



ENERJİSA ENERJİ ANONİM ŞİRKETİ

**ACTIVITY REPORT
FOR THE PERIOD OF
01.01.2022 – 31.03.2022**

Weak start in 2022 driven by quarter specific impacts, 2022 Guidance revised upwards

The first quarter of 2022 was unprecedented for the whole energy sector globally. Higher electricity procurement costs due to increase in the global commodity costs impacted the electricity sector across the world. While Enerjisa Enerji was not insulated from these developments, the Company managed to limit the impacts with its strong balance sheet and robust risk management.

In 1Q2022, Operational Earnings increased by 64% year-over-year to TL 2,675 million, while Underlying Net Income declined by 59%.

In retail, regulatory retail tariffs not fully reflecting actual electricity procurement costs and the temporary impact of VAT rate decrease in residential and agricultural irrigation tariffs have led to substantial negative cash flow. Under these conditions, new regulatory mechanisms were introduced temporarily to address the sustainability of the system.

The weakness in Underlying Net Income was driven by quarter specific impacts especially on inflation linked cost items and accordingly is not a proxy for the full year. The Company expects a better performance in Underlying Net Income during the rest of the year. Accordingly, Enerjisa Enerji revised its 2022 Operational Earnings and Underlying Net Income Guidance upwards.

FINANCIAL HIGHLIGHTS

Operational Earnings (EBITDA + Capex reimbursements excluding exceptional items) of Enerjisa Enerji A.Ş. increased by 64% from TL 1,628 million in 1Q2021 to TL 2,675 million in 1Q2022.

Including exceptional capex reimbursements related to prior tariff periods, which is being reflected to distribution tariffs between 2021 and 2022 (amount in 1Q2022: TL 136 million), the operational earnings in 1Q2022 was TL 2,811 million.

Underlying Net Income decreased by TL 309 million year-over-year (59% decline) to TL 213 million in 1Q2022 despite the strong performance in Operational Earnings. The main factors driving behind the decline in the Underlying Net Income were as follows:

- Net loan interest expense increased by TL 334 million due to increase in both financial debt and interest rates. The average cost of loan financing increased from 10.4% in 1Q2021 to 23.4% in 1Q2022. Net loan interest expense includes TL 49 million FX losses on operational items, which is more than compensated by TL 114 million hedging gains in other item of distribution segment's operational earnings. Excluding the operational FX impact, the increase in financing costs is 12.2 pp year-over-year.
- Deposit valuation expense increased by TL 501 million and bond interest expense increased by TL 247 million due to higher CPI change. Quarterly CPI increase was 31% this year, compared to 5% last year. The average cost of bond financing increased from 24.7% in 1Q2021 to 60.1% in 1Q2022.

Free Cash Flow After Interest and Tax decreased from TL 325 million in 1Q2021 to TL negative 3,765 million in 1Q2022. The negative free cash from is driven by the below factors:

- Continuing increase in electricity procurement prices, not supported with the current national tariff levels.

- Change in supply mix: In the first quarter of 2022, there was no supply from state owned EÜAŞ for regulated retail segment due to constrained capacity factors of hydro plants and other market conditions, increasing the weighted average electricity procurement costs and reducing payable duration.
- Decrease in VAT rate of on electricity tariffs for residential and agricultural irrigation segments from 18% to 8%, while the electricity procurement continued to be taxed at 18% VAT. This impact will be mostly reversed through the year.
- The impact of higher receivables due to increase in national tariff levels.
- The impact of yearly inflation assumption incorporated to national tariff calculations. The annual inflation assumption for June 2022 is set at 25.8% in the national tariffs, impacting especially the distribution segment. While operational cash flow of distribution segment was strong in 1Q2022, the inflation assumption build in tariffs still had a negative impact on the performance.

Economic Net Debt (including non-financial net debt such as lease liabilities and customer deposits) increased from TL 10.6 billion in 1Q2021 to 16.3 billion in 1Q2022.

Net Financial Debt / Last Twelve Month Operational Earnings was 1.5x as of March 2022 (1.4x as of March 2021).

Distribution Business

Distribution business unit's operational earnings accounted for 80% of Enerjisa Enerji's operational earnings in 1Q2022. The main changes in the operational earnings of the Distribution business unit in 1Q2022 compared to 1Q2021 are as follows:

- **Financial Income:** Financial income increased by TL 311 million, reaching TL 856 million mainly due to the impact of higher short and mid-term inflation assumptions.
- **CAPEX Reimbursements:** Excluding exceptional reimbursements related to previous regulatory periods, Capex reimbursements increased from TL 502 million in 1Q2021 to TL 873 million in 1Q2022 (TL 371 million increase) mainly due to inflation impact and higher Capex ceiling.
- **Efficiency & Quality Earnings:** Total Efficiency & Quality earnings almost stayed flat in 1Q2022 compared to 1Q2021.
 - **Capex Outperformance:** The effectiveness of capex unit price escalation mechanism decreased due to supply bottlenecks and local factors. As a result, Capex outperformance was zero in 1Q2022.
 - **Opex Outperformance:** Opex outperformance in 1Q2022 was negative TL 36 million due to cost increase in commodity linked items, such as material and fleet, exceeding inflation.
 - **Theft & Loss Outperformance:** Theft & Loss outperformance was higher than in 1Q2021 due to increase in Theft & Loss specific EÜAŞ prices and better performance in Başkent region.
 - **Theft accrual:** Theft accrual and collection earnings increased by 80% to TL 178 million due to increase in national tariff prices.
 - **Quality Earnings:** Quality bonus increased from 19 million TL in 1Q2021 to 30 million TL in 1Q2022 due to the increase in revenue ceiling.
 - **Other Item:** Other item in 1Q2022 was TL 111 million, compared to TL 51 million in 1Q2021, mainly due to CAPEX MtM of hedges.

Retail Business

The contribution of the Retail business unit in operational earnings was 19% in 1Q2022. Retail business showed an operational earnings growth of 94% year-over-year in 1Q2022 mainly as a result of increase in gross profit of regulated market segment.

- The regulated segment gross profit increased by TL 419 million year-over-year to TL 625 million in 1Q2022. Regulated gross profit increased due to higher electricity procurement prices and higher retail service revenue due to increase in opex allowance mainly driven by higher inflation.
- The liberalized segment gross profit decreased from TL 128 million in 1Q2021 to TL 87 million in 1Q2022. Despite higher volumes, liberalized gross profit declined due to increase in sourcing costs. The increase of FIT costs from negative to zero for liberalized segment due to new regulation also impacted gross profit of the liberalized segment. However, most of this negative impact will be compensated in the upcoming months.

Total retail sales increased by 22% from 8.6 TWh in 1Q2021 to 10.5 TWh in 1Q2022 driven thanks to strong growth in Enerjisa's home regions, especially in commercial and industrial segments with increasing economic activity post Covid-19 and increasing exports. Moreover, strong growth in other regions also contributed to that performance.

- Liberalized segment sales increased by 21% from 2.5 TWh in 1Q2021 to 3.0 TWh in 1Q2022.
- Regulated segment sales increased by 22% from 6.1 TWh in 1Q2021 to 7.4 TWh in 1Q2022.

The bad debt related income and expense declined from TL 32 million in 1Q2021 to TL 4 million in 1Q2022 as doubtful provision expenses per kWh increased mainly due to increase in electricity tariffs, while this has not reflected to late payment income in the same magnitude yet due to timing of accrual of late payment income.

Customer Solutions

Customer solutions gross profit increased by 260% year-over-year to TL 36 million in 1Q2022 mostly due to solar projects. The contribution of the Customer Solutions business unit in operational earnings was 1% in 1Q2022.

Guidance

The 2022 guidance has been revised upwards as below:

- Above 40% year-over-year growth in **Operational Earnings** (previous: above 30% growth)
- Above TL 2.2 billion **Underlying Net Income** (previous: above TL 2 billion)

The upward revision in Operational Earnings guidance is driven both by distribution and retail business units. The Company forecasts operational earnings growth of distribution to be higher driven by increase in short and mid-term inflation assumptions. Retail operational earnings growth forecast increased due to higher sourcing costs. Despite the upward revision in inflation assumptions, the Company expects the cost impacts to be more subdued during the rest of the year compared to in 1Q2022.

1- GENERAL INFORMATION

a) Accounting period that the report relates to	: 01.01.2022 – 31.03.2022
b) Trade-name of the Company	: ENERJİSA ENERJİ ANONİM ŞİRKETİ
Trade registration number	: 800865
Head office contact details and website address	: Barbaros Mah. Begonya Sok. Nida Kule Ataşehir Batı Sitesi No: 1 / 1 Ataşehir-İSTANBUL Phone : 0216 579 05 79 Fax : 0216 579 05 30 e-mail : enerjisa-info@enerjisa.com website : www.enerjisa.com.tr

c) Nature of operations

The Company was established on December 21, 2011 and provided services in the areas of generation, trade, sales, distribution and retail of electricity as the parent company until August 25, 2017. In 2017, “distribution and sales activities” and “electricity generation and trade activities” was split under “Enerjisa Enerji A.Ş.” and “Enerjisa Üretim Santralleri A.Ş.” respectively. As a result of these transactions, the Company’s main activities under the new structure are customer-focused electricity distribution and retail service. 20% of Enerjisa Enerji shares was offered to the public and Enerjisa was listed on Borsa İstanbul on February 8, 2018.

