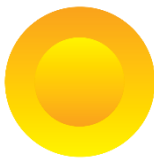




Earnings Presentation 1H 2022

10 August 2022



Executive Summary



1H2022 Performance

- Tight gas and coal markets, along with Russia's invasion of Ukraine have led to all time high coal and natural gas prices, pushing electricity procurement costs upwards.
- Strong operational performance in 1H2022 in all segments despite global and local challenges
- Strong recovery in Underlying Net Income in 2Q2022 (117% year-over-year growth) with:
 - 1) higher inflation assumptions reflected in financial income and other line items retrospectively for the half year,
 - 2) reflection of positive impact of regulatory financial compensation for higher working capital need in retail,
 - 3) strong performance in retail Operational Earnings amid higher gross profit due to higher procurement costs (gross profit in regulated segment is cost plus with a 2.38% margin) and effective management in liberalised segment.
- Substantially negative cash flow in 1H2022 due to 1) Regulated retail tariff prices not fully covering the electricity procurement prices 2) Tariffs are indexed at a lower indexation than current inflation, leading to a relatively weaker performance especially in the distribution segment.
- New regulatory mechanisms for the sustainability of the system=> Cash outflow in 2Q2022 was more muted

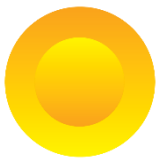


Eşarj participated in the tender for "Fast Charging Stations Support Program" for EVs of the Ministry of Industry and Technology. Eşarj will be entitled to establish 495 fast charging stations in 53 cities. c.a. 300 million TL investment planned within the scope of the program.



2022 Outlook

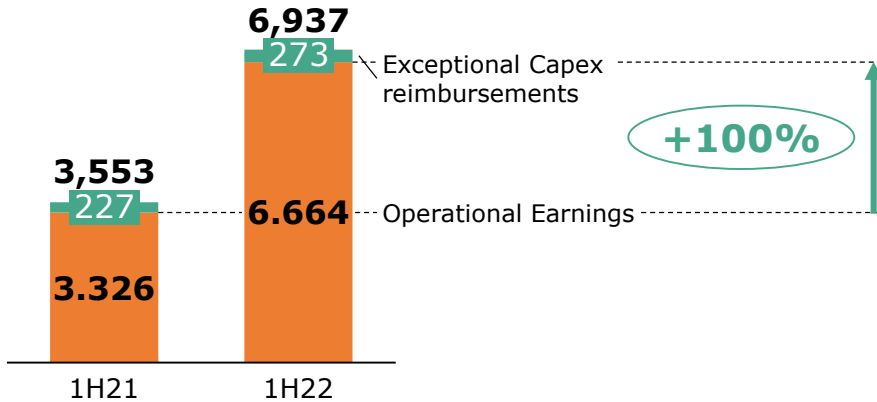
- Upward revision in 2022 Operational Earnings and Underlying Net Income Guidance mostly on the back of impact of increase in short and mid-term inflation assumptions.



Financial Highlights

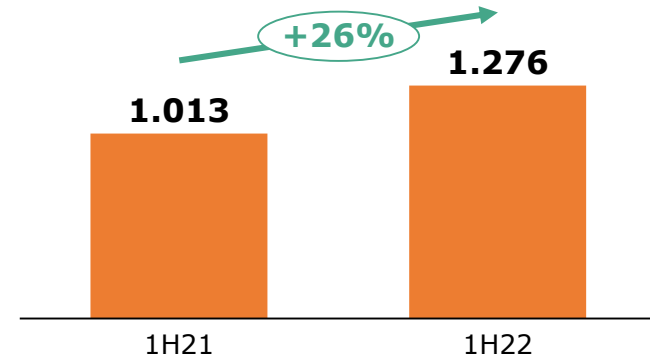
Operational Earnings

(TLm)



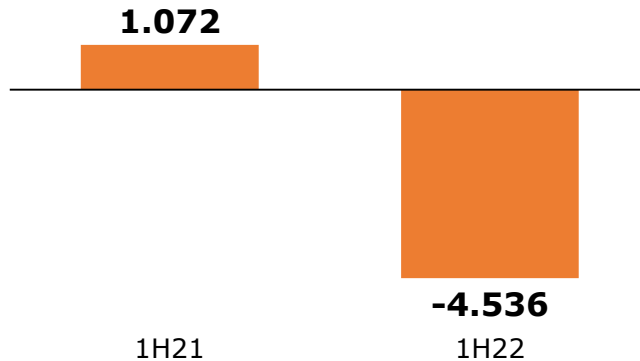
Underlying Net Income

(TLm)

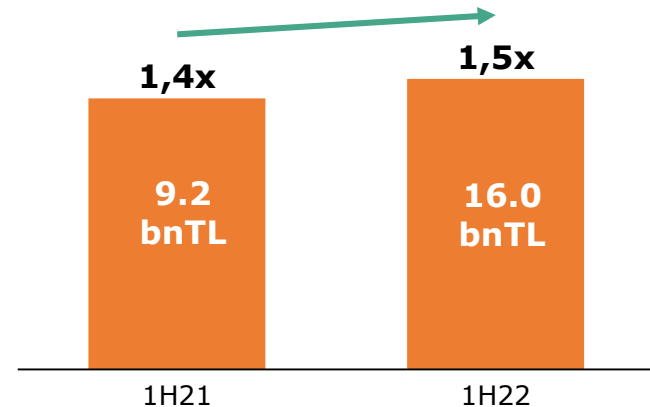


Free Cash Flow After Interest and Tax

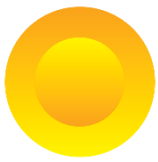
(TLm)



