

**EMEK ELEKTRİK ENDÜSTRİSİ ANONİM
ŞİRKETİ
AND ITS SUBSIDIARIES**

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD 1 JANUARY- 30 JUNE 2025**

**(CONVENIENCE TRANSLATION INTO ENGLISH OF THE AUDITOR'S REVIEW REPORT AND INTERIM CONDENSED
CONSOLIDATED FINANCIAL INFORMATION ORIGINALLY ISSUED IN TURKISH)**

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH

EMEK ELEKTRİK ENDÜSTRİSİ ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY- 30 JUNE 2025

AUDITOR'S REVIEW REPORT

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CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

EMEK ELEKTRİK ENDÜSTRİSİ ANONİM ŞİRKETİ

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2025 AND 31 DECEMBER 2024

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL on 30 June 2025, unless otherwise indicated.)

		Reviewed current period	Audited prior period
ASSETS	Notes	30.06.2025	31.12.2024
Current Assets			
Cash and Cash Equivalents	3	4.307.737	9.779.928
Trade Receivables		346.989.668	261.306.051
<i>Related parties</i>	25	9.270.444	46.015.432
<i>Third parties</i>	5	337.719.224	215.290.619
Other Receivables		31.880.157	52.697.075
<i>Related parties</i>	25	904.939	13.266.315
<i>Third parties</i>	7	30.975.218	39.430.760
Inventories	8	636.117.368	541.196.503
Prepaid Expenses		472.764.819	280.449.190
<i>Related parties</i>	25	287.076.346	186.713.207
<i>Third parties</i>	9	185.688.473	93.735.983
Current Income Tax Assets	10	346.146	203.242
Other Current Assets	12	40.959.937	2.394.448
Total current assets		1.533.365.832	1.148.026.437
Non-Current Assets			
Other Receivables		8.420.708	8.880.328
<i>Third parties</i>	7	8.420.708	8.880.328
Property, Plant and Equipment	13	668.883.799	669.948.894
Right of Use Assets	14	624.716	414.407
Intangible Assets	15	67.182.797	67.090.284
Total non-current assets		745.112.020	746.333.913
TOTAL ASSETS		2.278.477.852	1.894.360.350

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

EMEK ELEKTRİK ENDÜSTRİSİ ANONİM ŞİRKETİ

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2025 AND 31 DECEMBER 2024

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL on 30 June 2025, unless otherwise indicated.)

		Reviewed current period	Audited prior period
LIABILITIES	Notes	30.06.2025	31.12.2024
Current Liabilities			
Short-Term Borrowings	4	151.772.293	223.044
Short-Term Portion of Long-Term Borrowings	4	53.305.223	121.848.862
Trade Payables		328.956.944	319.320.768
Related parties	25	9.236.465	12.780.898
Third parties	5	319.720.479	306.539.870
Employee Benefits	6	13.804.674	14.196.348
Other Payables		97.233.773	88.070.269
Related parties	25	97.169.340	87.936.546
Third parties	7	64.433	133.723
Deferred Income		392.205.950	298.039.597
Related parties	25	87.295.210	67.206.750
Third parties	9	304.910.740	230.832.847
Short-Term Provisions		11.869.318	11.055.658
Other short-term provisions	11	5.044.089	5.885.137
Provisions for employee benefits	11	6.825.229	5.170.521
Other Current Liabilities	12	13.505.121	10.789.137
Total current liabilities		1.062.653.296	863.543.683
Non-Current Liabilities			
Lease Liabilities	4	212.597.839	--
Other Financial Liabilities		--	51.195
Long-Term Provisions	11	10.319.821	39.347.736
Provisions for employee benefits		10.319.821	39.347.736
Deferred Tax Liabilities	10	60.238.481	53.709.940
Other Non-Current Liabilities	12	8.788.234	17.486.895
Total non-current liabilities		291.944.375	110.595.766
EQUITY			
Paid-in share capital	16	150.000.000	150.000.000
Adjustment to share capital		903.195.497	903.195.497
Share premium		20.611.292	20.611.292
Other Comprehensive Income or Expenses not to be Reclassified to Profit or Loss		140.131.587	142.051.622
Property, plant and equipment revaluation surplus		156.198.855	156.198.855
Gains/(losses) on remeasurements of defined benefit plans		(16.067.268)	(14.147.233)
Other Comprehensive Income or Expenses to be Reclassified to Profit or Loss		(8.282.193)	(7.599.681)
Currency translation differences		(8.282.193)	(7.599.681)
Restricted Reserves		77.997.653	77.997.653
Retained Earnings		(366.035.482)	(352.857.209)
Profit for the Period		6.261.827	(13.178.273)
Equity holders of the parent		923.880.181	920.220.901
Non-controlling interests		--	--
TOTAL LIABILITIES AND EQUITY		2.278.477.852	1.894.360.350

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

EMEK ELEKTRİK ENDÜSTRİSİ ANONİM ŞİRKETİ

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2025 AND 31 DECEMBER 2024

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL on 30 June 2025, unless otherwise indicated.)

		Reviewed current period	Unreviewed current period	Reviewed prior period	Unreviewed prior period
	<i>Notes</i>	01.01.2025- 30.06.2025	01.04.2025- 30.06.2025	01.01.2024- 30.06.2024	01.04.2024- 30.06.2024
Revenue	17	301.822.546	157.065.108	321.148.054	224.410.262
Cost of Sales (-)	17	(226.095.868)	(109.714.772)	(223.205.790)	(157.077.899)
Gross Profit		75.726.678	47.350.336	97.942.264	67.332.363
Research and Development Expenses (-)	18	(13.919.525)	(7.293.967)	(9.304.449)	(4.968.321)
Marketing Expenses (-)	18	(51.564.021)	(32.942.366)	(30.447.161)	(17.524.397)
General Administrative Expenses (-)	18	(63.210.236)	(39.636.777)	(46.364.650)	(20.010.642)
Other Operating Income	19	314.570.205	303.492.613	21.770.705	9.017.661
Other Operating Expenses (-)	19	(204.602.099)	(157.399.858)	(45.032.216)	(3.663.030)
OPERATING PROFIT		57.001.002	113.569.981	(11.435.507)	30.183.634
Share of Profit/(Loss) of Investments Accounted for Using the Equity Method		--	--	(761.067)	(547.177)
Gains from Investment Activities	20	--	--	3.071.764	(258.178)
Losses from Investment Activities (-)	20	--	--	(3.858)	(3.858)
OPERATING PROFIT BEFORE FINANCIAL INCOME/(EXPENSE)		57.001.002	113.569.981	(9.128.668)	29.374.421
Financial Income	21	55.337.500	54.603.064	1.389.270	1.021.257
Financial Expenses (-)	22	(76.620.004)	(73.489.311)	(16.576.770)	(11.764.045)
Net monetary position gains/(losses)	23	(21.040.649)	38.245.257	(33.965.703)	(23.486.235)
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		14.677.849	132.928.991	(58.281.871)	(4.854.602)
Tax income/(expense)		(8.416.022)	(16.769.099)	44.973.865	27.341.862
<i>Deferred income tax</i>	10	<i>(8.416.022)</i>	<i>(16.769.099)</i>	<i>44.973.865</i>	<i>27.341.862</i>
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		6.261.827	116.159.892	(13.308.006)	22.487.260
PROFIT FOR THE PERIOD		6.261.827	116.159.892	(13.308.006)	22.487.260
Attributable to					
Non-Controlling Interests		--	--	--	436.963
Equity Holders of the Parent		6.261.827	116.159.895	(13.308.006)	22.487.258
Earnings per share					
Earnings per share from continuing operations	24	0.0417	0.7744	(0.0887)	0.1499

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

EMEK ELEKTRİK ENDÜSTRİSİ ANONİM ŞİRKETİ

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE INTERIM PERIODS ENDED 30 JUNE 2025 AND 2024

(Amounts expressed in Turkish Lira (“TL”) in terms of the purchasing power of the TL on 30 June 2025, unless otherwise indicated.)

				Items not to be reclassified to profit or loss	Items to be reclassified to profit or loss		Retained earnings					
Reviewed prior period	Paid-in share capital	Adjustment to share capital	Share premium	Gains/(losses) on remeasurements of defined benefit plans	Property, plant and equipment revaluation surplus	Currency translation differences	Restricted reserves	Prior years' income	Profit for the period	Equity holders of the parent	Non-controlling interests	Total equity
Balances at 1 January 2024 (Beginning of the period)	149.869.944	903.149.914	17.308.003	(7.280.446)	231.380.958	(10.015.665)	77.997.653	(315.679.793)	(37.177.414)	1.009.553.154	(2.952.245)	1.006.600.909
Capital payments	130.056	45.583	3.303.289	--	--	--	--	--	--	3.478.928	--	3.478.928
Transfers	--	--	--	--	--	--	--	(37.177.414)	37.177.414	--	--	--
Other adjustments	--	--	--	--	--	--	--	(352.697)	--	(352.697)	--	(352.697)
Total comprehensive income	--	--	--	(2.304.835)	--	1.659.802	--	--	(13.308.006)	(13.953.039)	2.952.245	(11.000.794)
- Profit for the period	--	--	--	--	--	--	--	--	(13.308.006)	(13.308.006)	--	(13.308.006)
- Other comprehensive income	--	--	--	(2.304.835)	--	1.659.802	--	--	--	(645.033)	2.952.245	2.307.212
Balances at 30 June 2024 (End of the period)	150.000.000	903.195.497	20.611.292	(9.585.281)	231.380.958	(8.355.863)	77.997.653	(353.209.904)	(13.308.006)	998.726.346	--	998.726.346
Reviewed current period												
Balances at 1 January 2025 (Beginning of the period)	150.000.000	903.195.497	20.611.292	(14.147.233)	156.198.855	(7.599.681)	77.997.653	(352.857.209)	(13.178.273)	920.220.901	--	920.220.901
Transfers	--	--	--	--	--	--	--	(13.178.273)	13.178.273	--	--	--
Total comprehensive income	--	--	--	(1.920.035)	--	(682.512)	--	--	6.261.827	3.659.280	--	3.659.280
- Profit for the period	--	--	--	--	--	--	--	--	6.261.827	6.261.827	--	6.261.827
- Other comprehensive income	--	--	--	(1.920.035)	--	(682.512)	--	--	--	(2.602.547)	--	(2.602.547)
Balances at 30 June 2025 (End of the period) (Note 16)	150.000.000	903.195.497	20.611.292	(16.067.268)	156.198.855	(8.282.193)	77.997.653	(366.035.482)	6.261.827	923.880.181	--	923.880.181

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

EMEK ELEKTRİK ENDÜSTRİSİ ANONİM ŞİRKETİ

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE INTERIM PERIODS ENDED 30 JUNE 2025 AND 2024

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL on 30 June 2025, unless otherwise indicated.)

		Reviewed current period	Reviewed prior period
	Notes	01.01.2025 30.06.2025	01.01.2024 30.06.2024
A) CASH FLOWS FROM OPERATING ACTIVITIES		(283.296.017)	(3.903.068)
PROFIT FOR THE PERIOD		6.261.827	(13.308.006)
Adjustments to reconcile profit for the period to cash generated from operating activities		106.279	8.983.228
Depreciation and amortisation	13,14,15	15.191.030	14.550.863
Adjustments for provisions	11	(28.214.285)	(16.868.162)
Adjustments for interest income/expense	21,22	5.746.118	(2.249.569)
Adjustments for fair value gains/(losses)	20	--	969.528
Adjustments for tax income/expense	10	8.416.022	(44.973.865)
Other adjustments to reconcile profit for the period		(4.264.745)	(3.380.059)
Adjustments for monetary losses/(gains)		3.232.139	60.934.492
Changes in Working Capital		(289.664.123)	421.710
Adjustments for gains/(losses) on Trade Receivables		(85.683.461)	(1.909.516)
Adjustments for gains/(losses) on Other Receivables Related to Operations		16.968.319	(10.332.773)
Changes in Inventories		(94.920.543)	(9.711.827)
Changes in Prepaid Expenses		(196.070.519)	(729.895)
Adjustments for gains/(losses) on Trade Payables		13.893.045	(60.577.249)
Adjustments for gains/(losses) on payables due to employee benefits		--	(13.431.461)
Adjustments for gains/(losses) on Other Payables Related to Operations		(5.982.693)	97.505.255
Changes in Deferred Income		94.166.175	(7.548.788)
Adjustments for gains/(losses) on other changes in working capital		(32.034.446)	7.157.964
Cash Flows from Operating Activities		(283.296.017)	(3.903.068)
B) CASH FLOWS FROM INVESTING ACTIVITIES		(14.218.010)	11.935.817
Cash inflows from sale of property, plant and equipment and intangible assets	13,14,15	288.000.000	13.607.143
Cash outflows from purchase of property, plant and equipment and intangible assets	13,14,15	(302.218.010)	(1.671.326)
C) CASH FLOWS FROM FINANCING ACTIVITIES		294.122.003	(36.818.751)
Cash inflows/outflows from borrowings, net		294.122.003	(36.818.751)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE CHANGES		(3.392.024)	(28.786.002)
D) EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		(682.512)	1.659.802
Net Increase/(Decrease) in Cash and Cash Equivalents		(4.074.536)	(27.126.200)
MONETARY LOSSES ON CASH AND CASH EQUIVALENTS		(1.397.655)	(58.334.941)
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	3	9.779.928	89.825.751
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		4.307.737	4.364.610

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

EMEK ELEKTRİK ENDÜSTRİSİ ANONİM ŞİRKETİ

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2025

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL on 30 June 2025, unless otherwise indicated.)

