

**ENERJISA ENERJİ A.Ş. AND  
ITS SUBSIDIARIES**

CONVENIENCE TRANSLATION INTO ENGLISH OF  
THE INTERIM CONDENSED CONSOLIDATED  
FINANCIAL INFORMATION FOR THE  
PERIOD ENDED 30 SEPTEMBER 2022

(ORIGINALLY ISSUED IN TURKISH)

## ENERJISA ENERJİ A.Ş. AND ITS SUBSIDIARIES

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# ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2022

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

ASSETS	Notes	Unaudited / current period 30 September 2022	Audited / prior period 31 December 2021
<b>Current Assets</b>		<b>27,137,540</b>	<b>12,795,629</b>
Cash and Cash Equivalents	23	1,709,335	411,992
Financial Assets	8	3,823,954	3,316,298
Trade Receivables	6	16,532,497	5,572,805
<i>Due from Related Parties</i>	5	65,961	34,942
<i>Due from Third Parties</i>		16,466,536	5,537,863
Other Receivables	7	1,497,703	1,193,566
<i>Due from Third Parties</i>		1,497,703	1,193,566
Derivative Financial Instruments	21	943,711	1,548,306
Inventory		1,657,629	447,450
Prepaid Expenses		408,562	65,010
Assets Related with Current Taxes	19	-	187,648
Other Current Assets		564,149	52,554
<b>Non-Current Assets</b>		<b>20,358,879</b>	<b>18,538,012</b>
Trade Receivables	6	137,821	-
<i>Due from related parties</i>	5	21,544	-
<i>Due from third parties</i>		116,277	-
Other Receivables	7	2,660,980	685,077
<i>Due from Third Parties</i>		2,660,980	685,077
Derivative Financial Instruments	21	22,348	62,210
Financial Assets	8	9,051,521	9,537,341
Right of Use Assets	9	333,995	256,196
Property, Plant and Equipment	10	1,584,307	1,444,088
Intangible Assets	11	6,043,210	6,225,435
<i>Goodwill</i>		1,977,127	1,977,127
<i>Other Intangible Assets</i>		4,066,083	4,248,308
Prepaid Expenses		6,253	3,828
Deferred Tax Assets	19	510,554	318,901
Other Non-Current Assets		7,890	4,936
<b>TOTAL ASSETS</b>		<b>47,496,419</b>	<b>31,333,641</b>

The accompanying notes form an integral part of these interim condensed consolidated financial information.

# ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2022

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

<b>LIABILITIES</b>	<b>Notes</b>	<b>Unaudited / current period 30 September 2022</b>	<b>Audited / prior period 31 December 2021</b>
<b>Current Liabilities</b>		<b>30,507,983</b>	<b>14,256,376</b>
Short-Term Financial Liabilities	20	8,528,265	1,040,267
Short-Term Portion of Long Term Financial Liabilities	20	3,517,593	5,294,870
Other Financial Liabilities	20	74,255	118,387
Trade Payables	6	11,295,879	3,981,140
<i>Due to Related Parties</i>	5	1,792,205	87,373
<i>Due to Third Parties</i>		9,503,674	3,893,767
Payables for Employee Benefits		204,064	81,812
Other Payables	7	5,311,229	2,888,202
<i>Due to Third Parties</i>		5,311,229	2,888,202
Derivative Financial Instruments	21	55,178	43,717
Deferred Income		60,639	450
Income Tax Liability		303,556	93,155
Short-Term Provisions		350,255	369,721
<i>Provisions for Employment Benefits</i>		18,679	76,968
<i>Other Short-Term Provisions</i>		331,576	292,753
Other Short-Term Liabilities		807,070	344,655
<b>Non-Current Liabilities</b>		<b>7,022,955</b>	<b>7,726,243</b>
Long-Term Financial Liabilities	20	4,368,168	4,381,083
Other Financial Liabilities	20	488,503	457,604
Derivative Financial Instruments	21	-	2,419
Deferred Income		678	1,062,094
Long-Term Provisions		600,548	315,419
<i>Provisions for Employment Benefits</i>		600,548	315,419
Deferred Tax Liabilities	19	1,563,110	1,504,908
Other Long-Term Liabilities		1,948	2,716
<b>TOTAL LIABILITIES</b>		<b>37,530,938</b>	<b>21,982,619</b>

The accompanying notes form an integral part of these interim condensed consolidated financial information.

# ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 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	Notes	Unaudited / current period 30 September 2022	Audited / prior period 31 December 2021
<b>Equity</b>		<b>9,965,481</b>	<b>9,351,022</b>
Registered Share Capital	13	1,181,069	1,181,069
Adjustments to Share Capital	13	1,775,976	1,954,164
<b>Total Share Capital</b>		<b>2,957,045</b>	<b>3,135,233</b>
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		689,637	986,687
<i>Hedge Reserves</i>		689,637	986,687
Restricted Profit Reserves	13	696,708	394,232
Retained Earnings		3,245,180	2,551,626
Profit for the Period		2,376,035	2,282,368
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>47,496,419</b>	<b>31,333,641</b>

The accompanying notes form an integral part of these interim condensed consolidated financial information.

# ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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

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

	Notes	Unaudited / current period 1 January - 30 September 2022	Unaudited / prior period 1 January - 30 September 2021	Unaudited / current period 1 July - 30 September 2022	Unaudited / current period 1 July - 30 September 2021
Revenue	14	60,442,156	20,359,659	24,325,158	8,394,807
Cost of Sales (-)	15	(49,824,679)	(14,825,813)	(20,165,306)	(6,315,372)
<b>GROSS PROFIT</b>		<b>10,617,477</b>	<b>5,533,846</b>	<b>4,159,852</b>	<b>2,079,435</b>
General Administrative Expenses (-)	16	(4,851,554)	(2,236,003)	(1,897,182)	(837,461)
Other Income from Operating Activities	17	2,515,405	368,983	1,049,147	141,000
Other Expenses from Operating Activities (-)	17	(2,925,534)	(649,102)	(1,078,626)	(275,993)
<b>OPERATING PROFIT BEFORE FINANCE INCOME / (EXPENSE)</b>		<b>5,355,794</b>	<b>3,017,724</b>	<b>2,233,191</b>	<b>1,106,981</b>
Finance Income	18	969,868	90,514	464,852	7,139
Finance Expense (-)	18	(3,061,192)	(1,093,250)	(1,097,797)	(385,714)
<b>PROFIT BEFORE TAX</b>		<b>3,264,470</b>	<b>2,014,988</b>	<b>1,600,246</b>	<b>728,406</b>
<b>Tax Expense</b>		<b>(888,435)</b>	<b>(510,932)</b>	<b>(399,523)</b>	<b>(194,000)</b>
Current Tax Expense (-)	19	(933,155)	(1,004,187)	(286,307)	(320,188)
Deferred Tax Income / (Expense)	19	44,720	493,255	(113,216)	126,188
<b>PROFIT FOR THE PERIOD</b>		<b>2,376,035</b>	<b>1,504,056</b>	<b>1,200,723</b>	<b>534,406</b>
<b>OTHER COMPREHENSIVE INCOME AND EXPENSE</b>					
<b>Other Comprehensive Income / (Expense) to be Reclassified to Profit or Loss in Subsequent Periods</b>		<b>(297,050)</b>	<b>109,995</b>	<b>(254,691)</b>	<b>(12,724)</b>
<i>Gains / (Losses) on Hedges</i>		<i>(385,781)</i>	<i>146,660</i>	<i>(330,770)</i>	<i>(16,964)</i>
<i>Income Tax Relating to Other Comprehensive Income</i>	19	<i>88,731</i>	<i>(36,665)</i>	<i>76,079</i>	<i>4,240</i>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>2,078,985</b>	<b>1,614,051</b>	<b>946,032</b>	<b>521,682</b>
<b>Earnings per share</b>					
Earnings per share (kr)	13	2.01	1.27	1.02	0.45

The accompanying notes form an integral part of these interim condensed consolidated financial information.

## ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

### INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2022

(Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated.  
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	Share Capital	Adjustment to Share Capital	Restricted Profit Reserves	Other Funds	Accumulated Other Comprehensive (Expenses) not to be Reclassified to Profit or Loss in Subsequent Periods	Accumulated Other Comprehensive Income / (Expense) to be Reclassified to Profit or Loss in Subsequent Periods	Hedge Reserves	Retained Earnings	Profit for the Period	Total Equity
<b>Balance as at 1 January 2021</b>	<b>1,181,069</b>	<b>2,416,412</b>	<b>320,115</b>	<b>4,340</b>	<b>(3,464)</b>	<b>(62,487)</b>	<b>2,209,638</b>	<b>1,087,683</b>	<b>7,153,306</b>	
Transfers (*)	-	(462,248)	74,117	-	-	-	1,475,814	(1,087,683)	-	
Dividend	-	-	-	-	-	-	(1,133,826)	-	(1,133,826)	
Total comprehensive income	-	-	-	-	-	109,995	-	1,504,056	1,614,051	
<b>Balance as at 30 September 2021</b>	<b>1,181,069</b>	<b>1,954,164</b>	<b>394,232</b>	<b>4,340</b>	<b>(3,464)</b>	<b>47,508</b>	<b>2,551,626</b>	<b>1,504,056</b>	<b>7,633,531</b>	
<b>Balance as at 1 January 2022</b>	<b>1,181,069</b>	<b>1,954,164</b>	<b>394,232</b>	<b>4,340</b>	<b>(3,464)</b>	<b>986,687</b>	<b>2,551,626</b>	<b>2,282,368</b>	<b>9,351,022</b>	
Transfers (*)	-	(178,188)	302,476	-	-	-	2,158,080	(2,282,368)	-	
Dividend (**)	-	-	-	-	-	-	(1,464,526)	-	(1,464,526)	
Total comprehensive income	-	-	-	-	-	(297,050)	-	2,376,035	2,078,985	
<b>Balance as at 30 September 2022</b>	<b>1,181,069</b>	<b>1,775,976</b>	<b>696,708</b>	<b>4,340</b>	<b>(3,464)</b>	<b>689,637</b>	<b>3,245,180</b>	<b>2,376,035</b>	<b>9,965,481</b>	

(\*) In the statutory financial statement prepared in accordance with the tax procedure law, the loss for previous years amounting to TL 178,188 has been netted off with adjustments to share capital (31 December 2021: TL 462,248).

(\*\*) During the Ordinary General Assembly held on 30 March 2022, it has been resolved to distribute the dividend at the amount of TL 1,464,526 derived from the Group’s distributable earnings in 2021 and pay the cash dividend beginning from 13 April 2022. Dividends were paid out in cash in April 2022. Dividend paid by the Group per share with a TL 1 (full digit) nominal value is gross TL 1.24 (full digit) (2021: TL 0.96 (full digit)).

The accompanying notes form an integral part of these interim condensed consolidated financial information.

# ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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

	Notes	Unaudited / current period 1 January - 30 September 2022	Unaudited / prior period 1 January - 30 September 2021
<b>Cash Flows from Operating Activities</b>		<b>3,126,092</b>	<b>3,944,677</b>
<b>Profit for the period</b>		<b>2,376,035</b>	<b>1,504,056</b>
Profit for the period		2,376,035	1,504,056
<b>Adjustments to reconcile net profit for the period</b>		<b>1,886,472</b>	<b>665,496</b>
Adjustments related to the depreciation and amortization	9, 10, 11	403,625	341,820
Adjustments related to the depreciation of right of use assets	9	106,962	79,985
Adjustments related to the depreciation of property, plant and equipment	10	100,854	78,938
Adjustments related to the amortization of intangible assets	11	195,809	182,897
Adjustments related to impairment loss		773,445	393,153
Adjustments related to doubtful provision expenses	6, 8	773,445	393,153
Adjustments related to provisions		359,354	74,020
Adjustments related to provisions for employee benefits		316,268	71,191
Adjustments related to legal case provisions		43,086	2,829
Adjustments related to interest (income) and expenses, net		1,931,913	945,769
Adjustments related to interest income	18	(969,868)	(90,514)
Adjustments related to interest expense	18	2,901,781	1,036,283
Adjustments related to unrealized foreign exchange loss		(153,451)	44,540
Adjustments related to tax expense	19	888,435	510,932
Adjustments related to change in fair value losses / (gains)		267,718	7,904
Other adjustments to reconcile profit / (loss)	23	(2,584,567)	(1,652,642)
Adjustments related to interest (income) / expense based on revenue cap regulation	17	40,147	(37,035)
Adjustments related to financial income from service concession arrangements	8, 14	(4,014,102)	(1,837,317)
Adjustments related to revaluation differences arising from deposits and guarantees	17	1,389,388	221,710
<b>Changes in operating assets and liabilities</b>		<b>(6,957,364)</b>	<b>(670,457)</b>
(Increase) / decrease in trade receivables		(11,631,370)	(1,762,933)
(Increase) / decrease in inventories		(1,210,180)	(213,711)
(Increase) / decrease in other receivables and assets		(3,106,217)	(200,683)
Increase / (decrease) in trade payables		7,328,364	275,280
Increase / (decrease) in other payables and expense accruals		1,662,039	1,231,590
<b>Cash generated from operating activities</b>		<b>(2,694,857)</b>	<b>1,499,095</b>
Payments related with provisions for employee benefits		(90,212)	(59,516)
Tax payments		(530,245)	(899,602)
Other cash in-flows	23	6,441,406	3,404,700
Capital expenditures reimbursements related to service concession arrangements	8	3,497,380	1,914,982
WACC reimbursements related to service concession arrangements	8	2,802,053	1,380,504
Collections from doubtful trade receivable	6	141,973	109,214
<b>Cash Flows from Investing Activities</b>		<b>(3,467,899)</b>	<b>(2,052,893)</b>
Cash used for purchase of tangible and intangible assets		(273,916)	(108,638)
Interest received		130,183	98,866
Other cash out-flows	23	(3,324,166)	(2,169,229)
Capital expenditures related to service concession arrangements		(3,324,166)	(2,169,229)
Cash receipt from sale of debt instruments		-	126,108
<b>Cash Flows from Financing Activities</b>		<b>1,639,150</b>	<b>(2,162,506)</b>
Cash in-flows from borrowings		34,884,318	7,093,070
Cash out-flows for borrowings		(29,294,691)	(6,786,753)
Repayment of of lease liabilities		(148,332)	(105,861)
Interest paid		(2,750,549)	(1,229,136)
Interest received		412,930	-
Dividend paid		(1,464,526)	(1,133,826)
Increase / (decrease) in cash and cash equivalents		1,297,343	(270,722)
Cash and cash equivalents at the beginning of the period	23	411,992	588,571
<b>Cash and cash equivalents at the end of the period</b>		<b>1,709,335</b>	<b>317,849</b>

The accompanying notes form an integral part of these interim condensed consolidated financial information.



# ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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

### NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS OF THE GROUP

Enerjisa Enerji A.Ş. (the "Company") and its subsidiaries will be referred as the "Group" for consolidated financial statements. The Company is established on 26 December 2011 as a joint venture between Hacı Ömer Sabancı Holding A.Ş. ("Sabancı") and Verbund International GmbH ("Verbund International"). On 4 December 2012, Verbund and DD Turkey Holdings S.A.R.L., E.ON SE ("E.ON") entered into a Share Purchase Agreement for the sales and transfer of all Verbund shares in the Company to E.ON and the transfer is finalized on 24 April 2013.

The Company is registered to the Capital Markets Board ("CMB") and its shares are publicly traded in Borsa İstanbul A.Ş. ("BIST") with ticker "ENJSA.E" since 8 February 2018. The Company is registered in Turkey and the address of the headquarters is as follows:

Barbaros Mahallesi, Begonya Sokak, Nida Kule Ataşehir Batı Sit. No: 1/1, Ataşehir / İstanbul, Turkey.

The Company served as the parent company for generation, trading, sale, distribution and retail service of electricity business lines until 25 August 2017. On 28 April 2017 as the first stage of the reorganization, the Company merged with Enerjisa Elektrik Dağıtım A.Ş. ("EEDAŞ") by taking over its all assets and liabilities along with its subsidiaries (distribution and retail service companies). On 25 August 2017 as the second stage of the reorganization, the Company transferred three subsidiaries (electricity generation, wholesale trading and natural gas trading) by spin-off method with the carrying amounts to a newly established company called Enerjisa Üretim Santralleri A.Ş. ("EÜSAŞ"). On 25 September 2017, the Company has sold its subsidiary which operates in solar energy generation to the generation company that is owned by EÜSAŞ. As a result of these transactions, the Company's main activities under the new structure are customer-focused electricity distribution and retail service.

Subsidiaries consolidated in the interim condensed consolidated financial information as of 30 September 2022 and their activities are as follows:

Başkent Elektrik Dağıtım A.Ş. ("BAŞKENT EDAŞ")	Distribution of electricity
İstanbul Anadolu Yakası Elektrik Dağıtım A.Ş. ("AYEDAŞ")	Distribution of electricity
Toroslar Elektrik Dağıtım A.Ş. ("TOROSLAR EDAŞ")	Distribution of electricity
Enerjisa Başkent Elektrik Perakende Satış A.Ş. ("EPS")	Retail service of electricity
Enerjisa İstanbul Anadolu Yakası Elektrik Perakende Satış A.Ş. ("AYESAŞ")	Retail service of electricity
Enerjisa Toroslar Elektrik Perakende Satış A.Ş. ("TOROSLAR EPSAŞ")	Retail service of electricity
Enerjisa Müşteri Çözümleri A.Ş.	Customer solutions and distributed generation services
E-şarj Elektrikli Araçlar Şarj Sistemleri A.Ş. ("E-şarj")	Electric vehicles and charging stations equipment services

The Group's operations are carried out only in Turkey.

The Group has 11,482 employees as of 30 September 2022 (31 December 2021: 11,300 employees).

The interim condensed consolidated financial information were authorized for issue by the Board of Directors of the Company on 1 November 2022. The General Assembly and certain regulatory bodies have the power to amend the interim condensed consolidated financial information after the issue.

## **ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES**

### **NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE PERIOD ENDED 30 SEPTEMBER 2022**

(Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated.  
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#### **NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS OF THE GROUP (Continued)**

##### **BAŞKENT EDAŞ and EPS**

BAŞKENT EDAŞ has been acquired by EEDAŞ as of 28 January 2009 by privatization bid for the consideration of USD 1,225 million. BAŞKENT EDAŞ currently operates in province including Ankara, Kırıkkale, Kastamonu, Zonguldak, Bartın, Çankırı and Karabük and holds the licence that gives the right for distribution of electricity in these provinces for 30 years starting from the date of Transfer of Operation Rights (“TOR”) agreement signed with Türkiye Elektrik Dağıtım A.Ş. (“TEDAŞ”) on 31 March 2006.

As of 1 January 2013, BAŞKENT EDAŞ is obliged to carry out the distribution and the retail sales activities under separate legal entities in accordance with Electricity Market Law. On 12 September 2012, EPS was established with the same shareholder structure and as of 31 December 2012, BAŞKENT EDAŞ has transferred some of its assets and liabilities to EPS, due to the fact that, legal unbundling and the unbundling related transactions have been registered as of 31 December 2012. Starting from 1 January 2013, BAŞKENT EDAŞ has undertaken only the distribution activities. In addition, with the new regulation applied by Energy Market Regulatory Authority (“EMRA”), BAŞKENT EDAŞ started retail sales only for illumination customers starting from 1 April 2013.

##### **AYEDAŞ and AYESAŞ**

AYEDAŞ has been acquired by EEDAŞ as of 31 July 2013 by privatization bid for the consideration of USD 1,227 million. AYEDAŞ currently operates in Anatolian Side of İstanbul and holds the license that gives the right for distribution of electricity in this province until 31 December 2042 starting from the date of TOR agreement signed with TEDAŞ on 24 July 2006.

As of 1 January 2013, AYEDAŞ is obliged to carry out the distribution and the retail sales activities under separate legal entities in accordance with Electricity Market Law. On 13 December 2012, AYESAŞ was established with the same shareholder structure and as of 31 December 2012, AYEDAŞ has transferred some of its assets and liabilities to AYESAŞ due to the legal unbundling. The aforementioned unbundling transactions have been registered as of 31 December 2012 and AYESAŞ started retail sales operations on 1 January 2013 according to the Retail Sales License obtained due to unbundling. Starting from 1 January 2013, AYEDAŞ has undertaken only distribution activities. In addition, with the new regulation applied by EMRA, AYEDAŞ started retail sales only for illumination customers starting from 1 April 2013.

## **ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES**

### **NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE PERIOD ENDED 30 SEPTEMBER 2022**

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

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#### **NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS OF THE GROUP (Continued)**

##### **TOROSLAR EDAŞ and TOROSLAR EPSAŞ**

TOROSLAR EDAŞ has been acquired by EEDAŞ as of 30 September 2013 by privatization bid for the consideration of USD 1,725 million. TOROSLAR EDAŞ currently operates in Adana, Gaziantep, Hatay, Kilis, Mersin and Osmaniye and holds the license that gives the right for distribution of electricity in these provinces until 31 December 2042 starting from the date of TOR agreement signed with TEDAŞ on 24 July 2006.

As of 1 January 2013, TOROSLAR EDAŞ is obliged to carry out the distribution and the retail sales activities under separate legal entities in accordance with Electricity Market Law. On 13 December 2012, TOROSLAR EPSAŞ was established with the same shareholder structure and as of 31 December 2012, TOROSLAR EDAŞ has transferred some of its assets and liabilities to TOROSLAR EPSAŞ due to the legal unbundling. The aforementioned unbundling transactions have been registered as of 31 December 2012 and TOROSLAR EPSAŞ started retail sales operations on 1 January 2013 according to the Retail Sales License obtained due to unbundling. Starting from 1 January 2013, TOROSLAR EDAŞ has undertaken only distribution activities. In addition, with the new regulation applied by EMRA, TOROSLAR EDAŞ started retail sales only for illumination customers starting from 1 April 2013.

In 2006, EMRA has set a unique pricing mechanism for all of the electricity distribution companies in Turkey which will be effective for the period between 1 January 2006 and 31 December 2012 which is called the “transition period”. In accordance with this pricing mechanism, distribution companies in Turkey have already determined their regional tariffs for the period between 1 January 2006 and 31 December 2010 and by using these regional tariffs, EMRA has already determined the national tariffs for the same period. In December 2010, EMRA has announced a new tariff for the period between 1 January 2011 and 31 December 2015; in December 2015, EMRA has announced a new tariff for the period 1 January 2016 and 31 December 2020; and in December 2020, EMRA has announced a new tariff for the period between 1 January 2021 and 31 December 2025.

##### **Enerjisa Müşteri Çözümleri A.Ş.**

Enerjisa Müşteri Çözümleri A.Ş. was established on 29 December 2017, in order to conduct activities in customer solutions and distributed generation.

##### **E-şarj**

Enerjisa Müşteri Çözümleri A.Ş., acquired 80% of the shares of E-şarj with an amount of TL 4,000 on 26 April 2018. E-şarj is mainly involved in the operation of charging network for electric vehicles and supply of charging stations equipment.

In accordance with the Shareholders Agreement dated 26 April 2018, Enerjisa Müşteri Çözümleri A.Ş. acquired a minority stake of 14% in E-şarj for a consideration of TL 42,447 on 3 December 2021. Following the transaction, Enerjisa Müşteri Çözümleri A.Ş.'s share at E-şarj increased from 80% to 94%.

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FOR THE PERIOD ENDED 30 SEPTEMBER 2022**

(Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated.  
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**NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL INFORMATION**

**2.1 Basis of Presentation**

The accompanying interim condensed consolidated financial information have been prepared on the historical cost basis except for the revaluation of certain assets and liabilities being carried by their fair values.

In order to determine the historical cost, the fair values paid for assets are considered.

**2.2 Statement of Compliance**

The accompanying interim condensed consolidated financial information are prepared in accordance with the requirements of Capital Markets Board (“CMB”) Communiqué Serial II, no: 14.1 “Basis of Financial Reporting in Capital Markets”, which was published in the Official Gazette No: 28676 on 13 June 2013. The accompanying consolidated financial statements have been prepared in accordance with Turkish Accounting Standards/Turkish Financial Reporting Standards (“TAS”/“TFRS”) that have been put into effect by the Public Oversight Accounting and Auditing Standards Authority (“POA”) under Article 5 of the Communiqué.

The interim condensed consolidated financial information have been prepared in accordance with the formats stated in “Announcement regarding to TAS Taxonomy” which was published on 7 June 2019 by POA. Group’s these interim condensed consolidated financial information for the nine months period ended 30 September 2022 have been prepared in accordance with the TAS 34 Interim Financial Reporting (“TAS 34”). Interim financial information do not include all the information and disclosures required to be included in the annual financial statements. In addition, significant accounting policies and significant accounting estimates and assumptions used in the preparation of the interim condensed consolidated financial information for the nine months period ended 30 September 2022 are consistent with consolidated financial statements as at 31 December 2021 except the ones disclosed in Note 2.5. Therefore, the interim condensed consolidated financial information should be read and evaluated together with the annual financial statements prepared by the Group as of 31 December 2021.

**2.3 Functional and Presentation of Currency**

The individual financial statements of each Group entity are prepared in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Turkish Lira (“TL”), which is the functional currency of the Group, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in foreign currencies (currencies other than TL) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Gains and losses arising on settlement and translation of foreign currency items are included in the consolidated statement of comprehensive income.

## **ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES**

### **NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE PERIOD ENDED 30 SEPTEMBER 2022**

(Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated.  
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#### **NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL INFORMATION (Continued)**

##### **2.4 Comparative Information and Reclassification of Prior Period Consolidated Financial Statements**

In order to allow for the determination of the financial situation and performance trends, the Group’s consolidated financial statements have been presented comparatively with the prior period.

If the presentation or classification of the current period financial statements is changed, in order to maintain consistency, comparative information are also adjusted or reclassified in line with the related changes. The Group does not have any material reclassifications and adjustments in current period.

##### **2.5 Changes in Accounting Policies**

The significant changes that were made on accounting policies applied retrospectively and the financial statements of preceding period are restated.

No other changes have been applied to the accounting policies of the Group in the current period.

POA made an announcement on 20 January 2022 about Application of Financial Reporting in Hyperinflationary Economies for Turkish Financial Reporting Standards and Reporting Standards for Large and Medium Sized Entities. In accordance with the announcement, companies that apply TFRS should not adjust financial statements for TAS 29 - Financial Reporting in Hyperinflationary Economies for the year 2021. As of the preparation date of this interim condensed consolidated financial information, POA did not make an additional announcement and no adjustment was made to this interim condensed consolidated financial information as of 30 September 2022 in accordance with TAS 29.

##### **2.6 Changes and Misstatements in Accounting Estimates**

If changes in accounting estimates are related to only one period, the changes are applied prospectively in the current period in which changes are made. If changes in accounting estimates are related to future periods, the changes are applied prospectively both in the current period in which changes are made and also in future periods. The accounting misstatements which are identified are applied retrospectively and consolidated financial statements of preceding period are restated. No changes have been applied to the accounting estimates of the Group in the current year.

##### **2.7 Going Concern**

The Group has prepared its interim condensed consolidated financial information in accordance with going concern principle.

##### **2.8 Seasonality of the Group’s operations**

The results of Group’s operations do not show a significant change by season.

## ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE PERIOD ENDED 30 SEPTEMBER 2022

(Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated.  
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#### NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL INFORMATION (Continued)

##### 2.9 Basis of Consolidation

The details of the Company’s subsidiaries at 30 September 2022 and 31 December 2021 are as follows:

	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group (%)		Principal activity
		30 September 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

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION  
FOR THE PERIOD ENDED 30 SEPTEMBER 2022**

(Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated.  
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**NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL INFORMATION  
(Continued)**

**2.9 Basis of Consolidation (Continued)**

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company’s voting rights in an investee are sufficient to give it power, including:

- The size of the Company’s holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders’ meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group’s accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION  
FOR THE PERIOD ENDED 30 SEPTEMBER 2022**

(Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated.  
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**NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL INFORMATION  
(Continued)**

**2.10 New and Revised Turkish Financial Reporting Standards**

The accounting policies adopted in preparation of the interim condensed consolidated financial information as at 30 September 2022 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRIC interpretations effective as of 1 January 2022 and thereafter. The effects of these standards and interpretations on the Group’s financial position and performance have been disclosed in the related paragraphs.

**a) Standards, amendments and interpretations applicable as at 30 September 2022:**

- Amendments to TFRS 7, TFRS 4 and TFRS 16 Interest Rate Benchmark Reform Phase 2 (effective from annual periods beginning on or after 1 January 2021),
- Amendments to TFRS 4 Insurance Contracts – deferral of TFRS 9 (effective from annual periods beginning on or after 1 January 2021),
- Amendment to TFRS 16, ‘Leases’ – Covid-19 related rent concessions Extension of the practical expedient (effective as of 1 April 2021),

The amendment did not have a significant impact on the financial position or performance of the Group.

**b) Standards, amendments and interpretations that are issued but not effective as at 30 September 2022:**

Standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of issuance of the consolidated financial statements are as follows. The Group will make the necessary changes if not indicated otherwise, which will be affecting the interim condensed consolidated financial information and disclosures, when the new standards and interpretations become effective.

