

January 1, 2025 – June 30, 2025
Interim Activity Report



**Energy Growing
with the Power
of Nature**



**CONVENIENCE TRANSLATION INTO ENGLISH OF
INDEPENDENT AUDITOR'S REVIEW REPORT ON SEMI-ANNUAL REPORT
ORIGINALLY ISSUED IN TURKISH**

To the General Assembly of Aydem Yenilenebilir Enerji Anonim Şirketi

We have been assigned to the review whether the financial information in the review report of Aydem Yenilenebilir Enerji Anonim Şirketi (the "Company") and its subsidiaries (collectively referred as the "Group") prepared as at 30 June 2025 is consistent with the reviewed interim condensed consolidated financial information. Management is responsible for the preparation of the semi-annual report. Our responsibility is to express a conclusion on whether the financial information provided in the semi-annual report is consistent with the reviewed interim condensed consolidated financial information on which we have expressed our conclusion dated 19 August 2025.

We conducted our review in accordance with the Standard on Review Engagements ("SRE") 2410 "Review on Interim Financial Information Performed by the Independent Auditor of the Entity". Our review includes the assessment as to whether the financial information included in the semi-annual report is consistent with the reviewed interim condensed consolidated financial statements and other explanatory notes. A review is substantially less in scope than an audit conducted in accordance with Independent Auditing Standards, the objective of which is to express an opinion on the financial statements. Consequently, a review on the semi-annual financial information does not provide assurance that the audit firm will be aware of all significant matters which would have been identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to conclude that the accompanying financial information included in the review report is not consistent, in all material respects, with the interim financial information and the information presented in the explanatory notes to interim condensed consolidated financial statements.

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

Çağlar Sürücü, SMMM
Independent Auditor

Istanbul, 19 August 2025





CONTENTS

General Information

- 04 Accounting Period for the Report
- 04 Information on the Company
- 05 Aydem Renewables and Its Fields of Activity in Brief
- 06 Information on Affiliates/Subsidiaries and Shares
- 07 Changes in the Company's Organizational, Capital, and Shareholding Structure During the Accounting Period
- 08 Research and Development Activities

Management

- 09 Board of Directors, Committees, and Senior Management
- 12 Human Resources

Activities and Key Developments Regarding Activities

Information on Risk Management and Internal Audit

- 18 Information on Risk Management
- 19 Information on the Company's Internal Control System and Internal Audit Activities and the Governing Body's View

Financial Information

- 20 Summary Financial Information
- 20 Financial Analysis
- 21 Dividend Distribution Policy

Subsequent Events Following the End of Reporting Period

Note: You can directly access the relevant page by clicking on the section/heading.

ACCOUNTING PERIOD FOR THE REPORT

The accounting period for the report is the interim accounting period which is between January 1, 2025, and June 30, 2025.

INFORMATION ON THE COMPANY

Trade Name: Aydem Yenilenebilir Enerji A.Ş. (Aydem Renewables)

Trade Registry Office: Denizli

Trade Registry Number: 13798

Mersis No: 0165003740400011

Trade Registry Date: 06.07.1995

Paid-in Capital: TL 705,000,000

Registered Capital Ceiling: TL 2,000,000,000

Start Date of Trading on Borsa Istanbul (BIST) : April 29, 2021

Ticker: AYDEM

Stock Exchange: Borsa Istanbul

Trading Market: BIST Star Market

Sector: Electricity Gas and Water / Electricity Gas and Steam

Trading Indices (BIST): BIST 100-30 / BIST Services / BIST 100 / BIST Corporate Governance / BIST Electricity / BIST Denizli / BIST All / BIST Stars / BIST Sustainability

Trading Indices (Global): FTSE4GOOD, FTSE WORLD EUROPE/ FTSE EMERGING MINIMUM VARIANCE/ FTSE EMERGING/ FTSE ALL-WORLD

Commercial Address: Adalet Mah. Hasan Gönüllü Blv. No:15/1 Merkezefendi/Denizli

Phone.: +90 258 242 27 76

Fax: +90 258 265 15 85

Corporate Website: www.aydemyenilenebilir.com.tr/en

Investor Relations Contact Information:

E-mail: investorrelations@aydemenerji.com.tr

Phone.: +90 258 242 27 76

Investor Relations Website: <https://www.aydemrenewablesinvestorrelations.com.tr/en>

Contact People:

Elif Hamlacıoğlu GEDİK

Investor Relations Group Director

You can find all contact details of our company under the General Information-Contact tab of our Public Disclosure Platform (PDP) (<https://www.kap.org.tr/en/sirket-bilgileri/genel/5317-aydem-yenilenebilir-enerji-a-s>) page.

This report has been prepared in accordance with the provisions of the "Regulation on Determining the Minimum Content of the Annual Reports of Companies" published in the Official Gazette dated 28.08.2012 and numbered 28395 by the Ministry of Customs and Trade and Capital Markets Board's Communiqué (Serial: II n.14.1) on the "Principles of Financial Reporting in Capital Markets".

AYDEM RENEWABLES AND ITS FIELDS OF ACTIVITY IN BRIEF

As Aydem Renewables, - a company in the Aydem Energy Group that is active in renewable energy generation, we focus on renewable energy with our approach considering the sustainability of natural resources, the environment, and the needs of future generations.

Adopting a people-oriented innovative approach, we have sought even better for the present and future, have contributed to the sustainable growth of our country, and have created a more beautiful future for the environment, society, and next generations through renewable energy generation since we embarked on our journey with the courage to realize the first private hydroelectric plant in Türkiye in 1995.

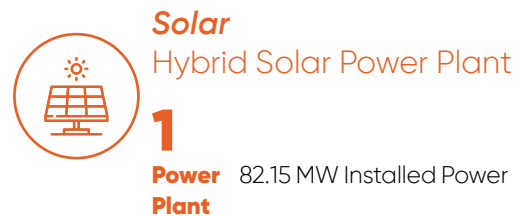
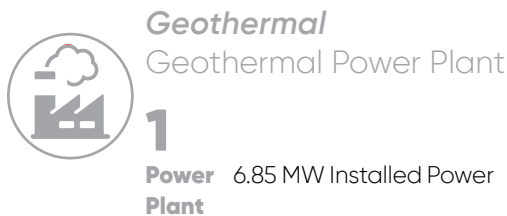
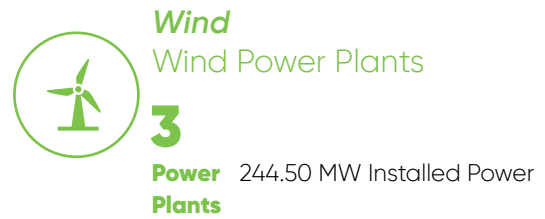
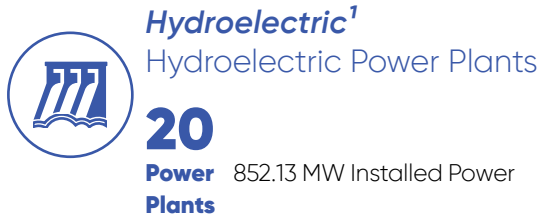
Subject of Activity

- 1) To establish, commission, take over, lease, run, and hire out any kind of renewable electricity power plant to generate electric energy, to provide engineering, consultancy survey, planning, project, and feasibility services about these plants.
- 2) To sell the electric energy generated and/or capacity within the framework of the related legislation.
- 3) To affiliate with distribution companies established or to be established without assuming control thereon.
- 4) To affiliate with electric energy generation companies established or to be established.

Reached 1,186 MW installed power with 25 new renewable energy plants across Türkiye. We meet the energy needs of Türkiye with renewable energy generation using our hydroelectric, wind, solar and geothermal power plants.

Integrated Management System (ISO 9001:2015, ISO 45001:2018, ISO 14001:2015, ISO 50001:2018) and ISO/IEC 27001:2013 ISMS (Information Security Management System) are employed for all our plants.

Fields of Activity



* Electrical capacity is taken into account in total installed capacity.

1.73% (6199 MW) of the installed capacity of hydroelectric power plants consists of "river type" HPPs and 27% (232.2 MW) consists of HPPs with "reservoir". River type HPPs are Gökyar HPP, Dalaman 1-5 HPP, Mentaş HPP, Aksu HPP, Akıncı HPP, Dereli HPP, Çırakdamı HPP, Feslek HPP, Bereket 1-2 HPP, Koyulhisar HPP, Toros HPP and Göktaş 2 HPP. HPPs with reservoir are Kemer HPP, Adigüzel HPP and Göktaş 1 HPP.

INFORMATION ON AFFILIATES/SUBSIDIARIES AND SHARES

Company's Affiliates and Their Share Ratios

None.

Company's Subsidiaries and Their Share Ratios

Information on the company's subsidiaries are given below:

Subsidiaries	Main Activities	Ownership Ratios (%) June 30, 2025	Ownership Ratios (%) December 31, 2024
Ey-Tur Enerji Elektrik Üretim ve Ticaret Ltd. Şti. ("Ey-tur") / HPP	Electricity generation using a hydropower source	100	100
Başat Elektrik Üretim ve Ticaret Ltd. Şti. ("Başat") / HPP	Electricity generation using a hydropower source	100	100
Sarı Perakende Enerji Satış ve Ticaret A.Ş. ("Sarı Perakende")	Electricity trading	100	100
Akköprü Yenilenebilir Enerji Üretim A.Ş.	Electricity generation using a hydropower source	100	100

Remarks Related to Privileged Shares

The shares representing the Company's capital are divided into two groups: Group A and Group B. There are two privileges on Group A shares, namely the right to nominate candidates in the election of members of the board of directors and the right to veto on the following issues.

