



2023

2023 at a Glance

- Operational Earnings*: TL 20.8 billion, +38% vs. 2022
- Underlying Net Income (UNI)*: TL 5.8 billion, +30% vs. 2022
- Investments* more than tripled, reaching TL 15.7 billion even exceeding the guidance
- Dividend proposal of TL 2.79 per share to AGM, implying pay-out ratio of 98% UNI with TAS 29.
- Raised CDP Climate Change score to A- and Water Security score to A.
- Included in the Bloomberg Gender Equality Index, where only 12 companies from Türkiye are listed.
- Exceeded our target of 1,000 public EV charging locations with our Eşarj brand.

*w/o Turkish Accounting Standard 29 (TAS 29) impact

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At Enerjisa Enerji, we recognize that the future represents our most precious asset. We believe that the projects and investments we undertake today will be inherited by future generations, which will then be used for shaping our world and our country.

With the aspiration of a brighter future for all, we assume the responsibility to address global needs and issues under the umbrella of the "For a Better Future Platform." We develop environmentally friendly solutions, emphasizing efficiency and technology, to contribute to the sustainable future and prosperity of our country.

Aligned with our vision of leading the new energy landscape, we undertake diverse projects and investments in distribution, retail sales, and customer solutions. Upholding our robust operational and financial performance, we will persist in generating projects that benefit society, fostering collaborations, and creating value for all stakeholders and our country.





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ABOUT ENERJISA

Enerjisa Enerji operates as Türkiye's leading energy company in electricity distribution, retail sales and customer solutions.

10.7
million
CUSTOMERS

Enerjisa Enerji operates as Türkiye's leading company in electricity distribution, retail sales and customer solutions. Reaching a population of 22 million with more than 11 thousand employees, the Company serves 10.7 million customers within 14 provinces across 3 distribution regions.

Incorporated in 1996, Enerjisa Enerji is the leading player of Türkiye's developing electricity market with its grid investments; innovative and differentiated solutions; efficiency- and technology-focused business models catering to its customers and the sector as well as its competitive strategies.

Enerjisa Enerji devises its long-term strategies with a sustainable approach. The Company aims to grow profitably and create value for its shareholders by expanding its high-quality grid in its distribution regions, and continuing to extend its retail operations across the entire country.

Enerjisa Enerji upholds sustainable and innovative solutions for its customers. Within this framework, the Company presents its customers with numerous environmentally friendly and sustainable energy solutions, such as solar power plants, energy

efficiency applications, cogeneration/trigeneration applications, electric vehicle-charging stations, and green energy certification, under the umbrella of "Energy of My Business."

In Türkiye's largest private sector initial public offering (IPO) as of February 8, 2018, 20% of Enerjisa Enerji (remaining equity is equally owned by Sabancı Holding and E.ON) shares were offered to the public via listing on Borsa Istanbul. Attesting to keen investor interest during the book-building process, the shares were 4.8x oversubscribed. Enerjisa Enerji was included in FTSE All-World Index as of June 2018.

Following the successful public offering in 2018, Enerjisa Enerji focused on sustainability to develop a strategic and holistic approach regarding economic, environmental, and social factors, with the target of creating long-term value. Within this framework, Enerjisa Enerji became a signatory to the United Nations Global Compact Initiative (UN Global Compact), the world's largest voluntary corporate sustainability initiative, and the United Nations Women's Empowerment Principles (WEPs) in 2019. In addition, the Company has committed to complying with the principles of Transparency International, evidencing its ambition to adhere to high ethical standards.

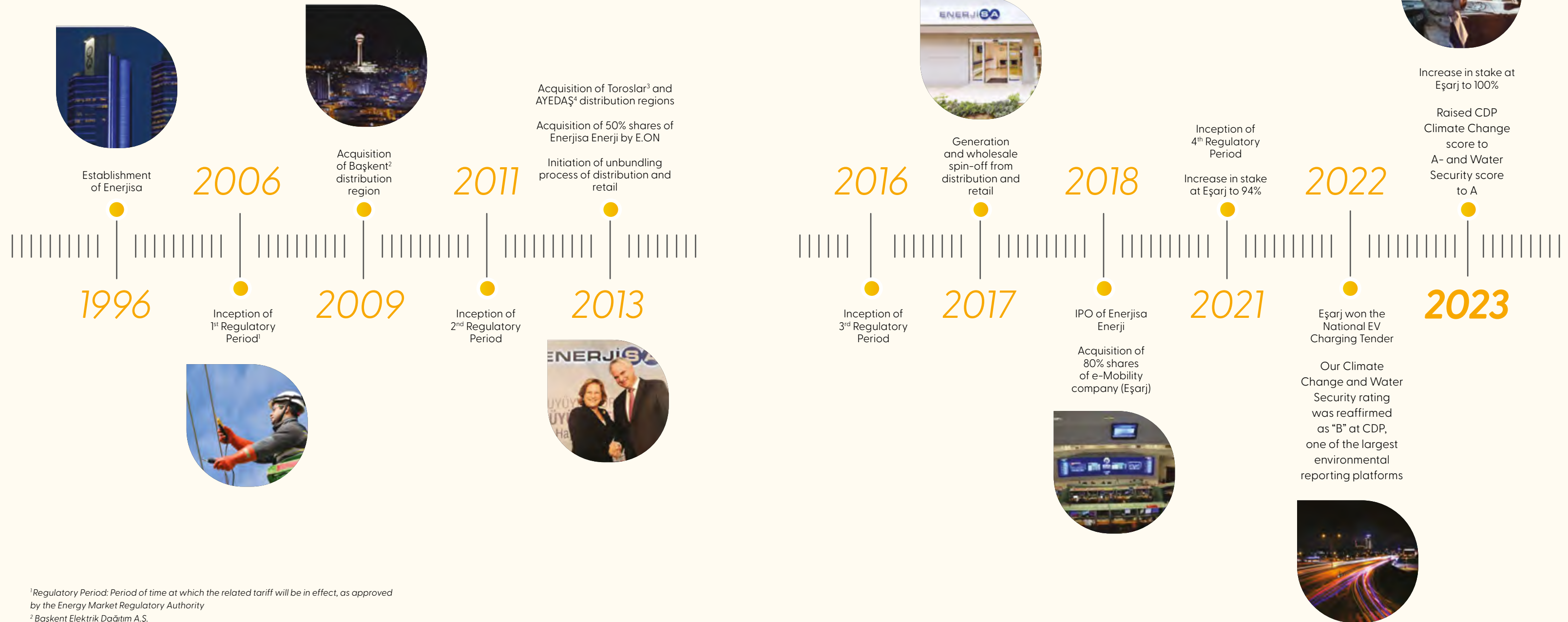
Enerjisa Enerji's Corporate Governance Rating increased to 96.32 out of 100 (9.63 out of 10) in 2023. Enerjisa Enerji thus improved its place in the BIST Corporate Governance Index among institutions with the highest corporate governance ratings. Since 2019, the Company has been featuring in the BIST Sustainability 25 Index, which is comprised of companies traded on Borsa Istanbul with exemplary corporate sustainability practices.

Creating its long-term strategies with a sustainable and holistic approach, Enerjisa Enerji integrates Environmental, Social and Governance (ESG) factors into its strategy. The Company attaches utmost importance to sustaining its existence as a transparent, ethical and principled company based on its corporate governance structure, and within this framework to reporting ESG data. The Company resorted to independent audit opinion for major ESG indicators for the first time in 2021. Raising its CDP Climate Change score to A- and Water Security score to A level in 2023, Enerjisa Enerji also continued to enhance its ESG performance in other assessments carried out by indices and assessment platforms in 2022.



ABOUT ENERJİSA

HISTORY



¹Regulatory Period: Period of time at which the related tariff will be in effect, as approved by the Energy Market Regulatory Authority

²Başkent Elektrik Dağıtım A.Ş.

³Toroslar Elektrik Dağıtım A.Ş.

⁴Istanbul Anadolu Yakası Elektrik Dağıtım A.Ş.

ABOUT ENERJİSA

Enerjisa Enerji centrally manages and monitors all its distribution and retail sales activities in three regions.



Ceren Başer
Customer Service
Support Specialist

"For a Better Future" symbolizes sustainable living globally and, to me, particularly in our country, underscoring the pivotal role of the energy sector in achieving a sustainable future. I firmly believe that every contribution I make in my region and within my role at one of Türkiye's leading energy companies is a beacon of hope passed on to future generations.

We experienced one of the greatest disasters in human history on February 6th, 2023 in the Toroslar region. During that challenging period, we forged unity with our colleagues in the region and across other cities and tried to overcome the difficulties. With our colleagues in the region, we gathered at the social centres for a month to heal our wounds. Our families and children came together, and we got through this challenging period. Our company, similar to its response during the pandemic, swiftly and effectively took actions, reaffirming that we are always united. Without the sense of unity and the familial culture during this process, overcoming it might have been even more challenging.

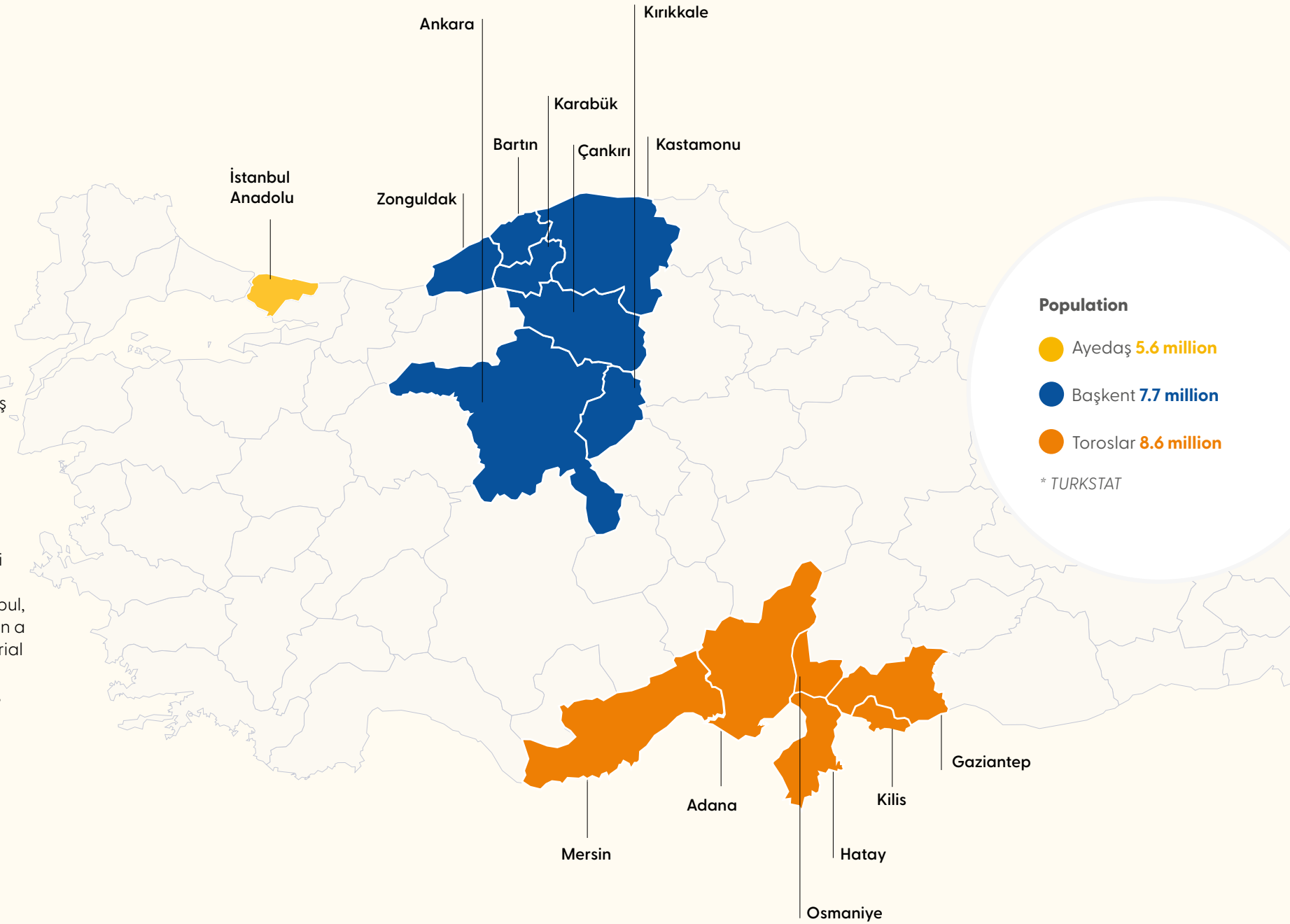
Türkiye's largest electricity distribution and retail sales company Enerjisa Enerji has approximately 12.2 million distribution network connections, and 10.7 million customers, accounting for approximately 22% of the retail electricity market as of December 31st, 2022.

