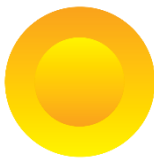




Earnings Presentation 1Q 2022

29 April 2022



Executive Summary



1Q22 Performance

- Unprecedented times for the whole energy sector across the world. Strong growth in energy demand globally has put pressure on coal and natural gas supply chains, leading to spikes in electricity procurement costs.
- Strong Operational Performance especially in Retail and Customer Solutions segments
- Weak performance in Underlying Net Income. Not a proxy for the whole year due to quarter specific impacts 1) The peak in inflation took a toll on financing expenses (especially inflation indexed bonds and deposits) in 1Q22, while the impact of inflation on costs will be lower during the rest of the year 2) the positive impact of inflation on revenues will continue to be reflected throughout the year, notably for distribution segment even when the inflation starts to ease.
- Substantially Negative Cash Flow mostly due to 1) continuing increase in electricity procurement prices not supported with the current national tariff levels 2) temporary impact of VAT decrease in residential and agricultural irrigation tariffs 3) low inflation assumption incorporated in national tariff calculations.

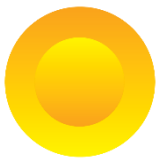


Shareholder Return: 1.24 TL DPS distributed in April 2022



2022 Outlook

- Upward revision in 2022 Operational Earnings and Underlying Net Income Guidance on the back of impact of increase in short and mid-term inflation assumptions. The positive impacts of inflation will continue in the subsequent quarters, while the cost impact will be more muted.
- Temporary mechanisms introduced to address cash flow issue driven by electricity sourcing cost and regulatory retail tariff mismatch through 1) change in FIT cost allocation mechanism (in case of negative FIT costs) 2) Resource based maximum price limit for electricity generators.
- Enerjisa Enerji is confident on the growth prospects and views the current issues as temporary.



Impacts of Electricity Procurement Cost Increases

Electricity Markets

- Increases in global spot natural gas and coal prices leading to electricity procurement price increase across markets
- In 1Q22, around 340% YoY increase and 70% QoQ increase in Turkish day ahead electricity prices (quarterly average prices)

Distribution

- Distribution business accounts for c.80%-90% of Enerjisa Enerji's consolidated operational earnings
- The impact of electricity prices on distribution earnings is limited (except for Theft and Loss related performance)

Retail

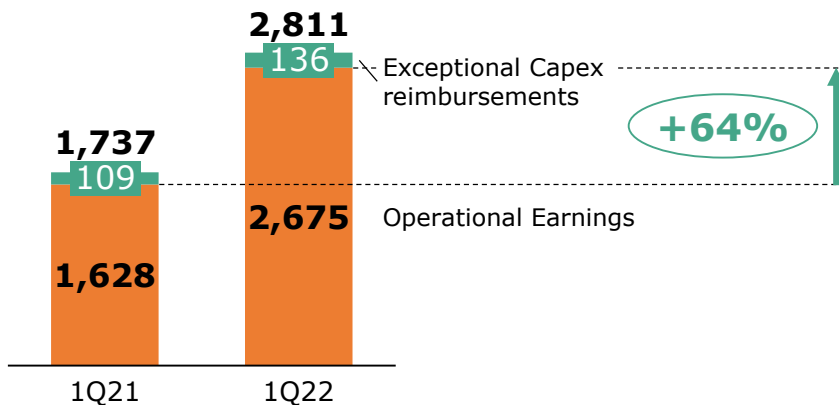
- **Regulated Segment:** Gross profit in regulated segment is cost plus, with a 2.38% gross margin. Electricity procurement cost increase has a positive impact on operational earnings. Cash flow impact of procurement cost increases to be corrected with 2 quarters lag with financial compensation through price equalization mechanism
- **Liberalised Segment:** During times of high volatility in electricity sourcing costs, some negative impact on liberalized segment profit is possible
- Consolidated impact of electricity price increases on operational earnings was positive in 1Q22, while the impact was negative on cash flow



Financial Highlights

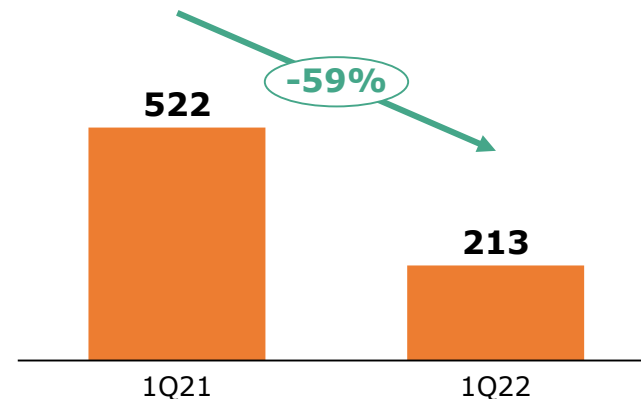
Operational Earnings

(TLm)



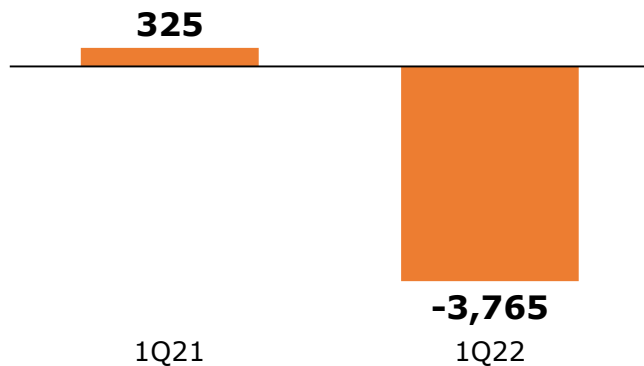
Underlying Net Income

(TLm)

