



CALIK RENEWABLES

Powering with the Strength of Nature

Integrated Annual Report 2025





Table of Contents

Discover the 2025 Integrated Annual Report of Çalık Renewables!

3 INTRODUCTION

- 4 [About the report](#)
- 5 [Message from the Board of Directors](#)
- 6 [Message from the General Manager](#)

8 SECTORAL OUTLOOK

- 9 [Global Energy Sector Outlook](#)
- 14 [Key Trends in 2025](#)

16 CORPORATE PROFILE

- 17 [About Çalık Holding](#)
- 18 [About Çalık Renewables](#)
- 20 [Çalık Renewables Subsidiaries](#)
- 21 [Purpose, Vision and Corporate Values](#)
- 22 [Milestones](#)
- 23 [Corporate Governance](#)
- 24 [Board of Directors and Executive Management](#)

26 OPERATIONAL ASSETS

- 27 [Çalık Renewables in Türkiye](#)
- 28 [Çalık Renewables Around the World](#)

30 SUSTAINABILITY GOVERNANCE

- 31 [Value Creation Model](#)
- 35 [Pioneering Practices at Çalık Renewables](#)
- 36 [Sustainability Approach](#)
- 37 [Strategic Priorities](#)
- 42 [Identification of Material Topics and Materiality Assessment](#)
- 43 [Stakeholder Engagement](#)
- 44 [Materiality Matrix](#)
- 45 [Contribution to the Sustainable Development Goals](#)
- 46 [Sustainability Governance Structure](#)
- 47 [Enterprise Risk Management](#)
- 49 [Climate-Related Risks](#)
- 54 [Climate-Related Opportunities](#)

56 ENVIRONMENTAL CAPITAL

- 57 [Environmental Management Approach](#)
- 58 [Natural Resource Management](#)
- 58 [Climate Change](#)
- 59 [Energy and Emissions Management](#)
- 60 [Biodiversity](#)
- 61 [Water Management](#)
- 62 [Waste Management](#)

63 HUMAN CAPITAL

- 64 [People and Culture](#)
- 65 [Working Life at Çalık Renewables](#)
- 66 [Employee Satisfaction and Engagement](#)
- 67 [Employee Well-being](#)
- 68 [Talent Management](#)
- 69 [Learning and Young Talent Development](#)
- 70 [Diversity, Equity and Inclusion](#)

71 SOCIAL CAPITAL

- 72 [Our Social Management Approach](#)
- 73 [Occupational Health and Safety](#)
- 76 [Corporate Social Responsibility](#)
- 76 [Contribution to Local Economies](#)
- 78 [Human Rights](#)
- 79 [Supply Chain Management](#)
- 80 [Contractor Management](#)

81 INTELLECTUAL CAPITAL

- 82 [Digital Transformation](#)
- 85 [Innovation](#)

86 SUSTAINABILITY PERFORMANCE

- 87 [Environmental Performance Indicators](#)
- 89 [Social Performance Indicators](#)
- 92 [GRI Content Index](#)

97 FINANCIAL PERFORMANCE INDICATORS

NAVIGATION

Click the icons in the menu located at the upper right corner to quickly navigate to the relevant sections of the report.



Table of Contents



Financial Performance



Sustainability Performance

Introduction

Powering Transparency with the Strength of Nature!

With our first Integrated Annual Report, we present our 2025 performance to our stakeholders in alignment with the GRI Standards, the International Integrated Reporting Framework, the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), and the Taskforce on Nature-related Financial Disclosures (TNFD).

By adopting a holistic approach that encompasses financial, natural, human, social, manufactured and intellectual capital, we transparently demonstrate how we create long-term value through measurable outcomes.



About the report

The information presented in this 2025 Integrated Annual Report covers the period between 1 January 2025 and 31 December 2025.

As a signatory to the United Nations Global Compact (UNGC) since 2025, Çalık Renewables has committed to transparently communicating its sustainability approach, related risks and opportunities, strategic priorities, and environmental and social performance to its stakeholders.

Established under the umbrella of Çalık Holding in August 2024, Çalık Renewables published its first Integrated Annual Report in 2025, reflecting its commitment to creating sustainable value within the energy sector.

REPORTING PRINCIPLES AND REPORTING PERIOD

Çalık Renewables presents the value it creates across economic, environmental, social and governance dimensions in accordance with the core principles of corporate governance: transparency, accountability, responsibility and fairness.

The information presented in this 2025 Integrated Annual Report covers the period between 1 January 2025 and 31 December 2025.

The report covers the Company's consolidated operations. Comparative data are presented, where available, to enhance consistency and comparability with future reporting periods.

REPORTING FRAMEWORKS AND STANDARDS

To enhance the accuracy, reliability, completeness and comparability of the information presented, the following internationally recognized reporting frameworks and standards have been referenced:

 Global Reporting Initiative (GRI)	 International Integrated Reporting Framework (<IR> Framework)
 Task Force on Climate-related Financial Disclosures (TCFD)	 Taskforce on Nature-related Financial Disclosures (TNFD)
 United Nations Global Compact (UNGC)	 United Nations Sustainable Development Goals (UN SDGs)

REPORT STRUCTURE AND SCOPE

The sustainability, financial and operational performance of Çalık Renewables is presented through the lens of the six capitals of the International Integrated Reporting Framework: human, social and relationship, natural, financial, manufactured and intellectual capital. The report provides transparent, reliable, consistent and comparable information regarding the Company's value creation model, impacts and performance for all stakeholders. It also presents the Company's sustainability strategy, corporate governance approach, key risks and opportunities across its operations, and initiatives aimed at integrating emerging technologies into its business activities. Stakeholder feedback and recommendations have been considered valuable inputs in enhancing the Company's sustainability performance.

Companies Included in the Reporting Scope

- ÇE Enerji Teknolojileri Yatırım Üretim A.Ş.
- Çalık Rüzgâr Enerjisi Elektrik Üretim A.Ş. – Karaburun Branch
- Adacami Enerji Elektrik Üretim Sanayi ve Ticaret A.Ş.
- Momentum Enerji Elektrik Üretim Sanayi ve Ticaret A.Ş.
- Demircili Rüzgâr Enerjisi Elektrik Üretim A.Ş. – Urla Branch
- EV Wind Park Sh.p.k
- PAD RES Barlevice Sp. z o.o.
- PAD RES Stargard Sp. z o.o.
- PAD RES Strachocin Sp. z o.o.
- PAD RES Sztum Sp. z o.o.
- PAD RES Stargard Dystrybucja Sp. z o.o.

FEEDBACK

For any questions, comments or suggestions regarding this report, please contact us at:

sevgi.ulugol@calikrenewables.com

Message from the Board of Directors

We aim to significantly expand our portfolio of 393 MW installed capacity over the medium to long-term.

Dear Stakeholders,

The year 2025 marked a period in which the global energy transition accelerated, while capital costs, evolving regulations and geopolitical developments made investment decisions increasingly selective. Although the renewable energy sector continued to grow, the quality of this growth has become increasingly shaped by financial discipline, sound geographical diversification and effective risk-return management.

At Çalık Renewables, we have built our strategy on the principles of selective growth, financial resilience and operational excellence. Today, with an installed capacity of 393 MW, we are pursuing ambitious medium- and long-term growth targets by evaluating investment opportunities across different geographies and developing projects that will support sustainable expansion.

On a global scale, investment strategies are increasingly influenced by changing return expectations across different markets. Our geographical diversification strategy therefore considers regulatory stability, grid accessibility and financing conditions alongside investment returns. Looking ahead, we envision a portfolio primarily composed of wind and solar energy projects, while hybrid power plants, energy storage systems and next-generation energy technologies represent key strategic growth areas.

In line with this strategic vision, we took significant steps to strengthen our presence in Europe during 2025.



99

Our inaugural Integrated Annual Report, published this year, presents a holistic view of our sustainability-led strategy, our assessment of risks and opportunities, and the long-term value creation model that underpins our business.

ORHAN GENİŞ
BOARD MEMBER

The Zatriq Wind Power Plant currently under construction in Kosovo represents an important milestone in our international expansion, while our solar power plants in Stargard and Sztum, Poland, have further reinforced our operational footprint in the European energy market.

The year 2025 also marked a turning point in the way we communicate our sustainability approach.

Through our first Integrated Annual Report, we present our sustainability strategy, risk and opportunity assessments, and long-term value creation model within a comprehensive and transparent framework. We believe that transparency and accountability play a fundamental role in strengthening investor confidence and stakeholder relationships.

Throughout the year, we established our sustainability policies, defined our strategic priorities and assessed climate-related risks and opportunities, further reinforcing our corporate governance structure.

The energy transition is a long-term journey. Throughout this process, sustainable growth, a strong balance sheet, disciplined capital allocation and operational excellence will remain our highest priorities.

I would like to thank all our colleagues, business partners and stakeholders who contributed to the preparation of our first Integrated Annual Report. Çalık Renewables will continue to strengthen its sustainability journey through constructive stakeholder dialogue and mutual trust.

Guided by our responsible investment approach and long-term perspective, we will continue creating lasting value in the years ahead.

Yours sincerely,

ORHAN GENİŞ
BOARD MEMBER

Message from the General Manager

The year 2025 also marked an important milestone in embedding sustainability at the heart of our corporate strategy.

Dear Stakeholders,

The energy sector is undergoing a transformation that extends well beyond power generation. Business models, value creation mechanisms and competitive dynamics are being fundamentally reshaped. Accelerating electrification, the growing share of variable renewable generation, increasing energy security priorities and rapid advances in digital technologies are making energy markets more dynamic, interconnected and complex than ever before.

In this new era, creating value is no longer simply about generating electricity.

For many years, installed capacity and production volume were regarded as the primary indicators of success. Today, however, the companies that will lead the future are those capable of managing generation, consumption, storage and data as an integrated system.

Owning generation assets alone no longer provides a sufficient competitive advantage.

Real value will be created by organizations capable of integrating storage solutions into their generation portfolios, managing demand-side flexibility, anticipating grid requirements, making real-time decisions through digital technologies, and allocating capital in line with this evolving energy architecture.



Through our first Integrated Annual Report, we present our financial, environmental, social and governance performance within a single value creation framework. We firmly believe that sustainability has become a core management discipline that directly influences the cost of capital, investment attractiveness, operational resilience and long-term growth.

EMRE ERDOĞAN
GENERAL MANAGER

At Çalık Renewables, we recognized this transformation early and have positioned ourselves not merely as an electricity producer, but as one of the future's integrated energy solutions and infrastructure companies.

The year 2025 delivered tangible outcomes from this strategic transformation.

While maintaining high operational reliability across our solar, wind and hydropower portfolio in Türkiye, we further enhanced asset performance through predictive maintenance systems, digital monitoring infrastructure and advanced data analytics. These technologies strengthened our operational decision-making capabilities while improving resource efficiency. Our operational excellence approach has therefore enhanced not only generation reliability, but also capital efficiency and long-term resilience.

For us, however, operational success is no longer measured solely by availability rates.

We believe that one of the most significant competitive advantages in tomorrow's energy system will lie in managing flexibility between generation and consumption, integrating energy storage assets, responding effectively to market signals and delivering energy where and when it creates the greatest value. Accordingly, we view growth not simply as geographical expansion, but as the continuous development of organizational capabilities. Our 73 MW Zatriq Wind Power Project in Kosovo and our 255 MW solar investments in Poland represent important milestones in strengthening our international presence. More importantly, these investments provide us with strategic capabilities and operational experience that will enable us to compete in increasingly digital, flexible and integrated energy systems.

Our capital allocation philosophy has evolved accordingly.

When evaluating investments, we now consider not only generation capacity but also system flexibility, data generation capability, energy storage integration potential, grid compatibility, resilience and long-term value creation potential.



The year 2025 also marked an important milestone in embedding sustainability at the heart of our corporate strategy.

Through our first Integrated Annual Report, we present our financial, environmental, social and governance performance within a single value creation framework. We firmly believe that sustainability has become a core management discipline that directly influences the cost of capital, investment attractiveness, operational resilience and long-term growth.

During the year, we established our sustainability policies, defined our short-, medium- and long-term objectives, and integrated climate-related risks and opportunities into our decision-making processes. Our participation in the United Nations Global Compact also demonstrates our commitment to internationally recognized principles of responsible business conduct.

In the years ahead, success in the energy sector will no longer be measured by installed capacity alone, but by the flexibility, resilience and integration that companies bring to energy systems.

At Çalık Renewables, our ambition is to be a leading company that accelerates the energy transition across all the geographies in which we operate, placing technology and sustainability at the core of our value creation.

I would like to thank our employees, investors, business partners and all stakeholders who continue to place their trust in us.

The energy system of the future is being built today. Our ambition is not merely to adapt to this transformation, but to help shape its direction.

Yours sincerely,

EMRE ERDOĞAN
GENERAL MANAGER



Sectoral Outlook

An aerial photograph of a vast solar farm. The solar panels are arranged in neat, parallel rows across a green field. In the background, there are rolling green hills, some yellow fields, and a small town or village under a bright blue sky with scattered white clouds.

Powering Europe with the Strength of Nature.

Our 73 MW Zatriq Wind Power Plant in Kosovo marks our entry into the European market in 2025. Strategically located in one of the Balkans' most favorable wind corridors, the project serves as a key milestone in expanding our footprint from a regional presence to a broader European platform.

Sectoral Outlook

Industry data indicate that the primary driver behind the acceleration of renewable energy investments is no longer climate ambition alone, but increasingly concerns over national energy security.

ENERGY SECURITY AND SUPPLY DIVERSIFICATION

As of 2025, energy security has evolved beyond a purely technical issue focused on ensuring uninterrupted energy supply. It has become a multidimensional policy priority shaped by geopolitical tensions, climate-related extreme weather events, and volatility in global fuel markets.

Industry data indicate that the primary driver behind the acceleration of renewable energy investments is no longer climate ambition alone, but increasingly concerns over national energy security.

Energy systems that remain heavily dependent on fossil fuels continue to demonstrate structural vulnerability to global disruptions. Volatility in the prices of imported coal, oil and natural gas reduces the predictability of energy costs and places increasing pressure on economic stability. Against this backdrop, exchange rate volatility driven by global trade tensions further amplifies energy import costs in developing economies, increasing macroeconomic risks.

In contrast, electricity generation based on domestic and distributed renewable energy sources such as solar and wind enhances the predictability, resilience and manageability of energy supply. As a result, renewable energy investments are increasingly regarded not merely as climate policy instruments, but as strategic national priorities.

Diversification of energy supply has therefore become a cornerstone of modern energy security strategies. Rather than relying on a single fuel source or a limited number of suppliers, countries are adopting balanced energy portfolios that integrate multiple technologies and resources.

In this context, energy storage systems, grid flexibility solutions and regional interconnections are emerging as essential enablers of energy security. Consequently, energy security policies are expanding beyond generation technologies to encompass the design and resilience of the entire energy system.

LONG-TERM INVESTMENT AND FINANCIAL INCENTIVE MECHANISMS

As the global energy transition accelerates, investment priorities are undergoing a structural transformation. Renewable energy technologies have largely reached commercial maturity, shifting the focus toward establishing long-term, predictable financial frameworks capable of supporting large-scale deployment. Accordingly, temporary incentive schemes are increasingly being replaced by structural, long-term investment mechanisms.

For investors, policy stability and regulatory predictability remain the most critical investment criteria. Although renewable energy projects typically require significant upfront capital expenditure, they offer comparatively low operating costs over their lifetime. Consequently, carbon pricing mechanisms, power purchase agreements (PPAs), green finance instruments and sustainability-linked financing have become key determinants of investment decisions. However, financing electricity generation capacity alone is no longer sufficient.

Strengthening transmission and distribution networks, expanding energy storage capacity, accelerating digitalisation and implementing demand-side management solutions all require substantial capital investment. This is increasing the importance of public-private partnerships, blended finance structures and multilateral development banks in supporting the energy transition.

In this respect, the energy transition represents not only a technological transformation, but also a fundamental shift in global capital allocation.

ENERGY EFFICIENCY REGULATIONS

Energy efficiency continues to offer some of the fastest and most cost-effective opportunities for accelerating the energy transition. Despite this, it was historically regarded as a secondary policy area. Recent developments have fundamentally changed this perspective, with rising electricity demand demonstrating that clean energy investments alone cannot achieve decarbonisation objectives without significant improvements in energy efficiency.

Energy efficiency is therefore no longer viewed solely as a means of reducing energy consumption. It is increasingly recognized as a strategic tool for alleviating pressure on energy systems while strengthening overall system resilience.

More efficient buildings, industrial facilities and transportation systems reduce the need for additional generation capacity, lowering investment costs while easing pressure on electricity networks. This provides a particularly significant advantage in markets where energy infrastructure projects require substantial capital and lengthy development periods. Regulatory frameworks are increasingly introducing mandatory energy performance standards, energy audits, building energy codes and industrial energy management requirements. These measures serve as important policy instruments to accelerate market transformation where market forces alone may not be sufficient. Accordingly, energy efficiency policies are becoming closely linked not only to cost savings but also to broader objectives including competitiveness, energy security and greenhouse gas emission reductions.

STRONGER INTERNATIONAL COOPERATION

Although the energy transition is primarily driven by national policies, its scale and complexity require significantly stronger international cooperation.



Industry assessments indicate that the growth in renewable energy investments is increasingly driven by national security considerations rather than climate commitments alone. Differences in carbon pricing mechanisms, incentive structures and technical standards continue to create barriers to cross-border investment, making policy alignment among countries increasingly important. Consequently, international cooperation plays a critical role not only in climate diplomacy but also in improving the efficiency and resilience of global energy markets. Developing common standards for electricity trading, green hydrogen, critical minerals and clean energy supply chains can significantly reduce the overall cost of the energy transition. Particularly in developing economies, international finance and technology transfer remain essential to accelerating clean energy deployment. In parallel, regional electricity market integration and interconnected power systems are becoming increasingly important for balancing the variable output of renewable energy sources across larger geographical areas. International cooperation is therefore emerging as a pragmatic policy instrument for improving both the efficiency and resilience of future energy systems.

ENERGY POLICIES AND REGULATIONS

Net Zero Commitments

Driven by the Paris Agreement, more than 140 countries have committed to achieving net zero greenhouse gas emissions during the second half of this century. The European Union, Japan and Canada have set 2050 as their target year for achieving net zero emissions, while China has committed to 2060 and India to 2070. As of 2025, countries with net zero commitments account for approximately 90% of global greenhouse gas emissions.

These commitments are increasingly shaping medium-term national energy policies. The European Union has raised its binding renewable energy target for 2030 to 42.5% of total final energy consumption.



42.5%

EU Renewable Energy
Target for 2030



140+

Countries Committed
to Achieving Net Zero
Emissions under the
Paris Agreement



Countries are
expected to
strengthen their
emission reduction
targets further during
the 2025–2030 period.

Likewise, many countries aim to achieve carbon-neutral electricity generation by 2035.

To support these ambitions, governments are progressively phasing out fossil fuel subsidies, expanding emissions trading systems and directing research and development funding toward clean technologies. Nevertheless, a significant gap remains between existing Nationally Determined Contributions (NDCs) and pathways consistent with limiting global warming to 1.5°C. Accordingly, further strengthening of national emission reduction targets is expected during the 2025–2030 period.

COP30 Highlights

At COP30, held in Belém, Brazil, in November 2025, countries reviewed progress under the first Global Stocktake marking the tenth anniversary of the Paris Agreement.

The final decision acknowledged that current policies remain insufficient to achieve the 1.5°C target and called for more ambitious climate action. Parties were encouraged to include clearer roadmaps for phasing down fossil fuels and halting deforestation in their updated Nationally Determined Contributions. However, no globally binding timetable for the phase-out of fossil fuels was agreed.

More encouraging progress was achieved in climate finance and adaptation. Negotiations advanced the objective of tripling adaptation finance by 2030 while further developing financial mechanisms to support the low-carbon transition. Parties also agreed to initiate formal negotiations aimed at aligning global trade policies with climate objectives.

Although COP30 did not meet expectations across all negotiation areas, it delivered meaningful progress on climate finance and adaptation, providing an important foundation for stronger and more implementable climate policies during the 2025–2030 period.

Regional Commitments and Regulatory Developments

Advanced economies continue to reshape their energy policies around renewable energy and decarbonization. Under the European Green Deal and the Fit for 55 package, the European Union has introduced binding legislation to accelerate renewable energy deployment and improve energy efficiency. Adopted in 2023, the Renewable Energy Directive (RED III) establishes a legally binding target of at least 42.5% renewable energy in the EU's final energy consumption by 2030. In parallel, the scope of the EU Emissions Trading System (EU ETS) continues to expand while carbon pricing mechanisms become increasingly stringent. The Carbon Border Adjustment Mechanism (CBAM), scheduled to enter into force in 2026, is expected to reduce carbon leakage while reinforcing the competitiveness of low-carbon industries.

China aims to exceed 1,200 GW of installed wind and solar capacity by 2030 under its 14th Five-Year Plan, with current deployment indicating that this target may be achieved ahead of schedule. Mandatory renewable energy consumption requirements and the national carbon trading system continue to support the country's emissions reduction efforts. India has committed to reaching 500 GW of non-fossil electricity generation capacity by 2030, with approximately half of its electricity expected to come from clean energy sources. Meanwhile, Japan and South Korea are implementing their 2050 net-zero roadmaps through diversified energy strategies that combine renewable energy with nuclear power and hydrogen technologies.

Beyond advanced economies, countries such as Kenya and South Africa are raising their renewable energy ambitions while strengthening international partnerships for green hydrogen development. In the Middle East, traditional hydrocarbon producers including the United Arab Emirates and Saudi Arabia are pursuing gigawatt-scale solar and hydrogen projects as part of their long-term energy transition strategies. Achieving these ambitions will require countries not only to translate policy commitments into implementation, but also to overcome financing and cost barriers while maintaining an appropriate balance between energy security and climate objectives.



TÜRKİYE PERSPECTIVE

Policy Landscape

Türkiye has continued to strengthen its policy and regulatory framework to accelerate the transition toward renewable energy.

Following the ratification of the Paris Agreement in 2021, Türkiye adopted a 2053 net-zero greenhouse gas emissions target.

In its updated Nationally Determined Contribution (NDC), submitted in 2023, the country committed to reducing greenhouse gas emissions by 41% below the Business-as-Usual (BAU) scenario by 2030.

A significant milestone was reached in July 2025 with the enactment of Türkiye's first Climate Law, which established the country's legal framework for climate change mitigation and adaptation.

The legislation strengthens the institutional framework for carbon markets and provides the foundation for the gradual implementation of a national Emissions Trading System (ETS).

It also includes provisions supporting local climate adaptation planning and financing mechanisms for clean energy investments.

The Renewable Energy Resource Areas (YEKA) programme continues to support renewable energy deployment, while new competitive capacity allocation mechanisms are expected to accelerate future investments.

In addition, policy measures promoting energy storage deployment are being integrated with broader efforts to enhance grid flexibility. Overall, the regulatory environment remains increasingly supportive of renewable energy investments. Nevertheless, financing costs, exchange rate volatility and regulatory predictability continue to be key factors influencing investment decisions.



Investment Trends

Renewable energy investment in Türkiye continues to accelerate, supported by both public policy initiatives and evolving market dynamics.

In the solar sector, capacity growth has gained significant momentum through the increasing adoption of distributed generation and self-consumption models, with newly commissioned capacity in 2024 further reinforcing this trend.

Investment activity in the wind sector continues to be influenced by financing conditions, equipment costs, permitting procedures and grid connection availability. Meanwhile, new regulations supporting storage-integrated renewable energy projects and the national 2035 energy roadmap are expected to stimulate a new wave of investment.

Türkiye also remains an attractive market for international investors due to its strong renewable resource potential. However, macroeconomic conditions and exchange rate risks continue to play a significant role in project financing and investment appetite.



120 GW

Türkiye's Renewable Energy 2035 Target Combined Installed Wind and Solar Capacity



7.5 GW

Türkiye's National Energy Plan 2035 Battery Energy Storage Capacity Target



Renewable energy investment in Türkiye continues to accelerate, supported by both public policy initiatives and evolving market dynamics.

Sector Potential and Challenges

Türkiye possesses significant renewable energy resources owing to its favourable geographical location. High solar irradiation levels and strong wind resources-particularly across the Thrace, Aegean and Marmara regions-provide a solid foundation for continued investment. In addition, public authorities have announced a target of 5 GW of offshore wind capacity by 2035, signalling the emergence of a new strategic investment segment. Despite this strong growth potential, several structural challenges remain.

- Increasing renewable penetration requires substantial investment in transmission and distribution infrastructure as well as greater system flexibility. Under Türkiye's National Energy Plan, battery energy storage capacity is expected to reach 7.5 GW by 2035.
- Financing conditions, including elevated interest rates and exchange rate volatility, continue to influence project economics, increasing the importance of long-term and competitively priced financing solutions.
- Permitting processes remain a key determinant of project development timelines, highlighting the need for efficient management of environmental assessments, land-use approvals, forestry permits and grid connection procedures.
- Meanwhile, fossil fuels continue to represent a significant share of the energy mix, requiring renewable energy deployment to outpace growing electricity demand.

National energy policies provide a clear roadmap for accelerating renewable energy expansion. Under the Ministry of Energy and Natural Resources' Renewable Energy 2035 strategy, Türkiye aims to increase its combined installed wind and solar capacity to 120 GW. Within this evolving energy landscape, companies operating with a 100% renewable energy portfolio vision will play an increasingly important role in accelerating Türkiye's energy transition through disciplined capital allocation, strong project development capabilities and operational excellence, while contributing to greater resilience across the national energy system.





ÇALIK RENEWABLES' SECTORAL ASSESSMENT

Çalık Renewables operates in a rapidly evolving global energy landscape shaped by energy security concerns, climate action, carbon regulation and technological innovation. While supportive renewable energy policies, expanding carbon pricing mechanisms and sustainable finance instruments continue to create significant growth opportunities, regulatory uncertainty, macroeconomic volatility and supply chain disruptions remain key risks requiring disciplined management.

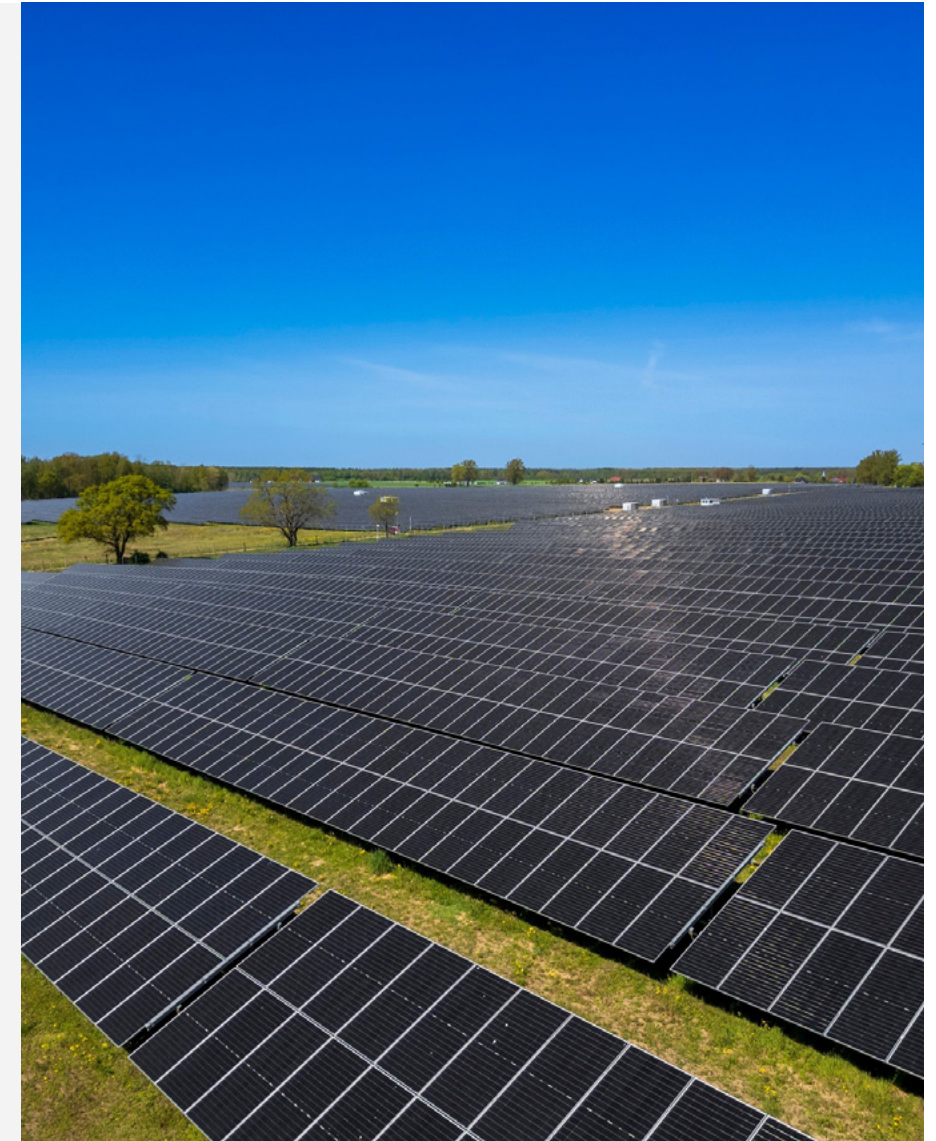
Growing global electricity demand and countries' net-zero commitments are expected to drive a substantial increase in renewable energy capacity over the coming decades. This transition is accelerating investments in wind, solar, hybrid power generation and energy storage solutions. Meanwhile, equipment costs, financing conditions, exchange rate volatility and the availability of critical raw materials continue to play a decisive role in investment decisions.

Across the markets in which we operate, regulatory frameworks, licensing procedures, grid connection requirements and local content policies remain critical factors influencing project development. Çalık Renewables adopts a disciplined, long-term investment approach that is fully aligned with local regulatory requirements while actively managing its project portfolio through a balanced risk-return framework.

Digitalisation and technological innovation continue to unlock significant opportunities for improving operational efficiency and optimising asset performance. Advanced data analytics, remote monitoring technologies and performance optimisation solutions support higher capacity factors, enhanced asset reliability and lower operating costs. In parallel, cybersecurity and data protection have become increasingly important priorities as digital technologies become more deeply embedded across energy operations.

Physical climate risks—including extreme weather events, rising temperatures and changing hydrological conditions—are increasingly integrated into project design and asset resilience assessments. Through climate scenario analysis and comprehensive climate risk assessments, Çalık Renewables seeks to enhance the long-term resilience, operational performance and financial sustainability of its asset portfolio.

The continued development of sustainable finance instruments, including green bonds and project finance solutions, is improving access to capital across the renewable energy sector. Meanwhile, investors are placing greater emphasis on environmental, social and governance (ESG) performance, making transparent reporting and strong governance practices increasingly important competitive differentiators. In response, Çalık Renewables integrates sustainability considerations into its strategic decision-making processes to support long-term value creation. As the global energy transition accelerates, the Company aims to strengthen its competitive position and deliver sustainable growth through disciplined capital allocation, risk-focused portfolio management and continuous technological advancement.



Key Trends in 2025

Alternative energy investments and evolving financing mechanisms will become defining themes for the energy sector.

Digital Transformation and Smart Energy Systems

By 2025, digital transformation is reshaping renewable energy generation, asset maintenance and grid management through increasingly data-driven operating models. Artificial intelligence-enabled technologies are improving generation forecasting accuracy, enabling predictive maintenance and minimizing performance losses across renewable energy assets.

RELATED RISK



Legacy IT, network and communication infrastructure may not be fully compatible with next-generation digital technologies, increasing operational and cybersecurity risks.

RELATED OPPORTUNITY



Technology transfer and digital innovation can enhance generation efficiency, reduce operating costs and create new digital service capabilities.

COMPANY APPROACH



Çalık Renewables considers digital transformation a strategic enabler of operational excellence and system resilience. Data-driven asset performance management practices are being progressively deployed across the Company's power generation portfolio, supported by advanced analytics that improve forecasting accuracy and predictive maintenance capabilities.

To support this transformation, the Company continues to modernize its IT infrastructure and strengthen cybersecurity capabilities. Network security, data integrity and access control mechanisms are regularly reviewed, while the integration of Operational Technology (OT) and Information Technology (IT) is being implemented through a structured transition programme. Digital investments are pursued not only to improve operational efficiency but also to enhance asset resilience, minimize performance losses and optimize long-term operating costs.

AFFECTED CAPITAL



Intellectual Capital



Financial Capital

VALUE CHAIN STAGE

Direct Operations

Downstream Operations

RELATED MATERIAL TOPIC

Digital Transformation

RESPONSIBLE FUNCTION

Industrial Control Systems

Carbon Markets

By 2025, carbon markets have become increasingly widespread across the global economy. While the European Union's Carbon Border Adjustment Mechanism (CBAM) introduces additional carbon costs for emissions-intensive products, voluntary carbon markets continue to mature through stronger standardization and enhanced credibility of carbon credits. Meanwhile, the gradual implementation of Türkiye's National Emissions Trading System (ETS) is increasing the visibility of carbon costs and strengthening the investment case for renewable energy.

RELATED RISK



Volatility in carbon prices under both the EU ETS and Türkiye's National ETS may create uncertainty regarding investment payback periods and complicate long-term financial planning.

RELATED OPPORTUNITY



Certification of avoided emissions from renewable electricity generation in accordance with internationally recognized standards may create additional revenue opportunities through carbon markets and renewable energy certification schemes.

COMPANY APPROACH



Çalık Renewables integrates developments in carbon markets into its strategic planning and financial modelling processes. Regulatory developments related to both Türkiye's National ETS and the EU ETS are continuously monitored, while multiple carbon price scenarios are incorporated into investment feasibility assessments.

The Company positions the low-carbon profile of its renewable energy portfolio as a strategic competitive advantage and seeks to ensure that its emissions reduction performance remains measurable and independently verifiable. International carbon credit and renewable energy certification mechanisms are continuously evaluated to identify opportunities for generating additional value and strengthening long-term competitiveness.

AFFECTED CAPITAL



Financial Capital

VALUE CHAIN STAGE

Direct Operations

Downstream Operations

RELATED MATERIAL TOPIC

Climate Change Adaptation and Risk Management

Emissions and Energy Management

RESPONSIBLE FUNCTION

Trading & Sustainability, Quality, Environment and Occupational Health & Safety



Alternative energy investments and innovative financing mechanisms will continue to shape the long-term trajectory of the energy transition and remain a strategic priority for Çalık Renewables.

Alternative Energy Investments (Power-to-X)

By 2025, Sustainable Aviation Fuel (SAF), electric vehicle (EV) charging infrastructure and green hydrogen investments have emerged as key growth areas driving the next phase of the energy transition. These new energy solutions support the decarbonisation of carbon-intensive industries while significantly increasing demand for renewable electricity and other forms of clean energy.

RELATED RISK



Insufficient grid infrastructure may constrain the ability to meet growing electricity demand, while uncertainties surrounding emerging business models and high upfront capital requirements could increase financial risks associated with new energy investments.

RELATED OPPORTUNITY



Expanding into next-generation energy solutions can strengthen access to international green finance while enhancing the Company's competitive position in the low-carbon economy.

COMPANY APPROACH



Çalık Renewables views alternative energy investments as strategic long-term growth opportunities within the energy transition. Power-to-X technologies-including green hydrogen, Sustainable Aviation Fuel (SAF) and electric vehicle charging infrastructure-are continuously monitored as part of the Company's strategic investment pipeline and evaluated from a portfolio diversification perspective. Investment decisions are supported by comprehensive assessments covering technical feasibility, grid integration capability, regulatory developments and carbon price scenarios. The Company also evaluates the impact of increasing electricity demand on power systems while assessing opportunities to integrate energy storage and hybrid generation solutions that enhance system flexibility. Recognising the high capital requirements and evolving business models associated with emerging technologies, Çalık Renewables adopts a phased investment approach. Pilot projects and strategic partnerships are used to manage technological and commercial risks while building long-term capabilities.

AFFECTED CAPITAL



Financial Capital



Natural Capital



Manufactured Capital

VALUE CHAIN STAGE

Upstream Operations

Direct Operations

Downstream Operations

Operations

RELATED MATERIAL TOPIC

Green Project Finance

Emissions and Energy Management

RESPONSIBLE FUNCTION

Strategic Planning & Business Development;

Project Development

Long-term Investment and Financial Incentive Mechanisms

International financial institutions and multilateral development banks continue to expand access to long-term, cost-effective financing for low-carbon projects. Concurrently, changes to incentive schemes and the gradual shift toward market-based support mechanisms are introducing new considerations into investment decision-making.

RELATED RISK



Changes in incentive mechanisms, the reduction of guaranteed purchase schemes or a transition toward market-based revenue models may reduce revenue predictability. In addition, rising interest rates and tighter global liquidity conditions could increase the cost of long-term project financing.

RELATED OPPORTUNITY



Access to competitive long-term financing can accelerate the expansion of the Company's renewable energy portfolio. Green bonds, sustainability-linked loans and ESG-focused financing instruments offer opportunities to optimise the cost of capital, while long-term power purchase agreements (PPAs) enhance revenue stability and cash flow visibility.

COMPANY APPROACH



Çalık Renewables considers long-term financing mechanisms and investment incentives to be integral components of its growth strategy. Investment decisions are supported by scenario analyses that evaluate multiple incentive structures and market conditions. The Company's capital structure is managed through a balanced approach that considers debt-to-equity ratios, interest rate exposure and carbon price projections.

By developing projects aligned with sustainable finance principles, Çalık Renewables continues to strengthen its access to international green financing while prioritising long-term contractual arrangements that improve revenue stability and support sustainable growth.

AFFECTED CAPITAL



Financial Capital



Manufactured Capital

VALUE CHAIN STAGE

Upstream Operations

Direct Operations

Downstream Operations

RELATED MATERIAL TOPIC

Green Project Finance

Emissions and Energy Management

RESPONSIBLE FUNCTION

Finance

Corporate Profile

An aerial photograph of a vast solar farm. The solar panels are arranged in neat, parallel rows across a green field. In the background, a small town or village is visible, surrounded by more greenery and some industrial buildings. The sky is blue with scattered white clouds.

Powering Europe with the Strength of Nature.

Our 73 MW Zatriq Wind Power Plant in Kosovo marks our entry into the European market in 2025. Strategically located in one of the Balkans' most favorable wind corridors, the project serves as a key milestone in expanding our footprint from a regional presence to a broader European platform.

About Çalık Holding

Today, Çalık Holding operates across five core sectors-energy, construction, mining, finance and textiles-with a presence in more than 30 countries and a workforce of over 19,000 employees.

Founded in 1997 to bring together the Group's diverse businesses under a unified corporate structure and governance model, Çalık Holding traces its origins back to 1981.

Since its establishment, the Holding has continuously expanded its operations in line with its long-term vision of sustainable growth and value creation. Today, Çalık Holding operates across five core sectors-energy, construction, mining, finance and textiles-with a presence in more than 30 countries and a workforce of over 19,000 employees.

In the energy sector, it is active in electricity generation, distribution and energy infrastructure investments. Its construction business delivers large-scale infrastructure and superstructure projects together with turnkey engineering solutions. In mining, the Group focuses on the exploration and production of precious metals. Its financial services portfolio encompasses banking and investment activities, while its textile operations specialise in denim manufacturing and global supply chain management.

As the parent company of the Group, Çalık Holding provides strategic direction for its subsidiaries by coordinating key financial and administrative functions, guiding investments, and establishing common governance and operational standards. Its corporate strategy is founded on operational excellence, customer focus, global competitiveness, ethical business conduct and sustainable value creation.



A significant share of the Holding's revenues is generated from international operations. Çalık Holding has established strategic partnerships with globally recognised organisations including Mitsubishi Corporation, SSR Mining, Sandstorm Gold Royalties, SECOM and 4iG, while collaborating with industry leaders such as GE Vernova (formerly General Electric), Honeywell, Siemens and Hitachi. It also maintains strong relationships with international financial institutions and export credit agencies, including SERV, NEXI, Commerzbank and UBS.

As the first Turkish company admitted to the Japan Business Federation (Keidanren), Çalık Holding reflects its long-standing commitment to international collaboration. Across every geography in which it operates, the Holding creates long-term economic, environmental and social value through strategic investments that strengthen business resilience and support sustainable development.

Çalık Holding's value creation approach extends beyond financial performance to encompass the sustainable development of multiple forms of capital.

Çalık Holding

Strengthens its financial capital through disciplined capital allocation, prudent investment management and international strategic partnerships.

Enhances its manufactured capital through operational excellence, technology-driven investments and continuous infrastructure development.

Develops its human capital by fostering an inclusive workplace culture and investing in employee capability development and leadership.

Builds its social and relationship capital through long-term stakeholder engagement and projects that contribute to local economic and social development.

Protects and enhances its natural capital by promoting resource efficiency, environmentally responsible business practices and sustainability-driven investments.

Çalık Holding ensures the strategic alignment and sustainable growth of its Group companies by coordinating key financial and administrative functions and establishing common governance and operational standards. This integrated governance model supports consistent decision-making, disciplined capital allocation and enterprise risk management across the Group. Guided by the principles of operational excellence, global competitiveness, customer centricity and ethical business conduct, the Holding continuously optimises its portfolio to strengthen organisational resilience and deliver sustainable long-term value for all stakeholders

About Çalık Renewables

Çalık Renewables is an integrated renewable energy company that manages the entire renewable energy value chain-from project development and financing to engineering, construction, operation and asset management-across solar, wind, hydropower and Battery Energy Storage System (BESS) projects.

2025

Çalık Renewables
Founding Year



The global energy sector is undergoing a profound transformation, driven by the rapid expansion of renewable energy investments and the structural evolution of energy markets.

Strengthening climate regulations, accelerating decarbonisation efforts and growing investor expectations around sustainability have fundamentally reshaped the strategic priorities of renewable energy companies.

Çalık Energy entered the renewable energy sector in 1994. Over the years, the Company has developed significant technical expertise, operational capabilities and international project development experience, establishing a strong foundation for long-term growth. As its renewable energy portfolio expanded in scale, technological diversity and geographical reach, the need emerged for a dedicated organisation capable of managing these activities through a more focused, agile and integrated business model.

The growing long-term value creation potential of renewable energy investments has also increased the importance of integrated risk and opportunity management, while reinforcing the principles of transparency, accountability and effective corporate governance.

To consolidate all renewable energy assets and investments under a single strategic platform, Çalık Renewables was established as an independent company in August 2024. The Company was created to manage renewable energy investments through an integrated structure fully aligned with the Group's long-term strategic priorities.



Çalık Renewables is positioned as an integrated renewable energy company managing the entire renewable energy value chain-from project development and financing to engineering, construction, operation and asset management-across solar, wind, hydropower and Battery Energy Storage Systems (BESS).

The Company is responsible for the operation and performance optimisation of renewable energy assets currently in service across Türkiye, while continuously evaluating new investment opportunities, developing greenfield projects and expanding its international presence.

As part of its international growth strategy, Çalık Renewables has significantly strengthened its footprint in Europe through the commissioning of the 105 MW Sztum Solar Power Plant and the 150 MW Stargard Solar Power Plant in Poland.

Shortly after its establishment, the Company took another major step in its international expansion by launching the 73 MW Zatriq Wind Power Project in Kosovo. Backed by a 10-year Power Purchase Agreement (PPA), the project achieved financial close in 2024, providing long-term revenue visibility. Construction is currently underway, with commercial operation scheduled for 2026.

Çalık Renewables views the fight against climate change and the energy transition as extending beyond renewable electricity generation. The Company is committed to developing innovative solutions across the broader energy ecosystem that support economy-wide decarbonisation. In line with this vision, Çalık Renewables launched research and development activities in Sustainable Aviation Fuel (SAF) in 2025 and began establishing strategic partnerships with airlines to contribute to the decarbonisation of the aviation sector.

The 105 MW Sztum Solar Power Plant and the 150 MW Stargard Solar Power Plant in Poland have been commissioned and integrated into the Company's renewable energy portfolio.



Today, Çalık Renewables is developing renewable energy investments across Türkiye, Europe and other selected international markets, while evaluating new investment opportunities that support the global energy transition.

Through its technical expertise, financial strength and long-term strategic vision, the Company continues to create sustainable value by supporting climate action, strengthening energy security and enabling low-carbon economic growth.

OPERATIONAL ASSETS AND INSTALLED CAPACITY

Çalık Renewables operates a diversified renewable energy portfolio comprising:

9 Solar Power Plants (SPPs)

2 Wind Power Plants (WPPs)

1 Hydropower Plant (HPP)

through its investments.

The Company actively operates solar, wind and hydropower assets in Türkiye, while managing solar generation assets in Poland.

OUR BUSINESS

Çalık Renewables closely monitors developments in energy technologies and aims to grow its business through three strategic business lines.



RENEWABLE ENERGY INVESTMENTS AND OPERATIONS

Development and investment in solar and wind power projects

Utility-scale Battery Energy Storage Systems (BESS)

Operational excellence across renewable energy assets



POWER-TO-X AND EMERGING BUSINESS MODELS

Green hydrogen, green ammonia and Sustainable Aviation Fuel (SAF) supply models

Sustainable fuel technologies and demand-side management solutions

Next-generation business models, including data centre energy infrastructure and electronic waste recovery solutions



ELECTRICITY AND GREEN COMMODITY TRADING

Electricity and carbon certificate trading

Portfolio and demand-side management

Long-term energy supply and risk management solutions

The Company's primary focus is the development, ownership and operation of renewable energy projects as a long-term investor.



393MW

Total Installed Capacity



30MW

8% Hydropower Capacity



290MW

74% Solar Power Capacity

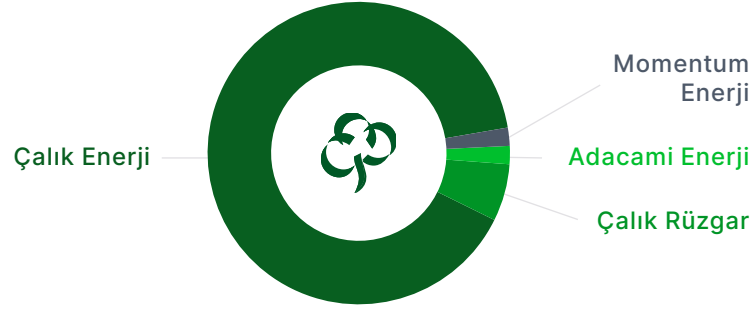


73MW

18% Wind Power Capacity

Çalık Renewables Subsidiaries

Çalık Renewables conducts its power generation operations through four subsidiaries.



90%

Çalık Enerji San. ve Tic. A.Ş.

6%

Çalık Rüzgâr Enerjisi Elektrik Üretim A.Ş.

2%

Adacami Enerji Elektrik Üretim San. ve Tic. A.Ş.

2%

Momentum Enerji Elektrik Üretim A.Ş.





Purpose

To harness the enduring power of nature and transform it into energy that helps build a better tomorrow.

Vision

To make sustainable energy accessible worldwide by developing innovative business models across energy generation, transformation and trading, contributing to a more livable future in harmony with people and nature.



Core Values

Responsibility



Collaboration



Courage



Results Orientation



Resilience



Innovation

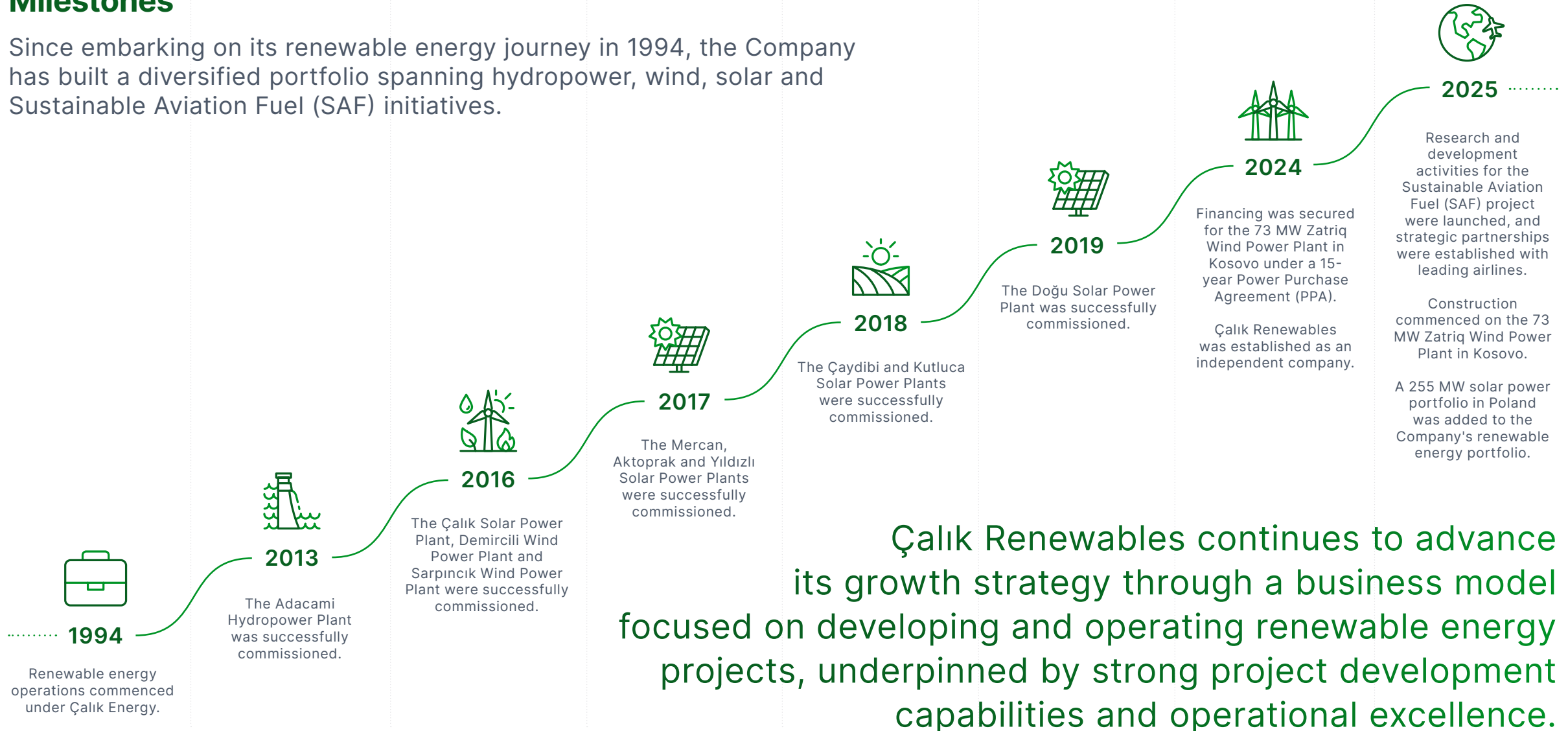


Trust



Milestones

Since embarking on its renewable energy journey in 1994, the Company has built a diversified portfolio spanning hydropower, wind, solar and Sustainable Aviation Fuel (SAF) initiatives.