Enerjisa Enerji carries out electricity distribution and retail sales operations through:

- Başkent Elektrik Dağıtım A.Ş. (Başkent EDAŞ) and Enerjisa Başkent Elektrik Perakende Satış A.Ş. (Başkent EPSAŞ) operating in the Başkent Region, which covers the provinces of Ankara, Zonguldak, Kastamonu, Kırıkkale, Karabük, Bartın and Çankırı.
- İstanbul Anadolu Yakası Elektrik Dağıtım A.Ş. (AYEDAŞ) and Enerjisa İstanbul Anadolu Yakası Elektrik Perakende Satış A.Ş. (AYESAŞ) operating in the AYEDAŞ Region, which covers districts on the Anatolian side of İstanbul.

- Toroslar Elektrik Dağıtım A.Ş. (Toroslar EDAŞ) and Enerjisa Toroslar Elektrik Perakende Satış A.Ş. (Toroslar EPSAŞ) operating in the Toroslar Region, which covers the provinces of Adana, Gaziantep, Mersin, Hatay, Osmaniye and Kilis.

The regions at which Enerjisa Enerji operates include the capital city Ankara, the Anatolian side of İstanbul, which is the largest city in Türkiye on a population basis, and major industrial and commercial cities with high population density, such as Adana, Gaziantep and Mersin.



ABOUT ENERJISA

Enerjisa Enerji meets the rapid growth in electricity demand with an efficient approach that focuses on people and technology, and creates sustainable value for its customers, business partners, shareholders and all stakeholders.



Tamer Aktulum
Operator

The teamwork and skills of my colleagues make working together enjoyable. When we identify and address potential issues in advance, we avoid electricity interruption for a worker on a task or a student studying without leaving their pen untouched on the table for a long time. This part of my job is a major motivator for me because the lights in people's homes are a reflection of our energy. By examining power lines and addressing possible malfunctions, I play a role in securing uninterrupted energy delivery for a better future.

Türkiye's economic growth and urbanization, digital transformation in all areas of life, and a young and dynamic population, signify substantial growth potential for electricity demand. Electricity today constitutes a vital need, much like air and water. Enerjisa Enerji meets the rapid growth in electricity demand with an efficient approach that focuses on people and technology, and creates sustainable value for its customers, business partners, shareholders and all stakeholders.

Deriving its power from people and predicating its operations on the values of sincerity, passion, courage, sustained development and inclusion, Türkiye's agile and innovative energy company Enerjisa Enerji continues to generate sustainable energy solutions that touch human lives.

DISTRIBUTION

Electricity distribution activities are carried out by Başkent EDAŞ, AYEDAŞ and Toroslara EDAŞ. The operations of electricity distribution companies are restricted to the regions defined in their licenses.

Distribution is the delivery of electricity to end users via power lines with voltage level below 36 kV. Türkiye's distribution network is divided into 21 distribution regions, as defined by the "Electricity Privatization Strategy Document." Since the privatization got completed through 2009 to 2013, these regions have been operated by private distribution companies.



Each regional distribution network operator is responsible for;

- operating the distribution network in its region,
- making the required maintenance, repair, environment, security, renewal and expansion investments,
- performing the maintenance and reading of electricity meters,
- preparing demand projections and investment plans,
- monitoring theft-loss rates,
- supplying electricity to cover technical and commercial losses,

- taking the necessary technical and operational measures to reduce theft-loss rates,
- and ensuring the lighting of public areas.

Enerjisa Enerji manages and monitors all its network operations in its 3 distribution regions, while planning and realizing its distribution network-related operations. As part of grid management processes, Enerjisa also engages in activities related to network expansion and renovation increasing the operational efficiency of the network as well as research and development efforts.

These activities enable Enerjisa to standardize network management processes in all three regions; devise centralized procedures determine key performance indicators such as compliance with the EMRA's technical, commercial and supply security standards, as well as outage and theft-loss targets; plan system improvements control and monitor local networks and conduct customer-related operations.

ABOUT ENERJİSA

Enerjisa Enerji offers end-to-end solutions aimed at enhancing the energy efficiency and reducing the carbon emissions of its corporate customers, under the umbrella of “The Energy of My Business” (İşimin Enerjisi).



Esen Ertürk
Theft Billing and Receivables
Team Leader

The “For a Better Future” initiative embraced by our company empowers everyone to implement even the smallest actions for productivity and sustainability, contributing and participate in such collective impact.

As the Theft Billing team, we’ve submitted an application for an Energy Market Regulatory Authority (EMRA) Research and Development project, aiming to use artificial intelligence and robots for billing calculations to enhance the efficiency of our processes. Simultaneously, we’ve initiated developments to facilitate the digital transmission of all documents in our application processes, aiming to reduce paper waste. In our commitment to sustainability, we aspire to prevent paper waste, averting the need to cut an average of 9 trees each year.

In all our endeavours, what inspires me the most is the unwavering support of my team members as we collaborate towards a common goal, the understanding and solution-oriented approach of my managers, and our commitment to fairness and upholding standards in our work.

RETAIL SALES

Retail electricity sales activities are carried out by Başkent EPSAŞ, AYESAŞ and Toroslar EPSAŞ.

Retail electricity sales companies sell electricity exclusively to regulated consumers within the company’s distribution regions as the incumbent retail companies, and to eligible consumers in their respective regions and in other parts of Türkiye without regional limitations.

In both segments, Enerjisa Enerji is the leader in Türkiye’s retail electricity market in terms of both customer numbers and sales volume. Enerjisa Enerji, as the incumbent retail company sells electricity to regulated customers through regulated national tariffs in 14 provinces, and to eligible consumers across Türkiye. It also offers innovative products and services to 10.7 million customers, ranging from households to small or large enterprises. With its extensive field teams, the Company provides services through 39 Customer Service Centres and 69 Transaction Centres, as well as via remote and on digital channels.

CUSTOMER SOLUTIONS

Enerjisa Enerji is dedicated to meeting customer needs with sustainable and innovative solutions. To that end, Enerjisa Müşteri Çözümleri A.Ş. was established in 2017 to manage customer solutions.

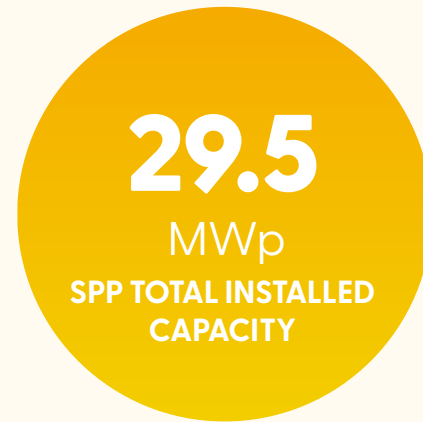
Since October 2020, Enerjisa Enerji has been offering end-to-end solutions aimed at enhancing the energy efficiency and reducing the carbon emissions of its corporate customers, under the umbrella of “The Energy of My Business” (İşimin Enerjisi).





ABOUT ENERJISA

Enerjisa Enerji meets customer needs with sustainable and innovative solutions through green energy solutions, renewable energy, energy efficiency solutions, and e-Mobility.



reached 29.5 MWp, out of which 5.4 MWp was realized in 2023 through self-consumption model.

Energy Efficiency Solutions

Enerjisa Enerji develops customer-focused alternative energy efficiency solutions. The Company offers energy efficiency applications by the energy performance contract (ESCO/EPC) model, particularly in the fields of waste heat recovery, heating, ventilation and air conditioning (HVAC), pressurized systems, electric engines and lighting.

Green Energy Solutions

The concept of Green Energy refers to renewable energy sources such as solar, wind, and water, unlike fossil fuels such as coal, oil, and natural gas. Adopting an environmentally friendly approach for companies is of great importance to contribute to the stability of our planet and to remain competitive in the constantly changing global market.

Enerjisa Enerji's customers may reduce or neutralize their greenhouse gas emissions resulting from electricity consumption with two types of certificates. Enerjisa Enerji provides I-REC Certificates and Carbon Reduction Certificates to its customers under green energy solutions.

Enerjisa Customer Solutions Product Portfolio

Renewable Energy Solutions

- Solar Power Plant (SPP)
- Wind Power Plant (WPP)
- Energy Storage Solutions

Energy Efficiency Solutions

- Lighting Conversion Projects
- Process Efficiency Projects
- Cogeneration (CHP) and Trigenation (CCHP) Solutions

Green Energy Solutions

- International Renewable Energy Certificate (I-REC)
- Carbon Reduction Certificate

e-Mobility

- Eşarj

Renewable Energy Solutions

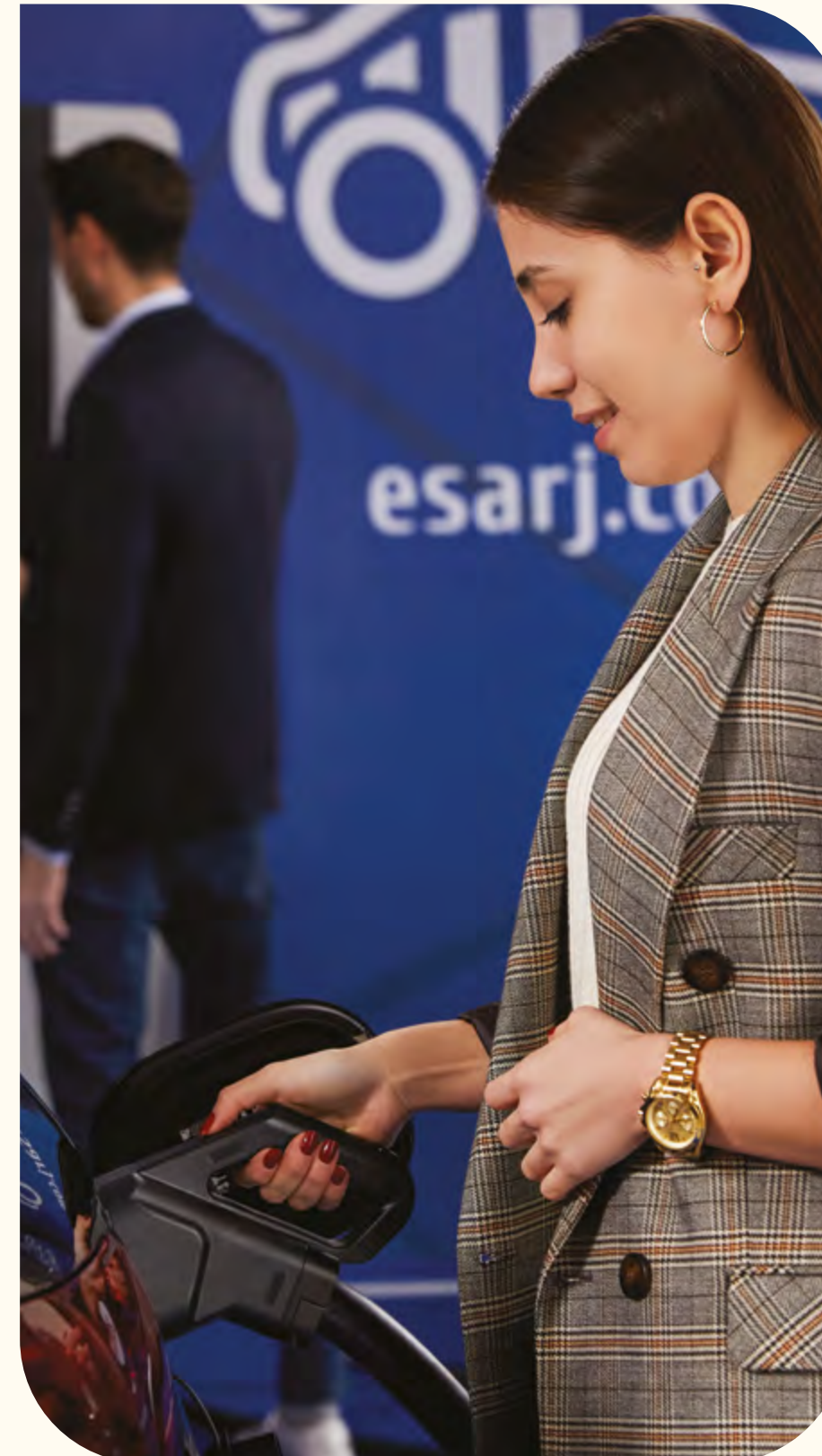
Committed to assume an active role in the combat against climate change, Enerjisa Enerji offers reliable solutions that are tailored to specific customer requirements through innovative business and financial models in the field of solar power plants (SPP), where it deploys its financial and technical know-how. As of the end of 2023, total installed capacity of the solar power plants



Selim Berkan Öztürk
Renewable Energy Project
Development Process Leader

All our efforts are focused on fulfilling the energy needs of our customers through carbon-neutral renewable energy sources, a model applicable to industrial, commercial, and public entities alike. We are excited about sustaining our energy needs by drawing power from nature without harming it, in a sustainable manner.

