



**ENERJİSA**  
Türkiye'nin Enerjisi  
Energy of Turkey

# **ENERJİSA ENERJİ ANONİM ŞİRKETİ**

**ACTIVITY REPORT  
FOR THE PERIOD OF  
01.01.2023 – 30.06.2023**



**CONVENIENCE TRANSLATION INTO ENGLISH OF  
INDEPENDENT AUDITOR'S REVIEW REPORT ON SEMI-ANNUAL REPORT  
ORIGINALLY ISSUED IN TURKISH**

To the General Assembly of Enerjisa Enerji A.Ş.

We have been assigned to the review whether the financial information in the review report of Enerjisa Enerji A.Ş. (the "Company") and its subsidiaries (collectively referred as the "Group") prepared as at 30 June 2023 is consistent with the reviewed interim condensed consolidated financial information. Management is responsible for the preparation of the semi-annual report. Our responsibility is to express a conclusion on whether the financial information provided in the semi-annual report is consistent with the reviewed interim condensed consolidated financial information on which we have expressed our conclusion dated 30 June 2023.

We conducted our review in accordance with the Standard on Review Engagements ("SRE") 2410 "Review on Interim Financial Information Performed by the Independent Auditor of the Entity". Our review includes the assessment as to whether the financial information included in the semi-annual report is consistent with the reviewed interim condensed consolidated financial statements and other explanatory notes. A review is substantially less in scope than an audit conducted in accordance with Independent Auditing Standards, the objective of which is to express an opinion on the financial statements. Consequently, a review on the semi-annual financial information does not provide assurance that the audit firm will be aware of all significant matters which would have been identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to conclude that the accompanying financial information included in the review report is not consistent, in all material respects, with the interim financial information and the information presented in the explanatory notes to interim condensed consolidated financial statements.

PwC Bağımsız Denetim ve  
Serbest Muhasebeci Mali Müşavirlik A.Ş.

Çağlar Sürücü, SMMM  
Partner

Istanbul, 7 August 2023

## 1- GENERAL INFORMATION

- a) Accounting period that the report relates to : 01.01.2023 – 30.06.2023
- b) Trade-name of the Company : ENERJİSA ENERJİ ANONİM ŞİRKETİ
- Trade registration number : 800865
- Head office contact details and website address : Barbaros Mah. Begonya Sok. Nida Kule  
Ataşehir Batı Sitesi No: 1 / 1  
Ataşehir-İSTANBUL  
Phone : 0216 579 05 79  
Fax : 0216 579 05 30  
e-mail : enerjisa-info@enerjisa.com  
website : [www.enerjisa.com.tr](http://www.enerjisa.com.tr)

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

#### Shareholding Structure of the Company:

Shareholder Name	Share / Voting Right			
	30.06.2022		30.06.2023	
	(TL)	(%)	(TL)	(%)
Hacı Ömer Sabancı Holding A.Ş.	472,427,587.56	40.0	472,427,587.56	40.0
DD Turkey Holdings S.A.R.L.	472,427,587.56	40.0	472,427,587.56	40.0
Other (Public)	236,213,792.00	20.0	236,213,792.00	20.0
<b>TOTAL</b>	<b>1,181,068,967.12</b>	<b>100.0</b>	<b>1,181,068,967.12</b>	<b>100.0</b>

<sup>(1)</sup> As of 27 April 2023, Enerjisa Enerji shares, which were previously held by DD Turkey, are transferred to E.ON International Participations N.V, another E.ON group company,

#### Changes that occurred in the Company capital during the Period:

None

d) Remarks on privileged shares and voting rights of such shares, if any: Not available.

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

#### Members of the Board of Directors:

The members of the Company's Board of Directors (also including independent board members) are as follows:

Member of Board of Directors	Duty	Date of Appointment	End of Duty
Kıvanç Zaimler	Chairman	30.03.2021	30.03.2024
Johan Magnus Moernstam	Vice Chairman	30.03.2021	30.03.2024
Nusret Orhun Köstem	Member	01.04.2022	30.03.2024
Thorsten Lott	Member	01.01.2022	30.03.2024
Yeşim Özlale Önen	Member	15.03.2023	30.03.2024
Guntram Würzberg	Member	01.04.2022	30.03.2024
Fatma Dilek Yardım	Independent Member	30.03.2021	30.03.2024
Kamuran Uçar	Independent Member	01.04.2022	30.03.2024

At the 2022 Ordinary General Assembly meeting held on March 29, 2023; it was decided by majority of the votes to approve the appointment of Nusret Orhun Köstem in lieu of Cenk Alper, the appointment of Guntram Würzberg, in lieu of Eva-Maria Verena Volpert, the appointment of Kamuran Uçar in lieu of Mehmet Sami and the appointment of Yeşim Özlale Önen in lieu of Hakan Timur, to serve until 30 March 2024, who resigned from the Board of Directors.

As of 30 June 2023, the organization of senior management is as below:

- Murat Pınar, CEO
- Dr. Philipp Ralph Ulbrich, CFO

Note: Dr. Philipp Ulbrich has been appointed as Chief Financial Officer (CFO) of Enerjisa Enerji, effective from 1st of June, 2023.

The Group has 11,607 employees as of 30.06.2023.

#### **f) Rights and benefits granted to employees:**

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

<https://www.enerjisainvestorrelations.com/medium/ReportAndPresentation/File/402/humanresourcespolicy.pdf>

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

The Chairman and the members of the Board of Directors may not execute any transaction with the Company on their own behalf or for or on account of others, personally or indirectly, without the prior permission of the General Assembly. During the period of 01.01.2023 – 30.06.2023, the members of the Board of Directors neither executed any transaction with the Company, nor have been involved in any attempts that can compete with the Company in its fields of operation.

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

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

	<u>1 January - 30 June 2023</u>	<u>1 January - 30 June 2022</u>
Short-term employee benefits	90,258	36,435
Long-term employee benefits	3,063	805
	<u>93,321</u>	<u>37,240</u>

## **3- RESEARCH AND DEVELOPMENT ACTIVITIES**

During the period of 01.01.2023- 30.06.2023, TL 8,901,675.82 was spent on the projects supported by EU Framework Programs, TÜBİTAK and EMRA R&D funds.

