

**GERSAN ELEKTRİK TİCARET VE SANAYİ A.Ş.
AND ITS SUBSIDIARIES**

**ENDING DECEMBER 31, 2024
OF THE ACCOUNTING PERIOD
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT**



INDEPENDENT AUDITOR'S REPORT**GERSAN ELEKTRİK TİCARET VE SANAYİ ANONİM ŞİRKETİ**

To the General Assembly

A) Independent Audit of Consolidated Financial Statements**Opinion**

We have audited the consolidated statement of financial position of **GERSAN ELEKTRİK TİCARET VE SANAYİ ANONİM ŞİRKETİ** (the "Company") and its subsidiaries (the "Group") for the accounting period ended December 31, 2024, including the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows, and the footnotes to the financial statements, including a summary of material accounting policies.

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

Basis of Opinion

Our independent audit was conducted in accordance with the Independent Auditing Standards ("BDSs"), which are a part of the Turkish Auditing Standards adopted within the framework of the Capital Markets Board regulations and published by the Public Oversight, Accounting and Auditing Standards Authority ("KGK"). Our responsibilities under these Standards are described in detail in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We declare that we are independent from the Company in accordance with the Code of Ethics for Independent Auditors ("Including Independence Standards") ("Code of Ethics") published by the KGK and the ethical principles contained in the legislation of the Capital Markets Board and other relevant legislation regarding the independent audit of consolidated financial statements. Other responsibilities related to ethics within the scope of the Code of Ethics and legislation have also been fulfilled by us. We believe that the independent audit evidence obtained by us during the independent audit constitutes a sufficient and appropriate basis for the formation of our opinion.



Key Audit Issues

Key audit matters are, in our professional judgment, most important in the independent audit of the financial statements for the current period. The key audit matters have been addressed in the context of the independent audit of the financial statements as a whole and in the formulation of our opinion on the financial statements, and we do not express a separate opinion on these matters.

Key Audit Topic

How the Issue Is Handled in the Audit

IAS- 29 "Financial Reporting in High Inflation Economies" Application

Transactions in 2024 and non-monetary balances at the end of the period have been revised to reflect purchasing power as of December 31, 2024.

The implementation of IAS 29 results in extensive and significant changes to many items in the Company's financial statement. The impact of IAS 29 depends on the complex calculations and various management judgments used in the reorganization of many balance sheet items and current period transactions throughout the year.

Due to the management reasoning applied in the reorganization process, the complexity of the calculations and the risk that the data used may be incomplete or inaccurate, the implementation of IAS 29 has been identified by us as a key audit subject.

Our audit procedures for IAS 29 "Financial Reporting in High Inflation Economies" include the following:

- The Company's current processes and accounting policies were examined.
- Detailed lists of non-monetary items were provided, their initial dates and amounts were checked, and it was checked whether the appropriate indices were used.
- It was checked whether the distinction between monetary and non-monetary items made by the Group was made in accordance with IFRS.
- By controlling the general price index ratios with the method used; The rearrangement of non-monetary items, income statement and cash flow statement was tested in terms of inflation effects.

Other Considerations

The Group's consolidated financial statements as of December 31, 2023, pursuant to the Turkish Financial Reporting Standards ("IFRSs") published by the Public Oversight Accounting and Auditing Standards Authority ("KGGK"), were audited by another audit company, and the said company expressed a positive opinion on the consolidated financial statements in its report dated April 4, 2024.



Management's Responsibilities Regarding Financial Statements

Company management; It is responsible for the preparation of the consolidated financial statements in accordance with the IASs, their presentation in a fair manner, and the internal control it deems necessary for their preparation in a way that does not contain material misstatements due to errors or fraud.

When preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue its continuity, explaining continuity issues when necessary, and using the continuity of business basis unless there is an intention or obligation to liquidate the Company or terminate business activity.

Those responsible for senior management are responsible for oversight of the Company's financial reporting process.

Responsibilities of the Independent Auditor Regarding the Independent Audit of the Financial Statements

In an independent audit, the responsibilities of us independent auditors are:

Our goal is to obtain reasonable assurance as to whether the financial statements as a whole contain material misstatement due to error or fraud and to issue an independent auditor's report containing our opinion. Reasonable assurance given as a result of an independent audit conducted in accordance with the BDS; It is a high level of assurance, but it does not guarantee that a material misstatement will always be detected. Inaccuracies may be due to errors or cheating. Misstatements are considered material if they can reasonably be expected, either individually or in the aggregate, to affect the economic decisions that users of financial statements make based on those financial statements.

As a requirement of the independent audit conducted in accordance with the BDS, we use our professional judgment and maintain our professional skepticism throughout the independent audit. We also provide:

- The risks of "material misstatement" arising from errors or fraud in the financial statements are identified and evaluated; Audit procedures are designed and implemented to respond to these risks and sufficient and appropriate audit evidence is obtained to support our opinion. (Since fraud can include collusion, dishonesty, willful negligence, misrepresentation or breach of internal control, the risk of failing to detect a material misstatement caused by fraud is higher than the risk of failing to detect a material misstatement caused by error.)
- Audit-related internal control is evaluated not in order to express an opinion on the effectiveness of the Company's internal control, but in order to design appropriate audit procedures for the situation.
- The appropriateness of the accounting policies used by the management and the reasonableness of the accounting estimates and related disclosures made are evaluated.
- On the basis of the audit evidence obtained, a conclusion is reached as to whether there is a material uncertainty regarding events or circumstances that may cast serious doubt on the Company's ability to continue its continuity, and as to the appropriateness of management's use of the continuity of business basis. If we conclude that there is significant uncertainty, we are required to draw attention to the relevant disclosures in the financial statements in our report or, if these disclosures are insufficient, to give an opinion other than a positive opinion. Our conclusions are based on audit evidence obtained up



to the date of the independent auditor's report. However, future events or circumstances may terminate the continuity of the Company.

- The general presentation, structure and content of the financial statements, including disclosures, and whether these statements reflect the transactions and events that form the basis of these statements in a way that ensures fair presentation are evaluated.
- In order to provide an opinion on the financial statements, sufficient and appropriate audit evidence is obtained about the financial information related to the businesses or business segments within the Company. We are responsible for directing, supervising and executing the company audit. We are solely responsible for the audit opinion we give.

We report to senior management the planned scope and timing of the independent audit and significant audit findings, including, among other things, any material internal control deficiencies that we identify during the audit.

We have informed those responsible for senior management that we comply with the ethical provisions regarding independence. In addition, we have communicated to those responsible for senior management all relations and other matters that may be considered to have an impact on independence, as well as the steps taken and the measures taken to eliminate threats, if any.

Among the issues reported to those responsible for senior management, we identify the issues that are most important in the independent audit of the financial statements for the current period, that is, the key audit issues. In cases where the legislation does not permit public disclosure of the matter, or in very exceptional cases where the adverse consequences of public disclosure of the matter are reasonably expected to exceed the public interest of public disclosure, we may decide not to report the matter in our independent auditor's report.

B) Other Obligations Arising from the Legislation

1. The Auditor's Report on the Early Detection of Risk System and Committee, which was prepared pursuant to the fourth paragraph of Article 398 of the Turkish Commercial Code No. 6102 ("TCC"), was submitted to the Board of Directors of the Company on 09 March 2025.
2. Pursuant to the fourth paragraph of Article 402 of the TCC, there was no significant issue regarding the fact that the bookkeeping order, financial statements, and the provisions of the Company's articles of association regarding financial reporting in the accounting period of January 1 – December 31, 2024 were not in accordance with the provisions of the Company's articles of association regarding financial reporting.
3. Pursuant to the fourth paragraph of Article 402 of the TCC, the Board of Directors made the explanations requested within the scope of the audit and provided the requested documents.

Ankara, 11 March 2025

KARAR BAĞIMSIZ DENETİM VE DANIŞMANLIK A.Ş.

Member Firm of Abacus



ALİ OSMAN EFLATUN

Responsible Auditor

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GERSAN ELECTRIC TRADE AND INDUSTRY INC.

Consolidated Statement of Financial Position as of December 31, 2024

(Amounts are expressed on the basis of the purchasing power of the Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated.)

	Notes		
	Number	31.12.2024	31.12.2023
ASSETS			
Current Assets			
Cash and cash equivalents	[3]	33.717.378	78.075.128
Trade receivables	[5]	449.838.684	439.003.318
• Trade receivables due from related parties		258.256	300.682
• Trade receivables due from unrelated parties		449.580.428	438.702.636
Other receivables	[7]	6.746.680	22.351
• Other receivables due from related parties		–	22.351
• Other receivables due from unrelated parties		6.746.680	–
Inventories	[8]	884.772.994	340.117.869
Prepayments	[9]	300.111.757	80.737.449
Current tax assets	[10]	11.129.913	26.037.823
Other current assets	[12]	71.818.422	17.249.192
Sub-Total		1.758.135.828	981.243.130
<hr/>			
Total Current Assets		1.758.135.828	981.243.130
Non-Current Assets			
Other receivables	[7]	1.255.566	339.898
Property, plant and equipment	[13]	1.389.565.329	592.125.720
Intangible assets and goodwill	[14]	9.507.888	1.626.756
Deferred tax asset	[10]	44.978.150	30.736.833
Other non-current assets	[12]	7.173.974	10.256.111
Total Non-Current Assets		1.450.775.361	635.085.318
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TOTAL ASSETS		3.208.911.189	1.616.328.448

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

GERSAN ELECTRIC TRADE AND INDUSTRY INC.

Consolidated Statement of Financial Position as of December 31, 2024

(Amounts are expressed on the basis of the purchasing power of the Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated.)