Çalık Renewables continues to advance its growth strategy through a business model focused on developing and operating renewable energy projects, underpinned by strong project development capabilities and operational excellence.

Corporate Governance

The Company's corporate culture is guided by its core values of Responsibility, Collaboration, Courage, Results Orientation, Resilience, Innovation and Trust. These values are systematically embedded across the organisation and communicated consistently to all stakeholders.

The Company considers fostering a strong corporate culture built around a shared vision to be a cornerstone of its governance approach. Decision-making is guided by a participatory, data-driven approach. Open communication channels promote the timely exchange of information, while diverse perspectives are encouraged to support faster, better-informed decisions. This collaborative culture strengthens the Company's organisational agility and enhances its ability to adapt effectively to evolving market conditions.


RESPONSIBILITY


COLLABORATION


COURAGE


RESULTS ORIENTATION


RESILIENCE


INNOVATION


TRUST



Governance at Çalık Renewables

The Company's governance model is built on the principles of transparency, accountability, inclusiveness and sustainable value creation.

Çalık Renewables considers building an institutionalised, agile and sustainable organisational structure that supports its rapidly expanding investment portfolio to be one of its strategic priorities.

The Company's governance model is built upon a clearly defined organisational structure, supported by transparent roles, responsibilities and decision-making authorities. Job descriptions across all functions have been updated, and areas of responsibility have been aligned with the Company's strategic objectives.

A highly skilled and engaged workforce lies at the heart of the Company's sustainable growth strategy. Structured recruitment processes are designed to attract top talent, with equal emphasis placed on technical expertise and alignment with the Company's culture and values.

This governance framework provides the foundation for an organisation united by a shared vision, driven by operational excellence and committed to creating long-term value for its stakeholders.


TRANSPARENCY


ACCOUNTABILITY


INCLUSIVENESS

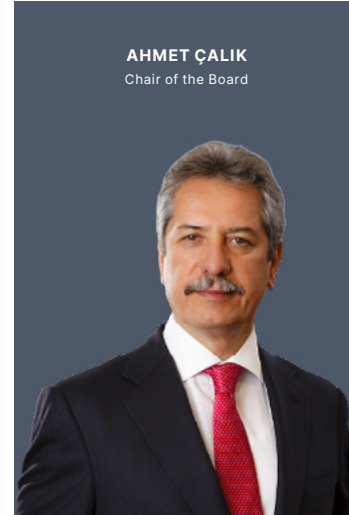

SUSTAINABLE VALUE CREATION

Board of Directors and Executive Management

The Board of Directors of Çalık Renewables is responsible for setting the Company's strategic direction and overseeing executive management.

The Board of Directors regularly reviews investment decisions, financial performance, risk management processes and operational priorities, providing strategic oversight to support the Company's long-term growth objectives. Recognising the capital-intensive nature of the renewable energy sector and the dynamic market environment in which it operates, the Company's growth strategy is underpinned by financial discipline and rigorous technical due diligence. New investments are evaluated against market conditions, financing structures, cash generation potential and operational performance before investment decisions are made. The Board closely monitors developments related to climate policy, carbon markets, energy security and the evolving regulatory landscape. The potential implications of these developments for the Company's portfolio are regularly assessed, and strategic actions are taken where appropriate. The Company's enterprise risk management framework encompasses financial, operational, environmental and reputational risks. In the nomination of Board members, particular emphasis is placed on expertise in the energy sector, investment and finance, project development and international business. The Board's diverse professional backgrounds provide a broad range of perspectives, supporting informed and balanced decision-making. In line with corporate governance best practices, the roles of the Chair of the Board and the executive management are clearly separated. The Board meets regularly throughout the year to review the progress of the investment portfolio, budget performance, financing structure, operational performance, human capital matters and the Company's strategic priorities.

BOARD OF DIRECTORS AND BIOGRAPHIES



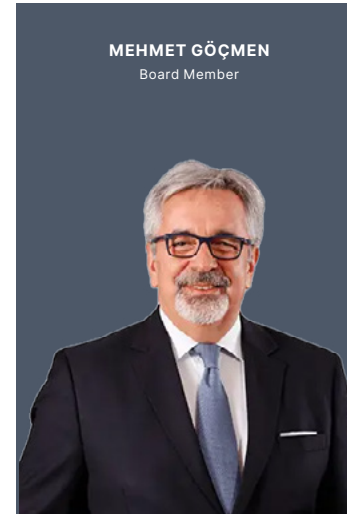
AHMET ÇALIK
Chair of the Board



MERT TURGUT ÇALIK
Board Member



ORHAN GENİŞ
Board Member



MEHMET GÖÇMEN
Board Member

AHMET ÇALIK CHAIR OF THE BOARD

Date of Appointment
1997

Professional Experience

Born in Malatya in 1958, Ahmet Çalık comes from a family with a long-standing heritage in the textile industry dating back to 1930. He launched his first business in the textile sector in 1981 and has since led investments across the energy, construction, mining, textiles and financial services sectors.

In 1997, he founded Çalık Holding to bring the Group's diverse businesses under a unified corporate structure and governance model. Under his leadership, the Holding has expanded its international presence, built a diversified portfolio and established long-term strategic partnerships with globally recognised organisations. Recognised for his visionary leadership and commitment to sustainable value creation, Mr. Çalık has received numerous national and international honours, including Japan's Order of the Rising Sun, Gold Rays with Neck Ribbon, the Ellis Island Medal of Honor (United States), the Knight of the Flag Order (Albania), and state honours from Turkmenistan and the Republic of Türkiye. He also serves as the Honorary Consul of the Republic of Kazakhstan in Bursa and has been awarded honorary doctorates by universities in Japan, Albania and Türkiye. Mr. Çalık currently serves as Chair of the Board of Çalık Holding, its Group companies and the Ahmet Çalık Foundation.

Areas of Expertise and Competencies

- Finance and Investment Management
- Corporate Governance and Strategic Management
- International Business Development
- Leadership across the Energy, Construction, Mining, Textile and Financial Services Sectors
- International Relations and Global Strategic Partnerships
- Corporate Social Responsibility and Foundation Governance
- Public Diplomacy and International Representation
- Growth Strategy and Global Market Competitiveness
- Risk Management and Corporate Governance
- Sustainability and Climate Strategy
- International Business Development



MERT TURGUT ÇALIK

BOARD MEMBER

Date of Appointment
2019

Educational Background

- Bellerbys College – Foundation in Business – 2015
- University of Westminster – Marketing Management – 2019

Professional Experience

Mert Turgut Çalık completed the Foundation in Business programme at Bellerbys College in London in 2015 and graduated from the University of Westminster with a degree in Marketing Management in 2019. He began his professional career in 2012 in the Finance Department of Çalık Denim, where he gained experience in financial operations and business management. In 2019, he was appointed to the Board of Directors of Çalık Denim. Mr. Çalık currently serves as Chair of the Board of CLK, Board Member of BKT Albania, Board Member of BKT Kosovo, and Board Member of Çalık Holding and the Ahmet Çalık Foundation.

Areas of Expertise and Competencies

- Finance and Investment Management
- Corporate Governance and Strategic Management
- International Business Management
- Corporate Social Responsibility and Foundation Governance
- Denim and Textile Industry Management
- Organisational Leadership and Decision-Making

ORHAN GENİŞ

BOARD MEMBER

Date of Appointment
September 2024

Educational Background

- Middle East Technical University (METU) Chemical Engineering – 1974
- University of Exeter

Professional Experience

Orhan Geniş began his professional career in 1976 as a Process Engineer at TÜPRAŞ, Türkiye's leading oil refining company. In 1990, he joined UOP, a global refinery and petrochemical technology company headquartered in the United Kingdom. Between 1990 and 2002, Mr. Geniş held various technical, commercial and leadership positions at UOP in both the United States and the United Kingdom. In 2002, he was appointed General Manager for the Europe, Middle East, Commonwealth of Independent States (CIS) and Africa (EMEA) region, overseeing the Company's operations across these markets. Between 2008 and 2010, he continued in this role based in Switzerland. From 2010 to 2012, Mr. Geniş served as Vice President, Sales and Business Development within Honeywell Process Solutions. He was subsequently appointed President of High Growth Countries for Türkiye and Central Asia, where he led Honeywell's operations across the region until his retirement in 2018. Between April 2020 and September 2024, Mr. Geniş served as a Board Member of Çalık Energy. Since September 2024, he has been serving as a Board Member of Çalık Renewables.

Areas of Expertise and Competencies

- Strategic Management
- Energy and Renewable Markets
- Finance and Investment Management
- Risk Management and Corporate Governance
- Sustainability and Climate Strategy
- International Business Development

MEHMET GÖÇMEN

BOARD MEMBER

Date of Appointment
September 2020

Educational Background

- Middle East Technical University – Industrial Engineering

Professional Experience

After graduating from Galatasaray High School and earning a degree in Industrial Engineering from Middle East Technical University (METU), Mehmet Göçmen completed his Master of Science in Industrial Engineering at Syracuse University in 1983. He began his professional career at Çelik Halat ve Tel Sanayi A.Ş., where he held various management positions between 1983 and 1995. He subsequently served in a range of senior leadership roles at Lafarge Türkiye from 1996 to 2003. From 2003 to 2008, Mr. Göçmen served as Chief Executive Officer of Akçansa Çimento Sanayi ve Ticaret A.Ş. In 2008, he joined Sabancı Holding as Executive Vice President of Human Resources before being appointed President of the Cement Group in 2009, a position he held until 2014. In 2014, he became President of the Energy Group at Sabancı Holding. Between 2017 and 2019, he served as Chief Executive Officer and Board Member of Sabancı Holding, leading one of Türkiye's largest diversified industrial groups. Mr. Göçmen has served as a Board Member of Çalık Holding since 2020.

Areas of Expertise and Competencies

- Strategic Management
- Energy and Renewable Markets
- Finance and Investment Management
- Risk Management and Corporate Governance
- Sustainability and Climate Strategy

Operational Assets

Powering the Skies with the Strength of Nature.

With our Sustainable Aviation Fuel (SAF) R&D programme launched in 2025, we are extending our renewable energy expertise to the aviation industry. Through our strategic collaboration with Turkish Airlines, we are laying a strong foundation for this transition.





Çalık Renewables in Türkiye

Çalık Renewables remains committed to further expanding its renewable energy portfolio in Türkiye through disciplined investments that support the country's energy transition and long-term energy security.

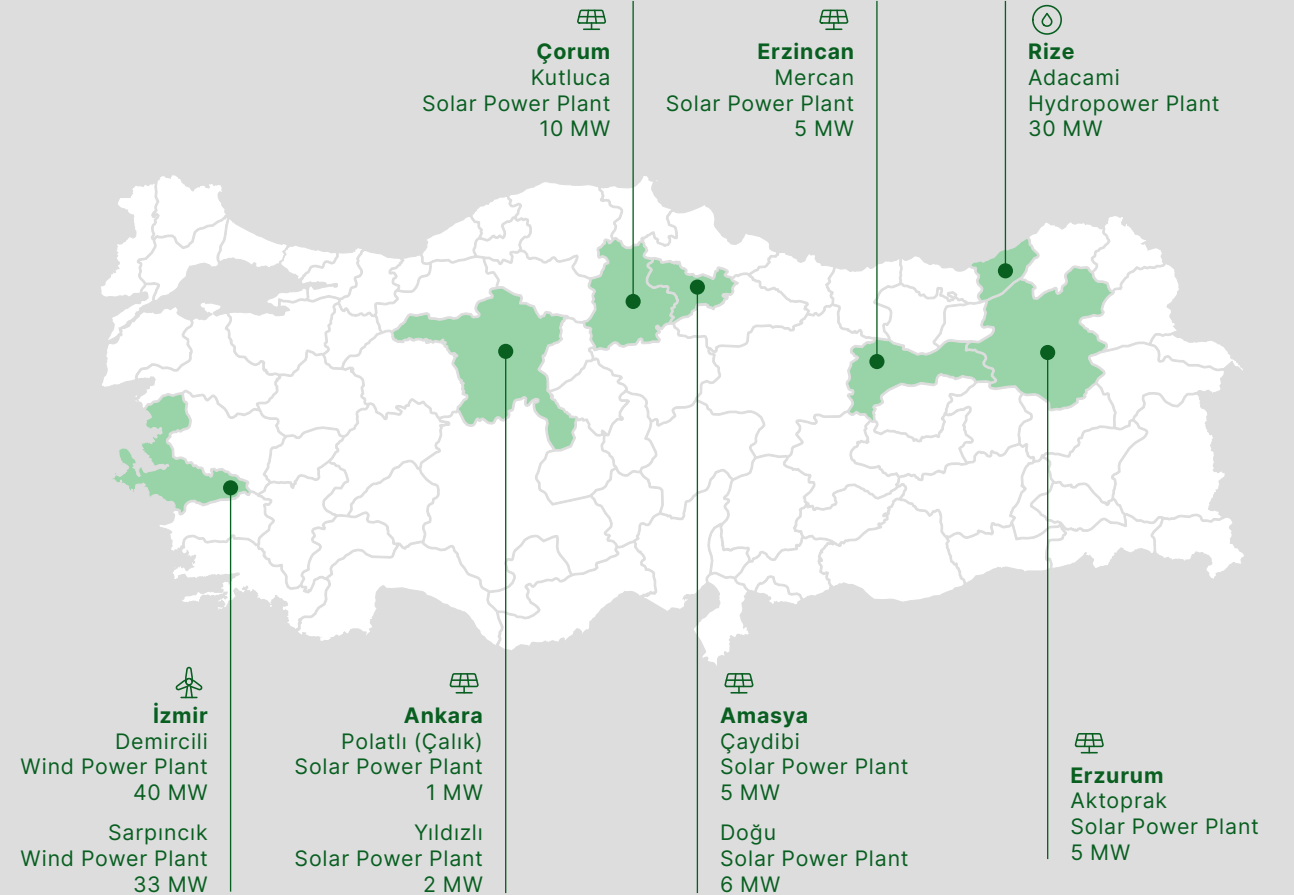
Çalık Renewables operates a diversified renewable energy portfolio across Türkiye, comprising 10 power plants, with solar energy representing a significant share of its installed capacity. The Company's seven Solar Power Plants (SPPs), located in Amasya, Ankara, Çorum, Erzincan and Erzurum, have a combined installed capacity of approximately 34 MW.

The Company's largest generation assets are its wind power plants. Located in İzmir, the two Wind Power Plants (WPPs) have a combined installed capacity of 73 MW and play a significant role in the Company's renewable electricity generation portfolio. The smallest generation asset by installed capacity in the Company's Türkiye portfolio is the hydropower plant (HPP). Located in Rize, the facility has an installed capacity of 30 MW, contributing to the diversification of the Company's renewable energy generation portfolio.

In parallel with the operation of its existing assets, Çalık Renewables continues to expand its investment portfolio across Türkiye through the development of new renewable energy projects.

One of the Company's flagship developments is the Uşak Denim Solar Power Plant (SPP), which is scheduled for completion in 2026. The project will be developed on a 170,000 m² site and will have an installed capacity of approximately 16 MW, making it the Company's largest solar investment in Türkiye upon commissioning. The facility is expected to achieve a high annual energy yield of approximately 1,700 kWh/kWp. Once operational, it is projected to generate around 26.69 million kWh of renewable electricity annually-sufficient to meet the electricity demand of approximately 11,000 households while making a meaningful contribution to reducing greenhouse gas emissions.

ÇALIK RENEWABLES – TÜRKİYE OPERATIONAL MAP



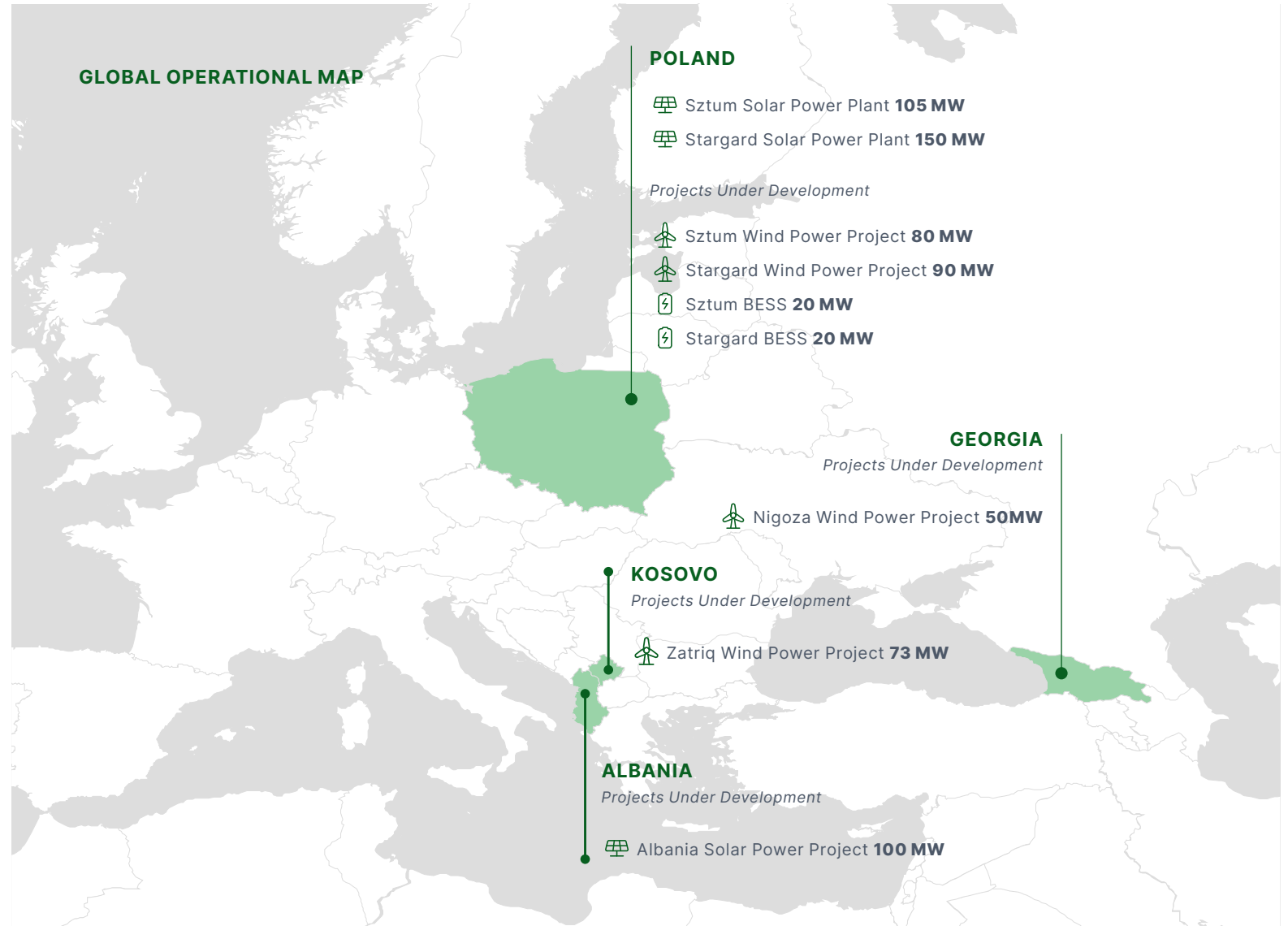
Çalık Renewables Around the World

Aligned with its long-term growth strategy, Çalık Renewables continues to expand its international development pipeline.

Çalık Renewables continues to strengthen its contribution to the global energy transition by steadily expanding its international renewable energy portfolio.

The Sztum Solar Power Plant (105 MW), added to the portfolio in December 2025, generates approximately 93,000 MWh of renewable electricity annually, while the Stargard Solar Power Plant (150 MW) produces approximately 205,238 MWh per year. Operating at full capacity, these facilities contribute to the displacement of fossil fuel-based electricity generation, supply renewable electricity to approximately 100,000 households, and make a significant contribution to reducing greenhouse gas emissions.

As part of its growth strategy in Poland, Çalık Renewables is advancing the development of Battery Energy Storage System (BESS) projects with capacities of 10 MW / 40 MWh at both the Sztum and Stargard sites, representing a combined capacity of 20 MW / 80 MWh. In parallel, the Company is progressing the development of a 170 MW Wind Power Plant (WPP) portfolio. These projects are expected to move into the implementation phase following the completion of permitting procedures and technical assessments. Aligned with its long-term growth strategy, Çalık Renewables continues to expand its international development pipeline. The Company is actively advancing multiple renewable energy projects across several countries, reinforcing the global expansion of its energy portfolio as a strategic priority.





In addition to its active development pipeline, Georgia has been identified as one of Çalık Renewables' priority growth markets.

**73 MW**Zatriq WPP
Installed Capacity**100 MW**Albania SPP
Installed Capacity**50 MW**Nigoza WPP
Installed Capacity

At the end of 2024, Çalık Renewables took its first major step in international renewable energy investments with the launch of the 73 MW Zatriq Wind Power Project (WPP) in Kosovo. Construction commenced under a 15-year Power Purchase Agreement (PPA), providing long-term revenue certainty and enhancing the project's financial viability. The project is scheduled for completion and commercial operation in 2026.

Another strategic international investment is the Albania Solar Power Project (SPP). Project development activities commenced in September 2025, with construction expected to begin in 2026 and commercial operation targeted for 2027. Upon completion, the project is expected to have a total installed capacity of 100 MW.

In addition to its active development pipeline, Spain, Georgia and the Democratic Republic of the Congo have been identified as priority growth markets. Through feasibility studies, project development activities and strategic partnerships in these countries, Çalık Renewables aims to further expand its international renewable energy portfolio while delivering sustainable long-term growth.

Sustainability Governance

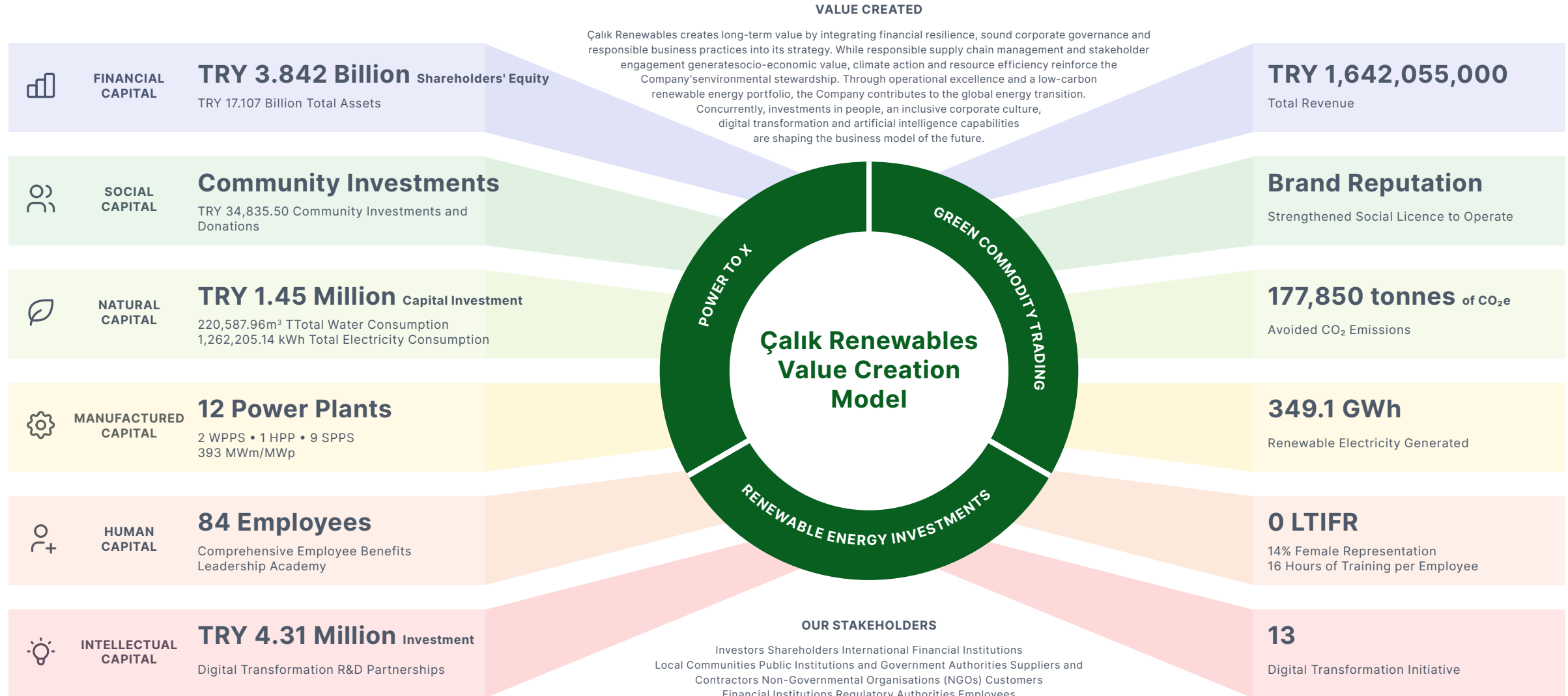
Powering Partnerships with the Strength of Nature.

With our Zatriq Wind Power Project, we are delivering the world's first wind farm financed with the support of SERV. Through a €112 million financing structure established in partnership with Helaba, Deutsche Bank, NEXI, and GE Vernova, we have reinforced international confidence in our vision and demonstrated the strength of our long-term strategic partnerships.





Value Creation Model





Financial Capital

Financial resilience is a cornerstone of the Company's sustainable growth strategy. Capital allocation decisions are guided by a balanced assessment of risk and return, carbon intensity, and long-term cash flow projections.

INPUTS AND RESOURCES

TRY 3,842,831 SHAREHOLDERS' EQUITY

TRY 17,107,088,000 TOTAL ASSETS

ACTIVITIES AND VALUE CHAIN

Renewable Energy Investments Green Commodity Trading Power-to-X

VALUE CREATED

- Strong and Resilient Financial Position
- Effective Risk Management and Performance Optimisation
- Corporate Governance, Transparency and Trust
- Sustainable Economic Value and Access to Finance
- Long-term Revenue Stability

STAKEHOLDERS IMPACTED

- Investors
- Shareholders
- International Financial Institutions

KEY OUTCOMES



TRY
1,642,055,000
Total Revenue



Social Capital

The Company fosters transparent and long-term relationships with local stakeholders across the regions in which it operates. Investments are evaluated not only for their contribution to renewable energy generation but also for their ability to support regional development and create lasting value for local communities.

INPUTS AND RESOURCES

TRY 34,835.50 COMMUNITY INVESTMENTS AND DONATIONS

COMMUNITY INVESTMENT AND LOCAL DEVELOPMENT

ACTIVITIES AND VALUE CHAIN

Renewable Energy Investments Green Commodity Trading Power-to-X

VALUE CREATED

- Brand Reputation, Transparency and Trust
- Stakeholder Engagement and Social Licence to Operate
- Responsible and Resilient Supply Chain
- Socio-economic Value Creation

STAKEHOLDERS IMPACTED

- Local Communities
- Government Authorities
- Suppliers and Contractors
- Non-Governmental Organisations (NGOs)
- Customers
- Financial Institutions

KEY OUTCOMES



**Brand
Reputation
Strengthened
Social Licence
to Operate**



Natural Capital

Climate change mitigation and a low-carbon generation model are at the core of the Company's operations. Through renewable electricity generation, Çalık Renewables contributes to the reduction of greenhouse gas emissions and supports the transition to a low-carbon economy.

INPUTS AND RESOURCES

220,587.96 M³TOTAL WATER CONSUMPTION TRY 1,454,000ENVIRONMENTAL INVESTMENTS
1,262,205.14 KWHhTOTAL ELECTRICITY CONSUMPTION

ACTIVITIES AND VALUE CHAIN

Renewable Energy Investments Green Commodity Trading Power-to-X

VALUE CREATED

- Climate Action and Decarbonisation
- Resource Efficiency and Circular Economy
- Natural Resources, Ecosystems and Biodiversity
- Standards, Certification and Regulatory Compliance
- Environmental Awareness and Reputation

STAKEHOLDERS IMPACTED

- Local Communities
- Government Authorities
- Investors
- Suppliers and Contractors

KEY OUTCOMES


177,850 tCO₂e
Avoided CO₂ Emissions


502.58 tCO₂e
Scope 1 GHG Emissions


548.82 tCO₂e
Scope 2 GHG Emissions


3,856.07 tCO₂e
Scope 3 GHG Emissions

Manufactured Capital

The Company's operational asset portfolio comprises renewable energy generation facilities and supporting energy infrastructure. Portfolio performance is managed through a disciplined approach focused on operational efficiency, capacity factor and asset resilience, which serve as the Company's key performance indicators.

INPUTS AND RESOURCES

2 WPPS 1 HPP 9 SPPS 393 MWm/MWp TOTAL INSTALLED CAPACITY
INSTALLED CAPACITY IN TÜRKİYE AND POLAND

ACTIVITIES AND VALUE CHAIN

Renewable Energy Investments Green Commodity Trading Power-to-X

VALUE CREATED

- Operational Efficiency and Enhanced Productivity
- Infrastructure Strengthening and Capacity Expansion
- Responsible and Resilient Supply Chain
- Risk Management, Safety and Operational Excellence
- Low-Carbon Portfolio
- Contribution to the Energy Transition

STAKEHOLDERS IMPACTED

- Investors and Shareholders
- Financial Institutions
- Customers
- Local Communities
- Regulatory Authorities

KEY OUTCOMES


349,083,400 kWh
Renewable Electricity Generated



Human Capital

Çalık Renewables believes that a skilled and capable workforce is the foundation of sustainable growth. Employee engagement, technical expertise and a safe working environment are among the Company's key priorities.

INPUTS AND RESOURCES

84TOTAL EMPLOYEES EMPLOYEE BENEFITS

ACTIVITIES AND VALUE CHAIN

Renewable Energy Investments Green Commodity Trading Power-to-X

VALUE CREATED

- Talent Management and Workforce Development
- Employee Engagement, Motivation and Productivity
- Diversity, Inclusion and Equal Opportunity
- Health, Safety and Employee Well-being
- Corporate Culture and Employer Brand

STAKEHOLDERS IMPACTED

- Employees
- Investors
- Suppliers and Contractors
- Local Communities

KEY OUTCOMES


14%
Female Employees


16 Hours
Average Annual
Training Hours per
Employee


0 LTFR
Lost Time Injury
Frequency Rate

Intellectual Capital

Technology, digitalisation and engineering expertise form the foundation of the Company's competitive advantage. Energy storage systems, hybrid renewable energy projects and digital performance analytics are among Çalık Renewables' strategic growth priorities.

INPUTS AND RESOURCES

TRY 4,306,577DIGITAL TRANSFORMATION PROJECTS AND INVESTMENTS

ACTIVITIES AND VALUE CHAIN

Renewable Energy Investments Green Commodity Trading Power-to-X

VALUE CREATED

- Digital Competencies
- Artificial Intelligence and Data Capabilities
- Knowledge, Skills and Employee Experience

STAKEHOLDERS IMPACTED

- Employees
- Investors
- Suppliers and Contractors
- Customers

KEY OUTCOMES


13
Digital Transformation
Initiative

Pioneering Practices at Çalık Renewables

Through the independent verification of environmental data, its membership of the UN Global Compact, and the establishment of SDG-aligned targets, Çalık Renewables has embedded internationally recognised sustainability practices into its governance framework. The Company's first Double Materiality Assessment, Climate-related Risk and Opportunity Assessment, and organisation-wide sustainability workshop have enabled sustainability priorities and climate-related risks and opportunities to be systematically integrated into strategic decision-making.



INDEPENDENT ENVIRONMENTAL DATA VERIFICATION

The Company's Greenhouse Gas (GHG) Inventory was independently verified for the first time in accordance with ISO 14064, while its Water Footprint Inventory was verified against ISO 14046, providing third-party assurance of the accuracy and reliability of its environmental data.



UN GLOBAL COMPACT MEMBERSHIP

Çalık Renewables joined the United Nations Global Compact (UNGC), marking its first international sustainability commitment and reinforcing its alignment with globally recognised principles for responsible business.



SDG-ALIGNED TARGETS

The Company identified its priority sustainability objectives in alignment with the United Nations Sustainable Development Goals (SDGs) and initiated the development of a strategic roadmap designed to support long-term value creation while contributing to sustainable development.



SUSTAINABILITY AND CLIMATE RISK & OPPORTUNITY WORKSHOP

Çalık Renewables held its first Sustainability and Climate Risk & Opportunity Workshop to strengthen sustainability awareness across the organisation and assess the implications of climate change for its business activities. The workshop evaluated climate-related risks and opportunities while enhancing the Company's institutional capacity to integrate sustainability into decision-making.



DOUBLE MATERIALITY ASSESSMENT

The Company completed its first Double Materiality Assessment, evaluating both the environmental and social impacts of its operations and the financial effects of sustainability-related matters on the business. The assessment established the Company's priority sustainability topics and informed its strategic decision-making processes.



CLIMATE-RELATED RISK AND OPPORTUNITY ASSESSMENT

Çalık Renewables conducted its first Climate-related Risk and Opportunity Assessment, evaluating both physical and transition risks associated with climate change. The findings have been incorporated into strategic decision-making processes to strengthen the Company's climate resilience and support long-term business planning.

Sustainability Approach

Çalık Renewables places sustainability at the core of its business model, creating long-term value through investments that accelerate the energy transition both nationally and internationally. Guided by its motto, "Expanding the Boundaries of Renewable Energy," the Company aims not only to broaden its geographical footprint but also to drive transformation through technology, innovative financing solutions and integrated energy system design.

 STRATEGIC GROWTH IN THE ENERGY TRANSITION Çalık Renewables continues to expand its renewable energy portfolio while increasing its low-carbon generation capacity to support the transformation of energy systems. Investment decisions are guided by long-term climate scenarios, carbon regulations and sustainable finance principles. The Company's growth strategy prioritises sustainable returns and resilient assets rather than capacity expansion alone.	 CLIMATE RESILIENCE AND LOW-CARBON PERFORMANCE The Company conducts its operations through the dual lens of climate change mitigation and adaptation. By generating renewable electricity, Çalık Renewables contributes to reducing greenhouse gas emissions while enhancing energy efficiency and resource optimisation across its operations. Physical and transition risks are assessed on a regular basis to strengthen portfolio resilience.	 INNOVATIVE ENERGY SOLUTIONS AND SYSTEM FLEXIBILITY The energy transition requires not only a shift in generation technologies but also the evolution of energy systems. Accordingly, Çalık Renewables has identified energy storage, hybrid renewable energy projects, digital performance monitoring systems and next-generation energy technologies as strategic growth priorities, with the objective of developing a more flexible, efficient and integrated renewable energy portfolio.	 RESPONSIBLE IMPACT AND STAKEHOLDER VALUE Across all regions in which it operates, Çalık Renewables adopts a holistic approach to managing its environmental and social impacts. Supporting local employment, providing safe and healthy working environments, and maintaining transparent stakeholder engagement are among its core priorities. Investments are evaluated not only for their financial performance but also for their ability to generate long-term value for local communities.
---	---	---	---

SUSTAINABILITY POLICY

Çalık Renewables integrates economic growth, environmental responsibility and social contribution through its renewable energy-based business model, playing an active role in accelerating the transition to a sustainable energy future.

Guided by the United Nations Sustainable Development Goals (SDGs) and the Ten Principles of the United Nations Global Compact, the Company aims to achieve net zero emissions by 2050 through innovation, operational efficiency and the deployment of low-carbon technologies.

Environmental protection remains a strategic priority throughout the Company's operations. Circular economy principles are promoted, biodiversity conservation measures are implemented, and natural resources are managed responsibly across both project development and operational activities. Environmental impacts are continuously monitored, measured and improved. From a social perspective, Çalık Renewables supports local employment, contributes to community development and promotes gender equality. Transparent and continuous dialogue with stakeholders is maintained through structured engagement and feedback mechanisms.

The Company is committed to the principles of transparency, accountability and ethical business conduct across all operations. These same standards are expected throughout its value chain, with business partners encouraged to uphold equivalent levels of environmental, social and governance performance.

Driven by a culture of continuous improvement, Çalık Renewables monitors sustainability performance through defined indicators, implements employee training programmes and encourages active participation in achieving its sustainability objectives. Through this approach, the Company contributes to building a fair, resilient and sustainable energy system.

[Access the Sustainability Policy here.](#)

Strategic Priorities

Strategic objectives derived from the materiality matrix have been structured across the Climate and Environment, Operations and Governance, and People and Culture pillars, integrating short-, medium- and long-term targets with the relevant United Nations Sustainable Development Goals (SDGs).

4

Strategic Operations & Governance Objectives

4

Strategic People & Culture Objectives

8

Strategic Climate & Environment Objectives

CLIMATE & ENVIRONMENT

Renewable Energy Capacity Expansion

STRATEGIC FOCUS

Clean Energy and Energy Transition

SHORT TERM (2025–2026)

325 MW of New Capacity, Reaching a Total Installed Capacity of 465 MW

MEDIUM TERM (2027–2030)

1,035 MW of Additional Capacity, Reaching a Total Installed Capacity of 1.5 GW

LONG TERM (2030+)

5 GW Total Portfolio

EMISSIONS AND ENERGY MANAGEMENT



CLIMATE & ENVIRONMENT

International Portfolio Expansion

STRATEGIC FOCUS

Sustainable Growth

SHORT TERM (2025–2026)

Africa 50 MW Developed Europe 245 MW Emerging Europe 455 MW

MEDIUM TERM (2027–2030)

Africa 50 MW Developed Europe 100 MW Emerging Europe 525 MW

LONG TERM (2030+)

Emerging Europe 2,000 MW Developed Europe 1,500 MW United States 1,000 MW Africa 500 MW

EMISSIONS AND ENERGY MANAGEMENT



CLIMATE & ENVIRONMENT

Project Development and Investment Processes

STRATEGIC FOCUS

High Value-Added Projects

SHORT TERM (2025–2026)

Diversification of the generation portfolio through BESS, Solar and Wind Power Projects

MEDIUM TERM (2027–2030)

Continued investment and project development for planned BESS, Solar and Wind Power Projects to further diversify the generation portfolio and expand renewable energy investments

LONG TERM (2030+)

Completion of licensing, financing and EPC processes across all target markets

EMISSIONS AND ENERGY MANAGEMENT





CLIMATE & ENVIRONMENT

Carbon Markets and Climate Finance

STRATEGIC FOCUS

Additional Revenue Generation, Climate Leadership and Customer Solutions

SHORT TERM (2025–2026)

Annual Generation of 180,000 tCO₂e of Carbon Credits

MEDIUM TERM (2027–2030)

Annual Generation of 600,000 tCO₂e of Carbon Credits and Development of Verified Carbon Reduction Projects

LONG TERM (2030+)

Continuation of carbon credit certification across all operational power plants and active participation in international carbon markets

GREEN PROJECT FINANCE



CLIMATE & ENVIRONMENT

Development of Low-Carbon Business Areas

STRATEGIC FOCUS

Low-Carbon Business Models

SHORT TERM (2025–2026)

Electricity and Green Commodity Trading, SAF R&D and Feasibility Studies

MEDIUM TERM (2027–2030)

BESS Investments and Hybrid Renewable Energy Projects

LONG TERM (2030+)

Power-to-X, Green Hydrogen, Sustainable Aviation Fuel (SAF) and the Deployment of Electric Buses

INNOVATION

CLIMATE CHANGE ADAPTATION AND RISK MANAGEMENT



CLIMATE & ENVIRONMENT

Science-Based Emissions Reduction and Net Zero Roadmap

STRATEGIC FOCUS

Net Zero Strategy and Climate Risk & Opportunity Management

SHORT TERM (2025–2026)

Completion of carbon footprint measurement and verification processes; establishment of emissions reduction targets aligned with the Science Based Targets initiative (SBTi) and validation of those targets by SBTi; submission to the CDP Climate Change and Water Security questionnaires.

MEDIUM TERM (2027–2030)

Development of the Net Zero Roadmap (Decarbonisation Strategy and Climate Transition Plan); implementation of energy and emissions reduction projects aligned with SBTi targets; improvement and/or maintenance of CDP Climate Change and Water Security scores.

LONG TERM (2030+)

Continuous monitoring and reporting of energy and emissions performance through an integrated environmental data management system; further improvement in CDP governance, target-setting and performance indicators.

EMISSIONS AND ENERGY MANAGEMENT

CLIMATE CHANGE ADAPTATION AND RISK MANAGEMENT



CLIMATE & ENVIRONMENT

Water Efficiency and Resource Management

STRATEGIC FOCUS

Water Risk Management and Resource Optimisation

SHORT TERM (2025–2026)

Completion of Water Footprint Measurement and Verification, and Development of the Water Management Policy

MEDIUM TERM (2027–2030)

Identification and implementation of water efficiency projects in line with the Water Management Policy

LONG TERM (2030+)

Continuous monitoring and reporting of water consumption performance through an integrated environmental data management system

WATER MANAGEMENT





CLIMATE & ENVIRONMENT

Biodiversity and Nature Impact Management

STRATEGIC FOCUS

Environmental stewardship, social licence to operate and compliance with international standards.

SHORT TERM (2025–2026)

Reduce nature-related impacts arising from operations and achieve a net positive impact on nature.

MEDIUM TERM (2027–2030)

Reduce nature-related impacts arising from operations and achieve a net positive impact on nature.

LONG TERM (2030+)

Fully integrate a nature-positive approach into corporate strategy, ensuring long-term ecosystem restoration and measurable biodiversity enhancement.

BIODIVERSITY



OPERATION& GOVERNANCE

Data-Driven Operational Efficiency

STRATEGIC FOCUS

Operational efficiency and cost optimisation; scalable and resilient operations enabled by digital infrastructure; enhanced data security, business continuity and enterprise risk management.

SHORT TERM (2025–2026)

Roll-out of digital management and operational monitoring platforms; development of loss detection and optimisation modules; outsourcing of payroll processes; digitalisation of employee records and personnel files.

MEDIUM TERM (2027–2030)

Deployment of integrated digital energy management systems across all power plants; expansion of operational decision-support dashboards; implementation of data-driven workforce planning and reporting.

LONG TERM (2030+)

Standardisation of end-to-end digital infrastructure and integrated data architecture for new investments; establishment of scalable, secure and agile HR operations.

DIGITAL TRANSFORMATION



OPERATION& GOVERNANCE

Strengthening the Governance Framework

STRATEGIC FOCUS

Transparent, accountable and ethical governance.

SHORT TERM (2025–2026)

Establish the Sustainability Committee.

MEDIUM TERM (2027–2030)

Clarify organisational roles and responsibilities and establish a sustainability-focused corporate performance management framework.

LONG TERM (2030+)

Achieve full integration of governance and corporate strategy.

ETHICS AND TRANSPARENCY

EMPLOYEE EXPERIENCE AND CORPORATE CULTURE



OPERATION& GOVERNANCE

Standards-Aligned Sustainability Infrastructure

STRATEGIC FOCUS

Management systems and sustainable performance.

SHORT TERM (2025–2026)

Achieve compliance with ESG standards and complete ISO certifications.

MEDIUM TERM (2027–2030)

Achieve compliance with the European Green Logistics Standard.

LONG TERM (2030+)

Become a globally integrated renewable energy investor.

ETHICS AND TRANSPARENCY





OPERATIONS & GOVERNANCE

Zero Accident and a Preventive Safety Culture

STRATEGIC FOCUS

Safe and healthy working environment

SHORT TERM (2025–2026)

100% OHS training coverage, implementation of ISO 45001 and Zero Accident

MEDIUM TERM (2027–2030)

Maintain ISO 45001 certification and sustain Zero Accident performance

LONG TERM (2030+)

Achieve occupational health and safety performance above the industry average

OCCUPATIONAL HEALTH AND SAFETY



PEOPLE & CULTURE

Human Resources Management and Compliance

STRATEGIC FOCUS

An ethical, transparent and compliant way of working, supported by a strong employee experience and a sustainable corporate culture

SHORT TERM (2025–2026)

Development of a job grading framework and career pathways; establishment of an ethics reporting mechanism.

MEDIUM TERM (2027–2030)

Implementation of a fair reward system linked to performance and development; formalisation of ethics and transparency principles.

LONG TERM (2030+)

Embedding ethical principles into the corporate culture; establishing a transparent, fair and trusted people management system.

ETHICS AND TRANSPARENCY

EMPLOYEE EXPERIENCE AND CORPORATE CULTURE



PEOPLE & CULTURE

Leadership and Talent Continuity

STRATEGIC FOCUS

Strengthened talent attraction and retention; systematic development of future leaders; recognition as a sector reference for leadership and knowledge sharing; preservation of institutional knowledge and leadership continuity.

SHORT TERM (2025–2026)

Establish the Renewable Energy Leadership Academy; develop a competency matrix and updated job descriptions; identify critical roles and succession plans.

MEDIUM TERM (2027–2030)

Implement international certification programmes, HiPo and middle management leadership programmes, and establish an internal leadership talent pool.

LONG TERM (2030+)

Create an organisation that develops leaders from within, ensures leadership continuity through systematic succession planning and strengthens a learning organisation culture.

ETHICS AND TRANSPARENCY



PEOPLE & CULTURE

Employee Experience and Well-being

STRATEGIC FOCUS

Creating a people-centred, ethical and inclusive workplace

SHORT TERM (2025–2026)

Define the Employee Value Proposition (EVP) and launch employee well-being initiatives.

MEDIUM TERM (2027–2030)

Implement an integrated approach to employee well-being, diversity and inclusion that enhances the overall employee experience.

LONG TERM (2030+)

Build a highly engaged, healthy and inclusive corporate culture.

EMPLOYEE SATISFACTION

EMPLOYEE EXPERIENCE AND CORPORATE CULTURE





PEOPLE & CULTURE

Values-Driven Corporate Culture

STRATEGIC FOCUS

Employee experience, values-based leadership, engagement and organisational alignment

SHORT TERM (2025-2026)

Define and communicate the Company's core values, leadership principles and expected behaviours; align HR policies and people practices with the desired corporate culture; introduce employee listening mechanisms (engagement surveys and focus groups) together with culture awareness initiatives.

MEDIUM TERM (2027-2030)

Embed the corporate culture into leadership development, performance management, reward systems and recruitment processes; strengthen employee engagement through continuous feedback and culture-driven people practices.

LONG TERM (2030+)

Establish a strong, consistent and sustainable corporate culture that fosters employee experience, ethical leadership, high performance and long-term organisational resilience.

EMPLOYEE EXPERIENCE AND CORPORATE CULTURE



Identification of Material Topics and Materiality Approach

The process for identifying material topics considers sector dynamics, the global energy transition, regulatory developments, investment trends, climate-related risks and the Company's strategic priorities.

Çalık Renewables determines its sustainability priorities in accordance with the double materiality approach.

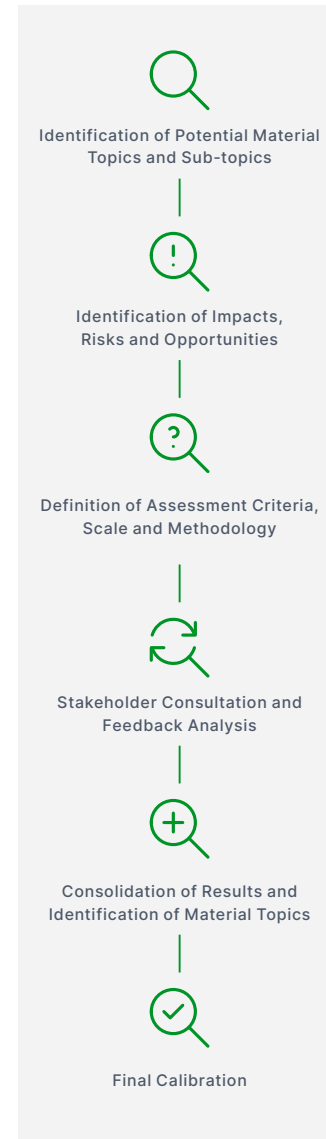
Accordingly, material topics are assessed from two complementary perspectives: their impact on the Company's financial performance and long-term value creation, and the actual and potential impacts of the Company's activities on the economy, the environment and society.

The identification process incorporates sector dynamics, the global energy transition, regulatory developments, investment trends, climate-related risks and the Company's strategic objectives. The identified topics are presented to both internal and external stakeholders, whose feedback is evaluated through quantitative assessment methods. The materiality matrix is developed using a two-dimensional double materiality framework. The first dimension represents impact materiality, assessing the actual and potential impacts of the Company's activities on governance, the environment and society.

The second dimension represents financial materiality, evaluating the influence of sustainability-related matters on the Company's financial position, financial performance and long-term value creation. By considering these two dimensions together, Çalık Renewables identifies priority sustainability topics that reflect both its environmental and social impacts and the implications of sustainability matters for its business operations.

The outcomes of the materiality assessment are integrated into the Company's corporate strategy, risk management processes, performance indicators and sustainability objectives, supporting a holistic management approach. Material sustainability topics also serve as key inputs to investment decisions, capital allocation and operational planning.

Through this approach, the Company seeks to balance strong financial performance with responsible management of its environmental and social impacts.



DOUBLE MATERIALITY METHODOLOGY

Identification of Potential Material Topics and Sub-topics

A desktop review and benchmarking analysis were conducted to identify potential material topics relevant to Çalık Renewables.

Identification of Impacts, Risks and Opportunities

Impacts, risks and opportunities were identified, categorised and assessed through desktop research, benchmarking analyses and interviews with internal stakeholders.

Definition of Assessment Criteria, Scale and Methodology

Definition of Assessment Criteria, Scale and Methodology

Stakeholder Consultation and Feedback Analysis

The scope and assessment criteria were defined for each stakeholder group. Material topics were evaluated by external stakeholders and employees through online surveys and internal consultation processes.

Consolidation of Results and Identification of Material Topics

The assessment results were consolidated and analysed to determine the material sustainability topics for Çalık Renewables.

Final Calibration

The assessment results were reviewed by the Company's Senior Management and Sustainability Committee, which performed the final calibration and validation of the materiality assessment.