#### **4- COMPANY'S OPERATIONS AND RELATED MAJOR DEVELOPMENTS**

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

##### **Kahramanmaraş Earthquake**

Due to the adverse events caused by the earthquakes that took place in Kahramanmaraş on 6 February 2023, affecting many of the provinces and affecting the whole country, in accordance with the Official Gazette No. 32098 dated Wednesday, 8 February 2023, a state of emergency has been declared for three months in the provinces of Adana, Adıyaman, Diyarbakır, Gaziantep, Hatay, Kahramanmaraş, Kilis, Malatya, Osmaniye and Şanlıurfa. 5 cities of the Toroslar region, in which Group operates, are also affected from the recent earthquakes occurred on February 6th. Enerjisa Enerji's business operations and assets are supported by the regulation and insurance mechanisms. The developments regarding the natural disaster in question are being closely monitored. Enerjisa Enerji has prepared its financial statements in accordance with the going concern assumption. There is no material uncertainty regarding events or conditions that could seriously affect Enerjisa Enerji's ability to continue its operations.

##### **Bond Issuance**

Enerjisa Enerji has issued a TL bond on 06.04.2023, amounting to 950,000,000 TL (full digit), with 729 days term, fixed interest rate of 35%, redemption date of 04.04.2025, and with TRSENSA42511 ISIN code.

Enerjisa Enerji has issued a TL bond on 21.06.2023, amounting to 1,183,000,000 TL (full digit), with 744 days term, fixed interest rate of 42.5% rate, redemption date of 04.07.2025, and with TRSENSA72518 ISIN code.

##### **Share Transfer Agreement**

E.ON International Participations N.V (EIP), a company part of E.ON group, incorporated in the Netherlands and DD Turkey Holdings S.à r.l (DD Turkey), incorporated in the Grand Duchy of Luxembourg and 40% shareholder of Enerjisa Enerji A.Ş. ("Company"), have signed a share transfer agreement regarding the transfer of DD Turkey's 40% shares in Enerjisa to EIP on the 27th of April 2023. Following the transfer of shares, E.ON group still holds 40% of Enerjisa shares. Thus, there is no change in the Company's ultimate shareholding structure.

##### **Participation Indices**

Enerjisa Enerji A.Ş. has been included in BIST Participation Indices by Borsa Istanbul for the period between 01.05.2023 - 30.09.2023.

##### **JCR Eurasia Credit Rating**

JCR Eurasia Credit Rating has affirmed ratings of Enerjisa Enerji A.Ş as the highest investment grade rating of "AAA (tr) / (Stable Outlook)" on the Long Term National Rating and as "J1+ (tr) / (Stable Outlook)" on the Short Term National Rating. The Long Term International Foreign and Local Currency Ratings are both affirmed at "BBB+ / (Stable Outlook)".

## **Major Legislative Changes in the Distribution Business Segment:**

**Amendments of The Procedures and Principles Regarding the Determination of Maximum and Minimum Price Limits in the Day-Ahead Market and the Balancing Power Market in the First Half of 2023:** With the amendment made in the provisional article 1 of the Procedures and Principles Regarding the Determination of Maximum and Minimum Price Limits in the Day Ahead Market and Balancing Power Market in the first half, the minimum and maximum price limits to be applied are summarized in the table below:

<b>Minimum and Maximum Price Limits Applicable After the Amendments to the Provisional Article 1</b>		
<b>EMRA Board Decision No. 11588 dated 26.01.2023</b> (published in the Official Gazette No. 32086 dated 27.01.2023)	<b>EMRA Board Decision No. 11682 dated 28.02.2023</b> (published in the Official Gazette No. 32119 dated 01.03.2023)	<b>EMRA Board Decision No. 11772 dated 30.03.2023</b> (published in the Official Gazette No. 32149 dated 31.03.2022)
<b>As of 01.02.2023</b>	<b>As of 28.02.2023</b>	<b>As of 01.04.2023</b>
Minimum; 0 TL/Mh, <i>(It was applied as 0 TL/MWh as of 30.12.2022)</i> Maximum; 3.650 TL/MWh <i>(It was applied as 3650 TL/MWh as of 30.12.2022)</i>	Minimum; 0 TL/MWh, Maximum; 3.050 TL/MWh	Minimum; 0 TL/MWh, Maximum; 2.600 TL/MWh

According to Article 30 of the Charging Services Regulation published in the Official Gazette dated 02.04.2022 and numbered 31797, the "Charge@TR" open access platform, which covers publicly accessible charging stations in the networks of all charging network operators, has been made available to users by the Energy Market Regulatory Authority on 24.04.2023.

With the amendments made to the paragraph 4/(a) of Additional Article 5 of the Electricity Market Law No. 6446 by the Law on the Amendment of the Organized Industrial Zones Law and Some Laws No. 7451 published in the Official Gazette dated 10.04.2023 and numbered 32159, the Energy Market Regulatory Authority has been granted the authority to impose special conditions including commercial and technical requirements for license termination and revocation.

Paragraph 6 has been added to the Additional Article 5 of the Electricity Market Law No. 6446 by the Law on the Amendment of the Organized Industrial Zones Law and Some Laws No. 7451 published in the Official Gazette dated 10.04.2023 and numbered 32159. Legal entities whose licenses are revoked, the shareholders of such legal entity holding ten percent or more of its shares, and the chairman and members of the board of directors, including those who left office within the one year prior to the revocation of such license cannot obtain, or apply for, a license, nor directly or indirectly hold shares in legal entities which has applied for a license, or take office in the boards of directors thereof for a period of three years following the revocation.

**Elektrik Üretim A.Ş. tariffs:** The summary of the active electricity energy wholesale tariff, which is determined quarterly by EMRA Board decisions and applied by EÜAŞ pursuant to the Article 17 of Electricity Market Law No. 6446 is as follows:

<b>Technical and Non-Technical Lost Energy Sales to Distribution Companies (kr/kWh)</b>	
<b>EMRA Board Decision No. 11513 dated 29.12.2022 (published in the Official Gazette No. 32059 dated 30.12.2022)</b>	<b>EMRA Board Decision No. 11775 dated 30.03.2023 (published in the Official Gazette No. 32149 dated 31.03.2023)</b>
<b>As of 01.01.2023</b>	<b>As of 01.04.2023</b>
<b>50,0000 kr/kWh</b>	<b>50,0000 kr/kWh</b>
<b>Sales to Distribution Companies within the Scope of General Lighting (kr/kWh)</b>	
<b>EMRA Board Decision No. 11513 dated 29.12.2022 (published in the Official Gazette No. 32059 dated 30.12.2022)</b>	<b>EMRA Board Decision No. 11775 dated 30.03.2023 (published in the Official Gazette No. 32149 dated 31.03.2023)</b>
<b>As of 01.01.2023</b>	<b>As of 01.04.2023</b>
<b>380,0000 kr/kWh</b>	<b>380,0000 kr/kWh</b>

**EMRA Decision dated 09.02.2023 and numbered 11629:** The amounts in the advance payment notifications specified in paragraph 1 of Article 132/Ç have been postponed until the invoice deadline for the relevant billing period, and no default interest has been applied to the market operator and market participant during the period when the advance payments are postponed.