The following is the information regarding the privileges and restrictions granted to Group A shares.

As per Article 8 titled "Board of Directors" of the Articles of Association:

(i) The Company's Board of Directors is composed of eight members. Half of the members of the Company's board of directors will be elected from among the candidates nominated by the shareholders holding the majority of the capital represented by Group A shares, provided that the capital represented by Group A shares continues to represent at least 30% of the Company's issued capital. The members of the board of directors to be elected among the candidates nominated by the shareholders holding the majority of the capital represented by the aforementioned Group A shares will be from among the members other than the independent members.

(ii) In case the capital represented by Group A shares does not continue to represent at least 30% of the Company's issued capital, the privilege of nominating candidates for the board of directors specified in (i) will automatically cease to exist from the moment of the legal transaction that led to the aforementioned situation.

As per Article 9 titled "Board Members' Term of Office and Dismissal" of the Articles of Association:

In the event that membership becomes vacant for any reason or the independent board member loses their independence, the appointment is made in accordance with the provisions of the Turkish Commercial Code and the capital market legislation and submitted to the approval of the first subsequent general assembly. The member whose appointment is approved by the general assembly serves until the end of their predecessor's term of office. In case of a vacancy, the nominee, who is jointly offered by all board members having been appointed as the nominees of shareholders with the majority of capital represented by Group A shares and still holding their offices, is appointed with the approval of the Board of Directors to replace the board member appointed as the nominee of shareholders with the majority of capital represented by Group A shares.

As per Article 14 titled "General Assemblies and Meetings" of the Articles of Association:

(i) On the condition that the quorums in the Capital Markets Law No. 6362 and the Turkish Commercial Code No. 6102 are preserved, the affirmative votes of the shareholders holding the majority of the capital represented by Group A shares are also required for the general assembly of the company to take decisions on the following issues and on the amendments to the articles of association that fall within the scope of these issues:

- Approval of the annual report, budget, and financial statements and discharge of the members of the board of directors.
- Amendment of the articles of association, except for capital increases to be made according to the registered capital system.
- Changing the subject of the Company's business, entering new business lines, or abandoning existing business lines. Capital increase, liquidation, dissolution, capital reduction, type change of the company, except for capital increases to be made according to the registered capital system.
- Applying for bankruptcy, concordat, financial restructuring under Article 309/m of the Enforcement and Bankruptcy Code of 2004, postponement of bankruptcy.
- The entire or a part of the Company's commercial enterprise transfer.

(ii) In the event that the share capital represented by Class A shares does not continue to represent at least 30% of the issued share capital of the Company, the requirement for the affirmative vote of the shareholders holding the majority of the share capital represented by Class A shares in relation to the aforementioned matters shall automatically cease to exist as of the moment the legal transaction giving rise to such situation is realized.

INFORMATION ON AFFILIATES/SUBSIDIARIES AND SHARES

• Transfer of all or part of the Company's commercial business. (iii) If the capital represented by the Group A shares does not continue to represent at least 30% of the issued capital of the Company, the requirement for an affirmative vote of shareholders with a majority of the capital represented by Group A shares in respect of the above-mentioned issues from the moment the legal transaction leading to this situation takes place will be automatically repealed, so as not to revive it later.

As per Article 25 titled "Transfer of Shares and Share Certificates" of the Articles of Association:

(iii) For the sale of Group A shares on the stock exchange, the approval of the shareholders holding the majority of the capital represented by the Group A shares and the conversion of shares to be sold into Group B shares are required. When the shareholder, holding Group A shares, applies to the Central Registry Agency or any other competent authority serving in a similar nature for the conversion of relevant shares into tradable shares for any transaction on the stock exchange including trading on the stock exchange or giving as pledges, shares subject to the application are automatically converted into Group B shares. The articles of association will be amended in line with the current status of share groups at the first general assembly meeting to be held following such conversion.

Amount of Privileged Shares

The Company has two types of privileges on Group A shares, namely nomination of candidates in the election of Board members and the right of veto on the above-mentioned issues. The Company currently has 60% Group A shareholders.

Remarks Related to the Voting Rights of Privileged Shares

The Company has no share granted a privilege in terms of voting rights.

Repurchased Own Shares by the Company

Until 30.06.2025, 6,105,026 shares (excluding those disposed) amounting to TL 83,423,193 (average TL 13.664674) were bought back.

Acquisition of Investment Recognized Through Affiliate / Subsidiary / Equity Method

None.

Acquisition of Non-controlling Shares

None.

CHANGES IN THE COMPANY'S ORGANIZATIONAL, CAPITAL, AND SHAREHOLDING STRUCTURE DURING THE ACCOUNTING PERIOD

CAPITAL AND SHAREHOLDING STRUCTURE	June 30, 2025		December 31, 2024	
Shareholders	(TL)	(%)	(TL)	(%)
Aydem Enerji Yatırımları A.Ş.	574,975,680	81.55683	574,975,680	81.55683
Free Float	130,000,000	18.43972	130,000,000	18.43972
Other*	24,320	0.00345	24,320	0.00345
TOTAL	705,000,000	100	705,000,000	100

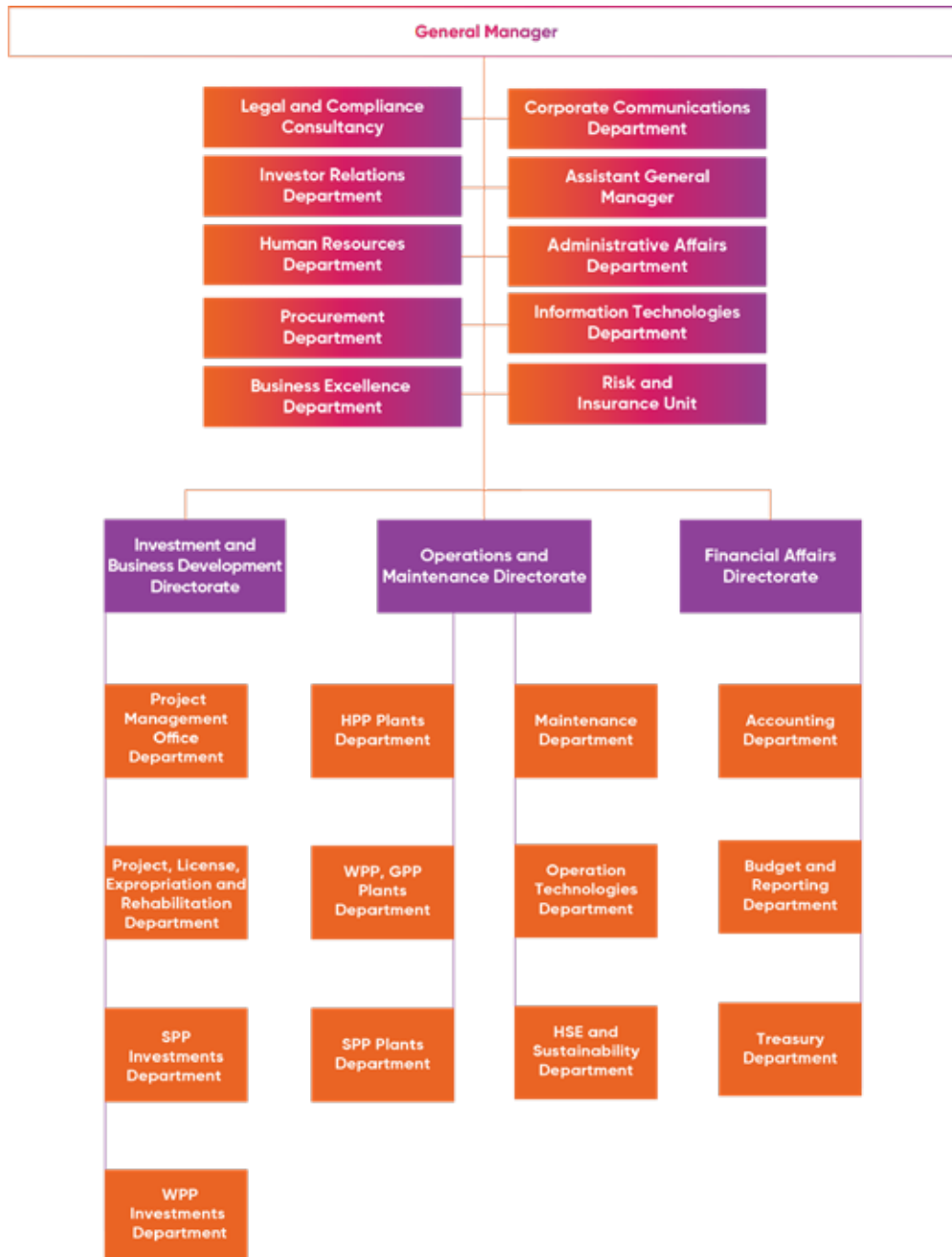
* Kocaer Demir San. Tic. Ltd. Şti. (0.00164%), Mopak Kağıt Karton San. Tic. A.Ş. (0.00164%), Aciselsan Acıpayam Sel. San. Tic. A.Ş. (0.00018%) shares constitute this category.

