

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

**VERUSA HOLDİNG A.Ş.
AND ITS SUBSIDIARIES**

CONSOLIDATED FINANCIAL
STATEMENTS AT 31 DECEMBER 2024
TOGETHER WITH THE
INDEPENDENT AUDITOR'S REPORT



**CONVENIENCE TRANSLATION INTO ENGLISH OF
INDEPENDENT AUDITOR'S REPORT
ORIGINALLY ISSUED IN TURKISH**

INDEPENDENT AUDITOR'S REPORT

To the General Assembly of Verusa Holding A.Ş.

A. Audit of the consolidated financial statements

1. Our opinion

We have audited the accompanying consolidated financial statements of Verusa Holding A.Ş. (the "Company") and its subsidiaries (collectively referred to as the "Group") which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements comprising a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with Turkish Financial Reporting Standards ("TFRS").

2. Basis for opinion

Our audit was conducted in accordance with the Standards on Independent Auditing (the "SIA") that are part of Turkish Standards on Auditing adopted within the framework of the regulations of the Capital Markets Board and issued by the Public Oversight Accounting and Auditing Standards Authority (the "POA"). Our responsibilities under these standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We hereby declare that we are independent of the Group in accordance with the Ethical Rules for Independent Auditors (including Independence Standards) (the "Ethical Rules") the ethical requirements regarding independent audit in regulations issued by the POA; the regulations of the Capital Markets Board; and other relevant legislation are relevant to our audit of the financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our opinion.

3. Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. Key audit matters were addressed in the context of our independent audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How the key audit matter was addressed in the audit
<p>Valuation calculation carried out in order to determine the fair value of financial investments</p> <p>As can be seen in Note 25; the Group has non-publicly traded financial investments classified as short-term amounting to TRY 1,406,732,408 and as long-term amounting to TRY 198,045,756 and these investments accounted through their fair values.</p> <p>In the valuation of financial investments, the group management uses adjusted net asset value, market multiples and discounted cash flows techniques with the assistance of experts. Weighted average cost of capital, terminal growth rate, multipliers of similar companies, liquidity discount, production amount and electricity sales prices were the estimates used. Changes that occur in these estimates will cause change in the financial statements.</p> <p>We focused on these areas during our work due to significance of the amounts on the consolidated financial statement, use of estimations and involvement of auditor's experts to check calculations.</p>	<p>We assessed the technical competence and independence of the valuation company that performed the calculation.</p> <p>The fair value was calculated by using different valuation techniques and by different weights. We received support from the valuation experts within PwC Turkey during the assessment of assumptions and methods used by the Group management and the control of activities carried out by the valuation company. The technical and theoretical controls of the models designed by the management and the discount and terminal growth rates used, were performed with the support of our valuation experts. We evaluated whether the terminal growth rate applied was acceptable by comparing it to macro-economic data. In order to control that the discount rate was in acceptable range, we compared the company specific data with the data of other public companies operating in the same industry. It was assessed that assumptions were at acceptable ranges.</p> <p>Projections prepared for cash-generating units, which are the basis of the calculations, were assessed by comparison to the past financial performance of the relevant cash-generating unit and the realization probability of forecasts for the forthcoming period were examined.</p> <p>By performing additional sensitivity analyses to those prepared by the valuation company, we assessed how sensitive the fair value studies were in terms of amount.</p> <p>We checked the mathematical accuracy of fair value calculations.</p> <p>We assessed the sufficiency of necessary footnotes required by TFRS.</p>



Key Audit Matters	How the key audit matter was addressed in the audit
Fair value determination of hydroelectric and solar power plants <p>Hydroelectric and solar power plants amounting to TRY 962,596,997 were accounted at its fair value in the Group's consolidated financial statements in accordance to TAS 16 - "Property, Plant and Equipment" standard as of 31 December 2024.</p> <p>As of 31 December 2024, the fair value of the asset were calculated by an independent valuation company and decreased by TRY 277,364,272. The amount, net of deferred income tax were accounted under other comprehensive income.</p> <p>As of 31 December 2024, we focused on this area during our audit since the total amount represents a significant share of the Group's assets and the cash flow projections used in the valuations includes significant management estimations and judgements that are sensitive to market conditions such as spot market electricity sales prices, liquidity discount, production amounts and production costs.</p>	<p>We assessed the technical competence and independence of the valuation company that performed the fair value calculation.</p> <p>We received the support of valuation experts within PwC Turkey during the assessment of assumptions and methods used by the Group management and the control of activities carried out by the valuation company. The technical and theoretical controls of the models designed by the management and the discount and terminal growth rates used, were performed with the support of our valuation experts. We evaluated whether the terminal growth rate applied was acceptable by comparing it to macro-economic data. In order to control that the discount rate was in acceptable range, we compared the company specific data with the data of other public companies operating in the same industry. It was assessed that assumptions were at acceptable ranges.</p>



Key Audit Matters	How the key audit matter was addressed in the audit
<p>Fair value measurements of lands, buildings and investment properties</p> <p>In accordance with TAS 16, “Property, Plant and Equipment” lands and buildings amounting to TRY 141,782,794 and in accordance with TAS 40 “Investment Properties” investment properties amounting to TRY 150,255,000 are measured at fair value on the consolidated financial statements.</p> <p>Based on the valuations performed by an independent professional valuer as at 31 December 2024, the carrying values of the lands and buildings before tax increased by TRY 1,675,616 and recognized in the revaluation reserve account in equity, net of applicable deferred income tax in the financial position. On the other hand, based on the valuations performed by an independent professional valuer as at 31 December 2024, the carrying values of investment properties decreased by TRY 9,543,424 and recognized under income and expense from investing activities in the income statement.</p> <p>The assessment of the carrying values of lands, buildings and investment properties was a key audit matter, since the total amount of aforementioned lands, buildings and investment properties as of 31 December 2024 represents a significant share of the total assets of the Group, and these valuations include significant estimations and assumptions.</p>	<p>The following audit procedures were addressed in our audit work on the fair value measurement of lands, buildings and investment properties:</p> <p>We assessed the competency, capability and objectivity of the independent professional valuer who was appointed by Group management, in accordance with relevant audit standards.</p> <p>We tested completeness of the data used by the independent professional valuation company appointed by the Group management by reconciliation with the Company’s records on a sample basis.</p> <p>In accordance with the provisions of related auditing standard, we got our auditor expert involved on a sample basis to evaluate the assumptions and methods used by the Group management and the independent professional valuer who was appointed by the Group management.</p> <p>The compliance of the disclosures of fair value determination of lands, buildings and investment properties in the financial statements in accordance with the TFRS’s were evaluated.</p>



4. Responsibilities of management and those charged with governance for the consolidated financial statements

The Group management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with TFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

5. Auditor's responsibilities for the audit of the consolidated financial statements

Responsibilities of independent auditors in an independent audit are as follows:

Our aim is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent auditor's report that includes our opinion. Reasonable assurance expressed as a result of an independent audit conducted in accordance with SIA is a high level of assurance but does not guarantee that a material misstatement will always be detected. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an independent audit conducted in accordance with SIA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Assess the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence. We also communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



B. Other responsibilities arising from regulatory requirements

1. No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code (“TCC”) No. 6102 and that causes us to believe that the Company’s bookkeeping activities concerning the period from 1 January to 31 December 2024 period are not in compliance with the TCC and provisions of the Company’s articles of association related to financial reporting.
2. In accordance with subparagraph 4 of Article 402 of the TCC, the Board of Directors submitted the necessary explanations to us and provided the documents required within the context of our audit.
3. In accordance with subparagraph 4 of Article 398 of the TCC, the auditor’s report on the early risk identification system and committee was submitted to the Company’s Board of Directors on 11 March 2025.

PwC Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.

A handwritten signature in blue ink, appearing to read "Mert Tüten", with a stylized flourish at the end.

Mert Tüten, SMMM
Independent Auditor

Istanbul, 11 March 2025

INDEX	PAGE
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	1-2
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	3
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	4
CONSOLIDATED STATEMENT OF CASH FLOWS	5
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS	6-64
Note 1	ORGANIZATIONS AND OPERATIONS OF THE GROUP 6-7
Note 2	BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS 8-28
Note 3	EXPLANATIONS OF CHANGES IN SHAREHOLDERS EQUITY 28
Note 4	INTERESTS IN OTHER ENTITIES 29-32
Note 5	OPERATING SEGMENTS 32-35
Note 6	RELATED PARTY DISCLOSURE 36
Note 7	TRADE RECEIVABLES AND PAYABLES 37
Note 8	PREPAID EXPENSES AND DEFERRED INCOME 37
Note 9	OTHER RECEIVABLES AND PAYABLES 38
Note 10	INVENTORIES 38
Note 11	COMMITMENTS 38
Note 12	PROPERTY, PLANT AND EQUIPMENTS 39-41
Note 13	INTANGIBLE ASSETS 42
Note 14	OTHER ASSETS AND LIABILITIES 43
Note 15	EMPLOYEE BENEFITS 43-44
Note 16	EXPENSES BY NATURE 45
Note 17	SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS 45
Note 18	REVENUE AND COST OF SALES 46
Note 19	ADMINISTRATIVE AND MARKETING EXPENSES 46-47
Note 20	OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES 47
Note 21	FINANCE INCOME / EXPENSES 48
Note 22	INCOME AND EXPENSES FROM INVESTING ACTIVITIES 48
Note 23	TAXATION ON INCOME 48-51
Note 24	EARNINGS PER SHARE 51
Note 25	FINANCIAL INSTRUMENTS 52-53
Note 26	NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS 54-62
Note 27	INVESTMENT PROPERTY 62-63
Note 28	PROVISIONS, CONTINGENT ASSETS AND LIABILITIES 63
Note 29	CASH AND CASH EQUIVALENTS 63
Note 30	MONETARY GAIN LOSS 64
Note 31	EVENTS AFTER REPORTING PERIOD 64

VERUSA HOLDİNG A.Ş. AND ITS SUBSIDIARIES

AUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TRY) in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

ASSETS	Notes	Audited Current Year 31 December 2024	Audited Prior Year 31 December 2023
Current Assets		3,390,311,997	3,307,118,787
Cash and cash equivalents	29	18,165,238	424,235,725
Financial investments	25	2,831,113,468	2,500,540,096
Trade receivables	7	312,126,552	115,842,802
- <i>Trade receivables from related parties</i>	6	19,300,309	-
- <i>Trade receivables from third parties</i>		292,826,243	115,842,802
Other receivables	9	93,284,373	12,781,770
- <i>Other receivables from third parties</i>		73,407,025	12,781,770
- <i>Other receivables from related parties</i>	6	19,877,348	-
Inventories	10	80,019,873	148,966,765
Prepaid expenses	8	41,803,621	60,643,137
Assets related to current assets		-	12,093,613
Other current assets	14	13,798,872	32,014,879
Non-Current Assets		2,467,101,580	2,564,192,465
Financial investments	25	198,045,756	194,664,107
Other receivables		672,993	983,966
- <i>Other receivables from third parties</i>	9	672,993	983,966
Investments accounted through equity method	4	227,966,124	190,672,922
Investment property	27	150,255,000	159,798,424
Property, plant and equipment	12	1,578,158,615	1,783,492,736
Intangible assets	13	977,757	538,285
Prepaid expenses	8	643,372	22,305,319
Deferred tax assets	23	288,553,266	202,060,550
Other non-current assets	14	21,828,697	9,676,156
TOTAL ASSETS		5,857,413,577	5,871,311,252

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

VERUSA HOLDİNG A.Ş. AND ITS SUBSIDIARIES

AUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TRY) in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

LIABILITIES AND EQUITY	Notes	Audited Current Year 31 December 2024	Audited Prior Year 31 December 2023
Current Liabilities		360,611,833	576,558,736
Short-term borrowings	25	134,734,235	392,170,908
Short-term portion of long-term borrowings	25	-	1,630,630
Trade payables	7	129,688,792	127,962,495
- <i>Trade payables to third parties</i>		129,688,792	127,962,495
Payables related to employee benefits	15	7,574,472	4,770,306
Other Payables		308,732	393,428
- <i>Other payables to third parties</i>	9	308,732	393,428
Current tax liabilities	23	68,520,432	36,861,038
Short-term provisions		5,014,637	3,378,377
- <i>Short-term provisions for employee benefits</i>	15	5,014,637	3,378,377
Other current liabilities	14	14,770,533	9,391,554
Non-Current Liabilities		122,541,644	74,771,959
Long-term borrowings	25	111,488,032	60,536,269
Other payables		187,726	545,007
- <i>Other payables to third parties</i>		187,726	545,007
Long-term provisions		10,865,886	13,690,683
- <i>Long-term provisions for employee benefits</i>	15	10,865,886	13,690,683
EQUITY		5,374,260,100	5,219,980,557
Equity Attributable to Owners of the Company		3,816,481,785	3,623,512,176
Share capital	17	70,000,000	70,000,000
Capital structure adjustment	17	679,424,632	679,424,632
Treasury shares (-)		(756,014,967)	(616,989,542)
Share premium		7,909,839	7,909,839
Other comprehensive income or expenses that will not be reclassified subsequently to profit or loss		2,939,499	2,248,802
<i>Revaluation increases / (decreases) of property, plant and equipment</i>		5,986,014	5,295,317
<i>Defined benefit plans re-measurement gains / (losses)</i>		(3,046,515)	(3,046,515)
Restricted reserves from profit	17	40,605,047	34,890,922
Other reserves	17	398,845,419	398,845,419
Retained earnings		2,926,821,273	2,645,491,311
Net profit of the year		445,951,043	401,690,793
Non-Controlling interests		1,557,778,315	1,596,468,381
TOTAL LIABILITIES AND EQUITY		5,857,413,577	5,871,311,252

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

VERUSA HOLDİNG A.Ş. AND ITS SUBSIDIARIES

AUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 1 JANUARY - 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TRY) in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

	Notes	Audited Current Year 1 January - 31 December 2024	Audited Prior Year 1 January - 31 December 2023
Revenue	18	1,117,204,319	887,309,048
Cost of sales (-)	18	(802,347,561)	(893,069,060)
Gross profit		314,856,758	(5,760,012)
Administrative expenses (-)	19	(105,831,632)	(87,272,594)
Marketing expenses (-)	19	(212,554,441)	(12,380,999)
Other income from operating activities	20	858,535,414	974,117,697
Other expenses from operating activities (-)	20	(21,880,663)	(47,335,629)
Operating profit		833,125,436	821,368,463
Profit / loss (-) from investment activities	22	(277,364,271)	(125,502,543)
Share of profit/loss of investments accounted for using the equity method	4	37,293,202	43,342,347
Operating profit before finance expense		593,054,367	739,208,267
Finance income	21	36,103,970	151,486,909
Finance expense (-)	21	(168,844,833)	(104,337,722)
Monetary gain/loss		14,950,104	(436,365,565)
Profit before tax		475,263,608	349,991,889
Tax expense		806,643	305,151,263
Current tax expense	23	(86,000,792)	(170,628,845)
Deferred tax income / (expense)	23	86,807,435	475,780,108
PROFIT FOR THE YEAR		476,070,251	655,143,152
Profit for the year attributable to			
Non-controlling interests		30,119,208	253,452,359
Owners of the Company		445,951,043	401,690,793
		476,070,251	655,143,152
Earnings per share			
Earnings per share	24	6.37	5.74
Other comprehensive income		1,360,897	(1,563,331)
Revaluation profit / loss (-) of tangible assets		1,675,616	1,208,227
Defined benefit plans re-measurement gains / (losses)		-	(200,366)
Deferred tax expense	23	(314,719)	(2,571,192)
Total comprehensive income		477,431,148	653,579,821
Total comprehensive income attributable to:			
		477,431,148	653,579,821
Non-controlling interests	4	30,789,682	252,682,152
Owners of the Company		446,641,466	400,897,669

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

VERUSA HOLDİNG A.Ş. AND ITS SUBSIDIARIES

AUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 1 JANUARY - 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TRY) in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