NOTE 1 - GROUP'S ORGANISATION AND NATURE OF OPERATIONS

Emek Elektrik Endüstrisi Anonim Şirketi ("Emek Elektrik" or the "Company") and its subsidiary Emek Elektrik USA Incorporation, Emek Elektrik- Emek Ar-Ge Joint Venture, Emek – Set Joint Venture and Emek Satış Pazarlama ve Ticaret Anonim Şirketi are hereinafter together referred to as "the Group".

Emek Elektrik Endüstrisi Anonim Şirketi

Emek Elektrik Endüstrisi Anonim Şirketi was established in 1969 in Ankara, Türkiye.

The registered address of Emek Elektrik is as follows:

Saracalar Mahallesi Özal Bulvarı No:224 06750 Akyurt/ANKARA

Emek Elektrik ensures its operations in its factory. The factory has 10,836 m² of indoor space and 22,619 m² of outdoor space.

Emek Elektrik's business activities include ensuring research and development for the production, testing, marketing, and sale of transformers, capacitors, disconnectors, and electromechanical equipment, as well as the creation of new production areas.

Emek Elektrik has ISO 9001:2008, ISO 14001, and OHSAS 18001:2007 certificates issued by ABS Quality Evaluations Incorporation.

The products manufactured by Emek Elektrik are as follows:

Measurement transformers

- Oil-filled current transformers up to 525 kV
- Oil-filled inductive voltage transformers up to 420 kV,
- Oil-filled capacitive voltage transformers up to 525 kV,
- External and internal oil-filled and epoxy resin current and voltage transformers up to 36 kV,

Power capacitors

- High Voltage Capacitors
- Low Voltage Al+Zn MPP Power Capacitors

Seperators

- Motor-operated or manually operated disconnectors, with or without earth blades, rated up to 245 kV and 2,500 amperes.

Emek Elektrik has adopted the registered capital system and registered capital ceiling is amounting to TL 1.000.000.000.

As of 30 June 2025 and 31 December 2024, the principal shareholders and their respective shareholding rates in Emek Elektrik are as follows:

Shareholders	30 June 2025		31 December 2024	
	Amount (TL)	Share (%)	Amount (TL)	Share (%)
Kontrolmatik Teknoloji Enerji ve Mühendislik A.Ş.	28.104.350	19	28.104.350	19
Other (Listed shares)	121.895.650	81	121.895.650	81
Total paid-in share capital	150.000.000	100	150.000.000	100

The Group realised paid-in share capital increase through a 100% and increased its share capital amounting to TL 150.000.00 each with a par value of TL 1 on 22 December 2023.

The Group has changed its shareholding structure on 27 July 2023. Özar Elektrik İnşaat, the shareholder of the Group, transferred 9,652,175 outstanding EMKEL shares to Kontrolmatik Teknoloji.

Total end-of the interim reporting period, personnel employed by Emek Elektrik is 205 (31 December 2024: 197).

Emek Elektrik USA, Incorporation

Emek Elektrik USA, Incorporation ("Emek Elektrik USA") was established in the United States on 16 April 2014, and ensures the manufacture, import, export, sale, and distribution of oil-filled and epoxy measuring transformers, disconnectors, and other electrical equipment. The share capital of Emek Elektrik USA is amounting to USD 100.000.

EMEK ELEKTRİK ENDÜSTRİSİ ANONİM ŞİRKETİ

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2025

(Amounts expressed in Turkish Lira (“TL”) in terms of the purchasing power of the TL on 30 June 2025, unless otherwise indicated.)

Emek Elektrik – Emek Araştırma Geliştirme Joint Venture

Emek-Emek Araştırma-Geliştirme, direct and indirect sales of goods produced by Emek Elektrik Endüstri, contract manufacturing, maintenance, repair, assembly, storage, and transportation of products manufactured by Emek Elektrik Endüstri, as well as conducting similar sales activities and operations in the business sectors of Emek-Emek Araştırma-Geliştirme shareholders, regardless of whether the products are manufactured at Emek Elektrik facilities or not, and, to establish a partnership to manage sales transactions with third-party companies through potential agreements. Emek-Emek Araştırma-Geliştirme Joint Venture was established on 16 November 2018 in Ankara and started its operations in 2019.

The share capital of Emek-Emek Araştırma-Geliştirme Joint Venture is amounting to TL 1.000.

Emek-Emek Araştırma-Geliştirme Joint Venture has no personnel employed at the end of the interim and annual reporting periods from 31 December 2023.

As of 30 June 2025 and 31 December 2024, subsidiaries included in the scope of the consolidation of Emek Elektrik, its effective interests, direct and indirect ownership interests are as follows:

30.06.2025 Subsidiaries	Direct ownership interest held by Emek Elektrik (%)	Effective ownership interest (%)	Non-controlling interests (%)
Emek Elektrik Endüstrisi A.Ş.	95.00	95.00	5.00
Emek Satış Pazarlama ve Ticaret A.Ş.	5.00	5.00	95.00
Total	100.00	100.00	100.00

Emek – Set Joint Venture

Emek - Set Joint Venture was established in Ankara on 23 December 2020, in accordance the Joint Venture Agreement signed between Emek Elektrik and Set Elektromekanik, as the contractors, for the procurement of 2,500 External Oil-Filled Measurement Transformers from the Turkish Electricity General Directorate (TEİAŞ). As of 31 December 2023, the joint venture between Emek-Set was dissolved and not consolidated following the completion of the procurement of 2,500 External Oil-Filled Measurement Transformers.

Emek Satış Pazarlama ve Ticaret Anonim Şirketi

Emek Satış Pazarlama ve Ticaret Anonim Şirketi was established on 27 July 2023 in Ankara.

Emek Satış’s business activities include ensuring the manufacture of transformers, capacitors, circuit breakers, disconnectors, insulators, and other low, medium, and high-voltage electrical equipment and materials, as well as their domestic and international trade, and the import and trade of raw and auxiliary materials required for their manufacture.

Total end-of the interim reporting period, personnel employed by Emek Satış is 11 (31 December 2024: 10).

The share capital of Emek Satış is amounting to TL 1.000.000.

As of 30 June 2025 and 31 December 2024, subsidiary included in the scope of the consolidation of Emek Satış, its effective interest, direct and indirect ownership interest is as follows:

30.06.2025 Subsidiary	Direct ownership interest held by Emek Satış (%)	Effective ownership interest (%)	Non-controlling interests (%)
Emek Elektrik Endüstrisi A.Ş.	100.00	100.00	-

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

A. Basis of presentation

Financial reporting standards

The consolidated financial statements of the Group have been prepared in accordance with Turkish Financial Reporting Standards (“TFRS”) promulgated by the Public Oversight Accounting and Auditing Standards Authority (“POA”) that are set out in the 5th article of the communiqué numbered II-14.1 “Communiqué on the Principles of Financial Reporting In Capital Markets” (“the Communiqué”) announced by the Capital Markets Board (“CMB”) on 13 June 2013 and published in Official Gazette numbered 28676. The accompanying consolidated financial statements as at and for the interim period ended 30 June 2025 have been prepared following Turkish Financial Reporting Standards (“TFRS/TAS”) with additions and interpretations as issued by POA.

In addition, the accompanying consolidated financial statements and notes to them are presented in accordance with the formats specified in the Financial Statement Examples and User Guide published by POA, taking into account the 2024 TFRS Taxonomy and the “Announcement on the Publication of Amendments to the TFRS Taxonomy” published by POA on 3 July 2024.

EMEK ELEKTRİK ENDÜSTRİSİ ANONİM ŞİRKETİ

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2025

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL on 30 June 2025, unless otherwise indicated.)

The accompanying consolidated financial statements are prepared on a historical cost basis, except for financial investments at fair value. In determining historical cost, the fair value of the amount paid for assets is considered.

The Group has prepared its consolidated financial statements as at and for the interim period ended 30 June 2025, in accordance with the provisions of the Capital Markets Board of Türkiye (the "CMB") communiqué numbered II-14.1 regulation and the relevant announcements issued by the CMB. The consolidated financial statements and notes have been presented in accordance with the formats recommended by the CMB and include all required information. The Group recognises its statutory records in accordance with the Uniform Chart of Accounts, the Turkish Commercial Code, and the Turkish Tax Laws, and prepares its consolidated financial statements accordingly in Turkish Lira ("TL").

Approval of the consolidated financial statements

These consolidated financial statements as at and for the interim period ended 30 June 2025 have been approved for issue by the Board of Directors ("BOD") on 11 August 2025. These consolidated financial statements will be finalised following their approval in the General Assembly and relevant laws and legislations.

Functional and reporting currency

The consolidated financial statements are presented in TL, which is Emek Elektrik's functional and presentation currency.

Offsetting

Financial assets and liabilities are offset, and the net amount is recognised in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Adjustments of financial statements in hyperinflationary periods

In accordance with the CMB dated 28 December 2023 and numbered 81/1820, it has been decided that issuers and capital market institutions subject to financial reporting regulations that entities applying TFRS to apply inflation accounting in accordance with TAS 29 Financial Reporting in Hyperinflationary Economies as of financial statements for the annual reporting period ending on or after 31 December 2024. In accordance with the aforementioned CMB decision and the announcement by POA initially made on 23 November 2023 and updated on 16 January 2025 the "Guidance on Financial Reporting in Hyperinflationary Economies", the Group has prepared the consolidated financial statements as of 31 December 2024 by applying TAS 29. 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 31 December 2023, on the purchasing power basis as of 30 June 2025.

The accompanying consolidated financial statements have been prepared on a historical cost basis, except for current assets at fair value before inflation adjustment.

As of 30 June 2025, the indices and adjustment coefficients which obtained from the Consumer Price Index ("CPI") of Türkiye published by the Turkish Statistical Institute ("TURKSTAT") and used in the adjustment of the consolidated financial statements for the current and prior periods since 1 January 2005, the date on which TL ceased to be designated as the currency of a hyperinflationary economy, are as follows:

Date	Index	Adjustment coefficient
30 June 2025	3.132,17	1.00000
31 December 2024	2.684,55	1.16674
30 June 2024	2.319,29	1.35049

The main components of TAS 29 indexes and transactions are as follows:

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

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Comparatives and adjustment of prior period's financial statements

The current period consolidated financial statements of the Group include comparative financial information to enable the determination of the trends in financial position and performance. Comparative figures are reclassified, where necessary, to conform to the changes in the presentation of the current period consolidated financial statements.

Going concern

As of 30 June 2025, the Group has prepared its consolidated financial statements with the assumption of the Group's ability to continue its operations in the foreseeable future as a going concern basis of accounting.

The financial statements of subsidiaries operating in foreign countries

The financial statements of subsidiaries, associates, and joint ventures operating in foreign countries are prepared in accordance with the laws and regulations applied in the countries in which they operate and are adjusted and classified as necessary to conform to the accounting policies. If the functional currency of the subsidiary differs from the reporting currency, it is translated into the reporting currency as follows:

- The assets and liabilities in the statement of financial position are translated using the exchange prevailing the balance sheet date.
- Revenue and expense items in the statement of comprehensive income are translated using the exchange rate on the transaction date, and the currency translation differences are recognized in equity and in the statement of comprehensive income as a separate item (currency translation differences).

New and revised Turkish Financial Reporting Standards

The new standards, amendments, and interpretations

As of 30 June 2025, the accounting policies adopted in preparation of the consolidated financial statements for the year ended 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 1 January 2025.

a) The standards, amendments and interpretations effective from 1 January 2025

Amendments to TAS 21 - Lack of exchangeability

The amendment has no material influence on the financial position or performance of the Group.

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

The new standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of authorisation of the consolidated financial statements and have not been early adopted by the Group 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

The Group will assess the effects of the amendments after the new standards have been finalized.

-TFRS 17 - The new Standard for insurance contracts

The standard is not applicable for the Group

- TFRS 18 Presentation and Disclosure in Financial Statements

The amendment has no material influence on the financial position or performance of the Group.

c) Amendments published by the International Accounting Standards Authority ("IASB") but not by the POA

The amendments to IFRS 9 and IFRS 7 mentioned below, as well as IFRS 18 and IFRS 19 Standards, have been published by the IASB, but have not yet been adapted to TFRS by the POA. Therefore, these standards do not form an integral part of TFRS. The Group will make the necessary amendments in its consolidated financial statements and notes after these standards and the amendments effective in TFRS.