The capital and shareholding structure did not change during the period. There are no capital subscriptions and irredeemable privileged share certificates.

As of the reporting date, the paid-in capital of the Company is divided into 705,000,000 shares, each of which has a nominal value of TL 1. (<https://www.aydemrenewablesinvestorrelations.com.tr/en/corporate-governance/shareholder-structure>)

CHANGES IN THE COMPANY'S ORGANIZATIONAL, CAPITAL, AND SHAREHOLDING STRUCTURE DURING THE ACCOUNTING PERIOD

Organizational Structure



Information on the Shares of the Enterprises Included in the Company in the Capital of the Parent Company

Company enterprises do not have shares in the capital of the parent company.

In Case the Ratio of the Shares We Own Falls Below or Exceeds These Ratios in Partnerships in Which We Have Directly or Indirectly, Five, Ten, Twenty, Twenty-Five, Thirty-Three, Fifty, Sixty-Seven, or One Hundred Percent Shares in the Capital of a Capital Company; This Case and Its Underlying Reason:

None.

Information on Cross-Ownerships with over 5% Direct Participation Share in the Capital:

None.

RESEARCH AND DEVELOPMENT ACTIVITIES

None.

BOARD OF DIRECTORS, COMMITTEES, AND SENIOR MANAGEMENT

Board of Directors:

In line with the Corporate Governance Principles of Capital Markets Board, the Board of Directors consists of 8 members in total, 3 of which are independent and have the capacity to perform their duties with impartiality. 4 out of 8 Board Members are women. In line with the principles of the Articles of Association, the Board of Directors convenes with regularity that will help the Board effectively carry out its tasks and duties.

Board of Directors	Name – Surname	Executive/ Non-Executive	Last Appointment Date* / End of Term
Executive Chairperson of the Board of Directors	Serdar MARANGOZ (on behalf of Aydem Holding A.Ş.)	Executive	01.11.2024 / 29.03.2026
Vice Chairperson of the Board of Directors & General Manager	Uğur YÜKSEL	Executive	02.01.2025 / 29.03.2026
Member of the Board of Directors	Baran SALDANLI	Executive	01.11.2024 / 29.03.2026
Member of the Board of Directors	Asya Vuslat SALDANLI	Non-Executive	29.03.2023 / 29.03.2026
Member of the Board of Directors	Aslı DURMAZ	Non-Executive	18.03.2024 / 29.03.2026
Independent Member of the Board of Directors	Mehmet Hayati ÖZTÜRK	Non-Executive	29.03.2023 / 29.03.2026
Independent Member of the Board of Directors	Serpil DEMİREL	Non-Executive	29.03.2023 / 29.03.2026
Independent Member of the Board of Directors	Fatma Dilek BİL	Non-Executive	29.03.2023 / 29.03.2026

Note: *Mr. Serdar Marangoz, who has been serving as Vice Chairman of the Board of Directors and General Manager of our Company, started to work as CEO at Aydem Energy, our holding company, as of November 1, 2024. For this reason, based on the decision of the Board of Directors of our Company dated October 17, 2024, it has been decided to appoint Mr. Serdar Marangoz as the Executive Chairman of the Board of Directors of Aydem Renewables, representing Aydem Energy, effective from November 1, 2024, to be submitted to the approval of the shareholders at the first general assembly meeting.

*Pursuant to the resolution of the Board of Directors of our Company dated 2 January 2025, it has been decided to appoint Mr. Uğur Yüksel to the position of Board Member vacated by Mr. Mehmet Özülkü as of 2 January 2025 in accordance with Article 363 of the Turkish Commercial Code, to be submitted to the approval of the shareholders at the first general assembly meeting, and to appoint Mr. Uğur Yüksel as Vice Chairman of the Board of Directors within the scope of the distribution of duties among the members of the Board of Directors.

*Pursuant to the decision of our Company's Board of Directors dated 17 October 2024, it has been decided to appoint Mr. Baran Saldanlı as a Member of the Board of Directors of Aydem Renewables, effective from 1 November 2024, within the scope of Article 8 of the Articles of Association of the Company.

	Independent Board Member	Woman on Board	Executive Board Member
Number	3	4	2
Ratio	37.5%	50%	25%

Subsequent-period developments regarding the Board of Directors:

None.

Benefits and Rights Granted to the Board Members and Senior Executives

The total gross amount of the benefits and rights granted to the Board Members and senior executives from January 1, 2025 to June 30, 2025, is TL 30,876,419. (January 1, 2024 to June 30, 2024: TL 30,008,661.)

Company Executives' Transactions with the Company on Their Behalf or Behalf of Third Parties, or Their Activities Falling under a Non-Compete Clause Within the Scope of the Permission by the General Assembly

Except for those transactions banned by the Turkish Commercial Code, Board Members receive the permission of the General Assembly to conduct the transactions outlined in the Turkish Commercial Code's Articles 395 and 396. According to the information available on Aydem Renewables, Board Members did not conduct any commercial activities on their behalf or behalf of third parties falling into the Company's business line in the reporting period.

BOARD OF DIRECTORS, COMMITTEES, AND SENIOR MANAGEMENT

Senior Management:

Senior Management	Name – Surname	Commencement Date of Office
General Manager	Uğur YÜKSEL	01.01.2025
Director (Financial Affairs)	Mehmet ÖZÜLKÜ	01.04.2024
Director (Operation and Maintenance)	İsmail BEYHAN	17.03.2025
Director (Investment & Business Development)	Erdem UYSAL	01.01.2023

Post-period developments regarding Senior Management:

None.

You can find detailed resumes of the Board Members and Senior Executives on our corporate website.

Committees

In accordance with the relevant legislation, five committees, namely the Audit Committee, the Corporate Governance Committee, the Early Detection of Risk Committee, the Investment Committee, and the Sustainability, Environment, Occupational Health and Safety Committee, were established within the company as per the resolution of the board of directors dated July 6, 2020, and numbered 2020/27. The duties and responsibilities of the Nomination Committee and Compensation Committee are carried out by the Corporate Governance Committee in accordance with CMB's Corporate Governance Communiqué No. II-17.1.

You can find the details on job descriptions and working principles of the committees on our Company's website (<https://www.aydemrenewablesinvestorrelations.com.tr/en/corporate-governance/board-of-directors/committees>). In accordance with the Articles of Association, changes in the working principles of the committees are subject to the approval of the Board.

Information on the Audit Committee Members

Name-Surname	Title in the Committee	Duty	Executive/Non-Executive	Meeting Frequency
Mehmet Hayati ÖZTÜRK	Chairperson	Independent Board Member	Non-Executive	Meets at least four times a year, at least every three months.
Serpil DEMİREL	Member	Independent Board Member	Non-Executive	
Fatma Dilek BİL	Member	Independent Board Member	Non-Executive	

Information on the Corporate Governance Committee Members

Name-Surname	Title in the Committee	Duty	Executive/Non-Executive	Meeting Frequency
Serpil DEMİREL	Chairperson	Independent Board Member	Non-Executive	Convenes at least 4 times a year.
Mehmet Hayati ÖZTÜRK	Member	Independent Board Member	Non-Executive	
Fatma Dilek BİL	Member	Independent Board Member	Non-Executive	

(*) Within the framework of Article 11 of the Corporate Governance Communiqué numbered SPK II-17.1, the Investor Relations Department Manager has been assigned as a member of the Corporate Governance Committee.

BOARD OF DIRECTORS, COMMITTEES, AND SENIOR MANAGEMENT

Information on the Corporate Governance Committee Members

Name-Surname	Title in the Committee	Duty	Executive/Non-Executive	Meeting Frequency
Mehmet Hayati ÖZTÜRK	Chairperson	Independent Board Member	Non-Executive	Convenes at least 6 times a year.
Serpil DEMİREL	Member	Independent Board Member	Non-Executive	
Fatma Dilek BİL	Member	Independent Board Member	Non-Executive	
Hüseyin KONUR	Member	Investor Relations Manager	Executive	

(*) In accordance with Article 11 of the SPK II-17.1 Corporate Governance Communiqué, the Investor Relations Department Manager has been appointed as a member of the Corporate Governance Committee.

As of July 29, 2025, Hüseyin Konur has been appointed as the investor relations manager.