In terms of settlement transactions regarding licensed and unlicensed electricity generation facilities that are established and in operation in the cities within the scope of state of emergency, in cases where data re. settlement transactions cannot be obtained from the market operator, the relevant network operator and the authorized supply companies, the settlement and settlement transactions will continue by taking into data used in December 2022 settlement period, and after data is obtained, it will be corrected within the scope of Regulation on Balancing and Settlement Regulation to make retrospective corrections.

**Presidential Decree on the Postponement of Accrual and Collection Procedures for Electricity and Natural Gas Consumption under the State of Emergency:** With the Presidential Decree No. 6974 published in the Official Gazette dated 21.03.2023 and numbered 32139, the procedures and principles regarding the postponement of accrual and collection transactions for electricity and natural gas consumption of consumers in some provinces damaged due to earthquakes that occurred on February 6<sup>th</sup>, 2023 are determined as follows:

- **Principles regarding the postponement of electricity consumption accruals and collections**
  - The accrual and collection transactions carried out by the relevant supply companies for electricity consumers, who are active or available for use in the provinces of Adıyaman, Hatay, Kahramanmaraş and Malatya and the districts of İslahiye and Nurdağı in Gaziantep, except for electricity consumers described below, are postponed until May 31<sup>st</sup>, 2023 (including this date). The consumers exempted are as below:
    - a) Electricity consumers connected from transmission,
    - b) Electricity consumers in the industrial subscriber group connected at medium voltage,
    - c) Electricity consumers in the "public and private services sector and other subscribers" group connected at medium voltage.

The invoice amount based on the total electricity consumption during this period will be collected in 6 months in equal installments without a late fee starting from the June 2023 billing period.

The financing cost for the financing need arising from the postponement of electricity consumption accruals and collections shall be covered from the budget of the Ministry of Energy and Natural Resources within the framework of the provisions of the Regulation on **Postponement of Accruals and/or Collections** of Electricity and Natural Gas Consumption Fees Due to Disasters Affecting Public Life published in the Official Gazette dated 10/6/2020 and numbered 31151.

The Decree shall enter into force on the date of its publication, **effective from February 6th, 2023.**

**The Decision dated 23.03.2023 and numbered 11743 of EMRA:** EMRA's decision dated 23.03.2023 and numbered 11743 was published in the Official Gazette dated 25.03.2023 and numbered 32143. With this decision, within the scope of the Electricity Market Consumer Services Regulation for electricity consumers\* who are active or available for use in the provinces of Adıyaman, Hatay, Kahramanmaraş and Malatya and the districts of İslahiye and Nurdağı in Gaziantep, which were affected by the earthquakes that occurred on February 6<sup>th</sup>, 2023;

- 1) It has been decided to postpone the meter reading operations until 31.05.2023 (including this date).
- 2) It has been decided to postpone invoice and collection procedures until 31.05.2023.
- 3) It has been decided to collect invoice amount based on the total electricity consumption during this period in 6 months in equal installments without a delay increase starting from the June 2023 invoice period.
- 4) It has been decided to postpone until 31.05.2023 (including this date) the following actions regarding electricity consumption debts accrued until 06.02.2023 but not collected. The following actions are stated in below.
  - Procedures for making a second notification,
  - Power cut operations,
  - Set-off transactions and notifications from the guarantee amount,
  - Legal proceedings and notifications

The electricity of the places of use whose electricity has been cut off within the scope of this article will be connected without any payment condition if the consumers request.

\*The consumers exempted by the regulation are as below:

- Electricity consumers connected from transmission,
- Electricity consumers in the industrial subscriber group connected from medium voltage,
- Electricity consumers in the "public and private services sector and other subscriber" group connected from medium voltage,
- Subscribers with public legal personality and general lighting subscribers.

**The Decision dated 23.03.2023 and numbered 11744 of EMRA:** The Board Decision dated 23.03.2023 and numbered 11744 was published in the Official Gazette dated 25.03.2023 and numbered 32143. In this context, due to the earthquakes that occurred on February 6<sup>th</sup>, 2023, in the places where a state of emergency decision has been rendered and/or a disaster area was declared, the authorized supply companies will be exempted until 31/05/2023 (including this date) for the obligations regarding the periods and compensations, stated in the Authorized Supply Company Commercial Quality Table (Table-10) mentioned in Article 39 of the Quality Regulation on Distribution and Retail Sales Activities in the Electricity Market. The obligations regarding the periods and compensations exempted have been stated in below:



- To finalize the applications recorded by the consumer services center and notify them in writing or with a permanent data storage device in accordance with the consumer's request,
- Sending the second notification to the consumer (in writing and with a permanent data storage device),
- Notification of the results of the examination of the invoice/payment notification objections concerning the authorized supply company in writing or by permanent data storage in accordance with the consumer's request,
- Notification of the results of the examination of the invoice/payment notification objections concerning the distribution company in writing or by permanent data storage in accordance with the consumer's request after the results of the examination of the invoice/payment notification objections concerning the distribution company reach the authorized supply company,
- In case the invoice/payment notification objection is found to be justified, the excess amount collected for the consumption subject to the objection shall be refunded to the consumer,
- In case of termination or expiration of the retail sales contract, the assurance fee collected in cash to be returned to the consumer,
- Establishing a retail sales contract in duly filed applications,
- To inform the distribution company regarding the established retail sales contract by recording it,
- Initiation of legal proceedings for debts not paid on time.