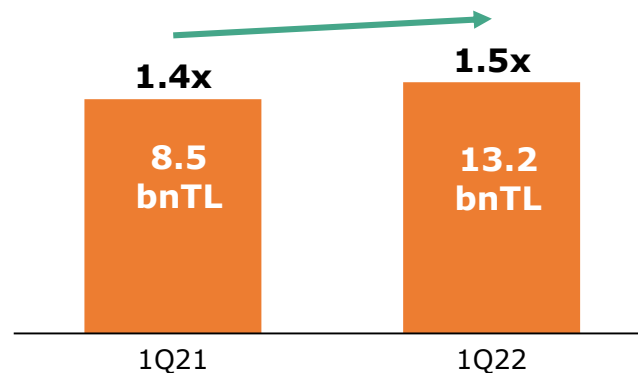


Free Cash Flow After Interest and Tax

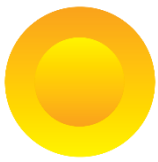
(TLm)



Net Financial Debt / LTM* Operational Earnings



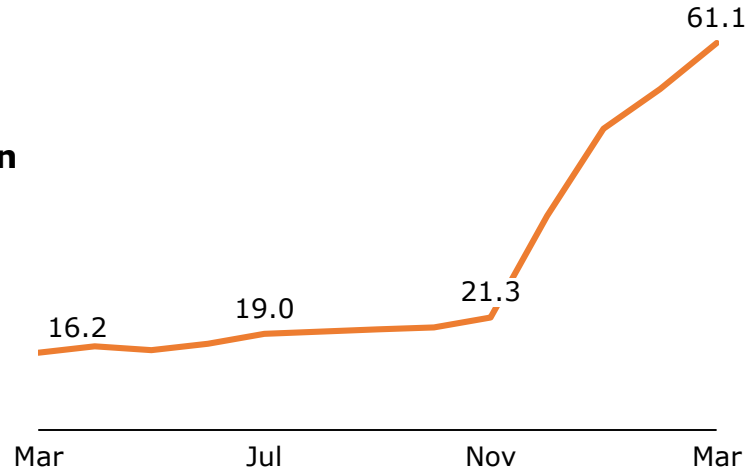
*LTM: Last Twelve Months



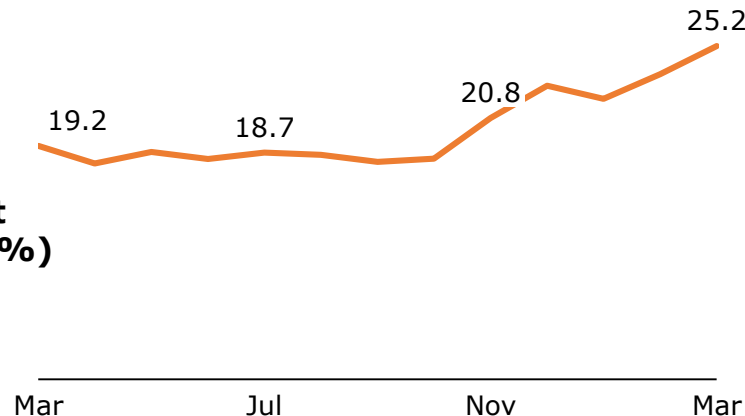
Market Environment

Turkey

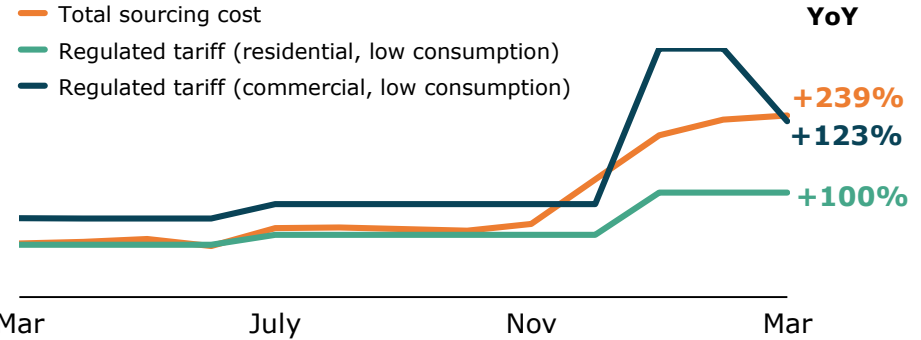
Inflation (%)



Interest rates¹ (%)



Sector: Regulatory Developments



Total Sourcing Cost: Calculated based on the weighted average cost of the regulated tariffs for Enerjisa.

Tariffs	As of Jan 1st	As of Feb 1st	As of Mar 1st	As of Apr 1st
Industrial Energy Price	157.30%	No change	No change	22.7 %
Commercial Energy Price*	167.60%	No change	Below 30 kWh/Day Limit -29.2%	Below 30 kWh/Day Limit -0.4%
			Over 30 kWh/Day Limit No change	Over 30 kWh/Day Limit -0.3%
Residential Energy Price**	Below 5 kWh/Day Limit: 67.6%	Limit increased to 7 kWh/Day	Limit increased to 8 kWh/Day	Below 8 kWh/Day Limit: -0.7%
	Over 5 kWh/Day Limit 184.4%			Over 8 kWh/Day Limit: -0.4%
Distribution Component	24.3%	No change	No change	1.70%

*The gradual tariff system in the low voltage Commercial subscriber group was put into use as of 1st of Mar'22.

**The gradual tariff system in the low voltage Residential subscriber group was put into use as of 1st of Jan'22.

The table shows the changes in national tariffs of low voltage single term subscriber groups.

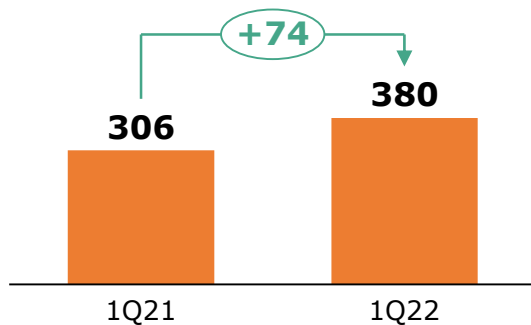
1) TR 2 Year Bond



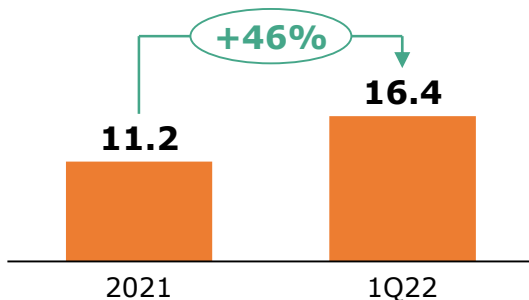
Operations

Distribution

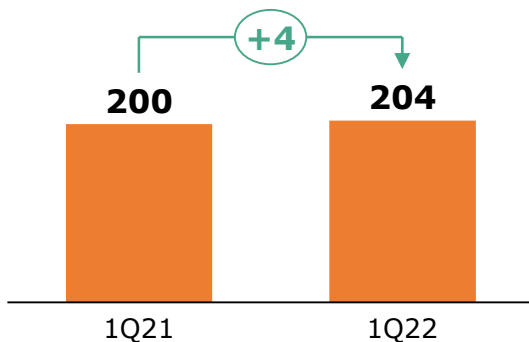
Capex (TLm)