0	Notes	31.12.2024	31.12.2023
	<u>Number</u>		
Current Liabilities			
Current borrowings	[4]	120.707.900	85.517.435
Current portion of non-current borrowings	[4]	352.247.225	209.843.176
Other financial liabilities		456.605	1.816.864
Trade payables	[5]	410.250.367	352.552.112
• Trade payables to related parties		–	194.491
• Trade payables to unrelated parties		410.250.367	352.357.621
Employee benefit obligations	[6]	22.669.200	73.755.428
Other payables	[7]	8.450.003	10.209.637
Deferred income	[9]	44.450.691	73.259.102
Current tax liabilities, current	[10]	12.973.194	23.124.381
Current provisions	[11]	15.113.329	12.467.205
Other current liabilities	[12]	13.592.732	9.504.981
Sub-total		1.000.911.246	852.050.321
Total Current Liabilities		1.000.911.246	852.050.321
Long term borrowings	[4]	176.151.557	48.535.971
Trade payables	[5]	700.000.000	–
Other payables	[7]	342.020.025	45.426.672
• Other payables to related parties		342.020.025	45.426.672
Non-current provisions	[11]	109.289.512	22.374.787
Total Non-Current Liabilities		1.327.461.094	116.337.430
TOTAL LIABILITIES		2.328.372.340	968.387.751
Equity			
Equity attributable to owners of parent		889.131.873	647.867.952
Issued capital	[16]	240.000.000	80.000.000
Inflation adjustments on capital	[16]	219.511.820	881.375.482
Share premium (discount)	[18]	198.587.354	363.859.720
Other accumulated comprehensive income (loss) that will not be reclassified in profit or loss	[17]	51.369.995	104.919.138
Other accumulated comprehensive income (loss) that will be reclassified in profit or loss		-9.837.513	114.382.353
Restricted reserves appropriated from profits	[19]	43.355.989	43.355.989
Prior years' profits or losses	[20]	-106.074.741	-773.444.668
Current period net profit or loss		252.218.969	-166.580.062
Non-controlling interests		-8.593.024	72.745
TOTAL EQUITY		880.538.849	647.940.697
TOTAL LIABILITIES AND EQUITY		3.208.911.189	1.616.328.448

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

GERSAN ELECTRIC TRADE AND INDUSTRY INC.

Consolidated Profit or Loss Statement for the Period of January 01 – December 31, 2024
(Amounts are expressed on the basis of the purchasing power of the Turkish Lira ("TL") as of December 31, 2024,
unless otherwise stated.)

	Notes Number	01.01.2024 31.12.2024	01.01.2023 31.12.2023
PROFIT OR LOSS			
Revenue	[21]	2.623.268.694	2.107.432.465
Cost of sales (-)	[21]	-2.218.948.495	-1.804.781.950
GROSS PROFIT/LOSS		404.320.199	302.650.515
General administrative expenses	[22]	-155.953.152	-98.916.739
Marketing expenses	[23]	-179.532.262	-193.728.309
Other operating income	[24]	174.872.575	375.763.142
Other operating expenses	[24]	-68.209.918	-243.072.414
OPERATING PROFIT/LOSS		175.497.442	142.696.195
Investment activity income	[25]	200.000	675.517
Investment activity expenses	[25]	-	-28.731
PROFIT/LOSS BEFORE FINANCING EXPENSE		175.697.442	143.342.981
Finance income	[27]	10.563.195	10.207.175
Finance costs	[27]	-146.934.587	-134.981.312
Gains (losses) on net monetary position	[26]	229.832.367	-177.432.774
PROFIT/LOSS BEFORE TAX FROM CONTINUING OPERATIONS		269.158.417	-158.863.930
Tax expense/income from continuing operations	[10]	-16.821.304	-6.105.250
• Current period tax expense (income)		-12.973.194	-23.124.381
• Deferred tax expense (income)		-3.848.110	17.019.131
PROFIT/LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS		252.337.113	-164.969.180
CURRENT YEAR PROFIT / LOSS		252.337.113	-164.969.180
Current Year Net Profit/Lossof Attributable to:		252.337.113	-164.969.180
Minority interests		118.144	1.610.882
Parent company shares		252.218.969	-166.580.062
Earnings Per Share	[28]	1,05	-2,06
Components of other comprehensive income that will not be reclass:		-53.549.143	-5.521.724
Gains (losses) on remeasurements of defined benefit plans	[17]	-71.398.858	-5.521.724
Taxes Relating To Components Of Other Comprehensive Income That Will Not Be Reclassified To Profit Or Loss	[10]	17.849.715	-
• Deferred Tax (Expense) Income		17.849.715	-
Components of other comprehensive income that will be reclassified		-124.219.866	96.629.545
Exchange Differences on Translation		-124.219.866	96.629.545
• Gains (losses) on exchange differences on translation		-124.219.866	96.629.545
OTHER COMPREHENSIVE INCOME		-177.769.009	91.107.821
TOTAL COMPREHENSIVE INCOME		74.568.104	-73.861.359
Minority interests		1.492.738	867.782
Parent company shares		73.075.366	-74.729.141

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

GERSAN ELECTRIC TRADE AND INDUSTRY INC.

Consolidated Statement of Equity Change for the Period of 01 January – 31 December 2024

(Amounts are expressed on the basis of the purchasing power of the Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated.)

	Paid-up capital	Capital adjustment differences	Tangible Fixed Asset Revaluation Increases	Defined Benefit Plans Remeasurement Gains/Losses	Restricted Reserves Separated from Profit	Premiums for Shares Discounts	Foreign Currency Conversion Differences	Past Years Profits/Losses	Net Period Profit/Loss	Shareholders' equity of the parent company	Non-controlling shares	EQUITY
01.01.2023	81.241.074	880.134.408	114.874.122	-4.433.260	34.531.294	363.859.720	17.752.808	-732.057.665	-32.562.308	723.340.193	-1.538.136	721.802.057
Transfers	-1.241.074	1.241.074	-	-	8.824.695	-	-	-41.387.003	32.562.308	-	-	-
Total Comprehensive Income/Exper	-	-	-	-5.521.724	-	-	96.629.545	-	-166.580.062	-75.472.241	1.610.881	-73.861.360
<i>Period Profit/Loss</i>	-	-	-	-	-	-	-	-	-166.580.062	-166.580.062	1.610.881	-164.969.181
<i>Other Comprehensive Income/Ex,</i>	-	-	-	-5.521.724	-	-	96.629.545	-	-	91.107.821	-	91.107.821
31.12.2023	80.000.000	881.375.482	114.874.122	-9.954.984	43.355.989	363.859.720	114.382.353	-773.444.668	-166.580.062	647.867.952	72.745	647.940.697
01.01.2024	80.000.000	881.375.482	114.874.122	-9.954.984	43.355.989	363.859.720	114.382.353	-773.444.668	-166.580.062	647.867.952	72.745	647.940.697
Transfers	-	-667.136.028	-	-	-	-	-	667.369.927	166.580.062	166.813.961	-	166.813.961
Capital increase	160.000.000	5.272.366	-	-	-	-165.272.366	-	-	-	-	-	-
Total Comprehensive Income/Exper	-	-	-	-53.549.143	-	-	-124.219.866	-	252.218.969	74.449.960	-8.665.769	65.784.191
<i>Period Profit/Loss</i>	-	-	-	-	-	-	-	-	252.218.969	252.218.969	-8.665.769	243.553.200
<i>Other Comprehensive Income/Ex,</i>	-	-	-	-53.549.143	-	-	-124.219.866	-	-	-177.769.009	-	-177.769.009
31.12.2024	240.000.000	219.511.820	114.874.122	-63.504.127	43.355.989	198.587.354	-9.837.513	-106.074.741	252.218.969	889.131.873	-8.593.024	880.538.849

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

GERSAN ELECTRIC TRADE AND INDUSTRY INC.

Consolidated Cash Flow Statement for the Period of January 01 – December 31, 2024

(Amounts are expressed on the basis of the purchasing power of the Turkish Lira ("TL") as of December 31, 2024, unless otherwise stated.)

	Notes Number	1.01.2024 31.12.2024	1.01.2023 31.12.2023
A. Cash Flows Arising from Operating Activities		899.755.472	156.441.052
Profit (loss)		252.218.969	-166.580.062
<i>Profit loss from continuing operations for cash flow statement</i>		252.218.969	-166.580.062
• Adjustments to reconcile profit (loss)		24.149.271	-66.300.406
<i>Adjustments for depreciation and amortisation expense</i>	[13,14]	26.850.474	20.749.466
<i>Adjustments for impairment loss reversal of impairment loss recognised in profit or loss</i>	[5]	-52.448.778	-85.973.598
<i>Adjustments for provisions</i>	[11]	19.006.904	908.362
<i>Adjustments for interest income and expenses</i>	[24]	-11.148.160	3.755.848
<i>Adjustments for income tax expense</i>	[10]	3.608.398	-11.166.548
<i>Other adjustments to reconcile profit loss</i>		38.280.433	5.426.064
Changes in Working Capital		-91.130.482	204.822.736
<i>Decrease increase in financial investments</i>		-	2.256.728
<i>Adjustments for decrease increase in trade account receivable</i>	[5]	34.172.236	41.517.524
<i>Adjustments for decrease increase in other receivables related with operations</i>	[7]	-7.470.232	232.264
<i>Adjustments for decrease increase in inventories</i>	[8]	-533.919.137	108.720.769
<i>Decrease increase in pre-paid expenses</i>	[9]	-219.374.308	9.286.655
<i>Adjustments for increase decrease in trade account payable</i>	[5]	699.805.509	-94.706
<i>Adjustments for increase decrease in other operating payables</i>	[7]	23.870.996	126.984.165
<i>Adjustments for increase decrease in deferred income</i>	[9]	-28.808.411	-117.832.237
<i>Adjustments for other increase decrease in working capital</i>		-59.407.135	33.751.574
Net Cash Flows From (Used in) Operations		185.237.758	-28.057.732
Gains (losses) on net monetary position		709.760.991	202.090.913
Income taxes paid refund classified as operating activities		4.756.723	-17.592.129
B. Cash Flows Arising from Investing Activities		-868.746.102	-22.471.667
<i>• Proceeds from sales of property plant equipment and intangible assets classified as investing activities</i>	[13,14]	38.745.424	67.829
<i>Purchase of property plant equipment and intangible assets classified as investing activities</i>	[13,14]	-907.491.526	-22.539.496
<i>YANLIŞ</i>			
C. Cash Flows Arising from Financing Activities		-66.670.483	-93.883.913
<i>Proceeds from issuing shares other equity instruments</i>		-667.136.028	-
<i>Proceeds from borrowings classified as financing activities</i>	[4]	300.140.796	29.330.989
<i>Re payments of borrowings classified as financing activities</i>	[4]	-1.360.259	-97.203.267
<i>Increase in other payables to related parties classified as financing activities</i>		296.615.704	-
<i>Decrease in other payables to related parties classified as financing activities</i>		-	-29.446.533
<i>Payments of finance lease liabilities classified as financing activities</i>		5.069.304	3.434.898
Net Increase /Decrease in Cash and Cash Equivalents Before Effect of Exchange Rate Changes		-35.661.113	40.085.472
D. Effect of Exchange Rate Changes on Cash and Cash Equivalents			
Net Increase /Decrease in Cash and Cash Equivalents		-35.661.113	40.085.472
E. Cash and Cash Equivalents at Beginning of Period	[3]	78.075.128	141.840.143
Impact of monetary loss on cash		-8.696.637	-103.850.487
Cash and Cash Equivalents at End of Period	[3]	33.717.378	78.075.128

The accompanying notes are an integral part of these consolidated financial statements

GERSAN ELECTRIC TRADE AND INDUSTRY INC.

