,951)	(690,937,654)	(167,862)
Foreign currency liability position	(21,683,538,142)	(590,674,716)	143,035
Amounts subject to cash flow hedge accounting *	21,080,989,595	574,107,000	-
Net foreign currency position after cash flow hedge	(602,548,547)	(16,567,716)	143,035

* Please refer to Note 2.7.

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15 Nature and level of risks arising from financial instruments (continued)**Currency risk (continued)**Sensitivity analysis

The Group is mainly exposed to foreign currency risk in USD Dollars. The following table details the Group's sensitivity to a 10% increase and decrease in US Dollars and Euro, 10% is the rate used to report the exchange rate risk within the Group to the executives and this rate indicates the possible change in the exchange rates expected by the management. The sensitivity analysis covers only foreign currency denominated monetary items at the end of the year and shows the effects of the 10% increase in foreign exchange rates of these items at the end of the year excluding tax effects. A positive value indicates an increase in profit or loss and other equity items.

Exchange rate sensitivity analysis table		
30 June 2024		
	Increase in value of foreign currency	Decrease in value of foreign currency
If TL gains/losses 10% against US dollar		
1- TL net assets / liabilities	(1,818,661,705)	1,818,661,705
2- TL hedged portion (-)	1,884,575,120	(1,884,575,120)
3- TL net effect (1 + 2)	65,913,415	(65,913,415)
If the TL gains/losses 10% against the Euro		
4- TL net assets / liabilities	5,914,826	(5,914,826)
5- TL hedged portion (-)	-	-
6- Net effect of TL (4 + 5)	5,914,826	(5,914,826)
Total (3 + 6)	71,828,241	(71,828,241)

Exchange rate sensitivity analysis table		
31 December 2023		
	Increase in value of foreign currency	Decrease in value of foreign currency
If TL gains/losses 10% against US dollar		
1- TL net assets / liabilities	(2,168,934,979)	2,168,934,979
2- TL hedged portion (-)	2,108,098,960	(2,108,098,960)
3- TL net effect (1 + 2)	(60,836,019)	60,836,019
If the TL gains/losses 10% against the Euro		
4- TL net assets / liabilities	581,165	(581,165)
5- TL hedged portion (-)	-	-
6- Net effect of TL (4 + 5)	581,165	(581,165)
Total (3 + 6)	(60,254,854)	60,254,854

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15 Nature and level of risks arising from financial instruments (continued)

Capital risk managements

In managing capital, the Group's objectives are to maintain the Group's ability to continue to operate in order to maintain an optimal capital structure to provide returns to shareholders, benefits to other shareholders, and to reduce capital costs.

In order to maintain or adjust the capital structure, the Group determines the amount of dividend payable to shareholders.

The Group monitors capital on the basis of the net financial debt / equity ratio. Net financial debt is calculated by deducting cash and cash equivalents from total financial debt.

As of 30 June 2024 and 31 December 2023, net financial liabilities/equity ratios are as follows:

	30 June 2024	31 December 2023
Total financial liabilities *	22,482,153,243	25,069,957,342
Cash and cash equivalents	(3,977,223,038)	(2,519,609,738)
Net financial liabilities	18,504,930,205	22,550,347,604
Equity	38,531,503,762	35,700,006,204
	%48.03	%63.17

* Includes issued bond liabilities (Note 14.1).

Fair value of financial instruments

When measuring the fair value of an asset or liability, the Company uses market observable inputs. Fair value measurements are categorised into different levels of the fair value hierarchy based on the information used in the valuation techniques described below.

- Level 1: Quoted prices (unadjusted) in markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the information used to measure the fair value of an asset or liability can be categorised into a different level of the fair value hierarchy, that fair value is categorised into the same level of the fair value hierarchy that includes the least significant information for the overall measurement.

The Company recognises transfers between levels in the fair value hierarchy at the end of the reporting period in which the change occurs.

Fair value is the amount that would be realised in a sale transaction between two parties willing to exchange a financial asset, other than in a forced sale or liquidation, and is most readily measurable at fair value.

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15 Nature and level of risks arising from financial instruments (*continued*)

Fair value of financial instruments (*continued*)

The Company has generally assumed that the carrying amounts of financial instruments with short remaining maturities or financial instruments that are initially recognised close to the reporting date approximate their fair values. It is also assumed that the fair value of foreign currency assets and liabilities within financial instruments, which are translated into Turkish Lira at the year-end exchange rate, approximates their carrying value.

However, since it is necessary to use judgement to determine the estimated fair value, fair value measurements may not reflect the values that may occur in current market conditions. Therefore, apart from the aforementioned assumptions, inputs that are not based on observable market data for financial assets or liabilities (unobservable inputs), which are used by the Company management in the use of judgement in fair value analysis, have been assessed within the scope of the classification defined as level 3 of the valuation method for the comparative fair value analysis of long-term financial liabilities.

As at 30 June 2024, the Company's central assets are measured at fair value determined by an independent professional valuation company using other valuation techniques that include direct or indirect observable inputs (Level 3).

Financial assets

The carrying values of financial assets including cash and cash equivalents which are accounted with their costs are estimated to be their fair values since they are short term.

The carrying values of trade receivables along with the related allowances for uncollectibility are estimated to be their fair values.

Financial liabilities

The carrying values of trade payables are estimated to be their fair values since they are short term and leasing liabilities are estimated to be their fair values assuming that there is no significant change in the market prices of similar leases with the same maturity.

Derivative instruments

The Company uses derivative financial instruments (mainly foreign currency forward contracts) to hedge its foreign currency risk. Derivative financial instruments are measured at fair value at the contracts date and remeasured at fair value at subsequent reporting dates. Changes in the fair value of derivative financial instruments are recognised in the statement of profit or loss in the period in which they arise.

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16 Earnings per share

The calculation of basic and diluted Earnings per share for the period ended 30 June 2024 and 30 June 2023 were based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares as follows:

	30 June 2024	30 June 2023
Numerator:		
Income / (loss) for the period attributable to owners of the company	2,950,960,057	143,069,882
Denominator:		
Weighted average number of shares	698,894,974	702,336,389
Basic and diluted profit /(loss) per share	4.22	0.20
30 June 2024	Number of shares	Time weighting (days)
Outstanding ordinary shares as of 1 January 2024 (Par Value: TL 1)	698,894,974	180
Weighted average for the period	698,894,974	180 / 180

Within the scope of the share buyback program, a total of 6,105,026 shares were bought back at an average price of TL 13.66 TL 83,423,193 related to the transaction was recorded under "Treasury shares" account. The inflation adjusted value of the related amount is TL 149,049,734.

30 June 2023	Number of shares	Time weighting (days)
Outstanding ordinary shares as of 1 January 2023 (Par Value: TL 1)	705,000,000	10
Outstanding ordinary shares as of 11 January 2023	704,800,000	13
Outstanding ordinary shares as of 24 January 2023	704,100,000	24
Outstanding ordinary shares as of 17 February 2023	704,050,000	5
Outstanding ordinary shares as of 22 February 2023	703,740,000	40
Outstanding ordinary shares as of 3 April 2023	703,440,000	1
Outstanding ordinary shares as of 4 April 2023	703,240,000	1
Outstanding ordinary shares as of 5 April 2023	703,140,000	1
Outstanding ordinary shares as of 6 April 2023	703,040,000	1
Outstanding ordinary shares as of 7 April 2023	702,940,000	3
Outstanding ordinary shares as of 10 April 2023	702,840,000	1
Outstanding ordinary shares as of 11 April 2023	702,740,000	6
Outstanding ordinary shares as of 17 April 2023	702,640,000	1
Outstanding ordinary shares as of 18 April 2023	702,540,000	1
Outstanding ordinary shares as of 19 April 2023	702,490,000	6
Outstanding ordinary shares as of 25 April 2023	702,420,000	1
Outstanding ordinary shares as of 26 April 2023	702,220,000	7
Outstanding ordinary shares as of 3 May 2023	701,920,000	6
Outstanding ordinary shares as of 9 May 2023	701,420,000	1
Outstanding ordinary shares as of 10 May 2023	700,920,000	1
Outstanding ordinary shares as of 11 May 2023	699,920,000	1
Outstanding ordinary shares as of 12 May 2023	698,920,000	49
Weighted average for the period	702,336,389	180 / 180

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17 Prepaid expenses

As of 30 June 2024 and 31 December 2023, short term prepaid expenses as follows:

	30 June 2024	31 December 2023
Advances given for purchase orders	60,715,418	39,994,558
Prepaid expense for the following months	78,009,046	9,968,221
Job advances	336,686	235,660
	139,061,150	50,198,439

As of 30 June 2024 and 31 December 2023, long term prepaid expenses as follows:

	30 June 2024	31 December 2023
Advances given	282,659,167	339,921,309
	282,659,167	339,921,309

18 Financial investments

As of 30 June 2024 and 31 December 2023, financial investments are as follows:

	30 June 2024	31 December 2023
Restricted accounts	715,990,676	645,768,928
- Interest reserve account related to Eurobond *	715,990,676	645,768,928
Currency protected deposits	-	135,854,327
Other cash and cash equivalents	364,690,311	-
	1,080,680,987	781,623,255

* The Company shall, so long as any Note remains outstanding, fund the interest reserve account on a monthly basis and maintain the required balance given the amount of upcoming interest payment. The amount standing in the account will gradually increase and finally be equal to debt service amount on the date of debt service.

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19 Financial income and expense

The details of finance income for the year ended 30 June 2024 and 2023 is as follows:

	1 January- 30 June 2024	1 January- 30 June 2023
Foreign exchange income arising from financing activities	181,000,997	733,749,143
Income arising from Eurobond buy-back	-	8,313,622
Interest income	215,912,012	95,770,743
Interest income from related parties	29,572,763	2,659,921
Income from derivative transactions	-	18,545,678
Other	23,128	5,210,158
	426,508,900	864,249,265

The details of financial expenses for the year ended 30 June 2024 and 2023 is as follows:

	1 January- 30 June 2024	1 January- 30 June 2023
Foreign exchange losses arising from financing activities *	(1,767,088,174)	(5,547,089,582)
Bond interest expenses	(974,422,426)	(812,320,612)
Foreign exchange losses transferred from equity *	(748,056,016)	(164,642,619)
Bank commission and other expenses	(14,527,973)	(8,489,938)
Right of use obligations interest expenses (Note 14.2)	(8,396,499)	(9,075,766)
	(3,512,491,088)	(6,541,618,517)

* Includes unrealised foreign exchange losses amounting to TL 2,454,278,957 related to Eurobond payable for the period 2025-2027, for which there is no principal payment obligation in the current period.

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20 Taxation on income

Deferred tax liabilities

The movement of deferred tax liability is as follows:

	2024	2023
Opening balance (1 January)	7,657,289,474	9,475,419,193
Recognized in other comprehensive income	(39,820,833)	(640,872,512)
Recognised in profit or loss	(837,393,150)	223,876,555
Closing balance (30 June)	6,780,075,491	9,058,423,236

As of 30 June 2024 and 31 December 2023, the breakdown of deferred tax liabilities is as follows:

	30 June 2024	31 December 2023
Increase / decrease in value of tangible assets	(14,182,384,117)	(14,084,832,292)
Amortized cost adjustment for financial borrowings	(70,461,254)	(90,039,779)
Rediscount on payables	(3,944,650)	(4,972,037)
Provision for litigation	2,795,121	4,281,666
Property, plant and equipment and intangible assets	5,818,998	(114,932,643)
Provisions for retirement pay liability	30,802,132	24,092,065
Expensing of foreign exchange differences related to prepaid expenses	41,917,093	42,029,655
Deferred tax asset from carry forward tax losses	732,107,066	1,511,467,678
Expensing capitalized borrowing costs	1,221,558,202	1,384,445,312
Deferred tax effect on temporary differences arising from inflation accounting in accordance with the TPL	5,461,378,378	3,683,115,722
Other	(19,662,460)	(11,944,821)
	(6,780,075,491)	(7,657,289,474)

21 Events after the reporting period

In accordance with the Profit Distribution Table prepared according to the financial tables taken as basis in accordance with Article 4/2.a of the Communiqué on Financial Tables to be Taken as Basis in Companies Applying Inflation Adjustment published in the Official Gazette dated 15 June 2024 and numbered 32577, at the Extraordinary General Assembly Meeting held on 29 July 2024, since the cash distributable profit was determined as 384,758,014 TL gross after deducting the legal reserves, it was decided to distribute this amount in cash, dividend payments started as of 29 July 2024 and were completed as of 1 August 2024.

As of 2 August 2024, in order to be transferred into the related investors' accounts, USD 26,121,646 has been paid as the payment of fourth coupons with regard to our Company's USD 750 million 5.5 year maturity bonds

An application was made to the Energy Market Regulatory Authority for the termination of the production licenses of Ey-Tur and Başat, subsidiaries of Aydem Yenilenebilir Enerji A.Ş. The termination request was approved by the board decision dated 13 June 2024 published in the Official Gazette dated 5 July 2024.

**Aydem Yenilenebilir Enerji
Anonim Şirketi and Its Subsidiaries**

**Convenience Translation of Consolidated
Financial Statements for the Periods Ended
31 December 2024, 2023 and 2022
and Independent Auditor's Report**

(Convenience translation of a report and financial statements originally issued in Turkish)

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

INDEPENDENT AUDITOR'S REPORT

To the General Assembly of Aydem Yenilenebilir Enerji Anonim Şirketi

A) Report on the Audit of the Consolidated Financial Statements

1) Opinion

We have audited the consolidated financial statements of Aydem Yenilenebilir Enerji Anonim Şirketi (the Company) and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2024, December 31, 2023 and December 31, 2022, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024, December 31, 2023 and December 31, 2022 and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Turkish Financial Reporting Standards (TFRS).

2) Basis for Opinion

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



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3) Key Audit Matters

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

Regarding the financial statements for the years ending on December 31, 2024, December 31, 2023 and December 31, 2022	
Key Audit Matter	How our audit addressed the key audit matter
<i>Valuation of power plants</i>	
Power plants comprises 79%, 85% and 84,5% of total assets of the Group as at 31 December 2024, 31 December 2023 and 31 December 2022, respectively. The Group measures power plants using the revaluation method as stated in Note 2.8 in the consolidated financial statements; therefore, management makes estimates and uses assumptions to determine those fair values. The fair value is measured, as explained in Note 2.8 to the consolidated financial statements, based on appraisal reports by independent and external appraisers. For the valuations, estimates are made of the expected future cash flows taking into account the related risks. Detailed explanations on property, plant and equipment are provided in Note 2.8 and Note 9.1 to the consolidated financial statements. Since the valuation of power plants is complex and highly dependent on estimates and assumptions, and also given the magnitude of the amounts involved, we consider the valuation of power plants as a key audit matter.	Among the other audit procedures we performed, we assessed the qualifications, competencies and independence of the professional appraisers engaged by the management. We have evaluated the appropriateness of the information and assumptions used in the valuations. These include the estimates by the external appraisal firms (such as the market price, production volume and discount rate). For this assessment, we involved valuation experts from another entity that we have engaged with to support our audit. We assessed whether the valuation methods as applied by appraisers are acceptable for the valuation of the power plants. In addition, we have assessed the appropriateness of the disclosures in the consolidated financial statements and notes regarding the abovementioned accounting policy, estimates used and the valuation methodology and their conformity to TFRS.



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Regarding the financial statements for the years ending on December 31, 2024, December 31, 2023 and December 31, 2022	
Key Audit Matter	How our audit addressed the key audit matter
Cash Flow Hedge Transaction	
As stated in Note 2.9, As of 31 December 2024, 31 December 2023 and 31 December 2022 the Group used its bond amounting to USD 574.107.000, USD 574.107.000 and USD 600.211.000, respectively, as a hedging instruments to hedge against the exchange rate risk resulting from the highly probable sales income earned in the scope of Renewable Energy Sources Support Mechanism ("YEKDEM") and bilateral agreements, and implemented cash flow hedge accounting for highly-probable YEKDEM and bilateral agreement sales as a result of efficiency tests carried out within this scope. The criteria for the application of the hedge accounting include defining, documenting and regularly testing the effectiveness of the hedge accounting transactions. Due the fact that hedge accounting has complicated structure and requires complex calculations, we considered this to be one of the key audit matters.	Among the other audit procedures we performed, we assessed the qualifications, competencies and independence of the professional appraisers engaged by the management. We have evaluated the appropriateness of the information and assumptions used in the valuations. These include the estimates by the external appraisal firms (such as the market price, production volume and discount rate). For this assessment, we involved valuation experts of a firm which is in our audit network to support our audit. We assessed whether the valuation methods as applied by appraisers are acceptable for the valuation of the power plants. In addition, we have assessed the appropriateness of the disclosures in the consolidated financial statements and notes regarding the abovementioned accounting policy, estimates used and the valuation methodology and their conformity to TFRS.



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Regarding the financial statements for the years ending on December 31, 2024, December 31, 2023 and December 31, 2022	
Key Audit Matter	How our audit addressed the key audit matter
Application of the hyperinflationary accounting	
As stated in Note 2.2 to the consolidated financial statements, the Group has started to apply "TAS 29 Financial Reporting in Hyperinflation Economies" since the functional currency of the Group (Turkish Lira) is the currency of a hyperinflationary economy as per TAS 29 as of December 31, 2023. In accordance with TAS 29, consolidated financial statements and corresponding figures for previous periods have been restated for the changes in the general purchasing power of Turkish Lira and, as a result, are expressed in terms of purchasing power of Turkish Lira as of the reporting date. In accordance with the guidance in TAS 29, the Group utilised the Turkey consumer price indices to prepare inflation adjusted financial statements. The principles applied for inflation adjustment is explained in Note 2.1. Given the significance of the impact of TAS 29 on the reported result and financial position of the Group, we have assessed the hyperinflation accounting as a key audit matter.	Our audit procedures included the following; • We inquired management responsible for financial reporting on the principles, which they have considered during the application of TAS 29, identification of non-monetary accounts and tested TAS 29 models designed, • We have tested the inputs and indices used, to ensure completeness and accuracy of the calculations, • We have audited the restatements of corresponding figures as required by TAS 29, • We assessed the adequacy of the disclosures in inflation adjusted financial statements for compliance with TAS 29.

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

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

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

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



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(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

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

In an independent audit, our responsibilities as the auditors are:

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.



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(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

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

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

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

The name of the engagement partner who supervised and concluded this audit is Onur Ünal.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst & Young Global Limited

Onur Ünal, SMMM
Partner

11 March 2025
İstanbul, Türkiye

Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries

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Consolidated Statement of Financial Position
Consolidated Statement of Profit or Loss and Other Comprehensive Income
Consolidated Statement of Changes in Equity
Consolidated Statement of Cash Flow
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(Convenience translation of financial statements originally issued in Turkish)

Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries

Consolidated statement of financial position as at 31 December 2024, 2023 and 2022

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

		Audited	Audited	Audited
	Notes	31 December 2024	31 December 2023	31 December 2022
ASSETS				
Current assets:				
Cash and cash equivalents	3	1,744,596,487	2,011,698,240	3,077,896,736
Financial investments	27	1,628,681,336	904,719,422	845,354,706
Trade receivables		3,161,663,600	2,889,128,164	3,102,410,960
- Due from related parties	5	3,131,654,175	2,784,914,519	2,931,843,050
- Due from third parties	6	30,009,425	104,213,645	170,567,910
Other receivables		155,067,728	947,077,097	155,762,540
- Due from related parties	5	109,766,904	926,252,068	83,281,015
- Due from third parties	7	45,300,824	20,825,029	72,481,525
Inventories	8	20,405,704	30,422,646	30,074,907
Prepaid expenses	26	107,075,232	58,104,084	64,682,557
Other current assets	13.1	156,844	61,487	121,471
Total current assets		6,817,646,931	6,841,211,140	7,276,303,877
Non-current assets:				
Other receivables		5,396,665	4,709,745	3,691,731
- Due from third parties	7	5,396,665	4,709,745	3,691,731
Property, plant and equipment	9.1	46,553,720,961	70,180,914,792	75,062,254,387
Right of use assets	9.2	335,480,580	366,896,612	374,618,835
Intangible assets	10	2,384,219,886	2,449,232,654	2,509,571,315
Prepaid expenses	26	288,225,069	393,454,785	964,268,718
Investment properties		-	-	104,853,871
Other non-current assets	13.2	36,873,586	47,974,011	26,245,050
Total non-current assets		49,603,916,747	73,443,182,599	79,045,503,907
Total assets		56,421,563,678	80,284,393,739	86,321,807,784

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

(Convenience translation of financial statements originally issued in Turkish)

Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries

Consolidated statement of financial position as at 31 December 2024, 2023 and 2022

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

		Audited	Audited	Audited
	Notes	31 December 2024	31 December 2023	31 December 2022
LIABILITIES				
Current liabilities:				
Short-term portion of long-term financial liabilities	23.1	6,337,816,887	2,158,530,424	2,393,032,155
Lease liabilities	23.2	32,230,199	24,003,392	12,939,272
Trade payables		229,450,690	582,137,987	1,130,425,849
- Due to related parties	5	42,222,472	16,510,831	18,375,547
- Due to third parties	6	187,228,218	565,627,156	1,112,050,302
Liabilities for employee benefits	12	12,520,061	16,985,904	7,927,324
Other payables		236,740	340,841	560,743
- Due to third parties	7	236,740	340,841	560,743
Current provisions		102,704,474	83,642,402	83,402,388
- Provisions for employee benefits	11.1	87,203,840	63,818,505	53,759,334
- Other short-term provisions	11.1	15,500,634	19,823,897	29,643,054
Other current liabilities	13.3	108,369,687	147,137,604	173,653,283
Total current liabilities		6,823,328,738	3,012,778,554	3,801,941,014
Non-current liabilities:				
Financial liabilities	23.1	17,958,797,217	26,859,640,646	28,978,967,326
Lease liabilities	23.2	42,307,373	54,673,615	59,802,805
Other payables		-	72,770,079	95,660,110
- Due to related parties	5	-	72,770,079	95,660,110
Non-current provisions		88,504,467	98,987,807	82,650,770
- Provisions for employee benefits	11.4	88,504,467	98,987,807	82,650,770
Deferred tax liabilities	22	4,143,548,414	8,863,219,543	10,967,682,607
Total non-current liabilities		22,233,157,471	35,949,291,690	40,184,763,618
Total liabilities		29,056,486,209	38,962,070,244	43,986,704,632

