

GALATA WIND ENERJİ ANONİM ŞİRKETİ

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM
PERIOD**

AT 1 JANUARY - 30 SEPTEMBER 2024

(ORIGINALLY ISSUED IN TURKISH)

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GALATA WIND ENERJİ ANONİM ŞİRKETİ

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2024

(Turkish Lira ("TRY") stated as according to purchasing power of Turkish Lira at 30 September 2024.)

ASSETS	Notes	Unaudited Current Period	Audited Prior Period
		30 September 2024	31 December 2023
Current assets		305,974,951	443,466,196
Cash and cash equivalents	4	105,734,403	89,671,515
Financial investments	19	-	119,952,432
Trade receivables			
- Due from related parties	18	5,100	4,709
- Due from third parties		143,698,060	187,901,845
Other receivables			
- Due from third parties		43,165	86,119
Inventories		6,672,493	6,672,493
Prepaid expenses	10	48,708,446	38,483,155
Other current assets		1,113,284	693,928
Non-current assets		12,023,378,558	12,000,714,756
Derivative instruments		104,233,876	145,431,087
Financial investments	19	663,728	663,728
Other receivables			
- Due from third parties		582,452	793,500
Property, plant and equipment	6	7,770,086,267	6,991,299,385
Intangible assets			
- Licenses	7	3,400,573,084	3,399,363,009
- Goodwill	3	178,059,199	178,059,199
- Other	7	24,483,724	26,406,937
Right of use assets	8	173,434,137	99,922,813
Prepaid expenses	10	371,262,091	1,158,775,098
TOTAL ASSETS		12,329,353,509	12,444,180,952

The consolidated financial statements as of and for the period ended 30 September 2024 have been approved by the Board of Directors on 4 November 2024.

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

GALATA WIND ENERJİ ANONİM ŞİRKETİ

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2024

(Turkish Lira ("TRY") stated as according to purchasing power of Turkish Lira at 30 September 2024.)

		<i>Unaudited Current Period</i>	<i>Audited Prior Period</i>
LIABILITIES	Notes	30 September 2024	31 December 2023
Current liabilities		366,782,521	530,622,126
Short-term portion of long-term borrowings			
Short-term portion of long-term borrowings from third parties			
- Bank borrowings	5	126,763,457	159,244,462
- Lease liabilities	5	1,982,933	938,728
- Short-term portion of long-term borrowings from related parties			
- Lease liabilities	5,18	677,912	279,954
Trade payables			
- Due to related parties	18	1,942,753	1,446,816
- Due to third parties		133,469,950	94,111,000
Other payables			
- Due to third parties		36,951,469	217,660,702
Payables related to employee benefits		1,884,353	12,793,807
Provision for period income tax	17	50,982,869	35,220,016
Short-term provisions			
- Other short-term provisions		576,426	1,285,581
- Short-term provisions for employment benefits		11,550,399	7,641,060
Non-current liabilities		2,302,180,861	2,358,779,475
Long-term borrowings			
- Long-term borrowings from third parties			
- Bank borrowings	5	605,417,087	844,131,310
- Lease liabilities	5	52,737,812	45,838,935
- Long-term borrowings from related parties			
- Lease liabilities	5-18	297,746	404,519
Long-term provisions			
- Long-term provisions for employment benefits		11,009,896	12,598,217
Deffered Tax Liabilities	17	1,632,718,320	1,455,806,494
EQUITY		9,660,390,127	9,554,779,351
Equity attributable to equity holders of the parent company			
Share capital	11	540,000,000	540,000,000
Inflation Adjustments on Capital		3,364,854,419	3,364,854,419
Share premiums/(discounts)	11	20,016,719	20,016,719
Other comprehensive income (losses) that will not be reclassified in profit or loss			
- Actuarial gains (losses) on defined benefit plans	11	(8,279,524)	(8,279,524)
Accumulated other comprehensive income/(expense) to be reclassified to profit or loss			
- Foreign currency conversion differences		244,544	30,486
Advances dividend paid	11	-	(169,825,426)
Restricted reserves	11	370,907,343	313,735,691
Retained earnings or accumulated losses		4,767,167,498	4,647,092,910
Net profit or loss for the period		605,479,128	847,154,076
TOTAL EQUITY AND LIABILITIES		12,329,353,509	12,444,180,952

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

GALATA WIND ENERJİ ANONİM ŞİRKETİ

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE PERIODS

1 JANUARY – 30 SEPTEMBER 2024 AND 2023

(Turkish Lira ("TRY") stated as according to purchasing power of Turkish Lira at 30 September 2024.)

	Notes	Unaudited Current Period 1 January - 30 September 2024	Unaudited Current Period 1 July - 30 September 2024	Unaudited Prior Period 1 January - 30 September 2023	Unaudited Prior Period 1 July - 30 September 2023
PROFIT OR LOSS					
Revenue	12	1,682,135,668	617,537,335	1,941,461,964	768,424,903
Cost of sales (-)	12	(768,915,370)	(274,618,346)	(758,916,567)	(279,447,025)
GROSS PROFIT/ (LOSS)		913,220,298	342,918,989	1,182,545,397	488,977,878
General administrative expenses (-)	13	(108,676,052)	(44,129,820)	(52,101,699)	(17,898,268)
Marketing expenses (-)	13	(27,096,298)	(9,106,735)	(20,588,526)	(7,094,905)
Other operating income	15	85,863,973	33,870,265	546,115,524	149,079,636
Other operating expenses (-)	15	(18,010,068)	(7,240,263)	(14,794,590)	(7,777,756)
OPERATING PROFIT/ (LOSS)		845,301,853	316,312,436	1,641,176,106	605,286,585
OPERATING PROFIT/ (LOSS) BEFORE FINANCE (EXPENSE)/ INCOME		845,301,853	316,312,436	1,641,176,106	605,286,585
Finance expenses (-)	16	(153,552,342)	(64,513,878)	(385,518,156)	(114,689,999)
Monetary Gain/(Loss)		234,109,136	25,141,637	(250,801,652)	(118,075,854)
PROFIT/ (LOSS) BEFORE TAXATION FROM CONTINUED OPERATIONS		925,858,647	276,940,195	1,004,856,298	372,520,732
Tax income/(expense) from continued operations		(320,379,519)	(125,111,871)	(545,402,365)	(226,364,428)
Tax income/ (expense) for the period	17	(143,467,693)	(54,977,267)	(203,861,200)	(105,601,072)
Deferred tax income/ (expense)	17	(176,911,826)	(70,134,604)	(341,541,165)	(120,763,356)
PROFIT/ (LOSS) FOR THE PERIOD		605,479,128	151,828,324	459,453,933	146,156,304
Allocation of Profit/(Loss) For the Period					
Attributable to equity holders of the parent company		605,479,128	151,828,324	459,453,933	146,156,304
Earning/(Loss) Per Share Attributable to Equity Holders of the Parent Company	20	1.121	0.281	0.851	0.271
OTHER COMPREHENSIVE INCOME					
That will not be reclassified as profit or loss					
Actuarial gains (losses) on defined benefit plans		-	-	(1,640,383)	-
Taxes related to other comprehensive income that will not be reclassified as profit or loss					
Tax effect of actuarial gains (losses) on defined benefit plans		-	-	328,076	-
Other Comprehensive Income That Will Be Reclassified to Profit or Loss					
- Foreign currency conversion differences		214,058	47,742	-	-
OTHER COMPREHENSIVE INCOME (LOSS)		214,058	47,742	(1,312,307)	-
TOTAL COMPREHENSIVE INCOME (LOSS)		605,693,186	151,876,066	458,141,626	146,156,304
Allocation of Total Comprehensive Income/(Loss)					
Attributable to non-controlling interests		-	-	-	-
Attributable to equity holders of the parent company		605,693,186	151,876,066	458,141,626	146,156,304

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

GALATA WIND ENERJİ ANONİM ŞİRKETİ

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIODS 1 JANUARY – 30 SEPTEMBER 2024 AND 2023

(Turkish Lira (“TRY”) stated as according to purchasing power of Turkish Lira at 30 September 2024.)

				Other comprehensive income or expense not to be reclassified to profit or loss Actuarial gain/ (loss)	Other comprehensive income or expense not to be reclassified to profit or loss foreign currency conversion Differences	Restricted reserves	Retained earnings			Equity attributable to equity holders of parent company	Non- controlling interest	Total equity
	Share capital	Capital Adjustment Differences	Share premium/ discounts	on defined benefit plans			Advance Dividend Paid	Retained earnings or accumulated loss	Profit (Loss) for Period			
Balance at 1 January 2023	534,791,458	3,361,171,722	20,016,719	(3,145,848)	-	214,157,635	-	3,312,825,570	1,989,847,485	9,429,664,741	-	9,429,664,741
Transfers	5,208,542	3,682,697	-	-	-	99,578,056	-	1,881,378,190	(1,989,847,485)	-	-	-
Dividends	-	-	-	-	-	-	-	(547,110,849)	-	(547,110,849)	-	(547,110,849)
Total comprehensive income	-	-	-	(1,312,307)	-	-	-	-	459,453,934	458,141,627	-	458,141,627
- Other comprehensive income/ (expense)	-	-	-	(1,312,307)	-	-	-	-	-	(1,312,307)	-	(1,312,307)
- Net profit for the period (loss)	-	-	-	-	-	-	-	-	459,453,934	459,453,934	-	459,453,934
Balance at 30 September 2023	540,000,000	3,364,854,419	20,016,719	(4,458,155)	-	313,735,691	-	4,647,092,911	459,453,934	9,340,695,519	-	9,340,695,519
Balance at 1 January 2024	540,000,000	3,364,854,419	20,016,719	(8,279,524)	30,486	313,735,691	(169,825,426)	4,647,092,910	847,154,076	9,554,779,351	-	9,554,779,351
Transfers	-	-	-	-	-	57,171,652	169,825,426	620,156,998	(847,154,076)	-	-	-
Dividends	-	-	-	-	-	-	-	(500,082,410)	-	(500,082,410)	-	(500,082,410)
Total comprehensive income	-	-	-	-	-	-	-	-	605,479,128	605,479,128	-	605,479,128
- Other comprehensive income/ (expense)	-	-	-	-	-	-	-	-	-	-	-	-
- Profit (Loss) for Period	-	-	-	-	-	-	-	-	605,479,128	605,479,128	-	605,479,128
Other Comprehensive income	-	-	-	-	214,058	-	-	-	-	214,058	-	214,058
Foreign currency conversion differences	-	-	-	-	214,058	-	-	-	-	214,058	-	214,058
Balance at 30 September 2024	540,000,000	3,364,854,419	20,016,719	(8,279,524)	244,544	370,907,343	-	4,767,167,498	605,479,128	9,660,390,127	-	9,660,390,127

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

GALATA WIND ENERJİ ANONİM ŞİRKETİ

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIODS 1 JANUARY – 30 SEPTEMBER 2024 AND 2023

(Turkish Lira ("TRY") stated as according to purchasing power of Turkish Lira at 30 September 2024.)