Explanatory Footnotes to the Consolidated Financial Statements as of December 31, 2024
(Amounts are expressed on the basis of the purchasing power of the Turkish Lira ("TL") as of December 31, 2024,
unless otherwise stated.)

1. ORGANIZATION AND FIELD OF ACTIVITY OF THE GROUP

Gersan Electric Trade and Industry Joint Stock Company (the "Company") was established in 1985 in Istanbul. The Company and its subsidiaries (the "Group") are engaged in the production of busbar trunking systems, systems and materials that carry, combine, protect conductors, power transmission lines, carrier systems, line, field, building, zone grounding, cable carrier systems, cable carriers, various cable joining, separation, connection and transportation, special carrier and steel construction joining and fixing systems that can be applied in various projects and design, project management, electrical and mechanical, contracting services.

The Group's head office is located at Istanbul Anatolian Side Organized Industrial Zone, Gazi Boulevard, No:39 Tuzla, Istanbul. In addition, the Group has a production facility at Velioglu Organized Industrial Zone District, 1st Street, 6 and 7 Street, Çaycuma, Zonguldak.

The Group has a subsidiary in Russia whose field of activity is the production of electrical equipment.

The Group has a branch in P6-093 SAIF Zone P.O. Box 9677 Sharjah, United Arab Emirates.

With the decision of the Board of Directors dated 06.09.2021 and numbered 2021/11, the Group opened a Branch at 189, rue 1788 Bastos-Yaunde, Republic of Cameroon. The capital of the branch is 10,000,000 West African CFA francs (approximately 15,000 euros). The branch was opened to engage in construction, electrical mechanics, contracting and other works written in the company's articles of association.

With the decision of the board of directors dated 07.10.2021 and numbered 2021/13, the Group opened a branch at Marcory Zone 4C Bietry 26 BP28 Abidjan, Republic of Côte d'Ivoire. The capital of the branch is 10,000,000 West African CFA francs (approximately 15,000 euros). The branch was opened to deal with rough-fine construction works and electrical and mechanical works within the scope of hospital construction work.

As of December 31, 2024, the Group employs an average of 574 people (December 31, 2023: 574)

The shareholding structure of the Company as of the end of the period is as follows:

	31.12.2024		31.12.2023	
	Amount	%	Amount	%
Erkan İzgi	32.363.544	13,48%	-	-
Yüksel Kardeş	6.000.005	2,50%	10.787.850	13,48%
Gülfem Oktay	777.657	0,32%	331.318	0,41%
Public part	200.858.794	83,69%	68.880.832	86,10%
Sum	240.000.000	100%	80.000.000	100%

As of the end of the period, the Group's subsidiaries within the scope of consolidation, its participation rates, the countries in which it operates and its main fields of activity are as follows:

GERSAN ELECTRIC TRADE AND INDUSTRY INC.

Explanatory Footnotes to the Consolidated Financial Statements as of December 31, 2024
(Amounts are expressed on the basis of the purchasing power of the Turkish Lira ("TL") as of December 31, 2024,
unless otherwise stated.)

Şirketin İsmi	Faaliyet Alanı	Faaliyet Türü	Kurulduğu Ülke
Gersan Şarj Sistemleri Sanayi Ticaret A.Ş.	Elektromekanik Taahhüt	Hizmet	Türkiye
Gersan-R OOO (Eski Unvan "Gersan-R" Zao)	Elektrik Malzemeleri Üretimi	Üretim	Rusya
Gersan Elektrik Ticaret ve Sanayi A.Ş. Şarjah Şubesi	Elektrik Malzemeleri Üretimi	Üretim	BAE

2. PRINCIPLES FOR THE PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1. Basic Principles of Presentation

2.1.1. Declaration of Conformity

The attached financial statements have been prepared in accordance with the provisions of the Capital Markets Board's ("CMB") "Communiqué on Principles Regarding Financial Reporting in the Capital Market" ("Communiqué") No. 14.1 of Series II, published in the Official Gazette dated 13 June 2013 and numbered 28676 and are published in accordance with Article 5 of the Communiqué. Pursuant to the article, the Turkish Financial Reporting Standards ("TFRS") put into effect by the Public Oversight Accounting and Auditing Standards Authority ("KGK") and their annexes and interpretations are taken as basis.

In addition, the interim consolidated financial statements are presented in accordance with the formats set out in the "Announcement on IFRS Taxonomy" published by the CGK on October 4, 2022 and the Financial Statement Examples and Usage Guide published by the CMB.

Consolidated financial statements are prepared on a historical cost basis, with the exception of financial investments measured by their fair value. The determination of the historical cost is usually based on the fair value of the amount paid for the assets

The Group prepared its consolidated financial statements for the period ended December 31, 2024 in accordance with the CMB's Communiqué No. II-14.1 and the announcements clarifying this communiqué. Consolidated financial statements and notes are presented in accordance with the formats recommended by the CMB and including the required information. The Group keeps its accounting records in accordance with the Uniform Chart of Accounts, the Turkish Commercial Code and the Turkish Tax Laws, and prepares its statutory financial statements in TL accordingly

2.1.2. Approval of Consolidated Financial Statements

The accompanying consolidated financial statements of the Group were approved by the Group's board of directors on March 11, 2025. The general assembly of the Group and/or the statutory authorities have the authority to amend the accompanying consolidated financial statements.

2.1.3. Currency Measurement Unit and Reporting Unit

The currency used in the consolidated financial statements and footnotes is "TL" (Turkish Lira).

2.1.4. Netting/Offsetting

Financial assets and liabilities are clearly shown where there is a necessary legal right, there is an intention to make a clear assessment of the assets and liabilities in question, or the acquisition of assets and the fulfillment of obligations are successive.

2.1.5. Preparation of Consolidated Financial Statements in an Inflationary Environment

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With the announcement made by the Public Oversight Accounting and Auditing Standards Authority (KGK) on November 23, 2023, enterprises implementing IFRSs have started to implement inflation accounting in accordance with IAS 29 Financial Reporting Standard in High Inflation Economies (IAS 29) as of their financial statements for the periods ending on or after December 31, 2023. IAS 29 is applied to the financial statements, including consolidated financial statements, of enterprises whose current currency is the currency of a high-inflation economy.

The accompanying consolidated financial statements are prepared on a historical cost basis, with the exception of live assets measured at fair value prior to inflation adjustment.

These consolidated financial statements and all comparative amounts for previous periods are adjusted for the changes in the overall purchasing power of the Turkish lira in accordance with IAS 29 and are ultimately expressed in terms of the purchasing power of the Turkish lira as of December 31, 2024.

Adjustments for inflation are calculated on the basis of the coefficients found using the Consumer Price Index in Turkey published by TurkStat. Since January 1, 2005, when the definition of the Turkish lira as the currency of a high-inflation economy was discontinued, the CPI and the corresponding correction coefficients for the current and past periods are as follows:

Year	CPI	Correction Coefficient
2022	1128,45	2,38
2023	1859,38	1,44
2024	2.684,55	1,00

The correction made by the Group pursuant to IAS 29 is essentially as follows;

- Monetary assets and liabilities are not adjusted because they are expressed in terms of current purchasing power on the date of the statement of financial position. Comparative amounts for previous periods are expressed according to the current unit of measurement at the end of the reporting period.
- Non-monetary assets and liabilities, as well as items of equity, are adjusted using the corresponding adjustment coefficients.
- The impact 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.
- Income and expense accounts are indexed and corrected as of the date they are formed.
- The impact of inflation on the Group's net monetary asset position in the current period is recorded in the net monetary position gain-loss account in the income statement.

2.1.6. Comparative Information and Preparation of Consolidated Financial Statements for the Previous Period

Comparative information is reclassified when deemed necessary to ensure compliance with the presentation of the consolidated financial statements for the current period.

2.1.7. Business Continuity

The Group has prepared its condensed consolidated financial statements in accordance with the principle of continuity of the business.

2.1.8. Financial Statements of Subsidiaries Operating in Foreign Countries

The financial statements of subsidiaries, affiliates and jointly managed undertakings operating in foreign countries have been prepared in accordance with the legislation applicable in the countries in which they operate and have been prepared by reflecting the necessary corrections and classifications in terms of compliance with the Company's accounting policies. If the functional currency of the Company's companies is different from the reporting currency, it shall be converted to the reporting currency as follows;

- All assets and liabilities in the statement of financial position are translated using the exchange rate on the date of the balance sheet.
- Income and expenses in the comprehensive income statement are converted using the exchange rate on the date of the transaction, and the resulting currency conversion differences are shown as a separate item in the equity and comprehensive income statement (foreign currency conversion differences).

2.1.9. Changes in Turkish Reporting Standards

The accounting policies used in the preparation of the condensed consolidated financial statements for the accounting period ended December 31, 2024 have been applied in a manner consistent with those used in the previous year, except for the new and amended Turkish Accounting Standards IAS/IFRS and IAS/IFRS interpretations effective as of December 31, 2024, which are summarized below. The impact of these standards and interpretations on the Group's financial condition and performance is described in the relevant paragraphs.

The new standards in force as of December 31, 2024, as well as the changes and interpretations to the existing previous standards:

- **narrowly scoped changes to IAS 1, Statement of Practice 2 and IAS 8;** Effective for annual reporting periods beginning on or after January 1, 2023. These changes are intended to improve accounting policy disclosures and help users of financial statements distinguish between changes in accounting estimates and changes in accounting policies. This change does not have a material impact on the Company's financial condition and performance.
- **IAS 12, Amendment regarding deferred tax on assets and liabilities arising from a single transaction;** Effective for annual reporting periods beginning on or after January 1, 2023. These changes require deferred tax recognition on transactions that result in equal amounts of taxable and deductible transient differences when first included in the financial statements by companies. This change does not have a material impact on the Company's financial condition and performance.
- **Amendment to IAS 12, International tax reform;** The temporary exception applies to the December 2023 year-end, with disclosure requirements for accounting periods beginning January 1, 2023, and early application is permitted. These changes provide companies with temporary convenience in accounting for deferred taxes resulting from the Minimum Tax Implementation Guide international tax reform. In addition, the changes include disclosure requirements for affected companies. This change does not have a material impact on the Company's financial condition and performance.