As of March 31, 2022, Enerjisa Enerji with 11.7 million distribution connection points and with approximately 10.4 million customers is the leading downstream electricity company.

Electricity distribution is carried out by Başkent Elektrik Dağıtım A.Ş. (Başkent EDAŞ), İstanbul Anadolu Yakası Elektrik Dağıtım A.Ş. (AYEDAŞ) and Toroslar Elektrik Dağıtım A.Ş. (Toroslar EDAŞ). Retail sales of electricity is carried out by Enerjisa Başkent Elektrik Perakende Satış A.Ş. (Başkent EPSAŞ), Enerjisa İstanbul Anadolu Yakası Elektrik Perakende Satış A.Ş. (AYESAŞ) and Enerjisa Toroslar Elektrik Perakende Satış A.Ş. (Enerjisa Toroslar EPSAŞ). Enerjisa Müşteri Çözümleri A.Ş. was established on December 29, 2017 to operate in customer solutions and distributed generation.

d) The organization, capital and shareholding structures of the Company and related changes in the fiscal period

Members of the Board of Directors:

To be effective as of May 12, 2021, it was resolved that; Mr. Cenk ALPER, to be appointed as member of Board of Directors in lieu of Mr. Barış ORAN, who had resigned from the Board of Directors, to be approved at the next General Assembly, as per the Article 363 of the Turkish Commercial Code.

Dr. Eric René C. Depluet, Vice-Chairman of the Board of Directors and member of the Early Risk Detection Committee, retired on 31 December 2021. To be effective as of 1 January 2022, it was decided that Thorsten Lott to be appointed as member of Board of Directors to be approved at the next General Assembly, as per the Article 363 of the Turkish Commercial Code.

At the 2021 Ordinary General Assembly meeting held on March 30, 2022; it was decided to approve the appointment of Cenk Alper to serve in the remaining period, in lieu of Barış Oran, and the appointment of Thorsten Lott to serve in the remaining period, in lieu of Dr. Eric René Depluet.

To be effective as of April 1, 2022, the Board of Directors resolved that:

Mr. **Dr. Guntram WÜRZBERG** to be appointed as the Board of Directors' member in lieu of Ms. **Dr. Eva-Maria Verena VOLPERT**, who has resigned from the Board of Directors with effect from April 1, 2022, to be approved at the next General Assembly, as per the Article 363 of the Turkish Commercial Code,

Mr. **Nusret Orhun KÖSTEM** to be appointed as the Board of Directors' member in lieu of Mr. **Cenk ALPER**, who has resigned from the Board of Directors with effect from April 1, 2022, to be approved at the next General Assembly, as per the Article 363 of the Turkish Commercial Code,

Ms. **Kamuran UÇAR** to be appointed as an Independent Member of the Board of Directors in lieu of Mr. **Mehmet SAMİ**, who has resigned from Independent Membership of the Board of Directors with effect as of April 1, 2022, subject to the opinion of Capital Markets Board. The appointment is subject to the approval of the first next General Assembly meeting.

The members of the Company's Board of Directors as of April 1, 2022 are as follows:

Member of Board of Director	Duty	Date of Appointment	End of Duty
Kıvanç Zaimler	Chairman	30.03.2021	30.03.2024
Johan Magnus Moernstam	Vice Chairman	30.03.2021	30.03.2024
Nusret Orhun Köstem	Member	01.04.2022	30.03.2024
Thorsten Lot	Member	01.01.2022	30.03.2024
Hakan Timur	Member	30.03.2021	30.03.2024
Guntram Würzberg	Member	01.04.2022	30.03.2024
Fatma Dilek Yardım	Independent Member	30.03.2021	30.03.2024
Kamuran Uçar	Independent Member	01.04.2022	30.03.2024

Shareholding Structure of the Company:

Shareholder Name	Share / Voting Right			
	31.12.2021		31.03.2022	
	(TL)	(%)	(TL)	(%)
Hacı Ömer Sabancı Holding A.Ş.	472,427,587.56	40.0	472,427,587.56	40.0
DD Turkey Holdings S.A.R.L.	472,427,587.56	40.0	472,427,587.56	40.0
Other (Public)	236,213,792.00	20.0	236,213,792.00	20.0
TOTAL	1,181,068,967.12	100.0	1,181,068,967.12	100.0

Changes that occurred in the Company capital during the period:

There was no change.

e) Remarks on privileged shares and voting rights of such shares, if any: Privileged shares do not exist.

f) Information on the management body, senior officers and number of employees:

As of March 31, 2021 the organization of senior management is as below:

- Murat Pınar, CEO
- Dr. Michael Moser, CFO

The Group has 11,355 employees as of 31.03.2022.

g) Rights and benefits granted to employees:

The rights and benefits provided by the Company to the personnel are specified in the Human Resources Policy published on the website.

<https://www.enerjisinvestorrelations.com/en/corporate-governance/policies/human-resources-policy>

h) Information on the transactions executed by the members of the management body with the company on their own behalf or on behalf of others within the framework of the permission granted by the general assembly of the company as well as their activities under the scope of prohibition of competition, if any:

The Chairman and the members of the Board of Directors cannot directly or indirectly execute any transaction with the Company on their behalf or on behalf of others, without the prior permission of the General Assembly. During the period of 01.01.2022 – 31.03.2022, the members of the Board of Directors neither executed any transaction with the Company, nor been involved in any attempts that can compete with the Company in its fields of operation.

i) If there is a distribution of duties among the members of the board of directors, the duties and authorities of the members of the board of directors: Not Applicable

2- FINANCIAL RIGHTS GRANTED TO THE MEMBERS OF THE MANAGEMENT BODY AND THE SENIOR-LEVEL EXECUTIVE OFFICERS

Key management includes Chairman and members of the Board of Directors, General Manager, Heads of Units and Directors. The compensation paid or payable to key management is shown below in thousands of Turkish Lira:

	1 January - 31 March 2022	1 January - 31 March 2021
Short-term employee benefits	22,420	15,194
Long-term employee benefits	640	110
	<u>23,060</u>	<u>15,304</u>

3- RESEARCH AND DEVELOPMENT ACTIVITIES

During the period of 01.01.2022 - 31.03.2022, TL 482,436.57 was spent on the projects supported by EU Framework Programs, TÜBİTAK and EMRA R&D funds.

4- COMPANY'S OPERATIONS AND RELATED MAJOR DEVELOPMENTS

a) Information on the main developments during the related fiscal period:

Ratings

International credit rating agency Fitch Ratings affirmed the National Long-Term Ratings of Enerjisa Enerji A.S. and its subsidiary, Başkent Elektrik Dağıtım A.S. as 'AA+ (tur)' on 26.01.2022. The outlooks on both ratings are Stable. At the same time, the Fitch credit rating process for Başkent Elektrik Dağıtım A.Ş by was terminated by mutual consent due to commercial reasons.

Dividend Payment

The Company held its Ordinary General Assembly for 2021 on March 30, 2022. The minutes of the meeting were announced to the public on the website and at the Public Disclosure Platform (PDP). According to the decision taken at the meeting:

Pursuant to the review of the Consolidated Financial Statements for the year 2021, prepared in accordance with the Turkish Financial Reporting Standards, it was resolved to distribute the profit as follows:

- Distribution of total TL 1,464,525,519.23 dividend (Gross 124%, Net 111.6%) from TL 2,218,053,244.14 Consolidated Net Distributable Profit including the donations incurred between 01.01.2021 - 31.12.2021 in cash to the shareholders who are representing the TL 1,181,068,967.12 capital and;
- Distribution of the cash dividend, beginning from April 11, 2022.

Dividends derived from the Group's distributable earnings at 2021 have been distributed within April, 2022.

Regulation Developments

Legislative changes specific to the electricity sector are summarized below:

Eligible Consumer Limit for the year 2022: With the EMRA Decision dated 16.12.2021 and numbered 10623, published in the Official Gazette dated 22 December 2021 and numbered 31697, it was decided to reduce the eligible consumer limit to 1,100 kWh for the year 2022. The said Board decision entered into force on 01.01.2022 (Applied as 1,200 kWh in 2021).

