

**YEO TEKNOLOJİ ENERJİ VE ENDÜSTRİ ANONİM ŞİRKETİ
AND ITS SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 30 JUNE 2024
TOGETHER WITH THE AUDITOR'S REVIEW REPORT**

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

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

YEO TEKNOLOJİ ENERJİ VE ENDÜSTRİ ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY- 30 JUNE 2024

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**CONVENIENCE TRANSLATION INTO ENGLISH OF THE AUDITOR’S REVIEW REPORT
ORIGINALLY ISSUED IN TURKISH**

REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL INFORMATION

To the General Assembly of YEO Teknoloji Enerji ve Endüstri Anonim Şirketi

Introduction

We have reviewed the accompanying consolidated statement of financial position of YEO Teknoloji Enerji ve Endüstri Anonim Şirketi (the “Company” or “YEO Teknoloji”) and its subsidiaries (the “Group”) as at 30 June 2024, the consolidated statement of profit or loss, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows and other explanatory notes for the six-month period then ended (“interim consolidated financial information”). The management of the Group is responsible for the preparation and fair presentation of this interim consolidated financial information in accordance with Turkish Accounting Standard 34 (“TAS 34”) “Interim Financial Reporting”. Our responsibility is to express a conclusion on this interim consolidated financial information based on our review.

Scope of Review

We conducted our review in accordance with the Standard on Review Engagements (“SRE”) 2410, “Review of interim consolidated financial information performed by the independent auditor of the entity”. A review of interim consolidated financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and the objective of which is to express an opinion on the financial statements. Consequently, a review on the interim consolidated financial information does not provide assurance that the audit firm will be aware of all significant matters which would have been identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of YEO Teknoloji Enerji ve Endüstri Anonim Şirketi (the “Company” or “YEO Teknoloji”) and its subsidiaries (the “Group”) as at 30 June 2024, and its consolidated financial performance and its consolidated cash flows for the six-month period then ended in accordance with TAS 34.

GÜRELİ YEMİNLİ MALİ MÜŞAVİRLİK VE BAĞIMSIZ DENETİM HİZMETLERİ A.Ş.
An Independent Member of BAKER TILLY INTERNATIONAL

Metin Etkin
Partner

İstanbul, 30 September 2024

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

YEO TEKNOLOJİ ENERJİ VE ENDÜSTRİ ANONİM ŞİRKETİ

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2024 AND 31 DECEMBER 2023

(Amounts on tables expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Notes	Reviewed current period 30.06.2024	Audited Prior period 31.12.2023
ASSETS			
Current Assets		5.537.628.356	5.488.136.565
Cash and Cash Equivalents	6	784.744.164	1.015.965.560
Financial Investments	7	62.166.740	848.344
Trade Receivables	10	1.312.344.294	657.334.912
<i>Third Parties</i>	10	1.239.579.860	628.941.035
<i>Related Parties</i>	10,38	72.764.434	28.393.877
Other Receivables	11	273.363.646	37.941.971
<i>Third Parties</i>		264.311.798	30.955.572
<i>Related Parties</i>		9.051.848	6.986.399
Contract Assets	12	2.100.925.062	2.548.955.568
Inventories	13	110.248.328	173.582.222
Prepaid Expenses	15	822.687.522	636.955.692
Current Income Tax Assets	26	1.846.477	1.187.072
Other Current Assets	27	69.302.123	415.365.224
Total		5.537.628.356	5.488.136.565
Non-Current Assets		2.012.605.514	1.890.372.354
Financial Investments	7	16.219.169	16.219.169
Investments Accounted for Using the Equity Method	16	20.103.571	1.855.382
Property, Plant and Equipment	18	1.399.241.968	1.309.916.162
Intangible Assets	20	403.821.793	381.629.466
<i>Goodwill</i>	20	401.081.127	380.041.268
<i>Other Intangible Assets</i>	20	2.740.666	1.588.198
Right of Use Assets	19	84.513.234	95.183.202
Deferred Tax Assets	36	5.840.002	2.991.039
Other Non-Current Assets	27	82.865.777	82.577.934
TOTAL ASSETS		7.550.233.870	7.378.508.919

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

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

YEO TEKNOLOJİ ENERJİ VE ENDÜSTRİ ANONİM ŞİRKETİ
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2024 AND 31 DECEMBER 2023

(Amounts on tables expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Notes	Reviewed current period 30.06.2024	Audited Prior period 31.12.2023
LIABILITIES			
Current Liabilities		4.182.699.234	4.295.454.059
Short-Term Borrowings	8	563.925.643	561.780.301
Short-Term Portion of Long-Term Borrowings	8	431.526.929	125.551.951
Lease Liabilities	8	860.468	1.792.284
Trade Payables	10	1.477.829.080	1.274.599.638
<i>Third Parties</i>	10	1.100.621.337	998.030.435
<i>Related Parties</i>	10,38	377.207.743	276.569.203
Employee Benefits	21	69.708.364	79.592.704
Other Payables	11	367.507.642	429.977.395
<i>Third Parties</i>	11,38	4.157.082	3.363.756
<i>Related Parties</i>	11,38	363.350.560	426.613.639
Deferred Income	15	1.243.260.997	1.767.190.220
Current Income Tax Liabilities	26	11.584.617	37.623.599
Short-Term Provisions	23	16.495.494	17.345.967
<i>Other Short-Term Provisions</i>		76.947	37.725
<i>Short-Term Provisions for Employee Benefits</i>		16.418.547	17.308.242
Total		4.182.699.234	4.295.454.059
Non-Current Liabilities		1.526.905.656	1.504.826.537
Long-Term Borrowings	8	981.976.026	1.074.479.438
Lease Liabilities	8	66.157.930	78.202.950
Long-Term Provisions	25	18.265.252	17.312.354
<i>Long-Term Provisions for Employee Benefits</i>		18.265.252	17.312.354
Deferred Tax Liabilities	36	460.506.448	334.831.795
EQUITY		1.840.628.980	1.578.228.323
Equity Holders of the Parent	28	1.814.294.352	1.536.357.485
Paid-in Share Capital		96.000.000	96.000.000
Adjustment to Share Capital		201.584.594	201.584.594
Share Premium		148.948.048	148.948.048
Other comprehensive income or expenses not to be reclassified to profit or loss	28	61.661.845	95.024.739
Other comprehensive income or expenses to be reclassified to profit or loss		12.519.068	9.579.303
Restricted Reserves		13.144.245	10.321.612
Retained Earnings		972.076.556	445.049.164
Profit for the Period		308.359.996	529.850.025
Non-Controlling Interests		26.334.628	41.870.838
TOTAL LIABILITIES AND EQUITY		7.550.233.870	7.378.508.919

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

CONVENIENCE TRANSLATION INTO ENGLISH OF THE
CONSOLIDATED
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YEO TEKNOLOJİ ENERJİ VE ENDÜSTRİ ANONİM ŞİRKETİ

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
FOR THE INTERIM PERIODS ENDED 30 JUNE 2024 AND 2023

(Amounts on tables expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Notes	Reviewed current period 01.01.2024 30.06.2024	Unreviewed current period 01.04.2024 30.06.2024	Reviewed prior period 01.01.2023 30.06.2023	Unreviewed prior period 01.04.2023 30.06.2023
Revenue	29	3.245.771.462	1.768.195.754	1.949.283.616	933.506.862
Cost of Sales (-)	29	(2.244.961.093)	(1.186.407.312)	(1.564.144.706)	(748.025.423)
Gross Profit from Non-Finance Sector Operations		1.000.810.369	581.788.442	385.138.910	185.481.439
GROSS PROFIT		1.000.810.369	581.788.442	385.138.910	185.481.439
Marketing, Sales and Distribution Expenses (-)	31	(77.054.149)	(56.653.149)	(64.826.450)	(47.219.773)
General Administrative Expenses (-)	31	(113.217.211)	(65.492.747)	(59.434.056)	(33.955.451)
Research and Development Expenses (-)	31	(37.230.277)	(17.578.236)	(5.150.985)	(3.177.842)
Other Operating Income	32	450.876.996	152.409.778	204.401.836	140.936.311
Other Operating Expenses (-)	32	(404.287.611)	(240.784.663)	(206.338.337)	(148.540.252)
OPERATING PROFIT		819.898.117	353.689.425	253.790.918	93.524.432
Share of profit/loss of investments accounted for using the equity method		2.228.838	685.523	(1.219.941)	(4.660.248)
Gains from investment activities	33	52.468.185	37.610.841	103.345.579	76.845.848
Losses from investment activities (-)	33	(2.856.909)	(2.856.909)	(344.119)	-
OPERATING PROFIT BEFORE FINANCIAL INCOME/(EXPENSE)		871.738.231	389.128.880	355.572.437	165.710.032
Financial Income	34	69.201.047	9.057.075	150.711.828	150.711.828
Financial Expenses (-)	34	(228.013.002)	(136.959.713)	(151.889.305)	(114.304.905)
Monetary Gains/Losses		(196.170.185)	(176.856.044)	(67.031.683)	(38.267.385)
PROFIT BEFORE TAX		516.756.091	84.370.198	287.363.277	163.849.570
Tax income/(expense)		(231.685.419)	(59.909.768)	(176.548.790)	(117.698.993)
-Current period tax expense	36	(18.280.030)	(10.636.608)	(25.598.717)	(25.573.417)
-Deferred income tax	36	(213.405.389)	(49.273.160)	(150.950.073)	(92.125.576)
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		285.070.672	24.460.430	110.814.487	46.150.577
DISCONTINUED OPERATIONS					
Profit After Tax					
PROFIT FOR THE PERIOD		285.070.672	24.460.430	110.814.487	46.150.577
Attributable to					
Non-Controlling Interests		(23.289.324)	(16.875.800)	(43.012.089)	(39.040.675)
Equity Holders of the Parent		308.359.996	41.336.230	153.826.576	85.191.252
Earnings Per Share					
Earnings Per Share from Continuing Operations		2.9695	0.2548	1.1543	0.4807

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

CONVENIENCE TRANSLATION INTO ENGLISH OF
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TURKISH

YEO TEKNOLOJİ ENERJİ VE ENDÜSTRİ ANONİM
ŞİRKETİ

CONSOLIDATED STATEMENTS OF OTHER
COMPREHENSIVE INCOME
FOR THE INTERIM PERIODS ENDED 30 JUNE 2024
AND 2023

(Amounts on tables expressed in Turkish Lira ("TL") unless
otherwise indicated.)

		Reviewed current period 01.01.2024 30.06.2024	Unreviewed current period 01.04.2024 30.06.2024	Reviewed prior period 01.01.2023 30.06.2023	Unreviewed prior period 01.04.2023 30.06.2023
	Notes				
PROFIT FOR THE PERIOD	36	285.070.672	24.460.430	110.814.487	46.150.577
OTHER COMPREHENSIVE INCOME					
Items not to be reclassified to profit or loss		(33.362.894)	(1.393.436)	(196.002)	(1.184.716)
Property, plant and equipment revaluation surplus		(32.642.233)	-	-	-
Gains/(losses) on remeasurements of defined benefit plans	25	(960.881)	(1.857.915)	(261.336)	(1.497.228)
Taxes relating to other comprehensive income not to be reclassified to profit or loss	25	240.220	464.479	65.334	312.513
-Current period tax expense		-	-	-	-
-Deferred income tax		240.220	464.479	65.334	312.513
Items to be reclassified to profit or loss		10.692.879	165.687	(2.495.256)	773.409
Currency translation differences	28	10.692.879	165.687	(2.495.256)	773.409
OTHER COMPREHENSIVE INCOME		(22.670.015)	(1.227.749)	(2.691.258)	(411.307)
TOTAL COMPREHENSIVE INCOME		262.400.657	23.232.681	108.123.229	45.739.270
Attributable to					
Non-Controlling Interests		(15.536.210)	30.996.772	(48.663.348)	(42.925.126)
Equity Holders of the Parent		277.936.867	(7.764.091)	156.786.577	88.664.396

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YEO TEKNOLOJİ ENERJİ VE ENDÜSTRİ ANONİM ŞİRKETİ

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE INTERIM PERIODS ENDED 30 JUNE 2024 AND 2023

(Amounts on tables expressed in Turkish Lira ("TL") unless otherwise indicated.)

					Items not to be reclassified to profit or loss	Items to be reclassified to profit or loss			Retained earnings				
	Notes	Paid-in share capital	Share premium	Adjustment to share capital	Gains/(losses) on remeasurements of defined benefit plans	Other gains/losses	Currency translation differences	Restricted reserves	Prior years' income	Profit for the Period	Equity holders of the parent	Non- controlling interests	Total equity
Reviewed prior period													
Balances at 1 January 2023 (Beginning of the period)	28	96.000.000	148.947.650	201.583.798	(2.923.069)	-	3.249.037	7.678.297	191.849.815	255.840.430	902.225.958	25.307.553	927.533.511
Transfers	28	-	-	-	-	-	-	96.624	255.743.806	(255.840.430)	-	-	-
Total comprehensive income		-	-	-	(196.003)	-	3.156.004	-	-	153.826.576	156.786.577	(48.663.348)	108.123.229
- Profit for the period	28	-	-	-	-	-	-	-	-	153.826.576	153.826.576	(43.012.089)	110.814.487
- Other comprehensive income		-	-	-	(196.003)	-	3.156.004	-	-	-	2.960.001	(5.651.259)	(2.691.258)
Balances at 30 June 2023 (End of the period)	28	96.000.000	148.947.650	201.583.798	(3.119.072)	-	6.405.041	7.774.921	447.593.621	153.826.576	1.059.012.535	(23.355.795)	1.035.656.740
Reviewed current period													
Balances at 1 January 2024 (Beginning of the period)	28	96.000.000	148.948.048	201.584.594	(6.510.288)	101.535.027	9.579.303	10.321.612	445.049.164	529.850.025	1.536.357.485	41.870.838	1.578.228.323
Transfers		-	-	-	-	-	-	2.822.633	527.027.392	(529.850.025)	-	-	-
Total comprehensive income	28	-	-	-	(720.661)	(32.642.233)	2.939.765	-	-	308.359.996	277.936.867	(15.536.210)	262.400.657
- Profit for the period	28	-	-	-	-	-	-	-	-	308.359.996	308.359.996	(23.289.324)	285.070.672
- Other comprehensive income	28	-	-	-	(720.661)	(32.642.233)	2.939.765	-	-	-	(30.423.129)	7.753.114	(22.670.015)
Balances at 30 June 2024 (End of the period)	28	96.000.000	148.948.048	201.584.594	(7.230.949)	68.892.794	12.519.068	13.144.245	972.076.556	308.359.996	1.814.294.352	26.334.628	1.840.628.980

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

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

YEO TEKNOLOJİ ENERJİ VE ENDÜSTRİ ANONİM ŞİRKETİ

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE INTERIM PERIODS ENDED 30 JUNE 2024 AND 2023

(Amounts on tables expressed in Turkish Lira ("TL") unless otherwise indicated.)

		Reviewed current period	Reviewed prior period
		01.01.2024	01.01.2023
Notes		30.06.2024	30.06.2023
A) CASH FLOWS FROM OPERATING ACTIVITIES			
PROFIT FOR THE PERIOD		(119.552.267)	315.499.127
Profit for the Period from Continuing Operations		285.070.672	110.814.487
Adjustments to reconcile profit for the period to cash generated from operating activities		436.276.228	295.272.054
Depreciation and amortisation	17,18	37.058.030	13.289.113
Adjustments for Impairment Loss (Reversal)		(1.029.559)	(1.250.998)
Adjustments for Receivables Impairment (Reversal)	10,11	(607.550)	(51.728)
Adjustments for Inventory Impairment (Reversal)	13	(422.009)	(1.199.270)
Adjustments for Provisions		768.856	8.379.933
Adjustments for Provision for Employee Benefits (Reversal)	24	729.634	8.390.195
Adjustments for Provision for Litigations or Lawsuits, Penalties (Reversal)	22	39.222	(10.262)
Adjustments for interest income and expenses		120.746.027	29.417.055
Adjustments for Unearned Financial Income from Term Sales (reversal)	10	66.044.826	5.076.100
Adjustments for Deferred Financial Expense from Term Purchases (reversal)	10	(82.057.028)	(12.241.092)
Adjustments for interest expenses	33	136.758.229	36.582.047
Adjustments for losses/(gains) on disposal of non-current assets	32	(2.844.095)	(764.743)
Property, plant and equipment	32	(2.844.095)	(764.743)
Adjustments for undistributed profits of investments accounted for using the equity method	16	(18.248.189)	1.950.813
Adjustments for tax income/expense	35	231.685.419	176.548.790
Net monetary position gains/losses		68.139.739	67.702.091
Changes in Working Capital		(657.013.143)	(38.698.242)
Changes in Financial Investments	7	(61.318.396)	(610.658.422)
Adjustments for Gains/(Losses) on Trade Receivables	10	(720.446.658)	185.266.817
Third Parties		(676.076.101)	201.348.394
Related Parties		(44.370.557)	(16.081.577)
Adjustments for Gains/(Losses) on Other Receivables Related to Operations	11	(235.421.675)	8.235.835
Third Parties		(233.356.226)	1.256.200
Related Parties		(2.065.449)	6.979.635
Adjustments for Gains/(Losses) on Contract Assets	12	448.030.506	(654.198.611)
Contract assets from construction contracts in progress		448.030.506	(654.198.611)
Contract assets from service contracts			
Changes in Inventories	13	63.755.903	(314.243.523)
Adjustments for gains/(losses) on Trade Payables	10	285.286.470	452.844.039
Third Parties		184.647.930	403.180.032
Related Parties		100.638.540	49.664.007
Adjustments for Gains/(Losses) on Other Payables Related to Operations	11	(62.469.753)	3.355.560
Third Parties		(62.469.753)	3.355.560
Adjustments for gains/(losses) on payables due to employee benefits	20	(9.884.340)	5.457.412
Changes in Prepaid Expenses	15	(185.731.830)	(226.051.515)
Other adjustments for increase/(decrease) in other working capital	26	345.115.853	(256.807.254)
Gains/(Losses) on Other Assets from Operations		345.115.853	(256.807.254)
Changes in Deferred Income	15	(523.929.223)	1.368.101.420
Cash Flows from Operating Activities		64.333.757	367.388.299
Income Taxes Refund/Paid		(45.500.483)	(14.147.643)
Interest Received		(136.758.229)	(36.582.047)
Payments within Provisions for Employee Benefits	22,24	(1.627.312)	(1.159.482)
Cash Flows from Operating Activities		(119.552.267)	315.499.127
B) CASH FLOWS FROM INVESTING ACTIVITIES			
Cash outflows from purchase of property, plant and equipment and intangible assets	18,19	(126.273.477)	(496.715.571)
Cash flows from investing activities		(126.273.477)	(496.715.571)
C) CASH FLOWS FROM FINANCING ACTIVITIES			
Cash inflows from borrowings		215.437.825	706.575.654
Cash outflows from lease liabilities		(2.306.868)	(4.418.775)
Cash flows from financing activities		213.130.957	702.156.879
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE CHANGES		(32.694.787)	520.940.435
Inflation effect on cash and cash equivalents		(201.466.374)	(91.765.176)
D) EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		2.939.765	3.156.005
Net Increase/(Decrease) in Cash and Cash Equivalents		(231.221.396)	432.331.264
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	6	1.015.965.560	178.722.820
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	6	784.744.164	611.054.084

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

YEO TEKNOLOJİ ENERJİ VE ENDÜSTRİ ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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

(Amounts are expressed in Turkish Lira unless otherwise indicated.)

NOTE 1 - GROUP'S ORGANISATION AND NATURE OF OPERATIONS

Yeo Teknoloji Enerji ve Endüstri Anonim Şirketi (the "Company" or "Yeo Teknoloji") was established on 6 August 2004 in İstanbul, Türkiye.

The registered address of Yeo Teknoloji is as follows:

Esentepe Mahallesi, Kelebek Sokak, Marmara Kule Sitesi B Blok No 2/1/1 Kartal/ İSTANBUL

Yeo Teknoloji's business activities include ensuring all kinds of electrical contracting works both in Türkiye and abroad, design projects, undertake projects, operating construction, mechanical, assembly and installation works and to provide all kinds of maintenance and operation services. In addition, Yeo Teknoloji undertakes all works related to the design, project planning, all programming of electrical - automation systems of industrial facilities and machines, manufacturing of panels, assembly and commissioning of the relevant systems. Yeo Teknoloji realises the operation of electrical, mechanical and automation works of all kinds of machinery, facilities and places such as factories, shopping malls, hotels and residences.