Standards, changes, and comments published as of December 31, 2024 but not yet in effect:

- **IAS 1, Amendment to long-term obligations that are terms of the Contract;** Effective for annual reporting periods beginning on or after January 1, 2024. These changes clarify how the conditions that the entity must comply with within twelve months of the reporting period affect the classification of an obligation. The amendments are also intended to improve the information provided by the entity regarding the obligations subject to these conditions. This change has no impact on the Company's financial condition and performance. This change does not have a material impact on the Company's financial condition and performance.
- **IFRS 16, Sales and leaseback transactions;** Effective for annual reporting periods beginning on or after January 1, 2024. These amendments include the sale and leaseback provisions, which describe how the entity accounts for a sale and leaseback transaction in IFRS 16 after the date of the transaction. Sale and leaseback transactions, which consist of variable lease payments that are not tied to an index or rate, in whole or in part, are likely to be affected. This change does not have a material impact on the Company's financial condition and performance.

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- **Amendments to supplier financing agreements in IAS 7 and IFRS 7;** Effective for annual reporting periods beginning on or after January 1, 2024. These changes require disclosure to increase transparency into the impact of supplier financing agreements and businesses on their liabilities, cash flows and liquidity risks. The disclosure requirements are the ISK (International Accounting Standards Authority)'s response to investors' concerns that some companies' supplier financing agreements are not clear enough and hinder investors' analysis. This change does not have a material impact on the Company's financial condition and performance.
- **IAS 21 Lack of Interchangeability;** Effective for annual reporting periods beginning on or after January 1, 2025. A business is affected by these changes when it has a transaction or activity conducted in a foreign currency that is not convertible to another currency on a specific measurement date for a specific purpose. A currency may be exchanged when the possibility of obtaining another currency is available (with a normal administrative delay) and the transaction may be carried out; It takes place through a market or barter mechanism that creates enforceable rights and obligations. This change does not have a material impact on the Company's financial condition and performance.
- **TSRS 1, "General Provisions on the Disclosure of Sustainability-related Financial Information";** Effective for annual reporting periods beginning on or after January 1, 2024. This standard contains the basic framework for disclosing all serious risks and opportunities that a company is exposed to in relation to sustainability within the value chain.
- **TSRS 2, "Climate-related statements";** Effective for annual reporting periods beginning on or after January 1, 2024. This standard is the first standard for setting disclosure requirements for companies about climate-related risks and opportunities.

Except as set forth above, the Group has not yet determined the implications of its consolidated financial statements as a result of the application of these standards and does not expect such differences to have a material impact on its financial statements.

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2.1.10. Consolidation Principles

Subsidiaries;

Control is deemed to exist if the parent directly or indirectly controls more than half of the voting rights in a partnership and has the authority to administer the financial and operating policies of the entity.

In the consolidation of financial statements, all profits and losses, including intercompany balances, transactions and unrealized profits and losses, are eliminated. Consolidated financial statements are prepared by applying consistent accounting policies for similar transactions and accounts.

The financial statements of the subsidiaries are prepared for the same accounting period as the parent company.

The information regarding the companies involved in the full consolidation of the company is as follows;

Company Name	31.12.2024	31.12.2023
	Affiliate Rate	Affiliate Rate
Gersan Charging Systems Industry Trade Co. Inc.	70%	70%
Gersan-R OOO (Eski Unvan "Gersan-R Zao")	99,38%	99,38%
Gersan Electric Trade and Industry Inc. Sharjah bi	100%	100%

During the preparation of the consolidated financial statements, intra-group transactions, intra-group balances and unrealized revenues and expenses arising from intra-group transactions are mutually deleted. The profits and losses incurred as a result of the transactions between the parent and the subsidiary of the parent company subject to consolidation were netted in proportion to the share of the parent in the subsidiary. Unrealized losses are written off in the same way as unrealized gains, unless there is evidence of impairment.

2.2. Changes and Errors in Accounting Policies, Accounting Estimates

2.2.1. Changes in Accounting Policies

A business can only implement accounting policies; It may change in the following cases:

- a) If required by an IAS/IFRS, or
- b) If it is of a nature to ensure that the effects of transactions and events on the financial position, performance or cash flows of the business are presented in a more appropriate and reliable manner in the financial statements.

When an accounting policy is modified, the total adjustment amount for earlier periods than presented in the consolidated financial statements is taken to the accumulated profits for the next period. Other information for previous periods is also rearranged. When changes in accounting policies have an impact on the current period, previous periods or operating results of successive periods; The reasons for the change, the adjustment amount for the current period and previous periods, the adjustment amounts for the periods earlier than the one presented, and the comparative information are disclosed to the public because they have been rearranged or this application is not made because it requires an excessive cost.

2.2.2. Changes in Accounting Estimates

Many consolidated financial statement items cannot be precisely measured due to the current uncertainties in business operations, but they can be estimated. Forecasts are made based on the most up-to-date and reliable information.

Changes to an accounting estimates are applied prospectively in the current period in which the change is made and in the future period.

2.2.3. Errors

Errors that arise during the recognition, measurement, presentation and disclosure of consolidated financial statement items are corrected retrospectively in the first set of financial statements to be approved after they are noticed. Remediation process:

- a) By rearranging the comparative amounts for the period in which the error was made, or
- b) If the error occurred earlier than the earliest consolidated financial statement period filed, it should be corrected by reorganizing the opening amounts of assets, foreign resources and equity for that past period.

In cases where the cumulative effect of all past periods for the error cannot be calculated for the beginning of the current period, the entity is prospectively rearranged from the beginning of the most recent period to which it is possible to apply its comparative information.

2.3. Summary of Important Accounting Policies

2.3.1. Revenue

When the Group fulfills or fulfills its performance obligation by transferring a committed good or service to its customer, it records the revenue in its consolidated financial statements. When control of an asset is (or has been) in the hands of the client, the asset is transferred. The Company records revenue in its consolidated financial statements in accordance with the following basic principles:

- a) Determination of contracts with customers
- b) Determination of performance obligations in the contract
- c) Determination of the transaction price in the contract
- d) Dividing the transaction price into the performance obligations in the contract
- e) Accounting for revenue each time a performance obligation is fulfilled

Accordingly, first of all, the goods or services promised in each contract made with the customers are evaluated and each commitment made to transfer the goods or services in question is determined as a separate performance obligation. Afterwards, it is determined whether the performance obligations will be fulfilled over time or at a certain time. If the Company transfers control of a good or service over time and therefore fulfills its performance obligations related to the relevant sales over time, it measures the progress towards the full fulfillment of such performance obligations and includes the revenue in the consolidated financial statements over time. Revenue related to performance obligations, which are commitments for the transfer of goods or services, are recognized when the control of the goods or services is in the hands of the customers.

The Group recognizes a contract with a customer as revenue if all of the following conditions are met:

- a) The parties to the contract have approved the contract (in accordance with written, oral or other commercial practices) and undertake to perform their own actions,
- b) The company can define the rights related to the goods or services to be transferred by each party,
- c) The company can define payment terms for the goods or services to be transferred,
- d) The contract is commercial in nature,
- e) It is likely that the Company will collect remuneration for goods or services to be transferred to the customer. When assessing whether a price is likely to be collectible, the business only considers the customer's ability to pay that price on due date and his intention to do so

2.3.2. Stocks

Inventories are valued at the lesser of the net realizable value or cost of acquisition. The cost of acquiring inventory includes all acquisition costs, conversion costs, and other costs incurred to restore inventory to its current state and location. The cost is calculated by the weighted average method. Net realizable value is the amount obtained by subtracting the sum of the estimated cost of completion and the estimated cost of sales required to realize the sale from the estimated sales price incurred in ordinary business activity.

2.3.3. Ready Values

Cash and cash equivalents include cash in cash and deposits in banks. It is shown by the sum of the costs of obtaining cash and cash equivalents and their accrued interest.

The money in the vault consists of Turkish Lira and foreign currency balances. Turkish Lira balances are valued with their registered value, and foreign currency balances are valued with the exchange rate of the Central Bank of the Republic of Turkey on the balance sheet date and shown in the records.

Bank deposits consist of time and demand deposits and the interest on these deposits. Turkish Lira deposits are shown in the records with their cost values, and foreign currency deposit accounts are shown in the records with their values converted into Turkish Lira using the Central Bank's exchange rate on the balance sheet date.

Since the ready values in foreign currency have been converted into Turkish Lira at the prevailing rates on the balance sheet date, it is accepted that the fair values of these assets are equivalent to their registered values.

Bank deposits are assumed to be identical to their fair value, since these assets are disposed of in short terms and there is no risk of impairment.

Fair value; In a reciprocal market environment, it is the amount that should arise when an asset changes hands or a debt is paid off between knowledgeable and willing companies.

2.3.4. Receivables and Payables

Trade receivables and trade payables incurred as a result of the provision of products or services to a buyer by the Group or the purchase of products or services from a seller are shown as netted from deferred financing income and expenses. After the netting of deferred financing revenues and expenses, trade receivables and commercial payables are calculated by discounting the amounts of receivables and debts recorded from the original invoice value to be obtained in the following periods with the effective interest method. Short-term receivables without a set interest rate are shown at their invoice value, unless the effect of the original effective interest rate is very large.

Even if the time taken to convert trade receivables/payables into money is longer than 12 months, they are considered to be within the normal operating cycle of the enterprise and such receivables are classified in current assets.

2.3.5. Provision for Doubtful Receivables

If there is an objective finding that there is no possibility of collection, the Group reserves provisions for doubtful receivables for the relevant trade receivables. The amount of this provision is the amount remaining after deducting the guarantees and guarantees received from the registered value of the receivable.

In the event that all or part of the amount of doubtful receivables is collected following the allocation of the amount of doubtful receivables, the collected amount is deducted from the reserved provision for doubtful receivables and recorded in other incomes.

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2.3.6. Tangible Fixed Assets

Tangible assets that are estimated to be used in the enterprise for more than one year are recorded for the first time with cost prices. Fixed assets are valued on the basis of the cost model. Assets are adjusted according to IAS 29 using the month index of the date they were received.

In determining the fair value of fixed assets, the Group is based on the "revaluation" model for land, lands and buildings, while it is based on the "cost model" for other tangible fixed assets. Tangible fixed assets are represented by deducting accumulated depreciation from revalued amounts. The Group calculates the depreciation of its fixed assets using the normal depreciation method, taking into account the benchmark period. Land and plots are not subject to depreciation due to the fact that their useful life is considered unlimited.

The depreciation rates of tangible fixed assets, based on their estimated useful life, are indicated as follows:

<u>Entity</u>	<u>Useful Life</u>
Buildings	50 years
Underground and aboveground layouts	5-20 years
Machinery, plant and equipment	2- 50 years
Vehicles	4- 8 years
Flooring and fixtures	2- 50 years
Rights	3- 15 years

2.3.7. Impairment of Assets

In the face of various events and situations, tangible and intangible assets are tested in terms of depreciation if it is determined that the carried values of the fixed assets fall below the values that can be realized / obtained from that asset in the future. If the book value of the tangible and intangible fixed asset is above the value that can be realized or obtained in the future from the acquisition of that asset, the fixed asset is set aside for impairment.