Regulated Asset Base (TLbn)

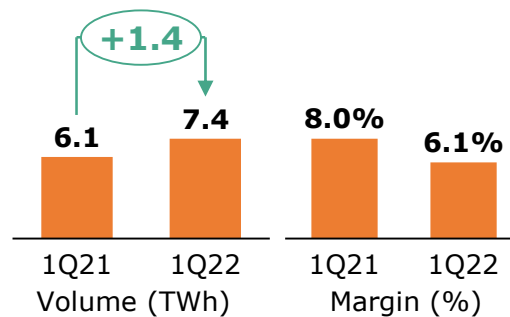


Efficiency & Quality¹ (TLm)

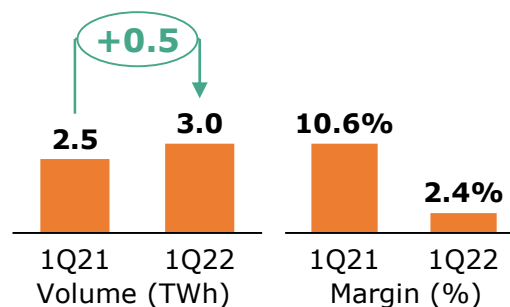


Retail and Customer Solutions

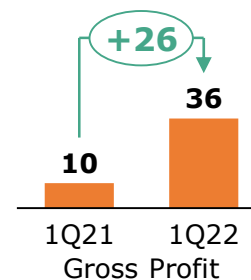
Regulated Segment



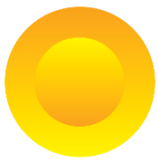
Liberalized Segment



Customer Solutions (TLm)

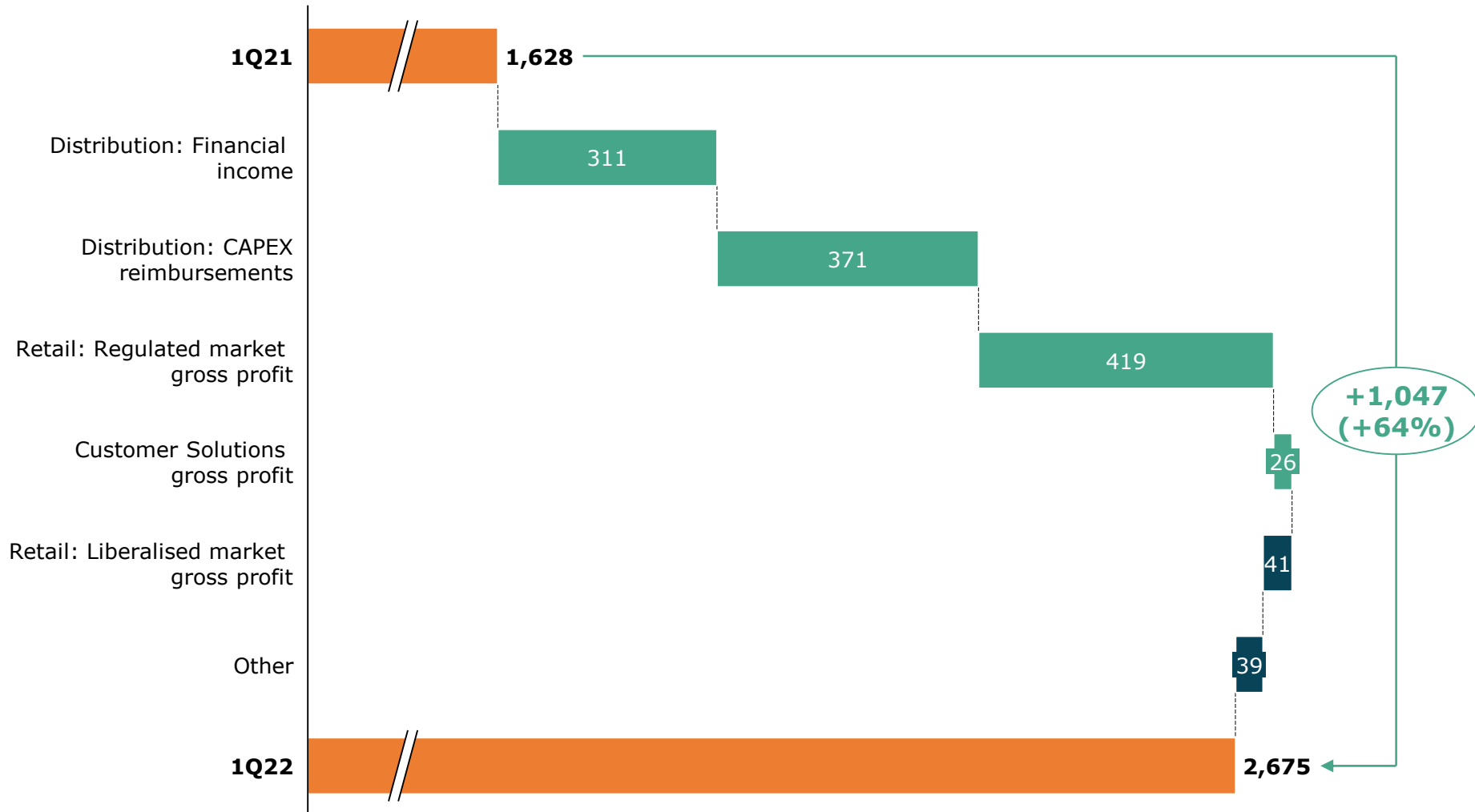


1 Incl. Capex, Opex and T&L outperformances as well as theft accrual & collection and quality bonus



Consolidated Operational Earnings Development

(TLm)