	Share capital	Capital structure adjustment	Treasury shares (-)	Share premium	Revaluation increases / (decreases) of property, plant and equipment	Defined benefit plans re-measurement gains / (losses)	Restricted reserves from profit	Other reserves	Retained earnings		Equity Attributable to Owners of the Company	Non-Controlling interests	Total
									Retained earnings	Net profit of the year			
Balances of 1 January 2023	70,000,000	679,424,632	(227,890,268)	7,909,839	5,600,639	(2,764,549)	34,012,036	398,845,419	2,489,172,952	6,502,756	3,460,813,456	1,314,019,418	4,774,832,874
Transfers	-	-	-	-	-	-	878,886	-	5,623,870	(6,502,756)	-	-	-
Total comprehensive income	-	-	-	-	(711,803)	(81,321)	-	-	-	401,690,793	400,897,669	252,682,152	653,579,821
Dividends	-	-	-	-	-	-	-	-	(6,994,830)	-	(6,994,830)	(9,083,855)	(16,078,685)
Due to redemption of shares decrease	-	-	(389,099,274)	-	-	-	-	-	-	-	(389,099,274)	-	(389,099,274)
Increase / decrease due to changes in proportion of ownership interest in subsidiaries that does not result in loss of control	-	-	-	-	406,481	(200,645)	-	-	157,689,319	-	157,895,155	38,850,666	196,745,821
Balances as of 31 December 2023	70,000,000	679,424,632	(616,989,542)	7,909,839	5,295,317	(3,046,515)	34,890,922	398,845,419	2,645,491,311	401,690,793	3,623,512,176	1,596,468,381	5,219,980,557
Balances of 1 January 2024	70,000,000	679,424,632	(616,989,542)	7,909,839	5,295,317	(3,046,515)	34,890,922	398,845,419	2,645,491,311	401,690,793	3,623,512,176	1,596,468,381	5,219,980,557
Transfers	-	-	-	-	-	-	-	-	401,690,793	(401,690,793)	-	-	-
Total comprehensive income	-	-	-	-	690,697	-	-	-	-	445,951,043	446,641,740	29,428,511	476,070,251
Dividends	-	-	-	-	-	-	5,714,125	-	(31,753,329)	-	(26,039,204)	(5,005,591)	(31,044,795)
Due to redemption of shares increase	-	-	(139,025,425)	-	-	-	-	-	-	-	(139,025,425)	-	(139,025,425)
Increase / decrease due to changes in proportion of ownership interest in subsidiaries that does not result in loss of control	-	-	-	-	-	-	-	-	(88,607,502)	-	(88,607,502)	(63,112,986)	(151,720,488)
Balances as of 31 December 2024	70,000,000	679,424,632	(756,014,967)	7,909,839	5,986,014	(3,046,515)	40,605,047	398,845,419	2,926,821,273	445,951,043	3,816,481,785	1,557,778,315	5,374,260,100

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

VERUSA HOLDİNG A.Ş. AND ITS SUBSIDIARIES

AUDITED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 1 JANUARY - 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TRY) in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

		Audited	Audited
		Current Year	Prior Year
	Notes	31 December	31 December
		2024	2023
A. Cash flows from operating activities			
Profit for the year		476,070,251	655,143,152
Adjustments to reconcile profit for the year			
-Adjustments related to depreciation and amortization expenses	12, 13	68,253,927	49,631,947
-Adjustments related to impairment of value	22	287,179,917	125,556,886
-Adjustments related to provision for/reversal for employee benefit termination	15	4,099,569	8,070,293
-Adjustments related to interest income and expenses	21	132,173,572	(48,474,001)
-Adjustments related to unrealized currency translation differences		2,846,156	19,574,009
-Adjustments related to (gain)/loss on fair value	20	(772,183,827)	(668,887,783)
-Adjustments related to undistributed profits of subsidiaries	4	(37,293,202)	(43,342,347)
-Adjustments related to tax income	23	(806,643)	(305,151,263)
-Adjustments related to the disposal of joint ventures, subsidiaries and financial investments or gains arising from changes in their shares		-	75,803,241
-Monetary gain/(loss)		(103,602,352)	73,996,139
Changes in working capital			
-Adjustments related to (increase) / decrease trade receivables		(231,891,210)	(72,939,604)
-Adjustments related to increase in other receivables related to operations		(64,545,558)	(6,743,173)
-Adjustments related to (increase) / decrease in inventories		68,946,892	(31,133,832)
-Adjustments related to (increase) / decrease in prepaid expenses		40,501,463	107,128,725
-Adjustments related to (increase) / decrease in trade payables		41,059,076	87,997,380
-Increase / (decrease) in payables due to employee benefits		4,270,451	3,328,982
-Adjustments related to increase in other payables related to activities		(153,523)	(114,671,896)
-Increase / (decrease) in other assets related to activities		1,628,614	(21,646,764)
-Increase in other liabilities related to activities		8,265,731	2,108,490
Cash generated/(used) from operations		(75,180,696)	(104,651,419)
Interest received		36,103,970	151,486,909
Payments made under the provisions for employee benefits	15	(572,343)	(5,534,243)
Income taxes paid	23	(54,341,398)	(148,962,578)
		(93,990,467)	(107,661,331)
B. Cash Flows from Investing Activities			
Cash inflows on disposal of subsidiaries that do not result in loss of control		(151,720,488)	196,745,821
Cash inflows from the sale of shares of other enterprises or funds or debt instruments	26	662,178,456	3,112,285,791
Cash outflows for the acquisition of shares of other enterprises or funds or borrowing instruments	26	(223,953,376)	(1,819,891,072)
Cash inflows arising from disposal of tangibles		-	35,205
Payments for purchase of tangible and intangible assets		(139,320,155)	(353,855,263)
		147,184,437	1,135,320,482
C. Cash Flows from Financing Activities			
Payments for the acquisition of own shares		(139,025,425)	(389,099,274)
Cash inflows from borrowings		171,167,328	427,058,068
Cash outflows for borrowings		(278,172,556)	(282,185,649)
Dividends paid		(31,044,795)	(16,078,685)
Interest paid	21	(168,277,542)	(103,012,908)
		(445,352,990)	(363,318,448)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		(392,159,020)	664,340,703
D. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR		424,235,725	52,262,121
EFFECT OF INFLATION ON CASH AND CASH EQUIVALENTS		(13,911,467)	(292,367,099)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (A+B+C+D+E)	29	18,165,238	424,235,725

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

VERUSA HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TRY) in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

1. GENERAL INFORMATION

Verusa Holding A.Ş. (“Verusa Holding”) was established on 6 October 2006 in Turkey.

The main activity of Verusa Holding is to participate in the capital of various companies and to ensure that the companies it participates in are managed more profitably and efficiently. Members of the Board of Directors are actively involved both in the Holding and in the boards of its subsidiaries.

The companies in which Verusa Holding A.Ş. has direct or indirect participation (collectively referred to as the “Group”) operate in the fields of energy, mining, cellulose production, iron and steel, and venture capital.

The Group, which is registered in Turkey, has its head office at Maslak Mah. Saat Sk. Spine Tower No:5/91 Sarıyer / Istanbul.

The Company’s registered capital ceiling is TRY 1,000,000,000, and its issued capital is TRY 70,000,000 (31 December 2023: TRY 70,000,000).

As of 31 December 2024, the Group has 177 employees (31 December 2023: 162).

As of 31 December 2024, 63.67% of the Company’s shares are owned by Investco Holding A.Ş.

Subsidiaries included in the full consolidation in the enclosed consolidated financial statements:

<u>Company Name</u>	<u>Country</u>	<u>Area of Activity</u>	<u>Stock Exchanges</u>
Standard Boksit İşletmeleri A.Ş.	Turkey	Mining	-
Galata Altın İşletmeleri A.Ş.	Turkey	Mining	-
Verusaturk Girişim Sermayesi Yatırım Ortaklığı A.Ş.	Turkey	Venture Capital	BIST
Pamukova Elektrik Üretim A.Ş.	Turkey	Renewable Energy Generation	-
Pamel Yenilenebilir Elektrik Üretim A.Ş.	Turkey	Renewable Energy Generation	BIST
Ata Elektrik Enerjisi Toptan Satış A.Ş.	Turkey	Energy Generation	-
Acıselsan Acıpayam Selüloz San. ve Tic. A.Ş.	Turkey	Cellulose Production	BIST

Standard Boksit İşletmeleri A.Ş. (“Standard”) was established in 2014 and operates in the mining industry. The Group owns the entire share capital of Standard, amounting to TRY 250,000,000.

Galata Altın İşletmeleri A.Ş. (“Galata”) Galata Altın İşletmeleri A.Ş. (“Galata”), established in 2020, has a share capital of TRY 50,000,000 and operates in the mining sector.

Verusaturk Girişim Sermayesi Yatırım Ortaklığı A.Ş. (“Verusaturk”) The registered capital ceiling of the Company is TRY 250,000,000, and its issued capital is TRY 52,000,000. The Company operates as a venture capital investment trust, and Verusa Holding A.Ş. is the controlling shareholder of the Company.

VERUSA HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TRY) in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

1. GENERAL INFORMATION (cont'd)

Pamukova Elektrik Üretim A.Ş. ("Pamukova") was established in 2015, and its paid-in capital is TRY 1,150,000,000. It operates in the energy sector. Verusaturk holds 51% and Verusa Holding holds 49% of the shares in the company. Verusa Holding's effective ownership interest in Pamukova is 81.44%.

Pamel Yenilenebilir Elektrik Üretim A.Ş. ("Pamel") was established in 2007 to construct and operate all types of energy facilities and to carry out other activities specified in its articles of association. Pamukova Elektrik Üretim A.Ş.'s share in Pamel is 76.07% as of 31 December 2024 (31 December 2023: 76.07%). The company operates in the renewable energy sector. It has two hydroelectric power plants: one with an installed capacity of 6.946 MW located in Adıyaman, and another with an installed capacity of 7.49 MW located in Tortum, Erzurum. Pamel owns 100% of the shares of Sun Yenilenebilir Enerji Üretim A.Ş., which operates in the renewable energy generation sector and has a capital of TRY 80,000,000. On 30 December 2022, Sun acquired 100% of the shares of Şişli Enerji A.Ş. and Ortaköy Enerji A.Ş., which operate solar power plants with a total installed capacity of 4.02 MW. Verusa Holding A.Ş. is the controlling shareholder of the company, and the Group's effective ownership interest in the company is 61.95%.

Ata Elektrik Enerjisi Toptan Satış A.Ş. ("Ata Elektrik") is engaged in the purchase and sale of electricity in the free market with the Wholesale Sales License which is taken from EMRA (Energy Market Regulatory Authority). The company continues its activities in the wholesale electricity trade by selling the electricity taken from the other electricity producers and commercial companies in Turkey and / or from the electric pool system to the customers.

Acıselsan Acıpayam Selüloz San. ve Tic. A.Ş. ("Acıselsan") was established in 1973 in Denizli. The company's issued capital is TRY 10,721,700. It operates in the cellulose production sector. The Group's effective ownership interest in the company is 50.73%.

Associates accounted for using the equity method in the accompanying consolidated financial statements:

<u>Company Name</u>	<u>Country</u>	<u>Area of Activity</u>	<u>Stock Exchanges</u>
Aldem Çelik Endüstri Sanayi ve Ticaret A.Ş.	Turkey	Steel Production	-

Aldem Çelik Endüstri Sanayi ve Ticaret A.Ş. ("Aldem Çelik") engages in the production, processing, project design, import and export of all kinds of steel products in sectors such as renewable energy, nuclear energy, technology, maritime, construction, healthcare, and defense.

The Group holds TRY 61,125,000 of the total capital of TRY 150,000,000 in Aldem Çelik.

Approval of the financial statements

The consolidated financial statements have been approved by the Board of Directors and authorized for issue on 11 March 2025. The General Assembly has the authority to amend the consolidated financial statements.

VERUSA HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TRY) in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS

2.1 Basis of Presentation

Statement of Compliance in Turkish Accounting Standards ("TAS")

The Company and its subsidiaries in Turkey prepare their books and accompanying financial statements in accordance with the accounting standards stated by Turkish Commercial Code ("TCC") and the tax legislation.

The accompanying consolidated financial statements have been prepared in accordance with the provisions of the Capital Markets Board ("CMB") Communiqué No. II-14.1 "Communiqué on Principles Regarding Financial Reporting in the Capital Markets," published in the Official Gazette dated 13 June 2013 and numbered 28676. Pursuant to Article 5 of the Communiqué, the Turkish Financial Reporting Standards ("TFRS") issued by the Public Oversight Accounting and Auditing Standards Authority ("POA") and the related annexes and interpretations have been applied. In addition, the financial statements and notes have been prepared in accordance with the formats announced by the CMB on 4 October 2022 and the Turkish Financial Reporting Taxonomy published by the POA.

The consolidated financial statements and notes have been prepared in accordance with the TFRS taxonomy published by the Public Oversight Authority ("POA").

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments, land, buildings, hydroelectric power plants and solar power plants that are measured at revalued amounts or fair values. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Functional and Presentation Currency

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). The financial position and operating results of each entity are expressed in Turkish Lira ("TRY"), which is the functional currency of the Company, and the presentation currency of the consolidated financial statements.

Comparative Information and Restatement of Consolidated Financial Statements of Prior Period

Consolidated financial statements of the Group have been prepared comparatively with the prior period in order to give information about financial position and performance. In order to maintain consistency with current year consolidated financial statements, comparative information is reclassified and significant changes are disclosed if necessary.

VERUSA HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TRY) in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS

2.1 Basis of Presentation

Financial reporting in hyperinflationary economy

With the announcements made by the Public Oversight Accounting and Auditing Standards Authority (POA) on November 23, 2023, entities applying TFRSs have started to apply inflation accounting in accordance with TAS 29 Financial Reporting in Hyperinflation Economies as of financial statements for the annual reporting period ending on or after December 31, 2023. TAS 29 is applied to the financial statements, including the consolidated financial statements, of any entity whose functional currency is the currency of a hyperinflationary economy. According to the standard, financial statements prepared in the currency of a hyperinflationary economy are presented in terms of the purchasing power of that currency at the balance sheet date. Prior period financial statements are also presented in the current measurement unit at the end of the reporting period for comparative purposes. The Group has therefore presented its consolidated financial statements as of December 31, 2023, on the purchasing power basis as of December 31, 2024.

On 23 November 2023, the Public Oversight Authority ("POA") made an announcement regarding the scope and application of TAS 29. It stated that the financial statements of entities applying Turkish Financial Reporting Standards, for annual reporting periods ending on or after 31 December 2023, must be presented by adjusting for the effects of inflation in accordance with the relevant accounting principles set out in TAS 29.

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

The adjustments made in accordance with IAS 29 were made using the adjustment coefficient obtained from the Consumer Price Index (CPI) of Turkey published by the Turkish Statistical Institute (TSI). As of December 31, 2024, the indices and adjustment coefficients used in the adjustment of the consolidated financial statements are as follows:

Date	Index	Conversion Factor	Three-Year Inflation Rate
31 December 2024	2,684.55	1.000	291%
31 December 2023	1,859.38	1.444	268%
31 December 2022	1,128.45	2.379	156%

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

- Current period consolidated financial statements prepared in TRY are expressed in terms of the purchasing power at the balance sheet date, and amounts from previous reporting periods are also adjusted and expressed in terms of the purchasing power at the end of the reporting period.
- Monetary assets and liabilities are not adjusted as they are already expressed in terms of the current purchasing power at the balance sheet date. In cases where the inflation-adjusted values of non-monetary items exceed their recoverable amount or net realizable value, the provisions of IAS 36 "Impairment of Assets" and IAS 2 "Inventories" are applied, respectively.
- Non-monetary assets and liabilities and equity items that are not expressed in terms of the current purchasing power at the balance sheet date have been adjusted using the relevant adjustment coefficients.
- All items in the comprehensive income statement, except for those that have an impact on the comprehensive income statement of non-monetary items on the balance sheet, have been indexed using the coefficients calculated for the periods when the income and expense accounts were first reflected in the financial statements.
- The impact of inflation on the Group's net monetary asset position in the current period is recorded in the net monetary gain/(loss) account in the consolidated income statement.
- The Group measures its land and buildings at fair value within the scope of its revaluation policy. As part of the transitional provisions of TAS 29, the related revaluation surplus previously recognized under equity has been reclassified to retained earnings as of 1 January 2022.