2.3.8. Borrowing Costs

Bank loans received against interest are reflected in the records on the basis of the net amount received after deducting the purchase cost. Income or expenses incurred during the amortization process or during the recording of liabilities are associated with the income statement. Borrowing costs are also recognized on an accrual basis and classified into loans if they do not come due in the period in which they arise.

2.3.9. Taxation

The general Corporate Tax rate in Turkey is 25%. This rate, which was 20% as of the balance sheet date, was increased to 25% with the "Law on the Issuance of Additional Motor Vehicle Tax and the Amendment of Certain Laws and Decree Law No. 375 on the Issuance of Additional Motor Vehicle Tax to Compensate for the Economic Losses Caused by the Earthquakes That Occurred on 6/2/2023" dated July 14, 2023.

Taxable profit is the profit calculated after adding expenses that are not recognized by the black law in the legal records and deducting tax exemptions (investment income exemption) and tax deductions (investment incentive discounts). As long as there is no distribution of profits, no other taxes are paid.

Provisional tax is calculated for income received in quarterly periods. The amounts calculated and paid can be set off against the final tax amount at the end of the year, or the Corporate Tax paid before the accrual can be set off against other debts owed to the state.

25% of profits from the sale of fixed assets and financial assets held for two years or more are exempt from this corporate tax.

With the Law No. 7316 dated April 22, 2021, temporary articles were added to the Corporate Tax Law No. 5520 dated 13.06.2006. Accordingly; The 20% tax rate in the Corporate Tax Law will be applied as 25% for corporate earnings for the 2021 taxation period and 23% for corporate earnings for the 2022 taxation period. These rates will be applied to the corporate earnings for the accounting periods starting in the relevant year for the institutions for which a special accounting period is assigned.

According to the Turkish tax legislation, the financial losses shown on the declaration can be deducted from the corporate income for the period, provided that they do not exceed 5 years. However, financial losses cannot be deducted from past year profits.

2.3.10. Ertelenen Vergiler

Deferred taxes are calculated on the basis of temporary differences between the deductible tax base of assets and liabilities and their recorded amounts in the consolidated financial statements. Temporary differences arise from the fact that income and expenses are recognized in different consolidated financial statement periods according to tax laws. While the deferred tax liability is calculated for all taxable temporary differences, the deferred tax receivables consisting of temporary differences to be deducted are calculated on the assumption that they will have taxable earnings in future periods.

The Group has taken the 25% rate as a basis for the deferred tax application.

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2.3.11. Financial Leasing Transactions

The Group reflects the fixed assets acquired through financial leasing on the balance sheet at the fair value on the lease start date or, if lower, the present value of the minimum lease payments on the balance sheet date (included in the relevant tangible fixed asset items in the consolidated financial statements). When calculating the present value of the minimum lease payments, if the rate applicable in the leasing transaction can be determined practically, then the borrowing interest rate is used as a discount factor. The costs incurred during the acquisition phase of the fixed asset subject to the financial leasing transaction are included in the cost. The liability arising from the financial leasing transaction is divided into interest payable and principal debt.

2.3.12. Employee Benefits / Severance Payments

Defined benefit plan:

According to the applicable laws, the Group is obliged to pay severance pay to employees whose employment is terminated due to retirement or for reasons other than resignation and behaviors specified in the Labor Law. The severance pay provision is calculated according to the net present value of the future liabilities expected to arise due to the retirement of all employees and is reflected in the consolidated financial statements. The actuarial gain/loss determined in relation to the defined benefit plans is recognized in the other comprehensive income statement within the scope of the amendments to IAS 19 "Employee benefits" standard.

Defined contribution plans:

The Group compulsorily pays social security contributions to the Social Security Institution. As long as the Group pays these premiums, it has no further obligations. These premiums are reflected in personnel expenses in the period in which they are accrued.

2.3.13. Earnings Per Share / (Loss)

Earnings per share / (loss) stated in the income statement are calculated by dividing net profit / (loss) by the weighted average number of stocks in the market during the period.

Weighted average number of shares of common stock refers to the number of common shares issued during the period and adjusted for the number of common shares during the period multiplied by the time weighting factor (the ratio of the number of days the shares are available divided by the total number of days of the period).

2.3.14. Earnings Per Share / (Loss) (Continued)

In Turkey, companies can increase their capital through "bonus shares" distributed to their shareholders from their previous year's profits. Such "bonus share" distributions are treated as issued shares in earnings per share calculations. Accordingly, the weighted average number of shares used in these calculations was found by taking into account the historical effects of these stock distributions.

2.3.15. Other Balance Sheet Items

Other balance sheet items are mainly reflected in their recorded value.

2.3.1. Events After the Balance Sheet Date

In the event that an event requiring correction in the financial statements occurs between the balance sheet date and the authorization date of the balance sheet, necessary corrections are made to the consolidated financial statements, and in cases that do not require correction, the relevant event is explained in the balance sheet footnotes.

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2.3.2. Foreign Currency Assets and Liabilities

Foreign currency transactions are accounted for at the current exchange rates on the date of the transaction. Active and passive accounts registered in foreign currency are subject to evaluation based on the exchange rates at the end of the period. Exchange rate differences arising from the valuation process are reflected in the income statement as foreign exchange profit or loss.

The rates used at the end of the period for USD, EURO and GBP are as follows:

Setup	31.12.2024		31.12.2023	
	Buying	Sale	Buying	Sale
USD	35,2803	35,3438	29,4382	29,4913
EUR	36,7362	36,8024	32,5739	32,6326
GBP	44,2073	44,4378	37,4417	37,6369

2.3.3. Accounting Estimates

The preparation of consolidated financial statements requires management to make decisions, forecasts, and assumptions that affect the implementation of policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Forecasts and the assumptions that underpin them are constantly reviewed.

Important estimates and assumptions used by the Company in preparing its financial statements are as follows;

- Useful life of tangible and intangible assets, scrap values
- Discount rates for receivables and payables
- Reserve amounts set aside for receivables
- Regarding the benefits provided to employees; retirement period, raise rate, discount rate, severance pay rate
- Rates used in the calculation of deferred tax

2.3.4. Cash Flow Reporting

In the cash flow statement, cash flows for the period are classified and reported based on operating, investment and financing activities.

Cash flows from operating activities represent the cash flows from the Group's core operations.

Cash flows related to investment activities indicate the cash flows that the Group uses and obtains in its investment activities (asset investments and financial investments).

Cash flows related to financing activities indicate the resources used by the Group in its financing activities and the repayments of these resources.

Cash and cash equivalents include cash and bank deposits, as well as short-term, highly liquid, and maturities of three months or less, with a fixed amount, easily convertible into cash.

2.3.5. Related Parties

- a) A person or a member of his/her immediate family is deemed to be associated with the Authority if: The person in question,
 - i. In the event that it has control or joint control power over the institution,
 - ii. In the event that it has a significant impact on the institution,
 - iii. In the event that he is a member of the key executive staff of the Authority or a parent company of the Institution.
- b) If any of the following conditions are present, the entity is deemed to be associated with the Authority:
 - i. If the Business and the Institution are members of the same group,
 - ii. If the Authority is a subsidiary or business partnership of the other Institution (or a member of a group of which the other Institution is a member),
 - iii. If both Institutions are business partnerships of the same third party,
 - iv. If one of the enterprises is a business partnership of a third Institution and the other Institution is a subsidiary of the said third Institution,
 - v. In the event that the Authority, the Authority or an Institution associated with the Authority has benefit plans for its employees after leaving the job (if the Authority itself has such a plan, the sponsoring employers are also related to the Authority),
 - vi. In the event that it is controlled or jointly controlled by a person defined in clause (a) of the Authority,
 - vii. A person described in subparagraph (i) of clause (a) has significant influence on the business or is a member of the key management personnel of the Corporation (or its parent company).

In line with the foregoing, the following companies are identified as related parties in the attached consolidated financial statements;

2.3.6. Provisions, Contingent Liabilities, and Contingent Assets

Provisions:

Provisions are accrued if there is a possible liability arising from past events (legal or structural liability), if there is a possible decrease in the active items required to fulfill this obligation in the future, and if the amount of the obligation can be reliably determined. These accrued provisions are reviewed in each balance sheet period and revised to reflect current forecasts.

Contingent liabilities and contingent assets:

Transactions that give rise to commitments and contingent obligations refer to situations whose realization depends on the outcome of one or more events in the future. Therefore, some transactions are recognized as off-balance sheet items in terms of carrying possible losses, risks or uncertainties in the future. In the event that an estimate is made for possible future liabilities or losses to be incurred, these obligations are considered as expenses and debts for the Company. However, revenues and profits that seem likely to occur in the future are reflected in the financial statements.

Warranties

Provisions related to warranty costs are recognized on the date of sale of the relevant products, according to the most appropriate expenditures estimated by the management to meet the Group's obligations.

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3. CASH AND CASH EQUIVALENTS

	31.12.2024	31.12.2023
Checkout	2.229.906	2.207.069
Banks	30.760.549	75.868.059
Other literals	726.923	–
Sum	33.717.378	78.075.128

The deposit structure of cash and cash equivalents is as follows;

	31.12.2024	31.12.2023
Demand deposit	30.760.549	75.868.059
Sum	30.760.549	75.868.059

There are no blocked deposit accounts.