Information on the Investment Committee Members

Name-Surname	Title in the Committee	Duty	Executive/Non-Executive	Meeting Frequency
Uğur YÜKSEL	Chairperson	Executive Chairperson of the Board of Directors	Executive	Essentially convenes every three months.
Serpil DEMİREL	Member	Independent Board Member	Non-Executive	
Fatma Dilek BİL	Member	Independent Board Member	Non-Executive	
Mehmet Hayati ÖZTÜRK	Member	Independent Board Member	Non-Executive	

Information on the Sustainability, Environment, Occupational Health and Safety Committee Members

Name-Surname	Title in the Committee	Duty	Executive/Non-Executive	Meeting Frequency
Fatma Dilek BİL	Chairperson	Independent Board Member	Non-Executive	Essentially convenes every three months.
Uğur YÜKSEL	Member	General Manager / Vice Chairperson of the Board of Directors	Executive	
Serpil DEMİREL	Member	Independent Board Member	Non-Executive	
Mehmet Hayati ÖZTÜRK	Member	Independent Board Member	Non-Executive	
Hüseyin GÜRARSLAN	Member	HSE and Sustainability Manager	Executive	
İsmail BEYHAN	Member	Operation and Maintenance Director	Executive	

The number of meetings held by the committees during the period;

- Audit Committee: 4 meetings was held.
- Corporate Governance Committee: 4 meetings were held.
- Early Detection of Risk Committee: 3 meetings were held.
- Investment Committee: No meetings were held.
- Sustainability, Environment, Occupational Health, and Safety Committee: 2 meeting was held.

Management participation in relevant committees stood at 100% as of report date.

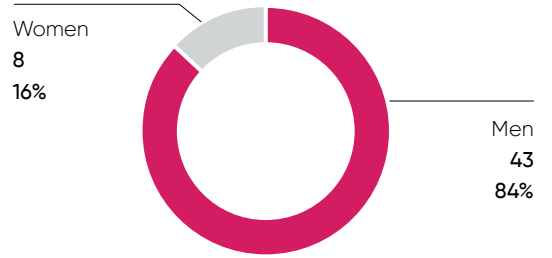
Aydem Renewables' Policies can be accessed at the following link: <https://www.aydemrenewablesinvestorrelations.com.tr/en/corporate-governance/policies>

HUMAN RESOURCES

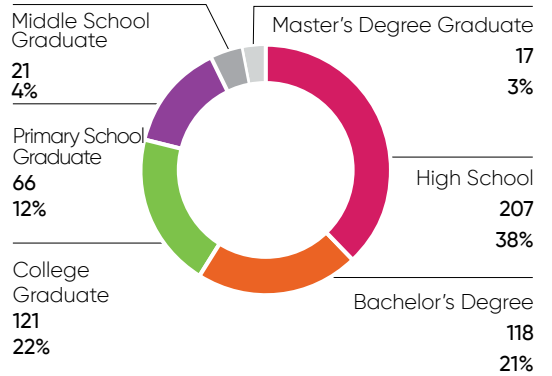
The number of staff members of our Company is 550 as of the date of this report. (June 30, 2024: 572)

Head Office Staff	137
Hydroelectric Power Plants	326
Adıgüzel HPP	8
Akıncı HPP	16
Aksu HPP	15
Bereket 1-2 HPP	26
Çırakdamı HPP	13
Dalaman 1-2-3-4-5 HPP	61
Dereli HPP	18
Feslek HPP	15
Göktaş 1 HPP	21
Göktaş 2 HPP	17
Gökyar HPP	23
Kemer HPP	17
Koyulhisar HPP	30
Mentaş HPP	22
Toros HPP	24
Wind Power Plants	65
Söke WPP	11
Uşak WPP (inc. hybrid SPP)	32
Yalova WPP	22
Geothermal Power Plant	22
Kızıldere GPP	9
Heat Center	13
TOTAL	550

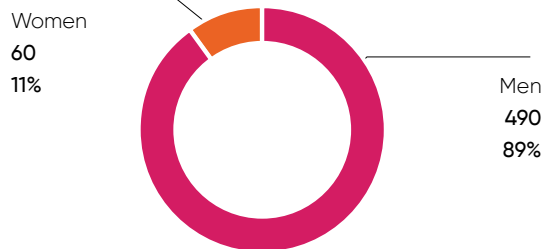
Number of Manager



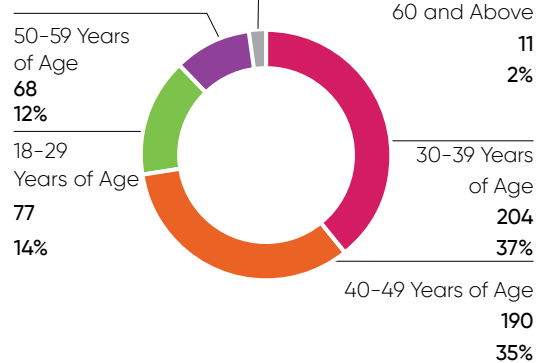
Education Status



Company Headcount



Age Distribution



ACTIVITIES AND KEY DEVELOPMENTS REGARDING ACTIVITIES

Investments

Investment expenses of the Company consist of the construction, take-over, renewal of the electricity generation plants, and the purchase and maintenance of turbine and plant equipment.

The Company builds plants to generate electricity from water, wind, sun, and geothermal resources, and mechanical equipment used in these plants is manufactured and installed in line with the technical projects of the plant. Investments in electricity generation plants require investments in technology and capital.

Structures constructed in the related plants require advanced engineering calculations.

A great majority of the Company's plants consist of HPPs and as a matter of their age and structure, HPPs do not require a substantial amount of replacement investment for many years. On the other hand, replacement investments are required to ensure that machinery and equipment currently used, especially in wind-based electricity generation plants can generate energy until the end of their terms of license. Furthermore, investment in new equipment may be necessary to increase efficiency.

The most important investment cost of HPPs consists of water structures in the construction. Although it varies with the projects, the main water structures of these plants include a regulator, spillway, water delivery channel and tunnel, headpond, dam embankment, plant building, controlling building, tailwater, etc. The construction of water structures constitutes approximately 75%-80% of the total investment cost. The most important machinery and equipment used in these plants include cover and cover lifting fittings, penstock and breeches pipe, water turbine, governor, power generator, energy transmission line, switchgear, power, and auxiliary transformer, warning system, command and control systems, SCADA and automation systems, communication system, etc. HPP machinery and equipment group constitute approximately 10-15% of the total investment cost. The cost incurred by the procurement and preparation of the land on which HPPs are established constitutes approximately 5-10% of the total investment cost.

The most important investment cost of WPPs consists of the machinery and equipment group. WPP machinery and equipment group constitutes approximately 70%-75% of the total investment cost. The cost incurred by the procurement and preparation of the land on which WPPs are established constitutes approximately 5-10% of the total investment cost. Construction of the concrete structure on which the turbine towers are placed as another investment cost constitutes approximately 15%-25% of the total investment cost.

Among the Company's plants, some of them are established in areas that are regarded as forest in nature or expropriated from private properties. A utilization permit is obtained from forestry departments to be valid for the license term and an annual rental fee is paid. The areas expropriated from private properties are registered at the land office in the name of the Ministry of Treasury and Finance, and servitude is constituted in favor of the Company provided that the expropriation fees are covered by the Company.

The total power of the investment projects planned as capacity increase projects in 2023 is 78 MWm, of which 66 MWm is within Uşak WPP and 12 MWm is within Söke WPP. Of the Uşak WPP Capacity Increase Project, 54 MWm was accepted by the Ministry on 08.06.2023 and 12 MWm was accepted by the Ministry on 31.08.2023 and started electricity generation.

The electrical capacity of these 11 turbines, which were

accepted by the Ministry in 2023, was increased from 4.8 MWe to 6 MWe for each turbine with the "Electrical Power Increase Ministry Acceptance" on March 8, 2024, and a total power increase of 13.2 MWe was achieved. With this increase, the installed capacity of Uşak WPP reached 209.65 MWm / 127.50 MWe.

Uşak WPP Capacity Increase Project with 17 turbines totaling 102 MW in total, 66 MW of which was commissioned in 2023. As part of the project, a turbine relocation process known as "deplacement" was carried out for the first time in Turkey. Low-capacity turbines (each with a capacity of 1.5 MW) installed in areas with high capacity utilization rates and wind efficiency were dismantled and relocated to new sites. In their place, five new turbines, each with a capacity of 6 MW, were installed at the original locations. The total capacity of 7.5 MW in the relocated areas was increased to 30 MW. On April 18, 2025, with the Ministry's approval, the five turbines, each with a capacity of 1.5 MW, that were relocated to new areas, and the newly installed 6 MW turbine were put into operation, commencing energy production activities. With this approval, the installed capacity of our Uşak Wind Power Plant has reached 215.65 MWm / 133.50 MWe.

The Ministry Acceptance of the Söke WPP Capacity Increase Project was made on 15.12.2023 and with this acceptance, the capacity of the power plant increased from 45 MWm to 57 MWm, an increase of approximately 26%.