Stakeholder Engagement

Çalık Renewables identifies the stakeholders that influence, and are influenced by, its activities under four principal stakeholder groups. This framework provides the foundation for defining sustainability priorities and managing stakeholder expectations.

Çalık Renewables considers stakeholder engagement to be a fundamental pillar of long-term value creation, its social licence to operate and sustainable growth. The Company maintains a transparent and structured stakeholder engagement approach across the countries in which it operates, taking into account societal expectations, regulatory requirements and market dynamics. The Company's Stakeholder Engagement Approach is built on four core principles:

01 | Map and Prioritize

Stakeholders are systematically identified based on the Company's operating geographies, project lifecycle and value chain. They are prioritised according to their level of influence, expectations and strategic importance, ensuring that resources are directed towards the most critical stakeholder relationships.

02 | Engage and Listen

Regular, transparent and two-way communication channels are maintained with stakeholders. Expectations and feedback are gathered through surveys, meetings, site visits and digital engagement platforms. The objective extends beyond information sharing to establishing an active listening approach capable of identifying emerging issues and early warning signals.

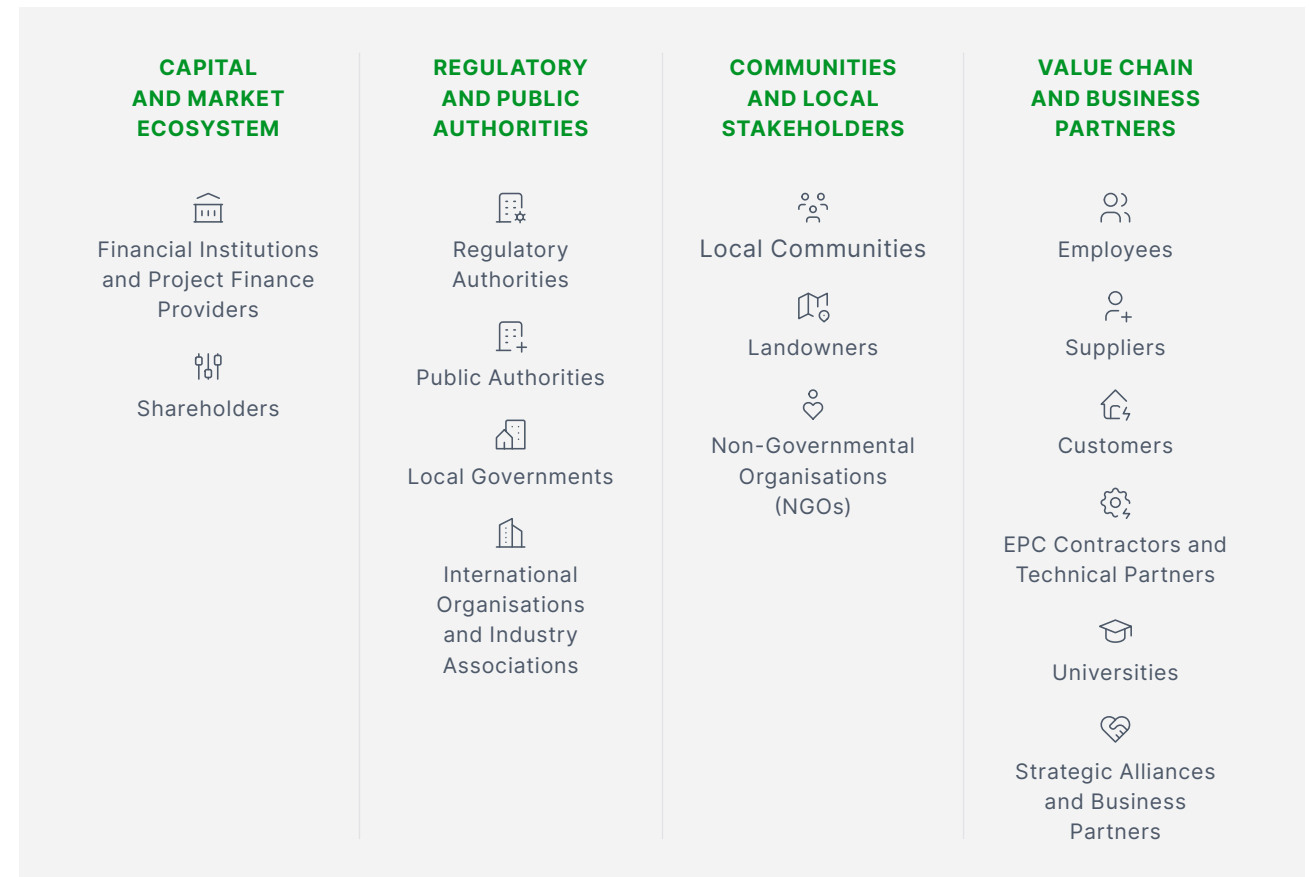
03 | Build Trust and Demonstrate Accountability

Trust-based relationships are strengthened through transparent reporting, adherence to ethical principles and the systematic monitoring of commitments. Progress against commitments is tracked and communicated publicly, reinforcing investor confidence and the Company's social licence to operate.

04 | Create Shared Value and Integrate

Stakeholder feedback is integrated into strategic planning, risk management, project design and sustainability objectives. Collaboration with local communities, suppliers and financial stakeholders strengthens operational resilience and supports the Company's long-term competitiveness.

OUR STAKEHOLDER GROUPS



Materiality Matrix

The matrix results are integrated into strategic planning and risk management processes, enabling a holistic management approach.



VERY HIGH MATERIALITY TOPICS

- Occupational Health and Safety
- Ethics and Transparency
- Employee Experience and Corporate Culture

HIGH MATERIALITY TOPICS

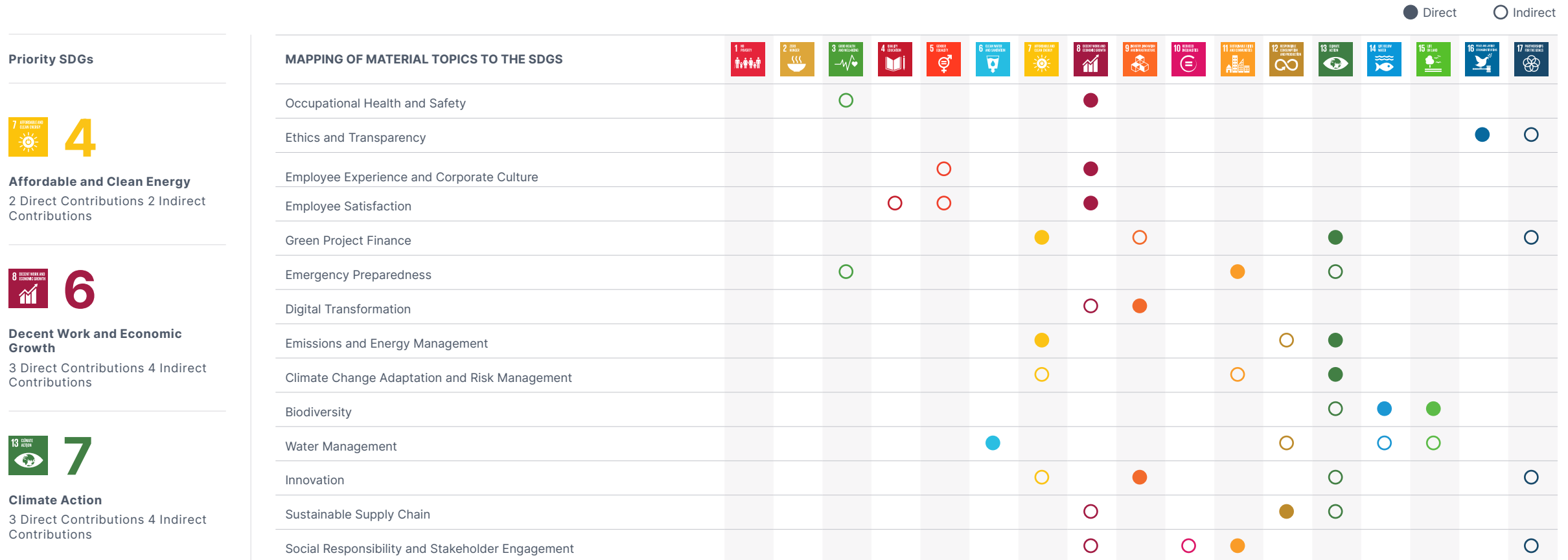
- Climate Change Adaptation and Risk Management
- Digital Transformation
- Emergency Preparedness
- Employee Satisfaction
- Green Project Finance
- Biodiversity
- Emissions and Energy Management

MATERIALITY TOPICS

- Innovation
- Social Responsibility and Stakeholder Engagement
- Water Management
- Sustainable Supply Chain

Contribution to the Sustainable Development Goals

In defining its sustainability priorities, Çalık Renewables aligns its corporate strategic objectives with the United Nations Sustainable Development Goals (SDGs). The material topics identified through the materiality assessment have been systematically mapped against the relevant SDGs, enabling the Company to evaluate and communicate its contribution to the global sustainable development agenda.

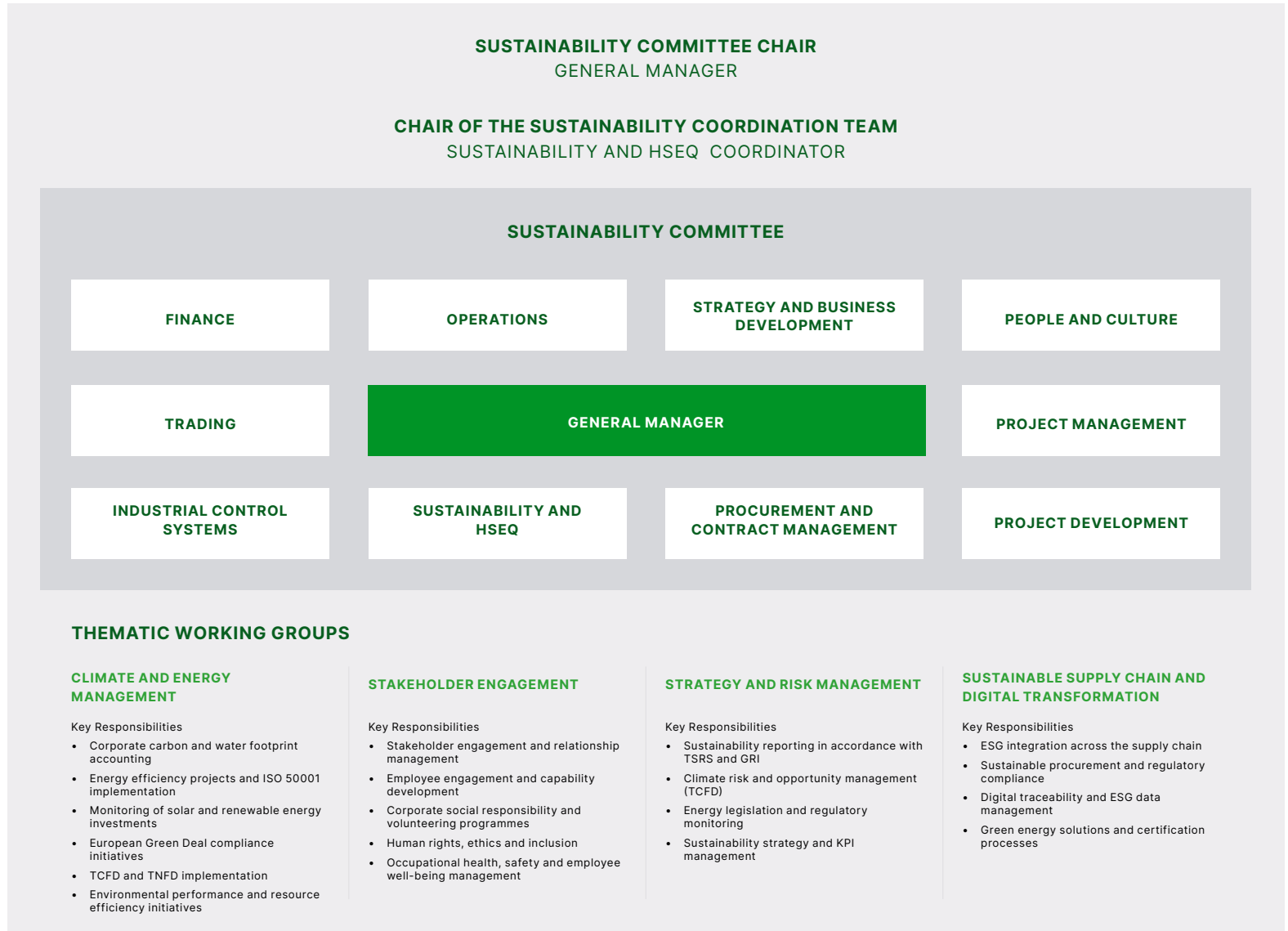


Sustainability Governance Structure

The sustainability governance model is built on the principles of transparency, accountability and continuous improvement, enabling Çalık Renewables to respond proactively to evolving regulatory requirements, investor expectations and the ongoing transformation of the energy sector.

Çalık Renewables has established a structured sustainability governance model under the leadership of senior management to ensure the effective implementation of its sustainability strategy. Sustainability is supported by a dedicated committee operating under executive oversight, with a governance framework based on cross-functional coordination and clear accountability. This approach ensures that sustainability objectives are integrated into the Company's overall strategy, risk management processes and investment decisions.

The governance structure promotes organisation-wide ownership of sustainability, clearly defines roles and responsibilities, and enables the regular monitoring of sustainability performance. As a result, environmental, social and governance (ESG) developments are systematically monitored, allowing timely and effective management responses. Cross-functional working groups established around key sustainability themes support expert-led and data-driven decision-making. This multi-layered governance structure strengthens collaboration across business functions and enables sustainability performance to be managed through an integrated and holistic approach.



Enterprise Risk Management

The Enterprise Risk Management process is fully integrated with the Company's business model, investment decisions, capital allocation, performance objectives and internal control framework.

Çalık Renewables considers Enterprise Risk Management (ERM) an integral part of its strategic decision-making processes to protect and strengthen its long-term value creation capacity. The Company's risk management approach encompasses the systematic identification, assessment, monitoring and management of strategic, operational, financial, environmental, social and governance-related risks.

The Enterprise Risk Management process is fully integrated with the Company's business model, investment decisions, capital allocation, performance objectives and internal control framework. Within this framework, risks are assessed not only as potential threats but also as opportunities to create new business areas, improve operational efficiency and strengthen the Company's competitive advantage.

Given the rapid transformation of the energy sector, evolving regulatory frameworks, carbon pricing mechanisms and sustainability-related financing requirements, climate-related risks and opportunities represent one of the key priorities within the Company's Enterprise Risk Management framework.

Accordingly, in implementing its 2025 sustainability strategy, Çalık Renewables applies the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) to identify, assess and manage climate-related risks and opportunities.

The Company defines climate-related risks as the potential adverse impacts of both the physical effects of climate change and the transition to a low-carbon economy on its business model, financial performance and value chain.

In line with the TCFD recommendations, identified climate-related risks are classified into two primary categories

Transition Risks

Transition risks arise from regulatory developments, carbon pricing mechanisms, technological transformation, changes in market preferences and reputational factors.



Throughout this report, Transition Risks are identified using the following colour and icon coding.

Physical Risks

Physical risks include both acute events (such as extreme weather events) and chronic impacts (including long-term temperature increases and water stress), which may affect operational continuity and asset performance.



Throughout this report, Physical Risks are identified using the following colour and icon coding.

Rather than being managed as a standalone risk category, climate-related risks are embedded within the Company's strategic planning, investment evaluation and financial resilience assessments.





PHYSICAL RISKS

Physical risks refer to the direct impacts of climate change on the natural environment and their potential consequences for the Company's operations, assets and business continuity.

Acute Physical Risks

Acute physical risks arise from short-term, event-driven climate hazards such as extreme weather events, floods, storms, wildfires and heatwaves. These events may disrupt power generation facilities, transmission infrastructure, logistics activities and on-site operations, affecting operational continuity and asset performance.

Chronic Physical Risks

Chronic physical risks arise from long-term changes in climate patterns, including rising average temperatures, declining water availability, drought and land degradation. These changes may adversely affect renewable energy generation efficiency, infrastructure resilience and the long-term continuity of operations.

TRANSITION RISKS

Transition risks arise from regulatory, technological and market-related changes associated with the transition to a low-carbon economy.

Policy and Regulatory Risks

Risks arising from carbon pricing mechanisms, mandatory emissions reporting requirements, changes in national and international climate regulations, evolving renewable energy incentive schemes, and updates to permitting and licensing processes.

Technology Risks

Risks associated with the transition to next-generation energy generation and energy storage technologies, investments in digitalisation, the modernisation of energy efficiency infrastructure, and the financial costs associated with these transformations.

Market Risks

Risks resulting from fluctuations in energy prices, changing customer expectations, evolving competitive dynamics driven by increasing demand for renewable electricity, green energy certificates and low-carbon energy solutions.

Reputational Risks

Risks arising from the failure to meet stakeholder sustainability expectations, insufficient transparency in sustainability reporting, or inadequate environmental performance, potentially resulting in a loss of stakeholder confidence and corporate reputation.

CLASSIFICATION OF CLIMATE-RELATED RISKS AND OPPORTUNITIES BY TIME HORIZON

Çalık Renewables classifies climate-related risks and opportunities into short-, medium- and long-term time horizons, aligning them with the Company's strategic planning and decision-making processes.

Short-term Risks (0–3 Years)



Risks that are expected to materialise within the next three years. This period is considered critical for maintaining operational continuity, responding promptly to regulatory developments, managing maintenance activities and safeguarding renewable energy generation performance.

Medium-term Risks (3–10 Years)



Risks that may arise over a three- to ten-year horizon. Key focus areas during this period include new investment projects, energy storage integration, technology transformation, compliance with carbon regulations and the evolution of sustainable financing mechanisms.

Long-term Risks (10+ Years)



Strategic risks expected to emerge over a period exceeding ten years. These risks are closely associated with structural transformation in energy markets, the transition to a low-carbon economy, climate resilience investments and the Company's long-term sustainable growth strategy.

Climate-Related Risks

The Company's climate-related risks are classified into transition risks and physical risks. Each identified risk is assessed based on its risk level, estimated financial impact, and management priority.

TCFD Risk Category Breakdown

5 Transition 3 Physical

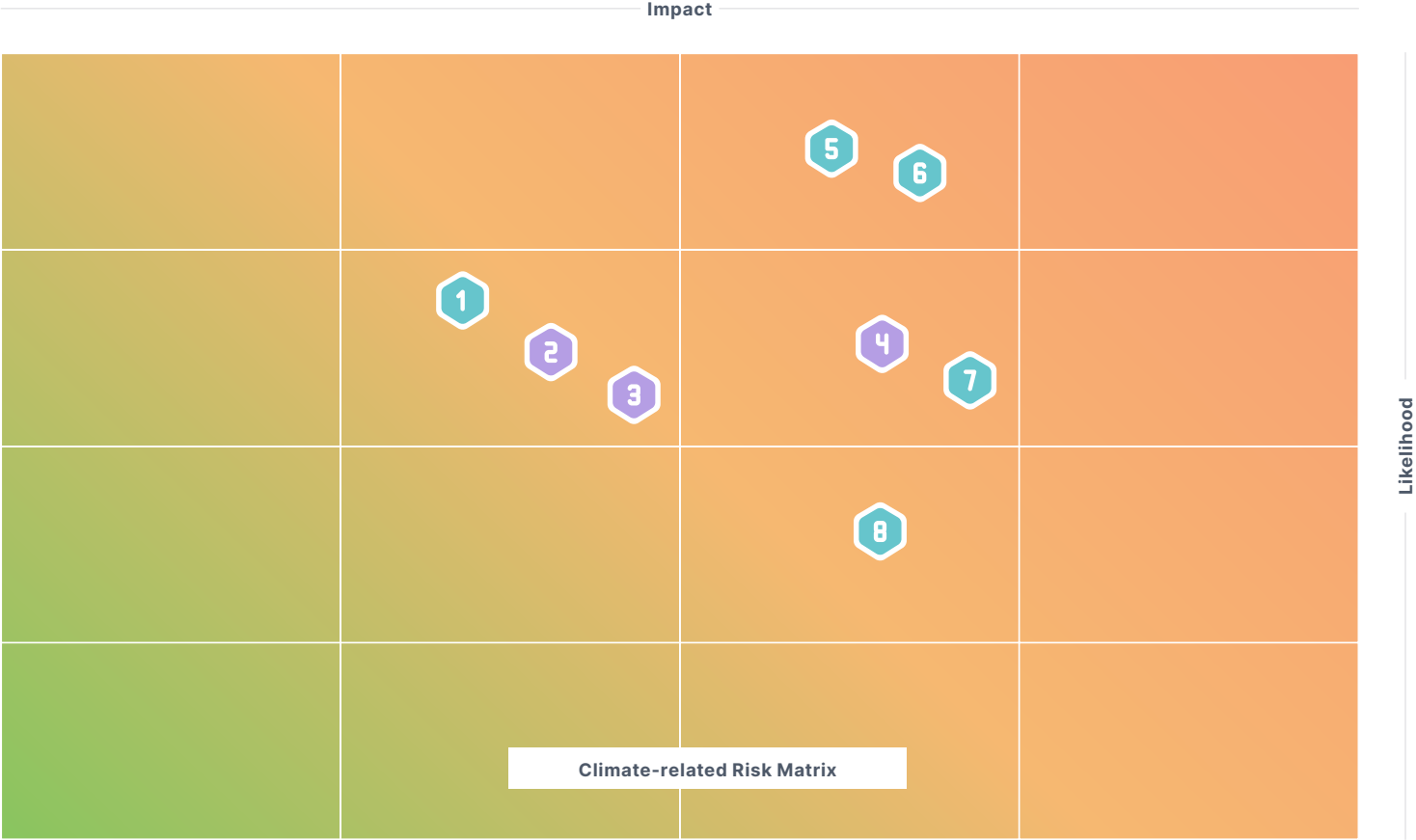
Risk Level

4 Low 4 Medium 0 High

Estimated Financial Impact

USD 30K–150K

Estimated Maximum Annual Cost per Risk



- 1 TRANSITION RISK

Risk of Adapting to Low-Carbon Technologies and Operational Transformation

LOW RISK LEVEL
- 2 PHYSICAL RISK

Risk of Operational Disruptions at Solar Power Plants Due to Extreme Weather Events

LOW RISK LEVEL
- 3 PHYSICAL RISK

Risk of Operational Disruptions at Wind Power Plants Due to Extreme Weather Events

LOW RISK LEVEL
- 4 PHYSICAL RISK

Risk of Operational Disruptions at Hydropower Plants Due to Extreme Weather Events

MEDIUM RISK LEVEL
- 5 TRANSITION RISK

Risk of Increased Insurance Costs Driven by Climate Change

MEDIUM RISK LEVEL
- 6 TRANSITION RISK

Risk of Increased Power Plant Operation and Maintenance Costs

MEDIUM RISK LEVEL
- 7 TRANSITION RISK

Risk of Seasonal Supply Variability

MEDIUM RISK LEVEL
- 8 TRANSITION RISK

Nature-related Legal, Operational and Reputational Risks

LOW RISK LEVEL



Risk of Adapting to Low-Carbon Technologies and Operational Transformation



COMPLIANCE RISK TRANSITION RISK TECHNOLOGY RISK

LOW RISK LEVEL

RISK DESCRIPTION

Risk of reduced competitiveness of existing solar and wind power assets due to rapid advances in low-carbon technologies and the emergence of new alternatives. The integration of these technologies into existing operations may also result in operational disruptions, inefficient resource utilisation and process incompatibilities.

VALUE CHAIN POSITION

UPSTREAM OPERATIONS

DIRECT OPERATIONS

Impact



Likelihood



Risk Time Horizon



FINANCIAL IMPACT AND ESTIMATED RISK COST

USD 30K–150K

EXISTING CONTROLS

The Company closely monitors emerging low-carbon and innovative energy technologies to diversify its portfolio and maintain the competitiveness of its existing investments. The technical feasibility and commercial viability of emerging technologies are assessed on a regular basis, while supplier selection processes are conducted to support the deployment of new technologies. Supply chain-related risks, including supplier availability and capability, are systematically evaluated as part of the Company's investment decision-making process.

The Project Management Department closely monitors the progress of new investments against established cost and schedule targets, enabling the early identification of technical and financial risks. Appropriate mitigation measures are implemented to ensure that projects are delivered in line with the Company's targeted performance, efficiency and sustainability objectives.



Risk of Operational Disruptions at Solar Power Plants Due to Extreme Weather Events



FINANCIAL RISK PHYSICAL RISK ACUTE PHYSICAL RISK

LOW RISK LEVEL

RISK DESCRIPTION

Extreme weather events, including severe storms, hail and extreme temperatures, may damage solar photovoltaic (PV) panels, resulting in reduced electricity generation and operational losses.

VALUE CHAIN POSITION

DIRECT OPERATIONS

Impact



Likelihood



Risk Time Horizon



FINANCIAL IMPACT AND ESTIMATED RISK COST

USD 30K–150K

EXISTING CONTROLS

The Company adopts an integrated approach to managing climate-related risks associated with Solar Power Plants (SPPs) from the project design and development stages onward, supported by robust engineering and project management practices that enhance operational resilience.

Solar Power Plants are preferentially developed in regions characterised by high solar irradiation and low drought-related operational constraints, while dry riverbeds and areas exposed to flood risk are identified during site selection and excluded from project development. In addition, to prevent damage to critical equipment caused by excessive temperatures, the protection system automatically shuts down plant operations when equipment operating temperatures exceed 60°C. This approach helps minimise climate-related generation losses while ensuring the long-term efficiency, reliability and safe operation of the Company's solar assets.



Risk of Operational Disruptions at Wind Power Plants Due to Extreme Weather Events



FINANCIAL RISK PHYSICAL RISK ACUTE PHYSICAL RISK LOW RISK LEVEL

RISK DESCRIPTION

Extreme winds, storms, tsunamis or lightning strikes may cause mechanical damage to wind turbines, resulting in operational disruptions and reduced electricity generation.

VALUE CHAIN POSITION

DIRECT OPERATIONS

Impact



Likelihood



Risk Time Horizon



FINANCIAL IMPACT AND ESTIMATED RISK COST

USD 30K–150K

EXISTING CONTROLS

The Company considers climate-related physical risks, including extreme weather events, from the earliest stages of Wind Power Plant (WPP) project design and site selection. Through rigorous engineering assessments, site optimisation and risk analysis, it seeks to safeguard operational resilience and ensure the long-term reliability of its assets.

For WPP projects, potential climate hazards-particularly storms and other extreme weather events that may affect coastal regions-are assessed during the project development phase. To minimise the potential impacts of natural hazards, facilities are strategically located in higher-elevation and lower-risk areas wherever feasible, enhancing asset protection, operational continuity and long-term infrastructure resilience.



Risk of Operational Disruptions at Hydropower Plants Due to Extreme Weather Events



FINANCIAL RISK PHYSICAL RISK ACUTE PHYSICAL RISK MEDIUM RISK LEVEL

RISK DESCRIPTION

Extreme precipitation, flooding and river overflow events may cause physical damage to hydropower infrastructure and associated equipment, while prolonged drought conditions may disrupt hydropower generation and reduce operational performance.

VALUE CHAIN POSITION

DIRECT OPERATIONS

Impact



Likelihood



Risk Time Horizon



FINANCIAL IMPACT AND ESTIMATED RISK COST

USD 30K–150K

EXISTING CONTROLS

The Company addresses climate change-related flood and drought risks in its Hydropower Plant (HPP) projects through comprehensive hydrological assessments and designs its facilities to remain resilient under changing hydrological conditions.

Hydropower Plants are designed and located based on detailed river flow analyses and long-term hydrological data to maximise operational efficiency while minimising potential physical risks to the facilities. This approach supports the sustainable management of water resources and enables the safe, reliable and efficient operation of the Company's hydropower assets.



Risk of Increased Insurance Costs Driven by Climate Change

5

FINANCIAL RISK → TRANSITION RISK → MARKET RISK MEDIUM RISK LEVEL

RISK DESCRIPTION

Increasing frequency of extreme weather events may lead to higher insurance premiums and the exclusion of certain climate-related losses from insurance coverage.

VALUE CHAIN POSITION

DIRECT OPERATIONS

Impact



Likelihood



Risk Time Horizon



FINANCIAL IMPACT AND ESTIMATED RISK COST

USD 30K–150K

EXISTING CONTROLS

The Company manages the financial impacts of climate-related physical risks through its enterprise risk management and insurance strategies while implementing measures to strengthen the resilience of its asset portfolio.

During the reporting period, the increasing frequency of extreme weather events and other climate-related physical hazards affected the operational and financial performance of several generation assets within the Company's portfolio. Climate change resulted in temporary reductions in the performance of certain assets and created additional challenges in maintaining appropriate insurance coverage for climate-vulnerable facilities. In response, the Company continues to strengthen the scope and coverage of its insurance programmes while closely monitoring industry practices and international best practices to enhance the effectiveness of its risk transfer strategy.



Risk of Increased Power Plant Operation and Maintenance Costs

6

OPERATIONAL RISK → TRANSITION RISK → TECHNOLOGY RISK MEDIUM RISK LEVEL

RISK DESCRIPTION

Extreme weather events may damage equipment and infrastructure at power generation facilities, resulting in increased maintenance and repair requirements, operational disruptions and higher operating costs.

VALUE CHAIN POSITION

DIRECT OPERATIONS

Impact



Likelihood



Risk Time Horizon



FINANCIAL IMPACT AND ESTIMATED RISK COST

USD 30K–150K

EXISTING CONTROLS

To reduce the financial impacts of climate-related operational risks, the Company is strengthening its maintenance, monitoring and asset management processes through digital technologies that enhance operational resilience. Remote monitoring and control systems have been deployed across its facilities to improve preparedness for extreme weather conditions, particularly elevated temperatures that may affect equipment performance. These systems enable preventive actions, including the controlled shutdown of equipment where necessary, to be managed remotely. To improve the effectiveness of maintenance and repair activities, the Company is integrating maintenance planning into its Enterprise Resource Planning (ERP) inventory management system, creating a more traceable, scalable and data-driven maintenance framework. The underlying system infrastructure has been established to support the systematic implementation of preventive and periodic maintenance activities. In addition, dedicated budgets are allocated for unplanned failures and operational outages, strengthening the Company's resilience to climate-related impacts.



Risk of Seasonal Supply Variability



FINANCIAL RISK → TRANSITION RISK → MARKET RISK MEDIUM RISK LEVEL

RISK DESCRIPTION

Changes in climate conditions may disrupt the balance between electricity supply and demand, resulting in increased market volatility and fluctuations in energy prices.

VALUE CHAIN POSITION

UPSTREAM OPERATIONS DOWNSTREAM OPERATIONS DIRECT OPERATIONS



FINANCIAL IMPACT AND ESTIMATED RISK COST

USD 30K–150K

EXISTING CONTROLS

The Company strengthens its financial resilience and business continuity through a flexible portfolio management approach and robust risk monitoring mechanisms designed to respond to volatility in energy markets.

To mitigate the impacts of market uncertainty, Çalık Renewables continues to implement comprehensive risk management practices supported by a range of strategic tools. Regular analyses of the supply-demand balance are undertaken, and market developments are continuously monitored to support informed decision-making and timely strategic responses.



Nature-related Legal, Operational and Reputational Risks



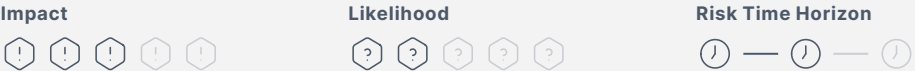
REPUTATIONAL RISK → TRANSITION RISK → REPUTATIONAL RISK MEDIUM RISK LEVEL

RISK DESCRIPTION

Increasing environmental requirements and growing societal expectations may result in additional regulatory obligations and operational challenges for new projects. Furthermore, the potential impacts of investments on natural ecosystems may lead to delays in permitting processes and increased reputational risk.

VALUE CHAIN POSITION

DIRECT OPERATIONS



FINANCIAL IMPACT AND ESTIMATED RISK COST

USD 30K–150K

EXISTING CONTROLS

The Company manages nature-related risks through an integrated risk management approach that considers both nature-related and climate-related risks, while prioritising environmental and social responsibility throughout project development and operations.

To effectively manage nature-related risks, the Company maintains transparent engagement with local communities and other stakeholders, conducts biodiversity and ecosystem impact assessments during the early stages of project development, and integrates the identified risks into its Enterprise Risk Management framework. It also monitors regulatory developments on an ongoing basis, updates internal procedures accordingly, and continuously measures and reports its environmental performance indicators.

Climate-Related Opportunities



Expanding market share by meeting the growing demand for renewable energy driven by evolving customer preferences.

VALUE CHAIN POSITION



Opportunity Time Horizon



MANAGEMENT APPROACH

In response to the growing demand for renewable energy and its positive impact on revenue generation and profitability, the Company is pursuing a growth strategy focused on expanding its generation capacity. Building on its existing installed capacity of 393 MW, Çalık Renewables aims to commission an additional 73 MW of capacity during 2026, creating economies of scale and strengthening its competitive position in the renewable energy market.

Total Revenue: TRY 1,642,055,000



Leveraging Sectoral Incentives

VALUE CHAIN POSITION



Opportunity Time Horizon



MANAGEMENT APPROACH

To ensure the financial sustainability of its renewable energy investments, the Company strategically leverages available national and international incentive and green financing programmes. A USD-indexed guaranteed tariff mechanism provides revenue stability by protecting cash flows against fluctuations in the local currency, thereby strengthening long-term financial resilience. The ten-year guaranteed offtake arrangement and predictable pricing framework enhance the reliability of the Company's financial projections while supporting access to project financing and long-term investment planning.



Enhancing operational efficiency and developing new products and services through technology transfer.

VALUE CHAIN POSITION



Opportunity Time Horizon



MANAGEMENT APPROACH

The Company aims to improve operational efficiency and develop new business opportunities through technology transfer and innovation. In addition to expanding its existing portfolio of wind, hydropower and solar power assets with a total installed capacity of 393 MW, Çalık Renewables has identified Battery Energy Storage Systems (BESS) and Power-to-X technologies as strategic investment priorities.

As part of its 2025 growth strategy, the Company commissioned 255 MWp of solar power capacity in Poland. Management continues to closely oversee the integration of new technologies and the successful execution of future capacity expansion projects.



Climate-Related Opportunities



Enhancing environmental and social performance to strengthen brand value and increase the Company's attractiveness to investors and investment capital.

VALUE CHAIN POSITION

DIRECT OPERATIONS

DOWNSTREAM OPERATIONS

Opportunity Time Horizon



MANAGEMENT APPROACH

Generating its entire electricity portfolio from 100% renewable energy sources significantly strengthens the Company's access to sustainable finance at the international level. This positions Çalık Renewables as a trusted organisation that meets the environmental and social performance expectations of investors and financial institutions. Renewable energy projects, characterised by low-carbon electricity generation and the efficient use of natural resources, expand the Company's access to green bonds, sustainability-linked loans and other sustainable finance instruments. The publication of the Company's 2025 Integrated Annual Report represents an important milestone in enhancing transparency, accountability and the disclosure of sustainability performance. By publicly reporting its environmental, social and governance (ESG) performance, the Company reinforces stakeholder confidence while strengthening its corporate reputation and credibility among investors.



Generating revenue through the certification of emissions reductions from renewable energy generation in accordance with internationally recognised carbon standards.

VALUE CHAIN POSITION

DOWNSTREAM OPERATIONS

Opportunity Time Horizon



MANAGEMENT APPROACH

Revenue generated from I-REC activities in 2025 became an important contributor to the Company's sustainability-driven business growth.



Sustainable Aviation Fuel (SAF) Production

VALUE CHAIN POSITION

DOWNSTREAM OPERATIONS

Opportunity Time Horizon



MANAGEMENT APPROACH

Çalık Renewables is extending its renewable energy expertise into the sustainable aviation sector, creating a new platform for long-term growth and business transformation. The production of Sustainable Aviation Fuel (SAF) from agricultural residues is closely aligned with the Company's strategic priorities in circular economy practices and low-carbon technologies. By contributing to the development of Türkiye's domestic SAF production capacity, the Company aims to strengthen its position in the global aviation value chain through innovative renewable energy solutions.

Environmental Capital

A photograph of a wind turbine on a grassy hill under a blue sky with yellow flowers in the foreground. The turbine is white with red-tipped blades. The hill is covered in green grass and some yellow flowers. The sky is blue with some white clouds. The foreground has some dry grass and yellow flowers.

Powering the future
with the power of nature!

With the Sztum and Stargard Solar Power Plants, we generate 270,000 MWh of clean electricity annually in Poland, supplying enough renewable energy to power more than 90,000 households.

Poland is at the heart of our European growth strategy. With an installed capacity 255 MW, we demonstrate our long-term commitment to accelerating the clean energy transition.

Environmental Management Approach

Principle of Continuous Improvement

Çalık Renewables considers the systematic management of its environmental impacts and the preservation of natural capital as fundamental to its long-term value creation strategy. Environmental aspects arising from its energy generation activities—including land use, water consumption, waste generation and impacts on ecosystems—are managed through an integrated environmental management system. The Company's environmental management approach encompasses the identification of environmental risks, impact assessment, target setting, performance monitoring and continuous improvement. Environmental aspects and impacts are reviewed on a regular basis, while operational processes are designed to minimise environmental risks and enhance environmental performance.

Çalık Renewables is committed to full compliance with all applicable national and international environmental legislation across the countries in which it operates. Environmental Impact Assessment (EIA) requirements, permitting and licensing obligations, and sector-specific regulations are continuously monitored, with operational practices updated in line with regulatory developments.

Climate action, resource efficiency, biodiversity conservation and waste reduction constitute the Company's key environmental priorities. Performance in these areas is monitored through measurable indicators and regularly assessed against established objectives and targets. Çalık Renewables integrates environmental responsibility into its investments that support the energy transition, pursuing a growth model based on low-carbon development, resource efficiency and ecosystem stewardship.



Çalık Renewables is committed to full compliance with all applicable national and international environmental legislation across all countries where it operates.



The environmental management system supports the Company's sustainable growth strategy by ensuring that environmental impacts are measured, monitored and managed through a structured and transparent framework.

In line with its commitment to continuous improvement, Çalık Renewables continues to invest in strengthening its environmental management capabilities. During 2025, the Company invested a total of TRY 1,454,000 in environmental initiatives.

Priority investment areas included:



CORPORATE GREENHOUSE GAS (GHG) INVENTORY CALCULATION, REPORTING AND VERIFICATION



CORPORATE WATER FOOTPRINT ASSESSMENT, REPORTING AND VERIFICATION



INTEGRATED ANNUAL REPORTING



ENVIRONMENTAL CONSULTANCY SERVICES

Natural Resource Management

Strategic Resource Efficiency

Çalık Renewables considers the efficient and responsible use of natural resources to be a fundamental element of its environmental performance. By generating electricity exclusively from renewable energy sources, the Company inherently reduces dependence on fossil fuels and contributes to the transition to a low-carbon energy system. At the same time, the impacts of its activities on natural resources-including land use, water consumption and material use-are managed through an integrated and holistic approach.

Resource efficiency considerations are embedded throughout investment and project development processes. Environmental impact minimisation is prioritised during site selection, project design and construction activities. Particular emphasis is placed on preserving ecosystem integrity, protecting environmentally sensitive areas and incorporating long-term environmental sustainability considerations into power plant siting and project planning.

During the operational phase, water and energy consumption are regularly monitored, and continuous improvement initiatives are implemented to reduce resource use. Equipment efficiency, digital performance monitoring systems and optimised maintenance practices further enhance the efficient use of natural resources across the Company's operations.

Çalık Renewables regards natural resources not merely as operational inputs but as strategic assets that must be protected and managed responsibly for future generations.

The effective stewardship of natural capital strengthens the Company's long-term value creation capacity while supporting a balanced approach that aligns environmental responsibility with sustainable growth across the regions where it operates.



TRY 1,454,000

Total Environmental Investment in 2025



Çalık Renewables regards natural resources not merely as operational inputs but as strategic assets that must be protected and managed responsibly for future generations.

Climate Change

Low-carbon Transition

Çalık Renewables recognises climate change as both a strategic risk with significant economic, environmental and social implications and a key driver of long-term business transformation.

The Company's core business-renewable energy generation-directly contributes to the global transition towards a low-carbon economy.

Reducing greenhouse gas (GHG) emissions, improving energy efficiency and strengthening its low-carbon portfolio are among the Company's key climate priorities.

Energy consumption and greenhouse gas emissions are regularly monitored across operations, with continuous improvement initiatives implemented to enhance environmental performance based on established performance indicators.

From a climate adaptation perspective, both physical and transition risks are systematically assessed and integrated into investment and operational decision-making processes. Climate-related factors, including extreme weather events, rising temperatures and evolving regulatory requirements, are incorporated into strategic planning through climate scenario analysis and risk assessments, strengthening the resilience of the Company's asset portfolio.

Çalık Renewables adopts a comprehensive approach to climate management by integrating greenhouse gas emissions reduction initiatives into its strategic planning, financial modelling and enterprise risk management processes.

These initiatives support the Company's low-carbon growth strategy while strengthening its long-term value creation capacity and resilience in the transition to a net-zero economy.



**177,850
tons CO₂e**

Avoided CO₂ Emissions



Çalık Renewables adopts a comprehensive approach to climate management by integrating greenhouse gas emissions reduction initiatives into its strategic planning, financial modelling and enterprise risk management processes.

Energy and Emissions Management

Traceable Performance Monitoring

Renewable energy generation constitutes the Company's core business activity, reducing its emissions intensity and supporting its low-carbon growth strategy.

Energy consumption and greenhouse gas (GHG) emissions arising from operational activities are systematically monitored and managed.

Energy consumption data are measured, analysed and evaluated on a regular basis against established performance indicators.

The Company aims to reduce energy losses and improve generation performance through digital monitoring systems and maintenance optimisation practices that enhance operational efficiency.

GHG emissions are monitored using internationally recognised accounting methodologies. All emissions are regularly reported and independently verified.

Continuous improvement initiatives are implemented to reduce emissions intensity, while strengthening the Company's low-carbon portfolio remains a strategic priority.

Energy and emissions performance are regularly reviewed against strategic objectives, and a continuous improvement approach is adopted to support the Company's climate action commitments.

These initiatives reinforce the Company's low-carbon growth model and contribute to the achievement of its long-term sustainability objectives.



ISO 14064

Calculation and Reporting Standard

First ISO 14064 Verification of the Corporate Carbon Footprint



Renewable energy generation constitutes the Company's core business activity, reducing its emissions intensity and supporting its low-carbon growth strategy.



Greenhouse Gas (GHG) Emissions	Unit	Head Office	Momentum SPP	Sarpıncık WPP	Demircili WPP	Adacami HPP	Total
Scope 1	tCO ₂ e	69.73	43.03	164.67	204.59	53.75	535.76
Scope 2	tCO ₂ e	48.01	193.88	46.92	80.53	101.69	471.03
Scope 3	tCO ₂ e	176.75	448.03	24.93	38.45	58.79	746.94

Energy Consumption	Unit	Head Office	Momentum SPP	Sarpıncık WPP	Demircili WPP	Adacami HPP	Total
Diesel	liters	8,122.00	-	1,639.61	125.00	7,356.51	17,243.12
Gasoline	liters	12,800.00	13,325.00	6,672.03	3,250.00	12,800.00	48,847.03
Natural Gas	Sm ³	5,026.21	-	-	-	-	5,026.21
Electricity	kWh	110,611.24	446,735.00	108,113.00	185,550.00	234,308.90	1,085,318.14

Biodiversity

Ecosystem-based Conservation

Çalık Renewables considers the protection of ecosystems across its operating geographies to be a fundamental component of its environmental responsibility.

While its renewable energy investments contribute to the transition towards a low-carbon energy system, the Company also recognises and manages the potential impacts of land use and infrastructure development on ecosystems.

Biodiversity is integrated into investment and operational decision-making through a strategic and systematic management approach.

During the project development phase, environmental and social impact assessments are undertaken to evaluate sensitive ecosystems, protected areas and species diversity. The findings from these assessments are incorporated into site selection and project planning.

In accordance with the mitigation hierarchy, the Company seeks to minimise impacts on ecosystems through measures to avoid, minimise and, where necessary, compensate for adverse environmental effects.

During operations, activities such as habitat conservation, land rehabilitation and environmental monitoring are carried out on an ongoing basis in collaboration with relevant stakeholders and competent authorities.



TRY 2,689,105

Total Investment in the Egyptian Vulture Conservation Project



Çalık Renewables considers the protection of ecosystems across its operating geographies to be a fundamental component of its environmental responsibility.



One of the Company's key biodiversity initiatives is an ornithological field survey planned in Georgia to identify breeding populations of the Egyptian Vulture (*Neophron percnopterus*), a globally threatened species. The Egyptian Vulture is classified as Endangered (EN) on the IUCN Red List of Threatened Species and has experienced significant population declines, particularly across Eastern Europe and the Caucasus region. Georgia is considered a strategically important area due to its location along the species' migratory routes and its potential breeding habitats.

The study aims to generate scientific data on the species' breeding success, distribution and habitat use. The findings are expected to support conservation decision-making and to be integrated into project planning and management practices across the Company's development portfolio. In doing so, the initiative will contribute not only to species-specific conservation efforts but also to broader biodiversity management in the regions where the Company operates.

Water Management

Resource-efficient Approach

Çalık Renewables considers the protection and efficient use of water resources to be a key component of its environmental management approach. Water consumption associated with construction and operational activities is systematically monitored and managed.

During the project development phase, watershed conditions and local water stress levels are assessed to evaluate potential impacts on water resources. These assessments inform the implementation of project designs and operational practices aimed at reducing water consumption and improving water efficiency.

During operations, water consumption is regularly monitored, and continuous improvement initiatives are implemented to minimise water losses and enhance water use efficiency.

Wastewater is managed in accordance with applicable regulatory requirements, with strict compliance maintained for all discharge standards.

The Company conducts a Water Footprint Assessment across all of its operations in accordance with the requirements of ISO 14046.

Water management performance is monitored through the Company's environmental management system using established performance indicators and is continuously enhanced through a process of continuous improvement.



ISO 14046

Çalık Renewables Water Footprint Standard

First ISO 14046 Water Footprint Verification



Çalık Renewables considers the protection and efficient use of water resources to be a key component of its environmental management approach.



m ³	Unit	Head Office	Momentum SPP	Sarpıncık WPP	Demircili WPP	Adacami HPP
Municipal Water Supply	m ³	7,166.00	274.68	133.00	104.00	165.00
Surface Water	m ³	0	0	0	0	0
Groundwater	m ³	0	0	80.90	97.96	41,000.00
Total Water Withdrawal	m ³	7,179.12	301.67	217.43	212.70	41,175.02
Drinking Water	m ³	13.12	26.99	3.53	10.74	10.02
Total Water Consumption	m ³	536.11	8.87	187.43	182.70	2,158.02
Total Wastewater Discharge	Unit	Head Office	Momentum SPP	Sarpıncık WPP	Demircili WPP	Adacami HPP
Domestic Wastewater	m ³	6,643.01	292.80	30.00	30.00	67.00
Industrial Wastewater	m ³	0	0	0	0	0
Water Footprint	Unit	Head Office	Momentum SPP	Sarpıncık WPP	Demircili WPP	Adacami HPP
Blue Water Footprint	m ³	7,179.12	301.67	217.43	212.70	41,175.02
Grey Water Footprint	m ³	6,643.01	292.80	30.00	30.00	67.00

Waste Management

Circular Economy Principles

Çalık Renewables manages waste from a resource efficiency and circular economy perspective, applying the principles of waste prevention and reduction at source across its operations. Waste streams are systematically classified and managed in full compliance with applicable regulatory requirements. Waste management practices follow the waste hierarchy, prioritising prevention, reduction, reuse, recovery and disposal. Hazardous and non-hazardous waste are separately collected, temporarily stored in designated areas and transferred to licensed service providers for treatment, recovery or disposal in accordance with applicable legislation. The Company minimises waste generation by improving material efficiency, implementing preventive maintenance programmes and optimising equipment replacement cycles. Long-term waste management strategies are also developed by considering the life cycle of equipment and components used in renewable energy facilities.

Across its operational sites, Çalık Renewables continues to implement practices aligned with Türkiye's Zero Waste Regulation. Plastic, paper, metal and glass waste are segregated at source, stored separately in temporary waste storage areas and directed to recycling and recovery processes, thereby supporting the circular use of materials and the recovery of valuable resources. Waste performance is monitored through measurable performance indicators and regularly reviewed within the Company's environmental management system. Çalık Renewables is committed to reducing waste generation, increasing recycling rates and strengthening circular economy practices. Looking ahead, the Company aims to expand Zero Waste implementation across all operations, establish more systematic waste tracking processes and develop practical solutions for the recycling and end-of-life management of photovoltaic (PV) panels.



Zero Waste-Compliant Operations



Çalık Renewables manages waste through a resource efficiency and circular economy approach, applying the principles of waste prevention and reduction at source throughout its operations.



Human Capital

Powering our people with the power of nature!

We have grown from a team of 41 employees in August 2024 to 84 employees in 2025, reflecting the rapid expansion of our organisation and our commitment to sustainable growth.

Through initiatives such as the Heltia Work-Life Balance Program, MultiSport, LinkedIn Learning access and the Private Pension Scheme (BES), we support employee well-being, continuous learning and professional development through a holistic people-focused approach.



People and Culture

Foundation of Sustainable Growth

Çalık Renewables considers its human capital to be a cornerstone of its sustainable growth strategy. Technical expertise, operational excellence and project management capabilities are among the key drivers of the Company's competitiveness in the renewable energy sector. With a multidisciplinary workforce, the Company delivers integrated project development, engineering, financing, operations and maintenance activities across its renewable energy portfolio. To attract, retain and develop qualified talent, Çalık Renewables systematically implements training programmes, technical capability development initiatives and leadership development practices. Human resources policies are aligned with internationally recognised principles on human rights and labour standards, promoting fair working conditions, equal opportunities and a workplace free from discrimination.

The Company embraces the principles of diversity, equity and inclusion within its workforce, with a particular focus on increasing female representation and strengthening the participation of women in technical roles. Employee engagement is regularly assessed through structured feedback mechanisms, enabling the identification of organisational development priorities and continuous improvement opportunities. A safe and healthy working environment is supported through robust occupational health and safety (OHS) practices and a proactive risk management approach. The effective and responsible management of human capital strengthens operational resilience while supporting the Company's long-term value creation objectives.