Our company aims to bring the vision of "For a Better Future" to all segments of society. In alignment with this vision, we individually contribute to building a better future from our own homes. We evaluate the energy efficiency of the lighting products and electronic devices used at home and shape our preferences accordingly. We take measures against unnecessary and excessive water consumption within hygiene standards and make an effort to manage our recyclable waste separately. The LEED (Leadership in Energy and Environmental Design) certifications obtained by our working offices clearly demonstrate our company's sensitivity to this matter.



e-Mobility: Eşarj

Enerjisa Enerji encourages widespread use of highly efficient electric vehicles in order to contribute to a low-carbon ecosystem. To that end, the company actively explores opportunities in innovative business areas such as electric vehicle charging stations, electricity storage systems, smart home technologies, and systems that help consumers generate their own electricity.

Enerjisa Enerji became the controlling shareholder of Eşarj Elektrikli Araçlar Şarj Sistemleri A.Ş. (Eşarj) by acquiring 80% of the shares of Eşarj in 2018. Through this acquisition, Enerjisa Enerji plays an innovative and pioneering role in the electric vehicle ecosystem and is pivotal in the transformation of the sector, alongside its leadership in distribution and sales in the electricity sector. In December 2021, Enerjisa acquired an additional 14% minority stake in Eşarj to increase its stake from 80% to 94%, and in 2023, it fully acquired all remaining shares.

Eşarj operates Türkiye's first and fastest electric vehicle station network with 1,780 charging points, 1,387 of which are fast charging stations, at 1,003 public locations across all 81 provinces of Türkiye by the end of 2023. Since July 2020, the Company has increased its contribution to reducing carbon emissions by certifying the electricity used for charging at all its public stations with the International Renewable Energy Certificates (I-REC) and the Renewable Energy Resource Guarantee System (YEK-G) Certificate obtained from domestic markets, in tandem with an expanding network.

ABOUT ENERJİSA

Enerjisa Enerji pursues a long-term strategy, with a view to being a reliable and innovative brand that represents a strong image, commands the highest awareness ratio in its industry and cares about and creates value for its customers.



Mehmet Kaya
Operator

Four days after the Hatay earthquake on February 6th, we found out while on duty that there was no electricity at Hatay airport. When we got to the fault point, I realized the issue seemed simple but became quite challenging as we started fixing it. I saw that one phase of a high-voltage pole in the middle of an empty land was hanging from the insulator. Climbing the pole and fixing the fault took exactly three hours. This situation, after the tough events we went through, also really hit my morale. However, with my team's support, when I saw that the line held after fixing the fault three hours later, some of the sadness I felt went away. Seeing that the work I did during the earthquake benefited people, I found myself in indescribable emotions. Those three hours of work, the pain, and stress we went through were nothing compared to the happiness of the people. I don't think I'll ever forget this incident.

BRAND VALUE

Enerjisa Enerji is recognized among Türkiye's most prominent and trusted brands, with its investments, effective brand communications, as well as customer-focused and innovative products. The prestige associated with strong shareholders such as E.ON and Sabancı Holding, further bolsters the Company's brand perception.

A brand that cares about and creates value for its customers

Enerjisa Enerji pursues a long-term brand strategy, with a view to being a reliable and innovative brand that represents a strong image, commands the highest awareness ratio in its industry and cares about and creates value for its customers.

According to Enerjisa Brand Awareness Research conducted on a regular basis, the top-of-mind awareness score¹ of Enerjisa brand increased from 22% in April 2015 to 43% in December 2023, while its spontaneous awareness score² advanced from 47% in April 2015 to 65% in December 2023.

¹ The sum of brand awareness in the media and the ability of a potential customer to recognize or recall a brand as member of a particular product category without reminders.

² The ability of a potential customer to recognize or recall a brand as member of a particular product category without reminders.





ABOUT ENERJİSA

The “For a Better Future Platform” aligned with Enerjisa Enerji’s vision of contributing to a smarter and greener world, will continue to develop long-term projects along with its impact-focused sustainability approach.



Selda Salman
Data Engineering Expert

“For a Better Future” signifies unity for me. We have experienced it many times in every aspect of life; facing any problem together in unity turns that problem into an experience that enhances our development. I firmly believe that to secure a brighter tomorrow for future generations, we must champion entrepreneurship, innovation, and social responsibility through collaborative efforts.

As a Data Engineer working in the distribution company, I currently operate at the heart of globally renowned data. Considering the company’s growth, profitability, and reputation, I contribute to our business units by crafting models and reports to predict risks, pinpoint improvement areas, and implement necessary measures for an uninterrupted electricity supply.

The year 2023 marked the beginning of my journey into mentoring. I mentored in programs such as “Young Women Building Their Future” and “Republic Mobilization: Tomorrow is Ours”. Additionally, I successfully completed the training component of our company’s YODA Mentoring program. Being able to contribute and participate in such programs within the company and its ecosystem holds significant value and serves as a motivating factor for me, especially given my background in training.

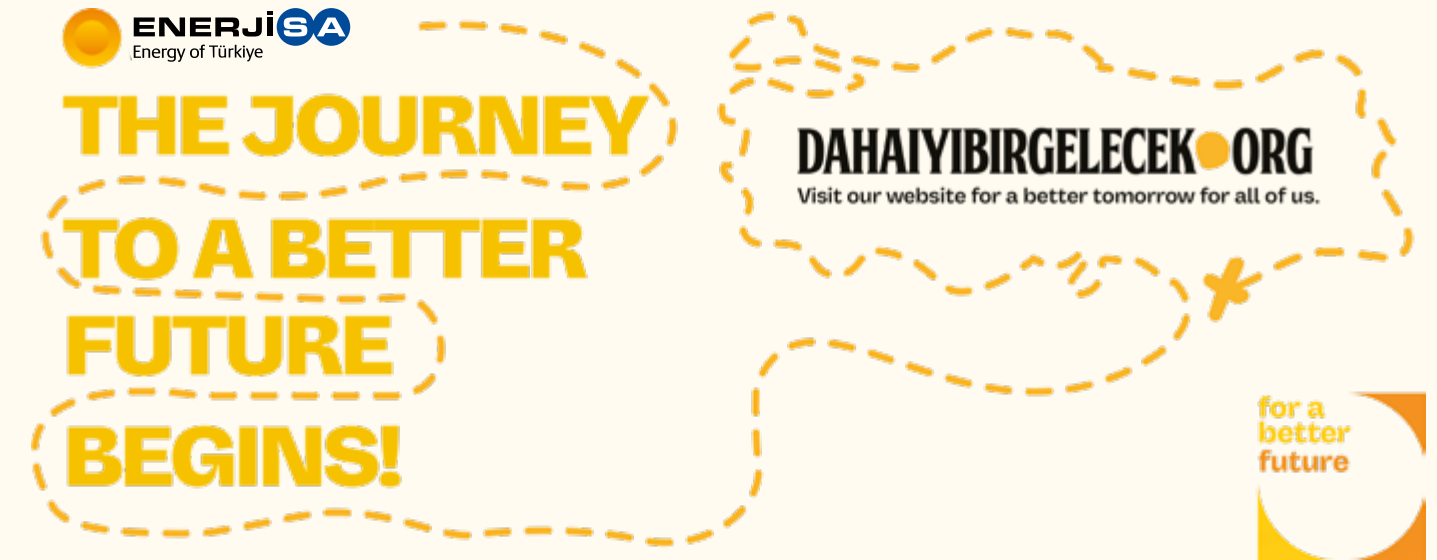
Pioneering the institutionalization of the industry

Enerjisa Enerji, which offered a 20% stake to the public in 2018, took a cardinal step towards institutionalizing the energy industry with the support of the communication campaign conducted during this process. The public offering process was announced across Türkiye through 360° communication activities, with the slogan “As long as Türkiye has this energy, the future is much brighter.” Enerjisa Enerji’s brand recognition and corporate identity were further bolstered along with the public offering.

A better future for everyone

Enerjisa Enerji continues to initiate investments and develop products that will facilitate the lives of its customers. The Company works diligently to create a greener and smarter world and a better future for more people across Türkiye with the projects it develops.

Enerjisa Enerji announced its “For a Better Future” platform in July 2023, aiming to contribute to the economic efficiency of Türkiye. The first solid outcome of the platform is the “Türkiye Productivity Survey Report,” which explores perceptions of businesses, acceptance, and practices related to productivity enhancement. The goal is to map Türkiye’s productivity landscape and pave the way for new initiatives. These efforts, guided by an Advisory Board comprising of experts, aim to provide insights into practical applications under the project.



Following the earthquakes that occurred on February 6, the Platform’s Advisory Board intensified efforts to address economic challenges in the regions that were heavily affected. Collaborating with UNDP Türkiye and regional Chambers of Commerce, Enerjisa Enerji partnered with the RRDC (Regional Reconstruction and Development Centres) project to rebuild and develop areas affected by the earthquake in 11 provinces.

Within the RRDC activities, support will be provided to individuals, communities, and institutions in the earthquake-hit region, aiding them in overcoming economic difficulties and contributing to the reconstruction of a resilient, developing region. Enerjisa Enerji, as the RRDC’s one and only private sector partner, will financially support 20 businesses to generate economic activity and by this contribute to employment in the aftermath of the earthquake.

In addition to financial assistance, businesses will receive support in terms of workspaces, education, collaboration, and access to finance.

The commitment to preparing the region for a better future includes efforts towards economic, social, and cultural redevelopment, as well as rebuilding civil society.

The “For a Better Future Platform” aligned with Enerjisa Enerji’s vision of contributing to a smarter and greener world, will continue to develop long-term projects along with its impact-focused sustainability approach.



PURPOSE, VISION, MISSION AND VALUES

PURPOSE

To connect people and industries to energy; and to provide a safer, cleaner and better energy future in Türkiye for generations to come.

VISION

Everyone should live in a sustainable energy world.

MISSION

To accelerate sustainable energy transformation by building the needed infrastructure and services of tomorrow.



INCLUSION

We create an environment which ensures the inclusion of our stakeholders, we encourage, appreciate different opinions, get the utmost benefit with multiple collaborations.

CONTINUOUS DEVELOPMENT

We question ourselves and our work with a positive curiosity and genuine excitement about innovation. To ensure excellence, we always learn from our past experiences, develop with our vision of the future, and pioneer change.

PASSION

We approach all our endeavours with enthusiasm, excitement, perseverance, and wholehearted conviction; we invigorate our entire environment with our energy.

COURAGE

We express our ideas openly, take risks, and do not fear making mistakes. We use initiative to take responsibility, and move on to action.

VALUES

SINCERITY

We place love, respect and trust at the centre of all our relations with stakeholders; we are as we seem, and we seem as we are.

CAPITAL AND SHAREHOLDER STRUCTURE

Enerjisa Enerji sustains its operations and investments with the strength it derives from its prominent shareholders; E.ON and Sabancı Holding.



Being one of the largest electricity downstream companies in the world, E.ON focuses on two main business areas in Europe, namely distribution networks and customer solutions.

- 47.3 million customers
- ~74,600 employees
- EUR 9.4 billion adjusted EBITDA
- EUR 42 billion regulated asset base



Sabancı Holding is a diversified conglomerate that focuses on creating added value with ecosystem collaborations, and prioritizes a high-performance culture, while adhering to sustainability principles.

- Main business areas are banking, financial services, energy and climate technologies, industrials, building materials and digital.
- Sabancı Group companies operate in 14 countries as of year-end 2023.

- As well as its own shares, 11 subsidiaries of Sabancı Holding are listed on Borsa Istanbul (BIST) and constitute 5% of total market capitalization of the Turkish equity market as of year-end 2023.
- Sabancı Holding has partnerships with leading names in the world (Ageas, Bridgestone, Carrefour, E.ON, Heidelberg Materials and Skoda).