**The Decision dated 23.03.2023 numbered 11745 of EMRA:** EMRA's decision dated 23.03.2023 and numbered 11745 was published in the Official Gazette dated 25.03.2023 and numbered 32143. With this decision, it has been decided that legal entities holding distribution licenses operating in places where a state of emergency has been declared and/or disaster areas due to earthquakes in 6 February 2023, provided that they are limited to these places, have been declared shall be exempted from the following obligations foreseen in Article 35 of License Regulation of Electricity Market on until 08.05.2023:

- 1) **Record creation, notification, reporting and compensation payment obligations regarding continuity of supply, technical and commercial quality obligations** within the scope of the Quality Regulation on Distribution and Retail Sales Activities in the Electricity Market,
- 2) **Periods for the evaluation of applications regarding user equipment damages and compensation payment obligations** within the scope of Article 26 of the Quality Regulation on Distribution and Retail Sale Activities in the Electricity Market,
- 3) Obligations regarding the periods specified in Article 10/A of the Electricity Market Connection and System Use Regulation for **issuing the connection opinion and meeting the connection requests**,
- 4) **Obligations to establish and operate Automated Meter Reading and/or control systems** under Article 6 of the Electricity Market Distribution System Regulation, and **to establish a user services center** under Article 10,
- 5) **Obligations regarding the determination of technical quality measurement locations, technical quality measurements and reporting of measurement results** within the scope of the Procedures and Principles Regarding the Technical Quality of the Electricity Distribution System.

## **Major Legislative Changes in the Retail Business Segment**

Applicable from 1 April 2023, EMRA has announced that single-time retail sales tariff reflected to the end user according to customer groups in national tariff has been decreased between 18% - 49%. The final tariff reflected to the end user has been decreased 15% for the all customer groups.

### **Energy Market Regulatory Board Decision dated 29.12.2022 and numbered 11496:**

With the board decision of the Energy Market Regulatory Authority dated **29.12.2022** and numbered **11496** published in the Official Gazette dated December 30, 2022 and numbered 32059, it has been decided to identify eligibility limit for liberal market as 1,000 kWh for 2023.

### **Energy Market Regulatory Board Decision dated 30.03.2023 and numbered 11769:**

With the board decision of the Energy Market Regulatory Authority dated **30.03.2023** and numbered **11769** published in the Official Gazette dated March 31, 2023 and numbered 32149, it has been decided within the scope of the 1st and 2nd sub-articles of Article 4 regarding the determination of the maximum settlement price and support fee of the Procedures and Principles Regarding the Determination and Application of the Support Fee on the Basis of Source, it was decided to apply support fee for 6 months from 01.04.2023 in order to support consumers and/or high-cost generation. Maximum settlement prices to be used in determining support fee were specified as 1,800 TL/MWh for domestic coal; 1,800 TL/MWh for imported coal; 2,550 TL/MWh for natural gas/fuel/naphtha/LPG/diesel oil and 1,700 TL/MWh for other sources.

### **Energy Market Regulatory Board Decision dated 30.03.2023 and numbered 11771:**

With the board decision of the Energy Market Regulatory Authority dated **30.03.2023** and numbered **11769** published in the Official Gazette dated March 31, 2023 and numbered 32149, it has been decided until the date of 30.09.2023, the market participants are obliged to submit 50% of the collateral amounts they are obliged to present to the Market Operator by being calculated within the framework of the second paragraph of Article 8 of the Procedures and Principles regarding the support fee debt amounts that are foreseen to be reflected on their invoices for the invoice periods whose invoice deadline has not passed and it was decided that the Decision would enter into force on 01.04.2023

**Average Wholesale Price of Electricity in Turkey:** With the decision of the Energy Market Regulatory Board dated 30.03.2023 and numbered 11755 published in the Official Gazette dated April 1, 2023 and numbered 32150, it was decided to set the Turkish Average Electricity Wholesale Price for the year 2022 as (TORETOSAF) 254.79 kr/kWh within the scope of Law No. 5346 on the Use of Renewable Energy Resources for the Purpose of Electricity Generation.

**Energy Market Regulatory Board Decision dated 04.05.2023 and numbered 11827:** With the Board Decision No. 11827 published in the Official Gazette dated 05.05.2023 and numbered 32181, it has been decided that the amounts included in the advance payment notifications, which are obliged to pay, specified in the first paragraph of Article 132/Ç of the Electricity Market Balancing and Settlement Regulation, will be postponed until the invoice deadline for the relevant billing period, and that no default interest will be applied to the market operator and market participant during the period during which the advance payments are postponed from 8 May 2023 until 30 June 2023 in cities where a state of emergency has been declared and/or declared disaster areas by the Presidential Decree.

For legal entities holding generation licenses, which are established in the cities in question and have electricity generation facilities in operation, and legal entities holding generation licenses whose company headquarters are located in these cities, operating in these cities; For legal entities holding distribution licenses, designated supply companies, supply companies with which Organized Industrial Zones (OIZ) are directly or indirectly partners, and supply companies whose headquarters are located in the above-mentioned cities.

### **Energy Market Regulatory Board Decision dated 11.05.2023 and numbered 11846:**

With the Board Decision numbered 11846 published in the Official Gazette dated 12.05.2023 and numbered 32188; from the date of publication of this decision until 30 June 2023; in cities where a State of Emergency decision was taken and/or declared a disaster area it has been decided that;

Legal entities holding distribution licenses, designated supply companies, supply companies of which Organized Industrial Zones (OIZ) are direct or indirect partners which are operating in the said cities, the amounts included in the advance payment notifications specified in the first paragraph of Article 132/Ç of the Electricity Market Balancing and Settlement Regulation, postponement until the invoice due date for the relevant billing period, no default interest is applied to the market operator and market participant during the period during which the advance payments are postponed,

Implementation of the first article for the advance fees corresponding to the withdrawal amounts of the final consumers (including OIZs) in the cities in question where they sell through bilateral agreements by supply companies and legal entities holding generation licenses, whose headquarters are located in the above-mentioned cities, and legal entities holding generation licenses that have electricity generation facilities established and in operation in these cities

Board Decision dated 04.05.2023 and numbered 11827 is repealed.

**Presidential Decree on the Abandonment of Energy Consumption Fees under the State of Emergency (No: 132):** On 21.03.2023 dated 21.03.2023 and numbered 32139, the Presidential Decree No. 137 was published in the Official Gazette. The Decree aims to cancel the unpaid consumption fees of electricity and/or natural gas subscribers whose residences and/or workplaces have been destroyed, will be destroyed immediately, or have become heavily or moderately damaged within the scope of the state of emergency declared by the Presidential Decree No. 6785.