Net Financial Debt / LTM* Operational Earnings



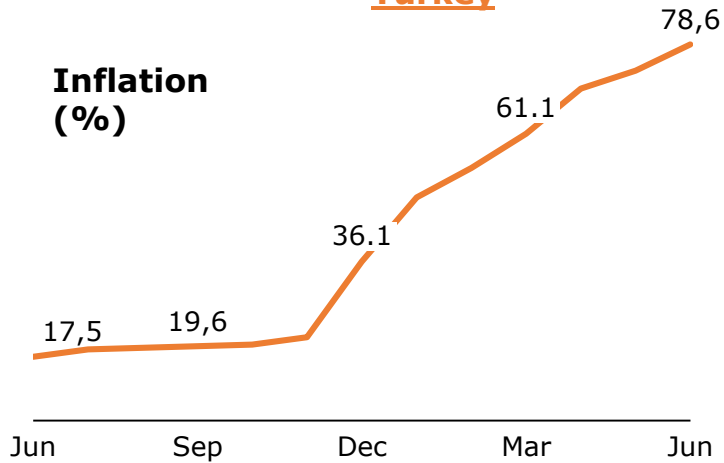
*LTM: Last Twelve Months



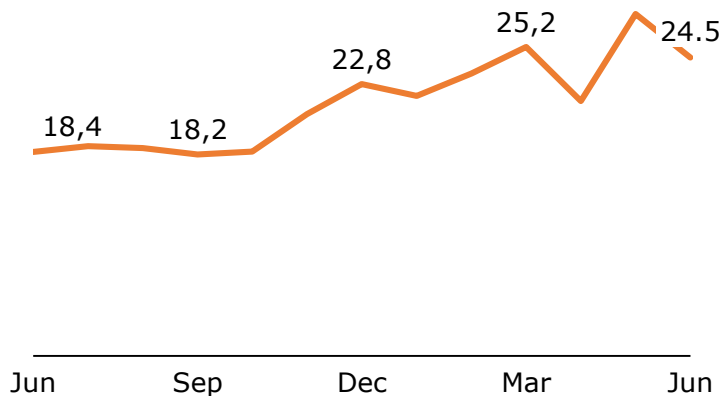
Market Environment

Turkey

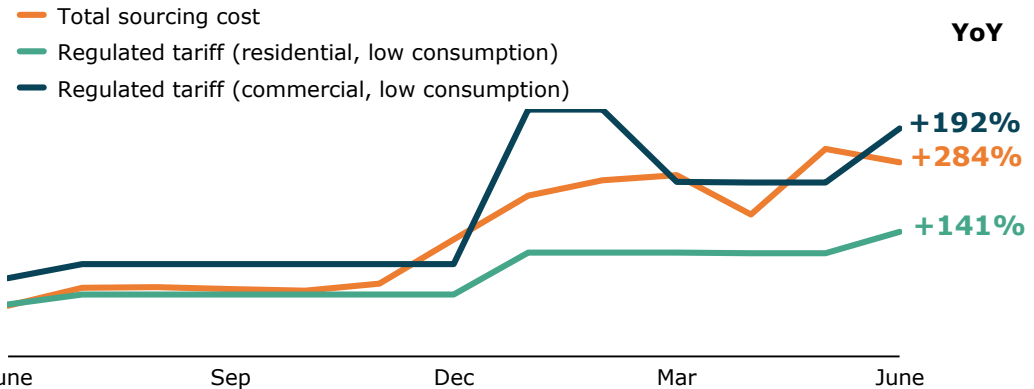
Inflation (%)



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	As of Jun1st
Industrial Energy Price	157.30%	No change	No change	22.7%	28.1%
Commercial Energy Price*	167.60%	No change	Below 30 kWh/Day Limit -29.2%	Below 30 kWh/Day Limit -0.4%	Below 30 kWh/Day Limit 31.1%
			Over 30 kWh/Day Limit No change	Over 30 kWh/Day Limit -0.3%	Over 30 kWh/Day Limit 29.3%
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%	Below 8 kWh/Day Limit: 21.1%
	Over 5 kWh/Day Limit 184.4%			Over 8 kWh/Day Limit: -0.4%	Over 8 kWh/Day Limit: 18.6%
Distribution Component	24.3%	No change	No change	1.7%	No change

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

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

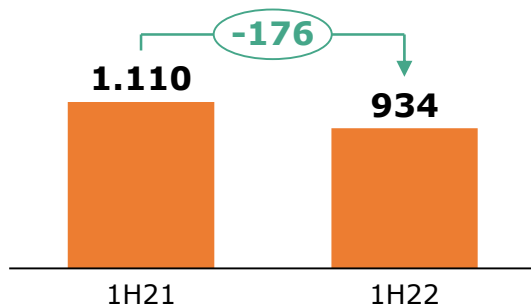
**The gradual tariff system in the low voltage Residential subscriber group was put into use as of 1st of Jan'22.



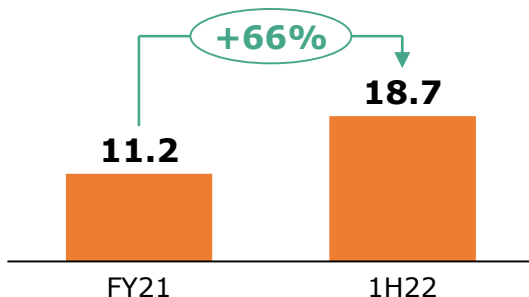
Operations

Distribution

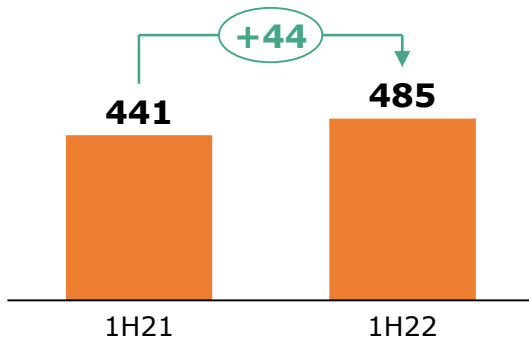
Capex (TLm)