Shareholder Name	Capital/Voting Right	
	December 31, 2023	
	(TL)	(%)
Hacı Ömer Sabancı Holding A.Ş.	472,427,587.56	40
DD Türkiye Holdings S.A.R.L.*	472,427,587.56	40
Other (Free Float)	236,213,792.00	20
TOTAL	1,181,068,967.12	100

*As of 27 April 2023, Enerjisa Enerji shares, which were previously held by DD Turkey Holdings S.A.R.L, were transferred to E.ON International Participations NV, another E.ON group company.





INFORMATION ON STOCK

As of year-end 2023, Enerjisa Enerji had a market capitalization of TL 53.8 billion.

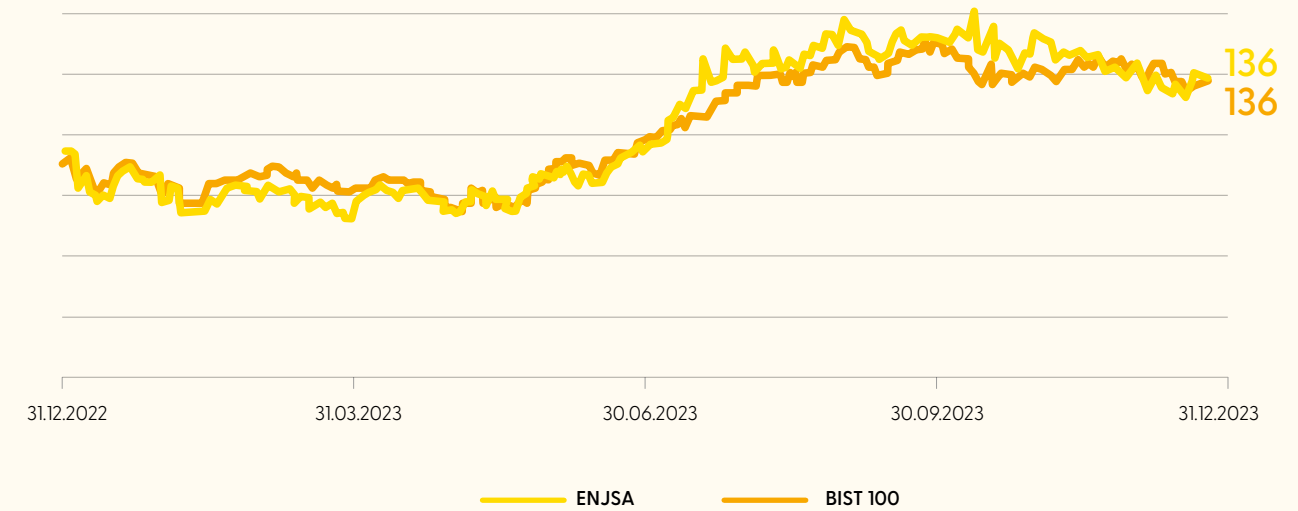
Following a successful IPO, Enerjisa Enerji shares have been trading under the "ENJSA" ticker symbol on Borsa Istanbul (BIST) Stock Market since February 8, 2018. ENJSA was included in FTSE All-World Index in June 2018; BIST Sustainability Index in October 2019; and BIST Corporate Governance Index in December 2019.

Stock Information	2022
Stock Exchange	Borsa Istanbul
BIST Ticker	ENJSA
Bloomberg Ticker	ENJSA TI
IPO Date	08.02.2018
Nominal Value of Total Shares	TL 1,181,068,967.12
Free Float	20%
Market Capitalization (31.12.2023)	TL 53.8 billion
Year-End Closing Price (31.12.2023)	TL 45.54

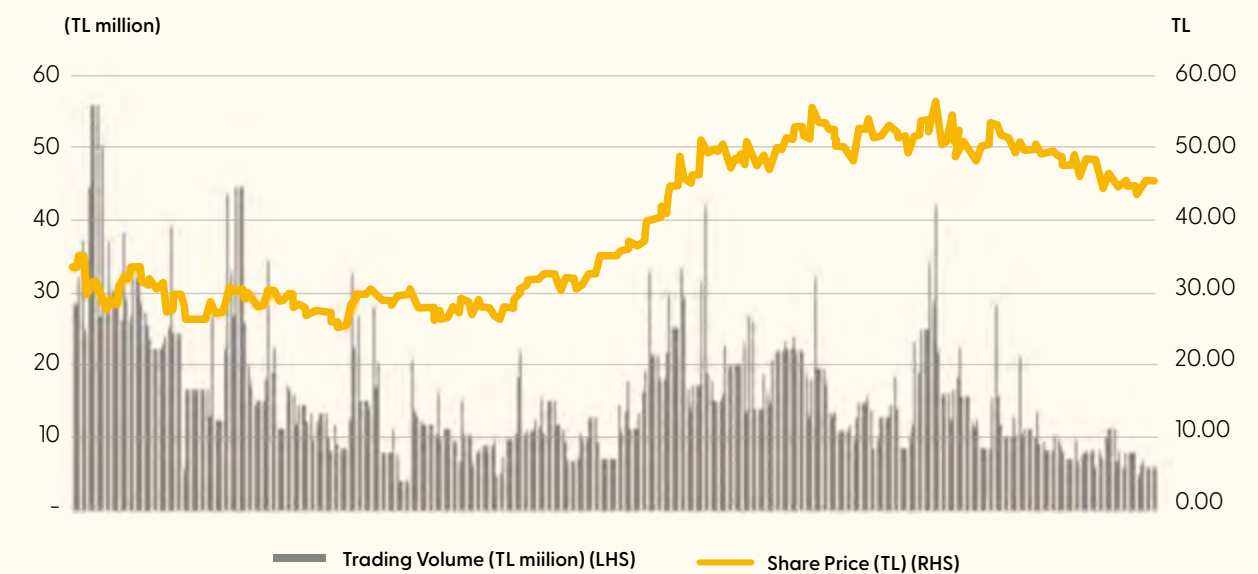
Enerjisa Enerji's share price delivered a 36% nominal return in 2023. The average daily transaction volume during the year was TL 16.4 million. Additionally, our Board of Directors has proposed a dividend of TL 2.79 per share to the AGM, representing a pay-out ratio of 98% of the Underlying Net Income (UNI) with and 57% of the UNI without inflation accounting.

As of year-end 2023, Enerjisa Enerji had a market capitalization of TL 53.8 billion. Foreign investors' share in the free float as of year-end 2023 was 26%, compared to 38% foreign ownership for BIST.

Relative Share Performance (%)



Share Price and Trading Volume

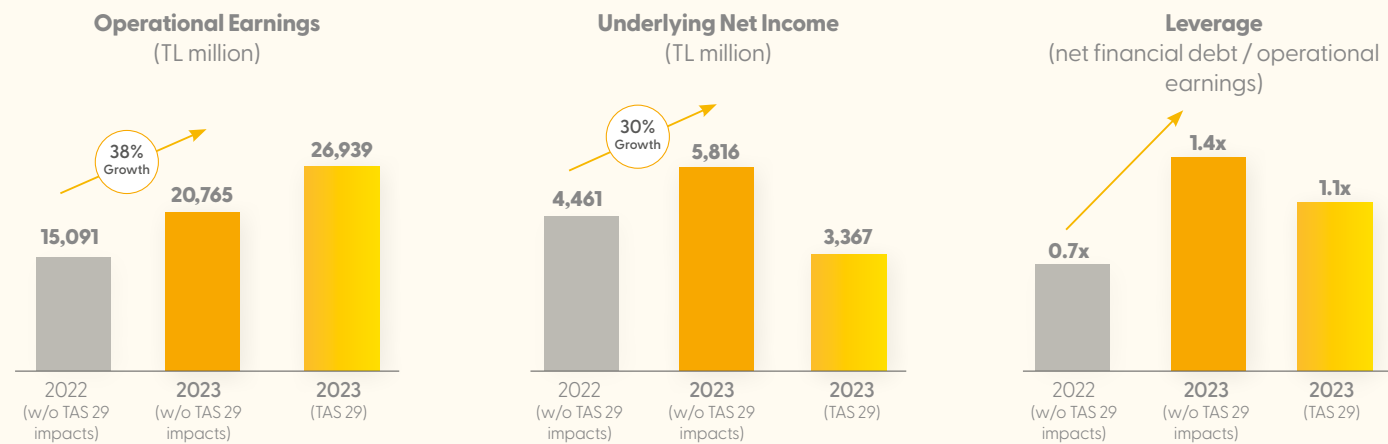




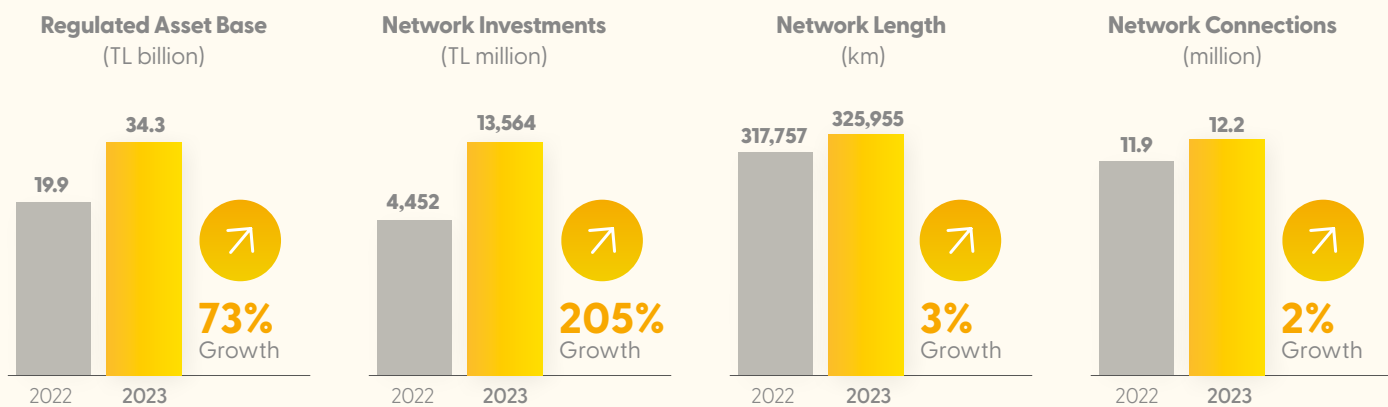
KEY OPERATIONAL AND FINANCIAL INDICATORS

Enerjisa Enerji accelerated its profitable investments on the basis of a strong balance sheet.

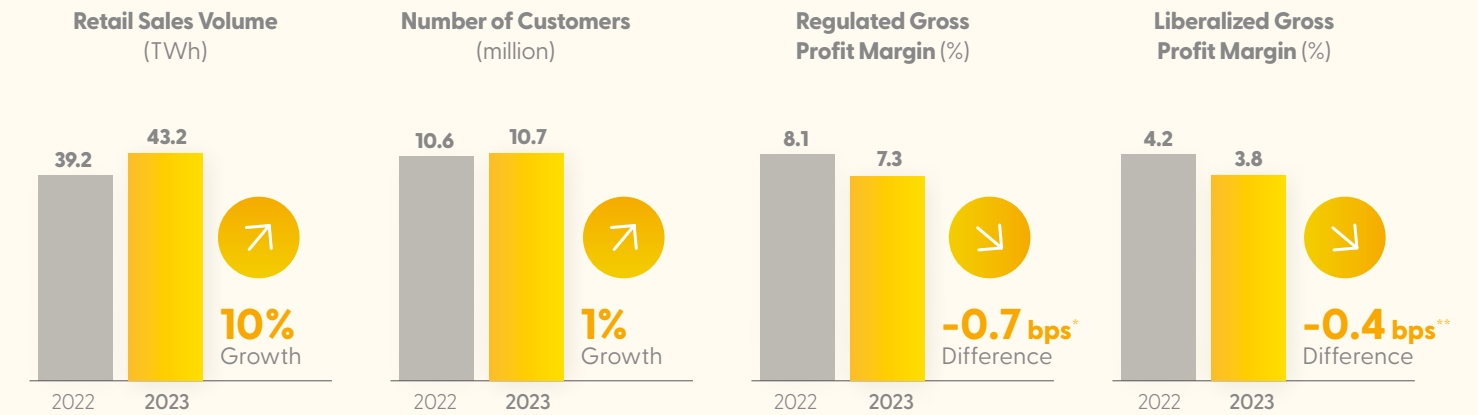
Consolidated Financial Indicators



Distribution Operational Indicators



Retail Sales and Customer Solutions Operational Indicators



	2022 (w/o TAS 29 impacts)	2023 (w/o TAS 29 impacts)	2023 (TAS 29)
Consolidated			
Operational Earnings*** (TL million)	15,091	20,765	26,939
Underlying Net Income (TL million)	4,461	5,816	3,367
Free Cash Flow (after interest & tax) (TL million)	1,557	-12,900	-6,598
Economic Net Debt (TL million)	15,188	35,983	35,983
Leverage (Net Financial Debt/Operational Earnings)	0.7x	1.4x	1.1x
Distribution			
Operational Earnings (TL million)	12,529	16,830	21,740
Regulated Asset Base (TL million)	19.9	34.3	34.3
Network Investments (TL million)	4,452	13,564	13,564
Network Connections (million)	11.9	12.2	12.2
Network Length (km)	317,757	325,955	325,955
Retail Sales and Customer Solutions			
Retail Sales Operational Earnings (TL million)	2,637	3,196	4,225
Customer Solutions Operational Earnings (TL million)	9	904	1,171
Retail Sales Volume (TWh)	39.2	43.2	43.2
Number of Customers (million)	10.6	10.7	10.7
Regulated Gross Profit Margin (%)	8.1%	7.3%	7.3%
Liberalized Gross Profit Margin (%)	4.2%	3.8%	3.8%
Solar Power - Installed Capacity (MWp)	24.1	29.5	29.5
Combined Heat and Power (MW)	3.8	3.8	3.8
Charging Plugs	788	1,780	1,780
Public Charging Locations	422	1,003	1,003

* Regulated gross % margins experienced a decrease due to an increase in procurement from EÜAŞ which led to a reduction in the compensation for working capital associated with other resources.