		<i>Unaudited Current Period 1 January - 30 September 2024</i>	<i>Unaudited Prior Period 1 January - 30 September 2023</i>
	Notes		
A. NET CASH FROM OPERATING ACTIVITIES		948,218,168	1,728,130,788
Net profit (loss) for the period		605,479,128	459,453,933
Adjustments regarding reconciliation of net profit (loss) for the period:		445,188,042	1,082,397,813
Adjustments related to depreciation and amortization	6,7,8	438,252,117	389,453,237
Adjustments related to provisions			
- <i>Adjustments related to provisions for (reversal of) employee benefits</i>		2,201,510	1,264,554
- <i>Short-term employee benefits</i>		5,926,198	5,280,773
- <i>Adjustments related to other provisions (reversals)</i>	9	709,155	746,686
Adjustments related to interest (income) and expenses			
- <i>Adjustments related to interest income</i>	15	(51,215,537)	(194,705,475)
- <i>Adjustments related to interest expenses</i>	16	28,412,711	34,028,731
Adjustments related to fair value (gains) losses		41,197,211	10,711,657
Adjustments related to tax (income)/expense	17	320,379,519	545,402,365
Adjustments related to changes in unrealised foreign exchange differences	5	103,065,973	666,984,755
Adjustments related to gains and losses on monetary positions		(443,740,815)	(376,769,470)
Changes in working capital		(117,951,050)	93,510,836
Adjustments for decrease/(increase) in inventories		-	12,864
Adjustments for decrease/ (increase) in trade receivables			
- <i>Decrease/ (increase) in trade receivables from related parties</i>		(391)	345
- <i>Decrease/ (increase) in trade receivables from non-related parties</i>		44,203,785	(95,241,201)
Increase/ (decrease) in payables due to employee benefits		(10,909,455)	(7,881,279)
Adjustments regarding decrease/ (increase) in other receivables on operations			
- <i>(Increase)/ decrease in other receivables regarding operations with non-related parties</i>		42,954	5,615
Adjustments regarding increase (decrease) in trade payables			
- <i>Increase/ (decrease) in trade payables to related parties</i>		495,937	(273,191)
- <i>Increase/ (decrease) in trade payables to non-related parties</i>		39,358,950	19,972,113
Adjustments regarding increase (decrease) in other payables on operations			
- <i>Increase/(decrease) in other payables regarding operations with non-related parties</i>		(180,709,234)	26,296,999
Adjustments for other increase (decrease) in working capital			
- <i>(Increase)/ decrease in other assets regarding operations</i>		(10,433,596)	150,618,571
Net cash from operating activities		932,716,120	1,635,362,582
Income tax refunds (payments)	17	(35,220,016)	(90,090,877)
Interest received		51,186,595	183,995,393
Payment of provisions for employee benefits		(464,531)	(1,136,310)

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

GALATA WIND ENERJİ ANONİM ŞİRKETİ

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIODS 1 JANUARY – 30 SEPTEMBER 2024 AND 2023

(Turkish Lira ("TRY") stated as according to purchasing power of Turkish Lira at 30 September 2024.)

	Notes	Unaudited Current Period 1 January - 30 September 2024	Unaudited Prior Period 1 January - 30 September 2023
B. NET CASH FROM INVESTING ACTIVITIES		(300,751,836)	(1,179,540,892)
Cash inflows / (outflows) from the acquisition of shares or debt instruments of other enterprises or funds		119,952,432	(23,786,238)
Cash outflows from subsidiary acquisition (-)		(69,282,875)	-
Cash outflows from purchase of property, plant, equipment and intangible assets			
<i>Cash outflows from purchase of property, plant, equipment</i>	6	(1,136,021,972)	(940,528,142)
<i>Cash outflows from purchase of intangible assets</i>	7	(2,912,428)	(22,212)
Cash advance given		787,513,007	(218,327,240)
Cash inflows from sale of property, plant, equipment and intangible assets			
<i>Cash inflows from sale of property, plant, equipment</i>	6	-	62,772
<i>Cash inflows from sale of intangible assets</i>	7	-	3,060,168
C. NET CASH FROM FINANCING ACTIVITIES		(690,000,878)	(714,571,664)
Cash outflows on debt payments			
- <i>Cash outflows due to payments of bank borrowings</i>	5	(142,818,471)	(143,410,679)
Cash outflows due to payments of lease liabilities	5	(16,027,125)	(5,746,829)
Interest paid	5,16	(31,072,872)	(18,303,307)
Dividends paid		(500,082,410)	(547,110,849)
D. INFLATION EFFECT		46,118,994	(53,109,039)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE FOREIGN CURRENCY TRANSLATION DIFFERENCES (A+B+C+D)		3,584,448	(219,090,807)
E. EFFECT OF CURRENCY TRANSLATION DIFFERENCES ON CASH AND CASH EQUIVALENTS		12,449,498	(339,281,008)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D+E)		16,033,946	(558,371,815)
F. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	4	89,584,703	1,466,957,536
F. CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E+F)	4	105,618,649	908,585,721

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

GALATA WIND ENERJİ ANONİM ŞİRKETİ

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

(Turkish Lira (“TRY”) stated as according to purchasing power of Turkish Lira at 30 September 2024.)

NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS

Galata Wind Enerji Anonim Şirketi (“Galata Wind” or the “Company”) was acquired and taken over from the İbrahimağaoğlu Family on 29 June 2012 as a Doğan Holding subsidiary.

While the Company operated as a subsidiary of Doğan Enerji Yatırımları Sanayi ve Ticaret A.Ş. (“Doğan Enerji”) as part of Doğan Şirketler Grubu Holding A.Ş., it started to operate directly as a subsidiary of Doğan Şirketler Grubu Holding A.Ş. after the merger of Doğan Şirketler Grubu Holding A.Ş. and Doğan Enerji Yatırımları Sanayi ve Ticaret A.Ş. under Doğan Şirketler Grubu Holding A.Ş. on 2 March 2021. The ultimate joint shareholders of the Company are Aydın Doğan and Doğan Family (Işıl Doğan, Arzuhan Yalçındağ, Vuslat Sabancı, Hanzade V. Doğan Boyner and Y. Begümhan Doğan Faralyalı).

Galata Wind is subject to Capital Markets Legislation and Capital Markets Board (“CMB”) regulations. Its shares have been traded on Borsa İstanbul A.Ş. (“Borsa İstanbul”) since 22 April 2021. As per CMB Principle Decision No. 31/1059 dated 30 October 2014 and Principle Decision No. 21/655 dated 23 July 2010, and according to the records of Central Securities Depository (“CSD”), as of 4 November 2024, shares corresponding to 29.95% of Galata Wind’s capital are accepted as being in circulation.

The main activities of the Company are establishing, operating and managing power plants and generating and selling electricity.

In the scope of this purpose and field, the Company generates electricity using sustainable energy sources and sells this electricity to the Turkey Interconnected Grid.

The Company owns three wind power plants (WPP) and two solar power plants (SPP). Total installed capacity of these plants is 297.2 MW, 246.7 MW of which is comprised of WPPs, and 50.5 MW of which is comprised of SPPs. All power plants, except Mersin WPP and Şah WPP, sell the electricity generated to the feed-in-tariff system, within the scope of the Support Mechanism for Renewable Energy Sources (“YEKDEM”). As of September 2024, a total of 599,352 MWh of electricity was generated, 556,122 MWh from WPPs and 43,230 MWh from SPPs.

The WPPs with 49-year generation licenses are Şah WPP, Taşpınar WPP and Mersin WPP. The 105 MW Şah WPP in Bandırma/Balıkesir has been in operation since 2011, while the 62.7 MW Mersin WPP in Mut/Mersin has been in operation since 2010. The Şah WPP and the Mersin WPP changed hands following the takeover of the company by the Doğan Group and have been operated by the Doğan Group since June 2012. The 79 MW Taşpınar power plant in Nilüfer/Bursa is a project developed by the company and was commissioned in October 2020 with a preliminary partial acceptance. By the end of 2020, the installation of 10 turbines was completed and the project was commissioned at full capacity in March 2021. In total, the company has 71 wind turbines, including 35 Vestas turbines in Bandırma, 16 Nordex turbines in Taşpınar and 20 Vestas turbines in Mersin.

Following the application made to the Energy Market Regulatory Authority to establish a Hybrid Solar Power Plant within the Taşpınar RES licensed power plant, the facility was converted into a “Combined Renewable Energy Power Plant” and a permit of 42.5 MW was obtained. The 9.4 MW section of the Hybrid Solar Power Plant, the construction of which was completed, was commissioned in December 2023, and the 7.3 MW section was commissioned in June 2024. Work is ongoing to commission the remaining capacity of the project in 2024. Hybrid power plants, which enable the generation of electrical energy from multiple sources in a single production facility, enable production facilities to operate more efficiently and with longer-term availability and to produce more electricity within the limits of the installed power.

GALATA WIND ENERJİ ANONİM ŞİRKETİ

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

(Turkish Lira ("TRY") stated as according to purchasing power of Turkish Lira at 30 September 2024.)

NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS (Continued)

"SPPs" operating within the scope of unlicensed power generation were commissioned with an installed capacity of 9.4 MW in Merkez/Çorum and 24.7 MW in Aziziye-Hınıs-Karayazı/Erzurum on 19 December 2017 and 31 December 2018, respectively.

Electricity sales prices are as follows:

- Şah WPP exited YEKDEM at the end of 2021. In this context, it sold the electricity generated in 2021 for the last time at a price of 73 USD/MWh. Since January 2022, it has been selling the generated electricity through bilateral agreements.
- The YEKDEM period for Taşpınar WPP began in 2021 and will continue until the end of 2030. In addition, since the equipment used at the Taşpınar WPP is domestically manufactured, the company will benefit from an additional local contribution price. Taşpınar WPP will sell the electricity it generates for USD 94/MWh (USD 73 + USD 21 local contribution) for 5 years. Taşpınar WPP will once again utilize YEKDEM in 2023. When YEKDEM expires, it will sell electricity at the spot price or through bilateral agreements.
- Mersin WPP, whose YEKDEM term expired at the end of 2020, has been selling its electricity since January 2021 through bilateral agreements.
- For SPPs, the 10-year YEKDEM period has begun from the date of operations. Çorum SPP will sell the electricity it generates until the end of 2027 and Erzurum SPP until the end of 2028 at a selling price of 133 USD/MWh through the distribution companies in the regions in which they operate.