-Amendments to IFRS 9 and IFRS 7 – Classification and measurement of financial instruments

-Annual Improvements to IFRS Accounting Standards - Amendment 11

-Contracts Referencing Nature-dependent Electricity—Amendments to IFRS 9 and IFRS 7

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

-IFRS 19 – Subsidiaries without Public Accountability: Disclosures

The standard is not applicable for the Group

Group accounting and basis of consolidation

Subsidiaries

Non-controlling shares in the net assets, other comprehensive income and expense items, consolidated statement of other comprehensive income and changes in equity and operating results of the subsidiaries are separately classified in the consolidated financial statements as "non-controlling interests".

If the Group loses control of a subsidiary, it recognizes any investment retained in the former subsidiary at its fair value when control is lost and any difference between the fair value and net book value of investment is accounted for as gain or loss. That fair value shall be regarded as the fair value on initial recognition of a financial asset, when appropriate, the cost on initial recognition of an investment in an associate or joint venture. Furthermore, assets and liabilities that were previously recognized as other comprehensive income attributable to that subsidiary are accounted for as if those were disposed the Group. This may result in the fact that these amounts previously recognized as other comprehensive income may be classified to profit or loss. The fair value is the initial acquisition amount for the purpose of subsequent accounting of the interests in associates, joint ventures and financial assets.

As of 30 June 2025 and 31 December 2024, subsidiaries included in the scope of the consolidation of Emek Elektrik, their effective interests, direct and indirect ownership interests are as follows:

30.06.2025 Subsidiaries	Direct ownership interest held by Emek Elektrik (%)	Effective ownership interest (%)	Non-controlling interests (%)
Emek Elektrik USA Incorporation	100.00	100.00	-
Emek Satış Pazarlama ve Ticaret A.Ş.	100.00	100.00	-
Emek – Emek Arge Joint Venture	100.00	100.00	-

The financial statements of Emek Elektrik USA have been prepared in accordance with the laws and regulations applied in the United States and have been adjusted to reflect the necessary adjustments to ensure presentation in accordance with Turkish Financial Reporting Standards.

The assets and liabilities of Emek Elektrik USA have been translated into Turkish Lira using the exchange rate as of the balance sheet date, while revenue and expense items have been translated using the average exchange rate. The currency translation differences arising from the closing and average rates are presented under currency translation differences in the consolidated statement of other comprehensive income.

Emek-Emek Araştırma-Geliştirme, direct and indirect sales of goods produced by Emek Elektrik Endüstri, contract manufacturing, maintenance, repair, assembly, storage, and transportation of products manufactured by Emek Elektrik Endüstri, as well as conducting similar sales activities and operations in the business sectors of Emek-Emek Araştırma-Geliştirme shareholders, regardless of whether the products are manufactured at Emek Elektrik facilities or not, and, to establish a partnership to manage sales transactions with third-party companies through potential agreements.

Emek - Set Joint Venture was established in Ankara on 23 December 2020, in accordance the Joint Venture Agreement signed between Emek Elektrik and Set Elektromekanik, as the contractors, for the procurement of 2,500 External Oil-Filled Measurement Transformers from the Turkish Electricity General Directorate (TEİAŞ). As of 31 December 2023, the joint venture between Emek-Set was dissolved and not consolidated following the completion of the procurement of 2,500 External Oil-Filled Measurement Transformers.

Associates

Associates are companies in which the Group has voting power between 20% and 50% or the Group has the power to participate in the financial and operating policy decisions but not control them. Unrealised gains or losses arising from transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates.

Unrealized gains and losses arising from transactions between the Group and its associates have been adjusted in proportion to the Group's share in the associate. Unless the Group has incurred a liability or made a commitment in this regard, the equity method has not been discontinued even if the carrying amount of the investment in the associate is zero or the Group's significant influence has ceased. The carrying amount of the investment as of the date when significant influence ceases is carried at fair value if the fair value can be reliably measured thereafter.

The financial information regarding associates is disclosed in Note 3 "Investments Accounted for Using the Equity Method" in the accompanying consolidated financial statements.

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Going concern

As of 30 June 2025, the Group has prepared its consolidated financial statements with the assumption of the Group's ability to continue its operations in the foreseeable future as a going concern basis of accounting.

B. Changes in accounting policies, estimates and errors

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

C. Summary of significant accounting policies

Business combinations

Business combinations are accounted for using the purchase method of accounting. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the acquirer, liabilities assumed by the acquirer to the former owners of the acquiree and equity interests issued by the acquirer. Acquisition costs are generally recognised as an expense as incurred.

The identifiable assets acquired and liabilities assumed are recognised at fair value at the acquisition date. The following are not recognised in this way:

- Deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with TAS 12 "Income Tax" and TAS 19, "Employee Benefits" are calculated and recognised in accordance with the standards,
- Liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are recognised at the acquisition date in accordance with TFRS 2, 'Share-based Payment Arrangements',
- Assets (or disposal groups) that are classified as held for sale in accordance with TFRS 5, "Non-current Assets Held for Sale and Discontinued Operations" are accounted for in accordance with the rules set out in TFRS 5.

Goodwill is calculated as the excess of the aggregate of the consideration transferred for the acquisition, the fair value of any non-controlling interests, if any, in the acquiree and, in a business combination achieved in stages, the fair value of any equity interest in the acquiree previously held by the acquirer over the net amount of the acquiree's identifiable assets acquired and liabilities assumed at the acquisition date. If, after remeasurement, the net amount of the acquiree's identifiable assets acquired and liabilities assumed at the acquisition date exceeds the aggregate of the fair value of the consideration transferred, any non-controlling interests in the acquiree and, if any, any interests in the acquiree held prior to the acquisition, this amount is recognised directly as a gain on bargain purchase in profit/(loss).

When the consideration transferred by the Group in a business combination includes contingent consideration, the contingent consideration is measured at fair value at the acquisition date and is included in the consideration transferred in the business combination. If, as a result of additional information that becomes available during the measurement period, an adjustment to the fair value of the contingent consideration is required, it is adjusted retrospectively against goodwill.

The measurement period is the period after the acquisition date during which the acquirer can adjust the provisional amounts recognised in a business combination. The relevant period cannot be more than 1 year from the acquisition date.

Where the purchase accounting for a business combination is not complete at the end of the reporting period in which the business combination occurs, the Group reports provisional amounts for items for which recognition is incomplete. These provisional amounts are adjusted during the measurement period or additional assets or liabilities are recognised to reflect new information obtained about facts and circumstances that existed at the acquisition date that may affect the amounts recognised at the acquisition date.

Inventories

Inventories are evaluated at either the lower of acquisition cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Those costs also include systematically distributed costs from fixed and variable general production expenses incurred in covering direct raw material to the goods. The cost of inventories is determined by the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses. When the net realizable value of the inventory below its cost, the inventories are reduced to their net realizable value and the expense is reflected in the statement of profit or loss in the year in which the impairment incurred.

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The distribution of fixed general production costs into transformation costs is based on the assumption that production activities will be carried out at normal capacity. "Normal capacity" is the expected average level of production for one or more periods or seasons under normal conditions, also taking into account low-capacity utilisation that may arise due to planned repair-maintenance activities. If the real production level is close to the normal capacity this capacity may be accepted as normal capacity. The net realisable value is the amount which is found by subtracting the sum of estimated completion costs and estimated sales costs necessary for the completion of the sale from the estimated sale price within the normal course of business. The renewal cost of starting material and supplies can be the best measure to reflect the net realisable value.

Inventory acquisition costs are reduced to their net realisable values on the basis of each inventory item. Such reduction is carried out by allocating provisions for low inventory value. In other words, if the cost value of inventories exceeds the net realisable value, the cost value is reduced to the net realisable value by allocating provisions for the low inventory value. Otherwise, no transaction is performed. In the event that the inventories were acquired with a deferred payment option, or in the event that the difference between the advance purchase price and the paid amount include sources of finance, such sources are accounted for as interest costs in the period when they were provided.

Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

Bank deposits include time and demand deposits and accrued interest arising from the deposits. Deposits denominated in TL are carried at cost, and foreign currency denominated deposits are carried at their values translated to Turkish Lira using the Central Bank's (the "CBRT") foreign exchange buying rate on the balance sheet date. Time deposits also include accrued interest as of the balance sheet date.

Foreign currency denominated cash equivalents are translated into Turkish Lira at the exchange rates prevailing on the balance sheet date, and therefore their fair values are considered to be equivalent to their carrying amounts.

Bank deposits are estimated to be equal to their fair values since they can be disposed of in the short-term and are not subject to impairment risk.

Fair value is the amount that would be received for the sale of an asset or paid for the settlement of a liability in an orderly transaction between willing parties.

Receivables and payables

Trade receivables and notes and post-dated checks providing goods or services by the Group directly to a debtor classified within trade receivables which are recognized at original invoice amount are measured at amortized cost using the effective interest rate method. Short term trade receivables without specified interest rate, are measured at invoice amount when the interest accrual effect is immaterial.

Notes and post-dated checks classified within trade receivables are carried at their discounted cost by discounting with the effective interest method on the balance sheet date. Provision for doubtful receivables is recognised as an expense in the period which they incurred. Provision is the amount estimated by the Group management and to cover the possible losses that may arise from economic benefit or the risk in the account and the losses estimated to realise in the subsequent periods.

If the matter realized that indicates that the Group will not be able to collect the amounts due, a provision for trade receivables is established. The amount of the provision is the difference between the book value of the receivable and the collectible amount. Collectible amount is the discounted cost of cash flows, including amounts from guarantees, based on the original effective interest rate of the trade receivable. Among the cheques received, those whose maturity exceeds the balance sheet date are presented in trade receivables and are subject to discount using Libor rates.

Uncollectible amounts are written-off from the statutory records in the period which they determined. The provision for doubtful receivables is recognized as an expense in the period in which they incurred.

Following the provision for the doubtful receivable, if all or significant portion of the amount is collected, the collected amount is deducted from the doubtful receivable provision and recognised as income in the statement of comprehensive income. A simplified approach is applied within the scope of impairment of trade receivables that are carried at amortized cost in the consolidated financial statements and do not contain a significant financing component (with a maturity of less than 1 year). With this approach, in cases where trade receivables are not impaired for certain reasons (except for realized impairment losses), provisions for trade receivables are measured at an amount equal to lifetime expected credit losses.

The Group uses a provision matrix for the calculation of the expected credit losses on trade receivables which is based on past experience and future expectations. The provision matrix calculates fixed provision rates depending on the number of days that a trade receivable is past due and those provision rates are reviewed and, revised, if necessary, in every reporting period.

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Provision for doubtful receivables

The Group allocates a provision for doubtful receivable for operating receivables when there is objective evidence that collection is no longer possible. The amount of the provision is the amount remaining less collateral and guarantees from the recognised amount of the receivable.

Following the recognition of a provision for doubtful receivables, if the entire amount or a portion of the doubtful receivable is collected, the amount collected is deducted from the provision for doubtful receivables and recognised as other income in the accompanying consolidated financial statements.

Property, plant and equipment and intangible assets

The cost of a property, plant and equipment and intangible asset item is included in the financial statements, if the following conditions are met:

- a) It is likely that future economic benefits related to these items will be transferred to the entity; and
- b) The cost of the related item may be reliably measured.

An item of property, plant or equipment that is recognised as a tangible or intangible asset shall be measured initially at its cost, and subsequently by applying the "Cost Model" or "Revaluation Model".

The initial cost of the non-current assets includes the purchase price, including import duties and non-refundable purchase taxes, and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating.

Cost Model: After initial recognition as an asset, an item of property, plant and equipment shall be carried at its cost less any accumulated depreciation and any accumulated impairment losses.

Revaluation Model: After initial recognition as an asset, an item of property, plant and equipment, whose fair value can be measured reliably, shall be carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date. The appreciations occurring as a result of the valuation are associated with the growth fund in the equity. If there are previously occurred appreciations, the impairments are deducted from these appreciations. Otherwise, they are expensed by being recognised under losses from investing activities. The Group goes to revaluation in the event that signs of significant changes are observed for the properties for which it uses the revaluation method. The Group uses the cost method for intangible assets and property, plant and equipment other than its properties, since there is no active market for them. The Group indicated that there has been an appreciation in the current period as a result of the studies conducted on whether there has been impairment or appreciation in relation to its properties.

When an asset is revalued, the accumulated depreciation as of the date of the revaluation is adjusted in proportion with the change in the gross book value of the asset, and therefore the book value of the asset after the revaluation is equal with the revalued amount.