As of 30 June 2024 and 31 December 2023, the principal shareholders and their respective shareholding rates in Yeo Teknoloji are as follows:

	30.06.2024		31.12.2023	
	Amount	Share (%)	Amount	Share (%)
Tolunay Yıldız	13.336.384	13.9	13.336.384	13.9
Orhan Yıldız	13.336.384	13.9	13.336.384	13.9
Özbey Yıldız	13.330.272	13.9	13.330.272	13.9
Barış Esen	6.112.000	6.4	6.112.000	6.4
Sinan Karahan	6.112.000	6.4	6.112.000	6.4
Yasin Düven	6.112.000	6.4	6.112.000	6.4
Caner Karataş	2.780.960	2.9	2.780.960	2.9
Listed shares (Other)	34.880.000	36.2	34.880.000	36.2
Total share capital	96.000.000	100	96.000.000	100
Unpaid share capital	-		-	
Total paid-in share capital	96.000.000		96.000.000	

The subsidiaries ("Subsidiaries") and associates ("Associates") included in the consolidation scope of Yeo Teknoloji, their country of incorporation, their respective business segments and ownership interests are as follows:

Subsidiaries and Associates	Country of incorporation	Effective ownership interests held by Yeo Teknoloji (%)		Nature of business
		30 June 2024	31 December 2023	
		2024	2023	
Yeo Energy Industry Solutions (2)	Uzbekistan	100%	100%	Energy Production
Marınergy Yenilenebilir Enerji İnş.ve Tic. A.Ş. (3)	Türkiye	100%	100%	Energy Production
Mikrohes Teknoloji Enerji Sanayi ve Ticaret A.Ş. (4)	Türkiye	50%	50%	Energy Production
Yeo Teknoloji Enerji ve Endüstri A.Ş.-Özbekistan Şube (5)	Uzbekistan	100%	100%	Energy Production
Nicat Batarya Teknolojileri Kimyasalları Üretim Yapay Zeka Yazılım Bil. Arge San.ve Tic. A.Ş.(6)	Türkiye	10%	10%	Battery Technology
Yeo Technology and Energy Srl(7)	Romania	100%	100%	Energy Production
Grid Technologies Llc(8)	Azerbaijan	50%	50%	Energy Production
Reap Batarya Teknolojileri A.Ş. (9)	Türkiye North	100%	100%	Battery Technology
Yeo Technology And Energy Industry Doo (10)	Macedonia	100%	100%	Energy Production
Yeo Tehcnology BV (11)	Netherlands	100%	100%	Energy Production
Iss Integrated Systems Solutions (12)	Azerbaijan	99%	99%	Energy Production
Yeo Hydrogen Gmbh (13)	Germany	75%	75%	Energy Production
Yeo Technologie Energie Gmbh (14)	Germany	100%	100%	Energy Production
Yeo Energia Poland(19)	Poland	100%	100%	Energy Production
Brandit A.Ş.(22)	Türkiye United Kingdom	51%	51%	Technology Consulting
ReY Energy Ltd (25)	Kingdom	50%	50%	Energy Production
Irak Şubesi (26)	Iraq	100%	100%	Energy Production
Too Yeo Energy Industry Solutions (27)	Kazakhstan	100%	100%	Energy Production
YEO Energy Industry and Solutıon LLC (30)	Mongolia	100%	-	Energy Production
Elberton Solar Farm Inc. (31)	United States	100%	-	Energy Production

YEO TEKNOLOJİ ENERJİ VE ENDÜSTRİ ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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

(Amounts are expressed in Turkish Lira unless otherwise indicated.)

Seiso Enerji Sistemleri A.Ş. (32)	Türkiye	49%	-	Energy Production
Yeo Enerji Yatırımları A.Ş.(1)	Türkiye	100%	100%	Energy Production
Bluetech 1 Solar (21) ¹	Bulgaria	100%	100%	Energy Production
Bluetech 2 Solar (21) ²	Bulgaria	100%	100%	Energy Production
Oreon Renewables Ltd (28)	Tanzania	85%	-	Energy Production
Cooma Solar Power Plant Ltd (29)	Zambia	60%	-	Energy Production
North Wind Energy (33)	North Macedonia	100%	-	Energy Production
Defic Globe Enerji A.Ş. (15)	Türkiye	51%	51%	Energy Production
Defic İtaly Srl (16)	Italy	100%	100%	Energy Production
Tolalp Energy Srl (17) ¹	Italy	100%	100%	Energy Production
Yiltun Energy Srl (17) ²	Italy	100%	100%	Energy Production
Rb Solar Srl (17) ³	Italy	100%	100%	Energy Production
Defic Globe Srl (18)	Romania	100%	100%	Energy Production
Future PV Srl (20)	Romania	100%	-	Energy Production
Luce Verde (23)	Romania	100%	-	Energy Production
Green Energy (34)	Romania	100%	-	Energy Production

(1) Yeo Enerji Yatırımları A.Ş. was established by Yeo Teknoloji Enerji ve Endüstri A.Ş. as a subsidiary of the Company with the effective ownership interest rate of 100% on 13 November 2015. Yeo Enerji Yatırımları's share capital is amounting to TL 50.000.

In accordance with the decision of the General Assembly on 26 September 2022, the current issued share capital of the subsidiary was increased to TL 5.000.000 by increasing TL 4.950.000. The relevant share capital increase has been paid from due from shareholders in cash. The decision of the General Assembly regarding share capital increase was published in Official Gazette on 3 October 2022.

In accordance with the decision of the General Assembly on 31 October 2022, the current issued share capital of the subsidiary was increased to TL 100.000.000 by increasing TL 95.000.000. The share capital amount of TL 23.750 was paid before the registration date and the remaining amount will be paid within 24 months. The decision of the General Assembly regarding share capital increase was published in Official Gazette on 11 November 2022.

In accordance with the decision of the General Assembly on 18 July 2023, the current issued share capital of the subsidiary was increased to TL 200.000.000 by increasing TL 100.000.000. The increased amount of TL 21.986.884,86 has been paid from due from shareholders account and the amount of TL 78.013.115,14 has been paid in cash. The decision of the General Assembly regarding share capital increase was published in Official Gazette on 27 July 2023.

(2) Yeo Teknoloji's effective ownership interest rate has been changed following the acquisition of a subsidiary due to change of control with 100% of Yeo Energy Industry Solutions shares on 1 April 2021 established in Uzbekistan. The issued share capital of the subsidiary is amounting to UZS 520.000.000.

(3) The Company became a subsidiary of Mariner Energy Yenilenebilir Enerji İnşaat following the acquisition of 50% ownership interest which was established on 22 January 2021.

Regarding the acquisition of a total of 20.000 outstanding shares, corresponding to 50% effective ownership interest rate of Mariner Energy Yenilenebilir Enerji İnş. Ve Tic. A.Ş.'s share capital, the associate of the Company, by paying a total amount of TL 67.692 to the acquiree, the "Share Transfer Agreement" was signed between the Company ("Acquirer") and Mariner Energy ("Acquiree"). The aforementioned share transfer agreement and relevant transactions were completed on 9 December 2022. As of the aforementioned date, the effective ownership interest rate has changed following the acquisition of 50% Mariner Energy Yenilenebilir Enerji's shares and total effective ownership interest rate in Mariner Energy Yenilenebilir is 100%.

(4) The Company became a subsidiary of Mikrohes Araştırma Geliştirme İnovasyon Enerji İnşaat Sanayi Ve Ticaret Limited Şirketi following the acquisition of 50% Mikrohes's shares on 21 December 2021. The current issued share capital of Mikrohes is amounting to TL 110.000.

(5) The Company was established a branch regarding operating activities and projects in Uzbekistan with the title of "Yeo Teknoloji Enerji ve Endüstri A.Ş." on 23 August 2021.

(6) The Company became a subsidiary of Nicat Batarya Teknolojileri Kimyasalları Üretim Yapay Zeka Yazılım Bilişim Arge Sanayi ve Ticaret A.Ş. following the acquisition of 10% Nicat Batarya's shares on 16 May 2022.

(7) In accordance with the decision of the General Assembly on 14 November 2022, it was decided to establish a subsidiary with the effective ownership interest rate of 100% in Romania. The current issued share capital of the subsidiary is amounting to RON 30.000. The nature of business of the subsidiary is to carry out development activities and extend Company's nature of business in Romania. As of the balance sheet date, the establishment procedures of the subsidiary were completed but the Company has not started its operations yet.

YEO TEKNOLOJİ ENERJİ VE ENDÜSTRİ ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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

(Amounts are expressed in Turkish Lira unless otherwise indicated.)

(8) The Company was decided to establish a subsidiary with the effective ownership interest rate of 50% in Azerbaijan with the title of “Grid Technologies LLC”. The current issued share capital of the subsidiary is amounting to AZN 500. The nature of business of the subsidiary is to carry out development activities and extend Company’s nature of business in Azerbaijan. As of the balance sheet date, the establishment procedures of the subsidiary were completed but the Company has not started its operations yet.

(9) In accordance with the decision of the General Assembly on 20 November 2022, it was decided to establish a subsidiary with the effective ownership interest rate of 100% in Kartal-İstanbul/Türkiye with the title of “Reap Batarya Teknolojileri Anonim Şirketi”. The current issued share capital of the subsidiary is amounting to TL 20.000.000. Reap Batarya’s business activities include ensuring operations in the fields of research and development, design and engineering, supply and production, operation and maintenance services in energy storage systems. The establishment procedures of the subsidiary were completed. The establishment of Reap Batarya was published in Official Gazette on 29 November 2022.

(10) In accordance with the decision of the General Assembly on 12 December 2022, it was decided to establish a subsidiary with the effective ownership interest rate of 100% in North Macedonia with the title of “Yeo Technology And Energy Srl”. The current issued share capital of the subsidiary is amounting to EUR 25.000. The nature of business of the subsidiary is to carry out development activities and extend Company’s nature of business in North Macedonia. As of the balance sheet date, the establishment procedures of the subsidiary were completed but the Company has not started its operations yet.

(11) In accordance with the decision of the Board of Directors on 7 December 2021, it was decided to establish a subsidiary with the effective ownership interest rate of 100% with the title of “YEO Technology B.V.” in Netherlands to carry out business development activities in Europe and other foreign geographies and to take part more actively in their nature of business. YEO Technology B.V.’s current issued share capital is amounting to EUR 50.000.

(12) In accordance with the decision of the Board of Directors of Yeo Tehcnology BV on 3 February 2022, it was decided to acquire the shares of 99% of Iss Integrated Systems Solution, which was established in Azerbaijan in 2013, by Yeo Tehcnology BV. The relevant acquisition and transfer of shares were realized with a nominal value on 19 February 2022.

(13) In accordance with the decision of the General Assembly on 16 May 2022, it was decided to establish a subsidiary with the effective ownership interest rate of 100% and 75% of the Company and Yeo Tehcnology BV, respectively with the title of “Yeo Hydrogen GmbH” in Germany to carry out business development activities in Europe and other foreign geographies and to take part more actively in their nature of business. Yeo Hydrogen GmbH’s current issued share capital is amounting to EUR 25.000. As of the balance sheet date, the establishment procedures of the subsidiary were completed but the Company has not started its operations yet.

(14) In accordance with the decision of the General Assembly on 16 May 2022, it was decided to establish a subsidiary with the effective ownership interest rate of 100% of the Company and Yeo Tehcnology BV, respectively with the title of “Yeo Technologie Energie GmbH” in Germany to carry out business development activities in Europe and other foreign geographies and to take part more actively in their nature of business. Yeo Technologie Energie GmbH’s current issued share capital is amounting to EUR 25.000. As of the balance sheet date, the establishment procedures of the subsidiary were completed but the Company has not started its operations yet.

(15) The Company was decided to establish a company with the title of DEFIC Globe Enerji on 3 January 2022. DEFIC’s business activities include developing licenses for renewable energy projects abroad, providing turnkey construction to investors, to offer ready-made projects with project licenses, including financing the relevant projects. The Company is the subsidiary of the Yeo Teknoloji and the effective ownership interest held by Yeo Teknoloji is 51%.

(16) The Company was decided to establish a subsidiary with the title of Defic İtaly Srl in 2022 with the effective ownership interest rate of 51% and 100% of the Company and DEFIC Globe Enerji A.Ş., respectively. Defic İtaly’s business activities include carry out business development activities in Italy and other foreign geographies and to take part more actively in their nature of business. The current issued share capital of Defic İtaly is amounting to EUR 10.000.

(17) The Company was decided to establish a 3 (three) subsidiaries with the titles of “Rb Solar Srl (17)¹”, “Tolalp Energy Srl(17)²” and “Yiltun Energy Srl (17)³”, in 2022 with the effective ownership interest rate of 51%,100% and 100% of the Company, DEFIC Globe Enerji A.Ş. and Defic İtaly Srl, respectively. Business activities of the subsidiaries include carry out business development activities in Italy and other foreign geographies and to take part more actively in their nature of business. The current issued share capitals of the subsidiaries are amounting to EUR 10.000.

(18) The Company was decided to establish a subsidiary with the title of Defic Globe Srl on 25 November 2022 with the effective ownership interest rate of 51% and 100% of the Company and DEFIC Globe Enerji A.Ş., respectively. Defic Globe Srl’s business activities include carry out business development activities in Romania and other foreign geographies and to take part more actively in their nature of business. The current issued share capital of Defic Globe Srl is amounting to RON 30.000.

(19) The Company acquired “Yeo Energia Poland” as its subsidiary with 100% effective ownership interest for the purpose of business development and operational activities in Poland amounting to PLN 25.000 on 19 January 2023. As of the balance sheet date, the establishment procedures of the subsidiary were completed but the Company has not started its operations yet.

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(Amounts are expressed in Turkish Lira unless otherwise indicated.)

(20) Defic Globe Enerji, the subsidiary of the Group with 51% effective ownership interest, acquired “Future PV S.R.L.” amounting to TL 48.359.096 for the purpose of business development and operational activities in Caracal/Romania on 1 February 2023. Future PV’s business activities include ensuring electricity production from solar energy.

(21) The Company established two companies with the titles of “Bluetech 1 Solar” and “Bluetech 2 Solar” which is the company controlled by YEO Enerji Yatırımları with 100% effective ownership interest (Yeo Teknoloji’s effective ownership interest in YEO Enerji Yatırımları is 100%) for the purpose of business development and operational activities in Bulgaria and near geographies on 23 January 2023.

(22) The Group acquired Brandıt Mühendislik Yazılım Ticaret Anonim Şirketi’s 1020 outstanding shares with the nominal value of TL 25.500 representing its 51% effective ownership interest with a total amount of TL 7.000.000 on 13 September 2023. Brandıt Mühendislik’s business activities include ensuring engineering and consultancy activities for energy projects and installation services of industrial process control equipment. Brandıt Mühendislik has total paid-in share capital amounting to TL 50.000.

(23) Defic Globe Enerji, the subsidiary of the Group with 51% effective ownership interest, acquired “Luce Verde S.R.L.” amounting to TL 240.307.315, representing 100% ownership interest, for the purpose of business development and operational activities in Turceni/Romania on 5 September 2023. Luce Verde’s business activities include ensuring electricity production from solar energy.

(24) The Company acquired “ION Membran Teknolojileri Anonim Şirketi” amounting to TL 4.967.956, representing 5% ownership interest, for the purpose of developing and manufacturing membrane solutions for green hydrogen and battery energy storage systems on 20 November 2023.

(25) The Company was decided to establish a company with the title of ReY Energy Ltd in United Kingdom on 5 January 2023. ReY Energy’s busines activities include ensuring operations in renewable energy. The Company has not started its operating activities as of the balance sheet date.

(26) The Company was decided to establish a branch in Iraq on 5 February 2023. The Iraq branch’s busines activities include ensuring energy production. The Company has not started its operating activities as of the balance sheet date.

(27) The Company was decided to establish a company with the title of “Too Yeo Energy Industry Solutions” in Kazakhstan on 22 December 2023. Too Yeo Energy’s busines activities include ensuring energy production.

(28) The subsidiary of the Company, YEO Enerji Yatırımları Anonim Şirketi with 100% effective ownership interest, was decided to establish a company with the title of “Oreon Renewables Ltd” with 80% effective ownership interest in Tanzania on 16 November 2023. Oreon Renewables’s busines activities include ensuring energy production in Tanzania.

(29) The subsidiary of the Company, YEO Enerji Yatırımları Anonim Şirketi with 100% effective ownership interest, was decided to establish a company with the title of “Cooma Solar Power Plant Ltd” as a subsidiary with 60% ownership interest in Zambia on 25 January 2024. Cooma Solar’s busines activities include ensuring energy production.

(30) The Company was decided to establish a company with the title of “EO Energy Industry and Solution LLC” as a subsidiary with 100% ownership interest in Mongolia on 8 January 2024. YEO Energy Industry’s busines activities include ensuring energy production in Mongolia.

(31) The Company was decided to establish a company with the title of “Elberton Solar Farm Incorporation” as a subsidiary with 75% ownership interest in United States on 31 January 2024. Elberton Solar’s busines activities include ensuring energy production. The Company has not started its operating activities as of the balance sheet date.

(32) The Company acquired Ratio Enerji Anonim Şirketi’s 4.165 outstanding shares with the nominal value of TL 4.165 representing its 49% effective ownership interest with a total amount of TL 81.250.000 on 5 June 2024 for the purpose of software development activities for energy projects. Ratio Enerji has total paid-in share capital amounting to TL 8.500.000.

(33) The subsidiary of the Company, YEO Enerji Yatırımları Anonim Şirketi with 100% effective ownership interest, was decided to establish a company with the title of “North Wind Energy” with 100% effective ownership interest in North Macedonia on 25 April 2024. North Wind’s busines activities include ensuring energy production in North Macedonia.

(34) Defic Globe Enerji Anonim Şirketi, the subsidiary of the Group with 51% effective ownership interest, acquired “Green Energy George S.R.L.’s” effective ownership interests as an ultimate controlling party with a total amount of TL 35.066.878 on 26 April 2024. Green Energy’s business activities include ensuring the production of electricity from solar energy and the Company operates in Romania.

Joint Ventures

Country of incorporation	Effective ownership interests held by Yeo Teknoloji (%)		
	30.06.2024	31.12.2023	Nature of business

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(Amounts are expressed in Turkish Lira unless otherwise indicated.)

YEO – HK Enerji Joint Venture (1)	Türkiye	50%	50%	Energy Production
YEO – SEİSO Joint Venture (2)	Türkiye	90%	90%	Energy Production
YEO – HSY Joint Venture (3)	Türkiye	50%	50%	Energy Production
YEO --BEMONİ Joint Venture (4)	Georgia	50%	-	Energy Production

(1) In accordance with the joint venture agreement dated 26 February 2021 and numbered 04989 held in Ankara 35th Notary, the Company became the shareholder of “HK Enerji – YEO Joint Venture” following the acquisition of 50% amounting to TL 500.

(2) In accordance with the joint venture agreement dated 15 March 2021 and numbered 13469 held in Kadıköy 18th Notary, the Company became the shareholder of “YEO – SEİSO Joint Venture” following the acquisition of 90% amounting to TL 900.

(3) In accordance with the joint venture agreement dated 14 September 2021 and numbered 32903 held in Ankara 54th Notary, the Company became the shareholder of “YEO-HSY Joint Venture” following the acquisition of 50% amounting to TL 1.000.

(4) The Group established “Yeo – Bemoni Joint Venture” to operate in the field of development of solar and wind power plant projects in Georgia on 4 August 2023. The relevant joint venture won the tender for the turnkey establishment of Idliani 500 kV 267 MVA GIS Gas-Insulated Transformer Center and received advance payment for the project. However, the project has not started yet due to changes realised within the scope of the project.

The accompanying consolidated financial statements and related notes to the consolidated financial statements of the Company and its Subsidiaries, Associates and Joint Ventures together hereinafter referred as the “Group”.

Total end of the interim period and average number of personnel employed by Yeo Teknoloji is 581 (31 December 2023: 661).

Approval of the Consolidated Financial Statements

These consolidated financial statements as of and for the interim period ended 30 June 2024 have been approved for issue by the Board of Directors (“BOD”) on 30 September 2024. These consolidated financial statements will be finalised following the approval by the General Assembly.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.01 Basis of Presentation

Yeo Teknoloji Enerji ve Endüstri Anonim Şirketi and its Subsidiaries, Associates and Joint Ventures incorporated in Türkiye maintains their books of account and prepares their statutory consolidated financial statements in accordance with the Turkish Commercial Code (“TCC”), tax legislation and the Uniform Chart of Accounts issued by the Ministry of Finance.

Functional and presentation currency

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates (“the functional currency”). The consolidated financial statements are presented in TL, which is Yeo Teknoloji’s functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of other comprehensive income.

Translation of financial statements of subsidiaries and associates operating in foreign countries

Assets and liabilities of subsidiaries operating in foreign countries are translated into TL at the exchange rates prevailing at the balance sheet dates. Comprehensive income items of those subsidiaries are translated into TL using average exchange rates for the period (if the average exchange rates for the period do not reasonably reflect the exchange rate fluctuations, transactions are translated using the exchange rates prevailing at the date of the transaction). Exchange differences arising from using average and balance sheet date rates are included in “currency translation differences” under the equity.