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

(Convenience translation of financial statements originally issued in Turkish)

Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries

Consolidated statement of financial position as at 31 December 2024, 2023 and 2022

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

		Audited	Audited	Audited
		31 December	31 December	31 December
	Notes	2024	2023	2022
EQUITY				
Paid-in capital	14	705,000,000	705,000,000	705,000,000
Adjustment to share capital	14	6,560,967,699	6,560,967,699	6,560,967,699
Share premiums	14	761,686,001	761,686,001	761,686,001
Treasury shares	14	(169,191,401)	(172,523,256)	-
Restricted reserves	14	237,952,730	199,118,506	26,595,250
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods		100,878,943	1,937,959,219	1,818,325,453
- Gains on revaluation of property, plant and equipment		196,061,828	2,022,347,324	1,866,157,021
- Actuarial losses on defined benefit plans		(95,182,885)	(84,388,105)	(47,831,568)
Other comprehensive income that may be reclassified to loss or profit in subsequent periods		(17,730,537,690)	(17,643,886,282)	(18,456,439,989)
- Reserve of losses on cash flow hedge		(17,730,537,690)	(17,643,886,282)	(18,456,439,989)
Retained earnings		48,668,599,552	50,822,195,039	43,738,978,404
Net (loss) / profit for the period		(11,770,278,365)	(1,848,193,431)	7,179,990,334
Equity attributable to equity holders of the parent		27,365,077,469	41,322,323,495	42,335,103,152
Total equity		27,365,077,469	41,322,323,495	42,335,103,152
Total equity and liabilities		56,421,563,678	80,284,393,739	86,321,807,784

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

(Convenience translation of financial statements originally issued in Turkish)

Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries

Consolidated statement of profit or loss and other comprehensive income for the year period ended 31 December 2024, 2023 and 2022

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

		Audited 1 January – 31 December 2024	Audited 1 January – 31 December 2023	Audited 1 January – 31 December 2022
	Notes			
LOSS OR PROFIT STATEMENT				
Revenue	15	6,583,577,587	9,180,783,497	10,923,086,716
Cost of sales	16	(4,977,046,462)	(5,213,430,269)	(4,875,259,917)
Gross profit		1,606,531,125	3,967,353,228	6,047,826,799
General administrative expenses	17	(643,674,813)	(911,791,458)	(503,567,515)
Other operating income	19	989,376,988	1,519,909,913	1,294,876,837
Other operating expenses	19	(17,312,659)	(161,211,658)	(29,812,790)
Operating profit		1,934,920,641	4,414,260,025	6,809,323,331
Income from investing activities	21	72,837,321	441,355,938	17,398,066
Expense from investing activities	21	(19,085,752,527)	(5,289,447,370)	(7,152,571,226)
(Loss) / Profit before finance income/(expense)		(17,077,994,565)	(433,831,407)	(325,849,829)
Finance income	20	948,134,890	1,507,182,208	1,848,996,248
Finance expenses	20	(7,088,688,620)	(19,048,931,971)	(6,102,480,086)
Gains/(losses) on net monetary position	29	7,330,445,969	13,686,945,664	12,434,617,521
(Loss)/Gain before tax		(15,888,102,326)	(4,288,635,506)	7,855,283,854
Tax income/(expense)		4,117,823,961	2,440,442,075	(675,293,520)
- Deferred tax income/(expenses)	22	4,117,823,961	2,440,442,075	(675,293,520)
Net profit/(loss) for the period		(11,770,278,365)	(1,848,193,431)	7,179,990,334
(Loss)/Gain attributable to				
Equity holders of the parent		(11,770,278,365)	(1,848,193,431)	7,179,990,334
(Loss)/Gain earnings per share				
- (Loss)/Gain earnings per share	25	(16.84)	(2.64)	10.24
OTHER COMPREHENSIVE INCOME/(LOSS) STATEMENT				
Other comprehensive income that will not be reclassified to profit or loss		(1,718,890,095)	195,383,323	1,818,325,453
- Increases/(decreases) in property, plant and equipment revaluation		(2,277,460,420)	309,253,147	2,332,696,276
- Total tax on revaluation increases on property, plant and equipment		569,365,105	(77,313,287)	(466,539,255)
- Actuarial losses on defined benefit plans	11.4	(14,393,040)	(48,742,049)	(59,789,460)
- Total tax on remeasurement losses / gains on defined benefit plans		3,598,260	12,185,512	11,957,892
Other comprehensive income that will be reclassified to profit or loss		(86,651,408)	812,553,707	(6,731,925,901)
- Reserve of losses on cash flow hedge	23.1	(115,535,211)	1,083,404,943	(8,414,907,376)
- Tax related to other comprehensive income that will be reclassified to profit or loss		28,883,803	(270,851,236)	1,682,981,475
Other comprehensive (loss) / income		(1,805,541,503)	1,007,937,030	(4,913,600,448)
Total comprehensive (loss) / income		(13,575,819,868)	(840,256,401)	2,266,389,886

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

(Convenience translation of financial statements originally issued in Turkish)

Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries

Consolidated statement changes in equity for the year period ended 31 December 2024, 2023 and 2022

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

						Other comprehensive income that will not be reclassified to (loss) or profit	Other comprehensive income that will be reclassified to (loss) or profit				
	Paid-in capital	Adjustment to share capital	Share premiums	Treasury shares	Restricted reserves	Gain/(loss) on revaluation of property, plant and equipment	Actuarial (loss)/gain on defined benefit plans	Reserve of (losses)/gains on cash flow hedge	Retained earnings	Net profit/ (loss) for the period	Total equity
Balance as of 1 January 2022	705,000,000	6,560,967,699	536,270,607	-	26,595,250	-	-	(11,724,514,088)	43,738,978,404	-	39,843,297,872
Transfers	-	-	-	-	-	-	-	-	-	-	-
Net profit/(loss) for the period	-	-	-	-	-	-	-	-	-	7,179,990,334	7,179,990,334
Other comprehensive income/(loss)	-	-	-	-	-	1,866,157,021	(47,831,568)	(6,731,925,901)	-	-	(4,913,600,448)
Total comprehensive income/(loss)	-	-	-	-	-	1,866,157,021	(47,831,568)	(6,731,925,901)	-	7,179,990,334	2,266,389,886
Transactions with own shares	-	-	225,415,394	-	-	-	-	-	-	-	225,415,394
Balance as of 31 December 2022	705,000,000	6,560,967,699	761,686,001	-	26,595,250	1,866,157,021	(47,831,568)	(18,456,439,989)	43,738,978,404	7,179,990,334	42,335,103,152
Balance as of 1 January 2023	705,000,000	6,560,967,699	761,686,001	-	26,595,250	1,866,157,021	(47,831,568)	(18,456,439,989)	43,738,978,404	7,179,990,334	42,335,103,152
Transfers	-	-	-	-	-	-	-	-	7,179,990,334	(7,179,990,334)	-
Net profit/(loss) for the period	-	-	-	-	-	-	-	-	-	(1,848,193,431)	(1,848,193,431)
Other comprehensive income/(loss)	-	-	-	-	-	231,939,860	(36,556,537)	812,553,707	-	-	1,007,937,030
Total comprehensive income/(loss)	-	-	-	-	-	231,939,860	(36,556,537)	812,553,707	-	(1,848,193,431)	(840,256,401)
Transactions with own shares *	-	-	-	(172,523,256)	172,523,256	-	-	-	(172,523,256)	-	(172,523,256)
Depreciation transfers related to revaluation of property, plant and equipment	-	-	-	-	-	(75,749,557)	-	-	75,749,557	-	-
Balance as of 31 December 2023	705,000,000	6,560,967,699	761,686,001	(172,523,256)	199,118,506	2,022,347,324	(84,388,105)	(17,643,886,282)	50,822,195,039	(1,848,193,431)	41,322,323,495
Balance as of 1 January 2024	705,000,000	6,560,967,699	761,686,001	(172,523,256)	199,118,506	2,022,347,324	(84,388,105)	(17,643,886,282)	50,822,195,039	(1,848,193,431)	41,322,323,495
Transfers	-	-	-	-	-	-	-	-	(1,848,193,431)	1,848,193,431	-
Dividends	-	-	-	3,331,855	38,834,224	-	-	-	(423,592,237)	-	(381,426,158)
Net profit/(loss) for the period	-	-	-	-	-	-	-	-	-	(11,770,278,365)	(11,770,278,365)
Other comprehensive income/(loss)	-	-	-	-	-	(1,708,095,315)	(10,794,780)	(86,651,408)	-	-	(1,805,541,503)
Total comprehensive income/(loss)	-	-	-	-	-	(1,708,095,315)	(10,794,780)	(86,651,408)	-	(11,770,278,365)	(13,575,819,868)
Depreciation transfers related to revaluation of property, plant and equipment	-	-	-	-	-	(118,190,181)	-	-	118,190,181	-	-
Balance as of 31 December 2024	705,000,000	6,560,967,699	761,686,001	(169,191,401)	237,952,730	196,061,828	(95,182,885)	(17,730,537,690)	48,668,599,552	(11,770,278,365)	27,365,077,469

* The Company has planned to make its own share repurchase transactions in order to protect its shareholders, to contribute to the formation of a stable share price in line with its real value, and to preserve the confidence in the Company, in line with the CMB's statements on 14 February 2022, dated 21 July 2016, 25 July 2016 and 23 March 2020. It has been unanimously approved by the Board of Directors and the maximum number of shares that can be repurchased has been determined as 20,000,000 with a nominal value of TL 20,000,000. The Company Management has evaluated that it will not have any consequences against the Company and the investors and that the use of the Company's existing resources for repurchase will not affect the Company's cash needs. In this context, the fund to be allocated for repurchase has been determined as a maximum of TL 170,000,000, to be met from the cash generated from the Company's activities and its current resources.

Within the scope of the share buyback transactions initiated by the decision of the Board of Directors, 6,105,026 shares have been bought back in the amount of TL 172,523,256 by our Company for the period ended 31 December 2023. The total amount of purchases provided from the internal resources of the company is 172,523,256 TL and its share in the Company's capital is 0.8660%. The Company has shown TL 172,523,256 in the "Repurchased Shares (-)" account, which was paid in connection with the repurchase of shares.

In accordance with Article 520 of the Law No. 6102, the Company has set aside a reserve fund for the shares bought back in an amount that meets the acquisition value. Since these reserves are dissolved when the repurchased shares are transferred or cancelled, they are shown in the "Restricted Reserves Set aside from Profit" item.

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

(Convenience translation of financial statements originally issued in Turkish)

Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries

Consolidated statement of cash flows for the year period ended 31 December 2024, 2023 and 2022

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

		Audited 1 January- 31 December 2024	Audited 1 January- 31 December 2023	Audited 1 January- 31 December 2022
	Notes			
A. CASH FLOWS FROM OPERATING ACTIVITIES		3,632,587,702	6,368,196,105	9,801,402,306
Net profit/(loss) for the period		(11,770,278,365)	(1,848,193,431)	7,179,990,334
Net profit/(loss) for the period adjustment to reconcile		15,054,639,767	8,782,150,470	5,335,261,577
Adjustment related to amortization and depreciation	9, 10	3,008,793,094	3,074,825,826	3,100,538,420
Adjustment related to other provisions	6	19,442	(181,818)	2,262,783
Adjustment related to provisions for employee benefits	11	78,089,699	65,177,080	57,368,445
Adjustment related to provisions for litigations	11	1,989,177	2,183,378	(4,607,824)
Adjustment related to incomes of interest	20	(455,520,383)	(527,874,303)	(98,376,605)
Adjustment related to expenses of interest	23	2,198,126,762	2,524,836,353	3,218,172,904
Adjustment related to tax income / expense	22	(4,117,823,961)	(2,440,442,075)	675,293,520
Adjustment related to unrealized foreign exchange loss	23.1	4,711,387,089	10,417,804,502	2,920,404,530
Adjustment related to gains of sales of tangible and intangible assets, net		4,722,543	106,579,804	(12,276,627)
Adjustment related to related party to interest incomes / expenses from related parties	20	(148,334,404)	(121,125,742)	(4,015,659)
Adjustments related to fair value loss		18,647,937,382	4,963,694,772	7,152,571,226
Other adjustments to reconcile net income / expense		477,478,434	17,520,787	9,296,236
Monetary gains/(losses) on net monetary position		(9,352,225,107)	(9,300,848,094)	(11,681,369,772)
Changes in working capital		364,493,078	(554,678,252)	(2,691,155,989)
Related to increase / decrease in restricted accounts		(22,698,542)	75,189,696	(822,659,385)
Related to increase / decrease in trade receivables from third parties		74,184,778	66,536,082	(92,624,643)
Related to increase / decrease in trade receivables from related parties		(198,405,252)	146,928,531	(2,434,317,679)
Related to increase / decrease in other receivables		897,420,309	(236,609,143)	(289,709,844)
Related to increase / decrease in the inventories		10,016,942	(347,739)	18,947,425
Related to increase / decrease in trade payables to third parties		(378,398,938)	(546,423,146)	861,849,589
Related to increase / decrease in trade payables to related parties		25,711,641	(1,864,715)	2,259,223
Related to increase / decrease in other payables		(38,872,017)	(67,146,398)	62,923,019
Related to increase / decrease in liabilities for employee benefits		(4,465,843)	9,058,580	2,176,306
Taxes paid		-	-	(16,922,747)
Employee termination benefit paid	11.4	(16,266,778)	(11,082,682)	(5,770,869)
B. CASH FLOWS FROM INVESTING ACTIVITIES		(831,418,587)	(2,375,900,563)	(3,147,507,373)
Interest received		466,428,590	612,499,805	106,330,396
Inflow related to sales of tangible and intangible assets	9, 21	93,037,742	435,875,977	17,324,461
Outflow related to purchase of tangible and intangible assets		(690,447,141)	(3,132,043,218)	(3,243,383,255)
Cash inflows arising from sale of shares or debt instruments of other businesses or funds		218,686,799	1,135,553,661	45,734,432
Cash outflows arising from acquisition of shares or debt instruments of other businesses or funds		(919,124,577)	(1,427,786,788)	(73,513,407)
C. CASH FLOWS FROM FINANCING ACTIVITIES		(2,403,229,961)	(3,718,158,702)	(5,015,014,233)
Cash inflow related to proceeds from borrowings	23.1	-	(1,205,063,868)	(2,284,628,296)
Cash outflow related to lease liabilities	23.2	(51,557,437)	(59,545,584)	(306,494,855)
Dividends paid		(381,426,158)	-	-
Cash inflows for the sale of own shares		-	-	337,722,337
Cash outflows for the acquisition of own shares		-	(172,523,256)	(112,306,943)
Interest paid	23.1	(1,970,246,366)	(2,281,025,994)	(2,649,306,476)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		397,939,154	274,136,840	1,638,880,700
D. EFFECT OF NET MONETARY POSITION DIFFERENCES GAINS (LOSSES) ON CASH AND CASH EQUIVALENTS		(665,040,907)	(1,340,335,336)	(4,522,885,588)
E. CASH AND CASH EQUIVALENTS BEGINNING OF PERIOD		2,011,698,240	3,077,896,736	5,961,901,624
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E)		1,744,596,487	2,011,698,240	3,077,896,736

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

(Convenience translation of financial statements originally issued in Turkish)

Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries

Notes to the consolidated financial statements for the year period ended 31 December 2024, 2023 and 2022

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

1 Organization and nature of operations of the Company

Aydem Yenilenebilir Enerji Anonim Şirketi ("Aydem Yenilenebilir" or "the Company") was established on 6 July 1995 as Bereket Enerji Üretim Otoprodüktör Grubu Sanayi ve Ticaret Anonim Şirketi. The Company first changed its corporate name to Bereket Enerji Üretim Anonim Şirketi on 21 May 2004 and then on 27 December 2019, the Company changed again its corporate name to Aydem Yenilenebilir Enerji Anonim Şirketi. In 2019, the Company has been restructured in a way that it operates solely in renewable energy generation business. In relation to the restructuring process, Aydem Yenilenebilir has merged with all of its subsidiaries which are operating in renewable energy generation business and disposed the non-relevant operations and subsidiaries and became a pure renewable energy generation Company. The Company has started to be traded on Borsa Istanbul as of 29 April 2021.

In these consolidated financial statements, Aydem Yenilenebilir, its subsidiaries and its associate are referred to together as "the Group".

Aydem Yenilenebilir generates electricity from local renewable sources. The Group installed its first hydroelectric power plant ("HPP") on the Bereket Çayı stream and continues to generate electricity with hydro, wind ("WPP"), solar power plant ("SPP") and geothermal ("GPP") in different regions of the country.

The address of the registered office of the Company is as follows:

Adalet Mah. Hasan Gönüllü Bulvarı No:15/1 Merkezefendi, Denizli.

As of 31 December 2024, 31 December 2023 and 31 December 2022, the Group's subsidiaries ("subsidiaries") and their main business activities are as follows:

Subsidiaries	Location	Main Activities	Ownership Percentage		
			31 December 2024	31 December 2023	31 December 2022
Ey-Tur Enerji Elektrik Üretim ve Ticaret Ltd. Şti. ("Ey-tur") /HPP	Kağızman/Kars	Electricity generation by hydropower	100%	100%	100%
Başat Elektrik Üretim ve Ticaret Ltd. Şti. ("Başat") / HPP	Üzümlü/Erzincan	Electricity generation by hydropower	100%	100%	100%
Sarı Perakende Enerji Satış ve Ticaret A.Ş. ("Sarı Perakende")	İzmir	Trading of electricity	100%	100%	100%
Akköprü Yenilenebilir Enerji A.Ş. ("Akköprü HPP") *	Muğla	Electricity generation by hydropower	100%	100%	100%

* Akköprü HPP was established on 15 October 2021. The Group was awarded the Akköprü HPP with a capacity of 115 MW in the tender held by The Republic of Turkey Prime Ministry Privatization administration on 23 September 2021. However, the tender was cancelled on 19 January 2022 with the President's Decision and this decision was notified to Company on 24 January 2022.

(Convenience translation of financial statements originally issued in Turkish)

Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries

Notes to the consolidated financial statements for the year period ended 31 December 2024, 2023 and 2022

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

1

Organization and nature of operations of the Group (continued)

As of 31 December 2024, 31 December 2023 and 31 December 2022, the number of employees of the Company and its subsidiaries and its associate are as shown in the table below:

The Company and its subsidiaries	31 December 2024	31 December 2023	31 December 2022
Aydem Yenilenebilir	553	567	556
Sarı Perakende	-	-	-
Ey-Tur	-	-	-
Başat	-	-	-
Akköprü	-	-	-
Total	553	567	556

Laws and regulations affecting the business activities

The Group is subject to the regulation and board decisions communiques issued by the Energy Market Regulatory Authority (EMRA) and obliged to carry out electricity generation and sales activities in accordance with the Electricity Market Law No.6446 dated 14 March 2013 which entered into force with the Official Gazette No.28603 dated 30 March 2013.

List of shareholders

As of 31 December 2024, 2023 and 2022, the composition of shareholders and their respective percentage of ownership can be summarized as follows:

Shareholders	31 December 2024		31 December 2023		31 December 2022	
	TL	%	TL	%	TL	%
Aydem Enerji Yatırımları A.Ş.*	574,975,680	81.56%	574,975,680	81.56%	574,975,680	81.56%
Publicly traded	130,000,000	18.44%	130,000,000	18.44%	130,000,000	18.44%
Others	24,320	0.00%	24,320	0.00%	24,320	0.00%
Total paid in capital	705,000,000	100%	705,000,000	100%	705,000,000	100%
Adjustment to share capital **	6,560,967,699		6,560,967,699		6,560,967,699	
Total capital	7,265,967,699		7,265,967,699		7,265,967,699	

* Aydem Enerji Yatırımları A.Ş. is controlled by Aydem Holding A.Ş.

** Adjustment to share capital represents the restatement effect of cash and cash equivalent contributions to share capital restated for the effects of inflation. Adjustment to share capital is not available for any other use except to be added to share capital.

As of 29 April 2021, the company started to be traded on Borsa Istanbul - Star Market.

Approval of consolidated financial statements:

Consolidated financial statements prepared as of 31 December 2024 were approved for publication by the Board of Directors on 11 March 2025. The General Assembly have the right to amend the consolidated financial statements.

(Convenience translation of financial statements originally issued in Turkish)

Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries

Notes to the consolidated financial statements for the year period ended 31 December 2024, 2023 and 2022

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

2 Basis of presentation of consolidated financial statements

2.1 Basic principles of presentation

The accompanying consolidated financial statements are prepared in accordance with Turkish Financial Reporting Standards ("TFRS") published by Public Oversight Accounting and Auditing Standards Authority ("POA").

Consolidated financial statements are presented in accordance with the formats specified in the "Announcement on TAS Taxonomy" published by the POA.

The Group and its subsidiaries and associate maintain their books of accounts and prepare their statutory financial statements in accordance with the Turkish Commercial Code ("TCC"), tax legislation, the Uniform Chart of Accounts issued by the Ministry of Finance.

Financial reporting in hyperinflationary economy

With the announcements made by the Public Oversight Accounting and Auditing Standards Authority (POA) on November 23, 2023, entities applying TFRSs have started to apply inflation accounting in accordance with TAS 29 Financial Reporting in Hyperinflation Economies as of financial statements for the annual reporting period ending on or after December 31, 2023

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

According to the standard, financial statements prepared in the currency of a hyperinflationary economy are presented in terms of the purchasing power of that currency at the balance sheet date. Prior period financial statements are also presented in the current measurement unit at the end of the reporting period for comparative purposes. The Group has therefore presented its consolidated financial statements as of December 31, 2023 and 2022, on the purchasing power basis as of December 31, 2024.