Çalık Renewables commenced operations in August 2024 with a workforce of 41 employees. Although the Company has been operating for just over one year, it demonstrated strong and sustainable growth by increasing its workforce to 84 employees in 2025.



84

Çalık Renewables
Employees



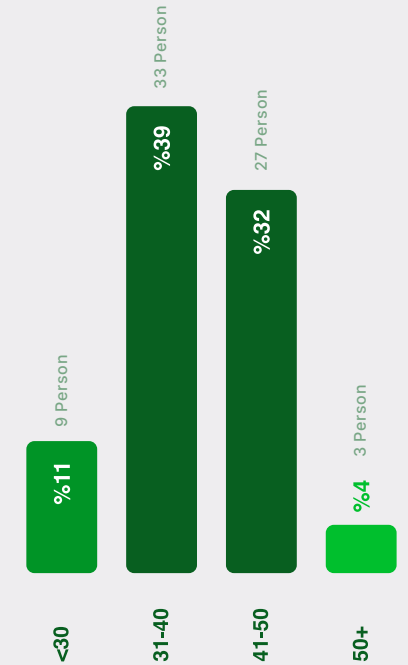
A safe and healthy working environment is maintained through robust occupational health and safety (OHS) practices, supported by a proactive approach to risk management and continuous improvement.

GENDER DISTRIBUTION



Male: 72 (86%)
Female: 12 (14%)

AGE DISTRIBUTION



Working Life at Çalık Renewables

People-centred Culture

At Çalık Renewables, working life is shaped by a people-centred management approach that aims to provide a safe, inclusive and sustainable workplace.

The Company regards its employees as one of its most valuable stakeholder groups and has built its corporate culture on respect for human rights, equal opportunity, ethical conduct, continuous learning and employee well-being.

Its people management approach is aligned with the principles of the United Nations Global Compact (UN Global Compact), as reflected in the Company's Sustainability Policy. Respect for human rights, fair working conditions and ethical business practices are among the Company's core priorities.

Çalık Renewables implements a holistic range of initiatives to strengthen employee engagement while supporting employees' professional and personal development through talent management programmes. A diverse, equitable and inclusive workplace is fostered to ensure equal opportunities for all employees.

To embed its sustainability vision across the organisation, the Company promotes awareness and learning through continuous training and engagement initiatives. By continuously enhancing the employee experience, Çalık Renewables aims to build a resilient, high-performing workforce that contributes to long-term sustainable business success.



80

Employee Engagement and
Satisfaction Score



At Çalık Renewables,
working life is shaped
by a people-centred
management approach
that aims to provide
a safe, inclusive and
sustainable workplace.



Employee Satisfaction and Engagement

Culture Built on Belonging

Çalık Renewables views employee engagement not merely as a human resources indicator, but as a key driver of sustainable business success and a strong corporate culture.

The Company prioritises the continuous improvement of working conditions while systematically implementing programmes that support employees' personal and professional development.

Through learning and development opportunities, career planning processes and competency-based career progression models, Çalık Renewables aims to create an environment where every employee can realise their full potential.

Performance-based, transparent and fair reward systems recognise individual contributions and achievements while fostering a culture of appreciation across the organisation.

An inclusive workplace is promoted where employees are encouraged to share their views and ideas openly and actively participate in decision-making processes, strengthening employee engagement and a sense of belonging.

Employee benefits are designed to respond to diverse needs through a flexible and supportive approach, with work-life balance recognised as an integral component of the Company's people strategy.

Internal social events, sports activities and cultural programmes further strengthen collaboration, team spirit and interpersonal relationships while enriching the employee experience.



10

Employee Engagement Events Held in 2025



Çalık Renewables views employee engagement not merely as a human resources indicator, but as a key driver of sustainable business success and a strong corporate culture.



DRAGON FESTIVAL

Çalık Renewables participated in the Dragon Festival, a corporate sporting event that promotes collaboration, teamwork and engagement among organisations.

The festival provides a dynamic platform that strengthens employee engagement, motivation and collaboration. By bringing together sport, teamwork and social interaction, it offers employees an opportunity to connect beyond the workplace, fostering a stronger culture of cooperation, solidarity and shared achievement.

Çalık Renewables is committed to creating a workplace where employees feel valued, supported and empowered to thrive. By strengthening both individual motivation and organisational performance, the Company aims to build a resilient and engaged workforce that supports long-term sustainable success.

Employee Well-being

Culture Built on Belonging

Çalık Renewables considers employee well-being to be a fundamental pillar of organisational resilience. The Company adopts a holistic approach that supports the physical, mental, social and financial well-being of its employees, fostering a healthy and safe workplace through initiatives that enhance the overall employee experience.

The Company provides a range of benefits designed to support employees' access to healthcare, promote work-life balance and address everyday needs through a comprehensive employee benefits programme.

In addition, fair and transparent remuneration practices are implemented to strengthen employee motivation. Performance-based reward systems recognise individual contributions and achievements while reinforcing a culture of merit and accountability.



Comprehensive
Employee Benefits



The Company adopts a holistic approach that supports employees' physical, mental, social and financial well-being, creating a healthy, safe and inclusive workplace that strengthens the overall employee experience.

Çalık Renewables recognises that employee well-being extends beyond financial support. The Company is committed to fostering an inclusive workplace where employees feel safe, valued and respected, while continuously enhancing initiatives aimed at improving employee satisfaction and supporting long-term engagement.

HEALTH AND FINANCIAL SECURITY

To support the health and well-being of employees and their families, the Company provides Private Health Insurance covering eligible family members, enabling access to high-quality healthcare services and contributing to a safe and supportive working environment.

To strengthen employees' long-term financial security, Çalık Renewables offers a Private Pension Scheme (BES), encouraging long-term savings and supporting employees in planning for retirement.

COMPENSATION AND PERFORMANCE MANAGEMENT

Çalık Renewables applies a fair, transparent and performance-driven remuneration framework. A position-based performance bonus scheme recognises employee contributions and achievements, while additional bonus payments are provided during religious holidays and the year-end period.

EMPLOYEE BENEFITS AND SUPPORT PROGRAMMES

To enhance the employee experience and promote work-life balance, the Company offers a broad range of employee benefits and flexible support programmes. These initiatives are designed to address diverse employee needs while fostering a productive, balanced and sustainable working environment.

HEALTH AND WELL-BEING PROGRAMMES

Çalık Renewables recognises physical and mental well-being as essential components of a sustainable workforce. The Company provides psychological counselling and employee well-being services, with all related costs fully funded by the Company, supporting employees in maintaining their overall health and well-being.

Talent Management

Culture of Continuous Learning

Çalık Renewables believes that a skilled and capable workforce is the foundation of sustainable growth and long-term corporate success.

The Company systematically implements talent management practices designed to strengthen employee capabilities, support adaptation to the evolving world of work and foster long-term career development.

Its talent management approach is reinforced through structured learning and development programmes that promote a culture of continuous learning. By leveraging digital learning platforms and corporate learning strategies, Çalık Renewables aims to enhance employees' professional expertise while equipping them with the skills required for the future.



1,687

Training Hours



Through digital learning platforms and structured corporate learning strategies, Çalık Renewables enhances employees' professional knowledge and prepares them for the capabilities required in the future workplace.

CONTINUOUS LEARNING AND DEVELOPMENT

To foster a culture of lifelong learning, employees are provided with access to a broad range of learning content through digital learning platforms.

These platforms offer development opportunities across a wide range of disciplines, including technical competencies, leadership, project management, communication, sustainability, digital transformation and personal development.

PROFESSIONAL DEVELOPMENT LEARNING STRATEGY

Çalık Renewables manages employee development through a structured framework aligned with its corporate objectives, rather than relying solely on individual initiatives. To this end, the Company has implemented a Professional Development Learning Strategy.

The strategy comprises structured learning programmes tailored to employees' job responsibilities, functional roles and career development needs.

It focuses on critical competencies identified in line with the Company's operational and strategic priorities, supporting employees in developing the capabilities required for future success. As part of the strategy, training needs assessments are conducted to identify competency gaps between current and target capability levels, forming the basis for annual learning and development plans.

The Professional Development Learning Strategy is designed to strengthen technical expertise, facilitate adaptation to emerging technologies and expand career development opportunities across the organisation.

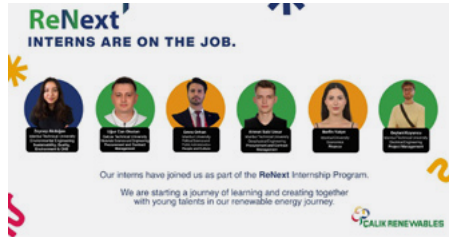
The strategy also supports the long-term sustainability of the Company's talent management framework while strengthening employee engagement and organisational capability.



Learning and Young Talent Development

Investing in the Future

Çalık Renewables believes that a sustainable future can only be achieved through an informed society and a highly skilled workforce. The Company considers collaboration with educational institutions to be one of its priority social investment areas, aiming to raise awareness of renewable energy and support the development of future talent.



RENEXT INTERNSHIP PROGRAMME

Çalık Renewables continues to implement the 2025 ReNext Internship Programme, designed to provide a more comprehensive and long-term talent development experience. The programme enables young professionals to contribute to real renewable energy projects while gaining practical experience in an international working environment. Participants work alongside experienced mentors, develop both technical and professional competencies, and actively contribute to ongoing projects. The ReNext Internship Programme reflects the Company's commitment to integrating innovative perspectives into its business processes while encouraging young talent to contribute to its long-term sustainability ambitions.



6

Participants in
the 2025 ReNext
Internship Programme



Çalık Renewables
considers
collaboration
with educational
institutions to
raise awareness of
renewable energy
and support the
development of
young talent as one
of its priority social
investment areas.



FOR A LIVABLE WORLD PROJECT

As part of the "For a Livable World" project, conducted jointly with schools across Europe, kindergarten students from EGIAD Secondary School, accompanied by their teachers, visited the Urla Demircili Wind Power Plant operated by Çalık Renewables.

Through this technical site visit, organised within the framework of a project focusing on climate change and sustainable solutions, students had the opportunity to observe renewable energy generation firsthand and gain an early understanding of clean energy technologies. The initiative contributed to strengthening environmental awareness and promoting a culture of sustainability among younger generations.

To support the professional development of young people, the Company also offers internship opportunities for students at different educational levels. The 2025 High School Internship Programme provides students with the opportunity to gain first-hand experience of the professional working environment while developing a fundamental understanding of the renewable energy sector. The programme helps young people explore future career opportunities at an early stage of their professional journey.

"ENERGY IN UNITY" SUMMIT

Çalık Renewables continues to support knowledge sharing and collaboration through active participation in academic and industry platforms. As part of the "Energy in Unity" Summit organised by Yıldız Technical University, the Company participated in the panel discussion "From Risks to Opportunities: The Future of Energy", sharing insights on the energy transition, climate-related risks and opportunities, and the future of sustainable energy systems.

SUSTAINABILITY SUMMIT

The Company also participated in the Sustainability Summit hosted by Istanbul Medipol University. During the event, representatives shared perspectives on the role of sustainability across industries, current best practices and emerging trends, while contributing to discussions aimed at inspiring younger generations to pursue careers and create impact in the field of sustainability.

Through partnerships with educational institutions, technical site visits, internship programmes and participation in sectoral events, Çalık Renewables seeks to enhance the knowledge and awareness of future generations while contributing to the development of the skilled workforce that will shape the future of the renewable energy sector.

Diversity, Equity and Inclusion

Equal Opportunity for All

Çalık Renewables considers an inclusive workplace to be a fundamental element of its sustainability approach and is committed to continuously strengthening its working environment in line with the principles of diversity, equity and equal opportunity. The Company promotes practices that ensure all employees have equal access to rights, opportunities and professional development, regardless of gender, role, age or other individual characteristics.

Çalık Renewables is committed to fostering a workplace where everyone can realise their full potential, feel respected and included, and where diversity is recognised as a source of strength and innovation. Through these initiatives, the Company advances its responsibilities in the areas of diversity, equity and inclusion while supporting long-term value creation through a more engaged, innovative and resilient workforce.



14%

Female Employees



Çalık Renewables promotes practices that ensure employees have equal access to rights, opportunities and professional development, regardless of gender, role, age or other individual characteristics.



Social Capital

Powering communities with the power of nature!

From supporting Zatriq Primary School in Kosovo and partnering with HAYTAP, to hosting site visits for EGiAD Secondary School and developing future talent through the ReNext Internship Programme, we create lasting value for the communities where we operate.

Our Occupational Health and Safety (OHS) Management System, built around our Zero Accident ambition, is implemented in accordance with the ISO 45001 standard.



Our Social Management Approach

Stakeholder-driven Social Licence to Operate

Çalık Renewables adopts a holistic social management approach that integrates environmental responsibility, social value creation and ethical business conduct to generate long-term value. The Company considers building trusted relationships with stakeholders, continuously improving its social impact and contributing to sustainable development as integral components of its corporate responsibility.

Social impacts are managed in alignment with internationally recognised principles and standards, with particular emphasis on human rights, labour practices, environmental responsibility and anti-corruption. In this context, Çalık Renewables is committed to the Ten Principles of the United Nations Global Compact (UN Global Compact) and manages its social impacts through a systematic and measurable framework across all countries where it operates.

The Company is committed to maintaining transparent, inclusive and continuous dialogue with local communities throughout project development and operational activities. Community expectations are regularly assessed, while potential social impacts are analysed and addressed through appropriate mitigation and support mechanisms.

Stakeholder engagement is conducted through structured communication channels and feedback mechanisms, with the insights gathered incorporated into decision-making processes. This approach strengthens the Company's social licence to operate and supports long-term stakeholder trust.



UNGC

Corporate Membership



Çalık Renewables creates long-term value by integrating environmental responsibility, social value creation and ethical business practices through a holistic social management approach.



Occupational Health and Safety

Zero Accident Target

At Çalık Renewables, occupational health and safety (OHS) is a core element of the Company's corporate culture. Protecting the health and safety of employees, contractors, business partners and the communities in which the Company operates is regarded as a fundamental responsibility. Operations are planned in line with the Company's Zero Accident ambition, with the protection of people and the environment embedded as a core principle across all business activities. OHS practices are implemented through a systematic management approach that goes beyond regulatory compliance.

[The Occupational Health and Safety Policy is available here.](#)

OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM

The Çalık Renewables Occupational Health and Safety Management System has been designed to meet the high safety standards required by the renewable energy sector. The system operates in accordance with the Turkish Labour Law No. 4857, the Occupational Health and Safety Law No. 6331 and all applicable secondary legislation. It is regularly reviewed and continuously improved to ensure ongoing effectiveness. OHS performance is systematically monitored, analysed and reported using key performance indicators including occupational injuries, work-related incidents, near misses, hazard observations and lost-time injury rates. To ensure effective implementation across operational sites, Çalık Renewables employs qualified professionals holding nationally and internationally recognised certifications, including Class A Occupational Safety Specialist, IOSH and Certified Machinery Safety Expert (CMSE) credentials. These specialists are responsible for conducting risk assessments, performing site inspections, overseeing machinery safety, monitoring regulatory compliance and driving continuous improvement initiatives.


0 LTFR
Lost Time
Injury Frequency Rate
(LTIFR)


Operations are planned in line with the Company's Zero Accident target, placing the protection of people and the environment at the centre of every business process.

RISK ASSESSMENT PROCESS

Establishment of the Risk Assessment Team

Risk assessments are conducted by a multidisciplinary team led by the employer or the employer's representative and comprising occupational safety specialists, occupational physicians, employee representatives, emergency response personnel and experienced employees where appropriate.

Hazard Identification

Workplaces and operational activities are systematically reviewed to identify hazards, which are classified into physical, chemical, biological, ergonomic and human-related categories.

Risk Analysis and Assessment

Identified hazards

PROBABILITY Likelihood of Occurrence	FREQUENCY Exposure Frequency	SEVERITY Impact Magnitude
---	---------------------------------	------------------------------

are evaluated using predefined assessment criteria. Risk levels are determined using the following methodology: Risk = Likelihood × Frequency × Severity The resulting risk scores are used to prioritise risks and determine their acceptability.

Risk Classification Risks are classified according to their overall risk score.

VERY HIGH RISK Immediate Action Required	HIGH RISK Short-term Improvement Required	MEDIUM RISK Planned Improvement	LOW RISK Monitoring and Control	NEGLIGIBLE RISK No Additional Controls Required
---	--	------------------------------------	------------------------------------	--

Determination of Control Measures

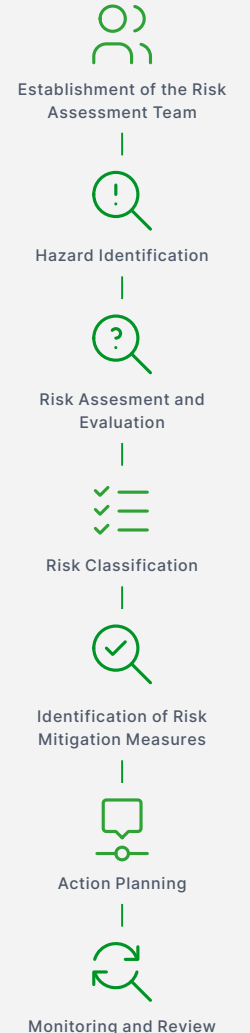
[Hierarchy of Risk Control](#) is applied.

Action Planning

For each identified risk, mitigation measures, responsible persons and completion timelines are defined within a structured action plan.

Monitoring and Review

Risk assessments are periodically reviewed and updated to ensure their continued effectiveness.





HIERARCHY OF RISK CONTROL

Çalık Renewables applies the internationally recognised Hierarchy of Risk Control as the foundation of its hazard management approach. Control measures are evaluated in order of effectiveness, ensuring that the highest level of risk control is implemented wherever reasonably practicable.

Elimination

Completely removing the source of the hazard through redesign, process changes or eliminating exposure.

Completely removing the source of the hazard through redesign, process changes or eliminating exposure.

Substitution

Replacing hazardous materials, equipment, methods or technologies with safer alternatives where elimination is not feasible.

Engineering Controls

Physical barriers or engineering solutions are implemented to isolate workers from hazards or reduce risks at their source

(e.g., machine guards, barriers, ventilation systems, isolation measures, sensors and alarm systems).

Administrative Controls

Risks are managed through procedures, work instructions, training programmes, permit-to-work systems, role authorisations, site inspections and toolbox talks.

Personal Protective Equipment (PPE)

Where risks cannot be adequately controlled through other measures, appropriate Personal Protective Equipment (PPE) is provided, and employees receive training on its correct use. PPE is considered the last line of defence.

EMPLOYEE HEALTH

Employee health is a fundamental component of Çalık Renewables' operational sustainability and workforce productivity. The Company systematically implements preventive and monitoring practices to minimise occupational health risks and promote employee well-being.

A dedicated occupational health structure has been established to ensure the effective delivery of employee health services, with health surveillance extending from pre-employment through the entire employment lifecycle. To ensure fitness for work, medical examinations are required during the recruitment process. In addition, annual health assessments are conducted to support the prevention and early detection of occupational diseases.

These practices enable potential health risks to be identified at an early stage, allowing preventive measures to be implemented in a timely manner.

Periodic health screenings are conducted annually for all employees. Mobile health screening units are deployed at power plant sites to improve employees' access to occupational health services.

In addition to core occupational health programmes, the Company promotes employee well-being through voluntary initiatives. Healthy lifestyles are encouraged through programmes such as Heltia and MultiSport.

OHS PERFORMANCE AND CONTINUOUS IMPROVEMENT

Occupational health and safety performance is regularly monitored and evaluated.

Key performance indicators-including occupational accidents, near misses, hazard observations and lost workdays-are analysed to identify strengths and opportunities for improvement. These insights are used to enhance the effectiveness of the OHS management system and support continuous improvement.

Regular training programmes are conducted to strengthen employees' occupational health and safety awareness and competence.

All new employees receive OHS induction training during the onboarding process, covering workplace safety rules and potential hazards. For existing employees, collective OHS and health training sessions are delivered at least annually, addressing topics such as regulatory updates, accident prevention, ergonomics and healthy working practices.

Training programmes are delivered by qualified professionals, and attendance records are maintained as part of the Company's training management system.

2025 Occupational Safety Performance	Near Misses	Fatalities	LTIFR	TRIFR
Head Office	0	0	0	0
WPP	3	0	0	0
HPP	3	0	0	0
SPP	2	0	0	0
Kosovo – Zatriq	5	0	0	0

OHS Training	Number of Participants (Employees + Contractors)	Training Hours (Employees + Contractors)
Head Office	38	608
WPP	25	400
HPP	18	288
SPP	28	448
Kosovo – Zatriq	473	7568



TOOLBOX TALKS

At Çalık Renewables, Toolbox Talks are a key element of the Company's occupational health and safety (OHS) programme, designed to strengthen the safety culture across operational sites and promote active employee participation.

These short, focused meetings are conducted before work begins to assess task-specific risks, highlight existing hazards and review the required control measures for the day's activities.

This approach enhances employees' risk awareness and reinforces safe working practices before work commences.

Toolbox Talks cover current workplace hazards, weather conditions, equipment use, high-risk activities, personal protective equipment (PPE) requirements and hazards reported during previous operations.

Employees are encouraged to actively participate by sharing observations, raising concerns and reporting hazards identified in the workplace.

More than an information-sharing exercise, Toolbox Talks serve as a two-way communication and hazard reporting platform.

Feedback collected during these meetings is documented and, where appropriate, incorporated into risk assessments and corrective and preventive action processes.

By proactively managing site-specific risks, Toolbox Talks strengthen employee engagement and contribute to the continual improvement of the Company's OHS Management System.



Corporate Social Responsibility

Value for Local Communities

Beyond the economic value generated by its energy investments, Çalık Renewables also recognises their broader social impact. Guided by its commitment to sustainable development, the Company strives to create lasting value for the environment, local communities and future generations.

SUPPORTING EDUCATION IN KOSOVO

As part of the Kosovo Wind Power Plant Project, Çalık Renewables established a strong relationship with the local community of Zatriq Village in the Municipality of Rahovec. Through a gift-giving initiative organised by Company employees for students and teachers at Zatriq Primary School, Çalık Renewables contributed to educational development while strengthening its engagement with the local community.



PARTNERSHIP WITH HAYTAP

In 2025, Çalık Renewables supported the improvement of the living conditions of stray animals through donations and collaborative initiatives with HAYTAP (Animal Rights Federation of Türkiye). With the voluntary participation of employees, the Company provided pet food supplies and contributed to the establishment of animal shelters, supporting animal welfare and community engagement.



Support for the HAYTAP Project



Recognising that the value of renewable energy investments extends beyond their economic contribution, the Company also considers their broader social impact and is committed to creating lasting value for the environment, society and future generations.

Contribution to Local Economies

Supporting Regional Development

Çalık Renewables pursues its investments-primarily in Türkiye-with the objective of creating lasting economic value in the regions where it operates. The Company views the energy transition and regional development as mutually reinforcing priorities.

Through its project development, construction and operational activities, Çalık Renewables generates direct economic value in the regions where it operates by creating employment opportunities, engaging local suppliers and procuring goods and services from local businesses. During the construction phase, priority is given to local employment. Technical personnel, site workers and support staff are recruited locally, contributing to household income and regional economic activity throughout the project lifecycle.

During operations, maintenance, security, logistics and support services are delivered through local service providers, sustaining economic benefits over the long term.

Wherever feasible, goods and services are sourced from local suppliers. This approach strengthens small and medium-sized enterprises (SMEs), increases regional economic activity and reinforces local supply chains. As a result, renewable energy investments become more than power generation assets-they serve as catalysts for regional economic development.

Projects in Kosovo and Poland have been implemented in collaboration with local employees and service providers, while the transfer of technical expertise has contributed to strengthening regional capabilities and skills development.

Throughout the operational life of its assets, Çalık Renewables continues to foster long-term economic interaction, creating sustainable value in the regions where it invests.



Direct Economic Value Creation in Operating Regions



Through its project development, construction and operational activities, Çalık Renewables generates direct economic value in the regions where it operates by creating employment opportunities, engaging local suppliers and procuring goods and services from local businesses.



EVENTS AND CONFERENCES ATTENDED



CIGRE CONFERENCE

In October 2025, Çalık Renewables participated in the CIGRE Conference held in Kosovo. Organised by the International Council on Large Electric Systems (CIGRE), the event is one of the leading international platforms for sharing technological advancements, innovative solutions and best practices in electricity systems and energy infrastructure.

Technical sessions addressed topics including renewable energy integration, sustainable grid management, energy system efficiency and greenhouse gas emissions reduction strategies.



ENERGY WEEK BLACK SEA

Energy Week Black Sea is a leading regional platform for the renewable energy sector in the Black Sea and Southeast Europe, bringing together industry stakeholders to facilitate project financing, accelerate contracting processes and strengthen strategic partnerships.

Çalık Renewables' CEO, Emre Erdoğan, participated in the event as a guest speaker. During his presentation, he shared insights on the rapid growth of the onshore wind, solar and energy storage sectors, as well as effective strategies for managing an expanding renewable energy project pipeline.



WIN EURASIA

The panel entitled "The Global Hydrogen Ecosystem and Türkiye's Role" provided an important platform for discussing the development of the hydrogen economy, international collaboration and Türkiye's strategic position within the emerging hydrogen market. The event focused on accelerating the clean energy transition, expanding investment and financing opportunities for hydrogen projects, and fostering dialogue among industry stakeholders.

Çalık Renewables' CEO, Emre Erdoğan, participated as a panel speaker, sharing perspectives on recent developments in the global hydrogen ecosystem, Türkiye's market potential and the strategic importance of integrating renewable energy with hydrogen production.

Human Rights

Commitment to Universal Principles

Çalık Renewables shapes its sustainability approach in line with the Ten Principles of the United Nations Global Compact (UN Global Compact). Through its commitment to the principle of Human Rights, the Company upholds internationally recognised human rights standards across all of its operations. By embedding respect for human dignity, equality and fundamental freedoms into its business practices, Çalık Renewables adopts a responsible and rights-based approach throughout its activities.

The Company implements policies and initiatives that promote ethical business conduct, prevent discrimination and strengthen human rights awareness. It is committed to fostering a fair, inclusive and transparent environment not only for its employees but also for business partners, suppliers, local communities and other stakeholders. This commitment is supported by human rights due diligence processes, transparent communication and grievance mechanisms, and practices that promote equal opportunities for all.

HUMAN RIGHTS IMPACT ASSESSMENT (HRIA)

Çalık Renewables is conducting a Human Rights Impact Assessment (HRIA) to identify the actual and potential human rights impacts of its operations and to systematically assess and manage associated risks.

The assessment evaluates the potential impacts of the Company's operations on employees, the supply chain and other stakeholders. Based on the findings, corrective and preventive action plans are developed to address identified human rights risks.



Access to the Ethics Hotline
Across All Locations



Çalık Renewables
is conducting a
Human Rights Impact
Assessment (HRIA)
to identify the actual
and potential human
rights impacts of
its operations and
to systematically
assess and manage
associated risks.

The HRIA serves as an important mechanism for strengthening a workplace that respects human rights while enhancing the alignment of the Company's policies and practices with internationally recognised human rights standards.

By identifying human rights risks at an early stage, the Company is able to implement preventive measures proactively, reinforcing its sustainable governance framework and responsible business practices.

ETHICS HOTLINE

To safeguard its ethical principles and enable the early identification of potential misconduct, Çalık Renewables operates an independent and accessible Ethics Hotline.

The hotline provides employees, business partners and other stakeholders with a secure, confidential and non-retaliatory reporting channel for raising concerns.

Reports submitted through the Ethics Hotline are handled in accordance with the principles of confidentiality, impartiality and fairness. Where appropriate, formal investigations are initiated. Throughout the process, data privacy is protected and the rights of reporting parties are respected.

The Ethics Hotline is integrated into the Company's internal control and enterprise risk management systems. By ensuring the effective handling of reports, the mechanism contributes to preventing unethical conduct while strengthening the Company's culture of transparency, accountability and integrity.

Çalık Renewables Ethics Hotline etikhat@calik.com

Supply Chain Management

Sustainable Supply Chain Management

Çalık Renewables considers supply chain management a strategic governance priority, reflecting its operations across multiple geographies and its partnerships with international multilateral financial institutions. Local regulatory requirements, international frameworks and financing conditions require suppliers to comply with environmental, social and ethical standards throughout the procurement process.

In addition to technical capability and financial qualifications, the Company evaluates suppliers and subcontractors against a broad range of sustainability criteria, including occupational health and safety, environmental performance, human rights, equal opportunity, the promotion of local sourcing, business ethics and regulatory compliance. Sustainability expectations are clearly defined in contracts aligned with national and international standards and are reinforced through binding contractual provisions.



The Company's supply chain management is built upon the following core principles:

- Transparency and Accountability**
 Procurement activities are conducted through transparent and traceable procedures, ensuring a fair, equitable, respectful and ethical approach towards all stakeholders.
- Sustainability-driven Supplier Selection**
 Environmental performance, energy efficiency, greenhouse gas emissions, carbon footprint management and social responsibility practices aligned with internationally recognised sustainability standards are among the key criteria considered during supplier selection.
- Ethics and Compliance**
 Respect for human rights, compliance with occupational health and safety standards and a zero-tolerance approach to corruption are fundamental principles throughout procurement activities. Confidential information exchanged during procurement processes is protected, and suppliers are expected to uphold the same standards of confidentiality and integrity.
- Digitalisation and Innovation**
 Digital platforms and data analytics are used to enhance supply chain transparency, strengthen risk management and improve decision-making processes. Çalık Renewables also works collaboratively with suppliers to foster innovation, encourage continuous improvement and implement best practices across the value chain.

Çalık Renewables views procurement not merely as an operational function but as a strategic driver of long-term value creation. This approach strengthens sustainability, resilience and innovation throughout the supply chain while providing stakeholders with a reliable and responsible business model.

Logistics operations, one of the most critical phases of renewable energy projects, are managed with a zero-defect approach and a strong commitment to environmental stewardship. Oversized and heavy equipment is transported to project sites safely and on schedule through collaboration with suppliers possessing internationally recognised expertise, while every stage of the logistics process is closely monitored.

Partnering with Çalık Renewables requires compliance with established performance expectations and governance requirements. The sustainability criteria applied throughout the supply chain contribute to reducing project risks while maintaining high standards of corporate governance.

The Company's contract management approach is founded on sustainability, technological capability, operational excellence and stakeholder trust. Contract performance is regularly monitored through integrated Key Performance Indicators (KPIs) and Service Level Agreements (SLAs) covering quality, delivery reliability, and environmental and social performance. These processes are continuously strengthened through risk-based assurance and monitoring mechanisms. From supplier selection through contract execution, all procurement activities are integrated into the Company's enterprise risk management framework, enabling the early identification and effective management of financial, operational, occupational health and safety, and ESG-related risks.

Through responsible corporate governance, socially responsible business practices, digital and lean processes, and the expertise of its people, Çalık Renewables is committed to creating sustainable long-term value for all stakeholders.

Contractor Management

Performance-based Site Audit

Subcontractor management is implemented through a structured, performance-based framework aligned with applicable national and international regulatory requirements, as well as contractual obligations and enforcement provisions.

Contracts clearly define mandatory requirements relating to environmental management, occupational health and safety, and data confidentiality through binding contractual clauses. Subcontractors are required to meet established pre-qualification criteria before commencing work.

Key requirements include the preparation of project-specific Occupational Health and Safety (OHS) plans, the appointment of competent OHS personnel, the completion of risk assessments, and the delivery of mandatory training to employees. Compliance with applicable legislation and technical standards is established as a contractual obligation.

Site activities are monitored through a risk-based inspection approach. For high-risk activities, a Permit-to-Work (PTW) System is implemented to verify that all technical and operational controls have been completed prior to the commencement of work. Inspections regularly cover the use of personal protective equipment (PPE), equipment safety, electrical works, lifting operations, working at height, excavation activities, and environmental management practices.

Where non-conformities are identified, subcontractors are required to implement corrective and preventive actions. In cases of critical or repeated non-compliance, contractual sanctions, including work suspension, may be applied.



Subcontractors Audited
Across All Sites



Çalık Renewables
views employee
engagement not
merely as a human
resources indicator,
but as a key driver of
sustainable business
success and a strong
corporate culture.



Occupational accidents, near misses and environmental incidents are systematically recorded, and root cause analyses are conducted to identify underlying causes and implement systemic improvements.

Subcontractor performance is measured and evaluated on a regular basis. Assessment criteria include audit findings, incident frequency rates, the timely closure of non-conformities, training performance, and environmental performance indicators. The results of these evaluations are incorporated into future procurement decisions, supplier selection processes and contract renewal assessments.

Intellectual Capital

Powering digital transformation through the power of nature.

We continuously enhance operational excellence across our power plants through AI-enabled generation forecasting, predictive maintenance and data-driven performance management.

We are implementing the integration of Operational Technology (OT) and Information Technology (IT) through a structured transition roadmap while continuously strengthening cybersecurity, network security and data integrity.



Digital Transformation

Data-driven Operations

Çalık Renewables positions digital transformation across its renewable energy power plants as a strategic enabler for maximising asset performance, mitigating operational risks and supporting sustainable growth. Industrial control systems, field operations and advanced data analytics are managed through an integrated digital architecture.

High-frequency operational data generated by field equipment are collected through a centralised data infrastructure and integrated with key performance indicators (KPIs) to enable real-time monitoring, predictive maintenance and decision-support capabilities. This approach contributes to reducing planned and unplanned outages, improving generation forecasting accuracy and optimising asset life.

Planned and unplanned outages, maintenance activities and field operations are digitally recorded and integrated with performance indicators to support real-time monitoring and decision-making. Standardising shift logs, outage management and field records enhances operational continuity while strengthening organisational knowledge management.

By digitising shift management, outage analysis and maintenance processes, the Company enhances operational transparency and systematically preserves institutional knowledge, thereby minimising the risk of information loss. This digital framework accelerates data exchange between field teams and central operations, enabling faster and more informed decision-making.



13

Digital Transformation Initiative



Çalık Renewables views digital transformation across its renewable energy portfolio as a strategic enabler that enhances asset performance, strengthens operational resilience, mitigates risks and supports sustainable long-term growth.



All digital systems are designed in accordance with the principles of cybersecurity, data integrity and business continuity, ensuring the secure and reliable operation of the Company's energy assets. The resulting digital ecosystem accelerates data-driven decision-making, improves operational performance, enhances risk predictability and strengthens long-term business resilience.

DIGITAL TRANSFORMATION PROJECTS IMPLEMENTED IN 2025

Throughout 2025, Çalık Renewables implemented a range of end-to-end digital transformation initiatives to enhance operational excellence, support data-driven decision-making, optimise resource utilisation and establish a scalable digital infrastructure across its renewable energy portfolio. These initiatives have significantly reduced manual workloads while improving the transparency, traceability and efficiency of operational processes.



Digital Shift Log Module

The Digital Shift Log Module has digitised field operations across the Company's power generation facilities, establishing a standardised, traceable and centralised operational management system. By capturing field data digitally, the solution accelerates information flow, reduces manual processes and enhances operational transparency. It also strengthens coordination across shifts and functional teams, supporting operational continuity and improving the consistency of day-to-day operations. The implementation of a common digital platform across all facilities promotes process standardisation, enhances organisational maturity and establishes a unified operational framework throughout the Company's renewable energy portfolio.

KEY BENEFIT

Operational Data Flow

Grafana-based Real-time Operational Monitoring

Power plant equipment, generation parameters and operational metrics are monitored in real time through Grafana-based central monitoring dashboards. These dashboards enable operations teams to detect performance deviations immediately, facilitating early intervention and preventing efficiency losses.

KEY BENEFIT

Advanced Data Infrastructure

Digital Budget Management and Monitoring Models

Digital models have been developed to support budget planning, expenditure tracking and variance analysis. These solutions improve the transparency of budgeting processes, strengthen financial control mechanisms and accelerate budget review and forecasting activities.

KEY BENEFIT

Budget Control

Outage Management Module

Power plant equipment, generation parameters and operational metrics are monitored in real time through Grafana-based central monitoring dashboards. These dashboards enable operations teams to detect performance deviations immediately, facilitating early intervention and preventing efficiency losses.

KEY BENEFIT

Continuous Operations

Automatic Integration of AMR and Electricity Market Data

Energy generation data, together with Automatic Meter Reading (AMR) and electricity market data, are automatically integrated into operational systems without manual intervention. This improves data consistency while eliminating delays in analysis and reporting processes.

KEY BENEFIT

Integrated Data Flow

Electricity Market Price Monitoring in Türkiye and Poland

Electricity market prices in Türkiye and Poland are monitored through a centralised platform, enabling the tracking of day-ahead and intraday markets. This capability supports cross-market benchmarking and provides reliable market intelligence to strengthen commercial decision-making.

KEY BENEFIT

International Market Intelligence

Imbalance Cost Calculation and Analysis System

A digital solution has been developed to automatically calculate imbalance costs arising from deviations between forecasted and actual electricity generation. Detailed analysis of cost components enables the identification of optimisation opportunities, supporting more accurate forecasting, improved operational planning and enhanced financial performance.

KEY BENEFIT

Cost Optimisation



Power Plant Performance Analysis and Management Reporting

A comprehensive reporting infrastructure has been established to analyse power plant generation, availability and performance indicators. Standardised and comparable management reports are produced to support decision-making at the management level.

KEY BENEFIT

Efficiency Improvement

Power BI, SQL and Grafana-based Data Architecture

Interactive decision support dashboards have been developed to provide real-time visibility into operational and business performance. By consolidating critical operational, financial and technical indicators into a unified interface, these dashboards enable faster, data-driven decision-making, strengthen performance monitoring and improve operational governance.

KEY BENEFIT

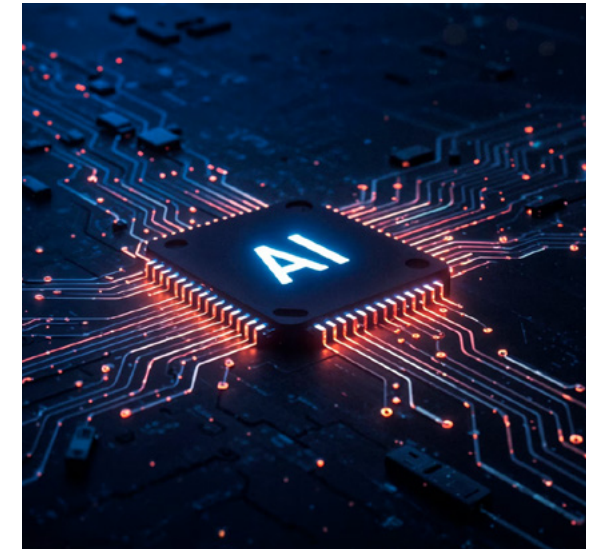
Advanced Data Infrastructure

Decision Support Dashboards

Decision support dashboards integrating operational, financial and commercial data have been developed. By providing a unified view of critical performance indicators through a single interface, these dashboards enable management to monitor business performance in real time, accelerate decision-making and support data-driven operational and strategic decisions.

KEY BENEFIT

Strategic Decision-making



Executive Budget Reporting

This reporting framework has been developed to provide executive management with a clear and concise view of budget performance, variances and forecasts. It enhances the speed, consistency and standardisation of management reporting processes.

KEY BENEFIT

Management Budget Reporting

Operational Process Automation through RPA

RPA (Robotic Process Automation) solutions have been implemented to automate repetitive and manually executed operational processes. By reducing processing times and minimising human error, these solutions enable operational teams to focus on higher value-added activities.

KEY BENEFIT

Accelerated through Automation

Predictive Maintenance and Advanced Analytics Infrastructure

By adopting a predictive maintenance approach, maintenance planning has been optimised, reducing unplanned outages while improving plant availability and operational reliability. Monitoring equipment based on actual operating conditions has strengthened asset management, optimised maintenance costs and enabled more efficient use of operational resources. Equipment data are analysed using artificial intelligence, machine learning and advanced analytics techniques to identify potential failures before they occur.

KEY BENEFIT

Proactive Failure Prevention

Innovation

Employee-driven Innovation

In 2025, Çalık Renewables launched the “Digital Excellence Ecosystem for Energy Operations” project in collaboration with OnePlant to enhance operational efficiency and accelerate digital transformation across its renewable energy power plants.

At Çalık Renewables, innovation extends beyond technology and partnerships; it is embedded in a corporate culture that places employee participation at its core. Various engagement mechanisms are implemented to encourage employees to develop new ideas, propose process improvements and generate innovative solutions.

The “Çalık'ta Parlayanlar” Recognition Programme aims to recognise innovative ideas and reward successful initiatives. Through the programme, employees actively contribute by developing projects focused on operational excellence, sustainability, digitalisation and efficiency, while value-creating contributions are recognised across the organisation.

The programme strengthens employee engagement while fostering a culture of continuous improvement and innovation throughout the Company.



Çalık'ta Parlayanlar Recognition Programme



At Çalık Renewables, innovation extends beyond technology and partnerships; it is embedded in a corporate culture that places employee participation at its core.



Sustainability Performance



Environmental Performance Indicators

Greenhouse Gas (GHG) Emissions	Unit	Head Office	Momentum SPP	Sarpıncık WPP	Demircili WPP	Adacami HPP	Total
Scope 1	tCO ₂ e	69.73	43.03	164.67	204.59	53.75	535.76
Scope 2	tCO ₂ e	48.01	193.88	46.92	80.53	101.69	471.03
Scope 3	tCO ₂ e	176.75	448.03	24.93	38.45	58.79	746.94
Total	tCO ₂ e	294.48	684.94	236.52	323.56	214.23	1,753.73

Energy Consumption	Unit	Head Office	Momentum SPP	Sarpıncık WPP	Demircili WPP	Adacami HPP	Total
Direct Energy Consumption							
Diesel	liters	8,122.00	-	1,639.61	125.00	7,356.51	17,243.12
Gasoline	liters	12,800.00	13,325.00	6,672.03	3,250.00	12,800.00	48,847.03
Sm3	Sm ³	5,026.21	-	-	-	-	5,026.21
Indirect Energy Consumption							
Electricity	kWh	110,611.24	446,735.00	108,113.00	185,550.00	234,308.90	1,085,318.14

Water Consumption	Unit	Head Office	Momentum SPP	Sarpıncık WPP	Demircili WPP	Adacami HPP	Total
Municipal Water Supply	m ³	7,166.00	274.68	133.00	104.00	165.00	7,842.68
Surface Water	m ³	0	0	0	0	0	0
Groundwater	m ³	0	0	80.90	97.96	41,000.00	41,178.86
Total Water Withdrawal	m ³	7,179.12	301.67	217.43	212.70	41,175.02	49,085.94
Drinking Water	m ³	13.12	26.99	3.53	10.74	10.02	40.54
Total Water Consumption	m ³	536.11	8.87	187.43	182.70	2,158.02	3,073.13

Total Wastewater Discharge	Unit	Head Office	Momentum SPP	Sarpıncık WPP	Demircili WPP	Adacami HPP	Total
Domestic Wastewater	m ³	6,643.01	292.80	30.00	30.00	67.00	7,062.81
Industrial Wastewater	m ³	0	0	0	0	0	0

Water Footprint	Unit	Head Office	Momentum SPP	Sarpıncık WPP	Demircili WPP	Adacami HPP	Total
Blue Water Footprint	m ³	7,179.12	301.67	217.43	212.70	41,175.02	49,085.94
Grey Water Footprint	m ³	6,643.01	292.80	30.00	30.00	67.00	7,062.81

Indicator	Business Unit	2025
Total Environmental Protection Investments and Expenditures	TRY	1,454,000

Social Performance Indicators

By Gender	Business Unit	2025
Male	Person	72
	Rate	86%
Female	Person	12
	Rate	14%
Total		84

By Employment Contract Type	Business Unit	2025
Permanent – Female	Person	12
Permanent – Male	Person	72
Fixed-term – Female	Person	0
Fixed-term – Male	Person	0

By Employment Type	Business Unit	2025
White-collar – Female	Person	12
White-collar – Male	Person	44
Blue-collar – Female	Person	0
Blue-collar – Male	Person	28

By Age	Business Unit	2025
Aged 18–30	Female	4
	Rate	5%
	Male	9
	Rate	11%
Aged 31–40	Female	5
	Rate	6%
	Male	33
	Rate	39%
Aged 41–50	Female	3
	Rate	4%
	Male	27
	Rate	32%
Aged 51–60	Female	0
	Rate	0
	Male	3
	Rate	4%
Aged 60 and Above	Female	0
	Rate	0
	Male	0
	Rate	0

By Management Category	Business Unit	2025
Senior Management	Female	2
	Rate	2%
	Male	10
	Rate	12%
Middle Management	Female	2
	Rate	2%
	Male	14
	Rate	17%
Others	Female	8
	Rate	10%
	Male	48
	Rate	57%

Employment and Employee Turnover	Business Unit	2025
New Hires – Total	Person	10
White Collar	Person	10
Blue Collar	Person	0
Leaving Employees – Total	Person	3
White Collar	Person	1
Blue Collar	Person	2
Turnover Rate	Rate	4%

By Gender	Business Unit	2025
Male– New Hires	Person	6
	Rate	60%
Male – Leaving Employees	Person	3
	Rate	100%
Female– New Hires	Person	4
	Rate	40%
Female– Leaving Employees	Person	0
	Rate	0

By Age	Business Unit	2025
Aged 18–30 – New Hires	Person	4
	Rate	40%
Aged 18–30 – Leaving Employees	Person	0
	Rate	0%
Aged 31–40 – New Hires	Person	3
	Rate	30%
Aged 31–40 – Leaving Employees	Person	2
	Rate	67%
Aged 41–50 – New Hires	Person	3
	Rate	30%
Aged 41–50 – Leaving Employees	Person	1
	Rate	33%

Employee Distribution by Education Level	Female	Male	Total
Primary Education	-	-	-
Lower Secondary Education	-	2	2
Upper Secondary Education	-	9	9
Vocational School	-	16	16
University	7	32	39
Master	5	9	14
PhD	-	1	1
Intern	2	4	6
Subcontractor	1	26	27

Age Distribution	Total Number of Senior Management Employees	
	Female	Male
Under 30	-	-
30–50	2	8
Over 50	-	-
Total Senior Management	2	8

2025 Occupational Safety Performance	Near Misses	Fatalities	Lost Time Injury Frequency Rate (LTIFR)	Total Recordable Injury Frequency Rate (TRIFR)
Head Office	0	0	0	0
WPP	3	0	0	0
HPP	3	0	0	0
SPP	2	0	0	0
Kosovo – Zatriq	5	0	0	0

Orientation and Onboarding Performance of Newly Hired Employees	Business Unit	2025
Orientation and Retention Programme Completion Rate for Newly Hired Employees (0–2 Years)	Rate	100%

Employee Engagement and Satisfaction Score	Business Unit	2025
	Rate	80%

Training by Type	Business Unit	2025
Professional Development	Person-hours	1,588
Other (Leadership)	Person-hours	99
Total Training Hours	Person-hours	1,687

2025 OHS Trainings	Number of Participants (Employees + Contractors)	Training Hours (Employees + Contractors)
Head Office	38	608
WPP	25	400
HPP	18	288
SPP	28	448
Kosovo – Zatriq	473	7568

GRI Content Index

Statement of use	Çalık Renewables, has reported in accordance with the GRI Standards for the period 01.01.2025-31.12.2025		
GRI 1 used	GRI 1: Foundation 2021		
For the “Content Index - Essentials Service,” GRI Services reviewed that the GRI content index has been presented in a way consistent with the requirements for reporting in accordance with the GRI Standards, and that the information in the index is clearly presented and accessible to the stakeholders. The service was performed on the English version of the report.			
GRI STANDARD	GRI DISCLOSURES		PAGE NUMBER
GRI 2: General Disclosures 2021	2-1 Organizational details		Page 17, 18
	2-2 Entities included in the organization’s sustainability reporting		Page 4
	2-3 Reporting period, frequency and contact point		Page 4
	2-4 Restatements of information		Page 4
	2-5 External assurance		The sustainability information presented in this report has not been subject to external assurance by an independent third party.
	2-6 Activities, value chain and other business relationships		Page 18,19
	2-7 Employees		Page 64
	2-8 Workers who are not employees		Confidentiality Constraints (Detailed information regarding the nomination and election processes of certain members is not publicly disclosed due to personal data protection requirements and confidentiality obligations.)
	2-9 Governance structure and composition		Page 46
	2-10 Nomination and selection of the highest governance body		Confidentiality Constraints (Detailed information regarding the nomination and election processes of certain members is not publicly disclosed due to personal data protection requirements and confidentiality obligations.)
	2-11 Chair of the highest governance body		Page 23
	2-12 Role of the highest governance body in overseeing the management of impacts		Page 23
	2-13 Delegation of responsibility for managing impacts		Page 23



GRI STANDARD	GRI DISCLOSURES	PAGE NUMBER
GRI 2: General Disclosures 2021	2-14 Role of the highest governance body in sustainability reporting	Page 46
	2-15 Conflicts of interest	Confidentiality Constraints (Declarations of conflicts of interest contain personal information relating to employees and senior management. To ensure compliance with confidentiality requirements and ethical standards, such individual-level information is not publicly disclosed.)
	2-16 Communication of critical concerns	Page 43, Page 78
	2-17 Collective knowledge of the highest governance body	Page 23
	2-18 Evaluation of the performance of the highest governance body	Confidentiality Constraints (Due to confidentiality considerations, the results of the performance evaluation of the highest governance body and individual feedback are not publicly disclosed.)
	2-19 Remuneration policies	Page 67
	2-20 Process to determine remuneration	Confidentiality Constraints (Certain details regarding the remuneration determination process are kept confidential due to employment contract provisions and commercially sensitive considerations.)
	2-21 Annual total compensation ratio	Confidentiality Constraints (Numerical data related to remuneration ratios are not publicly disclosed due to employee privacy and commercial sensitivity.)
	2-22 Statement on sustainable development strategy	Page 45
	2-23 Policy commitments	Page 36, Page 73
	2-24 Embedding policy commitments	Page 36, Page 73
	2-25 Processes to remediate negative impacts	Page 78
	2-26 Mechanisms for seeking advice and raising concerns	Page 78
	2-27 Compliance with laws and regulations	Page 73, Page 78, Page 79
	2-28 Membership associations	Page 72
	2-29 Approach to stakeholder engagement	Page 43



GRI STANDARD	GRI DISCLOSURES	PAGE NUMBER
GRI 2: General Disclosures 2021	2-30 Collective bargaining agreements	Confidentiality Constraints(Information regarding collective bargaining agreements and coverage rates is not publicly disclosed due to confidentiality provisions contained in employment agreements.)
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Page 42, 43
	3-2 List of material topics	Page 44
BIODIVERSITY		
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 60
GRI 101: Biodiversity 2024	101-2 Management of biodiversity impacts	Page 60
	101-5 Locations with biodiversity impacts	Page 60
	101-8 Ecosystem services	Page 60
GREEN PROJECT FINANCE		
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 14
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Page 31
	201-2 Financial implications and other risks and opportunities due to climate change	Page 49-55
WATER MANAGEMENT		
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 61
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Page 61
	303-2 Management of water discharge-related impacts	Page 61
	303-3 Water withdrawal	Page 61
	303-4 Water discharge	Page 61
	303-5 Water consumption	Page 61



GRI STANDARD	GRI DISCLOSURES	PAGE NUMBER
EMISSIONS AND ENERGY MANAGEMENT CLIMATE CHANGE ADAPTATION AND RISK MANAGEMENT		
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 58, 59
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Page 59
	302-2 Energy consumption outside of the organization	Page 59
	302-4 Reduction of energy consumption	Page 59
	302-5 Reductions in energy requirements of products and services	Page 59
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Page 59
	305-2 Energy indirect (Scope 2) GHG emissions	Page 59
	305-3 Other indirect (Scope 3) GHG emissions	Page 59
	305-5 Reduction of GHG emissions	Page 58
EMPLOYEE SATISFACTION		
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 65, 66
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Page 89
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Page 67
OCCUPATIONAL HEALTH AND SAFETY		
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 73
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Page 73
	403-2 Hazard identification, risk assessment, and incident investigation	Page 73
	403-3 Occupational health services	Page 74
	403-4 Worker participation, consultation, and communication on occupational health and safety	Page 75
	403-5 Worker training on occupational health and safety	Page 74
	403-6 Promotion of worker health	Page 74
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Page 73, 74, 75
	403-8 Workers covered by an occupational health and safety management system	Page 73
	403-9 Work-related injuries	Page 74



GRI STANDARD	GRI DISCLOSURES	PAGE NUMBER
EMPLOYEE EXPERIENCE AND CORPORATE CULTURE		
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 68
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Page 68
	404-2 Programs for upgrading employee skills and transition assistance programs	Page 68
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Page 70
ETHICS AND TRANSPARENCY		
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 78
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Page 79
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Page 64
SOCIAL RESPONSIBILITY AND STAKEHOLDER ENGAGEMENT		
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 76
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Page 76
SUSTAINABLE SUPPLY CHAIN		
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 79
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Page 79
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Page 79
DIGITAL TRANSFORMATION		
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 82
INNOVATION		
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 85



GRI STANDARD	GRI DISCLOSURES	PAGE NUMBER
EMERGENCY PREPAREDNESS		
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 47
ADDITIONAL DISCLOSURE		
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Page 62
	306-2 Management of significant waste-related impacts	Page 62

Financial Performance Indicators





Çalık Enerji Sanayi ve Ticaret Anonim Şirketi and its Subsidiaries

Consolidated Financial Statements
For The Year Ended 31 December 2025
Together With The Independent Auditor's Report

ÇALIK ENERJİ SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Table of Contents

	Page
Independents Auditor's Report	1
Consolidated Statement of Financial Position.....	2 - 3
Consolidated Statement of Profit or Loss and Other Comprehensive Income	4
Consolidated Statement of Changes in Equity	5
Consolidated Statement of Cash Flows.....	6
Notes to the Consolidated Financial Statements	7 - 90



Shape the future
with confidence

Independent auditor's report

To the Shareholders of Çalık Enerji Sanayi ve Ticaret Anonim Şirketi

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Çalık Enerji Sanayi ve Ticaret Anonim Şirketi (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' ("IESBA") International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Turkey, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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



Key Audit Matters	How key audit matters addressed in the audit
Service concession contracts	
The Group considered the terms of service concession agreements and applied a model in accordance with IFRIC 12 and recognized a financial asset in its consolidated financial statement. The Group accounted the income which is calculated by effective interest method on financial assets as interest income from service concession agreements. In addition, the Group performs impairment assessments and book provisions, if necessary, for its financial assets within the scope of IFRS 9 Financial Instruments standard, since financial assets are subject to impairment. As of December 31, 2025, the Group has financial assets amounting to USD 454.606 thousand and interest income amounting to USD 210.249 thousand obtained by service concession agreements. Due to the complexity of the accounting of the service concession agreements in accordance with IFRIC 12 and the related legislation, and since such process requires use of management estimates accounting of service concession contracts has been identified as key audit matter. Details of financial assets carried as part of IFRIC 12 are disclosed in Note 8 of the consolidated financial statements.	Our audit procedures in this area include: - We have obtained and analyzed the service concession agreements. - We have evaluated the relevance of the revenue recognition model with the legislation. - As interest income is calculated based on the internal rate of return, the calculation of the internal rate of return is tested. - The payment amount confirmed to be paid by Energy Market Regulatory Authority ("EMRA") related to the investments controlled from the supporting documents. - Reasonable rate of return was controlled from the communiqué published in the Official Gazette. - Amount of financial asset calculated based on the service concession agreement model was agreed to the consolidated financial statements. - We have evaluated the adequacy of the financial statement disclosures.