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The year-end and average rates for the interim period end year ended 30 June 2024 and 31 December 2023 can be summarized as below:

	30.06.2024	31.12.2023
UZS – as of the balance sheet date	0.00262	0.00239
UZS –average	0.00251	0.00312
	30.06.2024	31.12.2023
USD – as of the balance sheet date	32.8262	29.4382
USD –average	31.5390	23.7662
	30.06.2024	31.12.2023
EUR – as of the balance sheet date	35.1284	32.5739
EUR –average	34.1220	25.7022
	30.06.2024	31.12.2023
AZN – as of the balance sheet date	19.2013	17.2196
AZN –average	18.4481	13.9000
	30.06.2024	31.12.2023
RON – as of the balance sheet date	7.0179	6.5113
RON –average	6.8212	5.1641
	30.06.2024	31.12.2023
MKD – as of the balance sheet date	0.5703	0.5317
MKD –average	0.5544	0.4176
	30.06.2024	31.12.2023
KZT – as of the balance sheet date	0.0690	-
KZT –average	0.0630	-
	30.06.2024	31.12.2023
MNT – as of the balance sheet date	0.0097	-
MNT –average	0.0091	-

Statement of Compliance with TAS

The consolidated financial statements of the Group have been prepared in accordance with Turkish Financial Reporting Standards (“TFRS”)/Turkish Accounting Standards (“TAS”) 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.

In addition, the accompanying consolidated financial statements and notes to the consolidated financial statements have been prepared in accordance with the 2016 “TAS Taxonomy” approved by the POA decision dated June 2, 2016 numbered 30 and TFRS 15 and 16 “TAS Taxonomy” and revised in 2019 and “TAS Taxonomy” revised in 2022.

These consolidated financial statements have been prepared under the historical cost conversion. Historical cost has been determined at the fair value for the amount paid for the assets considered.

2.02 Adjustments of Financial Statements in Hyperinflationary Periods

Financial reporting in hyperinflationary economies

Entities applying TFRSs have started to apply inflation accounting under TAS 29 “Financial Reporting in Hyperinflation Economies” as of financial statements for the annual reporting period ending on or after 31 December 2023 with the announcements made by the Public Oversight Accounting and Auditing Standards Authority (“POA”) on 23 November 2023. TAS 29 is applied to the financial statements, including the consolidated financial statements, of any entity whose functional currency is the currency of a hyperinflationary economy.

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 and for the year ended 31 December 2023, on the purchasing power basis on 30 June 2024.

In accordance with the CMB's resolution number 81/1820 on 28 December 2023, issuers and capital market institutions subject to financial reporting regulations applying Turkish Accounting/Financial Reporting Standards are required to apply inflation

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accounting by applying the provisions of TAS 29 beginning with the annual financial statements for the accounting periods ending on 31 December 2023.

The restatement in accordance with TAS 29 has been made by using the adjustment factor derived from the Consumer Price Index ("CPI") in Türkiye published by the Turkish Statistical Institute ("TURKSTAT"). As of 30 June 2024, the indices and adjustment factors used in the restatement of the financial statements are as follows:

Date	Index	Adjustment coefficient
30.06.2024	2.319,29	1
30.06.2023	1.351,59	1.71597
31.12.2023	1.859,38	1.24735
31.12.2022	1.128,45	2.05529
31.12.2021	686,95	3.37621

The main elements of the Group's adjustment process for financial reporting in hyperinflationary economies are as follows:

- Current period consolidated financial statements prepared in TL are expressed in terms of the purchasing power at the balance sheet date, and amounts from previous reporting periods are also adjusted and expressed in terms of the purchasing power at the end of the reporting period.
- Monetary assets and liabilities are not adjusted as they are already expressed in terms of the current purchasing power at the balance sheet date. In cases where the inflation-adjusted values of non-monetary items exceed their recoverable amount or net realizable value, the provisions of TAS 36 "Impairment of Assets" and TAS 2 "Inventories" are applied, respectively.
- Non-monetary assets and liabilities and equity items that are not expressed in terms of the current purchasing power at the balance sheet date have been adjusted using the relevant adjustment coefficients.
- All items in the statement of comprehensive income, except for those that have a material influence on the comprehensive income statement of non-monetary items on the balance sheet, have been indexed using the coefficients calculated for the periods when the income and expense accounts were first reflected in the financial statements.
- The material influence of inflation on the Group's net monetary asset position in the current period is recognised in the net monetary gain/(loss) account in the consolidated statement of profit or loss.

2.03 Basis of Consolidation

Consolidated financial statements include subsidiaries are the entities controlled directly and indirectly by Yeo Teknoloji. Control is achieved when the Group:

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

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

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

Subsidiaries are consolidated from the date on which the control is transferred to the Group and are no longer consolidated from the date that the control ceases.

The accounting policies of the subsidiary have been changed when deemed necessary in order to comply with the policies accepted by the Group. In the matter of a reverse balance in non-controlling interests, total comprehensive income has been transferred to the parent company shareholders and non-controlling interests.

Consolidation procedures and eliminations

During the preparation of consolidated financial statements, consolidated financial statements eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Consolidated financial statements offset the carrying amount of the parent's investment in each subsidiary and the parent's portion

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of equity of each subsidiary. Unrealized losses are eliminated accordingly as unrealized gains, unless there is evidence of impairment.

Consolidated balance sheet and profit or loss restatement principles

Full consolidation method

- The paid-in share capital and balance sheet items of the Group and the subsidiary are aggregated. In the aggregation, the receivables and payables of the subsidiaries in scope of consolidation from each other eliminated in full.

- The paid-in share capital of the consolidated balance sheet is the paid in share capital of the Group; paid in share capital of the subsidiary is not included in the consolidated balance sheet.

- Equity items including paid / issued share capital of the subsidiary within the scope of consolidation, less the amounts corresponding to the shares other than the parent company and subsidiaries presented as the “Non-Controlling Interests” after the equity of the group in the consolidated balance sheet.

- Current and non-current assets acquired by the subsidiaries subject to full consolidation method from each other, in principle, are included in the consolidated balance sheet over carried at cost before the sale, by making adjustments to present these assets at the acquisition cost to the subsidiaries subject to the full consolidation method.

- The profit or loss items of the Group and the subsidiary are aggregated separately and the sales of goods and services made by the subsidiaries subject to the full consolidation method to each other in the aggregation process have been deducted from the total sales amount and cost of goods sold. The profit arising from the purchase and sale of goods between these subsidiaries related to the inventories of the subsidiaries subject to the full consolidation method was deducted from the inventories in the consolidated financial statements and added to the cost of the sold goods, the loss was added to the inventories and deducted from the cost of the goods sold.

Income and expense items resulting from the transactions of the subsidiaries subject to full consolidation method with each other have been offset in the relevant accounts.

- Net profit or loss of the subsidiary within the scope of consolidation, the part corresponding to the shares other than the subsidiaries subject to the consolidation method has been presented as the “Non-Controlling Interests” after the net consolidated period profit.

- The necessary adjustments have been made for the compliance of the consolidated financial statements of the subsidiary with the accounting principles applied by other intragroups, when deemed necessary.

The subsidiaries (“Subsidiaries”) and associates (“Associates”) included in the consolidation scope of Yeo Teknoloji; their effective ownership interests subject to full consolidation are as follows:

Subsidiaries and Associates	Country of incorporation	Effective ownership interests held by Yeo Teknoloji (%)		Nature of business
		30 June 2024	31 December 2023	
Yeo Energy Industry Solutions (2)	Uzbekistan	100%	100%	Energy Production
Marnergy Yenilenebilir Enerji İnş.ve Tic. A.Ş. (3)	Türkiye	100%	100%	Energy Production
Yeo Teknoloji Enerji ve Endüstri A.Ş.-Uzbekistan branch (5)	Uzbekistan	100%	100%	Energy Production
Yeo Technology and Energy Srl(7)	Romania	100%	100%	Energy Production
Reap Batarya Teknolojileri A.Ş. (9)	Türkiye	100%	100%	Battery Technology
Yeo Technology And Energy Industry Doo (10)	North Macedonia	100%	100%	Energy Production
Yeo Tehcnology BV (11)	Netherlands	100%	100%	Energy Production
Iss Integrated Systems Solutions (12)	Azerbaijan	99%	99%	Energy Production
Yeo Hydrogen Gmbh (13)	Germany	75%	75%	Energy Production
Yeo Technologie Energie Gmbh (14)	Germany	100%	100%	Energy Production
Yeo Energia Poland(19)	Poland	100%	100%	Energy Production
Brandit A.Ş.(22)	Türkiye	51%	51%	Technology Consulting
Irak Şubesi (26)	Iraq	100%	100%	Energy Production
Too Yeo Energy Industry Solutions (27)	Kazakhstan	100%	100%	Energy Production
YEO Energy Industry and Solution LLC (30)	Mongolia	100%	-	Energy Production
Elberton Solar Farm Inc. (31)	United States	100%	-	Energy Production
Yeo Enerji Yatırımları A.Ş.(1)	Türkiye	100%	100%	Energy Production
Bluetech 1 Solar (21) ¹	Bulgaria	100%	100%	Energy Production

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Bluetech 2 Solar (21) ²	Bulgaria	100%	100%	Energy Production
Oreon Renewables Ltd (28)	Tanzania	85%	-	Energy Production
Cooma Solar Power Plant Ltd (29)	Zambia	60%	-	Energy Production
North Wind Energy (33)	North Macedonia	100%	-	Energy Production
Defic Globe Enerji A.Ş. (15)	Türkiye	51%	51%	Energy Production
Defic İtaly Srl (16)	Italy	100%	100%	Energy Production
Totalp Energy Srl (17) ¹	Italy	100%	100%	Energy Production
Yiltun Energy Srl (17) ²	Italy	100%	100%	Energy Production
Rb Solar Srl (17) ³	Italy	100%	100%	Energy Production
Defic Globe Srl (18)	Romania	100%	100%	Energy Production
Future PV Srl (20)	Romania	100%	-	Energy Production
Luce Verde (23)	Romania	100%	-	Energy Production
Green Energy (34)	Romania	100%	-	Energy Production

Associates are accounted for using the equity method. Associates are companies in which the Group has voting power between 20% and 50% or the Group has 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.

Associates	Voting rights (%)	
	30 June 2024	31 December 2023
Mikrohes Teknoloji Enerji Sanayi ve Ticaret A.Ş.	50%	50%
Grid Technologies Llc	50%	-
ReY Energy Ltd	50%	50%
Seiso Enerji Sistemleri A.Ş	49%	-

Joint Ventures are companies in respect of which there are contractual arrangements through which an economic activity is undertaken subject to joint control by Yeo Teknoloji and one or more other parties.

Yeo Teknoloji exercises such joint control through direct and indirect voting rights related to the shares held by itself and/or through the voting rights related to the shares held by Yeo Teknoloji and the companies owned by them and applies equity method of accounting in accordance with "TAS 28 Investments in Associates and Joint Ventures".

"TFRS 11 Joint Arrangements", requires the application of the equity method for the consolidation of interests in joint ventures in accordance with "TAS 28 Investments in Associates and Joint Ventures".

Under the equity method, the investment in a joint venture is initially recognised at cost and the carrying amount is increased or decreased to recognise the investor's share of profit or loss of the investee after the date of the acquisition. The investor's share of the profit or loss of the investee is recognised in the investor's profit or loss. Distributions (dividends etc.) received from an investee reduce the carrying amount of the investment. Adjustments to the carrying amount are necessary for the change in the investor's proportionate interest in the investee arising from changes in the investee's other comprehensive income. For changes in the equity of an investee that do not go through the investee's profit or loss or other comprehensive income, the Group adjusts the carrying value of its investment with a corresponding change in its own equity.

Joint Ventures	Country of incorporation	Effective ownership interests held by Yeo Teknoloji (%)		Nature of business
		30 June 2024	31 December 2023	
HK Enerji-YEO Joint Venture	Türkiye	50%	50%	Energy Production
YEO-SEİSO Joint Venture	Türkiye	90%	90%	Energy Production
YEO-HSY Joint Venture	Türkiye	50%	50%	Energy Production
YEO -BEMONİ Joint Venture (4)	Georgia	50%	50%	Energy Production

2.04 Comparatives and Adjustment of Prior Periods' Financial Statements

If changes in accounting forecasts are related to only one period, amendments are made in the current period. If amendments are related to the forthcoming periods, changes are applied in both current period and forthcoming periods. The nature and amount of a change in the accounting estimate, which has a material influence on the outcome of the current period or is expected to have an impact on subsequent periods, is disclosed in the notes to the consolidated financial statements, except when the estimation of the effect on the future periods is not possible.

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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.

The Group prepared its consolidated statement of financial position as at 30 June 2024 on a comparative basis with its consolidated statement of financial position as at 31 December 2023; and consolidated statements of profit or loss, comprehensive income, cash flows and changes in equity for the interim period 1 January- 30 June 2024 on a comparative basis with the consolidated financial statements for the interim period 1 January- 30 June 2023.

2.05 Significant Accounting Judgements, Estimates and Assumptions

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, forecasts 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.

Fair value measurement

The accounting policies and related disclosures of the Group require the measurement of financial and non-financial assets and liabilities at fair value.

The classification of the Group's consolidated financial assets and liabilities at fair value is as follows:

Level 1: Inputs are quoted prices in active markets for identical assets and liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices):

Level 3: Inputs are unobservable inputs for the asset or liability.

An entity develops observable inputs for classification using the best information available in the circumstances, which might include the entity's own data, taking into account all information about market participant assumptions that is reasonably available.

Estimates and assumptions that may cause significant adjustments in the book value of assets and liabilities in the next financial reporting period are as follows:

a) Provision for employment termination benefits is determined by using actuarial assumptions (discount rates, future salary increases and employee exit rates). These assumptions are reviewed at each balance sheet date and revised accordingly (**Note 24**).

b) The Group has been used percentage of completion method for the recognition of contracts with customers and determined the total estimated costs of projects and project profitability within in accordance with the TFRS 15, since the ratio of contract expenses realized until a certain date to the estimated total cost of the contract (**Note 12**).

c) The Group depreciates its property, plant and equipment and intangible assets on a straight-line basis over their useful lives. Expected useful life residual value and amortization method are reviewed every year for possible effects of changes in estimates and are accounted for prospectively if there is a change in estimates. (**Note 2.09.03-2.09.04**).

d) On the provision for lawsuits and allocation of the provisions in the accompanying consolidated financial statements, the probability of losing these cases and the consequences to be faced if these cases are lost evaluated in accordance with the opinions of the Group's legal counsel as of 30 June 2024 and 31 December 2023 (**Note 22**).

e) Provision for doubtful receivables reflects the amounts that the Group management believes will meet future losses as of the balance sheet date (**Note 10**). Provision for doubtful receivables represents the amounts that the Group believes will compensate future losses of receivables which are present as of the balance sheet date but which are not subject to collection in current economic conditions. The past performance of borrowers assessed for impairment of receivables impairment, credits on the market and their performance from the balance sheet date to the date of approval of the consolidated financial statements are also taken into consideration. As of the balance sheet date, the related provisions are disclosed in **Note 10**.

f) The physical properties of the inventories and the past are examined in relation to the inventory impairment, the availability of the personnel is determined according to the opinions of the technical personnel and provision is made for the items that are estimated to be unavailable. Average sales prices are used to determine the net realizable value of inventories (**Note 13**).

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2.06 Changes in Accounting Policies

Whether there are changes and errors in accounting policies and accounting estimates, the amended significant changes and the identified significant accounting errors are implemented retrospectively and the previous periods Group's consolidated financial statements are adjusted. Whether the changes are amended in accounting policies effect the previous periods, aforementioned policy is implemented retrospectively to the consolidated financial statements as it had been used in. There are no changes in the accounting policies expected to have a material influence on the results of the end of the interim reporting period except the accounting policies presented below.

2.07 Changes in Accounting Estimates and Errors

Accounting estimates are based on reliable information and reasonable estimation methods. However, estimates are revised as a result of changes in circumstances, estimating new information or additional developments. If changes in accounting forecasts are related to only one period, amendments are made in the current period. If amendments are related to the forthcoming periods, changes are applied in both current period and forthcoming periods.

The nature and amount of a change in the accounting estimate, which has an impact on the outcome of the current period or is expected to have an impact on subsequent periods, is disclosed in the notes to the consolidated financial statements, except when the estimation of the effect on the future periods is not possible. There are no changes in the accounting estimates expected to have a material influence on the results of operations in the current period.

2.08 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.

2.09 Summary of Significant Accounting Policies

Accounting policies used in the preparation of the consolidated financial statements are summarised below:

2.09.01 Revenue Recognition

In accordance with "TFRS 15 Revenue from Contracts with Customers" is that the entity reflects the proceeds to the consolidated financial statements from an amount that reflects the cost that the Group expects to qualify for the transfer of the goods or services it commits to its customers.

Revenue is accounted for in the consolidated financial statements within the scope of the five-step model below in accordance with the TFRS 15.

- Identification of customer contracts,
- Identification of performance obligations,
- Determination of the transaction price in the contracts,
- Allocation of transaction price to the performance obligations,
- Recognition of revenue when the performance obligations are satisfied

In accordance with TFRS 15, when the entity fulfills its operating obligations, in other words, the control of the goods or services specified in a performance obligation is transferred to the customer; the revenue is recognized in the consolidated financial statements. TFRS 15 provides more guidance on more specific scenarios.

If the Group expects, at contract inception, that the period between when the Group transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less, the promised amount of consideration for the effects of a significant financing component is not adjusted.

The Group determines at contract inception whether the performance obligation is satisfied over time or at a point in time. When the Group transfers control of a good or service over time, and therefore satisfies a performance obligation over time, then the revenue is recognized over time by measuring the progress towards complete satisfaction of that performance obligation.

When a performance obligation is satisfied by transferring promised goods or services to a customer, the Group recognises the revenue as the amount of the transaction price that is allocated to that performance obligation. The goods or services are transferred when the control of the goods or services is delivered to the customers.

Following indicators are considered while evaluating the transfer of control of the goods and services:

- a) Presence of Group's collection right of the consideration for the goods or services,

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- b) Customer's ownership of the legal title on goods or services,
- c) Physical transfer of the goods or services,
- d) Customer's ownership of significant risks and rewards related to the goods or services,
- e) Customer's acceptance of goods or services.

Contractual commitments

Yeo Teknoloji's business activities include ensuring electrical contractual works in Türkiye and abroad, to design, to make projects, construction, mechanical, assembly, installation works and commitments and providing all kinds of maintenance and operation services. In addition, the Group operates works related to the design, projecting, making all the programs of the electrical - automation systems of industrial facilities and machines, manufacturing, assembling and commitments related to the entire electrical system. Furthermore, the Group performs the electrical, mechanical and automation works of all kinds of machinery, facilities and factories, shopping malls, hotels and residences.

Revenue and expenses from contracts with customers are recognized as income and expense when the return of the contract with the customer can be estimated reliably. Revenue is reflected in the consolidated financial statements in accordance with the percentage of completion of the contract. As of the reporting period, the ratio of the total expenses incurred to the total estimated cost of the contract indicates the completion percentage of the contract, and the ratio is used in the consolidated financial statements of the part of the total revenue corresponding to the current period.

Contract costs include all raw materials and supplies, direct and indirect labor costs related to contract performance, materials, repairs and depreciation costs. Sales and general administrative expenses recognized in the period which they incurred. Provisions for estimated losses on incomplete contracts are separated in the periods in which these losses are determined. Changes in estimated profitability due to business performance, business conditions, provisions for compensation for delays or cancellations and final agreements may cause cost and revenue adjustments. The aforementioned adjustments reflected to the consolidated financial statements in the period which they have determined. Customer incentives for revenues are included in the revenue when the occurrence is reasonably estimated.

Contractual assets arising from ongoing contractual commitment indicated how much the revenue reflected in the consolidated financial statements exceeds the invoice amount and contractual liabilities arising from ongoing contractual commitment show how much the invoice amount has exceeded the revenue reflected in the consolidated financial statements.

The Group management has recognized the additional receivables within the scope of compensation that may be subject to litigation, which are not within the scope of the contract, as income when negotiations with the employer regarding the said additional receivables are at the stage of approval of the collection and the collections to be made can be measured reliably.

Business operations and related activities

Gains arising from business operations recognized as a revenue when the Group transfers of all significant risks and gains related to ownership to the buyer, an ongoing administrative involvement associated with ownership and lack of effective control over the goods sold, a reliable measurement of the revenue amount, the probability of the flow of economic benefits associated with the transaction to the business, when the conditions for reliable measurement of costs are met. Net sales are presented in the consolidated financial statements less realized returns, discounts, commissions, turnover premiums and taxes.

Interest income

Interest income is accrued on a timely basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

2.09.02 Inventories

Inventories are evaluated at either the lower of acquisition cost or net realizable value. Cost of inventories includes; all purchasing costs, covering costs and other costs incurred to make the inventories ready to sell. The covering costs of inventories include costs which are directly related to production such as direct labor expense. 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.

2.09.03 Property, plant and equipment and related depreciation

Property, plant and equipments except land and buildings are carried at cost less accumulated depreciation as of 31 December 2004 for the items purchased before 1 January 2005 and for the items purchased as of 1 January 2005, less the accumulated depreciation.