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

The adjustments made in accordance with IAS 29 were made using the adjustment coefficient obtained from the Consumer Price Index (CPI) of Turkey published by the Turkish Statistical Institute (TÜİK). As of December 31, 2024, the indices and adjustment coefficients used in the adjustment of the consolidated financial statements are as follows:

(Convenience translation of financial statements originally issued in Turkish)

Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries

Notes to the consolidated financial statements for the year period ended 31 December 2024, 2023 and 2022

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

2 Basis of presentation of consolidated financial statements (*continued*)

2.1 Basic principles of presentation (*continued*)

Financial reporting in hyperinflationary economy (continued)

Date	Index	Adjustment coefficients	Three-year cumulative inflation rates
31 December 2024	2,684.55	1.00000	%291
31 December 2023	1,859.38	1.44379	%268
31 December 2022	1,128.45	2.37897	%156

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

- Current period consolidated financial statements prepared in TRY are expressed in terms of the purchasing power at the balance sheet date, and amounts from previous reporting periods are also adjusted and expressed in terms of the purchasing power at the end of the reporting period.
- Monetary assets and liabilities are not adjusted as they are already expressed in terms of the current purchasing power at the balance sheet date. In cases where the inflation-adjusted values of non-monetary items exceed their recoverable amount or net realizable value, the provisions of IAS 36 "Impairment of Assets" and IAS 2 "Inventories" are applied, respectively.
- Non-monetary assets and liabilities and equity items that are not expressed in terms of the current purchasing power at the balance sheet date have been adjusted using the relevant adjustment coefficients.
- All items in the comprehensive income statement, except for those that have an impact on the comprehensive income statement of non-monetary items on the balance sheet, have been indexed using the coefficients calculated for the periods when the income and expense accounts were first reflected in the financial statements.
- The impact of inflation on the Group's net monetary asset position in the current period is recorded in the net monetary gain/(loss) account in the consolidated income statement. (Note 29)

2.2 Statement of Compliance

The financial statements attached have been prepared in accordance with the provisions of the Capital Markets Board's ("CMB") Communiqué on the Principles of Financial Reporting in the Capital Markets, No. II, 14.1 ("Communiqué"), published in the Official Gazette dated 13 June 2013 and numbered 28676. The financial statements are prepared based on the Turkish Accounting Standards / Turkish Financial Reporting Standards ("TAS/IFRS") and their related amendments and interpretations, which have been put into effect by the Public Oversight, Accounting and Auditing Standards Authority ("POA") in accordance with Article 5 of the Communiqué. TAS/IFRS are updated through communiqués to ensure alignment with the International Financial Reporting Standards ("IFRS").

(Convenience translation of financial statements originally issued in Turkish)

Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries

Notes to the consolidated financial statements for the year period ended 31 December 2024, 2023 and 2022

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

2 Basis of presentation of consolidated financial statements (*continued*)

2.2 Statement of Compliance (*Continued*)

The Company base its accounting records and preparation of statutory financial statements on the Turkish Commercial Code ("TCC"), tax legislation, and the Uniform Chart of Accounts issued by the Ministry of Treasury and Finance of the Republic of Türkiye. The financial statements are prepared in TL on a historical cost basis, reflecting necessary adjustments and classifications required by TAS/TFRS for accurate presentation in accordance with legal records, in addition to financial assets and liabilities presented at fair values.

In addition, the Company has prepared its financial statements in accordance with the accounting policies stated in Note 2 for accurate presentation in accordance with TAS/TFRS. The financial statements are presented in accordance with the formats determined in the "Announcement on TAS/TFRS Taxonomy" published by the POA on 3 July 2024, which includes Financial Statement Examples and Usage Guide.

2.3 Functional and presentation currency

The Group has presented its consolidated financial statements in TL, which is the functional currency of the Company and its subsidiaries as well as its associate.

The preparation of the Group's consolidated financial statements, transactions in foreign currencies (currencies other than TL) are recorded based on the exchange rates on the transaction date. Monetary assets and liabilities indexed to foreign currency in the consolidated statement of financial position are translated into TL using the exchange rates valid on the date of the statement of financial position. Non-monetary items recorded in foreign currency that are monitored at fair value are translated into TL using the exchange rates on the date the fair value is determined. Non-monetary items in foreign currency measured in terms of historical cost are not subject to re-translation. Income or expense arising from the adjustments or translations of items in foreign currency are included in the statement of profit or loss and other comprehensive income.

Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries

Notes to the consolidated financial statements for the year period ended 31 December 2024, 2023 and 2022

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

2 Basis of presentation of consolidated financial statements (*continued*)

2.4 Basis of Consolidation

Consolidated financial statements include the financial statements of the company and its subsidiaries as of 31 December 2024. Subsidiaries are companies over which the Group has direct or indirect control over their operations. Control is provided if the Group meets the following conditions:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

If a situation or event occurs that could cause a change in at least one of the criteria listed above, the Group re-evaluates whether it has control over its investment.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- Events and conditions that may indicate whether the Group has the power to decide on management of operations (including voting at previous general assembly meetings)

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

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

Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries

Notes to the consolidated financial statements for the year period ended 31 December 2024, 2023 and 2022

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

2 Basis of presentation of consolidated financial statements (*continued*)

2.4 Basis of consolidation (*continued*)

i) *Business combinations*

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of TFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with TFRS 9. Other contingent consideration that is not within the scope of TFRS 9 is measured at fair value at each reporting.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

ii) *Subsidiaries*

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries

Notes to the consolidated financial statements for the year period ended 31 December 2024, 2023 and 2022

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

2 Basis of presentation of consolidated financial statements (*continued*)

2.4 Basis of consolidation (*continued*)

iii) Associates:

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. Associates are accounted for equity method in the consolidated financial statements. Under equity method, investment in an associate is initially recognised at cost. After initial recognition, Group's share of the profit or loss of the investee, is recorded to the financial statements by increasing or decreasing the net book value. Group's share of the profit or loss and other comprehensive income of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate or joint venture.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the investment, including any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit or loss within operating profit when the associate's main course of business is renewable energy generation and represents profit or loss after tax.

The financial statements of the associate are prepared for the same reporting period as the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss within 'Share of profit of an associate' in the statement of profit or loss.

iv) Non-controlling interests

For each business combination, the Group elects to measure any non-controlling interests in the acquiree either:

- at fair value; or
- at their proportionate share of the acquiree's identifiable net assets, which are generally at fair value.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

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2 Basis of presentation of consolidated financial statements (*continued*)

2.4 Basis of consolidation (*continued*)

v) *Partial share purchase and sale transactions with non-controlling interests*

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners. Accordingly, in the case of additional share purchases from and sales to non-controlling interests, the difference between the acquisition cost and the carrying amount of the net assets of the subsidiary in proportion to the acquired interest is recognized in equity. No adjustments are made to goodwill and no gain or loss is recognised in profit or loss.

vi) *Acquisition of companies under common control*

For the accounting of business combinations under common control, assets and liabilities subject to business combination are included in the consolidated financial statements with carrying values of historical TFRS financial statements, which were prepared for the purpose of consolidation of the ultimate parents' consolidated financial statements. The financial statements of the acquired entities have been consolidated from the beginning of the financial year in which the business combination occurs. Prior period financial statements have been restated in the same manner for comparability purposes. As a result of these transactions, no goodwill or negative goodwill has been calculated. Any difference between the consideration paid and the share capital of the acquired entity are accounted under equity as "Share Premium / Discount".

vii) *Eliminations*

During the preparation of the consolidated financial statements, unrealized gains and losses arising from intra-group transactions between entities included in the consolidated financial statements, intra-group balances and intra-group transactions are eliminated. Gains and losses arising from the transactions between the associate and the parent company and the consolidated subsidiaries of the parent company and jointly controlled entities are offset against the parent company's interest in the associate. Unrealized losses are eliminated in the same manner as unrealized gains, unless there is evidence of impairment.

viii) *Loss of control*

Upon the loss of control, the Group derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

2.5 Going Concern

The consolidated financial statements have been prepared in accordance with the going concern principle.

2.6 Comparative Information and Restatement of Prior Period Financial Statements

The accompanying consolidated financial statements are prepared comparatively to present the tendency in the financial position, financial performance and cash flows of the Group. If necessary, in order to meet the consistency with the presentation of the financial statements in the current period, comparative information is reclassified and material differences are explained in related notes.

As of 31 December 2023 and 31 December 2022, the Group reclassified its tax expense amounting to TL 6,969,516,462 and TL 6,725,231,651 to monetary gain loss, respectively.

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2 Basis of presentation of consolidated financial statements (*continued*)

2.7 The new standards, amendments and interpretations

The accounting policies adopted in preparation of the consolidated financial statements as of 31 December 2024 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRS interpretations effective as of January 1, 2024 and thereafter. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

i) The new standards, amendments and interpretations which are effective as of January 1, 2024

Amendments to TAS 1- Classification of Liabilities as Current and Non-Current Liabilities

In March 2020 and January 2023, POA issued amendments to TAS 1 to specify the requirements for classifying liabilities as current or non-current. According to the amendments made in January 2023 if an entity's right to defer settlement of a liability is subject to the entity complying with the required covenants at a date subsequent to the reporting period ("future covenants"), the entity has a right to defer settlement of the liability even if it does not comply with those covenants at the end of the reporting period. In addition, January 2023 amendments require an entity to provide disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. This disclosure must include information about the covenants and the related liabilities. The amendments clarify that the requirement for the right to exist at the end of the reporting period applies to covenants which the entity is required to comply with on or before the reporting date regardless of whether the lender tests for compliance at that date or at a later date. The amendments also clarified that the classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least twelve months after the reporting period. The amendments must be applied retrospectively in accordance with TAS 8. The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

Amendments to TFRS 16 - Lease Liability in a Sale and Leaseback

In January 2023, POA issued amendments to TFRS 16. The amendments specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. In applying requirements of TFRS 16 under "Subsequent measurement of the lease liability" heading after the commencement date in a sale and leaseback transaction, the seller lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee. The amendments do not prescribe specific measurement requirements for lease liabilities arising from a leaseback. The initial measurement of the lease liability arising from a leaseback may result in a seller-lessee determining 'lease payments' that are different from the general definition of lease payments in TFRS 16. The seller-lessee will need to develop and apply an accounting policy that results in information that is relevant and reliable in accordance with TAS 8. A seller-lessee applies the amendments retrospectively in accordance with TAS 8 to sale and leaseback transactions entered into after the date of initial application of TFRS 16.

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

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2 Basis of presentation of consolidated financial statements (*continued*)

2.7 The new standards, amendments and interpretations (*continued*)

Amendments to TAS 7 and TFRS 7 - Disclosures: Supplier Finance Arrangements

The amendments issued by POA in September 2023 specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. Supplier finance arrangements are characterized by one or more finance providers offering to pay amounts an entity owes its suppliers and the entity agreeing to pay according to the terms and conditions of the arrangements at the same date as, or a date later than, suppliers are paid. The amendments require an entity to provide information about terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those liabilities. In the context of quantitative liquidity risk disclosures required by TFRS 7, supplier finance arrangements are also included as an example of other factors that might be relevant to disclose.

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

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

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

Amendments to TFRS 10 and TAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

In December 2017, POA postponed the effective date of this amendment made to TFRS 10 and TAS 28 indefinitely pending the outcome of its research project on the equity method of accounting. Early application of the amendments is still permitted.

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

TFRS 17 - The new Standard for insurance contracts

POA issued TFRS 17 in February 2019, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. TFRS 17 model combines a current balance sheet measurement of insurance contract liabilities with the recognition of profit over the period that services are provided. Certain changes in the estimates of future cash flows and the risk adjustment are also recognised over the period that services are provided. Entities will have an option to present the effect of changes in discount rates either in profit and loss or in OCI. The standard includes specific guidance on measurement and presentation for insurance contracts with participation features. In accordance with amendments issued by POA in December 2021, entities have transition option for a "classification overlay" to avoid possible accounting mismatches between financial assets and insurance contract liabilities in the comparative information presented on initial application of TFRS 17.

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2 Basis of presentation of consolidated financial statements (*continued*)

2.7 The new standards, amendments and interpretations (*continued*)

In addition, according to the amendments published by the POA in December 2021, businesses have the transition option to “overlap the classification” in order to eliminate possible accounting mismatches between financial assets and insurance contract liabilities in the comparative information presented when IFRS 17 is first applied.

The mandatory effective date of the Standard for the following entities has been postponed to accounting periods beginning on or after January 1, 2026 with the announcement made by the POA:

- Insurance, reinsurance and pension companies.
- Banks that have ownership/investments in insurance, reinsurance and pension companies and
- Other entities that have ownership/investments in insurance, reinsurance and pension companies.

POA issued TFRS 17 in February 2019, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. TFRS 17 model combines a current balance sheet measurement of insurance contract liabilities with the recognition of profit over the period that services are provided. The mandatory effective date of the Standard postponed to accounting periods beginning on or after January 1, 2026 with the announcement made by the POA.

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

Amendments to TAS 21 - Lack of exchangeability

In May 2024, POA issued amendments to TAS 21. The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. When an entity estimates a spot exchange rate because a currency is not exchangeable into another currency, it discloses information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity’s financial performance, financial position and cash flows. The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information.

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

iii) The amendments which are effective immediately upon issuance

Amendments to TAS 12 - International Tax Reform – Pillar Two Model Rules

In September 2023, POA issued amendments to TAS 12, which introduce a mandatory exception in TAS 12 from recognizing and disclosing deferred tax assets and liabilities related to Pillar Two income taxes. The amendments clarify that TAS 12 applies to income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development (OECD). The amendments also introduced targeted disclosure requirements for entities affected by the tax laws. The temporary exception from recognition and disclosure of information about deferred taxes and the requirement to disclose the application of the exception apply immediately and retrospectively upon issue of the amendments.

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

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2 Basis of presentation of consolidated financial statements (*continued*)

2.7 The new standards, amendments and interpretations (*continued*)

iv) The new amendments that are issued by the International Accounting Standards Board (IASB) but not issued by Public Oversight Authority (POA)

The following two amendments to IFRS 9 and IFRS 7 and Annual Improvements to IFRS Accounting Standards as well as IFRS 18 and IFRS 19 are issued by IASB but not yet adapted/issued by POA. Therefore, they do not constitute part of TFRS. The Group will make the necessary changes to its consolidated financial statements after the amendments and new Standard are issued and become effective under TFRS.

Amendments to IFRS 9 and IFRS 7 – Classification and measurement of financial instruments

In May 2024, IASB issued amendments to the classification and measurement of financial instruments (amendments to IFRS 9 and IFRS 7). The amendment clarifies that a financial liability is derecognised on the 'settlement date'. It also introduces an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met. The amendment also clarified how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features as well as the treatment of non-recourse assets and contractually linked instruments. Additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income are added with the amendment.

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

Annual Improvements to IFRS Accounting Standards – Volume 11

In July 2024, the IASB issued Annual Improvements to IFRS Accounting Standards – Volume 11, amending the followings:

- IFRS 1 First-time Adoption of International Financial Reporting Standards – Hedge Accounting by a First-time Adopter: These amendments are intended to address potential confusion arising from an inconsistency between the wording in IFRS 1 and the requirements for hedge accounting in IFRS 9.
- IFRS 7 Financial Instruments: Disclosures – Gain or Loss on Derecognition: The amendments update the language on unobservable inputs in the Standard and include a cross reference to IFRS 13.
- IFRS 9 Financial Instruments – Lessee Derecognition of Lease Liabilities and Transaction Price: IFRS 9 has been amended to clarify that, when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply derecognition requirement of IFRS 9 and recognise any resulting gain or loss in profit or loss. IFRS 9 has been also amended to remove the reference to 'transaction price'.
- IFRS 10 Consolidated Financial Statements – Determination of a 'De Facto Agent': The amendments are intended to remove the inconsistencies between IFRS 10 paragraphs.
- IAS 7 Statement of Cash Flows – Cost Method: The amendments remove the term of "cost method" following the prior deletion of the definition of 'cost method'.

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

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2 Basis of presentation of consolidated financial statements (*continued*)

2.7 The new standards, amendments and interpretations (*continued*)

Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity

In December 2024, the Board issued Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7). The amendment clarifies the application of the "own use" requirements and permits hedge accounting if these contracts are used as hedging instruments. The amendment also adds new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.

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

IFRS 18 – The new Standard for Presentation and Disclosure in Financial Statements

In April 2024, IASB issued IFRS 18 which replaces IAS 1. IFRS 18 introduces new requirements on presentation within the statement of profit or loss, including specified totals and subtotals. IFRS 18 requires an entity to classify all income and expenses within its statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. In addition, there are consequential amendments to other accounting standards, such as IAS 7, IAS 8 and IAS 34

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

IFRS 19 – Subsidiaries without Public Accountability: Disclosures

In May 2024, IASB issued IFRS 19, which allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. Unless otherwise specified, eligible entities that elect to apply IFRS 19 will not need to apply the disclosure requirements in other IFRS accounting standards. An entity that is a subsidiary, does not have public accountability and has a parent (either ultimate or intermediate) which prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards may elect to apply IFRS 19.

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

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2 Basis of presentation of consolidated financial statements (*continued*)

2.8 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.

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

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

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2 Basis of presentation of consolidated financial statements (*continued*)

2.8 Summary of significant accounting policies (*continued*)

Property, plant and equipment

Accounting and measurement

The Group, has adopted the revaluation method in accordance with TAS 16 for its entire power plants. Power plants are measured at fair value less accumulated depreciation and impairment losses recognised after the date of revaluation. Other tangible assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Construction in progress is also stated at cost, net of accumulated impairment losses, if any. An investment in a power plant is classified as construction in progress during the physical construction process; when completed, it is transferred to the power plant class (Note 9.1) and recognized at fair value.

The frequency of revaluations depends on the changes in the fair values of property, plant and equipment subject to revaluation. The Group revalued the property, plant and equipment consisting of the power plant as of 31 December 2024 and performed a detailed impairment analysis as of 31 December 2024. The Renewable Energy Group consist of power plants below:

Çırakdamı HPP, Dereli HPP , Bereket I-II HPP, Dalaman I-V HPP, Gökyar HPP, Feslek HPP, Koyulhisar HPP, Mentaş HPP, Toros HPP, Göktaş I-II HPP, Aksu HPP, Akıncı HPP Uşak WPP, Yalova WPP, Söke WPP and Uşak SPP.

A revaluation surplus is recorded in OCI and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation surplus.

An annual transfer from the asset revaluation surplus to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to retained earnings.

Depreciation is calculated using the straight-line method over property, plant and equipment. Land is not depreciated on the basis that it has an indefinite life. Purchase costs are accounted by separating the land and building components in the purchases of buildings, including land.

The estimated useful lives of the significant property, plant and equipment as of 31 December 2024 are as follows:

	<u>Years</u>
Power plants	20-49

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

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2 Basis of presentation of consolidated financial statements (*continued*)

2.8 Summary of significant accounting policies (*continued*)

Property, plant and equipment (*continued*)

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. Repair and maintenance costs are recognised in profit or loss as incurred.

A class of power plant is a grouping of assets of a similar nature and used in an entity's operations and contains land, buildings, machinery and equipment, furniture and fixtures.

Expenses for the repair of property, plant and equipment are normally charged as expense. They are, however, capitalized if they result in an enlargement or substantial improvement of the respective assets.

Intangible assets

Accounting and measurement

Intangible assets are carried at cost less accumulated depreciation and impairment losses. Intangible assets are carried at cost less accumulated depreciation and impairment losses. Intangible assets comprise rights to operate licenses and computer software.

Right to Operate Licences

The Adıgüzel HPP and Kemer HPP operating licences which has been obtained through Transfer of Operating Rights Agreement ("Agreement") with the Privatization Administration and the Electricity Generation Corporation ("EÜAŞ") are accounted as intangible assets.

Computer Software

Computer software are recognized at acquisition cost and amortized on a straight-line basis over their estimated useful lives of 3-15 years. Where an indication of impairment exists, the carrying amount of any intangible assets is assessed and written down immediately to its recoverable amount.

Subsequent costs

Subsequent costs are capitalized only if they have an impact that increases the future economic benefits of the intangible assets to which they relate. All other expenditures are recognized in profit or loss when incurred.

Amortization

Intangible assets are recognized in profit or loss on a straight-line basis over their estimated useful lives starting from the date they are ready for use.

Amortization methods, useful lives and residual values are reviewed at each reporting date and, where appropriate, adjusted.

The estimated useful lives in the current periods are as follows:

	<u>Years</u>
Right to Operate Licences	12-49
Computer Software	3-15

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2 Basis of presentation of consolidated financial statements (*continued*)

2.8 Summary of significant accounting policies (*continued*)

Financial liabilities

Non-derivative financial liabilities of the Group comprised of “borrowings”, “trade payables” and “other payables” in the statement of financial position

i. Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are derecognised from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired.

ii. Borrowing costs

If financing costs arising from the loans are associated with acquisition or construction of qualifying assets, they are included in cost value of qualifying assets. Qualifying assets refer to assets which require a long time to be available for use or sales as intended. Other borrowing costs are accounted in statement of profit or loss in the period they occur.

iii. Trade and other payables

Trade and other payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

2.9 Cash flow hedge transactions

For a hedge of foreign currency risk, the foreign currency component of a non-derivative financial asset or liability may be designated, as a hedging instrument. The foreign currency risk component of a non-derivative financial instrument is determined in accordance with TAS 21.

Accordingly, starting from 20 March 2021, the Company hedge the spot risk of highly probable forecast sales that are denominated in USD with its financial liability in the same foreign currency.

While the Company’s functional currency is TRY, the company is exposed to FX risks due to its finances and operations. The Company has outstanding USD debt due to power plant investments. The company also generates significant sales revenue in USD.

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2 Basis of presentation of consolidated financial statements (*continued*)

2.9 Cash flow hedge transactions (*continued*)

The source of USD denominated revenue is sales of electricity generated via renewable power plants. Such production is incentivized in Turkey through a feed-in tariff mechanism (Council of Ministers Decree No.2013/5625). The kWh sale price of generated electricity is guaranteed in USD prices, whereas the amount of future renewable generation remains uncertain and depends on climate conditions and/or operational risks. The feed-in tariff ("FIT") revenues are calculated on a daily basis, and are aggregated at monthly intervals. This enables the Company to classify expected future revenues as a monthly stream of forecasted USD cash inflows for risk management purposes.