- A number of narrow-scope amendments to TFRS 3, TAS 16, TAS 37 and some annual improvements on TFRS 1, TFRS 9, TAS 41 and TFRS 16,
- Amendments to TAS 1, Presentation of financial statements’ on classification of liabilities,
- Narrow scope amendments to TAS 1, Practice statement 2 and TAS 8,
- Amendment to TAS 12 – Deferred tax related to assets and liabilities arising from a single transaction,
- TFRS 17, ‘Insurance Contracts’, as amended in December 2021,

The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.



# ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE PERIOD ENDED 30 SEPTEMBER 2022

(Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated.  
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### NOTE 3 – SHARES IN OTHER PARTIES

#### Subsidiaries

Name of Subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership (%)	
			30 September 2022	31 December 2021
BAŞKENT EDAŞ	Electricity Distribution Services	Ankara	100	100
EPS	Electricity Retail Services	Ankara	100	100
AYEDAŞ	Electricity Distribution Services	İstanbul	100	100
AYESAŞ	Electricity Retail Services	İstanbul	100	100
TOROSLAR EDAŞ	Electricity Distribution Services	Adana	100	100
TOROSLAR EPSAŞ	Electricity Retail Services	Adana	100	100
Enerjisa Müşteri Çözümleri A.Ş.	Customer Solutions and Distributed Generation Services	İstanbul	100	100
E-şarj	Charging Stations Equipment Services	İstanbul	94	94

  

Principal Activity	Place of incorporation and operation	Number of subsidiaries owned by the Group	
		30 September 2022	31 December 2021
Electricity Distribution Services	Ankara, İstanbul, Adana	3	3
Electricity Retail Services	Ankara, İstanbul, Adana	3	3
Customer Solutions and Distributed Generation Services	İstanbul	1	1
Electric Vehicles and Charging Stations Equipment Services	İstanbul	1	1

## ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE PERIOD ENDED 30 SEPTEMBER 2022

(Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated.  
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#### NOTE 4 - SEGMENT REPORTING

The business activities of the Group are managed and organized according to the services provided in the electricity market. The Group has three main operating segments; electricity distribution, retail and customer solutions. The principal activity of distribution segment is the transmission of electricity over lines to the end users through distribution networks, by also providing infrastructure investments due to the regulated tariffs announced by EMRA; whereas the retail segment conduct retail sales of electricity to the customers. The main activity of the customer solutions segment is to provide energy efficiency and distributed generation solutions to customers. E-şarj Elektrikli Araçlar Şarj Sistemleri A.Ş.’s activities are also disclosed under customer solutions segment. The Group performs segment reporting according to TFRS 8 in order to provide unbiased and transparent information to the investor. The Group management follows the performance of the business segments with operating profit and net profit for the period, as well as financial and non-financial indicators. In addition to the requirements for segment reporting, Group management have included this information in their reporting footnotes, considering that some financial statement readers may use this information in their analyzes.

The following table contains information on the Group's sales and profit from its operations for the 9 months period ended 30 September 2022 and 30 September 2021.

<b>1 January - 30 September 2022</b>	<b>Distribution</b>	<b>Retail</b>	<b>Customer Solutions</b>	<b>Unallocated (*)</b>	<b>Eliminations</b>	<b>Total</b>
Revenue	12,950,463	47,361,269	130,424	69,474	(69,474)	60,442,156
Cost of sales (-)	(3,838,329)	(45,955,656)	(30,694)	-	-	(49,824,679)
<b>Gross profit / (loss)</b>	<b>9,112,134</b>	<b>1,405,613</b>	<b>99,730</b>	<b>69,474</b>	<b>(69,474)</b>	<b>10,617,477</b>
General administrative expenses (-)	(3,943,099)	(633,917)	(46,831)	(300,882)	73,175	(4,851,554)
Other income / (expense) from operating activities - net	(90,962)	(327,581)	10,290	1,825	(3,701)	(410,129)
<b>Operating profit / (loss)</b>	<b>5,078,073</b>	<b>444,115</b>	<b>63,189</b>	<b>(229,583)</b>	<b>-</b>	<b>5,355,794</b>
Financial income	202,180	882,842	12,143	430,690	(557,987)	969,868
Financial expense (-)	(2,298,628)	(467,414)	(38,754)	(814,383)	557,987	(3,061,192)
<b>Profit / (loss) before taxation on income</b>	<b>2,981,625</b>	<b>859,543</b>	<b>36,578</b>	<b>(613,276)</b>	<b>-</b>	<b>3,264,470</b>
Current tax expense (-)	(933,155)	-	-	-	-	(933,155)
Deferred tax income / (expense)	207,446	(279,132)	(6,713)	123,119	-	44,720
<b>Net profit / (loss) for the period</b>	<b>2,255,916</b>	<b>580,411</b>	<b>29,865</b>	<b>(490,157)</b>	<b>-</b>	<b>2,376,035</b>

(\*) TL 156,068 of TL 403,625 depreciation and amortization expenses represents amortization expenses of intangible assets (Note 11), which is presented as unallocated under operating expenses. The majority of financial expenses under unallocated part mainly represent costs of loans utilized for the acquisitions of distribution and retail business. The Group management follows the performances of the operating segments excluding acquisitions related loans, therefore the amounts have not been distributed to the segments.

## ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE PERIOD ENDED 30 SEPTEMBER 2022

(Amounts expressed in thousands of Turkish Lira ("TL"), unless otherwise indicated.  
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#### NOTE 4 - SEGMENT REPORTING (Continued)

<b>1 January - 30 September 2021</b>	<b>Distribution</b>	<b>Retail</b>	<b>Customer Solutions</b>	<b>Unallocated (*)</b>	<b>Eliminations</b>	<b>Total</b>
Revenue	6,705,514	13,476,887	177,258	24,619	(24,619)	20,359,659
Cost of sales (-)	(2,192,468)	(12,515,722)	(117,623)	-	-	(14,825,813)
<b>Gross profit / (loss)</b>	<b>4,513,046</b>	<b>961,165</b>	<b>59,635</b>	<b>24,619</b>	<b>(24,619)</b>	<b>5,533,846</b>
General administrative expenses (-)	(1,694,083)	(339,424)	(15,077)	(215,511)	28,092	(2,236,003)
Other income / (expense) from operating activities - net	(129,870)	(120,043)	(25,737)	(996)	(3,473)	(280,119)
<b>Operating profit / (loss)</b>	<b>2,689,093</b>	<b>501,698</b>	<b>18,821</b>	<b>(191,888)</b>	<b>-</b>	<b>3,017,724</b>
Financial income	41,468	367,694	2,917	180,050	(501,615)	90,514
Financial expense (-)	(1,029,186)	(16,060)	(6,429)	(543,190)	501,615	(1,093,250)
<b>Profit / (loss) before taxation on income</b>	<b>1,701,375</b>	<b>853,332</b>	<b>15,309</b>	<b>(555,028)</b>	<b>-</b>	<b>2,014,988</b>
Current tax expense (-)	(852,534)	(151,653)	-	-	-	(1,004,187)
Deferred tax income / (expense)	435,727	(49,150)	(4,429)	111,107	-	493,255
<b>Net profit / (loss) for the period</b>	<b>1,284,568</b>	<b>652,529</b>	<b>10,880</b>	<b>(443,921)</b>	<b>-</b>	<b>1,504,056</b>

(\*) TL 156,068 of TL 341,820 depreciation and amortization expenses, represents amortization expenses of intangible assets (Note 11), which is presented as unallocated under operating expenses. The majority of financial expenses under unallocated part mainly represent costs of loans utilized for the acquisitions of distribution and retail business. The Group management follows the performances of the operating segments excluding acquisitions related loans, therefore the amounts have not been distributed to the segments.

## ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE PERIOD ENDED 30 SEPTEMBER 2022

(Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated.  
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#### NOTE 4 - SEGMENT REPORTING (Continued)

<b>1 July - 30 September 2022</b>	<b>Distribution</b>	<b>Retail</b>	<b>Customer Solutions</b>	<b>Unallocated (*)</b>	<b>Eliminations</b>	<b>Total</b>
Revenue	5,247,488	19,023,361	54,309	26,883	(26,883)	24,325,158
Cost of sales (-)	(1,570,761)	(18,581,614)	(12,931)	-	-	(20,165,306)
<b>Gross profit / (loss)</b>	<b>3,676,727</b>	<b>441,747</b>	<b>41,378</b>	<b>26,883</b>	<b>(26,883)</b>	<b>4,159,852</b>
General administrative expenses (-)	(1,541,899)	(252,412)	(17,910)	(113,123)	28,162	(1,897,182)
Other income / (expense) from operating activities - net	(1,025)	(36,027)	7,447	1,405	(1,279)	(29,479)
<b>Operating profit / (loss)</b>	<b>2,133,803</b>	<b>153,308</b>	<b>30,915</b>	<b>(84,835)</b>	<b>-</b>	<b>2,233,191</b>
Financial income	17,487	400,308	4,131	211,449	(168,523)	464,852
Financial expense (-)	(823,864)	(214,061)	(17,771)	(210,624)	168,523	(1,097,797)
<b>Profit / (loss) before taxation on income</b>	<b>1,327,426</b>	<b>339,555</b>	<b>17,275</b>	<b>(84,010)</b>	<b>-</b>	<b>1,600,246</b>
Current tax expense (-)	(286,307)	-	-	-	-	(286,307)
Deferred tax income / (expense)	(16,911)	(108,918)	(4,666)	17,279	-	(113,216)
<b>Net profit / (loss) for the period</b>	<b>1,024,208</b>	<b>230,637</b>	<b>12,609</b>	<b>(66,731)</b>	<b>-</b>	<b>1,200,723</b>

(\*) TL 52,594 of TL 140,670 depreciation and amortization expenses, represents amortization expenses of intangible assets (Note 11), which is presented as unallocated under operating expenses. The majority of financial expenses under unallocated part mainly represent costs of loans utilized for the acquisitions of distribution and retail business. The Group management follows the performances of the operating segments excluding acquisitions related loans, therefore the amounts have not been distributed to the segments.

## ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE PERIOD ENDED 30 SEPTEMBER 2022

(Amounts expressed in thousands of Turkish Lira ("TL"), unless otherwise indicated.  
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#### NOTE 4 - SEGMENT REPORTING (Continued)

1 July - 30 September 2021	Distribution	Retail	Customer Solutions	Unallocated (*)	Eliminations	Total
Revenue	2,525,989	5,746,370	122,448	8,890	(8,890)	8,394,807
Cost of sales (-)	(806,629)	(5,430,372)	(78,371)	-	-	(6,315,372)
<b>Gross profit / (loss)</b>	<b>1,719,360</b>	<b>315,998</b>	<b>44,077</b>	<b>8,890</b>	<b>(8,890)</b>	<b>2,079,435</b>
General administrative expenses (-)	(649,473)	(116,142)	(4,836)	(77,077)	10,067	(837,461)
Other income / (expense) from operating activities - net	(62,894)	(49,943)	(21,491)	512	(1,177)	(134,993)
<b>Operating profit / (loss)</b>	<b>1,006,993</b>	<b>149,913</b>	<b>17,750</b>	<b>(67,675)</b>	<b>-</b>	<b>1,106,981</b>
Financial income	(14,248)	110,340	786	63,579	(153,318)	7,139
Financial expense (-)	(357,816)	(5,725)	(3,897)	(171,594)	153,318	(385,714)
<b>Profit / (loss) before taxation on income</b>	<b>634,929</b>	<b>254,528</b>	<b>14,639</b>	<b>(175,690)</b>	<b>-</b>	<b>728,406</b>
Current tax expense (-)	(352,373)	32,185	-	-	-	(320,188)
Deferred tax income / (expense)	191,689	(96,322)	(4,286)	35,107	-	126,188
<b>Net profit / (loss) for the period</b>	<b>474,245</b>	<b>190,391</b>	<b>10,353</b>	<b>(140,583)</b>	<b>-</b>	<b>534,406</b>

(\*) TL 52,594 of TL 123,043 depreciation and amortization expenses, represents amortization expenses of intangible assets (Note 11), which is presented as unallocated under operating expenses. The majority of financial expenses under unallocated part mainly represent costs of loans utilized for the acquisitions of distribution and retail business. The Group management follows the performances of the operating segments excluding acquisitions related loans, therefore the amounts have not been distributed to the segments.

## ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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

#### NOTE 4 - SEGMENT REPORTING (Continued)

The information below includes information about the Group's financial position of its business segments related to the periods ended 30 September 2022 and 31 December 2021.

As at 30 September 2022	Distribution	Retail	Customer Solutions	Unallocated (*)	Eliminations	Total
<b>Segment assets</b>						
Cash and cash equivalents	763,990	531,209	135,614	278,522	-	1,709,335
Trade receivables	3,647,220	15,144,214	152,368	17,812	(2,291,296)	16,670,318
Inventories	1,628,041	-	29,588	-	-	1,657,629
Derivative instruments	81,529	872,199	12,331	-	-	966,059
Financial assets	12,877,178	-	-	(1,703)	-	12,875,475
Right of use assets	256,028	72,200	509	5,258	-	333,995
Property, plant and equipment	1,469,673	75,832	36,658	4,944	(2,800)	1,584,307
Intangible assets	26,767	54,640	48,672	5,913,131	-	6,043,210
Deferred tax assets	97,444	-	8,611	404,499	-	510,554
Other receivables and assets	3,376,626	1,973,002	127,431	4,850,998	(5,182,520)	5,145,537
<b>Total assets</b>	<b>24,224,496</b>	<b>18,723,296</b>	<b>551,782</b>	<b>11,473,461</b>	<b>(7,476,616)</b>	<b>47,496,419</b>
<b>Segment liabilities</b>						
Financial liabilities	9,076,286	1,919,372	167,739	7,511,749	(2,261,120)	16,414,026
Other financial liabilities	562,758	-	-	-	-	562,758
Trade payables	5,115,871	8,438,885	18,366	14,053	(2,291,296)	11,295,879
Derivative instruments	50,514	4,664	-	-	-	55,178
Deferred tax liabilities	193,345	575,731	9,202	784,832	-	1,563,110
Other payables and liabilities	4,405,034	5,855,729	264,145	36,479	(2,921,400)	7,639,987
<b>Total liabilities</b>	<b>19,403,808</b>	<b>16,794,381</b>	<b>459,452</b>	<b>8,347,113</b>	<b>(7,473,816)</b>	<b>37,530,938</b>

(\*) The majority of intangible assets under unallocated part represents customer contracts, transfer of operating rights and goodwill (Note 11).

(\*) As of 30 September 2022, the Group has recorded an impairment provision of TL 1,703 for its financial assets in accordance with TFRS 9 Financial Instruments.