** Liberalized gross % margins dropped driven by the lack of profitable fixed price products, a consequence of the lack of a liquid power hedging market. The increase in sales volume across both segments has compensated for these gross % margin decreases.

*** Operational Earnings refers to EBITDA plus CAPEX reimbursements excluding exceptional items.



AWARDS

Enerjisa Enerji has been honoured with numerous awards in 2023 for its successful projects and expert team.

2023 AWARDS

CRYSTAL TREE AWARDS - METU
- Sustainability Category - "The Leading Company of the Year in Sustainability"

FORTUNE 500 TÜRKİYE - 2022 Survey -
15th Rank

YOUTH AWARDS 2023
- The Most Popular Energy Company to Work - 1st Rank

17TH INTERNATIONAL STEVIE SALES AND CUSTOMER SERVICE AWARDS - Energy of My Business Brand - Gold Award

BONDS, LOANS & ESG CAPITAL MARKETS CEE, CIS & TÜRKİYE AWARDS 2023 - "Local Currency Bond Deal of the Year"

BUSINESS LIFE - Top 50 Most Effective Leaders in Türkiye
- "Top 50 Effective CEO in Türkiye" - Murat Pınar
- "Top 50 Effective CFO in Türkiye" - Dr. Philipp Ulbrich
- "Top 50 Effective CHRO in Türkiye" - Yakup Aydılek
- "Top 50 Effective Corporate Communications Leaders in Türkiye" - Göktürk Demirel

CIO AWARDS 2023 - BEST CIO - Mehmet Fırat

2023 THE GLOBEE GOLDEN BRIDGE AWARDS - 6 Awards
- Söğütözü Office - "Best Workplace of the Year" and "Achievement of the Year for a People Focused Workplace"
- Young Talent Programs - "Achievement of the Year in Learning and Development" Award
- Retail X Young Talent Program - "Achievement of the Year in Youth Employment" Award
- On the Path to the Future Program - "Human Resources Outstanding Performance of the Year" Award
- Meta/Or Metaverse project - "Training and Education Innovation" Award

14TH SABANCI GOLDEN COLLAR AWARDS - "POLAR STAR" PROJECT - Digitalization and Continuous Development - Golden Collar Award

BMI BUSINESS SCHOOL - TECHNOLOGY LEADERS SUMMIT 2023 - Top 50 Effective CIOs in Türkiye List - Mehmet Fırat

BOĞAZIÇI UNIVERSITY ENGINEERING SOCIETY (ENSO) - "BOĞAZIÇI BUSINESS WORLD AWARDS" - "Best Energy Company of the Year"

BRANDON HALL EXCELLENCE AWARDS 2023 - 8 Awards
- Golden Award for Most Distinguished/Creative HR Program and Best Talent Management Strategy Award with the Enter, ITalent and Retail X Programs
- Bronze Award for the Enerjisa Mobile Refactoring Project in the Business Strategy and Technology Innovation Category
- Golden Award for Achievement in Talent and Skill Development, Golden Award for Best Team Development Program and Silver Award for Most Distinguished/Creative HR Program with Energy Management Academy
- Silver Award for Best Sales Talent Management Program and Silver Award for Best Talent Acquisition Program for Sales Professionals with Retail X Young Talent Program

BRANDVERSE AWARDS (MARKETING TÜRKİYE VE BOOMSONAR) - SENTRUM Projesi - Sürdürülebilir Şehir ve Yaşam Alanları Kategorisinde Bronz Ödül

DATAEXPERT - BMI BUSINESS SCHOOL - Top 50 Effective CHRO - Yakup Aydılek

DÜNYA NEWSPAPER - SOCIAL BENEFIT AWARDS - VALUE ADDING PROJECTS - Local Values and Tourism Award with SENTRUM Project

KAIZEN AWARDS
- Turkish Quality Association (KalDer)
- Visual Installation Inspection Kaizen Project

CRYSTAL DEER AWARDS
- "Energy Company of the Year"
- "Oyun Gezer" Project with Enerjisa & TEMSA Collaboration - "Social Responsibility Project of the Year"

FAST COMPANY TÜRKİYE - TOP 50 INNOVATIVE HR LEADERS - Yakup Aydılek

GLOBEE BUSINESS AWARDS - 13 Awards (10 Gold and 3 Silver)

HAPPY PLACE TO WORK - Happy Place to Work in Türkiye - Happy Place to Work in Energy Industry

KINCENTRIC BEST EMPLOYERS 2023 - Best Workplaces in Türkiye (with Enerjisa Toroslar Retail Sales & Enerjisa Toroslar Electricity Distribution Companies)

KOZALAK EARLY FIRE DETECTION SYSTEM - 2 Awards
- TEKNOFEST 2023 - Disaster Technologies - Best Start-Up
- James Dyson Foundation - Sustainability-Oriented Engineering - James Dyson Award

LEARNX AWARDS - 3 Diamond Awards
- In the Category of Best Learning and Development with Energy Management Academy Program
- In the Category of Best Metaverse with Meta/Or Project
- In the Category of Best Organizational Development with On the Path to the Future Project

LEED GOLD GREEN BUILDING CERTIFICATE - Ankara Söğütözü Headquarters Office Design

MERCOMM - International ARC Awards - "Silver" and "Honor" Awards with Annual Report 2022

THE MOST POPULAR COMPANIES SURVEY
- 1st Rank in Energy Industry
- Top 100 in the Most Popular Companies in Türkiye Survey
- "The Most Popular Companies of Young Professionals" - Top 50

MUSE CREATIVE AWARDS - 2 Awards
- "I Protect My Energy" - Gold Muse
- SENTRUM - Silver Muse

PAYMENT SYSTEM MAGAZINE - PSM Awards - PSM Award in the Category of In-house Innovation

STEVIE BEST EMPLOYERS AWARDS - 10 Awards
- 3 Gold and 7 Silver awards in 9 different categories for
- "On the Path to the Future Program"
- "The Young Talent Program"
- "The Elpis Career Architecture"
- "Energy Management Academy"
- "Meta/Or"
- "Söğütözü Office"

STEVIE INTERNATIONAL BUSINESS AWARDS - 3 Awards
- Silver Stevie in Achievement in Human Resources
- Gold Stevie in Career and Workforce Readiness Solution with the Elpis-Career Architecture Project
- Bronze Stevie in Corporate Learning/Workforce Development Solution with the Meta/Or Onboarding Training

TECHNOLOGY CAPTAINS AWARDS - Social Responsibility Project of Technology Captains - Braille Billing Project

THE ONE AWARDS - Marketing Türkiye and Akademetre Research - The Most Prestigious Brand in the Energy Industry

TITAN BUSINESS AWARDS - Customer Case Management Project - 3 Platinum Awards in 3 Different Categories
- Gold Award for the Enerjisa Mobile Refactoring Project in the Business Web Site Category

Enerjisa Sports Clubs - 6 Trophies, 297 Medals in Total

36th Dardanelles Swimming Race
- Yellow Fins Swimming Team - 1 Silver Medal - 1 Trophy

Antalya 18th Aquamasters Swimming Championship - 1K Race - Enerjisa Yellow Fins Swimming Club
1 Trophy and 15 Medals
- General Category 3rd Place Trophy
- 8 Gold, 2 Silver, 5 Bronze

Atatürk Commemoration Day Swimming Championship of International Masters - Yellow Fins Swimming Team - 75 Medals (26 Gold, 26 Silver, 23 Bronze)

CBL Trophy - Yellow Warriors Ankara Basketball Team - CBL League 3rd Place Trophy - 14 Bronze medals and 1 Trophy

Çanakkale-Gökçeada Marathon - Yellow Fins Swimming Club - 10 Medals

CBL - League Championship Trophy
Yellow Warriors Ankara Basketball Team - 14 Gold Medals and 1 Trophy

Corporate Games:
- Yellow Warriors Ankara Basketball Team - Gold Trophy for the Basketball Team of 5 - 10 Gold Medals
- Yellow Ravens E-Sports Team - E-sports - 4 Medals (3 Gold, 1 Bronze)
- Yellow Thunders Running Team - Running Branch - 12 Medals (10 Gold, 1 Silver, 1 Bronze)
- Yellow Fins Swimming Team - Swimming Branch - 15 Medals (3 Gold, 9 Silver, 3 Bronze)

Eskişehir Half Marathon
Yellow Thunders Running Team - Companies Category 3rd Place Trophy (3rd Fastest Company) - 13 Bronze Medals and 1 Trophy

GGCorp Intercompany E-Sports Tournament - 4 Games Category - 15 Medals (7 Gold, 8 Silver)

Heybeliada 19th Aquamasters Swimming Championships - Yellow Fins Swimming Team - 29 Medals (8 Gold, 11 Silver, 10 Bronze)

International Summer Swimming Championships of Masters (Short Course) - Yellow Fins Swimming Team - 58 Medals (20 Gold, 15 Silver, 23 Bronze)

Runkara - Yellow Thunders Running Team - Companies Category 3rd Place Trophy - 12 Gold Medals 1 Trophy





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CHAIRMAN'S MESSAGE

As Enerjisa Enerji, with the activities we carry out within our companies, we make significant contributions to Türkiye's energy transformation and subsequently to achieving energy independence.

Dear Stakeholders,

The most important event that made the past year unforgettable for us was the February 2023 earthquake disaster that deeply affected our company and country. From the very beginning, together with all of our employees, contractors and stakeholders, we made an extraordinary effort in search and rescue, followed by the healing of the wounds left by the earthquake. I extend my condolences to the families of our citizens who lost their lives during the earthquake, including our 17 valuable colleagues. It is our company's priority to fulfil all our responsibilities in the field of electricity infrastructure for the region to rise again, and we aim to complete these tasks quickly.

As we present our annual report for this year, I would like to provide deep insights into both the rapidly changing dynamics in our industry and how our company has adapted to these changes and played a critical role in the ongoing energy transformation. This report is not only a review of the past year, but it is also a reflection of our commitments and goals for the future as we continue to progress on the path of sustainability, innovation and excellence. We are proud to share that we are shaping not only the present but also the future of our company with you and our valuable stakeholders and that this future will contribute to the sustainable future of our world.

The ongoing global climate crisis and energy transformation present both challenges and opportunities under the influence of geopolitical developments.

These developments necessitate a deep understanding of energy balances because they also affect market dynamics.

The Russia-Ukraine war led to the severance of Europe's relations with its main natural gas supplier. This situation has caused unexpected increases in energy prices in the past two years, including in Türkiye. This led to acceleration in the renewable energy sector, growth in liquefied natural gas trade and the hastening of alternative new investments and technologies. Following the COVID-19 pandemic, with its economy reviving, China has re-emerged as both a significant raw material consumer and key player in the field of renewable energy and technology. China's transition to renewable sources in electricity production and steps in the field of e-mobility are considered important milestones in the global energy transformation. Amid all these developments in the energy markets, the world continues its struggle to achieve the goals set under COP28, which include tripling renewable energy installed capacity and doubling energy efficiency globally by 2030.