The principles of abandonment are as follows:

- In places recognized as disaster areas affecting general life due to the earthquakes that occurred on 6/2/2023, those whose houses and/or workplaces have been destroyed due to these earthquakes will be demolished immediately, electricity and natural gas consumption amounts accrued but not collected until 6/2/2023, including the amounts arising from the electricity consumption of the subscribers who have become heavily or moderately damaged, which were transferred to the Turkish Electricity Distribution Joint Stock Company during the privatization transfer procedures of the Turkish Electricity Distribution Joint Stock Company, and the last reading The electricity and natural gas consumption amounts to be accrued by taking into account the past consumption of the relevant consumers for the consumption belonging to the period from the date of 6/2/2023 until 6/2/2023 and the unpaid invoice amounts of these subscribers for the previous periods, if any, shall be canceled together with their accessories to be covered from the budget of the Ministry of Energy and Natural Resources.
- Under Decree No. 132, the lawsuits and execution proceedings, if any, filed for the invoice amounts canceled shall be terminated. For the enforcement proceedings terminated within this scope, the fees required to be collected in accordance with the Law on Fees dated 2/7/1964 and numbered 492 and the fees regulated in Article 1 of the Law on Fees to be Collected against the Construction of Prisons and Court Buildings dated 30/6/1934 and numbered 2548 and Food Costs to be Paid to Prisoners shall not be charged. Previously collected fees shall not be refunded. In this context, no request for legal expenses and attorney fees can be made regarding the lawsuits and execution files whose proceedings have been terminated.
- Public legal entity subscribers and general lighting subscriptions are excluded from the scope of this Presidential Decree.

**Energy Market Regulatory Board Decision dated 22.06.2023 and numbered 11928:**

With the Board Decision numbered 11928 published in the Official Gazette dated 24.06.2023 and numbered 32231 and the effects of the earthquakes in Kahramanmaraş on 6 February 2023, in accordance with the 140th article of the Electricity Market Balancing and Settlement Regulation (Regulation), it has been decided that until 30 September 2023;

The amounts included in the advance payment notifications specified in the first paragraph of Article 132/Ç of the Regulation are postponed until the invoice deadline for the relevant billing period, no default interest is applied to the market operator and market participant during the period during which the advance payments are postponed for;

-The categories of the designated supply companies within the scope of subparagraphs (a), (b), (c) and (ç) of the second paragraph of Article 17 of the Regulation,

-Supply companies with which Organized Industrial Zones are directly or indirectly a partner of

Which are operating in Akedaş Elektrik Dağıtım A.Ş., Dicle Elektrik Dağıtım A.Ş., Fırat Elektrik Dağıtım A.Ş., Toroslar Elektrik Dağıtım A.Ş. distribution regions and the decision be in force as of 01.07.2023.

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

The Company has made capital expenditures related to service concession arrangements of TL 3,651,385 and purchase of tangible and intangible assets TL 619,985,000 within the period of 01.01.2023 – 30.06.2023.

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

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

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

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

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

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

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

	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group (%)		Principal activity
		30 June 2023	31 December 2022	
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 services

**e) Information on the own shares of the company acquired:**

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

**f) Information on private audit conducted in the fiscal period:**

None.

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

There are no cases filed against the Company within the period of 01.01.2023 – 30.06.2023, which may adversely affect the financial situation and operations of the Company.

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

There is no judicial or administrative sanction imposed on the Company and the members of the Board of Directors for practices contrary to applicable laws and regulations.

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

The Company has achieved its budgetary targets for the period of 01.01.2022 – 31.12.2022. Details are specified in the section of “Financial Situation” in the activity report as of 31.12.2022. The 1H, 2023 performance of the Company is explained in the section of “Financial Situation” in this activity report for the period of 01.01.2023 – 30.06.2023.

**j) If any extraordinary general assembly meeting has been held during the year, information on such extraordinary general assembly meeting including the date of the meeting, the decisions taken in such meeting and the related activities:**

No such meeting has been held.

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

The Company has made donations and aids at the amount of TL 63,509,053 within the period of 01.01.2023 – 30.06.2023.

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

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

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

Enerjisa Enerji A.Ş. creates new financing sources through loans and bonds in Turkish Lira.

The Group has a total of TL 9,808,450,000 bonds (issued amount) in circulation as of June 30, 2023.

Issuer	Issue Amount (million TL)	Interest / Return Rate (%)	Issue Date	Redemption Date
Enerjisa Enerji A.Ş.	800	TLREF + 1.40%	15.10.2021	13.10.2023
Enerjisa Enerji A.Ş.	900	32.00%	21.10.2022	24.10.2023
Enerjisa Enerji A.Ş.	1,500	TLREF + 16.00%	21.10.2022	18.10.2024
Enerjisa Enerji A.Ş.	600	TLREF + 16.00%	21.10.2022	18.10.2024
Enerjisa Enerji A.Ş.	2,500	32.50%	27.01.2023	28.02.2024
Enerjisa Enerji A.Ş.	1,375	33.00%	03.03.2023	12.03.2025
Enerjisa Enerji A.Ş.	950	35.00%	06.04.2023	04.04.2025
Enerjisa Enerji A.Ş.	1,183	42.50%	21.06.2023	04.07.2025
<b>Total</b>	<b>9,808</b>			

**n) Information on potential conflict of interests with consultancy and rating services obtained by the Company and preventive actions:**

Our Company acts in accordance with Code of Ethics which can be found in the below link.

<https://www.enerjisainvestorrelations.com/en/corporate-governance/code-of-ethics/>

**o) Events that occurred after the Balance Sheet Date:**

The Group has made bond issuance on 17 July 2023, amounting to TL 3,100,000,000 (full digit), with 731 days term, fixed interest with 42,5% rate, redemption date of 17 July 2025, and with TRSENSA72526 code.

"According to "A Law on the Establishment of an Additional Motor Vehicle Tax to Compensate for the Economic Losses Caused by the Earthquakes Occurred" published in the Official Gazette on July 15, 2023, The Corporate Tax Rate Law increased from 20% to 25%. The new rate is effective as of the July 2023 payment period. Because this issue is assessed as non-adjusting event after balance sheet date, there is not any updates regarding the tax rate change in the financial statements. The Group continues to assess the potential impact of the law on its consolidated financial statements as of the date of publication of these financial statements."

Grup's subsidiary Enerjisa Müşteri Çözümleri A.Ş. has acquired remaining 6% of the shares of E-Şarj Elektrikli Araçlar Şarj Sistemleri A.Ş. corresponding to 410,760 shares based on Board of Directors decision dated 27 July 2023. Following the mentioned transaction, EMÇ has become 100% shareholder of E-Şarj.