Electricity tariffs:

The tariffs applied by the incumbent retail companies to distribution system users (non-eligible consumers and eligible consumers with low consumption in accordance with the Communiqué on the Regulation of the Last Source Supply Tariff) are summarized below:

General Lighting Unit Cost (kr/kWh)

As of 01.01.2021	As of 01.04.2021	As of 01.07.2021	As of 01.01.2022	As of 01.04.2022
57.9192 kr/kWh	58.0154 kr/kWh	68.9626 kr/kWh	170.4791 kr/kWh	237.5847 kr/kWh

Green Tariff Table (kr/kWh)

As of 01.01.2021	As of 01.04.2021	As of 01.07.2021	As of 01.01.2022	As of 01.04.2022
75.7591 kr/kWh	74.7372 kr/kWh	92.6227 kr/kWh	189.0181 kr/kWh	204.8204 kr/kWh

Retail Single Term Energy Fee (TL/MWh)					
	As of 01.04.2021	As of 01.07.2021	As of 01.01.2022	As of 01.03.2022	As of 01.04.2022
Transmission Customers					
Industrial	551.5	638.7	1,474.3	1,474.3	1,955.0
Distribution Customers: Low Voltage, Single Term					
Industrial	551.5	648.7	1,669.1	1,669.1	2,048.2
Commercial (Below the Limit)	598.2	706.3	1,890.2	1,337.4	1,331.9
Commercial (Over the Limit)	598.2	706.3	1,890.2	1,890.2	1,884.6
Residential (Below the Limit)	396.7	474.3	794.6	794.6	789.2
Residential (Over the Limit)	396.7	474.3	1,348.8	1,348.8	1,343.4
Martyr Families	141.2	174.6	312.6	312.6	309.0
Agricultural Irrigation	541.2	637.5	1,399.0	1,399.0	1,394.4
Illumination	547.2	646.9	1,742.1	1,742.1	1,736.8

Distribution Fee (TL/MWh)					
	As of 01.04.2021	As of 01.07.2021	As of 01.01.2022	As of 01.03.2022	As of 01.04.2022
Transmission Customers					
Industrial	0.0	0.0	0.0	0.0	0.0
Distribution Customers: Low Voltage, Single Term					
Industrial	186.7	200.0	248.6	248.6	252.9
Commercial (Below the Limit)	253.0	271.1	336.9	336.9	342.7
Commercial (Over the Limit)	253.0	271.1	336.9	336.9	342.7
Residential (Below the Limit)	247.4	265.1	329.5	329.5	335.2
Residential (Over the Limit)	247.4	265.1	329.5	329.5	335.2
Martyr Families	167.8	179.8	223.5	223.5	227.3
Agricultural Irrigation	207.9	222.7	276.8	276.8	281.6
Illumination	242.3	259.6	322.7	322.7	328.2

End User Price (TL/MWh)*					
	As of 01.04.2021	As of 01.07.2021	As of 01.01.2022	As of 01.03.2022	As of 01.04.2022
Transmission Customers					
Industrial	661.9	766.5	1,757.0	1,757.0	2,329.9
Distribution Customers: Low Voltage, Single Term					
Industrial	882.2	1,014.5	2,282.6	2,282.6	2,739.5
Commercial (Below the Limit)	1,058.7	1,217.5	2,739.5	2,054.6	2,054.6
Commercial (Over the Limit)	1,058.7	1,217.5	2,739.5	2,739.5	2,739.5
Residential (Below the Limit)	796.1	915.6	1,373.3	1,256.9	1,256.9
Residential (Over the Limit)	796.1	915.6	2,060.0	1,885.4	1,885.4
Martyr Families	377.4	434.0	651.1	595.9	595.9
Agricultural Irrigation	933.1	1,073.0	2,060.0	1,885.4	1,885.4
Illumination	981.3	1,128.5	2,539.2	2,539.2	2,539.2

* Before 2022: End User Price includes; TRT Share, Energy Fund, Municipality Tax and VAT.

As of 2022, End User Price includes; Municipality Tax and VAT.

As of March 2022, VAT is 8% for Residential and Agricultural Irrigation subscriber groups (previous 18%).

Decision of the Energy Market Regulatory Board dated 31.01.2022 and numbered 10756: With the Decision published in the Official Gazette dated 1 February 2022 and numbered 31737, for the invoices to be issued as of February 1, 2022, it has been decided to apply low-tier and high-tier tariffs for the Residential Subscriber Group (low voltage level and single time period) as follows;

- Daily average up to 7 kWh: Low-tier tariff
- Daily average exceeding 7 kWh: Low- tier tariff up to 7 kWh, high-tier tariff for the part exceeding the limit.

With the Board decision dated 31.12.2021 and numbered 10707, the average daily consumption for the Residential Subscriber Group (low voltage level and single time period) was determined as 5 kWh. Thus, the daily average for invoices has been updated as 7 kWh.

Decision of Energy Regulatory Board Dated 28.02.2022 and numbered 10818: The daily average consumption limit for low-tier tariff has been revised from 7 kWh to 8 kWh per day for the Residential Subscriber Group (low voltage level and single time period) for the invoices to be issued as of 01.03.2022.

Decision of Energy Regulatory Board n dated 28.02.2022 and numbered 10819: With the Decision, for the invoices to be issued as of March 1, 2022, it has been decided to apply low-tier and high-tier tariffs for the Commercial Subscriber Group (low voltage level and single time period) as follows;

- Daily average up to 30 kWh: Low-tier tariff
- Daily average exceeding 30 kWh: Low-tier tariff up to 30 kWh, high-tier tariff for the part exceeding the limit.

Elektrik Üretim A.Ş. tariffs: The summary of the active electricity energy wholesale tariff, which is determined quarterly by EMRA Board decisions and applied by EÜAŞ is as follows:

Technical and Non-Technical Lost Energy Sales to Distribution Companies and Sales Made to Incumbent Retail Companies (kr/kWh)				
As of 01.01.2021	As of 01.04.2021	As of 01.07.2021	As of 01.01.2022	As of 01.04.2022
20.5000 kr/kWh	16.9149 kr/kWh	23.7636 kr/kWh	31.8592 kr/kWh	31.8592 kr/kWh

Sales to Distribution Companies within the Scope of General Lighting (kr/kWh)				
As of 01.01.2021	As of 01.04.2021	As of 01.07.2021	As of 01.01.2022	As of 01.04.2022
33.0000 kr/kWh	33.0000 kr/kWh	42.0000 kr/kWh	135.0000 kr/kWh	200.0000 kr/kWh

Amendment to the Regulation on Energy Performance in Buildings: The amendments brought by the Amendment Regulation published in the Official Gazette dated February 19, 2022 and numbered 31755 are summarized below:

- Definition of Near Zero Energy Building (NZEB) was added. NZEB is defined as a building with high energy performance and at the same time using a certain amount of renewable energy.
- It is mandatory for NZEB buildings to have an energy performance class of B or better in the Energy Performance Certificate and at the same time to use renewable energy at a rate of at least 10% of the building's primary energy need. (This provision has entered into force as of the date of publication.)
- With the provisional article, the 10% rate shall be implemented as 5% between 01.01.2023 to 01.01.2025.
- Buildings with a total construction area of 2,000 m² (square meter) or more are required to be constructed as NZEB. (Effective date is January 1, 2023.)
- It has been regulated that the total building construction area specified as “2,000 m²” with the provisional article shall be applied as “5,000 m²” between 01.01.2023 to 01.01.2025.
- The requirement for the Energy Performance Certificate to be prepared for the entire building has been stipulated (According to the previous regulation, Energy Performance Certificate could be prepared for the whole building, or optionally, it could be arranged separately for each independent section with property ownership or for different areas of use). It has been regulated that this should be stated in the Energy Performance Certificate issued to the entire buildings that complies with NZEB.
- It has been regulated that the audit of the activities of the institutions authorized to issue Energy Performance Certificates shall be carried out by the Ministry of Environment, Urbanization and Climate Change or the other institutions on behalf of the Ministry.
- ANNEX 10: Preliminary Account Result Form has been added to the Regulation.

Decision on the Amendment of the Decision Regarding the Determination of Value Added Tax Rates to be Applied to Goods and Services (Number of Decision: 5249): With the decision, the value added tax rate (VAT) to be applied was changed to 8% by adding the electricity deliveries made to residential and agricultural irrigation subscriber groups to the additional Table No II.

Support Fee Application: With the provision added to Article 17 (titled “tariffs and supporting consumer”) of the Electricity Market Law numbered 6446 on 08.03.2022, it is aimed to protect consumers against cost increases, ensure security of supply and support electricity generators having unreasonable cost differences in electricity production compared to other generators. For that purpose, EMRA may determine a resource based support fee not exceeding six months at each time.

In the Procedures and Principles (Procedures and Principles) Regarding the Determination and Application of Resource Based Support Fee published in the Official Gazette dated 18.03.2022 and numbered 31782, general principles regarding the determination of the maximum settlement price and support fee were regulated and calculation method of support fee was explained.

With EMRA Board Decision published in the Official Gazette dated 30.03.2022 and numbered 31794, within the scope of the article named “determination of the maximum settlement price and support fee of the Procedures and Principles”, it was decided to apply a support fee for 6 months as of 01.04.2022 in order to support consumers and/or generators bearing high generation cost. The maximum settlement prices were determined as 2,500 TL/MWh for imported coal/natural gas/fuel oil/naphtha/LPG/diesel oil and as 1,200 TL/MWh for other resources.

With the **Regulation Amending the Regulation on Certification and Support of Renewable Energy Resources**, a regulation where as in case the YEKDEM income is more than the total price of the YEK in a billing period, the payment obligation rate, will be applied for the consumers whose tariffs are subject to regulation, the calculation will be calculated by taking into account the settlement amounts of the relevant suppliers has been put in order.

Amending on Procedures and Principles for Solar Power Based Electricity Generation Facilities up to 10 kW: With EMRA Board Decision dated 10.03.2022 and numbered 10832 “Amending on Procedures and Principles for Solar Power Based Electricity Generation Facilities up to 10 kW” were accepted and entered into force by being published in the Official Gazette on 12.03.2022. With the amendments, the installed power of roof and facade solar power generation facilities was increased from 10 kW to 25 kW for residential subscriber group.