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Historical costs include costs directly related to the acquisition of property, plant and equipment. Costs after date of acquisition date, added to the book value of the asset or recorded as a separate asset only in cases where it is possible that the future economic benefit related to the asset will flow to the Group and the cost of the asset can be measured reliably. Repair and maintenance expenses are charged to the income statements during the period in which they are incurred. Machinery and equipment are capitalised and amortised when their capacity is fully available for use. Depreciation is provided for property, plant and equipment on a straight-line basis over their estimated useful lives.

In cases where it is predicted that spare parts can be used more than a period and only in relation to a certain property, plant and equipment item, related spare parts and materials are considered as property, plant and equipment. Spare parts are shown with net book values less the accumulated depreciation calculated over the remaining useful lives of the related property, plant and equipment from the acquisition costs. Buildings, machinery and equipment are capitalised and amortised when their capacity is fully available for use. It is estimated that the residual value of property, plant and equipment is immaterial.

The depreciation rates for property, plant and equipment, which approximate the economic useful lives of such assets, are as follows:

Type	Depreciation rate (%)
Buildings	2
Plant, machinery and equipment	20
Motor vehicles	20-25
Furniture and fixtures	5-25
Leasehold improvements	5

Useful life and the depreciation method are constantly reviewed, and accordingly, parallels are sought between the depreciation method and the period and the useful life to be derived from the related asset and accounted prospectively. Land is not depreciated as it is deemed to have an indefinite useful life.

Gains or losses on disposals of property, plant and equipment are determined by comparing proceeds with their net carrying amounts and are classified under "gains/(losses) from investing activities" in the current period under consolidated statement of other comprehensive income and profit or loss.

Recoverable amount of the property, plant and equipment is the higher of future net cash flows from the utilisation of this property, plant and equipment or its fair value less cost to sell. Property, plant and equipment are reviewed for possible impairment losses and where the carrying amount of the property, plant and equipment is greater than the estimated recoverable amount, it is written down to its recoverable amount.

2.09.04 Investment Properties

None.

2.09.05 Intangible assets and related amortisation

Intangible assets acquired before 1 January 2005 are carried at acquisition costs adjusted for inflation; whereas those purchased in and purchased after 2005 are carried forward at their acquisition cost less accumulated amortization.

They are initially recognised at acquisition cost and amortised on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being recognized for on a prospective basis.

Depreciation is provided for acquired intangible assets on a straight-line basis over their estimated useful lives. Estimated useful live of intangible assets vary over 5 – 20 years.

2.09.06 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 of 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),
- Group has the right to obtain substantially all of the economic benefits from use of the identified asset,

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• Group has the right to direct the use of an identified asset. Group has the right to direct how and for what purpose the asset is used throughout the period of use or relevant decisions about how and for what purpose the asset is used are predetermined: Group has the right to direct the use of the asset throughout the period of use only if either:

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.

Right-of-use asset Group - as a lessee

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.

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.

The Group applies the depreciation requirements in TAS 16 “Property, Plant and Equipment” in depreciating the right-of-use asset. In the event that the supplier transfers the ownership of the underlying asset to the Group at the end of the lease term or if the cost of use rights indicates that the Group will use a purchase option, the Group depreciates the right of use asset from the effective date of the lease to the end of the useful life of the underlying asset. In other cases, the Group depreciates the right of use assets on the basis of the shorter of the useful life or the lease term of the asset, starting from the effective date of the lease.

The Group applies TAS 36 “Impairment of Assets” to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

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) The Group is reasonably certain that it will use the purchase option, the exercise price of this option and
- d) 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:

- 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.

The interest on the lease liabilities for each period in the lease term is the amount found by applying a fixed periodic interest rate to the remaining balance of the lease liabilities. The periodic interest rate, if easily determined, is the implied interest rate on the lease. If this rate cannot be easily determined, the Group uses the Group’s incremental borrowing interest rate.

After the effective date of the lease, the Group remeasures the lease liabilities to reflect changes in lease payments. The Group reflects the remeasurement amount of the lease liabilities to the consolidated financial statements as an adjustment to the right of use assets.

The Group remeasures its lease liabilities by deducting the adjusted lease payments at a revised discount rate if either of the following conditions occurs:

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- (a) A change in the lease term. The Group determines adjusted lease payments based on the adjusted lease term.
- (b) Changes in the assessment of the option to purchase the underlying asset. The Group determines adjusted lease payments to reflect the change in the amounts payable under the purchase option.

The Group calculates the adjusted discount rate for the remainder of the lease term if the implicit interest rate in the lease can be easily determined; if it cannot be easily determined, the Group determines the alternative borrowing interest rate at the date of the revaluation.

The Group remeasures its lease liabilities by reducing the adjusted lease payments if either of the following conditions incurred:

- (a) Changes in the amounts expected to be paid under a residual value commitment. The Group determines the adjusted lease payments to reflect the change in the amounts expected to be paid under the residual value commitment.
- (b) A change in these payments as a result of an index or rate change used to determine future lease payments. The Group remeasures the lease liabilities to reflect the adjusted lease payments only when there is a change in cash flows.

The Group determines the adjusted lease payments for the remaining lease term based on the adjusted contractual payments. In this case, the Group uses an unchanged discount rate.

The Group recognizes the restructuring of the lease as a separate lease if both of the following conditions are met:

- (a) The restructuring shall extend the scope of the lease by adding the right of use on one or more underlying assets; and
- (b) The increase in the lease amount by the appropriate price adjustment to reflect the price of the increase alone and the terms of the relevant contract.

Group - as a lessor

The Group classifies each of the leases as operating leases or finance leases.

A lease is classified as a finance lease when all risks and gains of ownership of the underlying asset are substantially transferred. A lease is classified as an operating lease if all risks and gains of ownership of the underlying asset are not substantially transferred.

For a contract that includes one or more additional leasing components or not carrying a component, the Group distributes the contractual value by applying TFRS 15, "Revenue from Contracts with Customers".

2.09.07 Impairment of Assets

Assets with an indefinite useful life, such as goodwill, are not subject to amortization. An impairment test is applied to these assets each year. For assets subject to amortization, impairment test is applied if the book value cannot be recovered. An impairment loss is recognized if the carrying amount of the asset exceeds the recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Non-financial assets except goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2.09.08 Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, one that takes a substantial period of time to get ready for its intended use or sale, are capitalised as part of the cost of that asset in the period in which the asset is prepared for its intended use or sale. When the Group borrows funds specifically for the purpose of the qualifying assets, the amount of borrowing costs eligible for capitalization is the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of those borrowings. Borrowing costs that are not in this scope are recognised directly in the income statement. All other borrowing costs recognized in the statement of profit or loss in which period they incurred.

2.09.09 Financial Instruments

A financial asset or a financial liability is recognized in the statement of financial position only when it is a party to the contractual provisions of the instrument. Normal purchases or sales of financial instruments are recognized in the consolidated financial statements or excluded from the consolidated financial statements by using one of the accounting methods on the transaction date or delivery date. Trading transactions are accounted for at the date of delivery with the initial recognition and classification of financial instruments depends on the contractual terms and the relevant business model. A financial asset or financial liability other than TFRS 15 "Revenue from Contracts with Customers" is measured at fair value when first recognized in the consolidated financial statements. Transaction costs directly attributable to the acquisition or the issuance of financial assets and liabilities, except for the fair value changes recognized in profit or loss, are also added to the fair value or deducted from the fair value.

The classification of financial instruments during the initial recognition depends on the characteristics of the contractual cash flows.

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Financial assets and liabilities under TFRS 9 are as follows:

Financial assets

Financial investments are recognized and derecognized on a trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the time frame established by the market concerned, and are initially measured at fair value, net of transaction costs except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value. Investments are recorded or derecognized on the date of the transaction on the basis of a contract with the condition of delivery of the investment instruments in accordance with the period determined by the relevant market.

Financial assets classified as “financial assets at fair value through profit or loss”, “financial assets at amortized cost” and “financial assets at fair value through other comprehensive income”.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss; are financial assets held for trading and not acquired for trading purposes but recognized in this category at initial recognition. When a financial asset is acquired for the purpose of disposal in the short term, it is classified in that category. Derivative financial instruments which are not designated as effective hedging instruments are also classified as financial assets measured at fair value through profit or loss. Financial assets are carried at fair value and any gains or losses arising from the valuation are recognized in profit or loss.

Financial assets at amortized cost

“Financial assets at amortised cost”, are non-derivative assets that are held within a business model whose objective is to hold assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets carried at amortised cost are measured at their fair value at initial recognition and by effective interest rate method at subsequent measurements. Gains and losses on valuation of non-derivative financial assets measured at amortised cost are accounted for under the statement of income. Interest income from financial assets held to maturity recognized under statement of profit or loss.

Financial assets at fair value through other comprehensive income

“Financial assets at fair value through other comprehensive income” are assets that are either equity securities or debt securities. The Group measures related financial assets at fair value. Gains or losses on a financial asset measured at fair value through other comprehensive income is recognised in other comprehensive income, except for foreign exchange gains and losses. When an equity security is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified to retained earnings. When a debt security is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified to profit or loss.

Subsequent valuation of financial assets measured at fair value through other comprehensive income is carried at fair value. However, if the fair value cannot be determined reliably, for those with a fixed maturity, discounted price is calculated using the internal rate of return method; for those who do not have a fixed maturity, fair value is valued using pricing models or discounted cash flow techniques. Unrealized gains or losses arising from changes in the fair values of financial assets at fair value through other comprehensive income and expressing the difference between the amortized cost and fair value of the securities calculated using the effective interest method, are included in the “Financial Assets Under Management Fund” which is recognized in equity. When the financial assets at fair value through profit or loss are disposed of, the value in equity resulting from the application of fair value is reflected to the period profit / loss.

Repurchase and resale transactions

Funds attributed to financial assets as reverse repo are recorded as receivables from reverse repo under cash and cash equivalents in the consolidated financial statements. A discount income is calculated by using the internal discount rate method for the current year portion of the difference between the sale and purchase price of these reverse repo agreements and accounted by adding to the cost of the reverse repo.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held in banks with maturities of 3 months or less, government bonds/treasury bills classified as available for sale financial assets with original maturities of 3 months or less, other short-term liquid investments and blocked deposits.

Impairment of financial assets/expected credit loss

At each reporting date, it is evaluated whether there is a significant increase since the financial instrument within the scope of the impairment has been included in the consolidated financial statements for the first time. When making this assessment, the change in the risk of default of the financial instrument is taken into consideration. The expected credit loss estimate is unbiased, weighted

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according to probabilities, and includes information that can be supported about past events, current conditions, and forecasts for future economic conditions.

In all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of a provision account, the impairment is offset directly from the carrying amount of the related financial asset. In the event that the trade receivable cannot be collected, the said amount is offset from the provision account. Fair value difference other than equity instruments reflected in other comprehensive income, if the impairment loss is reduced in the subsequent period and if the impairment can be attributed to an event that occurred after the recognition of the impairment loss, an impairment loss recognized in advance if the impairment of the investment has never been recognized at the time the impairment loss is reversed will not exceed the amount of amortized cost in the statement of profit or loss is reversed.

An increase in the fair value of the equity instruments reflected in other comprehensive income after the impairment loss, recognized directly in equity.

Trade receivables and provision for doubtful receivables

Trade receivables that the Group does not expect to have cash flow for the future are written off from the assets.

It accounted for at amortized cost in the consolidated financial statements and do not contain a significant financing component (less than 1 year as short term) value within the scope of trade receivables impairment calculations applied “simplified approach”. In cases where trade receivables are not impaired due to certain reasons (except for realized impairment losses), provisions for losses related to trade receivables “is measured from an equal amount of lifetime expected credit losses”. In case of collecting all or part of the receivable amount that is impaired following the provision for impairment, the collected amount is deducted from the main activities to other income by offset the amount deducted from the provision for impairment.

Financial liabilities

The Group’s financial liabilities and equity instruments are classified according to the contractual agreements entered into and the definition of financial liability and equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all the liabilities. Accounting policies determined for the financial liabilities and the financial instruments based on equity are explained below. Financial liabilities are classified as either “Financial liabilities at fair value through profit or loss” or “Other financial liabilities”.

Other financial liabilities

Other financial liabilities are initially recognized with their fair values free from transaction costs.

Other financial liabilities are recognized over their amortized costs using the effective interest method and with interest costs calculated over effective interest rate in subsequent periods.

The effective interest method is the calculation of the amortized costs of the financial liabilities and the distribution of the related interest expenses to related periods. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period to the net present value of the financial liability.

Recognition and derecognition of financial assets and liabilities

The Group reflects the financial assets or liabilities in the statement of financial position when it becomes a party to the related financial instrument contracts. The Group writes off a financial asset or a portion of its financial asset only when it loses its control over the rights arising from the contract. The Group derecognizes a financial liability only if the obligation defined in the contract is eliminated, canceled or expired.

2.09.10 Foreign Currency Translation

Foreign currency transactions are translated into Turkish Lira using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into Turkish Lira using the exchange rates at the balance sheet date. Foreign exchange gains and losses resulting from trading activities (trade receivables and payables) denominated in foreign currencies of the Group operating in the non-finance sectors, have been accounted for under “other operating income/(expenses)” in the consolidated statement of profit or loss.

The consolidated financial statements are presented in TL, which is Yeo Teknoloji’s functional and presentation currency. Transactions in currencies other than functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. Foreign currency indexed monetary assets and liabilities are recorded at the rates of exchange prevailing on the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated to functional currency as Turkish Lira using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair

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value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Currency translation differences recognized as profit or loss in the period which they incurred.

2.09.11 Earnings Per Share

Earnings per share disclosed in the income statement 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.

2.09.12 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 consolidated financial statements are authorised for issue. The Group adjusts the amounts recognised in its financial statements to reflect the adjusting events after the balance sheet date. If non-adjusting events after the balance sheet date have material influence on the economic decisions of users of the consolidated financial statements, they are disclosed in the notes to the consolidated financial statements.

2.09.13 Provisions, Contingent Liabilities and Contingent Assets

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. Contingent liabilities are consistently reviewed prior to the probability of any cash out-flow. In case of the cash outflow is probable, provision is allocated in the consolidated financial statements of the year the probability of contingent liability accounts is changed. A provision is recognized when the Group has a present obligation (legal or constructive) as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and reliable estimate can be made for the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation.

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.

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.

2.09.14 Related Parties

Related parties are individuals or entities that are related to the entity that is preparing its consolidated financial statements (reporting entity).

a) An individual or a close family member is considered related party of the reporting entity when the following criteria are met: If a certain individual,

- i) Has control or joint control over the reporting entity,
- ii) Has significant influence over the reporting entity,
- iii) Is a key management personnel of the reporting entity or a parent company of the reporting entity.

b) An entity is considered related party of the reporting entity when the following criteria are met:

- i) If the entity and the reporting entity is within the same group (meaning every parent company, subsidiary and other subsidiaries are considered related parties of others.
- ii) If the reporting entity is a subsidiary or a joint venture of another entity (or of another entity that the entity is within the same group).
- iii) If both of the entities are a joint venture of a third party.
- iv) If one of the entities are a joint venture of a third party while the other entity is a subsidiary of this third party.
- v) If entity has plans of post employment benefits for employees of reporting entity or a related party of a reporting entity. If the reporting entity has its own plans, sponsor employers are also considered as related parties.
- vi) If the entity is controlled or jointly controlled by an individual defined in the article (a).

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vii) If an individual defined in the clause (i) of article (a) has significant influence over the reporting entity or is a key management personnel of this certain entity (or a parent company of the entity)

Related party transaction is the transfer of resources, services or liabilities regardless of whether a price is charged or not.

2.09.15 Taxes on Income

Income tax expense (or income) is the sum of the current tax expense and the deferred tax expense (or income).

Current tax

Current year tax liability is calculated over the taxable profit for the period. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it excludes items that cannot be taxed or deducted. The Group's liability for current tax is calculated using legal statutory tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax assets and liabilities are determined by calculating the temporary differences between the amounts shown in the consolidated financial statements and the amounts considered in the statutory tax base in accordance with the balance sheet method. Deferred tax liabilities are recognized for all taxable temporary differences, whereas deferred tax assets resulting from deductible temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized. Deferred tax liability or asset is not calculated in respect of temporary timing differences arising from the initial recognition of assets or liabilities other than goodwill or business combinations and which do not affect both commercial and financial profit /loss.

Deferred tax liabilities are calculated for all taxable temporary differences related to the investments in subsidiaries and associates and shares in joint ventures, except in cases where the Group is able to control the discontinuation of temporary differences and in the near future it is unlikely that such difference will be eliminated. Deferred tax assets resulting from taxable temporary differences related to such investments and shares are calculated on the condition that it is highly probable that future taxable profit will be available and that it is probable that future differences will be eliminated.

The carrying amount of the deferred tax asset is reviewed at each balance sheet date. The carrying amount of a deferred tax asset is reduced to the extent that it is no longer probable that financial profit will be available to allow the benefit of some or that entire amount.

Deferred tax assets and liabilities are calculated over the tax rates that are expected to be valid in the period when the assets are realized or the liabilities are fulfilled and legalized or substantially legalized as of the balance sheet date (tax regulations). During the calculation of deferred tax assets and liabilities, the tax consequences of the methods that the Group expects to recover or settle the carrying amount of the assets as of the balance sheet date are taken into consideration

Deferred tax assets and liabilities are recognized when there is a legal right to offset current tax assets and current tax liabilities, or if such assets and liabilities are associated with the income tax collected by the same tax authority, or if the Group intends to pay off the current tax assets and liabilities.

Current and deferred tax for the period

The deferred tax, other than those directly attributable to debt or liability recognized in equity (in which case deferred tax is recognized directly in equity) or deferred tax, other than those arising from initial recognition of business combinations, is recognized as income or expense in the income statement. In business combinations, the tax effect is taken into consideration in the calculation of goodwill or in determining the part of the purchaser that exceeds the acquisition cost of the share of the acquiree's identifiable assets, liabilities and contingent liabilities in the fair value.

The taxes included in the consolidated financial statements include current period tax and the change in deferred taxes. The Group calculates current and deferred tax on the results for the period.

Offsetting in tax assets and liabilities

The amount of corporate tax payable is netted because it is related to prepaid corporate tax amounts. Deferred tax assets and liabilities are also offset in the same way.

2.09.16 Employee Benefits

Unused vacation rights

In accordance with the existing labor law in Türkiye, the Group is required to pay to the employee, whose employment is terminated due to any reasons, the wage of the deserved and unused vacation days over the gross prevailing wage and other benefits subject to contract at the date the contract is terminated. Unused leave provisions are the earned and unused vacation rights of its employees

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of the Group, and measured on an undiscounted basis and are recognised in profit or loss as the related service is provided. Liabilities arising from unused vacation rights accrued in the period which they incurred.

Provision for employment termination benefits

The provision for employment termination benefits, as required by Turkish Labour Law represents the present value of the future probable obligation of the Group arising from the retirement of its employees based on the actuarial projections. TAS 19 “Employee Benefits” requires actuarial assumptions (net discount rate, turnover rate to estimate the probability of retirement etc.) to estimate the entity’s obligation for employment termination benefits. The effects of differences between the actuarial assumptions and the actual outcome together with the effects of changes in actuarial assumptions compose the actuarial gains/losses reflected to the accompanying consolidated financial statements. Actuarial gains and losses recognized under consolidated statement of other comprehensive income.

Defined benefit plans

The Group obliged to pay compulsory social security premiums to the Social Insurance Institution in Türkiye. The Group has no other obligations as long as it pays these premiums. The aforementioned premiums charged to the personnel expenses in the period which they accrued.

2.09.17 Statement of Cash Flow

Cash and cash equivalents are carried at cost in the consolidated statement of financial position. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, including cash on hand, bank deposits with an original maturity of more than three months and highly-liquid investments. 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 (tangible and 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.

2.09.18 Government Grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attaching to them and the grants will be received. Government grants are recognized in profit or loss on a systematic basis over periods in which the Group recognizes as expense the related costs for which the grants are intended to compensate.

2.10 Going Concern

As of 30 June 2024, the Group has prepared its consolidated financial statements with the assumption on the Group’s ability to continue its operations in the foreseeable future as a going concern basis of accounting.

2.11 Business Combinations

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value. The consideration transferred is calculated as the sum of the fair values, at the acquisition date, of the assets transferred by the acquirer, liabilities assumed by the acquirer on behalf of the previous owners of the acquired business, and the equity instruments issued by the acquirer. Acquisition-related costs are recognised as an expense as incurred.

Identifiable assets acquired and liabilities assumed are accounted for at their fair values as of the acquisition date. The following items are not accounted for in this manner:

Deferred tax assets or liabilities and assets or liabilities related to employee benefits are accounted for according to TAS 12, “Income Taxes”, and TAS 19, “Employee Benefits”, respectively.

Liabilities or equity instruments related to share-based payment arrangements of the acquired business or the Group's share-based payment arrangements that replace those of the acquired business are accounted for in accordance with TFRS 2 “Share-Based Payment”, as of the acquisition date.