VERUSA HOLDİNG A.Ş. AND ITS SUBSIDIARIES**NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

(Amounts expressed in Turkish Lira (TRY) in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (cont'd)**2.1 Basis of Presentation (cont'd)**Financial reporting in hyperinflationary economy (cont'd)

In accordance with the Capital Markets Board (“CMB”) Bulletin dated March 7, 2024, it has been decided that the statutory reserves classified as “Capital Adjustment Differences”, “Share Premiums (Discounts)” (Share Premium), “Legal Reserves”, and “Other Reserves” in the financial statements prepared in accordance with the CMB regulations will be presented based on the Consumer Price Index (CPI) starting from the financial position statement for the reporting period ended in 2023. In this context, the inflation-adjusted amounts in the financial statements prepared in accordance with the tax legislation should be converted to the CPI-adjusted amounts valid for TFRS reporting, and the differences arising from this conversion should be recognized under “Prior Years’ Profits/Losses”. The details of these items, which are followed under equity in the Group’s TFRS consolidated financial position statement, and the related differences followed under “Prior Years’ Profits” based on the inflation-adjusted amounts in the financial statements prepared in accordance with the tax legislation, are presented in the appendix.

	PPI-Indexed Statutory Records	CPI-Indexed Amounts	Difference Followed Under Retain Earnings
Capital structure adjustment	789,969,701	679,424,632	110,545,069
Share premium	8,927,530	7,909,839	1,017,691
Restricted reserves from profit	22,454,247	40,605,047	(18,150,800)

Basis of consolidation**Subsidiaries**

Subsidiaries	Group's effective shares (%)		Effective Shareholding and Voting Rights	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Galata	100.00	100.00	100.00	100.00
Standard	100.00	100.00	100.00	100.00
Verusaturk	63.61	58.72	63.61	58.17
Pamukova	81.44	78.95	100.00	100.00
Pamel	61.95	60.05	76.07	76.07
Ata Elektrik	100.00	100.00	100.00	100.00
Acıselsan	50.73	50.73	50.73	50.73

VERUSA HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TRY) in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

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

2.1 Basis of Presentation (cont'd)

Basis of consolidation (cont'd)

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

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

If there is a situation or event that may lead to any change in at least one of the criteria listed above, the company re-evaluates the control power over its' investment.

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

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

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

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

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

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

In accordance with TFRS 10, paragraph 33, the Group fully consolidates its subsidiary that Pamukova Elektrik Üretim A.Ş., whose accounted as FVTPL at Verusaturk Girişim Sermayesi Yatırım Ortaklığı A.Ş. level.

VERUSA HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TRY) in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

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

2.1 Basis of Presentation (cont'd)

Changes in the Group's ownership interests in existing subsidiaries

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

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

Share in associates

Associates

Associates	Group's effective shares (%)		Effective Shareholding and Voting Rights	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Aldem	40.75	40.75	40.75	40.75

Associate is the entity in which the Group has significant influence. Significant influence is the ability to participate in the entity's decisions regarding its financial and operational policies without the control authority.

In the accompanying financial statements, the results of operations and assets and liabilities of associates are recognized as assets held for sale in accordance with TFRS 5 standard and that the shares of Verusaturk Girişim Sermayesi Yatırım Ortaklığı A.Ş. are held in accordance with TAS 28 standard 18, The gain or loss is recognized using the equity method of accounting except for the associates reflected. According to the equity method, associates are shown on the balance sheet at the amount obtained by subtracting any impairment in the associate from the amount of the cost of the adjustment of the net assets of the associate after the acquisition as the share of the Group in the aftermath of the change. The associate shall not be allowed to record losses that exceed the Group's share of the associate (including any long-term investment that essentially constitutes part of the Group's net investment in the associate). Provision for additional loss is the case if the Group has been exposed to legal or collective obligations or has made payments on behalf of the associate.

Gains and losses arising from transactions between one of the Group companies and a subsidiary of the Group are eliminated from the share of the Group in the relevant subsidiary.

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TRY) in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

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

2.2 Changes in Accounting Policies

Changes in the accounting policies resulting from the first issue of a new TFRS are applied retrospectively and prospectively in accordance with the translational provisions of the related TFRS.

Significant changes in the accounting policies are applied retrospectively and prior period financial statements are restated. The Group does not have any changes in accounting policies in the current period.

2.3 Changes in Accounting Estimates and Errors

If the changes in accounting estimates are related to only one period, they are applied in the period in which the changes are made; if they are related to future periods, they are applied both in the current and following periods. The Group does not have changes in the accounting estimates in the current period.

Significant accounting errors are applied retrospectively and prior period financial statements are restated.

2.4 New and Amended Turkish Financial Reporting Standards

a) Standards, amendments, and interpretations applicable as of 31 December 2024:

- **Amendment to IAS 1 – Non-current liabilities with covenants;** effective from annual periods beginning on or after 1 January 2024. These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.
- **Amendment to IFRS 16 – Leases on sale and leaseback;** effective from annual periods beginning on or after 1 January 2024. These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.
- **Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements;** effective from annual periods beginning on or after 1 January 2024. These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.
- **IFRS S1, 'General requirements for disclosure of sustainability-related financial information;** effective from annual periods beginning on or after 1 January 2024. This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.
- **IFRS S2, 'Climate-related disclosures';** effective from annual periods beginning on or after 1 January 2024. This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TRY) in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

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

b) Standards, amendments, and interpretations that are issued but not effective as of 31 December 2024:

- **TFRS 17, 'Insurance Contracts'**; is effective for annual reporting periods beginning on or after 1 January 2023. This standard replaces TFRS 4, which previously permitted a wide range of practices. TFRS 17 will fundamentally change the accounting for all entities issuing insurance contracts and investment contracts with discretionary participation features.
- **Amendments to IAS 21 - Lack of Exchangeability**; effective from annual periods beginning on or after 1 January 2025. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.
- **Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments**; effective from annual reporting periods beginning on or after 1 January 2026 (early adoption is available). These amendments:
 - clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
 - clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
 - add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
 - make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).
- **Annual improvements to IFRS – Volume 11**; Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 amendments are to the following standards:
 - IFRS 1 First-time Adoption of International Financial Reporting Standards;
 - IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS7;
 - IFRS 9 Financial Instruments;
 - IFRS 10 Consolidated Financial Statements; and
 - IAS 7 Statement of Cash Flows.
- **IFRS 18 Presentation and Disclosure in Financial Statements**; effective from annual periods beginning on or after 1 January 2027. This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:
 - the structure of the statement of profit or loss;
 - required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
 - enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.
- **IFRS 19 Subsidiaries without Public Accountability: Disclosures**; effective from annual periods beginning on or after 1 January 2027. Earlier application is permitted. This new standard works alongside other IFRS Accounting Standards. An eligible subsidiary applies the requirements in other IFRS Accounting Standards except for the disclosure requirements and instead applies the reduced disclosure requirements in IFRS 19. IFRS 19's reduced disclosure requirements balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers. IFRS 19 is a voluntary standard for eligible subsidiaries. A subsidiary is eligible if:
 - it does not have public accountability; and
 - it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

The effects of these changes on the financial position and performance of the Company are being evaluated.

VERUSA HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TRY) in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

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

2.5 Summary of Significant Accounting Policies

Related Parties

A related party is a person or entity that is related to the entity that is preparing its financial statements.

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

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

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

- (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

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

The legal entities to which Verusa Holding A.Ş. has directly or indirectly participated in this console in the direction of the financial statements; Directly or indirectly on the Company; (Up to the second degree) and their direct or indirect entities, alone or jointly controlled by them, with their significant influence and / or key management personnel The legal entities that they serve as; The subsidiaries and affiliates of the Company, members of the Board of Directors, key management personnel and their close family members (up to the second degree) and any entity that is controlled directly or indirectly by them, alone or in combination, are considered and referred to as related parties.

Revenue

The Group has recognized revenue in its consolidated financial statements in accordance with TFRS 15 "Revenue Standards with Customer Contracts" as of 1 January 2018.

Cellulose Sales

Revenue is recognized in the financial statements at the transaction cost. The transaction fee is the amount that the entity expects to receive in return for the transfer of the goods to the customer, except for the amounts collected on behalf of third parties. When the control of the property is transferred to its customers, the Company reflects the related amount as revenue in its financial statements. The company does not provide any guarantee regarding sales.

Electricity Sales

The company operates to sell wholesale electricity power that is supplied from other energy producer companies, commercial electricity firms or electricity pool.

VERUSA HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TRY) in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

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

2.5 Summary of Significant Accounting Policies (cont'd)

Revenue (cont'd)

The Group transfers a committed good or service to its customer and records the revenue in its financial statements as it fulfills or obtains its performance obligation. An asset is transferred when the control of an asset passes to customer. Revenue from the sale of goods is recognized when all of the following conditions are met:

1) The group transfers all significant risks and gains related to the property to the buyer, 2) The group does not have a property-related and ongoing administrative involvement and does not have effective control over the goods sold, 3) A reliable measurement of the amount of income is possible, 4) It is probable that the economic benefits associated with the transaction will flow to the business, 5) Reliable measurement of the costs arising from or to be caused by the transaction.

Venture Capital

Revenues consist of sales of subsidiaries and / or associates, and consulting services provided to associates. Subsidiary and subsidiary sales revenue generating loss of control is recorded in the sales records. Revenues from consulting services provided to associates are recorded on the date of service.

Dividend and interest income:

Dividend income from investments is recognized when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

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

Cash and Cash Equivalents

Cash and cash equivalents are cash, demand deposits and other short-term investments with a maturity of 3 months or less, which are readily convertible into cash and do not present a risk of impairment at significant time, since the date of purchase. Cash and cash equivalents of the Group are classified under the category of "Loans and Receivables".

Financial Instruments

Financial assets

The purchase or sale of financial assets is recognized on the transaction date that the group undertakes to buy or sell the asset. Financial assets are accounted for when their right to obtain cash flow from them expires or is transferred and when the Group has transferred all the risks and returns significantly.

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

Classification of financial assets

Financial assets that satisfy the following requirements are subsequently measured at amortized cost:

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

VERUSA HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TRY) in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

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

2.5 Summary of Significant Accounting Policies (cont'd)

Financial Instruments (cont'd)

Financial assets (cont'd)

Classification of financial assets (cont'd)

Financial assets measured at fair value through profit or loss, are assets that are not measured at amortised cost or at fair value through other comprehensive income. Gains and losses on valuation of these financial assets are accounted for under the consolidated statement of income.

The Company may make an irrevocable preference for the subsequent changes to the fair value of its investment in the equity instruments held for the first time in its presentation in the financial statements for the purpose of presentation to the other comprehensive income

(i) Amortised cost and effective interest method

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

(a) Credit-impaired financial assets when purchased or generated. For such financial assets, the Company applies the effective interest rate on the amortized cost of a financial asset based on the loan from the date of the recognition in the financial statements.

(b) Non-financial assets that are impaired at the time of acquisition or generation but subsequently become a financial asset that has been impaired. For such financial assets, the Company applies the effective interest rate to the amortized cost of the asset in the subsequent reporting periods.

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

Interest income is recognized in profit or loss.

(ii) Financial assets at fair value through profit or loss

Financial assets that do not meet the criteria to be measured at amortized cost or at fair value through other comprehensive income are measured at fair value through profit or loss.

Financial assets at fair value through profit or loss are measured at fair value at the end of each period, and all changes in fair value are recognized in profit or loss unless the related financial assets are part of a hedging transaction.

The Group recognizes a provision for impairment in the financial statements for trade receivables measured at amortized cost, contract assets arising from contracts with customers, and investments in financial guarantee contracts, if the related provision reaches a material amount. The amount of expected credit loss is updated at each reporting date to reflect changes in credit risk since the initial recognition of the related financial asset.

VERUSA HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TRY) in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

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

2.5 Summary of Significant Accounting Policies (cont'd)

Financial Instruments (cont'd)

Financial assets (cont'd)

Impairment of financial assets

For trade receivables and contract assets that do not contain a significant financing component, the Group applies the simplified approach and calculates the impairment provisions at an amount equal to the expected credit losses over the lifetime of the related financial assets.

For all other financial instruments, the Group recognizes lifetime expected credit losses if there has been a significant increase in credit risk since initial recognition. However, if the credit risk has not increased significantly since initial recognition, the Group recognizes a provision for 12-month expected credit losses for the related financial instrument.

The expected loss rates are based on historical credit losses incurred from the payment patterns of sales prior to 31 December 2019 or 1 January 2019. The historical loss rates have been adjusted to reflect current and forward-looking information on macroeconomic factors affecting customers' ability to pay.

Measurement and accounting of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e., the magnitude of the loss if default occurs), and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted with forward-looking information. The exposure at default for financial assets is reflected as the gross carrying amount of the related assets as of the reporting date.

For financial assets, the expected credit loss is the present value of all cash shortfalls, which is the difference between all contractual cash flows that are due to the Group under the contract and all the cash flows that the Group expects to receive, discounted using the original effective interest rate (or the credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

Derecognition of financial assets

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

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

Financial liabilities

The Group measures a financial liability at its fair value at the time it is initially recognized in the consolidated financial statements. For liabilities other than those classified as at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issuance of the liability are added to its fair value at initial recognition.

VERUSA HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TRY) in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

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

2.5 Summary of Significant Accounting Policies (cont'd)

Financial Instruments (cont'd)

Financial liabilities (cont'd)

The Group classifies all of its financial liabilities, except for those stated below, as measured at amortized cost in subsequent accounting:

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

The Group did not reclassify any financial liability as a result of the above accounting policy.

Derecognition of financial liabilities

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

Loans and receivables

Commercial and other receivables and loans with fixed and determinable payments that are not quoted in the market are classified in this category. Loans and receivables (trade and other receivables, bank balances, cash and others) are carried at amortized cost using the effective interest method, less any impairment. Interest income is recognized by applying the effective interest rate method unless the effect of rediscount is significant.

Inventories

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

VERUSA HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TRY) in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

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

2.5 Summary of Significant Accounting Policies (cont'd)

Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes and hydroelectric power plant are stated in the consolidated statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value at the date of revaluation is the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction. Fair value determination is based on the market and cost approaches using quoted market prices for similar items when available and in some cases, using replacement cost when appropriate.

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

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation on revalued buildings and hydroelectric power plant is charged to profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings.

Land is not depreciated. Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

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

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

Except for land subject to revaluation, depreciable assets are depreciated using the straight-line method over their estimated useful lives as determined by Group management.

VERUSA HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TRY) in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

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

2.5 Summary of Significant Accounting Policies (cont'd)

Property, plant and equipment (cont'd)

Useful lives are as follows:

	Time (Year)
Buildings	30
Machinery, plant and equipment	3-20
Vehicles	5
Fixtures	3-20
Other tangible assets	3-5
Hydroelectric power plant	36-39
Solar power plant	43

The economic useful lives and depreciation methods are regularly reviewed and accordingly, the method and the period of depreciation are considered to be in line with the economic benefits to be gained from the related asset and are adjusted if necessary.

Mining Assets

Mining assets; mining rights and mine development costs that increase extractable ore. Mining assets are reflected in the financial statements over their acquisition costs, with their net value after deducting accumulated depreciation and impairment, if any. Mining assets begin to be amortized with the start of production. Depreciation expenses of mining assets are associated with the production cost on the basis of the relevant mining sites. Mining assets are depreciated based on the lower of the economic benefit or the remaining economic life of the related mine.

Investment Properties

Investment properties are properties held to earn rentals and/or for capital appreciation, including property under construction for such purposes. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value. When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

Investment properties are properties held to earn rentals and/or for capital appreciation, including property under construction for such purposes. Investment properties are carried at cost less accumulated depreciation and any accumulated impairment losses. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day to day servicing of an investment property. Depreciation is provided on investment property on a straight line basis.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognized.