Applicable from 1 July 2023, EMRA has announced that single-time retail sales tariff reflected to the end user according to customer groups in national tariff has been decreased between 2% - 14% and distribution tariff to be applied to all customer groups has been increased by 10%. The final tariff reflected to the end user has not changed.

**p) Other issues not included in the financial statements, but useful to know for interested parties:**

None.

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

To the best of the Company's knowledge of current conditions, the legal actions taken by the Company with the controlling companies or any of their subsidiaries or in favor of the controlling companies or any of their subsidiaries upon the instructions of the controlling companies and all the other measures taken or avoided in favor of the controlling companies or any of their subsidiaries in the fiscal period of 01.01.2023 - 30.06.2023 were evaluated in the form of a report under the scope of all transactions performed between the Company and the controlling company and its affiliated companies during the Fiscal Period of 01.01.2023 - 30.06.2023, which were conducted in full conformity with the honest and fair accounting principles according to the conditions well known to us. The Company did not suffer any loss resulting from any transaction executed under known conditions in connection with the Fiscal Period of 01.01.2023 - 30.06.2023.

**r) Information on cross shareholding of subsidiaries with above 5% ownership:**

There is no cross shareholding.

**s) Information on Corporate Social Responsibility activities of the company related to social rights of employees, vocational trainings and other social and environmental aspects:**

This related information can be accessed from the link below.

<https://www.enerjisa.com.tr/en/sustainability>

## 5- FINANCIAL SITUATION

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

**Operational Earnings** (EBITDA + Capex reimbursements excluding exceptional items) of Enerjisa Enerji A.Ş. increased by TL 49% annually from TL 6,664 million in H1 2022 to TL 9,938 million in H1 2023.

Distribution business unit's operational earnings accounted for 76% of Enerjisa Enerji's operational earnings in H1 2023. The main differences in the operational earnings of the Distribution business unit in H1 2023 compared to H1 2022 are mainly due to:

- **Financial Income:** Financial income increased by 116% annually reaching TL 4,583 million.
- **CAPEX Reimbursements:** Capex reimbursements increased by 50% from TL 2,059 million in H1 2022 to TL 3,088 million in H1 2023 mainly due to higher inflation.
- **Efficiency & Quality Earnings:** Total Efficiency & Quality item was a negative TL 425 million mainly due to higher than inflation increase in personnel expenses
- **Tax Correction:** Tax Correction was null due to lack of statutory income
- **Other Items:** Other item was realized as TL 323 million (H1 2022: TL 320 million) and mostly driven by Mark to Market items of hedging activities.

The contribution of the Retail and Customer Solutions business unit in operational earnings increased to 24% in H1 2023 compared to same period of last year. The regulated segment's gross profit increased by 34% and reached TL 1,867 million in H1 2023 from TL 1,395 million in H1 2022 mainly due to the increasing energy prices. Meanwhile, liberalised gross profit increased by TL 164 million to TL 548 million due to increasing energy prices.

Regulated segment sales increased by 6% from 13.7 TWh in H1 2022 to 14.5 TWh in H1 2023. Meanwhile, liberalised segment's sales were realized as 5.7 TWh in H1 2023 compared to 5.8 TWh in H1 2022.

Enerjisa Enerji A.Ş. **Underlying Net Income** increased by 118% from TL 1,276 million in H1 2022 to TL 2,777 million in H1 2023. Below operational earnings line, the main effects were as follows:

- TL 335 million lower net loan and bond interest expenses
- TL 516 million higher operational FX losses
- TL 300 million higher deposit valuation gains
- TL 445 million higher other financial expenses

The average financing rate increased from 28.1% in H1 2022 to 29.5% in H1 2023. Economic Net debt (financial net debt in addition to lease liabilities and customer deposits) increased from TL 15.2 billion in 2022 year-end to TL 16 billion in H1 2023.

Net Financial Debt/Operational Earnings declined from 0.7x in December 2022 to 0.6x in H1 2023.



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

The Company's gross profit as of June 30, 2023 is TL 8,754 million (30 June 2022: TL 4,923 million). The Company's net debt / (net debt + equity) ratio as of June 30, 2023 has been recorded as 32% (December 31, 2022: 34%).

There is no revenue risk predicted for the Company.

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

The Company is not in a deep-in-debt (technical bankruptcy) situation according to the evaluations made pursuant to Article 376 of the Turkish Commercial Code.

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

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

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

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

<https://www.enerjisainvestorrelations.com/medium/ReportAndPresentation/File/2633/dividendpolicy2023.pdf>

Cash dividend of TL 2,716,458,624.38 in total, which was decided to be distributed at the 2022 Ordinary General Assembly Meeting dated March 29, 2023, was distributed from April 12, 2023 onwards.

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

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

**7- RISKS AND THE EVALUATION OF THE MANAGEMENT BODY**

**a) Board of Directors Meetings**

As of June 30, 2023, the Company's Board of Directors convened 3 times in total to evaluate strategic matters concerning the Company. The attendance rate of Board meetings was 100%.

**b) Committees**

**i. Corporate Governance Committee**

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

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

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

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

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

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

The Corporate Governance Committee had 3 meetings during first half of 2023.

Corporate Governance Committee members are as follows:

Name Surname	Duty	Duty in the Board
Kamuran Uçar	Corporate Governance Committee Chairperson	Independent Board Member
Guntram Würzberg	Corporate Governance Committee Member	Board member
Yeşim Özlale Önen	Corporate Governance Committee Member	Board member
Pınar Saatçioğlu	Corporate Governance Committee Member	Head of Investor Relations

## ii. Early Risk Detection Committee

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

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

ERDC Charter can be viewed from the below link.

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

The ERDC meetings and report circulations to the committee are organized at least 6 times per year. In this scope, 4 meetings were held during H1 2023.

ERDC members are as follows:

Name Surname	Duty	Duty in the Board
Fatma Dilek Yardım	Chairperson	Independent Board Member
Kamuran Uçar	Committee Member	Independent Board Member
Nusret Orhun Köstem	Committee Member	Board Member
Thorsten Lott	Committee Member	Board Member

### iii. Audit Committee:

Activities of the Internal Audit Department are regularly reported to the Audit Committee. In this scope, two Audit Committee meetings were held during H1 2023. Through these meetings, the Audit Committee was informed on topics including, but not limited to, improvement areas identified in audit/consultancy activities and relevant action plans, results of follow-up activities, information about performed ethics investigation activities and significant considerations about other activities.

Audit Committee Charter can be viewed from the below link.