Pursuant to the resolution of the Board of Directors of the Company dated December 31, 2020, all registered shares of Sunflower Solar Güneş Enerjisi Sistemleri Ticaret A.Ş. ("Sunflower"), which is 100% owned by Doğan Enerji, were purchased and taken over by the company with a nominal value of TRY 1,000,000. As of December 31, 2020, the corresponding share transfers are included in Sunflower's share register and as of December 31, 2020, control of Sunflower has been transferred to Galata Wind. The ultimate shareholder of Sunflower is Doğan Şirketler Grubu Holding A.Ş., and the share transfer is considered a transaction between entities under common control. The company's field of activity is the design and installation of all types of renewable energy sources, sunlight-to-energy conversion systems and sunlight-to-energy generation systems in all types of residences, housing estates, hotels, hospitals, factories, tourism facilities, vacation villages and similar facilities, sites and buildings. The company will continue its activities in the field of rooftop solar energy projects and energy storage in the future.

A Share Purchase and Sale Agreement dated 23.09.2022 was entered into between the Company and Şık Mehmet Aslan to acquire all registered shares corresponding to 100% of the capital of Gökova Elektrik Üretim ve Ticaret A.Ş. ("Gökova") at a price of TRY 38,265,698. The subject of the purchase is the wind power plant project ("Alapınar WPP Project"), which will operate within the borders of Muğla Province, has an installed capacity of 9 MWm / 6.8 MWe and a generation license number EÜ/3519-37/2164. As of 23, 2022, corresponding share transfers are registered in the share register of Gökova. On September 23, 2022, control of Gökova was transferred to Galata Wind. Within the field coordinates included in Production License No. EU/3519-37/2164, the Company shall pay an additional fee of USD 1,750,000 in cash and in full to the Seller, provided that the obligation under the positive EIA decision is satisfied by the obligations under EMRA's decision dated September 1, 2022, No. 11159-7.

GALATA WIND ENERJİ ANONİM ŞİRKETİ

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

(Turkish Lira ("TRY") stated as according to purchasing power of Turkish Lira at 30 September 2024.)

NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS (Continued)

With regard to renewable energy investment projects abroad, and so as to consolidate and effectively coordinate potential investments abroad, the establishment of a new company/subsidiary named Galata Wind Energy Global BV, located in the Netherlands, in which the Company will have 100% share capital, has been completed.

As of 30 September 2024, the main operations of the subsidiary of the Company (the Company and the subsidiary shall be together referred to as the "Group") and the country in which it operates are as follows:

Subsidiary	Main operation	Country registered
Sunflower Solar Güneş Enerjisi Sistemleri Ticaret A.Ş. ("Sunflower")	Energy	Turkiye
Gökova Elektrik Üretim ve Ticaret A.Ş. ("Gökova")	Energy	Turkiye
Galata Wind Energy Global BV ("Galata Wind Global")	Energy	Netherlands

The Group had 66 employees as of 30 September 2024 (31 December 2023: 56).

The registered address of the group is as follows:

Burhaniye Mah. Kısıklı Cad. No: 65 34676 Üsküdar/Istanbul

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basis of Presentation

2.1.1 Preparation and Presentation of Financial Statements

Adopted Financial Reporting Standards

The consolidated financial statements of the Group have been prepared in accordance with the Capital Markets Board's ("CMB") Communiqué Serial II, 14.1 "Principles of Financial Reporting in Capital Markets" ("Communiqué") published in the Official Gazette dated 13 June 2013 and numbered 28676. Turkish Financial Reporting Standards and their annexes and comments ("TFRSs") published by the Public Oversight Accounting and Auditing Standards Authority ("KGK") in accordance with Article 5 of the Communiqué. The consolidated financial statements have been prepared in accordance with the formats specified in the "Announcement on TFRS Taxonomy" published by POA on October 4, 2022 and the Financial Statement Examples and User Guide published by the CMB.

The Group maintains their legal books of accounts in Turkish Lira in accordance with the Tax Legislation, and the Uniform Chart of Accounts (General Communiqué on Accounting System Implementation) issued by the Ministry of Finance. These consolidated financial statements, except for the financial assets that are presented at fair value, are prepared on the basis of historical cost.

Financial reporting in hyperinflationary economics

The Group has prepared its consolidated financial statements for the year ended 31 December 2023 by applying TAS 29 "Financial Reporting in High Inflation Economies" Standard based on the announcement made by the KGK on 23 November 2023 and the "Implementation Guide on Financial Reporting in High Inflation Economies". In accordance with the standard, financial statements were prepared based on the currency of a hyperinflationary economy are prepared in the purchasing power of this currency at the balance sheet date, and comparative information is expressed in terms of the current measurement unit at the end of the reporting period for the purpose of comparison of previous period financial statements. Therefore, the Group has presented its consolidated financial statements as of 31 December 2023, based on purchasing power as of 30 September 2024.

GALATA WIND ENERJİ ANONİM ŞİRKETİ

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

(Turkish Lira ("TRY") stated as according to purchasing power of Turkish Lira at 30 September 2024.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1 Basis of Presentation (Continued)

2.1.1 Preparation and Presentation of Financial Statements (Continued)

Financial reporting in hyperinflationary economics (Continued)

In accordance with the CMB's decision dated 28 December 2023 and numbered 81/1820, issuers and capital market institutions subject to financial reporting regulations implementing Turkish Accounting/Financial Reporting Standards shall comply with the provisions of TMS 29, starting from their annual financial reports for the accounting periods ending as of 31 December 2023. It was decided to apply inflation accounting.

Rearrangements made in accordance with TMS 29 were made using the correction coefficient obtained from the Consumer Price Index in Turkey ("CPI") published by the Turkish Statistical Institute ("TURKSTAT"). As of September 30, 2024, the indices and correction coefficients used in the correction of consolidated financial statements are as follows:

Date	Index	Adjustment Coefficient	Three Years Compound Inflation Rate
30 September 2024	2,526.16	1.00000	%343
31 December 2023	1,859.38	1.35860	%268
30 September 2023	1,691.04	1.49385	%254

The main elements of the Group's adjustment for financial reporting purposes in high-inflation economies are as follows:

- The current period consolidated financial statements prepared in TRY are expressed with the purchasing power at the balance sheet date, and the amounts from previous reporting periods are also expressed by adjusting according to the purchasing power at the end of the reporting period.
- Monetary assets and liabilities are not adjusted as they are currently expressed with current purchasing power at the balance sheet date. In cases where the inflation-adjusted values of non-monetary items exceed the recoverable amount or net realizable value, the provisions of TMS 36 and TMS 2 were applied, respectively.
- Non-monetary assets and liabilities and equity items that are not expressed in current purchasing power at the balance sheet date have been corrected using the relevant correction coefficients.

All items in the statement of comprehensive income, except those that affect the statement of comprehensive income of non-monetary items in the balance sheet, are indexed with coefficients calculated over the periods when the income and expense accounts are first reflected in the financial statements. The effect of inflation on the Group's net monetary asset position in the current period is recorded in the net monetary position loss account in the income statement.

GALATA WIND ENERJİ ANONİM ŞİRKETİ

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

(Turkish Lira ("TRY") stated as according to purchasing power of Turkish Lira at 30 September 2024.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1 Basis of Presentation (Continued)

2.1.1 Preparation and Presentation of Financial Statements (Continued)

Functional and Presentation Currency

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Turkish Lira, which is the functional and presentation currency of Group.

2.1.2 Consolidation Principles

(a) Subsidiaries

Subsidiaries comprise of the companies directly or indirectly controlled by Galata Wind.

Control is achieved when the Group:

- Has power over the company/asset;
- Is exposed, or has rights, to variable returns from its involvement with the company/asset; and
- Has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are indicators of a situation or an event that may cause any changes to at least one of the elements of control listed above.

When the Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in the relevant investee are sufficient to give it power, including:

- The size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Group, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities (including voting patterns at previous shareholders' meetings).

Subsidiaries are consolidated by the date the Group takes the control and from the date the control is over, subsidiaries are excluded from the consolidation scope. Proportion of ownership interest represents the effective shareholding of the Group through the shares held by Galata Wind and/or indirectly by its subsidiaries.

Intercompany transactions and balances are eliminated on consolidation. The dividends arising from shares held by Group in its subsidiary are eliminated from equity and income for the period.

Subsidiaries acquired or disposed of during the accounting period are included in the consolidation from the date at which the control of operations are transferred to the Group and excluded from the consolidation when the control is lost. Even if non-controlling interests result in a deficit balance, total comprehensive income is attributed to the owners and to the non-controlling interests.

GALATA WIND ENERJİ ANONİM ŞİRKETİ

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

(Turkish Lira ("TRY") stated as according to purchasing power of Turkish Lira at 30 September 2024.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1 Basis of Presentation (Continued)

2.1.2 Consolidation Principles (Continued)

(a) Subsidiaries (Continued)

Income and expense of a subsidiary, acquired or disposed of the during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Changes in ownership interests

The Group assesses transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their indirect interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity.

As of 30 September 2024 and, Sunflower, Gökova, Galata Wind Global, are the subsidiaries consolidated. The voting rights and effective ownership rates for Sunflower are shown below:

Subsidiaries	Direct voting Rights (%)		Proportion of effective ownership interest (%)	
	30 September 2024	31 December 2023	30 September 2024	31 December 2023
Sunflower	100	100	100	100
Gökova	100	100	100	100
Galata Wind Global	100	100	100	100

Summary financial information of Sunflower as of 30 September 2024 and 31 December 2023 are as follows:

	30 September 2024	31 December 2023
Current assets	1,199,450	1,557,329
Non-current assets	-	1,509
Current liabilities	71,579	12,757
Shareholders equity	1,127,871	1,546,081
Net (loss)/ profit for the period	(596,194)	(399,834)

Summary financial information of Gökova as of 30 September 2024 and 31 December 2023 are as follows:

	30 September 2024	31 December 2023
Current assets	5,648,538	5,369,819
Non-current assets	4,939,601	4,675,378
Current liabilities	1,251	971
Shareholders equity	10,586,888	10,044,226
Net (loss)/ profit for the period	(294,756)	821,388

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

(Turkish Lira ("TRY") stated as according to purchasing power of Turkish Lira at 30 September 2024.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1 Basis of Presentation (Continued)

2.1.2 Consolidation Principles (Continued)

Changes in ownership interests (Continued)

Summary financial information of Galata Wind Global as of 30 September 2024 and 31 December 2023 are as follows: With the share purchase and sale agreement signed by Galata Wind Global on August 14, 2024, the financial information of Nova Grup Enerji Yatırımları A.Ş. ("Nova") and Avrupa Grup Enerji Yatırımları A.Ş. ("Avrupa") are also shown under Galata Wind Global:

	30 September 2024	31 December 2023
Current assets	340,522	4,539,014
Non-current assets	69,282,875	-
Current liabilities	68,359,504	1,123,099
Shareholders equity	1,263,893	3,415,915
Net (loss)/ profit for the period	(17,662,561)	(1,855,249)

(b) Non-Controlling Interests

Non-controlling interests of shareholders over the net assets and operational results of subsidiaries are classified as non-controlling interest and non-controlling profit/loss in the consolidated statement of financial position and consolidated statement of income.