When we look at Türkiye, we see that we are among the top 20 countries in terms of total energy consumption worldwide. We are one of the world's largest energy consumers. Despite our high energy demand, a significant portion of our needs are still met from sources outside the country. We can say that the recently discovered domestic natural gas and oil reserves, developments in our energy markets, steps taken and investments made in renewable energy and our grids have the potential to reduce our country's dependence on external energy sources in the medium term

and to increase energy security. Alongside these advancements, it is well-known that Türkiye has areas open for development. A significant point of development in Türkiye's energy markets is the incomplete functioning of market mechanisms based on real costs. The integration of these mechanisms in our sector is crucial to supporting investments, making consumers understand the real value of energy and accelerating our transition to more value-added industry. Although energy crises have led many countries to take measures to protect consumers, the fact that long-term and sustainable success in the energy sector depends on free market conditions has been a long-accepted reality by academic circles and industry experts.

In light of these developments, we believe that the electricity distribution and retail sectors play a leading and key role in the integration of renewable energy sources, which are an important part of the energy transition, as well as in electrification and energy efficiency. As Enerjisa Enerji, with the activities we carry out within our companies, we make significant contributions to Türkiye's energy transformation and subsequently to achieving energy independence. In 2023, a year in which we set investment records in our distribution networks, we also demonstrated successful growth in renewable energy investments and energy efficiency projects offered to our customers under the "Energy of my Business" initiative. In the field of e-mobility, we continue to maintain and enhance our leading position in the sector with Eşarj by offering high-speed charging services.

Successfully completing our crucial work for the sustainable future of our country and the world, we can attribute our significant impact to two key strengths. The first is our effective and competent human resources, which are well above the sector averages. Enerjisa Enerji has once again fulfilled its exemplary company mission with over 11,000 family members. The second is our digital and technological competencies, which increase our efficiency and speed in all our operational activities. Digital transformation has always been at the forefront of the working principles of Enerjisa Enerji from day one, and we believe we will continue to develop exemplary applications for the world in the future.

In 2024, we will continue to manage our high investment and service quality with high attention. With our solutions in electricity distribution, retail, e-mobility and under the "Energy of my Business" initiative, we will be at the forefront as flagship of the energy transformation.

Last year, the Enerjisa Enerji Board of Directors fulfilled their duties and responsibilities within the scope of the relevant legislation and procedures. During the Board meetings in the 2023 fiscal year, financial and operational performance was reviewed, and recommendations were shared with senior management. Agenda items communicated by the company management throughout the process were also discussed and resolved. The Board committees met regularly to review the work carried out in corporate governance, sustainability, risk, financing and human resources. Recommendations from these committees were shared with the Board of Directors and taken into consideration by us.

As the Board of Directors, we congratulate the Enerjisa Enerji senior management, all committees, our employees and suppliers for their success in 2023. We also thank our customers and investors for the trust they have placed in us.

Kıvanç ZAIMLER
Enerjisa Enerji
Chairman



BOARD OF DIRECTORS



Kıvanç Zaimler
Chairman

Kıvanç Zaimler studied at Istanbul Technical University and Berlin Technical University. From 1992 to 2008, he held various managerial positions in different fields in the private sector.

He joined Enerjisa in 2008 and held roles in natural gas trading and as General Manager of distribution and retail companies before becoming CEO. In 2018, he led Enerjisa's IPO, one of the largest in that period.

Since July 2018, Mr. Zaimler serves as President of the Energy Group at Sabancı Holding. He chairs the Board of Directors at Enerjisa Enerji and serves as Vice Chairman at Enerjisa Üretim. Additionally, he leads Sabancı Climate Technologies, established in June 2022 for Sabancı Holding's international energy and climate tech investments, and Sabancı Renewables, established in the USA.

In addition to his duties in the energy business, Mr. Zaimler has held leadership roles in Sabancı Holding's technology ventures. He previously chaired SabancıDx, the global digital technology company, and currently serves as Vice Chairman.

Mr. Zaimler is also actively engaged with a number of non-governmental organizations, serving as Vice President of World Energy Council Türkiye, Board Member at Sabancı University Istanbul International Energy and Climate Centre (IICEC), SHURA Energy Transition Center Advisory Council Member, and Chairman of the Board at Association of Electricity Distribution System Operators (ELDER).



Johan Magnus Moernstam
Vice Chairman

Johan Moernstam earned his Business Administration and Business Law degrees from the universities of Lund and Växjö in Sweden, after which he completed the Executive MBA programme of the University of Lund.

In 1995, he joined the energy company Sydgas, which was later acquired by E.ON Group. After holding several managerial positions, in 2007 Mr. Moernstam was appointed Vice President of Commodity Portfolio Optimization at E.ON. From 2010 until 2014, he held various managerial roles in Germany and Sweden. Between 2014 - 2019, Mr. Moernstam served as the CEO of E.ON Energidistribution AB, one of Sweden's largest power and gas distribution companies.

Between 2020 - 2023 Mr. Moernstam served as Senior Vice President of Energy Networks - Europe at E.ON Group, responsible for power and gas distribution in Sweden, Poland, Slovakia, the Czech Republic, Hungary, Romania, Croatia and Türkiye.

In 2023 Mr. Moernstam was appointed as CEO for E.ON Nordics and Sweden.

Mr. Moernstam is also active in several roles at the EU level. Among other positions, he serves as Vice President in DSO-Entity and Vice Chair for the European Distribution System Operators (E.DSO).



Yeşim Özlale Önen
Board Member

Yeşim Özlale Önen earned her Bachelor's degree in Psychology from Middle East Technical University in 1997 and her Master's degree in Clinical Psychology in 1999.

She began her professional career as a Consultant at Davranış Bilimleri Enstitüsü in 1999 and continued her career as a Senior Consultant at Deloitte between 2003-2005. She served as a Project Manager at DDI Türkiye between 2005-2007.

Önen joined Sabancı Holding in 2007 as Group Human Resources Manager and worked at Sabancı Group until 2011. In 2011, she was appointed as the Senior Client Partner at Korn Ferry. As of 15 March 2023, Önen has been appointed as Human Capital & Sustainability Group President at Sabancı Holding and Board of Directors' Member for Enerjisa Enerji.



Thorsten Lott
Board Member

Thorsten Lott received his degree in Business Administration at the Georg August University of Göttingen. He joined VEBA Group in 1999 as Business Controller for sales and trading activities in Hannover.

After the merger of VEBA and VIAG, Mr. Lott moved to the newly founded E.ON Energie AG in Munich, where he held different financial leadership positions in the areas of Risk Management, Control and Derivative Accounting. In 2007, Thorsten Lott joined E.ON Kernkraft in order to facilitate the development of new international nuclear projects. After holding different financial leadership positions within the nuclear sphere, he assumed controlling responsibility for nuclear activities in E.ON Group (Germany and Sweden) as well as for all hydro generation activities (Sweden, Germany, Italy, Spain) through the newly founded E.ON Generation.

Mr. Lott was appointed as Head of Finance for all nuclear activities in 2015. Since 2017 he is a Member of the Board (CFO) of PreussenElektra, which is responsible for the management of all nuclear activities within the E.E.ON Group.

BOARD OF DIRECTORS



Nusret Orhun Köstem

Board Member

In 1991, Orhun Köstem completed his undergraduate studies in Mechanical Engineering at Middle East Technical University (METU), where he also obtained his MBA. Furthering his education, he acquired a master's degree in Finance and Corporate Law from Bilgi University.

Orhun Köstem joined Anadolu Group in 1994, where he held several management roles until 2008. He was appointed as the CFO of Efes Breweries International in 2008. A year later, in 2009, he transitioned to the role of Corporate Finance Coordinator within the Anadolu Group.

From 2010 to 2018, Mr. Köstem furthered his career at Coca-Cola İçecek, serving as the CFO between 2010 and 2016 and then as the Regional Director for the Middle East and Pakistan. He was the CFO of Anadolu Efes between 2019 and 2021.

Since July 1, 2021, Mr. Köstem has been the Group CFO of Sabancı Holding. In addition to his primary role, he holds significant positions across various organizations: Chairman of Carrefoursa, Vice Chairman of Sabancı İklim Teknolojileri, Board of Trustees of Sabancı University, and Member of the Board of Directors at Akbank, Kordsa, Enerjisa Enerji, and Enerjisa Üretim.

He was one of the co-authors of the book "Opening the Window to Capital Markets: From A-to-Z Initial Public Offerings and Investor Relations.", published in 2009. His expertise has been recognized for many years by various national and international platforms; while listing among "Türkiye's Most Influential 50 CFOs" by BMI Business School and DataExpert in 2016, 2019, 2020, and 2021, he also received accolades as Türkiye's Best CFO in Thomson Reuters Extel's Investor Relations Awards in 2011 and 2013, and was named "Best CFO" in the Consumer Sector in Emerging EMEA by Institutional Investor (II) in 2020. He also achieved rankings as Best CFO in Industrials in 2022 and in SMID-cap Industrials in 2023 in the Emerging EMEA Region by II, and was selected Best CFO among BIST30 companies at the Turkish IR Society (TUYID) Summit in 2022 and 2023.

Mr. Köstem, featured in the C-Suite Series - Fortune CFO 2022 list, is a member of the CFA Society Istanbul and the CFO Network of the World Business Council for Sustainable Development (WBCSD), reflecting his commitment to excellence in finance and sustainable development.



Dr. Guntram Würzberg

Board Member

Dr. Guntram Würzberg studied Law at the University of Göttingen. He holds a PhD in Law, and has attended several Executive Programs at Harvard Business School and MIT, in Boston (US).

Dr. Würzberg started his career at PreussenElektra AG, Hannover as in-house counsel for Energy, Antitrust and Corporate Law. He joined the Legal Department of E.ON AG in 2001 and held several positions as General Counsel in different E.ON Group companies. In 2003, he worked in the US as in-house counsel for Regulatory Affairs at LG&E, E.ON's local distribution company. From 2004 to 2006 he changed to the real-estate business for German based Viterra (today known as Vonovia) as Head of Legal and HR Director, he then took over as General Counsel and later as HR Director for E.ON Ruhrgas AG. He continued this role for the successor companies E.ON Energy Trading SE and E.ON Global Commodities SE until December 2013. He became the Head of Corporate Audit for the E.ON Group in 2014. From January 2017 until July 2022 he served as General Counsel and Chief Compliance Officer at E.ON SE.

Dr. Würzberg took over as CEO of E.ON Hungária in July 2022. He is also a member of the Board of Directors at Enerjisa Üretim.



Fatma Dilek Yardım

Independent Board Member

After graduating from the Department of Business Administration at Boğaziçi University Faculty of Economics and Administrative Sciences, Dilek Yardım embarked on a career in banking in 1988.

Between 1990 and 1999, Ms. Yardım worked as VP of Project Finance and later Corporate Finance divisions at Bankers Trust. From 1999 to 2001, she served as Assistant General Manager of the Global Banking department at Deutsche Bank. From 2001 until 2016, she served as CEO and Board Member at Deutsche Bank Türkiye, Credit Agricole CIB and Standard Chartered Bank Türkiye, consecutively. Between the years 2018 and 2023 she served as Independent Director and Chair/Member of various Board Committees at Pınar Et and Altın Yunus. Since 2018, she has been serving as Independent Director and Chair/Member of various Board Committees at Enerjisa Enerji, Çimsa Çimento, Afyon Çimento. Ms. Yardım is the Branch Manager of the Germany-based real estate fund Commerz Real Investment, while continuing to work as management consultant at her own company.

Ms. Yardım holds an MBA degree from the joint program of Manchester Business School and the University of Bangor. She completed Harvard Business School Executive Education Program and INSEAD Singapore Leadership Program. She has also played active senior roles at TÜSİAD, YASED and DEİK.



Kamuran Uçar

Independent Board Member

Upon graduating from Middle East Technical University with a Master's degree in Chemical Engineering in 1996, Ms. Uçar started her career at TÜBİTAK Defense Industries Research and Development.

Ms. Uçar subsequently embarked on a career at Unilever in 1999, where she served consecutively as Product Manager for Omo; and as Vice President of Household Cleaning and Laundry Products divisions responsible for Africa, the Middle East and Türkiye, while also leading the divisions' teams in South Africa, Türkiye and Dubai. During this period, she also served as Board Member for Unilever Global Home Care business. Between 2016 and 2018, Ms. Uçar continued to serve as Vice President in Household and Personal Care at Unilever for Türkiye, Russia, the Middle East, North Africa, Central Asia and the Caucasus regions, in addition to being Board Member at Unilever Türkiye. During this period, she took part in Global Executive Projects in the Sustainability and Diversity Development Group of the Company. In 2019, she was appointed General Manager of the Unilever Iran, Caucasus and Central Asia Region, and continued her duty as Board Member for Unilever Türkiye, Iran, Caucasus, and Central Asia.