The Company's foreign currency risk management objective is to rely on natural currency hedges due to operations. It achieves this feat by aligning its forecasted USD inflows and its USD bond payments. Moreover, the forecasted USD inflows vs scheduled USD bond repayments constitute a hedged portfolio that allows a Cash Flow Hedge Accounting relationship to reduce the Company's income statement volatility. In particular, the Company associates its forecasted future USD cash inflows due to renewable-generated electricity sales, with its outstanding USD bonds. The Company is implementing Hedge Accounting under TFRS 9 to reflect its economic hedges onto financial reporting:

Hedge Accounting Component	Definition
Hedged Item	Forecasted future USD cash inflows due to FIT incentive
Hedging Instrument	USD denominated financial borrowings
Hedged Risk	Foreign exchange risk of forecasted future USD cash inflows due to FIT incentive

As of 31 December 2024, the amount of forecasted revenue under FIT and bilateral agreements are USD 204,215,028 whereas the total notional of the outstanding USD denominated bonds is USD 674,107,000. The Group designates USD 574,107,000 of this amount as part of its rebalanced hedge accounting relationship, per TFRS 9 6.2.4 (c). Due to under-hedged nature of the hedged-item, the Company achieves 1:1 hedge ratio with the hedging instrument at all times by way of re-balancing, in line with TFRS 9, 6.4.1.c.iii.

The maturity breakdown of the designated layer of the hedging instrument notional as of 31 December 2024 is provided below;

Payment Date	Principal Payment Amount
February 2025	57,410,700
August 2025	57,410,700
February 2026	57,410,700
August 2026	57,410,700
February 2027	344,464,200
Total	574,107,000

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2 Basis of presentation of consolidated financial statements (*continued*)

2.9 Cash flow hedge transactions (*continued*)

The accounting treatment applied with respect to the cash flow hedge is as follows:

- The portion of the foreign exchange gain or loss of the hedging instrument (USD denominated bonds) that is determined to be an effective hedge is recognised in other comprehensive income ("OCI"), until the accompanying hedged item (forecasted USD cash inflows) occurs.
- Any ineffective portion of the hedge is recognized each reporting period in consolidated statement of profit or loss as "Finance Expenses / Foreign Exchange losses".
- The hedged item, revenue, is recognised in accordance with TFRS 15 and the settlement of the hedging instrument is realised through the repayments of the bond.
- Gains and losses deferred in OCI, remain in OCI until the cash flows associated with the hedged item occur. At the time when a forecast sale occurs, the respective amount of foreign exchange gain/loss is reclassified from OCI to profit or loss (within financial expense / "Finance Expenses – Foreign Exchange losses transferred from equity (cash flow hedge)") as a reclassification adjustment in the same periods during which the hedged expected forecasted sales affect profit or loss.
- If the cash flows are not expected to occur, then the corresponding 'previously effective' foreign exchange gain/loss in OCI are recycled immediately to consolidated statement of profit or loss as "Finance Expenses / Foreign Exchange losses transferred from equity (cash flow hedge)".

As of 31 December 2024, the hedge relationship has been measured as 33.03% effective. As a result of the sensitivity analysis performed on the forecasted revenue figures, the Group concluded that the 10% increase/decrease in the forecasts do not have a significant effect on the evaluation of the hedge effectiveness tests.

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2 Basis of presentation of consolidated financial statements (*continued*)

2.10 Significant accounting judgments, estimates and assumptions

The preparation of consolidated financial statements in conformity with TFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements:

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Note 5 – Trade receivables

Note 9 – Property, plant and equipment

Note 11 – Provisions

Note 2.7 – Cash flow hedge transactions

Note 22 – Taxation on income

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. The assumptions underlying estimates and estimates are constantly monitored. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

A. Explanations on the determination of the fair value of property, plant and equipment

The Group's power plants (Çırakdamı HPP, Dereli HPP, Bereket I-II HPP, Dalaman I-V HPP, Gökyar HPP, Feslek HPP, Koyulhisar HPP, Mentaş HPP, Toros HPP, Gökteş I-II HPP, Aksu HPP, Akıncı HPP, Uşak WPP, Yalova WPP, Söke WPP, Uşak SPP) under property, plant and equipment are accounted for at fair value in accordance with revaluation model.

The Group has chosen the revaluation method as an accounting policy among measurement approaches allowed under TAS 16 for power plants.

As of 31 December 2024, 2023 and 2022, the Group obtained valuation report from an independent valuation company and revalued its power plants to its fair values. As of 31 December 2024, 2023 and 2022, the power plants are carried at the fair values at the measurement dates less the accumulated depreciation in the consolidated financial statements.

The related revaluation studies are carried out by using "income approach - discounted cash flow analysis". In accordance with discounted cash flows method, the estimation of long-term electricity sale prices (or market clearing price "MCP") is one of the the most important estimates, so an independent consultant was employed to support the management in making such estimates. In determining long-term electricity sale prices, the most important inputs in the model are; demand in the coming years, renewable energy capacity and capacity factor development, electricity export & import development. Other than long-term electricity sale prices, the most important assumptions of discounted cash flow method are; projected generation amount, weighted average cost of capital (discount rate) and US Dollar/TL foreign exchange rates.

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2 Basis of presentation of consolidated financial statements (continued)

2.10 Significant accounting judgments, estimates and assumptions (continued)

The parameters applied in the valuation and the valuation methods used are summarized below:

31 December 2024

Power Plants	Valuation Date	Valuation Method	Weighted Average Cost of Capital	Average MCP for Next Year (USD)	Gross Generation Volume Realized in 2024 (MWh/Year)	Expected Future Gross Generation Volume (MWh/Year)
Dalaman I-V HPP	10 December 2024	DCF *	10.7%	73	74,642	79,785
Akıncı HPP	10 December 2024	DCF *	10.7%	73	354,796	377,451
Aksu HPP	10 December 2024	DCF *	10.7%	73	70,239	88,920
Gökyar HPP	10 December 2024	DCF *	10.7%	73	19,533	22,499
Toros HPP	10 December 2024	DCF *	10.7%	73	89,041	175,886
Feslek HPP	10 December 2024	DCF *	10.7%	73	6,337	9,602
Koyulhisar HPP	10 December 2024	DCF *	10.7%	73	222,557	214,982
Mentaş HPP	10 December 2024	DCF *	10.7%	73	63,707	96,645
Bereket I-II HPP	10 December 2024	DCF *	10.7%	73	7,961	9,907
Göktaş HPP	10 December 2024	DCF *	10.7%	73	364,820	621,754
Çırakdamı HPP	10 December 2024	DCF *	10.7%	73	64,098	106,135
Dereli HPP	10 December 2024	DCF *	10.7%	73	52,258	106,303
Yalova WPP	10 December 2024	DCF *	10.3%	73	142,046	142,170
Söke WPP	10 December 2024	DCF *	10.3%	73	208,917	208,532
Uşak WPP	10 December 2024	DCF *	10.3%	73	252,787	344,816
Uşak SPP	10 December 2024	DCF *	10.9%	73	127,493	130,080

31 December 2023

Power Plants	Valuation Date	Valuation Method	Weighted Average Cost of Capital	Average MCP for Next Year (USD)	Gross Generation Volume Realized in 2023 (MWh/Year)	Expected Future Gross Generation Volume (MWh/Year)
Dalaman I-V HPP	13 March 2024	DCF *	%11.2	89	61,354	79,692
Akıncı HPP	13 March 2024	DCF *	%11.1	89	419,585	367,316
Aksu HPP	13 March 2024	DCF *	%11.1	73	112,435	91,199
Gökyar HPP	13 March 2024	DCF *	%11.2	89	19,856	23,173
Toros HPP	13 March 2024	DCF *	%11.1	89	113,657	186,389
Feslek HPP	13 March 2024	DCF *	%11.2	89	5,642	10,882
Koyulhisar HPP	13 March 2024	DCF *	%11.2	89	243,691	211,299
Mentaş HPP	13 March 2024	DCF *	%11.1	89	78,388	98,802
Bereket I-II HPP	13 March 2024	DCF *	%11.3	89	9,636	10,328
Göktaş HPP	13 March 2024	DCF *	%11.1	89	454,710	685,212
Çırakdamı HPP	13 March 2024	DCF *	%11.1	89	132,616	114,241
Dereli HPP	13 March 2024	DCF *	%11.1	73	138,576	116,542
Yalova WPP	13 March 2024	DCF *	%10.5	73	140,618	136,960
Söke WPP	13 March 2024	DCF *	%10.5	73	151,991	207,348
Uşak WPP	13 March 2024	DCF *	%10.6	73	180,293	256,562
Uşak SPP	13 March 2024	DCF *	%11.6	73	87,872	135,507

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2 Basis of presentation of consolidated financial statements (continued)

2.10 Significant accounting judgments, estimates and assumptions (continued)

31 December 2022

Power Plants	Valuation Date	Valuation Method	Weighted Average Cost of Capital	Average MCP for Next Year (USD)	Gross Generation Volume Realized in 2022 (MWh/Year)	Expected Future Gross Generation Volume (MWh/Year)
Dalaman I-V HPP	28 February 2023	DCF *	10.8%	84	86,239	42,660
Akıncı HPP	28 February 2023	DCF *	10.7%	84	317,109	395,326
Aksu HPP	28 February 2023	DCF *	10.7%	73	103,611	89,512
Gökıyar HPP	28 February 2023	DCF *	10.8%	84	24,661	16,150
Toros HPP	28 February 2023	DCF *	10.7%	73	207,481	200,172
Feslek HPP	28 February 2023	DCF *	10.8%	84	6,560	8,432
Koyulhisar HPP	28 February 2023	DCF *	10.8%	84	197,116	146,568
Mentaş HPP	28 February 2023	DCF *	10.7%	84	90,840	95,607
Bereket I-II HPP	28 February 2023	DCF *	10.9%	84	9,602	4,597
Göktaş HPP	28 February 2023	DCF *	10.7%	84	641,024	386,096
Çırakdamı HPP	28 February 2023	DCF *	10.7%	73	112,487	109,580
Dereli HPP	28 February 2023	DCF *	10.7%	73	111,501	110,428
Yalova WPP	28 February 2023	DCF *	10.2%	73	142,918	77,031
Söke WPP	28 February 2023	DCF *	10.2%	84	176,240	88,382
Uşak WPP	28 February 2023	DCF *	10.2%	73	156,168	59,970
Uşak SPP	28 February 2023	DCF *	11.3%	84	-	100,215

* Discounted cash flow

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2 Basis of presentation of consolidated financial statements (continued)

2.10 Significant accounting judgments, estimates and assumptions (continued)

B. Deferred tax assets for the carry forward tax losses

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

2.11 Revenue

The operations of the Group entities are regulated under Electricity Market Law No. 6446, the Regulation on Electricity Market License of EMRA, the Electricity Market Balancing and Settlement Regulation ("BSR") and other related legislative provisions.

Electricity sales is recognised as revenue at the time of electricity delivery, on an accrual basis. In the case of revenue from feed-in-tariff ("FIT"), sale of electricity is recorded based upon output delivered at rates specified under FIT. In the case of revenue from other than FIT, sale of electricity is again recorded based upon output delivered but at market rates.

With EMRA's board decision dated March 17, 2022 and numbered 10866, "Procedures and Principles Regarding the Determination and Implementation of Resource Based Support Fee" was published. Pursuant to this decision, the Maximum Settlement Price (MSP) has been determined for the resource types used in the generation of electricity and is applied as a ceiling price in the electricity sales price for power plants not covered by FIT. The MSP is updated on a monthly basis by taking into account the commodity prices that are inputs to energy production and other parameters deemed appropriate by the Board in addition to one or more of the inflation and exchange rate parameters.

The MSP mechanism has been expired on 1 October 2023.

The company, related parties Gediz Elektrik Perakende A.Ş. ("Gediz EPSAŞ") and Aydem Elektrik Perakende A.Ş. ("Aydem EPSAŞ") sells electricity to companies within the scope of bilateral agreements. Bilateral agreements are commercial agreements made between real or legal persons, subject to the provisions of private law, regarding the purchase and sale of electrical energy or capacity and not subject to the approval of the Energy Market Regulatory Board. In bilateral agreements, conditions related to the supply of electrical energy such as unit price, price commitment, security fee conditions, contract duration are determined and signed.

2.12 Seasonal changes in operations

The Group's activities are not subject to seasonal fluctuations.

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3 Cash and Cash Equivalents

As of December 31, 2024, 2023 and 2022, cash and cash equivalents are as follows:

	31 December 2024	31 December 2023	31 December 2022
Cash at banks	1,744,252,833	2,011,698,240	3,077,893,579
- Time deposits	1,741,138,315	2,010,612,368	2,922,249,283
- Demand deposits	3,114,518	1,085,872	155,644,296
Other cash and cash equivalents	343,654	-	3,157
	1,744,596,487	2,011,698,240	3,077,896,736

As of 31 December 2024, the interest rate of the Group's term TL denominated time deposits amounting is between 40% to 48,5%, average maturity 3 days. (31 December 2023: between 20% and 41%, average maturity 20 days. 31 December 2022: between 5% and 15%, average maturity 2 days); US Dollars denominated time deposits amounting interest rate is between 0.01% to 2,25%, average maturity 4 days. (31 December 2023: between 2% and 4%, average maturity 9 days. 31 December 2022: between 0.05% and 9.9%, average maturity 4 days), Euro denominated time deposits amounting interest rate is 1%, average maturity 3 days. (31 December 2023: 1,5%, average maturity 3 days. 31 December 2022: 3%, average maturity 4 days).

As of 31 December 2024, the Group's blocked deposit amount is TL 10,042,000 and USD 2,843,000. (December 31, 2023: USD 3,864,317, December 31, 2022: None).

4 Segment reporting

4.1 Statement of financial position

Financial information is provided on a power plant-by-power plant basis to members of executive management, which collectively comprise the chief operating decision maker. The information provided to the members of the executive management includes results or operation, valuation gains and losses on power plants, assets and liabilities of each power plant. The individual properties are also monitored based on type of power plants such as Hydro, Wind, Geothermal and Solar. The Group management considers that it is appropriate to report the segments based on this aggregation, to monitor the financial performance.

Group management assesses segment performance over earnings before interest, tax, depreciation and amortization ("EBITDA"). EBITDA is calculated by adjusting the operating income by depreciation and amortization expenses.

Company management preferred to use EBITDA in the evaluation of department performances in terms of comparability with companies in the same sector. EBITDA is not a measure of financial performance defined in TFRS. It may not be comparable to similar indicators defined by other companies.

The accounting policies adopted by each of the reportable segments are consistent with TFRS' used in preparation of consolidated financial statements of the Group. The detailed information regarding the reporting segments of Group is presented below:

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4 Segment reporting (*continued*)

4.1 Statement of financial position (*continued*)

31 December 2024	Hydro Power Plants	Wind Power Plants	Geothermal Power Plant	Solar Power Plant	Other	Unallocated *	Consolidated
Segment assets	37,249,520,158	9,485,347,161	-	2,004,871,114	198,202,414	7,483,622,831	56,421,563,678
Segment liabilities	16,589,320,686	2,046,006,716	-	1,697,287,589	-	8,723,871,218	29,056,486,209
31 December 2023	Hydro Power Plants	Wind Power Plants	Geothermal Power Plant	Solar Power Plant	Other	Unallocated *	Consolidated
Segment assets	56,473,061,853	12,531,743,468	-	3,391,459,629	233,882,496	7,654,246,293	80,284,393,739
Segment liabilities	19,813,120,606	2,443,606,861	-	2,027,121,203	-	14,678,221,574	38,962,070,244
31 December 2022	Hydro Power Plants	Wind Power Plants	Geothermal Power Plant	Solar Power Plant	Other	Unallocated *	Consolidated
Segment assets	63,732,898,191	9,420,709,401	80,137,906	3,800,270,280	537,809,924	8,749,982,082	86,321,807,784
Segment liabilities	21,637,834,716	2,592,785,023	-	2,191,552,499	-	17,564,532,394	43,986,704,632

* Includes assets and liabilities which are not attributable to a reportable segment such as cash, trade receivables, other assets, trade payables, other liabilities, tax assets and liabilities, etc.

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4 Segment reporting (continued)

4.2 Statement of profit or loss

1 January- 31 December 2024	Hydro Power Plants	Wind Power Plants	Geothermal Power Plant	Solar Power Plant	Total Renewable Energy	Unallocated *	Consolidated
Revenues	4,245,561,416	1,895,436,747	39,518,956	403,060,468	6,583,577,587	-	6,583,577,587
- Revenues from feed in tariff (FIT)	355,477,731	1,895,436,747	-	403,060,468	2,653,974,946	-	2,653,974,946
- Other than FIT	3,890,083,685	-	39,518,956	-	3,929,602,641	-	3,929,602,641
Cost of sales	(3,124,541,533)	(1,516,688,148)	(36,223,177)	(193,711,197)	(4,871,164,055)	(105,882,407)	(4,977,046,462)
Operational expenses/income (incl. other expense and income)	-	-	-	-	-	328,389,516	328,389,516
Earnings Before Interest and Taxes (EBIT)	1,121,019,883	378,748,599	3,295,779	209,349,271	1,712,413,532	222,507,109	1,934,920,641
Add-back, depreciation & amortization Expenses	1,894,874,650	857,062,245	-	139,211,339	2,891,148,234	117,644,860	3,008,793,094
Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) **	3,015,894,533	1,235,810,844	3,295,779	348,560,610	4,603,561,766	340,151,969	4,943,713,735
Gains from investing activities	-	-	-	-	-	72,837,321	72,837,321
Expenses from investing activities	-	-	-	-	-	(19,085,752,527)	(19,085,752,527)
Finance income	-	-	-	-	-	948,134,890	948,134,890
Finance expense	-	-	-	-	-	(7,088,688,620)	(7,088,688,620)
Monetary gain/(loss)	-	-	-	-	-	7,330,445,969	7,330,445,969
Tax expense	-	-	-	-	-	4,117,823,961	4,117,823,961
Depreciation & amortization expenses	(1,894,874,650)	(857,062,245)	-	(139,211,339)	(2,891,148,234)	(117,644,860)	(3,008,793,094)
Net Loss for the Period							(11,770,278,365)

* Includes head office costs and expenses which is not attributable to a reportable segment. Operational expenses mainly consist of personnel expenses. Operational income is mainly composed of foreign exchange income related to trading activities.

** EBITDA is calculated by adjusting the operating income by depreciation and amortization expenses.

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4 Segment reporting (continued)

4.2 Statement of profit or loss (continued)

1 January- 31 December 2023	Hydro Power Plants	Wind Power Plants	Geothermal Power Plant	Solar Power Plant	Total Renewable Energy	Unallocated*	Consolidated
Revenues	6,924,634,778	1,878,336,809	47,404,060	330,407,850	9,180,783,497	-	9,180,783,497
- Revenues from Feed in Tariff (FIT)	1,615,455,464	1,112,816,563	-	-	2,728,272,027	-	2,728,272,027
- Other than FIT	5,309,179,314	765,520,246	47,404,060	330,407,850	6,452,511,470	-	6,452,511,470
Cost of Sales	(3,497,383,585)	(1,391,388,020)	(48,655,485)	(187,265,877)	(5,124,692,967)	(88,737,302)	(5,213,430,269)
Operational Expenses/Income (incl. Other Expense and Income)	-	-	-	-	-	446,906,797	446,906,797
Earnings Before Interest and Taxes (EBIT)	3,427,251,193	486,948,789	(1,251,425)	143,141,973	4,056,090,530	358,169,495	4,414,260,025
Add-back, Depreciation & Amortization Expenses	2,075,845,621	717,999,337	-	127,099,341	2,920,944,299	153,881,527	3,074,825,826
Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) **	5,503,096,814	1,204,948,126	(1,251,425)	270,241,314	6,977,034,829	512,051,022	7,489,085,851
Gains from Investing Activities	-	-	-	-	-	441,355,938	441,355,938
Expenses from investing activities	-	-	-	-	-	(5,289,447,370)	(5,289,447,370)
Finance Income	-	-	-	-	-	1,507,182,208	1,507,182,208
Finance Expense	-	-	-	-	-	(19,048,931,971)	(19,048,931,971)
Monetary gain/(loss)	-	-	-	-	-	13,686,945,664	13,686,945,664
Tax Expense	-	-	-	-	-	2,440,442,075	2,440,442,075
Depreciation & Amortization Expenses	(2,075,845,621)	(717,999,337)	-	(127,099,341)	(2,920,944,299)	(153,881,527)	(3,074,825,826)
Net Loss for the Period							(1,848,193,431)

* Includes head office costs and expenses which is not attributable to a reportable segment. Operational expenses mainly consist of personnel expenses. Most of operational income is composed of foreign exchange income related to trading activities.