Regulated Asset Base (TLbn)

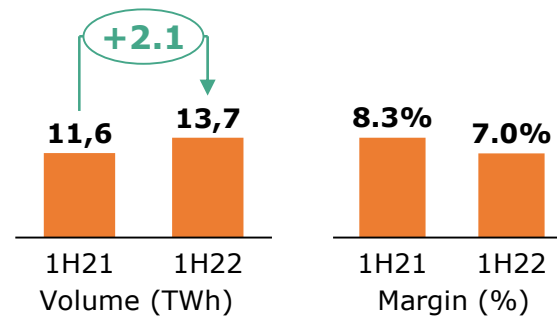


Efficiency & Quality¹ (TLm)

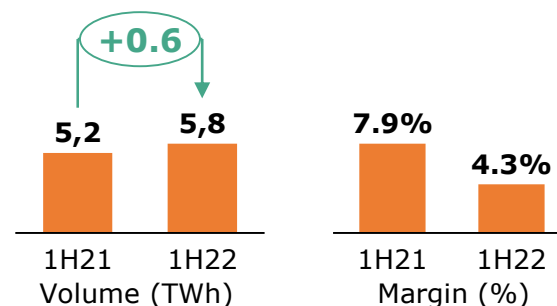


Retail and Customer Solutions

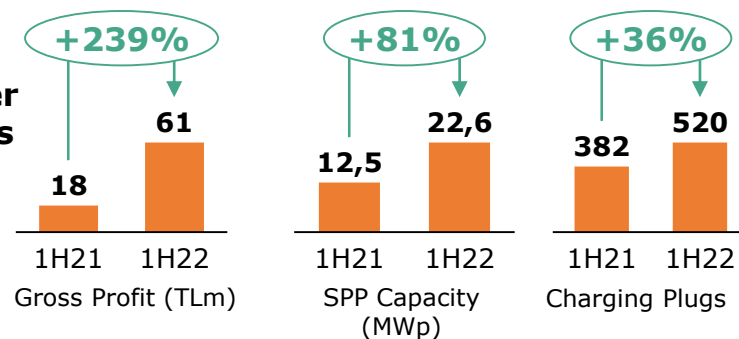
Regulated Segment



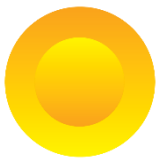
Liberalized Segment



Customer Solutions

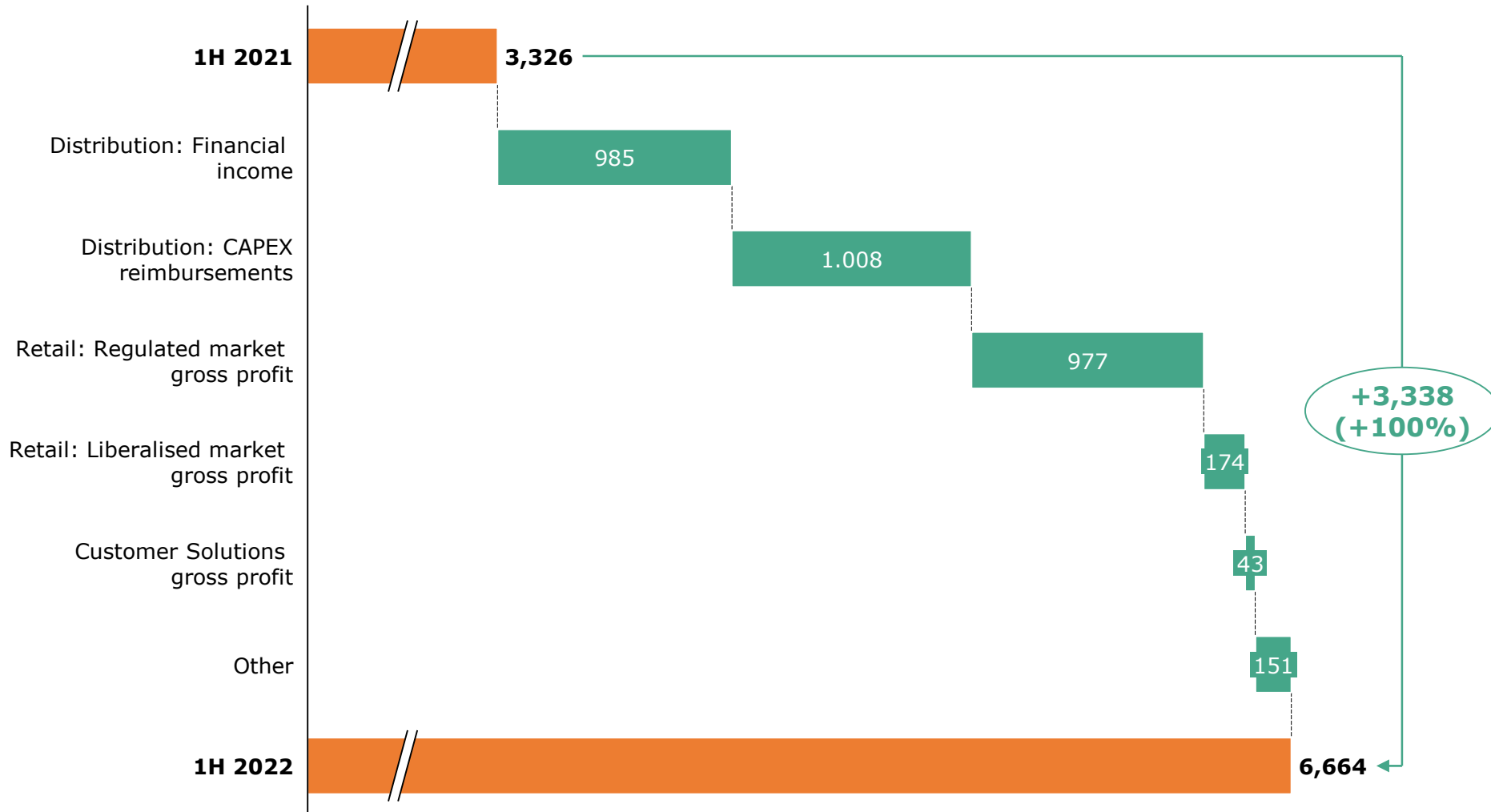


1) Incl. Capex, Opex and T&L outperformances as well as theft accrual & collection and quality bonus



Consolidated Operational Earnings Development

(TLm)





Distribution: Operational Earnings & Cash Development

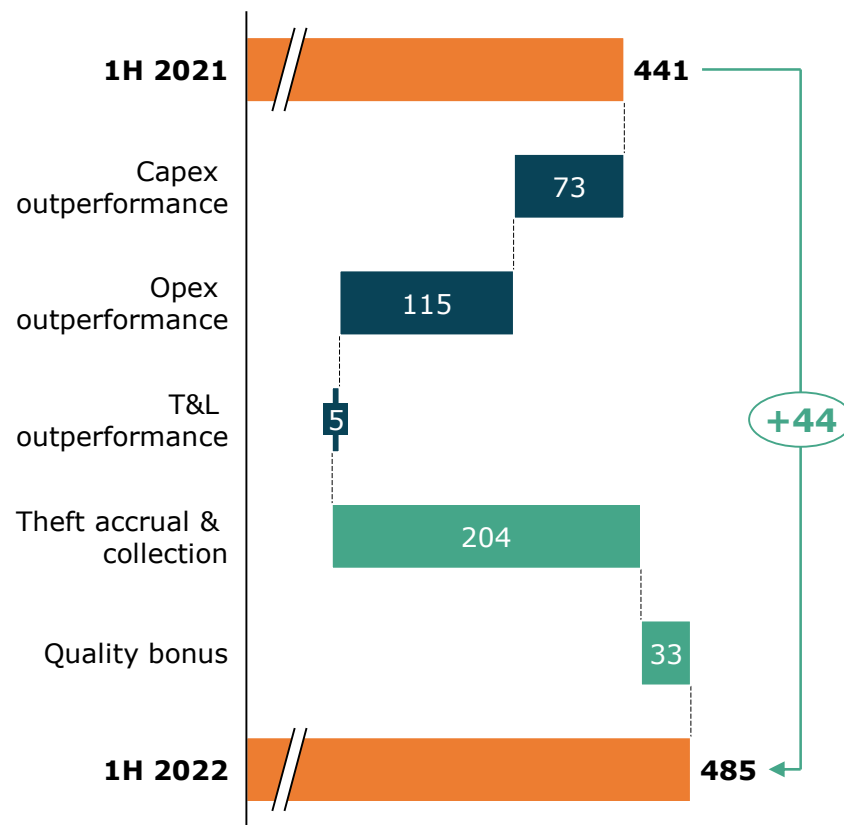
Operational Earnings and Free Cash Flow Before Interest and Tax

(TLm)

	1H21	1H22
Financial Income	1,132	2,117
Capex reimbursements	1,051	2,059
Efficiency & Quality	441	485
Tax correction	142	235
Other	66	320
Operational Earnings	2,832	5,216
Financial income not yet cash-effective	-213	-596
Capex outperformance	-73	0