The foreign exchange position of cash and cash equivalents is as follows;

(TL equivalent)	31.12.2024	31.12.2023
USD	20.595.273	61.759.996
EUR	3.096.405	8.471.618
RUB	202.409	291.492
AED	6.501.994	–
Sum	30.396.081	70.523.106

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4. BORROWINGS

The details of short-term borrowings are as follows;

Current borrowings	31.12.2024	31.12.2023
Bank loans	120.707.900	85.517.435
Sum	120.707.900	85.517.435

The details of the short-term parts of long-term borrowings are as follows;

Current portion of non-current borrowings	31.12.2024	31.12.2023
Principal installments and interest on long-term loans	347.519.278	208.472.600
Debts arising from financial leasing transactions	5.350.448	1.699.445
Deferred lease arrears (-)	-622.501	-328.869
Sum	352.247.225	209.843.176

The details of long-term borrowings are as follows;

Long term borrowings	31.12.2024	31.12.2023
Bank loans	172.375.302	46.471.649
Debts arising from financial leasing transactions	4.062.932	2.260.661
Deferred lease arrears (-)	-286.677	-196.339
Sum	176.151.557	48.535.971

The short-term portions of other financial debts are as follows;

Other financial liabilities	31.12.2024	31.12.2023
Other financial debts [Short-term]	456.605	1.816.864
Sum	456.605	1.816.864

The currency type of financial debts is as follows;

(TL equivalent)	31.12.2024	31.12.2023
TL	111.054.606	44.699.196
USD	499.291.693	301.014.250
EUR	39.216.988	—
Sum	649.563.287	345.713.446

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The expected maturities of financial debts are as follows;

	31.12.2024	31.12.2023
Credits	707.377.171	345.713.446
0-3 months	130.361.363	117.482.236
3-12 months	377.352.051	179.695.240
1-5 year	199.663.757	48.535.970
Leases	5.803.059	–
0-3 months	1.392.927	–
3-12 months	3.954.938	–
1-5 year	455.194	–
Sum	713.180.230	345.713.446

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5. TRADE RECEIVABLES / TRADE PAYABLES

	31.12.2024	31.12.2023
Recipients	345.414.095	315.571.398
Recipients [Related party]	258.256	300.966
Bills receivable	112.896.319	135.963.327
Rediscount of bills receivable	-7.343.153	-10.829.797
Other trade receivables	-1.386.833	-2.002.292
Doubtful trade receivables	103.767.752	145.288.426
Provision for doubtful trade receivables [Long-t	-103.767.752	-145.288.426
Rediscount of bills receivable [Related party]	-	-284
Sum	449.838.684	439.003.318

The calculation of receivable securities rediscount is based on an interest rate of 55.68%. (31.12.2023: 53,12) (For details of receivables from related parties, see Footnote 30 Related Parties)

The changes in doubtful receivables during the period are as follows;

	31.12.2024	31.12.2023
Beginning of semester	145.288.426	165.758.429
Additions	415.266	9.418.563
Collections, cancellations	-1.585.218	-9.652.674
Currency valuation	607.917	266.056
Sum	144.726.391	165.790.374
TMS 29 presentation effect	-40.958.639	-20.501.948
Sum	103.767.752	145.288.426

The details of the maturities of trade receivables are as follows;

	31.12.2024	31.12.2023
Trade receivables	458.568.670	451.835.691
0-3 months	436.554.963	407.300.846
3-12 months	22.013.707	44.534.845
Sum	458.568.670	451.835.691

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	31.12.2024	31.12.2023
Sellers	201.642.458	212.243.607
Commercial liabilities [Related party]	–	194.491
Debt securities	161.277.520	117.493.388
Other business debts	61.959.029	29.588.034
Rediscount of debt securities (-)	-14.628.640	-6.967.408
Other commercial debts[Long-term]	700.000.000	–
Sum	1.110.250.367	352.552.112

The calculation of the rediscount of debt securities is based on an interest rate of 55.68%. (31.12.2023: 53,12) (For details of receivables from related parties, see footnote 30 Related Parties)

The maturities of commercial debts are as follows,

	31.12.2024	31.12.2023
Commercial debts	1.124.879.006	359.519.521
0-3 months	285.544.037	198.436.443
3-12 months	139.334.969	161.083.078
1-5 year	700.000.000	–
Sum	1.124.879.006	359.519.521

6. DEBTS WITHIN THE SCOPE OF EMPLOYEE BENEFITS

Within the scope of employee benefits, debts are as follows;

	31.12.2024	31.12.2023
Debts to staff	15.113.844	55.037.192
Social security deductions payable	7.555.356	18.718.236
Sum	22.669.200	73.755.428

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7. OTHER RECEIVABLES /OTHER DEBTS

The details of other receivables are as follows;

	31.12.2024	31.12.2023
Deposits and guarantees given [Short-term]	1.231.679	–
Other miscellaneous receivables	5.515.001	–
Other miscellaneous receivables [Related party]	–	22.351
Other doubtful receivables	–	192.116
Provision for other doubtful receivables	–	-192.116
Deposits and guarantees given [Long-term]	1.255.566	339.898
Sum	8.002.246	362.249

	31.12.2024	31.12.2023
Beginning of semester	133.065	–
Additions	–	133.065
Collections, cancellations	-133.065	–
TMS 29 presentation effect	–	59.051
Sum	–	192.116
Secured part	–	–
Sum	–	192.116

The details of other debts are as follows;

	31.12.2024	31.12.2023
Deposits and guarantees received [Short-term]	6.333.770	10.209.637
Miscellaneous other debts	2.116.233	–
Debts to partners	342.020.025	45.426.672
Sum	350.470.028	55.636.309

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8. STOCKS

The details of the stocks are as follows;

	31.12.2024	31.12.2023
Initial material and material	483.594.317	213.355.104
Semi-finished products production	29.213.960	14.048.251
Products	306.721.575	73.196.381
Merchandise	65.247.901	47.017.086
Other stocks	7.114.134	10.355.928
Stock impairment provision	-7.118.893	-17.854.881
Sum	884.772.994	340.117.869

There is no collateral pledge mortgage on stocks.

9. PREPAID EXPENSES / DEFERRED INCOME

The details of the prepaid expenses are as follows;

	31.12.2024	31.12.2023
Order advances placed [Short-term]	261.449.080	73.793.513
Expenses for the coming months	38.662.677	6.943.936
Sum	300.111.757	80.737.449

Deferred income	31.12.2024	31.12.2023
Order advances received [Short-term]	23.605.680	73.259.102
Sum	44.450.691	73.259.102

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10. TAXATION

Current tax assets	31.12.2024	31.12.2023
Taxes and funds paid in advance	11.129.913	26.037.823
Sum	11.129.913	26.037.823

Current tax liabilities, current	31.12.2024	31.12.2023
Period profit, tax and other legal obligation provisions	12.973.194	23.124.381
Sum	12.973.194	23.124.381

Tax income expense details are as follows;

	01.01.2024	01.01.2023
Tax expense/income from continuing operations	31.12.2024	31.12.2023
Period profit, tax and other legal obligation provisions	-12.973.194	-23.124.381
Deferred tax expense/income	-3.848.110	17.019.131
<i>Deferred tax at the beginning of the period</i>	<i>-30.736.833</i>	<i>19.570.285</i>
<i>Deferred tax at the end of the period</i>	<i>44.978.150</i>	<i>30.736.833</i>
<i>Recognized in other comprehensive income</i>	<i>-18.089.427</i>	<i>-33.287.987</i>
Sum	-16.821.304	-6.105.250

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Deferred Tax;

31.12.2024	Temporary difference	Entity	Responsibility
Doubtful trade receivables	-50.468.254	12.617.064	-
Receivables rediscounts	-7.343.153	1.835.788	-
Fixed asset differences	342.071.804	-	85.517.951
Employee benefit provisions	11.797.468	2.949.367	-
Financial debt adjustment	-1.478.996	369.749	-
Provision for severance pay	100.083.632	25.020.908	-
Investment allowance	80.685.416	20.171.354	-
Prepaid expense adjustments	-935.486	233.872	-
Litigation provisions	2.881.846	720.462	-
Debit rediscounts	-14.628.640	-	3.657.160
Financial asset adjustment	-362.134.657	90.533.664	-
Inventory adjustments	81.629.883	-	20.407.471
Differential adjustments	434.015	108.504	-
	Sum	154.560.732	109.582.582
	Exact total	44.978.150	0

The rate of 25% was used in the calculation of deferred tax.

31.12.2023	Temporary difference	Entity	Responsibility
Bad debt provision expense	122.844.799	30.711.200	-
Fixed asset adjustments	-298.206.669	-	74.551.668
Severance pay adjustment	22.374.787	5.593.697	-
Personnel leave provision expense	8.306.431	2.076.609	-
Expense adjustment for future months	-116.465	-	29.115
Corrections to advances granted	889.495	222.374	-
Corrections to subsidiaries and partnerships	-7.732.817	-	1.933.204
Debit rediscounts	-6.967.408	-	1.741.839
Inventory impairment	372.285	93.071	-
Litigation provisions	4.160.774	1.040.194	-
Investment allowance	313.770.134	66.149.833	-
Receivables rediscounts	10.830.081	2.707.521	-
Financing debt adjustment	-878.862	-	216.085
Restricted bank balance reserve adjustment	2.456.979	614.245	-
	Sum	109.208.744	78.471.911
	Exact total	30.736.833	0

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11. PROVISIONS

Current provisions	31.12.2024	31.12.2023
Other provisions for debts and expenses [Short-term]	3.315.861	4.160.774
Short-term provisions for employee benefits (Leave Provision)	11.797.468	8.306.431
Sum	15.113.329	12.467.205
• Non-current provisions for employee benefits	31.12.2024	31.12.2023
Provision for severance pay	109.289.512	22.374.787
Sum	109.289.512	22.374.787

The assumptions used in calculating severance pay are as follows;

	31.12.2024	31.12.2023
Job uptime	Retirement	Retirement
Hike rate	54,00%	48,25%
Discount rate	57,00%	53,40%
Of those who leave without compensation	6,00%	6,00%
Severance pay ceiling	41.828	35.059

The changes in severance pay provisions during the period are as follows;

	31.12.2024	31.12.2023
Beginning of semester	15.497.283	13.130.980
Payments	-8.601.281	-14.687.541
Current cost of service	14.900.209	17.111.836
Interest cost	6.888.563	4.556
Actuarial gains and losses	71.398.858	5.099.295
	100.083.632	20.659.126
TMS-29 presentation effect	-	1.715.661
Dubai Sharjah	9.205.880	-
Sum	109.289.512	22.374.787

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12. OTHER CURRENT ASSETS /OTHER LIABILITIES

Other current assets	31.12.2024	31.12.2023
Rollover VAT	42.436.528	144.198
Other value-added tax	16.392.666	15.810.132
Business advances	12.989.228	1.294.862
Sum	71.818.422	17.249.192

The liquidity of other liabilities is as follows;

Other current liabilities	31.12.2024	31.12.2023
Taxes and funds payable [Short-term]	13.592.732	7.967.659
Overdue, deferred, installments, tax and other obligations	–	1.537.322
Sum	13.592.732	9.504.981