** EBITDA is calculated by adjusting the operating income by depreciation and amortization expenses.

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4 Segment reporting (continued)

4.2 Statement of profit or loss (continued)

1 January- 31 December 2022	Hydro Power Plants	Wind Power Plants	Geothermal Power Plant	BIO Power Plant ***	Total Renewable Energy	Unallocated*	Consolidated
Revenues	8,681,134,478	2,197,987,312	33,484,945	3,580,356	10,916,187,091	6,899,625	10,923,086,716
- Revenues from Feed in Tariff (FIT)	6,524,262,443	2,197,987,312	-	3,580,356	8,725,830,111	-	8,725,830,111
- Other than FIT	2,156,872,035	-	33,484,945	-	2,190,356,980	6,899,625	2,197,256,605
Cost of Sales	(3,445,542,457)	(1,350,961,955)	(72,363,003)	(6,010,783)	(4,874,878,198)	(381,719)	(4,875,259,917)
Operational Expenses/Income (incl. Other Expense and Income)	-	-	-	-	-	761,496,532	761,496,532
Earnings Before Interest and Taxes (EBIT)	5,235,592,021	847,025,357	(38,878,058)	(2,430,427)	6,041,308,893	768,014,438	6,809,323,331
Add-back, Depreciation & Amortization Expenses	2,270,161,369	672,887,469	39,152,639	-	2,982,201,477	118,336,943	3,100,538,420
Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) **	7,505,753,390	1,519,912,826	274,581	(2,430,427)	9,023,510,370	886,351,381	9,909,861,751
Gains from Investing Activities	-	-	-	-	-	17,398,066	17,398,066
Expenses from investing activities	-	-	-	-	-	(7,152,571,226)	(7,152,571,226)
Finance Income	-	-	-	-	-	1,848,996,248	1,848,996,248
Finance Expense	-	-	-	-	-	(6,102,480,086)	(6,102,480,086)
Monetary gain/(loss)	-	-	-	-	-	12,434,617,521	12,434,617,521
Tax Expense	-	-	-	-	-	(675,293,520)	(675,293,520)
Depreciation & Amortization Expenses	(2,270,161,369)	(672,887,469)	(39,152,639)	-	(2,982,201,477)	(118,336,943)	(3,100,538,420)
Net Profit for the Period							7,179,990,334

* Includes head office costs and expenses which is not attributable to a reportable segment. Operational expenses mainly consist of personnel expenses. Operational income is mainly composed of foreign exchange income related to trading activities.

** EBITDA is calculated by adjusting the operating income by depreciation and amortization expenses.

*** The 10-year lease period of Kumkısıık BIO expired on June 16, 2022 and all mechanical, electrical and construction equipment in the facility were transferred to Denizli Metropolitan Municipality.

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5 Related party disclosures

Aydem Holding A.Ş. ("Aydem Holding") is the ultimate parent company and controlling party of the Group.

Transactions with related parties are classified according to the following groups and include all related party disclosures in this note.

1. Ultimate parent and its subsidiaries
2. Other companies controlled by the shareholders of Aydem Holding and other key persons.

Since the transactions between the Group and its subsidiaries, which are related parties of the Group, are eliminated during consolidation, they are not disclosed in this note.

The shareholders, key management personnel and members of the Board of Directors, their families and partners and entities controlled by the ultimate shareholders are considered and referred to as related parties in the consolidated financial statements. The Group companies have carried out various transactions with related parties during their operations.

Trade receivables from related parties generally arise from sale of electricity. Trade payables to related parties generally arise from the electricity purchases. The company, related parties Gediz Elektrik Perakende A.Ş. ("Gediz EPSAŞ") and Aydem Elektrik Perakende A.Ş. ("Aydem EPSAŞ") sells electricity to companies within the scope of bilateral agreements. Bilateral agreements are commercial agreements made between real or legal persons, subject to the provisions of private law, regarding the purchase and sale of electrical energy or capacity and not subject to the approval of the Energy Market Regulatory Board. In bilateral agreements, conditions related to the supply of electrical energy such as unit price, price commitment, security fee conditions, contract duration are determined and signed.

Other receivables from related parties arise from sale of subsidiary shares and amounts arisen from operational activities. At the end of each quarter period for other receivables and payables interest is accrued using market interest rates, which are determined using the Group external cost of borrowing.

5.1 Related party balances

As of 31 December 2024, 2023 and 2022, short-term trade receivables due from related parties are as follows:

	31 December 2024	31 December 2023	31 December 2022
Aydem EPSAŞ ⁽¹⁾	2,421,554,330	2,454,352,636	2,259,936,070
Gediz EPSAŞ ⁽¹⁾	710,099,845	329,896,482	671,707,587
Other	-	665,401	199,393
	3,131,654,175	2,784,914,519	2,931,843,050

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5 Related party disclosures (continued)

5.1 Related party balances (continued)

As of 31 December 2024, 2023 and 2022, short-term other receivables due from related parties are as follows:

	31 December 2024	31 December 2023	31 December 2022
Aydem Holding A.Ş. ("Aydem Holding") ⁽¹⁾ *	109,766,904	124,968,966	83,281,015
Aydem EPSAŞ ⁽¹⁾	-	801,283,102	-
	109,766,904	926,252,068	83,281,015

* Mainly consists of receivables related to the sale of 50% shares belonging to Yalova Karacabey.

As of 31 December 2024, 2023 and 2022, short-term trade payables due to related parties are as follows:

	31 December 2024	31 December 2023	31 December 2022
Aydem Holding ⁽¹⁾	32,479,228	10,086,598	13,723,709
GDZ Enerji Yatırımları A.Ş. ("GDZ Enerji") ⁽¹⁾	6,603,772	4,322,223	3,735,092
Adm EDAŞ ⁽¹⁾	2,400,668	1,970,297	758,419
Other	738,804	131,713	158,327
	42,222,472	16,510,831	18,375,547

As of 31 December 2024, 2023 and 2022 long-term other payables to related parties are as follows:

	31 December 2024	31 December 2023	31 December 2022
Aydem EPSAŞ ⁽¹⁾	-	72,770,079	95,660,110
	-	72,770,079	95,660,110

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5 Related party disclosures (continued)

5.2 Related party transactions

For the period ended 31 December 2024, 2023 and 2022, income and expense transactions with related parties are as follows:

Electricity Sales and Other Sales	1 January- 31 December 2024	1 January- 31 December 2023	1 January- 31 December 2022
Gediz EPSAŞ ⁽¹⁾ *	3,159,554,348	7,097,964,147	5,918,320,277
Aydem EPSAŞ ⁽¹⁾ *	1,466,583,270	3,571,719,284	7,841,547,930
Parla Solar ⁽¹⁾	-	152,060,805	335,393,798
Adm EDAŞ ⁽¹⁾	-	-	20,838,184
GDZ EDAŞ ⁽¹⁾	-	-	17,538,333
Other	536,409	2,231,051	1,978,955
	4,626,674,027	10,823,975,287	14,135,617,477

* Consists of electricity sales within the bilateral agreements.

In the period ending on 31 December 2024, since the spot electricity market price was higher than MSP and the sales price of FIT, the difference was paid to Enerji Piyasaları İşletme A.Ş. ("EPIAŞ").

Purchase of Electricity and Services	1 January- 31 December 2024	1 January- 31 December 2023	1 January- 31 December 2022
Aydem Holding ⁽¹⁾	185,108,890	400,691,948	121,150,576
Aydem EPSAŞ ⁽¹⁾	235,698,652	367,411,006	188,531,233
Gediz EPSAŞ ⁽¹⁾	56,743,477	125,950,417	-
GDZ Enerji ⁽¹⁾	63,997,293	46,607,287	21,993,350
Adm EDAŞ ⁽¹⁾	26,355,215	-	15,386,835
Parla Solar ⁽¹⁾	1,069,995	-	838,715,164
Other	3,858,798	7,634,539	2,502,633
	572,832,320	948,295,197	1,188,279,791

Other Income, net	1 January- 31 December 2024	1 January- 31 December 2023	1 January- 31 December 2022
Aydem EPSAŞ ⁽¹⁾ *	473,644,749	1,126,101,757	280,013,582
Gediz EPSAŞ ⁽¹⁾ *	295,791,470	468,808,735	818,693,622
Aydem Holding ⁽¹⁾	87,508,714	25,525,784	6,959,129
Parla Solar ⁽¹⁾	35,706,177	-	1,892,800
Other	-	-	140,157
	892,651,110	1,620,436,276	1,107,699,290

* Consists of net foreign exchange income and late interest income regarding trade receivables.

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5 Related party disclosures (continued)

5.2 Related party transactions (continued)

Financial Income	1 January- 31 December 2024	1 January- 31 December 2023	1 January- 31 December 2022
Aydem EPSAŞ ⁽¹⁾	107,002,536	88,236,416	1,445,038
Gediz EPSAŞ ⁽¹⁾	22,087,794	24,841,637	2,303,234
Aydem Holding ⁽¹⁾	11,442,371	8,047,689	141,774
Aydem Enerji Yatırımları ⁽¹⁾	7,751,994	-	-
	148,284,695	121,125,742	3,890,046

The executive management of the Group is comprised of general manager and directors. For the period ended 31 December 2024, 2023 and 2022, the sum of short-term benefits, such as remuneration and attendance fees, provided to key management executives personnel is as follows:

	1 January- 31 December 2024	1 January- 31 December 2023	1 January- 31 December 2022
Benefits to key management personnel	47,376,422	53,960,540	27,461,983
	47,376,422	53,960,540	27,461,983

6 Trade receivables and payables

Short term trade receivables

As of 31 December 2024, 2023 and 2022, the Group's short-term trade receivables are as follows:

	31 December 2024	31 December 2023	31 December 2022
Trade receivables due from related parties (Note 5)	3,131,654,175	2,784,914,519	2,931,843,050
Trade receivables due from third parties	37,105,992	114,409,277	187,596,017
	3,168,760,167	2,899,323,796	3,119,439,067
Less: Expected credit loss	(7,096,567)	(10,195,632)	(17,028,107)
	3,161,663,600	2,889,128,164	3,102,410,960

As of December 31, 2024, the average maturity of trade receivables is 45 days (December 31, 2023: 45 days, December 31, 2022: 45 days).

As of 31 December 2024, 2023 and 2022, short-term receivables consist of the following items:

	31 December 2024	31 December 2023	31 December 2022
Trade receivables related to electricity sales *	3,161,313,664	2,814,452,712	3,010,901,899
Income accruals related to electricity sales **	349,936	74,675,452	91,509,061
Doubtful trade receivables	7,096,567	10,195,632	17,028,107
Allowances for doubtful trade receivables	(7,096,567)	(10,195,632)	(17,028,107)
	3,161,663,600	2,889,128,164	3,102,410,960

* Consists of electricity sales and ancillary income within the bilateral agreements.

** Consists of the Group's unbilled receivables arising from the electricity sales.

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6 Trade receivables and payables (continued)

Short term trade receivables (continued)

As of December 31, 2024, 2023 and 2022, The Group has overdue trade receivables and that receivables have not been impaired. The aging of trade receivables is as follows:

	31 December 2024	31 December 2023	31 December 2022
Not overdue	970,125,686	607,479,027	1,766,085,571
1-30 days past due	430,058,197	243,223,962	869,003,038
1-3 months past due	859,123,039	764,456,534	228,475,777
3-12 months past due	902,356,678	1,273,968,641	238,846,574
	3,161,663,600	2,889,128,164	3,102,410,960

The liquidity and exchange rate risk that the Group is exposed in relation with trade receivables are explained under Footnote 24

The movement of expected credit loss for the period ended 31 December 2024, 2023 and 2022 are as follows:

	2024	2023	2022
Opening balance (1 January)	10,195,632	17,028,107	25,052,755
Current provision	283,785	-	2,684,899
Provisions no longer required	(264,343)	(181,818)	(422,116)
Inflation effect	(3,118,507)	(6,650,657)	(10,287,431)
Closing balance (31 December)	7,096,567	10,195,632	17,028,107

Short term trade payables

As of 31 December 2024, 2023 and 2022, the Group's short-term trade payables are as follows:

	31 December 2024	31 December 2023	31 December 2022
Trade payables from third parties	187,228,218	565,627,156	1,112,050,302
Trade payables due from related parties (Note 5)	42,222,472	16,510,831	18,375,547
	229,450,690	582,137,987	1,130,425,849

As of 31 December 2024, 2023 and 2022, short-term trade payables from third parties consist of the following items:

	31 December 2024	31 December 2023	31 December 2022
Trade payables	136,083,295	475,526,316	289,751,059
Expense accruals	51,144,923	90,072,945	822,293,971
Other trade payables	-	27,895	5,272
	187,228,218	565,627,156	1,112,050,302

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7 Other receivables and payables

Other short-term receivables

As of 31 December 2024, 2023 and 2022, the Group's short-term other receivables are as follows:

	31 December 2024	31 December 2023	31 December 2022
Other receivables due from related parties (Note 5)	109,766,904	926,252,068	83,281,015
Other receivables due from third parties	45,300,824	20,825,029	72,481,525
	155,067,728	947,077,097	155,762,540

As of 31 December 2024, 2023 and 2022, short-term other receivables from third parties consist of the following items:

	31 December 2024	31 December 2023	31 December 2022
Receivables from tax administration	45,122,746	20,679,259	72,323,580
Deposits & guarantees given	178,078	145,770	157,945
	45,300,824	20,825,029	72,481,525

Other long-term receivables

As of 31 December 2024, 2023 and 2022, other long-term receivables from third parties consist of the following items:

	31 December 2024	31 December 2023	31 December 2022
Other receivables due from third parties	5,396,665	4,709,745	3,691,731
	5,396,665	4,709,745	3,691,731

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7 Other receivables and payables (continued)

Other short-term payables

As of 31 December 2024, 2023 and 2022, the Group's short-term other payables are as follows:

	31 December 2024	31 December 2023	31 December 2022
Other payables due to third parties	236,740	340,841	560,743
	236,740	340,841	560,743

As of 31 December 2024, 2023 and 2022, other short-term payables to third parties consist of the following items:

	31 December 2024	31 December 2023	31 December 2022
Deposits and guarantees taken	235,709	340,321	560,743
Other payables	1,031	520	-
	236,740	340,841	560,743

8 Inventories

As of 31 December 2024, 2023 and 2022, inventories are composed of spare parts for property, plant and equipment:

	31 December 2024	31 December 2023	31 December 2022
Spare parts *	20,405,704	30,422,646	30,074,907
	20,405,704	30,422,646	30,074,907

* Inventories consist of spare parts used in the maintenance of power plants and consumable materials.

As of 31 December 2024, there is no insurance coverage on the Group's inventories (31 December 2023 and 2022: None).

As of 31 December 2024, there are no inventories presented as collateral for liabilities (31 December 2023 and 2022: None).

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9 Property, plant and equipment and right of use assets

9.1 Property, plant and equipment

The ending 31 December 2024, 2023 and 2022, movements of property, plant and equipment are as follows:

	Land	Power plants	Construction in progress *	Other	Total
Cost or valuation as of 1 January 2024	50,698,287	97,842,019,822	1,798,048,320	289,432,774	99,980,199,203
Additions	-	112,946,283	554,046,387	19,950,362	686,943,032
Disposals	-	(106,275,226)	(433,355,413)	(145,046)	(539,775,685)
Transfers	-	95,797,068	(95,797,068)	-	-
Impairment**	-	(31,471,303,291)	-	-	(31,471,303,291)
Cost or valuation as of 31 December 2024	50,698,287	66,473,184,656	1,822,942,226	309,238,090	68,656,063,259
Accumulated depreciation as of 1 January 2024	-	(29,587,542,634)	-	(211,741,777)	(29,799,284,411)
Additions	-	(2,836,651,895)	-	(21,768,053)	(2,858,419,948)
Disposals	-	49,516,475	-	113,412	49,629,887
Impairment**	-	10,505,732,174	-	-	10,505,732,174
Accumulated depreciation as of 31 December 2024	-	(21,868,945,880)	-	(233,396,418)	(22,102,342,298)
Net book value as of 31 December 2024	50,698,287	44,604,238,776	1,822,942,226	75,841,672	46,553,720,961

* An application was made to the Energy Market Regulatory Authority for the termination of the production licenses of Ey-Tur and Başat, subsidiaries of Aydem Yenilenebilir Enerji A.Ş. The termination request was approved by the board decision dated June 13, 2024. Based on the decision, the amount of TL 492,431,338 in the construction in progress account was recognized under expenses from investment activities. (Note 21)

	Land	Power plants	Construction in progress *	Other	Total
Cost or valuation as of 1 January 2023	50,698,287	102,784,890,388	1,985,207,485	269,549,657	105,090,345,817
Additions	-	138,551,500	2,949,884,900	20,015,641	3,108,452,041
Disposals	-	(652,588)	(437,026,402)	(132,524)	(437,811,514)
Transfers *	-	2,700,017,663	(2,700,017,663)	-	-
Value increase	-	1,690,576,475	-	-	1,690,576,475
Impairment**	-	(9,471,363,616)	-	-	(9,471,363,616)
Cost or valuation as of 31 December 2023	50,698,287	97,842,019,822	1,798,048,320	289,432,774	99,980,199,203
Accumulated depreciation as of 1 January 2023	-	(29,836,041,291)	-	(192,050,139)	(30,028,091,430)
Additions	-	(2,878,000,119)	-	(19,747,980)	(2,897,748,099)
Disposals	-	153,262	-	56,342	209,604
Value increase	-	(492,647,944)	-	-	(492,647,944)
Impairment**	-	3,618,993,458	-	-	3,618,993,458
Accumulated depreciation as of 31 December 2023	-	(29,587,542,634)	-	(211,741,777)	(29,799,284,411)
Net book value as of 31 December 2023	50,698,287	68,254,477,188	1,798,048,320	77,690,997	70,180,914,792

* Mainly consists of investments regarding hybrid solar and capacity increase.

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9 Property, plant and equipment and right of use assets (continued)

9.1 Property, plant and equipment (continued)

	Land	Power plants	Construction in progress *	Other	Total
Cost or valuation as of 1 January 2022	155,401,139	107,972,159,869	1,106,521,425	261,550,783	109,495,633,216
Additions	151,019	117,504,466	3,115,416,572	9,460,550	3,242,532,607
Disposals	-	(4,380,722)	-	(1,461,676)	(5,842,398)
Transfers	(104,853,871)	2,236,730,512	(2,236,730,512)	-	(104,853,871)
Value increase	-	2,669,146,304	-	-	2,669,146,304
Impairment**	-	(10,206,270,041)	-	-	(10,206,270,041)
Cost or valuation as of 31 December 2022	50,698,287	102,784,890,388	1,985,207,485	269,549,657	105,090,345,817
Accumulated depreciation as of 1 January 2022	-	(29,624,989,131)	-	(171,552,280)	(29,796,541,411)
Additions	-	(2,928,944,819)	-	(20,648,551)	(2,949,593,370)
Disposals	-	643,872	-	150,692	794,564
Value increase	-	(336,450,028)	-	-	(336,450,028)
Impairment**	-	3,053,698,815	-	-	3,053,698,815
Accumulated depreciation as of 31 December 2022	-	(29,836,041,291)	-	(192,050,139)	(30,028,091,430)
Net book value as of 31 December 2022	50,698,287	72,948,849,097	1,985,207,485	77,499,518	75,062,254,387

As of 31 December 2024, there are pledges and mortgages on property, plant and equipment of the Group amounting to USD 1,248,750,000 in original currencies (31 December 2023 and 2022: USD 1,248,750,000 in original currencies) in favor of lenders.

Total depreciation expense of property, plant and equipment amounting to TL 2,836,651,895 (31 December 2023: TL 2,878,000,119 and 31 December 2022: TL 2,928,944,819) has been reflected to cost of sales and amounting to TL 21,768,053 (31 December 2023: TL19,747,980 and 31 December 2022: TL20,648,551) has been reflected to general administration expense.

**One of the most important reasons for the impairment is the negative gap between the USD/TL exchange rate and the CPI, which became significant with inflation accounting, a practice specific to the relevant period. While the USD/TL parity, which is the basis for the Turkish Lira equivalent of power plant assets valued in US Dollars, increased by 20% compared to the previous year, the CPI used to update the previous year's valuation in inflation accounting was 44%. Another reason is the fluctuations in macroeconomic assumptions and energy prices. There was a negative difference between the energy prices and expectations that were the basis for the valuation studies used in the financial statements of December 31, 2023, and the energy prices and expectations in the current year. Energy prices, which were high worldwide, especially in Europe, due to cyclical developments in the past period, moved downwards in the period on which the valuation report used in the financial statements of December 31, 2024, was based, and this situation negatively affected the power plant value.

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9 Property, plant and equipment and right of use assets (continued)

9.1 Property, plant and equipment (continued)

The Group determined that the power plants constitute a separate class of property, plant and equipment, based on the nature, characteristics and risks of the property and as also mentioned in Note 2, elected to use revaluation method for such assets.

The Company applied the "Income Reduction Method- DCF Analysis" in its valuation and impairment studies. Given that long-term electricity market prices are the most important factor in the "DCF Analysis," the Company collaborated with an independent consultant providing services to companies operating in the energy market. When determining long-term electricity prices, the most important inputs in the model were the forecasted trends in demand, capacity, capacity factor development, electricity export & import trends, and coal prices. The most important assumptions in the income reduction method are, respectively, electricity prices, projected production volume, weighted average cost of capital, discount rate, and exchange rates. The Company does not expect significant changes in the forecasts and assumptions used in the valuation reports. In the income reduction method, the Company discounted its estimated revenues based on the useful life of the power plants.

The results of the sensitivity calculation for a possible 1% decrease or increase in the estimated electricity prices for the company are as follows:

	31.12.2024	31.12.2023	31.12.2022
Value of power plant assets	44,604,238,776	68,254,477,188	72,948,849,097
Total value with 1% decrease in electricity prices	41,906,248,774	64,371,328,723	69,126,141,208
Rate of change	(6.0%)	(5.7%)	(5.2%)
Total value with 1% increase in electricity prices	47,098,155,090	72,217,717,369	76,599,237,554
Rate of change	5.6%	5.8%	5.0%

The results of the sensitivity calculation for a possible 1% decrease or increase in the weighted average cost of capital (WACC) for the company are as follows:

	31.12.2024	31.12.2023	31.12.2022
Value of power plant assets	44,604,238,776	68,254,477,188	72,948,849,097
Total value with 1% decrease in WACC	42,748,427,161	65,214,578,551	70,104,760,967
Rate of change	(4.2%)	(4.5%)	(3.9%)
Total value with 1% increase in WACC	46,478,242,593	71,506,225,327	76,109,927,675
Rate of change	4.2%	4.8%	4.3%

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9 Property, plant and equipment and right of use assets (continued)

9.2 Right of use assets

The Group has lease contracts for various items of plant, machinery, vehicles, land right of use and other equipment used in its operations.