Amendment in the Regulation on the Technological Product Investment Support Program: The amendments concerning the electrical energy sector in the Regulation published in the Official Gazette dated March 22, 2022 and numbered 31786 are summarized below:

- Investments in the establishment of fast-charging stations for electric vehicles in the field of mobility, which have a high level of economic impact and the potential to accelerate development in multiple sector, to be carried out by real or legal persons residing in Turkey, have been included in the purpose and scope of the Regulation.
- Technological product investment support program has been defined as the program that supports investment projects for technological products resulting from industrial R&D and innovation projects, and investment projects for the establishment of fast-charging stations for electric vehicles.
- Within the scope of the technological product investment support program, it has been regulated that non-refundable support may be provided up to 75% of the expenditures constituting the investment project amount, in the projects to be supported for the establishment of fast charging stations for electric vehicles in the field of mobility.
- It has been foreseen that the total amount of non-refundable support to be provided to businesses for each investment project, including the additional points for domestic goods, cannot exceed TL 20,000,000 in projects for the establishment of fast charging stations for electric vehicles in the field of mobility.

Provided that the place and the purpose of using the machinery and equipment purchased by using the support program within the scope of the project have not changed, it has been stipulated that these machinery and equipment cannot be sold for a period of 1 year, rented to other individuals, institutions/organizations in any way, and the right of use cannot be transferred under any name or form.

Amending the Procedures and Principles Regarding the Determination of Minimum and Maximum Price Limits in Day-Ahead Market and Balancing Power Market: According to EMRA Board Decision published in the Official Gazette dated 30.03.2022 and numbered 31794, minimum price limits to be applied in the relevant markets as of 01.04.2022 were determined as 0 TL/MWh and maximum price limits as 2,500 TL/MWh.

Other:

Board of Director's Compliance Report on Common and Recurring Related Party Transactions of the Same Nature prepared within this framework was reviewed and approved by the Board of Directors with the resolution dated 25 February 2022, and the conclusion of the report was announced on the Public Disclosure Platform. The conclusion and evaluation section of the report is as follows.

As per the Article 10 of the Corporate Governance Communiqué numbered (II-17.1) issued by the Capital Markets Board and published in the Official Gazette no. 28871 dated 03 January 2014, for the year 2022, it is anticipated that the total amount of electricity purchase transactions having common and recurring nature by Enerjisa İstanbul Anadolu Yakası Elektrik Perakende Satış A.Ş., Enerjisa Başkent Elektrik Perakende Satış A.Ş., and Enerjisa Toroslar Elektrik Perakende A.Ş., (the subsidiaries of Enerjisa Enerji A.Ş. as per full the financial reports which are prepared with the consolidation methodology in line with CMB regulation) from the related parties, Enerjisa Enerji Üretim A.Ş. and Enerjisa Elektrik Enerjisi Toptan Satış A.Ş. is expected to exceed 10% of the amount of cost of sales specified in the financial statements for 2021 disclosed to public. For this reason; the nature, the terms and conditions of the related transactions, the pricing methodology are explained and information provided on the current status of the transactions against arm's length principles are provided in this Report.

The transactions within the framework planned under the scope of the Company budget are to be executed by Enerjisa İstanbul Anadolu Yakası Elektrik Perakende Satış A.Ş., Enerjisa Başkent Elektrik Perakende Satış A.Ş., Enerjisa Toroslar Elektrik Perakende Satış A.Ş. with Enerjisa Enerji Üretim A.Ş. and Enerjisa Elektrik Enerjisi Toptan Satış A.Ş. in 2022 will be executed within the market conditions and on arm's length principles which are set as per comparable pricing methodology.

Developments in 2021 Regarding the Action for Cancellation Against the Administrative Fine Imposed on the electricity retail companies controlled by Enerjisa Enerji A.Ş. and İstanbul Anadolu Yakası Elektrik Dağıtım A.Ş. by the Competition Authority: The Competition Board decided to conduct an examination for electricity distribution and electricity retail sales companies in İstanbul Anatolian Side, Ankara and Toroslar electricity distribution regions, whether the Article 6 of the Law on the Protection of the Competition was breached, on December 28, 2016. Following the examination, the Competition Board decided to impose administrative fine with the decision dated August 8, 2018 and 18-27/461-224, in total the amount of TL 143,061,738.12 to İstanbul Anadolu Yakası Elektrik Dağıtım A.Ş., Enerjisa İstanbul Anadolu Yakası Elektrik Perakende Satış A.Ş., Enerjisa Başkent Elektrik Perakende Satış A.Ş. and Enerjisa Toroslar Elektrik Perakende Satış A.Ş. A 25% discount was applied to the relevant fines and the total fine was reflected as a one-time expense in the amount of TL 107,296,303.59 under 2018 annual financial results, while the underlying net income was not affected.

A cancellation lawsuit was filed against the decision of the Competition Board by the relevant companies on April 5, 2019. The judicial process of the first degree court was concluded with the decisions of 13th Ankara Administrative Court dated 16 July 2020 and numbered E.2019/1970 K.2020/1319, E.2019/1956 K.2020/1317 and E.2019/1969 K.2020/1318, the lawsuits filed by Enerjisa Başkent Elektrik Perakende Satış A.Ş., Enerjisa İstanbul Anadolu Yakası Elektrik Perakende Satış A.Ş. and Enerjisa Toroslar Elektrik Perakende Satış A.Ş., have been rejected respectively. The decisions were delivered on October 6, 2020. The request of appeal has been made against the decisions of the Court of First Instance as of November 5, 2020. Following the judicial process the 8th Chamber of the Administrative Appeal Court of Ankara District rejected the requests with its decisions dated July 8, 2021 and numbered E.2020/1797 K. 2021/1155, E. 2020/1792 K. 2021/1157 and E. 2020/1796 K. 2021/1156 for Enerjisa Başkent Elektrik Perakende Satış A.Ş., Enerjisa İstanbul Anadolu Yakası Elektrik Perakende Satış A.Ş. and Enerjisa Toroslar Elektrik Perakende Satış A.Ş., respectively. The request of appeal was made against those decisions at the Council of State on September 7, 2021. Besides, Ankara 15th Administrative Court accepted

the case of İstanbul Anadolu Yakası Elektrik Perakende Satış A.Ş. with its decision dated November 16, 2017 and numbered E.2017/412, K.2017/3045 where the company filed a cancellation lawsuit against the Turkish Competition Board's decision dated December 6, 2016 and numbered 16-42/686-314 on rejecting the request of the return of the documents due to breach of Legal Professional Privilege (LPP), which were taken during the dawn-raids on November 23, 2016 at Enerjisa premises as a part of the preliminary inquiry initiated by the board's decision dated November 16, 2016 numbered 16-39/656-M. However, the decision of the administrative court was appealed by the Turkish Competition Authority and annulled by the 8th Chamber of the Administrative Appeal Court of Ankara District with its decision dated October 10, 2018 and numbered E.2018/658, K.2018/1236. The request of appeal has been made against this decision at the Council of State on January 22, 2019.

On the other hand, with the decision of the 13th Ankara Administrative Court dated 16.07.2020 and numbered E.2019/660 K.2020/1315, the lawsuit filed by İstanbul Anadolu Yakası Elektrik Dağıtım A.Ş. was accepted. The decision was received on October 6, 2020. Following the aforementioned decision in favor, in accordance with the article 28 of the Administrative Jurisdiction Procedures Law, an application was made to the relevant tax office on October 8, 2020 for the refund of TL 7,973,040.71 paid at 25% discount on March 7, 2019. The amount was refunded on November 6, 2020. The Competition Authority has appealed against the decision within 30 days from the notification of the decision. The appeal application of the Competition Authority was rejected, with the decision of the 8th Chamber of the Administrative Appeal Court of Ankara District, dated 17.06.2021 and numbered E.2020/1865 K.2021/1052, open to appeal. Upon the Competition Authority's appeal against the decision of the regional administrative court, a petition for a reply to the appeal was submitted separately. At present, the appeal examination is continuing before the Council of State. According to the report prepared within the scope of the additional work carried out for İstanbul Anadolu Yakası Elektrik Dağıtım A.Ş. and the information and documents received from the Company, it has been decided that İstanbul Anadolu Yakası Elektrik Dağıtım A.Ş. has not violated Article 6 of the Law on the Protection of Competition No. 4054 ("abuse of dominant position) and that there is no need to impose an administrative fine on our Company, with the decision of the Competition Board notified on 26 November 2021. Thereupon, an additional petition for declaration has been submitted on 30 November 2021 to the file numbered 2021/3812 of Council of State with regard to the decision of Competition Board notified on 26 November 2021 that İstanbul Anadolu Yakası Elektrik Dağıtım A.Ş. has not violated Article 6 of the Law on the Protection of Competition No. 4054 (abuse of dominant position) and that there is no need to impose an administrative fine on our Company.

Developments in the Investigation Started by the Personal Data Protection Authority against İstanbul Anadolu Yakası Elektrik Dağıtım A.Ş. in 2021: Upon the complaints dated 17 December 2019, 4 June 2020 and 28 January 2021 submitted to the Personal Data Protection Authority, against our electricity Distribution company, İstanbul Anadolu Yakası Elektrik Dağıtım A.Ş., regarding the unlawful processing of personal data, by a natural person electricity subscriber consumer's attorney, an investigation was initiated by the Authority against İstanbul Anadolu Yakası Elektrik Dağıtım A.Ş. by the official letter dated March 11, 2021 and numbered 19462324-105.01.01- E0000048769 and its defense was requested.

As a result of the defense given by İstanbul Anadolu Yakası Elektrik Dağıtım A.Ş. on March 23, 2021, it has been decided by the Authority with the decision dated 16 December 2021 and numbered 2021/1265 that in the event subject to the complaint, İstanbul Anadolu Yakası Elektrik Dağıtım A.Ş. does not have the qualification of data controller.