The provisions of the standards TAS 2 "Inventories" and TAS 16 "Property, Plant and Equipment" are applied in the transfers of the Group from its inventories to property, plant and equipment to be used in operational activities. Accordingly, the fair value as of the date of the transfer is taken into consideration.

Depreciation is provided by the straight-line basis based on a pro-rata basis according to the useful lives and methods indicated as follows:

	Economic useful lives (year)
Land improvements	8
Buildings	50
Plant, machinery and equipment	4-15
Motor vehicles	4-5
Furniture and fixtures	2-50
Leasehold improvements	5
Rights	3-15
Other intangible assets	1-5

The useful life and amortisation method is reviewed regularly whether the method and the period of amortisation are in compliance with the economic benefit to be derived from the respective asset.

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Property, plant and equipment are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. In the event that such indications are found, or the carrying amount exceeds the realisable value, such assets are discounted to their realisable values. The realisable value is the higher of the asset's net selling price or its value in use. During the calculation of the asset value in use, estimated cash flows in the future are discounted to their current value at the discount rate before tax, which reflects the risks particular to the asset in question. The realisable value of assets which do not solely and independently require a substantial volume of cash inflow is calculated for the portion of such assets leading to cash inflow. Related property, plant and equipment are depreciated over their remaining useful economic lives. Depreciation amounts and impairment losses of intangible assets are recognised under operating expenses under consolidated statement of profit or loss.

As impairment tests carried out by the Group for assets; "second-hand market values" of some assets, and "depreciated renovation costs" of the assets which do not have a second-hand market are taken into consideration when their net selling prices are determined. It hasn't been considered necessary to calculate the values of use of these assets, and no provision of impairment has been allocated for them since their net selling prices are equal to or greater than their net book values. However, for some other assets (i.e., goodwill), the impairment test is carried out by taking their values of use as a basis in the event that it's impossible to determine their net selling prices.

Intangible assets are amortised on a straight-line basis considering expected useful lives from the date of purchase, provided that such periods do not exceed their useful economic lives. The depreciation provided for intangible assets is recognised under operating expenses under consolidated statement of profit or loss. Gains or losses on disposals of property, plant and equipment and intangible assets are determined by comparing proceeds with their net carrying amounts and are classified under "gains/(losses) from investing activities" in the current period.

Impairment of assets

Assets that are subject to amortisation are subjected to impairment test whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less the cost to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that are impaired are reviewed for possible reversal of the impairment at each reporting date.

Borrowing costs

Bank borrowings obtained in exchange for interest are recognised based on the net amount received less the acquisition cost. Income or expenses arising during the depreciation or when liabilities are recognised are related to the statement of profit or loss. Borrowing costs are accounted for on an accrual basis in the period in which they incurred, even if they are not due, and are classified as borrowings.

Taxation and deferred tax

The Group's tax expense/income is the sum of its current tax costs/income and deferred tax expense/income.

The current year tax liability shall be calculated over the part of profit period subject to taxation. Profit subject to taxation differs from the profit disclosed in the statement of profit or loss as it excludes taxable or deductible income and expense items in previous years as well as the non-taxable or non-deductible items. The Group's current tax liability was calculated at the substantive tax rate, or the rate that shall, with certainty, be valid as of the balance sheet date.

Current tax payables are settled with taxes paid in advance in the event that they were paid or will be paid to the same tax authority. Deferred tax assets and liabilities are settled in the same manner.

Deferred tax is calculated by means of the unit credit method based on temporary differences between the recognised values of deferred tax assets and liabilities stated in consolidated financial statements and their tax values (Balance Sheet method / Balance Sheet liability method). Such differences may be classified into two groups, reducible and taxable. They are recognised as deferred tax assets for all temporary differences in the form of taxable expenses, provided that there is sufficient taxable income to deduct these expenses in future periods. Deferred tax is recognised if the related transaction is not a part of a business combination or the debt does not originate from its initial accounting.

All temporary differences subject to taxation are accounted for as a deferred tax debt. However, no deferred tax debt is accounted for on temporary differences appearing in the initial accounting of goodwill, or appearing in the initial accounting of any asset or debt, or originating from transactions other than business combinations. According to tax legislation, the previous year's financial losses and tax advantages which were not yet used are accounted for as deferred tax if it is likely to generate taxable income of an amount sufficient to be recognised in subsequent periods. As per tax legislation, the tax rates in effect as of the balance sheet date will be used in the calculation of deferred tax. While the deferred tax liability is calculated for all temporary differences, deferred tax assets arising from deductible temporary differences are calculated, provided that the Group is highly likely to benefit from such differences by generating profit subject to taxation in the future (Note 36).

Deferred tax assets and liabilities are mutually set off, provided that they are both subject to the tax legislation of the same country, in the event that there is a legally applicable right with respect to the setting off of current tax assets from current tax liabilities.

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Finance leases

Leases

Group - as a lessee

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Group considers following indicators for the assessment of whether a contract conveys the right to control the use of an identified asset for a period of time or not:

- The contract includes an identified asset (contract includes a definition of a specified asset explicitly or implicitly),
- A capacity portion of an asset is physically distinct or represents substantially all the capacity of an asset (if the supplier has a substantive right to substitute the asset and obtain economic benefits from use of the asset, then the asset is not an identified asset),
- The Group has the right to obtain substantially all the economic benefits from use of the identified asset,
- The Group has the right to direct the use of an identified asset. The Group has the right to direct the use of the asset throughout the period of use only if either:
 - a) The Group has the right to direct how and for what purpose the asset is used throughout the period of use or
 - b) Relevant decisions about how and for what purpose the asset is used are predetermined:
 - i. The Group has the right to operate the asset (or to direct others to operate the asset in a manner that it determines) throughout the period of use, without the supplier having the right to change those operating instructions; or
 - ii. The Group designed the asset (or specific aspects of the asset) in a way that predetermines how and for what purpose the asset will be used throughout the period of use.

The Group recognises a right-of-use asset and a lease liability at the commencement date of the lease following the consideration of the above-mentioned factors.

Right-of-use asset

At the commencement date, the Group measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:

- a) The amount of the initial measurement of the lease liability,
- b) Any lease payments made at or before the commencement date, less any lease incentives received
- c) Any initial direct costs incurred by the Group, and
- d) An estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease (unless those costs are incurred to produce inventories).

When applying the cost model, the Group measures the right-of-use asset at cost:

- a) Less any accumulated depreciation and any accumulated impairment losses; and
- b) Adjusted for any remeasurement of the lease liability.

Lease liability

At the commencement date, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted by using the interest rate implicit in the lease, if that rate can be readily determined, or by using the Group's incremental borrowing rate. The lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

- a) Fixed payments, less any lease incentives receivable,
- b) Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date,
- c) Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, Group measures the lease liability by:

- a) Increasing the carrying amount to reflect interest on the lease liability,
- b) Reducing the carrying amount to reflect the lease payments made, and
- c) Remeasuring the carrying amount to reflect any reassessment or lease modifications. The Group recognises the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

EMEK ELEKTRİK ENDÜSTRİSİ ANONİM ŞİRKETİ

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Options to extend and terminate

The Group assesses the contractual options to extend or to terminate the lease when determining the lease liability. The majority of the options to extend and terminate are exercisable both by the Group and the respective lessor. Group determines the lease term of a lease considering the periods covered by options to extend and terminate the lease if the options are exercisable by the Group and the Group is reasonably certain to exercise those options. If a significant change in circumstances takes place, related lease term assessment is revisited by the Group.

Variable lease payments

Some lease contracts of the Group contain variable payment terms. Variable lease payments are not in the scope of TFRS 16 and recognised in the statement of profit or loss in the related period.

Practical expedients

The short-term lease agreements with a lease term of 12 months or less and agreements which are determined by the Group as low value, have been evaluated within the scope of practical expedients introduced by the TFRS 16 “Leases” standard and related lease payments are recognised as an expense in the period in which they are incurred.

Group - as a lessor

All the leases that Group is the lessor are operating leases. Assets leased out under operating leases are classified under investment properties, property, plant and equipment or other current assets in the consolidated statement of financial position. Rent income is recognised in the consolidated statement of profit or loss on a straight-line basis over the lease term.

Provisions for employee benefits

Under Turkish Labour Law, Emek Elektrik and its subsidiaries are required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, who is called up for military service, dies or retires after completing 25 years of service (20 years for women) and reaches the retirement age (58 for women and 60 for men). The provision has been calculated by estimating the present value of the future probable obligation of Emek Elektrik and its subsidiaries registered in Türkiye arising from the retirement of employees.

TAS 19 “Employee Benefits” requires actuarial assumptions (net discount rate) to estimate the entity’s obligation for employment termination benefits.

The rate to be used to discount defined benefit obligations (provisions for employee benefits) after leaving the office is determined by looking at the market returns for high quality corporate bonds at the balance sheet date. Because of the lack of a deep market for such securities, the real interest rate has been used, taking into account the market returns (compound interest rates) of government bonds (on the balance sheet date). In other words, inflation-adjusted interest rate (real interest rate) is used (Note 22).

In this context, financial institutions subject to labour law have accounted for the provision for employment termination benefits at the actuarial method in the financial statements for the retirement of retirement benefits for all personnel or for the termination of the business relationship by calling for military service or for the future probable liability amounts in case of death in accordance with TAS 19.

Defined contribution plans

The Group has to pay contributions to the Social Security Institution on a mandatory basis. The Group has no further payment obligations once the contributions have been paid. These contributions are recognised as an employee benefit expense when they are accrued.

Earnings per share

Earnings per share disclosed in the statement of profit or loss are determined by dividing net income attributable to equity holders of the parent by the weighted average number of shares outstanding during the period concerned.

In Türkiye, companies can increase their share capital through a pro-rata distribution of shares (“bonus shares”) to existing shareholders from retained earnings and inflation adjustment to equity. For the purpose of earnings per share computations, the weighted average number of shares in existence during the period has been adjusted in respect of bonus share issues without a corresponding change in resources, by giving them retroactive effect for the period in which they were issued and each earlier period as if the event had occurred at the beginning of the earliest period reported.

Events after the reporting period

Events after the reporting period are those events, favourable and unfavourable, that occur between the end of the reporting period and the date when the financial statements are authorised for issue. Under TAS 10, the two types of events are those that provide evidence of conditions that existed at the end of the reporting period (adjusting events); and those that are indicative of conditions that arose after the reporting period (non-adjusting events). The Group adjusts the amounts recognised in its consolidated financial statements to reflect adjusting events, but it does not adjust those amounts to reflect non-adjusting events.

EMEK ELEKTRİK ENDÜSTRİSİ ANONİM ŞİRKETİ

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Assets and liabilities denominated in foreign currencies

Foreign currency transactions are recognised at the exchange rates prevailing on the transaction date. Foreign currency-denominated assets and liabilities are evaluated at the exchange rates prevailing at the end of the period. Currency translation differences arising from the revaluation are recognized as foreign exchange gains or losses in the consolidated statement of profit or loss.

As of 30 June 2025 and 31 December 2024, spot exchange buying and selling rates of USD, EUR and GBP published by the Central Bank of Türkiye (the "CBRT") are as follows:

Currency	30.06.2025		31.12.2024	
	Foreign exchange rate -buying (TL/Foreign currency)	Foreign exchange rate -selling (TL/Foreign currency)	Foreign exchange rate -buying (TL/Foreign currency)	Foreign exchange rate -selling (TL/Foreign currency)
USD	39.7424	39.8140	35.2233	35.2868
EUR	46.5526	46.6364	36.7429	36.8091
GBP	54.5078	54.7920	44.2458	44.4765

Significant accounting judgements, estimates and assumptions and the basis of uncertainties

Preparation of the consolidated financial statements requires the usage of estimations and assumptions which may affect the reported amounts of assets and liabilities as of the balance sheet date, disclosure of contingent assets and liabilities and reported amounts of income and expenses during the financial period. The accounting assessments, estimates and assumptions are reviewed continuously considering the past experiences, other factors and the reasonable expectations about the future events under current conditions. Although the estimations and assumptions are based on the best estimates of the management's existing incidents and operations, reflected to the profit or loss and they may differ from the actual results.

The significant accounting estimates and assumptions used by the Group in the preparation the consolidated financial statements are as follows:

Note 2/D	Fair value
Note 36/B	Deferred tax assets and liabilities
Note 22	Provision for employment termination benefits
Note 2/D,17,18,19	Economic useful lives of investment properties, property, plant and equipment and intangible assets
Note 10 and 39/E	Provision for impairment on trade receivables
Note 13	Provision for impairment on inventories
Note 7	Financial investments revaluation surplus/provision for impairment

The estimates and assumptions that may cause significant adjustments in the book value of assets and liabilities in the subsequent financial reporting period and the nature of the uncertainties are as follows:

- Deferred tax is recognised if it is determined that taxable income is likely to incur in subsequent periods. In cases where it is probable that taxable income will incur, deferred tax assets are calculated on the carried and unused accumulated losses and any deductible temporary differences.
- Estimates and assumptions were used by the Group management during the determination of the economic useful lives, determination of the provision for doubtful trade receivables and calculation of the provision for employment termination benefits.