Assets (or disposal groups) classified as held for sale under TFRS 5 “Non-current Assets Held for Sale and Discontinued Operations”, are accounted for according to the rules set out in TFRS 5.

Goodwill is calculated as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquired business, and, in a step acquisition, the fair value of any previously held equity interest in the acquired business over the

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net amount of the identifiable assets acquired and liabilities assumed at the acquisition date. If, after revaluation, the net amount of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the fair value of any non-controlling interests, and the fair value of any previously held equity interest in the acquired business, the excess is recognized directly in profit or loss as a gain from a bargain purchase.

If the consideration transferred by the Group in a business combination includes contingent consideration, the contingent consideration is measured at its fair value as of the acquisition date and included in the consideration transferred in the business combination. If adjustments to the fair value of contingent consideration arise as a result of new information obtained during the measurement period, such adjustments are retrospectively accounted for as goodwill adjustments.

The measurement period is the period after the acquisition date during which the acquirer can adjust the provisional amounts recognized in the business combination. This period cannot exceed one year from the acquisition date.

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

Goodwill

The goodwill arising from the acquisition is measured at cost at the acquisition date, less any impairment provisions, if applicable. For impairment testing, goodwill is allocated to the cash-generating units (or groups of cash-generating units) that are expected to benefit from the synergies of the business combination.

The cash-generating unit to which goodwill is allocated is tested for impairment annually. If there are indications that the unit may be impaired, the impairment test is performed more frequently.

If the recoverable amount of the cash-generating unit is lower than the carrying amount, an impairment loss is first allocated to reduce the carrying amount of the goodwill allocated to the unit. Any remaining impairment loss is then allocated to the other assets of the unit on a pro-rata basis. The impairment loss on goodwill is recognized directly in the consolidated statement of profit or loss. Impairment losses on goodwill are not reversed in subsequent periods.

Upon the sale of the related cash-generating unit, the amount of goodwill allocated to it is included in the calculation of the gains/(losses) on disposal.

2.12 New and Revised Turkish Financial Reporting Standards

The new standards, amendments, and interpretations

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

a. The new standards, amendments and interpretations and interpretations to the existing previous standards which are effective as of 1 January 2024 are as follows:

Amendments to TAS 1- Classification of Liabilities as Current and Non-Current Liabilities

In January 2020 and October 2022, the POA issued amendments to TAS 1 to specify the requirements for classifying liabilities as current or non-current. According to the amendments made in October 2022 if an entity's right to defer settlement of a liability is subject to the entity complying with the required covenants at a date subsequent to the reporting period ("future covenants"), the entity has a right to defer settlement of the liability even if it does not comply with those covenants at the end of the reporting period. In addition, October 2022 amendments require an entity to provide disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. This disclosure must include information about the covenants and the related liabilities. The amendments clarify that the requirement for the right to exist at the end of the reporting period applies to covenants which the entity is required to comply with on or before the reporting date regardless of whether the lender tests for compliance at that date or at a later date. The amendments also clarified that the classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least twelve months after the reporting period. The amendments must be applied retrospectively in accordance with TAS 8. The Group is in the process of assessing the material influence of the amendments on financial position or performance of the Group.

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Amendments to TFRS 16 - Lease Liability in a Sale and Leaseback

In September 2022, the POA issued amendments to TFRS 16. The amendments specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains. In applying requirements of TFRS 16 under “Subsequent measurement of the lease liability” heading after the commencement date in a sale and leaseback transaction, the seller lessee determines ‘lease payments’ or ‘revised lease payments’ in such a way that the seller-lessee would not recognize any amount of the gain or loss that relates to the right of use retained by the seller-lessee. The amendments do not prescribe specific measurement requirements for lease liabilities arising from a leaseback. The initial measurement of the lease liability arising from a leaseback may result in a seller-lessee determining ‘lease payments’ that are different from the general definition of lease payments in TFRS 16. The seller-lessee will need to develop and apply an accounting policy that results in information that is relevant and reliable in accordance with TAS 8. A seller-lessee applies the amendments retrospectively in accordance with TAS 8 to sale and leaseback transactions entered into after the date of initial application of TFRS 16. The Group is in the process of assessing the material influence of the amendments on financial position or performance of the Group.

Amendments to TAS 7 and TFRS 7 - Disclosures: Supplier Finance Arrangements

The amendments issued in May 2023 specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity’s liabilities, cash flows and exposure to liquidity risk. Supplier finance arrangements are characterized by one or more finance providers offering to pay amounts an entity owes its suppliers and the entity agreeing to pay according to the terms and conditions of the arrangements at the same date as, or a date later than, suppliers are paid. The amendments require an entity to provide information about terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those liabilities. In the context of quantitative liquidity risk disclosures required by TFRS 7, supplier finance arrangements are also included as an example of other factors that might be relevant to disclose. The amendments did not have a significant material influence on the financial position or performance of the Group.

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

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

Amendments to TFRS 10 and TAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

In December 2017, the POA postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. Early application of the amendments is still permitted. The Group will assess the effects of the amendments after the new standards have been finalized.

TFRS 17 - The new Standard for insurance contracts

POA issued TFRS 17 in February 2019, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. TFRS 17 model combines a current balance sheet measurement of insurance contract liabilities with the recognition of profit over the period that services are provided. The mandatory effective date of the Standard postponed to accounting periods beginning on or after 1 January 2025 with the announcement made by the POA. The Group is in the process of assessing the material influence of the amendments on financial position or performance of the Group.

Amendments to TAS 21 - Lack of exchangeability

In May 2024, the POA issued amendments to TAS 21. The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. When an entity estimates a spot exchange rate because a currency is not exchangeable into another currency, it discloses information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity’s financial performance, financial position and cash flows. The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information. The Group is in the process of assessing the material influence of the amendments on financial position or performance of the Group.

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c. The amendments which are effective immediately upon issuance

Amendments to TAS 12 - International Tax Reform – Pillar Two Model Rules

In September 2023, the POA issued amendments to TAS 12, which introduce a mandatory exception in TAS 12 from recognizing and disclosing deferred tax assets and liabilities related to Pillar Two income taxes. The amendments clarify that TAS 12 applies to income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development (OECD). The amendments also introduced targeted disclosure requirements for entities affected by the tax laws. The temporary exception from recognition and disclosure of information about deferred taxes and the requirement to disclose the application of the exception apply immediately and retrospectively upon issue of the amendments. The Group is in the process of assessing the material influence of the amendments on financial position or performance of the Group.

d. 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

In May 2024, the Board issued amendments to the classification and measurement of financial instruments (amendments to IFRS 9 and IFRS 7). The amendment clarifies that a financial liability is derecognised on the ‘settlement date’. It also introduces an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met. The amendment also clarified how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features as well as the treatment of non-recourse assets and contractually linked instruments. Additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income are added with the amendment. The amendment will be effective for annual periods beginning on or after 1 January 2026. Entities can early adopt the amendments that relate to the classification of financial assets plus the related disclosures and apply the other amendments later. The new requirements will be applied retrospectively with an adjustment to opening retained earnings. The Group is in the process of assessing the material influence of the amendments on financial position or performance of the Group.

IFRS 18 – The new Standard for Presentation and Disclosure in Financial Statements

In April 2024, IASB issued IFRS 18 which replaces IAS 1. IFRS 18 introduces new requirements on presentation within the statement of profit or loss, including specified totals and subtotals. IFRS 18 requires an entity to classify all income and expenses within its statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified ‘roles’ of the primary financial statements and the notes. In addition, there are consequential amendments to other accounting standards, such as IAS 7, IAS 8 and IAS 34. IFRS 18 and the related amendments are effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted. IFRS 18 will be applied retrospectively. 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

In May 2024, the Board issued IFRS 19, which allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. Unless otherwise specified, eligible entities that elect to apply IFRS 19 will not need to apply the disclosure requirements in other IFRS accounting standards. An entity that is a subsidiary, does not have public accountability and has a parent (either ultimate or intermediate) which prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards may elect to apply IFRS 19. IFRS 19 is effective for reporting periods beginning on or after 1 January 2027 and earlier adoption is permitted. If an eligible entity chooses to apply the standard earlier, it is required to disclose that fact. An entity is required, during the first period (annual and interim) in which it applies the standard, to align the disclosures in the comparative period with the disclosures included in the current period under IFRS 19.

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

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NOTE 3 - BUSINESS COMBINATIONS

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

Account Name	30.06.2024	31.12.2023
Opening balance – 1 January	380.041.268	-
Additions	46.915.342	380.041.268
Disposals	(25.875.483)	-
Closing balance	401.081.127	380.041.268

The breakdown and detailed analysis of business combinations for the interim period 1 January – 30 June 2024 are as follows:

Defic Globe Enerji Anonim Şirketi, the subsidiary of the Group, acquired “Green Energy George S.R.L.’s” effective ownership interests as an ultimate controlling party with a total amount of TL 35.066.878 on 26 April 2024. Green Energy’s business activities include ensuring the production of electricity from solar energy and the Company operates in Romania.

Since the determination of the fair value of identifiable assets and acquired liabilities related to abovementioned acquisition is in progress, the amount was recognised “temporarily” in the accompanying consolidated financial statements as “provisional fair value” for the interim period ended 30 June 2024. In accordance with TFRS 3 “Business Combinations”, the acquirer shall adjust the provisional amounts recognized at the acquisition date within 12 months to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the measurement of the amounts recognized as of that date. As a result of the recognition of the relevant acquisition, it is assumed that there will be adjustments in the fair values of the identifiable assets and liabilities assumed acquired and, accordingly, in the amount of goodwill.

Account Name	Fair value (TL)
Other current assets	5.296.458
Property, plant and equipment	34.976.146
Trade payables	(38.756.054)
Other payables	(1.544.444)
Net fair value of the identifiable assets	(27.894)
Identifiable assets acquired	(27.894)
Consideration transferred	35.066.878
Goodwill, net – 30 June 2024	35.094.772

The breakdown and detailed analysis of business combinations for the year 1 January – 31 December 2023 are as follows:

The Group acquired Brandıt Mühendislik Yazılım Ticaret Anonim Şirketi’s 1020 outstanding shares with the nominal value of TL 25.500 representing its 51% effective ownership interest with a total amount of TL 7.000.000 on 13 September 2023. Brandıt Mühendislik’s business activities include ensuring engineering and consultancy activities for energy projects and installation services of industrial process control equipment. Brandıt Mühendislik has total paid-in share capital amounting to TL 50.000.

Since the determination of the fair value of identifiable assets and acquired liabilities related to abovementioned acquisition is in progress, the amount was recognised “temporarily” in the accompanying consolidated financial statements as “provisional fair value” for the year ended 31 December 2023. In accordance with TFRS 3 “Business Combinations”, the acquirer shall adjust the provisional amounts recognized at the acquisition date within 12 months to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the measurement of the amounts recognized as of that date. As a result of the recognition of the relevant acquisition, it is assumed that there will be adjustments in the fair values of the identifiable assets and liabilities assumed acquired and, accordingly, in the amount of goodwill.

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Account Name	Fair value (TL)
Cash and cash equivalents	325.863
Trade receivables	6.934.112
Other receivables	226.781
Inventories	1.633.430
Prepaid expenses	12.650
Non-current assets	222.018
Short-term borrowings	(278.602)
Trade payables	(6.419.232)
Employee benefits	(4.170.219)
Other payables	(43.437)
Deferred income	(191.745)
Provisions	(775.575)
Net fair value of the identifiable assets	(2.523.956)
Profit for the period	235.394
Net fair value of the identifiable assets	(2.759.350)
Non-controlling interests	(1.236.744)
Identifiable assets acquired	(1.522.606)
Consideration transferred	8.878.255
Goodwill, net – 31 December 2023	10.400.861

Defic Globe Enerji, the subsidiary of the Group, acquired “Future PV S.R.L.” amounting to TL 58.369.000 for the purpose of business development and operational activities in Caracal/Romania on 1 February 2023. Future PV’s business activities include ensuring electricity production from solar energy.

The determination of the fair value of identifiable assets and acquired liabilities related to abovementioned acquisition was completed. Accordingly, the Group calculated goodwill arising from relevant acquisition amounting to TL 56.825.000.

Account Name	Fair value (TL)
Cash and cash equivalents	293.000
Trade receivables	178.000
Property, plant and equipment	1.344.000
Intangible assets	1.491.000
Trade payables	(1.523.000)
Other payables	(239.000)
Net fair value of the identifiable assets	1.544.000
Identifiable assets acquired	1.544.000
Consideration transferred	58.369.000
Goodwill, net – 31 December 2023	56.825.000

Defic Globe Enerji, the subsidiary of the Group, acquired “Luce Verde S.R.L.” amounting to TL 240.307.315 for the purpose of business development and operational activities in Turceni/Romania on 5 September 2023. Luce Verde’s business activities include ensuring electricity production from solar energy.

Since the determination of the fair value of identifiable assets and acquired liabilities related to abovementioned acquisition is in progress, the amount was recognised “temporarily” in the accompanying consolidated financial statements as “provisional fair value” for the year ended 31 December 2023. In accordance with TFRS 3 “Business Combinations”, the acquirer shall adjust the provisional amounts recognized at the acquisition date within 12 months to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the measurement of the amounts recognized as of that date. As a result of the recognition of the relevant acquisition, it is assumed that there will be adjustments in the fair values of the identifiable assets and liabilities assumed acquired and, accordingly, in the amount of goodwill.

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Account Name	Fair value (TL)
Cash and cash equivalents	15.372.230
Other current assets	798.267
Property, plant and equipment	6.304.657
Prepaid expenses	296.448
Trade payables	(2.317.006)
Other payables	(19.942.377)
Net fair value of the identifiable assets	512.219
Profit for the period	(474.927)
Net fair value of the identifiable assets	987.146
Identifiable assets acquired	987.146
Consideration transferred	299.747.640
Goodwill, net – 31 December 2023	298.760.494

NOTE 4 - DISCLOSURE OF INTERESTS IN OTHER ENTITIES

The disclosures of interests of the Group include associates and joint ventures under common control and Group has the authority over joint control on financial and operating policies. In the accompanying consolidated financial statements, disclosure of interests in other entities have been accounted for using the equity method and disclosed in notes to the consolidated financial statements in Note 16: Investments Accounted for Using the Equity Method.

Information regarding the Associates and Joint Ventures accounted for using the equity method is as follows:

	Effective ownership interests	30 June 2024 Net balance sheet position	31 December 2023 Net balance sheet position
Associates and Joint Ventures	(%)		
Seiso Enerji San. Ve Tic. A.Ş.	0.49	16.387.274	
HK Enerji – YEO Joint Venture	0.50	3.521.844	1.471.504
Grid Teknoloji	0.50	60.982	61.946
YEO – HSY Joint Venture	0.50	133.471	321.932
Mikrohes Teknoloji Enerji Sanayi ve Ticaret A.Ş.	0.50	-	-
Total		20.103.571	1.855.382

NOTE 5 - OPERATING SEGMENTS

As of 30 June 2024 and 2023, the functional breakdown of the reportable segments of the Group is as follows:

01.01.2024-30.06.2024

	Commitments	Operating activities	Total
Revenue	2.690.239.655	555.531.807	3.245.771.462
Cost of sales (-)	(2.047.415.450)	(197.545.643)	(2.244.961.093)
Gross profit from non-finance sector operations	642.824.205	357.986.164	1.000.810.369
GROSS PROFIT	642.824.205	357.986.164	1.000.810.369

01.01.2023-30.06.2023

	Commitments	Operating activities	Total
Revenue	1.816.624.521	132.659.095	1.949.283.616
Cost of sales (-)	(1.480.616.515)	(83.528.191)	(1.564.144.706)
Gross profit from non-finance sector operations	336.008.006	49.130.904	385.138.910
GROSS PROFIT	336.008.006	49.130.904	385.138.910

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NOTE 6 - CASH AND CASH EQUIVALENTS

As of 30 June 2024 and 31 December 2023, the functional breakdown of cash and cash equivalents is as follows:

Account Name	30.06.2024	31.12.2023
Cash on hand	1.337.241	1.570.444
Banks	771.854.132	1.012.560.404
- Demand deposits	271.396.257	533.120.135
- Time deposits	281.723.362	160.669.310
- Blocked deposits	218.710.039	318.770.959
- Credit card slips	24.474	-
Uninvested brokerage cash	11.552.791	1.834.712
Cash and cash equivalents, net	784.744.164	1.015.965.560

The functional breakdown of demand and blocked deposits denominated in foreign currencies and Turkish Lira is as follows:

Currency	30.06.2024	31.12.2023
TL	274.342.526	8.993.955
USD	192.556.487	558.955.989
EUR	5.729.017	261.918.124
RON	15.054.684	18.778.480
UZS	938.821	1.385.288
MKD	216.679	270.275
PLN	157.498	196.455
AZN	1.110.584	1.391.423
Total	490.106.296	851.889.989

The functional breakdown of time deposits denominated in foreign currencies and Turkish Lira is as follows:

Currency	30.06.2024	31.12.2023
TL	263.766.848	157.356.531
USD	17.956.514	3.312.779
Total	281.723.362	160.669.310

As of 30 June 2024 and 31 December 2023, the annual effective interest rates of time deposits denominated in foreign currencies and Turkish Lira are as follows:

	30.06.2024		31.12.2023	
Currency	Original currency amount	Annual effective interest rate (%)	Original currency amount	Annual effective interest rate (%)
TL	263.766.848	16-65	157.356.531	15-42
USD	17.956.514	2-5	3.312.779	2-5
Total	281.723.362		160.669.310	

NOTE 7 - FINANCIAL INVESTMENTS

As of 30 June 2024 and 31 December 2023, the detailed analysis of financial investments measured at amortised cost is as follows:

Account Name	30.06.2024	31.12.2023
Funds	62.166.740	848.344
Total	62.166.740	848.344

As of 30 June 2024 and 31 December 2023, the Group has no short-term financial investments at fair value through profit or loss.

As of 30 June 2024 and 31 December 2023, the detailed analysis of financial investments accounted for as equity instruments in the accompanying consolidated financial statements is as follows:

Account Name	30.06.2024	31.12.2023
Nicat Batarya Teknolojileri Ticaret A.Ş.	9.758.442	9.758.442
Ion Membran Teknolojileri A . Ş	6.460.727	6.460.727
Total	16.219.169	16.219.169

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NOTE 8 – BORROWINGS

As of 30 June 2024 and 31 December 2023, the breakdown of short-term borrowings are as follows:

Account Name	30.06.2024	31.12.2023
Bank borrowings	286.240.220	546.920.788
Leasing	12.800.126	14.859.513
Principal and interest installments of long-term borrowings	431.526.929	125.551.951
Issued bonds	264.706.214	-
Lease liabilities	860.468	1.792.284
Other	179.083	-
Short-term borrowings, net	996.313.040	689.124.536

As of 30 June 2024 and 31 December 2023, the breakdown of long-term borrowings are as follows:

Account Name	30.06.2024	31.12.2023
Bank borrowings	968.382.086	1.052.955.498
Leasing	13.593.940	21.523.940
Lease liabilities	66.157.930	78.202.950
Long-term borrowings, net	1.048.133.956	1.152.682.388

As of 30 June 2024 and 31 December 2023, the redemption schedule of bank borrowings and leasing is as follows:

Maturity schedule	30.06.2024	31.12.2023
0-3 months	156.226.940	456.555.522
4-12 months	587.934.275	182.090.468
1 year and over	968.382.086	1.123.165.700
Total	1.712.543.301	1.761.811.690

The annual effective interest rates of bank borrowings are as follows:

30.06.2024			
Type	Original currency amount	TL equivalent	Annual effective interest rate (%)
TL	408.004.802	408.004.802	19-56
USD	11.093.387	364.809.360	8-11
EUR	25.963.657	913.335.073	7-9
Total		1.686.149.235	

31.12.2023			
Type	Original currency amount	TL equivalent	Annual effective interest rate (%)
TL	388.377.429	388.377.429	17-43
USD	7.129.312	375.980.355	8-12
EUR	16.469.481	961.070.453	7-14
Total		1.725.428.237	

NOTE 9 - OTHER FINANCIAL LIABILITIES

None.

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NOTE 10 - TRADE RECEIVABLES AND PAYABLES

As of 30 June 2024 and 31 December 2023, the breakdown of short-term trade receivables is as follows. The Group has no long-term trade receivables as of the end of the interim and annual reporting periods.

Account Name	30.06.2024	31.12.2023
Trade receivables from third parties	1.239.579.860	628.941.035
-Customers	1.235.618.765	621.909.521
-Notes receivables	87.497.570	24.523.163
-Discount on notes receivables (-)	(83.536.475)	(17.491.649)
- Doubtful trade receivables	6.107.022	8.346.672
- Provision for doubtful trade receivables (-)	(6.107.022)	(8.346.672)
Trade receivables from related parties (Note 38)	72.764.434	28.393.877
Short-term trade receivables, net	1.312.344.294	657.334.912

Trade receivables are performed without obtaining collaterals and guarantees and average turnover period for trade receivables is 47 days (31 December 2023: 23 days). The annual effective interest rate applied on trade receivables is 56% (31 December 2023: 43.63%).