Developments in the Investigation Started by the Personal Data Protection Authority against İstanbul Anadolu Yakası Elektrik Dağıtım A.Ş. in 2021: With the decision of the Personal Data Protection Board dated 27.01.2020 and numbered 2020/66, it was decided to impose an administrative fine in the amount of TL 100,000

against Başkent Elektrik Dağıtım A.Ş., on the grounds that the principle of “being accurate and up-to-date” violated.

The administrative fine imposed by the Personal Data Protection Board decision dated 27.01.2020 and numbered 2020/66, which was notified to our company on 10.03.2020, was paid to the Personal Data Protection Authority on 25.03.2020 as TL 75,000 at a discount.

An objection petition in regards to cancellation of the administrative fine imposed by the Personal Data Protection Board decision No. 2020/66 and refund of the paid TL 75,000 at a discount, has been submitted to the Ankara 3rd Criminal Court of Peace.

With the decision numbered 2021/6131 of the Ankara 3rd Criminal Court of Peace, which was notified on 1 June 2021, it was decided to cancel the administrative fine in the amount of TL 100,000. Upon the cancellation decision, the refund of TL 75,000 paid to the Personal Data Protection Authority on 25.03.2020 was requested. The said amount was refunded on 09.08.2021.

b) Information on the investments made by the Company during the related fiscal period:

The Company has made capital expenditures related to service concession arrangements of TL 379,898,000 and purchase of tangible and intangible assets TL 76,170,000 within the period of 01.01.2022-31.03.2022.

c) Information on the Company’s direct or indirect participations/subsidiaries and the share ratios:

The direct participation shares held by the Company are as follows:

	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group (%)		Principal activity
		31 March 2022	31 December 2021	
Başkent Elektrik Dağıtım A.Ş.	Ankara	100	100	Electricity distribution services
Enerjisa Başkent Elektrik Perakende Satış A.Ş.	Ankara	100	100	Electricity retail services
İstanbul Anadolu Yakası Elektrik Dağıtım A.Ş.	İstanbul	100	100	Electricity distribution services
Enerjisa İstanbul Anadolu Yakası Elektrik Perakende Satış A.Ş.	İstanbul	100	100	Electricity retail services
Toroslar Elektrik Dağıtım A.Ş.	Adana	100	100	Electricity distribution services
Enerjisa Toroslar Elektrik Perakende Satış A.Ş.	Adana	100	100	Electricity retail services
Enerjisa Müşteri Çözümleri A.Ş.	İstanbul	100	100	Customer solutions and distributed generation services
E-şarj Elektrikli Araçlar Şarj Sistemleri A.Ş.	İstanbul	94	94	Electric vehicles and charging stations equipment services

d) Information on the own shares of the company acquired:

The company does not own any shares in the related period.

e) Information on private audit and public audit conducted in the fiscal period:

The interim condensed consolidated financial reports of the Company for the period of 01.01.2022 –31.03.2022 prepared in accordance with IFRS was not audited by independent auditors.

f) Information on legal actions filed against the Company which might adversely affect the financial situation and operations of the Company and their possible consequences:

There are no cases filed against the Company within the period of 01.01.2022 – 31.03.2022, which may adversely affect the financial situation and operations of the Company.

g) Information on the administrative or judicial sanctions imposed on the Company and the members of its management body for practices in breach of the provisions of applicable legislation:

In accordance with the provisions of Article 15 of the Regulation on the Procedures and Principles to be Followed in Inspections and Preliminary Research and Investigations in the Electricity Market, it has been decided to open a direct investigation to some supply license holders and generation license holders, including Başkent EPSAŞ, AYESAŞ and Enerjisa Toroslar EPSAŞ, who could not submit a valid bilateral agreement regarding the eligible consumer/consumers who was/were requested by more than one supplier in the period of January 2019 - February 2021.

As a result of the investigation, it was decided to impose an administrative fine of TL 1,088,997 on Enerjisa Toroslar EPSAŞ. The said fine was paid on 08.12.2021 as TL 826,747.75 TL by taking advantage of the discount.

As a result of the investigation, it was decided to impose an administrative fine of TL 1,088,997 on Başkent EPSAŞ. The said fine was paid as TL 826,747.75 on 07.12.2021 by taking advantage of the discount.

As a result of the investigation, it was decided to warn AYESAŞ not to repeat the same violation.

h) Information on the conflicts of interest of the corporation among the institutions that it purchases services on matters such as investment consulting and rating and the measures taken by the corporation in order to avoid from these conflicts of interest: There are no conflict of interests.

i) Information and evaluation on whether the goals set in the previous periods were achieved, and whether the decisions of the general assembly were implemented, and if not, the related reasons for failure to achieve such goals or to implement such decisions:

The Company has achieved its budgetary targets for the period of 01.01.2021 – 31.012.2022. Details are explained in the “Financial Highlights” section of 2021 Annual report. The company's 2022 expectations and 1Q2022 performance are disclosed in the "Financial Highlights" and "Guidance" sections of this activity report for the period 01.01.2022 - 31.03.2022.

j) If any extraordinary general assembly meeting has been held during the year, information on such extraordinary general assembly meeting including the date of the meeting, the decisions taken in such meeting and the related activities: None.

k) Information on the Company's donations and aids and its expenditures made on social responsibility projects during the year:

The Company has made donations and aids at the amount of TL 8,387,647 within the period of 01.01.2022 – 31.03.2022.

l) If a company operating under a group of companies; legal actions taken with the parent company, or any subsidiary of the parent company in favour of the parent company or any subsidiary thereof upon the instructions of the parent company and all the other measures taken or avoided in favour of the parent company or any subsidiary thereof in the previous fiscal year:

There are no legal actions that we have taken with Hacı Ömer Sabancı Holding A.Ş., DD Turkey Holdings S.A.R.L. or any subsidiary thereof or in favour of them or any of their subsidiaries upon their instructions; and there are no actions taken or avoided in favour of Hacı Ömer Sabancı Holding A.Ş., DD Turkey Holdings S.A.R.L. or any of their subsidiaries.

m) The company's sources of finance and the nature and value of the capital markets instruments issued, if any:

Enerjisa Enerji A.Ş. sources of new financing are mainly loans in Turkish Lira.

The Group has a total of TL 1,697,000,000 bonds (issued amount) in circulation as of 31 March 2022.

Issuer	Issue Amount (million TL)	Interest / Return Rate (%)	Issue Date	Redemption Date
Enerjisa Enerji A.Ş.	335	CPI Indexed, 5.00% real coupon	1-Aug-17	26-Jul-22
Enerjisa Enerji A.Ş.	400	TLREF + 1.40%	23-Feb-21	21-Feb-23
Enerjisa Enerji A.Ş.	162	CPI Indexed, 5.00% real coupon	05-Apr-18	30-Mar-23
Enerjisa Enerji A.Ş.	800	TLREF + 1.40%	15-Oct-21	13-Oct-23
<i>Total</i>	<i>1,697</i>			

n) Events that occurred after the Balance Sheet Date:

The General Assembly resolution dated 30 March 2022 regarding the election of PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. as the Auditor to audit the financial statements for the year 2022 and to carry out other activities within the scope of relevant regulations has been registered on 8 April 2022 and announced in Issue No. 10555 dated 8 April 2022 of the Turkish Trade Registry Gazette.

In accordance with the clause of 4.2.8 of the Capital Markets Board's Corporate Governance Communiqué, "The company has subscribed to a Directors and Officers liability insurance covering more than 25% of the capital and this matter is disclosed on the Public Disclosure Platform", a Directors and Officers liability insurance, valid between 07.04.2022-07.04.2023 and providing coverage up to 30,000,000 USD, has been made for Enerjisa Enerji A.Ş. Therefore, compliance with Article 4.2.8 of the Corporate Governance Principles has changed from partial compliance to full compliance.

The events related to electricity tariffs that occurred after the Balance Sheet Date can be accessed on “electricity tariffs” part under Corporate Governance/Regulatory developments section.

o) Other issues not included in the financial statements, but useful to know for interested parties: None.

p) If a company operating under a group of companies; information about whether a counter action was provided appropriate for each legal action and whether the measure taken or avoided caused the company to suffer a loss; and if the company suffered a loss, whether it was compensated or not according to the situation and conditions known by them at the time when the legal action or the measure mentioned in the subparagraph (l) was performed or taken or avoided:

To the best of the Company’s knowledge of current conditions, the legal actions taken by the Company with the controlling companies or any of their subsidiaries or in favor of the controlling companies or any of their subsidiaries upon the instructions of the controlling companies and all the other measures taken or avoided in favor of the controlling companies or any of their subsidiaries in the fiscal period of 01.01.2022 - 31.03.2022 were evaluated in the form of a report under the scope of all transactions performed between the Company and the controlling company and its affiliated companies during the Fiscal Period of 01.01.2022 - 31.03.2022, which were conducted in full conformity with the honest and fair accounting principles according to the conditions well known to us. The Company did not suffer any loss resulting from any transaction executed under known conditions in connection with the Fiscal Period of 01.01.2022 - 31.03.2022.