Statement of cash flows

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. For an investment to qualify as a cash equivalent it must be readily convertible to a known amount of cash and be subject to an insignificant risk of changes in value. Therefore, an investment normally qualifies as a cash equivalent only when it has a short maturity of, say, three months or less from the date of acquisition.

Equity investments are excluded from cash equivalents unless they are, in substance, cash equivalents, for example in the case of preferred shares acquired within a short period of their maturity and with a specified redemption date.

When used in conjunction with the rest of the financial statements, the statement of cash flows provides information that enables users to evaluate the changes in net assets of an entity, its financial structure (including its liquidity and solvency) and its ability to affect the amounts and timing of cash flows in order to adapt to changing circumstances and opportunities.

Cash flows during the period are classified and reported by operating, investing and financing activities in the cash flow statements. Cash flows from operating activities represent the cash flows generated from the Group's activities. Cash flows from investing activities represent the cash flows that are used in or provided from the investing activities of the Group (property, plant and equipment, intangible assets and financial assets). Cash flows from financing activities represent the cash proceeds from the financing activities of the Group and the repayments of these funds.

EMEK ELEKTRİK ENDÜSTRİSİ ANONİM ŞİRKETİ

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Related parties

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

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

- (i) has control or joint control over the reporting entity;
- (ii) has significant influence over the reporting entity; or
- (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- (b) An entity is related to a reporting entity if any of the following conditions applies:
 - (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities 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 defined 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).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Considering the abovementioned disclosures, the following entities are considered as "related parties" in the accompanying consolidated financial statements:

- Barmek Holding A.Ş.
- Barış Savunma A.Ş.
- VAEST Silikon Kompozit Uygulamaları İmalat ve Ticaret A.Ş.
- Emek Araştırma Geliştirme Danışma Sanayi ve Ticaret A.Ş.
- Navitas Dış Ticaret ve Elektrik Sanayi A.Ş.
- Özar Elektrik İnşaat Turizm Mühendislik Eğitim Yatırım İmalat ve Ticaret A.Ş.
- Emek Holding A.Ş.
- Set Elektromekanik Sanayi ve Ticaret A.Ş.
- Kontrolmatik Teknoloji Enerji ve Mühendislik A.Ş.

Provisions, contingent liabilities and contingent assets

Provisions

Provisions are recognized when there is a possible obligation arising from past events (legal or constructive), it is probable that an outflow of resources will be required to settle the obligation in the future, and the amount of the obligation can be reliably estimated. These provisions are reviewed at each balance sheet date and revised to current estimates.

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

If some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement should be recognised as a separate asset, and not as a reduction of the required provision, when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The amount recognised should not exceed the amount of the provision.

One of three methods is used to allocate provisions in the accompanying consolidated financial statements. The first method is applied when the time value of money is material. When the depreciation of money over time becomes significant, provisions are recognised with the discounted amount of possible future expenditures at the balance sheet date. When the discount used, any increase in provisions due to time value, it is recognized as interest expense.

Where the effect of the time value of money is material, the amount of provision shall be the present value of the expenditures expected to be required to settle the obligation. The discount rate reflects current market assessments of the time value of money and the risks specific to the liability. The discount rate shall be a pre-tax rate and shall not reflect risks for which future cash flow estimates have been adjusted.

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The expected value method is the second method which estimates variable consideration based on the range of possible outcomes and the probabilities of each outcome. The estimate is the probability-weighted amount based on those ranges. The expected value method might be most appropriate where a reporting entity has a large number of contracts that have similar characteristics. This is because a reporting entity will likely have better information about the probabilities of various outcomes where there are a large number of similar transactions.

Possible assets or obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group are not included in the consolidated financial statements and treated as contingent assets or liabilities and disclosed in the notes to the consolidated financial statements.

Provision for warranty

Provisions for warranty are recognized on the date of sale of the related products based on the most appropriate estimated expenses determined by management to satisfy the Group's obligations.

NOTE 3 – CASH AND CASH EQUIVALENTS

	30 June 2025	31 December 2024
Cash on hand	44.839	150.407
Banks	4.233.889	9.629.521
-Demand deposits	4.233.889	9.629.521
Other cash and cash equivalents	29.009	--
Cash and cash equivalents, net	4.307.737	9.779.928

As of 30 June 2025, the annual effective interest rates of time deposits denominated in TL are between 30%-51% (31 December 2024: 30%-51% for time deposits denominated in TL).

NOTE 4 – BORROWINGS

As of 30 June 2025 and 31 December 2024, the breakdown of short-term borrowings is as follows:

	30 June 2025	31 December 2024
Short-term borrowings		
Bank borrowings	151.772.293	--
Other	--	223.044
Short-term borrowings, net	151.772.293	223.044

As of 30 June 2025 and 31 December 2024, the breakdown of short-term portion of long-term borrowings is as follows:

	30 June 2025	31 December 2024
Short-term portion of long-term borrowings		
Finance lease liabilities	22.686.095	305.125
Principal and interest installments of long-term borrowings	30.619.128	121.543.737
Short-term portion of long-term borrowings, net	53.305.223	121.848.862

As of 30 June 2025 and 31 December 2024, the details of long-term lease liabilities are as follows:

	30 June 2025	31 December 2024
Long-term lease liabilities		
Long-term lease liabilities	212.597.839	--
Total	212.597.839	--

NOTE 5 – TRADE RECEIVABLES AND PAYABLES

a) Short-term receivables

As of 30 June 2025 and 31 December 2024, the breakdown of short-term trade receivables due from related parties is as follows:

	30 June 2025	31 December 2024
Trade receivables due from related parties (*)		
Customers	9.270.444	46.015.432
Total	9.270.444	46.015.432

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2025

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL on 30 June 2025, unless otherwise indicated.)

As of 30 June 2025 and 31 December 2024, the breakdown of short-term trade receivables due from third parties is as follows:

Trade receivables due from third parties	30 June 2025	31 December 2024
Customers	283.363.836	182.237.948
Post-dated cheques and notes receivables	54.355.388	33.052.671
Total	337.719.224	215.290.619

b) Long-term receivables

None.

c) Short-term payables

As of 30 June 2025 and 31 December 2024, the breakdown of short-term trade payables due to related parties is as follows:

Trade payables due to related parties (*)	30 June 2025	31 December 2024
Suppliers	9.236.465	12.780.898
Total	9.236.465	12.780.898

As of 30 June 2025 and 31 December 2024, the breakdown of short-term trade payables due to third parties is as follows:

Trade payables due to third parties	30 June 2025	31 December 2024
Suppliers	266.323.269	270.393.286
Post-dated cheques and notes payable	57.580.920	40.546.524
Discount on notes payable (-)	(4.183.710)	(4.881.299)
Other	--	481.359
Total	319.720.479	306.539.870

d) Long-term payables

None.

(*) The details are disclosed in Note 26.

NOTE 6 – EMPLOYEE BENEFITS

As of 30 June 2025 and 31 December 2024, the detailed analysis of employee benefits is as follows:

Employee benefits	30 June 2025	31 December 2024
Due to employee	9.125.927	9.625.038
Social security premiums payable	4.678.747	4.571.310
Total	13.804.674	14.196.348

NOTE 7 – OTHER RECEIVABLES AND PAYABLES

a) Short-term other receivables

As of 30 June 2025 and 31 December 2024, the breakdown of short-term other receivables due from related parties is as follows:

Other receivables due from related parties (*)	30 June 2025	31 December 2024
Due from associates	904.939	13.266.315
Total	904.939	13.266.315

As of 30 June 2025 and 31 December 2024, the breakdown of short-term other receivables due from third parties is as follows:

Other receivables due from third parties	30 June 2025	31 December 2024
Doubtful other receivables	61.449.048	67.774.775
Provision for doubtful other receivables (-)	(61.449.048)	(67.774.775)
Other	30.975.218	39.430.760
Total	30.975.218	39.430.760

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b) Long-term other receivables

As of 30 June 2025 and 31 December 2024, the breakdown of long-term other receivables due from third parties is as follows:

Other receivables due from third parties	30 June 2025	31 December 2024
Deposits and guarantees given	8.416.393	8.875.294
Due from employees	4.315	5.034
Total	8.420.708	8.880.328

c) Short-term other payables

As of 30 June 2025 and 31 December 2024, the breakdown of short-term other payables due to related parties is as follows:

Other payables due to related parties (*)	30 June 2025	31 December 2024
Due to shareholders	97.169.340	87.936.546
Total	97.169.340	87.936.546

As of 30 June 2025 and 31 December 2024, the breakdown of long-term other payables due to third parties is as follows:

Other payables due to third parties	30 June 2025	31 December 2024
Other	64.433	133.723
Total	64.433	133.723

d) Long-term other payables

None.

(*) The details are disclosed in Note 26.

NOTE 8 – INVENTORIES

As of 30 June 2025 and 31 December 2024, the details of inventories are as follows:

Inventories	30 June 2025	31 December 2024
Raw materials and supplies	352.830.899	138.142.363
Semi-finished goods	82.487.913	173.785.331
Finished goods	43.056.491	39.483.072
Merchandise	158.446.543	190.629.082
Less: Provision for inventory impairment (-)	(763.562)	(890.878)
Other inventories	59.084	47.533
Total	636.117.368	541.196.503

The movement of provision for impairment on inventories is as follows:

	30 June 2025	31 December 2024
Beginning of the period – 1 January	(890.878)	--
Additions/Reversals (Net)	127.316	(890.878)
End of the period	(763.562)	(890.878)

NOTE 9 – PREPAID EXPENSES AND DEFERRED INCOME

As of 30 June 2025 and 31 December 2024, the breakdown of prepaid expenses due to related and third parties is as follows:

Prepaid expenses due to related parties	30 June 2025	31 December 2024
Customers (*)	287.076.346	186.713.207
Total	287.076.346	186.713.207

Prepaid expenses due to third parties	30 June 2025	31 December 2024
Advances given	178.010.451	71.854.778
Long-term prepaid expenses	7.678.022	21.881.205
Total	185.688.473	93.735.983

Deferred income from related parties	30 June 2025	31 December 2024
Advances received (*)	87.295.210	67.206.750
Total	87.295.210	67.206.750

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Deferred income from third parties	30 June 2025	31 December 2024
Advances received	302.806.219	213.627.651
Short-term deferred income	2.104.521	17.205.196
Total	304.910.740	230.832.847

(*) The details are disclosed in Note 26.

NOTE 10 – INCOME TAXES

Current income tax assets and liabilities

As of 30 June 2025, the corporate tax rate effective in Türkiye is 25%.

25% of the profits arising from the sale of shares of associates, real estates, pre-emption rights, founder share and usufruct shares in the assets of the institutions for at least two full years are exempt from corporate tax. To benefit exclusion, the earning must be recognised in liabilities in a fund account and not withdrawn for 5 years from the entity. The sales price must be collected until the end of the second calendar year following the year in which the sale is realised.

According to "Turkish Corporate Tax Law", losses can be carried forward to offset the future taxable income for a maximum period of 5 years. On the other hand, such losses cannot be carried back to offset prior years' profits. Tax authorities and tax office may, however, examine such returns and the underlying accounting records and may revise assessments within five years.

As of 30 June 2025 and 31 December 2024, the breakdown of current income tax assets and liabilities is as follows:

Account Name	30 June 2025	31 December 2024
Prepaid taxes (Short-term)	346.146	203.242
Total	346.146	203.242

Deferred tax assets and liabilities

Emek Elektrik and its subsidiaries, recognise deferred tax assets and liabilities based upon temporary differences arising between their financial statements prepared under TFRS and the Turkish tax legislation. These differences usually result in the recognition of revenue and expenses in different reporting periods for tax purposes and the purposes of the Turkish Financial Reporting Standards and are disclosed below.

As of 30 June 2025, the corporate tax rate effective in Türkiye is 25%.

The law numbered 7456 has entered into force as of 15 July 2023, by being promulgated in the Official Gazette. In the Official Gazette dated 15/7/2023 and numbered 32249, Law No.7456, "Law on the Amendment of Additional Motor Vehicles Tax for Compensation of Economic Losses Caused by Earthquakes Occurring on 6/2/2023 and Amendments to Some Laws and Decree-Law No. 375" was published. However, by article numbered 21 of the relevant law, the corporate tax rate is increased from 20% to 25% effective from 1 October 2023. Accordingly, deferred tax assets and liabilities are calculated considering the 25% tax rate as of the end of the interim reporting period.

The accounting policies used by the Group in calculating deferred tax are consistent with those used in the reviewed financial statements prepared as at and for the period ended 30 June 2025 and audited financial statements prepared as at and for the year ended 31 December 2024, except for the use of the new rates enacted in the annual reporting period as of 31 December 2024.