Investment Strategy

The Investment Committee of the Company ("Investment Committee") manages the Company's investment strategy and considers all investment and business development opportunities above 1 million US Dollars. Projects pre-approved by the Investment Committee are submitted to the Board of Directors to take a final investment decision. The Company aims to diversify its investments, particularly by investing in portfolio assets that include different technologies related to renewable energy generation such as wind, solar, geothermal, and hydroelectric, in various geographical regions. While evaluating the investment projects, the Company takes following criteria into consideration:

- Making no investments in plants where fossil fuels are used in energy generation;
- Making no investments that are incompatible with the Company's sustainability, environment, occupational health and safety, governance, and social policies;
- Not conflicting with obligations under existing agreements, including credit agreements; Any asset under construction, development, and/ or building stage having an internal rate of return (equity IRR) of not less than 10% in US Dollars;
- Except for investments that are considered to have a strategic and significant impact on the long-term policies and growth plans of the Company, the investment amount of any asset not being more than 20% of the total asset value;
- The total investment amount of the assets under construction and/ or building stage not being more than 25% of the total asset value;
- Preventing concentration of counter-party risk, where the revenues to be obtained from a single customer do not constitute more than 30% of the total revenues;
- Not investing in the projects that have negative effects on UNESCO World Heritage sites or areas dedicated to nature conservation (for example Wetlands of International Importance within the scope of the Ramsar Convention); and
- Not investing in projects that include child labor and forced labor.

ACTIVITIES AND KEY DEVELOPMENTS REGARDING ACTIVITIES

The Company has various opportunities for both short and long term growth.

Aydem Renewables planned investments consist of solar power plants that will provide hybrid generation together with wind and hydroelectric power plants, wind power plants to be commissioned through capacity increase, as well as new generation facilities to be established from wind and solar energy and integrated electricity storage facilities based on them.

Until the end of 2028, a total of 623 MW investments are planned to be made, including 77 MW solar (hybrid), 46 MW wind (capacity increase), 400 MW solar (storage) and 100 MW wind (storage).

In summary, the total installed capacity is expected to reach 1,839 MW by the end of 2028, with 477 MW of solar (including SPP with storage) and 146 MW of wind (including WPP with storage) investments.

The Company applied for a preliminary licence for a 500 MW storage generation facility and obtained a preliminary licence on 11.05.2023.

The investments completed by the Company in the last two years can be listed as follows

- Turkey's largest hybrid SPP plant with a capacity of 82.15 MW within Uşak WPP Plant was completed in 2022 and the Ministry's acceptance was realised on 23.02.2023 and started its operations.

- In the capacity increase project to increase the main resource capacity of Uşak WPP Plant, 9 turbines, each with a power of 6 MW, were commissioned on 08.06.2023 and 2 turbines, each with a power of 6 MW, were commissioned on 31.08.2023 upon acceptance by the Ministry. With the additional investment of 66 MW in total, the installed capacity of the Facility has reached 127.5 MW with an increase of 107.3%. In addition, the installation of a total of six turbines with a capacity of 36 MW has been completed, with the 6 MW portion having been accepted by the Ministry of Energy and Natural Resources (ETKB) as of April 18, 2025. With the 6 MW capacity increase, the total installed capacity of our Uşak RES facility (including the Hybrid GES) has reached 215.65 MW from 209.65 MW.

- In the capacity increase project, which is our project to increase the capacity of Söke WPP, the investment works of 2 turbines of 6 MW were completed at the end of 2023 and commissioned on 15.12.2023 with the Ministry's acceptance. With this additional 12 MW project, the installed capacity of the plant increased by 26.7% and reached 57 MW.

As part of the relocation process, the installation of the 6 MW turbines, for which construction work began in the first quarter of 2024, was completed in August 2024, while the installation of the 1.5 MW turbines, which were dismantled as part of the same process, was completed in October 2024. The Ministry Acceptance for the five 1.5 MW turbines relocated to their new sites and the single 6 MW turbine newly installed was conducted on April 18, 2025, thereby increasing the installed capacity of the Uşak RES Facility to 133.5 MWe.

Depending on the installed power and improved capacity factor as a result of the completion of investments,

production will increase and the portfolio will diversify; sustainable energy along with the integrated storage technology will substantially contribute to the security of supply.

The Company plans to take advantage of the opportunities offered by EMRA to generate electricity at power plants by means of hybrid plants. Therefore, as it is possible to use land and network connections currently available at the plants, the Company will only pay the construction costs of the plant and prices of electromechanical equipment; thus investment expenses per MWh generated at hybrid plants will be less than those made in other new investment projects. For example, creating solar energy capacity at one of the available power plants will be 40%-50% less compared to the investment expense required for a typically independent SPP of similar size. While it is expected that the total investment expense required for hybrid projects corresponds to 15%-20% of the income from the project, it is stipulated that the investment expense required for new stand-alone projects corresponds to 35%-40% of the income from the project. Electricity may also be generated by using more than one electricity source (water, wind, and solar) at the same power plant utilizing the same network infrastructure. This opportunity will increase the total capacity factor and efficiency of the Company, and enable the diversification of generation sources. Based on the diversification of the generation sources, the Company revenues' level of sensitivity to climate change will decrease.

Hybrid plants that enable generating electric energy from multiple resources at a single generation facility allow those generation facilities to be used more efficiently and more electric energy is generated within the electricity generation capacities. At hybrid plants, energy generation will be from SPP (Solar Power Plant) when the rainfall is low and from HPP (Hydroelectric Power Plant) when sunlight is insufficient, minimizing the effect of seasonal conditions.

The prominent advantages of hybrid plant investments include lower investment and operational costs and the inclusion of electric energy generated from auxiliary resources into the scope of FIT provided that the main resource falls into the scope of FIT

Emissions Trading

In the first half of 2025, carbon credits and IREC trading were conducted, and the following sales were made:

Carbon credits: 30,978 tons

IREC trading: TL 2,801,651

Significant Changes During the Accounting Period

Significant changes that occurred in our Company during the accounting period can be accessed via the Public Disclosures menu (<https://www.aydemrenewablesinvestorrelations.com.tr/en/public-disclosures>) on our Company's Investor Relations page and/or via our Company's Public Disclosure Platform (KAP) page (<https://www.kap.org.tr/en/sirket-bilgileri/ozet/5317-aydem-yenilenebilir-enerji-a-s>).

Ordinary General Assembly Meeting

Our Company held its 2023 Ordinary General Assembly meeting in accordance with the principles under the "General Assembly" heading of the "Corporate Governance

ACTIVITIES AND KEY DEVELOPMENTS REGARDING ACTIVITIES

Principles”.

At the 2023 Ordinary General Assembly Meeting of our Company held on June 12, 2024, Wednesday at 11.00 at the Company's headquarters address – Adalet Mahallesi Hasan Gönüllü Bulvarı 15/1 Merkezefendi Denizli – the following decisions were adopted:

At the Ordinary General Assembly meeting held on June 12, 2024, the 2023 Annual Report, Affiliation Report, and 2023 Independent Auditor's Report were read. Financial statements for 2023 were read and discussed. As a result of the voting, financial statements were unanimously accepted and approved. In Article 6 on the finalization of the Board of Directors' proposal for the profit/loss of the 2023 accounting period about the results of the 2023 financial year, the shareholders were informed that no profit distribution would be made as the Company had no distributable profit according to the Company's financial statements and to the table showing the inability to distribute profit, which was prepared under the Company's Board of Directors resolution dated May 16, 2024, and numbered 2024/18. The Members of the Board of Directors were released regarding their activities in 2023. It was unanimously resolved that the Members of the Board of Directors were individually released from their routine activities between January 01, 2023, and December 31, 2023. The appointments made to the vacant Board of Directors memberships to serve for an increasing period of time were approved unanimously. The revised version of the Internal Directive on the Working Principles and Procedures of the Company's General Assembly, which was approved at the General Assembly Meeting held on 29 March 2013, in accordance with the requirements of the applicable legislation, was read and unanimously approved. Electing an independent auditor for the audit of the company's activities in 2024 was negotiated and discussed. It was unanimously resolved that the independent audit company with the title “Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi” is elected as the Independent Auditor for the audit of the Company's activities in 2024. Payments made as part of the “Compensation Policy for the Board Members and Executive Managers” were explained and approved. The remuneration, attendance fee, bonus, and premiums of the Board Members were determined. Information was provided regarding the business activities conducted in 2023 by persons listed in Principle 1.3.6 of Corporate Governance Principles, which is attached to CMB's Corporate Governance Communiqué No. II-17.1. Board Members were granted the authorization to perform the transactions outlined in Articles 395 and 396 of the Turkish Commercial Code No. 6102. Information was provided regarding the aid and donations made during 2023 and the upper limit for the aid and donations in 2024 was specified and determined. Information was provided regarding the guarantees, pledges, encumbrances, and sureties given in favor of third parties and income or benefits obtained as per the Capital Markets Board regulation during 2023. Information was provided regarding share buyback and sales transactions in 2023.

All details related to the 2023 Ordinary General Assembly Meeting of our Company (meeting invitation and power of attorney, information documents, list of attendants, minutes of meeting, questions asked during the meeting, and their answers) are accessible through the General Assembly tab under the Investor Relations menu of our corporate website (<https://www.aydemrenewablesinvestorrelations.com.tr/en/corporate-governance/general-assembly>)

Attainment of Targets Set in Previous Periods, Implementation of General Assembly Resolutions, and Any Reasons for Failure to Attain Targets or Implement Resolutions, and Assessments

The Company put all General Assembly resolutions into practice during the interim accounting period

Information on Extraordinary General Assemblies During the Year (If Any)

None.

Information on Related Party Transactions

Information on related party transactions and their balances that are compulsory to be submitted to the shareholders are available in Article 5 of consolidated financial statements and their footnotes for the reporting period, published on the Public Disclosure Platform (PDP).