Distribution: Operational Earnings & Cash Development

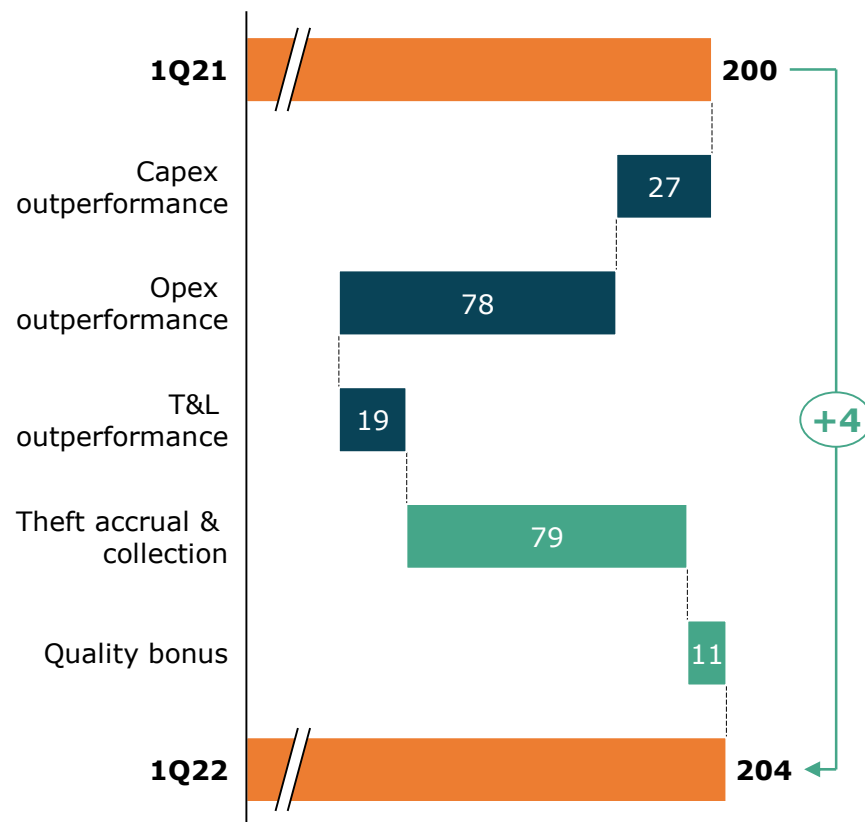
Operational Earnings and Free Cash Flow Before Interest and Tax

(TLm)

	1Q 2021	1Q 2022
Financial income	545	856
Capex reimbursements	502	873
Efficiency & Quality	200	204
Tax correction	68	105
Other	51	111
Operational Earnings	1,366	2,149
Financial income not yet cash-effective	-91	-154
Capex outperformance	-27	0
Net working capital and other	26	-422
Operating Cash Flow (before interest & tax)	1,274	1,573
Actual allowed Capex	-306	-380
Capex outperformance	27	0
VAT paid	-55	-68
Unpaid and previous year Capex	-312	-685
Cash-effective Capex	-646	-1,133
Free Cash Flow (before interest & tax)	628	440

Efficiency & Quality 1Q 2022

(TLm)





Retail and Customer Solutions: Operational Earnings & Cash Development

Operational Earnings and Free Cash Flow Before Interest and Tax

(TLm)

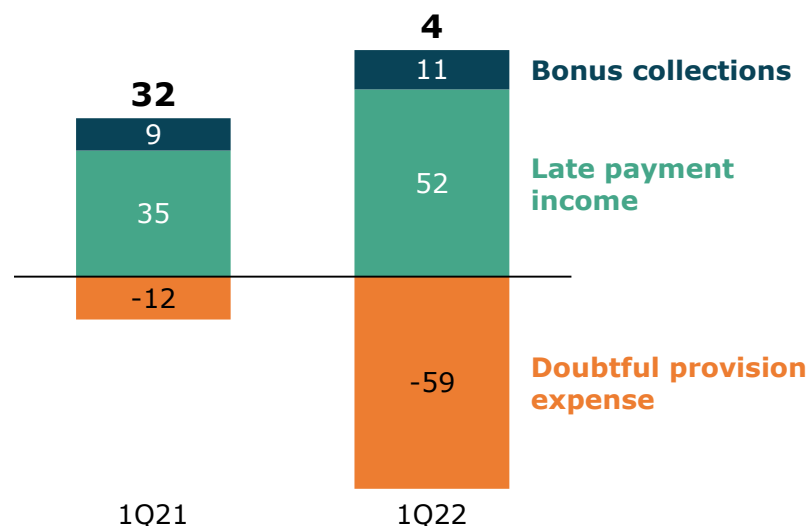
Retail

Financials	1Q 2021	1Q 2022
Regulated gross profit	206	625
Liberalised gross profit	128	87
Opex	-104	-171
Bad debt related income and expense	32	4
Other	6	-24
Operational Earnings	268	521
Price equalization effects	87	-2,800
Net deposit additions	22	239
Delta NWC	143	-1,558
Operating Cash Flow (before interest & tax)	520	-3,598
Capex	-18	-26
Free Cash Flow (before interest & tax)	502	-3,624

Customer Solutions

Financials	1Q 2021	1Q 2022
Revenue	24	41
Cost of Sales	-14	-5
Gross Profit (exc. depreciation)	10	36
OPEX	-5	-9
Doubtful provision expense	-1	-3
Other	-1	-7
Operational Earnings	3	17