2.1.3 Offsetting

Financial assets and liabilities are offset and the net amount is reported when there is a legally enforceable right to set-off the recognised amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

To conform to the presentation of the current period's consolidated financial statements, comparative information is reclassified when deemed necessary and material differences are disclosed.

2.1.4 Comparative information and restatement of prior period financial statements

The Group's consolidated financial statements were prepared in comparison with the previous periods in order to determine financial position and performance trends. The Group prepared its consolidated statement of financial position as at 30 September 2024 in comparison with the consolidated statement of financial position as at 31 December 2023. The Group prepared its consolidated statement of profit or loss and other comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity for the period ending 1 January - 30 September 2024 in comparison with the consolidated financial statements for the period ending 1 January - 30 September 2023.

2.1.5 Financial statements of subsidiaries operating abroad

The financial statements of subsidiaries operating abroad have been prepared in accordance with the laws and regulations of the countries in which they operate and have been prepared with adjustments made for the purpose of fair presentation in accordance with Turkish Accounting Standards. In this context, the Group's subsidiaries operating abroad prepare their financial statements in the functional currency Euro, assets and liabilities are translated into Turkish Lira at the exchange rate prevailing on the date of the consolidated balance sheet, and income and expenses are translated into Turkish Lira at the average exchange rate. Translation differences resulting from the use of closing and average rates and indexation effects resulting from the indexation of the income statements in accordance with TAS 29 are recognized in other comprehensive income and in equity under the currency translation reserve.

GALATA WIND ENERJİ ANONİM ŞİRKETİ

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

(Turkish Lira ("TRY") stated as according to purchasing power of Turkish Lira at 30 September 2024.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

Basis of Presentation (Continued)

2.1.6 Changes in significant accounting policies, accounting estimates, errors and restatement of prior period financial statements

Changes of accounting policies resulting from the first-time implementation of the TAS are implemented retrospectively or prospectively in accordance with the transition provisions. Major accounting mistakes detected are applied retrospectively and the financial statements of previous period are revised. If the changes in accounting estimates only apply to one period, then they are applied in the current period when the change occurs; if the changes apply also to the future periods, they are applied in both the period of change and in the future period.

2.1.7 New and revised Turkish Financial Reporting Standards ("TFRS")

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

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

Amendments to TAS 1 are effective for annual reporting periods beginning on or after 1 January 2024 and earlier application is permitted.

Amendments to TFRS 16 Lease Liability in a Sale and Leaseback

Amendments to TFRS 16 clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in TFRS 15 to be accounted for as a sale.

Amendments are effective from annual reporting periods beginning on or after 1 January 2024.

Amendments to TAS 1 Non-current Liabilities with Covenants

Amendments to TAS 1 clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.

Amendments are effective from annual reporting periods beginning on or after 1 January 2024.

The Group evaluates the effects of these standards, amendments and improvements on the consolidated financial statements.

Amendments to TAS 7 and TFRS 7 Supplier Finance Arrangements

The amendments add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements. Amendments are effective from annual reporting periods beginning on or after 1 January 2024.

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

(Turkish Lira ("TRY") stated as according to purchasing power of Turkish Lira at 30 September 2024.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

Basis of Presentation (Continued)

2.1.7 New and revised Turkish Financial Reporting Standards ("TFRS") (Continued)

TSRS 1 General Requirements for Disclosure of Sustainability-related Financial Information

TSRS 1 sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity. The application of this standard is mandatory for annual reporting periods beginning on or after 1 January 2024 for the entities that meet the criteria specified in POA's announcement dated 5 January 2024 and numbered 2024-5 and for banks regardless of the criteria. Other entities may voluntarily report in accordance with TSRS.

TSRS 2 Climate-related Disclosures

TSRS 2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity. The application of this standard is mandatory for annual reporting periods beginning on or after 1 January 2024 for the entities that meet the criteria specified in POA's announcement dated 5 January 2024 and numbered 2024-5 and for banks regardless of the criteria. Other entities may voluntarily report in accordance with TSRS.

a) New and revised TFRS's in issue but not yet effective

TFRS 17 Insurance Contracts

TFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. TFRS 17 has been deferred for insurance, reinsurance and pension companies for a further year and will replace TFRS 4 Insurance Contracts on 1 January 2025.

Amendments to TFRS 17 Insurance Contracts and Initial Application of TFRS 17 and TFRS 9 — Comparative Information

Amendments have been made in TFRS 17 in order to reduce the implementation costs, to explain the results and to facilitate the initial application.

The amendment permits entities that first apply TFRS 17 and TFRS 9 at the same time to present comparative information about a financial asset as if the classification and measurement requirements of TFRS 9 had been applied to that financial asset before. Amendments are effective with the first application of TFRS 17.

Amendments to TAS 21 Lack of Exchangeability

The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. Amendments are effective from annual reporting periods beginning on or after 1 January 2025.

The Group evaluates the effects of these standards, amendments and improvements on the consolidated financial statements.

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

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NOTE 3 – GOODWILL

	30 September 2024	31 December 2023
Goodwill	178,059,199	178,059,199
	178,059,199	178,059,199

Movement of goodwill is as follows:

	<u>2024</u>	<u>2023</u>
1 January	178,059,199	178,059,199
Addition during the year	-	-
30 September	178,059,199	178,059,199

NOTE 4 - CASH AND CASH EQUIVALENTS

	30 September 2024	31 December 2023
Banks (*)	105,734,403	89,671,515
- Demand deposits	257,901	5,249,706
- Time deposits (less than 3 months)	105,476,502	84,421,809
	105,734,403	89,671,515

(*) As of 30 September 2024, the Group's overnight time deposits are 50% in TRL, 2% in USD and 1% in EUR (effective interest rate in EUR as of 31 December 2023 is 1%, effective interest rate in USD as of 31 December 2023 is 1%) and their maturities are less than 3 months. The Group has no blocked deposits as of 30 September 2024 (31 December 2023: None).

Cash and cash equivalents included in the cash flow statements in 30 September 2024 and 31 December 2023 are as follows:

	30 September 2024	31 December 2023	30 September 2023	31 December 2022
Cash and cash equivalents	105,734,403	89,671,515	919,504,066	1,475,421,315
Interest accruals(-)	(115,754)	(86,812)	(10,918,345)	(8,463,779)
Total	105,618,649	89,584,703	908,585,721	1,466,957,536

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

(Turkish Lira ("TRY") stated as according to purchasing power of Turkish Lira at 30 September 2024.)

NOTE 5 - SHORT AND LONG-TERM BORROWINGS

The summary on short and long-term bank borrowings is as follows:

Short-term portion of long-term borrowings:	30 September 2024	31 December 2023
Short-term portion of long-term bank borrowings from third parties	126,763,457	159,244,462
Lease liabilities from third parties	1,982,933	938,728
Lease liabilities from related parties	677,912	279,954
	129,424,302	160,463,144
Long-term borrowings:	30 September 2024	31 December 2023
Long-term bank borrowings from third parties	605,417,087	844,131,310
Lease liabilities from third parties	52,737,812	45,838,935
Lease liabilities from related parties	297,746	404,519
	658,452,645	890,374,764

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

(Turkish Lira ("TRY") stated as according to purchasing power of Turkish Lira at 30 September 2024.)

NOTE 5 - SHORT AND LONG-TERM BORROWINGS (Continued)

a) Bank borrowings

Details of the bank borrowings as of 30 September 2024 and 31 December 2023 are as follows:

	30 September 2024		
	Interest rate per annum (%)	Original currency	TRY
Short-term portion of long-term bank borrowings:			
- EUR denominated bank borrowings	Libor+0.65 - 0.80	3,314,927	126,763,457
Long term bank borrowings:			
- EUR denominated bank borrowings	Libor+0.65 - 0.80	15,831,954	605,417,087
Total bank borrowings			732,180,544

	31 December 2023		
	Interest rate per annum (%)	Original currency	TRY
Short-term portion of long-term bank borrowings:			
- EUR denominated bank borrowings	Libor+0.65 - 0.80	3,591,865	159,244,462
Long term bank borrowings:			
- EUR denominated bank borrowings	Libor+0.65 - 0.80	19,039,943	844,131,310
Total bank borrowings			1,003,375,772

The redemption schedule of long-term bank borrowings as of 30 September 2024 and 31 December 2023 is as follows:

	30 September 2024	31 December 2023
In 2 years	122,674,122	142,225,406
In 3 years	122,674,122	142,225,406
In 4 years	122,674,122	142,225,406
More than 5 years	237,394,721	417,455,092
	605,417,087	844,131,310

As of 30 September 2024 and 31 December 2023, the Group's financial liabilities with floating interest rates is as follows:

	30 September 2024	31 December 2023
Financial borrowings with floating rates	732,180,544	1,003,375,772
	732,180,544	1,003,375,772

GALATA WIND ENERJİ ANONİM ŞİRKETİ

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

(Turkish Lira ("TRY") stated as according to purchasing power of Turkish Lira at 30 September 2024.)

NOTE 5 - SHORT AND LONG-TERM BORROWINGS (Continued)

a) Bank borrowings (Continued)

The Group have a financial commitment to comply with in its loan agreements. In accordance with the bank loan agreement, the measurement date of financial ratios is 31 December 2024.

As of 30 September 2024, the remaining credit limit of the Group in banks is TRY 7,060,973,016 (31 December 2023: TRY 6,006,943,766).

Commitments related to financial liabilities are presented in Note 9.

The movement of the financial borrowings as of 30 September 2024 and 2023 is as follows:

	2024	2023
1 January	1,003,375,772	1,144,867,005
Additions	(142,818,471)	(143,410,679)
Payments	20,948,834	22,550,923
Interest accruals	115,515,471	327,703,747
Monetary Gain/(Loss)	(264,841,062)	(380,884,383)
30 September	732,180,544	970,826,613

The reconciliation of the net financial borrowings as of 30 September 2024 and 31 December 2023 are as follows:

	30 September 2024	31 December 2023
Cash and cash equivalents (Note 4)	105,734,403	89,671,515
Short-term borrowings	(126,763,457)	(159,244,462)
Long-term borrowings	(605,417,087)	(844,131,310)
Short-term lease liabilities	(2,660,845)	(1,218,682)
Long-term lease liabilities	(53,035,558)	(46,243,454)
Net financial (liability)/assets	(682,142,544)	(961,166,393)

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

(Turkish Lira ("TRY") stated as according to purchasing power of Turkish Lira at 30 September 2024.)