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

VERUSA HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TRY) in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

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

2.5 Summary of Significant Accounting Policies (cont'd)

Intangible Assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

The intangible assets of the Group are reflected in the financial statements as the acquisition cost less accumulated depreciation and depreciation. Purchased intangible assets, especially software, are amortized using the straight-line method over their 3 and 5-year limited useful lives. Amortization expense for intangible assets is recognized in the statement of profit or loss and other comprehensive income as general administrative expenses and cost of sales.

Derecognition of intangible assets

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

Business Combinations

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

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

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

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

2.5 Summary of Significant Accounting Policies (cont'd)

Business Combinations (cont'd)

- Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.
- Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another TFRS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with TAS 39, or TAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, as appropriate, with the corresponding gain or loss being recognized in profit or loss.

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

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

VERUSA HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TRY) in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

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

2.5 Summary of Significant Accounting Policies (cont'd)

Impairment in Assets

At each balance sheet date, the Group has assessed whether there is any indication that there is an impairment loss on that asset for each balance sheet item, except for deferred tax assets and financial assets at fair value that are presented in the consolidated balance sheet. If such an indication exists, the recoverable amount of that asset is estimated.

If the asset or any cash-generating unit of that asset has a high value to be recovered through its recorded value, use or sale, the value has come to the fore.

The recoverable amount is determined by selecting the higher of net selling price and value in use of the asset. Usage value is the predicted present value of cash flows expected to be derived from the permanent use of an asset and its elimination at the end of its useful life. Impairment losses are recognized in profit or loss and other comprehensive income.

A loss on impairment of an asset is reversed if the subsequent increase in the recoverable amount of the asset can be attributed to an event that arises in subsequent periods after the impairment is recognized in the records. Impairment loss on other assets is reversed if there is a change in the estimates used when determining the recoverable amount. An increase in the carrying amount of an asset due to the reversal of the impairment loss should not exceed the carrying amount that would have been determined if no impairment loss was recognized in the consolidated financial statements in the previous years (the net amount after the amortization).

Borrowing Costs and Receivable Loans

If the maturities of the receivables are shorter than 12 months as of the balance sheet date, they are shown within the short-term liabilities and within 12 months of long term liabilities. Credits are recorded at the date of receipt at the fair value after the transaction costs are deducted from the loan amount received.

The loans are subsequently stated at the discounted cost value using the effective interest method. Any difference between the amount remaining after deducting transaction costs and the discounted cost value is reflected in profit or loss and other comprehensive income statement as cost of finance over the period of the loan. The cost of financing arising from loans is recognized in profit or loss when incurred and in other comprehensive income.

Foreign Currency Balances and Transactions

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

In preparing the financial statements of the individual entities, transactions in currencies other than TRY (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

VERUSA HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TRY) in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

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

2.5 Summary of Significant Accounting Policies (cont'd)

Foreign Currency Balances and Transactions (cont'd)

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

- Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets where they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- Exchange differences on transactions entered into in order to hedge certain foreign currency risks (see below for hedging accounting policies)

Provisions, Contingent Assets and Liabilities

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

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

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

Employee Benefits

Termination and retirement benefits:

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

The retirement benefit obligation recognized in the consolidated statement of financial position represents the present value of the defined benefit obligation. Determined actuarial gains and losses are recognized in profit and loss due to not material.

Corporate Taxes

Turkish Tax Legislation does not permit the parent company and its subsidiary to prepare a consolidated tax return, so the tax provisions are separately calculated for each entity, as reflected in the accompanying financial statements.

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

Current Tax

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

VERUSA HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TRY) in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

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

2.5 Summary of Significant Accounting Policies (cont'd)

Taxes Calculated on the Institution Earnings (cont'd)

Venture fund

Verusaturk benefits from the earnings exception under Article 5/1-d of the Corporate Tax Law. Accordingly, the Company's earnings are exempt from corporate tax.

Deferred tax

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

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

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

Current and deferred tax for the period

Current and deferred tax are recognized as in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity.

Segment Reporting

In terms of management accounting, the Group has been divided into five groups: venture capital, electricity wholesale, cellulose manufacturing, energy and holding activities,. These distinctions form the basis for financial reporting, according to departments.

Statement of Cash Flows

Cash flows related to current period classifies and reports as operating, investing and financing.

Shares and Dividends

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

VERUSA HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TRY) in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

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

2.5 Summary of Significant Accounting Policies (cont'd)

Earnings Per Share

Earnings per share disclosed in the consolidated statement of comprehensive income are determined by dividing net earnings by the weighted average number of shares that have been outstanding during the related period.

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares ("bonus shares") to existing shareholders from retained earnings on equity items. Such kind of bonus shares are taken into consideration in the computation of earnings per share as issued share certificates. For the purpose of earnings per share computations, the weighted average number of shares outstanding during the period has been adjusted in respect of bonus shares issues without a corresponding change in resources, by giving them retroactive effect for the year in which they were issued and each earlier year.

Events After the Reporting Period

Events after the reporting period are those events that occur between the balance sheet date and the date when the financial statements are authorized for issue, even if they occur after an announcement related with the profit for the year or public disclosure of other selected financial information.

The Group adjusts the amounts recognized in its financial statements if adjusting events occur after the balance sheet date.

2.6 Critical Accounting Judgments and Key Sources of Estimation Uncertainty

Critical judgments in applying the Group's accounting policies

In the process of applying accounting policies, management has made the following comments, which have a significant effect on the amounts recognized in the financial statements:

Deferred tax

Deferred tax assets and liabilities are recorded using substantially enacted tax rates for the effect of temporary differences between book and tax bases of assets and liabilities. Currently, there are deferred tax assets resulting from operating loss carry-forwards and deductible temporary differences, all of which could reduce taxable income in the future. Based on available evidence, both positive and negative, it is determined whether it is probable that all or a portion of the deferred tax assets will be realized. The main factors which are considered include future earnings potential; cumulative losses in recent years; history of loss carry-forwards and other tax assets expiring; the carry-forward period associated with the deferred tax assets; future reversals of existing taxable temporary differences; tax-planning strategies that would, if necessary, be implemented, and the nature of the income that can be used to realize the deferred tax asset. If based on the weight of all available evidence, it is the Group's belief that taxable profit will not be available sufficient to utilize some portion of these deferred tax assets, then some portion of or all of the deferred tax assets are not recognized.

Deferred taxes related to investment properties

In the calculation of deferred tax liabilities and deferred tax assets arising from the Group's investment properties, it has been concluded that the investment properties are not held within the framework of a business model that aims to fully utilize the economic benefits over time rather than through sale. A deferred tax liability at a rate of 18.75% has been calculated on the difference between the fair value and the tax base of the investment properties.

VERUSA HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TRY) in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

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

2.6 Critical Accounting Judgments and Key Sources of Estimation Uncertainty (cont'd)

The calculation of the fair values of the financial investments of the Group

The fair value of the Group's financial assets, that are classified as fair value through profit or loss, has been determined by independent valuation which are held for EPIAS. Discounted cash flows ("DCF") method was used in these valuation (Note 26).

The fair value of the Group's financial assets, that are classified as fair value through profit or loss, has been determined by independent valuation which are held for Vektora Yazılım Teknolojileri A.Ş., Kahve Diyarı Pazarlama Sanayi ve Ticaret A.Ş., Golive Yazılım Hizmetleri A.Ş. and Probel Yazılım ve Bilişim Sistemleri A.Ş.. In the independent valuation, discounted cash flows ("DCF") and market multiples ("equivalence value") have been used by the valuation expert.

Fair value determination of the hydroelectric power plant and solar power plant

The hydroelectric power plants and solar power plant, which the Company classified as a tangible fixed asset, whose fair value is reflected in other comprehensive income, has been identified in the independent valuation dated 31 December 2023. Discounted cash flows ("DCF") method was used in these valuation studies (Note 12).

3. EXPLANATIONS OF CHANGES IN SHAREHOLDERS EQUITY

2024: Verusa Holding A.Ş. has repurchased 450,454 of its own shares from Borsa Istanbul Equity Market, and Verusaturk GSYO A.Ş. has repurchased 275,545 of its shares.

2023: Verusa Holding A.Ş. repurchased its shares from Borsa Istanbul Equity Market.

Verusa Holding A.Ş. also purchased shares of its subsidiaries Verusaturk GSYO A.Ş. and Acıselsan Acıpayam Selüloz San. ve Tic. A.Ş. from Borsa Istanbul Equity Market.

Regarding the shares of Pamel Yenilenebilir Elektrik Üretim A.Ş., 932,850 units were sold by Pamukova Elektrik Üretim A.Ş. during the period.

Acıselsan, one of the Group's subsidiaries, carried out share buyback and sale transactions.

VERUSA HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TRY) in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

4. INTEREST IN OTHER ENTITIES

a) Subsidiaries

Details of non-wholly owned subsidiaries that have material non-controlling interests:

The table below shows details of non-wholly owned subsidiaries of the Group that have material non-controlling interests:

Subsidiaries	Place of Incorporation	The share of noncontrolling interests in the capital and voting rights ratio		Comprehensive income on non-controlling shares		Accumulated non-controlling interests	
		31 December 2024	31 December 2023	1 January - 31 December 2024	1 January - 31 December 2023	31 December 2024	31 December 2023
Verusaturk	İstanbul	36.39%	41.28%	110,634,289	185,541,410	862,861,293	785,766,395
Pamukova	İstanbul	18.56%	21.05%	71,013,206	(65,337,995)	229,109,658	179,337,983
Pamel	İstanbul	38.05%	39.95%	(133,715,845)	107,794,352	228,029,048	375,347,576
Aciselsan	Denizli	49.27%	49.27%	(17,141,968)	24,684,385	237,778,316	256,016,427
				30,789,682	252,682,152	1,557,778,315	1,596,468,381

The summary financial information of each subsidiary of the Group with significant non-controlling interests is presented below. These summary financial information show the amounts before intra-group eliminations.

Verusaturk Girişim Sermayesi Yatırım Ortaklığı A.Ş.	31 December 2024	31 December 2023
Current assets	3,733,949,583	4,332,417,460
Non-current assets	8,297,451	11,209,587
Current liabilities	783,391	432,760,181
Non-current liabilities	166,437	88,568
Equity attributable to owners of the Company	2,878,435,913	3,125,011,903
Non-controlling shares	862,861,293	785,766,395
	1 January - 31 December 2024	1 January - 31 December 2023
Revenue	-	158,751,420
Income/(Expenses)	(182,202,417)	(5,109,268,812)
Eliminations for consolidation	433,760,014	952,230,553
Profit / (loss) for the period	251,557,597	(3,998,286,839)
Profit/loss for the period attributable to:		
Owners of the Company	140,923,308	(4,183,828,249)
Non-controlling shares	110,634,289	185,541,410
Profit / (loss) for the period	251,557,597	(3,998,286,839)
Total comprehensive income attributable to:		
Owners of the Company	140,923,308	(4,183,828,249)
Non-controlling shares	110,634,289	185,541,410
Total comprehensive income	251,557,597	(3,998,286,839)

VERUSA HOLDİNG A.Ş. AND ITS SUBSIDIARIES**NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

(Amounts expressed in Turkish Lira (TRY) in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

4. INTERESTS IN OTHER ENTITIES (cont'd)**a) Subsidiaries (cont'd)**

Pamukova Elektrik Üretim A.Ş.	31 December 2024	31 December 2023
Current assets	1,090,561,205	903,670,356
Non-current assets	1,096,719,408	859,007,041
Current liabilities	71,928,616	29,827,089
Non-current liabilities	421,961	565,101
Equity attributable to owners of the Company	1,885,820,378	1,552,947,224
Non-controlling shares	229,109,658	179,337,983
	1 January - 31 December 2024	1 January - 31 December 2023
Income/(Expenses)	382,644,831	73,551,102
Profit / (loss) for the period	382,644,831	73,551,102
Profit/loss for the period attributable to:		
Owners of the Company	311,631,625	138,889,097
Non-controlling shares	71,013,206	(65,337,995)
Profit for the period	382,644,831	73,551,102
Total comprehensive income attributable to:		
Owners of the Company	311,631,625	138,889,097
Non-controlling shares	71,013,206	(65,337,995)
Total comprehensive income	382,644,831	73,551,102
Aciselsan Acıpayam Selüloz San. ve Tic. A.Ş.	31 December 2024	31 December 2023
Current assets	295,282,568	277,157,268
Non-current assets	515,177,357	535,510,132
Current liabilities	201,417,664	257,935,294
Non-current liabilities	126,410,737	35,081,874
Equity attributable to owners of the Company	244,853,208	263,633,805
Non-controlling shares	237,778,316	256,016,427
	1 January - 31 December 2024	1 January - 31 December 2023
Revenue	679,968,266	644,837,341
Expenses	(716,123,131)	(593,170,798)
Profit / (loss) for the period	(36,154,865)	51,666,543
Profit/loss for the period attributable to:		
Owners of the Company	(18,342,423)	26,211,953
Non-controlling shares	(17,812,442)	25,454,590
Profit / (loss) for the period	(36,154,865)	51,666,543
Total comprehensive income attributable to:		
Owners of the Company	(17,652,000)	25,418,828
Non-controlling shares	(17,141,968)	24,684,385
Total comprehensive income	(34,793,968)	50,103,213

VERUSA HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TRY) in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

4. INTERESTS IN OTHER ENTITIES (cont'd)

a) Subsidiaries (cont'd)

Pamel Yenilenebilir Elektrik Üretim A.Ş.	31 December 2024	31 December 2023
Current assets	10,585,284	96,037,598
Non-current assets	986,989,089	1,193,664,555
Current liabilities	5,134,384	15,983,985
Non-current liabilities	255,432,469	185,296,507
Equity attributable to owners of the Company	508,978,472	713,074,085
Non-controlling shares	228,029,048	375,347,576
	1 January -	1 January -
	31 December 2024	31 December 2023
Revenue	66,645,873	78,456,158
Income/(Expenses)	(418,060,013)	191,383,463
Profit / (loss) for the period	(351,414,140)	269,839,621
Profit/loss for the period attributable to:		
Owners of the Company	(217,701,060)	163,275,828
Non-controlling shares	(133,713,080)	106,563,793
Profit / (loss) for the period	(351,414,140)	269,839,621
Total comprehensive income attributable to:		
Owners of the Company	(217,701,060)	160,704,636
Non-controlling shares	(133,715,845)	107,794,352
Total comprehensive income	(351,416,905)	268,498,988

b) Investments Accounted for with Equity Method

The details of investments accounted for with equity method as follows:

Associates	Place of incorporation	Functional currency	31 December 2024	%	31 December 2023	%
Aldem Çelik Endüstri San. ve Tic. A.Ş.	İstanbul	Turkish Lira	227,966,124	40.75	190,672,922	40.75
Total			227,966,124		190,672,922	

Summarized financial information in respect of each of the the Group's material associates is set out below. The summarized financial information below represents amounts shown in the associate's financial statements prepared in accordance with TFRS.

VERUSA HOLDİNG A.Ş. AND ITS SUBSIDIARIES**NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

(Amounts expressed in Turkish Lira (TRY) in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

4. INTERESTS IN OTHER ENTITIES (cont'd)**b) Investments Accounted for with Equity Method (cont'd)**

	31 December 2024	31 December 2023
Aldem Çelik Endüstri San. ve Tic. A.Ş.		
Current assets	229,941,487	310,800,019
Non-current assets	697,322,162	668,876,837
Current liabilities	(115,695,904)	(137,336,742)
Non-current liabilities	(252,141,674)	(374,431,104)
	559,426,071	467,909,010
	1 January - 31 December 2024	1 January - 31 December 2023
Revenue	467,052,114	524,639,439
Profit / (loss) for the period	91,517,061	106,361,580
Group's shares on participations' losses	37,293,202	43,342,347
	31 December 2024	31 December 2023
Net assets of subsidiary	559,426,071	467,909,010
Group's share of Aldem Çelik Endüstri San. ve Tic. A.Ş. (%)	40.75	40.75
Net book value of Group's share of Aldem Çelik Endüstri San. ve Tic. A.Ş.	227,966,124	190,672,922

5. OPERATING SEGMENTS

In terms of management accounting, the Group's activities are divided into five activity groups: venture capital, electrical energy wholesale, cellulose and energy production. These distinctions form the basis of financial reporting according to the sections below. Group management has determined its operating segments based on the reports reviewed by the Board of Directors and that are effective in making strategic decisions. The Board of Directors, which took the strategic decisions, was determined as the authority to make decisions regarding the activities of the Group. The reports, which are regularly reviewed by the competent authority to decide on group activities, consist of the Group's consolidated TFRS figures.