EMEK ELEKTRİK ENDÜSTRİSİ ANONİM ŞİRKETİ

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As of 30 June 2025 and 31 December 2024, the breakdown of cumulative temporary differences and deferred tax assets and liabilities provided using principal tax rates are as follows:

	30 June 2025	31 December 2024
Deferred tax assets and liabilities in the consolidated statement of profit or loss	Deferred tax assets	Deferred tax assets
	/(liabilities)	/(liabilities)
Adjustments for property, plant and equipment and intangible assets	(87.028.113)	(77.596.158)
Adjustments for inventories	(25.316.206)	(22.572.480)
Adjustments for provision for doubtful trade receivables	16.275.128	14.511.258
Provision for employee benefits	13.394.762	11.943.061
Adjustments for advances	12.336.482	10.999.476
Adjustments for currency translation differences	3.112.152	2.774.863
Adjustments for provision for doubtful other receivables	1.560.685	1.391.541
Adjustments for provision for lawsuits	1.421.126	1.267.107
Adjustments for financial investments	889.369	792.981
Adjustments for discount on notes receivables and payables	(504.144)	(449.506)
Adjustments for interest accruals	474.824	423.363
Adjustments for subsidiaries	333.065	296.968
Adjustments for provision for warranty	294.427	262.517
Adjustments for impairment on inventories	249.792	222.720
Adjustments for right of use assets	(116.196)	(103.602)
Other adjustments	2.384.366	2.125.951
Deferred tax assets/(liabilities), net	(60.238.481)	(53.709.940)

As of 30 June 2025 and 2024, the movements in deferred tax assets/(liabilities) are as follows:

	30 June 2025	30 June 2024
Beginning of the period – 1 January	(53.709.940)	91.559.110
Deferred income tax during the period	(8.416.022)	44.973.865
Charge to equity	1.887.513	(768.278)
Monetary gains/(losses)	(32)	(181.581.664)
End of the period – 30 June	(60.238.481)	(45.816.967)

NOTE 11 – PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Commitments, collaterals, pledges and mortgages given by the Group

As of 30 June 2025 and 31 December 2024, the Group's collaterals/pledge/mortgage ("C&P&M") position is as follows:

Collaterals, pledges and mortgages given by the Group	30 June 2025	31 December 2024
A. Total amount of CPM's given in the name of its own legal personality	129.753.894	151.388.967
B. i. Total amount of CPM's given on behalf of the fully consolidated subsidiaries	--	--
B. ii. Total amount of CPM's given on behalf of the fully consolidated subsidiaries in favor of each other	--	--
B. iii. Total amount of CPM's given on behalf of the fully consolidated subsidiaries in favor of parent company	--	--
C. Total amount of CPM's given on behalf of third parties for ordinary course of business	--	--
D. Total amount of other CPM's given	--	--
i. Total amount of CPM's given on behalf of the majority shareholder	--	--
ii. Total amount of CPM's given to on behalf of other group companies which are not in scope of B and C	--	--
iii. Total amount of CPM's given on behalf of third parties which are not in scope of C	--	--
Total	129.753.894	151.388.967

As of 30 June 2025 and 31 December 2024, the details of contingent liabilities, contingent assets and commitments' ("CPM") risk presented in the abovementioned statements are as follows:

Type	30 June 2025	31 December 2024
Letter of guarantee given	4.765.583	5.560.192
Guarantee notes given	40.988.311	47.822.673
Pledges and mortgages given	84.000.000	98.006.102
Total TL equivalent	129.753.894	151.388.967

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Short-term provisions

Short-term provisions for employee benefits	30 June 2025	31 December 2024
Provision for unused vacation	6.825.229	5.170.521
Total	6.825.229	5.170.521
Other short-term provisions	30 June 2025	31 December 2024
Provision for lawsuits	4.144.089	4.835.072
Provision for warranty	900.000	1.050.065
Short-term provisions, net	5.044.089	5.885.137

Contingent events (Lawsuits and execution proceedings in favor/against the Group)

As of 30 June 2025, the Group has allocated provision for lawsuits amounting to TL 4.144.089 in the accompanying consolidated financial statements for the lawsuits and execution proceedings filed against the Group for the possible cash outflows (31 December 2024: TL 4.835.072).

Long-term provisions	30 June 2025	31 December 2024
Provision for employment termination benefits	10.319.821	39.347.736

Under Turkish Labour Law, Emek Elektrik and its subsidiaries incorporated in Türkiye are required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, who is called up for military service, dies or retires after completing 25 years of service (20 years for women) and reaches the retirement age (58 for women and 60 for men).

As of 30 June 2025, the amount payable consists of one month's salary limited to a maximum of TL 53.919,68 (31 December 2024: TL 46.655,43) for each year of service.

The liability is not funded as there is no funding requirement.

The provision has been calculated by estimating the present value of the future probable obligation of Kontrolmatik and its subsidiaries registered in Türkiye arising from the retirement of employees.

TAS 19 "Employee Benefits" requires actuarial valuation methods to be developed to estimate the entity'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.

	30 June 2025	31 December 2024
Net discount rate	0.82	0.82
Interest rate	23%	23%

NOTE 12 – OTHER ASSETS AND LIABILITIES

Other current assets	30 June 2025	31 December 2024
Deferred VAT	24.336.190	1.633.191
Other VAT	15.830.544	--
Cash advances	779.437	757.467
Advances given to employees	13.766	3.790
Other current assets, net	40.959.937	2.394.448
Other current liabilities	30 June 2025	31 December 2024
Taxes payable	3.560.010	3.908.467
Deferred liabilities	9.587.876	6.567.730
Expense accruals	49.857	--
Other liabilities	307.378	312.940
Other current liabilities, net	13.505.121	10.789.137
Other non-current liabilities	30 June 2025	31 December 2024
Deferred liabilities	8.788.234	17.486.895
Other non-current liabilities, net	8.788.234	17.486.895

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(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL on 30 June 2025, unless otherwise indicated.)

NOTE 13 – PROPERTY, PLANT AND EQUIPMENT

	Opening balance – 1 January 2025	Additions	Disposals	Closing balance – 30 June 2025
Cost				
Land	356.166.109	--	(223.465.972)	132.700.137
Land improvements	35.133.944		(13.501.776)	21.632.168
Buildings	99.549.506	298.345.411	(51.032.252)	346.862.665
Plant, machinery and equipment	487.884.912	329.136	--	488.214.048
Motor vehicles	3.354.936	--	--	3.354.936
Furniture and fixtures	56.405.372	705.229	--	57.110.601
Constructions in progress	4.908.758	--	--	4.908.758
Total	1.043.403.537	299.379.776	(288.000.000)	1.054.783.313
Less: Accumulated depreciation				
Buildings	--	--	--	--
Plant, machinery and equipment	(334.441.848)	(10.155.342)	--	(344.597.190)
Motor vehicles	(1.844.687)	(316.550)	--	(2.161.237)
Furniture and fixtures	(37.168.108)	(1.972.979)	--	(39.141.087)
Total	(373.454.643)	(12.444.871)	--	(385.899.514)
Property, plant and equipment, net	669.948.894	286.934.905	(288.000.000)	668.883.799

	Opening balance – 1 January 2024	Additions	Disposals	Closing balance – 30 June 2024
Cost				
Land	455.006.743	--	--	455.006.743
Land improvements	27.491.430	--	--	27.491.430
Buildings	102.334.909	--	--	102.334.909
Plant, machinery and equipment	487.064.903	270.213	--	487.335.116
Motor vehicles	14.134.029	--	(10.779.088)	3.354.941
Furniture and fixtures	54.268.551	507.942	(317.753)	54.458.740
Constructions in progress	4.908.759	--	--	4.908.759
Total	1.145.209.324	778.155	(11.096.841)	1.134.890.638
Less: Accumulated depreciation				
Land improvements	--	(319.668)	--	(319.668)
Buildings	--	(1.189.941)	--	(1.189.941)
Plant, machinery and equipment	(316.815.262)	(8.697.154)	--	(325.512.416)
Motor vehicles	(6.386.775)	(48.743)	4.639.572	(1.795.946)
Furniture and fixtures	(33.844.960)	(1.849.780)	215.068	(35.479.672)
Total	(357.046.997)	(12.105.286)	4.854.640	(364.297.643)
Property, plant and equipment, net	788.162.327			770.592.995

NOTE 14 – RIGHT OF USE ASSETS AND LEASE LIABILITIES

	30 June 2025	31 December 2024
Right of use assets		
Beginning of the period – 1 January	414.407	414.407
Additions/Disposals, net	210.309	-
End of the period	624.716	414.407

NOTE 15 – INTANGIBLE ASSETS

Other intangible assets

	Opening balance – 1 January 2025	Additions	Disposals	Transfers	Closing balance – 30 June 2025
Cost					
Rights	71.221.578	2.838.234	--	--	74.059.812
Development costs	9.616.907	--	--	--	9.616.907
	80.838.485	2.838.234	--	--	83.676.719
Less: Accumulated depreciation					
Rights	(13.748.201)	(2.745.721)	--	--	(16.493.922)
Net book value	67.090.284	92.513	--	--	67.182.797

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(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL on 30 June 2025, unless otherwise indicated.)

	Opening balance – 1 January 2024	Additions	Transfers	Disposals	Closing balance – 30 June 2024
Cost					
Rights	70.246.079	893.170	--	--	71.139.249
Development costs	13.808.987	--	(7.364.942)	--	6.444.045
	84.055.066	893.170	(7.364.942)	--	77.583.294
Less: Accumulated depreciation					
Rights	(8.921.564)	(2.445.577)	--	--	(11.367.141)
Net book value	75.133.502	(1.552.407)	(7.364.942)	--	66.216.153

NOTE 16 – EQUITY

As of 30 June 2025 and 31 December 2024, the principal shareholders and their respective shareholding rates in Emek Elektrik are as follows:

	30 June 2025		31 December 2024	
Shareholders	Amount (TL)	Share (%)	Amount (TL)	Share (%)
Kontrolmatik Teknoloji Enerji ve Mühendislik A.Ş.	28.104.350	19	28.104.350	19
Other (Listed shares)	121.895.650	81	121.895.650	81
Total paid-in share capital	150.000.000	100	150.000.000	100

	30 June 2025	31 December 2024
Adjustment to share capital		
Beginning of the period – 1 January	903.195.497	1.098.076.061
Monetary gains/losses	--	(194.880.564)
End of the period	903.195.497	903.195.497

Emek Elektrik's share capital consists of 150,000,000 outstanding shares each with a par value of TL 1 (31 December 2024: 150,000,000 shares).

The issued shares have been paid in cash.

The Group has changed its shareholding structure on 27 July 2023. Özar Elektrik İnşaat, the shareholder of the Group, transferred 9,652,175 outstanding EMKEL shares to Kontrolmatik Teknoloji.

The current issued share capital of the Group was increased to TL 150.000.000 through a 100% paid-in capital increase on 22 December 2023.

Share premium

	30 June 2025	31 December 2024
Beginning of the period – 1 January	20.611.292	28.916.011
Monetary gains/losses	--	(8.304.719)
End of the period	20.611.292	20.611.292

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

Other comprehensive income or expenses not to be reclassified to profit or loss comprise of property, plant and equipment revaluation surplus and gains/(losses) on remeasurements of defined benefit plans and the movement for other comprehensive income or expenses not to be reclassified to profit or loss is as follows:

	30.06.2025	31.12.2024
Property, plant and equipment revaluation surplus		
Beginning of the period - 1 January	142.051.622	--
Revaluation surplus during the period	--	192.244.745
Taxes relating to other comprehensive income or expenses not to be reclassified to profit or loss during the period	--	(36.045.890)
Gains/(losses) on remeasurements of defined benefit plans during the period	(3.807.548)	(18.862.978)
Gains/(losses) on remeasurements of defined benefit plans during the period, deferred tax	1.887.513	4.715.745
End of the period	140.131.587	142.051.622

The Group has estimated that the Group will benefit from the 25% exemption specified in the "Corporate Tax Law" in calculating the deferred tax effect of the revaluation surplus arising from the revaluation of land and buildings, based on the change in estimates realised in the prior period.

Other comprehensive income or expenses to be reclassified to profit or loss

Other comprehensive income or expenses to be reclassified to profit or loss comprise of currency translation differences and the movement for other comprehensive income or expenses to be reclassified to profit or loss is as follows:

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(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL on 30 June 2025, unless otherwise indicated.)