The nature and level of risks of trade receivables are disclosed in **Note 39**.

As of 30 June 2024 and 31 December 2023, the breakdown of short-term trade payables is as follows:

Account Name	30.06.2024	31.12.2023
Trade payables to third parties	1.100.621.337	998.030.435
-Suppliers	1.183.586.254	578.042.610
- Notes payable	37.905.943	458.364.423
- Discount on notes payable	(122.748.819)	(40.691.791)
- Other	1.877.959	2.315.193
Trade payables to related parties (Note 38)	377.207.743	276.569.203
Short-term trade payables, net	1.477.829.080	1.274.599.638

Average turnover period for trade payables is 70 days (31 December 2023: 41 days). The annual effective interest rate applied on trade payables is 56% (31 December 2023: 43.63%).

As of 30 June 2024 and 31 December 2023, the Group has no long-term trade payables.

The nature and level of risks of trade payables are disclosed in **Note 39**.

NOTE 11 - OTHER RECEIVABLES AND PAYABLES

As of 30 June 2024 and 31 December 2023, the breakdown of short-term other receivables is as follows:

Account Name	30.06.2024	31.12.2023
Other receivables from third parties	264.311.798	30.955.572
- Deposits and guarantees given	732.468	754.397
- Due from employees	214.047	188.534
- Other	263.365.283	30.012.641
Other receivables from related parties (Note 37)	9.051.848	6.986.399
Short-term other receivables, net	273.363.646	37.941.971

As of 30 June 2024 and 31 December 2023, the breakdown of short-term other payables is as follows:

Account Name	30.06.2024	31.12.2023
Other payables to third parties	4.157.082	3.363.756
-Taxes payable	4.157.082	3.363.756
Other payables to related parties	363.350.560	426.613.639
Short-term other payables, net	367.507.642	429.977.395

As of 30 June 2024 and 31 December 2023, the Group has no long-term other receivables and payables.

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NOTE 12 - CUSTOMER CONTRACTS

The functional breakdown of contract assets and liabilities from commitment contracts with customers is as follows:

	30.06.2024	31.12.2023
Revenue under TFRS (A)	9.751.911.959	8.805.123.746
Accumulated costs (B)	(7.064.847.701)	(6.512.883.141)
Profit/loss under TFRS (C=A+B)	2.687.064.258	2.292.240.605
Less: Incurred progress payments (D)	7.650.986.897	6.256.168.178
Contract assets (A-D)	2.100.925.062	2.548.955.568

As of 30 June 2024 and 31 December 2023, the breakdown of receivables from contracts with customers denominated in foreign currencies and Turkish Lira is as follows:

30.06.2024

Type	Original currency amount	TL equivalent
TL	101.144.911	101.144.911
USD	53.542.152	1.757.585.390
EUR	6.894.557	242.194.761
Contract assets (A-D)		2.100.925.062

31.12.2023

Type	Original currency amount	TL equivalent
TL	63.465.101	79.163.276
USD	62.246.174	2.285.673.364
EUR	4.531.543	184.118.928
Contract assets (A-D)		2.548.955.568

NOTE 13 – INVENTORIES

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

Account Name	30.06.2024	31.12.2023
Raw materials and supplies	104.159.436	168.360.117
Semi-finished goods	-	1.400.560
Merchandise	6.348.578	4.503.240
Less: Provision for impairment	(259.686)	(681.695)
Total	110.248.328	173.582.222

As of 30 June 2024, the Group has no pledged inventories (31 December 2023: None).

NOTE 14 – BIOLOGICAL ASSETS

None.

NOTE 15 - PREPAID EXPENSES AND DEFERRED INCOME

As of 30 June 2024 and 31 December 2023, the functional breakdown of prepaid expenses and deferred income is as follows:

Short-term prepaid expenses

Account Name	30.06.2024	31.12.2023
Prepaid expenses to third parties	822.687.522	636.955.692
- Short-term prepaid expenses (*)	129.528.619	122.139.575
- Advances given (**)	693.158.903	514.816.117
Short-term prepaid expenses, net	822.687.522	636.955.692

(*) In accordance with the paragraphs 91-94 of TFRS 15 “Revenue from Contracts with Customers”, short-term prepaid expenses include additional costs (sales commissions) incurred to make contracts with customers.

(**) Includes advances paid to the suppliers for the purchases of goods and services.

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Long-term prepaid expenses

None.

Short-term deferred income

Account Name	30.06.2024	31.12.2023
Deferred income from third parties	1.243.260.997	1.767.190.220
- Advances received	1.243.260.997	1.767.190.220
- Short-term deferred income	-	-
Deferred income from related parties		
Short-term deferred income, net	1.243.260.997	1.767.190.220

Advances received include short-term advances obtained regarding current contracts with customers.

Long-term deferred income

None.

NOTE 16 - INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Information regarding the Associates and Joint Ventures accounted for using the equity method is as follows:

	Effective ownership interests	30 June 2024 Net balance sheet position	31 December 2023 Net balance sheet position
Associates and Joint Ventures	(%)		
Seiso Enerji San. Ve Tic. A.Ş.	0.49	16.387.274	
HK Enerji – YEO Joint Venture	0.50	3.521.844	1.471.504
Grid Teknoloji	0.50	60.982	61.946
Yeo – Hsy Joint Venture	0.50	133.471	321.932
Mikrohes Teknoloji Enerji Sanayi ve Ticaret A.Ş.	0.50	-	-
Total		20.103.571	1.855.382

NOTE 17 - INVESTMENT PROPERTIES

None.

NOTE 18 - PROPERTY, PLANT AND EQUIPMENT

As of 30 June 2024 and 2023, the movements for property, plant and equipment, and related depreciation are as follows:

30.06.2024

Cost	Opening balance – 1 January 2024	Additions	Disposals	Revaluation surplus (-)	Currency translation differences (+/-)	Closing balance – 30 June 2024
Land	2.665.451	1.502.388	-	-	-	4.167.839
Buildings	94.050.190	2.668.859		(3.911.530)	424.586	93.232.105
Plant, machinery and equipment	581.712.145	1.396.073	-	-	(72.150.942)	510.957.277
Motor vehicles	114.531.292	5.849.911	(4.573.737)	-	(271.952)	115.535.514
Furniture and fixtures	78.067.840	16.767.932	-	-	(776.410)	94.059.362
Leasehold improvements	7.512.965	-	-	-	-	7.512.965
Constructions in progress	507.034.475	226.415.100	-	(39.611.447)	(12.029.091)	681.809.036
Total	1.385.574.358	254.600.263	(4.573.737)	(43.522.977)	(84.803.809)	1.507.274.098

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30.06.2024

Accumulated depreciation (-)	Opening balance – 1 January 2024	Current period depreciation	Disposals	Revaluation surplus	Currency translation differences (+/-)	Closing balance – 30 June 2024
Buildings	(4.123.197)	(935.999)	-		(306)	(5.059.502)
Plant, machinery and equipment	(8.445.971,00)	(16.490.147)	-		(484.905)	(25.421.023)
Motor vehicles	(34.764.026)	(10.715.002)	2.819.831		224.316	(42.434.881)
Furniture and fixtures	(23.596.659)	(6.709.634)	-		105.221	(30.201.072)
Leasehold improvements	(4.728.343)	(187.309)	-		-	(4.915.652)
Constructions in progress	-	-	-		-	-
Total	(75.658.196)	(35.038.091)	2.819.831		(155.674)	108.032.130
Net book value	1.309.916.162					1.399.241.968

30.06.2023

Cost	Opening balance – 1 January 2023	Additions	Disposals	Transfers	Revaluation surplus	Closing balance – 30 June 2023
Land	111.668.511	-	-	(109.003.074)	-	2.665.437
Buildings	76.388.057	4.926.335	-	-	-	81.314.392
Plant, machinery and equipment	1.226.299	18.943	-	-	-	1.245.242
Motor vehicles	66.356.484	9.737.760	(583.015)	-	-	75.511.229
Furniture and fixtures	40.321.822	7.082.697	-	-	-	47.404.519
Leasehold improvements	7.512.943	-	-	-	-	7.512.943
Constructions in progress	7.827.472	474.920.842	-	109.003.074	-	591.751.388
Total	311.301.588	496.686.577	(583.015)	-	-	807.405.150

Accumulated depreciation (-)	Opening balance – 1 January 2023	Current period depreciation	Disposals	Transfers	Revaluation surplus	Closing balance – 30 June 2023
Buildings	(2.498.134)	(790.461)	-	-	-	(3.288.595)
Plant, machinery and equipment	(1.149.382)	(37.225)	-	-	-	(1.186.607)
Motor vehicles	(16.801.397)	(7.014.625)	583.015	-	-	(23.233.007)
Furniture and fixtures	(12.980.576)	(3.429.278)	-	-	-	(16.409.854)
Leasehold improvements	(4.352.694)	(186.279)	-	-	-	(4.538.973)
Constructions in progress	-	-	-	-	-	-
Total	(37.782.183)	(11.457.868)	583.015	-	-	(48.657.036)
Net book value	349.083.771					758.748.114

The Group has no property, plant and equipment acquired through finance lease. Total insurance coverage on assets and pledges and mortgages on property, plant and equipment are disclosed in **Note 23**.

The fair value of the property, plant and equipment of the Group has been determined by independent appraisal firms. The independent appraisal firms are authorised by the Capital Markets Board (the “CMB”) and their nature of business is providing valuation services.

The fair value of the buildings and construction in progress of the Group has been determined as of 30 June 2024. The fair value of buildings and construction in progress has been determined by the independent appraisal firm “Aden Gayrimenkul Değerleme ve Danışmanlık Anonim Şirketi” and the amounts determined by Aden Gayrimenkul recognised in the accompanying consolidated financial statements in accordance with the report prepared by Aden Gayrimenkul on 29 March 2024.

As of 30 June 2024, the summary financial information and the fair value hierarchy of the buildings and construction in progress are as follows:

	Level 1	Level 2	Level 3
Buildings (Head Office)	-	83.150.000	-
Construction in progress (Orhanlı Factory Building)	-	287.150.000	-
Total		370.300.000	

Property, plant and equipment	Method	Immeasurable factor	Sensitivity analysis
Buildings-Constructions in progress	Market approach	Estimates of appraisal expert and depreciation rates are used determining the appraisal report.	The decision, based on past experience, has the material influence on the fair value of the motor vehicles and furniture and fixtures. A change in the

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			exchange rate or inflation index will cause the change in fair value.
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The functional breakdown of depreciation and amortization charges on property, plant and equipment is disclosed in **Note 31**.

NOTE 19 - RIGHT OF USE ASSETS

As of 30 June 2024 and 2023, the movements for right of use assets, and related depreciation are as follows:

30.06.2024

Cost

Account Name	Opening balance – 1 January 2024	Additions	Disposals	Currency translation differences	Closing balance – 30 June 2024
Right of use assets	103.142.670	-	-	(9.323.709)	93.818.961
Total	103.142.670	-	-	(9.323.709)	93.818.961

Accumulated depreciation (-)

Account Name	Opening balance – 1 January 2023	Current period depreciation (-)	Disposals	Currency translation differences	Closing balance – 30 June 2024
Right of use assets	(7.959.468)	(1.600.561)	-	254.302	(9.305.727)
Total	(7.959.468)	(1.600.561)	-	254.302	(9.305.727)
Net book value	95.183.202				84.513.234

30.06.2023

Cost

Account Name	Opening balance – 1 January 2023	Additions	Disposals	Currency translation differences	Closing balance – 30 June 2023
Right of use assets	14.137.430	70.497.406	-	20.329.505	104.964.341
Total	14.137.430	70.497.406	-	34.466.935	104.964.341

Accumulated depreciation (-)

Account Name	Opening balance – 1 January 2023	Current period depreciation (-)	Disposals	Currency translation differences	Closing balance – 30 June 2023
Right of use assets	(2.524.134)	(1.347.585)	-	(194.409)	(4.066.128)
Total	(2.524.134)	(1.347.585)	-	(194.409)	(4.066.128)
Net book value	16.661.564				109.030.469

The right of use assets of Yeo Teknoloji comprises of land leased for the installation of solar energy production facilities and warehouse building leases.

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NOTE 20 - INTANGIBLE ASSETS

As of 30 June 2024 and 2023, the movements for intangible assets, and related depreciation are as follows:

30.06.2024

Cost	Opening balance – 1 January 2024	Additions	Disposals	Currency translation differences	Closing balance – 30 June 2024
Rights	4.752.245	1.583.311	-	(11.464)	6.324.092
Total	4.752.245	1.583.311	-	(11.464)	6.324.092

Accumulated depreciation (-)	Opening balance – 1 January 2024	Current period depreciation	Disposals	Currency translation differences	Closing balance – 30 June 2024
Rights	(3.164.047)	(419.379)	-	-	(3.583.426)
Total	(3.164.047)	(419.379)	-	-	(3.583.426)
Net book value	1.588.198	-	-	-	2.740.666

30.06.2023

Cost	Opening balance – 1 January 2023	Additions	Disposals	Closing balance – 30 June 2023
Rights	4.204.297	28.994	-	4.233.291
Total	4.204.297	28.994	-	4.233.291

Accumulated depreciation (-)	Opening balance – 1 January 2023	Current period depreciation	Disposals	Closing balance – 30 June 2023
Rights	(1.841.176)	(483.660)	-	(2.324.836)
Total	(1.841.176)	(483.660)	-	(2.324.836)
Net book value	6.045.473	-	-	1.908.455

Total insurance coverage on intangible assets are disclosed in **Note 22**.

The functional breakdown of depreciation and amortization charges on intangible assets is disclosed in **Note 30**.

Goodwill

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

Account Name	30.06.2024	31.12.2023
Opening balance – 1 January	380.041.268	-
Additions	46.915.342	380.041.268
Disposals	(25.875.483)	-
Closing balance	401.081.127	380.041.268

NOTE 21 - EMPLOYEE BENEFITS

As of 30 June 2024 and 31 December 2023, the breakdown of employee benefits is as follows:

Account Name	30.06.2024	31.12.2023
Due to employees	23.702.552	26.321.671
Taxes payable	24.430.319	31.747.613
Social security premiums payable	19.230.391	18.748.451
Other liabilities	505.235	320.203
Deferred liabilities	1.839.867	2.454.766
Total	69.708.364	79.592.704

NOTE 22 - GOVERNMENT GRANTS

None.

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NOTE 23 – PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

i) *Other short-term provisions*

Account Name	30.06.2024	31.12.2023
Provision for lawsuits	76.947	37.725
Provision for unused vacation	16.418.547	17.308.242
Total	16.495.494	17.345.967

ii) *Contingent liabilities and contingent assets*

Contingent events

The Group has allocated provision for doubtful receivables that cannot be collected even though they are past due and/or are transferred to the execution stage. As of 30 June 2024, the Group has doubtful receivables amounting to TL 6.107.022 (31 December 2023: TL 8.346.672). In addition, the Group has allocated provision for lawsuits amounting to TL 76.947 for possible cash outflows from the Group during the period (31 December 2023: TL 34.800).

iii) *Commitments, mortgages and guarantees not included in the liability*

	Currency	30.06.2024		31.12.2023	
		Original currency amount	TL equivalent	Original currency amount	TL equivalent
Letter of guarantee given	TL	659.803.989	659.803.989	373.464.483	373.464.483
Letter of guarantee given	USD	74.908.173	2.458.950.653	75.812.083	2.783.802.782
Letter of guarantee given	EUR	2.619.095	92.004.626	2.368.081	96.217.729
Total letter of guarantee given		-	3.210.759.268	-	3.253.484.994
Mortgages given	TL	46.000.000	46.000.000	57.378.159	57.378.159
Total mortgages given		46.000.000	46.000.000	57.378.159	57.378.159
Pledges given	TL	-	-	553.824	553.824
Total pledges given		-	-	553.824	553.824

iv) *Ratio of guarantees and mortgages to equity*

As of 30 June 2024 and 31 December 2023, the Group's collateral/pledge/mortgage/bill of guarantee ("C&P&M&B") position is as follows:

Collaterals, Pledges, Mortgages and Bill of Guarantees Given by the Group	30.06.2024	31.12.2023
A. Total amount of CPMB's given in the name of its own legal personality	3.256.759.268	3.311.416.977
B. Total amount of CPMB's given on behalf of the fully consolidated subsidiaries	-	-
C. Total amount of CPMB's given on behalf of third parties for ordinary course of business	-	-
D. Total amount of other CPMB's given	-	-
i) Total amount of CPMB's given on behalf of the majority shareholder	-	-
ii) Total amount of CPMB's given to on behalf of other group companies which are not in scope of B and C	-	-
iii) Total amount of CPMB's given on behalf of third parties which are not in scope of C	-	-
Total	3.256.759.268	3.311.416.977

As of 30 June 2024, the ratio of guarantees and mortgages to equity given by the Group is 0% (31 December 2023: 0%).

v) *Total insurance coverage on assets*

As of 30 June 2024, total insurance coverage on the assets of the Group is amounting to USD 3.811.904,13 and TL 35.119.043 (31 December 2023: USD 3.999.942 and TL 40.409.375,64).

NOTE 24 - COMMITMENTS

None.

NOTE 25 – PROVISIONS FOR EMPLOYEE BENEFITS

Long-term	30.06.2024	31.12.2023
Provision for employment termination benefits	18.265.252	17.312.354
Total	18.265.252	17.312.354

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Under Turkish Labour Law, Yeo Teknoloji and its subsidiaries, associates and joint ventures 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 2024, the amount payable consists of one month's salary limited to a maximum of TL 41.828 (31 December 2023: TL 35.058) 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 the Group arising from the retirement of the 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 are used in the calculation of total liabilities:

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation.

The movements in the provision for employment termination benefits are as follows:

	01.01.2024	01.01.2023
	30.06.2024	30.06.2023
Beginning of the period – 1 January	17.312.354	9.774.792
Payments during the period (-)	(1.741.142)	(1.226.449)
Service costs	3.025.515	2.893.042
Interest costs	622.064	355.793
Actuarial losses/(gains)	2.987.742	527.269
Adjustments for inflation – TAS 29	(3.530.851)	23.752
End of the period – 30 June	18.265.252	9.958.031

NOTE 26 - TAX ASSETS AND LIABILITIES

As of 30 June 2024 and 31 December 2023, the detailed analysis of current income tax assets is as follows:

Account Name	30.06.2024	31.12.2023
Prepaid taxes	1.846.477	1.187.072
Current income tax assets, net	1.846.477	1.187.072

As of 30 June 2024 and 31 December 2023, the detailed analysis of current income tax liabilities is as follows:

Account Name	30.06.2024	31.12.2023
Current income tax liabilities	19.461.501	49.624.550
Less: Prepaid taxes (-)	(7.876.884)	(12.000.951)
Current income tax liabilities, net	11.584.617	37.623.599

NOTE 27 - OTHER ASSETS AND LIABILITIES

As of 30 June 2024 and 31 December 2023, the detailed analysis of other current assets is as follows:

Account Name	30.06.2024	31.12.2023
Deferred VAT	63.621.309	407.894.449
Cash advances	4.535.213	5.990.174
Deductible VAT	-	37.842
Advances given to employees	1.145.601	1.442.759
Other current assets, net	69.302.123	415.365.224

As of 30 June 2024 and 31 December 2023, the detailed analysis of other non-current assets is as follows:

Account Name	30.06.2024	31.12.2023
Long-term income tax withholding allowances	82.865.777	82.577.934
Other non-current assets, net	82.865.777	82.577.934

As of 30 June 2024 and 31 December 2023, the Group has no other current and non-current liabilities.

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NOTE 28 - EQUITY

i) *Non-controlling interests*

Equity items of the subsidiaries within the scope of consolidation, including paid-in/issued share capital, the amounts corresponding to the shares other than the parent company and subsidiaries are deducted and presented in under equity of the consolidated balance sheet as "Non-Controlling Interest".

Account Name	30.06.2024	31.12.2023
Non-controlling interests	26.334.628	41.870.838
Total	26.334.628	41.870.838

As of 30 June 2024 and 31 December 2023, the details of other comprehensive income or expenses to be reclassified to profit or loss are as follows:

Account Name	30.06.2024	31.12.2023
Currency translation differences	12.519.068	9.579.303
Total	12.519.068	9.579.303

ii) *Share capital*

As of 30 June 2024, paid-in share capital of the Group is amounting to TL 96.000.000. Yeo Teknoloji has not been adopted the registered share capital system. As of 30 June 2024 and 31 December 2023, the principal shareholders and their respective shareholding rates in Yeo Teknoloji are as follows:

	30.06.2024		31.12.2023	
	Amount	Share (%)	Amount	Share (%)
Tolunay Yıldız	13.336.384	13.9	13.336.384	13.9
Orhan Yıldız	13.336.384	13.9	13.336.384	13.9
Özbey Yıldız	13.330.272	13.9	13.330.272	13.9
Barış Esen	6.112.000	6.4	6.112.000	6.4
Sinan Karahan	6.112.000	6.4	6.112.000	6.4
Yasin Düven	6.112.000	6.4	6.112.000	6.4
Caner Karataş	2.780.960	2.9	2.780.960	2.9
Listed shares (Other)	34.880.000	36.2	34.880.000	36.2
Total share capital	96.000.000	100	96.000.000	100
Unpaid share capital	-		-	
Total paid-in share capital	96.000.000		96.000.000	

Capital increases during the period

None.

iii) *Restricted reserves*

The legal reserves consist of first and second legal reserves, appropriated in accordance with the Turkish Commercial Code (TCC). The TCC stipulates that the first legal reserve is appropriated out of historical statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Group's historical 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 historical paid-in share capital. Under TCC, the legal reserves are not available for distribution unless they exceed 50% of the historical paid-in share capital but may be used to offset losses in the event that historical general reserve is exhausted.