VERUSA HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TRY) in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

5. OPERATING SEGMENTS (cont'd)

The distribution of the Group's ongoing activities according to the divisions is as follows:

	1 January - 31 December 2024						
	Holding Operations	Venture Fund	Cellulose Production	Wholesale of electricity energy	Mining and Energy Production	Eliminations	Total
Revenue	-	-	679,968,266	30,590,276	429,473,200	(22,827,423)	1,117,204,319
Operating income	-	-	679,968,266	30,590,276	429,473,200	(22,827,423)	1,117,204,319
Cost of sales (-)	-	-	(644,734,073)	(28,427,649)	(151,774,146)	22,588,307	(802,347,561)
Gross profit/(loss)	-	-	35,234,193	2,162,627	277,699,054	(239,116)	314,856,758
Marketing expenses (-)	-	-	(14,307,855)	(24,816)	(198,221,770)	-	(212,554,441)
Administrative expenses (-)	(25,196,007)	(22,303,216)	(28,634,713)	(2,310,538)	(29,136,090)	1,748,932	(105,831,632)
Income from other operating activities	2,492,886	140,565,303	30,302,608	5,184,898	569,710,554	110,279,165	858,535,414
Expense from other operating activities (-)	86,249	(286,326,810)	(22,157,211)	(42,214)	(85,938,587)	372,497,910	(21,880,663)
Operating profit/(loss)	(22,616,872)	(168,064,723)	437,022	4,969,957	534,113,161	484,286,891	833,125,436
Shares in the profits / (losses) of investments accounted for using the equity method	37,293,202	-	-	-	-	-	37,293,202
Income/(expenses) from investing activities	-	(62,686)	63,467	-	(277,364,271)	(781)	(277,364,271)
Finance income	92,013,868	62,686	9,150,780	1,154,995	314,684,194	(380,962,553)	36,103,970
Finance expense	(251,216,603)	(50,082,188)	(75,083,651)	(44,535)	(175,326,710)	382,908,854	(168,844,833)
Monetary gain/(loss)	138,350,209	35,881,807	49,129,065	(634,628)	(209,520,953)	1,744,604	14,950,104
Profit / (loss) before tax	(6,176,196)	(182,265,104)	(16,303,317)	5,445,789	186,585,421	487,977,015	475,263,608
Tax income/(expense)	129,622,848	-	(19,788,713)	855,895	(109,883,387)	-	806,643
Profit / (loss) for the period	123,446,652	(182,265,104)	(36,092,030)	6,301,684	76,702,034	487,977,015	476,070,251

VERUSA HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TRY) in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

5. OPERATING SEGMENTS (cont'd)

The distribution of the Group's ongoing activities according to the divisions is as follows:

	1 January - 31 December 2023						
	Holding Operations	Venture Fund	Cellulose Production	Wholesale of electricity energy	Mining and Energy Production	Eliminations	Total
Revenue	-	158,751,420	644,837,343	30,824,929	79,198,288	(26,302,932)	887,309,048
Operating income	-	158,751,420	644,837,343	30,824,929	79,198,288	(26,302,932)	887,309,048
Cost of sales (-)	-	(234,554,661)	(578,476,606)	(29,290,679)	(76,977,342)	26,230,228	(893,069,060)
Gross profit/(loss)	-	(75,803,241)	66,360,737	1,534,250	2,220,946	(72,704)	(5,760,012)
Marketing expenses (-)	-	-	(12,359,978)	(21,021)	-	-	(12,380,999)
Administrative expenses (-)	(22,144,238)	(18,262,131)	(30,087,589)	(2,222,377)	(16,145,412)	1,589,153	(87,272,594)
Income from other operating activities	(3,440,054)	368,897,909	66,284,129	24,504,307	743,421,409	(225,550,003)	974,117,697
Expense from other operating activities (-)	3,545,400	(5,221,966,116)	(22,808,381)	(2,011,420)	(188,271,168)	5,384,176,056	(47,335,629)
Operating profit/(loss)	(22,038,892)	(4,947,133,579)	67,388,918	21,783,739	541,225,775	5,160,142,502	821,368,463
Shares in the profits / (losses) of investments accounted for using the equity method	43,342,347	-	-	-	-	-	43,342,347
Income/(expenses) from investing activities	8,415,209	-	(14,737,547)	-	(110,764,997)	(8,415,208)	(125,502,543)
Finance income	131,050,291	-	-	788,206	386,043,401	(366,394,989)	151,486,909
Finance expense	(121,246,737)	(121,737,583)	(42,083,439)	(6,850,819)	(178,814,131)	366,394,987	(104,337,722)
Monetary gain/(loss)	(18,524,860)	118,353,770	3,645,684	5,524,970	(537,905,386)	(7,459,743)	(436,365,565)
Profit / (loss) before tax	20,997,358	(4,950,517,392)	14,213,616	21,246,096	99,784,662	5,144,267,549	349,991,889
Tax income/(expense)	136,571,746	-	37,452,927	1,384,766	129,741,824	-	305,151,263
Profit / (loss) for the period	157,569,104	(4,950,517,392)	51,666,543	22,630,862	229,526,486	5,144,267,549	655,143,152

VERUSA HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TRY) in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

5. OPERATING SEGMENTS (cont'd)

Details of segment assets and liabilities according to segments are as follows:

Balance Sheet	31 December 2024						Total
	Holding Operations	Venture Fund	Cellulose Production	Wholesale of electricity energy	Generation of Energy	Eliminations (*)	
Total assets	1,822,128,806	4,164,761,652	810,459,925	206,218,415	3,854,088,678	(5,000,243,899)	5,857,413,577
Liabilities	(596,970,346)	(949,828)	(327,828,401)	(8,723,269)	(579,330,724)	1,030,649,091	(483,153,477)
Equity attributable to equity holders of the parent	(1,225,158,460)	(4,163,811,824)	(482,631,524)	(197,495,146)	(3,274,757,954)	5,527,373,123	(3,816,481,785)
Non-controlling interests	-	-	-	-	-	(1,557,778,315)	(1,557,778,315)

Balance Sheet	31 December 2023						Total
	Holding Operations	Venture Fund	Cellulose Production	Wholesale of electricity energy	Generation of Energy	Eliminations (*)	
Total assets	2,123,141,648	4,343,627,047	812,667,404	201,169,796	3,598,021,086	(5,207,315,729)	5,871,311,252
Liabilities	(700,303,478)	(432,848,746)	(293,017,168)	(10,107,258)	(431,935,448)	1,216,881,403	(651,330,695)
Equity attributable to equity holders of the parent	(1,422,838,170)	(3,910,778,301)	(519,650,236)	(191,062,538)	(3,166,085,638)	5,586,902,707	(3,623,512,176)
Non-controlling interests	-	-	-	-	-	(1,596,468,381)	(1,596,468,381)

(*) A significant portion of the elimination figure results from the consolidation of the Holding's subsidiaries.

The details of investment expenditures and depreciation and amortization charges according to industrial segments are as follows:

	31 December 2024						Total
	Holding Activities	Venture Fund	Cellulose Production	Wholesale of electricity energy	Generation of Energy		
Investment expenses	910,553	-	14,393,911	10,457	124,005,234		139,320,155
Depreciation and amortization for the period	(2,374,713)	(2,912,137)	(19,707,663)	(3,803)	(43,255,611)		(68,253,927)

	31 December 2023						Total
	Holding Activities	Venture Fund	Cellulose Production	Wholesale of electricity energy	Generation of Energy		
Investment expenses	45,172	45,172	258,468,611	-	95,296,308		353,855,263
Depreciation and amortization for the period	(2,941,729)	(2,941,728)	(6,879,316)	(232,342)	(36,636,832)		(49,631,947)

VERUSA HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TRY) in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

6. RELATED PARTY DISCLOSURES

Balances with related parties

	31 December 2024		31 December 2023	
	Receivables		Payables	
	Current		Current	
	Trade	Non-trade	Trade	Non-trade
Balances with related parties				
Financial Investments				
Investco Holding A.Ş.	-	19,877,348	-	-
Innosa Teknoloji	19,300,309	-	-	-
	19,300,309	19,877,348	-	-

1 January - 31 December 2024

	Service expense	Interest expense
Transaction with related parties		
Shareholders		
Investco Holding A.Ş.	3,271,249	42,316,540
	3,271,249	42,316,540

1 January - 31 December 2023

	Service expense	Interest expense
Transaction with related parties		
Shareholders		
Investco Holding A.Ş.	3,372,340	1,688,618
	3,372,340	1,688,618

The detail of compensation of key management personnel as follows:

	1 January- 31 December 2024	1 January- 31 December 2023
Salaries and other short-term benefits (*)	20,470,946	18,312,277
	20,470,946	18,312,277

(*) The Group has determined the senior management team as board members and independent board members. The benefits provided to senior executives consist of payments made within the scope of remuneration rights.

VERUSA HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TRY) in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

7. TRADE RECEIVABLES AND PAYABLES

	31 December 2024	31 December 2023
Short-term trade receivables		
Trade receivables	313,509,427	117,845,643
-Trade receivables from related parties (Note:6)	19,300,309	-
-Other receivables	294,209,118	117,845,643
Notes receivable	111,000	158,392
Provision for doubtful receivables (-)	(1,493,875)	(2,161,233)
	312,126,552	115,842,802
	1 January- 31 December 2024	1 January- 31 December 2023
Movement of doubtful receivables		
Opening balance	2,161,233	3,561,127
Monetary gain/(loss)	(667,358)	(1,399,894)
Closing	1,493,875	2,161,233
	31 December 2024	31 December 2023
Short-term trade payables		
Trade payables	129,688,792	127,962,495
- Trade payables to third parties	129,688,792	127,962,495
	129,688,792	127,962,495

The average maturity of undue trade payables is 30 days (31 December 2023: 30 days).

8. PREPAID EXPENSES AND DEFERRED INCOME

	31 December 2024	31 December 2023
Short-term prepaid expenses		
Advances given for purchases	37,481,121	57,978,918
Prepaid expenses	4,322,500	2,664,219
	41,803,621	60,643,137
	31 December 2024	31 December 2023
Long-term prepaid expenses		
Advances given for purchases	200,000	21,720,685
Prepaid expenses	443,372	584,634
	643,372	22,305,319

VERUSA HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TRY) in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

9. OTHER RECEIVABLES AND PAYABLES

	31 December 2024	31 December 2023
Other current receivables		
Receivables from tax offices	29,826,312	8,829,527
Deposits and guarantees given	2,274,375	2,377,888
Other receivables from related parties (Note 6)	19,877,348	-
Other receivables	41,306,338	1,574,355
	93,284,373	12,781,770
Other non-current receivables		
Deposits and guarantees given	672,993	983,966
	672,993	983,966
Other current payable		
Other payables to third parties	308,732	393,428
	308,732	393,428
Other non-current payable		
Other payables to third parties	187,726	545,007
	187,726	545,007

10. INVENTORIES

	31 December 2024	31 December 2023
Raw material	38,707,385	111,496,519
Work in process	6,115,698	6,111,875
Finished goods	34,224,890	31,220,779
Other	971,900	137,592
	80,019,873	148,966,765

The cost of inventories amounting to TRY 473,493,610 (31 December 2023: TRY 449,856,120) has been recognized as an expense under cost of goods sold

11. COMMITMENTS

31 December 2024	TRY Equivalent	TRY	USD
CPM given on behalf on fully consolidated companies			
-Guarantee letters	180,960,772	117,518,651	1,795,000
-Pledge	442,000,000	442,000,000	-
Total	622,960,772	559,518,651	1,795,000
31 December 2023	TRY Equivalent	TRY	USD
CPM given on behalf on fully consolidated companies			
-Guarantee letters	7,888,507	7,888,507	-
Total	7,888,507	7,888,507	-

Guarantees given are given against loans. As of 31 December 2024 and 2023, the ratio of other CPMs given by the Group to the equity of the Group is zero.

VERUSA HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TRY) in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

12. PROPERTY, PLANT AND EQUIPMENT

Cost Value	Land	Buildings	Plants, machinery and equipments	Motor vehicles	Furniture and fixture	Hydroelectric power plant	Solar power plant	Other tangible fixed assets	Minarel resources	Construction in progrss	Total
Opening balances of 1 January 2024	44,308,401	30,460,281	71,557,321	14,472,398	22,209,427	829,454,303	388,055,246	58,630,543	86,169,664	362,371,638	1,907,689,222
Additions	261,803	4,668,407	6,890,042	14,275	3,559,762	68,943,548	-	1,505,725	-	52,654,167	138,497,729
Revaluation increase/decrease	(2,652,982)	4,328,598	-	-	-	-	-	-	-	-	1,675,616
(Impairment) / Cancellation	(272,221)	-	-	-	-	(213,926,601)	(63,437,671)	-	-	-	(277,636,493)
Disposals	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	64,805,408	186,339,013	-	-	45,098,025	-	-	-	(296,242,446)	-
Closing balance as of 31 December 2024	41,645,001	104,262,694	264,786,376	14,486,673	25,769,189	729,569,275	324,617,575	60,136,268	86,169,664	118,783,359	1,770,226,074
Accumulated Depreciation											
Opening balances of 1 January 2024	-	(1,826,814)	(30,836,754)	(8,347,277)	(12,161,590)	(47,254,152)	(9,430,585)	(13,705,557)	(633,757)	-	(124,196,486)
Charge of the year	-	(2,298,087)	(14,798,024)	(1,678,012)	(3,575,181)	(25,912,123)	(8,992,993)	(6,412,875)	(4,203,678)	-	(67,870,973)
Closing balance as of 31 December 2024	-	(4,124,901)	(45,634,778)	(10,025,289)	(15,736,771)	(73,166,275)	(18,423,578)	(20,118,432)	(4,837,435)	-	(192,067,459)
Carrying values ass of 31 December 2024	41,645,001	100,137,793	219,151,598	4,461,384	10,032,418	656,403,000	306,193,997	40,017,836	81,332,229	118,783,359	1,578,158,615

TRY 7,492,917 (31 December 2023: TRY 8,285,482) of the depreciation and amortization expense is recognized under general administrative expenses, TRY 4,688,411 under marketing expenses (31 December 2023: TRY 168,076), TRY 51,868,921 under cost of goods sold (31 December 2023: TRY 40,354,074), and TRY 4,203,678 under inventories (31 December 2023: TRY 172,741).

Property, plant and equipment are subject to a mortgage amounting to TRY 442,000,000 in favor of financial institutions.