Information on Rating Scores:

You can use the link (<https://www.aydemrenewablesinvestorrelations.com.tr/en/shares-and-debt-instruments/credit-ratings>) to access our credit rating scores/information.

You can use the link (<https://www.aydemrenewablesinvestorrelations.com.tr/en/corporate-governance/corporate-governance-compliance-rating>) to access our corporate governance rating scores/information.

Information on Debt Instruments:

The sale and issuance of the bond abroad with a nominal value of USD 750 million and maturity of 5.5 years (3.5 years without principal payment) were completed on August 2, 2021. With the amount obtained through the bond issuance, the entire loan debt of the Company to the banks has been repaid, and the remaining amount is used in line with the target of doubling the Company's installed power.

Detailed information regarding the Bond Issuance is given below:

Issuer: Aydem Yenilenebilir Enerji A.Ş.
Amount of Bond Issuance: USD 750,000,000
Interest Rate: 7.75%
ISIN Code: XS2368781477
Date of Issuance: 02.08.2021
Date of Maturity: 02.02.2027

You can access all detailed information regarding the bond issuance via (<https://www.aydemrenewablesinvestorrelations.com.tr/en/shares-and-debt-instruments/eurobond-green-bond-informations>) link.

Compliance to the Corporate Governance Principles

As per Article 5 “Implementation of Corporate Governance Principles” of the Corporate Governance Communiqué numbered II-17.1 of Capital Markets Board (CMB) which became effective upon its publication in the Official Gazette on January 3, 2014, with number 28871 (Communiqué), the Company paid utmost care to achieve necessary compliance as of the first general assembly date. Our Company adopted equality, transparency, accountability, and responsibility concepts of the Corporate Governance Principles.

Although the Company aims to achieve full compliance with the Corporate Governance Principles, efforts about the non-mandatory principles that are not fully complied

ACTIVITIES AND KEY DEVELOPMENTS REGARDING ACTIVITIES

with continue. The compliance status of the principles excluding those complied at the General Assembly is available in the 2024 Annual Integrated Annual Report of the Company published on the Public Disclosure Platform (PDP) and its corporate website on March 11, 2024, as well as Corporate Governance Information Form (<https://www.kap.org.tr/en/Bildirim/1405171>), Corporate Governance Compliance Report (<https://www.kap.org.tr/en/Bildirim/1405172>), Sustainability Principles Compliance Report (<https://www.kap.org.tr/en/Bildirim/1405182>) published on the Public Disclosure Platform (PDP) on the same date and Corporate Governance Principles Compliance Statement announced on its corporate website (<https://www.aydemrenewablesinvestorrelations.com.tr/en/corporate-governance/corporate-governance-reports>)

Additionally, as a result of the rating conducted by SAHA Kurumsal Yönetim ve Kredi Derecelendirme Hizmetleri A.Ş. to rate the level of compliance to the "Corporate Governance Principles" published by the Capital Markets Boards, our Corporate Governance Rating Score of our Company has been revised as 95.74 as of April 7, 2025 (out of 100, previous year: 95.71) by SAHA Kurumsal Yönetim ve Kredi Derecelendirme Hizmetleri A.Ş., following performance appraisal measuring compliance with Corporate Governance Principles published by Capital Markets Board. Our Company's score on a 10-point scale is the same as last year (9.57). The relevant report is available on the Public Disclosure Platform (PDP) and our corporate website (<https://www.aydemrenewablesinvestorrelations.com.tr/en/corporate-governance/corporate-governance-compliance-rating>)

Explanations Regarding the Internal Audit and Risk Management Systems of the Group within the Preparation Process of the Consolidated Financial Statements

The consolidated financial statements have been prepared by the 2022 TFRS Taxonomy, which was developed by the KGK (Public Oversight, Accounting, and Auditing Standards Authority) and determined and announced to the public by the KGK's decision dated October 4, 2022, within the scope of the "Communique on Principles of Financial Reporting in Capital Markets" of the Capital Markets Board ("CMB") numbered II-14.1 and in accordance with the Turkish Financial Reporting Standards ("TFRS") published by the Public Oversight, Accounting and Auditing Standards Authority ("KGK"), based on subparagraph (b) of article 9 of the Decree-Law No. 660.

Internal Audit

To increase the effectiveness and efficiency of the company's operations, to ensure credibility in terms of financial reporting, and to comply with laws and regulations, the current internal control system is audited by the Internal Audit and Control Unit within the framework of the annual internal audit plan. At Aydem Renewables, WPP Operations Audit, OHS and Environmental Audits were carried out in accordance with the 2025 Audit Plan.

Participation Finance Principles Information Form

You can access our Company's Participation Finance Principles Information Form via the Other Reports menu on our Company's Investor Relations page or via the link <https://www.aydemrenewablesinvestorrelations.com.tr/en/reports/other-reports>.

Independent Audit

It has been decided to obtain a special independent auditor's report from PWC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi in order to audit

the financial statements and reports of our Company for the 01.01.2025-30.06.2025 activity period and to carry out other activities within the scope of the relevant regulations in these laws.

Information on Private Audit and Public Audit During the Accounting Period

The Company procured full certification services from BDO İzmir Yeminli Mali Müşavirlik A.Ş. as of the report date.

Amendments in the Articles of Association During the Accounting Period and the Reasons Thereof

No amendment was made to the articles of association during the period.

You can access the current version of the Articles of Association of our Company via the link <https://www.aydemrenewablesinvestorrelations.com.tr/en/corporate-governance/general-assembly>

Donations and Aids

As of the reporting period, a total of TL 989,284 was donated to various institutions and organizations within the scope of donations and aids and social responsibility projects.

Lawsuits

The company has lawsuit provision of TL 3,089,839 during the period.

Administrative and Judicial Sanctions

As there are no building permits for the Dalaman HPP 1-2-3- 4-5 and Gökyar HPP plants of the Company, it was resolved to impose administrative fines and other administrative sanctions for all buildings by the decisions of the Municipality Council as part of the Zoning Law. As all these administrative procedures were unlawful and HPPs were exempt from building permits due to their public investment nature, the Company filed lawsuits at the Administrative Courts for the annulment of these procedures. As a result of the judgments made by the courts, the lawsuits are concluded in favor of the Company and it is decided to annul the administrative sanction decisions. In 95 files, judgments on the annulment of the procedure in favor of the Company were notified to the Company; and only in one file, the judgment was for the rejection of the annulment request. Of the judgments on the annulment of administrative procedures, 13 are pending an appellate review at the Council of State. The annulment became final in 82 judgments.

Therefore, the Company does not foresee any legal and financial risk in the form of any payment or penalty due to the administrative sanction decisions of the municipalities that have been decided to be canceled.



**Aydem**
yenilenebilir
enerji

INFORMATION ON RISK MANAGEMENT

It is envisaged that the Company may be exposed to the following risks depending on the use of financial instruments.

Credit risk is the risk of failure by a customer or counterparty to fulfill its contractual obligations and arises significantly from customer receivables.

Liquidity risk is the risk that the Company will not be able to meet its future financial obligations. The Company's liquidity risk is managed by obtaining sufficient financing facilities from several financial institutions in a way that will not damage the Company or ruin its reputation so that current and future debt requirements can be funded under normal conditions or in situations of crisis.

Market risk is the risk that changes in the money market, such as exchange rates, interest rates, or the prices of instruments traded in the securities markets, will change the value of the Company's income or financial assets. Market risk management aims to optimize return while controlling exposure to market risk within acceptable limits.

Operational risk means the risks associated with the enterprise's structure such as Personnel Risk, Legal Risks, Technological Risks, Organization Risk, and Production Risk.

Early Detection and Management of Risk

Our company has analyzed and evaluated all possible risks and taken all necessary measures to avoid any negative consequences or to dispose them of with minimal damage.

Risks that the Company May Face

1. The operation, maintenance, and renewal of power plants carry significant risks that can lead to unexpected power outages, low efficiency, and unexpected investment expenditures.
2. Disabling or damaging a major power plant could have a negative impact on the company's operations.
3. The Company is subject to certain risks associated with the supply and maintenance of equipment and services it needs for its current and future operations.
4. The Company may not be able to maintain relations with its suppliers.
5. The planned procurements of the Company may not be concluded or if they are concluded, the said procurements may not return the expected benefit. Procurements may cause the Company's management to lose focus and increase the ratio of its debt to shareholders' equity. If the aforementioned procurements fail, it may reduce the Company's profitability.
6. The Company's failure to comply in any way with the transfer of operating rights for Adıgüzel HPP and Ke-mer HPP could lead the competent authorities to take

precautions or cancel the contractual operating rights.

7. Legal action taken due to the allegation that any damage to the natural environment is caused by the construction or operation of the Company's power plants, compatibility studies, and/or interruptions to the generation activity at the power plants, may lead to an increase in costs.

8. Operations performed during electricity generation activities may be hazardous and cause accidents. In certain cases, it can result in injury or property damage to persons. This may cause significant disruptions in the Company's operations and/or may expose the Company to judicial and administrative sanctions.