As of January 2022, Kamuran Uçar left her position at Unilever in order to start her own business in the field of healthcare and sustainability technologies. Ms. Uçar currently serves as Founder & CEO of her own company. She is also Member of the Advisory Board of the Advertisers Association, Arya Women Investors Group, Dream Partner of Young Guru Academy, a non-governmental organization; she also works as an Investor and Mentor in various start-ups.

BOARD OF DIRECTORS COMMITTEES

CORPORATE GOVERNANCE COMMITTEE

Chairperson
Kamuran Uçar
 Independent Board Member

Members
Guntram Würzberg
 Board Member

Yeşim Özlale Önen
 Board Member

Burak Şimşek
 Not Board Member

Activities of the Corporate Governance Committee are discussed in the Corporate Governance Section.

[Corporate Governance Committee Charter](#)

AUDIT COMMITTEE

Chairperson
Fatma Dilek Yardım
 Independent Board Member

Member
Kamuran Uçar
 Independent Board Member

Activities of the Audit Committee are discussed in the Corporate Governance Section.

[Audit Committee Charter](#)

EARLY RISK DETECTION COMMITTEE

Chairperson
Fatma Dilek Yardım
 Independent Board Member

Members
Kamuran Uçar
 Independent Board Member

Nusret Orhun Köstem
 Board Member

Thorsten Lott
 Board Member

Activities of the Early Risk Detection Committee are discussed in the Corporate Governance Section.

[Early Risk Detection Committee Charter](#)

EXECUTIVE MANAGEMENT



Murat Pinar
 CEO

Murat Pinar, having graduated from Karadeniz Technical University as an Electric and Electronics Engineer and holds a MBA degree from London School of Commerce & University of Wales.

He started his professional career in Siemens where he worked as transmission engineer, transmission product manager and application and integration manager during the years 1998-2006. Later, he undertook the task management responsibility for the field operations and Program Director roles at Nokia Siemens Networks Company in 13 different countries including Eastern Europe, Central Asia and Türkiye, Azerbaijan and Georgia. Murat Pinar, joined Enerjisa in 2015 and undertook different executive positions within Enerjisa Distribution Companies. He led the integration, growth and development phases of Enerjisa Distribution Companies especially leading operational excellence, business development and investment processes through contributing to restructuring of the market dynamics.

Mr. Pinar was appointed as the General Manager of Enerjisa Distribution Companies in 2015 and as the President of Enerjisa Enerji Distribution Business Unit in 2016. He serves as the Enerjisa Enerji CEO since November 1, 2019. Mr. Pinar also serves as Board Member of ELDER (Association of Electricity Distribution Companies), Board Member of Eşarj, Chairman of E-MOD (The Association of Emobility Operators) and Chairman of EUROGIA.



Dr. Philipp Ulbrich
 CFO

Dr. Philipp Ulbrich holds a Master's degree in Business Administration and a PhD in Accounting / Controlling from Eichstätt-Ingolstadt University, Germany.

He worked for E.ON since 2006 in various international positions, amongst them as Head of Finance for the French activities between 2009 and 2013, as Head of the Global Venture team between 2016 and 2019 and as program leader for the group-wide Working Capital Optimization (2014 to 2015) and the ERP-transformation to S4HANA between late 2019 and early 2021.

In his most recent position before joining Enerjisa Enerji as CFO in June 2023, he was responsible for Finance across E.ON's Digital activities for two years.

EXECUTIVE MANAGEMENT



Ersin Esentürk
General Manager of
Retail Sales Companies

Ersin Esentürk completed his bachelor's degree in Metallurgical and Materials Engineering at Middle East Technical University and his master's degree in Business Administration at Indiana University of Pennsylvania.

Starting his career in 2000 at Dışbank, he held various roles in sales and business development at Toyota Turkey Marketing and Sales Inc. and General Motors - Opel. Joining Enerjisa in 2009, he played a significant role in leading sales functions in individual and corporate channels, contributing to customer experience and energy industry development in the retail business unit. He played a crucial role in the establishment and sustainability of investments in renewable energy and energy efficiency. Since 2020, Ersin Esentürk has been serving as the General Manager of Enerjisa Retail Sales Companies.

He is a board member of the Women in Technology Association, contributing to sustainable development by ensuring equal opportunities in science and technology. He leads important projects contributing to sustainable development and equal opportunities.



Oğuzhan Özsurekci
General Manager of
Distribution Companies

Oğuzhan Özsurekci completed his undergraduate degree in Electrical and Electronics Engineering at Middle East Technical University and obtained his master's degree in Electrical and Electronics Engineering at Gazi University.

He started his career at Barmek Holding in 2002. In 2003, then he joined Baskent Electricity Distribution Inc. as an engineer. Between the years 2003-2013, he held various managerial positions at Baskent Electricity Distribution Inc. In the years 2013-2019, he successfully served as the Director of Customer Operations and Director of Field Operations and since November 2019, he has been serving as the Group Director of Field Operations at Enerjisa Distribution Companies.

Following his role as the General Manager of Distribution Companies at Enerjisa since 2022, he leads a team of over 10,000 people aiming to provide quality and continuous energy to more than 22 million people in 14 different cities.



Ebru Taşcıoğlu
Head of Sustainability and
Corporate Capabilities

Ebru Taşcıoğlu completed her undergraduate degree at Ankara University, Faculty of Educational Sciences. She held various human resources positions in different fields in the private sector between 1999-2010. In 2010, she joined Enerjisa and worked as a manager in labour relations and human resources at Enerjisa Distribution and Enerjisa Retail Sales Companies. Prior to her current role, Taşcıoğlu worked as Human Resources and Administrative Affairs Director at Enerjisa Retail Companies and then she proceeded to work at Enerjisa Distribution Companies.

Since September 2021, she has been working as the Head of Sustainability and Corporate Capabilities Department, responsible for Sustainability, Communication, Customer Relations and Occupational Health, Safety and Environment activities and reporting. She has graduated from the INSEAD Gender Diversity Program and YALE School of Management-Women on Boards programs.

Since 2022, she has also been the Chair of the following committees Sustainability Executive Committee, Diversity, Equality and Inclusion Committee and she has been leading as the Diversity and Inclusion Officer of Enerjisa.



Mehmet Fırat
Head of IT and Digital Business
Management

Mehmet Fırat, who graduated from METU Mathematics department in 2001, completed the postgraduate program in Information Systems Management in the UK in 2002. In 2019, he completed the Artificial Intelligence Program at Oxford University and in 2023, he completed the Chief Digital Officer Program at Northwestern University.

Starting his career at Havelan, he worked as a consultant, project manager, and program manager in SAP projects.

In 2009, he started working as a Project Manager at Başkent Electricity Distribution Company. After working as the Group Manager of the Project Management Office and the Director of Information Technologies at Enerjisa, he has been serving as the Head of Information Technologies and Digital Business Management for the past 4 years.

In addition to his current executive roles, he is also active in management boards. He serves as the Vice Chairman of the Board of Directors of Zack AI, a Sabancı subsidiary working on artificial intelligence, and he is a board member of Eşarj, a leading company in electric vehicle charging stations. Additionally he was appointed as member of the Board of Directors of Teknosa since 2023.

In addition to these roles, he has active roles in associations in technology and energy areas. He is the Executive Board Member and Energy Work Group Chairman at Blockchain Turkey, serves as the Founding Member and Energy Work Group Chairman at the Artificial Intelligence and Technology Association, and works as the board member in Edider.



Yakup Aydilek
Head of People & Culture

Yakup Aydilek graduated from METU Business Administration department in 2005 and is currently pursuing his master's degree at Pantheon-Sorbonne University.

He started his professional career at Deloitte in 2005 and worked as a Senior Auditor at Deloitte between 2005 and 2009 and as Financial Controller at CAF between 2009 and 2010.

Yakup Aydilek joined the Enerjisa Enerji in 2010 and played a role in Enerjisa Enerji's privatisation processes, critical projects such as the acquisition of new electricity distribution regions, system transitions and the company's operational excellence efforts. Yakup Aydilek has spent 13 years of his 18-year career at Enerjisa Enerji, leading different functions and teams within the Retail business unit.

Mr. Aydilek has been appointed as the Head of People and Culture as of 2021.

Yakup Aydilek, who is a member of the Board of Directors of GYIAD (Young Executives and Business People Association), works on pioneering policies and strategies for the development of the sector and society as the Co-Chairman of the Digital Working Group within the association.

**Top Row Left to Right:**

Ersin Esentürk (General Manager of Retail Sales Companies)

Yakup Aydilek (Head of People and Culture)

Mehmet Fırat (Head of IT and Digital Business Management)

Oğuzhan Özsürekci (General Manager of Distribution Companies)

Bottom Row Left to Right:

Murat Pınar (CEO)

Ebru Taşcıoğlu (Head of Sustainability and Corporate Capabilities)

Dr. Philipp Ulbrich (CFO)





MESSAGE FROM THE CEO

We continue to lead the energy transformation in Türkiye with our energy efficiency services.

In 2023, global geopolitical tensions and the accompanying energy crisis had a profound impact on our priorities and actions. We were stunned and tested by the devastating earthquakes on February 6, 2023. I extend our condolences to the families of our 17 employees who perished in this tragedy, and to all those who lost loved ones. From the onset of this tragic event, we have focused on recovery and rebuilding with resolute and exceptional efforts. We continue working until the region is fully restored.

Our resilience was tested throughout the past year, not only by earthquakes and global crises, but also a series of natural disasters such as storms, floods and heatwaves. Drawing strength from our past challenges, we maintained our spirit, ensuring the continuity of our current business operations while successfully expanding into new and promising business areas.

In our main areas of operation, electricity distribution and the retail business unit, we continue to set standards in the industry. We provide electricity to more than 22 million people across three distribution regions covering 14 cities. Our grid investments, which saw an increase of over 200% in 2023, assured an uninterrupted energy supply and network quality while adhering to responsible public service principles. As we meet our targets for operational revenues in 2023, our commitment to sustainability and our alignment with current industry trends allowed us to prepare our grid for a secure transition to sustainable energy.

In Customer Solutions, another area of activity, through energy performance contracts (EPCs), we reached a capacity of 29.5 MW in 2023 with a sustainable and customer-focused model. Additionally, we continue to lead in energy efficiency services in Türkiye with more than 49 LED lightning and process efficiency projects, contributing to the country's energy transformation.

Through our now wholly owned subsidiary Eşarj, we are expanding e-mobility services, paving the way for a sustainable transportation infrastructure. Following the national charging tender by the Ministry of Industry and Technology, we successfully achieved the target of installing 495 fast-charging units, solidifying our position in the market. Eşarj continues to grow with 1,003 stations and 1,780 charging sockets across all 81 provinces of Türkiye by the end of 2023.

We continuously improve our digital capabilities to provide the best service to customers and enhance their experience. Our enriched digital channels offer a seamless and environmentally friendly experience through digital contracts, while the use of advanced technologies such as big data, robotics and AI increases efficiency and strengthens risk management. Initiatives such as chatbots, sentiment analysis and image analysis support customer operations and ensure security. Our journey to the cloud and our enhanced cybersecurity measures further emphasize our commitment to continuous innovation and excellence.

In 2023, we achieved significant progress in sustainability, corporate social responsibility and social investments. We aligned our Sustainability Report with TCFD standards and set a target to reduce Scope 1 and Scope 2 emissions by 30% by 2030, while maintaining our commitment to the UN Global Compact.



MESSAGE FROM THE CEO

Together with our stakeholders, we launched the “For a Better Future Platform,” working together to focus on productivity for a sustainable, equitable, smart and green world.

Together with our stakeholders, we launched the “For a Better Future Platform,” working together to focus on productivity for a sustainable, equitable, smart and green world. As the first tangible outcome of the platform, we published the Türkiye Productivity Survey Report and the Türkiye Productivity Map, indicating the level of businesses’ perception, acceptance and productivity-enhancing practices in Türkiye. Additionally, as the sole private partner of the Regional Reconstruction and Development Centres (RRDC) project, implemented in collaboration with the United Nations Development Programme (UNDP), the Needs Map, and the Adana and Gaziantep Chambers of Commerce, we provided grants to earthquake-affected businesses and offered education and mentoring support.