5- FINANCIAL SITUATION

a) Management body’s analysis and assessment of the financial position and operational results, the extent of realization of planned activities, and the company’s position against defined strategic goals:

The Company’s financial results for the period of 01.01.2022 – 31.03.2022 are provided in the enclosed Balance Sheet and Income Statement.

b) Company’s sales, productivity, income generation capacity, profitability and debt to equity ratio within the year in comparison with the previous years, and information on any other issues that might suggest the company’s operational results and future expectations:

The Company’s gross profit as of March 31, 2022 is TL 2,718,760,000 (31 March 2021: TL 1,715,677,000). The Company’s net debt / (net debt + equity) ratio as of March 31, 2022 has been recorded as 63% (31 December 2021: 50%).

There is no revenue risk predicted for the Company.

c) Determination about whether the Company’s capital has remained without reserve or whether it has run into debt and the management body’s evaluations related thereof:

In Accordance with Article 376 of the Turkish Commercial Code, the Company is not in a deep-in-debt (technical bankruptcy) situation due to the company has fulfilled the criterion stated in the law resulting from half of the sum of capital and legal reserves of the company have not remained uncovered due to loss.

d) Measures planned to improve the financial structure of the Company, if any:

Since the Company’s financial and capital structures are strong, there are no measures planned to be taken to improve the financial structure of the Company.

e) Information on the dividend distribution policy and, if there will be no dividend distribution, a proposal on how allocate retaining earnings with its justification:

Information on the dividend distribution policy can be found in the link below.

<https://www.enerjisainvestorrelations.com/en/corporategovernance/policies/dividend-policy>

Dividends derived from the Group's distributable earnings at 2021 have been distributed within April, 2022.

6- AMENDMENTS TO ARTICLES OF ASSOCIATION MADE IN THE PERIOD AND THE RELATED REASONS

No changes were made to the Articles of Association during the period.

7- RISKS AND THE EVALUATION OF THE MANAGEMENT BODY

7.1 Governing Body

a) Board of Directors Meetings

As of March 31, 2022, the Company's Board of Directors convened 1 time in total to evaluate strategic matters concerning the Company. The attendance rate of Board meeting was 75%.

b) Committees

i. Enerjisa Corporate Governance Committee

Following the IPO in February 2018, the Corporate Governance Committee has been enacted at the General Assembly Meeting held on March 29, 2018. According to the Committee Charter effective as of April 1, 2022, members of the Committee are selected from Board members and Investor Relations, Mergers & Acquisitions and Tax Director. The Committee is chaired by an independent Board member.

The purpose of Corporate Governance Committee is to make suggestions to the Board of Directors of the Company in order:

- To ensure the compliance of the corporate governance principles of the Company with the Corporate Governance Principles as determined by the Board and other internationally accepted corporate governance principles and best practices,
- To make advices in order for implementation of such principles,
- To follow-up compliance of the Company with such principles.

This Committee also performs the governance related duties of the Nomination Committee and the Remuneration Committee within the Company.

Corporate Governance Committee Charter can be viewed from the below link.

<https://www.enerjisainvestorrelations.com/en/corporate-governance/committee-charters/corporate-governance-committee-charter>

The Corporate Governance Committee convenes at least four times per year. The Corporate Governance Committee had 1 meeting by the end of March 2022. Meeting dates and in-depth review topics have been the following:

Meeting Date	Members Participation	In-Depth Review Topic
4 February 2022	Hakan Timur Mehmet Sami Dr. Michael Moser Sabriye Gözde Cullas Thorsten Lott	Corporate Communications, Human Resources and Investor Relations Presentations Review of Sustainability Related Developments

Corporate Governance Committee members are as follows:

Name Surname	Duty	Duty in the Board
Kamuran Uçar	Corporate Governance Committee Chairperson	Independent Board Member
Guntram Würzberg	Corporate Governance Committee Member	Board member
Hakan Timur	Corporate Governance Committee Member	Board member
Sabriye Gözde Çullas	Corporate Governance Committee Member	Not board member

To be valid as of April 1, 2022, it has been resolved to determine the members of the Corporate Governance Committee established under the Company's Board of Directors within the scope of the amendment made in the Working Principles of the Corporate Governance Committee and the changes in Board of Directors.

ii. Audit Committee:

Internal audit activities related with the efficiency of the internal control system of the Company are planned and conducted by the Internal Audit Department. The audit results are shared with Enerjisa Enerji A.Ş. Audit Committee composed of independent BoD members only and the Company management and the planned actions are monitored.

Activities of the Internal Audit Department are regularly reported to the Audit Committee. In this scope, 1 Audit Committee meeting was held by the end of March 2022. Through these meetings, the Audit Committee was informed on topics including, but not limited to, improvement areas identified in audit/consultancy activities and relevant action plans, results of follow-up activities, information about performed ethics investigation activities and significant considerations about other activities.

Audit Committee Charter can be viewed from the below link.

<https://www.enerjisainvestorrelations.com/en/corporate-governance/committee-charters/audit-committee-charter>

The dates of the Audit Committee are as follows:

Meeting Date	Members Participation	In-Depth Review Topic
18.02.2022	Fatma Dilek Yardım Mehmet Sami	Briefing on audit and examination activities Presenting financial tables Presenting the results of audit report

Audit Committee members are as follows:

Name Surname	Duty	Duty in the Board
Fatma Dilek Yardım	Chairperson	Independent Board Member
Kamuran Uçar	Member	Independent Board Member

To be valid as of April 1, 2022, it has been resolved to appoint Kamuran UÇAR (Independent Member of the Board of Directors) in lieu of Mehmet SAMİ (Independent Member of the Board of Directors) in the Audit Committee established within the Board of Directors of the Company.

Information on the independence of the provider, if external consultancy services are used: Not Applicable

Information on the internal control system and internal audit activities of the Company and the related opinion of the management body:

Enerjisa Enerji Internal Audit Department directly reports to the Audit Committee, which is a sub-committee of the Enerjisa Board of Directors per the necessity of independence and objectivity principles. The purpose of internal audit is to provide an opinion to the Board of Directors about the compliance of the Company and its subsidiaries' activities with laws, other applicable legislation, internal strategies, policies and procedures and the effectiveness and adequacy of internal controls. With these efforts and structuring, it is aimed to take preventive measures, protect the Company assets, improve business processes and provide added value for the entity by way of giving opinions and suggestions to increase operational efficiency. In accordance with this objective, internal audit activities are conducted in the frame defined through approved audit committee and internal audit charters.

The risk assessment results of the Company are updated every year and the risk-based annual internal audit plan is submitted to the approval of the Audit Committee and the Board of Directors after obtaining the comments of the management. Each year, the audits within the scope of the approved audit plan are performed in accordance with international audit standards and COSO (Committee of Sponsoring Organizations of the Treadway Commission) requirements. This confirmation is certified through the independent quality assurance assessment performed in 2018.

Internal Audit is responsible from the evaluation and examination processes of ethics notifications related to the employees and other stakeholders (shareholders, customers, suppliers, public institutions). In addition to its auditing function, internal audit also provides consultancy services in line with its vision and mission, as required by its principle of being a "reliable business partner" and upon the requests of the executive management.

iii. Enerjisa Enerji Early Risk Detection Committee

The Board delegates the monitoring of risks to the Early Risk Detection Committee. Members to the Committee are selected Board Members (including two independent members) and the Committee is chaired by an independent Board member. Aside from receiving regular Risks and Opportunities Report, each meeting agenda includes an in-depth review of a prioritized topic. The Early Risk Detection Committee reports directly to the Enerjisa Enerji Board.

Early Risk Detection Committee is responsible to advise Board regarding risk and opportunity definitions which threaten Company's existence and strategies, relevant mitigation actions, early detections and precautions. Following Board review, agreed actions are monitored by the Enerjisa Enerji CFO and Early Risk Detection Committee.

Early Risk Detection Committee Charter can be viewed from the below link.

<https://www.enerjisainvestorrelations.com/en/corporate-governance/committee-charters/early-risk-detection-committee-charter>

The ERDC meetings and report circulations to the committee are organized at least six times per year. In this scope, one report circulation was held by the end of March 2022. Meeting and report circulation dates, members participation and in-depth review topics have been the following:

Meeting Date	Members Participation / Report Recipients	In-Depth Review Topic
26.02.2022 (Report Circulation)	Dilek Yardım Mehmet Sami Johan Magnus Moernstam Hakan Timur	BE0 2022 Risk & Opportunities Report Backtesting 2021: Risk Management Performance Assessment

Early Risk Detection Committee members are as follows:

Name Surname	Duty	Duty in the Board
Fatma Dilek Yardım	Early Risk Detection Committee Chairperson	Independent Board Member
Kamuran Uçar	Early Risk Detection Committee Member	Independent Board Member
Hakan Timur	Early Risk Detection Committee Member	Board Member
Thorsten Lott	Early Risk Detection Committee Member	Board Member

To be valid as of April 1, 2022, it has been resolved to appoint Thorsten LOTT (Member) in lieu of Johan Magnus MOERNSTAM (Member) in the Early Detection of Risk Committee established within the Board of Directors of the Company, and to appoint Kamuran UÇAR (Independent Member of the Board of Directors) in lieu of Mehmet SAMİ (Independent Member of the Board of Directors).

7.2. Risk Assessment

a) Risk Management Approach

Enerjisa Enerji aims to ensure sustainable and predictable profitability by effectively managing the risks in the energy markets and to protect the value created as a result of sales and distribution activities with its risk management policies.

Setting risk management as an integral part of strong management, Enerjisa Enerji's Risk Management Framework aims to identify risks and opportunities which may impact the Company's financial, operational and strategic plans. The framework enables assessment, classification, and mitigation of these risks through various methodologies. The ultimate aim of this framework is to provide transparency to management functions and to support decision making processes through regular reporting.