NOTE 5 - SHORT AND LONG-TERM BORROWINGS (Continued)

a) Bank borrowings (Continued)

	Long and short-term borrowings	Lease liabilities	Cash and cash equivalent	Net financial (asset)/liabilities
1 January 2024	1,003,375,772	47,462,136	(89,671,515)	961,166,393
Cash flow effect	(142,818,471)	9,054,803	(49,703,442)	(183,467,110)
Foreign currency adjustment	115,515,471	-	(12,449,498)	103,065,973
Interest accruals	20,948,834	7,758,123	(28,942)	28,678,015
Monetary Gain/(Loss)	(264,841,062)	(8,578,659)	46,118,994	(227,300,727)
30 September 2024	732,180,544	55,696,403	(105,734,403)	682,142,544

	Long and short-term Borrowings	Lease liabilities	Cash and cash equivalent	Net financial (asset)/liabilities
1 January 2023	1,144,867,005	34,821,784	(1,475,421,315)	(295,732,526)
Cash flow effect	(143,410,679)	(5,366,515)	272,199,846	123,422,652
Foreign currency adjustment	327,703,747	-	339,281,008	666,984,755
Interest accruals	22,550,923	3,653,651	(2,454,566)	23,750,008
Monetary Gain/(Loss)	(380,884,383)	(11,584,714)	(53,109,039)	(445,578,136)
30 September 2023	970,826,613	21,524,206	(919,504,066)	72,846,753

Lease liabilities

Details of the lease liabilities as of 30 September 2024 and 31 December 2023 are as follows:

		30 September 2024	
	Interest rate per annum (%)	Original Currency	TRY
Short-term portion of long-term lease liabilities:			
TRY denominated lease borrowings from third parties	18.79 – 22.55	1,982,933	1,982,933
TRY denominated lease liabilities from related parties	18.00	677,912	677,912
Total short-term portion of long-term lease liabilities:			2,660,845
Long-term lease liabilities:			
TRY denominated lease liabilities from third parties	18.79 – 22.55	52,737,812	52,737,812
TRY denominated lease liabilities from related parties	18.00	297,746	297,746
Total long-term lease liabilities			53,035,558
Total lease liabilities			55,696,403

GALATA WIND ENERJİ ANONİM ŞİRKETİ

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

(Turkish Lira ("TRY") stated as according to purchasing power of Turkish Lira at 30 September 2024.)

NOTE 5 - SHORT AND LONG-TERM BORROWINGS (Continued)

b) Lease liabilities (Continued)

	31 December 2023		
	Interest rate per annum (%)	Original Currency	TRY
Short-term portion of long-term lease liabilities:			
TRY denominated lease liabilities from third parties	18.79 – 22.55	938,728	938,728
TRY denominated lease liabilities from related parties	18.00	279,954	279,954
Total short-term portion of long-term lease liabilities:			1,218,682
Long-term lease liabilities:			
TRY denominated lease liabilities from third parties	18.79 – 22.55	45,838,935	45,838,935
TRY denominated lease liabilities from related parties	18.00	404,519	404,519
Total long-term lease liabilities			46,243,454
Total lease liabilities			47,462,136

The movement of the lease liabilities as of 30 September 2024 and 2023 are as follows:

	2024	2023
1 January	47,462,136	34,821,784
Additions	25,081,928	380,313
Payments	(16,027,125)	(5,746,829)
Interest expense	7,758,123	3,653,651
Monetary Gain/(Loss)	(8,578,659)	(11,584,713)
30 September	55,696,403	21,524,206

GALATA WIND ENERJİ ANONİM ŞİRKETİ

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

(Turkish Lira ("TRY") stated as according to purchasing power of Turkish Lira at 30 September 2024.)

NOTE 6 - PROPERTY, PLANT AND EQUIPMENT

Movements of the property, plant and equipment for the periods ended 30 September 2024 and 2023 are as follows:

	1 January 2024	Additions	Transfers	Disposals	30 September 2024
Cost					
Land and land improvements	176,967,672	-	-	-	176,967,672
Buildings	69,245,907	-	4,231,925	-	73,477,832
Wind turbines, transformer and switchyard	8,732,513,661	1,110,970	221,523,279	-	8,955,147,910
Motor vehicles	4,412,710	25,524,566	-	-	29,937,276
Furniture and fixtures	186,641,834	2,163,538	-	-	188,805,372
Construction in progress (*)	1,077,902,602	1,107,222,898	(226,040,696)	-	1,959,084,804
Special costs	25,620,550	-	285,492	-	25,906,042
Total cost	10,273,304,936	1,136,021,972	-	-	11,409,326,908
Accumulated depreciation					
Land and land improvements	(49,083,169)	(8,382,193)	-	-	(57,465,362)
Buildings	(14,009,066)	(1,052,570)	-	-	(15,061,636)
Wind turbines, transformer and switchyard	(3,135,696,439)	(336,532,323)	-	-	(3,472,228,762)
Motor vehicles	(3,629,904)	(3,163,588)	-	-	(6,793,492)
Furniture and fixtures	(77,934,658)	(7,659,361)	-	-	(85,594,019)
Special costs	(1,652,315)	(445,055)	-	-	(2,097,370)
Total accumulated depreciation	(3,282,005,551)	(357,235,090)	-	-	(3,639,240,641)
Net book value	6,991,299,385				7,770,086,267

(*) "Taşpınar Combined Renewable Electricity Generation Facility (Auxiliary Source Solar Power Plant Addition) Project", which is being built by our company in Bursa Province, Nilüfer District, Korubaşı Neighborhood, and investments as part of the capacity expansion of our wind power plant in Mersin Province, Mut District, Özlü and Gezende Neighborhood.

As of 30 September 2024, there are no capitalized borrowing costs in property, plant and equipment (31 December 2023: None). As of September 30, 2024, there were no mortgages on property, plant and equipment (December 31, 2023: None). The Group has no property, plant and equipment acquired through finance leases.

GALATA WIND ENERJİ ANONİM ŞİRKETİ

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

(Turkish Lira ("TRY") stated as according to purchasing power of Turkish Lira at 30 September 2024.)

NOTE 6 - PROPERTY, PLANT AND EQUIPMENT (Continued)

	1 January 2023	Additions	Transfers	Disposals	30 September 2023
Cost					
Land and land improvements	163,341,566	406,354	-	-	163,747,920
Buildings	69,245,906	-	-	-	69,245,906
Wind turbines, transformer and switchyard	7,844,613,841	-	25,830,710	-	7,870,444,551
Motor vehicles	4,322,595	18,436	-	-	4,341,031
Furniture and fixtures	183,401,953	2,635,428	-	(102,390)	185,934,991
Construction in progress	203,587,390	937,467,924	(29,776,360)	-	1,111,278,954
Special costs	25,402,103	-	-	-	25,402,103
Other fixed assets	14,089	-	-	-	14,089
Total cost	8,493,929,443	940,528,142	(3,945,650)	(102,390)	9,430,409,545
Accumulated depreciation					
Land and land improvements	(38,742,509)	(7,681,956)	-	-	(46,424,465)
Buildings	(12,615,041)	(1,045,518)	-	-	(13,660,559)
Wind turbines, transformer and switchyard	(2,737,128,128)	(296,048,489)	-	-	(3,033,176,617)
Motor vehicles	(2,977,054)	(537,575)	-	-	(3,514,629)
Furniture and fixtures	(64,855,577)	(10,057,178)	-	39,618	(74,873,137)
Special costs	(1,071,213)	(434,704)	-	-	(1,505,917)
Other fixed assets	(14,089)	-	-	-	(14,089)
Total accumulated depreciation	(2,857,403,611)	(315,805,420)	-	39,618	(3,173,169,413)
Net book value	5,636,525,832				6,257,240,132

NOTE 7 - INTANGIBLE ASSETS

Movements of the intangible assets for the periods ended 30 September 2024 and 2023 are as follows:

	1 January 2024	Additions	Transfers	Disposals	30 September 2024
Cost					
Rights (*)	33,191,011	224,613	-	-	33,415,624
Licenses	4,499,521,234	71,970,690	-	-	4,571,491,924
Total cost	4,532,712,245	72,195,303	-	-	4,604,907,548
Accumulated amortization					
Rights	(6,784,075)	(2,147,825)	-	-	(8,931,900)
Licenses	(1,100,158,225)	(70,760,615)	-	-	(1,170,918,840)
Total accumulated amortization	(1,106,942,300)	(72,908,440)	-	-	(1,179,850,740)
Net book value	3,425,769,945				3,425,056,808

(*) As of 30 September 2024, there are 1,282,967 tons of carbon credit sales rights. (30 September 2023: 543,278 tons)

GALATA WIND ENERJİ ANONİM ŞİRKETİ

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(Turkish Lira ("TRY") stated as according to purchasing power of Turkish Lira at 30 September 2024.)

NOTE 7 - INTANGIBLE ASSETS (Continued)

	1 January 2023	Additions	Transfers	Disposals	30 September 2023
Cost					
Rights	26,202,813	-	3,945,650	(3,224,930)	26,923,533
Licenses	4,499,499,021	22,212	-	-	4,499,521,233
Total cost	4,525,701,834	22,212	3,945,650	(3,224,930)	4,526,444,766
Accumulated amortization					
Rights	(6,083,134)	(1,685,273)	-	164,762	(7,603,645)
Licenses	(1,003,995,164)	(70,760,539)	-	-	(1,074,755,703)
Total accumulated amortization	(1,010,078,298)	(72,445,812)	-	164,762	(1,082,359,348)
Net book value	3,515,623,536				3,444,085,418

NOTE 8 - RIGHT OF USE ASSETS

	1 January 2024	Additions	Disposals	30 September 2024
Cost:				
Land	104,725,397	66,894,402	-	171,619,799
Motor vehicles	2,231,991	9,718,979	-	11,950,970
Offices	11,365,734	5,006,530	-	16,372,264
	118,323,122	81,619,911	-	199,943,033
Accumulated amortization:				
Land	(12,336,262)	(3,682,673)	-	(16,018,935)
Motor vehicles	(2,231,991)	(3,244,229)	-	(5,476,220)
Offices	(3,832,056)	(1,181,685)	-	(5,013,741)
	(18,400,309)	(8,108,587)	-	(26,508,896)
Net book value	99,922,813			173,434,137

	1 January 2023	Additions	Disposals	30 September 2023
Cost:				
Land	69,808,418	6,822,857	-	76,631,275
Motor vehicles	2,231,991	-	-	2,231,991
Offices	11,365,734	-	-	11,365,734
	83,406,143	6,822,857	-	90,229,000
Accumulated amortization:				
Land	(7,665,625)	(1,167,659)	-	(8,833,284)
Motor vehicles	(2,231,991)	-	-	(2,231,991)
Offices	(2,458,207)	(34,346)	-	(2,492,553)
	(12,355,823)	(1,202,005)	-	(13,557,828)
Net book value	71,050,320			76,671,172

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(Turkish Lira ("TRY") stated as according to purchasing power of Turkish Lira at 30 September 2024.)