For the period then ended as of 31 December 2024, movements of right of uses is as follows:

Cost as of 1 January 2024	597,413,322
Additions	50,440,237
Cost as of 31 December 2024	647,853,559
Accumulated depreciation as of 1 January 2024	(230,516,710)
Additions	(81,856,269)
Accumulated depreciation as of 31 December 2024	(312,372,979)
Net book value as of 31 December 2024	335,480,580

For the period then ended as of 31 December 2023, movements of right of uses is as follows:

Cost as of 1 January 2023	498,403,507
Additions	99,009,815
Cost as of 31 December 2023	597,413,322
Accumulated depreciation as of 1 January 2023	(123,784,672)
Additions	(106,732,038)
Accumulated depreciation as of 31 December 2023	(230,516,710)
Net book value as of 31 December 2023	366,896,612

For the period then ended as of 31 December 2022, movements of right of uses is as follows:

Cost as of 1 January 2022	216,302,425
Additions	282,101,082
Cost as of 31 December 2022	498,403,507
Accumulated depreciation as of 1 January 2022	(41,680,207)
Additions	(82,104,465)
Accumulated depreciation as of 31 December 2022	(123,784,672)
Net book value as of 31 December 2022	374,618,835

Total depreciation expense of right of uses amounting to TL 59,653,628 (31 December 2023: 83,783,431 and 31 December 2022: 53,669,995) has been reflected to cost of sales and amounting to TL 22,202,641 (31 December 2023: TL 22,948,607 and 31 December 2022: TL 28,434,470) has been reflected to general administration expense.

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10 Intangible assets

As of 5 May 2017, the Company has signed a Transfer of Operating Rights Agreement ("Agreement") with the Privatization Administration and the Electricity Generation Corporation ("EÜAŞ") for Adıgüzel and Kemer Hydroelectric Plants. According to the agreement, the Company obtained the operating rights of the plants for 49 years and is responsible for the transfer of EÜAŞ at the end of the period in a complete and a functional state. During the contract period, the Company has to carry out all the maintenance, repairs and improvements which are necessary to ensure the convenience and efficiency of the plants for the generation activity, at their own expense. The Company is responsible for any damages and losses that may occur in the generation facilities in general referred as "Power Plants". During the contact period; the Company has to perform all kinds of additional facilities, the investment for rehabilitation and development in accordance with the legislation, and will obtain the approval of EÜAŞ during the works and procedures to be carried out within this framework. In addition, the company must obtain approval from EÜAŞ in case it wants to make investments and transactions for capacity changes.

As of the transfer date, it is EÜAŞ's responsibility to monitor and solve the administrative, legal disputes regarding the ownership of the immovable on which plants are located and the immovable in use, that are available now or will arise after the transfer date and all responsibilities and obligations arising from this matter.

Intangible assets related to agreements are amortized until the end of the related contract period.

Although the Company has the right to obtain substantially all of the economic benefits from use of the asset, it does not have the right to manage the use of power plants according to Article 7 of the contract signed with the EÜAŞ. Therefore, the contract has not been considered as a lease contract under TFRS 16, On the other hand, the Agreement is not accounted within the scope of TFRIC 12 Service Concession Agreements because although the residual interest of the power plants belongs to EÜAŞ, EÜAŞ does not control at what price electricity will be sold.

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10 Intangible assets (continued)

As of 31 December 2024, 2023 and 2022, movements of intangible assets are as follows:

	Licences	Operating rights	Softwares	Total
Cost as of 1 January 2024	53,828,415	2,801,141,802	38,802,859	2,893,773,076
Additions	3,504,109	-	-	3,504,109
Cost as of 31 December 2024	57,332,524	2,801,141,802	38,802,859	2,897,277,185
Accumulated depreciation as of 1 January 2024	(34,305,991)	(381,107,728)	(29,126,703)	(444,540,422)
Additions	(9,875,805)	(57,166,162)	(1,474,910)	(68,516,877)
Accumulated depreciation as of 31 December 2024	(44,181,796)	(438,273,890)	(30,601,613)	(513,057,299)
Net book value as of 31 December 2024	13,150,728	2,362,867,912	8,201,246	2,384,219,886

	Licences	Operating rights	Softwares	Total
Cost as of 1 January 2023	44,940,608	2,801,141,802	37,683,638	2,883,766,048
Additions	8,887,807	-	1,119,221	10,007,028
Cost as of 31 December 2023	53,828,415	2,801,141,802	38,802,859	2,893,773,076
Accumulated depreciation as of 1 January 2023	(23,001,800)	(323,941,566)	(27,251,367)	(374,194,733)
Additions	(11,304,191)	(57,166,162)	(1,875,336)	(70,345,689)
Accumulated depreciation as of 31 December 2023	(34,305,991)	(381,107,728)	(29,126,703)	(444,540,422)
Net book value as of 31 December 2023	19,522,424	2,420,034,074	9,676,156	2,449,232,654

	Licences	Operating rights	Softwares	Total
Cost as of 1 January 2022	35,510,630	2,801,141,802	37,683,638	2,874,336,070
Additions	9,429,978	-	-	9,429,978
Cost as of 31 December 2022	44,940,608	2,801,141,802	37,683,638	2,883,766,048
Accumulated depreciation as of 1 January 2022	(13,442,679)	(266,775,404)	(25,136,065)	(305,354,148)
Additions	(9,559,121)	(57,166,162)	(2,115,302)	(68,840,585)
Accumulated depreciation as of 30 September 2022	(23,001,800)	(323,941,566)	(27,251,367)	(374,194,733)
Net book value as of 31 December 2022	21,938,808	2,477,200,236	10,432,271	2,509,571,315

Amortization expense of intangible assets amounting to TL 57,166,160 (31 December 2023: TL 57,166,160 and 31 December 2022: TL 57,166,160) has been reflected to cost of sales and amounting to TL11,350,715 (31 December 2023: TL 13,179,527 and 31 December 2022: TL 11,674,423) has been reflected to general administrative expenses.

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11 Provisions, contingent assets and liabilities

11.1 Short-term provisions

As of 31 December 2024, 2023 and 2022, the breakdown of short-term provisions are as follows:

	31 December 2024	31 December 2023	31 December 2022
Short-term provisions for employee benefits	87,203,840	63,818,505	53,759,334
Provision for litigations	15,500,634	19,823,897	29,643,054
	102,704,474	83,642,402	83,402,388

Short-term provisions for employee benefits consist of unused vacation days provisions and premium provisions.

The movement table of unused vacation days provisions is as follows:

	2024	2023	2022
Opening balance (1 January)	22,081,952	17,882,236	14,015,140
Net change in provision within the period	12,052,016	15,195,734	11,232,462
Inflation effect	(8,560,066)	(10,996,018)	(7,365,366)
Closing balance (31 December)	25,573,902	22,081,952	17,882,236

The movement table of premium provisions is as follows:

	2024	2023	2022
Opening balance (1 January)	41,736,553	35,877,098	11,410,110
Net change in provision within the period	38,364,840	27,014,227	34,754,270
Inflation effect	(18,471,455)	(21,154,772)	(10,287,282)
Closing balance (31 December)	61,629,938	41,736,553	35,877,098

Other short-term provisions consist of provisions for ongoing litigations of the Group,

The movement table is as follows:

	2024	2023	2022
Opening balance (1 January)	19,823,897	29,643,054	55,246,440
Net change in provision within the period	1,989,177	2,183,378	(4,607,824)
Inflation effect	(6,312,440)	(12,002,535)	(20,995,562)
Closing balance (31 December)	15,500,634	19,823,897	29,643,054

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11 Provisions, contingent assets and liabilities (*continued*)

11.2 Contingent liabilities

As of 31 December 2024, 2023 and 2022, the Group's collateral/pledge/mortgage ("CPM") balances are as follows:

		31 December 2024	31 December 2023	31 December 2022
	Currency	TL Amount	TL Amount	
A, Guarantees given in the name of its own legal personality*	TL	-	-	-
B, Guarantees given on behalf of the fully consolidated companies	US Dollars	44,056,274,625	53,075,011,220	55,547,792,042
C, Total amount of CPM's given to other 3rd parties for the purpose of carrying out their ordinary commercial activities	TL	-	-	-
D, Other guarantees	TL	-	-	-
i, Guarantees given on behalf of the majority shareholder		-	-	-
ii, Guarantees given to on behalf of other group companies which are not in scope of B and C,	TL	-	-	-
iii, Guarantees given on behalf of third parties which are not in scope of C,		-	-	-
Total		44,056,274,625	53,075,011,220	55,547,792,042

* On 2 December 2021, within the scope of the Eurobond, movable pledge was established on the Company's movable assets to form the guarantee of the bond issuance.

The Company are subject to litigation and regulatory proceedings in the normal course of the business. From time to time, The Company may be a party to legal proceedings, including, but not limited to, personal injury claims, commercial disputes, regulatory or administrative actions and employment matters. These proceedings may be brought by, among others, current, former or prospective employees, suppliers, governmental agencies or other third parties.

- Administrative fines and other administrative sanctions for all structures, with the decision of the Dalaman, Ortaca and Köyceğiz Municipal Committees, for alleged violation of the reconstruction legislation due to the absence of a building permit for Dalaman HPP 1-2-3-4-5 and Gökyar HPPs, Since these administrative actions are against the law and HPPs are public investments, they are exempt from construction permits. For this reason, lawsuits have been filed by the Company to the Administrative Courts for the cancellation of the transactions. As a result of the proceedings conducted by the courts, in 95 of these cases, the court decisions regarding the cancellation of the transaction in favor of the Company were notified to the Company, the court was decided one case rejected the transaction. Of the decisions given for the annulment of the aforementioned administrative transactions, in only 1 case, the request for annulment was rejected. Of the decisions on the annulment of administrative actions, 13 are under appeal at the Council of State and in 95 cases the annulment decisions have been finalized. The Company does not foresee any legal and financial risk in the form of any payment or penalty due to the administrative sanction decisions of the municipalities that have been decided to be cancelled.

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11 Provisions, contingent assets and liabilities (*continued*)

11.2 Contingent liabilities (*continued*)

Within the scope of the authority granted by the Electricity Market Law, EMRA has decided on the Procedures and Principles Regarding the Determination and Implementation of Resource Based Support Fee ("Procedures and Principles") dated 17 March 2022 and numbered 10866. With the Board Decision dated 29 March 2022 and numbered 10887, amendments were made to the Procedures and Principles. Accordingly, it has been ruled that fixed price and approved bilateral agreements entered into the market management system, which is an operating system where all contracts in the market are entered for 1 February and later, before 8 March 2022 may be exempted if they are submitted to Enerji Piyasaları İşletme A.Ş. ("EPIAŞ") together with the information and documents specified in the Procedures and Principles. According to the regulation, the bilateral agreements that are included in the scope of exemption will not be subject to the support price debt amount application. Following the Company's exemption application, which was duly submitted in due time within the scope of the Procedures and Principles, after the necessary information and documents were examined by EPIAŞ, the Company was notified by official letter that the Company's exemption application was accepted. In the following period, the Company performed the bilateral agreement transactions regarding the exemption in accordance with the relevant Procedures and Principles. At the end of the first 6-month implementation period of April - September 2022, with EMRA's Board Decision dated 29 September 2022 and numbered 11269, paragraph 1 of Article 7 of the Procedures and Principles was amended to enter into force on 1 October 2022. With the amended version of the article, the term "fixed price bilateral agreements" has been extended to include agreements up to the final consumer. On 13 January 2023, EMRA Board Decision dated 12 January 2023 and numbered 11574-13 was notified to the Company. In the aforementioned Board Decision, it was stated that it was determined that the Company had unjustly failed to pay the support fee debt amounts amounting to (not inflation accounted applied) TL 264,859,740 in the April-September 2022 period and it was decided to collect these amounts. Taking into account the precedent decisions in this regard, the Company reserves its legal rights with the assessment that if this retroactive decision is cancelled, the unlawful administrative action will be eliminated retroactively. In accordance with the agreements, the Company will reflect the additional costs that may arise regarding the transactions made within the scope of bilateral agreements to Gediz Elektrik Perakende Satış A.Ş., one of the group companies.

As of 31 December 2023, in accordance with the EMRA Board Decision dated 12 January 2023 and numbered 11574-13, the Company has made refund to EPIAŞ amounting to (not inflation accounted applied) TL 437,451,586 (including late fee and VAT) and reflected the same amount to Gediz EPSAŞ in accordance with the bilateral agreement. There is no impact on the financial statements related to this issue.

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11 Provisions, contingent assets and liabilities (*continued*)

11.3 Letters of guarantees received and guarantees given

		31 December 2024	31 December 2023	31 December 2022
	Currency	TL equivalent	TL equivalent	TL equivalent
Guarantees given *	TL	403,979,856	396,159,646	203,545,969
Total		403,979,856	396,159,646	203,545,969

* Guarantees given, in general, are comprised of the letters of guarantees given to the several institutions and organizations within the operations of the Group (to Energy Market Regulatory Authority ("EMRA"), Turkish Electricity Transmission Company ("TEİAŞ"), privatization administration and to the judicial authorities for some of the on-going lawsuits.

		31 December 2024	31 December 2023	31 December 2022
	Currency	TL equivalent	TL equivalent	TL equivalent
Guarantees received *	TL	30,582,098	23,553,603	45,137,358
Guarantees received *	EURO	7,268,257	9,103,652	23,337,310
Guarantees received **	US Dollars	4,112,176,592	5,305,997,032	4,563,466,124
		4,150,026,947	5,338,654,287	4,631,940,792

* Guarantees received against the risk of failure to provide the services to be received from suppliers.

** Letters of guarantees received from Aydem EPSAŞ and Gediz EPSAŞ for electricity trade and regarding power plant investments.

11.4 Long term provisions

As of 31 December 2024, 2023 and 2022, the long-term provisions are as follows:

	31 December 2024	31 December 2023	31 December 2022
Provisions for retirement pay liability	88,504,467	98,987,807	82,650,770
	88,504,467	98,987,807	82,650,770

As of 31 December 2024, 2023 and 2022, movements of provisions for retirement pay liability are as follows:

	2024	2023	2022
Opening balance (1 January)	98,987,807	82,650,770	45,110,409
Service cost	7,718,633	9,175,273	4,347,074
Interest cost	19,954,210	13,791,846	7,034,639
Retirement payments paid	(16,266,778)	(11,082,682)	(5,770,869)
Actuarial loss/(gain)	14,393,040	48,742,049	59,789,460
Inflation effect	(36,282,445)	(44,289,449)	(27,859,943)
Closing balance (31 December)	88,504,467	98,987,807	82,650,770

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11 Provisions, contingent assets and liabilities (continued)

11.4 Long term provisions (continued)

TFRS require actuarial valuation methods to be developed to estimate the enterprise's obligation under defined benefit plans. Accordingly, the following actuarial assumptions have been used in the calculation of the total liability. Related rates have been presented by considering the weighted average of actuarial assumptions of the subsidiaries within the scope of consolidation.

The main actuarial assumptions used as of 31 December 2024, 2023 and 2022 are as follows:

	31 December 2024	31 December 2023	31 December 2022
Expected interest in the coming years %	27.15	25	22
Expected inflation in the coming years %	21.95	21	20
Expected probability of leaving without compensation in the coming years %	4.26	3.56	2.50

The sensitivity analysis of the important assumptions used in the calculation of the provision for employee termination benefits is as follows:

	Discount rate		Possibility of separation	
	%0,50 increase	%0,50 decrease	%0,50 increase	%0,50 decrease
31 December 2024	(4,281,139)	4,673,492	1,193,581	(1,150,814)
31 December 2023	(3,096,447)	3,380,275	829,700	(798,048)
31 December 2022	(2,101,614)	2,321,249	725,183	(694,461)

12 Liabilities for employee benefits

As of 31 December 2024, 2023 and 2022, short-term payables related to employee benefits are as follows:

	31 December 2024	31 December 2023	31 December 2022
Social security withholdings payable	11,421,814	16,597,336	7,438,907
Payables to personnel	1,098,247	388,568	488,417
	12,520,061	16,985,904	7,927,324

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13 Other current, non-current assets and other liabilities

13.1 Other current assets

As of 31 December 2024, 2023 and 2022, other current assets are as follows:

	31 December 2024	31 December 2023	31 December 2022
Advances to personnel	136,740	42,356	108,531
Short-term deferred value added tax ("VAT")	20,104	19,131	12,940
	156,844	61,487	121,471

13.2 Other non-current assets

As of 31 December 2024, 2023 and 2022, other non-current assets are as follows:

	31 December 2024	31 December 2023	31 December 2022
Long-term deferred VAT	36,873,586	47,974,011	26,245,050
	36,873,586	47,974,011	26,245,050

13.3 Other short-term liabilities

As of 31 December 2024, 2023 and 2022, other liabilities are as follows:

	31 December 2024	31 December 2023	31 December 2022
Taxes and funds payable	108,245,493	142,383,660	173,605,268
Other	124,194	4,753,944	48,015
	108,369,687	147,137,604	173,653,283

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14 Share capital

Paid-in capital

The Company adopter the registered share capital system available to companies registered to the CMB and set a limit on its registered share capital representing registered type shares with a nominal value of kurus1, Registered and issued share capital of the Company is a follows:

	31 December 2024	31 December 2023	31 December 2022
Limit on registered share capital	2,000,000,000	2,000,000,000	2,000,000,000
Issued share capital in nominal value	705,000,000	705,000,000	705,000,000
Adjustment to share capital	6,560,967,699	6,560,967,699	6,560,967,699

Companies in Turkey may exceed the limit on registered share capital in the event of the issuance of bonus shares to existing shareholders.

As of 31 December 2024, the Group's paid-in capital is divided into 705,000,000 shares (31 December 2023: 705,000,000 shares and 31 December 2022: 705,000,000 shares), each with a nominal value of TL 1. The ultimate shareholder of the Group is Aydem Holding Anonim Şirketi, whose controlling individual shareholder is Ceyhan Saldanlı. Shareholding structure is given in Note 1.

Legal reserves

According to the Turkish Commercial Code ("TCC"), legal reserves are comprised of first and second legal reserves. The first legal reserves are generated by annual appropriations amounting to 5 percent of income disclosed in the Company's statutory accounts until it reaches 20 percent of paid-in share capital. If the dividend distribution is made in accordance with Dividend Distribution Communiqué II-19.1, a further 1/10 of dividend distributions, in excess of 5 percent of paid-in capital is to be appropriated to increase second legal reserves. If the dividend distribution is made in accordance with statutory records, a further 1/11 of dividend distributions, in excess of 5 percent of paid-in capitals are to be appropriated to increase second legal reserves. Under the TCC, the legal reserves can be used only to offset losses and are not available for any other usage unless they exceed 50 percent of paid-in capital. At 31 December 2024, legal reserves of the Group amounted to TL 237,952,730 (31 December 2023: TL 199,118,506 and 31 December 2022: TL 26,595,250).

Dividend distribution

Companies distribute their profits in accordance with their dividend policy determined by the General Assembly and with General Assembly resolution in accordance with provisions of the relevant legislation. According to the Turkish commercial code, legal reserves can only be distributed as dividends after they reached 50% of the company's paid in capital or issued share capital. Accordingly the Group determined its dividend distribution policy in line with the communique. Companies pay dividends according to their articles of association or dividend distribution policy. In addition, dividends may be paid in equal or different amount of installments, and cash dividend advances may be distributed over profit for the year period presented in financial statements.

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14 Share capital (*continued*)

Share premium

Excess amount of selling price and nominal value for each share was recorded as share premium in equity.

As of December 31, 2022, the Company has gained TL 94,753,311 from the block sale of 5,733,502 shares purchased within the scope of the share buyback program with a price of TL 24.76 per share on December 23, 2022 at Borsa Istanbul. The inflation adjusted value of the related amount is TL 225,415,394.

5,000,000 shares of the Company with a nominal value of 1 TL were offered to the public on 29 April 2021 and were sold at TL 9.9 per share. The amount of TL 5,000,000 was used in the capital increase and the remaining TL 40,098,520 was recorded in the "Share Premium/(Discounts)" account. Expenses amounting to TL 4,401,480 incurred within the scope of initial public offering was deducted from "Share Premium/(Discount)" within the scope of TAS 32. The inflation adjusted value of the related amount is TL 202,221,374.

On April 16, 2019, in accordance with EMRA permission dated April 16, 2019, a total of 1,200 Düzce Aksu shares of Aydem Elektrik Perakende A.Ş. with a total value of TL 120,000,000 were taken over and the amount of TL 49,474,498 resulting from the transaction was recorded in the "Share Premium/(Discount)" account. The inflation adjusted value of the related amount is TL 324,235,929.

On December 31, 2020, the Company signed a share sale agreement to sell its 50% shares in Yalova RES Elektrik Üretim A.Ş. to Aydem Holding A.Ş. for TL 38,316,320. The Company has recognized the difference amounting to TL 1,845,320 between the value of the subsidiary disposed of and the fair value determined by independent valuation experts in equity. The inflation adjusted value of the related amount is TL 9,813,304.

Treasury Shares

As of December 31, 2023, within the scope of the share buyback program, shares were repurchased at an average price of TL 13.66 TL 83,423,193 related to the transaction was recorded under "Treasury Shares" account. The inflation adjusted value of the related amount is TL 169,191,401.

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14 Share capital (continued)

Treasury Shares (continued)

As at the end of December 31, 2024, 2023 and 2022, the comparative amounts of equity items prepared in accordance with Tax Procedural Law and TAS/TFERS are as follows:

31 December 2024	Historical value	Indexed value	Inflation adjustment effect
Paid-in capital	705,000,000	7,265,967,699	6,560,967,699
Share premium / discount	186,171,649	761,686,001	575,514,352
Treasury shares	(80,091,338)	(169,191,401)	(89,100,063)
Restricted reserves	123,781,283	237,952,730	114,171,447
	934,861,594	8,096,415,029	7,161,553,435

31 December 2023	Historical value	Indexed value	Inflation adjustment effect
Paid-in capital	705,000,000	7,265,967,699	6,560,967,699
Share premium / discount	186,171,649	761,686,001	575,514,352
Treasury shares	(83,423,193)	(172,523,256)	(89,100,063)
Restricted reserves	84,947,059	199,118,506	114,171,447
	892,695,515	8,054,248,950	7,161,553,435

31 December 2022	Historical value	Indexed value	Inflation adjustment effect
Paid-in capital	705,000,000	7,265,967,699	6,560,967,699
Share premium / discount	186,171,649	761,686,001	575,514,352
Restricted reserves	1,523,866	26,595,250	25,071,384
	892,695,515	8,054,248,950	7,161,553,435

15 Revenue

Details of revenue for the year ended 31 December 2024, 2023 and 2022 is as follows:

	1 January- 31 December 2024	1 January- 31 December 2023	1 January- 31 December 2022
Revenues from electricity sales	6,583,577,587	9,180,783,497	10,923,086,716
- Revenues from feed in tariff (FIT)	2,653,974,946	2,728,272,027	8,725,830,111
- Other than FIT	3,929,602,641	6,452,511,470	2,197,256,605
	6,583,577,587	9,180,783,497	10,923,086,716

Management monitor revenues into two categories due to its risk group: FIT and Other than FIT.