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13. TANGIBLE FIXED ASSETS

	1.01.2024	Entries	Outputs	differences	31.12.2024
Assets					
Land and plots	5.758.325	-	-	-1.765.533	3.992.792
Underground and aboveground layo	11.838.057	-	-	-28	11.838.029
Buildings	576.833.169	4.326.338	-	-40.322.478	540.837.029
Plant, machinery and devices	429.971.705	37.881.943	-653.282	-26.858.943	440.341.423
Vehicles	18.886.536	12.344.014	-347.636	1.758.580	32.641.494
Assets	43.131.554	5.375.357	-	-148.115	48.358.796
Other tangible assets	313.796	-	-	-95.761	218.035
Investments in progress	41.536.566	836.454.742	-38.745.424		839.245.884
Sum	1.128.269.708	896.382.394	-39.746.342	-67.432.278	1.917.473.482
Depreciations					
Accumulated depreciation	-536.143.988	-23.622.474	1.000.918	30.857.391	-527.908.153
Sum	-536.143.988	-23.622.474	1.000.918	30.857.391	-527.908.153
PRECISE VALUE	592.125.720	872.759.920	-38.745.424	-36.574.887	1.389.565.329
	1.01.2023	Entries	Outputs	differences	31.12.2023
Assets					
Land and plots	6.026.608	-	-	-268.283	5.758.325
Underground and aboveground layo	11.838.057	-	-	-	11.838.057
Buildings	582.970.911	-	-	-6.137.742	576.833.169
Plant, machinery and devices	434.057.670	-	-	-4.085.965	429.971.705
Vehicles	13.865.050	7.201.600	-2.148.037	-32.077	18.886.536
Assets	43.077.480	1.948.069	-1.820.459	-73.536	43.131.554
Other tangible assets	1.929.500	-	-1.601.083	-14.621	313.796
Investments in progress	28.306.210	13.230.356	-	-	41.536.566
Sum	1.122.071.486	22.380.025	-5.569.579	-10.612.224	1.128.269.708
Depreciations					
Accumulated depreciation	-526.828.481	-20.005.303	5.503.634	5.186.162	-536.143.988
Sum	-526.828.481	-20.005.303	5.503.634	5.186.162	-536.143.988
PRECISE VALUE	595.243.005	2.374.722	-65.945	-5.426.062	592.125.720

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14. INTANGIBLE ASSETS

	01.01.2024	Entries	Outputs	31.12.2024
Rights	11.800.301	11.109.132		22.909.433
Other intangible assets	9.873.563	–	–	9.873.563
Sum	21.673.864	11.109.132	–	32.782.996
Amortization and Depletion Shares				
Accumulated depreciation	-20.047.108	-3.228.000	–	-23.275.108
Sum	-20.047.108	-3.228.000	–	-23.275.108
PRECISE VALUE	1.626.756	7.881.132	–	9.507.888
01.01.2023				
Rights	11.785.724	159.471	-144.894	11.800.301
Other intangible assets	9.885.818	–	-12.255	9.873.563
Sum	21.671.542	159.471	-157.149	21.673.864
Amortization and Depletion Shares				
Accumulated depreciation	-19.458.210	-744.163	155.265	-20.047.108
Sum	-19.458.210	-744.163	155.265	-20.047.108
PRECISE VALUE	2.213.332	-584.692	-1.884	1.626.756

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15. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

	31.12.2024	31.12.2023
A. Total Amount of TRIKs Issued on Behalf of Its Legal Entity	2.405.042.319	834.011.706
B. The Total Amount of TRICs Issued in Favor of Partnerships Included in the Full Consolidation	-	-
C. The total amount of TRICs given by other 3rd parties in order to	-	-
D. Total Amount of Other Issued TRICS	-	-
<i>i. Total Amount of TRIKs Given in Favor of the Main Partner</i>	-	-
<i>ii. Total Amount of TRIKs Granted in Favor of Other Group</i>	-	-
<i>iii. Not Covered by Article C 3. The Total Amount of TRIKs Given in Favor of Individuals</i>	-	-
Sum	2.405.042.319	834.011.706

Guarantees given	31.12.2024	31.12.2023
Letters of guarantee	530.042.319	380.662.364
Pant	1.875.000.000	453.349.342
Sum	2.405.042.319	834.011.706

16. PAİD-UP CAPITAL

	31.12.2024		31.12.2023	
	Amount	%	Amount	%
Erkan İzgi	32.363.544	13,48%	-	-
Yüksel Kardeş	6.000.005	2,50%	10.787.850	13,48%
Gülfem Oktay	777.657	0,32%	331.318	0,41%
Halka açık kısım	200.858.794	83,69%	68.880.832	86,10%
Sum	240.000.000	100%	80.000.000	100%

The issued capital of our Company, which is 80,000,000 TL (Eighty Million Turkish Liras) within the registered capital ceiling of 2,000,000,000 TL (Two Billion Turkish Liras), is increased by 200% to 160,000,000 TL (One Hundred and Sixty Million Turkish Liras) by 200% free of charge, all of which is covered by internal resources (emission premium), and to increase the capital from internal resources in accordance with Article 6 of the Company's Articles of Association titled "Registered Capital and Shares". The amendment of the article was announced by the Istanbul Trade Registry Office on 03.10.2024 with the registration and the Turkish Trade Registry Gazette dated 04.10.2024 and numbered 11179.

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The details of the Company's capital inflation adjustment positive differences are as follows;

Capital inflation adjustment spreads are positive	219.511.820	881.375.482
Total Capital	459.511.820	961.375.482

On August 2, 2024, the Company's Inflation Adjustment Positive Differences were offset with the losses of previous years.

17. OTHER ACCUMULATED COMPREHENSIVE INCOME (EXPENSES) THAT WILL NOT BE RECLASSIFIED IN PROFIT OR LOSS

	31.12.2024	31.12.2023
Tangible fixed asset revaluation increases (decreases) [Short-term]	114.874.122	114.874.122
Defined benefit plans re-measurement gains (losses)	-81.353.842	-9.954.984
Sum	51.369.995	104.919.138

18. PREMIUMS FOR SHARES (DISCOUNTS)

The details of the premiums for the shares are as follows;

	31.12.2024	31.12.2023
Stock issuance premiums	198.587.354	363.859.720
Sum	198.587.354	363.859.720

The amount of inflation adjustment made to the account of stock issue premiums was added to the capital increase.

19. RESTRICTED RESERVES THAT ARE ALLOCATED FROM THE SNOW

	31.12.2024	31.12.2023
Registered statutory reservists	52.319.177	40.707.496
TMS/TFRS adjustment differences	-8.963.188	2.648.493
Sum	43.355.989	43.355.989

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20. PAST YEARS PROFITS OR LOSSES

	31.12.2024	31.12.2023
Losses of previous years (Registered value)	-250.698.487	-749.796.760
TMS/TFRS differences	144.623.746	-23.647.908
Sum	-106.074.741	-773.444.668

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21. REVENUE / COST OF SALES

	01.01.2024	01.01.2023
Revenue	31.12.2024	31.12.2023
Domestic sales	1.444.617.932	932.385.951
Overseas sales	1.192.118.013	1.193.176.100
Returns from sale	-10.365.564	-18.129.586
Other discounts	-3.101.687	–
Sum	2.623.268.694	2.107.432.465
Cost of sales (-)		
Cost of finished goods sold	-1.405.736.824	-1.645.294.314
Cost of merchandise sold	-813.211.671	-159.487.636
Sum	-2.218.948.495	-1.804.781.950

22. GENERAL ADMINISTRATIVE EXPENSES

	01.01.2024	01.01.2023
General administrative expenses	31.12.2024	31.12.2023
Personnel expenses	-111.542.891	-41.890.100
External benefits	-917.258	–
Subscription expenses	-513.036	-1.493.383
Insurance expenses	-626.667	-2.051.863
Stationery expenses	-1.818.047	-1.921.407
Consulting expenses	-776.698	-12.430.927
Communication expenses	-924.351	-663.846
Depreciation expenses	-9.771.813	-5.857.073
Taxes, duties and fees	-6.875.090	-8.721.133
Dues and rent expenses	-513.318	–
Maintenance and repair expenses	-518.563	-375.700
Accommodation, representation and travel exp	-388.916	–
Bank expenses	-1.201.139	–
Court costs	-2.486.690	-343.112
Shipping and freight costs	–	-9.225.047
Electricity, water, heating expenses	–	-6.101.233
Other	-17.078.675	-7.841.915
Sum	-155.953.152	-98.916.739

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23. MARKETING EXPENSES

	01.01.2024	01.01.2023
Marketing expenses	31.12.2024	31.12.2023
Personnel expenses	-36.319.500	-44.756.790
Depreciation expenses	-557.606	-1.022.104
Tax and duty expenses	-298.918	-
Insurance expenses	-1.226.443	-919.085
Marketing, sales, and distribution expenses	-3.380.776	-
Vehicle expenses	-3.510.020	-1.469.819
Electricity, water and natural gas expenses	-553.735	-6.620.588
Outsourced benefits	-42.188.399	-66.378.732
Export expenses	-34.473.203	-26.696.192
Brokerage commission expenses	-27.372.591	-
Accommodation and rental expenses	-5.919.103	-
Shipping costs	-13.194.547	-12.568.656
Maintenance and repair expenses	-108.542	-1.094.980
Fair participation expense	-3.202.052	-1.511.156
Highway toll etc. expenses	-1.097.660	-
Representation hospitality expenses	-5.048.292	-20.770.692
Other	-1.080.875	-9.919.515
Sum	-179.532.262	-193.728.309

24. OTHER INCOME FROM CORE ACTIVITIES / OTHER EXPENSES FROM CORE ACTIVITIES

	01.01.2024	01.01.2023
Other operating income	31.12.2024	31.12.2023
Other unusual income and profits	15.540.946	654.317
Rediscount interest income	22.129.799	9.531.589
SGK Incentive Revenues	20.789.904	-
Investment incentive revenues	3.261.918	-
Dubai commission income	12.816.635	-
Shipping revenues	133.065	13.936.412
Shipping revenues	1.057.979	-
Foreign exchange profit	95.339.059	350.347.937
Previous period revenue and profits	-	1.292.887
Other	3.803.270	-
Sum	174.872.575	375.763.142

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	01.01.2024	01.01.2023
Other operating expenses	31.12.2024	31.12.2023
Rediscount interest expenses	-12.168.937	-13.287.437
Other ordinary	-	-12.739.805
Foreign exchange losses	-53.802.561	-200.109.135
Provision expenses	-1.133.023	-16.902.414
Other unusual expenses and damages	-1.105.397	-33.623
Sum	-68.209.918	-243.072.414

25. INCOME FROM INVESTMENT ACTIVITIES / EXPENSES FROM INVESTMENT ACTIVITIES

	01.01.2024	01.01.2023
Investment activity income	31.12.2024	31.12.2023
Other unusual expenses and damages	200.000	675.517
Sum	200.000	675.517

	01.01.2024	01.01.2023
Investment activity expenses	31.12.2024	31.12.2023
Expenses from investment activities	-	-28.731
Sum	-	-28.731

26. NET MONETARY POSITION GAINS/LOSSES

The detail of net monetary position gains/losses is as follows;

Monetary Position Gains/Losses	31.12.2024
Inventories inflation adjustments	125.864.948
Fixed asset inflation adjustments	259.361.266
Equity inflation adjustments	-214.324.891
Financial assets inflation adjustments	44.062.701
Deferred tax inflation adjustments	9.687.520
Income statement inflation variance classificator	58.611.219
Elimination	-53.430.396
Sum	229.832.367

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27. FINANCING INCOME/FINANCING EXPENSES

	01.01.2024	01.01.2023
	31.12.2024	31.12.2023
Finance income		
Interest income [Cash and cash equivalents]	10.199	–
Foreign exchange profit [Of cash and cash equ	10.552.996	10.207.175
Sum	10.563.195	10.207.175

	01.01.2024	01.01.2023
	31.12.2024	31.12.2023
Finance costs		
Short-term borrowing expenses	-51.563.010	-123.354.911
Long-term borrowing expenses	-25.353.138	–
Foreign exchange losses [Belonging to cash and	-70.018.439	-11.626.401
Sum	-146.934.587	-134.981.312

28. EARNINGS PER SHARE

	01.01.2024	01.01.2023
	31.12.2024	31.12.2023
Earnings Per Share		
Profit (loss) for the period	252.337.113	-164.969.180
Number of shares	240.000.000	80.000.000
Bar per share (loss)	1,05	-2,06

Earnings / (loss) per share is calculated by dividing the net profit or loss for the period by the weighted average of the number of ordinary shares held by ordinary holders in the current period.