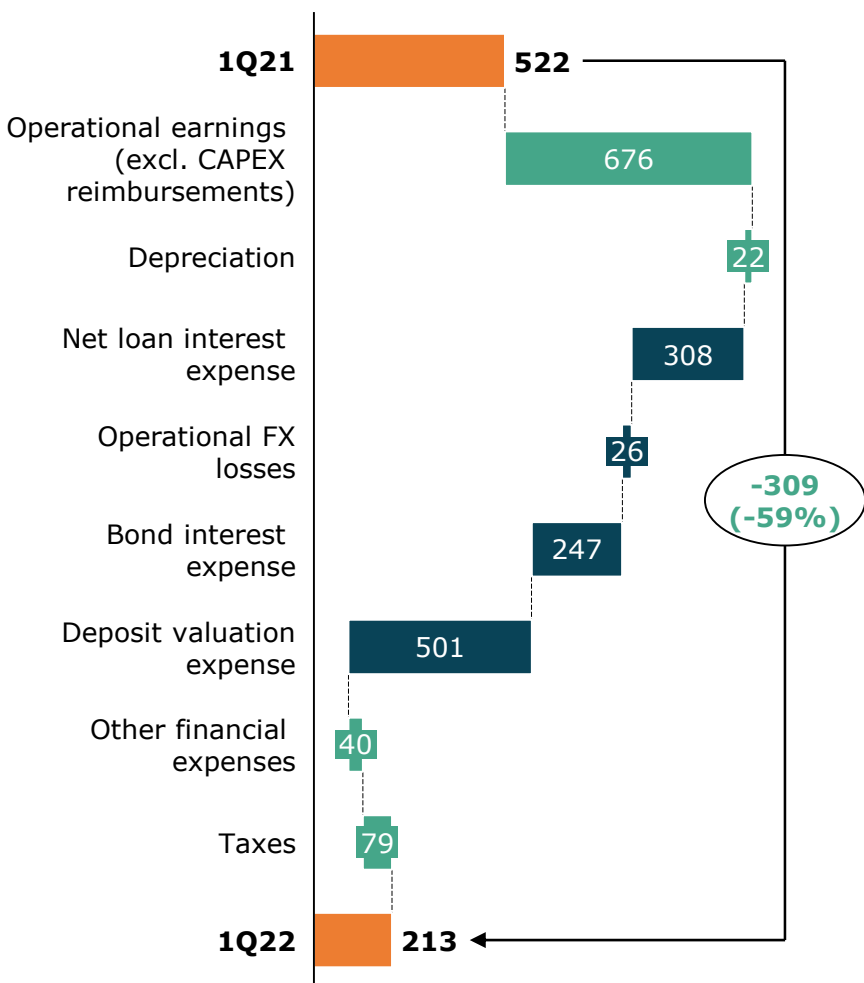
Bad Debt Related Income and Expense (TLm)



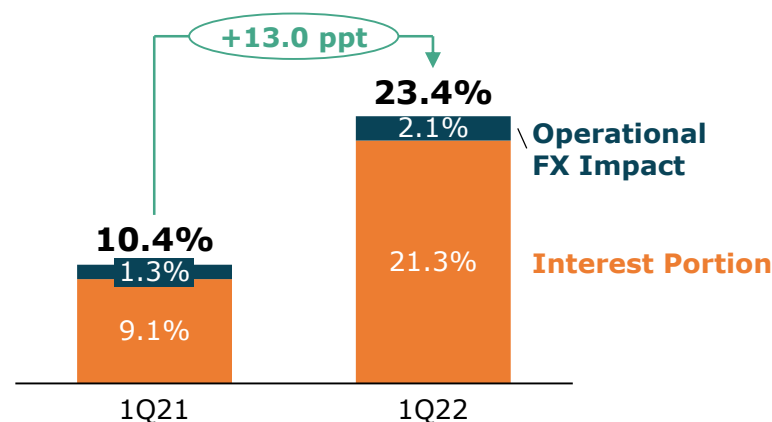


Consolidated Underlying Net Income Development

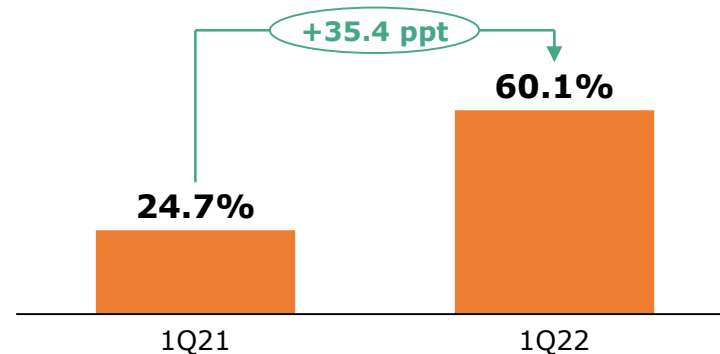
Underlying Net Income Development YoY (TLm)



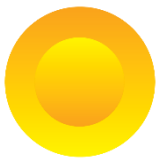
Weighted Average Loan Financing Cost



Weighted Average Bond Financing Cost (CPI and TLREF linked)