## ENERJISA ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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

#### NOTE 4 - SEGMENT REPORTING (Continued)

As at 31 December 2021	Distribution	Retail	Customer Solutions	Unallocated (*)	Eliminations	Total
<b>Segment assets</b>						
Cash and cash equivalents	231,294	158,792	21,791	115	-	411,992
Trade receivables	2,497,359	3,754,039	107,804	6,823	(793,220)	5,572,805
Inventories	444,021	-	3,429	-	-	447,450
Derivative instruments	303,994	1,306,075	447	-	-	1,610,516
Financial assets	12,856,735	-	-	(3,096)	-	12,853,639
Right of use assets	206,614	44,324	263	4,995	-	256,196
Property, plant and equipment	1,378,449	33,460	31,017	3,962	(2,800)	1,444,088
Intangible assets	41,124	66,268	47,349	6,070,694	-	6,225,435
Deferred tax assets	-	-	6,122	312,779	-	318,901
Other receivables and assets	1,482,183	1,839,630	20,462	4,278,243	(5,427,899)	2,192,619
<b>Total assets</b>	<b>19,441,773</b>	<b>7,202,588</b>	<b>238,684</b>	<b>10,674,515</b>	<b>(6,223,919)</b>	<b>31,333,641</b>
<b>Segment liabilities</b>						
Financial liabilities	6,096,858	52,792	7,134	6,475,705	(1,916,269)	10,716,220
Other financial liabilities	575,991	-	-	-	-	575,991
Trade payables	2,170,672	2,551,572	44,416	7,700	(793,220)	3,981,140
Derivative instruments	4,981	37,543	3,612	-	-	46,136
Deferred tax liabilities	307,613	381,064	-	816,231	-	1,504,908
Other payables and liabilities	5,661,141	2,857,531	121,057	30,125	(3,511,630)	5,158,224
<b>Total liabilities</b>	<b>14,817,256</b>	<b>5,880,502</b>	<b>176,219</b>	<b>7,329,761</b>	<b>(6,221,119)</b>	<b>21,982,619</b>

(\*) The majority of intangible assets under unallocated part represents customer contracts, transfer of operating rights and goodwill (Note 11).

(\*) As of 31 December 2021, the Group has recorded an impairment provision of TL 3,096 for its financial assets in accordance with TFRS 9 Financial Instruments.

## ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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

#### NOTE 4 - SEGMENT REPORTING (Continued)

<b>1 January - 30 September 2022</b>	<b>Distribution</b>	<b>Retail</b>	<b>Customer Solutions</b>	<b>Unallocated</b>	<b>Eliminations</b>	<b>Total</b>
<b>Cash Flows from Operating Activities</b>	<b>6,599,732</b>	<b>(3,279,153)</b>	<b>(129,839)</b>	<b>(64,648)</b>	<b>-</b>	<b>3,126,092</b>
Profit for the period	2,255,916	580,411	29,865	(490,157)	-	2,376,035
Adjustments to reconcile net profit for the period	(42,596)	1,487,982	45,173	395,913	-	1,886,472
Changes in operating assets and liabilities	(1,226,692)	(5,555,846)	(203,893)	29,067	-	(6,957,364)
Cash generated from operating activities	986,628	(3,487,453)	(128,855)	(65,177)	-	(2,694,857)
Tax payments	(717,875)	187,631	(15)	14	-	(530,245)
Other cash inflows / (outflows) (**)	6,330,979	20,669	(969)	515	-	6,351,194
<b>Cash Flows from Investing Activities</b>	<b>(3,500,166)</b>	<b>(220)</b>	<b>(17,992)</b>	<b>879,626</b>	<b>(829,147)</b>	<b>(3,467,899)</b>
Cash used for purchase of property, plant and equipment and intangible assets	(176,000)	(59,148)	(33,307)	(5,461)	-	(273,916)
Interest received	-	58,928	15,315	885,087	(829,147)	130,183
Other cash out-flows (*)	(3,324,166)	-	-	-	-	(3,324,166)
<b>Cash Flows from Financing Activities</b>	<b>(2,566,870)</b>	<b>3,651,790</b>	<b>261,654</b>	<b>(536,571)</b>	<b>829,147</b>	<b>1,639,150</b>
Increase / (decrease) in cash and cash equivalents	532,696	372,417	113,823	278,407	-	1,297,343
Cash and cash equivalents at the beginning of the period	231,294	158,792	21,791	115	-	411,992
<b>Cash and cash equivalents at the end of the period</b>	<b>763,990</b>	<b>531,209</b>	<b>135,614</b>	<b>278,522</b>	<b>-</b>	<b>1,709,335</b>

(\*) Other cash out-flows include capital expenditures related to service concession arrangements.

(\*\*) Other cash inflows include capital expenditures reimbursements related to service concession arrangements amounting to TL 3,497,380 and WACC reimbursements related to service concession arrangements amounting to TL 2,802,053.



## ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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

#### NOTE 4 - SEGMENT REPORTING (Continued)

<b>1 January - 30 September 2021</b>	<b>Distribution</b>	<b>Retail</b>	<b>Customer Solutions</b>	<b>Unallocated</b>	<b>Eliminations</b>	<b>Total</b>
<b>Cash Flows from Operating Activities</b>	<b>3,956,685</b>	<b>75,358</b>	<b>(51,309)</b>	<b>(36,057)</b>	<b>-</b>	<b>3,944,677</b>
Profit for the period	1,284,568	652,529	10,880	(443,921)	-	1,504,056
Adjustments to reconcile net profit for the period	80,019	154,248	12,453	418,776	-	665,496
Changes in operating assets and liabilities	(130,447)	(456,282)	(74,179)	(9,549)	-	(670,457)
Cash generated from operating activities	1,234,140	350,495	(50,846)	(34,694)	-	1,499,095
Tax payments	(603,593)	(296,009)	-	-	-	(899,602)
Other cash inflows / (outflows) (**)	3,326,138	20,872	(463)	(1,363)	-	3,345,184
<b>Cash Flows from Investing Activities</b>	<b>(2,098,848)</b>	<b>309,036</b>	<b>(1,936)</b>	<b>497,786</b>	<b>(758,931)</b>	<b>(2,052,893)</b>
Cash used for purchase of property, plant and equipment and intangible assets	(55,727)	(45,344)	(2,543)	(5,024)	-	(108,638)
Interest received	-	354,380	607	502,810	(758,931)	98,866
Other cash out-flows (*)	(2,169,229)	-	-	-	-	(2,169,229)
Cash outflows to acquire debt instruments	126,108	-	-	-	-	126,108
<b>Cash Flows from Financing Activities</b>	<b>(1,841,343)</b>	<b>(676,312)</b>	<b>57,698</b>	<b>(461,480)</b>	<b>758,931</b>	<b>(2,162,506)</b>
Increase / (decrease) in cash and cash equivalents	16,494	(291,918)	4,453	249	-	(270,722)
Cash and cash equivalents at the beginning of the period	43,804	535,566	9,107	94	-	588,571
<b>Cash and cash equivalents at the end of the period</b>	<b>60,298</b>	<b>243,648</b>	<b>13,560</b>	<b>343</b>	<b>-</b>	<b>317,849</b>

(\*) Other cash out-flows include capital expenditures related to service concession arrangements.

(\*\*) Other cash inflows include capital expenditures reimbursements related to service concession arrangements amounting to TL 1,914,982 and WACC reimbursements related to service concession arrangements amounting to TL 1,380,584.

## ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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

#### NOTE 5 - RELATED PARTY TRANSACTIONS

The immediate parents and ultimate controlling parties of the Group are Sabancı (incorporated in Turkey) and E.ON (incorporated in Germany). Transactions between the Company and its subsidiaries have been eliminated on consolidation and are not disclosed in this note.

Transactions with related parties are classified according to the following groups and include all related party disclosures:

- (1) Sabancı Holding and E.ON group companies
- (2) Shareholder

Details of transactions between the Group and other related parties are disclosed below:

	30 September 2022	31 December 2021
<u>Related party bank balances – Akbank T.A.Ş. (1)</u>		
Demand deposits	239,750	82,836
Time deposits	727,929	195,111
	<u>967,679</u>	<u>277,947</u>

Loans provided by related parties	Original currency	Maturity	30 September 2022	
			Current liabilities	Non-current liabilities
Akbank T.A.Ş. (1)	TL	6 October 2022	164,555	-
Akbank T.A.Ş. (1)	TL	14 December 2022	4,189	-
Akbank T.A.Ş. (1)	TL	23 February 2023	306,644	-
Akbank T.A.Ş. (1)	TL	23 February 2023	306,716	-
Akbank T.A.Ş. (1)	TL	23 February 2023	306,546	-
Akbank T.A.Ş. (1)	TL	9 March 2023	100,448	-
Akbank T.A.Ş. (1)	TL	9 March 2023	952,602	-
Akbank T.A.Ş. (1)	TL	9 March 2023	100,560	-
Akbank T.A.Ş. (1)	TL	9 March 2023	201,121	-
Akbank T.A.Ş. (1)	TL	9 March 2023	50,304	-
Akbank T.A.Ş. (1)	TL	15 December 2023	6,485	600,000
Akbank T.A.Ş. (1)	TL	15 December 2023	6,920	600,000
Akbank T.A.Ş. (1)	TL	15 December 2023	4,710	300,000
			<u>2,511,800</u>	<u>1,500,000</u>

As of 30 September 2022, the interest rates of TL related party loans utilized are in the range of 9.25% - 38.85% and the interest rate of TLREF related party loans are utilized is TLREF+23%. (31 December 2021: 8.66% - 9.98%). As of 30 September 2022, there is no foreign currency related party loans (31 December 2021: None).

As of 30 September 2022 and 31 December 2021, the Group has not given any collateral for the loans.

## ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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

#### NOTE 5 - RELATED PARTY TRANSACTIONS (Continued)

Loans provided by related parties	Original currency	Maturity	31 December 2021	
			Current liabilities	Non-current liabilities
Akbank T.A.Ş. (1)	TL	4 January 2022	501	-
Akbank T.A.Ş. (1)	TL	7 February 2022	208,104	-
Akbank T.A.Ş. (1)	TL	8 February 2022	3,490	-
Akbank T.A.Ş. (1)	TL	22 April 2022	2,078	-
Akbank T.A.Ş. (1)	TL	17 May 2022	313,630	-
Akbank T.A.Ş. (1)	TL	17 May 2022	104,249	-
Akbank T.A.Ş. (1)	TL	18 May 2022	104,516	-
Akbank T.A.Ş. (1)	TL	16 June 2022	208,775	-
Akbank T.A.Ş. (1)	TL	16 June 2022	417,547	-
Akbank T.A.Ş. (1)	TL	27 June 2022	129,241	-
Akbank T.A.Ş. (1)	TL	27 June 2022	103,302	-
Akbank T.A.Ş. (1)	TL	27 June 2022	103,393	-
Akbank T.A.Ş. (1)	TL	27 June 2022	103,393	-
Akbank T.A.Ş. (1)	TL	9 March 2023	4,723	46,814
Akbank T.A.Ş. (1)	TL	9 March 2023	9,432	93,309
Akbank T.A.Ş. (1)	TL	9 March 2023	9,442	93,592
Akbank T.A.Ş. (1)	TL	9 March 2023	18,885	187,184
Akbank T.A.Ş. (1)	TL	9 March 2023	89,415	886,195
			<u>1,934,116</u>	<u>1,307,094</u>

#### Related party derivative instruments – Akbank T.A.Ş. (1)

	30 September 2022			Assets	Liabilities
	Contract Amount (USD)	Contract Amount (EUR)	Contract Amount (TL)		
Forward exchanges	<u>132,130</u>	<u>40,081</u>	<u>3,173,925</u>	<u>449,988</u>	<u>(53,863)</u>
	<u>132,130</u>	<u>40,081</u>	<u>3,173,925</u>	<u>449,988</u>	<u>(53,863)</u>

  

	31 December 2021			Assets	Liabilities
	Contract Amount (USD)	Contract Amount (EUR)	Contract Amount (TL)		
Forward exchanges	<u>208,066</u>	<u>29,308</u>	<u>3,215,473</u>	<u>750,489</u>	<u>(44,547)</u>
	<u>208,066</u>	<u>29,308</u>	<u>3,215,473</u>	<u>750,489</u>	<u>(44,547)</u>

## ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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

#### NOTE 5 - RELATED PARTY TRANSACTIONS (Continued)

Balances with Related Parties	30 September 2022		
	Receivables		Payables
	Current	Non-current	Current
	Trade	Trade	Trade
Akbank T.A.Ş. (1)	23,942	-	-
Aksigorta A.Ş. (1)	-	-	1,677
Brisa Bridgestone Sabancı Lastik San. ve Tic. A.Ş. (1)	440	20,707	-
Carrefoursa A.Ş. (1)	35,942	-	-
Çimsa Çimento Sanayi A.Ş. (1)	915	-	-
Enerjisa Üretim Santralleri A.Ş. (1)	294	-	1,777,819
Hacı Ömer Sabancı Holding A.Ş. (2) (**)	1,278	-	788
Sabancı Dijital Teknolojileri A.Ş. ("Sabancı DX") (1) (*)	-	-	11,921
Teknosa İç ve Dış Ticaret A.Ş. (1)	1,185	837	-
Other (1)	1,965	-	-
	<u>65,961</u>	<u>21,544</u>	<u>1,792,205</u>
Balances with Related Parties	31 December 2021		
	Receivables		Payables
	Current	Non-current	Current
	Trade	Trade	Trade
Akbank T.A.Ş. (1)	6,697	-	7
Akçansa Çimento Sanayi ve Ticaret A.Ş. (1)	4	-	-
Aksigorta A.Ş. (1)	-	-	14,008
Avivasa Emeklilik ve Hayat A.Ş. (1)	84	-	-
Brisa Bridgestone Sabancı Lastik San. ve Tic. A.Ş. (1)	20,004	-	-
Carrefoursa A.Ş. (1)	6,015	-	-
Enerjisa Üretim Santralleri A.Ş. (1)	85	-	65,801
Hacı Ömer Sabancı Holding A.Ş. (2) (**)	515	-	-
Sabancı Dijital Teknolojileri A.Ş. ("Sabancı DX") (1) (*)	-	-	7,557
Teknosa İç ve Dış Ticaret A.Ş. (1)	1,470	-	-
Other (1)	68	-	-
	<u>34,942</u>	<u>-</u>	<u>87,373</u>

(\*) Includes IT consulting and software fees that are billed to the Group companies by Sabancı DX one of the Group companies.

(\*\*) Short term trade receivables and payables include electricity sales to Sabancı and consultancy services from Sabancı.

## ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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

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#### NOTE 5 - RELATED PARTY TRANSACTIONS (Continued)

##### Key management compensation

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:

	1 January - 30 September 2022	1 January - 30 September 2021
Short-term employee benefits	57,373	35,232
Long-term employee benefits	1,022	1,273
	<u>58,395</u>	<u>36,505</u>

## ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE PERIOD ENDED 30 SEPTEMBER 2022

(Amounts expressed in thousands of Turkish Lira ("TL"), unless otherwise indicated.  
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#### NOTE 5 - RELATED PARTY TRANSACTIONS (Continued)

Transactions with Related Parties	1 January - 30 September 2022					
	Electricity sales	Electricity purchases	Interest income	Interest expense	General administrative expenses	Other income
Akbank T.A.Ş. (1)	123,234	-	68,650	585,192	-	-
Akçansa Çimento Sanayi ve Ticaret A.Ş. (1)	111	-	-	-	-	-
Aksigorta A.Ş. (1)	83	-	-	-	32,061	-
Avivasa Emeklilik ve Hayat A.Ş. (1)	33	-	-	-	-	-
Brisa Bridgestone Sabancı Lastik San. ve Tic. A.Ş. (1)	963	-	-	-	-	2,685
Carrefoursa A.Ş. (1)	195,473	-	-	-	582	-
Çimsa Çimento Sanayi A.Ş. (1)	5,000	-	-	-	-	-
Enerjisa Üretim Santralleri A.Ş. (1)	3,566	7,843,610	-	-	-	3,378
Hacı Ömer Sabancı Holding A.Ş. (2) (**)	6,843	-	-	-	-	-
Sabancı Dijital Teknolojileri A.Ş. ("Sabancı DX") (1) (*)	-	-	-	-	62,958	-
Teknosa İç ve Dış Ticaret A.Ş. (1)	7,224	-	-	-	-	281
Other (1)	8,273	-	-	-	-	216
	<u>350,803</u>	<u>7,843,610</u>	<u>68,650</u>	<u>585,192</u>	<u>95,601</u>	<u>6,560</u>

(\*) Includes IT consulting and software fees that are billed to the group companies by Sabancı DX one of the group companies.

(\*\*) Includes electricity sales to Sabancı.

## ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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

#### NOTE 5 - RELATED PARTY TRANSACTIONS (Continued)

Transactions with Related Parties	1 January - 30 September 2021					
	Electricity sales	Electricity purchases	Interest income	Interest expense	General administrative expenses	Other income
Akbank T.A.Ş. (1)	49,233	-	49,707	228,893	-	-
Akçansa Çimento Sanayi ve Ticaret A.Ş. (1)	16	-	-	-	-	-
Aksigorta A.Ş. (1)	25	-	-	-	20,424	-
Avivasa Emeklilik ve Hayat A.Ş. (1)	532	-	-	-	-	-
Brisa Bridgestone Sabancı Lastik San. ve Tic. A.Ş. (1)	327	-	-	-	-	1,634
Carrefoursa A.Ş. (1)	95,399	-	-	-	-	-
Çimsa Çimento Sanayi A.Ş. (1)	12	-	-	-	-	-
Enerjisa Üretim Santralleri A.Ş. (1)	2,231	572,589	-	-	-	1,527
Hacı Ömer Sabancı Holding A.Ş. (2) (**)	3,416	-	-	-	196	-
Sabancı Dijital Teknolojileri A.Ş. ("Sabancı DX") (1) (*)	-	-	-	-	19,906	7
Teknosa İç ve Dış Ticaret A.Ş. (1)	3,487	-	-	-	-	-
Other (1)	348	-	-	-	-	-
	<u>155,026</u>	<u>572,589</u>	<u>49,707</u>	<u>228,893</u>	<u>40,526</u>	<u>3,168</u>

(\*) Includes IT consulting and software fees that are billed to the group companies by Sabancı DX one of the group companies.

(\*\*) Includes electricity sales to Sabancı and consultancy services from Sabancı.

# ENERJISA ENERJİ A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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

### NOTE 6 - TRADE RECEIVABLES AND PAYABLES

#### 6.1 Trade Receivables

	30 September 2022	31 December 2021
<b>Current Trade Receivables</b>		
Trade receivables (*)	20,240,662	8,679,529
Due from related parties (Note 5)	65,961	34,942
Allowance for doubtful receivables (-)	(3,774,126)	(3,141,666)
	<u>16,532,497</u>	<u>5,572,805</u>
<b>Non-Current Trade Receivables</b>		
Trade receivables	116,277	-
Due from related parties (Note 5)	21,544	-
	<u>137,821</u>	<u>-</u>

(\*) EMRA determines regulated margin and revenue requirements for regulated sales based on demand, energy supply costs and consumption forecasts. However, the actual demand and supply costs may show some differences from forecasts. These differences are recognized in trade receivables.

As of 30 September 2022, trade receivables amounting TL 14,380,816 (31 December 2021: TL 4,595,584) were neither past due nor impaired. Interest is charged at 1.6% for the period of 1 January 2022 – 20 July 2022, 2.5% for the period of 21 July 2022 – 30 September 2022 per month on the overdue receivable balances (1.6% per month for the period of 1 January 2021 – 31 December 2021).

As of 30 September 2022, trade receivables amounting TL 2,289,502 (31 December 2021: TL 977,221) were past due but not impaired. The aging analysis of trade receivables past due but not impaired as of 30 September 2022 and 31 December 2021 is as follows:

	30 September 2022	31 December 2021
Up to 1 months	1,420,554	584,429
1 to 3 months	411,193	168,291
Over 3 months	457,755	224,501
	<u>2,289,502</u>	<u>977,221</u>

The Group recognizes the impairment of trade receivables, weighting the lifetime expected credit losses by default (Probability of Default) for all trade receivables on each customer basis and including non-overdue receivables.



## ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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

#### NOTE 6 - TRADE RECEIVABLES AND PAYABLES (Continued)

##### 6.1 Trade Receivables (Continued)

Movement of allowance for the doubtful trade receivables are as follows:

	1 January - 30 September 2022	1 January - 30 September 2021
Opening balance	(3,141,666)	(2,750,520)
Charge for the period	(774,838)	(391,133)
Amounts collected during the period	141,973	109,214
Write offs	405	-
Closing balance	<u>(3,774,126)</u>	<u>(3,032,439)</u>

The Group received guarantee letters amounting to TL 1,818,084 (31 December 2021: TL 1,290,343) and deposits and guarantees amounting to TL 4,497,182 (31 December 2021: TL 2,439,314) as collateral for its electricity receivables.

##### 6.2 Trade Payables

	30 September 2022	31 December 2021
<u>Current Trade Payables</u>		
Trade payables	9,503,674	3,893,767
Due to related parties (Note 5)	1,792,205	87,373
	<u>11,295,879</u>	<u>3,981,140</u>

Trade payables mainly arise from the Group’s electricity purchases from Türkiye Elektrik A.Ş. (“EÜAŞ”) and Enerji Piyasaları İşletme A.Ş. (“EPIAŞ”). The average maturity of the payables related to electricity purchases is between 28 - 30 days.

# ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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

### NOTE 7 - OTHER RECEIVABLES AND PAYABLES

#### 7.1 Other Receivables

	30 September 2022	31 December 2021
<b>Other Current Receivables</b>		
Income accruals (*)	1,151,852	1,146,008
Deposits and guarantees given	14,767	10,802
Receivables from personnel	228	28
Allowance for other doubtful receivables (-)	(3,123)	(3,123)
Other sundry receivables (***)	333,979	39,851
	<u>1,497,703</u>	<u>1,193,566</u>
	30 September 2022	31 December 2021
<b>Other Non-Current Receivables</b>		
Deposits and guarantees given (**)	772,381	449,925
Income accruals (*)	1,446,805	-
Other sundry receivables (****)	441,794	235,152
	<u>2,660,980</u>	<u>685,077</u>

(\*) According to the Electricity Market Law, the Electricity Market Tariffs Communiqué and other related regulations the Group’s distribution, transmission and meter reading services are subject to revenue caps. Realized revenue is determined in a way to cover operating expenses and investment requirements related to distribution, transmission and meter reading. Moreover, transmission revenue is a complete pass-through of transmission costs as charged by Türkiye Elektrik İletim A.Ş. These regulations guarantee revenue to the Group regardless of the consumption level. The under billings or overbillings made by the Group are calculated at every year end and are adjusted through the tariffs to be effective in two years by EMRA. The effects of the under billings, which means the actual revenue is below the revenue cap set by EMRA, are accounted as income accruals at the Group’s accompanying interim condensed consolidated financial information.

(\*\*) The balance represents subscription fees refunded to the subscribers, subscribed before 31 March 2006 for EPS and 24 July 2006 for AYESAŞ and TOROSLAR EPSAŞ (Note 1) when they leave the system. The balances were paid to the subscribers based on their indexed amounts as required by EMRA periodically. According to the TOR Agreement signed with TEDAŞ, retail companies (EPS, AYESAŞ and TOROSLAR EPSAŞ) are obliged to keep deposits refunded with their fair values and the net balance of deposits received and paid will be paid back to TEDAŞ at the end of the license periods.

(\*\*\*) TL 282,316 is related to the VAT receivables from the tax office.

(\*\*\*\*) The Group management has assessed that the severance payment provision can be taken with the revenue requirement and has imposed an accrued income for the severance payment provision calculated.

## ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE PERIOD ENDED 30 SEPTEMBER 2022

(Amounts expressed in thousands of Turkish Lira ("TL"), unless otherwise indicated.  
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#### NOTE 7 - OTHER RECEIVABLES AND PAYABLES (Continued)

##### 7.1 Other Receivables (Continued)

Movement of allowance for other doubtful receivables is as follows:

	1 January - 30 September 2022	1 January - 30 September 2021
Opening balance	(3,123)	(3,123)
Closing balance	(3,123)	(3,123)

##### 7.2 Other Payables

	30 September 2022	31 December 2021
Other Current Payables		
Deposits received (*)	4,497,182	2,439,314
Lighting payables	43,236	43,236
Other payables (**)	770,811	405,652
	<u>5,311,229</u>	<u>2,888,202</u>

(\*) The Group receives deposits from the customers subscribed after 31 March 2006 for EPS and 24 July 2006 for AYESAŞ and TOROSLAR EPSAŞ (Note 1) upon their subscription on behalf of TEDAŞ and these deposits are initially recorded at their fair values as the subscription fee charged to customers represents the fees announced by EMRA. According to the TOR Agreements signed with TEDAŞ, retail companies (EPS, AYESAŞ and TOROSLAR EPSAŞ) are obliged to carry the deposits received by their revalued amounts and the net balance of deposits received and paid will be paid back to TEDAŞ at the end of the license period.

(\*\*) Other payables mainly consist of payables to tax office and general tariff provisions.

# ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE PERIOD ENDED 30 SEPTEMBER 2022

(Amounts expressed in thousands of Turkish Lira ("TL"), unless otherwise indicated.  
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### NOTE 8 - FINANCIAL ASSETS

	Financial assets	
	30 September 2022	31 December 2021
Within one year	3,823,954	3,316,298
1-3 years	4,689,021	5,753,839
3-5 years	2,289,939	3,150,092
More than 5 years	2,072,561	633,410
	<u>12,875,475</u>	<u>12,853,639</u>
Current financial assets	3,823,954	3,316,298
Non - current financial assets	9,051,521	9,537,341
	<u>12,875,475</u>	<u>12,853,639</u>
	1 January - 30 September 2022	1 January - 30 September 2021
Opening balance	12,853,639	11,469,960
Investments	2,305,774	2,077,891
Collections	(6,299,433)	(3,295,486)
<i>CAPEX reimbursements</i>	(3,497,380)	(1,914,982)
<i>WACC reimbursements</i>	(2,802,053)	(1,380,504)
Financial income (Note 14)	4,014,102	1,837,317
Reversal / (recognition) of impairment for financial assets	1,393	(2,020)
Closing balance	<u>12,875,475</u>	<u>12,087,662</u>

# ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE PERIOD ENDED 30 SEPTEMBER 2022

(Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated.  
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### NOTE 9 - RIGHT OF USE ASSETS

	Buildings	Motor vehicles	Total
<b>Cost</b>			
Opening balance as of 1 January 2022	121,719	402,292	524,011
Additions	34,309	130,472	164,781
Changes for leasing conditions	-	473	473
Variable lease payment adjustment	19,507	-	19,507
Closing balance as of 30 September 2022	175,535	533,237	708,772
<b>Accumulated Depreciation</b>			
Opening balance as of 1 January 2022	(63,489)	(204,326)	(267,815)
Charge for the period	(25,029)	(81,933)	(106,962)
Closing balance as of 30 September 2022	(88,518)	(286,259)	(374,777)
Carrying value as of 30 September 2022	87,017	246,978	333,995
<b>Cost</b>			
Opening balance as of 1 January 2021	107,314	188,561	295,875
Additions	5,697	187,130	192,827
Variable lease payment adjustment	5,116	-	5,116
Closing balance as of 30 September 2021	118,127	375,691	493,818
<b>Accumulated Depreciation</b>			
Opening balance as of 1 January 2021	(39,918)	(115,186)	(155,104)
Charge for the period	(16,738)	(63,247)	(79,985)
Closing balance as of 30 September 2021	(56,656)	(178,433)	(235,089)
Carrying value as of 30 September 2021	61,471	197,258	258,729

Depreciation expense of TL 106,962 are accounted in general administrative expenses (30 September 2021: TL 79,985).

## ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE PERIOD ENDED 30 SEPTEMBER 2022

(Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated.  
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#### NOTE 10 - PROPERTY, PLANT AND EQUIPMENTS

	Plant, machinery and equipment	Motor vehicles	Furniture and fixtures	Construction in progress	Total
<b>Cost</b>					
Opening balance as of 1 January 2022	841,537	17,819	327,280	602,259	1,788,895
Additions	137,414	70	67,831	35,758	241,073
Closing balance as of 30 September 2022	978,951	17,889	395,111	638,017	2,029,968
<b>Accumulated Depreciation</b>					
Opening balance as of 1 January 2022	(199,717)	(16,369)	(128,721)	-	(344,807)
Charge for the period	(57,444)	(1,520)	(41,890)	-	(100,854)
Closing balance as of 30 September 2022	(257,161)	(17,889)	(170,611)	-	(445,661)
Carrying value as of 30 September 2022	721,790	-	224,500	638,017	1,584,307

	Plant, machinery and equipment	Motor vehicles	Furniture and fixtures	Construction in progress	Total
<b>Cost</b>					
Opening balance as of 1 January 2021	657,431	15,116	252,225	209,708	1,134,480
Additions	46,010	2,825	25,883	23,768	98,486
Transfers from constructions in progress	-	-	-	(361)	(361)
Closing balance as of 30 September 2021	703,441	17,941	278,108	233,115	1,232,605
<b>Accumulated Depreciation</b>					
Opening balance as of 1 January 2021	(138,481)	(13,016)	(80,728)	-	(232,225)
Charge for the period	(42,409)	(2,554)	(33,975)	-	(78,938)
Closing balance as of 30 September 2021	(180,890)	(15,570)	(114,703)	-	(311,163)
Carrying value as of 30 September 2021	522,551	2,371	163,405	233,115	921,442

#### Useful Life

Plant, machinery and equipment  
Motor vehicles  
Furniture and fixtures

5-25 years  
3 years  
5 years

Depreciation expense of TL 96,684 and TL 4,170 are accounted in general administrative expenses and cost of sales, respectively (30 September 2021: general administrative expenses: TL 75,493 and cost of sales: TL 3,445).

## ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE PERIOD ENDED 30 SEPTEMBER 2022

(Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated.  
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#### NOTE 11 - INTANGIBLE ASSETS

	Customer contracts and related relationships	Transfer of operating rights	Goodwill	Computer software	Leasehold improvements	Other intangible assets	Total
<b>Cost</b>							
Opening balance as of 1 January 2022	4,390,673	1,650,121	2,730,031	226,937	4,973	49,588	9,052,323
Additions	-	-	-	13,194	-	390	13,584
Closing balance as of 30 September 2022	4,390,673	1,650,121	2,730,031	240,131	4,973	49,978	9,065,907
<b>Accumulated Amortization</b>							
Opening balance as of 1 January 2022	(1,459,911)	(491,361)	(752,904)	(116,509)	(2,928)	(3,275)	(2,826,888)
Charge for the period	(113,768)	(42,300)	-	(37,124)	(808)	(1,809)	(195,809)
Closing balance as of 30 September 2022	(1,573,679)	(533,661)	(752,904)	(153,633)	(3,736)	(5,084)	(3,022,697)
Carrying value as of 30 September 2022	2,816,994	1,116,460	1,977,127	86,498	1,237	44,894	6,043,210
<b>Cost</b>							
Opening balance as of 1 January 2021	4,390,673	1,650,121	2,730,031	153,073	4,973	7,758	8,936,629
Additions	-	-	-	1,551	-	40	1,591
Transfers from constructions in progress	-	-	-	361	-	-	361
Closing balance as of 30 September 2021	4,390,673	1,650,121	2,730,031	154,985	4,973	7,798	8,938,581
<b>Accumulated Amortization</b>							
Opening balance as of 1 January 2021	(1,307,803)	(434,806)	(752,904)	(79,267)	(1,855)	(2,958)	(2,579,593)
Charge for the period	(113,768)	(42,300)	-	(25,538)	(782)	(509)	(182,897)
Closing balance as of 30 September 2021	(1,421,571)	(477,106)	(752,904)	(104,805)	(2,637)	(3,467)	(2,762,490)
Carrying value as of 30 September 2021	2,969,102	1,173,015	1,977,127	50,180	2,336	4,331	6,176,091

Amortization expense of TL 195,263 and TL 546 are accounted in general administrative expenses and cost of sales, respectively (30 September 2021: general administrative expenses: TL 182,542 and cost of sales: TL 355).

Customer contracts and related relationships and transfer of operating rights are recognized separately during the business combination according to TFRS 3.

On 31 March 2006 BAŞKENT EDAŞ and on 24 July 2006, AYEDAŞ and TOROSLAR EDAŞ signed TOR Agreements with TEDAŞ. In accordance with the TOR agreement, TEDAŞ transferred the operating rights of the distribution system, the distribution facilities, and the other movables and immovable which are crucial for the operation of the distribution facilities to BAŞKENT EDAŞ until the end of 2036 and to AYEDAŞ and TOROSLAR EDAŞ until the end of 2042. Based on the future cash flows fair value of the TOR agreements are determined. The residual value of TOR after the portion recognized as financial asset which calculated based on TFRIC 12 (Note 10) is recognized as intangible asset based on TFRS 3.

The Group recognized TL 45,787 under other intangible assets, in connection with E-şarj purchase price amounting to TL 46,447 (31 December 2021: TL 45,787 of TL 46,447).

In recognition of customer contracts and related relationships; relationships with the different customer groups are identified and a fair value for retail customers is estimated by Group management.

## ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE PERIOD ENDED 30 SEPTEMBER 2022

(Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated.  
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#### NOTE 11 - INTANGIBLE ASSETS (Continued)

Customer contracts and related relationships and TOR amortization is calculated on a straight line basis in a range between 25-30 years and charged to operating expenses.

As of 30 September 2022, there is no impairment on goodwill (31 December 2021: None).

#### NOTE 12 - COMMITMENT AND CONTINGENCIES

<u>30 September 2022</u>	<u>TL Equivalent</u>	<u>TL</u>	<u>USD</u>	<u>EUR</u>
A. Total amount of Collateral Pledge Mortgage (CPM) given on behalf of the legal entity	4,642	4,642	-	-
- Collateral	4,642	4,642	-	-
B. Total amount of CPM given against the subsidiaries included in full consolidation (*)	6,904,575	6,421,380	25,867	230
- Collateral	6,904,575	6,421,380	25,867	230
Total	<u>6,909,217</u>	<u>6,426,022</u>	<u>25,867</u>	<u>230</u>
<u>31 December 2021</u>	<u>TL Equivalent</u>	<u>TL</u>	<u>USD</u>	<u>EUR</u>
A. Total amount of Collateral Pledge Mortgage (CPM) given on behalf of the legal entity	7,747	7,747	-	-
- Collateral	7,747	7,747	-	-
B. Total amount of CPM given against the subsidiaries included in full consolidation (*)	3,165,843	2,808,310	26,337	430
- Collateral	3,165,843	2,808,310	26,337	430
Total	<u>3,173,590</u>	<u>2,816,057</u>	<u>26,337</u>	<u>430</u>

(\*) Consists of collaterals, pledges and mortgages.

#### Mandatory investments

As the regulated incumbent electricity distribution operator, the Distribution companies have an obligation to make any required expansion investments to the grid infrastructure in order to ensure the security of supply to all customers of the respective region. Such expansion investments are mostly a result of new customer or transmission connection requests as well as new street lighting projects initiated by municipalities that also fall under the regulated activities of Distribution companies.

#### Energy Sales Agreements

Distribution and retail companies signed Energy Sales Agreements (“ESA”) with EÜAŞ in order to obtain their energy needs during the year. These energy sales agreements have been established based on regulated prices. During the year, the Group is obliged to purchase the energy quantity stated in these agreements. At the current operating conditions and market structure, the Group’s energy needs are higher than the contracted quantities and the Group makes purchases regularly from EPIAŞ. As a result, the Group management does not expect any liability related to the Energy Sales Agreements arising from not fulfilling the requirements of Energy Sales Agreements.



# ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE PERIOD ENDED 30 SEPTEMBER 2022

(Amounts expressed in thousands of Turkish Lira ("TL"), unless otherwise indicated.  
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### NOTE 13 - SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS

#### 13.1 Share Capital

Shareholders	30 September 2022		31 December 2021	
	Share (%)	TL	Share (%)	TL
Hacı Ömer Sabancı Holding A.Ş.	40	472,427.6	40	472,427.6
DD Turkey Holdings S.A.R.L. (E.ON)	40	472,427.6	40	472,427.6
Other	20	236,213.8	20	236,213.8
	100	1,181,069	100	1,181,069
<u>Adjustment to share capital (*)</u>		1,775,976		1,954,164
Total share capital		<u>2,957,045</u>		<u>3,135,233</u>

(\*) Adjustment to share capital, refers to the amount of registered capital as a capital reserve in the statutory capital after the merger and separation processes according to the legislation (Note 1). This amount is classified as capital adjustment differences to comply with TFRS requirements.

With the decision of the Board of Directors on 20 April 2017, Enerjisa Enerji A.Ş. merged with Enerjisa Elektrik Dağıtım A.Ş. ("EEDAŞ") and the subsidiaries of EEDAŞ together with all their assets and liabilities with the takeover method. In addition, on 25 August 2017, the Group's electricity generation and wholesale business areas were separated and structured under another company. As a result of these transactions, necessary corrections are made in the registered share capital and the statutory capital after merger and split has been reached.

In the statutory financials prepared in accordance with the tax procedure law, the loss for previous years in amount of TL 178,188 has been netted off with adjustments to share capital (31 December 2021: TL 462,248).

As at 30 September 2022, the capital of the Company comprising 118,106,897 thousand (31 December 2021: 118,106,897 thousand) registered ordinary shares of TL 0.01 each (31 December 2021: TL 0.01 each).

#### 13.2 Earnings per share

Earnings per share for each class of share disclosed in the consolidated statements of profit or loss and other comprehensive income is determined by dividing the profit for the period attributable to ordinary equity holders of the parent entity by the weighted average number of shares that have been outstanding during the year.

	1 January - 30 September 2022	1 January - 30 September 2021	1 July - 30 September 2022	1 July - 30 September 2021
Profit for the period	2,376,035	1,504,056	1,200,723	534,406
Weighted average shares	118,106,896,712	118,106,896,712	118,106,896,712	118,106,896,712
Earnings per share (kr)	2.01	1.27	1.02	0.45

## ENERJISA ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE PERIOD ENDED 30 SEPTEMBER 2022

(Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated.  
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#### NOTE 13 - SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS (Continued)

##### 13.3 Restricted Profit Reserves

	30 September 2022	31 December 2021
Restricted Profit Reserves	696,708	394,232
	<u>696,708</u>	<u>394,232</u>

The Company reserves 5% of the historical statutory profit as first legal reserve, until the total reserve reaches 20% of the historical paid in share capital. The other legal reserve is appropriated at the rate of 10% per annum of all cash dividend distributions after the payment of dividends to the shareholders at a rate of 5%. According to Turkish Commercial Law, if they do not exceed the capital or issued capital general legal reserves can be used to offset prior year losses or recapitalize the business in case of distress.

# ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE PERIOD ENDED 30 SEPTEMBER 2022

(Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated.  
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### NOTE 14 - REVENUE

	1 January - 30 September 2022	1 January - 30 September 2021	1 July - 30 September 2022	1 July - 30 September 2021
Revenue from electricity sales and services provided	56,250,961	18,405,262	22,357,214	7,614,073
<i>Retail sales revenue</i>	46,520,835	13,099,258	18,743,421	5,636,863
<i>Regulated revenue</i>	30,584,384	8,289,301	11,267,308	3,470,715
<i>Liberalised revenue</i>	15,936,451	4,809,957	7,476,113	2,166,148
<i>Retail service revenue</i>	840,434	437,807	279,940	156,684
<i>Distribution lighting sales revenue</i>	1,644,364	303,085	673,475	108,467
<i>Distribution service revenue</i>	5,705,355	3,420,580	2,147,652	1,309,855
<i>Transmission revenue</i>	1,539,973	1,144,532	512,726	402,204
Financial income from service concession arrangements (Note 8, 23)	4,014,102	1,837,317	1,896,838	705,463
Other revenue	177,093	117,080	71,106	75,271
	<u>60,442,156</u>	<u>20,359,659</u>	<u>24,325,158</u>	<u>8,394,807</u>

### NOTE 15 - COST OF SALES

	1 January - 30 September 2022	1 January - 30 September 2021	1 July - 30 September 2022	1 July - 30 September 2021
Electricity purchases	(48,251,125)	(13,626,352)	(19,639,698)	(5,883,848)
<i>Retail energy purchases</i>	(45,955,713)	(12,578,416)	(18,581,670)	(5,479,423)
<i>Distribution related energy purchases (*)</i>	(2,295,412)	(1,047,936)	(1,058,028)	(404,425)
System usage fee (**)	(1,539,973)	(1,144,532)	(512,726)	(402,204)
Depreciation and amortization expenses (Note 10, 11)	(4,716)	(3,800)	(1,915)	(1,228)
Other	(28,865)	(51,129)	(10,967)	(28,092)
	<u>(49,824,679)</u>	<u>(14,825,813)</u>	<u>(20,165,306)</u>	<u>(6,315,372)</u>

(\*) Includes theft/loss and lighting related electricity purchases.

(\*\*) Includes system usage costs reflected as transmission revenue.

# ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE PERIOD ENDED 30 SEPTEMBER 2022

(Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated.  
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### NOTE 16 - GENERAL ADMINISTRATIVE EXPENSES

	1 January - 30 September 2022	1 January - 30 September 2021	1 July - 30 September 2022	1 July - 30 September 2021
General administrative expenses (-)	(4,851,554)	(2,236,003)	(1,897,182)	(837,461)
	<u>(4,851,554)</u>	<u>(2,236,003)</u>	<u>(1,897,182)</u>	<u>(837,461)</u>

Details of general administrative expenses are as follows:

	1 January - 30 September 2022	1 January - 30 September 2021	1 July - 30 September 2022	1 July - 30 September 2021
Payroll and employee benefit expenses	(2,293,597)	(1,100,056)	(853,283)	(395,849)
Repair and maintenance expenses	(440,605)	(92,077)	(247,501)	(57,135)
Depreciation and amortization expenses (Note 9, 10, 11)	(398,909)	(338,020)	(138,755)	(121,815)
Material expenses	(354,117)	(98,005)	(127,314)	(43,392)
Fleet management expenses	(333,733)	(117,392)	(133,042)	(47,534)
Duties, taxes and levies	(153,716)	(52,044)	(65,803)	(14,717)
Legal and lawsuit provision expenses	(152,424)	(73,394)	(63,258)	(21,265)
Rent expenses	(103,833)	(49,879)	(39,674)	(24,464)
Outsourcing expenses	(92,287)	(58,969)	(35,748)	(20,213)
Consulting expenses	(70,507)	(20,486)	(30,259)	(6,078)
Insurance expenses	(54,304)	(33,819)	(22,641)	(11,720)
Travel expenses	(28,573)	(7,765)	(11,470)	(3,110)
Other expenses	(374,949)	(194,097)	(128,434)	(70,169)
	<u>(4,851,554)</u>	<u>(2,236,003)</u>	<u>(1,897,182)</u>	<u>(837,461)</u>

# ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

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### NOTE 17 - OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES

#### 17.1 Other Income From Operating Activities

	1 January - 30 September 2022	1 January - 30 September 2021	1 July - 30 September 2022	1 July - 30 September 2021
Income from operational hedge transactions - net	1,961,979	-	807,975	(4,556)
Late payment interest income from electricity receivables	274,617	155,053	124,083	56,695
Power theft penalties	234,485	97,993	96,303	40,913
Rent and advertisement income	8,430	2,891	3,860	363
Cancellation of impairment provision on financial assets (Note 8) (*)	1,393	-	955	-
Lawsuit income	662	45,152	358	10,959
Interest income related to revenue cap regulation - net (Note 23)	-	37,035	-	12,345
Other income	33,839	30,859	15,613	24,281
	<u>2,515,405</u>	<u>368,983</u>	<u>1,049,147</u>	<u>141,000</u>

#### 17.2 Other Expenses From Operating Activities

	1 January - 30 September 2022	1 January - 30 September 2021	1 July - 30 September 2022	1 July - 30 September 2021
Valuation differences arising				
from deposits and guarantees (Note 23)	(1,389,388)	(221,710)	(315,440)	(79,571)
Provision for doubtful receivables - net (Note 6)	(632,865)	(281,919)	(240,214)	(117,771)
Late payment interest expense	(448,480)	-	(350,078)	-
Foreign exchange losses from operating activities - net	(250,484)	(44,625)	(88,491)	(4,581)
Interest losses related to revenue cap regulation- net (Note 23)	(40,147)	-	(6,092)	-
Penalty expenses	(18,544)	(1,619)	(9,051)	(959)
Customer penalty expenses	(15,658)	(18,956)	(1,882)	(14,720)
Impairment provision on financial assets (Note 8) (*)	-	(2,020)	-	636
Expense from operational hedge transactions - net	-	(25,777)	-	(25,777)
Other expenses	(129,968)	(52,476)	(67,378)	(33,250)
	<u>(2,925,534)</u>	<u>(649,102)</u>	<u>(1,078,626)</u>	<u>(275,993)</u>

(\*) As of 30 September 2022, the Group has been recorded reversal of impairment provision of TL 1,393 for its financial assets, which had been recorded as at 31 December 2021 in the amount of TL (3,096) in accordance with the amendments in TFRS 9 Financial Instruments Standard (30 September 2021: (2,020) TL additional provision).

## ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

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#### NOTE 18 - FINANCE INCOME AND EXPENSES

##### 18.1 Finance Income

	1 January - 30 September 2022	1 January - 30 September 2021	1 July - 30 September 2022	1 July - 30 September 2021
Interest income	969,868	90,514	464,852	7,139
	<u>969,868</u>	<u>90,514</u>	<u>464,852</u>	<u>7,139</u>

##### 18.2 Finance Expenses

	1 January - 30 September 2022	1 January - 30 September 2021	1 July - 30 September 2022	1 July - 30 September 2021
Interest expenses of borrowings	(2,819,748)	(1,014,188)	(1,038,205)	(354,824)
Foreign exchange gains / (losses) - net	(159,411)	(56,967)	(38,134)	(24,776)
Bank commission expenses	(82,033)	(22,095)	(21,458)	(6,114)
	<u>(3,061,192)</u>	<u>(1,093,250)</u>	<u>(1,097,797)</u>	<u>(385,714)</u>

## ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

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#### NOTE 19 - TAX ASSETS AND LIABILITIES

	30 September 2022	31 December 2021		
Current assets related with current taxes				
Prepaid taxes and funds	-	187,648		
	-	187,648		
	1 January - 30 September 2022	1 January - 30 September 2021	1 July - 30 September 2022	1 July - 30 September 2021
Tax expense recognized in profit or loss				
Current tax expense	(933,155)	(1,004,187)	(286,307)	(320,188)
Deferred tax income relating to the origination and reversal of temporary differences, net	44,720	493,255	(113,216)	126,188
Total tax expense	(888,435)	(510,932)	(399,523)	(194,000)

#### Corporate tax

The Group is subject to Turkish corporate taxes. A provision is made in the accompanying interim condensed financial information for the estimated charge based on the Group’s results for the period.

Corporate tax is applied on taxable corporate income, which is calculated from the statutory accounting profit by adding back non-deductible expenses, and by deducting the tax-exempt earnings, other exempt income and other deductions (losses of previous periods, investment incentives utilized).

Valid rate of corporate tax in 2022 is 23% (31 December 2021: 25%).

In Turkey, advance tax returns are filed on a quarterly basis. The advance corporate income tax rate is 20%. In accordance with Provisional Article 13 added to the Corporate Tax Law No. 5520, 25% corporate tax rate will be applied to the profits related to their 2021 tax periods and as 23% corporate tax rate to the profits related to their 2022 tax periods. The amendment will be valid for the taxable corporate income starting from 1 January 2021, beginning with the advance Corporate Tax Declarations which must be declared as of 1 July 2021. The companies apply 23% tax rate over their quarterly profits (20% for the year 2023 and onwards) when calculating their temporary tax payables; which they are obliged to declare via Advance Corporate Tax Declaration by the end of the 14th, and pay by the end of the 17th of the 2 month following the related period. Quarterly Advance Corporate Tax payments made within a year are deducted from the Corporate Income Tax calculated for the same fiscal year. Following the netting-off, if there is still remaining Advance Corporate Tax balance, it can be deducted from any other financial debt owed to the State or can be received in the form of a cash refund.

With the “Law Amending the Tax Procedure Law and the Corporate Tax Law”, which was accepted on the agenda of the Turkish Grand National Assembly on 20 January 2022, the application of inflation accounting was postponed starting from the balance sheet dated on 31 December 2023.

Losses are allowed to be carried 5 years maximum to be deducted from the taxable profit of the following years. Tax carry back is not allowed.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns between 1-25 April following the close of the accounting year to which they relate. Tax authorities may, however, examine such returns and the underlying accounting records and may revise assessments within five years.

# ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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### NOTE 19 - TAX ASSETS AND LIABILITIES (Continued)

#### Income withholding tax

In addition to corporate taxes, companies should also calculate income withholding taxes and funds surcharge on any dividends distributed, except for companies receiving dividends who are Turkish residents and Turkish branches of foreign companies. Income withholding tax applied is 10% (31 December 2021: 10%). Undistributed dividends incorporated in share capital are not subject to income withholding tax.

#### Deferred tax

The Group recognizes deferred tax assets and liabilities on the temporary timing differences between the legal books and the financial statements prepared in accordance with TFRS. Such differences generally arise from timing differences of some revenue and expense balances in legal books and financial statements prepared in accordance with TFRS and are explained below.

In accordance with Provisional Article 13 added to the Corporate Tax Law No. 5520, 25% corporate tax rate is determined for the profits related to their 2021 tax periods and as 23% corporate tax rate is determined for the profits related to their 2022 tax periods. Therefore, for deferred tax calculation as of 30 September 2022, 23% tax rate is used for the temporary differences expected/expected to be incurred in 2022 and 20% tax rate is used for the current differences expected/expected to be incurred in 2023 and onwards.

	30 September 2022	31 December 2021
<u>Deferred tax (assets) / liabilities</u>		
Differences arising from customer contracts and transfer of operational rights	785,250	816,969
Carrying amount differences of property, plant and equipment, intangible assets and concession arrangement difference	333,784	428,839
Carrying amount differences of right of use assets and lease liabilities	(20,609)	(12,661)
Provision for employment termination benefits	(7,670)	(4,649)
Provision for doubtful receivables	(36,586)	(29,760)
Provision for lawsuits	(67,332)	(59,538)
Provision for unused vacation	(30,590)	(15,484)
Effect of revenue cap adjustments	49,856	(239,751)
Late payment penalties	18,808	8,364
Carry forward tax losses	(851,464)	(403,375)
Income accruals	1,086,176	509,052
Derivative financial instruments	190,652	334,178
Other	(397,719)	(146,177)
	<u>1,052,556</u>	<u>1,186,007</u>



## ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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#### NOTE 19 - TAX ASSETS AND LIABILITIES (Continued)

##### Deferred tax (Continued)

	30 September 2022	31 December 2021
Deferred tax (asset)	(510,554)	(318,901)
Deferred tax liability	1,563,110	1,504,908
Deferred tax (asset) / liability, net	<u>1,052,556</u>	<u>1,186,007</u>

Movement of deferred tax (assets)/liabilities is as follows:

	1 January - 30 September 2022	1 January - 30 September 2021
Opening balance	1,186,007	1,004,953
Charged to statement of profit or loss	(44,720)	(493,255)
Charged to other comprehensive income / expense	(88,731)	36,665
Closing balance	<u>1,052,556</u>	<u>548,363</u>

Deferred tax assets may only be recognized to the extent it is probable that sufficient taxable profit will be available in the future. In case of a probable tax advantage, deferred income tax asset is calculated for unused carry forward tax losses and unused investment incentive.

## ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

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#### NOTE 19 - TAX ASSETS AND LIABILITIES (Continued)

##### Deferred tax (Continued)

At 30 September 2022, the Group recognized deferred tax assets amounting to TL 851,464 for unused carry forward tax losses amounting to TL 3,959,543 since it was considered as probable that there would be sufficient taxable income in the subsequent periods to utilise such assets based on the forecasts made (31 December 2021: TL 403,375 and TL 2,016,874 respectively).

The expiration dates of previous years’ losses on which deferred tax asset was recognized are as follows:

	30 September 2022	31 December 2021
Expiring in 2022	241	255
Expiring in 2023	184,835	184,835
Expiring in 2024	357,203	356,841
Expiring in 2025	513,565	513,306
Expiring in 2026	958,617	961,637
Expiring in 2027	1,945,082	-
	<u>3,959,543</u>	<u>2,016,874</u>

The expiration dates of previous years’ losses on which deferred tax asset was not recognized are as follows:

	30 September 2022	31 December 2021
Expiring in 2023	381,702	381,702
Expiring in 2024	186,989	186,989
	<u>568,691</u>	<u>568,691</u>

## ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

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#### NOTE 20 - FINANCIAL INSTRUMENTS

##### 20.1 Financial Liabilities

	30 September 2022	31 December 2021
Short-term borrowings	8,528,265	1,040,267
Short-term portion of long term lease liabilities	150,440	114,711
Short-term portion of long term bonds issued	922,727	677,098
Short-term portion of long-term borrowings	2,444,426	4,503,061
	<u>12,045,858</u>	<u>6,335,137</u>
Long-term borrowings	3,344,552	2,721,771
Long-term lease liabilities	223,616	173,609
Long-term bonds issued	800,000	1,485,703
	<u>4,368,168</u>	<u>4,381,083</u>
Total financial liabilities	<u><u>16,414,026</u></u>	<u><u>10,716,220</u></u>

The borrowings and bonds issued are repayable as follows:

	30 September 2022	31 December 2021
To be paid within 1 year	11,895,418	6,220,426
To be paid between 1-2 years	2,901,035	3,745,104
To be paid between 2-3 years	440,242	371,526
To be paid between 3-4 years	229,507	90,844
To be paid between 4-5 years	229,507	-
To be paid between 5+ years	344,261	-
	<u><u>16,039,970</u></u>	<u><u>10,427,900</u></u>

As of 30 September 2022 and 31 December 2021, the Group has not given any collateral for the loans obtained.

## ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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#### NOTE 20 - FINANCIAL INSTRUMENTS (Continued)

##### 20.1 Financial Liabilities (Continued)

As of 30 September 2022 and 31 December 2021, details of short and long term financial borrowings in terms of interest and currencies are as follows:

Currency	Weighted average effective interest rate	30 September 2022	
		Current	Non-current
TL		10,972,691	3,344,552
<i>Overnight</i>	27.83%	268,000	-
<i>Fixed rate</i>	22.10%	9,383,545	-
<i>TLREF indexed</i>	TLREF + 1.55%-23.00%	1,321,146	3,344,552
		<u>10,972,691</u>	<u>3,344,552</u>
Currency	Weighted average effective interest rate	31 December 2021	
		Current	Non-current
TL		5,329,731	2,721,771
<i>Overnight</i>	27.39%	682,574	-
<i>Fixed rate</i>	9.50%	4,184,548	1,307,094
<i>TLREF indexed</i>	TLREF + 1.55%-2.40%	462,609	1,414,677
EUR (*)	2.10%	213,597	-
		<u>5,543,328</u>	<u>2,721,771</u>

(\*) Foreign currency risk associated with the EUR denominated borrowing of the Group are fully hedged through foreign currency swap instrument.

As of 30 September 2022 and 31 December 2021, details of bonds issued are as follows:

Currency	Weighted average effective interest rate (*)	30 September 2022	
		Current	Non-current
TL		922,727	800,000
<i>CPI indexed</i>	CPI + 5.0%	489,580	-
<i>TLREF indexed</i>	TLREF + 1.40%	433,147	800,000
		<u>922,727</u>	<u>800,000</u>
Currency	Weighted average effective interest rate (*)	31 December 2021	
		Current	Non-current
TL		677,098	1,485,703
<i>CPI indexed</i>	CPI + 4.8%-5.0%	647,044	285,703
<i>TLREF indexed</i>	TLREF + 1.40%	30,054	1,200,000
		<u>677,098</u>	<u>1,485,703</u>

(\*) As of 30 September 2022, the interests are variable indexed to TLREF and CPI; and the annual real coupon rates are 1.40% for TLREF-indexed bond and 5.00% for CPI-indexed bonds (31 December 2021: TLREF: 1.40%, CPI: 4.80% to 5.00%).

## ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

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#### NOTE 20 - FINANCIAL INSTRUMENTS (Continued)

##### 20.1 Financial Liabilities (Continued)

As of 30 September 2022, the principal valuation of bonds is TL 327,445 (31 December 2021: TL 418,430).

As of 30 September 2022 and 31 December 2021, details of lease liabilities are as follows:

	30 September 2022	31 December 2021
<u>Short-term portion of long term lease liabilities</u>		
Buildings	34,673	26,061
Vehicles	115,767	88,650
	<u>150,440</u>	<u>114,711</u>
	30 September 2022	31 December 2021
<u>Long-term lease liabilities</u>		
Buildings	63,839	43,416
Vehicles	159,777	130,193
	<u>223,616</u>	<u>173,609</u>

The lease liabilities are repayable as follows:

	30 September 2022	31 December 2021
To be paid within 1 year	150,440	114,711
To be paid between 1-2 years	138,142	103,789
To be paid between 2-3 years	65,481	62,328
To be paid between 3-4 years	7,891	6,970
To be paid between 4-5 years	7,618	429
To be paid after 5 years and over	4,484	93
	<u>374,056</u>	<u>288,320</u>

## ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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#### NOTE 20 - FINANCIAL INSTRUMENTS (Continued)

##### 20.2 Other Financial Liabilities

	30 September 2022	31 December 2021
Other current financial liabilities	74,255	118,387
Other non-current financial liabilities	488,503	457,604
	<u>562,758</u>	<u>575,991</u>

The other financial liabilities are repayable as follows:

	30 September 2022	31 December 2021
To be paid within 1 year	74,255	118,387
To be paid between 1-2 years	75,713	63,405
To be paid between 2-3 years	73,819	60,058
To be paid between 3-4 years	84,560	68,799
To be paid between 4-5 years	85,111	71,807
To be paid after 5 years and over	169,300	193,535
	<u>562,758</u>	<u>575,991</u>

As of 30 September 2022 and 31 December 2021, details of short and long term other financial liabilities in terms of currencies are as follows:

Currency	Weighted average effective interest rate	30 September 2022	
		Current	Non-current
EUR	4.70%	74,255	488,503
		<u>74,255</u>	<u>488,503</u>
Currency	Weighted average effective interest rate	31 December 2021	
		Current	Non-current
EUR	4.70%	118,387	457,604
		<u>118,387</u>	<u>457,604</u>

After the acquisition of distribution regions, payment obligations of TEDAŞ denominated in EUR, which are in scope of loan agreements with European Investment Bank and World Bank have been transferred to the Group. Other financial liabilities are composed of EUR payment obligations of distribution companies to TEDAŞ in this scope.

## ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

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#### NOTE 21 - DERIVATIVE INSTRUMENTS

The Group utilizes forward exchange contracts in order to mitigate foreign exchange rate risk arising from FIT cost, electricity purchases, unit price investments and foreign currency denominated other financial liabilities. Furthermore, in order to mitigate the foreign exchange risk arising from foreign currency denominated bank loan, the Group entered foreign currency swap transaction. The details and fair values of the agreements as of 30 September 2022 and 31 December 2021 are as follows:

	30 September 2022				
	Contract Amount (USD)	Contract Amount (EUR)	Contract Amount (TL)	Assets	Liabilities
Forward exchanges	<u>261,076</u>	<u>40,534</u>	<u>5,570,055</u>	<u>966,059</u>	<u>(55,178)</u>
	<u>261,076</u>	<u>40,534</u>	<u>5,570,055</u>	<u>966,059</u>	<u>(55,178)</u>

  

	31 December 2021				
	Contract Amount (USD)	Contract Amount (EUR)	Contract Amount (TL)	Assets	Liabilities
Forward exchanges	<u>389,557</u>	<u>36,808</u>	<u>5,747,717</u>	<u>1,543,676</u>	<u>(46,136)</u>
Foreign exchange swap	<u>-</u>	<u>14,300</u>	<u>215,741</u>	<u>66,840</u>	<u>-</u>
	<u>389,557</u>	<u>51,108</u>	<u>5,963,458</u>	<u>1,610,516</u>	<u>(46,136)</u>

# ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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

### NOTE 22 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

#### 22.1 Financial risk factors

The Group’s activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group’s overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group’s financial performance.

Risk management is carried out by the finance department. The finance department identifies and evaluates financial risks in close co-operation with the Group’s operating units.

##### *22.1.1 Foreign currency risk management*

The Group undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed by adjusting the unit price / tariff of the energy sold.

The carrying amount of the Group’s foreign currency denominated monetary assets and monetary liabilities at the reporting date is disclosed below.

	30 September 2022		
	Total	USD	EUR
	TL equivalent	TL equivalent	TL equivalent
Cash and cash equivalents	812,706	784,082	28,624
Trade receivables	9,930	6,574	3,356
<b>Total assets</b>	<b>822,636</b>	<b>790,656</b>	<b>31,980</b>
Other financial liabilities	(562,758)	-	(562,758)
Trade payables	(1,210,227)	(1,132,123)	(78,104)
Other payables	(36)	-	(36)
<b>Total liabilities</b>	<b>(1,773,021)</b>	<b>(1,132,123)</b>	<b>(640,898)</b>
Net foreign currency asset position of off-balance sheet derivative	1,132,389	450,634	681,755
<b>Net foreign currency asset position</b>	<b>182,004</b>	<b>109,167</b>	<b>72,837</b>
Cash flow hedging (*)	4,437,666	4,384,154	53,512
<b>Net foreign currency position after cash flow hedging</b>	<b>4,619,670</b>	<b>4,493,321</b>	<b>126,349</b>

(\*) Cash flow hedging includes forward exchange contracts in order to mitigate foreign exchange rate risk arising from FIT cost, unit price investments and USD denominated energy purchases which are highly probable in the future. Since it will arise with the realization of highly probable FIT cost, unit price investments and USD denominated energy purchases in the future, relevant trade payables amounts are not included in this table. The total of those forward exchange contracts amounting to TL 4,437,666 is included at cash flow hedging in the foreign currency position table.



## ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE PERIOD ENDED 30 SEPTEMBER 2022

(Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated.  
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#### NOTE 22 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

##### 22.1 Financial risk factors (Continued)

##### 22.1.1 Foreign currency risk management (Continued)

	31 December 2021		
	Total	USD	EUR
	TL equivalent	TL equivalent	TL equivalent
Cash and cash equivalents	212,389	174,250	38,139
Trade receivables	10,367	5,238	5,129
<b>Total assets</b>	<b>222,756</b>	<b>179,488</b>	<b>43,268</b>
Financial liabilities (*)	(213,597)	-	(213,597)
Other financial liabilities	(575,991)	-	(575,991)
Trade payables	(675,513)	(571,348)	(104,165)
<b>Total liabilities</b>	<b>(1,465,101)</b>	<b>(571,348)</b>	<b>(893,753)</b>
Net foreign currency asset position of off-balance sheet derivative	1,184,172	413,119	771,053
<b>Net foreign currency (liability) position</b>	<b>(58,173)</b>	<b>21,259</b>	<b>(79,432)</b>
Cash flow hedging (**)	4,779,286	4,779,286	-
<b>Net foreign currency position after cash flow hedging</b>	<b>4,721,113</b>	<b>4,800,545</b>	<b>(79,432)</b>

(\*) The Group has invested on EUR government bond with the same maturity of EUR bank loan borrowed on the same date. There is no foreign currency risk related to this transaction.

(\*\*) Cash flow hedging includes forward exchange contracts in order to mitigate foreign exchange rate risk arising from FIT cost and USD denominated energy purchases which are highly probable in the future. Since it will arise with the realization of highly probable FIT cost and USD denominated energy purchases in the future, relevant trade payables amounts are not included in this table. The total of those forward exchange contracts amounting to TL 4,779,286 is included at cash flow hedging in the foreign currency position table.

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the USD and EUR.

The following table details the Group’s sensitivity to a 10% increase and decrease in the TL against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management’s assessment of the possible change in foreign currency rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number indicates an increase in profit or loss before taxation on income where the TL strengthens against the relevant currency.

# ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE PERIOD ENDED 30 SEPTEMBER 2022

(Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated.  
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### NOTE 22 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

#### 22.1 Financial risk factors (Continued)

##### 22.1.1 Foreign currency risk management (Continued)

	1 January - 30 September 2022			
	Profit / Loss		Other Comprehensive Income and Expense	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
Change in USD against TL by 10%				
USD net assets / liabilities	(34,147)	34,147	-	-
Hedged items (-)	45,063	(45,063)	438,415	(438,415)
<b>USD net effect</b>	<b>10,916</b>	<b>(10,916)</b>	<b>438,415</b>	<b>(438,415)</b>
Change in EUR against TL by 10%				
EUR net assets / liabilities	(60,892)	60,892	-	-
Hedged items (-)	68,176	(68,176)	5,351	(5,351)
<b>EUR net effect</b>	<b>7,284</b>	<b>(7,284)</b>	<b>5,351</b>	<b>(5,351)</b>

	1 January - 30 September 2021			
	Profit / Loss		Other Comprehensive Income and Expense	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
Change in USD against TL by 10%				
USD net assets / liabilities	(38,440)	38,440	-	-
Hedged items (-)	13,267	(13,267)	273,341	(273,341)
<b>USD net effect</b>	<b>(25,173)</b>	<b>25,173</b>	<b>273,341</b>	<b>(273,341)</b>
Change in EUR against TL by 10%				
EUR net assets / liabilities	(49,688)	49,688	-	-
Hedged items (-)	58,812	(58,812)	4,354	(4,354)
<b>EUR net effect</b>	<b>9,124</b>	<b>(9,124)</b>	<b>4,354</b>	<b>(4,354)</b>

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION  
FOR THE PERIOD ENDED 30 SEPTEMBER 2022**

(Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated.  
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**NOTE 22 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)**

**22.1 Financial risk factors (Continued)**

*22.1.2 Interest rate risk management*

As of 30 September 2022 and 31 December 2021, the Group has no floating interest rate risk although the Group has CPI indexed bond obligation since the revenues under the concession agreement are also indexed to CPI.

As of 30 September 2022, the Group has TLREF indexed loans and bond with floating interest rate risk. Interest rate risk arising from those loans are managed through perpetually monitoring and analyzing market interest rates and carrying out sensitivity analysis for interest rate changes in order to monitor possible cost changes within the scope of risk management activities.

*Fair value of financial instruments*

The fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models.

*Categories of financial instruments and fair values*

Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best evidenced by a quoted market price, if one exists.

The carrying amounts of foreign currency denominated monetary assets which are translated at year end exchange rates are considered to approximate their fair values.

The carrying values of cash and cash equivalents are estimated to be at their fair values since they have short term maturities and have little impairment risk.

The carrying value of trade receivables and other receivables which are both discounted and provided provision for doubtful receivables are estimated to be at their fair values.

The amortized cost of financial liabilities with fixed interest rate are considered to approximate their carrying values. The fair value of financial liabilities with variable interest rates are considered to be equivalent to the carrying amount due to the expectation that the floating interest rate will change accordingly with the market interest rates.

Discounted values of trade payables and other payables are assumed to approximate their respective carrying values.

In the interim condensed consolidated financial information, derivative instruments are the only item that is recognized at fair value. The fair value of derivate instrument is determined by using valuation technique, which can be regarded as Level 2.

## ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE PERIOD ENDED 30 SEPTEMBER 2022

(Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated.  
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#### NOTE 22 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

##### 22.1 Financial risk factors (Continued)

###### *22.1.2 Interest rate risk management (Continued)*

###### Assets and liabilities subject to valuation and fair value of financial instruments

Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best evidenced by a quoted market price, if one exists.

The classification of the Group’s financial assets and liabilities at fair value is as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

In the consolidated balance sheet, derivative financial instrument is recognized at fair value. The fair value of derivative financial instrument is determined by using valuation technique, which can be regarded as Level 2.

The following table gives information about how the fair values of financial instruments subject to valuation are determined.

Financial assets / (Financial liabilities)	Fair value / revalued amount		Fair value hierarchy	Valuation technique and key input	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
	30 September 2022	31 December 2021				
Derivative financial instruments	910,881	1,564,380	Level 2	Market Value	-	-

## ENERJISA ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE PERIOD ENDED 30 SEPTEMBER 2022

(Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated.  
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#### NOTE 23 - EXPLANATORY NOTES TO THE STATEMENT OF CASH FLOWS

	30 September 2022	31 December 2021
Cash at banks	1,709,335	411,992
<i>Demand deposits</i>	597,426	193,317
<i>Time deposits</i>	1,111,909	218,675
	<u>1,709,335</u>	<u>411,992</u>

As at 30 September 2022, TL 390,100 of the Group’s demand deposits are blocked at different banks (31 December 2021: TL 122,917). These blocked deposits are related to the collections made through bank branches which are made available for use by banks 1 or 2 days after the collection depending on the agreements with related banks.

As at 30 September 2022 time deposits consist of short term TL 471,162 and USD 34,600 balances (31 December 2021: TL 69,390 and USD 11,200) with maturities between 1 - 92 days (31 December 2021: 3 - 5 days). The weighted average effective interest rates of TL and USD time deposits are 17.14% and 3.00% respectively as at 30 September 2022 (31 December 2021: weighted average effective interest rate 20.94% and 0.60% respectively).

Details of “Other adjustments to reconcile profit / (loss)” that presented on cash flow statement as follows:

	1 January - 30 September 2022	1 January - 30 September 2021
Adjustments related to interest (income) / expense based on revenue cap regulation (Note 17)	40,147	(37,035)
Adjustments related to financial income from service concession arrangements (Note 8, 14)	(4,014,102)	(1,837,317)
Adjustments related to revaluation differences arising from deposits (Note 17)	1,389,388	221,710
	<u>(2,584,567)</u>	<u>(1,652,642)</u>

Details of “Other cash in-flows generated from operating activities” that presented on cash flow statement as follows:

	1 January - 30 September 2022	1 January - 30 September 2021
Net collections from financial assets related to service concession arrangements	6,299,433	3,295,486
<i>Capital expenditures reimbursements (Note 8)</i>	3,497,380	1,914,982
<i>WACC reimbursements (Note 8)</i>	2,802,053	1,380,504
Collections from doubtful trade receivable (Note 6)	141,973	109,214
	<u>6,441,406</u>	<u>3,404,700</u>

## ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE PERIOD ENDED 30 SEPTEMBER 2022

(Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated.  
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#### NOTE 23 - EXPLANATORY NOTES TO THE STATEMENT OF CASH FLOWS (Continued)

Details of “Other cash-out flows from investing activities” that presented on cash flow statement as follows:

	1 January - 30 September 2022	1 January - 30 September 2021
Capital expenditures related to service concession arrangements	(3,324,166)	(2,169,229)
	<u>(3,324,166)</u>	<u>(2,169,229)</u>

#### NOTE 24 - EVENTS AFTER THE REPORTING DATE

On 21 October 2022, the Company has made bond issuances disclosed below.

- The Company has made a green bond issuance on 21 October 2022, amounting to TL 1,500,000,000 (full digit), with 728 days term, 3 months coupon payments, floating interest with 1,600 bps additional return over BIST TLREF reference index change, with early redemption option on each coupon date starting from the 4th coupon date, maturity date of 18 October 2024, and with TRSENSAE2411 ISIN code.
- The Company has made a green bond issuance on 21 October 2022, amounting to TL 900,000,000 (full digit), with 368 days term, fixed interest with 32% rate, redemption date of 24 October 2023, and with TRSENSAE2320 ISIN code.
- The Company has made a green bond issuance on 21 October 2022, amounting to TL 600,000,000 (full digit), with 728 days term, 3 months coupon payments, floating interest with 1,600 bps additional return over BIST TLREF reference index change, maturity date of 18 October 2024, and with TRSENSAE2429 ISIN code.

On 31 October 2022, BAŞKENT EDAŞ, AYEDAŞ and TOROSLAR EDAŞ have made an application for revaluation of its tangible (and intangible) fixed assets in its financial statements prepared in accordance with the Tax Procedure Law (“TPL”), within the scope of Article 11 of the Law No. 7326 on Restructuring of Certain Receivables and Amending Certain Laws published in the Official Gazette dated on 9 June 2021 and numbered 31506; and with the paragraph added to Article 31 of TPL "Procedures and Principles Regarding the Revaluation of Immovables and Depreciable Economic Assets”.

Within the scope of the aforementioned law, it is expected that Group recognizes deferred tax assets in the its statement of financial position and deferred tax income in the statement of profit or loss based on the revaluation increases for its tangible (and intangible) assets in the financial statements of the Group prepared in accordance with the TPL.

As of the reporting date, the Group is in the process of assessing the impacts on its financial position and performance.