VERUSA HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TRY) in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

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

Cost Value	Land	Buildings	Plants, machinery and equipments	Motor vehicles	Furniture and fixture	Hydroelectric power plant	Solar power plant	Other tangible fixed assets	Minarel resources	Construction in progrss	Total
Opening balances of 1 January 2023	46,202,001	25,114,313	70,518,292	10,186,240	17,183,050	781,096,777	406,899,226	58,176,330	86,169,664	162,827,908	1,664,373,801
Additions	-	485,268	1,039,029	5,230,180	4,743,589	57,015,519	-	454,213	-	284,848,414	353,816,212
Disposals	-	-	-	(944,022)	-	-	-	-	-	-	(944,022)
Revaluation increase/decrease	(3,652,473)	4,860,700	-	-	-	-	-	-	-	-	1,208,227
Transfers	-	-	-	-	282,787	85,021,897	-	-	-	(85,304,684)	-
(Impairment) / Cancellation	1,758,873	-	-	-	-	(93,679,890)	(18,843,979)	-	-	-	(110,764,996)
Closing balance as of 31 December 2023	44,308,401	30,460,281	71,557,321	14,472,398	22,209,426	829,454,303	388,055,247	58,630,543	86,169,664	362,371,638	1,907,689,222
Accumulated Depreciation											
Opening balances of 1 January 2023	-	(490,212)	(27,347,756)	(7,698,757)	(9,417,032)	(24,172,220)	-	(6,537,939)	(461,016)	-	(76,124,932)
Charge of the year	-	(1,336,602)	(3,488,998)	(1,557,339)	(2,744,564)	(23,081,932)	(9,430,579)	(7,167,618)	(172,741)	-	(48,980,373)
Disposals	-	-	-	908,819	-	-	-	-	-	-	908,819
Closing balance as of 31 December 2023	-	(1,826,814)	(30,836,754)	(8,347,277)	(12,161,596)	(47,254,152)	(9,430,579)	(13,705,557)	(633,757)	-	(124,196,486)
Carrying values ass of 31 December 2023	44,308,401	28,633,467	40,720,567	6,125,121	10,047,830	782,200,151	378,624,668	44,924,986	85,535,907	362,371,638	1,783,492,736

VERUSA HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TRY) in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

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

The useful lives of property, plant and equipments are as follows:

	Useful life
Buildings	30 years
Plants, machinery and	3 - 20 years
Motor vehicles	5 years
Furniture and fixture	3 - 20 years
Other tangible fixed assets	3 - 5 years
Hydroelectric power plant	36 - 39 years
Solar power plant	43 years

Fair value measurements of the Group's land and buildings, hydroelectric and solar power plant

The land, buildings, hydroelectric power plants, and solar power plants owned by the Group are presented at their revalued amounts, which represent the fair values at the date of revaluation less accumulated depreciation. As of 31 December 2024, the fair values of the land, buildings, power plants, and solar power plants owned by the Group have been determined by independent valuation companies authorized by the Capital Markets Board (CMB) and by Group management.

The fair value of the land owned has been determined using the market comparison approach, which reflects the current transaction prices of similar properties. For the buildings, the cost approach has been used, which reflects the costs that a market participant would incur to construct similar assets, adjusted for depreciation and obsolescence.

In the valuation studies conducted, support from an independent valuation firm was obtained due to the use of significant forward-looking estimates and assumptions (e.g., future electricity price expectations, electricity generation forecasts, capacity utilization rates, discount rate, terminal value), the sensitivity of these estimates to sectoral and economic changes, and the complexity of the inputs and calculations.

The valuation reports dated 31 December 2024 applied the "income approach – DCF analysis" (a Level 3 fair value measurement using unobservable inputs). In the valuation models prepared in USD, the discount rate used varied depending on the macroeconomic market conditions over the projection periods and ranged between 12.5% and 10% for hydroelectric power plants (HPPs), and between 8.5% and 7.75% for solar power plants (SPPs). An increase in the discount rate would have a reducing effect on the fair value of the power plants. Capacity factors of 15% and 22% were also considered for the HPPs.

If the discount rate used in the valuation models increases or decreases by 1 basis point, while all other variables remain constant, the fair value of the power plants recognized in the consolidated financial statements would decrease by TRY 113,022,942 or increase by TRY 146,254,210, respectively. If the electricity price estimates used in the valuation models increase or decrease by 10%, while all other variables remain constant, the fair value of the power plants recognized in the consolidated financial statements would increase or decrease by TRY 105,474,393.

Information regarding the Group's land, buildings, hydroelectric power plants, and solar power plants, as well as the fair value hierarchy of these assets, is presented in the table below.

	31 December 2024	Fair value level as of reporting date		
		Level 1 TRY	Level 2 TRY	Level 3 TRY
Land	41,645,001	-	41,645,001	-
Buildings	100,137,793	-	100,137,793	-
Hydroelectric power plant	656,403,000	-	-	656,403,000
Solar power plant	306,193,997	-	-	306,193,997
	31 December 2023	Fair value level as of reporting date		
		Level 1 TRY	Level 2 TRY	Level 3 TRY
Land	44,308,401	-	44,308,401	-
Buildings	28,633,467	-	28,633,467	-
Hydroelectric power plant	782,200,151	-	-	782,200,151
Solar power plant	378,624,668	-	-	378,624,668

VERUSA HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TRY) in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

13. INTANGIBLE ASSETS

	Rights	Other Intangible Assets	Total
Cost Value			
Balances of 1 January 2024	7,658,409	438,027	8,096,436
Additions	568,090	254,336	822,426
Closing balance as of 31 December 2024	8,226,499	692,363	8,918,862
Accumulated Depreciation			
Balances of 1 January 2024	(7,141,355)	(416,796)	(7,558,151)
Charge of the year	(213,756)	(169,198)	(382,954)
Closing balance as of 31 December 2024	(7,355,111)	(585,994)	(7,941,105)
Carrying values ass of 31 December 2024	871,388	106,369	977,757
	Rights	Other Intangible Assets	Total
Cost Value			
Balances of 1 January 2023	7,619,358	438,027	8,057,385
Additions	39,051	-	39,051
Closing balance as of 31 December 2023	7,658,409	438,027	8,096,436
Accumulated Depreciation			
Balances of 1 January 2023	(6,524,169)	(382,408)	(6,906,577)
Charge of the year	(617,186)	(34,388)	(651,574)
Closing balance as of 31 December 2023	(7,141,355)	(416,796)	(7,558,151)
Carrying values as of 31 December 2023	517,054	21,231	538,285

The useful lives of intangible assets are as follows:

	Useful life
Rights	3-5 years
Other Intangible Assets	3 years

Period charge of the intangible assets are monitored in general administrative expenses.

VERUSA HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TRY) in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

14. OTHER ASSETS AND LIABILITIES

	31 December 2024	31 December 2023
Other current assets		
VAT carried forward	12,711,476	30,705,973
Job advances	321,678	24,488
Personnel advances	11,376	1,383
Other VAT	754,342	1,283,035
	13,798,872	32,014,879
Other non-current assets		
Other VAT	21,828,697	9,676,156
	21,828,697	9,676,156
Other current liabilities		
Taxes and funds payables	4,400,577	5,875,712
State right share	7,776,200	-
Advances received	2,194,813	2,694,330
VAT Payable	-	347
Other payables and liabilities	398,943	821,165
	14,770,533	9,391,554

15. EMPLOYEE BENEFITS

	31 December 2024	31 December 2023
Payables related to employee benefits		
Social security premiums paid	2,306,335	1,972,854
Other	5,268,137	2,797,452
	7,574,472	4,770,306

Short term provision within employment benefits

Details of short-term provision within employment benefits are as follows:

	31 December 2024	31 December 2023
Employee benefits obligations	5,014,637	3,378,377
	5,014,637	3,378,377

VERUSA HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TRY) in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

15. EMPLOYEE BENEFITS (cont'd)

Long term provision within employment benefits

Provision for severance pay:

Under the Turkish Labor Law, the Group is required to pay severance indemnity to each employee who completes at least one year of service and whose employment is terminated, who is called up for military service, who retires after completing 25 years of service (age 58 for women and 60 for men), or who dies.

As of 31 December 2024, the severance pay is subject to a monthly ceiling of TRY 41,828.42 (31 December 2023: TRY 23,489.83).

The severance pay liability is not subject to any legal funding requirement. The provision for severance pay is calculated by estimating the present value of the probable future liability of the Group arising from the retirement of employees. TAS 19 Employee Benefits requires that a company's obligations under defined benefit plans be calculated using actuarial valuation methods. Accordingly, the actuarial assumptions used in the calculation of total liabilities are stated below:

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Therefore, the applied discount rate represents the expected real rate after adjusting for future inflation effects. Accordingly, the provisions in the accompanying financial statements are calculated by estimating the present value of the probable future obligation arising from the retirement of employees. Provisions have been calculated using an average real discount rate of 2.58% (31 December 2023: 2.15%). In the calculation of the Group's severance pay provision, the ceiling amount of TRY 46,655.43 effective as of 1 January 2025 has been taken into account (1 January 2024: TRY 35,058.58).

The key assumptions used in the calculation of the severance pay liability are the discount rate and the anticipated voluntary turnover rate.

The movement of provision for employee benefits is as follows:

	31 December 2024	31 December 2023
Opening	13,690,683	19,130,967
Service cost	2,204,261	7,137,740
Interest expense	259,048	96,457
Payments	(572,343)	(5,534,243)
Actuarial loss	-	200,366
Monetary gain/ (loss)	(4,715,763)	(7,340,604)
Closing	10,865,886	13,690,683

VERUSA HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TRY) in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

16. EXPENSES BY NATURE

	1 January- 31 December 2024	1 January- 31 December 2023
Raw material expense and change in inventories	(464,043,075)	(431,623,935)
General production expense	(83,504,910)	(79,458,633)
Personnel expenses	(148,433,292)	(117,571,255)
Transportation expenses	(169,742,722)	-
Export expenses	(7,628,434)	(5,149,416)
Consulting expenses	(11,152,839)	(9,390,408)
Rent expenses	(15,143,642)	(3,149,005)
Insurance expenses	(1,760,096)	(1,071,514)
Depreciation and amortization expenses (Note: 12, 13)	(64,050,249)	(48,807,632)
Taxes and funds	(2,182,676)	(1,925,932)
Travel, accommodation and transportation expenses	(1,124,343)	(709,422)
Maintenance expenses	(73,727)	(374,363)
Other expenses	(151,893,629)	(58,936,477)
	(1,120,733,634)	(758,167,992)

17. SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS

a) Share Capital

Shareholders	%	31 December 2024	%	31 December 2023
Investco Holding A.Ş.	63.67%	44,566,195	63.56%	44,494,213
Public Shares	36.33%	25,433,805	36.44%	25,505,787
Nominal capital	100%	70,000,000	100%	70,000,000
Capital structure adjustment		679,424,632		679,424,632

As of 31 December 2024, the Group's issued capital is TRY 70,000,000 (31 December 2023: TRY 70,000,000). This capital consists of 70,000,000 shares, each with a nominal value of TRY 1 (31 December 2023: 70,000,000 shares). These shares are divided into Group A and Group B shares. Group A shares are registered, and Group B shares are bearer shares. Group A shares have special rights and privileges as specified in the Articles of Association, while no special rights or privileges have been granted to Group B shares. There are 14,000,000 Group A shares (31 December 2023: 14,000,000) and 56,000,000 Group B shares (31 December 2023: 56,000,000).

b) Restricted reserves

	31 December 2024	31 December 2023
Legal reserves	40,605,047	34,890,922
Other reserves	398,845,419	398,845,419

According to the Turkish Commercial Code, the general legal reserve is appropriated at the rate of 5% of the annual profit until it reaches 20% of the Group's paid-in capital. The other legal reserve is appropriated at a rate of 10% of the total amount to be distributed to those entitled to receive dividends, after the payment of a 5% dividend to shareholders. According to the Turkish Commercial Code, unless the general legal reserve exceeds 50% of the capital or issued capital, it may only be used to offset losses, to sustain the business in times of financial difficulty, or to prevent unemployment and mitigate its consequences.

c) Dividends

At the General Assembly meeting held on 30 October 2024, it was resolved to distribute a cash dividend of TRY 17,500,000 (gross), and the cash dividend distribution was completed on 22 November 2024. The dividends distributed were presented net of the dividends attributable to the shares held by the Group.

VERUSA HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TRY) in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

18. REVENUE AND COST OF SALES

	1 January- 31 December 2024	1 January- 31 December 2023
Sales		
Domestic sales	485,347,922	323,429,336
Export sales	642,486,844	408,011,058
Venture capital investment sales	-	158,751,420
Sales returns (-)	(10,630,447)	(2,882,766)
	1,117,204,319	887,309,048
	1 January- 31 December 2024	1 January- 31 December 2023
Cost of goods sold		
Raw material expense and change in inventories	464,043,075	431,623,935
Cost of venture capital sales	-	234,554,661
General production expense	83,504,910	79,458,633
Personnel expenses	72,177,988	56,189,626
Depreciation and amortization expenses	51,868,921	40,354,074
Other	130,752,667	50,888,131
	802,347,561	893,069,060

19. ADMINISTRATIVE AND MARKETING EXPENSES

	1 January- 31 December 2024	1 January- 31 December 2023
Marketing expenses	(212,554,441)	(12,380,999)
General administrative expenses	(105,831,632)	(87,272,594)
	(318,386,073)	(99,653,593)
	1 January- 31 December 2024	1 January- 31 December 2023
Marketing expenses		
Transportation expenses (*)	(169,742,722)	-
Export expenses	(7,628,434)	(5,149,416)
Personnel expenses	(6,366,881)	(4,807,070)
Insurance expenses	(1,760,096)	(1,071,514)
Travel, accommodation and transportation expenses	(401,722)	(580,001)
Depreciation and amortization expenses (Note: 12, 13)	(4,688,411)	(168,076)
Rent expenses	(9,710,320)	-
Other expenses	(12,255,855)	(604,922)
	(212,554,441)	(12,380,999)

(*) It consists of the transportation expenses related to the bauxite ore sales made in 2024.

VERUSA HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TRY) in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

19. ADMINISTRATIVE AND MARKETING EXPENSES (cont'd)

	1 January- 31 December 2024	1 January- 31 December 2023
General administrative expenses		
Personnel expenses	(69,888,423)	(56,574,559)
Consulting expenses	(11,152,839)	(9,390,408)
Rent expenses	(5,433,322)	(3,149,005)
Taxes, duties, and charges	(2,182,676)	(1,925,932)
Depreciation and amortization expenses (Note: 12, 13)	(7,492,917)	(8,285,482)
Travel, accommodation and transportation expenses	(722,621)	(129,421)
Communication expenses	(181,265)	(220,078)
Maintenance expenses	(73,727)	(374,363)
Other expenses	(8,703,842)	(7,223,346)
	(105,831,632)	(87,272,594)

The independent audit fee for the reporting period is TRY 4,164,198 (31 December 2023: TRY 3,125,102). No service other than audit was received from the independent audit firm.

20. OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES

	1 January- 31 December 2024	1 January- 31 December 2023
Other operating income:		
Gain/(Loss) on revaluation on financial investments	504,720,805	165,895,014
Gain on sales of financial investments	267,463,022	502,992,769
Foreign exchange gains from operations	51,459,361	113,515,122
Interest income	3,425,645	9,831,172
Insurance income	16,752,337	172,222,639
Other income	14,714,244	9,660,981
	858,535,414	974,117,697
Other operating expenses		
Foreign exchange loss from operations	(25,229,224)	(41,371,788)
Insurance income	10,466,859	-
Other expenses	(7,118,298)	(5,963,841)
	(21,880,663)	(47,335,629)

VERUSA HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TRY) in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

21. FINANCE INCOME / EXPENSES

	1 January- 31 December 2024	1 January- 31 December 2023
Interest income	36,103,970	151,486,909
	36,103,970	151,486,909
	1 January- 31 December 2024	1 January- 31 December 2023
Interest expense	(168,277,542)	(103,012,908)
Commission expense	(567,291)	(1,324,814)
	(168,844,833)	(104,337,722)

22. INCOME / EXPENSE FROM INVESTMENT ACTIVITIES

	1 January- 31 December 2024	1 January- 31 December 2023
Fair value increase/decrease of investment property (Note 27)	(9,543,424)	(14,791,890)
Provision for impairment of property, plant and equipment (Note 12)	(277,636,493)	(110,764,996)
Interest income	9,815,646	54,343
	(277,364,271)	(125,502,543)

23. TAXATION ON INCOME

<u>Current tax liabilities / (assets)</u>	31 December 2024	31 December 2023
Current tax provision	86,000,792	170,628,845
Less: Prepaid taxes and funds	(17,480,360)	(133,767,807)
	68,520,432	36,861,038

Tax expense on the income statement:

<u>Tax expense comprises</u>	1 January- 31 December 2024	1 January- 31 December 2023
Current tax expenses	(86,000,792)	(170,628,845)
Deferred tax income / (expenses)	86,807,435	475,780,108
Total tax income / (expense)	806,643	305,151,263

VERUSA HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TRY) in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

23. TAXATION ON INCOME (cont'd)

	1 January- 31 December 2024	1 January- 31 December 2023
<u>Reconciliation of tax provision :</u>		
Profit for the period	475,263,608	349,991,889
	25.00%	25.00%
Tax at the domestic income tax rate of 25% (2023: 25%)	118,815,902	87,497,972
Tax effects of:		
- valuation differences on securities that is exempt from taxation	160,982,520	(142,188,854)
- expenses that are not deductible in determining taxable profit	3,199,339	19,145,312
- effect of acquisition/disposal of associates	-	(71,625,722)
- equity method accounting of investment	(8,577,436)	(9,968,739)
- effect of inflation accounting	(308,529,826)	(182,889,964)
- other	33,302,858	(5,121,268)
Tax provision expense on the income statement	(806,643)	(305,151,263)

In accordance with subparagraph (d) of paragraph 1 of Article 5 of the Corporate Tax Law No. 5520, the earnings of venture capital investment trusts are exempt from corporate tax, and the Group's subsidiary Verusaturk Girişim Sermayesi Yatırım Ortaklığı A.Ş. is subject to this tax exemption.