NOTES 9 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

a) Other short-term provisions:

	30 September 2024	31 December 2023
Provision for lawsuit	576,426	1,285,581
	576,426	1,285,581

a) Conditional Liabilities, Guarantee, Pledge, Mortgage, Bail and other

Collateral, Pledge and Mortgage ("CPM") positions as of 30 September 2024 and 31 December 2023 are presented below:

30 September 2024	TRY equivalent	TRY	EUR
A. GPM's given for companies own legal personality			
- Guarantee ⁽¹⁾	319,660,893	90,034,359	6,039,943
- Pledge	-	-	-
- Mortgage	-	-	-
B. GPM's given on behalf of fully consolidated companies	-	-	-
C. GPM's given for continuation of its economic activities on behalf of third parties	-	-	-
D. Total amount of other GPM's			
i, Total amount of GPM's given on behalf of the majority shareholder	-	-	-
ii, Total amount of GPM's given to on behalf of other group companies	-	-	-
which are not companies which are not in scope of B and C	-	-	-
iii, Total amount of GPM's given on behalf of third parties which are not in scope of C	-	-	-
Total	319,660,893	90,034,359	6,039,943

31 December 2023	TRY equivalent	TRY	EUR
A. GPM's given for companies own legal personality			
- Guarantee ⁽¹⁾	445,754,831	124,997,562	7,247,931
- Pledge	-	-	-
- Mortgage	-	-	-
B. GPM's given on behalf of fully consolidated companies	-	-	-
C. GPM's given for continuation of its economic activities on behalf of third parties	-	-	-
D. Total amount of other GPM's			
i, Total amount of GPM's given on behalf of the majority shareholder	-	-	-
ii, Total amount of GPM's given to on behalf of other group companies	-	-	-
which are not companies which are not in scope of B and C	-	-	-
iii, Total amount of GPM's given on behalf of third parties which are not in scope of C	-	-	-
Total	445,754,831	124,997,562	7,247,931

(1) Represents the guarantee letters provided. The Group provided guarantee letters to the Energy Market Regulation Authority and financial institutions.

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(Turkish Lira ("TRY") stated as according to purchasing power of Turkish Lira at 30 September 2024.)

NOTES 9 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

a) Conditional Liabilities, Guarantee, Pledge, Mortgage, Bail and other (Continued)

The details of these guarantee letters are as follows:

	30 September 2024		31 December 2023	
	Original currency	TRY equivalent	Original currency	TRY equivalent
Letter of guarantees - TRY	90,034,359	90,034,359	124,997,562	124,997,562
Letter of guarantees - EUR	6,039,943	229,626,534	7,247,931	320,757,270
Total		319,660,893		445,754,832

b) Letters of guarantee and collateral bills received

The letters of guarantee and collateral bills received consist of guarantee letters received from the responsible entity for imbalance and subcontractors related to Taşpınar WPP. The details of the Group's letters of guarantee and collateral bills are as follows:

	30 September 2024		31 December 2023	
	Original currency	TRY equivalent	Original currency	TRY equivalent
Guarantee letter – TRY	320,134,523	320,134,523	474,450,432	474,450,432
Guaranteed bill - TRY	10,000	10,000	13,586	13,586
Total		320,144,523		474,464,018

NOTES 10 - PREPAID EXPENSES

Short-term prepaid expenses

	30 September 2024	31 December 2023
Prepaid expenses (**)	46,969,570	36,120,712
Advances given	1,738,876	2,362,443
	48,708,446	38,483,155

Long-term prepaid expenses

	30 September 2024	31 December 2023
Advances given (*)	291,862,993	1,063,008,375
Prepaid expenses (**)	79,399,098	95,766,723
	371,262,091	1,158,775,098

(*) As of September 30, 2024, this includes advance payments made for the capacity expansion of our wind power plant in the Özlü and Gezende districts of the Mut district in the province of Mersin and Hybrid Solar Power Plant project of our Taşpınar Wind Power Plant located in Nilüfer District of Bursa Province.

(**) The corresponding balances of TRY 10,296,508 in short-term prepaid expenses and TRY 55,544,722 in long-term prepaid expenses consist of prepaid insurance for the new EUR 20,000,000 10-year loan raised from foreign sources in 2021.

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

(Amount expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 11 - EQUITY

Paid Capital:

The ultimate shareholder of the Group is Doğan Family. The shareholders of the Group and the historical values of shares in equity at 30 September 2024 and 31 December 2023 are as follows:

Shareholder	Share (%)	30 September 2024	Share (%)	31 December 2023
Doğan Şirketler Grubu Holding A.Ş.	70.00	378,000,000	70.00	378,000,000
Publicly traded on Borsa İstanbul (1)	30.00	162,000,000	30.00	162,000,000
Nominal equity (2)	100	540,000,000	100	540,000,000

(1) In accordance with the "CMB" Resolution No: 31/1059 issued on 30 October 2014 and 21/655 issued on 23 July 2010, it is regarded that 161,767,495 shares corresponding to 29.95% of Galata Wind's capital are outstanding as of 4 June 2024 based on the Central Security Depository's ("CSD") records,

The Group's authorized share capital consist of 540,000,000 shares with a nominal value of 1 TRY per share (31 December 2023: 540,000,000 shares / 1 TRY).

Share premiums/ (discounts)

This account represents the differences that occur when the carrying amount of the net assets of the entities, acquired in a business combination transaction involving entities under common control, exceeds the transferred price at the date of the merger.

	30 September 2024	31 December 2023
Share premiums	20,016,719	20,016,719
Total	20,016,719	20,016,719

Restricted reserves

Restricted reserves are reserved from the prior period profit due to legal or contractual obligations or for certain purposes other than the profit distribution (for example, to obtain the tax advantage of gain on sale of associates). Restricted reserves are in the scope of solo legal records in accordance with TCC and TPL.

General Statutory Legal Reserves are reserved in accordance with the Article 519 of Turkish Commercial Code and used in accordance with the principles set out in this article. The afore-mentioned amounts should be classified in "Restricted Reserves" in accordance with the TAS.

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(Amount expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 11 - EQUITY (Continued)

The details of restricted reserves as of 30 September 2024 and 31 December 2023 as follows:

	30 September 2024	31 December 2023
Restricted Reserves	370,907,343	313,735,691
Total	370,907,343	313,735,691

Other Comprehensive Income and Losses that will not be Reclassified in Profit or Loss

The Group's actuarial losses of defined benefit plan that aren't reclassified in accumulated other comprehensive income and expenses are summarized below:

i. Actuarial gains (losses) on defined benefit plans

The provision for termination benefits is calculated by estimating the present value of the Group's probable future obligation arising from the retirement of employees. The Group has recognized all actuarial gains and losses relating to the provision for termination benefits in other comprehensive income. The valuation losses recognized in the balance sheet as a valuation difference in equity amount to TRY 8,279,524 (December 31, 2023: TRY 8,279,524 valuation losses).

Capital Reserves and Retained Earnings

Subsequent to the first inflation adjusted financial statements, equity items such as; "Capital, Emission Premiums, General Statutory Legal Reserves, Statutory Reserves, Special Reserves and Extraordinary Reserves" are carried at carrying value in the statement of financial position and their adjusted values based on inflation are collectively presented in equity accounts group.

In accordance with the CMB regulations, "Issued capital", "Restricted Reserves" and "Share Premiums" shall be carried at their statutory amounts. The valuation differences resulted due to the inflation adjustment shall be disclosed as follows:

- If the difference is due to the "Issued Capital" and has not yet been transferred to capital, it should be classified under "Capital adjustment difference";
- If the difference is due to "Restricted Reserves" and "Share Premium" and the amount has not been subject to dividend distribution or capital increase yet, it shall be classified under "Retained Earnings/(Losses)".

Other equity items are carried at the amounts valued in accordance with TAS.

Capital adjustment differences have no other use than to be included to the share capital.

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(Amount expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 11 - EQUITY (Continued)

Dividend Distribution

The Group makes decisions on the distribution of dividends and distributes them in accordance with the Turkish Commercial Code ("TCC"), tax laws, other relevant legislation, the Articles of Association and the resolutions of the General Assembly.

In the Ordinary General Assembly Meeting of the Group held on April 18, 2024; taking into account the provisions of the Turkish Commercial Code ("TCC"), Corporate Tax, Income Tax and other relevant legal regulations and the relevant provisions of the Group's Articles of Association, by complying with the rules of the Central Registry Agency A.Ş., which are valid on the date of dividend distribution regarding "fraction". It has been resolved to distribute a gross dividend of TRY 437,000,000 (indexed amount is TRY 500,082,410) at the rate of 80.93% of the "Issued Capital" and to commence dividend distribution.

Presentation of Capital Adjustment Differences, Share-Related Premiums/Discounts and Restricted Reserves Allocated from Profit in Financial Statements in accordance with TAS 29 and TPC

Statutory reserves and special reserves, etc., classified under "Legal Reserves" and "Other Reserves", including "Capital Adjustment Differences", "Premiums (Discounts) on Shares" (Emission Premium) in the financial statements prepared in accordance with the CMB legislation, Starting from the TFRS balance sheets for the reporting period ending in 2023, it has been shown over the CPI, and in the TPC financial statements over the PPI.

	PPI Indexed Statutory Records	CPI Indexed Amounts	Difference Recorded Under Retained Earnings
Inflation Adjustments on Capital	5,046,502,902	3,364,854,419	1,681,648,483
Share Premiums/Discounts	-	20,016,719	(20,016,719)
Restricted Reserves	419,197,688	370,907,343	48,290,345

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(Amount expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 12 - REVENUE AND COST OF SALES

	1 January - 30 September 2024	1 July - 30 September 2024	1 January - 30 September 2023	1 July - 30 September 2023
Electricity sales from wind energy	1,476,550,732	533,897,214	1,653,850,612	669,844,756
Electricity sales from solar energy	205,446,540	83,598,287	225,695,849	98,420,690
Gain on sales of carbon emission certificate rights (*)	-	-	61,796,842	129,578
Other	138,396	41,834	118,661	29,879
Sales proceeds	1,682,135,668	617,537,335	1,941,461,964	768,424,903

(*) Wind and solar power plants generate electricity from renewable energy sources; so, they are able to issue emission reduction certificates because they do not emit CO2 into the atmosphere. The corresponding revenues come from the sales of these acquired certificate rights. No carbon certificates have been sold as of September 30, 2024 (September 30, 2023: 231,249 tons).