29. FEES PAID FOR INDEPENDENT AUDIT

	01.01.2024	01.01.2023
	31.12.2024	31.12.2023
Independent audit service	725.000	850.672
Sum	725.000	850.672

30. RELATED PARTIES

	31.12.2024	31.12.2023
Trade Receivables;	258.256	323.033
Gersan Domain Name Partnership	258.256	323.033
Other debts	-342.020.025	-45.426.672
Yüksel Kardeş (*)	–	-45.426.672
Erkan İzgi (long-term)	-342.020.025	–
Sum	-341.761.769	-45.103.639

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(*) On February 7, 2019, the Group signed a share-backed hybrid financing agreement with Silo Equity Partners SPC ("Silo"), an international investment fund, and on the same date, Yüksel Kardeş entered into a share pledge agreement ("Pledge Agreement") in which its shares in Gersan were provided as collateral in favor of Silo within the scope of the Loan **Agreement**. However, the Loan Agreement was subsequently amended by the Amendment Agreement dated June 26, 2020 (the "**Amendment Agreement**").

Within the scope of the Loan Agreement, TL 19,051,500 of loans were disbursed by the Group, and in this context, 7,673,737 GEREL.IS shares were given to Silo as collateral by Yüksel Kardeş under the Pledge Agreement.

Therefore, within the scope of the Amendment Agreement, 6,500,000 shares were sold by Silo on the Stock Exchange without the knowledge of Yüksel Kardeş, and the loan was closed and 1,173,737 shares held as loan collateral margin were sold by Silo from the Stock Exchange. And with the warning letter dated September 24, 2020 sent by Silo to the Group, it was reported that the Loan Agreement had been folded. These shares, which were given as collateral, were sold on the market and the loan was closed. In this context, Silo Equity Partners SPC did not return the shares given by Yüksel Kardeş as collateral by unjustly negotiating the Loan Agreement on September 24, 2020.

In this context, with the recourse agreement dated 31.07.2021 concluded by the Group and Yüksel Kardeş, Gersan owed Yüksel Kardeş 19,051,500 TL. The remaining debt of TL 12,412,040 consists of the cash amount deposited by Yüksel brother into the Group's bank accounts.

The amount above on 31.12.2023 is the debt owed by Gersan to Yüksel Kardeş multiplied by the inflation carrying index.

The income-expense details of the relationship party are as follows;

31.12.2024	Sales of goods and services	Purchases of goods and services
Gersan-Alan Ordinary Partnership	16.800	-
Sum	16.800	-

31.12.2023	Sales of goods and services	Purchases of goods and services
Gersan-Alan Ordinary Partnership	24.256	-
Asfa-Gersan Ordinary Partnership	-	-
Gersan Elektrik Middle East	166.437	-
Sum	190.693	-

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31. BENEFITS AND BENEFITS TO SENIOR MANAGEMENT

	1.01.2024	1.01.2023
	31.12.2024	31.12.2023
Benefits for senior management	8.043.153	7.065.618
Sum	8.043.153	7.065.618

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32. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

31.12.2024	Receivables				Deposits in banks	Other
	Trade receivables		Other receivables			
Credit risks incurred in terms of types of financial instruments	Related Party	The Other Side	Related Party	The Other Side		
Maximum credit risk as of the reporting date (*) (A+B+C+D+E)	258.256	347.199.509	-	8.002.246	30.760.549	2.956.829
A. Net book value of unexpired or undepreciated financial assets	258.256	449.580.428	-	8.002.246	30.760.549	2.956.829
B. The carrying value of financial assets whose terms have been renegotiated or would otherwise be deemed to be overdue or depreciated	-	-	-	-	-	-
C. Net book value of overdue but not depreciated assets	-	-	-	-	-	-
D. Net book values of depreciated assets	-	-102.380.919	-	-	-	-
- Overdue (gross book value)	-	-1.386.833	-	-	-	-
- Depreciation (-)	-	103.767.752	-	-	-	-
E. Elements involving credit risk outside the statement of financial position	-	-	-	-	-	-

31.12.2023	Receivables				Deposits in banks	Other
	Trade receivables		Other receivables			
Credit risks incurred in terms of types of financial instruments	Related Party	The Other Side	Related Party	The Other Side		
Maximum credit risk as of the reporting date (*) (A+B+C+D+E)	300.682	438.702.636	22.351	339.898	75.868.059	2.207.069
A. Net book value of unexpired or undepreciated financial assets	300.682	438.702.636	22.351	339.898	75.868.059	2.207.069
B. The carrying value of financial assets whose terms have been renegotiated or would otherwise be deemed to be overdue or depreciated	-	-	-	-	-	-
C. Net book value of overdue but not depreciated assets	-	-	-	-	-	-
D. Net book values of depreciated assets	-	-	-	-	-	-
- Overdue (gross book value)	-	-145.288.426	-	-	-	-
- Overdue (gross book value)	-	145.288.426	-	-	-	-
E. Elements involving credit risk outside the statement of financial position	-	-	-	-	-	-

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Nature and Level of Risks Arising from Financial Instruments-Currency Sensitivity Analysis

31.12.2024	31.12.2024 Purchasing power	TL Karşılığı	USD	EUR	RUB
Trade Receivables	501.524.722	501.524.722	480.993.953	20.530.769	-
Monetary Financial Assets	23.892.101	23.892.101	20.595.263	3.096.405	200.433
Current Assets	525.416.823	525.416.823	501.589.217	23.627.174	200.433
Non-Monetary Financial Assets	27.132.394	27.132.394	23.940.428	3.191.966	-
Fixed Assets	27.132.394	27.132.394	23.940.428	3.191.966	-
Total Assets	552.549.217	552.549.217	525.529.644	26.819.140	200.433
Commercial Liabilities	5.257.931	5.257.931	148.774	249	-
Financial Obligations	384.784.208	384.784.208	348.562.132	36.222.077	-
Other Non-Monetary Obligations	66.418.492	66.418.492	59.162.064	7.256.428	-
Short-Term Liabilities	456.460.632	456.460.632	407.872.970	43.478.754	-
Financial Obligations	153.724.471	153.724.471	150.729.543	2.994.928	-
Long-Term Obligations	153.724.471	153.724.471	150.729.543	2.994.928	-
Total Liabilities	610.185.103	610.185.103	558.602.512	46.473.682	-
Net Foreign Currency Asset / (Liability) Position	-57.635.886	-57.635.886	-33.072.868	-19.654.543	200.433
Monetary Items Net Foreign Currency Asset / (Liability) Position	-57.635.886	-57.635.886	-33.072.868	-19.654.543	200.433

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31.12.2023	31.12.2024 Purchasing power	TL Karşılığı	USD	EUR	RUB
Trade Receivables	551.670.478	382.099.441	366.784.105	15.315.336	-
Monetary Financial Assets	70.520.275	48.843.936	42.776.383	5.867.634	199.918
Non-Monetary Financial Assets	64.533.268	44.697.200	41.422.285	3.274.915	-
Current Assets	686.724.021	475.640.577	450.982.773	24.457.885	199.918
Total Assets	686.724.021	475.640.577	450.982.773	24.457.885	199.918
Commercial Liabilities	204.543.505	141.671.454	139.671.188	2.000.265	-
Financial Obligations	249.686.232	172.938.327	172.938.327	-	-
Other Non-Monetary Obligations	37.356.133	25.873.702	21.349.024	4.524.678	-
Short-Term Liabilities	491.585.869	340.483.483	333.958.539	6.524.943	-
Financial Obligations	47.950.951	33.211.912	33.211.912	-	-
Long-Term Obligations	47.950.951	33.211.912	33.211.912	-	-
Total Liabilities	539.536.820	373.695.395	367.170.452	6.524.943	-
Net Foreign Currency Asset / (Liability) Position	147.187.201	101.945.182	83.812.322	17.932.942	199.918
Monetary Items Net Foreign Currency Asset / (Liability) Position	147.187.201	101.945.182	83.812.322	17.932.942	199.918

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	Profit/Loss	
31.12.2024	Appreciation	Depreciation
If the USD rate changes by 10%:		
USD Net asset/liability	-3.307.287	3.307.287
USD hedged portion (-)		-
USD net impact	-3.307.287	3.307.287
In the event of a 10% change in the euro rate:		
EURO Net assets/liabilities	-43.352	43.352
EURO risk hedged (-)	-	-
Euro impact	-43.352	43.352
SUM	-3.350.639	3.350.639

	Profit/Loss	
31.12.2023	Appreciation	Depreciation
If the USD rate changes by 10%:		
USD Net asset/liability	216.518	-216.518
USD hedged portion (-)		-
USD impact	216.518	-216.518
In the event of a 10% change in the euro rate:		
EURO Net assets/liabilities	58.890	-58.890
EURO risk hedged (-)		-
Euro impact	58.890	-58.890
SUM	275.408	-275.408

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33. EVENTS AFTER THE BALANCE SHEET DATE

An application was made to the Capital Markets Board on 21.01.2025 to increase the issued capital of our company, which is 240,000,000.00 TL, with an allocation of 1,750,000,000.00 TL, provided that it remains within the registered capital ceiling of 2,000,000,000.00 TL.