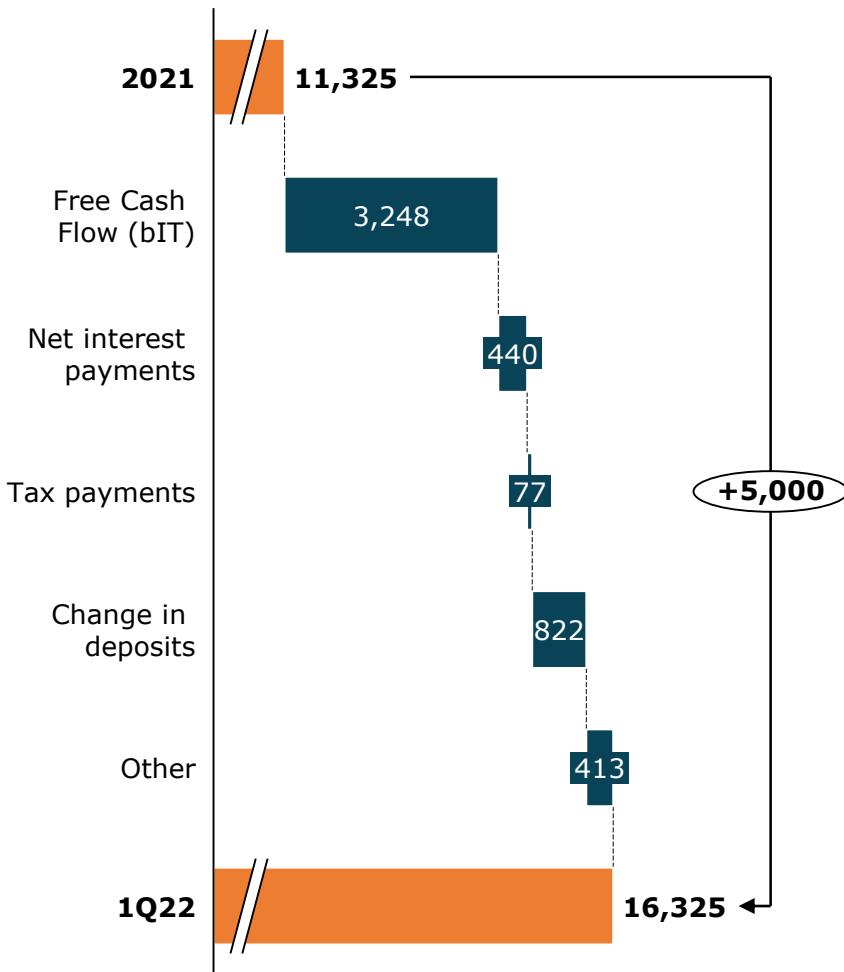


Note: For reconciliation from Net Income to Underlying Net Income please refer to table on slide 15

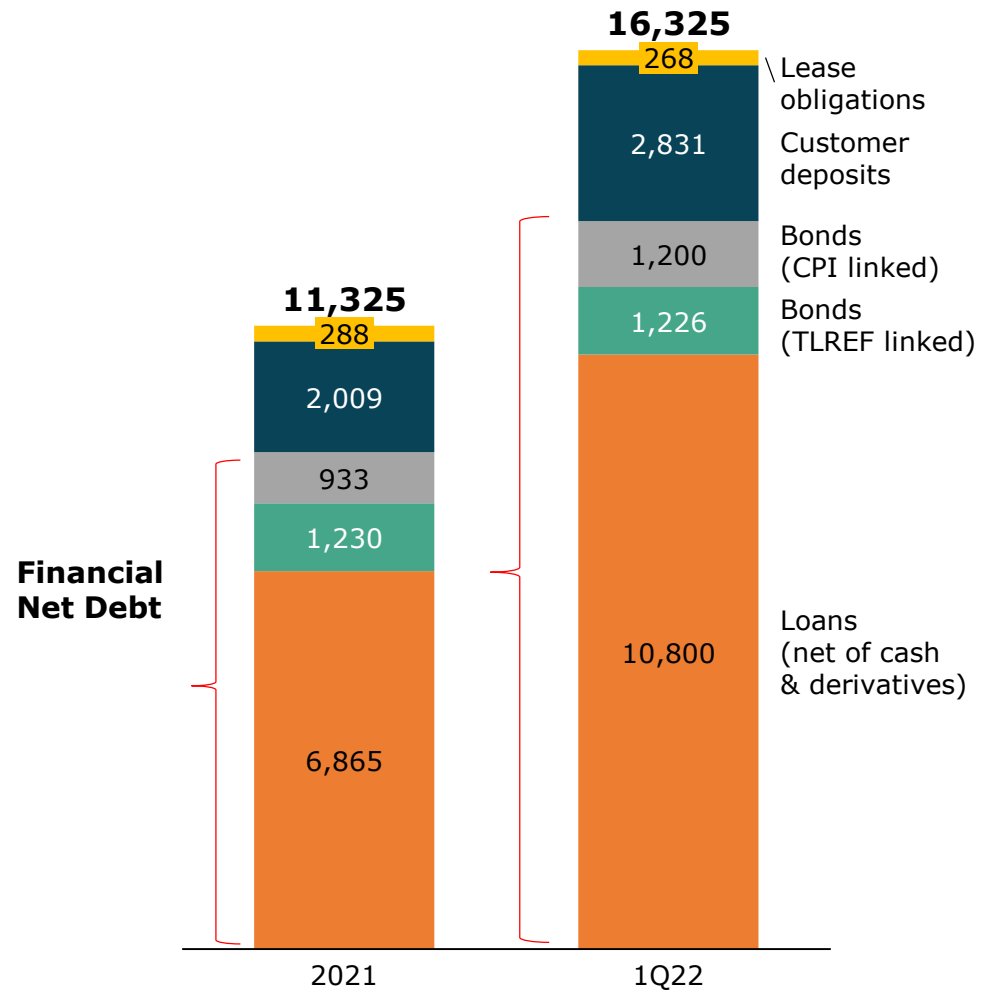


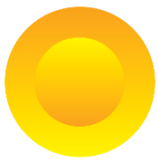
Economic Net Debt

Economic Net Debt Development (TLm)



Economic Net Debt Composition (TLm)





Impact of Inflation on Distribution Business

Our distribution companies are subject to the application of IFRIC12 (an IFRS standard that governs accounting for service concession arrangements). Accordingly, we account our license to operate and invest in the networks as a **financial asset**.

The simplified calculation of IFRS financial income **on RAB** can lead to major deviations in times of high volatility in inflation.

- The **financial asset** model is based on **nominal IRR** calculation across the concession period.
- A 10pp increase in inflation assumptions for the current year increases nominal IRR by around 1pp.
- A change in nominal IRR due to change in inflation expectations will lead to a higher financial income across the concession period. On the other hand, there will not be a full pass-through of a spike in short-term inflation on the current year reported financial income.
- As a result, extreme volatility in inflation leads to a maturity mismatch in reported revenues (financial income) and costs.

Simplified & illustrative calculation methodology of IFRS Financial Income over RAB

$$\text{IFRS Financial Income} \approx \text{Average IFRS RAB (nominal)}^1 \times \left(\text{Regulated mid-year WACC (real)} + \text{Inflation rate} \right)$$

Simplified & illustrative calculation methodology of IFRS Financial Income over Financial Asset

$$\text{IFRS Financial Income} \approx \left(\text{Opening Financial Asset} + (\text{Investments} - \text{CAPEX reimbursements} - \text{WACC Reimbursements}) \times 0.5^* \right) \times \text{Nominal IRR}$$

Source: EMRA, Company

¹ Adjusted for scrap sales + new connection fees.