Currency translation differences	30 June 2025	31 December 2024
Beginning of the period - 1 January	(7.599.681)	(10.015.665)
Other comprehensive income	(682.512)	2.415.984
End of the period	(8.282.193)	(7.599.681)

Restricted reserves

The legal reserves consist of the first and second reserves, appropriated under the Turkish Commercial Code ("TCC"). The TCC stipulates that the first legal reserve is appropriated out of statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Group's paid-in share capital. The second legal reserve is appropriated at the rate of 10% per annum of all cash distributions in excess of 5% of the paid-in share capital. The first dividend amount of the Group cannot be less than 20% of the remaining distributable profit after deducting previous years' losses, if any, and legal reserves, taxes, funds and financial payments that are necessary to be allocated from net period profit in accordance per related legislation. Under the TCC, the legal reserves can only be used to offset losses and are not available for any other usage unless they exceed 50% of paid-in share capital.

	30 June 2025	31 December 2024
Beginning of the period - 1 January	77.997.653	106.872.659
Monetary gains/(losses)	--	(28.875.006)
End of the period	77.997.653	77.997.653

Retained earnings

In accordance with the Communiqué No: XI-29 and related announcements of CMB, effective from 1 January 2008, "Share Capital", "Restricted Reserves" and "Share Premiums" shall be carried at their statutory amount. The valuation differences shall be classified as follows:

- The difference arising from the "Paid-in Share Capital" and not been transferred to capital yet, shall be classified under the "Adjustment to Share Capital",
- The difference due to the adjustment of "Restricted reserves" and "Share premium" and the amount that has not been utilized in dividend distribution or capital increase yet, shall be classified under "Retained earnings".

As of 30 June 2025 and 31 December 2024, retained earnings include the following items:

	30 June 2025	31 December 2024
Extraordinary reserves	45.626.727	45.626.727
Transfer from retained earnings	(411.662.209)	(398.483.936)
End of the period	(366.035.482)	(352.857.209)

NOTE 17 – REVENUE AND COST OF SALES

	1.01.2025 30.06.2025	1.04.2025 30.06.2025	1.01.2024 30.06.2024	1.04.2024 30.06.2024
Domestic sales	129.136.377	29.731.152	184.937.406	145.347.861
Foreign sales	207.129.140	150.873.721	160.664.909	91.250.058
Other	3.846.100	3.846.100	--	--
Gross revenue, net	340.111.617	184.450.973	345.602.315	236.597.919
Sales returns/discounts (-)	(38.289.071)	(27.385.865)	(24.454.261)	(12.187.657)
Net revenue	301.822.546	157.065.108	321.148.054	224.410.262
Cost of sales (-)	(226.095.868)	(109.714.772)	(223.205.790)	(157.077.899)
Gross profit	75.726.678	47.350.336	97.942.264	67.332.363

NOTE 18 – EXPENSES BY NATURE

As of 30 June 2025 and 2024, the breakdown of expenses by nature is as follows:

	1.01.2025 30.06.2025	1.04.2025 30.06.2025	1.01.2024 30.06.2024	1.04.2024 30.06.2024
Personnel expenses	(8.642.128)	(3.834.727)	(5.776.794)	(2.984.290)
Maintenance and repair expenses	(2.586.827)	(2.438.835)	(1.729.154)	(1.589.748)
Depreciation and amortisation charges	(1.481.402)	--	(1.452.351)	(133.719)
Consumable costs	(207.867)	(207.867)	(138.948)	(138.948)
Travel and accommodation expenses	(70.786)	--	(47.317)	(47.317)
Rent expenses	(69.450)	--	(46.424)	(10.826)
Consultancy expenses	--	--	(34.633)	(34.633)
Other	(861.065)	(812.538)	(78.828)	(28.840)
Research and development expenses, net	(13.919.525)	(7.293.967)	(9.304.449)	(4.968.321)

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	1.01.2025 30.06.2025	1.04.2025 30.06.2025	1.01.2024 30.06.2024	1.04.2024 30.06.2024
Personnel expenses	(17.731.525)	(8.965.356)	(9.879.263)	(3.065.736)
Test fees and charges	(9.939.662)	(6.125.771)	(6.626.424)	(6.626.424)
Export costs, fees and charges	(6.021.456)	(4.458.014)	(3.763.401)	(2.678.425)
Depreciation and amortisation charges	(5.114.643)	(3.719.032)	(4.871.077)	(2.655.232)
Travel and accommodation expenses	(4.072.126)	(3.657.221)	(2.191.147)	(1.148.191)
Customs duty	(2.272.694)	(2.272.694)	--	--
Tax expenses	(1.321.083)	(1.321.083)	(876.514)	(876.514)
Outsourcing expenses	(1.000.323)	--	(66.291)	(66.291)
Consultancy expenses	(726.663)	(709.790)	(519.043)	(507.334)
Transportation costs	(346.806)	--	(331.725)	--
Fair and exhibition costs	--	--	(215.625)	--
Motor vehicle expenses	--	--	(197.872)	--
Foreign commission expenses	--	--	(75.371)	--
Motor vehicle lease expenses	--	--	(183.758)	(183.758)
Utility expenses	--	--	(192.670)	(192.670)
Other	(3.017.040)	(1.713.405)	(456.980)	476.178
Marketing expenses, net	(51.564.021)	(32.942.366)	(30.447.161)	(17.524.397)

	1.01.2025 30.06.2025	1.04.2025 30.06.2025	1.01.2024 30.06.2024	1.04.2024 30.06.2024
Personnel expenses	(46.459.798)	(28.428.029)	(34.078.219)	(14.457.747)
Audit fees and charges	(3.883.318)	(2.855.441)	(1.518.927)	(767.626)
Depreciation and amortisation charges	(3.404.432)	(1.444.325)	(3.094.930)	(1.572.848)
Taxes, duties and charges	(1.997.498)	(1.516.910)	(1.456.895)	(919.618)
Outsourcing expenses	(1.166.101)	(1.166.101)	--	--
Rent and subscription expenses	(946.614)	(565.119)	(694.341)	(323.653)
Utility expenses	(802.026)	(802.026)	(588.285)	(494.403)
Maintenance and repair expenses	(423.696)	(423.696)	(310.781)	(304.416)
Insurance expenses	(398.590)	(3.514)	(292.365)	--
Travel and accommodation expenses	(114.588)	(114.588)	(84.050)	(64.658)
Bank commissions, fees and charges	--	--	(667.178)	(331.437)
Consultancy expenses	--	--	(1.329.482)	(931.662)
Education costs, fees and charges	--	--	(75.714)	(19.907)
Motor vehicle expenses	--	--	(763.469)	(218.224)
Other	(3.613.575)	(2.317.028)	(1.410.014)	395.557
General administrative expenses, net	(63.210.236)	(39.636.777)	(46.364.650)	(20.010.642)

NOTE 19 – OTHER OPERATING INCOME/(EXPENSES)

As of 30 June 2025 and 2024, the breakdown and details of other operating income/(expenses) are as follows:

	1.01.2025 30.06.2025	1.04.2025 30.06.2025	1.01.2024 30.06.2024	1.04.2024 30.06.2024
Other operating income				
Foreign exchange gains	269.992.401	277.737.250	1.684.001	1.684.001
Provisions no longer required	28.432.859	25.755.363	5.009.583	1.030.016
Discount income	5.294.138	--	3.529.416	451.236
Income from scrap sales	1.772.712	--	1.538.588	1.135.460
Income from government grants and incentives	--	--	4.428.255	798.842
Rent income	--	--	87.106	38.162
Other	5.635.983	--	3.035.486	2.252.815
Income from returns	--	--	163.536	--
Income from reclassifications	2.427.287	--	1.618.187	1.618.187
Other	1.014.825	--	676.547	8.942
Other operating income, net	314.570.205	303.492.613	21.770.705	9.017.661

	1.01.2025 30.06.2025	1.04.2025 30.06.2025	1.01.2024 30.06.2024	1.04.2024 30.06.2024
Other operating expenses				
Foreign exchange losses	(156.374.565)	(110.320.957)	(34.417.503)	(2.932.206)
Discount expenses	(3.160.932)	(3.035.122)	(695.710)	--
Expenses from price revisions	(34.406.640)	(33.383.940)	(7.572.783)	--
Other	(10.659.962)	(10.659.839)	(2.346.220)	(730.824)
Other operating expenses, net	(204.602.099)	(157.399.858)	(45.032.216)	(3.663.030)

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NOTE 20 – GAINS/(LOSSES) FROM INVESTMENT ACTIVITIES

As of 30 June 2025 and 2024, the breakdown and details of gains and losses from investment activities are as follows:

Gains from investment activities				
	1.01.2025	1.04.2025	1.01.2024	1.04.2024
	30.06.2025	30.06.2025	30.06.2024	30.06.2024
Gain on sale of non-current assets	--	--	3.071.764	(258.178)
Gains from investment activities, net	--	--	3.071.764	(258.178)
Losses from investment activities				
	1.01.2025	1.04.2025	1.01.2024	1.04.2024
	30.06.2025	30.06.2025	30.06.2024	30.06.2024
Loss on sale of non-current assets	--	--	(3.858)	(3.858)
Losses from investment activities, net	--	--	(3.858)	(3.858)

NOTE 21 – FINANCIAL INCOME

As of 30 June 2025 and 2024, the breakdown and details of financial income are as follows:

	1.01.2025	1.04.2025	1.01.2024	1.04.2024
	30.06.2025	30.06.2025	30.06.2024	30.06.2024
Financial income				
Interest income	55.337.500	54.612.162	1.353.509	988.531
Foreign exchange gains	--	(9.098)	35.761	32.726
Financial income, net	55.337.500	54.603.064	1.389.270	1.021.257

NOTE 22 – FINANCIAL EXPENSES

As of 30 June 2025 and 2024, the breakdown and details of financial expenses are as follows:

	1.01.2025	1.04.2025	1.01.2024	1.04.2024
	30.06.2025	30.06.2025	30.06.2024	30.06.2024
Financial expenses				
Interest expenses	(76.319.061)	(73.188.368)	(11.456.858)	(7.017.917)
Bank commissions, fees and charges	(300.943)	(300.943)	--	--
Foreign exchange losses	--	--	(373.784)	--
Interest costs from employment termination benefits	--	--	(4.746.128)	(4.746.128)
Financial expenses, net	(76.620.004)	(73.489.311)	(16.576.770)	(11.764.045)

NOTE 23 - NET MONETARY POSITION GAINS/(LOSSES)

Non-monetary items	30 June 2025
Inventories	3.102.016
Property, plant and equipment and intangible assets (net)	18.285.471
Adjustments for inflation – statement of profit or loss	(661.917)
Paid-in share capital	(35.012.575)
Adjustments for inflation – deferred tax	(1.742.812)
Statement of profit or loss items	(5.010.832)
Net monetary position gains/(losses)	(21.040.649)

NOTE 24 – EARNINGS PER SHARE

As of 30 June 2025 and 31 December 2024, the calculation of basic earnings per share is based on the weighted average number of ordinary shares outstanding during the period and the relevant calculation of EPS of Emek Elektrik is as follows:

	01.01.2025	01.01.2024
	30.06.2025	30.06.2024
Earnings per share from continuing operations		
Share of profit or loss from continuing operations	6.261.827	(13.308.006)
Weighted average number of shares with nominal value of TL 1	150.000.000	150.000.000
Earnings per share from continuing operations, net (TL)	0,0417	(0,0887)

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NOTE 25 – RELATED PARTY DISCLOSURES

The current account balances (net book values) of the Group as of the end of the period with its shareholders, having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, including any directors are as follows:

Trade receivables due from related parties	30 June 2025	31 December 2024
Kontrolmatik A.Ş.	9.087.951	45.827.211
Emkel Elektrik	182.493	188.221
Total	9.270.444	46.015.432

Other receivables due from related parties	30 June 2025	31 December 2024
Emek Arge A.Ş.	904.939	--
Emek Set Joint Venture	--	13.266.315
Total	904.939	13.266.315

Advances given to related parties	30 June 2025	31 December 2024
Kontrolmatik A.Ş.	202.846.041	--
Barış Savunma A.Ş.	63.202.184	162.781.386
Emek Arge A.Ş.	15.001.161	18.050.812
Emkel Elektrik	2.831.448	2.297.421
Özar Elektrik	3.071.456	3.583.588
Set Elektromekanik A.Ş.	124.056	--
Total	287.076.346	186.713.207

Trade payables due to related parties	30 June 2025	31 December 2024
Emek Arge A.Ş.	9.000.000	3.500.218
Özar Elektrik	--	374.418
Emek Holding A.Ş.	236.465	275.893
Barmek Holding	--	15.214
Kontrolmatik A.Ş.	--	8.615.155
Total	9.236.465	12.780.898

Advances received from related parties	30 June 2025	31 December 2024
Kontrolmatik A.Ş.	69.178.813	56.627.883
Emek Holding A.Ş.	18.116.397	10.578.867
Total	87.295.210	67.206.750

Other payables due to related parties	30 June 2025	31 December 2024
Kontrolmatik A.Ş.	97.169.340	87.936.546
Total	97.169.340	87.936.546

As of 30 June 2025 and 2024, the Group's sales and purchases (including delay interest and charges) with its shareholders and related parties with which it has indirect shares, management and business relations are as follows:

	01.01.2025	01.01.2024
Sales of goods and services	30.06.2025	30.06.2024
Emek Holding	91.761	123.922
Kontrolmatik A.Ş.	3.278.290	4.427.287
Total	3.370.051	4.551.209

	01.01.2025	01.01.2024
Purchases of goods and services	30.06.2025	30.06.2024
Set Elektromekanik	104.567	141.216
Emek Holding	218.600	295.216
Total	323.167	436.432

Key management compensation

As of 30 June 2025, total key management compensation incurred by Emek Elektrik amounted to TL 2.100.000 (31 December 2024: TL 4.903.893).