As of 30 June 2024 and 31 December 2023, the breakdown of restricted reserves is as follows:

Account Name	30.06.2024	31.12.2023
Legal reserves	13.144.245	10.321.612
Total	13.144.245	10.321.612

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iv) *Retained earnings*

Retained earnings include and other retained earnings and extraordinary reserves. The breakdown of retained earnings as of 30 June 2024 and 31 December 2023, is as follows:

Account Name	30.06.2024	31.12.2023
Retained earnings	972.076.556	445.049.164
Total	972.076.556	445.049.164

As of 30 June 2024 and 31 December 2023, the comparative information of the relevant equity items presented as inflation-adjusted in the consolidated financial statements with the inflation-adjusted amounts in the financial statements prepared in accordance with the Tax Procedure Law ("TPL") is as follows:

30.06.2024

Account Name	Statutory records recognised in accordance with TPL	Amounts adjusted for inflation in the consolidated financial statements prepared in accordance with TFRS	Retained earnings, net
Adjustment to share capital	167.256.290	201.584.594	(34.328.304)
Share premium	78.798.412	148.948.048	(70.149.636)
Legal reserves	13.526.365	13.144.245	382.120
Total	259.581.067	325.433.262	(104.095.820)

v) *Share premium*

Account Name	30.06.2024	31.12.2023
Share premium	148.948.048	148.948.048
Total	148.948.048	148.948.048

vi) *Other comprehensive income or expenses not to be reclassified to profit or loss*

As of 30 June 2024 and 31 December 2023, the breakdown of other comprehensive income or expenses not to be reclassified to profit or loss recognized in equity is as follows:

Account Name	30.06.2024	31.12.2023
Gains/(losses) on remeasurements of defined benefit plans	(7.230.949)	(6.510.288)
Gains/(losses) on revaluation and remeasurements	68.892.794	101.535.027
Total	61.661.845	95.024.739

vii) *Other*

As of 30 June 2024 and 31 December 2023, the breakdown of equity items is as follows:

Account Name	30.06.2024	31.12.2023
Paid-in share capital	96.000.000	96.000.000
Adjustment to share capital	201.584.594	201.584.594
Share premium	148.948.048	148.948.048
Other comprehensive income or expenses not to be reclassified to profit or loss	61.661.845	95.024.739
- Gains/(losses) on remeasurements of defined benefit plans	(7.230.949)	(6.510.288)
- Gains/(losses) on revaluation and remeasurements	68.892.794	101.535.027
Other comprehensive income or expenses to be reclassified to profit or loss	12.519.068	9.579.303
-Currency translation differences	12.519.068	9.579.303
Restricted reserves	13.144.245	10.321.612
Retained earnings	972.076.556	445.049.164
Profit for the period	308.359.996	529.850.025
Equity holders of the parent	1.814.294.352	1.536.357.485
Non-controlling interests	26.334.628	41.870.838
Total equity	1.840.628.980	1.578.228.323

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NOTE 29 - REVENUE AND COST OF SALES

As of 30 June 2024 and 2023, the functional breakdown of revenue and cost of sales is as follows:

Account Name	01.01.2024 30.06.2024	01.04.2024 30.06.2024	01.01.2023 30.06.2023	01.04.2023 30.06.2023
Domestic sales	2.968.026.288	1.768.614.404	1.451.051.343	859.348.689
Foreign sales	703.886.859	443.832.043	593.907.624	91.814.278
Other revenue	32.850.193	14.741.185	1.603.759	629.508
Sales returns (-)	(458.991.878)	(458.991.878)	(97.279.110)	(18.285.613)
Net sales	3.245.771.462	1.768.195.754	1.949.283.616	933.506.862
Cost of sales (-)	(2.244.961.093)	(1.186.407.312)	(1.564.144.706)	(748.025.423)
Gross profit	1.000.810.369	581.788.442	385.138.910	185.481.439

NOTE 30 – GENERAL ADMINISTRATIVE EXPENSES AND MARKETING SALES AND DISTRIBUTION EXPENSES AND RESEARCH AND DEVELOPMENT EXPENSES

As of 30 June 2024 and 2023, the functional breakdown of operating expenses is as follows:

Account Name	01.01.2024 30.06.2024	01.04.2024 30.06.2024	01.01.2023 30.06.2023	01.04.2023 30.06.2023
Research and development expenses (-)	(37.230.277)	(17.578.236)	(5.150.985)	(3.177.842)
Marketing, sales and distribution expenses (-)	(77.054.149)	(56.653.149)	(64.826.450)	(47.219.773)
General administrative expenses (-)	(113.217.211)	(65.492.747)	(59.434.056)	(33.955.451)
Total operating expenses (-)	(227.501.637)	(139.724.131)	(129.411.491)	(84.353.066)

NOTE 31 - EXPENSES BY NATURE

As of 30 June 2024 and 2023, the functional breakdown of research and development expenses, marketing, sales and distribution expenses and general administrative expenses recognized under expenses by nature is as follows:

Account Name	01.01.2024 30.06.2024	01.04.2024 30.06.2024	01.01.2023 30.06.2023	01.04.2023 30.06.2023
Research and Development Expenses (-)	(37.230.277)	(17.578.236)	(5.150.985)	(3.177.842)
Personnel Expenses	(37.230.277)	(17.578.236)	(2.824.859)	(1.699.383)
Outsourcing Expenses	-	-	(2.319.556)	(1.471.889)
Other	-	-	(6.570)	(6.570)
Marketing, Sales and Distribution Expenses (-)	(77.054.149)	(56.653.149)	(64.826.450)	(47.219.773)
Fair, Travel and Accomodation Expenses	(4.112.145)	(2.591.093)	(1.977.467)	(1.266.073)
Personnel Expenses	(26.510.790)	(13.300.859)	(13.137.871)	(11.248.971)
Outsourcing Expenses	(433.245)	(87.317)	(325.495)	(100.042)
Storage Expenses	(1.867.169)	(1.242.384)	(1.026.152)	(469.165)
Transportation and Distribution Expenses	(502.127)	(334.578)	(249.035)	(179.934)
Other	(3.657.014)	(3.220.242)	(1.195.226)	(1.142.694)
Motor Vehicle Expenditures	(1.009.180)	(544.088)	(614.793)	(55.090)
Consultancy Expenses	(3.971.121)	(315.007)	(82.984)	(9.801)
Advertisement and Promotion Expenses	(8.322.789)	(6.766.489)	(1.887.529)	(29.753)
Rent Expenses	(741.259)	(285.632)	(186.402)	(91.630)
Food and Beverage Costs	(434.145)	(210.069)	(354.152)	(66.512)
Commission Expenses	(32.516.407)	(29.878.791)	(43.789.344)	(32.560.108)
General Administrative Expenses (-)	(113.217.211)	(65.492.747)	(59.434.056)	(33.955.451)
Personnel Expenses	(25.243.130)	(13.295.012)	(18.918.646)	(15.386.657)
Depreciation and Amortisation Charges	(13.796.467)	(7.211.083)	(9.321.765)	(4.449.718)
Consultancy Expenses	(7.811.919)	(5.888.311)	(1.728.044)	(1.218.219)
Bidding Fee Auction Commissions and Charges	(3.000)	(3.000)	(7.667)	(827)
Motor Vehicle Expenditures	(3.992.656)	(2.328.945)	(2.231.406)	(917.908)
Employment Termination Benefits	(1.239.682)	(725.998)	(1.728.169)	(346.941)
Grants and Donations	(2.003.522)	(726.537)	(1.630.959)	(555.778)
Taxes, Duties and Charges	(3.671.356)	(2.349.008)	(1.276.344)	(635.626)
Insurance Expenses	(590.318)	(590.318)	-	-
Other	(18.596.125)	(9.434.944)	(4.614.976)	(91.404)
Maintenance and Repair Expenses	(666.360)	(610.008)	(95.701)	(61.306)
Fair, Travel and Accomodation Expenses	(2.280.708)	(1.844.594)	(1.116.565)	(300.157)

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Food and Beverage Costs	(2.103.614)	(1.224.019)	(1.255.797)	(517.910)
Rent Expenses	(2.307.983)	(2.107.608)	(94.111)	(19.160)
Furniture and Fixture Costs	(119.837)	(50.437)	(1.049.031)	(150.341)
Outsourcing Expenses	(15.853.427)	(10.249.015)	(7.416.220)	(6.857.604)
Transportation and Distribution Expenses	(3.507.901)	(3.294.896)	(63.216)	(26.880)
Stationery Expenses	(353.074)	(129.921)	(403.914)	(246.962)
Vacation Rights	(1.613.799)	379.129	(3.343.092)	(1.253.802)
Audit and Litigation Fees and Charges	(3.565.557)	(2.303.289)	(539.201)	(315.985)
Information Systems and Communication Expenses	(655.785)	(362.585)	(126.342)	(28.502)
Daily Allowance Fees and Charges	(1.973.331)	(1.136.499)	(2.472.890)	(573.764)
Total operating expenses, net (-)	(227.501.637)	(139.724.131)	(129.411.491)	(84.353.066)

The functional breakdown of depreciation and amortisation charges recognized under consolidated statement of profit or loss is as follows:

Account Name	01.01.2024 30.06.2024	01.04.2024 30.06.2024	01.01.2023 30.06.2023	01.04.2023 30.06.2023
General administrative expenses	(13.796.467)	(7.211.083)	(9.321.765)	(4.449.718)
Service costs	(23.261.563)	(8.503.162)	(3.967.348)	(2.797.722)
Depreciation and amortisation charges, net	(37.058.030)	(15.714.245)	(13.289.113)	(7.247.440)

NOTE 32 - OTHER OPERATING INCOME/(EXPENSES)

As of 30 June 2024 and 2023, the breakdown of other operating income and expenses is as follows:

Account Name	01.01.2024 30.06.2024	01.04.2024 30.06.2024	01.01.2023 30.06.2023	01.04.2023 30.06.2023
Other operating income	450.876.996	152.409.778	204.401.836	140.936.311
Provisions no longer required (Doubtful receivables)	625.388	625.388	64.062	-
Provisions no longer required (Unused vacation)	25.381	25.381	-	-
Income from insurance compensation and claims	3.383.884	3.383.884	-	-
Discount income	131.335.099	76.064.640	20.764.881	8.428.408
Reversal of discounts	15.003.960	(739.969)	6.640.128	(212.410)
Foreign exchange gains	293.354.895	69.579.029	171.577.419	132.462.882
Extraordinary gains	2.058.022	1.711.475	5.263.185	165.270
Other	5.090.367	1759.951	92.161	92.161
Other operating expenses (-)	(404.287.611)	(240.784.663)	(206.338.337)	(148.540.252)
Provision for doubtful receivables	(17.838)	303.472	(12.334)	(6.160)
Expenses from tax and social security delay and late payment fees and charges	-	-	(211.015)	(211.015)
Provision for lawsuits	(49.970)	(49.970)	-	-
Discount expenses	(89.379.851)	(42.919.607)	(13.322.391)	(2.599.868)
Reversal of discounts	(34.904.357)	1.721.618	(6.526.347)	208.770
Foreign exchange losses	(270.458.765)	(190.756.520)	(183.578.299)	(145.596.410)
Other	(9.476.830)	(9.083.656)	(2.687.951)	(335.569)
Other operating income/(expenses), (net)	46.589.385	(88.374.885)	(1.936.501)	(7.603.941)

NOTE 33 - GAINS/ (LOSSES) FROM INVESTMENT ACTIVITES

As of 30 June 2024 and 2023, the breakdown of gains and losses from investment activities is as follows:

Account Name	01.01.2024 30.06.2024	01.04.2024 30.06.2024	01.01.2023 30.06.2023	01.04.2023 30.06.2023
Gains from investment activities	52.468.185	37.610.841	103.345.579	76.845.848
Interest income	25.805.546	16.249.807	8.483.977	5.304.368
Gain on sale of property, plant and equipment and intangible assets	2.844.095	2.844.095	764.743	764.743
Gain on sale of securities	23.818.544	18.516.939	94.096.859	70.789.617
Losses from investment activities (-)	(2.856.909)	(2.856.909)	(344.119)	-
Loss on sale of securities	(2.856.909)	(2.856.909)	(344.119)	-
Gains/(losses) from investment activities, net	49.611.276	34.753.932	103.001.460	76.845.848

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NOTE 34 - FINANCIAL INCOME/(EXPENSES)

As of 30 June 2024 and 2023, the breakdown of financial income and expenses is as follows:

Account Name	01.01.2024 30.06.2024	01.04.2024 30.06.2024	01.01.2023 30.06.2023	01.04.2023 30.06.2023
Foreign exchange gains	69.201.047	9.057.075	150.711.828	150.711.828
Financial income, net	69.201.047	9.057.075	150.711.828	150.711.828

Account Name	01.01.2024 30.06.2024	01.04.2024 30.06.2024	01.01.2023 30.06.2023	01.04.2023 30.06.2023
Bank commissions, fees and charges	(8.186.910)	(209.222)	(8.852.950)	(7.603.789)
Letter of guarantee fees and charges	(16.051.975)	(8.008.386)	(8.466.639)	(7.342.299)
Interest expenses	(136.758.229)	(109.116.527)	(62.773.695)	(34.412.834)
Foreign exchange losses	(67.015.888)	(19.625.578)	(71.796.021)	(64.945.983)
Financial expenses, net	(228.013.002)	(136.959.713)	(151.889.305)	(114.304.905)

NOTE 35 – NON-CURRENT ASSETS HELD FOR SALE

None.

NOTE 36 – INCOME TAXES

The Group's tax expense (or income) consists of current period's corporate tax expense and deferred tax expense (or income). As of 30 June 2024 and 2023, the breakdown and detailed analysis of income taxes are as follows:

	01.01.2024 30.06.2024	01.04.2024 30.06.2024	01.01.2023 30.06.2023	01.04.2023 30.06.2023
Current period tax expense	(18.280.030)	(10.636.608)	(25.598.717)	(25.573.417)
Deferred income tax	(213.405.389)	(49.273.160)	(150.950.073)	(92.125.576)
Total tax income/(expense)	(231.685.419)	(59.909.768)	(176.548.790)	(117.698.993)

i) Corporate tax

As of 30 June 2024, the effective corporate tax rate applied in Türkiye is 25%. However, in accordance Temporary Article 13 of regulation with the Law No. 7316 on the Procedure for the Collection of Public Receivables and the Law Amending Certain Laws published in the Official Gazette dated April 22, 2021 and numbered 31462, the corporate tax rate will be 25% for 2021, 23% for 2022 and 25% for 2023 and 2024 corporate earnings. These rates will be applied to the earnings of the accounting period starting 1 January 2021 for the institutions with a special accounting period as of 1 July 2021.

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.

According to corporate tax law numbered 5520 and article numbered 24, the corporate tax is imposed by the taxpayer's tax returns. Companies file their corporate tax returns between 1-25 April following the close of the accounting year. In Türkiye, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns by the 25th of the fourth month following the close of the financial year to which they relate. Tax authorities may, however, examine such returns and the underlying accounting records and may revise assessments within five years.

Income withholding tax

In addition to the corporate tax, it is required to calculate income tax withholding on any dividends, except for those distributed to all taxpayer entities and Turkish branches of foreign companies gaining dividend for such distribution and declaring these dividends within the corporate profit. The rate of income withholding tax implemented as 10% between 24 April 2003 and 22 July 2006. The rate of withholding tax has been increased from 10% to 15% upon the Cabinet decision No: 2006/10731, which was published in Official Gazette on July 23, 2006.

ii) Deferred tax

Yeo Teknoloji, its Subsidiaries, Associates and Joint Ventures, recognise deferred tax assets and liabilities based upon temporary differences arising between their financial statements prepared in accordance with TAS and the Turkish tax legislations. These differences usually due to the recognition of revenue and expenses in different reporting periods for the TAS and tax purposes, the differences explained as below.

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Temporary differences arising from the differences between the years in the income and expenses recognised for accounting and tax purposes.

As of the each reporting date, the Group reviews the deferred tax receivables and withdraws the deferred tax receivables that are determined not to be deductible from taxable income in the following years.

The breakdown of cumulative temporary differences and deferred tax assets and liabilities provided using principal tax rates are as follows:

	30.06.2024	30.06.2024	31.12.2023	31.12.2023
Account Name	Cumulative temporary differences	Deferred tax assets/(liabilities)	Cumulative temporary differences	Deferred tax assets/(liabilities)
Discount on Notes Receivables	83.536.475	20.884.119	17.491.649	4.372.912
Provision for Doubtful Receivables	3.285.522	821.381	4.806.479	1.201.620
Contract Assets	1.836.019.602	(459.004.900)	2.881.952.547	(288.166.570)
Depreciation and amortisation charges/Financing costs/Changes in fair value	123.087.604	(30.771.901)	180.121.591	(45.414.737)
Right of Use Assets	17.494.837	(4.510.670)	39.758.913	(4.123.360)
Inventories	966.447	(241.612)	1.372.271	10.810
Prepaid Expenses	24.678.103	6.169.526	13.984.567	3.496.142
Provision for Lawsuits	76.947	19.237	37.725	9.431
Leasing	294.262	73.566	953.266	238.316
Loans	14.791.006	3.697.752	23.602.158	5.900.539
Discount on Notes Payable	122.748.819	(30.687.203)	40.691.791	(10.172.948)
Short-Term Prepaid Expenses	68.583.155	(17.145.789)	40.590.983	(10.147.746)
Financial Investments	31.669.772	(1.520.273)	82.921.224	(5.198.057)
Employment Termination Benefits	17.669.302	4.417.326	16.558.110	4.139.528
Provision for Unused Vacation	16.312.095	4.078.024	17.257.312	4.314.328
Investment Incentives	104.538.167	41.815.267	-	-
Issued Bonds and Securities	14.706.214	3.676.554	-	-
Currency Translation Differences	9.074.501	1.957.270	33.439.972	6.513.827
Other	7.397.573	1.605.880	6.185.418	1.185.209
Deferred tax assets/(liabilities), (net)		(454.666.446)		(331.840.756)

Movements in deferred tax assets/(liabilities) are as follows:

	01.01.2024	01.01.2023
	30.06.2024	30.06.2023
Beginning of the period - 1 January	(331.840.754)	(109.802.893)
Charge to equity	10.880.744	65.334
Charge to profit or loss	(213.405.389)	(150.950.073)
Net monetary gains/losses	79.696.584	26.771.580
Currency translation differences	2.369	-
End of the period – 30 June	(454.666.446)	(233.916.052)

NOTE 37 - EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year. Accordingly, the weighted average number of shares used in earnings per share calculation as of 30 June 2024 and 2023, which is as follows:

	01.01.2024	01.04.2024	01.01.2023	01.04.2023
	30.06.2024	30.06.2024	30.06.2023	30.06.2023
Earnings per share				
Profit for the period	285.070.672	24.460.430	110.814.487	46.150.577
Weighted average number of shares	96.000.000	96.000.000	96.000.000	96.000.000
Earnings per share	2.9695	0.2548	1.1543	0.4807

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NOTE 38 - RELATED PARTY DISCLOSURES

The Group has transactions with related parties during its operations. Related party transactions are performed without obtaining guarantees and collaterals.

a) Related party balances are as follows:

	Receivables		Payables	
	Trade Receivables	Other Receivables	Trade Payables	Other Payables
30.06.2024				
Yılmaz İnşaat Mak. Elek. San. Tic. Ltd. Şti.	46.610.247	-	-	-
Yeo Contracting I.l.c	16.044.251	-	-	-
Hk Endüstri A.Ş.	530.368	-	-	-
Yeo Teknoloji - Hsy Yapı Joint Venture	2.857.314	-	-	-
Yeo Teknoloji - HK Yapı Joint Venture	-	-	2.767.103	-
Yeo-Bemoni Partnership	-	-	366.658.966	-
Nicat Batarya	5.526.481	-	-	-
Mikrohes Tekn.Tic A.Ş.	-	6.721.332	-	-
Yaşar Tuncer	-	2.330.516	-	-
Seiso Enerji Sist. Müh. San. Tic. A.Ş.	1.195.773	-	-	-
Emsolt Investments	-	-	-	360.989.913
Compass B.V.	-	-	-	2.360.647
Other	-	-	7.781.674	-
Total	72.764.434	9.051.848	377.207.743	363.350.560

	Receivables		Payables	
	Trade Receivables	Other Receivables	Trade Payables	Other Payables
31.12.2023				
Yılmaz İnşaat Mak. Elek. San. Tic. Ltd. Şti.	6.535.060	-	-	-
Mikrohes A.Ş.	-	4.282.220	-	-
Yeo Contracting I.l.c	13.994.833	-	-	-
Hk Endüstri Enerji İnşaat San. Ve Dış Tic. A.Ş	661.698	-	-	-
Yeo-Bemoni Partnership (*)	-	-	276.132.436	-
Emsolt Investments	-	-	-	423.883.212
Yaşar Tuncer	-	2.704.179	-	-
Nicat batarya Tekn Tic A.Ş.	354.146	-	-	-
Hk Enerji - Yeo Joint Venture	4.466.199	-	-	-
Yeo Teknoloji - Hsy Yapı Joint Venture	2.381.941	-	-	-
Compass B.V.	-	-	-	2.730.427
Other	-	-	436.737	-
Total	28.393.877	6.986.399	276.569.203	426.613.639

b) Related party transactions are as follows:

30.06.2024

Sales

Related parties	Goods and services	Rent income	Other sales	Currency translation differences	Total
Mikrohes A.Ş.	-	-	39.608	13.834	53.442
Seiso Enerji Sist. A.Ş.	8.148.923	-	31.783	-	8.180.706
Total	8.148.923	-	71.391	13.834	8.234.148

Purchases

Related parties	Goods and services	Rent expenses	Other purchases	Currency translation differences	Total
Yılmaz İnşaat A.Ş.	316.888	-	-	-	316.888
Seiso Enerji Sist. A.Ş.	4.255.924	-	-	-	4.255.924
Total	4.572.812	-	-	-	4.572.812

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30.06.2023

Sales

Related parties	Goods and services	Rent income	Other sales	Currency translation differences	Total
Yeo Contracting İ.l.c	-	-	-	1.362.962	1.362.962
Hk Yeo Joint Venture	5.407.967	-	-	-	5.407.967
Seiso Enerji Sist. A.Ş.	15.108.615	-	-	-	15.108.615
Total	20.516.582	-	-	1.362.962	21.879.544

Purchases

Related parties	Goods and services	Rent expenses	Other purchases	Currency translation differences	Total
Yeo Contracting İ.l.c	1.305.678	-	-	-	1.305.678
Yılmaz İnşaat A.Ş.	1.097.461	-	-	-	1.097.461
Seiso Enerji Sist. A.Ş.	-	-	-	1.151.768	1.151.768
Total	2.403.139	-	-	1.151.768	3.554.906

c) Key management compensation

Total key management compensation incurred by Yeo Teknoloji as of 30 June 2024 amounted to TL 4.217.524 (30 June 2023: TL 6.535.649).