Enerjisa Enerji acts in accordance with the principle of assigning responsibility to the business units in risk identification and risk management as recommended by quality standards in this field such as COSO and ISO 31000. In this context, risk coordinators were appointed in the business units to act as a bridge between the departments and the central risk management function.

Risk management workshops are held annually with the risk coordinators and process owners of the business units in order to raise awareness for risk management. In these workshops, the important topics of the previous year, the annual risk management calendar and risk analysis, consolidation and reporting methodology are discussed.

b) Risk Governance Structure

Enerjisa Enerji utilizes both mandatory committees in accordance with legislation and non-mandatory committees in order to ensure an effective and functional risk management. Established under the CFO organization, the Central Group Risk Management function is responsible for scoring risks, monitoring and improving risk management processes, and periodically reporting risks along with their impacts and improvement actions. The findings and risk management objectives, compiled by the central risk management function, are first presented to the Risk Management Committee, formed of the senior executives of all business units and chaired by the CFO.

At the next stage, these findings are presented to the Early Detection of Risk Committee, which is formed of the members of the Board of Directors. The Early Detection of Risk Committee is responsible for advising the Board of Directors of risks and opportunities, which may affect the existence and strategies of the Company, related mitigation actions, early detection processes and measures, as well as monitoring the effectiveness of the risk management processes. The Early Detection of Risk Committee is chaired by an independent board member. Following the Board review, agreed actions are monitored by the CFO and the Early Detection of Risk Committee.

c) Risk Management Procedure

The risks and opportunities which Enerjisa Enerji is exposed to are identified with a detailed assessment study. This study is elaborated with two different approaches, i.e. qualitative and quantitative risk reporting methodology.

- 1. Quantitative risk and opportunity methodology:** For each risk and opportunity, the best-case, basecase and worst-case scenarios are collected from the business units. The probabilities of realization of these risks and opportunities are determined, simulated by using numerical analysis methodologies and grouped according to their expected values. During the consolidation of the impacts of risks and opportunities, correlations are taken into account and any fluctuation which may affect the Company's net profit are reported.
- 2. Qualitative risk reporting methodology:** Risks whose direct financial impacts cannot be quantified but which have the potential to have a negative impact on the Company's strategic and operational activities are prioritized through the scales, which are defined according to their impact levels and probabilities, and reported with risk heat-maps. These studies form the basis of the Risks and Opportunities Report submitted to the senior management and the Early Detection of Risk Committee.

d) Basic Categories of Risk and Opportunity

Enerjisa Enerji establishes risk management systems and prepares action plans in order to minimize the occurrence of financial and non-financial risks and their effects in order to maximize the value it creates for its stakeholders.

Financial and non-financial risks are mapped by identifying their effects on the sector and operations. The risk mapping process consists of three stages - identification, assessment and classification - covering the regular reporting and decision-making processes and enabling transparency.

Financial Risks and Opportunities

The nature of electricity distribution and retail sales activities exposes the sector players to various risks and opportunities in the value chain. At Enerjisa Enerji, risks and opportunities are categorized and monitored according to their sources. These risks are followed up and prioritized depending on their possible impact levels and recorded with risk mitigating practices. Following the sensitivity analysis, quantifiable risks and their financial implications are reported.

i. Regulatory Risks and Opportunities

Electricity distribution and retail sales activities are regulated businesses which are carried out under the supervision of EMRA and are governed according to the principles determined by the Electricity Market Law and secondary legislation. Enerjisa Enerji applies the National Tariff determined by EMRA to its regulated customers. The National Tariff consists of the tariffs to be applied to the transmission and distribution system users. EMRA determines the items of the National Tariff for each tariff period.

Revenue requirement and/or price ceilings for regulated activities is determined by EMRA and reflected to the end consumer through the National Tariff mechanism by taking into account all costs and services for the execution of the relevant activity in the fourth regulatory period, which will apply between 1 January 2021 - 31 December 2025, as in the previous regulatory periods.

Since the majority of the Company's revenues are derived from electricity distribution activities and retail sales to regulated customers at a tariff set by EMRA, changes in any component of this tariff may lead to a significant deviation in Enerjisa Enerji's plans.

In addition, regulations issued by EMRA include organizational and operational requirements and limitations regarding retail sales and distribution activities. These requirements and limitations are audited by regulatory authorities (primarily EMRA) and findings of any non-compliance may adversely affect Enerjisa Enerji's financial and operational plans.

Enerjisa Enerji conducts regular and constructive reviews with industry participants and regulatory bodies in order to manage regulatory risks and opportunities. The Company also engages in rational and fact-based negotiations with other market participants and regulatory bodies as the market leader through systematic projects and transparent reporting. As a result of the meetings conducted and in-house activities, work and initiatives are carried out which will positively contribute to all sector stakeholders, including consumers, and legislative measures in order to support the sustainability of the sector.

ii. Market Risks and Opportunities

Enerjisa Enerji is exposed to interest rate fluctuations in financial markets as a result of its financial debt, and to exchange rate fluctuations due to the Renewable Energy Resources Support Mechanism (FIT).

Enerjisa Enerji is also affected by volatility in over-the-counter market pricing and trading volumes in the commodity markets due to retail sales activities, as well as volatility in prices of other products due to material procurement in distribution activities (procurement is conducted in TL terms, but prices are correlated with prices in commodity markets).

Enerjisa Enerji uses systematic approaches in order to estimate market parameters such as price, inflation, interest rates, exchange rates and demand in the most realistic way. Existing and expected exposures are checked on a regular basis and maintained at an optimum level with hedging transactions. Derivative transactions and the effectiveness of these transactions are periodically discussed within the Finance Committee and the Commodity Risk Committee.

iii. Credit Risks and Opportunities

Enerjisa retail companies are exposed to credit risk due to sales in the regulated and liberalized markets.

Enerjisa distribution companies, on the other hand, are exposed to credit risk due to the system usage receivables to be collected from retail companies that provide retail sales services using the distribution network. In addition, invoicing for theft/illegal electricity use also poses credit risk in collection processes.

Enerjisa Enerji manages its credit risk by obtaining security deposits from regulated customers, letters of guarantee or other types of guarantees from liberalized customers. Timely invoicing, efficient receivables management and monitoring the credit ratings of large customers enables Enerjisa Enerji reduce its credit risk as much as possible.

In addition to carrying out reporting and follow-up activities aimed at reducing the credit risk arising from financial transactions, the Company works only with the counterparties having credit rating of maximum of two notches below the sovereign rating. In addition, steps are also taken to ensure the diversification of banks in the portfolio of financial derivative instruments and deposits.

iv. Liquidity Risk

Enerjisa Enerji is exposed to liquidity risk due to network investments in the distribution business or temporary funding needs driven by collection performance in the retail business. Although the Company believes this funding need can be covered by external debt capital providers, there is a risk that market conditions could limit conventional liquidity sources.

Enerjisa Enerji manages liquidity risk by extending the average tenor of its debt portfolio and developing alternative debt capital sources such as corporate bonds, etc. In addition, the Company regularly forecasts its short and medium-term cash needs in order to anticipate the liquidity need in a timely manner and to take action accordingly.

v. Operational Risks

All processes in Enerjisa Enerji's value chain are exposed to operational risks arising from internal and external factors. The areas affected by these risks are grouped under the headings of Information Technologies and Occupational Health and Safety (which mostly pertains to the distribution business), Environment, Human Resources and Reputation and are examined in detail with mitigation plans.

Relevant procedures and policies are established for all operational risks and published in Enerjisa Enerji's quality management systems. Committees are appointed to review realizations and manage risk mitigation activities.

Non-Financial Risks and Opportunities

i. Occupational Health and Safety Risks and Opportunities

Enerjisa Enerji works to a goal of zero critical injuries and accidents. Related risks are managed within the scope of the ISO 45001:2018 standard. The OHS issue is under the oversight of the senior management. Risks faced by the Company and contractors are proactively managed. Within the framework of the Safety Improvement Plan, targets are defined, risks are managed and preventive measures are planned. The Fine-Kinney method is used to classify risks. Enerjisa Enerji organizes training programs in order to reduce its risks and provide a healthy workplace for its employees and contractors.

ii. Risks and Opportunities Related to Climate Crisis and the Environment

Enerjisa Enerji prepared its Biodiversity Conservation Action Plan in 2020. Within the scope of the CDP Climate Change, the issue of climate change is evaluated from the perspective of risks and opportunities. In the CDP related study carried out in 2021, a report was prepared under the heading of carbon emissions and climate change, which includes the definitions of risks and opportunities, the financial effects of risks and opportunities, methods of combating risk and the costs of these methods.

In addition, the study to quantify climate change risks was jointly completed by the OHS-E and Group Risk Management units. The study uses climate change related acute inventory losses and damages, disruptions to service and penalties for quality standard violations stipulated by the legislation as inputs. The Company regularly monitors and reports its environmental performance and carbon emissions. The Company takes part in various initiatives on climate change and energy efficiency, meets with the NGOs and regulatory authorities and develops R&D projects. Enerjisa Enerji offers solutions to customers to help them reduce their carbon emissions.

iii. Risks and Opportunities Related to Digitalization and Customer Privacy

Enerjisa Enerji takes all necessary precautions in order to ensure confidentiality and security of customer information and personal data at the highest level within the framework of the legislation in force. Within that scope, the measures and actions determined in accordance with corporate policies are implemented within the Company.