EMEK ELEKTRİK ENDÜSTRİSİ ANONİM ŞİRKETİ

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NOTE 26 – NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS

Credit risk management

As of 30 June 2025 and 31 December 2024, the exposure of consolidated financial assets to credit risk is as follows:

	Receivables				Bank deposits (*)	Cash and cash equivalents and other
30 June 2025	Trade Receivables		Other Receivables			
	Related party	Other	Related party	Other		
Maximum exposure to credit risk as of reporting date (A+B+C+D) (1)	9.270.444	337.719.224	904.939	30.975.218	4.262.898	44.839
- Maximum risk, secured with guarantees and collaterals	--	--	--	--	--	--
A. Net book value of neither past due nor impaired financial assets (2)	9.270.444	337.719.224	904.939	30.975.218	4.262.898	44.839
B. Net book value of past due but not impaired financial assets (5)	--	--	--	--	--	--
C. Net book value of impaired assets (3)	--	--	--	--	--	--
- Past due (gross book value)	--	61.449.048	--	4.770.689	--	--
- Impairment (-)	--	(61.449.048)	--	(4.770.689)	--	--
- Secured with guarantees and collaterals	--	--	--	--	--	--
- Not past due (gross book value)	--	--	--	--	--	--
- Impairment (-)	--	--	--	--	--	--
- Secured with guarantees and collaterals	--	--	--	--	--	--
D. Off-balance sheet expected credit losses (4)	--	--	--	--	--	--

(*) Foreign currency/gold/currency-protected TL time deposit accounts in banks and mutual funds are included in the aforementioned table under bank deposits.

The Group's credit and collection risk arises from trade receivables. Trade receivables of the Group is trying to be managed as the credit risk by limiting the transactions with certain parties and continuously evaluating the reliability of the related parties in accordance with the Group's policies and procedures. Total credit risk and trade receivables of the Group is presented in the consolidated statement of financial position less provision for doubtful receivables. The credit risk is diversified as a result of large number of entities comprising the customer bases and the penetration to different business segments.

Credit risks incurred by type of financial instruments

Holding financial instruments also carries the risk that the counterparty will not be able to satisfy to discharge obligations. The Group's collection risk arises mainly from trade receivables. Trade receivables are evaluated in accordance with the Group's policies and procedures and are presented net in the consolidated statement of financial position less doubtful receivables.

The Group has established an effective control system over its customers. The credit risk arising from these transactions is monitored by management, and these risks are limited for each debtor. The Group does not have significant trade receivable risk due to the fact that it has receivables from a large number of customers rather than a small number of customers with significant amounts. Various indicators exist for classifying a receivable as doubtful, including: a) data on uncollectible receivables from previous years, b) the debtor's ability to pay, c) extraordinary conditions arising in the industry and current economic environment, and d) the receivable being subject to litigation due to difficulties in collection.

(1) The Group has no collateral or non-recourse credit commitments from companies that have credit risk.

(2) The Group has no financial assets that are past due but not impaired.

	Receivables				Bank deposits (*)	Cash and cash equivalents and other
31 December 2024	Trade Receivables		Other Receivables			
	Related party	Other	Related party	Other		
Maximum exposure to credit risk as of reporting date (A+B+C+D) (1)	46.015.432	215.290.619	13.266.315	48.311.088	9.629.521	150.406
- Maximum risk, secured with guarantees and collaterals	--	--	--	--	--	--
A. Net book value of neither past due nor impaired financial assets (2)	46.015.432	215.290.619	13.266.315	48.311.088	9.629.521	150.406
B. Net book value of past due but not impaired financial assets (5)	--	--	--	--	--	--
C. Net book value of impaired assets (3)	--	--	--	--	--	--
- Past due (gross book value)	3.920.244	67.774.775	--	5.216.129	--	--
- Impairment (-)	(3.920.244)	(67.774.775)	--	(5.216.129)	--	--
- Secured with guarantees and collaterals	--	--	--	--	--	--
- Not past due (gross book value)	--	--	--	--	--	--
- Impairment (-)	--	--	--	--	--	--
- Secured with guarantees and collaterals	--	--	--	--	--	--
D. Off-balance sheet expected credit losses (4)	--	--	--	--	--	--

(*) Foreign currency/gold/currency-protected TL time deposit accounts in banks and mutual funds are included in the aforementioned table under bank deposits.

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(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL on 30 June 2025, unless otherwise indicated.)

The Group's credit and collection risk arises from trade receivables. Trade receivables of the Group is trying to be managed as the credit risk by limiting the transactions with certain parties and continuously evaluating the reliability of the related parties in accordance with the Group's policies and procedures. Total credit risk and trade receivables of the Group is presented in the consolidated statement of financial position less provision for doubtful receivables. The credit risk is diversified as a result of large number of entities comprising the customer bases and the penetration to different business segments.

Liquidity risk management

Liquidity risk is the risk that an entity will be unable to meet its net funding requirements. The prudent liquidity risk is mitigated by matching the cash in and out flow volume supported by committed lending limits from qualified credit institutions. The Group provides funding by balancing cash inflows and outflows through the provision of credit lines in the business environment. The table below summarizes the maturity profile of the Group's financial liabilities based on undiscounted payments.

30.06.2025

Contractual maturities	Carrying value	Total contractual cash outflows	Demand or up to 3 months	3-12 months	1-5 years
Non-derivative financial liabilities	790.560.849	790.560.849	180.138.063	397.824.947	212.597.839
Bank borrowings	151.772.293	151.772.293	52.280.848	99.491.445	--
Other financial liabilities	212.597.839	212.597.839	--	--	212.597.839
Trade payables	328.956.944	328.956.944	98.687.083	230.269.861	--
Other payables	97.233.773	97.233.773	29.170.132	68.063.641	--

31.12.2024

Contractual maturities	Carrying value	Total contractual cash outflows	Demand or up to 3 months	3-12 months	1-5 years
Non-derivative financial liabilities	274.240	119.827.473	12.698.011	107.129.462	--
Borrowings	--	119.553.233	12.698.011	106.855.222	--
Other financial liabilities	274.240	274.240	--	274.240	--

Foreign exchange risk management

Foreign exchange position

	30 June 2025			
	TL equivalent (Functional currency)	USD	EUR	GBP
1. Trade Receivables	190.082.698	3.818.841	823.000	--
2a. Monetary Financial Assets	593.932	9.646	4.523	--
2b. Non-Monetary Financial Assets	--	--	--	--
3. Other	--	--	--	--
4. Total Current Assets (1+2+3)	190.676.630	3.828.487	827.523	--
5. Trade Receivables	--	--	--	--
6a. Monetary Financial Assets	--	--	--	--
6b. Non-Monetary Financial Assets	--	--	--	--
7. Other	--	--	--	--
8. Total Non-Current Assets (5+6+7)	--	--	--	--
9. Total Assets (4+8)	190.676.630	3.828.487	827.523	--
10. Trade Payables	(4.585.294)	(27.406)	(75.100)	--
11. Financial Liabilities	82.684.428	--	1.776.151	--
12a. Other Monetary Liabilities	58.654.373	1.406.400	59.302	--
12b. Other Non- Monetary Liabilities	--	--	--	--
13. Total Current Liabilities (10+11+12)	136.753.507	1.378.994	1.760.353	--
14. Trade Payables	--	--	--	--
15. Financial Liabilities	403.694.612	--	8.671.795	--
16a. Other Monetary Liabilities	--	--	--	--
16b. Other Non- Monetary Liabilities.	--	--	--	--
17. Total Non-Current Liabilities (14+15+16)	403.694.612	--	8.671.795	--
18. Total Liabilities (13+17)	540.448.119	1.378.994	10.432.148	--
19. Off-Balance Sheet Derivative Instruments Net Asset / (Liability) Position (19a-19b)	--	--	--	--
20. Net Foreign Exchange Asset / (Liability) Position (9-18+19)	(349.771.489)	2.449.493	(9.604.624)	--
21. Monetary Items Net Foreign Exchange Asset / (Liabilities) Position (IFRS 7. B23)	(349.771.489)	2.449.493	(9.604.624)	--
(1+2a+3+5+6a-10-11-12a-14-15-16a)				

EMEK ELEKTRİK ENDÜSTRİSİ ANONİM ŞİRKETİ

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Foreign exchange position	31 December 2024			
	TL equivalent (Functional currency)	USD	EUR	GBP
1. Trade Receivables	104.771.560	551.408	2.322.875	--
2a. Monetary Financial Assets	4.906.234	2.330	131.296	--
2b. Non-Monetary Financial Assets	--	--	--	22.245
3. Other	54.878.639	458.447	1.027.312	--
4. Total Current Assets (1+2+3)	164.556.433	1.012.185	3.481.483	22.245
5. Trade Receivables	--	--	--	--
6a. Monetary Financial Assets	--	--	--	--
6b. Non-Monetary Financial Assets	--	--	--	--
7. Other	--	--	--	--
8. Total Non-Current Assets (5+6+7)	--	--	--	--
9. Total Assets (4+8)	164.556.433	1.012.185	3.481.483	22.245
10. Trade Payables	164.778.661	1.283.682	3.241.196	10.672
11. Financial Liabilities	--	--	--	--
12a. Other Monetary Liabilities	--	--	--	--
12b. Other Non- Monetary Liabilities	24.273.993	6.167	654.732	--
13. Total Current Liabilities (10+11+12)	189.052.654	1.289.849	3.895.928	10.672
14. Trade Payables	--	--	--	--
15. Financial Liabilities	--	--	--	--
16a. Other Monetary Liabilities	--	--	--	--
16b. Other Non- Monetary Liabilities.	--	--	--	--
17. Total Non-Current Liabilities (14+15+16)	--	--	--	--
18. Total Liabilities (13+17)	189.052.654	1.289.849	3.895.928	10.672
19. Off-Balance Sheet Derivative Instruments Net Asset / (Liability) Position (19a-19b)	--	--	--	--
20. Net Foreign Exchange Asset / (Liability) Position (9-18+19)	(24.496.221)	(277.664)	(414.445)	11.573
21. Monetary Items Net Foreign Exchange Asset / (Liabilities) Position (IFRS 7. B23) (1+2a+3+5+6a-10-11-12a-14-15-16a)	(55.100.867)	(729.944)	(787.025)	(10.672)

Exchange rate sensitivity analysis

Exchange rate sensitivity analysis statement		
30.06.2025		
	Profit/Loss	
	Appreciation of foreign currency	Depreciation of foreign currency
Change in USD against TL by 10%		
1- USD Net Asset/Liability	9.734.874	(9.734.874)
2- Hedged portion of USD Risk (-)	--	--
3- USD Net Effect (1+2)	9.734.874	(9.734.874)
Change in EUR against TL by 10%		
4- EUR Net Asset/Liability	(44.712.023)	44.712.023
5- Hedged portion of EUR Risk (-)	--	--
6- EUR Net Effect (4+5)	(44.712.023)	44.712.023
Change in GBP against TL by 10%		
7- GBP Net Asset/Liability	--	--
8- Hedged portion of GBP Risk (-)	--	--
9- GBP Net Effect (7+8)	--	--
Total	(34.977.149)	34.977.149

EMEK ELEKTRİK ENDÜSTRİSİ ANONİM ŞİRKETİ

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2025

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Exchange rate sensitivity analysis statement		
31.12.2024		
	Profit/Loss	
	Appreciation of foreign currency	Depreciation of foreign currency
Change in USD against TL by 10%		
1- USD Net Asset/Liability	(5.948.569)	5.948.569
2- Hedged portion of USD Risk (-)	--	--
3- USD Net Effect (1+2)	(5.948.569)	5.948.569
Change in EUR against TL by 10%		
4- EUR Net Asset/Liability	(13.442.356)	13.442.356
5- Hedged portion of EUR Risk (-)	--	--
6- EUR Net Effect (4+5)	(13.442.356)	13.442.356
Change in GBP against TL by 10%		
7- GBP Net Asset/Liability	119.327	(119.327)
8- Hedged portion of GBP Risk (-)	--	--
9- GBP Net Effect (7+8)	119.327	(119.327)
Total	(19.271.598)	19.271.598

NOTE 27 – EVENTS AFTER THE REPORTING PERIOD

None.