* Assuming even spread within the year



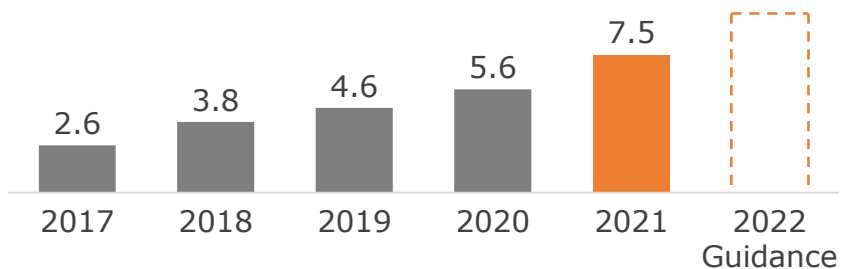
Outlook 2022

The Company will assess providing guidance on further metrics and a more specific range for current metrics within the course of the year

Previous Outlook (as of Feb 2022)

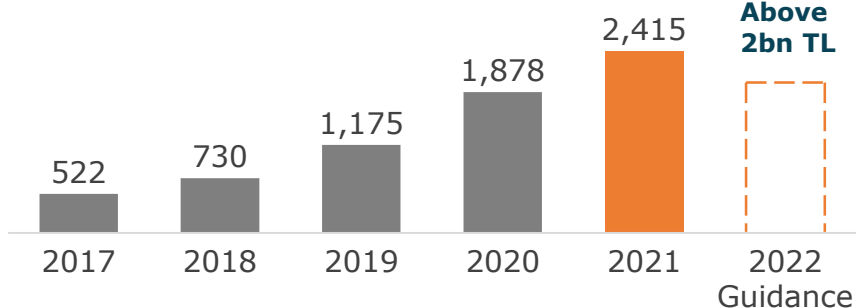
Consolidated Operational Earnings (TLbn)

**Above 30%
yoy growth**



Consolidated Underlying Net Income (TLm)

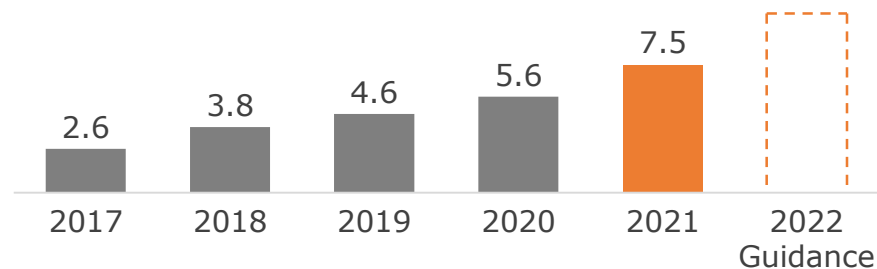
**Above
2bn TL**



Revised Outlook

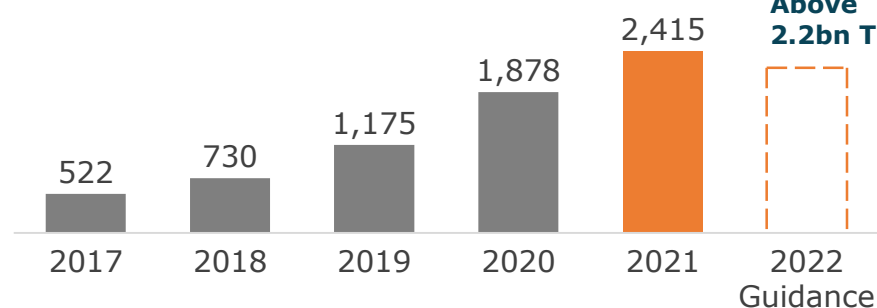
Consolidated Operational Earnings (TLbn)

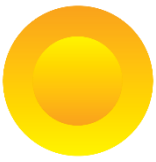
**Above 40%
yoy growth**



Consolidated Underlying Net Income (TLm)

**Above
2.2bn TL**





Appendix



Summary Financial Statements

Consolidated Income Statement

	1 January 31 March	1 January 31 March
(TLm)	2021	2022
Sales Revenue	5,889	17,531
Cost of Sales	-4,173	-14,812
Gross Profit	1,716	2,719
OPEX	-685	-1,320
Other Income/(Expense)	-91	-345
Operating profit before finance income/(expense)	940	1,054
Financial Income/(Expense)	-275	-767
Profit before tax	665	287
Taxation	-133	-94
Net Income	532	193

	1 January 31 March	1 January 31 March
(TLm)	2021	2022
Operating profit before finance income/(expense)	940	1,054
Adjustment of depreciation and amortization	105	127
Adjustments related to operational fx gains and losses	23	49
Adjustments related to valuation difference arising from deposits	82	583
Interest income related to revenue cap regulation	-12	11
EBITDA	1,138	1,824
CAPEX Reimbursements	502	873
EBITDA+CAPEX Reimbursements	1,640	2,697
Non-recurring (income) / expense	-12	-22
Operational earnings	1,628	2,675

Net Income	532	193
Non-recurring (income) / expense	-10	-18
Tax rate change	0	38
Underlying Net Income	522	213

Note: Consolidated numbers include the Business Units Distribution, Retail and Customer Solutions as well as the legal holding entity.



Summary Financial Statements

Consolidated Balance Sheet

(TLm)	31 December 2021	31 March 2022
Cash and Cash Equivalents	412	588
Financial Assets	3,316	3,024
Trade Receivables	5,573	10,007
Derivative financial instruments	1,548	1,447
Other Current Assets	1,947	2,919
Current Assets	12,796	17,985
Financial Assets	9,537	9,285
Tangible and Intangible Assets	7,926	7,888
Derivative financial instruments	62	11
Other Non-Current Assets	1,012	1,337
Non-Current Assets	18,537	18,521
TOTAL ASSETS	31,333	36,506
Short-Term Financial Liabilities	6,335	11,754
Other Financial Liabilities	118	99
Trade Payables	3,981	3,177
Derivative financial instruments	44	82
Other Current Liabilities	3,778	7,347
Current Liabilities	14,256	22,459
Long-Term Financial Liabilities	4,381	3,122
Other Financial Liabilities	458	475
Derivative financial instruments	2	8
Other Non-current Liabilities	2,885	2,376
Long-Term Liabilities	7,726	5,981
Share Capital	1,181	1,181
Adjustment to share capital	1,954	1,776
Other Equity Items	1,382	1,691
Retained Earnings	4,834	3,418
Equity	9,351	8,066
TOTAL LIABILITIES AND EQUITY	31,333	36,506

Note: Consolidated numbers include the Business Units Distribution, Retail and Customer Solutions as well as the legal holding entity.