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16 Cost of sales

Details of the cost of sales for the year ended 31 December 2024, 2023 and 2022 is as follows:

	1 January- 31 December 2024	1 January- 31 December 2023	1 January- 31 December 2022
Cost of energy sales and generation	(4,977,046,462)	(5,213,430,269)	(4,875,259,917)
- Depreciation and amortization expenses	(2,955,778,327)	(3,018,949,714)	(3,039,778,469)
- Cost of energy sales and generation *	(2,021,268,135)	(2,194,480,555)	(1,835,481,448)
	(4,977,046,462)	(5,213,430,269)	(4,875,259,917)

* Cost of energy generation mainly includes costs of energy sales and generation, system usage and transmission costs, maintenance and repair expenses and personnel expenses.

17 General and administrative expenses

The details of general administrative expenses for the year ended 31 December 2024, 2023 and 2022 is as follows:

	1 January- 31 December 2024	1 January- 31 December 2023	1 January- 31 December 2022
Administrative expenses *	(185,219,577)	(395,285,652)	(118,082,770)
Personnel expenses	(274,220,923)	(328,185,038)	(206,231,804)
Depreciation and amortization expenses	(53,014,767)	(55,876,112)	(60,759,951)
Consultancy expenses	(67,783,427)	(49,563,812)	(27,236,123)
Tax, duties and fees expenses	(21,767,461)	(13,613,109)	(34,440,212)
Maintenance and repair expenses	(8,123,132)	(7,078,686)	(9,720,663)
Insurance charges	(1,657,697)	(2,516,997)	(2,798,302)
License and dues expenses	(1,970,098)	(2,409,329)	(2,600,376)
Other	(29,917,731)	(57,262,723)	(41,697,314)
	(643,674,813)	(911,791,458)	(503,567,515)

* Consists of expenses related to shared services received from Aydem Holding.

18 Expenses by nature

The details of expenses incurred for the year ended 31 December 2024, 2023 and 2022 is as follows:

	1 January- 31 December 2024	1 January- 31 December 2023	1 January- 31 December 2022
Depreciation and amortization expenses	(3,008,793,094)	(3,074,825,826)	(3,100,538,420)
Costs of energy sales and generation	(1,318,206,769)	(1,618,099,650)	(1,418,650,349)
Personnel expenses	(750,852,212)	(714,760,039)	(478,332,393)
Administrative expenses	(185,219,577)	(395,285,652)	(118,082,770)
Consulting expenses	(85,848,296)	(62,409,007)	(38,760,855)
License and dues expenses	(26,739,768)	(39,296,568)	(14,994,329)
Other	(245,061,559)	(220,544,985)	(209,468,315)
	(5,620,721,275)	(6,125,221,727)	(5,378,827,431)

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19 Other operating income and other operating expenses

Details of other operating income for the year ended 31 December 2024, 2023 and 2022 is as follows:

	1 January- 31 December 2024	1 January- 31 December 2023	1 January- 31 December 2022
Foreign exchange income arising from operating activities, net	345,363,372	1,197,956,074	1,008,786,781
Interest income from commercial transactions	476,153,609	289,005,198	221,069,780
Reversal of ECL provisions	264,343	181,818	422,116
Compensation from insurances	122,988,848	-	18,097,261
Litigation provision reversal	-	-	4,607,824
Other	44,606,816	32,766,823	41,893,075
	989,376,988	1,519,909,913	1,294,876,837

Details of other operating expenses for the year ended 31 December 2024, 2023 and 2022 is as follows:

	1 January- 31 December 2024	1 January- 31 December 2023	1 January- 31 December 2022
Donations	(2,221,614)	(109,884,916)	(2,612,440)
Litigation expenses	(1,989,177)	(32,036,792)	-
Interest expense on trade transactions	(11,685,684)	(17,520,786)	(9,296,236)
Expenses related to other provisions	-	-	(12,452,777)
Expenses related to allowance for trade receivables	(283,785)	-	(2,684,899)
Other	(1,132,399)	(1,769,164)	(2,766,438)
	(17,312,659)	(161,211,658)	(29,812,790)

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20 Financial income and expense

The details of finance income for the year ended 31 December 2024, 2023 and 2022 is as follows:

	1 January- 31 December 2024	1 January- 31 December 2023	1 January- 31 December 2022
Foreign exchange income arising from financing activities	345,162,309	1,014,089,036	1,118,076,018
Income arising from Eurobond buy-back	-	188,135,438	629,071,893
Interest income	454,630,019	157,095,506	96,995,937
Interest income from related parties	148,334,404	121,125,742	4,015,659
Income from derivative transactions	-	19,886,859	-
Other	8,158	6.849.627	836,741
	948,134,890	1,507,182,208	1,848,996,248

The details of financial expenses for the year ended 31 December 2024, 2023 and 2022 is as follows:

	1 January- 31 December 2024	1 January- 31 December 2023	1 January- 31 December 2022
Foreign exchange losses arising from financing activities	(3,429,646,588)	(9,334,399,559)	(3,095,078,259)
Foreign exchange losses transferred from equity	(1,281,740,501)	(7,134,090,358)	(444,569,278)
Bond interest expenses	(2,175,758,502)	(2,540,045,149)	(2,521,083,116)
Bank commission and other expenses	(35,190,545)	(21,994,204)	(20,700,970)
Unwinding of discount on long term payables	(143,984,224)	-	-
Right of use obligations interest expenses (Note 23)	(22,368,260)	(18,402,701)	(17,804,582)
Bail commission	-	-	(3,243,881)
	(7,088,688,620)	(19,048,931,971)	(6,102,480,086)

21 Income & expense from investing activities

The details of gains from investing activities for the year ended 31 December 2024, 2023 and 2022 is as follows:

	1 January- 31 December 2024	1 January- 31 December 2023	1 January- 31 December 2022
Currency protected deposit income	882,206	344,042,311	543,927
Income from sale of investment properties	-	64,067,272	-
Securities sales income	30,917,826	25,930,873	-
Gains on financial investments presented at fair value	40,173,314	-	-
Gains on sales of tangible fixed assets	534,190	5,904,900	12,276,627
Gains from investing rent	329,785	1,011,796	3,904,711
Gains on scrap sales	-	398,786	672,801
	72,837,321	441,355,938	17,398,066

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21 Income & expense from investing activities (*continued*)

The details of losses from investing activities for the year ended 31 December 2024, 2023 and 2022 is as follows:

	1 January- 31 December 2024	1 January- 31 December 2023	1 January- 31 December 2022
Impairment of fixed asset	(18,688,110,281)	(5,112,895,394)	(7,152,571,226)
Losses arising from impairment of investments in progress*	(392,385,512)	-	-
Loss on sale of property, plant and equipment	(5,256,734)	(176,551,976)	-
	(19,085,752,527)	(5,289,447,370)	(7,152,571,226)

*An application was made to the Energy Market Regulatory Authority for the termination of the production licenses of Ey-Tur and Başat, subsidiaries of Aydem Yenilenebilir Enerji A.Ş. The termination request was approved by the board decision dated June 13, 2024. Based on the decision recognized under expenses from investment activities.

22 Taxation on income

Corporation Tax

The Group is subject to corporation tax applicable in Turkey. The corporate tax rate is generally 25%, Corporate tax rate to be accrued on the taxable corporate income is determined by adding the expenses that cannot be deducted from the tax base in the determination of the commercial income and deducting gains from the tax, non-taxable income and other discounts (previous year losses, if any, and investment discounts used, if preferred).

In Turkey, provisional tax is calculated and accrued on a quarterly basis. The provisional tax rate that should be calculated on corporate earnings during the taxation phase of 2023 corporate earnings as of temporary tax periods is 25% (31 December 2023: 25% and 31 December 2022: 23%).

Losses can be carried forward for a maximum of 5 years to be deducted from future taxable profits. However, losses cannot be deducted retrospectively from the profits of previous years.

There is no clear and definitive agreement on tax assessment procedures in Turkey. Companies file their tax returns between 1-25 April following the close of the accounting year to which they relate. These declarations and the accounting records that are the basis of these declarations can be examined and changed by the Tax Office within 5 years.

Deferred Tax

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

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22 Taxation on income (continued)

Income withholding tax

There is a withholding tax liability on dividend distributions and this withholding tax liability is accrued in the period in which the dividend payment is made. Dividend payments other than those made to non-resident corporations which have a place of business or permanent representative in Turkey and resident corporations are subject to withholding tax at the rate of 15%. In the application of withholding tax rates for dividend payments to non-resident corporations and real persons, the withholding tax rates in the related Double Tax Treaty Agreements are also taken into consideration. Allocation of retained earnings to capital is not considered as profit distribution and therefore not subject to withholding tax.

Transfer pricing arrangements

In Turkey, the transfer pricing provisions of the Corporate Tax Law "disguised profit distribution via transfer pricing" is stated in Article 13 entitled. The communiqué of 18 November 2007 on disguised profit distribution through transfer pricing regulates the details of the application.

If the taxpayer purchases or sells goods or services at a price or price that they determine in contradiction with the principle of conformity with peers, the gain is deemed to be completely or partially distributed implicitly through transfer pricing. Disguised profit distribution through such transfer pricing is considered an unacceptable expense for corporate tax.

Transfer pricing regulations

Transfer pricing is disclosed in the 13th clause of the Corporate Tax Law under the heading "veiled shifting of profit" via transfer pricing. The application details are stated in the "general communiqué regarding veiled shifting of profits via transfer pricing" published on 18 November 2007. Veiled shifting of profits via transfer pricing will not be deducted from tax assessment for the purposes of corporate tax.

Disguised capital

The provisions on disguised capital are regulated under Article 12 of the Corporate Tax Law and accordingly, the portion of all kinds of debts obtained directly or indirectly from shareholders or persons related to shareholders and used in the enterprise exceeding three times the beginning-of-period equity capital of the corporation at any time during the accounting period is considered as disguised capital for the relevant accounting period.

In order for the debts used in the enterprise to be considered as implicit capital;

- Obtained directly or indirectly from a shareholder or a person related to a shareholder,
- Use in business,
- It must exceed three times the institution's equity at any time during the accounting period.

Tax expense

The income tax for the years ended 31 December 2024, 2023 and 2022 are as follows:

	1 January- 31 December 2024	1 January- 31 December 2023	1 January- 31 December 2022
Deferred tax income/(expense)	4,117,823,961	2,440,442,075	(675,293,520)
	4,117,823,961	2,440,442,075	(675,293,520)

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22 Taxation on income (continued)

Reconciliation of effective tax rate

As of 31 December 2024, 2023 and 2022, the reported tax provision is different from the amount calculated using the statutory tax rate on profit before tax. The reconciliation of tax expense / income is as follows:

	1 January- 31 December 2024	1 January- 31 December 2023	1 January- 31 December 2022
Period profit / loss	(11,770,278,365)	(1,848,193,431)	7,179,990,334
Tax income/(expenses)	4,117,823,961	2,440,442,075	(675,293,520)
Profit/(Loss) before taxation	(15,888,102,326)	(4,288,635,506)	7,855,283,854
Tax calculated with the company's legal tax rate	3,972,025,582	1,072,158,877	(1,806,715,286)
Non-taxable inflation adjustments	(2,291,520,141)	(4,160,526,217)	(3,117,695,247)
Effect of use of different tax rate *	-	(638,151,807)	437,415,466
Non-deductible expenses	(48,742,207)	(215,358,216)	(262,344,909)
Tax exemption	255,109,253	70,524,401	-
Tax base increase effect	-	-	9,161,019
The effect of tax losses which no deferred tax recognized	(320,885,239)	(132,870,129)	-
The reversal effect of tax losses which were previously recognized	(1,211,747,031)	-	-
In accordance with the provisions of the TPL, inflation arising from inflation accounting deferred tax effect of temporary differences	-	2,362,209,714	-
Effect of gain on sale of treasury shares	-	-	(45,083,078)
Monetary gain or loss and other	3,763,583,744	4,082,455,452	4,109,968,515
Tax income/(expense)	4,117,823,961	2,440,442,075	(675,293,520)

* The effect arises from the use of 25% rate in deferred tax calculation for long-term temporary differences.

Deferred tax assets and liabilities

As of 31 December 2024, 2023 and 2022, the movement of deferred tax liability is as follows:

	2024	2023	2022
Opening balance (1 January)	8,863,219,543	10,967,682,607	11,520,789,199
Recognized in other comprehensive income	(601,847,168)	335,979,011	(1,228,400,112)
Recognised in profit or loss	(4,117,823,961)	(2,440,442,075)	675,293,520
Closing balance (31 December)	4,143,548,414	8,863,219,543	10,967,682,607

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22 Taxation on income (continued)

Deferred tax assets and liabilities

As of 31 December 2024, 2023 and 2022, the breakdown of deferred tax liabilities and assets is as follows:

	31 December 2024	31 December 2023	31 December 2022
Increase / decrease in value of tangible assets	(5,484,812,612)	(12,066,431,656)	(13,487,847,883)
Property, plant and equipment and intangible assets	(5,412,231)	(133,033,138)	(156,152,205)
Amortized cost adjustment for financial borrowings	(42,480,420)	(104,219,950)	(102,186,839)
Rediscount on payables	29,595,447	(5,755,072)	(12,435,294)
Provision for litigation	3,875,160	4,955,976	5,928,612
Provisions for retirement pay liability	26,870,343	27,886,273	16,967,786
Expensing of foreign exchange differences related to prepaid expenses	47,754,497	48,648,815	-
Expensing capitalized borrowing costs	1,312,051,268	1,602,478,630	1,526,177,229
Deferred tax asset from carry forward tax losses	-	1,749,505,476	1,260,274,379
Other	(30,989,866)	12,745,103	(18,408,392)
Deferred tax liabilities	(4,143,548,414)	(8,863,219,543)	(10,967,682,607)

The breakdown of the unused tax loss carryforwards of the Group and its subsidiaries are as follows:

	31 December 2024		31 December 2023		31 December 2022	
	Deferred tax		Deferred tax		Deferred tax	
	Recognized	Not recognized	Recognized	Not recognized	Recognized	Not recognized
Expire in 2024	-	-	26,293,295	-	26,293,295	-
Expire in 2025	-	59,159,030	59,159,030	-	59,159,030	-
Expire in 2026	-	2,406,815,885	2,406,815,885	-	2,406,815,885	-
Expire in 2027	-	156,512,065	156,512,065	-	156,512,065	-
Expire in 2028	-	2,488,404,904	2,198,207,840	-	-	-
Expire in 2029	-	1,283,540,958	-	-	-	-
	-	6,394,432,842	4,846,988,115	-	2,648,780,275	-

The Group has not recognized deferred tax asset over the unused tax loss carryforwards as of 31 December 2024 due to the significant uncertainties in the projection of the taxable profits in under the Tax Provision Law.

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23 Financial liabilities

23.1 Issued bond liabilities

As of 31 December 2024, 2023 and 2022, terms and conditions of financial liabilities are as follows:

31 December 2024					
Currency	Effective interest rate	Maturity for the latest payment	Original currency amount	Short-term	Long-term
USD	8.63%	2027	687,436,385	6,337,816,887	17,958,797,217
				6,337,816,887	17,958,797,217
31 December 2023					
Currency	Effective interest rate	Maturity for the latest payment	Original currency amount	Short-term	Long-term
USD	8.63%	2027	682,740,150	2,158,530,424	26,859,640,646
				2,158,530,424	26,859,640,646
31 December 2022					
Currency	Effective interest rate	Maturity for the latest payment	Original currency amount	Short-term	Long-term
USD	8.75%	2027	705,262,674	2,393,032,155	28,978,967,326
				2,393,032,155	28,978,967,326

The Group on the Irish Stock Exchange issued USD 750,000,000 with a maturity of 5.5 years, coupon payments every 6 months, principal and coupon payments at maturity, annual fixed interest rate of 7.75%, on 2 August 2021. With the amount obtained through the bond issuance, the entire loan debt of the Company to the banks has been repaid, and the remaining amount is going to be used for the investments in line with the Company's growth strategy.

Between 11 May 2022 and 31 October 2023, USD 75,893,000 of the said bond was buyback transactions and the related amount was accounted for by deducting the amortized cost using the effective interest rate and the total bond amount.

The repayments of the bond and debt instruments agreements according to their original maturities as of 31 December 2024, 2023 and 2022 are as follows:

	31 December 2024	31 December 2023	31 December 2022
To be paid within 3 months	3,280,046,510	1,101,843,524	1,238,528,667
To be paid within 3-12 months	3,057,770,377	1,056,686,900	1,154,503,488
To be paid in 1-2 year	5,498,883,302	7,006,387,115	2,190,065,881
To be paid in 2-3 year	12,459,913,915	6,078,955,240	7,019,939,572
To be paid in 3-4 year	-	13,774,298,291	6,065,230,519
To be paid in 4-5 year	-	-	13,703,731,354
	24,296,614,104	29,018,171,070	31,371,999,481

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23 Financial liabilities (continued)

23.1 Issued bond liabilities (continued)

The movement of financial liabilities for the period ended 31 December 2024, 2023 and 2022 is as follows:

	2024	2023	2022
Opening balance (1 January)	29,018,171,070	31,371,999,481	39,299,648,607
Repayment of financial liabilities *	-	(1,205,063,868)	(2,284,628,296)
Interest accrued in the period	2,175,758,502	2,506,433,652	3,200,368,322
Interest paid	(1,970,246,366)	(2,281,025,994)	(2,649,306,476)
Exchange rate differences accrued in the period	4,711,387,089	10,417,804,502	2,920,404,530
Exchange rate differences subjected to cash flow hedge, accounted in OCI	115,535,211	(1,083,404,943)	8,414,907,376
Inflation effect	(9,753,991,402)	(10,708,571,760)	(17,529,394,582)
Closing balance (31 December)	24,296,614,104	29,018,171,070	31,371,999,481

* Repurchase amount related to bond issuance.

23.2 Lease liabilities

The repayments of the lease liabilities according to their original maturities as of 31 December 2024, 2023 and 2022 are as follows:

	31 December 2024	31 December 2023	31 December 2022
To be paid within a year	32,230,199	24,003,392	12,939,272
To be paid in 1-5 years	15,105,437	15,227,083	10,900,134
To be paid over 5 years	27,201,936	39,446,532	48,902,671
	74,537,572	78,677,007	72,742,077

For the period then ended as of 31 December 2024, 2023 and 2022, movements of lease of uses is as follows:

	2024	2023	2022
Lease Liabilities (1 January)	78,677,007	72,742,077	116,762,051
Additions	50,440,237	99,009,815	282,101,082
Accretion of interest	22,368,260	18,402,701	17,804,582
Payments	(51,557,437)	(59,545,584)	(306,494,855)
Inflation effect	(25,390,495)	(51,932,002)	(37,430,783)
Lease Liabilities (31 December)	74,537,572	78,677,007	72,742,077

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24 Nature and level of risks arising from financial instruments

Financial instruments and financial risk management

The Group may be exposed to the following risks depending on the use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

This note provides information on the Group's exposure to the risks outlined above, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

Credit risk

Credit risk is the risk that a customer or a counterparty will fail to fulfil its obligations under the contract and is mainly attributable to customer receivables. The carrying values of financial assets represent the maximum exposure to credit risk.

The maximum credit risk the Group is exposed to as of 31 December 2024, 2023 and 2022 are as follows:

31 December 2024	Receivables				Cash and cash equivalents
	Trade receivables		Other receivables		
	Related parties	Other parties	Related parties	Other parties	
Maximum exposure to credit risk as of reporting date (A+B+C+D+E)	3,131,654,175	30,009,425	109,766,904	50,697,489	1,744,596,487
- Secured part of the maximum credit risk exposures via collateral etc.	3,131,654,175	-	-	-	-
A. Net book value of financial assets those are neither overdue nor impaired	940,116,261	30,009,425	109,766,904	50,697,489	1,744,596,487
B. Net book value of assets that are overdue but not impaired	2,191,537,914	-	-	-	-
C. Net book value of impaired financial assets	-	-	-	-	-
- Overdue (gross carrying amount)	-	7,096,567	-	-	-
- Impairment amount (-)	-	(7,096,567)	-	-	-
- Secured portion covered with guarantees, etc	-	-			-
- Overdue (gross carrying amount)	-	-	-	-	-
- Impairment amount (-)	-	-	-	-	-
- Secured portion covered with guarantees, etc	-	-	-	-	-
D. Off-balance sheet items including risk	-	-	-	-	-

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24 Nature and level of risks arising from financial instruments (*continued*)

Credit risk (*continued*)

31 December 2023	Receivables				Cash and cash equivalents
	Trade receivables		Other receivables		
	Related parties	Other parties	Related parties	Other parties	
Maximum exposure to credit risk as of reporting date (A+B+C+D+E)	2,784,914,519	104,213,645	926,252,068	25,534,774	2,011,698,240
- Secured part of the maximum credit risk exposures via collateral etc.	2,784,914,519	-	-	-	-
A. Net book value of financial assets those are neither overdue nor impaired	503,265,382	104,213,645	926,252,068	25,534,774	2,011,698,240
B. Net book value of assets that are overdue but not impaired	2,281,649,137	-	-	-	-
C. Net book value of impaired financial assets	-	-	-	-	-
- Overdue (gross carrying amount)	-	10,195,632	-	-	-
- Impairment amount (-)	-	(10,195,632)	-	-	-
- Secured portion covered with guarantees, etc	-	-			-
- Overdue (gross carrying amount)	-	-	-	-	-
- Impairment amount (-)	-	-	-	-	-
- Secured portion covered with guarantees, etc	-	-	-	-	-
D. Off-balance sheet items including risk	-	-	-	-	-

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24 Nature and level of risks arising from financial instruments (*continued*)

Credit risk (*continued*)

31 December 2022	Receivables				Cash and cash equivalents
	Trade receivables		Other receivables		
	Related parties	Other parties	Related parties	Other parties	
Maximum exposure to credit risk as of reporting date (A+B+C+D+E)	2,931,843,050	170,567,910	83,281,015	76,173,256	3,077,896,736
- Secured part of the maximum credit risk exposures via collateral etc.	2,931,843,050	-	-	-	-
A. Net book value of financial assets those are neither overdue nor impaired	1,595,517,662	170,567,910	83,281,015	76,173,256	3,077,896,736
B. Net book value of assets that are overdue but not impaired	1,336,325,388	-	-	-	-
C. Net book value of impaired financial assets	-	-	-	-	-
- Overdue (gross carrying amount)	-	17,028,107	-	-	-
- Impairment amount (-)	-	(17,028,107)	-	-	-
- Secured portion covered with guarantees, etc	-	-	-	-	-
- Overdue (gross carrying amount)	-	-	-	-	-
- Impairment amount (-)	-	-	-	-	-
- Secured portion covered with guarantees, etc	-	-	-	-	-
D. Off-balance sheet items including risk	-	-	-	-	-

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24 Nature and level of risks arising from financial instruments (*continued*)

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial liabilities in the future. The Group's liquidity risk is managed by providing sufficient financing facilities from various financial institutions in a way that does not harm or damage the Group's reputation in order to fund the current and future debt requirements under normal conditions or in crisis situations.