Net working capital and other	381	386
Operating Cash Flow (before interest & tax)	2,927	5,006
Actual allowed Capex	-1,110	-934
Capex outperformance	73	0
VAT paid	-187	-168
Unpaid and previous year Capex	54	-986
Cash-effective Capex	-1,170	-2,088
Free Cash Flow (before interest & tax)	1,757	2,918

Efficiency & Quality 1H 2022

(TLm)





Retail and Customer Solutions: Operational Earnings & Cash Development

Operational Earnings and Free Cash Flow Before Interest and Tax

(TLm)

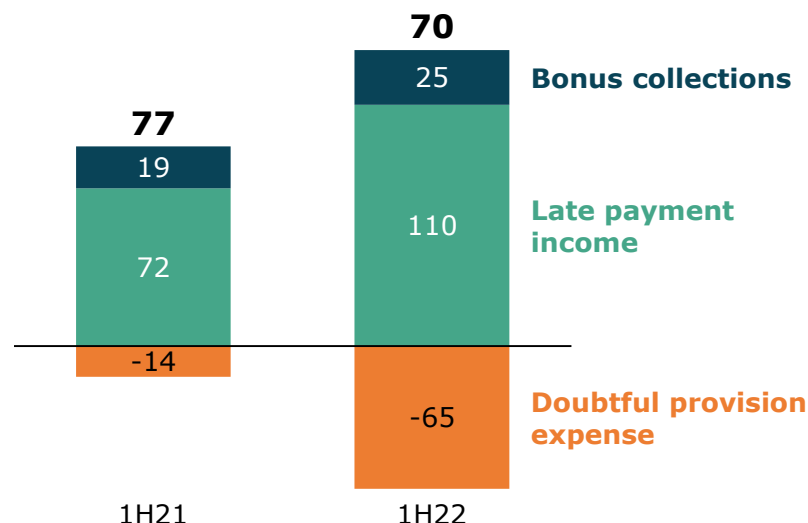
Retail

Financials	1H21	1H22
Regulated gross profit	418	1,395
Liberalised gross profit	210	384
Opex	-198	-350
Bad debt related income and expense	77	70
Other	-1	-50
Operational Earnings	506	1,449
Price equalization effects	-32	-4,980
Net deposit additions	55	283
Delta NWC	131	-2,755
Operating Cash Flow (before interest & tax)	660	-6,003
Capex	-25	-45
Free Cash Flow (before interest & tax)	635	-6,048