Summary Financial Statements

Consolidated Cash Flow

(TLm)	1 January 31 March 2021	1 January 31 March 2022
Profit for the period	532	193
Adjustments to reconcile net profit for the period	152	1,065
Changes in operating assets and liabilities	47	-5,077
Other inflows (incl. Capex reimbursements)	1,039	1,754
Cash Flows from Operating Activities (before interest and tax)	1,770	-2,065
Tax payments	-179	-77
Cash Flows from Operating Activities (before interest, after tax)	1,591	-2,142
CAPEX	-668	-1,183
Interest received	65	50
Cash receipt from sale of debt instruments	126	0
Cash Flows from Investing Activities	-477	-1,133
Cash in-flows and out-flows from borrowings	204	3,988
Interest paid	-663	-490
Payments of finance lease liabilities	-31	-47
Cash Flows from Financing Activities	-490	3,451
Increase in cash and cash equivalents	624	176
Cash and cash equivalents at the beginning of the period	589	412
Cash and cash equivalents at the end of the period	1,213	588

(TLm)	1 January 31 March 2021	1 January 31 March 2022
Cash Flows from Operating Activities (before interest and tax)	1,770	-2,065
CAPEX	-668	-1,183
Free cash flow (before interest and tax)	1,102	-3,248
Tax payments	-179	-77
Interest received	65	50
Interest paid	-663	-490
Free cash flow (after interest and tax)	325	-3,765

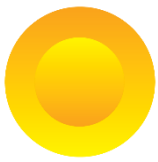
Note: Consolidated numbers include the Business Units Distribution, Retail and Customer Solutions as well as the legal holding entity.



Retail and Customer Solutions: Income statement

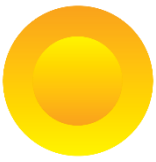
	1 January 31 March	1 January 31 March
Retail (TLm)	2021	2022
Sales Revenue (net)	3,803	14,009
<i>Regulated</i>	2,583	10,322
<i>Liberalised</i>	1,220	3,687
Cost of Sales (-)	-3,444	-13,617
<i>Regulated</i>	-2,365	-9,697
<i>Liberalised</i>	-1,079	-3,920
Gross Profit	359	392
OPEX	-116	-186
Other Income/(Expense)	-58	-298
Operating profit before finance income/(expense)	185	-92
Adjustment of depreciation and amortization	13	15
Adjustments related to operational fx gains and losses	0	15
Adjustments related to valuation difference arising from deposits	82	583
EBITDA	280	521
Non-recurring (income) / expense	-12	0
Operational earnings	268	521

	1 January 31 March	1 January 31 March
Customer Solutions (TLm)	2021	2022
Sales Revenue (net)	24	41
Cost of Sales (-)	-15	-6
Gross Profit	9	35
OPEX	-5	-9
Other Income/(Expense)	-2	-10
Operating profit before finance income/(expense)	2	16
Adjustment of depreciation and amortization	1	1
EBITDA	3	17
Non-recurring (income) / expense	0	0
Operational earnings	3	17



Distribution: Income statement

	1 January 31 March	1 January 31 March
(TLm)	2021	2022
Sales Revenue	2,060	3,480
<i>Financial income</i>	545	856
<i>Distribution revenue</i>	1,043	1,644
<i>Pass-through transmission revenue</i>	362	523
<i>Lighting sales revenue</i>	110	446
<i>Other</i>	0	11
Cost of Sales	-713	-1,188
<i>Energy purchases (Lighting, T&L)</i>	-351	-662
<i>Pass-through transmission cost</i>	-362	-523
<i>Other</i>	0	-3
Gross Profit	1,347	2,292
OPEX	-504	-1,061
Other Income/(Expense)	-29	-35
Operating profit before finance income/(expense)	814	1,196
Adjustment of depreciation and amortization	39	57
Adjustments related to operational fx gains and losses	23	34
Interest income related to revenue cap regulation	-12	11
EBITDA	864	1,298
CAPEX Reimbursements	502	873
EBITDA+CAPEX Reimbursements	1,366	2,171
Non-recurring (income) / expense	0	-22
Operational earnings	1,366	2,149



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Özde Ünsal

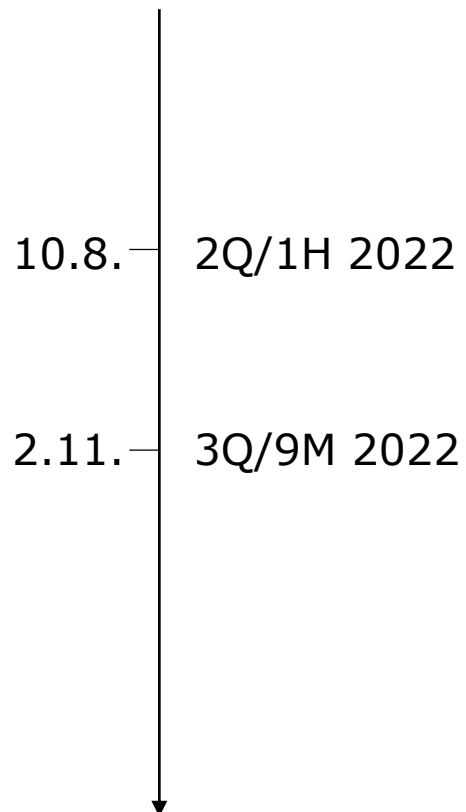
Investor Relations

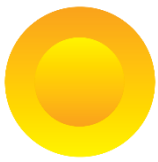
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Financial calendar 2022

Earnings Call





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