<https://www.enerjisainvestorrelations.com/medium/ReportAndPresentation/File/920/accharter.pdf>

Audit Committee members are as follows;

<b>Name Surname</b>	<b>Duty</b>	<b>Duty in the Board</b>
Fatma Dilek Yardım	Chairperson	Independent Board Member
Kamuran Uçar	Member	Independent Board Member

## 7.2. Risk Assessment

### a) Risk Management Approach

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

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

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

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

### b) Risk Governance Structure

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

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

### c) Risk Management Procedure

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

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

### d) Basic Categories of Risk and Opportunity

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

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

### Financial Risks and Opportunities

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

#### i. Regulatory Risks and Opportunities

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

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

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

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

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

ii. Market Risks and Opportunities

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

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

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

iii. Credit Risks and Opportunities

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

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

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

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

iv. Liquidity Risk

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

In periodically performed budget simulations where Risk Management Department highlights the levels of potential deviations from “Best Estimate” of given Net Income of the year, the most vulnerable month in regards to cash need and the level of cash volume exposed via market, operational, regulatory and credit related uncertainties is also highlighted. Additionally, this stress test is modelled in monthly intervals unlike routine budget estimates (the company were using mostly yearly aggregate cash scenarios).

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

v. Operational Risks

All processes in Enerjisa Enerji’s value chain are exposed to operational risks arising from internal and external factors. Relevant procedures and policies are established for all operational risks and published in Enerjisa Enerji’s quality management systems. Committees are appointed to review realizations and manage risk mitigation activities.

### **Non-Financial Risks and Opportunities**

The areas affected by risks which financial impact cannot be measured are grouped under the headings of Information Technologies and Occupational Health and Safety (which mostly pertains to the distribution business), Environment, Human Resources and Reputation and are examined in detail with mitigation plans.

i. Occupational Health and Safety Risks and Opportunities

Enerjisa Enerji works to a goal of zero critical accidents. OHS risks and opportunities are managed within the scope of the ISO 45001:2018 Health and Safety Management System Standard. As stated in the OHS policy committed by the senior management, Enerjisa Enerji considers that occupational accidents are preventable and takes proactive actions accordingly.

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

Enerjisa Enerji prepared its Biodiversity Conservation Action Plan in 2020. It is aim to comply with the legal requirements arising from national legislation as well as international obligations with this valid plan. Within the scope of the CDP Climate Change and Water Security, the issues of climate change and water security are evaluated from the perspective of risks and opportunities. In the CDP process continues in 2023, under heading of

Risk and Opportunities, the definitions of risk and opportunity, the financial effects of risk and opportunity, methods of combating risk and the costs of these methods studies are ongoing.

In addition, the study to quantify climate change risks was jointly completed by the OHS, Environment and Group Risk Management units. The study uses climate change related acute inventory losses and damages, disruptions to service and penalties for quality standard violations stipulated by the legislation as inputs. Enerjisa Enerji regularly monitors and reports its environmental performance, water consumption and carbon emissions. The Company takes part in various initiatives on climate change and energy efficiency, meets with the NGOs and regulatory authorities and develops R&D projects. Enerjisa Enerji offers solutions to customers to help them reduce their carbon emissions. Also, in line with company' s decarbonization targets, Phase I of Net Zero Project was completed in 2022 and Scope 1+2 reduction target was set till 2030. Phase II studies are still in progress.

iii. Risks and Opportunities Related to Digitalization and Customer Privacy

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

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

## **8- DUTIES OF THE MEMBERS OF THE BOARD OF DIRECTORS AND EXECUTIVES CONDUCTED OUT OF THE COMPANY**

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

<https://www.kap.org.tr/en/sirket-bilgileri/genel/3494-enerjisa-enerji-a-s>

## **9- APPENDICES**

Consolidated Financial Statements  
Operational Earnings and Underlying Net Income Calculations

Best regards,

**Report date: 07.08.2023**

Murat Pinar,  
CEO

Dr. Philipp Ralph Ulbrich,  
CFO

## ENERJISA ENERJİ A.Ş. AND ITS SUBSIDIARIES

### INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

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

ASSETS	Reviewed / current period 30 June 2023	Audited / prior period 31 December 2022
<b>Current Assets</b>	<b>30,731,298</b>	<b>21,990,411</b>
Cash and Cash Equivalents	6,216,317	8,370,987
Financial Assets	5,301,080	3,342,405
Trade Receivables	7,527,305	5,687,530
<i>Due from Related Parties</i>	39,146	37,211
<i>Due from Third Parties</i>	7,488,159	5,650,319
Other Receivables	4,229,633	1,862,308
<i>Due from Third Parties</i>	4,229,633	1,862,308
Derivative Financial Instruments	1,544,102	234,604
Inventory	2,882,046	1,562,338
Prepaid Expenses	1,539,818	419,238
Assets Related with Current Taxes	395,342	442,940
Other Current Assets	1,095,655	68,061
<b>Non-Current Assets</b>	<b>38,179,589</b>	<b>37,198,186</b>
Trade Receivables	212,006	109,078
<i>Due from Related Parties</i>	21,713	23,753
<i>Due from Third Parties</i>	190,293	85,325
Other Receivables	3,014,163	4,776,922
<i>Due from Third Parties</i>	3,014,163	4,776,922
Derivative Financial Instruments	21,478	11,646
Financial Assets	13,129,701	11,790,168
Right of Use Assets	417,752	387,317
Property, Plant and Equipment	2,147,953	1,634,005
Intangible Assets	5,965,133	6,097,098
<i>Goodwill</i>	1,977,127	1,977,127
<i>Other Intangible Assets</i>	3,988,006	4,119,971
Prepaid Expenses	1,197,213	15,327
Deferred Tax Assets	11,931,262	12,371,412
Other Non-Current Assets	142,928	5,213
<b>TOTAL ASSETS</b>	<b>68,910,887</b>	<b>59,188,597</b>