Key Audit Matters	How key audit matters addressed in the audit
Revenue recognition	
The Group conducts mainly engineering, procurement and construction projects ("EPC") in Turkey and abroad. The revenue from the construction contracts amounting to USD 1.772.476 thousand constituted a significant portion of the Group's total revenue as of and for the year ended December 31, 2025. The recognition of the amount and timing of the revenue generated from EPC projects in the period in which they are incurred calculated and accounted for by using the input method under IFRS 15 Revenue from Contracts with Customers. By using the input method revenue is recognized by comparing the costs incurred by the Group for the fulfillment of performance obligations in an EPC project to the expected total costs for the fulfillment of performance obligation in the consolidated financial statements. The measurement of the contract revenue and estimation of the contract costs are based on a variety of uncertainties that depend on the outcome of future events and demand of revision of the projects which require significant management's estimates and judgements. Revenue recognition from EPC contracts were determined as key audit matter, due to the significant management estimates and the level judgement.	Our audit procedures in this area include: - We evaluated the operating effectiveness of the controls over the relevant processes regarding the accuracy and timing of revenue recognized in the consolidated financial statements. - We assessed the terms and conditions of significant EPC contracts to evaluate the estimates used by the management and to determine whether the revenue is recognized in the relevant periods. - We have discussed the status and the cost budgets of projects under construction with the finance and technical staff of the Group and obtained supporting documents. - The costs incurred by the Group for ongoing projects have been tested by using sampling method. - We have recomputed contract revenue by using the percentage of completion method. - We have tested journal entries related to accounting of revenue and contract by focusing on unusual and one-off journal entries. - We have tested the recoverability of the receivables from EPC contracts by assessing the historical collection performance of the Group, inspecting the relevant additional protocols and correspondences and discussing with the Group management. - We assessed the adequacy of the disclosures of revenue in the notes to the financial statements.



Key Audit Matters	How key audit matters addressed in the audit
Application of IAS 29 – Financial Reporting in Hyperinflationary Economies	
As stated in Note 2.6 to the consolidated financial statements, the Group has continued to apply "IAS 29 Financial Reporting in Hyperinflation Economies" since the functional currency of the subsidiaries of the Group (Turkish Lira) is the currency of a hyperinflationary economy as per IAS 29 as of December 31, 2025. In accordance with IAS 29, financial statements of the subsidiaries whose functional currency is Turkish Lira for previous periods have been restated for the changes in the general purchasing power of Turkish Lira. In accordance with the guidance in IAS 29, the Group utilized the Turkey consumer price indices to prepare inflation adjusted financial statements. Given the significance of the impact of IAS 29 on the reported result and financial position of the Group, we have assessed hyperinflation accounting as a key audit matter.	Our audit procedures included the following: - We inquired management responsible for financial reporting on the principles, which they have considered during the application of IAS 29, identification of non-monetary accounts and tested IAS 29 models designed, - We have tested the inputs and indices used, to ensure completeness and accuracy of the calculations, - We have audited the restatements of corresponding figures as required by IAS 29, - We assessed the adequacy of the disclosures in inflation adjusted financial statements for compliance with IAS 29.

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

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

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

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



Auditor’s responsibilities for the audit of the consolidated financial statements

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst & Young Global Limited

Cem Uçarlar, SMMM
Partner

May 15, 2026
İstanbul, Türkiye

ÇALIK ENERJİ SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Consolidated Statement of Financial Position as at 31 December 2025
(Amounts expressed in thousands of United States Dollar (“USD”) unless otherwise stated.)

		Current Period Audited 31 December 2025	Prior Period Audited 31 December 2024
ASSETS	Notes		
CURRENT ASSETS			
Cash and cash equivalents	5	396.584	368.439
Financial investments	6	82	8.640
Trade receivables		341.480	276.234
- Due from related parties	4, 7	140.367	128.027
- Due from third parties	7	200.913	148.207
Other receivables		33.205	54.435
- Due from related parties	4, 9	14.375	22.309
- Due from third parties	9	18.630	32.126
Receivables from customer contracts		750.838	447.375
-Contractual assets arising from ongoing construction and contracting works	19	750.838	447.375
Servis concession receivables	8	168.664	156.377
Inventories	10	22.391	16.672
Prepaid expenses	11	267.253	87.280
Current tax assets	31	5.368	13.984
Other current assets	18	40.388	21.284
Total Current Assets		2.026.253	1.450.720
NON-CURRENT ASSETS			
Trade receivables		119.148	18.861
- Due from related parties	4, 8	12.918	-
- Due from third parties	7	106.230	18.861
Other receivables		72.868	43.341
- Due from related parties	4, 9	10	11
- Due from third parties	9	72.858	43.330
Servis concession receivables	8	285.942	229.799
Financial investments	6	5.160	31.605
Equity accounted investees	12	314.882	294.798
Investment property	16	51.400	48.790
Property, plant and equipment	13	358.247	115.058
Rights of use assets	17	39.772	9.607
Intangible assets		133.537	102.710
- Goodwill	15	15.424	-
- Other intangible assets	14	118.113	102.710
Prepaid expenses	11	11.017	16.506
Deferred tax assets	31	64.844	76.882
Other non-current assets	18	5.468	6
Total Non-Current Assets		1.462.285	987.963
TOTAL ASSETS		3.488.538	2.438.683

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

ÇALIK ENERJİ SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Consolidated Statement of Financial Position as at 31 December 2025
(Amounts expressed in thousands of United States Dollar ("USD") unless otherwise stated.)

LIABILITIES AND EQUITY	Notes	Current Period Audited 31 December 2025	Prior Period Audited 31 December 2024
CURRENT LIABILITIES			
Short term borrowings		96.019	142.196
- <i>Short term loans and borrowings</i>	20	89.131	140.314
- <i>Lease liabilities</i>	20	6.888	1.882
Short term portion of long term borrowings	20	40.674	27.594
Trade payables		380.099	183.210
- <i>Due to related parties</i>	4, 7	17.618	6.068
- <i>Due to third parties</i>	7	362.481	177.142
Payables related to employee benefits	21	6.457	7.452
Other payables	4, 9	95.317	67.400
- <i>Due to related parties</i>	4, 9	12.149	4.223
- <i>Due to third parties</i>	9	83.168	63.177
Payables from customer contracts		526.684	407.414
- <i>Contractual liabilities arising from ongoing construction and contracting works</i>	19	87.503	57.932
- <i>Other contract liabilities</i>	19	439.181	349.482
Deferred revenue	11	893	12.780
Current tax liabilities	31	68.756	25.171
Short term provisions		38.496	36.247
- <i>Short term employee benefits</i>	22	12.426	11.237
- <i>Other short term provisions</i>	22	26.070	25.010
Other current liabilities	18	12.109	39.549
Total Current Liabilities		1.265.504	949.013
NON-CURRENT LIABILITIES			
Long term borrowings		278.383	67.672
- <i>Long term loans and borrowings</i>	20	249.080	62.651
- <i>Lease liabilities</i>	20	29.303	5.021
Other payables		92.293	10.004
- <i>Due to third parties</i>	9	92.293	10.004
Payables from customer contracts		311.676	190.149
- <i>Other contract liabilities</i>	19	311.676	190.149
Long term provisions		9.708	9.155
- <i>Long term employee benefits</i>	22	9.708	9.155
Deferred tax liabilities	31	11.369	9.817
Non-current tax liabilities	31	19.148	-
Total Non-Current Liabilities		722.577	286.797
TOTAL LIABILITIES		1.988.081	1.235.810
EQUITY			
Paid-in capital	24	125.000	125.000
Items that will be reclassified to profit or loss		(316.033)	(363.239)
Items that will not be reclassified to profit or loss		(7.550)	(4.473)
Restricted reserves		256.831	236.435
Retained earnings		1.053.582	1.068.715
Net profit for the year		378.467	136.937
Equity attributable to owners of the Parent		1.490.297	1.199.275
Non-controlling interest	24	10.160	5.498
Total Equity		1.500.457	1.202.873
TOTAL LIABILITIES AND EQUITY		3.488.538	2.438.683

The accompanying notes form an integral part of these consolidated financial statements.
(3)

ÇALIK ENERJİ SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 31 December 2025
(Amounts expressed in thousands of United States Dollar ("USD") unless otherwise stated.)

		Current Period Audited 1 January - 31 December 2025	Prior Period Audited 1 January - 31 December 2024
Revenue	25	3.039.476	2.248.041
Cost of sales (-)	25	(2.267.192)	(1.775.874)
GROSS PROFIT		772.284	472.167
Administrative expenses (-)	26	(171.416)	(140.101)
Research and development expenses (-)	26	(7.979)	(6.912)
Share of profit of equity accounted investees	12	25.895	(12.239)
Other income from operating activities	28	85.683	67.501
Other expense from operating activities (-)	28	(35.794)	(36.658)
OPERATING PROFIT		668.673	343.758
Income from investing activities	29	28.342	70.087
Expenses from investing activities (-)	29	-	(17.905)
IFRS 9 Impairment gains (cancellations) and cancellation of impairment losses	29	1.215	(15.065)
OPERATING PROFIT BEFORE FINANCE EXPENSE		698.230	380.875
Finance income	30	10.773	14.844
Finance expenses (-)	30	(86.412)	(79.409)
Monetary gain/loss	33	(129.246)	(115.711)
PROFIT BEFORE TAX		493.345	200.599
Tax expense		(114.653)	(63.957)
- <i>Current tax expense</i>	31	(99.742)	(30.018)
- <i>Deferred tax expense</i>	31	(14.911)	(33.939)
PROFIT FOR THE PERIOD		378.692	136.642
Profit attributable to:			
Owners of the Company		378.467	136.937
Non-controlling interests		225	(295)
Items that will be reclassified subsequently to profit or loss:			
Foreign currency translation differences		59.635	82.029
Items that will not be reclassified subsequently to profit or loss:			
Gains/ (losses) on remeasurement of defined benefit plans		(4.108)	(5.038)
Gains/ (losses) on remeasurement of defined benefit plans, tax effect		1.026	563
OTHER COMPREHENSIVE INCOME		56.553	77.554
TOTAL COMPREHENSIVE INCOME		435.245	214.196
Total comprehensive income attributable to:			
Owners of the Company		422.596	214.309
Non-controlling interests		12.649	(113)

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

(4)

ÇALIK ENERJİ SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Consolidated Statement of Changes in Equity For the Year Ended 31 December 2025
(Amounts expressed in thousands of United States Dollar ("USD") unless otherwise stated.)

	Other comprehensive income items that will be classified to profit or loss	Other comprehensive income items that will not be classified to profit or loss	Restricted reserves	Retained earnings	Total equity attributable to owners of the Company	Non- controlling interests	Total equity
	Paid in capital	Translation reserves	Accumulated gains/loss on remeasurement of defined benefit plans	Legal reserves	Retained earnings	Net profit for the year	
Balance at 1 January 2024	79.975	(145.884)	-	242.691	1.015.135	280.423	1.899.140
Profit for the year	-	-	-	-	136.937	136.937	271
Actuarial gain/(loss)	-	-	(4.473)	-	-	-	(4.473)
Foreign currency translation differences	-	81.845	-	-	-	-	81.845
Total comprehensive income	-	81.845	(4.473)	-	-	136.937	214.309
Capital increase	45.025	-	-	-	(45.025)	-	-
Dividends (Note 24)	-	-	-	(6.256)	(107.819)	-	(114.074)
Transfers	-	-	-	-	(206.421)	(206.421)	-
Balance at 31 December 2024	125.000	(64.039)	(4.473)	236.435	1.868.715	136.937	1.999.375
Balance at 1 January 2025	125.000	(64.239)	(4.473)	236.435	1.868.715	136.937	1.999.375
Profit for the year	-	-	-	-	378.467	378.467	225
Actuarial gain/(loss)	-	-	(3.077)	-	-	-	(3.077)
Foreign currency translation differences	-	47.206	-	-	-	-	47.206
Total comprehensive income	-	47.206	(3.077)	-	-	378.467	422.596
Acquisition of subsidiary (*)	-	-	-	-	-	-	(5.440)
Dividends (Note 24)	-	-	-	-	(131.674)	-	(131.674)
Transfers	-	-	-	-	(136.937)	(136.937)	-
Balance at 31 December 2025	125.000	(16.033)	(7.550)	236.435	1.853.582	378.467	1.999.297

(*) The Group has acquired EV Wind Park SHELK (L.L.C) in 2025 and effect of this acquisition is recognised under "Acquisition of subsidiary".

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

(5)

ÇALIK ENERJİ SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Consolidated Statement of Cash Flows For the Year Ended 31 December 2025
(Amounts expressed in thousands of United States Dollar ("USD") unless otherwise stated.)

	Current Period Audited 1 January - 31 December 2025	Prior Period Audited 1 January - 31 December 2024
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year	378.692	136.642
Adjustments for depreciation and amortisation	27	35.327
Expected credit loss provisions	7	15.065
Adjustments for provisions, net	22	27.264
Adjustments for share of profit of equity accounted investees	12	12.239
Adjustments for dividends received	29	(14.402)
Adjustments for deposits and guarantee received	30	1.508
Adjustments for interest income and expenses	24.941	14.853
Adjustments for financial income of the service concession receivables	8	(210.249)
Adjustments for fair value changes of the financial investments	29	-
Adjustments for fair value (gain) / loss of investment property	16, 29	(2.610)
Adjustments for tax expense	31	114.653
Adjustments for net gain from sale of affiliate		(7.440)
Adjustments for the net gains on sales of property, plant and equipment and intangible assets		(3.800)
Adjustments for unrealised foreign exchange (gain) / losses		118.171
	436.826	193.028
Changes in working capital		
Change in inventories	(5.272)	31.402
Change in trade receivables	(146.011)	1.009
Change in customer contract assets	(303.463)	(136.805)
Change in payables related to employee benefits	(995)	(318)
Change in other receivables, other current assets, other non-current assets related with operating activities	(24.834)	(42.771)
Change in trade payables	196.728	47.222
Change in customer contract liabilities	240.797	266.207
Change in prepaid expenses	(174.484)	(41.315)
Change in deferred income	(11.887)	11.772
Change in other payables and other liabilities related with operating activities	(60.237)	7.071
Change in restricted cash and cash equivalents	5	80.079
Change in deposits and guarantees		11.875
	212.222	115.576
Employee termination indemnity paid	22	(1.065)
Provisions released for expected credit loss	7	9.390
Taxes paid	(19.244)	(5.226)
Interest received	35.503	23.650
Collections related to service concession agreements	8	128.385
	365.191	236.572
B. CASH FLOWS USED IN INVESTING ACTIVITIES		
Proceeds on disposal of property, plant and equipment	13, 29	7.614
Proceeds on disposal of intangible assets	14	4
Payments for property, plant and equipment	13	(58.799)
Payments for intangible assets	14	(11.647)
Proceeds from sales of subsidiary		35.000
Changes in financial investment	6	6.387
Net cash outflow on acquisition of subsidiary	3	(9.464)
Payments for investment properties	16	-
Cash inflow from affiliate sales		-
Change in other receivable from related parties		7.735
Change in cash from sales of subsidiary		(4.978)
Dividends received	20, 548	18.402
Investments related to service concession agreement	8	(75.926)
	(78.548)	14.538
C. CASH FLOWS USED IN FINANCING ACTIVITIES		
Net proceeds from funding of related parties		7.926
Interest paid to related parties		(750)
Dividend paid		(132.015)
Proceeds from loans and borrowings	20	200.580
Repayment of loans and borrowings	20	(179.284)
Repayments of lease liabilities	20	(1.845)
Interest paid		(60.429)
	(16.817)	(195.743)
Cash flows used in financing activities		
	(16.817)	(195.743)
BEFORE FOREIGN CURRENCY TRANSLATION EFFECT ON		
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	120.826	55.367
D. EFFECT OF MONETARY GAIN/LOSS ON CASH AND CASH EQUIVALENTS	(5.627)	(3.150)
E. EFFECT OF FOREIGN CURRENCY TRANSLATION DIFFERENCES IN		
CASH AND CASH EQUIVALENTS	(6.975)	(4.282)
F. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	117.970	50.838
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E+F)	256.124	117.970

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

ÇALIK ENERJİ SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Notes to Consolidated Financial Statements As at 31 December 2025
(Amounts expressed in thousands of United States Dollar ("USD") unless otherwise stated.)

1. GROUP'S ORGANIZATION AND NATURE OF OPERATIONS

Çalık Enerji Sanayi ve Ticaret Anonim Şirketi ("Çalık Enerji" or "the Company") was established in 1987 in Turkey for the purpose of engaging in the operation, exploration and production of natural gas and petroleum resources, shipment and selling of such resources to the international markets, production, distribution and retail sale of electricity energy or investing in the entities engaging in such operations. Çalık Enerji and its subsidiaries have 26 branches, namely, Asya Center Enerji Uzbekistan, Atayurt İnşaat Uzbekistan, Çalık Enerji Turkmenistan, Çalık Enerji Georgia, Çalık Enerji Uzbekistan, Çalık Enerji Libya, Çalık Enerji Iraq, Çalık Enerji Qatar, Çalık Enerji Malawi, Kızılırmak Enerji Elektrik Uzbekistan, Çalık Enerji Navoi (Uzbekistan), Çalık Enerji Angola, Çalık Enerji Uzbekistan Taşkent PE, Çalık Enerji Afghanistan, Çalık Enerji Romania, Çalık Enerji Erbil, Çalık Enerji Senegal, Çalık Enerji DM (Uzbekistan), Çalık Enerji Talimerjan, Çalık Enerji Kosovo, Çalık Enerji Poland, Çalık Enerji Hungary, Çalık Enerji Swiss Hungary, Çalık Renewables Kosovo, Çalık Renewables O&M BV Kosovo, Çalık Enerji Swiss Poland.

Çalık Enerji is managed and owned by Çalık Holding Anonim Şirketi ("Çalık Holding"), the parent company of the Group, holding 95.42% of all Çalık Enerji's shares. As of 31 December 2025, the principal shareholders and their respective shareholding rates in Çalık Enerji are stated in Note 24. Çalık Enerji was established at its registered office address, Büyükdere Caddesi No: 163/A Zincirlikuyu, İstanbul.

As of 31 December 2025, Çalık Enerji has 45 (31 December 2024: 39) subsidiaries ("the Subsidiaries") and 9 (31 December 2024: 9) joint ventures ("the Joint Ventures") (referred to as "the Group" here in and after). The consolidated financial statements of the Group as at and for the year ended 31 December 2025 comprise Çalık Enerji, its subsidiaries and its interests in the joint ventures. As of 31 December 2025, the number of employees of the Group is 8.171 (31 December 2024: 8.458).

As at 31 December 2025 the subsidiaries and the joint ventures included in the consolidation scope of Çalık Enerji, their country of incorporation and nature of business are as follows:

ÇALIK ENERJİ SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Notes to Consolidated Financial Statements As at 31 December 2025
(Amounts expressed in thousands of United States Dollar ("USD") unless otherwise stated.)

1. GROUP'S ORGANIZATION AND NATURE OF OPERATIONS (Cont'd)

As at 31 December 2025 the subsidiaries and the joint ventures included in the consolidation scope of Çalık Enerji, their country of incorporation and nature of business are as follows:

Company name	Short Name	Type of partnership	Country
Adacama Enerji Elektrik Üretim Sanayi ve Ticaret Anonim Şirketi	Adacama Enerji	Subsidiary	Turkey
Agata Trading S.R.L. (*)	Agata Trading	Subsidiary	Italy
Ayat Enerji Sanayi ve Ticaret Limited Şirketi	Ayat Enerji	Subsidiary	Turkey
Asya Center Enerji İnşaat Sanayi Ticaret Anonim Şirketi	Asya Center	Subsidiary	Turkey
Atayurt İnşaat Anonim Şirketi	Atayurt İnşaat	Subsidiary	Turkey
Çalık Renewables AG	Çalık Renewables Swiss	Subsidiary	Switzerland
Çalık Renewables B.V.	Çalık Renewables Holland	Subsidiary	Netherlands
Çalık Renewables O&M B.V	Çalık Renewables O&M Holland	Subsidiary	Netherlands
CE SOLAIRE 1 SAS	CE Solaire 1	Subsidiary	Congo
CE SOLAIRE 2 SAS	CE Solaire 2	Subsidiary	Congo
Ce Solar Dood Sloopje (*)	Ce Solar	Subsidiary	North Macedonia
CME Waken Water WLL (*)	Waken	Joint venture	Qatar
Cren Yenilenebilir Enerji Üretim Limited Şirketi	Cren Yenilenebilir	Subsidiary	Turkey
CYK Enerji Adı Ortaklığı	CYK Enerji	Subsidiary	Turkey
Çalık Abana Wind Sh.P.K. LLC	Çalık Abana	Subsidiary	Albania
Çalık Ahyapı Ve Elektrik Hizmetleri A.Ş.	Çalık Ahyapı	Subsidiary	Turkey
Çalık Enerji Japan G.K. (*)	Çalık Japan	Subsidiary	Japan
Çalık Enerji Swes AG	Çalık Swes	Subsidiary	Switzerland
Çalık Georgia LLC (*)	Çalık Georgia	Subsidiary	Georgia
Çalık Limak Adı Ortaklığı İktisadi	Çalık Limak	Joint venture	Turkey
Çalık Proje Mühendislik A.Ş.	Çalık Mühendislik	Subsidiary	Turkey
Çalık Rüzgar Enerji Elektrik Üretim Limited Şirketi	Çalık Rüzgar	Subsidiary	Turkey
Çalık Yeni Enerji Teknolojileri Limited Şirketi	Çalık Yeni Enerji Teknolojileri	Subsidiary	Turkey
Ce Enerji Teknolojileri Yatırım Üretim A.Ş.	Ce Enerji Teknolojileri	Subsidiary	Turkey
Demirci Rüzgar Enerji Elektrik Üretim Anonim Şirketi	Demirci Rüzgar	Subsidiary	Turkey
Doğu Anas Enerji Yatırımları Anonim Şirketi	Doğu Anas	Joint venture	Turkey
DTM Enerji Yatırımları Adı Ortaklığı (*)	DTM Enerji	Joint venture	Turkey
Eurokos Ddi L.L.C. (*)	Eurokos	Subsidiary	Kosovo
EV Wind Park SH.P.K. (L.L.C.) (**)	EV Wind	Subsidiary	Kosovo
Generva Elektrik Ticaret ve Enerji Yönetimi A.Ş. (*)	Generva Elektrik	Subsidiary	Turkey
Generva Enerji A.Ş.	Generva	Subsidiary	Turkey
Jasper Trading Sp. Z o.o.	Jasper Trading	Subsidiary	Poland
JSC Çalık Georgia Wind	JSC Georgia	Subsidiary	Georgia
Kızılırmak Enerji Elektrik Anonim Şirketi	Kızılırmak	Subsidiary	Turkey
Kosova Çalık Limak Energy SIA	KCLIE	Joint venture	Kosovo
LC Electricity Supply and Trading d.o.o.	LC Electricity	Joint venture	Serbia
Machango Teknoloji Danışmanlık ve İy Makinaları Anonim Şirketi	Machango Teknoloji	Joint venture	Turkey
Momentum Enerji Elektrik Üretim Sanayi ve Ticaret Anonim Şirketi	Momentum Enerji	Subsidiary	Turkey
Onyx Trading Innovation FZE	Onyx Trading	Subsidiary	UAE - Dubai
PAD RES Barlewice Sp. Z o.o. (***)	Pad Res BAR	Subsidiary	Poland
PAD RES Stargard Sp. Z o.o. (***)	Pad Res NE	Subsidiary	Poland
PAD RES Strachocin Sp. Z o.o. (***)	Pad Res STR	Subsidiary	Poland
PAD RES Sutan Sp. Z o.o. (***)	Pad Res SZT	Subsidiary	Poland
PAD RES Stargard Dystrybucja Sp. Z o.o. (***)	Pad Res RNE	Subsidiary	Poland
PKN Enerji Hizmetleri Adı Ortaklığı (*)	PKN Enerji	Joint venture	Turkey
Saudi Çalık Energy Company (*)	Saudi Çalık	Subsidiary	Saudi Arabia
TCB İnşaat Yatırım Anonim Şirketi	TCB İnşaat	Subsidiary	Turkey
Technological Energy N.V.	Technological N.V.	Subsidiary	Netherlands
Trilant Real Estate Construction Tourism Limited Company	Trilant	Subsidiary	Uzbekistan
Türkmen'in Altın Aras Elektrik Enerji Tesisleri Anonim Şirketi	Türkmen Elektrik	Subsidiary	Turkey
Workindo Teknoloji ve İnsan Kaynakları Danışmanlık A.Ş.	Workindo Teknoloji	Joint venture	Turkey
Yeşilay Enerji Elektrik Üretim Sanayi ve Ticaret Anonim Şirketi	YEDAŞ	Subsidiary	Turkey
Yeşilay Elektrik Dağıtım Anonim Şirketi	YEDAŞ	Subsidiary	Turkey
Yeşilay Elektrik Penkende Satış A.Ş.	Yeşilay Enerji	Subsidiary	Turkey

(*) Agata Trading S.R.L., Ce Solar Dood Sloopje, CME Waken Water WLL, Çalık Enerji Japan G.K, Çalık Georgia LLC, Eurokos Ddi L.L.C, DTM Enerji Yatırımları Adı Ortaklığı, PKN Enerji Hizmetleri Adı Ortaklığı and Saudi Çalık Energy Company are not consolidated due to the insignificance of their financial impact on the consolidated financial statements as at and for the period ended 31 December 2025.

(**) Generva Elektrik Ticaret ve Enerji Yönetimi A.Ş. was established in 2025 as a subsidiary of Generva Enerji A.Ş.

(***) EV Wind Park SH.P.K. (LLC) was acquired in 2025 for the purpose of developing the wind power projects. PAD RES Barlewice Sp. Z o.o., PAD RES Stargard Sp. Z o.o., PAD RES Strachocin Sp. Z o.o., PAD RES Sutan Sp. Z o.o., and PAD RES Stargard Dystrybucja Sp. Z o.o. were acquired in 2025 for the purpose of developing the solar power projects.



ÇALIK ENERJİ SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Notes to Consolidated Financial Statements As at 31 December 2025
(Amounts expressed in thousands of United States Dollar ("USD") unless otherwise stated.)

1. GROUP'S ORGANIZATION AND NATURE OF OPERATIONS (Cont'd)

Adacami Enerji Elektrik Üretim Sanayi Ve Ticaret A.Ş. ("Adacami Enerji")

Adacami Enerji was established in December 2009, for the purpose of renting and operating electricity facility and selling electricity.

Agata Trading S.R.L. ("Agata Trading")

Agata Trading was established in Italy in 2023 to combine the procurement of goods and services for international EPC projects.

Ant Enerji Sanayi ve Ticaret Limited Şirketi ("Ant Enerji")

Ant Enerji was established in 2006, in İstanbul for the purpose of marketing, selling and distribution of energy.

Asya Center Enerji İnşaat Sanayi Ticaret Anonim Şirketi ("Asya Center")

ÇL Enerji Üretim ve İnşaat Anonim Şirketi was established in Turkey in 2019 for the purpose of operating electricity facility and selling electricity. ÇL Enerji Üretim ve İnşaat Anonim Şirketi was renamed as Asya Center Enerji İnşaat Sanayi Ticaret Anonim Şirketi on 13 February 2023.

Atayurt İnşaat A.Ş. ("Atayurt İnşaat")

Atayurt İnşaat was established in 2009 for the purpose of building and operating energy power plants and providing operational and maintenance services to power plants.

CE Solaire 1 SAS ("CE Solaire 1")

CE Solaire 1 was established in the Democratic Republic of Congo in 2020 for electrical power plant construction and operation, electricity generation, electricity sales and marketing.

CE Solaire 2 SAS ("CE Solaire 2")

CE Solaire 2 was established in the Democratic Republic of Congo in 2020 for electrical power plant construction and operation, electricity generation, electricity sales and marketing.

Ce Solar Doool Skopje ("Ce Solar")

Ce Solar Doool Skopje was established in Albania in 2022 for the construction and operation of electric power plant, electricity generation, sales and marketing.

CME Al Wakra Water WLL ("Wakra")

CME Wakra was established 31 August 2023 in Qatar for the purpose of construction and repairing irrigation canal and watering pipelines.

CYK Enerji Adi Ortaklığı ("CYK Enerji")

CYK Enerji Adi Ortaklığı was established in 29 April 2021 in Samsun for supply of goods and services related to electricity distribution business.

Çalık Albania Wind Sh.P.K./Llc ("Çalık Albania")

Çalık Albania Wind Sh.P.K./Llc was established in Albania in 2022 for power plant construction and operation, electricity generation, electricity sales and marketing, and engineering activities.

Çalık Altyapı ve Elektrik Hizmetleri Anonim Şirketi ("Çalık Altyapı")

Çalık Altyapı was established in Turkey in 2024 for supply of goods and services related to electricity distribution business.

ÇALIK ENERJİ SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Notes to Consolidated Financial Statements As at 31 December 2025
(Amounts expressed in thousands of United States Dollar ("USD") unless otherwise stated.)

1. GROUP'S ORGANIZATION AND NATURE OF OPERATIONS (Cont'd)

Çalık Enerji Japan G.K. ("Çalık Japan")

Çalık Enerji Japan G.K. was established in 25 February 2021 in Japan. The Company is inactive as of the reporting date.

Calik Enerji Swiss AG ("Calik Swiss")

Calik Swiss was established on 28 April 2017, in Switzerland for the purpose of construction and maintenance of power plants and to provide services in the development of other group companies operating in the energy sector, especially in the electricity sector and in finding funding sources as well as for the purpose of the acquisition management and use of concessions/other rights.

Çalık Georgia LLC ("Çalık Georgia")

Çalık Georgia was established in 2015 in Tbilisi for the purpose of engineering, procurement and constructions of hydroelectric power plant and trade of the electricity produced in Georgia.

Çalık Limak Adi Ortaklığı ("Çalık Limak")

Çalık Limak Adi Ortaklığı, was established in 2013 as a joint venture of GENVERA and Limak Yatırım Enerji Üretim İşletme Hizmetleri ve İnşaat A.Ş. ("Limak Yatırım"), in İstanbul for the purpose of supplying all kind of technical equipment to Kosovo Electricity Distribution and Supply Company ISC fully owned by Kosovo Çalık Limak Enerji which is also joint venture of Çalık Enerji and Limak Yatırım.

Çalık Proje Mühendislik A.Ş. ("Çalık Mühendislik")

Technovision was established in 1994, in Ankara to provide machinery and civil engineering and consulting services. 90,00% of the Company's shares were acquired by Çalık Enerji in 2015 for the purpose of providing engineering and consultancy services to Group entities.

The title of Technovision was changed to Çalık Proje Mühendislik A.Ş.

Çalık Rüzgar Enerjisi Elektrik Üretim Limited Şirketi ("Çalık Rüzgar")

Çalık Rüzgar was established for the purpose of building and operating of electricity power plants, production, selling and marketing of electricity.

Calik Renewables B.V. ("Çalık Renewables Holland")

Calik Renewables B.V was established in the Netherlands in 2024 to realize renewable energy projects abroad, to establish, operate and maintain facilities for electricity generation based on all kinds of renewable energy sources, to sell energy products and to export and import in relation to its activities.

Calik Renewables O&M B.V. ("Çalık Renewables O&M Holland")

Calik Renewables O&M B.V. was established in the Netherlands in 2024 to operate and maintain renewable energy facilities abroad, to realize energy projects, and to sell energy products and to export and import in connection with its activities.

Calik Renewables AG ("Çalık Renewables Swiss")

Calik Renewables AG was established in Switzerland in 2024 to provide services in the construction and maintenance of renewable energy plants, electrical energy production and the development of other group companies operating in the energy sector.

Çalık Yeni Enerji Teknolojileri Limited Şirketi ("Çalık Yeni Enerji Teknolojileri")

Çalık Yeni Enerji Teknolojileri Limited Şirketi was established in 2024 for the purpose of establishing, storing, commissioning, leasing electrical energy production facilities based on all kinds of renewable energy sources, producing electrical energy, and selling the produced electrical energy and/or capacity to customers.

ÇALIK ENERJİ SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Notes to Consolidated Financial Statements As at 31 December 2025
(Amounts expressed in thousands of United States Dollar ("USD") unless otherwise stated.)

1. GROUP'S ORGANIZATION AND NATURE OF OPERATIONS (Cont'd)

Çe Enerji Teknolojileri Yatırım Üretim A.Ş. ("Çe Enerji Teknolojileri")

Çe Enerji Teknolojileri Yatırım Üretim A.Ş. was established in 2024 for the establishment, storage, commissioning, leasing of electric power generation facilities based on all kinds of renewable energy technologies, electric power generation, and sale of generated electric power and/or capacity to customers.

Cren Yenilenebilir Enerji Üretim Limited Şirketi ("Cren Yenilenebilir")

Cren Yenilenebilir Enerji Üretim Limited was established in 2024 for the establishment, storage, commissioning, leasing, electric energy production facility based on all kinds of renewable energy sources, electric energy production, sale of produced electric energy and/or capacity to customers.

Demircili Rüzgar Enerjisi Elektrik Üretim A.Ş. ("Demircili Rüzgar")

Demircili Rüzgar was established on 23 February 2018, in İstanbul, for the purpose of establishing electric production facility, operating, renting it and producing electric energy and / or selling it to customers.

Doğu Aras Enerji Yatırımları A.Ş. ("Doğu Aras")

Doğu Aras was founded in accordance with the energy market regulations as a joint venture with a joint agreement of ÇED and Kiler Alışveriş Hizmetleri Gıda Sanayi Ticaret A.Ş. ("Kiler Alışveriş") on 5 May 2013 with the participation of these two companies by 50% and 50%, respectively, for the purpose of establishing and participating to the companies that are engaged in distribution, retail and wholesale of electricity energy and/or capacity, assigning management of these established and participated companies, providing consultancy services on technical, financial, information processing and human resources management issues and making industrial and commercial investments through this companies.

On 28 June 2013, Doğu Aras purchased all share of Aras Elektrik Dağıtım A.Ş. ("EDAS") and Aras Elektrik Penakende Satış A.Ş. ("EPAS") which were state owned companies operating in electricity distribution and procurement in cities Kars, Ardahan, Iğdır, Erzurum, Ağrı, Bayburt and Erzurum within the privatization.

On 4 November 2021, the public offering of Doğu Aras shares was carried out using the "Fixed Price Bookkeeping" method. In the public offering, the unit price is TL 110, and the shares with a nominal value of TL 13.400.000 offered to the public were sold. Accordingly, the size of the public offering was realized as TL 1.474.000.000. After the mentioned public offering, Çalık Enerji's ownership rate in Doğu Aras became 40%. As of 31 December 2025, by including the shares in the stock exchange, the ownership rate is 44,86% (31 December 2024: 44,86%).

DTM Enerji Yatırımları Adi Ortaklığı ("DTM Enerji")

Çalık-Biskon Adi Ortaklığı was established 23 January 2020 for the purpose of providing goods and supplies. Çalık-Biskon belongs to Çalık Enerji ve Biskon Yapı A.Ş. companies.

The title of Çalık Biskon was changed to DTM Enerji Yatırımları Adi Ortaklığı.

Eurokos Dd L.L.C. ("Eurokos")

Eurokos Dd L.L.C. was established in the Republic of Kosovo in 2018 for electrical power plant construction and operation, electricity generation, electricity sales and marketing. Çalık Enerji became the shareholder of Eurokos Dd L.L.C. in 2021.

EV Wind Park SH.P.K. (L.L.C) ("EV Wind")

EV Wind Park L.L.C. was acquired in 2025 for the purpose of developing the wind power project.

Genvera Elektrik Ticaret ve Enerji Yönetimi A. Ş. ("Genvera Elektrik")

Genvera Elektrik Ticaret ve Enerji Yönetimi A.Ş. was established on 14 April 2025, as a fully-owned subsidiary of Genvera Enerji Anonim Şirketi for the purpose of production and retail activities.



ÇALIK ENERJİ SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Notes to Consolidated Financial Statements As at 31 December 2025
(Amounts expressed in thousands of United States Dollar ("USD") unless otherwise stated.)

1. GROUP'S ORGANIZATION AND NATURE OF ORERATIONS (Cont'd)

Genvera Enerji A.Ş. – (Çalık Elektrik Dağıtım A.Ş.) ("GENVERA")

Çalık Elektrik Dağıtım A.Ş. was established in 2010 according to legislations of Energy Market Regulatory Authority to distribute and sale of electricity and to invest in companies operating in these businesses.

Çalık Elektrik Dağıtım A.Ş. has decided to partially divide Çalık Elektrik Dağıtım Anonim Şirketi free of charge according to the Board of Directors Decision No. 2024/04 dated 26 March 2024 and registered the division on 31 May 2024. The divided Company became Çalık Altyapı ve Elektrik Hizmetleri Anonim Şirketi and the transferred Company started to operate as Genvera Enerji Anonim Şirketi.

Jasper Trading Sp. Z. O.O. ("Jasper Trading")

Jasper Trading was established in 2021 in Poland. As at the reporting date, the company acts as the procurement agency for one of the Group's projects.

JSC Çalık Georgia Wind ("JSC Georgia")

JSC Georgia was established in 2015 in Tbilisi for the purpose of developing energy infrastructure and the sponsoring of development of solar power plant and wind power plant projects through financing, construction and long-term operation of power plants.

Kızılırmak Enerji Elektrik A.Ş. ("Kızılırmak")

Kızılırmak was established in 2005, in İstanbul for the purpose of importing, exporting, distributing and operating all kinds of natural gas, crude oil and derivatives of these products.

Kosova Çalık Limak Energy SHA. ("KÇLE")

KÇLE was established as a joint venture with a joint agreement of Çalık Enerji, GENVERA and Limak Yatırım on 17 September 2012 with the participation these three companies by 25%, 25% and 50%, respectively, in the share capital of KÇLE. In 2015, shares of KÇLE representing 25% of all shares, held by GENVERA, are transferred to Çalık Enerji.

On May 8, 2013, KÇLE purchased all shares of state-owned enterprise namely "Kompania Per Distribiim Dhe Furnizim Me Energji Elektrike SH. A" ("KEDS") which is operating in electricity distribution and sales in Kosovo.

LC Electricity Supply and Trading d.o.o ("LC Electricity")

LC Electricity was founded in Serbia in 2014 as a joint venture with a joint agreement between Türkmen'in Altın Asrı Elektrik Enerjisi Töptan Satış A.Ş. ("Türkmen Elektrik") and Limak Yatırım with the participation of these two companies equally by 50%. The purpose of LC Electricity is to trade electricity and sales/purchases of goods and services in respect of these operations.

Machinego Teknoloji Danışmanlık Ve İş Makinaları A.Ş. ("Machinego Teknoloji")

It was established to carry out the activities of leasing and selling, buying, intermediating in the buying and selling of all kinds of agricultural and construction machinery, tractors, harvesters and equipment through the web portal with creating and developing a publication, database, providing it as a service to customers, receiving advertisements and advertising, establishing partnerships with domestic and foreign companies, and to perform all services and transactions.

Momentum Enerji Elektrik Üretim Sanayi ve Ticaret A.Ş. ("Momentum Enerji")

Momentum Enerji was established in 2008 for the purpose of building and operating of electricity power plant, producing, selling and marketing of electricity.

Onyx Trading Innovation FZE ("Onyx Trading")

Onyx Trading Innovation FZE was established in 2016 in Dubai for the purpose of trading.

ÇALIK ENERJİ SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Notes to Consolidated Financial Statements As at 31 December 2025
(Amounts expressed in thousands of United States Dollar ("USD") unless otherwise stated.)

1. GROUP'S ORGANIZATION AND NATURE OF ORERATIONS (Cont'd)

PAD RES Barlevice Sp. Z o.o. ("Pad Res BAR")

Pad Res BAR was established in 2022, to conduct electricity generation activities. The company acquired in 2025 by Calik Renewables AG.

PAD RES Stargard Sp. Z o.o. ("Pad Res NE")

Pad Res NE was established in 2017, to conduct electricity generation activities. The company acquired in 2025 by Calik Renewables AG.

PAD RES Strachocin Sp. Z o.o. ("Pad Res STR")

Pad Res STR was established in 2020, to conduct electricity generation activities. The company acquired in 2025 by Calik Renewables AG.

PAD RES Sztum Sp. Z o.o. ("Pad Res SZT")

Pad Res SZT was established in 2020 to distribute and sale of electricity and to invest in companies operating in these businesses. The company acquired in 2025 by Calik Renewables AG.

PAD RES Stargard Dystrybuja Sp. Z o.o. ("Pad Res ENE")

Pad Res ENE was established in 2016 to distribute and sale of electricity and to invest in companies operating in these businesses. The company acquired in 2025 by Calik Renewables AG.

PKN Enerji Hizmetleri Adi Ortakligi ("PKN Enerji")

Denge Çalık NTF Adi Ortakligi was established 23 January 2020 for the purpose of providing goods and supplies. Denge Çalık NTF belongs to Çalık Enerji ve Denge Reklam San. Ve Tic. Ltd companies.

The title of Denge-Çalık NTF was changed to PKN Enerji Hizmetleri Adi Ortakligi.

Saudi Jalik Energy Company ("Saudi Jalik")

Saudi Jalik Energy Company was established in 2019 to operate building and construction projects.

TCB İnşaat Yatırım A.Ş. ("TCB İnşaat")

TCB İnşaat Yatırım Anonim Şirketi was established in 2014 and its main activity is to do construction, contracting and decoration works in domestic and abroad.

Technological Energy N.V. ("Technological N.V.")

Technological N.V. was established on 8 June 2016, in the Netherlands. The company is the owner of Onyx Trading Innovation FZE and Calik Swiss.

Trilliant Real Estate Construction Tourism Limited Company ("Trilliant")

The company was established in 2024 in Uzbekistan to operate real estate operations.

Türkmen'in Altın Asrı Elektrik Enerjisi Töptan Satış A.Ş. ("Türkmen Elektrik")

Türkmen Elektrik was established in 2000, in İstanbul for the purpose of distributing and selling electricity.

Workindo Teknoloji ve İnsan Kaynakları Danışmalık A.Ş. ("Workindo Teknoloji")

Workindo was established in 2019 in Turkey for the purpose of the showing business activity in human resources, domestically and internationally to give workers supply employment services and carry out these services.

ÇALIK ENERJİ SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Notes to Consolidated Financial Statements As at 31 December 2025
(Amounts expressed in thousands of United States Dollar ("USD") unless otherwise stated.)

1. GROUP'S ORGANIZATION AND NATURE OF ORERATIONS (Cont'd)

Yeşilçay Enerji Elektrik Üretim Sanayi ve Ticaret A.Ş. ("Yeşilçay Enerji")

Yeşilçay Enerji was established in 2008 for the purpose of building and operating of electricity power plant, producing, selling and marketing of electricity. Yeşilçay Enerji also engages in exploration and production of mineral ore.

Yemişirmak Elektrik Dağıtım A.Ş. ("YEDAŞ")

YEDAŞ was taken over by the Group in 2010 for 30 years with the scope of privatization in order to distribute electricity energy in Samsun, Ordu, Amasya, Çorum and Sinop.

In accordance with the 3rd clause of 4628 numbered Energy Markets Code, electricity distribution companies must separate their distribution and retail operations from each other until 1 January 2013. In this regard, YEDAŞ which was engaged in the electricity distribution and retail sales operations in Samsun, Ordu, Amasya, Çorum and Sinop regions, unbundled its distribution and retail sales operations on 31 December 2012, and YEPAŞ has started its operations from 1 January 2013.

Yemişirmak Elektrik Perakende Satış A.Ş. ("YEPAŞ")

In accordance with the 3rd clause of 4628 numbered Energy Markets Code, electricity distribution companies must separate their distribution and retail operations from each other until 1 January 2013. In this regard, YEDAŞ which was engaged in distribution and retail sale of electricity in Samsun, Ordu, Çorum, Amasya and Sinop regions, unbundled its distribution and retail operations on 31 December 2012. YEPAŞ was founded for retail sales of electricity and electricity related products by partial demerger of YEDAŞ as of 1 January 2013.

2. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

2.1 Statement of Compliance

The accompanying consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

2.2 Basis of Presentation

The consolidated financial statements have been prepared on the historical cost basis, except for investment property and derivative financial instruments that are measured at fair value amounts. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Going concern

The consolidated financial statements have been prepared on a going concern basis, assuming that the Group will continue to utilize its assets effectively and meet its obligations in the normal course of business operations.

2.3 Basis of Preparation of Consolidated Financial Statements

The Group's and its Turkish subsidiaries maintain their books of account and prepare their statutory financial statements in accordance with accounting principles in the Turkish Commercial Code and tax legislation. Subsidiaries that are registered in foreign countries maintain their books of account and prepare their statutory statements in accordance with the prevailing accounting principles in their registered countries. The accompanying consolidated financial statements are based on the statutory records, with adjustments and reclassifications, for the purpose of fair presentation in accordance with International Financial Reporting Standards ("IFRS").

ÇALIK ENERJİ SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Notes to Consolidated Financial Statements As at 31 December 2025
 (Amounts expressed in thousands of United States Dollar ("USD") unless otherwise stated.)

2. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.4 Functional and Presentation Currency

The Group's functional currency was Turkish Lira (TL) until 30 June 2018. Due to changes in sales strategies as of 1 July 2018, the USD began to reflect the economic bases of situations and events that are significant to Çalık Enerji. Therefore, the functional currency of the Company has been changed to USD as of 1 July 2018 in accordance with IAS 21 - "Effects of Changes in Foreign Exchange Rates". Equity items are translated to USD at exchange rates at the dates of the transactions. All assets and liabilities items are translated to USD at the exchange rate at the reporting date. All profit or loss and other comprehensive income items are translated to USD at historic exchange rates of the corresponding year.

Foreign currency transactions and balances

Foreign currency transactions are translated using the exchange rates prevailing at the dates of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the exchange rates at the balance sheet date. Foreign exchange gains and losses resulting from trading activities (trade receivables and payables) denominated in foreign currencies of the Group companies have been accounted for under "other operating income/expenses" whereas foreign exchange gains and losses resulting from the translation of other monetary assets and liabilities denominated in foreign currencies have been accounted for under "financial income/expenses" in the consolidated income statement.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated into functional currency using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Financial statements of foreign subsidiaries and joint ventures

The financial statements of the foreign Subsidiaries and Joint Ventures prepared in accordance with the Group's accounting policies are translated into USD following below principles:

- Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
- Income and expenses for each statement of income (except those which arise in countries with hyperinflationary economies) are translated at average exchange rates;
- Income and expenses for each statement of income for those which arise in countries with hyperinflationary economies are translated at the closing exchange rate at the date of that balance sheet;
- Equity items are translated to USD at exchange rates at the dates of the transactions; and
- All resulting exchange differences are recognized in other comprehensive income.

The foreign exchange rates used by the Group as of 31 December 2025 and 31 December 2024 are as follows:

	31 December 2025	Average rates for the period ended 31 December 2025	31 December 2024	Average rates for the period ended 31 December 2024
US Dollars-TL	42,8457	39,4592	35,2803	32,7984
US Dollars-EUR	1,1737	1,1327	1,0413	1,0820

ÇALIK ENERJİ SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Notes to Consolidated Financial Statements As at 31 December 2025
 (Amounts expressed in thousands of United States Dollar ("USD") unless otherwise stated.)

2. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.5 Financial Reporting in Hyperinflationary Economy

All non-monetary assets and liabilities and profit or loss statements of subsidiaries whose functional currency of the Group is Turkish Lira have been adjusted using the Consumer Price Index.

Assets, liabilities, financial position and results of operations in hyperinflationary economies are translated to USD at the exchange rates prevailing on the reporting date. The exchange differences are recognised directly in other comprehensive income or expense and accumulated in the Group's cumulative translation adjustment reserve in equity. Such translation differences are reclassified to profit or loss only on disposal or partial disposal of the operation in hyperinflationary economies.

Comparative amounts presented in USD are not restated for subsequent changes in the price level or exchange rates. The results of the Turkish operations are restated to the index level at the end of the period, with hyperinflationary gains and losses being reported in net monetary gain arising from hyperinflationary economies.

All non-monetary assets and liabilities and profit or loss statements of the Group's subsidiaries whose functional currency is Turkish Lira have been adjusted using the Consumer Price Index. As a result of the correction made according to the inflation effect, the effect of IAS 29 "Financial Reporting in Hyperinflationary Economies" indexation until 1 January 2023 is accounted under equity, and the effect of IAS 29 indexation from 1 January 2023 until 31 December 2025 is accounted for in the consolidated statement of profit or loss.

As of 31 December 2025, the indices and conversion factor used in the correction of financial statements are as follows:

Year end	Index	Conversion factor
31 December 2025	3,513.87	1,00000
31 December 2024	2,684.55	1,30892
31 December 2023	1,859.38	1,88981

Assets and liabilities were separated into those that were monetary and non-monetary, with non-monetary items being further divided into those measured on either a current or historical basis to perform the required restatement of financial statements under IAS 29. Monetary items (other than index -linked monetary items) and non-monetary items carried at amounts current at the end of the reporting period were not restated because they are already expressed in terms of measuring unit as of 31 December 2025. Non-monetary items which are not expressed in terms of measuring unit as of 31 December 2025, were restated by applying the conversion factors. The restated amount of a non-monetary item was reduced, in accordance with appropriate IFRSs, in cases where it exceeds its recoverable amount or net realizable value.

Components of shareholders' equity in the statement of financial position and all items in the statement of profit or loss and other comprehensive income have also been restated by applying the conversion factors.

Non-monetary items measured at historical cost that were acquired or assumed and components of shareholders' equity that were contributed or arose before the time when the Turkish lira previously ceased to be considered currency of hyperinflationary economy, i.e. before 1 January 2005, were restated by applying the change in the CPI from 1 January 2005, to 31 December 2025.

The application of IAS 29 results in an adjustment for the loss of purchasing power of the Turkish lira presented in Net Monetary Position Gains (Losses) item in the profit or loss section of the statement of profit or loss and comprehensive income. In a period of inflation, an entity holding an excess of monetary assets over monetary liabilities loses purchasing power and an entity with an excess of monetary liabilities over monetary assets gains purchasing power to the extent the assets and liabilities are not linked to a price level. This gain or loss on the net monetary position is derived as the difference resulting from the restatement of non-monetary items, owners' equity and items in the statement of profit or loss and other comprehensive income and the adjustment of index linked assets and liabilities.

ÇALIK ENERJİ SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Notes to Consolidated Financial Statements As at 31 December 2025
 (Amounts expressed in thousands of United States Dollar ("USD") unless otherwise stated.)

2. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.5 Financial Reporting in Hyperinflationary Economy (cont'd)

Assets, liabilities, the financial position and results of operations in hyperinflationary economies are translated to USD at the exchange rates prevailing on the reporting date. The exchange differences are recognized directly in other comprehensive income or expense and accumulated in the Group's cumulative translation adjustment reserve in equity. Such translation differences are reclassified to profit or loss only on disposal or partial disposal of the operation in hyperinflationary economies.

Comparative amounts presented in USD are not restated for subsequent changes in the price level or exchange rates. The results of the Turkish operations are restated to the index level at the end of the period, with hyperinflationary gains and losses being reported in net monetary gain arising from hyperinflationary economies.

2.6 Changes in Accounting Estimates and Errors

If changes in accounting estimates and immaterial errors impact only one period, changes are applied in the current period but if the estimated changes also affect the subsequent periods, changes are applied both in the current and subsequent periods prospectively. If any material accounting errors are identified, changes are applied retrospectively, and prior period's financial statements are restated. In the current period, there are no material errors and changes in the accounting estimates of the Group.

Comparative Information and Reclassification of Prior Period Consolidated Financial Statements

Financial statements of the Group have been prepared comparatively with the prior period in order to give information about financial position and performance. In order to maintain consistency with current year financial statements, comparative information is reclassified, and significant changes are disclosed if necessary. The nature, reason and amounts of the significant classifications are explained below:

- "Letter of guarantees commission expenses" under "Finance costs" amounting to USD (8,605) has been reclassified to "Other" under "Cost of sales" as of 31 December 2024.
- "Bank commission expenses" under "Finance costs" amounting to USD (3,700) has been reclassified to "Other" under "Cost of sales" as of 31 December 2024.



ÇALIK ENERJİ SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Notes to Consolidated Financial Statements As at 31 December 2025
(Amounts expressed in thousands of United States Dollar ("USD") unless otherwise stated.)

2. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.7 Basis of Consolidation

Subsidiaries

The details of the Company's subsidiaries as at 31 December 2025, and 2024 are as follows:

Name of subsidiaries	Effective ownership interest (%)		Voting power held (%)	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Adacami Enerji	99,95	99,95	99,95	99,95
Agata Trading	100,00	100,00	100,00	100,00
Ant Enerji	100,00	100,00	100,00	100,00
Ayça Center	100,00	100,00	100,00	100,00
Atayurt İnşaat	99,50	99,50	99,50	99,50
Çalık Swiss	100,00	100,00	100,00	100,00
CE Solikire 1	95,00	95,00	95,00	95,00
CE Solikire 2	95,00	95,00	95,00	95,00
Cu Solar	100,00	100,00	100,00	100,00
Crem Yeniköşerli	100,00	100,00	100,00	100,00
CYK Enerji	100,00	100,00	100,00	100,00
Çalık Albania	100,00	100,00	100,00	100,00
Çalık Ahyapı	99,90	99,90	99,90	99,90
Çalık Georgia	100,00	100,00	100,00	100,00
Çalık Japan	100,00	100,00	100,00	100,00
Çalık Mühendislik	100,00	100,00	100,00	100,00
Çalık Renewables Holland	100,00	100,00	100,00	100,00
Çalık Renewables O&M Holland	100,00	100,00	100,00	100,00
Çalık Renewables Swiss	100,00	100,00	100,00	100,00
Çalık Ritgar	95,00	95,00	95,00	95,00
Çalık Yeni Enerji Teknolojileri	100,00	100,00	100,00	100,00
Çe Enerji Teknolojileri	100,00	100,00	100,00	100,00
Demirci Ritgar	85,00	85,00	85,00	85,00
DTM Enerji	50,00	50,00	50,00	50,00
Etiakos	75,00	75,00	75,00	75,00
GENVERA	99,90	99,90	99,90	99,90
Jasper Trading	100,00	100,00	100,00	100,00
JSC Georgia	85,00	85,00	85,00	85,00
Kızılınak	100,00	100,00	100,00	100,00
Machinex Teknoloji	33,33	33,33	33,33	33,33
Moonrattan Enerji	100,00	100,00	100,00	100,00
Onyx Trading	100,00	100,00	100,00	100,00
Pad Res BAR	100,00	-	100,00	-
Pad Res NE	100,00	-	100,00	-
Pad Res STR	100,00	-	100,00	-
Pad Res SZT	100,00	-	100,00	-
Pad Res ENE	100,00	-	100,00	-
PKN Enerji	50,00	50,00	50,00	50,00
Saudi Jalik	100,00	100,00	100,00	100,00
TCB İnşaat	100,00	100,00	100,00	100,00
Technological N.V.	100,00	100,00	100,00	100,00
Trillant	100,00	100,00	100,00	100,00
Türkmen Elektrik	95,50	95,50	95,50	95,50
Wakra	25,00	25,00	25,00	25,00
Workindo Teknoloji	33,33	33,33	33,33	33,33
YEDAŞ	99,90	99,90	99,90	99,90
YEPAS	99,90	99,90	99,90	99,90
Yeşilay Enerji	100,00	100,00	100,00	100,00

ÇALIK ENERJİ SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Notes to Consolidated Financial Statements As at 31 December 2025
(Amounts expressed in thousands of United States Dollar ("USD") unless otherwise stated.)

2. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.7 Basis of Consolidation (cont'd)

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

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

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

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

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

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

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

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

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

ÇALIK ENERJİ SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Notes to Consolidated Financial Statements As at 31 December 2025
(Amounts expressed in thousands of United States Dollar ("USD") unless otherwise stated.)

2. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.7 Basis of Consolidation (cont'd)

Changes in the Group's ownership interests in existing subsidiaries

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

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IAS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39 "Financial instruments: recognition and measurement", when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Investments in Joint ventures

Joint arrangements are agreements of which the Group has joint control, established by contracts requiring unanimous consent for decisions about the activities that significantly affect the arrangements' returns. They are classified and accounted for as follows:

- Joint operation – when the Group has rights to the assets, and obligations for the liabilities, relating to an arrangement, it accounts for each of its assets, liabilities and transactions, including its share of those held or incurred jointly, in relation to the joint operation.
- Joint venture – when the Group has rights only to the net assets of the arrangements, it accounts for its interest using the equity method.

The accompanying consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the investment, including any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

The details of the joint ventures as at 31 December 2025, and 2024 are as follows:

Name of joint ventures	Proportion of ownership interest (%)		Voting power held (%)	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Çalık Linak Adi Ortaklığı	50,00	50,00	50,00	50,00
Doğu Arzu	44,86	44,86	44,86	44,86
KÇLE	50,00	50,00	50,00	50,00
LC Electricity	50,00	50,00	50,00	50,00

ÇALIK ENERJİ SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Notes to Consolidated Financial Statements As at 31 December 2025
(Amounts expressed in thousands of United States Dollar ("USD") unless otherwise stated.)

2. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.8 The New Standards, Amendments and Interpretations

The accounting policies adopted in preparation of the consolidated financial statements as at 31 December 2025 are consistent with those of the previous financial year, except for the adoption of new and amended IFRS and IFRIC interpretations effective as of 1 January 2025 and thereafter. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

i) The new standards, amendments and interpretations which are effective as of 1 January 2025 are as follows:

Amendments to IAS 21 - Lack of exchangeability

In August 2023, the Board issued amendments to IAS 21. The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. When an entity estimates a spot exchange rate because a currency is not exchangeable into another currency, it discloses information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows. When applying the amendments, an entity cannot restate comparative information.

The amendments did not have a significant impact on the financial position or performance of the Group.

ii) Standards issued but not yet effective and not early adopted:

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

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

In December 2015, IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. Early application of the amendments is still permitted.

The Group will wait until the final amendment to assess the impacts of the changes.

Amendments to IFRS 9 and IFRS 7 – Classification and measurement of financial instruments

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

The Group expects no significant impact on its balance sheet and equity.

ÇALIK ENERJİ SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Notes to Consolidated Financial Statements As at 31 December 2025
(Amounts expressed in thousands of United States Dollar ("USD") unless otherwise stated.)

2. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.8 The New Standards, Amendments and Interpretations (cont'd)

ii) Standards issued but not yet effective and not early adopted (cont'd):

Annual Improvements to IFRS Accounting Standards – Volume 11

In July 2024, the IASB issued Annual Improvements to IFRS Accounting Standards – Volume 11, amending the followings:

- IFRS 1 First-time Adoption of International Financial Reporting Standards – Hedge Accounting by a First-time Adopter: These amendments are intended to address potential confusion arising from an inconsistency between the wording in IFRS 1 and the requirements for hedge accounting in IFRS 9.
- IFRS 7 Financial Instruments: Disclosures – Gain or Loss on Derecognition: The amendments update the language on unobservable inputs in the Standard and include a cross reference to IFRS 13.
- IFRS 9 Financial Instruments – Lessee Derecognition of Lease Liabilities and Transaction Price: IFRS 9 has been amended to clarify that, when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply derecognition requirement of IFRS 9 and recognise any resulting gain or loss in profit or loss. IFRS 9 has been also amended to remove the reference to 'transaction price'.
- IFRS 10 Consolidated Financial Statements – Determination of a 'De Facto Agent': The amendments are intended to remove the inconsistencies between IFRS 10 paragraphs.
- IAS 7 Statement of Cash Flows – Cost Method: The amendments remove the term of "cost method" following the prior deletion of the definition of 'cost method'.

Improvements are effective for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted for all.

The Group expects no significant impact on its balance sheet and equity.

Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity

In December 2024, the Board issued Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7). The amendment clarifies the application of the "own use" requirements and permits hedge accounting if these contracts are used as hedging instruments. The amendment also adds new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows. The amendment will be effective for annual periods beginning on or after 1 January 2026. Early adoption is permitted but will need to be disclosed. The clarifications regarding the 'own use' requirements must be applied retrospectively, but the guidance permitting hedge accounting have to be applied prospectively to new hedging relationships designated on or after the date of initial application.

The Group expects no significant impact on its balance sheet and equity.

ÇALIK ENERJİ SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Notes to Consolidated Financial Statements As at 31 December 2025
(Amounts expressed in thousands of United States Dollar ("USD") unless otherwise stated.)

2. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.8 The New Standards, Amendments and Interpretations (cont'd)

ii) Standards issued but not yet effective and not early adopted (cont'd):

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

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

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

IFRS 19 – Subsidiaries without Public Accountability: Disclosures

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

The standard is not applicable for the Group.

Amendments to IAS 21 - Translation to a Hyperinflationary Presentation

The amendments issued by the Board in November 2025 require translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate. Accordingly, if an entity's functional currency is the currency of a non-hyperinflationary economy, but its presentation currency is the currency of a hyperinflationary economy, its results and financial position are translated into the presentation currency by translating all amounts (i.e., assets, liabilities, equity items, income and expenses) and all comparatives at the closing rate at the end of the current reporting period. Furthermore, an entity whose functional currency and presentation currency are the currency of a hyperinflationary economy, restates the comparative amounts of a foreign operation, whose functional currency is that of a non-hyperinflationary economy, by applying the general price index, in accordance with IAS 29, to the foreign operation's comparative figures. The amendments also introduce certain additional disclosure requirements.

The amendments apply for annual reporting periods beginning on or after 1 January 2027 and earlier application is permitted. If an entity's functional currency and presentation currency are the currency of a hyperinflationary economy (or are the currencies of different hyperinflationary economies) and it translates the results and financial position of foreign operations whose functional currency is that of a non-hyperinflationary economy, then it is required to apply the amendments from the beginning of the annual reporting period in which it first applies the amendments. In addition, it restates the comparative amounts of its foreign operations included in the entity's previously issued financial statements by applying the general price index it applies to corresponding figures in accordance with IAS 29. Other entities will apply the amendments retrospectively.

The amendments are not applicable for the Group.

ÇALIK ENERJİ SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Notes to Consolidated Financial Statements As at 31 December 2025
(Amounts expressed in thousands of United States Dollar ("USD") unless otherwise stated.)

2. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.9 Summary of Significant Account Policies

Business Combinations

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

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

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

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

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

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

ÇALIK ENERJİ SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Notes to Consolidated Financial Statements As at 31 December 2025
(Amounts expressed in thousands of United States Dollar ("USD") unless otherwise stated.)

2. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.9 Summary of Significant Account Policies (cont'd)

Business Combinations (cont'd)

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

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

Business combinations that took place prior to 1 January 2010 were accounted for in accordance with the previous version of IFRS 3.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in profit or loss in the consolidated statement of comprehensive income. An impairment loss recognized for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Effect of Exchange Differences

i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction and will not be subject to translation anymore.

Foreign currency differences arising from retranslation, recognized in profit or loss, except for exchange rate differences, which arise from the recycling in the following items and recorded in other comprehensive income.

- available-for-sale equity instruments (except for impairment, the foreign exchange differences recognized in other comprehensive income are reclassified to profit or loss);
- financial liabilities entered in order to hedge net investments in foreign operations recorded as other comprehensive income
- cash flow hedging instruments to the extent that hedging is effective

ÇALIK ENERJİ SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Notes to Consolidated Financial Statements As at 31 December 2025
(Amounts expressed in thousands of United States Dollar ("USD") unless otherwise stated.)

2. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.9 Summary of Significant Account Policies (cont'd)

Effect of Exchange Differences (cont'd)

ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the functional currency of the Company USD at exchange rates at the reporting date. The income and expenses of foreign operations are translated to USD at an average exchange rate at the dates of the transaction. In addition, the income and expenses of Group's subsidiaries and joint ventures whose functional currency is Turkish Lira are translated to USD at the reporting date.

Foreign currency differences are recognized in other comprehensive income and presented in the foreign currency translation reserve (translation reserve) in equity. However, if the foreign operation is a non-wholly owned subsidiary, then the relevant proportion of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed off such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes off only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes off only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognized in other comprehensive income and presented within equity in the translation reserve.

Financial Instruments

Financial Assets

i) Recognition and initial measurement

Trade receivables are initially recognized when they originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

ii) Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at: amortized cost, FVOCI – equity investment, or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

ÇALIK ENERJİ SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Notes to Consolidated Financial Statements As at 31 December 2025
(Amounts expressed in thousands of United States Dollar ("USD") unless otherwise stated.)

2. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.9 Summary of Significant Account Policies (cont'd)

Financial Instruments (cont'd)

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

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

A non-recyclable preference can be made to introduce the Group's non-trading equity investment into the financial statements for the first time and present subsequent changes in its fair value in other comprehensive income. This selection is made separately for each investment.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis.

Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

Financial assets that are managed on the basis of fair value and whose performance is assessed accordingly are measured at fair value through profit or loss.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest:

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract.

ÇALIK ENERJİ SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Notes to Consolidated Financial Statements As at 31 December 2025
(Amounts expressed in thousands of United States Dollar ("USD") unless otherwise stated.)

2. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.9 Summary of Significant Account Policies (cont'd)

Financial instruments (cont'd)

Financial assets: Subsequent measurement and gains and losses

The following accounting policies apply to the subsequent measurement of financial assets.

Financial assets at FVTPL	at	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	at	Financial assets at amortized cost are comprised of cash and cash equivalents, trade receivables, service concession receivables and other receivables. These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Debt investments at FVOCI	at	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	at	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Financial assets measured at amortized cost

Financial assets measured at amortized cost are financial instruments with fixed or determinable payments that are not quoted in an active market. These assets are initially recognized at fair value plus directly attributable transaction costs. After initial recognition, they valued at amortized cost using the effective interest method, less any impairment. Loans and receivables are comprised of trade receivables and other receivables, including cash and cash equivalents, construction contracts receivables and receivables from preferential service agreements.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances, bank deposits and other liquid assets with original maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value.

Service concession arrangements

According to the "Transfer of Operating Rights Agreement" ("TORA") signed between Türkiye Elektrik Dağıtım A.Ş. ("TEDAŞ") and YEDAŞ on July 24, 2006, the operating rights on the distribution installations and other items related thereto were transferred to YEDAŞ for a consideration of USD 68.420 TORA consideration has been amortized by adding to revenue cap during the first tariff period (2006-2010). As of 31 December 2025, the aforementioned TORA consideration amount has been fully amortized.

TORA term is 30 years starting from 24 July 2006. At the end of this period, operational period may be extended by TEDAŞ in accordance with the related regulations which will be in force in the same period. Under the terms of this agreement within in the scope of TFRS Interpretation 12, the Group acts as a service provider to distribute electricity ("the operator"). The operator constructs or upgrades infrastructure (construction or upgrade services) used to provide a public service and operates and maintains that infrastructure (operation services) for a specified period of time. There have been no changes in the structure of the agreement in the current year.

ÇALIK ENERJİ SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Notes to Consolidated Financial Statements As at 31 December 2025
(Amounts expressed in thousands of United States Dollar ("USD") unless otherwise stated.)

2. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.9 Summary of Significant Account Policies (cont'd)

Financial instruments (cont'd)

The Group recognizes a financial asset arising from a service concession arrangement when it has an unconditional contractual right to receive cash or another financial asset from or at the discretion of the grantor Energy Market Regulatory Authority ("EMRA") for the construction or upgrade of the services provided. The Group initially measures receivables resulting from its investments of which repayments are granted through tariffs under "Due from service concession agreements" item under trade receivables at fair value in accordance with "Financial Instruments: Recognition and Measurement" standard. Subsequent to the initial recognition, such financial assets are measured at amortized costs.

Parameters related to operating rights resulting from "Distribution and Retail Sales License" which YEDAŞ owns via TORA are updated by EMRA committee decisions during the five-year implementation periods. As of 31 December 2022, YEDAŞ fulfilled its obligations related to the license for services which was privatized on 24 July 2006, including the first implementation period between 2006 and 2010; the second implementation period which covers the years 2011 and 2015; and the third implementation period which covers the years 2016 and 2020.

Rights which will be applicable for the fourth implementation period between 2021 and 2025 were announced by EMRA with its committee decision dated 24 December 2020 and numbered 9919-1.

YEDAŞ's revenues and costs are subject to EMRA regulations. Revenue requirements of YEDAŞ are determined by EMRA and adjusted if necessary for the differences of revenue components approved by EMRA. In case of revenue components are above or below of revenue requirements determined by EMRA, those differences may be subject to adjustment depending on their compositions. Revenue requirements which have still under regulation over 5 years period consist of YEDAŞ's requirements for operating expenses, amortization of capital expenditures, alternative investment costs related to unamortized investments and tax differences added to or deducted from revenue in order to compensate periodic deviations which are resulting from tax implementations. Adjustments to revenue requirements are calculated by using Energy Market Index ("EPE") over the years.

YEDAŞ recognizes and measures its revenue in accordance with TFRS 15 for the services provided.

Other

Other non-derivative financial instruments are measured at amortized cost using the effective interest rate method, less any impairment losses.

Financial liabilities

The Group's financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered and the definitions of a financial liability and an equity instrument. The contract representing the right in the assets of the Group after deducting all debts of the Group is an equity-based financial instrument. The accounting policies applied for certain financial liabilities and equity instruments are as follows.

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

- a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss are initially recognized at fair value and revalued at their fair value at each balance sheet date. Changes in fair values are recognized in the consolidated statement of profit or loss. The net gain or loss recognized in the consolidated statement of profit or loss includes the interest paid on financial liability.



ÇALIK ENERJİ SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Notes to Consolidated Financial Statements As at 31 December 2025
(Amounts expressed in thousands of United States Dollar ("USD") unless otherwise stated.)

2. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.9 Summary of Significant Account Policies (cont'd)

Financial instruments (cont'd)

b) Other financial liabilities

Other financial liabilities, including financial debts, have been accounted for considering their fair value without initial costs.

Other financial liabilities, including interest expense calculated by using an effective interest rate in the next period, have been accounted for by its effective interest rate.

An effective interest method is an accounting methodology which refers to distributing interest expense into related periods while accounting redeemed cost. Effective interest rate is used to calculate present value of payments of a related financial liability during expected life of a financial instrument.

Security deposits

According to Article 26 of the Electricity Market Customer Services Regulation, legal entities which have retail electricity sale licenses, can demand security deposits from their subscribers in order to deduct customers' debts in case of possible inability to pay energy consumption fee due to address change and/or cease of retail sale agreements or termination of retail agreements.

Security deposits received from current subscribers are recognized in the "payables to third parties" item at the adjusted values based on inflation applicable to reporting dates using Consumer Price Index ("CPI") rates. Security deposits valuation expenses and realized security deposit expenses are recognized as net monetary gain / loss arising from hyperinflationary economies in profit or loss.

Accounting on transaction and delivery date

All financial asset purchases and sales are recognized at the transaction date, in other words, it is accounted for when the Group commits to purchase or sell transactions. Ordinary purchases and sales are purchases and sales where the delivery period of the assets is generally determined according to legislation or regulations in the markets.

Offsetting

Financial assets and financial liabilities are offset, and the net amount presented in the statement of financial position when and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Derecognition

Financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Financial liabilities

The Group recognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also recognizes financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

ÇALIK ENERJİ SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Notes to Consolidated Financial Statements As at 31 December 2025
(Amounts expressed in thousands of United States Dollar ("USD") unless otherwise stated.)

2. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.9 Summary of Significant Account Policies (cont'd)

Financial instruments (cont'd)

Impairment

Financial instruments and contract assets

The Group recognizes loss allowances for ECLs on:

- Financial assets measured at amortized cost.
- Contract assets (as defined in IFRS 15)

Provisions set aside for losses within the scope of IFRS 9 are accounted for the following methods:

Financial assets with redeemed cost.

- 12-month ECLs: At the reporting date, if there has not been a significant increase in the credit risk of a financial instrument since its initial recognition in the financial statements, the Group measures the allowance for the financial instrument in question at an amount equal to the 12-month expected credit losses,
- Lifetime ECLs: If the credit risk on a financial instrument has increased significantly since its initial recognition in the financial statements, at each reporting date, the Group measures the credit risk on that financial instrument at an amount equal to the lifetime expected credit losses.

The Group has chosen the Lifetime ECLs for the calculation of impairment of the receivables.

In the assessment of the credit risk of a financial asset, whether the risk is significantly higher and the estimation of the ECLs, the Group recognizes the reasonable and supported information arising from the estimation of the credit losses without enduring of over cost and the effort regarding the expected estimation of the credit losses including the effect of the expected early payments. This information comprises future quantitative and qualitative information analysis based on previous credit loss experience.

In assessing whether a financial instrument has low credit risk or not, other methodologies that are consistent with globally accepted definition of low credit risk and that take into account the type and risks of the financial instrument being evaluated might be applied.

The maximum time of scaling the ECLs is the maximum contract time that the Group is under credit risk.

Measurement of ECLs

ECLs are an estimation weighted to the probability of the expected life of a financial instrument. In other words, it is all of the discounted cash openings of the credit losses. (For example, it is the difference between the cash inflows of the referred contract to the entity and the expected collection of the cash flows).

The Group applies a simplistic approach in order to meet the expected credit loss to the trade receivables, other receivables, other assets and contract assets. (According to IFRS 9, expected credit loss provision must be applied to all of the trade receivables in perpetuity.)

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried out at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

ÇALIK ENERJİ SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Notes to Consolidated Financial Statements As at 31 December 2025
(Amounts expressed in thousands of United States Dollar ("USD") unless otherwise stated.)

2. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.9 Summary of Significant Account Policies (cont'd)

Financial instruments (cont'd)

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortized cost are deducted from the gross amount of assets.

Trade Receivables

The following analysis provides more detailed information on the calculation of the ECLs for trade receivables with the adoption of IFRS 9. The Group considers the model used and some of the assumptions used in the calculation of these ECLs as the main sources of estimation uncertainty.

The Group has calculated the ECLs based on the experience of credit losses realized in the last three years. Exposures within each group were segmented based on common credit risk characteristics such as credit risk grade, delinquency status, geographic region, age of relationship.

Property, plant and equipment

i) *Recognition and measurement*

Property, plant and equipment of the Group are carried at costs (except subsidiaries whose functional currency is Turkish Lira), less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the following:

- cost of materials and direct labor.
- any other costs directly attributable to bringing the asset to a working condition for its intended use;
- when the Group has an obligation to remove the assets or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- capitalized borrowing costs.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

ii) *Derecognition*

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the asset) is recognized in "Income from investing activities" or "Expenses from investing activities" under profit or loss.

iii) *Subsequent costs*

Subsequent expenditure is capitalized only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance are expensed as incurred.

iv) *Depreciation*

Items of property, plant and equipment are depreciated from the date that they are available for use or, in respect of self-constructed assets, from the date that the asset is completed and ready for use.

Depreciation is calculated to write off the cost of items of property, plant and equipment using the straight-line basis over their estimated useful lives. Depreciation is generally recognized in profit or loss, unless the amount is included in the carrying amount of another asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

ÇALIK ENERJİ SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Notes to Consolidated Financial Statements As at 31 December 2025
(Amounts expressed in thousands of United States Dollar ("USD") unless otherwise stated.)

2. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.9 Summary of Significant Account Policies (cont'd)

Property, plant and equipment (cont'd)

The estimated useful lives for the current and comparative years of significant items of property and equipment are as follows:

	Useful life
Land, buildings and plants	50 years
Plant, machinery and equipment	2-20 years
Motor vehicles	5-10 years
Furniture and fixtures	3-15 years

Leasehold improvements are depreciated over the shorter of the lease term and their useful lives, also on a straight-line basis.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Investment Properties

Investment properties are properties held to earn rentals and/or for capital appreciation, and are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value as of balance sheet date. Gains or losses arising from changes in the fair values of investment properties are included in the profit or loss in the year in which they arise. The Group's investment properties are valued by external, independent valuation companies on a periodic basis.

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting. If owner occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under "Property, Plant and Equipment" up to the date of change in use.

Investment either they have been disposed of or when the investment property is permanently withdrawn from use and no properties are derecognized when future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in profit or loss in the year of retirement or disposal. Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

Intangible assets

i) Recognition and measurement

Intangible assets of the Group consist of licenses for oil exploration, hydroelectric power generation, wind power generation and electricity distribution rights and computer software acquired by the Group, which have finite useful lives, and are measured at cost less accumulated amortization and any accumulated impairment losses, if any.

ii) Subsequent expenditures

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill, is recognized in profit or loss as incurred.

ÇALIK ENERJİ SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Notes to Consolidated Financial Statements As at 31 December 2025
(Amounts expressed in thousands of United States Dollar ("USD") unless otherwise stated.)

2. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.9 Summary of Significant Account Policies (cont'd)

Intangible assets (cont'd)

iii) Amortization

Intangible assets are amortized on a straight-line basis in profit or loss over their estimated useful lives, from the date that they are available for use.

Amortization of service concession rights acquired by the Group is recognized in profit or loss on a straight-line basis over their respective concession periods.

Amortization of electricity distribution rights is based on the fair value of the asset which is acquired through business combination under scope of IFRS 3 "Business Combinations". The remaining amortization period for electricity distribution rights are 26 years which is the service concession period of YEDAŞ when it was acquired by GENVERA. Licenses and other intangible assets including computer software are amortized between 10 and 50 years and 2 and 10 years, respectively.

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Inventories

Inventories are measured at the lower cost and net realizable value. The cost of trading goods is based on the weighted average method and includes expenditure and other costs incurred in bringing them to their existing location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

Impairment non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognized if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For impairment testing, assets are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Subject to an operating segment ceiling test, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. Impairment loss is reversed when there is a change in the estimates used in the calculation of recoverable amount. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

ÇALIK ENERJİ SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Notes to Consolidated Financial Statements As at 31 December 2025
(Amounts expressed in thousands of United States Dollar ("USD") unless otherwise stated.)

2. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.9 Summary of Significant Account Policies (cont'd)

Employee benefits

i) Reserve for employee severance indemnity

Reserve for employee severance indemnity represents the present value of the estimated future probable obligation of the Group arising from the retirement of the employees and calculated in accordance with the Turkish Labor Law. It is computed and reflected in the consolidated financial statements on an accrual basis as it is earned by serving employees. The computation of the liabilities is based upon the retirement pay ceiling announced by the Government. The ceiling amounts applicable for each year of employment were USD 1,258 and USD 1,174 as of 31 December 2025 and 2024, respectively.

TFRSs require actuarial valuation methods to be developed to estimate the entity's obligation under defined benefit plans. The total liability for employee severance benefit was calculated by an independent actuary based on past service cost methodology using the observable statistical market data such as mortality, inflation and interest rates or retirement pay ceilings applicable to the relevant periods and assumptions derived from the specific historic date of the Group such as retention and employee turnover rates or salary increase rates.

Income ceiling calculation for the entities holding electricity distribution and retail sale license per the service concession agreement is updated yearly in accordance with EMRA decision No. 2991 dated 28 December 2010, in order to compensate the expenditures (such as employee benefit costs) relevant to the operations performed under these licenses as they are incurred. Accordingly, the employee severance indemnity amounting to USD 1,258 (31 December 2024: USD 1,174) had no effect on the Group's consolidated financial statements as of 31 December 2025 since the same amount will be compensated by the Government as an adjusting item in the following income ceiling calculation.

Actuarial gains/losses are comprised of adjustment of difference between actuarial assumptions and realized and change in actuarial assumptions. As a result of the adoption of IAS 19 (2013), all actuarial differences have to be recognized in other comprehensive income. However, due to the insignificance of the balances, the Group has not recognized actuarial differences in reserve for employee severance indemnity in statement of financial position until 1 January 2025.

Provision for termination indemnity of employment is not subject to any statutory funding.

ii) Vacation pay liability

Short-term employee benefit obligations consist of reserve for the vacation pay liability due to the earned and unused vacation rights of its employees and measured on an undiscounted basis and are recognized in profit or loss as the related service is provided.

Provisions

A provision is recognized if, because of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

i) Provisions for EMRA regulations

In case of in compliance with the Electricity Market Act numbered 6446 which is effective after the publication on the Official Gazette dated March 30, 2013, numbered 28603 as well as with the regulations and communiqués promulgated by EMRA, EMRA sends a letter notifying the reason and related penalty fee with payment maturity to the Group. Although these penalties generally are paid in advance, some payments could be delayed until the conclusion in case of disagreement with EMRA. Based on the final conclusions because of assessment made by the law department of the Group and assumption/analysis made by the Group management, required provision is made on the consolidated statement of the financial position as the notification is received.

ÇALIK ENERJİ SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Notes to Consolidated Financial Statements As at 31 December 2025
(Amounts expressed in thousands of United States Dollar ("USD") unless otherwise stated.)

2. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.9 Summary of Significant Account Policies (cont'd)

Provisions (cont'd)

ii) Onerous contracts

A provision for onerous contracts is recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognizes any impairment loss on the assets associated with that contract.

Revenue

In accordance with IFRS 15 "Revenue from Customer Contracts" the Group has started to use the five-step model below to recognize revenue.

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

The Group evaluates the goods or services that are undertaken in each contract with the customers and determines each commitment to transfer the said goods or services as a separate performance obligation. For each performance obligation, it is determined at the beginning of the contract that the performance of the performance obligation will be fulfilled in time or at a certain time. If the Group transfers control of a good or service over time and thus fulfills the performance obligations related to the sales over time, it measures the progress of the fulfillment of the performance obligations and takes the revenue to the consolidated financial statements.

The accounting for the revenue from the Group's different activities is explained below:

i) Construction contracts

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and can be measured reliably. As soon as the outcome of a construction contract can be estimated reliably, contract revenue is recognized in profit or loss in proportion to the stage of completion of the contract. Contract expenses are recognized as being incurred unless they create an asset related to future contract activity.

The stage of completion is assessed by reference to the proportion of contract costs incurred for work carried to date to the estimated total contract costs. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognized only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognized immediately in profit or loss.

ii) Electricity sales

Since the electricity could not be stored, the purchase and sales realize simultaneously and accordingly revenue and cost of revenue are recognized at the transaction time. The monthly invoice is made at the month end, when the Group prepares invoices for rendering services to its customers for a one-month period. The Group management monitors closely at period ends and the delays of 5-10 days in electricity usage count do not have a significant impact on the accompanying consolidated financial statements. Revenue from the sale of electricity to subscribers is stated, net of returns. Revenue is recognized when the significant risks and rewards of ownership have been transferred to the subscribers. Transfer of risk and rewards depends on the consumption of electricity by subscribers.

ÇALIK ENERJİ SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Notes to Consolidated Financial Statements As at 31 December 2025
(Amounts expressed in thousands of United States Dollar ("USD") unless otherwise stated.)

2. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.9 Summary of Significant Account Policies (cont'd)

Revenue (cont'd)

iii) Electricity retail sale service

Electricity retail sale service is defined in Electricity Market Law and Electricity Market License Communiqué promulgated by EMRA as other services such as invoicing or collection provided to the customers excluding the sale of electricity and/or capacity, the services provided by companies holding retail sale licenses to consumers. The electricity retail sale service fee included in the invoices issued by the Group contains invoice costs, consumer services costs, and capital expenditures relevant to the electricity retail sale services. Electricity retail sale service fee is applied to all customers who purchase energy from the Group.

iv) Transmission system utilization

The transmission tariff is prepared by Türkiye Elektrik İletim A.Ş. ("TEİAŞ") and includes prices, terms and conditions for the provision of transmission service to all users benefiting from the transmission of generated, imported or exported electricity over the transmission facilities, which will be employed on the basis of non-discriminatory conduct principle in accordance with the Electricity Market Law Article 13. Grid investments made by TEİAŞ and transmission surcharges are included in the transmission tariff. Transmission system utilization fees charged to the customers are the unit prices allocated by the entities holding electricity distribution license in order to compensate the transmission tariff charges invoiced by TEİAŞ to those entities.

v) Distribution system utilization

Distribution activities cover establishing, operating and maintaining distribution facilities to transport the electricity through 36 kilowatt ("kW") or lower lines.

The distribution tariff includes prices, terms and conditions for the distribution service to all real people and legal entities benefiting from the distribution of electricity through distribution facilities, which will be employed based on non-discriminatory conduct principles in accordance with the Electricity Market Law Article 13. Distribution fee including distribution system utilization price is calculated based on the costs of capital expenditures related to the distribution system, operating and maintenance expenses and collected from each distribution system user. Distribution fee does not include energy costs, electricity retail sale service, meter reading and transmission.

vi) Meter reading

Meter reading fee is determined in accordance with the Electricity Market License Communiqué and Electricity Market Tariffs Communiqué and includes the cost of meter reading. The mentioned fee is calculated based on reading frequency depending on the connection status and subscriber groups and charged to the distribution system users.

vii) Electricity dissipation and theft

Electricity dissipation and theft cost is calculated using electricity dissipation and theft ratio applied to the projected electricity transfer quantity based on each distribution region and charged to each electricity consumers including the industrial plants connected to the electricity network as electricity dissipation and theft income.

viii) Price balancing

A price balancing mechanism is applied by EMRA to protect the consumers purchasing electricity over the regulated tariffs from the price differences partially or wholly due to the cost differences among the distribution regions. The amount to be provided to or collected from the entities holding electricity distribution license is calculated in accordance with a formula determined by EMRA for each distribution region and informed to the parties. These amounts are recognized in profit or loss.

ÇALIK ENERJİ SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Notes to Consolidated Financial Statements As at 31 December 2025
(Amounts expressed in thousands of United States Dollar ("USD") unless otherwise stated.)

2. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.9 Summary of Significant Account Policies (cont'd)

Revenue (cont'd)

ix) Service concession arrangements

The Group has measured the financial asset at fair value, with the effective interest method which is calculated by discounting estimated future cash receipts with regards to the compensation of TOR and the initial and annual capital expenditures made by the Group, through the expected life of the arrangement and set "Financial Asset Related to Concession Agreements" on the balance sheet and recognizes the revenue on an effective interest method as "Revenue".

x) Revenue from the sale of goods and services

Revenue from the sale of goods during ordinary activities is measured at the fair value of the consideration received or receivable, net of returns and allowances and trade discounts. Revenue is recognized when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognized as a reduction of revenue as the sale is recognized.

Transfer of risks and rewards vary depending on the individual terms of the contract of sale. Revenue from services rendered is recognized in profit or loss in proportion to the stage of completion of the transaction at the reporting date.

xi) Rental income from investment properties

Rental income is recognized in the consolidated statement of income on an accrual basis. Revenue is measured at the fair value of the consideration received or receivable. Income is realized when the economic benefits obtained by the Group and amount of the related income are measured confidently.

Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use assets includes the following:

- a) the amount of the initial measurement of the lease liability,
- b) any lease payments made at or before the commencement date, less any lease incentives received,
- c) any initial direct costs incurred by the Group, and
- d) an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease (unless those costs are incurred to produce inventories)

Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis.



ÇALIK ENERJİ SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Notes to Consolidated Financial Statements As at 31 December 2025
(Amounts expressed in thousands of United States Dollar ("USD") unless otherwise stated.)

2. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.9 Summary of Significant Account Policies (cont'd)

Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term.

The lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying assets during the lease term that are not paid at the commencement date:

- a) Fixed payments, less any lease incentives receivable,
- b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date
- c) amounts expected to be paid under residual value guarantees
- d) exercise price of a purchase option reasonably certain to be exercised by the Group
- e) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is measured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

After the commencement date, the Group measures the lease liability by:

- a) increasing the carrying amount to reflect interest on the lease liability,
- b) reducing the carrying amount to reflect the lease payments made, and
- c) remeasuring the carrying amount to reflect any reassessment or lease modifications. The Group recognizes the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

ÇALIK ENERJİ SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Notes to Consolidated Financial Statements As at 31 December 2025
(Amounts expressed in thousands of United States Dollar ("USD") unless otherwise stated.)

2. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.9 Summary of Significant Account Policies (cont'd)

Finance income and finance cost

Finance income comprises foreign currency gains (excluding those on trade receivables and payables), and gains on derivative instruments used for economic hedge for the foreign currency risk of the borrowings or interest rate risk exposures originating from the borrowers that are recognized in profit or loss. Interest income obtained from related parties is recognized as it accrues, using the effective interest method.

Finance cost comprises interest expense on borrowings and due to related parties, foreign currency losses (excluding those on trade receivables and payables), and losses on derivative instruments used for economic hedge for the foreign currency or interest rate risk exposures originating from the borrowings that are recognized in profit or loss.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method.

Foreign currency gains and losses are reported on a net basis depending on whether foreign currency movements are in a net gain or net loss position by each entity of the Group.

Other income and expenses from operating activities

Other income from operating activities comprises interest in income on time deposits that is recognized as it accrues in profit or loss, using the effective interest method, recoveries from provision for doubtful receivables, rediscount gains on trade and other payables, foreign currency gains (excluding those on borrowings) and other operating income.

Other expenses from operating activities comprises commission expenses for letter of credit, provision expenses for doubtful receivables, donations, rediscount losses on trade and other receivables, foreign currency losses (excluding those on borrowings) and other operating expenses.

Foreign currency gains and losses are reported on a net basis depending on whether foreign currency movements are in a net gain or net loss position by each entity of the Group.

Income and losses from investing activities

Income from investing activities comprises gain on sale subsidiaries and associates, dividend income and fair value gain from marketable securities, gain on sale of property, plant and equipment, intangible assets and investment property, fair value change of investment property, and other income from investing activities.

Losses from investing activities comprises losses on sale of property, plant and equipment, intangible assets and investment property, loss arising from fair value of investment property and other losses from investing activities.

Income tax (including deferred tax assets and liabilities)

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

ÇALIK ENERJİ SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Notes to Consolidated Financial Statements As at 31 December 2025
(Amounts expressed in thousands of United States Dollar ("USD") unless otherwise stated.)

2. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.9 Summary of Significant Account Policies (cont'd)

Income tax (including deferred tax assets and liabilities) (cont'd)

Domestic Minimum Corporate Tax

With Article 36 of Law No. 7524, Article 32/C, titled "Domestic Minimum Corporate Tax," which has been added to the Corporate Tax Law following Article 32/B, introduces the concept of domestic minimum corporate tax.

This provision stipulates that the corporate tax calculated under Articles 32 and 32/A cannot be less than 10% of the corporate profit before the application of any discounts and exemptions.

The amount for calculating the minimum corporate tax will be derived by adding expenses not legally accepted to the commercial balance sheet profit or loss and then deducting the exemptions and discounts specified in the article.

Pillar II Corporate Tax

Considering the different country practices along with the Model Rules and Guidelines published by the OECD, a new Part 5 titled "Local and Global Minimum Complementary Corporate Tax and Provisions" has been added to the Corporate Tax Law.

Multinational enterprises with annual consolidated revenues exceeding 750 million Euros equivalent in Turkish Lira are required to pay a minimum tax of 15%. If the effective corporate tax rate of the covered companies falls below 15%, a "top-up tax" will be imposed to make up the difference.

Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries, joint arrangements and associates to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.



ÇALIK ENERJİ SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Notes to Consolidated Financial Statements As at 31 December 2025
(Amounts expressed in thousands of United States Dollar ("USD") unless otherwise stated.)

2. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.9 Summary of Significant Account Policies (cont'd)

Income tax (including deferred tax assets and liabilities) (cont'd)

Tax exposures

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Group to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

The provisions concerning to the "thin capitalization" are stated in the Article 12 of new corporate tax law. According to the Article 12, if the borrowings obtained directly or indirectly from the shareholders of the companies or persons related to shareholders exceeds three times of the shareholders' equity of the company operating in Turkey at any time during the related year, the exceeding portion of the borrowing will be treated as thin capital.

The financial borrowings were regarded as thin capitalization provided by:

- The borrowings obtained directly or indirectly from the shareholders of the companies or persons related to shareholders
- Used for/in the entity
- Borrowings exceed three times the shareholders' equity of the company at any time during the related year.

Transfer pricing

Transfer pricing is disclosed in the 13th clause of the Corporate Tax Law under the heading "veiled shifting of profit" via transfer pricing. The application details are stated in the "general communiqué regarding veiled shifting of profits via transfer pricing" published on 18 November 2007.

If the taxpayer is involved in transactions with related parties relating to trading products or goods not performed within the framework of the principals regarding pricing according to peers, then it will be considered that the related profits are shifted in a veiled way via transfer pricing. Such veiled shifting of profits via transfer pricing will not be deducted from tax assessment for the purposes of corporate tax.

Segment reporting

An operating segment is a component of the Group that engages in business activities through which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group's management to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available including revenues and expenses.

In order for an operating segment to be identified as a reportable segment, the revenue of the segment, including sales to external customers and intersegment sales or transfers must constitute 10% or more of the total revenue of all business segments within and outside the organization, its reported profit or loss must be 10% or more, or its assets must be 10% or more of the total assets of all operating segments.

The reporting of the operating segments is arranged to ensure uniformity with the reporting to the chief operating decision maker. The sectors merged under "Other" are combined to provide segment reporting based on the inability to meet the quantitative minimum limits for being a reportable segment.

ÇALIK ENERJİ SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Notes to Consolidated Financial Statements As at 31 December 2025
(Amounts expressed in thousands of United States Dollar ("USD") unless otherwise stated.)

2. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.9 Summary of Significant Account Policies (cont'd)

Contingent assets and liabilities

If the inflows of the economic benefits to the Group are probable, contingent assets are disclosed in the notes to the consolidated financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the assets and the related income are recognized in the consolidated financial statements of the period in which the change occurs.

Contingent liabilities are assessed continually to determine whether an outflow of resources embodying economic benefits has become probable. Unless the possibility of any outflow in settlement is remote, contingent liabilities are disclosed in the notes to the financial statements.

Subsequent events

Subsequent events represent the events after reporting date comprising any event between the reporting date and the date of authorization for the financial statements' issue to the benefit or loss of the entity. Conditions of subsequent events are as follows:

- to have new evidence of subsequent events as of reporting date (adjusting events after reporting date); and
- to have evidence of related subsequent events occurred after reporting date (non-adjusting events after reporting date).

The Group adjusts its consolidated financial statements according to the new condition if adjusting subsequent events arise after the reporting date. If it is not necessary to adjust the consolidated financial statements according to subsequent events, these subsequent events must be disclosed in the notes to the consolidated financial statements.

Statement of cash flows

Cash flows during the period are classified and reported by operating, investing and financing activities in the cash flow statements.

Cash flows from operating activities reflect cash flows mainly generated from the main operations of the Group. The Group presents the cash flows from operating activities by using indirect methods such as adjusting the accruals for cash inflows and outflows from gross profit/loss, other non-cash transactions, prior and future transactions or deferrals.

Cash flows from investment activities reflect cash used in investment activities (direct investments and financial investments) and cash flows generated from investment activities of the Group.

Cash flows relating to financing activities reflect sources of financial activities and payment schedules of the Group.

Cash and cash equivalents comprise cash on hand and demand deposits, investment funds, reverse repo receivables and other bank deposits which their maturities are three months or less from the date of acquisition. Any restricted cash and cash equivalents that are not ready for the Group's use as at the reporting date are excluded from the sum of the cash and cash equivalent in the consolidated statement of cash flows.

ÇALIK ENERJİ SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Notes to Consolidated Financial Statements As at 31 December 2025
(Amounts expressed in thousands of United States Dollar ("USD") unless otherwise stated.)

2. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.9 Summary of Significant Account Policies (cont'd)

Related parties

Parties are considered related to the Group if:

- a) Directly, or indirectly through one or more intermediaries, the party:
 - i) is controlled by, or is under common control with the Group (this includes parent, subsidiaries and fellow subsidiaries);
 - ii) has an interest in the Group that gives it significant influence over the Group; or
 - iii) has joint control over the Group.
- b) The party is an associate of the Group.
- c) The party is a joint venture in which the Group is a venturer.
- d) The party is a member of the key management personnel of the Group and its parents.
- e) The party is a close member of the family of any individual referred to in (a) or (d);
- f) The party is an entity that is controlled or significantly influenced by, or for which significant voting power in such entity resides directly or indirectly, any individual referred to in (d) or (e);
- g) The party is a post-employment benefit plan for the benefit of employees of the Group, or of any entity that is a related party of the Group.

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

ÇALIK ENERJİ SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Notes to Consolidated Financial Statements As at 31 December 2025
(Amounts expressed in thousands of United States Dollar ("USD") unless otherwise stated.)

3. BUSINESS COMBINATIONS

Business combinations as of 31 December 2025:

The Group acquired total of 100% shares of PAD RES Barlewice Sp. Z o.o., PAD RES Stargard Sp. Z o.o., PAD RES Strachocin Sp. Z o.o., PAD RES Sztum Sp. Z o.o., PAD RES Stargard Dystrybucja Sp. Z o.o., by executing agreement with the seller, PAD RES Group B.V. Sales and purchase agreement for 100% of the shares was signed on 29 December 2025, and the takeover and closing processes were finalized on 31 December 2025.

	31 December 2025
Current Assets	10.946
Cash and cash equivalent	8.609
Trade receivables	208
Other receivables	177
Inventories	447
Other current assets	1.505
Non-Current Assets	243.418
Trade receivables	9
Property, plant and equipment	211.568
Right of use assets	18.356
Intangible assets	8.017
Other non-current assets	5.468
Total Assets	254.364
Current Liabilities	12.732
Short term loans and borrowings	10.735
Trade payables	161
Other payables	1.356
Other short term liabilities	480
Non-Current Liabilities	235.194
Long term loans and borrowings	136.972
Other payables	94.927
Deferred tax liabilities	3.295
Total Liabilities	247.926
Book value of identifiable net assets	6.438
Shares acquired	100%
Book value of identifiable net assets acquired	6.438
Purchase price consideration	21.862
Goodwill (Note 15)	15.424
Cash consideration paid	18.073
Cash and cash equivalents acquired	(8.609)
Net cash outflow in acquisition	9.464

(45)

ÇALIK ENERJİ SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Notes to Consolidated Financial Statements As at 31 December 2025
(Amounts expressed in thousands of United States Dollar ("USD") unless otherwise stated.)

4. RELATED PARTY DISCLOSURES

Related party balances

For the purpose of the interim condensed consolidated financial statements, the shareholders, key management personnel and the Board members, and in each case, together with their families and companies controlled by/affiliated with them; and joint ventures are considered and referred to as the related parties. A number of transactions are entered into with the related parties in the normal course of business.

The joint ventures of the Group have been accounted for using the equity method in the consolidated financial statements.

As of 31 December 2025, and 2024, the Group had the following balances outstanding from its related parties:

	31 December 2025		
	Shareholders	Other (*)	Total
Cash and cash equivalents	-	8.243	8.243
Trade receivables	6	153.479	153.485
Other receivables	-	14.585	14.585
Prepaid expenses	11	2.592	2.603
Trade payables	(1.808)	(15.810)	(17.618)
Other payables	(3.104)	(9.045)	(12.149)
	(4.895)	154.044	149.149
	31 December 2024		
	Shareholders	Other (*)	Total
Cash and cash equivalents	-	4.832	4.832
Trade receivables	6	128.021	128.027
Other receivables	2.767	19.553	22.320
Prepaid expenses	-	345	345
Trade payables	(1.757)	(4.311)	(6.068)
Other payables	-	(4.223)	(4.223)
Financial payables	-	(16.619)	(16.619)
	1.016	127.598	128.614

(*) Shows transactions with other companies of the Group's ultimate parent.

As of 31 December 2025, and 31 December 2024 cash and cash equivalents include balances of the Group's subsidiaries with AktiBank Yatırım Bankası A.Ş.

As of 31 December 2025, and 31 December 2024 the majority of the Group's trade receivables from related parties within the scope of the TAPP project, the employer of the project is TAPP 500 Power Transmission Line FZE.

As of 31 December 2024, financial payables include balances obtained from the Group's subsidiaries, AktiBank Yatırım Bankası A.Ş. for financing activities.

(46)

ÇALIK ENERJİ SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Notes to Consolidated Financial Statements As at 31 December 2025
(Amounts expressed in thousands of United States Dollar ("USD") unless otherwise stated.)

4. RELATD PARTY DISCLOSURES (Cont'd)

Related party balances (cont'd)

As at 31 December 2025, intra-group interest rates are determined for the aforementioned intra-group balances considering the average interest rates of the borrowings used by Çalık Group entities. The average effective interest rates for receivable and payable balances denominated in TL, EUR and USD are 39,15%, 6,22%, 8,34% respectively (31 December 2024: 40,91%, 7,68% and 9,12% respectively).

No impairment losses have been recognised against balances outstanding as of 31 December 2025 (31 December 2024: None) and no specific allowance has been made for impairment losses on balances with the related parties.

Related party transactions

For the six-month period ended 31 December 2025, and 2024, the revenues generated and expenses incurred by the Group in relation to transactions with its related parties are summarised as below:

	1 January - 31 December 2025		
	Shareholders	Other (*)	Total
Revenue (**)	-	352.810	352.810
Cost of sales	(5)	(73.981)	(73.986)
Administrative expenses (***)	(15.961)	(4.600)	(20.561)
Research and development expenses	-	(749)	(749)
Finance income/(expense), net (****)	(71)	14.311	14.240
Income/(expense) from operating activities, net	46	2.171	2.217
	(15.991)	289.962	273.971
	1 January - 31 December 2024		
	Shareholders	Other (*)	Total
Revenue (**)	-	375.171	375.171
Cost of sales	(287)	(21.832)	(22.119)
Administrative expenses (***)	(13.661)	(3.794)	(17.455)
Research and development expenses	-	(828)	(828)
Finance income/(expense), net (****)	(3.498)	2.724	(774)
Income/(expense) from operating activities, net	8	3.613	3.621
	(17.438)	355.054	337.616

(*) Shows transactions with other companies of the Group's ultimate parent.

(**) For the year ended 31 December 2025 and 2024, the amount includes the EPC revenue from Mitsubishi Corporation and electricity bills issued by Yepsa to Çalık Denim, and other related parties.

(***) As of 31 December 2025, and 2024, administrative expenses mainly composed of insurance and service expenses from Çalık Holding.

(****) As of 31 December 2025, and 2024, net finance income / (expenses) mainly composed of interest and foreign exchange gains and losses of fund transfers between the Group's subsidiaries and Çalık Holding.

Transactions with key management personnel

On a consolidated basis, key management expenses included in administrative expenses for the period ended 31 December 2025 amounted to USD 11.357 (31 December 2024: USD 9.361). The related amount consists of salary and wages, bonus and premiums, attendance fee and such other payments to key management.

(47)

ÇALIK ENERJİ SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Notes to Consolidated Financial Statements As at 31 December 2025
(Amounts expressed in thousands of United States Dollar ("USD") unless otherwise stated.)

5. CASH AND CASH EQUIVALENTS

As of 31 December 2025, and 2024, cash and cash equivalents are as follows:

	31 December 2025	31 December 2024
Cash on hand	572	1.709
Cash at banks	393.829	364.770
-Demand deposits	162.558	80.644
-Time deposits	231.271	284.126
Other cash and cash equivalents (*)	2.183	1.960
Cash and cash equivalents	396.584	368.439
Restricted bank balances	(170.390)	(250.469)
Cash and cash equivalents in the consolidated statement of cash flows	226.194	117.970

(*) As of 31 December 2025, other cash and cash equivalents consist of credit card receivable amounting to USD 493 (31 December 2024: USD 1.303).

As of 31 December 2025, effective interest rates on TL denominated time deposits are between 22% and 40% (31 December 2024: between 11% and 48%) and maturity of time deposits is between 2-80 days (31 December 2024: 3-90 days).

As at 31 December 2025, there is no Euro time deposits (31 December 2024: average effective interest rate between 3,32% and 12,96% - maturity between 2 – 90 days).

As of 31 December 2025, and 2024 restricted bank balances are as follows:

	31 December 2025	31 December 2024
EPC ve maintenance blocked amount	167.764	246.043
Collateral	894	1.158
Takas Bank blocked amount	1.732	3.268
Restricted bank balances	170.390	250.469

The restricted cash and cash equivalents amounting to USD 170.390 (31 December 2024: USD 250.469) is not available for the Group's daily transactions as of 31 December 2025. The USD 151.871 held in banks in Switzerland and the USD 14.499 held in banks in England with the contracts related to the engineering services, procurement operations and construction projects (31 December 2024: USD 246.043). The USD 1.394 held in banks in Poland related to renewables energy projects. The portion amounting to USD 894 (31 December 2024: USD 1.158) takes place as a mandatory guarantee related to loans in domestic banks. In addition, the USD 1.732 (31 December 2024: USD 3.268) portion of the remaining part of the amount held for the cash guarantee given to the İstanbul Takas ve Saklama Bankası A.Ş. with the provision of the used electricity.

The Group's exposure to currency risks related to cash and cash equivalents are disclosed in Note 32.

6. FINANCIAL INVESTMENTS

As of 31 December 2025, and 2024, financial investments are as follows:

	31 December 2025	31 December 2024
Current financial investments	82	8.640
Non-current financial investments	5.160	31.605
	5.242	40.245

ÇALIK ENERJİ SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Notes to Consolidated Financial Statements As at 31 December 2025
(Amounts expressed in thousands of United States Dollar ("USD") unless otherwise stated.)

6. FINANCIAL INVESTMENTS (cont'd)

As of 31 December 2025, and 2024, financial assets measured at fair value through profit or loss are as follows:

Equity instruments	31 December 2025	31 December 2024
Equity securities - listed	82	8.640
Equity securities - non-listed	5.160	31.605
	5.242	40.245

As of 31 December 2025, and 2024, the details of the investments classified as financial assets at fair value through profit or loss and the shareholding rates are as follows:

Equity securities - available for sale	%	31 December 2025	%	31 December 2024
Bursagaz Bursa Şehiriçi Doğal Gaz Dağıtım Ticaret ve Taahhüt A.Ş.	10,00	-	10,00	10.286
Kayserigaz Kayseri Doğalgaz Dağıtım Pazarlama Ticaret A.Ş.	10,00	-	10,00	18.330
Other (*)	-	5.160	-	2.989
		5.160		31.605

(*) As explained in Note 1, it includes subsidiaries and joint ventures that are not included in the consolidation as of 31 December 2025, and 2024. In addition to that, the balance includes the financial investment of Çalık Swiss AG on the Starfire Energy INC with a share of 1,14% (2024: 1,14%) A full impairment loss has been recognized for Starfire Energy INC as of 31 December 2025 (31 December 2024: 2.000).

The movements in financial investments during the years ended at 31 December 2025, and 2024 are as follows:

	2025	2024
Balance at 1 January	40.245	23.703
Additions (*)	2.171	9.540
Fair value increases/decreases (**)	-	19.144
Provision for decrease in value (***)	-	(2.000)
Disposals (****)	(37.174)	(6.422)
Translation difference and inflation effect	-	(3.720)
Balance at 31 December	5.242	40.245

(*) The balance includes sales and purchases of private sector bond and repo transactions of YEDAŞ.
(**) The amount realized in 2024 arises from the fair value changes of the shares of Bursagaz and Kayserigaz which are measured at fair value through profit or loss in the consolidated financial statements.
(***) As of 31 December 2024, a provision for impairment loss amounting to 2.000 is recognized for Starfire Energy INC.
(****) As of 31 December 2025, Bursagaz and Kayserigaz shares have been sold.

The table below presents the summary of the financial information of the main financial investments:

	31 December 2024				
	Total asset	Retained earnings attributable to the owners of the Company	Net income/(loss) for the period	Reviewed/ audited	
Bursagaz	146.115	78.467	62.780	8.592	Unaudited
Kayserigaz	132.825	54.762	48.083	2.828	Unaudited

ÇALIK ENERJİ SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Notes to Consolidated Financial Statements As at 31 December 2025
(Amounts expressed in thousands of United States Dollar ("USD") unless otherwise stated.)

7. TRADE RECEIVABLES AND PAYABLES

As of 31 December 2025, and 2024, short-term trade receivables are as follows:

	31 December 2025	31 December 2024
Due from third parties	200.913	148.207
Due from related parties (Note 4)	140.567	128.027
Expected credit loss	29.392	36.087
Expected credit loss provision (-)	(29.392)	(36.087)
	341.480	276.234

As of 31 December 2025, and 2024, long-term trade receivables are as follows:

	31 December 2025	31 December 2024
Due from third parties	106.230	18.861
Due from related parties (Note 4)	12.918	-
	119.148	18.861

Trade receivables of the Group mainly consist of receivables regarding ongoing EPC contracts abroad amounting to USD 343.583 as at 31 December 2025 (31 December 2024: USD 218.334).

Movements of expected credit loss provision for the periods ended of 31 December 2025 and 2024 are as follows:

	2025	2024
Balance at 1 January	36.087	23.020
Charge for the year (Note 29)	8.175	19.082
Provision released (Note 29)	(9.390)	(4.017)
Translation differences and inflation effect	(5.480)	(1.998)
Balance at 31 December	29.392	36.087

As at 31 December 2025 and 2024, short-term trade payables are as follows:

	31 December 2025	31 December 2024
Due to third parties (*)	252.958	172.234
Due to related parties (Note 4)	17.618	6.068
Other trade payables (**)	109.523	4.908
	380.099	183.210

(*) Trade payables mainly consist of payables to suppliers the EPC contracts, average maturity of debt is between 30 and 60 days. The payment schedule comprises some performance indicators when they met and preliminary subcontract advance and finally temporary acceptance and/or at the end of the work. In addition, as of 31 December 2025, this amount consists of debt to Elektrik Üretim A.Ş. (EUAS) amounting to USD 9.849 (31 December 2024: USD 3.264) for the Group's electricity purchases and debt to Türkiye Elektrik İletim A.Ş. (TEİAŞ) amounting to USD 2.290 (31 December 2024: USD 3.171) for the Group's usage of the electricity transfer lines.

(**) Other trade payables mainly consist of expense accruals recognised for EPC contracts by suppliers.



ÇALIK ENERJİ SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Notes to Consolidated Financial Statements As at 31 December 2025
(Amounts expressed in thousands of United States Dollar ("USD") unless otherwise stated.)

8. SERVICE CONCESSION RECEIVABLES

As at 31 December 2025 and 2024, short-term financial assets and long-term financial assets related to concession agreements are as follows:

	31 December 2025	31 December 2024
Short-term service concession receivables	168.664	156.377
Long-term service concession receivables	285.942	229.799
	<u>454.606</u>	<u>386.176</u>

Maturity of the service concession receivables is as follows:

	Receivables subject to redemption	
	31 December 2025	31 December 2024
Redemption		
Due within one year	168.664	156.377
Due one to three years	181.031	158.011
Due three to five years	75.123	53.147
Due over five years	29.788	18.641
	<u>454.606</u>	<u>386.176</u>

As at 31 December 2025 and 2024 movements of total service concession receivables is as follows:

	2025	2024
Balance at 1 January	386.176	287.786
Additions	75.926	84.642
Redemptions related to current year investments	(128.385)	(98.324)
Financial income	210.249	302.246
Transfers	787	-
Translation difference and inflation effect	(90.147)	(190.174)
Balance at 31 December	<u>454.606</u>	<u>386.176</u>

ÇALIK ENERJİ SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Notes to Consolidated Financial Statements As at 31 December 2025
(Amounts expressed in thousands of United States Dollar ("USD") unless otherwise stated.)

9. OTHER RECEIVABLES AND PAYABLES

Other Receivables

As of 31 December 2025, and 2024, other current receivables are as follows:

	31 December 2025	31 December 2024
Due from related parties (Note 4)	14.575	22.309
Other receivables (*)	16.970	30.783
Receivables from tax authorities	1.095	707
Deposits and guarantees given	552	618
Receivables from personnel	13	18
	<u>33.205</u>	<u>54.435</u>

(*) This amount consists of receivables from TEDAŞ for such payments as expropriation fees made on behalf of TEDAŞ and receivables from projects.

As of 31 December 2025, and 2024, other non-current receivables are as follows:

	31 December 2025	31 December 2024
Receivables from TEİAŞ	65.467	38.143
Deposits and guarantees given	7.391	5.187
Due from related parties (Note 4)	10	11
	<u>72.868</u>	<u>43.341</u>

Other Payables

As of 31 December 2025, and 2024, other current payables are as follows:

	31 December 2025	31 December 2024
Due to related parties (Note 4)	12.149	4.223
Deposits and guarantees received (*)	75.028	62.764
Expense accruals	1.062	-
Other	7.078	413
	<u>95.317</u>	<u>67.400</u>

(*) As of 31 December 2025, and 2024, the deposits and guarantees received mainly consist of security deposits received by the electricity distribution and retail sale companies of the Group from their customers.

As of 31 December 2025, and 2024, other non-current payables are as follows:

	31 December 2025	31 December 2024
Due to third parties	92.293	10.004
	<u>92.293</u>	<u>10.004</u>

The Group's exposure to credit and currency risks related to other receivables and exposure to liquidity and currency risks related to other payables are disclosed in Note 32.

ÇALIK ENERJİ SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Notes to Consolidated Financial Statements As at 31 December 2025
(Amounts expressed in thousands of United States Dollar ("USD") unless otherwise stated.)

10. INVENTORIES

As of 31 December 2025, and 2024, inventories are as follows:

	31 December 2025	31 December 2024
Raw materials and supplies	18.763	14.138
Trading goods	3.628	2.534
	<u>22.391</u>	<u>16.672</u>

11. PREPAID EXPENSES AND DEFERRED INCOME

Prepaid Expenses

As of 31 December 2025, and 2024, current prepaid expenses are as follows:

	31 December 2025	31 December 2024
Advances given (*)	252.930	85.298
Prepaid expenses for the following months	14.323	1.982
	<u>267.253</u>	<u>87.280</u>

(*) As of 31 December 2025, advance balance amounting to USD 249.806 (31 December 2024: USD 82.762) is given to suppliers and service providers for EPC projects.

As of 31 December 2025, and 2024, non-current prepaid expenses are as follows:

	31 December 2025	31 December 2024
Prepaid expenses for the following years	10.815	16.506
Advances given	202	-
	<u>11.017</u>	<u>16.506</u>

Deferred Income

As of 31 December 2025, and 2024, current deferred income is as follows:

	31 December 2025	31 December 2024
Advances received	893	12.780
	<u>893</u>	<u>12.780</u>

ÇALIK ENERJİ SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Notes to Consolidated Financial Statements As at 31 December 2025
 (Amounts expressed in thousands of United States Dollar ("USD") unless otherwise stated.)

12. INVESTMENTS IN EQUITY-ACCOUNTED INVESTEEES

Joint agreements

Joint ventures

KÇLE

KÇLE was established as a joint venture with a joint agreement between GENVERA, Çalık Enerji and Limak Yatırım on 17 September 2012, with the participation of these three companies by 25%, 25% and 50%, respectively, in the share capital of KÇLE. On 8 May 2013, KÇLE purchased all shares of the state-owned enterprise namely Kompania Per Distribuium Dhe Fumizim Me Energji Elektrike SH. A ("KEDS") which is operating in electricity distribution and procurement in Kosovo for a consideration of USD 29.038 (equivalent of EUR 26.300) within the scope of a tender in the privatization process initiated by the Government of Republic of Kosovo.

As per Share Transfer Agreement dated 27 April 2015, Çalık Enerji acquired 1.250 number of shares of KÇLE with a nominal value of EUR 12 held by GENVERA for a total consideration of EUR 17.475 and increased its ownership percent from %25,00 to %50,00.

Doğu Aras

Doğu Aras was founded in accordance to energy market regulations as a joint venture with a joint agreement between CED and Kiler Alışveriş on 5 May 2013 with the participation of these two companies by 50% and 50%, respectively, for the purpose of establishing and participating to the companies that are engaged in distribution, retail and wholesale of electricity energy and/or capacity, assigning management of these established and participated companies, providing consultancy services on technical, financial, information processing and human resources management issues and making industrial and commercial investments through this companies.

On 28 June 2013, Doğu Aras purchased all shares of EDAŞ and EPAŞ which were state owned companies operating in electricity distribution and sales in cities Kars, Ardahan, Iğdır, Erzurum, Ağrı, Bayburt and Erzurum by paying an amount of USD 128.500 as a result of a tender in the privatization process.

On 4 November 2021, the public offering of Doğu Aras shares was carried out using the "Fixed Price Bookkeeping" method. In the public offering, the unit price is TL 110, and the shares with a nominal value of TL 13.400.000 offered to the public were sold. Accordingly, the size of the public offering was realized as TL 1.474.000.000. After the mentioned public offering, Çalık Enerji's ownership rate in Doğu Aras became 40%. As of 31 December 2025, by including the shares in the stock exchange owned by the Group companies, the ownership rate is 44,86% (31 December 2024: 44,86%).

LC Electricity

LC Electricity was established on 3 July 2014, in Serbia as a joint venture with a joint agreement between Türkmen Elektrik and Limak Yatırım with the participation of these two companies equally by 50%. The purpose of LC Electricity is to trade electricity and sales/purchases of goods and services as part of this operation.

ÇALIK ENERJİ SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Notes to Consolidated Financial Statements As at 31 December 2025
 (Amounts expressed in thousands of United States Dollar ("USD") unless otherwise stated.)

12. INVESTMENTS IN EQUITY-ACCOUNTED INVESTEEES (Cont'd)

Joint agreements (Cont'd)

Investments in equity-accounted joint ventures and the Group's share of control are as follows:

	31 December 2025		31 December 2024	
	Carrying value	% of ownership	Carrying value	% of ownership
Joint ventures-equity accounted				
<u>Assets</u>				
KÇLE	98.043	50,00	95.355	50,00
Çalık Limak Adı Ortaklığı	-	50,00	-	50,00
Doğu Aras	216.829	44,86	199.433	44,86
LC Electricity	10	50,00	10	50,00
	<u>314.882</u>		<u>294.798</u>	

For the years ended at 31 December 2025, and 2024 the movements in equity-accounted investees are as follows:

	2025	2024
Balance at 1 January	294.798	314.289
Share of profit of equity accounted investees	25.895	(12.239)
Stocks sold	-	(2.153)
Dividend income from affiliates and jointly controlled partnerships	(6.056)	(5.642)
Translation differences and inflation effect	245	543
Balance at 31 December	<u>314.882</u>	<u>294.798</u>

ÇALIK ENERJİ SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Notes to Consolidated Financial Statements For the Year Ended 31 December 2025
 (Amounts expressed in thousands of United States Dollar ("USD") unless otherwise stated.)

12. INVESTMENTS IN EQUITY-ACCOUNTED INVESTEEES (Cont'd)

Summary financial information for equity accounted joint ventures is presented below:

31 December 2023															
Company name	Ownership ratio (%)	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Net assets	Revenue	Total expenses	Profit/(loss)	Group's share of net assets	Carrying amount of group's share		
KÇLE ⁽¹⁾	50,00%	174.251	232.804	407.055	302.479	40.472	251.951	155.104	901.463	449.597	5.180	77.552	90.643	2.594	
Doğu Aras ⁽¹⁾	44,86%	247.877	413.285	661.142	142.682	52.867	195.469	465.673	763.663	711.813	52.280	208.981	216.629	23.381	
Çalık Limak Adı Ortaklığı	50,00%	944	11	955	955	-	955	-	1.620	815	805	-	-	-	
LC Electricity	50,00%	-	-	-	-	-	-	-	-	-	-	-	-	10	
														<u>314.882</u>	<u>25.895</u>
31 December 2024															
Company name	Ownership ratio (%)	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Net assets	Revenue	Total expenses	Profit/(loss)	Group's share of net assets	Carrying amount of group's share		
KÇLE ⁽¹⁾	50,00%	125.317	196.464	321.722	157.665	31.228	188.833	132.836	399.642	426.470	(26.823)	16.411	95.355	(14.413)	
Doğu Aras ⁽¹⁾	44,86%	228.801	17.863	238.664	141.287	111.573	252.640	(143.96)	1.216.416	1.211.680	4.836	(6.348)	199.433	2.174	
Çalık Limak Adı Ortaklığı	50,00%	4.821	8	4.829	3.138	-	3.138	1.691	10.199	7.991	2.208	940	-	-	
LC Electricity	50,00%	-	-	-	-	-	-	-	-	-	-	-	-	10	
														<u>294.798</u>	<u>(12.239)</u>

⁽¹⁾ Consolidated financial information is presented.
⁽²⁾ The figures have been shown with the purchasing power of 2024.

ÇALIK ENERJİ SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Notes to Consolidated Financial Statements For the Year Ended 31 December 2025
 (Amounts expressed in thousands of United States Dollar ("USD") unless otherwise stated.)

13. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings	Machines and equipment	Vehicles	Furniture and fixtures	Leasehold improvements	Construction in progress	Total
Cost							
Opening balance as of 1 January 2025	41.284	144.746	38.986	33.721	7.720	5.317	271.774
Additions	298	2.316	6.069	4.170	1.284	44.662	58.799
Translation differences and inflation effect	752	7.381	(4.560)	956	(28)	234	8.235
Disposal	(2.446)	(1.845)	(3.472)	(4.571)	-	-	(12.334)
Transfers	-	-	-	279	384	(4.849)	(4.186)
Effect of business combination (Note 3)	29.548	181.102	-	-	-	4.030	214.680
Closing balance as of 31 December 2025	69.436	334.200	37.023	34.555	9.360	49.394	533.968
Accumulated Depreciation							
Opening balance as of 1 January 2025	(16.484)	(92.247)	(21.066)	(20.632)	(6.287)	-	(156.716)
Current year depreciation	(1.891)	(13.263)	(4.361)	(4.137)	(376)	-	(24.028)
Translation differences	(77)	(5.663)	5.530	(456)	(319)	-	(1385)
Disposal	2.416	1.357	1.021	3.726	-	-	8.520
Effect of business combination (Note 3)	(490)	(2.722)	-	-	-	-	(3.112)
Closing balance as of 31 December 2025	(16.436)	(111.538)	(18.876)	(21.499)	(6.983)	-	(175.321)
Carrying value as of 31 December 2025	53.000	222.262	18.147	13.056	2.378	49.394	358.247

As of 31 December 2025, the Group has no capitalized interest expense on property, plant and equipment (31 December 2024: None).

As of 31 December 2025, the Group has no pledge and mortgage on property, plant and equipment (31 December 2024: None).

As of 31 December 2025, the total amount of insurance on property, plant and equipment is amounting to USD 116.859 (31 December 2024: 106.790).

(57)

ÇALIK ENERJİ SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Notes to Consolidated Financial Statements For the Year Ended 31 December 2025
 (Amounts expressed in thousands of United States Dollar ("USD") unless otherwise stated.)

13. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

	Land and buildings	Machines and equipment	Vehicles	Furniture and fixtures	Leasehold improvements	Construction in progress	Total
Cost							
Opening balance as of 1 January 2024	34.177	119.055	22.224	32.336	6.235	3.530	217.557
Additions	1.840	1.304	11.707	7.343	107	4.135	26.436
Translation differences and inflation effect	1.089	24.483	9.551	1.023	1.378	332	37.856
Disposal	(1.358)	(96)	(4.496)	(6.981)	-	(1.721)	(14.652)
Transfers	5.526	-	-	-	(959)	-	4.527
Closing balance as of 31 December 2024	41.284	144.746	38.986	33.721	7.720	5.317	271.774
Accumulated Depreciation							
Opening balance as of 1 January 2024	(15.080)	(68.776)	(12.304)	(20.382)	(4.101)	-	(120.643)
Current year depreciation	(1.835)	(12.216)	(3.249)	(4.767)	(622)	-	(22.689)
Translation differences and inflation effect	(220)	(11.351)	(7.180)	(1.082)	(1.590)	-	(21.403)
Disposal	651	96	1.667	5.579	26	-	8.019
Transfers	-	-	-	-	-	-	-
Closing balance as of 31 December 2024	(16.484)	(92.247)	(21.066)	(20.632)	(6.287)	-	(156.716)
Carrying value as of 31 December 2024	24.800	52.499	17.920	13.089	1.433	5.317	115.058

(58)

ÇALIK ENERJİ SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Notes to Consolidated Financial Statements For the Year Ended 31 December 2025
 (Amounts expressed in thousands of United States Dollar ("USD") unless otherwise stated.)

14. INTANGIBLE ASSETS

	Licences & software	Electric distribution rights	Other intangibles	Total
Cost				
Opening balance as of 1 January 2025	30.105	202.591	5.445	238.141
Additions	5.699	-	302	6.001
Translation differences and inflation effect	2.745	15.761	(1.873)	16.633
Disposal	-	-	(369)	(369)
Transfers	1.388	-	2.011	3.399
Effect of business combination	7.602	-	472	8.074
Closing balance as of 31 December 2025	47.539	218.352	5.988	271.879

Accumulated Depreciation				
Opening balance as of 1 January 2025	(25.925)	(106.253)	(3.253)	(135.431)
Current year depreciation	(694)	(9.400)	(379)	(10.473)
Translation differences	(1.345)	(7.522)	697	(8.170)
Disposal	-	-	365	365
Effect of business combination	-	-	(57)	(57)
Closing balance as of 31 December 2025	(27.964)	(123.175)	(2.627)	(153.766)
Carrying value as of 31 December 2025	19.575	95.177	3.361	118.113

	Licences & software	Electric distribution rights	Other intangibles	Total
Cost				
Opening balance as of 1 January 2024	28.187	168.165	8.870	205.222
Additions	256	-	755	1.011
Disposal	(26)	-	(5.481)	(5.507)
Transfers	-	-	959	959
Translation differences and inflation effect	1.688	34.426	342	36.456
Closing balance as of 31 December 2024	30.105	202.591	5.445	238.141

Accumulated Depreciation				
Opening balance as of 1 January 2024	(24.280)	(81.530)	(2.776)	(108.586)
Current year depreciation	(413)	(8.032)	(301)	(8.746)
Disposal	6	-	-	6
Translation differences	(1.238)	(16.691)	(176)	(18.105)
Closing balance as of 31 December 2024	(25.925)	(106.253)	(3.253)	(135.431)
Carrying value as of 31 December 2024	4.180	96.338	2.192	102.710

15. GOODWILL

	31 December 2025	31 December 2024
Pad Res	15.424	-
	15.424	-

As 31 December 2025 and 2024 movements of goodwill are as follows;

	1 January- 31 December 2025	1 January- 31 December 2024
Cost		
Additional amount recognised from business acquisition	15.424	-
Closing value	15.424	-

(59)

ÇALIK ENERJİ SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Notes to Consolidated Financial Statements For the Year Ended 31 December 2025
(Amounts expressed in thousands of United States Dollar ("USD") unless otherwise stated.)

16. INVESTMENT PROPERTY

	31 December 2025	31 December 2024
Investment property	51.400	48.790
	51.400	48.790

As at 31 December 2025, and 2024, there is no mortgage on the Group’s investment properties.

For the years ended at 2025 and 2024 movements of investment property were as follows:

	2025	2024
Balance at 1 January	48.790	130.590
Additions	-	1.659
Changes to fair value	2.610	(17.874)
Disposals (*)	-	(60.049)
Transfer to property, plants and equipment	-	(5.536)
Balance at 31 December	51.400	48.790

(*) As of 14 December 2024, the Group sold Uztur Investment and Development Limited to Çalık Holding. As a result of this sale, some of the real estate in Trilliant Business Project, namely the hotel block reported under investment property, and unsold offices reported under inventories in Tower 2, were disposed.

The Group obtained independent appraisal reports for each item of investment property and measured them at their fair values. Fair value information for all investment property within the scope of IFRS 13 based on fair value hierarchy are as follows:

31 December 2025	Level 1	Level 2	Level 3	Total
Investment properties	-	-	51.400	51.400
	-	-	51.400	51.400

31 December 2024	Level 1	Level 2	Level 3	Total
Investment properties	-	-	48.790	48.790
	-	-	48.790	48.790

As of 31 December 2025, there are no circumstances that would significantly affect the fair value.

The project subject to appraisal is named Trilliant Business, located on Tashkent Shahrissabz Street, registered in the local cadastral records of the country of Uzbekistan with the cadastral number 10:07:01:02:01:0859:0001. The Trilliant Business Project consists of 3 blocks (2 office blocks and 1 hotel block), and there is also a congress center within the project. The office blocks are named Tower1 and Tower2 and on 31 December 2025 Tower1 with 15.795 m² rentable/sellable office area, 2.010 m² rentable/sellable commercial area and 272 car park units and Tower2 with 681 m2 rentable/sellable commercial area are evaluated as investment property whereas office area of Tower2 which has been at sale is evaluated as inventory. The appraisal report for the investment property is prepared by Harmoni Gayrimenkul Değerleme ve Danışmanlık A.Ş. on 12 February 2025, with 24_400_022 report number and as on 31 December 2025 valuation date.

On 26 January 2024, a partial demerger was carried out in the ownership structure of Tower 1, Tower 2, and the Hotel block within UZTUR. As part of this process, Tower 1 and its associated assets were transferred to Trilliant, a company owned by Çalık Enerji, through a partial demerger method.

The Hotel block and only the office sections of Tower 2 owned by UZTUR. The entirety of Tower 1 and the commercial areas of Tower 2 owned by Trilliant. On 14 December 2024, UZTUR was sold to Çalık Holding.

ÇALIK ENERJİ SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Notes to Consolidated Financial Statements For the Year Ended 31 December 2025
(Amounts expressed in thousands of United States Dollar ("USD") unless otherwise stated.)

16. INVESTMENT PROPERTY (Cont'd)

As at 31 December 2025 the cash flow method is used as the appraisal method of Tower1 in the project. The main assumptions used in this method are as follows:

- The US Dollar (USD) is used as the currency.
- The US average inflation rate is accepted as 2.7%.
- It is assumed that all purchases/sales will be made in cash.
- The appraisal date is 31.12.2025 and the projection is designed for the dates 01.01.2026 – 31.12.2035.
- The occupancy rate has been accepted as 47% for 2026, 50% for 2027, 55% for 2028, 60% for 2029, 65 % for 2030, 70% for 2031, 75 % for 2032, 80 % for 2033 and the following years.
- It is foreseen that the average rental unit value will be 42 USD for 2026, and an increase in the price increase rate 3% is accepted in the following years.
- The capitalization rate is considered 12%.
- The discount rate is accepted as 15%.

As for the sensitivity analysis of Tower 1 valuation, if the discount rate were 100 bp lower than accepted (14%), the fair value of Tower 1 would increase by 2.490. On the other hand, if the discount rate were 100 bp higher than accepted (16%), the fair value of Tower 1 would decrease by 2.270.

17. RIGHT OF USE ASSETS

The Group has adopted the IFRS 16 “Leases” as at 1 January 2019 for the first time. Right of use assets are measured at an amount equal to lease liability adjusted by the amount of any prepaid or accrued lease payments for lease liabilities which had previously been classified as “operating leases” under the principles of IAS 17 in the consolidated financial statements.

For the period ended 31 December 2025 and 2024, movement on right use of asset is as follows:

	1 January 2025	Additions	Impact of lease modifications	Depreciation	Disposals, net	Effect of business combinations (Note 3)	Translation differences and inflation effect	Net book value 31 December 2025
Land	151	1.281	-	(209)	-	18.356	(36)	19.483
Building	7.051	4.144	574	(1.230)	(190)	-	(922)	9.427
Vehicles	2.405	10.924	1.453	(3.329)	(262)	-	(329)	10.862
Total	9.607	16.349	2.027	(4.828)	(452)	18.356	(1.287)	39.772

	1 January 2024	Additions	Impact of lease modifications	Depreciation	Disposals, net	Translation differences and inflation effect	Net book value 31 December 2024
Land	154	-	10	(5)	-	(8)	151
Building	2.944	5.670	230	(1.790)	(14)	11	7.051
Vehicles	1.977	3.069	(499)	(2.097)	-	(45)	2.405
Total	5.075	8.739	(259)	(3.892)	(14)	(42)	9.607

ÇALIK ENERJİ SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Notes to Consolidated Financial Statements For the Year Ended 31 December 2025
(Amounts expressed in thousands of United States Dollar ("USD") unless otherwise stated.)

18. OTHER ASSETS AND LIABILITIES

As of 31 December 2025, and 2024, other current assets are as follows:

	31 December 2025	31 December 2024
Deferred VAT	26.105	18.331
VAT deductible	1.183	764
Other	13.100	2.189
	40.388	21.284

As of 31 December 2025, and 2024, other non-current assets are as follows:

	31 December 2025	31 December 2024
Other	5.468	6
	5.468	6

As of 31 December 2025, and 2024, other current liabilities are as follows:

	31 December 2025	31 December 2024
Taxes and dues payable	11.747	10.112
Other	362	29.437
	12.109	39.549

19. RECEIVABLES AND PAYABLES FROM CUSTOMER CONTRACTS

	31 December 2025	31 December 2024
Due from customers for contract works	750.838	447.375
Due to customers for contract works	(87.503)	(57.932)
	663.335	389.443

As of 31 December 2025, and 2024, the details of uncompleted contracts were as follows:

	31 December 2025	31 December 2024
Total costs incurred on uncompleted contracts	3.436.500	2.348.212
Estimated earnings	741.119	449.270
Total estimated revenue on uncompleted contracts	4.177.619	2.797.482
Less: Billings to date	(3.514.284)	(2.408.039)
Net amounts due to/from customers for contract work	663.335	389.443

As of 31 December 2025, and 2024, the details of other contract liabilities were as follows:

	31 December 2025	31 December 2024
Other contract liabilities		
Short term advances received (*)	439.181	349.482
Long term advances received (*)	311.676	190.149
	750.857	539.631

(*) Advances received are composed of the contract advances received from Türkmenenergo within the scope of Kiyarly projects undertaken by the Group in Turkmenistan, from General Electricity Company of Libya within the scope of South Tripoli project in Libya, and from Mitsubishi Corporation within the scope of Talimarjan and Navoi 3 projects in Uzbekistan.



ÇALIK ENERJİ SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Notes to Consolidated Financial Statements For the Year Ended 31 December 2025
(Amounts expressed in thousands of United States Dollar ("USD") unless otherwise stated.)

20. LOANS AND BORROWINGS

	31 December 2025	31 December 2024
<u>Financial liabilities</u>		
a) Bank loans	378.885	230.559
b) Lease liabilities	36.191	6.903
	<u>415.076</u>	<u>237.462</u>

a) Bank loans

As of 31 December 2025, and 2024, loans and borrowings are as follows:

	31 December 2025	31 December 2024
Short-term bank loans	65.791	120.273
- USD denominated bank loans	34.655	55.733
- Foreign currency denominated bank loans	31.136	64.540
Short-term portion of long-term bank loans	40.674	27.594
- USD denominated bank loans	8.150	334
- Foreign currency denominated bank loans	32.524	27.260
Other financial liabilities	23.340	20.041
Total short-term loans and borrowings	129.805	167.908
Long-term bank loans	249.080	62.651
- USD denominated bank loans	25.835	2.568
- Foreign currency denominated bank loans	223.245	60.083
Total long-term loans and borrowings	249.080	62.651
Total	378.885	230.559

As at 31 December 2025 and 2024, the terms and conditions of outstanding loans and borrowings were as follows:

31 December 2025	Currency	Nominal interest rate (%)	Maturity	Nominal amount	Carrying amount
Secured bank loans	EUR	4,88	2025	12.910	13.049
Unsecured bank loans	EUR	0,97 - 9,13	2026	92.807	93.684
Unsecured bank loans	USD	3,55 - 8,92	2025-2040	68.834	68.640
Unsecured bank loans	TL	TLREF+4 - 40,56	2025-2034	45.859	49.543
Unsecured bank loans	PLN	1,19 - 6,48	2025-2031	129.437	130.628
Other financial liabilities	TL	TLREF+2,5 - 4	2025-2026	23.340	23.341
				<u>373.187</u>	<u>378.885</u>

31 December 2024	Currency	Nominal interest rate (%)	Maturity	Nominal amount	Carrying amount
Unsecured bank loans	EUR	Revolving	2025	5.690	5.691
Unsecured bank loans	USD	7,40-8,57	2025-2034	5.339	5.604
Unsecured bank loans	EUR	11,5	2025	2.408	2.422
Unsecured bank loans	EUR	5,0-8,5	2025-2026	55.164	55.869
Secured bank loans	EUR	4,25-5,30	2025-2031	30.062	30.087
Secured bank loans	TL	TLREF+3,5 - 8	2029	57.814	57.815
Secured bank loans	USD	11	2025	2.500	2.586
Secured bank loans	USD	6,00-9,25	2025	49.996	50.444
Other financial liabilities	TL	TLREF+4,75	2025	20.040	20.041
				<u>229.013</u>	<u>230.559</u>

ÇALIK ENERJİ SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Notes to Consolidated Financial Statements For the Year Ended 31 December 2025
(Amounts expressed in thousands of United States Dollar ("USD") unless otherwise stated.)

20. LOANS AND BORROWINGS (Cont'd)

a) Bank loans (Cont'd)

The Group has financial covenants within USD denominated loan contracts with foreign banks. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches of the financial covenants of any interest-bearing loans and borrowing in the current period.

As of 31 December 2025, and 2024, maturity of the bank loans are as follows:

	31 December 2025	31 December 2024
Due within one year	106.465	147.867
One to two years	26.049	23.807
Two to three years	25.786	15.852
Three to four years	39.563	16.559
Over four years	157.682	6.433
	<u>355.545</u>	<u>210.518</u>

As of 31 December 2025, and 2024, maturity of other financial liabilities is as follows;

	31 December 2025	31 December 2024
Due within one year	23.340	20.041
	<u>23.340</u>	<u>20.041</u>

The movement of the Group's financial liabilities arising from financing activities for the year ended 31 December 2025, and 2024 are as follows:

	2025	2024
Balance at 1 January	230.559	218.565
Current period additions	200.580	162.974
Interest and capital repayments	(239.713)	(180.328)
Interest accrual	60.429	58.475
Foreign exchange (gain) / loss	13.006	(7.983)
Currency translation differences & inflation effect	(16.604)	(1.315)
Acquisition of subsidiary	130.628	-
Disposal of subsidiary	-	(19.829)
Balance at 31 December	<u>378.885</u>	<u>230.559</u>

b) Lease Liabilities

	31 December 2025	31 December 2024
Short-term lease liabilities under IFRS 16	6.888	1.882
Long-term lease liabilities under IFRS 16	29.303	5.021
	<u>36.191</u>	<u>6.903</u>

ÇALIK ENERJİ SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Notes to Consolidated Financial Statements For the Year Ended 31 December 2025
(Amounts expressed in thousands of United States Dollar ("USD") unless otherwise stated.)

20. LOANS AND BORROWINGS (Cont'd)

b) Lease Liabilities (Cont'd)

The movement of the Group's lease liabilities under IFRS-16 for the year ended 31 December 2025, and 2024 are as follows:

	2025	2024
Balance at 1 January	6.903	4.579
Additions	16.349	8.739
Repayments (-)	(1.845)	(5.466)
Interest expense	(735)	2.830
Disposal	(372)	-
Impact of lease modifications	-	(259)
Effect of business combinations	2.027	-
Currency translation differences & inflation effect	17.079	-
Balance at 31 December	<u>(3.215)</u>	<u>(3.520)</u>
	<u>36.191</u>	<u>6.903</u>

The Group's exposure to liquidity currency risks related to loans and lease liabilities are disclosed in Note 32.

21. EMPLOYEE BENEFITS

As of 31 December 2025, and 2024, payables related to employee benefits comprised the following:

	31 December 2025	31 December 2024
Social security premiums payable	1.881	2.187
Due to personnel	4.576	5.265
	<u>6.457</u>	<u>7.452</u>

22. PROVISIONS

As of 31 December 2025, and 2024, short-term and long-term provisions are as follows:

	31 December 2025	31 December 2024
<u>Short term provisions</u>		
Vacation pay liability	5.763	4.865
Bonus provision	6.663	6.372
Provision for litigation and claims	14.743	7.042
Other provision expenses	11.327	17.968
	<u>38.496</u>	<u>36.247</u>
<u>Long term provisions</u>		
Provision for retirement pay liability	9.708	9.155
	<u>9.708</u>	<u>9.155</u>
Total provisions	48.204	45.402

ÇALIK ENERJİ SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Notes to Consolidated Financial Statements For the Year Ended 31 December 2025
 (Amounts expressed in thousands of United States Dollar ("USD") unless otherwise stated.)

22. PROVISIONS (Cont'd)

Movement of provisions for the years ended of 31 December 2025, and 2024 are as follows:

	1 January 2025	Provision for the year	Cancelled provisions payments / Actuarial differences in current period	Translation differences and inflation effect	31 December 2025
Provision for litigation and claims	7.042	8.674	-	(973)	14.743
Other provision expenses	17.968	2.106	-	(8.747)	11.327
Provision for bonus	6.372	7.205	(5.474)	(1.440)	6.663
Vacation pay liability	4.865	3.175	(1.874)	(403)	5.763
Provision for retirement pay liability	9.155	2.086	3.043	(4.576)	9.708
	<u>45.402</u>	<u>23.246</u>	<u>(4.305)</u>	<u>(16.139)</u>	<u>48.204</u>

	1 January 2024	Provision for the year	Cancelled provisions payments / Actuarial differences in current period	Translation differences and inflation effect	31 December 2024
Provision for litigation and claims	5.085	2.411	(6)	(448)	7.042
Other provision expenses	4.940	15.051	(716)	(1.307)	17.968
Provision for bonus	2.127	5.389	(1.635)	491	6.372
Vacation pay liability	1.943	2.308	(80)	694	4.865
Provision for retirement pay liability	6.516	2.105	3.569	(3.035)	9.155
	<u>20.611</u>	<u>27.264</u>	<u>1.132</u>	<u>(3.605)</u>	<u>45.402</u>

For the years ending 31 December 2025, and 2024, the movements in the reserve for severance payments were as follows:

	2025	2024
Balance at 1 January	9.155	6.516
Interest cost	1.086	944
Cost of services	1.000	1.161
Payments during the year	(1.065)	(1.469)
Actuarial difference	4.108	5.038
Translation differences and inflation effect	(4.576)	(3.035)
Balance at 31 December	<u>9.708</u>	<u>9.155</u>

The reserve has been calculated by estimating the present value of future probable obligation of the Group arising from the retirement of the employees.

Actuarial valuation methods were developed to estimate the Group's obligation under defined benefit plans. Accordingly, the following actuarial assumptions were used in the calculation of the total liability:

	2025	2024
	%	%
Discount rate	4,52	3,72
Interest rate	27,51	27,15
Expected rate of salary/limit increase	22,00	22,59

The computation of the liability is predicated upon the retirement pay ceiling announced by the Government. As of 31 December 2025, the ceiling amount was USD 1,26 (31 December 2024: USD 1,19).

ÇALIK ENERJİ SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Notes to Consolidated Financial Statements For the Year Ended 31 December 2025
 (Amounts expressed in thousands of United States Dollar ("USD") unless otherwise stated.)

23. COMMITMENTS AND CONTINGENCIES

Guarantee, pledge and mortgages ("GPM") given as of 31 December 2025, and 2024 are as follows:

	USD equivalent	TL	USD	EURO	Other (USD)
31 December 2025					
A. Total amount of GPMs given in the name of its own legal personality	1.320.920	4.031.710	454.609	281.602	441.696
B. Total amount of GPMs given in the name of the consolidated subsidiaries and joint ventures	-	-	-	-	-
-Total amount of GPMs given in the name of the consolidated subsidiaries	-	-	-	-	-
C. Total amount of GPMs given to be able to conduct ordinary business transactions to secure payables of third parties	-	-	-	-	-
D. Other GPMs given	<u>1.320.920</u>	<u>4.031.710</u>	<u>454.609</u>	<u>281.602</u>	<u>441.696</u>

The ratio of The Group's GPM to the Group's equity is 91%.

	USD equivalent	TL	USD	EURO	Other (USD)
31 December 2024					
A. Total amount of GPMs given in the name of its own legal personality	877.167	3.548.539	608.561	152.434	9.295
B. Total amount of GPMs given in the name of the consolidated subsidiaries and joint ventures	84	2.389	16	-	-
-Total amount of GPMs given in the name of the consolidated subsidiaries	84	2.389	16	-	-
C. Total amount of GPMs given to be able to conduct ordinary business transactions to secure payables of third parties	-	-	-	-	-
D. Other GPMs given	<u>877.251</u>	<u>3.550.928</u>	<u>608.577</u>	<u>152.434</u>	<u>9.295</u>

The ratio of The Group's GPM to the Group's equity is 73%.

ÇALIK ENERJİ SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Notes to Consolidated Financial Statements For the Year Ended 31 December 2025
 (Amounts expressed in thousands of United States Dollar ("USD") unless otherwise stated.)

23. COMMITMENTS AND CONTINGENCIES (Cont'd)

Details of the commitments and contingent liabilities arising in the ordinary course of the business of the Group comprised the following items as of 31 December 2025, and 2024:

	31 December 2025	31 December 2024
Given to government agencies for the ongoing EPC contracts	1.014.103	766.270
TETAŞ and TEİAŞ	52.936	92.533
Given to EMRA	144	175
Given to others (*)	<u>253.737</u>	<u>18.273</u>
Total contingent liabilities	<u>1.320.920</u>	<u>877.251</u>

(*) The main portion of the balance is related to commitments given to third parties for the EPC contracts.

Litigation and claims

As of 31 December 2025, the expected cash outflow amount for the pending claims filed against the Group is USD 14.743 (31 December 2024: USD 7.042). As of 31 December 2025, the provision for litigation and claims is mainly related to the Group's electricity retail sales companies regarding electricity dissipation and theft lawsuits of consumers. The Group made a provision for the whole amount related to these claims (Note 22).

Pending tax audits

In Turkey, the tax and other government authorities (Social Security Institution) have the right to inspect the Group's tax returns and accounting records for the past five fiscal years. The Group has not recognized any provision for additional taxes in relation to unaudited fiscal years, as the amounts cannot be reliably estimated. The Group's management believes that no material assessment will arise from any future inspection for unaudited fiscal years.

Letters of guarantees received

As of 31 December 2025, the Group has received letters of guarantees amounting to USD 58.409 from its customers and suppliers (31 December 2024: USD 107.835).