	1 January - 30 September 2024	1 July - 30 September 2024	1 January - 30 September 2023	1 July - 30 September 2023
General production expenses	(254,485,878)	(99,578,732)	(295,725,846)	(121,376,770)
<i>Service and maintenance expenses (*)</i>	<i>(111,852,034)</i>	<i>(37,805,186)</i>	<i>(129,857,243)</i>	<i>(62,391,276)</i>
<i>Distribution and system usage fees (**)</i>	<i>(142,633,844)</i>	<i>(61,773,546)</i>	<i>(165,868,603)</i>	<i>(58,985,494)</i>
Amortization and depreciation expense	(433,724,960)	(145,913,710)	(387,334,157)	(132,103,441)
Insurance expenses	(20,491,277)	(7,558,983)	(13,759,603)	(3,765,100)
Personnel expenses	(20,359,488)	(8,617,993)	(14,962,111)	(3,066,919)
Security expenses	(17,993,447)	(5,112,139)	(13,970,239)	(4,859,545)
Consultancy expenses	(7,420,694)	(1,685,285)	(17,237,479)	(10,737,834)
Other	(14,439,626)	(6,151,504)	(15,927,132)	(3,537,416)
Cost of sales	(768,915,370)	(274,618,346)	(758,916,567)	(279,447,025)
Gross profit	913,220,298	342,918,989	1,182,545,397	488,977,878

(*) Includes annual maintenance expenses for turbines.

(**) Distribution and system usage fees paid based on the annual generation at the tariff defined by EMRA

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(Amount expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 13 - OPERATING EXPENSES

a) General Administrative Expenses

	1 January - 30 September 2024	1 July - 30 September 2024	1 January - 30 September 2023	1 July - 30 September 2023
Personnel expenses	(49,011,299)	(17,924,242)	(34,048,624)	(13,530,429)
Consultancy expenses(*)	(40,175,761)	(17,059,342)	(5,782,836)	(1,242,321)
Rent expenses	(4,929,699)	(1,841,301)	(4,725,669)	(1,567,970)
Transportation expenses	(2,252,637)	(473,545)	(3,034,544)	(771,137)
Depreciation and amortization expenses	(2,725,967)	(1,272,863)	(1,323,966)	(124,091)
Other taxes and fees	(3,030,132)	(2,888,892)	(166,527)	(61,471)
Other	(6,550,557)	(2,669,635)	(3,019,533)	(600,849)
	(108,676,052)	(44,129,820)	(52,101,699)	(17,898,268)

(*) Consists of foreign investment and holding financial consultancy expenses.

b) Marketing Expenses

	1 January - 30 September 2024	1 July - 30 September 2024	1 January - 30 September 2023	1 July - 30 September 2023
Personnel expenses	(16,293,109)	(5,725,108)	(11,391,217)	(4,410,402)
Consultancy expenses	(6,467,619)	(1,505,677)	(6,211,772)	(1,691,172)
Transportation expenses	(866,614)	(347,248)	(1,198,198)	(301,488)
Depreciation and amortization expenses	(1,801,191)	(937,876)	(795,114)	(319,658)
Other	(1,667,765)	(590,826)	(992,225)	(372,185)
	(27,096,298)	(9,106,735)	(20,588,526)	(7,094,905)

NOTE 14 - EXPENSES BY NATURE

Expenses are presented functionally for the periods ended 30 September 2024 and 2023, the details are given in Note 12 and Note 13.

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

(Amount expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 15 - OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES

a) Other income from operating activities

	1 January - 30 September 2024	1 July - 30 September 2024	1 January - 30 September 2023	1 July - 30 September 2023
Foreign exchange loss from operating activities	25,607,834	4,939,896	341,353,973	84,932,473
Interest income	51,215,537	27,623,479	194,705,475	64,103,134
Late interest income	-	-	660,357	9,177
Other	9,040,602	1,306,890	9,395,719	34,852
	85,863,973	33,870,265	546,115,524	149,079,636

b) Other expenses from operating activities

	1 January - 30 September 2024	1 July - 30 September 2024	1 January - 30 September 2023	1 July - 30 September 2023
Foreign exchange loss from operating activities	(13,158,336)	(4,861,981)	(2,072,965)	(1,656,987)
Donation and grants (*)	(5,265,087)	(2,360,249)	(11,387,869)	(5,016,741)
Lawsuit provision	414,925	(18,033)	(130,943)	(2,264)
Other	(1,570)	-	(1,202,813)	(1,101,764)
	(18,010,068)	(7,240,263)	(14,794,590)	(7,777,756)

(*) Includes donations and aids amounting to TRY 3,237,275 made for the earthquake disaster that occurred in our country on February 6, 2023.

NOTE 16 – FINANCE INCOME AND EXPENSES, NET

	1 January - 30 September 2024	1 July - 30 September 2024	1 January - 30 September 2023	1 July - 30 September 2023
Foreign exchange (loss)/gain from bank borrowings, net	(128,072,708)	(63,316,409)	(410,078,937)	(34,108,343)
Interest expense on bank borrowings	(28,412,711)	(8,569,933)	(34,028,731)	(11,662,085)
Derivative transaction income / (expense)	19,513,608	11,351,768	63,182,230	(67,490,204)
Bank commission expenses	(2,762,674)	(791,311)	(3,946,376)	(1,414,249)
Other	(13,817,857)	(3,187,993)	(646,342)	(15,118)
	(153,552,342)	(64,513,878)	(385,518,156)	(114,689,999)

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

(Amount expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 17 - TAXATION ON INCOME

	30 September 2024	30 September 2023
Current income tax expense	50,982,869	191,423,530
Less: Prepaid taxes	-	(156,203,514)
Total tax (liabilities)/ asset	50,982,869	35,220,016

The taxes on income reflected to statement of profit or loss for the periods ended 30 September 2024 and 2023 are summarized below:

	Cumulative temporary differences		Deferred tax assets / (liabilities)	
	30 September 2024	31 December 2023	30 September 2024	31 December 2023
Net differences between the tax base and carrying values of property, plant and equipment	6,422,171,595	5,666,401,022	(1,605,542,899)	(1,416,600,256)
Lease liabilities	(55,696,402)	(47,462,135)	13,924,101	11,865,534
Right of use asset	173,434,137	10,246,424	(43,358,534)	(2,561,606)
Derivative instrument	104,233,876	131,292,326	(26,058,469)	(32,823,081)
Exchange rate effects on monetary liabilities	(4,230,675)	(1,774,275)	1,057,669	443,569
Provision for employment termination benefits	(11,009,896)	(3,366,814)	2,752,474	841,703
Provision for lawsuit	(576,426)	1,285,580	144,106	(321,395)
Other	(97,452,928)	66,603,846	24,363,232	(16,650,962)
Deferred tax asset / (liabilities), net			(1,632,718,320)	(1,455,806,494)

Conclusions of netting has been reflected to consolidated statement of financial position of Galata and its subsidiaries which are separate taxpayer companies, have booked their deferred tax assets and liabilities by netting in their financial statements that were prepared in accordance with the TAS. Temporary differences and deferred tax assets and liabilities shown above have been prepared based on gross values.

Movements for net deferred taxes for the periods ended at 30 September 2024 and 2023 are as follows:

Deferred tax liability	2024	2023
Opening balance as of 1 January	(1,455,806,494)	(1,312,823,844)
Recognised under profit or loss statement	(176,911,826)	(341,541,165)
Closing balance as of 30 September	(1,632,718,320)	(1,654,365,009)

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(Amount expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 17 - INCOME TAXES (Continued)

The taxes on income reflected to statement of profit or loss for the periods ended 30 September 2024 and 2023 are summarized below:

	1 January- 30 September 2024	1 July- 30 September 2024	1 January- 30 September 2023	1 July- 30 September 2023
Income tax expense	(143,467,693)	(54,977,267)	(203,861,200)	(105,601,072)
Deferred tax (expense)/income	(176,911,826)	(70,134,604)	(341,541,165)	(120,763,356)
Total tax expense	(320,379,519)	(125,111,871)	(545,402,365)	(226,364,428)

The reconciliation of the taxation on income in the statement of profit or loss for periods ended 30 September 2024 and 2023 and the tax calculated at the corporate tax rate based on the income before minority interests and taxation on income are as follows:

	30 September 2024	30 September 2023
Profit before tax	925,858,647	1,004,856,299
Tax rate of 25% (30 September 2023: 21%)	(231,464,662)	(251,214,075)
Exceptions and deductions	10,904,203	2,893,551
Effect of tax rate changes	10,764,700	8,524,578
Non-deductible expenses	(1,820,259)	(2,877,384)
Tax base increase expenses	(2,532,465)	(3,027,992)
Inflation accounting effects (*)	(80,007,236)	(299,153,613)
Other	(26,223,800)	(547,430)
Tax expense recognized in statement of profit or loss	(320,379,519)	(545,402,365)

(*) It consists of the deferred tax effect of temporary differences resulting from the adjustments for inflation accounting, in accordance with the Communiqué No. 32415 (2nd iteration) of the Tax Procedure Act of December 30, 2023.

NOTE 18 - RELATED PARTY DISCLOSURES

As of the date of consolidated statement of financial position, due from and to related parties and related party transactions for the periods ending 30 September 2024 and 30 September 2023 are disclosed below:

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(Amount expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 18 - RELATED PARTY DISCLOSURES (Continued)

i) Related party balances

Related party balances	30 September 2024			31 December 2023		
	Receivable		Payable	Receivable		Payable
	Current Trade	Short-term Other receivables	Current Trade	Current Trade	Short-term Other receivables	Current Trade
Değer Merkezi Hizmetler ve Yönetim Danışmanlığı A.Ş. (1)	-	-	1,781,959	-	-	1,160,184
Suzuki Motorlu Araçlar Pazarlama A.Ş.	-	-	53,522	-	-	143,151
D-Market Elektronik Hizm,Tic A.Ş. (2)	-	-	27,400	-	-	12,170
Doğan Trend	-	-	62,217	-	-	123,308
Otomobiline Motorlu Araçlar Ticaret A.Ş.	-	-	12,890	-	-	-
Karel İletişim Hizmetleri A.Ş.	-	-	4,765	-	-	8,003
Gökova Elektrik Üretim ve Ticaret A.Ş.	750	-	-	1,019	-	-
Boyabat Elektrik Üretim ve Ticaret A.Ş.	2,175	-	-	1,845	-	-
Aslancık Elektrik Üretim A.Ş.	2,175	-	-	1,845	-	-
	5,100	-	1,942,753	4,709	-	1,446,816

(1) Financial, legal, information technology and other consultancy service purchases and overhead bills such as vehicle and office rent, cleaning, heating and building maintenance,

(2) Warehouse rent expenses,

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(Amount expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 18 - RELATED PARTY DISCLOSURES (Continued)

i) Related party balances (Continued)

Short-term portions of long-term lease liabilities from related parties

	30 September 2024	31 December 2023
Değer Merkezi Hizmetler ve Yönetim Danışmanlığı A.Ş. (*)	677,912	279,954
	677,912	279,954

(*) Represents the lease liabilities recognised in accordance with TFRS 16 standard.