Customer Solutions

Financials	1H21	1H22
Revenue	55	76
Cost of Sales	-37	-15
Gross Profit (exc. depreciation)	18	61
OPEX	-10	-29
Doubtful provision expense	-1	-3
Other	-2	6
Operational Earnings	5	35

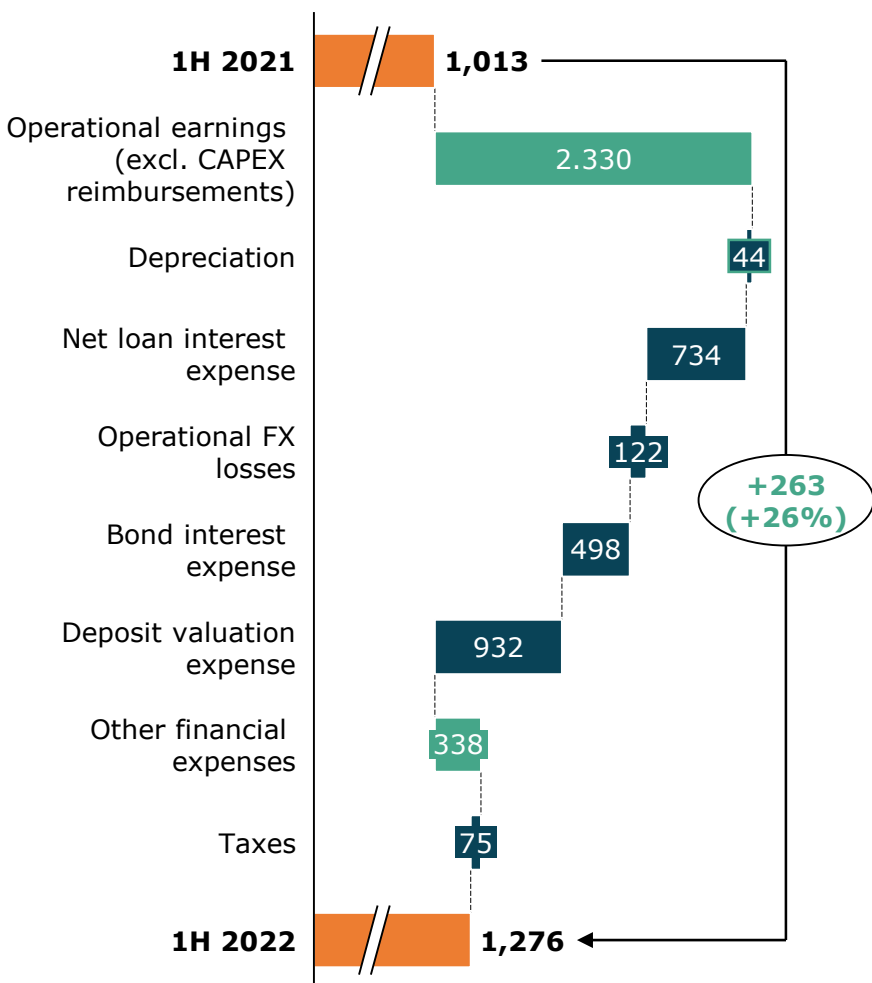
Bad Debt Related Income and Expense (TLm)



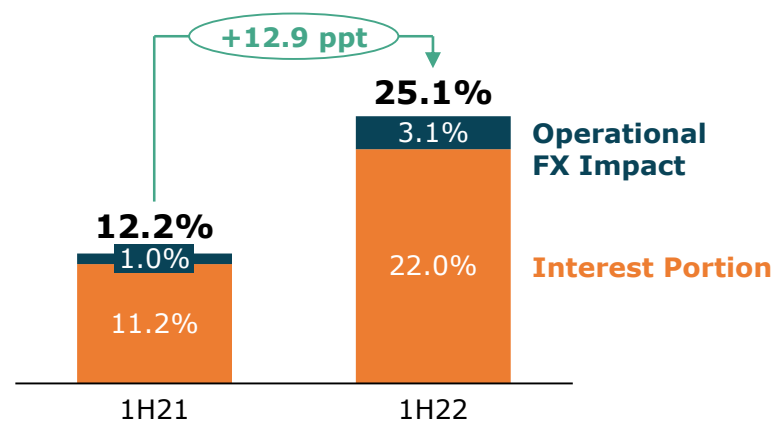


Consolidated Underlying Net Income Development

Underlying Net Income Development YoY (TLm)

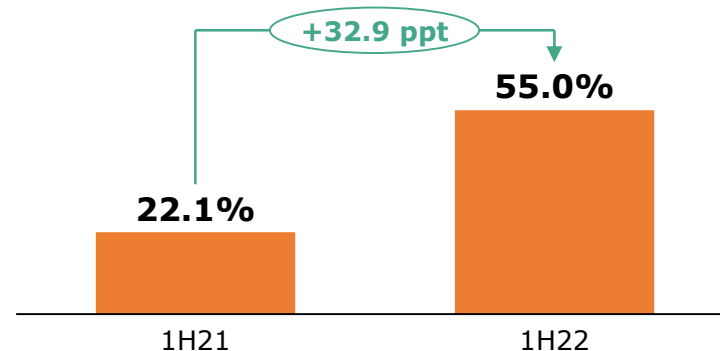


Weighted Average Loan Financing Cost



Weighted Average Bond Financing Cost

(CPI and TLREF linked)