## ENERJISA ENERJİ A.Ş. AND ITS SUBSIDIARIES

### INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

(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>Reviewed / current period 30 June 2023</b>	<b>Audited / prior period 31 December 2022</b>
<b>Current Liabilities</b>	<b>36,943,666</b>	<b>31,253,840</b>
Short-Term Financial Liabilities	2,572,377	8,181,288
Short-Term Portion of Long Term Financial Liabilities	8,218,720	6,990,064
Other Financial Liabilities	119,276	82,688
Trade Payables	16,224,772	6,772,301
<i>Due to Related Parties</i>	127,493	310,732
<i>Due to Third Parties</i>	16,097,279	6,461,569
Payables for Employee Benefits	543,577	237,342
Other Payables	6,938,991	5,369,044
<i>Due to Related Parties</i>	58	2,425
<i>Due to Third Parties</i>	6,938,933	5,366,619
Derivative Financial Instruments	578	102,960
Deferred Income	17,829	32,538
Income Tax Liability	834,376	1,901,790
Short-Term Provisions	419,370	506,330
<i>Provisions for Employment Benefits</i>	21,081	135,386
<i>Other Short-Term Provisions</i>	398,289	370,944
Other Short-Term Liabilities	1,053,800	1,077,495
<b>Non-Current Liabilities</b>	<b>10,193,119</b>	<b>6,362,511</b>
Long-Term Financial Liabilities	7,134,797	3,923,661
Other Financial Liabilities	675,671	509,087
Deferred Income	92,861	-
Long-Term Provisions	1,461,506	1,153,248
<i>Provisions for Employment Benefits</i>	1,461,506	1,153,248
Deferred Tax Liabilities	828,284	774,789
Other Long-Term Liabilities	-	1,726
<b>TOTAL LIABILITIES</b>	<b>47,136,785</b>	<b>37,616,351</b>

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

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2023**

(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>Reviewed / current period 30 June 2023</b>	<b>Audited / prior period 31 December 2022</b>
<b>Equity</b>	<b>21,774,102</b>	<b>21,572,246</b>
Registered Share Capital	1,181,069	1,181,069
Share Premium	1,392,791	1,775,976
<b>Total Share Capital</b>	<b>2,573,860</b>	<b>2,957,045</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</i> <i>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	739,022	174,344
<i>Hedge Reserves</i>	739,022	174,344
Restricted Profit Reserves	821,136	696,708
Retained Earnings	15,285,571	3,245,180
Profit for the Period	2,353,637	14,498,093
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>68,910,887</b>	<b>59,188,597</b>

## ENERJISA ENERJİ A.Ş. AND ITS SUBSIDIARIES

### INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2023

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

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

	Reviewed / current period 1 January - 30 June 2023	Reviewed / prior period 1 January - 30 June 2022	Unaudited / current period 1 April - 30 June 2023	Unaudited / prior period 1 April - 30 June 2022
Revenue	58,117,265	37,050,824	29,475,848	19,140,396
Cost of Sales (-)	(49,363,291)	(32,127,806)	(24,730,611)	(16,268,965)
<b>GROSS PROFIT</b>	<b>8,753,974</b>	<b>4,923,018</b>	<b>4,745,237</b>	<b>2,871,431</b>
General Administrative Expenses (-)	(3,049,302)	(1,419,765)	(1,071,368)	(766,760)
Other Income from Operating Activities	2,133,968	1,789,239	1,702,968	1,124,924
Other Expenses from Operating Activities (-)	(3,079,925)	(1,714,451)	(2,029,045)	(805,225)
<b>OPERATING PROFIT BEFORE FINANCE INCOME / (EXPENSE)</b>	<b>4,758,715</b>	<b>3,578,041</b>	<b>3,347,792</b>	<b>2,424,370</b>
Finance Income	739,372	49,578	279,636	33,647
Finance Expense (-)	(2,387,233)	(1,963,395)	(1,162,432)	(1,080,413)
<b>PROFIT BEFORE TAX</b>	<b>3,110,854</b>	<b>1,664,224</b>	<b>2,464,996</b>	<b>1,377,604</b>
<b>Tax Expense</b>	<b>(757,217)</b>	<b>(488,912)</b>	<b>(480,931)</b>	<b>(395,318)</b>
Current Tax Expense (-)	(404,744)	(646,848)	656,224	(294,453)
Deferred Tax Income / (Expense)	(352,473)	157,936	(1,137,155)	(100,865)
<b>PROFIT FOR THE PERIOD</b>	<b>2,353,637</b>	<b>1,175,312</b>	<b>1,984,065</b>	<b>982,286</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>564,678</b>	<b>(42,359)</b>	<b>631,910</b>	<b>(29,112)</b>
<i>Gains / (Losses) on Hedges</i>	<i>705,850</i>	<i>(55,011)</i>	<i>789,888</i>	<i>(37,893)</i>
<i>Income Tax Relating to Other Comprehensive Income</i>	<i>(141,172)</i>	<i>12,652</i>	<i>(157,978)</i>	<i>8,781</i>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>2,918,315</b>	<b>1,132,953</b>	<b>2,615,975</b>	<b>953,174</b>
<b>Earnings per share</b>				
Earnings per share (kr)	1.99	1.00	1.68	0.83

## OPERATIONAL EARNINGS AND UNDERLYING NET INCOME CALCULATION

<b>(TL million)</b>	<b>1 January- 30 June 2023</b>	<b>1 January- 30 June 2022</b>
<b>Operating profit before financial income/(expense)</b>	<b>4,759</b>	<b>3,578</b>
Adjustment of depreciation and amortization	345	263
Adjustments related to operational fx losses	678	162
Adjustments related to deposit valuation expense	774	1,074
Adjustments related to interest income related to tariff receivables	-45	-421
<b>EBITDA</b>	<b>6,511</b>	<b>4,656</b>
Capex reimbursements	3,088	2,059
<b>EBITDA + Capex reimbursements</b>	<b>9,599</b>	<b>6,715</b>
Non-recurring (income) / expense	339	-51
<b>Operational Earnings</b>	<b>9,938</b>	<b>6,664</b>
<b>Reported Net Income</b>	<b>2,354</b>	<b>1,175</b>
Non-recurring (income) / expense	423	-41
Tax rate change	-	142
<b>Underlying Net Income</b>	<b>2,777</b>	<b>1,276</b>

Operational Earnings refers to EBITDA plus CAPEX reimbursements excluding exceptional items. Enerjisa Enerji distribution companies are subject to the application of TFRIC12 (a TFRS standard that governs accounting for service concession arrangements). Accordingly, the Company accounts its license to operate and invest in the networks as a financial asset. This asset is not depreciated. Accordingly, P&L does not include depreciation expenses of networks. Similarly, P&L also excludes the reimbursement of CAPEX (i.e. the depreciation allowance) as a revenue item. This means that the Company's EBITDA figure is not comparable to international peers that do not apply TFRIC12 accounting and the management uses Operational Earnings as a KPI for comparability.

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