Long-term lease liabilities to related parties:

	30 September 2024	31 December 2023
Değer Merkezi Hizmetler ve Yönetim Danışmanlığı A.Ş. (*)	297,746	404,519
	297,746	404,519

(*) Represents the lease liabilities recognised in accordance with TFRS 16 standard.

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

(Amount expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 18 - RELATED PARTY DISCLOSURES (Continued)

ii) Related party transactions

Transactions with related parties	1 January – 30 September 2024			1 January – 30 September 2023		
	Purchases of Goods and services	Sales of Goods and services	Financial Expenses	Purchases of Goods and services	Sales of Goods and services	Financial Expenses
Değer Merkezi Hizmetler ve Yönetim Danışmanlığı A.Ş.(1)	17,864,535	-	-	6,297,733	-	-
Suzuki Motorlu Araçlar Pazarlama A.Ş.	903,670	-	-	167,756	-	-
Doğan Trend Otomotiv Ticaret Hizmetve Teknoloji A.Ş.	679,529	-	-	202,081	-	-
D-Market Elektronik Hizm.Tic A.Ş.	608,660	-	-	180,535	-	-
Otomobilite Motorlu Araçlar Ticaret A.Ş.	24,394,224	-	-	8,255,150	-	-
Other	-	35,039	-	-	16,617	-
	44,450,618	35,039	-	15,103,255	16,617	-

(1) Financial, legal, information technology and other consultancy service purchases and overhead bills such as vehicle and office rent, cleaning, heating and building maintenance.

Transactions with related parties	1 January – 30 September 2023			1 January – 30 September 2023		
	Purchases of Goods and services	Sales of Goods and services	Financial Expenses	Purchases of Goods and services	Sales of Goods and services	Financial Expenses
Değer Merkezi Hizmetler ve Yönetim Danışmanlığı A.Ş.(1)	7,784,767	-	-	4,304,368	-	-
Doğan Burda Dergi Yayıncılık ve Pazarlama A.Ş.	1,594,289	-	-	500,068	-	-
Suzuki Motorlu Araçlar Pazarlama A.Ş.	1,694,384	-	-	967,670	-	-
Doğan Trend Otomotiv Ticaret Hizmetve Teknoloji A.Ş.	1,413,681	-	-	786,570	-	-
Aytemiz Akaryakıt Dağıtım. A.Ş.	1,253,780	-	-	816,920	-	-
D-Market Elektronik Hizm.Tic A.Ş.	595,784	-	-	353,623	-	-
Other	-	69,449	-	-	60,409	-
	14,336,685	69,449	-	7,729,219	60,409	-

(1) Financial, legal, information technology and other consultancy service purchases and overhead bills such as vehicle and office rent, cleaning, heating and building maintenance.

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

(Turkish Lira ("TRY") stated as according to purchasing power of Turkish Lira at 30 September 2024.)

NOTE 18 - RELATED PARTY DISCLOSURES (Continued)

Benefits provided for the key management

The key management team of the Group is made up of members of the Board of Directors, General Manager, Deputy General Managers. Benefits provided for the key management members within the period are as the follows:

	1 January - 30 September 2024	1 July - 30 September 2024	1 January - 30 September 2023	1 July - 30 September 2023
Salaries and other short term benefits	16,731,961	5,676,804	11,351,999	5,308,339
	16,731,961	5,676,804	11,351,999	5,308,339

NOTE 19 - FINANCIAL INSTRUMENTS

Financial investments

Short-term financial investments

Group' financial assets of the classified under short-term financial investments are as follows:

Assets recorded at fair value in Statement of profit and loss:	30 September 2024	31 December 2023
- Investment funds and other short term financial investments	-	119,952,432
Total	-	119,952,432

Long term financial investments

	30 September 2024		31 December 2023	
	TRY	%	TRY	%
Enerji Piyasaları İşletme A.Ş.	663,728	<1	663,728	<1
	663,728		663,728	

GALATA WIND ENERJİ ANONİM ŞİRKETİ

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

(Turkish Lira ("TRY") stated as according to purchasing power of Turkish Lira at 30 September 2024.)

NOTE 20 - EARNING/LOSS PER SHARE

	1 January - 30 September 2024	1 July - 30 September 2024	1 January - 30 September 2023	1 July - 30 September 2023
Net profit for the period attributable to equity holders of the Parent Company	605,479,128	151,828,324	459,453,933	146,156,304
Weighted average number of shares with face value of TRY 1 each	540,000,000	540,000,000	540,000,000	540,000,000
Earning per Share	1.121	0.281	0.851	0.271

NOTE 21 – EXCHANGE RATE RISK AND FOREIGN CURRENCY POSITION

Foreign currency risk

The Group is exposed to foreign currency risk due to conversion of its foreign currency denominated liabilities to local currency. This risk monitored and limited by analyzing foreign currency position.

The Group is exposed to foreign exchange risk arising primarily from the USD and EUR.

	30 September 2024	31 December 2023
Foreign currency assets	17,706,644	182,230,799
Foreign currency liabilities	(833,434,757)	(1,020,915,323)
	(815,728,113)	(838,684,524)

GALATA WIND ENERJİ ANONİM ŞİRKETİ

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

(Turkish Lira ("TRY") stated as according to purchasing power of Turkish Lira at 30 September 2024.)

NOTE 21 - EXCHANGE RATE RISK AND FOREIGN CURRENCY POSITION (Continued)

Net foreign currency position

The table below summarizes the foreign currency position risk of the Group as of 30 September 2024 and 31 December 2023. The carrying amounts of foreign currency assets and liabilities held by the Group in terms of foreign currencies (in terms of TRY) are as follows:

		30 September 2024		
		TRY Equivalent (Functional currency)	USD	EUR
1.	Trade receivables	-	-	-
2a.	Monetary financial assets	17,706,644	512,403	5,841
2b.	Non-monetary financial assets	-	-	-
3.	Other	-	-	-
4.	Current assets (1+2+3)	17,706,644	512,403	5,841
5.	Trade receivables	-	-	-
6a.	Monetary financial assets	-	-	-
6b.	Non-monetary financial assets	-	-	-
7.	Other	-	-	-
8.	Non-current assets (5+6+7)	-	-	-
9.	Total assets (4+8)	17,706,644	512,403	5,841
10.	Trade payables	101,254,213	988,557	1,764,187
11.	Financial liabilities	126,763,457	-	3,314,927
12a.	Other monetary liabilities	-	-	-
12b.	Other non-monetary liabilities	-	-	-
13.	Short term liabilities (10+11+12)	228,017,670	988,557	5,079,114
14.	Trade payables	-	-	-
15.	Monetary liabilities	605,417,087	-	15,831,954
16a.	Other monetary liabilities	-	-	-
16b.	Other non-monetary liabilities	-	-	-
17.	Long term liabilities (14+15+16)	605,417,087	-	15,831,954
18.	Total liabilities (13+17)	833,434,757	988,557	20,911,068
Foreign Currency Derivative Instruments				
19.	Net Asset / (Liability) Position (19a-19b)	-	-	-
Effect of foreign currency denominated derivatives				
19a.	/ Off-Balance Sheet (+)	-	-	-
Effect of foreign currency denominated derivatives				
19b.	/ Off-Balance Sheet (-)	-	-	-
20.	Net foreign currency position (9-18+19)	(815,728,113)	(476,154)	(20,905,227)

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

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NOTE 21 - EXCHANGE RATE RISK AND FOREIGN CURRENCY POSITION (Continued)

Net foreign currency position (Continued)

		31 December 2023		
		TRY Equivalent (Functional currency)	USD	EUR
1.	Trade receivables	-	-	-
2a.	Monetary financial assets	182,230,799	4,554,586	1,601
2b.	Non-monetary financial assets	-	-	-
3.	Other	-	-	-
4.	Current assets (1+2+3)	182,230,799	4,554,586	1,601
5.	Trade receivables	-	-	-
6a.	Monetary financial assets	-	-	-
6b.	Non-monetary financial assets	-	-	-
7.	Other	-	-	-
8.	Non-current assets (5+6+7)	-	-	-
9.	Total assets (4+8)	182,230,799	4,554,586	1,601
10.	Trade payables	17,539,551	437,756	-
11.	Financial liabilities	159,244,462	-	3,591,865
12a.	Other monetary liabilities	-	-	-
12b.	Other non-monetary liabilities	-	-	-
13.	Short term liabilities (10+11+12)	176,784,013	437,756	3,591,865
14.	Trade payables	-	-	-
15.	Monetary liabilities	844,131,310	-	19,039,943
16a.	Other monetary liabilities	-	-	-
16b.	Other non-monetary liabilities	-	-	-
17.	Long term liabilities (14+15+16)	844,131,310	-	19,039,943
18.	Total liabilities (13+17)	1,020,915,323	437,756	22,631,808
Foreign Currency Derivative Instruments				
19.	Net Asset / (Liability) Position (19a-19b)	-	-	-
Effect of foreign currency denominated derivatives				
19a.	/ Off-Balance Sheet (+)	-	-	-
Effect of foreign currency denominated derivatives				
19b.	/ Off-Balance Sheet (-)	-	-	-
20.	Net foreign currency position (9-18+19)	(838,684,524)	4,116,830	(22,630,207)

The effect of the Group's foreign currency positions in Euro and US Dollars on the net profit/loss and shareholders' equity for the period, assuming a 20% appreciation and depreciation of TRY against foreign currencies and all other variables constant, are stated below:

	30 September 2024		31 December 2023	
	USD	EURO	USD	EURO
20% Appreciation	(3,255,225)	(159,884,015)	15,395,547	(90,226,180)
20% Depreciation	3,255,225	159,884,015	(15,395,547)	90,226,180

NOTE 22 - SUBSEQUENT EVENTS

None.