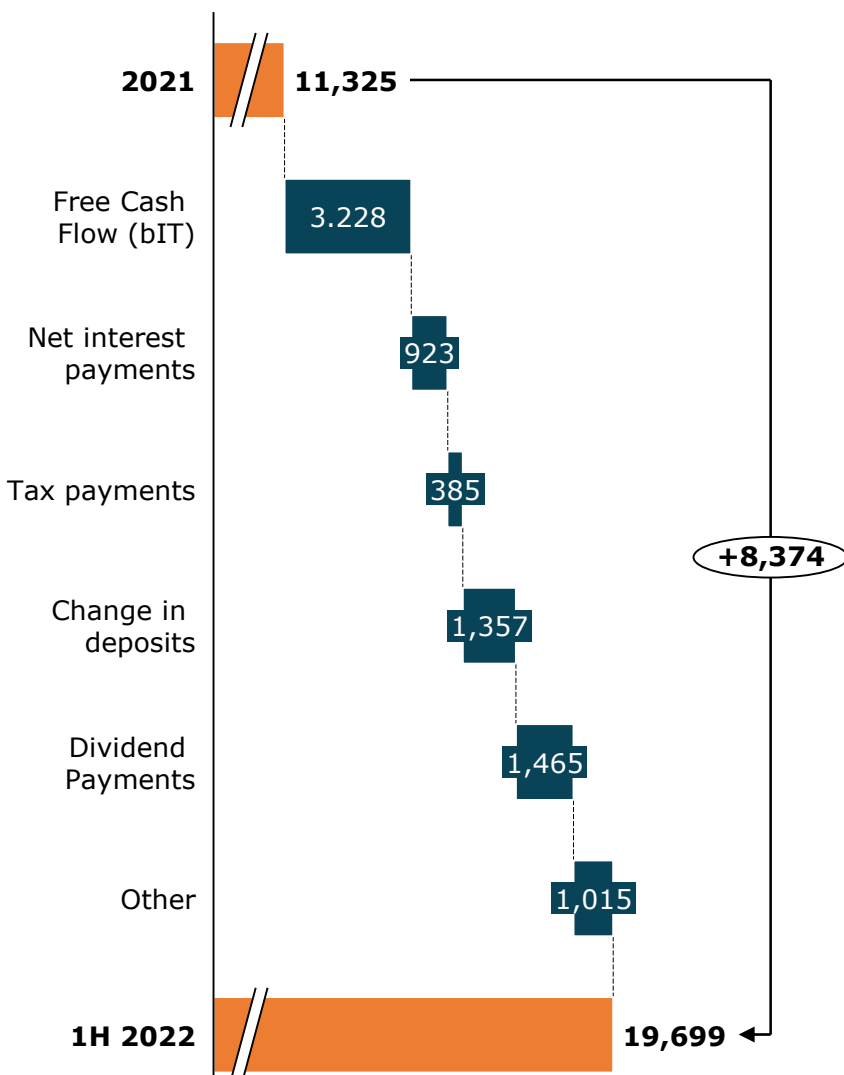


Note: For reconciliation from Net Income to Underlying Net Income please refer to table on slide 13.

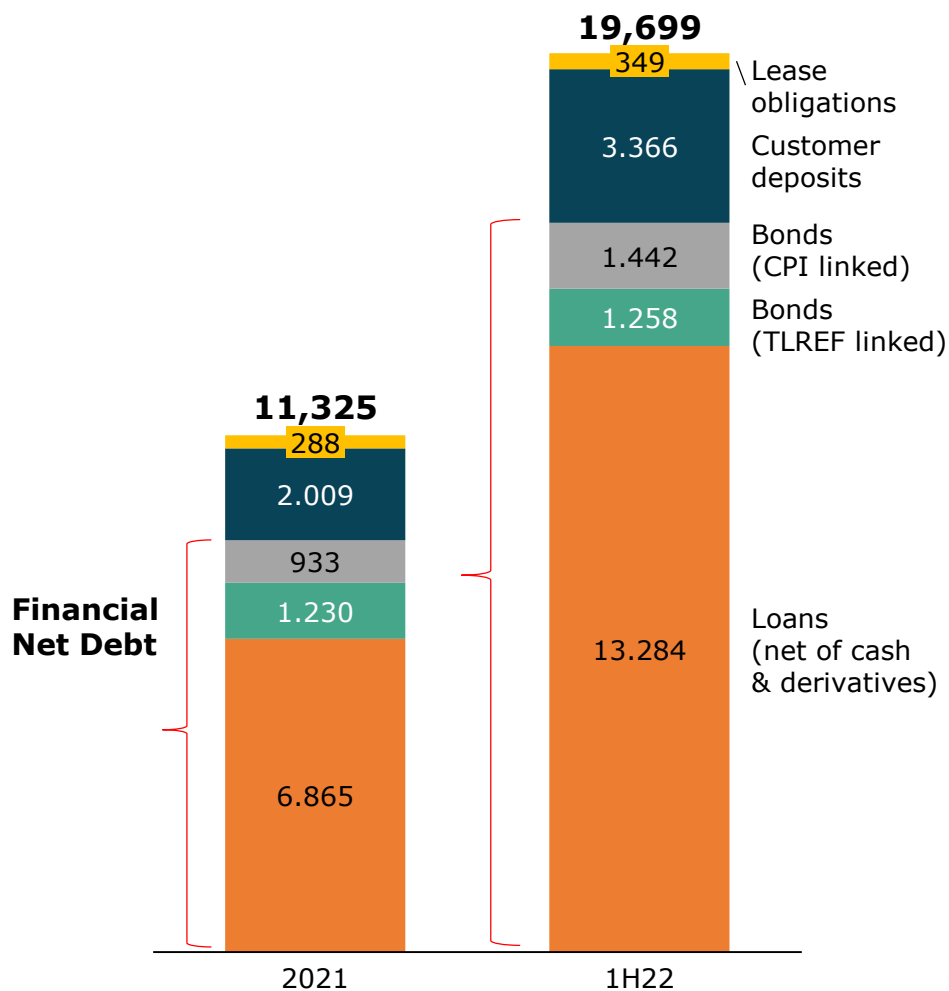


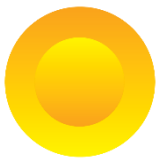
Economic Net Debt

Economic Net Debt Development (TLm)