ÇALIK ENERJİ SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Notes to Consolidated Financial Statements For the Year Ended 31 December 2025
(Amounts expressed in thousands of United States Dollar ("USD") unless otherwise stated.)

24. SHARE CAPITAL AND RESERVES AND OTHER EQUITY ITEMS

Paid in capital

As of 31 December 2025, the Company’s statutory nominal value of authorised and paid-in share capital is USD 125.000 (31 December 2024: USD 125.000) comprising of nominal 155.000.000.000 registered shares (31 December 2024: nominal 155.000.000.000) having per value of USD 0,00081 (31 December 2024: USD 0,00081) nominal each.

As of 31 December 2025, and 2024, the shareholding structure of Çalık Enerji based on the number of shares is presented below:

	31 December 2025	%	31 December 2024	%
Çalık Holding	147.905.699	95,42	147.905.699	95,42
Kırmızı Elmas Enerji ve Altyapı Yatırımları A.Ş.	6.938.918	4,48	6.938.918	4,48
Ahmet Çalık	155.383	0,10	155.383	0,10
	155.000.000		155.000.000	

The capital amount increased to USD 125.000 from 79.975 with the decision made at Extraordinary General Assembly held on April 4, 2024.

Legal reserves

The legal reserves are established by annual appropriations amounting to 5% of income disclosed in the Group’s statutory accounts until it reaches 20% of paid-in share capital (first legal reserve). Without limit, a further 10% of dividend distributions in excess of 5% of share capital is to be appropriated to increase legal reserves (second legal reserve). The first legal reserve is restricted and is not available for distribution as dividend unless it exceeds 50% of share capital. In the accompanying consolidated financial statements, the total of the legal reserves of the consolidated entities amounted to USD 256.831 as at 31 December 2025 (31 December 2024: USD 236.435).

Dividends

As per the General Assembly Meeting dated on 27 March 2025, the Company has distributed dividends to its shareholders amounting to USD 131.674 (31 December 2024: USD 114.074).

Currency translation differences

The translation reserve consists of all foreign exchange differences arising from the translation of the financial statements of foreign operations and the conversion of the Company’s functional currency to presentation currency.

ÇALIK ENERJİ SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Notes to Consolidated Financial Statements For the Year Ended 31 December 2025
(Amounts expressed in thousands of United States Dollar ("USD") unless otherwise stated.)

24. SHARE CAPITAL AND RESERVES AND OTHER EQUITY ITEMS (Cont’d)

Non-controlling interest

For the years ended 31 December 2025, and 2024, movements of the non-controlling interest were as follows:

	2025	2024
Non-controlling interest at the beginning of the year	3.498	3.711
Net income/(loss) for the year	225	(295)
Foreign currency translation differences for foreign operations	12.429	184
Acquisition of subsidiary	(5.646)	-
Actuarial gains (losses) on defined benefit plans	(5)	(2)
Dividends	(341)	(100)
Balance at the end of the year	10.160	3.498

25. REVENUE AND COST OF SALES

	1 January- 31 December 2025	1 January- 31 December 2024
<u>Sales</u>		
Domestic sales	1.290.230	970.316
Export sales	1.749.246	1.277.725
	3.039.476	2.248.041

For the years ended 31 December 2025, and 2024, details of the revenue is as follows:

	1 January- 31 December 2025	1 January- 31 December 2024
EPC	1.772.476	1.248.813
Electricity sale and distribution	1.261.434	970.316
Other operations	5.566	28.912
	3.039.476	2.248.041

	1 January- 31 December 2025	1 January- 31 December 2024
<u>Cost of Sales</u>		
Materials and trading goods expenses	2.039.294	1.543.597
Personnel expenses	140.584	91.988
Depreciation and amortization expenses	28.447	28.483
Consultancy expenses	15.841	148
Other	43.026	111.658
	2.267.192	1.775.874

ÇALIK ENERJİ SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Notes to Consolidated Financial Statements For the Year Ended 31 December 2025
(Amounts expressed in thousands of United States Dollar ("USD") unless otherwise stated.)

26. ADMINISTRATIVE EXPENSES AND RESEARCH & DEVELOPMENT EXPENSES

The details of administrative expenses for the years ended 31 December 2025, and 2024 are as follows:

	1 January- 31 December 2025	1 January- 31 December 2024
Personnel expenses	70.722	55.316
Subcontractor expenses	17.561	12.476
Outsource expenses ^(*)	16.451	13.638
Consultancy expenses	12.652	3.448
Depreciation and amortisation expenses	10.814	6.793
Maintenance and repair expenses	8.221	14.233
Communication and information expenses	5.192	4.404
Taxes, duties and fees	4.716	4.920
Consumable expenses	3.932	10.795
Accommodation expenses	3.216	2.267
Insurance expenses	2.710	3.348
Travel and accommodation expenses	2.696	1.838
Office expenses	2.680	1.674
Other	9.853	4.951
	171.416	140.101

(*) Outsource expenses comprise of expenses made by Çalık Holding on behalf of Çalık Enerji.

The details of research and development expenses for the years ended 31 December 2025, and 2024 are as follows:

	1 January- 31 December 2025	1 January- 31 December 2024
Personnel expenses	4.799	4.238
Travel and accommodation expenses	1.603	1.834
Consultancy expenses	234	402
Depreciation and amortisation expenses	68	51
Other	1.275	387
	7.979	6.912

27. EXPENSES BY NATURE

The details of expenses by nature for the years ended 31 December 2025, and 2024 are as follows:

	1 January- 31 December 2025	1 January- 31 December 2024
Materials and trading goods expenses	2.039.294	1.543.597
Personnel expenses	216.105	151.542
Depreciation and amortization expenses	39.329	35.327
Consultancy expenses	28.727	3.998
Subcontractor expenses	17.561	12.476
Outsource expenses	16.451	13.638
Maintenance and repair expenses	8.221	14.233
Communication and information expenses	5.192	4.404
Taxes, duties and fees	4.716	4.920
Consumable expenses	3.932	10.795
Other	67.059	127.957
	2.446.587	1.922.887



ÇALIK ENERJİ SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Notes to Consolidated Financial Statements For the Year Ended 31 December 2025
(Amounts expressed in thousands of United States Dollar ("USD") unless otherwise stated.)

28. OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES

The details of other income from operating activities for the years ended 31 December 2025, and 2024 are as follows:

	1 January- 31 December 2025	1 January- 31 December 2024
Time deposit interest income	33.779	22.060
Incentive gains	20.473	16.523
Interest income from subscribers	10.391	7.323
Foreign exchange gains	5.094	17.054
Penalty and indemnity gains	2.835	140
Gain on sale of securities	1.138	1.562
Other	11.973	2.839
	<u>85.683</u>	<u>67.501</u>

The details of other expenses from operating activities for the years ended 31 December 2025, and 2024 are as follows:

	1 January- 31 December 2025	1 January- 31 December 2024
Foreign exchange losses	15.743	12.261
Provision expenses	10.970	18.537
Litigation expenses	2.486	1.582
Forest land lease line price	661	453
Other	5.934	3.825
	<u>35.794</u>	<u>36.658</u>

29. INCOME AND EXPENSES FROM INVESTING ACTIVITIES & IFRS 9 IMPACT

The details of other income from investing activities for the years ended 31 December 2025, and 2024 are as follows:

	1 January- 31 December 2025	1 January- 31 December 2024
Dividend income	14.492	18.402
Profit on sale of financial investments	7.440	32.287
Gain on sale of property, plant and equipment	3.800	254
Fair value difference arising from investment property	2.610	-
Fair value difference arising from financial investments	-	19.144
	<u>28.342</u>	<u>70.087</u>

The details of other expenses from investing activities for the years ended 31 December 2025, and 2024 are as follows:

	1 January- 31 December 2025	1 January- 31 December 2024
Fair value difference arising from investment property	-	17.874
Loss on sale of property, plant and equipment	-	31
	<u>-</u>	<u>17.905</u>

ÇALIK ENERJİ SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Notes to Consolidated Financial Statements For the Year Ended 31 December 2025
(Amounts expressed in thousands of United States Dollar ("USD") unless otherwise stated.)

29. INCOME AND EXPENSES FROM INVESTING ACTIVITIES & IFRS 9 IMPACT (Cont'd)

The details of gain and losses from IFRS 9 for the years ended 31 December 2025, and 2024 are as follows:

	1 January- 31 December 2025	1 January- 31 December 2024
Provision from doubtful receivables (Note 7)	8.175	19.082
Collection & reversal of doubtful trade receivables (Note 7)	(9.390)	(4.017)
	<u>(1.215)</u>	<u>15.065</u>

30. FINANCE INCOME AND EXPENSES

The details of finance income for the years ended 31 December 2025, and 2024 are as follows:

	1 January- 31 December 2025	1 January- 31 December 2024
Foreign exchange gains on borrowings	6.520	8.845
Interest income from financing activities	1.724	3.590
Other interest income	2.529	2.409
	<u>10.773</u>	<u>14.844</u>

The details of finance expenses for the years ended 31 December 2025, and 2024 are as follows:

	1 January- 31 December 2025	1 January- 31 December 2024
Long term interest expenses from borrowings	37.403	44.501
Short term interest expenses from borrowings	23.026	13.974
Foreign exchange loss on borrowings	15.452	4.918
Bank commission expenses	4.902	7.343
Letter of guarantees commission expenses	3.195	1.508
Interest expense due to related parties	750	5.618
Other interest expenses	1.684	1.547
	<u>86.412</u>	<u>79.409</u>

ÇALIK ENERJİ SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Notes to Consolidated Financial Statements For the Year Ended 31 December 2025
(Amounts expressed in thousands of United States Dollar ("USD") unless otherwise stated.)

31. INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)

	31 December 2025	31 December 2024
<i>Assets related to current tax.</i>		
Prepaid corporate tax	5.368	13.984
	<u>5.368</u>	<u>13.984</u>

	31 December 2025	31 December 2024
<i>Current tax liability</i>		
Current corporate tax provision	61.663	19.097
Current tax provision under Pillar II	9.343	9.343
Non-current tax provision under Pillar II	19.148	-
Less: prepaid taxes and funds	(2.250)	(3.269)
	<u>87.904</u>	<u>25.171</u>

Income tax recognized in profit or loss

	31 December 2025	31 December 2024
Current tax expense	(99.742)	(30.018)
Deferred tax charge/ benefit	(14.911)	(33.939)
Total tax income /(expense)	<u>(114.653)</u>	<u>(63.957)</u>

Corporate Tax

Corporate income tax is levied on the statutory corporate income tax base, which is determined by modifying income for certain tax exclusions and allowances. As of 31 December 2025, the corporate tax rate for corporate earnings has been determined as 25%.

With the temporary article 33 of the Tax Procedure Law; It has been stipulated that no inflation adjustment will be made in the accounting periods of 2021 and 2022 and the provisional tax periods of 2023, regardless of whether the conditions in Article 298/A of the TPL are met, and that the financial statements dated 31 December 2025 will be subject to correction regardless of any conditions. In this context, the financial statements dated 31 December 2025, prepared in accordance with the Tax Procedure Law, have been subject to inflation correction. As of 2025, the inflation adjustment to be applied under the Tax Procedure Law has been deferred to the 2025, 2026 and 2027 financial years pursuant to Law No. 7571. This practice is applicable for tax purposes only and does not have any impact on the amounts presented in the IFRS financial statements.

Under Article 5/1-(e) of Corporate Tax Law No. 5520, 75% of the capital gains arising from the sale of participation shares held for at least two years were previously exempt from corporate income tax, provided that specific conditions were met. However, Presidential Decree No. 9160, published in the Official Gazette on 27 November 2024, has reduced this exemption rate from 75% to 50%. This change applies to sales realized on or after the publication date, with no transitional provisions specified. Regarding immovable properties, Law No. 7456, effective from 15 July 2023, abolished the partial tax exemption for capital gains derived from the sale of immovable properties held for at least two years. Previously, 50% of such gains were exempt from corporate income tax. Under the new law, capital gains from the sale of immovable properties acquired on or after 15 July 2023 are fully taxable. For immovable properties acquired before this date, a reduced exemption rate of 25% applies.

In Turkey, the tax legislation does not permit a parent company and its subsidiaries to file a consolidated tax return. Therefore, the provision for taxes shown in the consolidated financial statements reflects the total amount of taxes calculated on each entity that is included in the consolidation. Under the Turkish taxation system, tax losses can be carried forward to be offset against future taxable income for up to five years. Tax losses cannot be carried back.

ÇALIK ENERJİ SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Notes to Consolidated Financial Statements For the Year Ended 31 December 2025
(Amounts expressed in thousands of United States Dollar ("USD") unless otherwise stated.)

31. INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (Cont'd)

Taxation of Foreign Subsidiaries and Operations

Entities and operations consolidated in the accompanying financial statements are subject to corporate tax and withholding tax regimes effective in the relevant country. Effective tax rates in those countries in which the Group operates are summarized below:

	31 December 2025	31 December 2024
Turkmenistan	8% - 20%	8% - 20%
Uzbekistan	15%	15%
Iraq	15%	15%
Libya	20%	20%
Dubai (United Arab Emirates)	9%	9%
Switzerland	11.9% - 20.5%	11.9% - 20.5%
Netherlands	19% - 25.8%	19% - 25.8%
Kosovo	10%	10%
Poland	19%	19%
Georgia	15%	15%

Income Withholding Tax

As of 22 December 2024, the withholding tax rate on dividend distributions in Turkey has been increased from 10% to 15% by Presidential Decree No. 9286 published in the Official Gazette on the same date. This new rate applies to dividends paid by resident entities to: Resident individuals, Non-resident individuals, Non-resident entities, except for those deriving dividends through a permanent establishment or representative in Turkey, and Entities exempt from income or corporate tax. For non-resident entities and individuals, the applicable withholding tax rates may be reduced under the provisions of relevant Double Taxation Agreements (DTAs) between Turkey and the recipient's country of residence. Dividends paid to resident companies remain exempt from withholding tax.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns within four months following the close of the accounting year to which they relate. Tax returns are open for five years from the beginning of the year that follows the date of filing, during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based and may issue reassessments based on their findings.

Transfer pricing regulations

In Turkey, the transfer pricing provisions have been stated under Article 13 of the Corporate Tax Law with the heading of "disguised profit distribution via transfer pricing". The General Communiqué on disguised profit distribution via Transfer Pricing, dated 18 November 2007, sets out details about implementation.

If a taxpayer enters transactions regarding the sale or purchase of goods and services with related parties, where the prices are not set by the arm's length principle, then related profits are considered to be distributed in a disguised manner through transfer pricing. Such disguised profit distributions through transfer pricing are not accepted as tax-deductible for corporate income tax purposes.

ÇALIK ENERJİ SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Notes to Consolidated Financial Statements For the Year Ended 31 December 2025
(Amounts expressed in thousands of United States Dollar ("USD") unless otherwise stated.)

31. INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (Cont'd)

Global Minimum Tax

The Group has analyzed the implications of the "Global Minimum Tax", which has been implemented worldwide in line with its multinational structure. In this context, based on the analyses performed, it has been concluded that United Arab Emirates and Switzerland will incur additional tax obligations. The calculated additional tax amount for United Arab Emirates and Switzerland have been recorded in the relevant financial statements.

For all other countries where the Group operates, the "Safe Harbor" provisions of the Global Minimum Tax apply, meaning no additional tax liabilities arise in those jurisdictions.

Deferred Tax

The Group recognizes deferred tax assets and liabilities for temporary timing differences arising from differences between its statutory tax consolidated financial statements and its consolidated financial statements prepared in accordance with IFRS. These differences generally arise from the fact that some income and expense items are included in different periods in the consolidated tax financial statements and the consolidated financial statements prepared in accordance with IFRS, and the differences in question are stated below.

In Turkey, the companies cannot declare a consolidated tax return, therefore subsidiaries that have deferred tax assets position were not netted off against subsidiaries that have deferred tax liabilities position and disclosed separately.

Deferred tax (assets)/liabilities

	31 December 2025		31 December 2024	
	Asset	Liability	Asset	Liability
Vacation pay liability	952	-	886	-
Employee severance indemnity	1.551	-	2.172	-
Provision for litigations	3.584	-	1.760	-
IFRS 9 effect on borrowings	-	(959)	-	(457)
Property, plant and equipment and intangible assets	143.259	(7.428)	142.643	(3.779)
Security deposits	9.038	-	8.166	-
Provision for expenses	3.182	-	1.862	-
Effect of percentage of completion method	3.836	(7.163)	-	(8.977)
Service concession receivables	-	(88.323)	-	(69.083)
Expected credit loss	3.199	-	4.619	-
Revaluation of financial investments	3.398	(502)	4.126	(1.124)
Other temporary differences	3.239	(17.388)	2.784	(18.533)
Total deferred tax assets/(liabilities)	175.238	(121.763)	169.018	(101.953)
Offsetting	(110.394)	110.394	(92.136)	92.136
Deferred tax assets/(liabilities), net	64.844	(11.369)	76.882	(9.817)

ÇALIK ENERJİ SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Notes to Consolidated Financial Statements For the Year Ended 31 December 2025
(Amounts expressed in thousands of United States Dollar ("USD") unless otherwise stated.)

31. INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (Cont'd)

Deferred Tax (cont'd)

Movement of deferred tax (assets) / liabilities for the years ended 31 December 2025 and 2024 are as follows:

	1 January 2025	Current year inflation effect & Effects of translation	Recognised in profit or loss	Recognised in other comprehensive income	31 December 2025
Vacation pay liability	886	(3)	69	-	952
Employee severance indemnity	2.172	(138)	(1.509)	1.026	1.551
Provision for litigations	1.760	168	1.656	-	3.584
Amortised cost effect on borrowings	(457)	-	(502)	-	(959)
Property, plant and equipment and intangible assets	138.864	2.210	(5.243)	-	135.831
Security deposits	8.166	635	237	-	9.038
Provision for expenses	1.862	1.263	57	-	3.182
Effect of percentage of completion method	(8.977)	(205)	5.855	-	(3.327)
Service concession receivables	(69.083)	(5.375)	(13.865)	-	(88.323)
Expected credit loss	4.619	(44)	(1.376)	-	3.199
Revaluation of financial investments	3.002	245	(351)	-	2.896
Other temporary differences	(15.749)	1.539	61	-	(14.149)
Total deferred tax assets/(liabilities)	67.065	295	(14.911)	1.026	53.475

	1 January 2024	Current year inflation effect & Effects of translation	Recognised in profit or loss	Recognised in other comprehensive income	Disposal of subsidiary	31 December 2024
Vacation pay liability	278	25	583	-	-	886
Employee severance indemnity	1.325	(920)	1.204	563	-	2.172
Provision for litigations	1.157	141	462	-	-	1.760
Amortised cost effect on borrowings	65	6	(534)	-	6	(457)
Property, plant and equipment and intangible assets	131.565	31.412	(19.200)	-	(4.913)	138.864
Security deposits	6.037	1.236	893	-	-	8.166
Provision for expenses	354	(304)	1.812	-	-	1.862
Effect of percentage of completion method	(2.428)	-	(8.549)	-	-	(8.977)
Service concession receivables	(46.837)	(9.588)	(12.658)	-	-	(69.083)
Expected credit loss	1.306	19	3.294	-	-	4.619
Revaluation of financial investments	6.468	875	(4.341)	-	-	3.002
Other temporary differences	(11.183)	(5.295)	1.095	-	(366)	(15.749)
Total deferred tax assets/(liabilities)	88.107	17.607	(33.930)	563	(5.271)	67.065

As of 31 December 2025, deferred tax assets amounting to USD 15,337 (31 December 2024: USD 7.784) have not been recognized with respect to the statutory tax losses carried forward up to 2030. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilize the benefits therefrom.

Expiration schedule of unused carry forward tax losses is as follows:

	31 December 2025	31 December 2024
2025	-	7
2026	244	531
2027	654	822
2028	6.035	7.520
2029	18.325	22.254
2030	36.091	-
	61.349	31.134

ÇALIK ENERJİ SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Notes to Consolidated Financial Statements For the Year Ended 31 December 2025
(Amounts expressed in thousands of United States Dollar ("USD") unless otherwise stated.)

31. INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (Cont'd)

Reconciliation of effective tax rate

	31 December 2025	31 December 2024
Profit/(loss) before tax	493.345	200.599
Taxes on reported profit per statutory tax rate	(123.336)	(50.150)
Permanent differences:		
Disallowable expenses	(1.176)	(7.770)
Tax exempt income (*)	9.836	1.929
Effect of share of profit of equity-accounted investees	6.210	(3.060)
Effect of different tax rates in foreign jurisdictions	15.690	3.590
Losses for fiscal years	3.884	(22.689)
Reversal of used tax losses	41	12.640
Tax losses carry forward	(3.531)	-
Tax effect of consolidated adjustments	(10.264)	26.854
Tax effect of business combination	3.295	-
Effect of change in tax rate	(552)	295
Revaluation effect of tangible and intangible assets	36.067	(2.486)
Additional corporate tax	3.818	-
Hyperinflation monetary adjustments (**)	(47.226)	(26.049)
Others, net	(7.409)	2.939
	<u>(114.653)</u>	<u>(63.957)</u>

(*) Related amounts consist of profits generated by foreign branches of the Group which are not subject to corporate tax.

(**) The Group has adopted hyperinflation accounting for its subsidiaries having functional currency of TL operating in Turkey (see note 2.4). Their results have been restated for changes in the general purchasing power causing permanent tax differences.

32. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

a) Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Group consists of debt, which includes the borrowings disclosed in Note 25, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings.

	31 December 2025	31 December 2024
Total current liabilities	1.265.504	949.013
Less: cash and cash equivalents	396.584	368.439
Less: deferred revenue and contract liabilities	<u>527.577</u>	<u>420.194</u>
Net debt	341.343	160.380
Equity	<u>1.500.457</u>	<u>1.202.873</u>
Debt to equity ratio	23%	13%

ÇALIK ENERJİ SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Notes to Consolidated Financial Statements For the Year Ended 31 December 2025
(Amounts expressed in thousands of United States Dollar ("USD") unless otherwise stated.)

32. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (Cont'd)

b) Financial risk factors

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers.

The Group's principal financial assets are cash and cash equivalents, financial investments, trade receivables and other receivables. The Group requires a certain amount of collateral in respect of its account receivable. Credit evaluations are performed on all customers requiring credit over a certain amount on an individual level.

At the reporting date, there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the consolidated statement of financial position.

The maximum exposure to credit risk for trade receivables at the reporting date by geographic concentration was as follows:

Location	31 December 2025	31 December 2024
Turkmenistan	231.191	119.929
Turkey	141.260	90.536
Dubai	35.232	12.508
Iraq	34.485	62.013
Uzbekistan	10.922	10.062
Poland	217	-
Senegal	3.773	47
Switzerland	3.398	-
Romania	120	-
Netherlands	30	-
	<u>460.628</u>	<u>295.095</u>

To measure expected credit losses, the Group grouped its trade receivables and contract assets into various classes considering the maturity and credit risk characteristics. For each identified class of trade receivables and contract assets, an expected credit loss rate was calculated by considering historical credit loss experience, current conditions and forecast of future economic conditions. The expected credit loss provision has been determined by applying these calculated rates to the gross amounts of the respective trade receivables and contract assets.

ÇALIK ENERJİ SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Notes to Consolidated Financial Statements For the Year Ended 31 December 2025
(Amounts expressed in thousands of United States Dollar ("USD") unless otherwise stated.)

32. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (Cont'd)

b) Financial risk factors (cont'd)

Credit risk (cont'd)

	Receivables							
	Trade receivables		Other receivables		Receivables from customer contracts		Service concession receivables	
	Related parts	Other parts	Related parts	Other parts	Contractual assets arising from ongoing construction and construction works	Service concession receivables	Cash at banks, revenue expenditure agreements	
31 December 2025								
Maximum credit risk exposure at reporting date (A+B+C)	153.485	307.143	14.585	91.488	750.838	454.006	396.012	-
- Secured portions of the maximum credit risk by guarantees	-	-	-	-	-	-	-	-
A: Carrying value of financial assets that are neither past due nor impaired	(153.485)	289.983	14.585	91.488	-	-	-	-
B: Carrying value of financial assets that are past due but not impaired	-	17.160	-	-	-	-	-	-
C: Carrying value of impaired assets	-	-	-	-	-	-	-	-
- Past due (gross carrying amount)	-	29.392	-	-	-	-	-	-
- Impairment (-)	-	(29.392)	-	-	-	-	-	-
	Receivables							
	Trade receivables		Other receivables		Receivables from customer contracts		Service concession receivables	
	Related parts	Other parts	Related parts	Other parts	Contractual assets arising from ongoing construction and construction works	Service concession receivables	Cash at banks, revenue expenditure agreements	
31 December 2024								
Maximum credit risk exposure at reporting date (A+B+C)	-	-	22.320	75.456	447.375	386.176	366.730	-
- Secured portions of the maximum credit risk by guarantees	-	-	-	-	-	-	-	-
A: Carrying value of financial assets that are neither past due nor impaired	(126.027)	144.233	22.320	75.456	-	-	-	-
B: Carrying value of financial assets that are past due but not impaired	-	22.455	-	-	-	-	-	-
C: Carrying value of impaired assets	-	-	-	-	-	-	-	-
- Past due (gross carrying amount)	-	36.087	-	-	-	-	-	-
- Impairment (-)	-	(16.087)	-	-	-	-	-	-



ÇALIK ENERJİ SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Notes to Consolidated Financial Statements For the Year Ended 31 December 2025
(Amounts expressed in thousands of United States Dollar ("USD") unless otherwise stated.)

32. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (Cont'd)

b) Financial risk factors (cont'd)

Credit risk (cont'd)

As of 31 December 2025, and 2024, the aging of trade receivables (due but not impaired at the reporting date) were:

31 December 2025	Receivables		Cash at banks	Derivative instruments	Other
	Trade receivables	Other receivables			
Past due 1-30 days	11.397	-	-	-	-
Past due 1-3 months	2.414	-	-	-	-
Past due 3-12 months	1.731	-	-	-	-
Past due 1-5 years	1.618	-	-	-	-
Total	17.160	-	-	-	-

31 December 2024	Receivables		Cash at banks	Derivative instruments	Other
	Trade receivables	Other receivables			
Past due 1-30 days	13.540	-	-	-	-
Past due 1-3 months	4.412	-	-	-	-
Past due 3-12 months	2.973	-	-	-	-
Past due 1-5 years	1.910	-	-	-	-
Total	22.835	-	-	-	-

Liquidity risk

Liquidity risk arises in the general funding of the Group's activities and in the management of positions. It includes both risk of being unable to fund assets at appropriate maturity rates and risk of being unable to liquidate an asset at a reasonable price and in an appropriate time frame. The Group has access to funding sources from banks and keeps certain levels of assets like cash and cash equivalents. The Group continuously assesses liquidity risk by identifying and monitoring changes in funding required in meeting business goals and targets set in terms of the overall Group strategy.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities.

31 December 2025	Carrying amount	Total contractual cash flows		Less than 3 months	3-12 months	1-5 years	More than 5 years
Bank loans	355.545	441.938	35.994	127.130	122.076	156.738	-
Other financial liabilities	23.340	23.341	-	23.341	-	-	-
Lease liabilities	36.191	45.945	1.605	7.503	23.704	13.133	-
Trade payables	380.099	380.099	380.099	-	-	-	-
Other payables	187.610	187.610	95.317	-	92.293	-	-
Employee benefits	6.457	6.457	6.457	-	-	-	-

31 December 2024	Carrying amount	Total contractual cash flows		Less than 3 months	3-12 months	1-5 years	More than 5 years
Bank loans	210.518	275.306	32.733	138.569	101.772	2.232	-
Other financial liabilities	20.041	20.061	9	20.052	-	-	-
Lease liabilities	6.903	8.130	495	1.628	6.007	-	-
Trade payables	183.210	183.210	183.210	-	-	-	-
Other payables	77.404	77.404	67.400	-	10.004	-	-
Employee benefits	7.452	7.452	7.452	-	-	-	-

ÇALIK ENERJİ SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Notes to Consolidated Financial Statements For the Year Ended 31 December 2025
(Amounts expressed in thousands of United States Dollar ("USD") unless otherwise stated.)

32. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (Cont'd)

b) Financial risk factors (cont'd)

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Foreign currency risk

The Group is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of Group entities. The currencies in which these transactions primarily are denominated are Euro and TL.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

The Group is exposed to currency risk through the impact of rate changes on the translation of foreign currency denominated payables and bank borrowings from financial institutions. Such risk is monitored by the Board of Directors and limited through taking positions within approved limits as well as using derivative instruments where necessary.

To minimise risk arising from foreign currency denominated statement of financial position items, the Group sometimes utilises derivative instruments as well as keeping part of its idle cash in foreign currencies.

ÇALIK ENERJİ SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Notes to Consolidated Financial Statements For the Year Ended 31 December 2025
(Amounts expressed in thousands of United States Dollar ("USD") unless otherwise stated.)

32. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (Cont'd)

Market risk (cont'd)

Foreign currency risk (cont'd)

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting year are as follows:

	31 December 2025					31 December 2024				
	USD equivalent	USD (***)	TL	Euro	Other (***)	USD equivalent	USD (***)	TL	Euro	Other (***)
1. Trade receivables	133.274	32	7.793	89.879	27.842	54.816	-	3.462	26.966	32.829
2. Monetary financial assets (including cash on hand, bank deposits) (*)	110.929	8.903	119.097	59.113	40.400	55.098	106	226.623	31.310	15.963
2b. Other monetary assets	-	-	-	-	-	-	-	-	-	-
3. Other	-	-	-	-	-	-	-	-	-	-
4. Current assets (1+2+3)	244.203	8.935	127.098	139.992	68.242	109.914	106	232.085	52.276	48.794
5a. Trade receivables	71.210	-	-	60.696	-	1.499	1	-	376	898
5b. Monetary financial assets	-	-	-	-	-	-	-	-	-	-
6a. Other monetary assets	-	-	-	-	-	-	-	-	-	-
7. Other	-	-	-	-	-	-	-	-	-	-
8. Non-current assets (4+5+6+7)	73.210	-	-	60.696	-	1.499	1	-	676	898
9. Total assets (4+8)	317.413	8.935	127.098	200.688	68.242	111.413	107	232.085	52.952	49.692
10. Trade payables	(175.480)	(11.130)	(126.610)	(113.511)	(113.576)	(26.499)	(2.963)	(175.733)	(13.366)	(7.073)
11. Financial liabilities	(139.846)	(1)	(139.846)	(126.216)	(126.216)	(68.976)	(69)	(147.721)	(77.766)	(1)
12a. Other monetary liabilities	(29.083)	(61)	(291.943)	(776)	(12.761)	(9.821)	(9)	-	(24)	(6.518)
12b. Other non-monetary liabilities	-	-	-	-	-	-	-	-	-	-
13. Short-term liabilities (10+11+12)	(234.409)	(11.202)	(619.269)	(351.688)	(332.553)	(104.796)	(80)	(323.454)	(91.456)	(11.589)
14. Trade payables	-	-	-	-	-	-	-	-	-	-
15. Financial liabilities	(14.800)	-	-	(14.021)	-	(11.122)	-	-	(29.893)	-
16a. Other monetary liabilities	-	-	-	-	-	-	-	-	-	-
16b. Other non-monetary liabilities	-	-	-	-	-	-	-	-	-	-
17. Long-term liabilities (14+15+16)	(14.800)	-	-	(14.021)	-	(11.122)	-	-	(29.893)	-
18. Total liabilities (13+17)	(294.274)	(11.202)	(619.269)	(365.709)	(343.573)	(115.918)	(80)	(353.347)	(121.349)	(11.589)
19. Net position of off-statement of financial position derivative instruments (Other (*)/8)	-	-	-	-	-	-	-	-	-	-
20. Total hedged assets (**)	-	-	-	-	-	-	-	-	-	-
21. Net statement of financial position (19+20)	63.139	(2.267)	(197.731)	(12.827)	49.678	(34.965)	(15.971)	9.311	(108.699)	(18.187)
22. Net statement of monetary items (10+11+12+13+14+15+16+17+18+19+20+21)	63.137	(2.267)	(197.731)	(12.827)	49.678	(34.965)	(15.971)	9.311	(108.699)	(18.187)

(*) Consists of the Group's other receivables in foreign currency with a monetary financial assets nature.

(**) Consists of the currency risk of the Group subsidiaries' own currencies.

(***) USD equivalents are given.

ÇALIK ENERJİ SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Notes to Consolidated Financial Statements For the Year Ended 31 December 2025
(Amounts expressed in thousands of United States Dollar ("USD") unless otherwise stated.)

32. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (Cont'd)

Market risk (cont'd)

Foreign currency risk (cont'd)

Sensitivity analysis

A strengthening/weakening of the USD against the other currencies below would have increased/ (decreased) the comprehensive income and profit/loss (excluding the tax effect) as of 31 December 2025, and 2024 as follows:

	Profit / (Loss)		Equity	
	Strengthening of USD	Weakening of USD	Strengthening of USD	Weakening of USD
31 December 2025				
Increase/(decrease) 10% of TL parity				
1-TL net asset / liability	(1.614)	1.614	(1.614)	1.614
2-Hedged portion of TL amounts (-)	-	-	-	-
3- Net effect of TL (1+2)	(1.614)	1.614	(1.614)	1.614
Increase/(decrease) 10% of EUR parity				
4-EUR net asset / liability	3.877	(3.877)	3.877	(3.877)
5-Hedged portion of EUR amounts (-)	-	-	-	-
6-Net effect of EUR (4+5)	3.877	(3.877)	3.877	(3.877)
Increase/(decrease) 10% of other parity				
7-Other foreign currency net asset / liability	4.508	(4.508)	4.508	(4.508)
8-Hedged portion of other foreign currency amounts (-)	-	-	-	-
9-Net effect of other foreign currencies (7+8)	4.508	(4.508)	4.508	(4.508)
TOTAL (3+6+9)	6.771	(6.771)	6.771	(6.771)
31 December 2024				
Increase/(decrease) 10% of TL parity				
1-TL net asset / liability	26	(26)	26	(26)
2-Hedged portion of TL amounts (-)	-	-	-	-
3- Net effect of TL (1+2)	26	(26)	26	(26)
Increase/(decrease) 10% of EUR parity				
4-EUR net asset / liability	(7.090)	7.090	(7.090)	7.090
5-Hedged portion of EUR amounts (-)	-	-	-	-
6-Net effect of EUR (4+5)	(7.090)	7.090	(7.090)	7.090
Increase/(decrease) 10% of other parity				
7-Other foreign currency net asset / liability	3.811	(3.811)	3.811	(3.811)
8-Hedged portion of other foreign currency amounts (-)	-	-	-	-
9-Net effect of other foreign currencies (7+8)	3.811	(3.811)	3.811	(3.811)
TOTAL (3+6+9)	(3.253)	3.253	(3.253)	3.253

Interest rate risk

The Group's operations are subject to the risk of interest rate fluctuations to the extent that interest-earning assets and interest-bearing liabilities mature or reprice at different times or in differing amounts. In the case of floating rate assets and liabilities the Group is also exposed to basis risk, which is the difference in reprising characteristics of the various floating rate indices, such as six months Libor and different types of interest. Risk management activities are aimed at optimizing net interest income, given market interest rate levels consistent with the Group's business strategies.

ÇALIK ENERJİ SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Notes to Consolidated Financial Statements For the Year Ended 31 December 2025
(Amounts expressed in thousands of United States Dollar ("USD") unless otherwise stated.)

32. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (Cont'd)

Market risk (cont'd)

Interest rate risk (cont'd)

As of 31 December 2025, and 2024, the interest rate profile of the Group's interest-bearing financial instruments was as follows:

	31 December 2025	31 December 2024
Fixed rate instruments		
Financial assets	231.271	284.126
Financial liabilities	(355.545)	(210.518)
Variable rate instruments		
Financial liabilities	-	-

Fair value sensitivity analysis for fixed instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss and the Group does not designate derivatives (interest rate swaps) as hedging instruments under fair value hedge accounting model. Therefore, a change in interest rate as of the reporting date would not affect profit or loss and equity.

Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior. Operational risks arise from all of the Group's operations.

The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit. This responsibility is supported by the development of overall Group standards for the management of operational risk in the following areas:

- requirements for appropriate segregation of duties, including the independent authorization of transactions
- requirements for the reconciliation and monitoring of transactions
- compliance with regulatory and other legal requirements
- documentation of controls and procedures
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified
- requirements for the reporting of operational losses and proposed remedial action
- development of contingency plans
- training and professional development
- ethical and business standards
- risk mitigation, including insurance where this is effective.

Compliance with Group standards is supported by a program of periodic reviews undertaken by Çalık Holding's Internal Audit department.

ÇALIK ENERJİ SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Notes to Consolidated Financial Statements For the Year Ended 31 December 2025
(Amounts expressed in thousands of United States Dollar ("USD") unless otherwise stated.)

32. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (Cont'd)

Market risk (cont'd)

Fair value information

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or in its absence, the most advantageous market to which the Group has access at that date.

When available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. If there is no quoted market price in an active market, then the Group uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Categories of financial instruments and fair values

	Financial assets presented from amortized value	Financial assets measured by reflecting FV difference on profit / loss	Financial liabilities presented at amortized value	Net carrying amount
31 December 2025				
Cash and cash equivalents with restricted amounts	396.584	-	-	396.584
Financial investments	-	5.242	-	5.242
Trade receivables	460.628	-	-	460.628
Other receivables	106.073	-	-	106.073
Total assets	963.285	5.242	-	968.527
Borrowings	-	-	(378.885)	(378.885)
Lease liabilities	-	-	(36.191)	(36.191)
Trade payables	-	-	(380.099)	(380.099)
Payables related to employee benefits	-	-	(6.457)	(6.457)
Other payables	-	-	(187.610)	(187.610)
Total liabilities	-	-	(989.242)	(989.242)
31 December 2024				
Cash and cash equivalents with restricted amounts	368.439	-	-	368.439
Financial investments	-	40.245	-	40.245
Trade receivables	295.095	-	-	295.095
Other receivables	97.776	-	-	97.776
Total assets	761.310	40.245	-	801.555
Borrowings	-	-	(230.559)	(230.559)
Lease liabilities	-	-	(6.903)	(6.903)
Trade payables	-	-	(183.210)	(183.210)
Payables related to employee benefits	-	-	(7.452)	(7.452)
Other payables	-	-	(77.404)	(77.404)
Total liabilities	-	-	(505.528)	(505.528)

ÇALIK ENERJİ SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Notes to Consolidated Financial Statements For the Year Ended 31 December 2025
 (Amounts expressed in thousands of United States Dollar ("USD") unless otherwise stated.)

32. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (Cont'd)

Market risk (cont'd)

Fair value information (cont'd)

Fair value hierarchy

The fair value hierarchy consists of three levels, depending upon whether fair values are determined based on quoted prices in an active market (Level 1), valuation techniques with observable inputs (Level 2) or valuation techniques that incorporate inputs which are unobservable and which have significant impact on the fair value of the instrument (Level 3):

Valuation models

The Group measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

- Level 1: This category includes inputs that are quoted market prices (unadjusted) in active markets for identical instruments. These are instruments where the fair value can be determined directly from prices which are quoted in active, liquid markets and where the instrument observed in the market is representative of that being priced in the Group's portfolio.
- Level 2: This category includes inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3: This category includes all instruments where the valuation technique uses inputs based on unobservable data, which could have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant, unobservable adjustments or assumptions are required to reflect differences between instruments. Unobservable in this context means that there is little or no current market data available from which the price at which an arm's length transaction would be likely to occur can be derived.

The Group uses following assumptions to estimate the fair value of financial instruments:

Equity securities: Fair values of publicly traded equity securities are based on quoted market prices where available. In the case of where no quoted market is available, fair value is determined based on quoted prices for similar securities or other valuations where there is significant variability in the range of reasonable fair value estimates and the probabilities of the various estimates within the range cannot be assessed reasonably. Valuation techniques include discounted cash flow models and transaction multiple methods.

Derivative assets and liabilities: Derivatives are valued using valuation techniques. The valuation techniques and inputs depend on the type of derivative and the nature of the underlying instruments. Observable prices or model inputs are usually available in the market for exchange-traded derivatives and simple over-the-counter derivatives.

Availability of observable market prices and model inputs reduces the need for management judgment and estimation and also reduces the uncertainty associated with determining fair values. The principal technique used to value these instruments is based on discounted cash flows. These valuation models calculate the present value of expected future cash flows. Inputs to valuation models are determined from observable market data where possible. The inputs used include prices available from exchanges, dealers, brokers or providers of consensus pricing, yield curves, credit spreads, default rates, recovery rates, and volatility of underlying interest rates, equity prices and foreign currency exchange rates. These inputs are determined with reference to quoted prices, recently executed trades, independent market quotes, where available.

ÇALIK ENERJİ SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Notes to Consolidated Financial Statements For the Year Ended 31 December 2025
 (Amounts expressed in thousands of United States Dollar ("USD") unless otherwise stated.)

32. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (Cont'd)

Market risk (cont'd)

Fair value information (cont'd)

Fair value estimates obtained from models are adjusted for any other factors, such as liquidity risk or model uncertainties; to the extent that the Group believes that a third-party market participant would take them into account in pricing a transaction. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group entity and the counterparty where appropriate. For measuring fair values of derivatives, both credit valuation adjustments and debit valuation adjustments are taken into account.

Financial instruments not measured at fair value

The following table compares the carrying amount of financial assets and liabilities not measured at fair value and analyses them by the level in the fair value hierarchy.

	Level 1	Level 2	Level 3	Total fair value	Total carrying amount
31 December 2025					
Financial assets					
Cash and cash equivalents	396.584	-	-	396.584	396.584
Financial investments	82	-	5.160	5.242	5.242
Trade receivables	-	-	460.628	460.628	460.628
Other receivables	-	-	106.073	106.073	106.073
	<u>396.666</u>	<u>-</u>	<u>571.861</u>	<u>968.527</u>	<u>968.527</u>
Financial liabilities					
Borrowings	-	(378.885)	-	(378.885)	(378.885)
Lease liabilities	-	(36.191)	-	(36.191)	(36.191)
Trade payables	-	-	(380.099)	(380.099)	(380.099)
Payables related to employee benefits	-	-	(6.457)	(6.457)	(6.457)
Other payables	-	-	(187.610)	(187.610)	(187.610)
	<u>-</u>	<u>(415.076)</u>	<u>(574.166)</u>	<u>(989.242)</u>	<u>(989.242)</u>
	Level 1	Level 2	Level 3	Total fair value	Total carrying amount
31 December 2024					
Financial assets					
Cash and cash equivalents	368.439	-	-	368.439	368.439
Financial investments	8.640	-	31.605	40.245	40.245
Trade receivables	-	-	295.095	295.095	295.095
Other receivables	-	-	97.776	97.776	97.776
	<u>377.079</u>	<u>-</u>	<u>424.476</u>	<u>801.555</u>	<u>801.555</u>
Financial liabilities					
Borrowings	-	(230.559)	-	(230.559)	(230.559)
Lease liabilities	-	(6.903)	-	(6.903)	(6.903)
Trade payables	-	-	(183.210)	(183.210)	(183.210)
Payables related to employee benefits	-	-	(7.452)	(7.452)	(7.452)
Other payables	-	-	(77.404)	(77.404)	(77.404)
	<u>-</u>	<u>(237.462)</u>	<u>(268.066)</u>	<u>(505.528)</u>	<u>(505.528)</u>

ÇALIK ENERJİ SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Notes to Consolidated Financial Statements For the Year Ended 31 December 2025
 (Amounts expressed in thousands of United States Dollar ("USD") unless otherwise stated.)

33. NET MONETARY GAIN / LOSS ARISING FROM HYPERINFLATIONARY ECONOMIES

Non-monetary items	31 December 2025	31 December 2024
Consolidated Statement of Financial Position		
Inventories	(1.242)	(6.980)
Prepaid expenses	(271)	(1.099)
Financial Investment	(30.314)	-
Other current receivables	15.092	-
Property, plant and equipment	(46.410)	(56.944)
Rights of use asset	(1.195)	(2.368)
Intangible assets	(29.650)	(36.481)
Deferred tax assets	-	16.851
Deferred revenue	(485)	3.884
Paid-in capital	152.862	118.572
Items that will or may not be reclassified to profit or loss	(106)	(1.310)
Restricted reserves	24.643	30.937
Retained earnings	49.839	63.881
Consolidated Statement of Profit or Loss and Other Comprehensive Income		
Revenue	119.888	121.645
Cost of sales	(96.487)	(91.118)
Administrative expenses	(20.095)	(13.303)
Research and development expenses	(17)	(7)
Other income/(expense) from operating activities	1.237	11.349
Income/(expense) from investing activities	(3.254)	1.001
Finance income/(expense)	(2.954)	(3.241)
Current tax expense	(226)	(514)
Deferred tax benefit/(expense)	(1.609)	(39.044)
Net monetary gain / loss arising from hyperinflationary economies	<u>129.246</u>	<u>115.711</u>



ÇALIK ENERJİ SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Notes to Consolidated Financial Statements For the Year Ended 31 December 2025
(Amounts expressed in thousands of United States Dollar ("USD") unless otherwise stated.)

34. SEGMENT REPORTING

The Group management prepares segment reporting in accordance with same policies applied to the consolidated financial statements as at and for the period ended 31 December 2025, and 2024. Each segment's information is used for the evaluation and allocation of the resources separately by the management. By measuring and reporting a segment's revenue gained from transactions with other segments, intra transactions are realized at normal market price and conditions.

The operations in countries where the Group has EPC projects have the risk of being suspended temporarily or permanently due to economic and political instability in these countries.

Segment information of the Group's subsidiaries operating in Turkey and abroad, which are presented in Note 1, are as follows:

	31 December 2025					Total
	Construction and contract services	Electricity sales	Electricity distribution	Other (*)	Eliminations	
Revenue	1,772,476	41,614	1,274,991	3,566	(55,171)	3,039,476
Gross profit	434,675	18,697	318,576	336	-	772,284
Share of profit of equity accounted investees	25,895	-	-	-	-	25,895
Interest income	7,461	326	25,793	-	-	33,780
Other income/ (expense), net	(62,567)	(7,476)	(93,274)	31	-	(163,286)
Operating profit/(loss)	405,464	11,747	251,095	367	-	668,673
Gains/(losses) from investing activities	24,677	-	1,050	2,615	-	28,342
Interest expense	(9,586)	(532)	(50,311)	-	-	(60,429)
Other finance income and (expense), net	(19,090)	(1,291)	6,335	51	-	(13,995)
Net monetary gain/loss from hyperinflation	(3,475)	(15,936)	(109,656)	21	-	(129,246)
Profit/(loss) before tax	397,790	(6,012)	98,513	3,054	-	493,345
Tax (expense)/benefit	(78,020)	(5,115)	(30,454)	(1,064)	-	(114,653)
Net profit/(loss)	319,770	(11,127)	68,059	1,990	-	378,692
Segment assets	2,793,483	399,272	888,387	54,606	(647,210)	3,488,538
Segment liabilities	1,402,236	309,582	275,080	1,213	-	1,988,081
Capital expenditures	18,545	1,433	7,469	-	-	27,447
Depreciation and amortization	9,425	12,711	17,186	7	-	39,329

	31 December 2024					Total
	Construction and contract services	Electricity sales	Electricity distribution	Other (*)	Eliminations	
Revenue	1,248,813	32,291	963,911	28,912	(25,886)	2,248,041
Gross profit	158,693	11,555	293,340	8,579	-	472,167
Share of profit of equity accounted investees	(12,246)	7	-	-	-	(12,239)
Interest income	11,080	410	25,878	30	-	37,398
Other income/ (expense), net	(53,482)	(447)	(97,760)	(1,879)	-	(153,568)
Operating profit/(loss)	104,045	11,525	221,458	6,730	-	343,758
Gains/(losses) from investing activities	69,819	35	198	(17,870)	-	52,182
Interest expense	(3,564)	(350)	(52,786)	(1,775)	-	(58,475)
Other finance income and (expense), net	(11,916)	(606)	(9,809)	1,176	-	(21,155)
Net monetary gain/loss from hyperinflation	383	(11,936)	(104,162)	4	-	(115,711)
Profit/(loss) before tax	158,767	(1,332)	54,899	(11,735)	-	200,599
Tax (expense)/benefit	(30,397)	(6,659)	(35,614)	8,713	-	(63,957)
Net profit/(loss)	128,370	(7,991)	19,285	(3,022)	-	126,642
Segment assets	2,427,785	78,075	765,133	52,226	(884,538)	2,438,683
Segment liabilities	946,798	9,133	279,222	657	-	1,235,810
Capital expenditures	18,545	1,433	7,469	-	-	27,447
Depreciation and amortization	8,467	11,811	14,983	66	-	35,327

(*) Real estate of Tashkent Central Business Park (Hotel, Rent and Sale of offices/Commercial units) is reported under Other Segment.

35. SUBSEQUENT EVENTS

None.



DISCLAIMER

This Çalık Renewables Integrated Annual Report (the "Report") has been prepared with accordance to the International <IR> Framework, the Global Reporting Initiative (GRI) Standards, the United Nations Global Compact (UNGC) principles and the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

The Report is provided solely for informational purposes and does not constitute a basis for any investment decision. Any forward-looking statements contained herein are based on assumptions and conditions existing as of the date of publication. Except where required by applicable law, Çalık Renewables undertakes no obligation to update or revise such statements in light of subsequent events or developments.

Forward-looking statements, including projections and estimates, are inherently subject to uncertainties and may differ materially from actual results. Nothing contained in this Report should be construed as a representation, warranty or guarantee, whether express or implied.

Neither Çalık Renewables nor its directors, officers, employees or advisers shall be liable for any direct or indirect loss or damage arising from decisions made based on the information contained in, or omitted from, this Report.

The information and data contained in this Report may not be reproduced, distributed, copied, published or otherwise used, in whole or in part, in any printed, visual, audio or digital format for commercial or personal purposes without prior written permission from Çalık Renewables and appropriate acknowledgement of the source. Any unauthorised use may give rise to civil and/or criminal liability.

CONTACT

Head Office

Büyükdere Cad. No: 163 34394

Zincirlikuyu, Şişli / İstanbul

+90 (212) 345 67 89

info@calikrenewables.com

SEVGİ ULUGÖL

sevgi.ulugol@calikrenewables.com

REPORTING CONSULTANT

Greenlife Consulting

greenlifedanismanlik.com

REPORT DESIGN

Moreport

moreport.co