As at 31 December 2024, 2023 and 2022, the maturity of financial liabilities including estimated interest payments according to the payment schedule is as follows:

<u>31 December 2024</u>	<u>Book value</u>	<u>Contractual cash outflow</u>	<u>0-3 months</u>	<u>3-12 months</u>	<u>1-5 years</u>	<u>> 5 years</u>
Non-derivative financial liabilities						
Financial liabilities	24,296,614,104	27,518,455,950	3,305,788,531	3,213,464,729	20,999,202,690	-
Financial lease liabilities (TFRS 16)	74,537,572	201,534,600	10,190,097	47,959,779	51,194,125	92,190,599
Trade payables to related parties	42,222,472	42,222,472	42,222,472	-	-	-
Trade payables to third parties	187,228,218	187,228,218	141,354,364	45,873,854	-	-
Total	24,600,602,366	27,949,441,240	3,499,555,464	3,307,298,362	21,050,396,815	92,190,599

<u>31 December 2023</u>	<u>Book value</u>	<u>Contractual cash outflow</u>	<u>0-3 months</u>	<u>3-12 months</u>	<u>1-5 years</u>	<u>> 5 years</u>
Non-derivative financial liabilities						
Financial liabilities	29,018,171,070	35,312,653,908	1,110,235,559	1,110,235,559	33,092,182,790	-
Financial lease liabilities (TFRS 16)	78,677,007	231,303,236	6,787,243	31,092,355	53,870,189	139,553,449
Other long term payables to related parties	72,770,079	251,694,571	-	-	-	251,694,571
Trade payables to related parties	16,510,831	16,510,831	16,510,831	-	-	-
Trade payables to third parties	565,627,156	565,627,156	564,131,285	1,495,871	-	-
Total	29,751,756,143	36,377,789,702	1,697,664,918	1,142,823,785	33,146,052,979	391,248,020

<u>31 December 2022</u>	<u>Book Value</u>	<u>Contractual cash outflow</u>	<u>0-3 months</u>	<u>3-12 months</u>	<u>1-5 years</u>	<u>> 5 years</u>
Non-derivative financial liabilities						
Financial liabilities	31,371,999,481	40,968,817,607	1,248,109,667	1,213,662,698	38,507,045,242	-
Financial lease liabilities (TFRS 16)	72,742,077	313,923,900	5,146,653	23,272,514	52,038,357	233,466,376
Other long term payables to related parties	95,660,110	414,724,491	-	-	-	414,724,491
Trade payables to related parties	18,375,547	18,375,547	18,375,547	-	-	-
Trade payables to third parties	1,112,050,302	1,112,050,302	1,096,118,311	15,931,991	-	-
Total	32,670,827,517	42,827,891,847	2,367,750,178	1,252,867,203	38,559,083,599	648,190,867

Market risk

Market risk; The risk of changes in the money market, such as exchange rates, interest rates or the prices of instruments traded in the securities markets, may change the Group's income or the value of its financial assets. Market risk management aims to optimize return while controlling market risk exposure within acceptable limits.

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24 Nature and level of risks arising from financial instruments (*continued*)

Currency risk

While the Group's functional currency is Turkish Lira, the Group is exposed to foreign exchange risks. The Group has outstanding US Dollar debt instruments due to power plant investments. The Group also realizes significant USD indexed sales within the scope of the Feed-in Tariff.

As of 31 December 2024, 2023 and 2022, the foreign currency position of the Group arises from foreign currency assets and liabilities stated in the table below.

31 December 2024			
Original Amounts			
	TL Equivalent	US Dollars	EUR
Assets			
Cash and cash equivalents	342,318,044	9,694,057	8,406
Financial investments	787,779,816	22,329,170	-
Other receivables from related parties	109,766,892	3,111,280	-
Trade receivables from related parties	1,297,190,092	36,761,983	5,888
Total Asset	2,537,054,844	71,896,490	14,294
Liabilities			
Short-term and long-term financial liabilities	(24,296,614,104)	(687,436,385)	-
Short-term trade payables to third parties	(23,417,682)	(460,541)	(195,166)
Total liabilities	(24,320,031,786)	(687,896,926)	(195,166)
Foreign currency liability position	(21,782,976,942)	(616,000,436)	(180,872)
Amounts subject to cash flow hedge accounting *	20,254,667,192	574,107,000	-
Net foreign currency position after cash flow hedge	(1,528,309,750)	(41,893,436)	(180,872)

31 December 2023				
Original Amounts				
	TL equivalent (functional currency) (historical values)	TL equivalent (functional currency) (historical values)	US Dollars	EUR
Assets				
Cash and cash equivalents	406,475,704	281,534,259	9,303,295	235,219
Financial investments	904,719,425	626,629,120	21,286,258	-
Trade receivables from third parties	123,383,388	85,458,123	2,902,967	-
Other receivables from related parties	2,841,469,579	1,968,066,047	66,770,418	75,678
Total Asset	4,276,048,096	2,961,687,549	100,262,938	310,897
Liabilities				
Short-term and long-term financial liabilities	(29,018,171,069)	(20,098,641,084)	(682,740,150)	-
Short-term trade payables to third parties	(356,309,023)	(246,787,682)	(8,197,504)	(167,862)
Total liabilities	(29,374,480,092)	(20,345,428,766)	(690,937,654)	(167,862)
Foreign currency liability position	(25,098,431,996)	(17,383,741,217)	(590,674,716)	143,035
Amounts subject to cash flow hedge accounting *	24,400,989,362	16,900,676,687	574,107,000	-
Net foreign currency position after cash flow hedge	(697,442,634)	(483,064,530)	(16,567,716)	143,035

31 December 2022				
Original Amounts				
	TL equivalent (functional currency) (historical values)	TL equivalent (functional currency) (historical values)	US Dollars	EUR
Assets				
Cash and cash equivalents	1,972,975,931	829,339,997	43,337,246	953,462
Financial investments	822,659,385	345,804,696	18,493,911	-
Trade receivables from third parties	1,128	474	20	5
Other receivables from related parties	83,280,986	35,007,144	1,872,210	-
Trade receivables from related parties	2,919,876,768	1,227,369,548	65,621,301	18,198
Total assets	5,798,794,198	2,437,521,859	129,324,688	971,665
Liabilities				
Short-term and long-term financial liabilities	(31,371,999,481)	(13,187,213,057)	(705,262,674)	-
Short-term trade payables to third parties	(206,183,455)	(86,669,151)	(3,953,674)	(639,189)
Total liabilities	(31,578,182,936)	(13,273,882,208)	(709,216,348)	(639,189)
Foreign currency liability position	(25,779,388,738)	(10,836,360,349)	(579,891,660)	332,476
Amounts subject to cash flow hedge accounting *	26,699,015,662	11,222,925,341	600,211,000	-
Net foreign currency position after cash flow hedge	919,626,924	386,564,992	20,319,340	332,476

* Please refer to Note 2.9.

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24 Nature and level of risks arising from financial instruments (*continued*)

Currency risk (*continued*)

Sensitivity analysis

The Group is mainly exposed to foreign currency risk in USD Dollars. The following table details the Group's sensitivity to a 10% increase and decrease in US Dollars and Euro, 10% is the rate used to report the exchange rate risk within the Group to the executives and this rate indicates the possible change in the exchange rates expected by the management. The sensitivity analysis covers only foreign currency denominated monetary items at the end of the year and shows the effects of the 10% increase in foreign exchange rates of these items at the end of the year excluding tax effects. A positive value indicates an increase in profit or loss and other equity items.

Exchange rate sensitivity analysis table		
31 December 2024		
	Increase in value of foreign currency	Decrease in value of foreign currency
If TL gains/losses 10% against US dollar		
1- TL net assets / liabilities	(2,173,268,017)	2,173,268,017
2- TL hedged portion (-)	2,025,466,719	(2,025,466,719)
3- TL net effect (1 + 2)	(147,801,298)	147,801,298
If the TL gains/losses 10% against the Euro		
4- TL net assets / liabilities	(664,455)	664,455
5- TL hedged portion (-)	-	-
6- Net effect of TL (4 + 5)	(664,455)	664,455
Total (3 + 6)	(148,465,753)	148,465,753

Exchange rate sensitivity analysis table		
31 December 2023		
	Increase in value of foreign currency	Decrease in value of foreign currency
If TL gains/losses 10% against US dollar		
1- TL net assets / liabilities	(1,738,840,042)	1,738,840,042
2- TL hedged portion (-)	1,690,067,669	(1,690,067,669)
3- TL net effect (1 + 2)	(48,772,373)	48,772,373
If the TL gains/losses 10% against the Euro		
4- TL net assets / liabilities	465,921	(465,921)
5- TL hedged portion (-)	-	-
6- Net effect of TL (4 + 5)	465,921	(465,921)
Total (3 + 6)	(48,306,452)	48,306,452

Exchange rate sensitivity analysis table		
31 December 2022		
	Increase in value of foreign currency	Decrease in value of foreign currency
If TL gains/losses 10% against US dollar		
1- TL net assets / liabilities	(1,118,879,293)	1,118,879,293
2- TL hedged portion (-)	1,122,292,534	(1,122,292,534)
3- TL net effect (1 + 2)	3,413,241	(3,413,241)
If the TL gains/losses 10% against the Euro		
4- TL net assets / liabilities	662,788	(662,788)
5- TL hedged portion (-)	-	-
6- Net effect of TL (4 + 5)	662,788	(662,788)
Total (3 + 6)	4,076,029	(4,076,029)

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24 Nature and level of risks arising from financial instruments (continued)

Capital risk managements

In managing capital, the Group's objectives are to maintain the Group's ability to continue to operate in order to maintain an optimal capital structure to provide returns to shareholders, benefits to other shareholders, and to reduce capital costs.

In order to maintain or adjust the capital structure, the Group determines the amount of dividend payable to shareholders.

The Group monitors capital on the basis of the net financial debt / equity ratio. Net financial debt is calculated by deducting cash and cash equivalents from total financial debt.

As of 31 December 2024, 2023 and 2022, net financial liabilities/equity ratios are as follows:

	31 December 2024	31 December 2023	31 December 2022
Total financial liabilities *	24,296,614,104	29,018,171,070	31,371,999,481
Cash and cash equivalents	(3,373,277,823)	(2,916,417,662)	(3,923,251,442)
Net financial liabilities	20,923,336,281	26,101,753,408	27,448,748,039
Equity	27,365,077,469	41,322,323,495	42,335,103,152
	76.46%	63.17%	64.84%

* Includes issued bond liabilities (Note 23.1).

Fair value of financial instruments

When measuring the fair value of an asset or liability, the Company uses market observable inputs. Fair value measurements are categorised into different levels of the fair value hierarchy based on the information used in the valuation techniques described below.

- Level 1: Quoted prices (unadjusted) in markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the information used to measure the fair value of an asset or liability can be categorised into a different level of the fair value hierarchy, that fair value is categorised into the same level of the fair value hierarchy that includes the least significant information for the overall measurement.

The Company recognises transfers between levels in the fair value hierarchy at the end of the reporting period in which the change occurs.

Fair value is the amount that would be realised in a sale transaction between two parties willing to exchange a financial asset, other than in a forced sale or liquidation, and is most readily measurable at fair value.

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24 Nature and level of risks arising from financial instruments (*continued*)

Fair value of financial instruments (*continued*)

The Company has generally assumed that the carrying amounts of financial instruments with short remaining maturities or financial instruments that are initially recognised close to the reporting date approximate their fair values. It is also assumed that the fair value of foreign currency assets and liabilities within financial instruments, which are translated into Turkish Lira at the year-end exchange rate, approximates their carrying value.

However, since it is necessary to use judgement to determine the estimated fair value, fair value measurements may not reflect the values that may occur in current market conditions. Therefore, apart from the aforementioned assumptions, inputs that are not based on observable market data for financial assets or liabilities (unobservable inputs), which are used by the Company management in the use of judgement in fair value analysis, have been assessed within the scope of the classification defined as level 3 of the valuation method for the comparative fair value analysis of long-term financial liabilities.

As at 31 December 2024, the Company's central assets are measured at fair value determined by an independent professional valuation company using other valuation techniques that include direct or indirect observable inputs (Level 3).

Financial assets

The carrying values of financial assets including cash and cash equivalents which are accounted with their costs are estimated to be their fair values since they are short term.

The carrying values of trade receivables along with the related allowances for uncollectability are estimated to be their fair values.

Financial liabilities

The carrying values of trade payables are estimated to be their fair values since they are short term and leasing liabilities are estimated to be their fair values assuming that there is no significant change in the market prices of similar leases with the same maturity.

Derivative instruments

The Company uses derivative financial instruments (mainly foreign currency forward contracts) to hedge its foreign currency risk. Derivative financial instruments are measured at fair value at the contract date and remeasured at fair value at subsequent reporting dates. Changes in the fair value of derivative financial instruments are recognised in the statement of profit or loss in the period in which they arise.

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Earnings per share

The calculation of basic and diluted Earnings per share for the period ended 31 December 2024, 2023 and 2022 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares as follows:

	31 December 2024	31 December 2023	31 December 2022
Numerator:			
Income / (loss) for the period attributable to owners of the company	(11,770,688,933)	(1,848,193,431)	7,179,990,334
Denominator:			
Weighted average number of shares	698,894,974	700,788,482	700,848,068
Basic and diluted profit /(loss) per share	(16.84)	(2.64)	10.24

	Number of shares	Time weighting (days)
31 December 2024		
Outstanding ordinary shares as of 1 January 2024 (Par Value: TL 1)	698,894,974	365
Weighted average for the period	698,894,974	365/365

	Number of shares	Time weighting (days)
31 December 2023		
Outstanding ordinary shares as of 1 January 2023 (Par Value: TL 1)	705,000,000	10
Outstanding ordinary shares as of 11 January 2023	704,814,974	13
Outstanding ordinary shares as of 24 January 2023	704,614,974	24
Outstanding ordinary shares as of 17 February 2023	704,414,974	5
Outstanding ordinary shares as of 22 February 2023	704,214,974	40
Outstanding ordinary shares as of 3 April 2023	703,914,974	1
Outstanding ordinary shares as of 4 April 2023	703,714,974	1
Outstanding ordinary shares as of 5 April 2023	703,614,974	1
Outstanding ordinary shares as of 6 April 2023	703,514,974	1
Outstanding ordinary shares as of 7 April 2023	703,414,974	3
Outstanding ordinary shares as of 10 April 2023	703,314,974	1
Outstanding ordinary shares as of 11 April 2023	703,214,974	6
Outstanding ordinary shares as of 17 April 2023	703,114,974	1
Outstanding ordinary shares as of 18 April 2023	703,014,974	1
Outstanding ordinary shares as of 19 April 2023	702,964,974	6
Outstanding ordinary shares as of 25 April 2023	702,894,974	1
Outstanding ordinary shares as of 26 April 2023	702,694,974	7
Outstanding ordinary shares as of 3 May 2023	702,394,974	6
Outstanding ordinary shares as of 9 May 2023	701,894,974	1
Outstanding ordinary shares as of 10 May 2023	701,394,974	1
Outstanding ordinary shares as of 11 May 2023	700,394,974	1
Outstanding ordinary shares as of 12 May 2023	699,394,974	42
Outstanding ordinary shares as of 21 June 2023	698,894,974	192
Weighted average for the period	700,788,482	365 / 365

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Earnings per share (continued)

31 December 2022	Number of shares	Time weighting (days)
Outstanding ordinary shares as of 1 January 2022 (Par Value: TL 1)	705,000,000	47
Outstanding ordinary shares as of 17 February 2022	704,800,000	4
Outstanding ordinary shares as of 21 February 2022	704,100,000	1
Outstanding ordinary shares as of 22 February 2022	704,050,000	1
Outstanding ordinary shares as of 23 February 2022	703,740,000	6
Outstanding ordinary shares as of 1 March 2022	703,240,000	8
Outstanding ordinary shares as of 9 March 2022	702,740,000	2
Outstanding ordinary shares as of 11 March 2022	702,576,498	5
Outstanding ordinary shares as of 16 March 2022	702,376,498	7
Outstanding ordinary shares as of 23 March 2022	701,876,498	15
Outstanding ordinary shares as of 7 April 2022	701,696,498	4
Outstanding ordinary shares as of 11 April 2022	701,396,498	2
Outstanding ordinary shares as of 13 April 2022	700,896,498	5
Outstanding ordinary shares as of 18 April 2022	700,596,498	7
Outstanding ordinary shares as of 25 April 2022	700,396,498	23
Outstanding ordinary shares as of 18 May 2022	700,196,498	7
Outstanding ordinary shares as of 25 May 2022	699,896,498	15
Outstanding ordinary shares as of 9 June 2022	699,596,498	7
Outstanding ordinary shares as of 16 June 2022	699,566,498	19
Outstanding ordinary shares as of 5 July 2022	699,266,498	171
Outstanding ordinary shares as of 23 December 2022	705,000,000	9
Weighted average for the period	700,848,068	365 / 365

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Prepaid expenses

As of 31 December 2024, 2023 and 2022, short term prepaid expenses as follows:

	31 December 2024	31 December 2023	31 December 2022
Advances given for purchase orders	75,255,432	46,293,215	53,804,412
Prepaid expense for the following months	31,634,478	11,538,094	9,638,981
Job advances	185,322	272,775	1,239,164
	107,075,232	58,104,084	64,682,557

As of 31 December 2024, 2023 and 2022, long term prepaid expenses as follows:

	31 December 2024	31 December 2023	31 December 2022
Advances given	288,225,069	393,454,785	964,268,718
	288,225,069	393,454,785	964,268,718

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27 Financial investments

As of 31 December 2024, 2023 and 2022, financial investments are as follows:

	31 December 2024	31 December 2023	31 December 2022
Restricted accounts	770,168,231	747,469,689	822,659,385
- Interest reserve account related to Eurobond *	770,168,231	747,469,689	822,659,385
Currency protected deposits	-	157,249,733	22,695,321
Investment Funds	858,513,105	-	-
	1,628,681,336	904,719,422	845,354,706

* The Company shall, so long as any Note remains outstanding, fund the interest reserve account on a monthly basis and maintain the required balance given the amount of upcoming interest payment. The amount standing in the account will gradually increase and finally be equal to debt service amount on the date of debt service.

28 Independent audit fees and other fees related services received from independent audit firm

The Group's explanation regarding the fees for the services received from the independent audit firms, calculated based on purchasing power parity as of December 31, 2024, which is based on the letter of POA dated August 19, 2021, the preparation principles of which are based on the Board Decision published in the Official Gazette on March 30, 2021, are as follows:

	31 December 2024	31 December 2023	31 December 2022
Independent audit fees related to reporting period	5,185,110	2,552,212	3,707,053
Fees related to other assurance services	7,429,240	296,972	74,304
	12,614,350	2,849,184	3,781,357

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29 Monetary gain

	1 January- 31 December 2024
Balance sheet items	6,839,800,779
Tangible and intangible fixed assets	22,027,579,431
Right of use assets	113,060,500
Prepaid expenses	69,029,933
Paid-in capital	(2,233,394,262)
Restricted reserves	(61,204,529)
Premiums/discounts on shares	(234,125,063)
Treasury shares	53,029,750
Deferred tax liabilities	(2,724,353,381)
Accumulated other comprehensive income and expenses not to be reclassified to profit or loss	(591,260,771)
Accumulated other comprehensive income and expenses to be reclassified to profit or loss	5,474,940,465
Retained earnings	(15,053,501,294)
Profit or loss statement items	490,645,190
Revenue	(1,001,325,755)
Cost of sales	582,886,178
General administrative expenses	89,818,625
Other income/expenses from operating activities	(172,682,024)
Income/expenses from investing activities	(596,593)
Financing income/expenses	992,544,759
	7,330,445,969

30 Events after the reporting period

On February 3, 2025, USD 93,532,346 was transferred to be transferred to the relevant investor accounts for the payment of coupon number 7 and principal payment of the bonds with a nominal value of USD 750 million and a maturity of 5.5 years.

As explained in Note 5, the Group has trade receivables from related parties of TL 2,421,554,330 from Aydem Elektrik Perakende Satış A.Ş. and TL 710,099,845 from Gediz Elektrik Perakende Satış A.Ş. as of 31 December 2024. The Group has collected TL 2,629,902,097 from Aydem Elektrik Perakende Satış A.Ş. and TL 747,094,551 from Gediz Elektrik Perakende Satış A.Ş. in the subsequent period.

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