A holder of the ISO 27001 Information Security Management System certificate, Enerjisa Enerji fully complies with the Personal Data Protection Law (PDPL) and provides trainings to its employees on PDPL and information security, under the supervision of the Personal Data Protection Committee. The Company provides training on the PDPL and information security to its employees. There is a Cyber Incident Response Team under the Cyber Security Group Directorate to manage cyber attack risks. In addition, the Company also has cyber risk insurance.

8- DUTIES OF THE MEMBERS OF THE BOARD OF DIRECTORS AND EXECUTIVES CONDUCTED OUT OF THE COMPANY AND DECLARATIONS ON INDEPENDENCE OF BOARD MEMBERS

Duties of the members of the Board of Directors and Executives conducted out of the Company is reported at the Public Disclosure Platform under the “Company Management” section.

<https://www.kap.org.tr/en/sirket-bilgileri/genel/4028e4a1422d98690142bceaa31957cf>

The declarations on independence of Independent Board members can be accessed from the 2020 Annual General Assembly information document and PDP Announcements.

<https://www.enerjisainvestorrelations.com/en/corporate-governance/general-assembly>
<https://www.kap.org.tr/en/Bildirim/1015064>

9- APPENDICES

Consolidated Financial Statements
Operational Earnings and Underlying Net Income Calculations

Best regards,

Report date: 28.04.2022

Murat Pinar
CEO

Dr. Michael Sven Moser
CFO

ENERJISA ENERJİ A.Ş. AND ITS SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

(Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated.
Currencies other than TL are also expressed in thousands unless otherwise indicated.)

	Unaudited / current period 31 March 2022	Audited / prior period 31 December 2021
ASSETS		
Current Assets	17,984,776	12,795,629
Cash and Cash Equivalents	588,248	411,992
Financial Assets	3,024,008	3,316,298
Trade Receivables	10,006,990	5,572,805
<i>Due from Related Parties</i>	59,822	34,942
<i>Due from Third Parties</i>	9,947,168	5,537,863
Other Receivables	1,116,829	1,193,566
<i>Due from Third Parties</i>	1,116,829	1,193,566
Derivative Financial Instruments	1,447,335	1,548,306
Inventory	835,698	447,450
Prepaid Expenses	216,844	65,010
Assets Related with Current Taxes	187,633	187,648
Other Current Assets	561,191	52,554
Non-Current Assets	18,521,895	18,538,012
Other Receivables	924,206	685,077
<i>Due from Third Parties</i>	924,206	685,077
Derivative Financial Instruments	10,842	62,210
Financial Assets	9,285,194	9,537,341
Right of Use Assets	235,932	256,196
Property, Plant and Equipment	1,487,272	1,444,088
Intangible Assets	6,164,925	6,225,435
<i>Goodwill</i>	1,977,127	1,977,127
<i>Other Intangible Assets</i>	4,187,798	4,248,308
Prepaid Expenses	6,966	3,828
Deferred Tax Assets	400,324	318,901
Other Non-Current Assets	6,234	4,936
TOTAL ASSETS	36,506,671	31,333,641

ENERJISA ENERJİ A.Ş. AND ITS SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

(Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated.
Currencies other than TL are also expressed in thousands unless otherwise indicated.)

	Unaudited / current period 31 March 2022	Audited / prior period 31 December 2021
LIABILITIES		
Current Liabilities	22,459,150	14,256,376
Short-Term Financial Liabilities	3,022,700	1,040,267
Short-Term Portion of Long Term Financial Liabilities	8,731,748	5,294,870
Other Financial Liabilities	98,573	118,387
Trade Payables	3,176,777	3,981,140
<i>Due to Related Parties</i>	820,508	87,373
<i>Due to Third Parties</i>	2,356,269	3,893,767
Payables for Employee Benefits	158,413	81,812
Other Payables	5,838,347	2,888,202
<i>Due to Related Parties</i>	1,464,526	-
<i>Due to Third Parties</i>	4,373,821	2,888,202
Derivative Financial Instruments	82,429	43,717
Deferred Income	8,374	450
Income Tax Liability	368,363	93,155
Short-Term Provisions	311,842	369,721
<i>Provisions for Employment Benefits</i>	14,678	76,968
<i>Other Short-Term Provisions</i>	297,164	292,753
Other Short-Term Liabilities	661,584	344,655
Non-Current Liabilities	5,981,246	7,726,243
Long-Term Financial Liabilities	3,122,188	4,381,083
Other Financial Liabilities	474,692	457,604
Derivative Financial Instruments	7,580	2,419
Deferred Income	619,968	1,062,094
Long-Term Provisions	430,722	315,419
<i>Provisions for Employment Benefits</i>	430,722	315,419
Deferred Tax Liabilities	1,323,659	1,504,908
Other Long-Term Liabilities	2,437	2,716
TOTAL LIABILITIES	28,440,396	21,982,619

ENERJISA ENERJİ A.Ş. AND ITS SUBSIDIARIES

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022**

(Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated.
Currencies other than TL are also expressed in thousands unless otherwise indicated.)

LIABILITIES	Unaudited / current period 31 March 2022	Audited / prior period 31 December 2021
Equity	8,066,275	9,351,022
Registered Share Capital	1,181,069	1,181,069
Adjustments to Share Capital	1,775,976	1,954,164
Total Share Capital	2,957,045	3,135,233
Other Funds	4,340	4,340
Accumulated Other Comprehensive Expenses not to be Reclassified to Profit or Loss in Subsequent Periods	(3,464)	(3,464)
<i>Accumulated Loss on Remeasurement of Defined Benefit Plans</i>	(3,464)	(3,464)
Accumulated Other Comprehensive Income / (Expense) to be Reclassified to Profit or Loss in Subsequent Periods	973,440	986,687
<i>Hedge Reserves</i>	973,440	986,687
Restricted Profit Reserves	716,587	394,232
Retained Earnings	3,225,301	2,551,626
Profit for the Period	193,026	2,282,368
TOTAL LIABILITIES AND EQUITY	36,506,671	31,333,641

ENERJISA ENERJİ A.Ş. AND ITS SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2022

(Amounts expressed in thousands of Turkish Lira ("TL"), unless otherwise indicated.

Currencies other than TL are also expressed in thousands unless otherwise indicated.)

	Unaudited / current period 1 January - 31 March 2022	Unaudited / prior period 1 January - 31 March 2021
Revenue	17,530,530	5,888,865
Cost of Sales (-)	(14,811,770)	(4,173,188)
GROSS PROFIT	2,718,760	1,715,677
General Administrative Expenses (-)	(1,320,178)	(684,552)
Other Income from Operating Activities	576,167	128,093
Other Expenses from Operating Activities (-)	(920,691)	(219,341)
OPERATING PROFIT BEFORE FINANCE INCOME / (EXPENSE)	1,054,058	939,877
Finance Income	115,544	60,690
Finance Expense (-)	(882,982)	(335,397)
PROFIT BEFORE TAX	286,620	665,170
Tax Expense	(93,594)	(133,186)
Current Tax Expense (-)	(352,395)	(287,208)
Deferred Tax Income / (Expense)	258,801	154,022
PROFIT FOR THE PERIOD	193,026	531,984
OTHER COMPREHENSIVE INCOME AND EXPENSE		
Other Comprehensive Income / (Expense) to be Reclassified to Profit or Loss in Subsequent Periods	(13,247)	168,072
<i>Gains / (Losses) on Hedges</i>	<i>(17,118)</i>	<i>210,088</i>
<i>Income Tax Relating to Other Comprehensive Income</i>	<i>3,871</i>	<i>(42,016)</i>
TOTAL COMPREHENSIVE INCOME	179,779	700,056
Earnings per share		
Earnings per share (kr)	0.16	0.45

OPERATIONAL EARNINGS AND UNDERLYING NET INCOME CALCULATION

(TLm)	1 January 31 March 2022	1 January 31 March 2021
Operating profit before finance income/(expense)	1,054	940
Adjustment of depreciation and amortization	127	105
Adjustments related to operational fx gains and losses	49	23
Adjustments related to valuation difference arising from deposits	583	82
Interest income related to revenue cap regulation	11	-12
EBITDA	1,824	1,138
CAPEX Reimbursements	873	502
EBITDA+CAPEX Reimbursements	2,697	1,640
Non-recurring (income) / expense	-22	-12
Operational earnings	2,675	1,628
Net Income	193	532
Non-recurring (income) / expense	-18	-10
Tax rate change	38	0
Underlying Net Income	213	522

Operational Earnings refers to EBITDA plus CAPEX reimbursements excluding exceptional items. Enerjisa Enerji distribution companies are subject to the application of IFRIC12 (an IFRS standard that governs accounting for service concession arrangements). Accordingly, the Company accounts its license to operate and invest in the networks as a financial asset. This asset is not depreciated. Accordingly, P&L does not include depreciation expenses of networks. Similarly, P&L also excludes the reimbursement of CAPEX (i.e. the depreciation allowance) as a revenue item. This means that the Company's EBITDA figure is not comparable to international peers that do not apply IFRIC12 accounting and the management uses Operational Earnings as a KPI for comparability.

Underlying Net Income refers to Net Income excluding exceptional items. Exceptional items mostly refer to the non-recurring items. The resulting KPI sets the basis on which the Company's dividend pay-out policy is applied.