NOTE 39 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS

The Group, while trying to maintain the continuity of its activities in capital management on one hand, aims to increase its profitability by using the balance between debts and equity on the other hand. The capital structure of the Group consists of borrowings including the loans in Note 8, cash and cash equivalents in Note 6 and equity items containing respectively issued share capital, capital reserves, profit reserves and retained earnings in Note 27. Risks, associated with each capital class, and the senior management evaluates the capital cost. It is aimed that the capital structure will be stabilized by means of new borrowings or repaying the existing debts as well as dividend payments and new share issuances based on the senior management evaluations.

The Group monitors capital on the basis of the net financial debt/total equity ratio. This ratio calculated as dividing net debt by total capital. Net debt is calculated by deducting cash and cash equivalents from the total debt amount (includes borrowings and finance leases as disclosed in the consolidated statement of financial position). Total capital is calculated as equity, as presented in the consolidated statement of financial position, plus net debt. General strategy based on the Group's equity does not differ from the prior period. The Group's risk management policy mainly focuses on the unpredictability and volatility of financial markets, and it is aimed to minimize potential adverse effects with the policies implemented.

Consolidated net financial debt/invested capital ratio as of 30 June 2024 and 31 December 2023 is as follows:

	30.06.2024	31.12.2023
Total borrowings	1.977.428.598	1.761.811.690
Less: Cash and cash equivalents	(784.744.164)	(1.015.965.560)
Net financial debt	1.192.684.434	745.846.130
Equity	1.840.628.980	1.578.228.323
Invested capital	3.033.313.414	2.324.074.453
Net financial debt/invested capital ratio	39.32%	32.09%

Foreign exchange risk

The Group is exposed to foreign exchange risk due to changes in exchange rates used in the translation of foreign currency denominated assets and liabilities to Turkish Lira. The difference between the foreign currency denominated and foreign currency indexed assets and liabilities for USD, EUR and other foreign currencies of the Group are defined as the "Net foreign currency position" and it is the basis of the foreign exchange risk. The Group management evaluates and monitors the balance of the assets and liabilities including borrowings, trade receivables and payables denominated in foreign currencies as Turkish Lira open positions. The Group also uses derivative financial instruments to hedge against foreign exchange risk. Assets and liabilities denominated in foreign currencies are as follows:

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	Foreign Exchange Position							
	30.06.2024				31.12..2023			
	TL equivalent	USD	EUR	Other	TL equivalent	USD	EUR	Other
1. Trade Receivables	3.151.300.119	81.313.873	12.927.748	3.970.083	650.536.850	14.753.732	2.535.594	709.086
2a. Monetary Financial Assets	553.108.503	15.875.523	229.333	637.337.104	3.218.395.494	72.860.479	10.907.377	467.437.430
2b. Non-Monetary Financial Assets	452.002.129	10.975.143	762.014	772.155.402	247.026	-	-	5.664
3. Other	-	-	-	-	-	-	-	-
4. Total Current Assets (1+2+3)	4.156.410.751	108.164.539	13.919.096	1.413.462.590	3.869.179.370	87.614.211	13.442.971	468.152.180
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)	4.156.410.751	108.164.539	13.919.096	1.413.462.590	3.869.179.370	87.614.211	13.442.971	468.152.180
10. Trade Payables	1.221.454.471	31.468.443	4.142.822	1.269.703.081	220.201.471	3.464.069	1.778.134	90.311.517
11. Financial Liabilities	329.481.882	1.874.219	7.627.970	-	213.313.256	-	5.250.000	-
12a. Other Monetary Liabilities	1.128.288.423	30.845.780	3.293.954	10.428.944	1.136.770.117	25.827.227	4.529.743	1.459.721.810
12b. Other Non- Monetary Liabilities	-	-	-	-	-	-	-	-
13. Total Current Liabilities (10+11+12)	2.679.224.776	64.188.443	15.064.746	1.280.132.025	1.570.284.844	29.291.296	11.557.877	1.550.033.327
14. Trade Payables	-	-	-	-	-	-	-	-
15. Financial Liabilities	946.733.555	9.219.167	18.335.687	-	112.303.115	-	-	13.827.234
16a. Other Monetary Liabilities	-	-	-	-	-	-	-	-
16b. Other Non- Monetary Liabilities	-	-	-	-	-	-	-	-
17. Total Non-Current Liabilities (14+15+16)	946.733.555	9.219.167	18.335.687	-	112.303.115	-	-	13.827.234
18. Total Liabilities (13+17)	3.625.958.332	73.407.610	33.400.433	1.280.132.025	1.682.587.959	29.291.296	11.557.877	1.563.860.561
19. Off-Balance Sheet Derivative Instruments Net Asset / (Liability) Position (19a-19b)	-	-	-	-	-	-	-	-
19a. Total Asset Amount of Hedged	-	-	-	-	-	-	-	-
19b. Total Liabilities Amount of Hedged	-	-	-	-	-	-	-	-
20. Net Foreign Exchange Asset / (Liability) Position (9-18+19)	530.452.419	34.756.929	-19.481.337	133.330.565	2.186.591.411	58.322.915	1.885.094	(1.095.708.381)
21. Monetary Items Net Foreign Exchange Asset / (Liabilities) Position (1+2a+3+5+6a-10-11-12a-14-15-16a)	78.450.289	23.781.787	-20.243.351	-638.824.837	2.186.344.385	58.322.915	1.885.094	(1.095.714.045)
22. Total Fair Value of Financial Instruments Used for Foreign Exchange Hedge	-	-	-	-	-	-	-	-
23. Foreign Exchange Hedged Portion Amount of Assets	-	-	-	-	-	-	-	-
24. Foreign Exchange Hedged Portion Amount of Liabilities	-	-	-	-	-	-	-	-
25. Export	526.736.261	13.511.586	2.923.559	-	304.132.489	8.983.947	12.305.016	8.280
26. Import	28.946.821	259.290	597.726	3.180	109.978.677	3.922.547	11.187.091	3.136.944

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(Amounts are expressed in Turkish Lira unless otherwise indicated.)

The following table details the Group's foreign currency sensitivity as at 30 June 2024 and 31 December 2023 for the changes at the rate of 10%:

Foreign Exchange Sensitivity Analysis		
30.06.2024		
	Profit/Loss	
	Appreciation of Foreign Currency	Depreciation of Foreign Currency
Change in USD against TL by 10%		
1- USD Net Asset/Liability	114.093.792	(114.093.792)
2- Hedged portion of USD Risk (-)	-	-
3- USD Net Effect (1+2)	114.093.792	(114.093.792)
Change in EUR against TL by 10%		
4- EUR Net Asset/Liability	(68.434.820)	68.434.820
5- Hedged portion of EUR Risk (-)	-	-
6- EUR Net Effect (4+5)	(68.434.820)	68.434.820
Change in Other currencies against TL by 10%		
7- Other Currencies Net Asset/Liability	7.386.270	(7.386.270)
8- Hedged portion of Other Currencies Risk (-)	-	-
9- Other Currencies Net Effect (7+8)	7.386.270	(7.386.270)
TOTAL	53.045.242	(53.045.242)
Foreign Exchange Sensitivity Analysis		
31.12.2023		
	Profit/Loss	
	Appreciation of Foreign Currency	Depreciation of Foreign Currency
Change in USD against TL by 10%		
1- USD Net Asset/Liability	214.160.444	(214.160.444)
2- Hedged portion of USD Risk (-)	-	-
3- USD Net Effect (1+2)	214.160.444	(214.160.444)
Change in EUR against TL by 10%		
4- EUR Net Asset/Liability	7.659.348	(7.659.348)
5- Hedged portion of EUR Risk (-)	-	-
6- EUR Net Effect (4+5)	7.659.348	(7.659.348)
Change in Other currencies against TL by 10%		
7- Other Currencies Net Asset/Liability	(3.160.651)	3.160.651
8- Hedged portion of Other Currencies Risk (-)	-	-
9- Other Currencies Net Effect (7+8)	-(3.160.651)	3.160.651
TOTAL	218.659.141	-218.659.141

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Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Group's credit 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. Trade receivables are evaluated by taking into consideration the Group's accounting policies and procedures. Total credit risk of the Group is presented in the consolidated statement of financial position less provision for doubtful receivables (**Note 10**).

As of 30 June 2024 and 31 December 2023, the exposure of consolidated financial assets to credit risk is as follows:

30.06.2024	Receivables						
	Trade Receivables		Other Receivables		Bank Deposits		Notes
	Related Party	Other	Related Party	Other	Notes		
Maximum exposure to credit risk as of reporting date (A+B+C+D+E)	72.764.434	1.239.579.860	9.051.848	264.311.798	10-11	771.829.658	6
- Maximum risk secured with guarantees and collaterals	-	-	-	-	10-11	-	6
A. Net book value of neither past due nor impaired financial assets	72.764.434	1.239.579.860	9.051.848	264.311.798	10-11	771.829.658	6
B. Conditions are renegotiated otherwise, net book value of past due but not impaired financial assets	-	-	-	-	10-11	-	6
C. Net book value of past due but not impaired financial assets	-	-	-	-	10-11	-	6
- Secured with guarantees and collaterals	-	-	-	-	10-11	-	6
D. Net book value of impaired assets	-	-	-	-	10-11	-	6
- Past due (gross book value)	-	6.107.022	-	220.626	10-11	-	6
- Impairment (-)	-	(6.107.022)	-	(220.626)	10-11	-	6
- Secured with guarantees and collaterals	-	-	-	-	10-11	-	6
- Not past due (gross book value)	-	-	-	-	10-11	-	6
- Impairment (-)	-	-	-	-	10-11	-	6
- Secured with guarantees and collaterals	-	-	-	-	10-11	-	6
E. Off-balance sheet expected credit losses (-)	-	-	-	-	10-11	-	6
31.12.2023							
	Receivables						
	Trade Receivables		Other Receivables		Bank Deposits		Notes
	Related Party	Other	Related Party	Other	Notes		
Maximum exposure to credit risk as of reporting date (A+B+C+D+E)	28.393.877	628.941.035	6.986.399	30.955.572	10-11	1.012.560.404	6
- Maximum risk secured with guarantees and collaterals	-	-	-	-	10-11	-	6
A. Net book value of neither past due nor impaired financial assets	28.393.877	628.941.035	6.986.399	30.955.572	10-11	1.012.560.404	6
B. Conditions are renegotiated otherwise, net book value of past due but not impaired financial assets	-	-	-	-	10-11	-	6
C. Net book value of past due but not impaired financial assets	-	-	-	-	10-11	-	6
- Secured with guarantees and collaterals	-	-	-	-	10-11	-	6
D. Net book value of impaired assets	-	-	-	-	10-11	-	6
- Past due (gross book value)	-	8.346.672	-	254.402	10-11	-	6
- Impairment (-)	-	(8.346.672)	-	(254.402)	10-11	-	6
- Secured with guarantees and collaterals	-	-	-	-	10-11	-	6
- Not past due (gross book value)	-	-	-	-	10-11	-	6
- Impairment (-)	-	-	-	-	10-11	-	6
- Secured with guarantees and collaterals	-	-	-	-	10-11	-	6
E. Off-balance sheet expected credit losses (-)	-	-	-	-	10-11	-	6

Liquidity risk

Liquidity risk is the risk that a Group will be unable to meet its funding needs. Prudent liquidity risk management is to provide sufficient cash and cash equivalents, to enable funding with the support of credit limits provided by reliable credit institutions and to close funding deficit. The Group provides funding by balancing cash inflows and outflows through the provision of credit lines in the business environment.

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Liquidity risk statements

Prudent liquidity risk management signifies maintaining sufficient cash, the utility of fund sources by sufficient credit transactions and the ability to close out market positions. The ability to fund existing and prospective debt requirements is managed by maintaining the availability of adequate and high-quality lenders.

Undiscounted contractual cash flows of the derivative and non-derivative consolidated financial liabilities in TL as of 30 June 2024 and 31 December 2023 are as follows:

30.06.2024	Carrying value	Total contractual cash outflows	Demand or up to 3 months	3-12 months	1 year and over
Contractual maturities					
Non-derivative financial liabilities					
Financial liabilities (Borrowings)	1.686.149.235	1.871.035.112	139.737.955	593.754.576	1.137.542.581
Leasing	26.573.149	30.806.751	3.437.290	6.874.580	20.494.881
Lease liabilities	67.018.398	224.140.951	1.843.857	5.531.571	216.765.523
Issued bonds	264.706.214	396.693.000	36.673.250	360.019.750	
Trade payables	1.477.829.080	1.600.577.899	1.600.577.899		
Other payables	367.507.642	367.507.642	367.507.642		
	3.889.783.718	4.490.761.355	2.149.777.893	966.180.477	1.374.802.985

31.12.2023	Carrying value	Total contractual cash outflows	Demand or up to 3 months	3-12 months	1 year and over
Contractual maturities					
Non-derivative financial liabilities					
Financial liabilities (Borrowings)	1.725.428.237	1.879.910.607	469.303.672	225.831.831	1.184.775.104
Leasing	36.383.453	43.665.495	3.983.165	6.638.609	33.043.721
Lease liabilities	79.995.234	264.931.960	2.199.848	6.599.543	256.132.569
Trade payables	1.274.599.638	1.315.291.428	1.315.291.428	-	-
Other payables	429.977.395	429.977.395	429.977.395	-	-
	3.546.383.957	3.933.776.885	2.220.755.508	239.069.983	1.473.951.394

Interest rate risk

The Group is exposed to interest rate risk arising from the rate changes on interest-bearing liabilities and assets. The Group manages this risk by balancing the repricing terms of interest-bearing assets and liabilities with fixed-floating interest and short-long-term nature of borrowings.

Interest position

Fixed-interest rate financial instruments	30.06.2024	31.12.2023
Financial assets	1.977.428.598	160.669.477
Financial liabilities	1.660.072.007	1.761.811.690
Floating-interest rate financial instruments	30.06.2024	31.12.2023
Financial assets	-	-
Financial liabilities	-	-

Fair value of financial assets and liabilities

Fair value is the amount for which a financial asset could be exchanged, or a liability settled between, willing parties during current transaction, other than in a forced sale or liquidation, and is best evidenced through a quoted market price, if one exists. Financial assets and liabilities denominated in foreign exchanges have been translated at the exchange rates prevailing at the balance sheet date.

The following methods and assumptions are used to estimate the fair values of financial instruments:

Financial assets

The carrying values of cash and cash equivalents including cash on hand and demand deposits, accrued interests and other financial assets are considered to approximate their respective carrying values due to their short-term nature and insignificant credit risk. The carrying values of trade receivables less provision for doubtful receivables are considered to approximate their respective carrying values.

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Financial liabilities

The fair values of trade payables and other monetary liabilities are considered to approximate their respective carrying values due to their short-term nature. Bank borrowings are carried at cost and transaction costs are included in initial costs of borrowings. Since the interest rates on the bank borrowings are updated considering the changing market conditions, it is considered to approximate their respective carrying values. The carrying values of trade payables are considered to approximate their respective carrying values due to their short-term nature.

NOTE 40 - FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND HEDGE ACCOUNTING)

The fair values of financial instruments are considered to approximate their respective carrying values due to their short-term nature.

Financial risk management

The Group is exposed to variety of financial risks due to its operations. These risks include credit risk, market risk (foreign exchange risk, fair value interest rate risk and price risk) cash flow interest rate risk and liquidity risk. The Group's overall risk management strategy focuses on the unpredictability of financial markets and targets to minimise potential adverse effects on the Group's financial performance. The Group also uses derivative instruments and forward contracts to hedge risk exposures.

Fair value of financial instruments

The fair value of financial instruments is determined using valuation techniques based on observable market data, market comparable approach that reflects recent transaction prices for similar properties and discounted cash flows. Estimated fair values of financial instruments have been determined by the Group by using available market information and appropriate valuation methodologies. However, judgment is necessarily required to interpret market data. Accordingly, estimates presented herein are not necessarily indicative of the amounts the Group could realise in a current market exchange. The following methods and assumptions are used to estimate the fair values of financial instruments:

Monetary assets

The fair values of certain financial assets carried at cost including cash and cash equivalents and other financial assets are considered to approximate their respective carrying values due to their short-term nature. The carrying values of trade receivables less provision for doubtful receivables are considered to approximate their respective carrying values.

Monetary liabilities

The fair value of short-term bank borrowings and other financial liabilities are considered to approximate their respective carrying values due to their short-term nature.

Fair value is the amount for which a financial instrument could be exchanged, or a liability settled between, willing parties during current transaction, other than in a forced sale or liquidation, and is best evidenced through a quoted market price, if one exists.

The Group determined fair value of financial instruments by using available market information and appropriate valuation methods. However, evaluating the market information and forecasting the real values requires interpretation. As a result, the estimates presented herein are not necessarily indicative of the amounts the Group could realize in a current market exchange.

Financial assets

The carrying values of financial assets carried at amortised cost including cash and cash equivalents and other financial assets are considered to approximate their respective carrying values due to their short-term nature and insignificant credit risk.

The fair value of debt and equity securities are determined based on the market prices.

Within the framework of the methods and assumptions explained above, the carrying values and estimated fair values of financial assets as of 30 June 2024 and December 2023 are presented in the table below:

30.06.2024	Level 1	Level 2	Level 3	Total
Financial assets	-	-	-	-
Financial assets at fair value through profit or loss	-	-	-	-
31.12.2023	Level 1	Level 2	Level 3	Total
Financial assets	-	-	-	-
Financial assets at fair value through profit or loss	-	-	-	-

The classification of the Group's consolidated financial assets and liabilities at fair value is as follows:

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Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities: The fair value of financial assets and financial liabilities are determined with reference to quoted market prices.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices):

Level 3: Inputs for the asset or liability that are not based on observable market data.

NOTE 41 - EVENTS AFTER THE REPORTING PERIOD

None.

NOTE 42 - THE OTHER MATTERS WHICH SUBSTANTIALLY AFFECT THE CONSOLIDATED FINANCIAL STATEMENTS OR ARE REQUIRED TO BE DESCRIBED IN TERMS OF MAKING THE CONSOLIDATED FINANCIAL STATEMENTS CLEAR, INTERPRETABLE AND UNDERSTANDABLE

None.