9. The existing insurance policies of the Company may not be sufficient to cover all potential losses. It is not possible to have insurance to cover all risks that may occur in the event of an accident or damage or any other situation.

10. The Company's activity is largely dependent on its information technologies ("IT") infrastructure. Delays, interruptions, or cyber-attacks on the Company's IT systems and networks may adversely affect the Company's operations.

11. The Company may be exposed to risks due to the potential unethical or unlawful behavior of its employees, suppliers, agents, or other third parties.

12. The Company has entered into and will continue to enter into related party transactions with, among other related parties, the indirect controlling shareholder.

13. Loss of key personnel or inability to recruit key personnel and qualified employees may restrict the Company's growth and adversely affect its operations.

14. Workers employed at the Company's power plants being represented by trade unions may increase the Company's employment-related costs. An increased number of business slowdown actions may adversely affect the Company's operations.

15. The Company may be adversely affected by changes in tax legislation or practices, increases in tax rates, or tax audits.

16. The Company is jointly and severally responsible for the actions of its subcontractors that violate the laws and regulations. As a result of the activities of subcontractors, the Company's liability may arise or the Company may be subject to legal proceedings.

INFORMATION ON RISK MANAGEMENT

17. The Company may be liable for some of the debts of Parla Solar due to the demerger transaction.

18. The Company's indebtedness and financial obligations may adversely affect the Company's operations, financial position, and operating results.

19. As part of its Eurobond obligations, the Company should fulfill certain commitments.

20. Failure to obtain credit or capital due to fluctuations in credit and capital markets or other factors may make it difficult for the Company to develop projects or finance acquisitions.

21. Common concerns about public health, including the COVID-19 pandemic, can cause disruptions to the Company's operations, operating results, future expectations, or financial situation.

22. The generation of electricity from renewable energy sources is largely based on suitable meteorological conditions (including the supply of water and wind in appropriate quantities).

23. The electricity demand may decrease.

24. The Company's activities are subject to the signing and maintenance of the necessary licenses, permits, and regulations for the operation of its power plants and the mandatory agreements signed with public institutions.

25. Electricity market prices and estimated prices may vary significantly.

26. Decreasing or interrupted government support for renewable energy or other changes in the government's energy policy and energy legislation may adversely affect the Company's future investment and growth plans.

27. The Company is subject to possible exchange rate risk for Completion Payments under the FIT incentive, and when the FIT period for the Company's power plants expires, the Company's exchange rate risk will increase.

28. The Company may face major uncertainties about the development of new power plants. New projects may not be efficient, may never be completed, or may not perform as expected.

29. Operational difficulties in connecting to the transmission and distribution network may adversely affect the Company's ability to sell the electricity it generates.

30. The Company is subject to collection risk arising from electricity sales.

INFORMATION ON THE COMPANY'S INTERNAL CONTROL SYSTEM AND INTERNAL AUDIT ACTIVITIES AND THE GOVERNING BODY'S VIEW

The internal audit and control activities conducted within Aydem Renewables have a systematic structure designed to evaluate whether risk management, financial reporting, control, and governance processes are carried out effectively, adequately, efficiently, and in compliance with current legal and internal regulations, and the information systems are managed securely and reliably. The Internal Audit Function, which conducts its activities within this scope with a risk-oriented approach, reports its efforts to the Audit Committee, which consists of independent members, to provide reasonable assurance to the Board of Directors, shareholders, and other stakeholders and acts as an independent and objective assurance function that derives its authority from the Board of Directors of the company through the Audit Committee. The Internal Audit function oversees proper identification, adequate and efficient fulfillment of the objectives for compliance with the ethical rules and working principles defined within the company, and conducts activities in its area of responsibility.

Accordingly, as per the Audit Plan, centralized and on-site internal audit activities were conducted within the Company during the period. It has been observed that the audit and control activities are capable of providing a reasonable level of assurance to the risk management, internal control, and governance processes. Agreements have been reached with the Management on actions that will ensure the improvement of individual control deficiencies identified during audits. It was monitored periodically whether the said actions were implemented on time or not.

SUMMARY FINANCIAL INFORMATION

Summary Balance Sheet Items (TL Million)	June 30, 2025 Amount	June 30, 2024 Amount*
Current Assets	6,249	7,954
Fixed Assets	56,756	57,875
Total Assets	63,005	65,829
Short-Term Liabilities	7,494	7,961
Long-Term Liabilities	22,831	25,940
Total Liabilities	30,326	33,901
Shareholder's Equity	32,679	31,928
Total Liabilities and Shareholder's Equity	63,005	65,829

Summary Income Statement Items (TL Million)	June 30, 2025 Amount	June 30, 2024 Amount*
Revenues	5,844	4,724
Cost of Sales	(4,282)	(3,005)
Gross Profit	1,562	1,719
General Administrative Expenses	(416)	(311)
Other Operating Income, net	193	589
Operating Profit	1,339	1,997
Amortisation and Depreciation	1,240	1,768
EBITDA	2,579	3,765
EBITDA Margin***	44%	80%
Income from Investment Activities, net	110	(444)
Financing Expenses, net	(4,616)	(4,168)
Monetary Gain/(Loss)	3,128	5,469
Profit / (Loss) Before Tax for Continued Operations	(38)	2,854
Tax Income / (Expenses)	172	1,131
Net Profit/Loss for the Period	134	3,985

Based on the data of the 2024 year-end comparative consolidated balance sheet dated June 30, 2025, asset size stood at TL 63,005 million with 4% decrease and equity capital size stood at TL 32,679 million with 2% increase.

According to the data of the consolidated income statement for January-June 2025,

- Incomes increased by 24% to TL 5,844 million
- Gross Profit decreased by 9% to TL 1,562 million
- Operating Profit decreased by 33% to TL 1,339 million
- Earnings Before Interest, Tax, Depreciation, and Amortization (EBITDA) decreased by 31% to TL 2,579 million compared to the same period of the previous year.

* Expressed on purchasing power basis as of June 30, 2025.

** Last 12 months

*** The reason for the decline in EBITDA margin to 44% as of June 30, 2025 is electricity commercial activity revenue. If electricity commercial activities had not been conducted, the EBITDA margin would have been approximately 60% as of June 30, 2025. (For detailed information, see Aydem Renewable Energy Inc. Financial Report 30.06.2025).

FINANCIAL ANALYSIS

Efficiency Ratios

Ratios	June 30, 2025	December 31, 2024
Net Financial Debt/EBITDA (USD)**	4.8x	4.2x

Profitability Ratios

Ratios	June 30, 2025	June 30, 2024
Gross Profit Margin = Gross Profit/Net Sales	27%	36%
EBITDA Profit Margin = EBITDA/ Net Sales***	44%	80%
Net Profit/Loss for the Period Margin = Net Profit/ Loss for the Period/Net Sales	2%	84%
Return on Equity = Net Profit (Loss)/ Shareholder's Equity	0.4%	12%
Total Return on Assets = Net Profit (Loss)/Total Assets	0.2%	6%

Leverage & Liquidity Ratios

Ratios	June 30, 2025	December 31, 2024
Total Liabilities/ Shareholder's Equity	0.9	1.1
Shareholder's Equity / Total Assets	0.5	0.5
Current Ratio = Total Current Assets/Total Short - Term Debts	0.8	1.0

Precautions

Our Company evaluated all precautions taken or avoided for the benefit of the subsidiary or subsidiary thereof in co-operation with the parent company during the reporting period. We declare that our Company has not incurred such a loss and that no advantage has been obtained as a result of a transaction that took place in accordance with the known circumstances and conditions in the 2025 operating period and that there will be no benefit or loss equalization for the controlling shareholder.

FINANCIAL ANALYSIS

Analysis

The Board of Directors assessed the results and plans for the reporting date, operating period and determined that the targets were mostly achieved.

As of the reporting date, the Company has an accumulated profit of TL 43,058,199,703 and a net period profit of TL 133,503,662. On the other hand, the Company achieved an operating profit of TL 1,339,076,464 and generated cash amounting to TL 2,967,602,584 from its operational activities. The Company generated Earnings Before Interest, Tax, Depreciation, and Amortization (EBITDA) of TL 2,579,394,023.

Insolvency

The financial statements of the Company have been prepared based on the principle of continuity of the Company.

No developments have taken place concerning insolvency occurred after the reporting date. It shows that no uncertainty will raise doubts about the continuity of the business.

The fact that the Company's trade receivables from electricity sales have a good collection capacity gives it an edge in terms of timely payment of short-term liabilities. Therefore, the Group does not require any financing to fund its working capital.

As of reporting date, the Company's FIT revenues accounted for approximately 30% of its total revenues. Considering the current market conditions, Akıncı HPP and Göktaş HPP power plants were excluded from FIT scope in 2024. For power plants that have the right to benefit from FIT, the decision to use this right is evaluated every year, taking into account the market conditions. In 2025, all power plants with FIT rights were included in the scope of FIT.

The Company assessed its operational sustainability and determined that it has sufficient resources to continue operations in the foreseeable future, taking into account the Company's revenue, profit, and liquidity generation capacity. The Company's management believes that no uncertainty would raise doubts about the sustainability of operations and has prepared its consolidated financial statements on the assumption that the business will continue to operate in the foreseeable future.