Corporate Tax

The Group is subject to the corporate tax applicable in Turkey, except for Verusaturk Girişim Sermayesi Yatırım Ortaklığı A.Ş., one of its subsidiaries. Provisions for the estimated tax liabilities related to the current period's operating results have been recognized in the accompanying consolidated financial statements.

The corporate tax rate is applied on the remaining tax base after adding non-deductible expenses to the commercial profit used in the tax base calculation, and deducting exempt income, non-taxable income and other deductions (such as prior years' losses and investment incentives utilized, if preferred). The effective tax rate applied in 2024 is 25%.

In Turkey, provisional tax is calculated and accrued on a quarterly basis. During the taxation of corporate income by provisional tax periods in 2024, the provisional tax rate to be calculated on the corporate income is 25%. Losses may be carried forward for a maximum of 5 years to be deducted from future taxable profits. However, losses cannot be carried back to offset profits of previous years.

There is no definite and conclusive agreement procedure in Turkey for tax assessments. Companies prepare and submit their tax returns between 1-25 April of the year following the fiscal year. The tax returns and the underlying accounting records may be reviewed and amended by the Tax Authority within five years.

VERUSA HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TRY) in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

23. TAXATION ON INCOME (cont'd)

Corporate Tax (cont'd)

The Group is subject to corporate taxation in Turkey. Provisions for the estimated tax liabilities related to the current period's operating results have been recognized in the accompanying consolidated financial statements.

The corporate tax rate is applied on the remaining tax base calculated by adding non-deductible expenses to the statutory profit and deducting exempt income, non-taxable revenues, and other deductions (such as previous years' losses and investment incentives if preferred). The effective tax rate applied in 2024 is 25% (2023: 25%).

Law No. 7061 on the "Amendments to Certain Tax Laws and Some Other Laws" was published in the Official Gazette dated 5 December 2017 and numbered 30261. Article 89 of this Law amended Article 5 titled "Exemptions" of the Corporate Tax Law. Subparagraph (a) of the first paragraph reduced the 75% exemption applied to the gains from the sale of immovable properties held for two full years by the entities to 50%. This regulation entered into force as of 5 December 2017.

Income Withholding Tax

In addition to corporate income tax, a withholding tax must also be calculated on dividends, except for those distributed to fully taxpayer entities that declare such dividends as part of their corporate income and to Turkish branches of foreign companies. Between 24 April 2003 and 22 July 2006, the withholding tax rate on dividends was applied as 10%. As of 22 July 2006, this rate has been applied as 15% pursuant to the Council of Ministers' Decree No. 2006/10731. Dividends that are not distributed but added to the capital are not subject to withholding tax.

A 19.8% withholding tax must be applied on investment allowances utilized based on investment incentive certificates obtained prior to 24 April 2003. No withholding tax is applied on investment expenditures without incentive certificates made after this date.

Deferred Tax

The Group recognizes deferred tax assets and liabilities for the temporary timing differences arising between its tax-based statutory financial statements and the financial statements prepared in accordance with TFRS. These differences mainly result from certain income and expense items being recognized in different periods in the tax-based financial statements and in the TFRS financial statements. The nature of these differences is explained below.

A tax rate of 25% has been used in the calculation of deferred tax assets and liabilities (2023: 25%).

The Group has total carryforward tax losses amounting to TRY 186,430,750 that can be deducted from its corporate tax base. The carryforward tax loss amounting to TRY 812,426 will expire on 31 December 2028, and the loss amounting to TRY 176,791,228 will expire on 31 December 2029.

Since entities in Turkey are not allowed to declare tax refunds, the deferred tax assets of subsidiaries are not offset against the deferred tax liabilities of other subsidiaries and are presented separately.

VERUSA HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TRY) in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

23. TAXATION ON INCOME (cont'd)

Deferred Tax (cont'd):

Deferred tax assets / (liabilities):	31 December 2024	31 December 2023
	Deferred tax	
Net differences on depreciation of property, plant and equipment / amortization of other intangible assets	(282,229,607)	(360,357,792)
Revaluation of financial instruments	(78,999,042)	(12,188,955)
Provision for doubtful receivables	554,361	800,380
Provision for employee benefit obligations	2,514,372	3,168,814
Provision for unused vacation expense	1,198,933	798,504
Investment incentives	33,229,346	40,248,138
VUK inflation accounting effect	622,641,160	503,590,081
Other	(10,356,257)	26,001,380
	288,553,266	202,060,550

Movements of deferred tax asset/(liability) balances are as follows:

Deferred tax assets / (liability) movement:	1 January- 31 December 2024	1 January- 31 December 2023
Opening balance as of 1 January	202,060,550	(271,148,366)
Charged to profit or loss	86,807,435	475,780,108
Charged to equity	(314,719)	(2,571,192)
Closing balance	288,553,266	202,060,550

24. EARNINGS PER SHARE

	1 January- 31 December 2024	1 January- 31 December 2023
Earning per share		
Amount of share	70,000,000	70,000,000
Net profit of the main shareholding	445,951,043	401,690,793
Earning per share	6.37	5.74

VERUSA HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TRY) in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

25. FINANCIAL INSTRUMENTS

Financial Investments

	31 December 2024	31 December 2023
<u>Current financial investments</u>		
Financial assets at fair value through profit or loss	2,831,105,071	2,500,527,973
Blocked deposits	8,397	12,123
	<u>2,831,113,468</u>	<u>2,500,540,096</u>

Financial assets at fair value through profit or loss

	31 December 2024	31 December 2023
<u>Share certificate</u>		
Shares traded on the stock exchange	1,424,372,663	1,219,675,604
Shares non-traded on the stock exchange	1,406,732,408	1,280,852,369
	<u>2,831,105,071</u>	<u>2,500,527,973</u>

Type	Share Rate %	31 December 2024	Share Rate %	31 December 2023
<u>Shares not-traded on the stock exchange</u>				
Vektora Yazılım Teknolojileri A.Ş.	60%	397,595,035	60%	431,112,994
Kahve Diyarı Pazarlama Sanayi ve Ticaret A.Ş.	50%	172,725,000	50%	205,237,311
Probel Yazılım ve Bilişim Sistemleri A.Ş.	10%	50,000,000	10%	67,877,947
Core Engage Yazılım A.Ş.	50%	275,954,314	50%	27,924,226
Golive Yazılım Hizmetleri A.Ş.	25%	495,250,000	25%	533,491,833
Other		15,208,059		15,208,058
		<u>1,406,732,408</u>		<u>1,280,852,369</u>
<u>Shares traded on the stock exchange</u>				
Other		1,424,372,663		1,219,675,604
		<u>1,424,372,663</u>		<u>1,219,675,604</u>
		<u>2,831,105,071</u>		<u>2,500,527,973</u>

	31 December 2024	31 December 2023
<u>Non-current financial investments</u>		
EPIAŞ - Enerji Piyasaları İşletme A.Ş. (*)	198,044,496	194,662,288
Other	1,260	1,819
	<u>198,045,756</u>	<u>194,664,107</u>

(*) The Company is not traded on the stock exchange. The fair value of Enerji Piyasaları İşletme A.Ş., which is classified as a long-term financial investment at fair value through profit or loss based on the Company's shareholding, is TRY 198,044,496 and is calculated based on the figures included in the independent valuation study. The fair value increase has been recognized under other income from operating activities.

VERUSA HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TRY) in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

25. FINANCIAL INSTRUMENTS (cont'd)

Financial Liabilities

The details of financial liabilities are as follows:

	31 December 2024	31 December 2023
Financial debts		
Short term bank loans	134,734,235	392,170,908
Short-term portion of long-term borrowings	-	1,630,630
Long-term borrowings	111,488,032	60,536,269
	246,222,267	454,337,807

The maturity analysis of bank loans is as follows:

	31 December 2024	31 December 2023
To be paid within 1 year	134,734,235	393,801,538
Between 1-2 years	54,799,961	1,630,631
Between 2-3 years	40,733,784	3,261,262
Between 3-4 years	2,258,823	3,261,262
Between 4-5 years	2,258,823	3,261,262
5 years and more	11,436,641	49,121,852
	246,222,267	454,337,807

Currency	Effective Interest Rate	31 December 2024	
		Current	Non-current
TRY	8.5% - 45.5%	74,082,732	58,210,530
USD	7.6% - 8.5%	60,651,503	48,893,464
EUR	1.04% - 2.5%	-	4,384,038
		134,734,235	111,488,032

Currency	Effective Interest Rate	31 December 2023	
		Current	Non-current
TRY	8,5% - 20%	393,801,538	26,090,094
USD	8.5%	-	24,452,465
EUR	1.04% - 2.5%	-	9,993,710
		393,801,538	60,536,269

Reconciliation of obligations arising from financing activities

Cash and non-cash changes related to liabilities from financial activities as stated below:

	1 January 2024	Financing cash in flows	Financing cash out flows	Foreign currency loss	Monetary gain/loss	31 December 2024
Bank loans	454,337,807	171,167,328	(278,172,556)	2,846,156	(103,956,468)	246,222,267
	1 January 2023	Financing cash in flows	Financing cash out flows	Foreign currency loss	Monetary gain/loss	31 December 2023
Bank loans	516,142,584	427,058,068	(282,185,649)	19,574,009	(226,251,205)	454,337,807

There is no covenant related with bank loans.

VERUSA HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TRY) in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

26. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance. The capital structure of the Group consists of debt, which includes the borrowings disclosed in Note 25, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings.

The Group's risk management committee reviews the capital structure of the Group collectively on a semiannual basis. As a part of this review, the committee considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the committee, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt.

In addition and consistent with others in the industry, the group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated statement of financial position plus net debt.

The gearing ratios are as follows:

	31 December 2024	31 December 2023
Financial debts	246,222,267	454,337,807
Less: cash and cash equivalents	(18,173,635)	(424,247,848)
Net debt	228,048,632	30,089,959
Total equity	5,374,260,100	5,219,980,557
Total capital	5,602,308,732	5,250,070,516
Net Debt/Total Capital Ratio	4.07%	0.57%

Financial risk factors

The Group's activities expose it to a variety of financial risks including interest rate risk, liquidity risk, currency risk and credit risk. Group's risk management programme generally focuses on uncertainty in financial markets and minimizing potential negative effects on Group's financial performance.

Risk management, is conducted by a treasury department with some politic approved by the board of management. Treasury department of the Group defines and evaluates the financial risk, and by working with the operation units they use tools to decrease the risk. Board of management generates a written procedure about foreign exchange risk, interest rate risk, loan risk, how to use derivative instruments and other non-derivative financial instruments, and how to evaluate excess liquidity or a general legislation about risk management.

Interest rate risk management

The Group is exposed to interest rate risk through the impact of rate changes on interest bearing liabilities and assets. Such risks are managed inherently by netting off the interest-bearing assets and liabilities.

VERUSA HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TRY) in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

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

Credit risk management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. Group, aiming to decrease credit risk by transacting only with parties who has credit assurance and where possible, obtaining sufficient guarantee.

31 December 2024	Trade Receivables		Other Receivables		Cash and cash equivalents
	Related parties	Third parties	Related parties	Third parties	
Maximum credit risk exposed as of balance sheet date (A+B+C+D+E)	19,300,309	292,826,243	19,877,348	74,080,018	18,165,238
- Secured portion of the maximum credit risk by guarantees	-	-	-	-	-
A. Net book value of financial assets that are neither past due nor impaired	19,300,309	292,826,243	19,877,348	74,080,018	18,165,238
B. Net book value of the financial assets that their conditions are renegotiated and otherwise be impaired	-	-	-	-	-
C. Net book value of financial assets that are past due but not impaired	-	-	-	-	-
- Secured portion of the net book value by guarantees, etc.	-	-	-	-	-
D. Net book value of the impaired assets	-	-	-	-	-
-Past due (gross amount)	-	1,493,875	-	-	-
-Impairment (-) (Note 7)	-	(1,493,875)	-	-	-
-Secured portion of the net book value by guarantees, etc.	-	-	-	-	-
- Not Past due (gross amount)	-	-	-	-	-
-Impairment (-)	-	-	-	-	-
-Secured portion of the net book value by guarantees, etc.	-	-	-	-	-
E. Off-balance sheet items include credit risk	-	-	-	-	-

31 December 2023	Trade Receivables		Other Receivables		Cash and cash equivalents
	Related parties	Third parties	Related parties	Third parties	
Maximum credit risk exposed as of balance sheet date (A+B+C+D+E)	-	115,842,802	-	13,765,736	424,235,725
- Secured portion of the maximum credit risk by guarantees	-	-	-	-	-
A. Net book value of financial assets that are neither past due nor impaired	-	115,842,802	-	13,765,736	424,235,725
B. Net book value of the financial assets that their conditions are renegotiated and otherwise be impaired	-	-	-	-	-
C. Net book value of financial assets that are past due but not impaired	-	-	-	-	-
- Secured portion of the net book value by guarantees, etc.	-	-	-	-	-
D. Net book value of the impaired assets	-	-	-	-	-
-Past due (gross amount)	-	2,161,233	-	-	-
-Impairment (-) (Note 7)	-	(2,161,233)	-	-	-
-Secured portion of the net book value by guarantees, etc.	-	-	-	-	-
- Not Past due (gross amount)	-	-	-	-	-
-Impairment (-)	-	-	-	-	-
-Secured portion of the net book value by guarantees, etc.	-	-	-	-	-
E. Off-balance sheet items include credit risk	-	-	-	-	-

VERUSA HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TRY) in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

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

Liquidity risk management

Conservative liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying business, the Group aims maintaining flexibility in funding by keeping committed credit lines available.

31 December 2024	Carrying value	Total Contracted Cash Outflows (I+II+III+IV)	Less than 3 months (I)	3 to 12 months (II)	1 to 5 years (III)	5 years + (IV)
Financials liabilities						
Bank loans	246,222,267	305,054,742	32,580,595	131,567,845	127,027,117	13,879,185
Trade payables	129,688,792	129,688,792	129,688,792	-	-	-
Other payables	496,458	496,458	-	308,732	187,726	-
Total liabilities	376,407,517	435,239,992	162,269,387	131,876,577	127,214,843	13,879,185

31 December 2023	Carrying value	Total Contracted Cash Outflows (I+II+III+IV)	Less than 3 months (I)	3 to 12 months (II)	1 to 5 years (III)	5 years + (IV)
Financials liabilities						
Bank loans	454,337,807	591,494,704	51,927,129	463,202,895	22,126,663	54,238,017
Trade payables	127,962,495	127,962,495	127,962,495	-	-	-
Other payables	938,435	938,435	393,428	-	545,007	-
Total liabilities	583,238,737	720,395,634	180,283,052	463,202,895	22,671,670	54,238,017

VERUSA HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TRY) in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

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

Foreign currency risk management

Transactions denominated in foreign currencies result in foreign currency risk.

The Group is exposed to currency risk due to the volatility of the exchange rate used in the conversion of foreign currency denominated assets and liabilities into Turkish Lira. Exchange risk is caused by the recorded assets and liabilities and future commercial transactions. In this framework, the Group controls this risk through a natural method of offsetting foreign currency assets and liabilities. The management analyzes the foreign exchange position of the Group and ensures that measures are taken where necessary.