Economic Net Debt Composition (TLm)



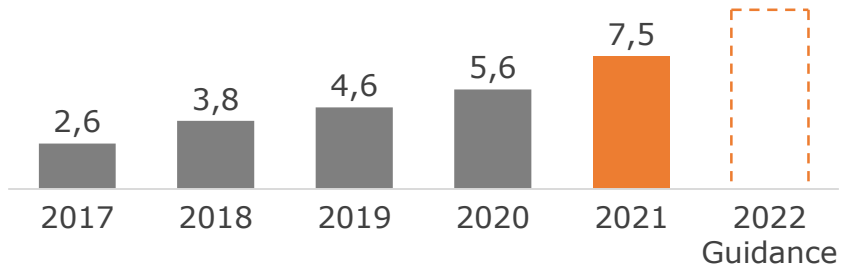


Outlook 2022

Previous Outlook (as of April 2022)

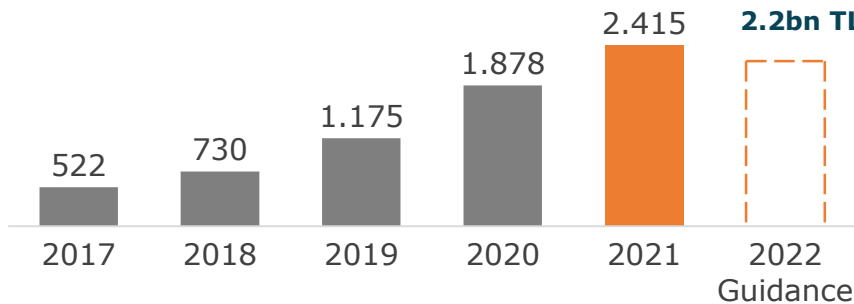
Consolidated Operational Earnings (TLbn)

**Above 40%
yoy growth**



Consolidated Underlying Net Income (TLm)

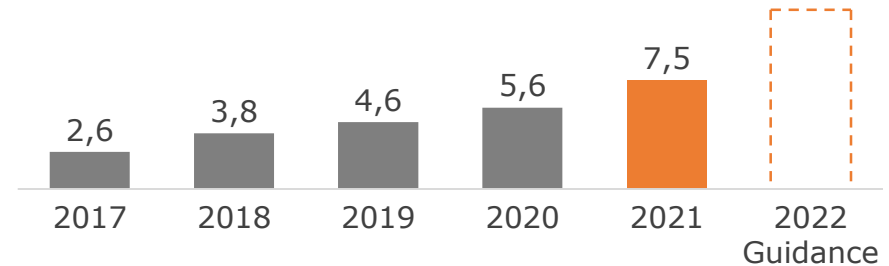
**Above
2.2bn TL**



Revised Outlook (as of Aug 2022)

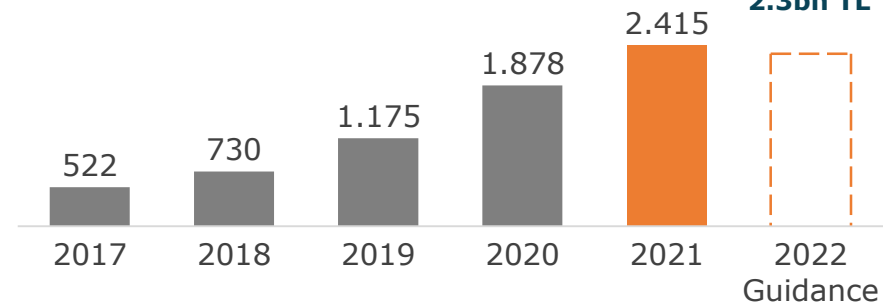
Consolidated Operational Earnings (TLbn)

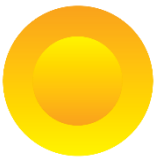
**60%-70%
yoy growth**



Consolidated Underlying Net Income (TLm)

**Above
2.3bn TL**





Appendix



Summary Financial Statements

Consolidated Income Statement

	1 January 30 June	1 January 30 June
(TLm)	2021	2022
Sales Revenue	11,965	36,117
Cost of Sales	-8,510	-29,659
Gross Profit	3,455	6,458
OPEX	-1,399	-2,954
Other Income/(Expense)	-145	-381
Operating profit before finance income/(expense)	1,911	3,123
Financial Income/(Expense)	-624	-1,459
Profit before tax	1,287	1,664
Taxation	-317	-489
Net Income	970	1,175

	1 January 30 June	1 January 30 June
(TLm)	2021	2022
Operating profit before finance income/(expense)	1,911	3,123
Adjustment of depreciation and amortization	219	263
Adjustments related to operational fx gains and losses	40	162
Adjustments related to valuation difference arising from deposits	142	1,074
Interest income related to revenue cap regulation	-25	34
EBITDA	2,287	4,656
CAPEX Reimbursements	1,051	2,059
EBITDA+CAPEX Reimbursements	3,338	6,715
Non-recurring (income) / expense	-12	-51
Operational earnings	3,326	6,664