DIVIDEND DISTRIBUTION POLICY

The version adopted by the Board resolution dated 06.07.2020 and numbered 2020/27 has been amended and approved at the General Assembly dated 14.08.2020.

Scope and Legal Basis

This dividend distribution policy establishes the principles for the dividend and dividend advances to be paid by Aydem Renewables ("Company") under its Articles of Association ("Articles of Association") and other related regulations.

This policy has been prepared under the Articles of Association, Capital Markets Law No. 6362 ("CML"), Turkish Commercial Code No. 6102 ("TCC"), Communiqué on Dividends No. II-19.1 ("Communiqué on Dividends"), Communiqué on Corporate Governance No. II-17.1 and related legislation.

Purpose

The dividend distribution policy aims to ensure that a balanced and consistent policy is adopted between the investors' and the Company's interests in accordance with the relevant legislation, to inform the investors, and to maintain a transparent dividend distribution policy vis a vis the investors.

Dividend Distribution Principles

The decision to distribute dividends is made, and the manner and timing of dividend distribution are determined by the General Assembly of the Company upon the proposal of the Board of Directors.

So long as the relevant regulations and finances allow, taking into consideration market expectations, the Company's long-term strategies, capital requirements of subsidiaries and affiliates, investment and financing policies, contractual obligations, profitability, and cash position, and national and global economic conditions, it is intended that at least 50% of the distributable net profit for the period calculated in accordance with the Articles of Association, the TCC, the Capital Markets Law, Dividend Distribution Communiqué and tax regulations will be distributed to the shareholders and other partakers in profit. Dividends may be distributed in the form of cash and/or bonus shares and/or using the combination of these two methods in specific proportions.

Dividends shall be distributed equally to all existing shares on the date of the dividend distribution, notwithstanding the date of issue or acquisition. There are no dividend privileges among the Company's shares.

DIVIDEND DISTRIBUTION POLICY

Payments related to dividends may also be made in equal or differing installments, provided that the distribution of dividends is resolved at the general assembly meeting. Unless the reserves are set aside in line with the Turkish Commercial Code and the Articles of Association and the dividends determined for the shareholders in the Articles of Association or this dividend policy are set aside, it may not be decided to allocate other reserves or to transfer profits to the next year and to distribute dividends to holders of dividend shares, members of the Board of Directors, Company employees, foundations and persons and institutions other than shareholders; and unless the dividend determined for the shareholders are paid in cash, no dividends may be distributed to these individuals.

Dividend distribution transactions begin on the date determined by the general assembly, provided that they begin no later than the end of the accounting period in which the general assembly meeting for which the distribution decision is held. Pursuant to the Articles of Association, the decision of the General Assembly to distribute dividends cannot be revoked unless permitted by law. Several factors including financial opportunities, market expectations, long-term strategies of the Company, capital requirements of subsidiaries and affiliates, investment and financing policies, contractual obligations, profitability, and cash situation, national and global economic conditions but not limited to these, determine the implementation of this policy and the rate of dividend to be distributed in cash. For the avoidance of doubt, if the profit distribution conflicts or does not overlap with these elements, the Company's Board reserves the right not to make a profit distribution recommendation and the General Assembly reserves the right not to make a profit distribution decision.

Dividend Advances Distribution Principles

The General Assembly of the Company may decide to distribute dividend advances to shareholders under the provisions of the CML and other relevant legislation. When calculating and distributing the amount of dividend advances, the provisions of the relevant legislation shall apply.

Dividend advance is distributed in cash using the profits in the Company's interim financial statements. The dividend advance for a specific interim period cannot be distributed in installments. The dividend advance is distributed equally to all existing shares on the date of the dividend distribution, notwithstanding the date of issue or acquisition.

The dividend advance to be distributed cannot exceed one-half of the remaining amount after the reserves and accumulated losses, which are calculated according to the TCC and Articles of Association, have been deducted from the net profit for the period as per the interim financial statements.

The total amount of dividend advance to be given in an accounting period;

- a) cannot exceed the lower of either half of the net profit for the previous year,
- b) or other sources that may be subject to dividend distribution, excluding net profit for the period included in the relevant interim financial statements.

If more than one dividend advance payment is made within the same accounting period; when calculating the dividend advances to be paid in the following interim periods, the dividend advances paid in the previous interim periods

are deducted from the calculated amount.

No additional dividend advances can be paid or dividends may be distributed in subsequent accounting periods without offsetting the dividend advances paid in previous accounting periods.

No dividend advances may be distributed to persons other than shareholders. The dividend advance is paid to the privileged shares notwithstanding the privileges.

Public Disclosure

Within the limits of the relevant regulations, the board of directors' proposal for dividend distribution or the board of directors' resolution for dividend advance distribution, form and content thereof as well as the dividend distribution table or the dividend advance distribution table, are disclosed to the public. Moreover, if a change is requested in this dividend distribution policy, the resolution of the board regarding this change and the reason for the change is also disclosed to the public.

This policy shall be disclosed to the public on the Company website following the approval of the General Assembly.

Agenda Item of the Ordinary General Assembly Meeting Related to Profit/Loss of the 2023 Accounting Period

Within the scope of the Company's Articles of Association, Capital Markets Law No. 6362 ("CMB Law"), Turkish Commercial Code No. 6102 ("TCC"), Dividend Communiqué No. II-191 ("Dividend Communiqué"), Corporate Governance Communiqué No. II-17.1 and related legislation and the Company's Dividend Distribution Policy, according to Article 7 of the General Principles Regarding Dividend Distribution section of the Capital Markets Board's (CMB) Dividend Guidelines, the entire amount of dividend to be distributed will be distributed only if it can be covered from the net distributable profit available in the legal records (records kept in accordance with the Tax Procedure Law) for 2023. According to Article 7 of the General Principles Regarding Dividend Distribution section of the Capital Markets Board (CMB) Dividend Guidelines, the entire amount of dividend to be distributed can only be distributed to the extent that it can be covered from the net distributable profit for the year 2023 available in the legal records (records kept in accordance with the Tax Procedure Law).

SUBSEQUENT EVENTS FOLLOWING THE END OF REPORTING PERIOD

Remarks on the Events of Vital Importance Emerging Following the End of Reporting Period

*Our company's registered capital ceiling validity period has been updated to be valid for the years 2025-2029, and within this scope, the amendment to Article 6 of the Company's Articles of Association titled "Capital" has been approved by the Capital Markets Board with its letter dated 30.06.2025 and numbered E-29833736-110.04.04-74543 dated June 30, 2025.

*Our company's registered capital ceiling validity period has been updated to be valid for the years 2025-2029, and in this context, the amendment to Article 6 of the Company's Articles of Association titled "Capital" has been approved by the Ministry of Trade of the Republic of Turkey with its letter dated 16/07/2025 and numbered E-67300147-431.99-00111403593 dated 16/07/2025.

*At the meeting of our Company's Board of Directors on July 17, 2025, it was decided that our company's shareholders would be invited to the 2024 Ordinary General Assembly meeting to be held in Denizli on Monday, August 11, 2025, at 11:00 a.m.

*The results of our company's 2024 Ordinary General Assembly Meeting were registered by the Denizli Trade Registry Directorate on August 13, 2025, and announced in the Turkish Trade Registry Newspaper dated August 13, 2025, issue number 11392.

*In accordance with our company's Board of Directors decision dated 17.07.2025 and numbered 2025/16; since our company has no distributable net profit for the year 2024, it has been decided not to distribute profits and to inform shareholders of this situation at the Ordinary General Assembly Meeting for the 2024 fiscal year.

*In accordance with Article 11, Paragraphs 2 and 4 of the Corporate Governance Communiqué No. II-17.1 of the Capital Markets Board ("Communiqué"), Hüseyin Konur has assumed the position of Investor Relations Manager of our Company as of July 29, 2024.

*On August 4, 2025, the payment for coupon No. 8 of our Company's 750,000,000.00 US dollar nominal value, 5.5-year term bond (XS2368781477 and US054644AA72) has been transferred to the relevant investor accounts for the payment of the 8th coupon in the amount of 23,509,481.63 U.S. dollars and the 2nd principal installment in the amount of 67,410,700.00 U.S. dollars.

*The General Assembly Resolution dated August 11, 2025, regarding the appointment of PwC Independent Audit and Certified Public Accountant Tax Consultancy Joint Stock Company as Auditor for a term of 1 (one) year to audit our company's financial statements for the 2025 fiscal year and to carry out other activities within the scope of relevant regulations on these matters, was registered on August 13, 2025, and published in the Turkish Trade Registry Gazette, issue no. 11392, dated August 13, 2025.

*Within the scope of our company's Uşak Wind Power Plant (WPP) capacity increase project, the commissioning of 2*6 MWm (12 MWm) turbines was completed as of August 14, 2025, with the acceptance of the Ministry of Energy and Natural Resources (MENR). With this 12 MWm capacity increase, the total installed capacity of our Uşak WPP facility has risen from 215.65 MWm to 227.65 MWm. Following this acceptance, our total installed capacity increased from 1,186 MW to 1,198 MW as of August 14, 2025.



Energy
For Life



100% recycled paper
used in the printing
of this report.