The breakdown of the Group's monetary and non-monetary assets and monetary and non-monetary liabilities in foreign currencies as of 31 December 2024 and 2023 is as follows:

	31 December 2024		
	TRY Equivalent (Functional Currency)	USD	EUR
1. Trade Receivables	141,796,356	3,780,726	228,963
2a. Monetary Financial Assets	33,737,161	936,560	18,920
2b. Non-monetary Financial Assets	-	-	-
3. Other	-	-	-
4. Current assets	175,533,517	4,717,286	247,883
5. Trade Receivables	-	-	-
6a. Monetary Financial Assets	-	-	-
6b. Non-monetary financial assets	-	-	-
7. Other	-	-	-
8. Non-current assets	-	-	-
9. TOTAL ASSETS	175,533,517	4,717,286	247,883
10. Payables	20,101,777	551,490	16,576
11. Financial Liabilities	55,504,222	1,570,409	-
12a. Monetary Other Liabilities	-	-	-
12b. Non-Monetary Other Liabilities	-	-	-
13. Current Liabilities	75,605,999	2,121,899	16,576
14. Payables	-	-	-
15. Financial Liabilities	4,384,038	-	119,124
16a. Monetary Other Liabilities	-	-	-
16b. Non-Monetary Other Liabilities	-	-	-
17. Non-current Liabilities	4,384,038	-	119,124
18. TOTAL LIABILITES	79,990,037	2,121,899	135,700
19. Off-balance Sheet Derivative Instruments			
off-balance sheet (19a-19b)	-	-	-
19.a Amount of active foreign derivative currency			
off-balance sheet	-	-	-
19.b. Amount of passive foreign derivative currency			
off-balance sheet	-	-	-
20. Net Foreign Currency Assets/Liabilities Position (9-18+19)	95,543,480	2,595,387	112,183
21. Monetary Items Net Foreign Currency Assets /			
Liabilities (1+2a+5+6a-10-11-12a-14-15-16a)	95,543,480	2,595,387	112,183
22. Total fair value of financial instruments used			
for foreign currency hedge	-	-	-
23. Amount of hedged portion of foreign currency assets	-	-	-
24. Amount of hedged portion of foreign exchange liabilities	-	-	-

VERUSA HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TRY) in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

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

Foreign currency risk management (cont'd)

	31 December 2023		
	TRY Equivalent (Functional Currency)	USD	EUR
1. Trade Receivables	87,996,446	1,940,212	117,639
2a. Monetary Financial Assets	150,815,388	3,542,767	5,080
2b. Non-monetary Financial Assets	-	-	-
3. Other	-	-	-
4. Current assets	238,811,834	5,482,979	122,719
5. Trade Receivables	-	-	-
6a. Monetary Financial Assets	-	-	-
6b. Non-monetary financial assets	-	-	-
7. Other	-	-	-
8. Non-current assets	-	-	-
9. TOTAL ASSETS	238,811,834	5,482,979	122,719
10. Payables	5,591,288	120,858	9,450
11. Financial Liabilities	-	-	-
12a. Monetary Other Liabilities	4,696,734	41,990	61,740
12b. Non-Monetary Other Liabilities	-	-	-
13. Current Liabilities	10,288,022	162,848	71,190
14. Payables	-	-	-
15. Financial Liabilities	34,446,175	-	731,115
16a. Monetary Other Liabilities	-	-	-
16b. Non-Monetary Other Liabilities	-	-	-
17. Non-current Liabilities	34,446,175	-	731,115
18. TOTAL LIABILITES	44,734,197	162,848	802,306
19. Off-balance Sheet Derivative Instruments			
Net Asset/Liability Position (19a-19b)	-	-	-
19.a Amount of active foreign derivative currency off-balance sheet	-	-	-
19.b. Amount of passive foreign derivative currency off-balance sheet	-	-	-
20. Net Foreign Currency Assets/Liabilities Position (9-18+19)	194,077,637	5,320,131	(679,586)
21. Monetary Items Net Foreign Currency Assets / Liabilities (1+2a+5+6a-10-11-12a-14-15-16a)	194,077,637	5,320,131	(679,586)

VERUSA HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TRY) in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

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

Foreign currency risk management (cont'd)

Foreign currency sensitivity analysis

The following table details the Group's sensitivity to a 20% increase and decrease in US Dollar and EURO against TRY 20% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 20% change in foreign currency rates. A positive number below indicates an increase in profit or equity.

	31 December 2024	
	Profit / Loss	
	Revaluation of foreign currency	Depreciation of foreign currency
In case of a 20% increase in USD against TRY		
-USD net asset / liability	18,313,207	(18,313,207)
In case of a 20% increase in EUR against TRY		
-EUR net asset / liability	825,719	(825,719)
TOTAL	19,138,926	(19,138,926)
	31 December 2023	
	Profit / Loss	
	Revaluation of foreign currency	Depreciation of foreign currency
In case of a 20% increase in USD against TRY		
-USD net asset / liability	33,848,196	(33,848,196)
In case of a 20% increase in EUR against TRY		
-EUR net asset / liability	(4,781,520)	4,781,520
TOTAL	29,066,676	(29,066,676)

Fair value of financial instruments

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

- Level 1: the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices;
- Level 2: the fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions; and
- Level 3: the fair value of the financial assets and financial liabilities are determined where there is no observable market data.

VERUSA HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TRY) in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

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

Foreign currency risk management (cont'd)

Fair value of financial instruments(cont'd) :

	Financial assets at amortized costs	Financial assets through profit and loss	Financial liabilities at amortized costs	Carrying value	Note
31 December 2024					
<u>Financial assets</u>					
Cash and cash equivalents	18,165,238	-	-	18,165,238	29
Trade receivables	292,826,243	-	-	292,826,243	7
Other receivables	74,080,018	-	-	74,080,018	9
Financial investments	8,397	3,029,150,827	-	3,029,159,224	25
<u>Financial liabilities</u>					
Borrowings	-	-	246,222,267	246,222,267	25
Trade payables	-	-	129,688,792	129,688,792	7
Other financial liabilities	-	-	10,700,882	10,700,882	14
Other payables	-	-	496,458	496,458	
	Loans and receivables (including cash and cash equivalents)	Financial assets through profit and loss	Financial liabilities at amortized costs	Carrying value	Note
31 December 2023					
<u>Financial assets</u>					
Cash and cash equivalents	424,235,725	-	-	424,235,725	29
Trade receivables	115,842,802	-	-	115,842,802	7
Other receivables	13,765,736	-	-	13,765,736	9
Financial investments	12,123	2,695,192,080	-	2,695,204,203	25
<u>Financial liabilities</u>					
Borrowings	-	-	454,337,807	454,337,807	25
Trade payables	-	-	127,962,495	127,962,495	7
Other financial liabilities	-	-	4,970,355	4,970,355	14
Other payables	-	-	938,435	938,435	

Financial assets

The fair values of balances denominated in foreign currencies, which are converted at period-end exchange rates, are considered to approximate their carrying values.

The fair values of financial assets carried at cost, including cash and bank deposits, are considered to approximate their carrying values due to their short-term nature and negligible credit losses. The fair values of financial investments are estimated based on market prices at the balance sheet date.

Trade receivables from electricity sales are valued at amortized cost using the effective interest method and are considered to approximate their fair values including the related provisions for doubtful receivables.

Financial liabilities

The fair value of bank borrowings and other monetary liabilities is considered to approximate their carrying value. Long-term loans denominated in foreign currencies are converted at period-end exchange rates and accordingly their fair value approximates their carrying value. Trade payables are valued at amortized cost using the effective interest method and are thus considered to approximate their fair values.

VERUSA HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TRY) in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

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

Financial liabilities (cont'd)

Fair value hierarchy of financial assets and liabilities that are measured at fair value:

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined.

Financial Assets	Fair Value		Fair Value Hierarchy	Valuation Techniques	Significant observable inputs	Relationship of observable inputs to fair value
	31 December 2024	31 December 2023				
Shares traded on the stock exchange	1,424,372,663	1,219,675,604	Level 1	Market price		
Shares not traded on the stock exchange	198,044,496	194,662,288	Level 3	Discounted cash flows	Enerji Piyasaları İşletme A.Ş. : Under the income approach, a weighted average cost of capital (WACC) of 28.11% in Turkish Lira and a terminal growth rate of 7% have been used.	Keeping all other inputs constant, a 5% change in the weighted average cost of capital results in a TRY 12 million change in fair value, while a 5% change in the terminal growth rate leads to a TRY 1 million change.
Shares not traded on the stock exchange	15,208,059	15,208,058	Level 3	Indexed Sales Price		
Shares not traded on the stock exchange	397,595,035	431,112,994	Level 3	Equivalence Value and Discounted Cash Flow	Vektora Yazılım Teknolojileri A.Ş.: While determining the fair value, a combination of market multiples and discounted cash flow valuation has been weighted (Level 3). Under the market approach, the weighted average multiples of publicly traded comparable companies have been applied along with a 30% liquidity discount. A weighted average cost of capital of 30.58% has been used. An EBITDA margin between 20% and 26% has been projected for the period 2025–2030. A 5% change in the liquidity discount, growth rate, or weighted average cost of capital does not have a significant impact on the fair value.	The fair value decreases when the liquidity rate increases. As the weighted average cost of capital increases, the fair value decreases.
Shares not traded on the stock exchange	495,250,000	533,491,833	Level 3	Equivalence Value and Discounted Cash Flow	Golive Yazılım Hizmetleri A.Ş.: The total value has been determined by applying different valuation methods with varying weights. Under the market approach, multiples of publicly traded comparable companies have been used, and a 30% liquidity discount has been applied. Under the income approach, the weighted average cost of capital (WACC) in Turkish Lira terms has been calculated as 30.72%.	The fair value decreases when the liquidity rate increases. As the weighted average cost of capital increases, the fair value decreases.
Shares not traded on the stock exchange	50,000,000	67,877,947	Level 3	Equivalence Value and Discounted Cash Flow	Probel Yazılım ve Bilişim Sistemleri A.Ş.: As of 31 December 2024, the value has been calculated based on the inflation-adjusted book value of equity.	
Shares not traded on the stock exchange	172,725,000	205,237,311	Level 3	Equivalence Value and Discounted Cash Flow	Kahve Diyarı Pazarlama Sanayi ve Ticaret A.Ş.: Considering the income approach, the Weighted Average Cost of Capital (WACC) in Turkish Lira terms has been calculated as 30.87%.	As the weighted average cost of capital increases, the fair value decreases.
Shares not traded on the stock exchange	275,954,314	27,924,226	Level 3	Discounted cash flows	Core Engage Yazılım A.Ş.: The valuation has been determined using the discounted cash flow method. Considering the income approach, the Weighted Average Cost of Capital (WACC) in USD terms has been calculated as 17.57% (2023: Indexed Cost).	As the weighted average cost of capital increases, the fair value decreases.
Shares not traded on the stock exchange	1,260	1,819	Level 3	Cost		

VERUSA HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TRY) in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

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

First level financial assets at fair value through profit or loss

	1 January - 31 December 2024	1 January - 31 December 2023
Trading purpose		
Opening balance, 1 January	1,219,675,604	-
Acquisition	223,953,376	1,805,252,304
Disposals	(662,178,456)	(721,419,345)
Total gain/loss charged to profit/loss	642,922,139	135,842,645
<i>Valuation gain / loss</i>	375,459,117	(216,133,555)
<i>Gain / loss on sale</i>	267,463,022	351,976,199
Closing balance, 31 December	1,424,372,663	1,219,675,604

Third level financial assets at fair value through profit or loss

	1 January - 31 December 2024	1 January - 31 December 2023
Trading purpose		
Opening balance, 1 January	1,475,516,476	3,394,503,427
Disposals	-	(2,390,866,446)
Total gain/loss charged to profit/loss	129,261,688	457,240,727
<i>Valuation gain / loss</i>	129,261,688	382,027,400
<i>Gain / loss on sale</i>	-	75,213,327
Capital increase	-	14,638,768
Closing balance, 31 December	1,604,778,164	1,475,516,476

27. INVESTMENT PROPERTIES

	Lands
Opening balance as of 1 January 2023	174,590,314
Increases from changes in fair value	(14,791,890)
Closing balance as of 31 December 2023	159,798,424
Opening balance as of 1 January 2024	159,798,424
Increases from changes in fair value	(9,543,424)
Closing balance as of 31 December 2024	150,255,000

Fair value measurements of the Company's investment properties

The fair value of the Group's investment properties has been determined by Lotus Gayrimenkul Değerleme ve Danışmanlık A.Ş., an independent valuation company authorized by the Capital Markets Board (CMB), in accordance with capital market regulations. As of 31 December 2024, the fair value of the land has been determined using the market comparison approach, which reflects the current transaction prices of similar properties.

VERUSA HOLDİNG A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Turkish Lira (TRY) in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

27. INVESTMENT PROPERTIES (cont'd)

The fair value hierarchy of the Company's investment properties and the related assets are shown in the following table:

	31 December 2024	Fair value level as of the reporting date		
		1. Level TRY	2. Level TRY	3. Level TRY
Lands	150,255,000	-	150,255,000	-

	31 December 2023	Fair value level as of the reporting date		
		1. Level TRY	2. Level TRY	3. Level TRY
Lands	159,798,424	-	159,798,424	-

There has been no transition between 1st and 2nd level in the current period.

28. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

As of 31 December 2024, the "urgent expropriation" process for the land on which the hydroelectric power plant owned by Pamel Yenilenebilir Elektrik Üretim A.Ş. is located, in Erzurum province, has been initiated together with EMRA. As of the reporting date, the expropriation process is still ongoing. According to the Group Management's opinion, no provision has been recognized in the consolidated financial statements as of 31 December 2024, since the probability and measurability of an outflow of resources embodying economic benefits in relation to the lawsuits filed during this process is not deemed likely.

29. CASH AND CASH EQUIVALENTS

	31 December 2024	31 December 2023
Cash on hand	141,161	571,379
Cash at banks	12,591,931	422,741,610
<i>Demand deposit</i>	4,171,328	6,909,892
<i>Time deposits up to 3 months maturity</i>	8,402,604	415,006,463
<i>Blocked deposit</i>	17,999	825,255
Other cash equivalents	5,432,146	922,736
	18,165,238	424,235,725

Cash and cash equivalents included in the consolidated cash flow statement are as follows:

Original Currency	Maturity	Interest Rate	Original Amount	31 December 2024
Turkish Lira	January 2025	40% - 42%	8,402,604	8,402,604
				8,402,604

Original Currency	Maturity	Interest Rate	Original Amount	31 December 2023
Turkish Lira	January 2024	46% - 50%	331,070,279	331,070,279
USD	January 2024	1%	1,974,852	83,936,184
				415,006,463

VERUSA HOLDİNG A.Ş. AND ITS SUBSIDIARIES**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

(Amounts expressed in Turkish Lira (TRY) in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

30. MONETARY GAIN LOSS

	31 December 2024
Statement of financial position items	352,165,968
Inventories	2,130,684
Property, plant and equipment	521,940,501
Intangible assets	154,684
Investment property	49,118,424
Financial investments	828,444,861
Deferred tax assets	62,108,847
Share capital	(230,356,195)
Treasury shares (-)	189,648,641
Share premium	(2,431,306)
Restricted reserves from profit	(133,320,749)
Retained earnings	(936,634,913)
Revaluation increases / (decreases) of property, plant and equipment	3,208,292
Defined benefit plans re-measurement gains / (losses)	(1,845,803)
Profit or Loss Statement Items	(337,215,864)
Revenue	(145,949,682)
Cost of sales (-)	174,583,560
Marketing expenses (-)	23,375,060
Administrative expenses (-)	7,468,925
Other expenses from operating activities (-)	3,886,515
Finance expense (-)	60,377,137
Other income from operating activities	(466,855,882)
Profit from investment activities	(32,824,626)
Loss from investment activities (-)	(3,258,326)
Finance income	41,981,455
Net Monetary Position Gains/(Losses)	14,950,104

31. EVENTS AFTER REPORTING PERIOD

None noted.