Net Income	970	1,175
Non-recurring (income) / expense	-10	-41
Tax rate change	53	142
Underlying Net Income	1,013	1,276

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	30 June 2022
Cash and Cash Equivalents	412	1,808
Financial Assets	3,316	3,986
Trade Receivables	5,573	14,121
Derivative financial instruments	1,548	1,358
Other Current Assets	1,947	3,630
Current Assets	12,796	24,903
Financial Assets	9,537	7,719
Trade Receivables	0	120
Tangible and Intangible Assets	7,926	7,946
Derivative financial instruments	62	37
Other Non-Current Assets	1,012	2,287
Non-Current Assets	18,537	18,109
TOTAL ASSETS	31,333	43,012
Short-Term Financial Liabilities	6,335	14,460
Other Financial Liabilities	118	88
Trade Payables	3,981	6,329
Derivative financial instruments	44	37
Other Current Liabilities	3,778	6,084
Current Liabilities	14,256	26,998
Long-Term Financial Liabilities	4,381	4,443
Other Financial Liabilities	458	507
Derivative financial instruments	2	0
Other Non-current Liabilities	2,885	2,044
Long-Term Liabilities	7,726	6,994
Share Capital	1,181	1,181
Adjustment to share capital	1,954	1,776
Other Equity Items	1,382	1,662
Retained Earnings	4,834	4,401
Equity	9,351	9,020
TOTAL LIABILITIES AND EQUITY	31,333	43,012

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

	1 January 30 June 2021	1 January 30 June 2022
(TLm)		
Profit for the period	970	1,175
Adjustments to reconcile net profit for the period	412	1,876
Changes in operating assets and liabilities	-55	-8,325
Other inflows (incl. Capex reimbursements)	2,214	4,210
Cash Flows from Operating Activities (before interest and tax)	3,541	-1,064
Tax payments	-491	-385
Cash Flows from Operating Activities (before interest, after tax)	3,050	-1,449
CAPEX	-1,201	-2,164
Interest received	95	35
Cash receipt from sale of debt instruments	126	0
Cash Flows from Investing Activities	-980	-2,129
Cash in-flows and out-flows from borrowings	-209	7,493
Interest paid	-872	-1,111
Interest received	0	153
Dividend paid	-1,134	-1,465
Payments of finance lease liabilities	-64	-96
Cash Flows from Financing Activities	-2,279	4,974
Increase in cash and cash equivalents	-209	1,396
Cash and cash equivalents at the beginning of the period	589	412
Cash and cash equivalents at the end of the period	380	1,808

	1 January 30 June 2021	1 January 30 June 2022
(TLm)		
Cash Flows from Operating Activities (before interest and tax)	3,541	-1,064
CAPEX	-1,201	-2,164
Free cash flow (before interest and tax)	2,340	-3,228
Tax payments	-491	-385
Interest received	95	188
Interest paid	-872	-1,111
Free cash flow (after interest and tax)	1,072	-4,536

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

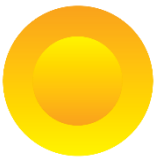
	1 January 30 June	1 January 30 June
Retail (TLm)	2021	2022
Sales Revenue (net)	7,744	28,338
<i>Regulated</i>	5,100	19,878
<i>Liberalised</i>	2,644	8,460
Cost of Sales (-)	-7,099	-27,374
<i>Regulated</i>	-4,670	-18,482
<i>Liberalised</i>	-2,429	-8,892
Gross Profit	645	964
OPEX	-223	-382
Other Income/(Expense)	-71	-292
Operating profit before finance income/(expense)	351	290
Adjustment of depreciation and amortization	25	32
Adjustments related to operational fx gains and losses	0	53
Adjustments related to valuation difference arising from deposits	142	1,074
EBITDA	518	1,449
Non-recurring (income) / expense	-12	0
Operational earnings	506	1,449

	1 January 30 June	1 January 30 June
Customer Solutions (TLm)	2021	2022
Sales Revenue (net)	55	76
Cost of Sales (-)	-39	-18
Gross Profit	16	58
OPEX	-10	-29
Other Income/(Expense)	-4	3
Operating profit before finance income/(expense)	2	32
Adjustment of depreciation and amortization	3	3
EBITDA	5	35
Non-recurring (income) / expense	0	0
Operational earnings	5	35



Distribution: Income statement

	1 January 30 June 2021	1 January 30 June 2022
(TLm)		
Sales Revenue	4,180	7,703
<i>Financial income</i>	1,132	2,117
<i>Distribution revenue</i>	2,111	3,558
<i>Pass-through transmission revenue</i>	742	1,027
<i>Lighting sales revenue</i>	195	971
<i>Other</i>	0	30
Cost of Sales	-1,386	-2,268
<i>Energy purchases (Lighting, T&L)</i>	-644	-1,238
<i>Pass-through transmission cost</i>	-742	-1,027
<i>Other</i>	0	-3
Gross Profit	2,794	5,435
OPEX	-1,045	-2,401
Other Income/(Expense)	-67	-90
Operating profit before finance income/(expense)	1,682	2,944
Adjustment of depreciation and amortization	84	121
Adjustments related to operational fx gains and losses	40	109
Interest income related to revenue cap regulation	-25	34
EBITDA	1,781	3,208
CAPEX Reimbursements	1,051	2,059
EBITDA+CAPEX Reimbursements	2,832	5,267
Non-recurring (income) / expense	0	-51
Operational earnings	2,832	5,216



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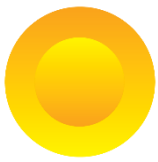
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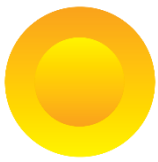


Financial Calendar 2022

Earnings Call

2.11. — 3Q/9M 2022





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