We prioritize Diversity, Equality and Inclusion across our business processes and services, recognizing the impact we create for society. In 2023, we were one of the 12 companies included in the Bloomberg Gender Equality Index and among the 10 companies participating in the “Women’s Empowerment Principles (WEPs)” project led by UN Women. We continue our efforts to provide services that are accessible to everyone. In our Human Rights Compliance audit, we demonstrated our dedication to a fair, sustainable and inclusive future. We continue to implement impactful social responsibility and community investment projects in line with our corporate citizenship awareness.

At Enerjisa Enerji, we nurture a culture of creativity, innovation and collaboration.

We actively develop partnerships with local and global organizations such as Plug and Play and Keiretsu Forum Türkiye to encourage innovation at all levels of our organization. Our collaboration with ITU Çekirdek supports initiatives that lead to investments and successful pilot projects. NAR, our corporate entrepreneurship program, encourages employee participation and facilitates internal innovation through annual thematic approaches. One initiative supported under NAR is Mobil Enerjim (MIOTE). This start-up, among the first to emerge, produced an artificial intelligence-supported maintenance assistant that monitors and detects abnormalities in electrical devices. Our start-up acceleration program, IVME, focuses on knowledge exchange and facilitates collaborative projects, complementing our innovative culture. These initiatives support our dedication to advancing the energy sector via innovation and entrepreneurship, creating new investments, opportunities and partnerships.

Furthermore, our commitment to Human and Culture principles is stronger than ever. Our three main priorities, “Culture Champions,” “Career Architecture,” and “Excellence in Recruitment” form the foundation of nurturing a diverse, fair and inclusive working environment that encourages innovation, growth and high performance. Our employees are at the heart of our success, and we consistently provide them with the support and opportunities they need for their development, prioritizing their well-being as demonstrated by our earthquake relief efforts.

To position Enerjisa Enerji as a leader in energy transformation and to prepare for a constantly evolving future, our strategic compass centres on four main themes.

- We commit to maximizing our impact in electricity distribution by expanding our grid, improving quality, ensuring compliance with regulatory bodies, and strengthening resilience.
- We lead the way in sustainable energy solutions by diversifying our product portfolio, leveraging market growth, and achieving breakthroughs in e-mobility solutions.
- We meticulously lead retail expansion by optimizing markets, enhancing operational excellence, promoting brand awareness, and diversifying our portfolio.
- As the foundation of this strategic transformation, we embrace cultural change, digitalization, prudent financial management, sustainability and ethical management.

United with our customers and more than 11,000 employees, we are confident that we will continue progressing for a better future.

I would like to thank our stakeholders, customers, partners and employees for their support as we move towards a sustainable future.

Best Regards,

Murat PINAR
Enerjisa Enerji
CEO

MESSAGE FROM THE CFO

In 2023, we have not only weathered the storm but emerged stronger than before and going forward we will continue to apply strategic foresight in our operations and investments, coupled with the necessary level of agility.

Dear Stakeholders,

As we reflect on the past year, I am humbled by the resilience and dedication demonstrated by the entire Enerjisa Enerji team in the face of unprecedented challenges. The tragic earthquakes of February 6, 2023, and the profound impact of the global geopolitical tensions on our markets reshaped our priorities and proved the qualities of our company. Our heartfelt condolences go out to the families of our 17 colleagues that lost their lives due to the earthquake and all those affected by this tragedy.

Yet, amidst adversity, we stood strong, united in our commitment to recovery, rebuilding and moving forward for our customers and all other stakeholders. Beyond ensuring the continuity of our operations during times of crisis, we strengthened existing and ventured into new business areas. Our collective efforts have propelled us forward on our journey towards excellence and continued profitability. Having

joined Enerjisa in mid-2023, I am now approaching my 10th month as CFO and I am impressed day and day again by the remarkable performance of our people across all business areas and functions.

Both operationally and financially we performed at the highest possible level in the given circumstances and we continued to fulfil our promises we had given to our shareholders, business partners, customers, regulators and financial markets. In our core operations of electricity distribution and retail, we continue to set industry standards, providing essential services to over 22 million people across Türkiye. Our extensive and record-level grid investments ensure our future profitability, coupled with a steadfast commitment to sustainability and diversity, and position us for a secure transition to renewable energy.

I want to emphasize that these accomplishments were not without challenges. We navigated a very difficult macroeconomic and financing environment, yet our team's perseverance and ingenuity prevailed. The seismic shifts in the global energy landscape, as highlighted by our Chairman, have profound implications for our industry. The effects of the war of Russia against Ukraine and other geopolitical dynamics did not only underscore the volatile nature of energy markets, but also shed light on how important sound strategic and financial decision-making is for our continued success. In 2023, we have not only weathered the storm but emerged stronger than before and going forward we will continue to apply this strategic foresight in our operations and investments, coupled with the necessary level of agility.

Looking ahead, Türkiye is at the nexus of both challenge and opportunity. As one of the world's largest energy consumers, our journey towards energy efficiency and independence is paramount. The discovery of domestic natural gas and oil reserves, coupled with investments in renewable energy, positions us on the path to greater energy security. However, challenges persist, including the need for market mechanisms that reflect the true value of energy and foster sustainable growth. Furthermore, to be successful the right incentives need to be set to allow for continuous investments even at an increased level compared to the past as the distribution grids are the backbone of the energy system transformation towards a higher and more flexible production and use of electricity in Türkiye.

From a CFO perspective, unrestricted access to affordable and flexible financing will remain an additional key challenge to master. We hope for a continuation of the current financial policies and a gradual easing of financing limitations for corporates, since all of the future investments plans highly depend on the access to domestic and foreign capital at affordable rates.



MESSAGE FROM THE CFO

In 2023, we are pleased to announce that we have successfully met pledges to our shareholders, demonstrating a solid performance with a 38% year-on-year growth in Operational Earnings and a 30% increase in Underlying Net Income.

Moving on, we also take pride in showcasing tangible progress toward our sustainability goals. In 2023, we elevated our Carbon Disclosure Project (CDP) Climate Change score to A- and our CDP Water Security score to A, securing our position in the CDP Global A List – this is an affirmation of our commitment. That does not yet but will play a growing role also in access to competitive financing. From a CFO perspective, I appreciate this DNA of the Company and truly support our initiative toward even more ambitious sustainability goals.

At Enerjisa Enerji in general and Finance in particular, we recognize our pivotal role in Türkiye's energy transformation. Through our robust distribution networks, renewable energy investments, and initiatives such as "Energy of my Business," we are driving tangible progress towards a sustainable future. Our leadership in

e-mobility, exemplified by Eşarj's high-speed charging services offered now across all the country, further solidifies our commitment to innovation and environmental stewardship.

Throughout the year, we adapted our investment plans to align with the evolving needs of the industry. Despite facing challenges in a high inflationary environment, we successfully leveraged our investment momentum, reaching a total of TL 15.7 billion, marking a remarkable increase of more than threefold compared to last year. This substantial increase underscores our confidence in Türkiye and the regulatory frameworks, despite some short-term hurdles. On the other hand, our regulated asset base in distribution experienced an impressive 73% year-on-year increase, reaching TL 34.3 billion by the end of 2023. This upward trend is set to continue, supporting the ongoing transition to renewable energy

and improving security of supply. At the same time the outstanding investments in 2023 lay a very solid foundation for our future profitability.

In 2023, we are pleased to announce that we have successfully met pledges to our shareholders, demonstrating a solid performance with a 38% year-on-year growth in Operational Earnings and a 30% increase in Underlying Net Income. Both accounted before application of inflation accounting in line with the guidance set out in the beginning of 2023. Subsequently our Board of Directors has proposed a dividend of 2.79 TL per share to the AGM, in line with our commitment to providing a sustainable dividend. This represents a pay-out ratio of 98% of the Underlying Net Income (UNI) with and 57% of the UNI without inflation accounting.

For 2024, we remain steadfast in our commitment to high operational and financial performance. We will continue to prioritize investments that bolster our service quality and advance our role as pioneers of the energy transformation. Backed by the diligent oversight of our Board of Directors, coupled with the unwavering support of our stakeholders, the Management team drives the company towards a future defined by sustainability, innovation, and prosperity. Our strategic compass, focuses on highly reliable distribution, leading in sustainable energy solutions and attractive retail sales, embracing cultural change, ensuring operational cost efficiency and deploying profitable investments at scale.

Not to forget, central to our success were and will always be our exceptional human resources and technological prowess. With more than 11,000 dedicated team members and our commitment to digital transformation, we are poised to navigate the complexities of the evolving energy landscape with agility and efficiency.

In closing, I extend my heartfelt gratitude to our shareholders, customers, business partners, and colleagues for their unwavering support and dedication. It is an honour to be part of this exceptional team, and I am excited to contribute to our continued success as we strive towards a brighter, more sustainable future.

Dr. Philipp Ulbrich
Enerjisa Enerji
CFO

Transformative Steps

for a better future

We are relentlessly working to build the “New Energy World” for a better future. The New Energy World offers people a cleaner, smarter, more sustainable, and digitally enhanced lifestyle. This transformative journey revolves around an energy system centred on people. At this juncture, we focus on executing transformations across diverse disciplines in harmony with one another.





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TURKISH ELECTRICITY MARKET

In Türkiye, total installed electricity capacity increased from 28 GW in 2001 to 106.6 in 2023 with the implementation of effective regulations and new legislation.

55%

THE SHARE OF POWER PLANTS GENERATING ELECTRICITY FROM RENEWABLE ENERGY SOURCES WITHIN INSTALLED CAPACITY

GENERATION CAPACITY

The Turkish electricity market underwent major changes over the past 22 years, leading to generated substantial growth in the field. Total installed electricity capacity increased from 28 GW in 2001 to 106.6 in 2023 on the back of developments that include the introduction of renewable technologies, liberalisation of markets and privatisation, in tandem with the implementation of effective regulations and new legislation. This increase in total installed capacity also paved the way for rapid growth in other industries, becoming one of the important drivers of Türkiye's strong GDP performance over the past 22 years.

RENEWABLE ENERGY INSTALLED CAPACITY

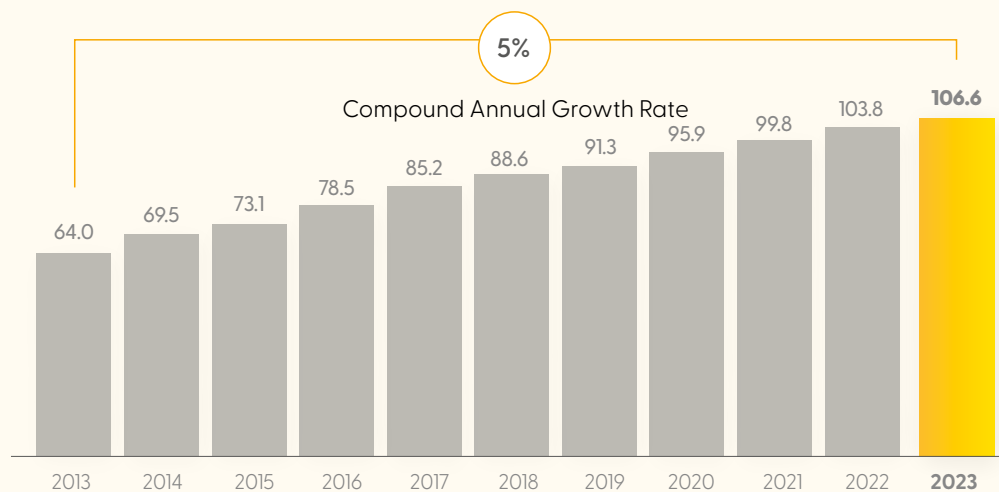
Türkiye is undergoing a successful energy transformation process, one that upholds supply security in electricity generation and a reduction of foreign dependency as its main goals. In line with the country's energy policies, the growth recorded in installed capacity continued in 2023.

In 2023, approximately 0.4 GW of hydroelectric power, 0.4 GW of wind power plants and 1.9 GW of solar power plants were commissioned.

The share of power plants generating electricity from renewable energy sources within installed capacity increased from 33% in 2005 to 55% in 2023.

The Renewable Energy Support Mechanism (YEKDEM/FIT) and Renewable Energy Resource Area (YEKA) models—which played a significant role in the increase of Türkiye's renewable energy capacity and contributed to the growth of the share of renewable energy power plants in Türkiye's total installed capacity—continues to be implemented.

Installed Capacity (GW)



SUPPLY & DEMAND BALANCE AND PROCUREMENT COSTS

The total gross electricity demand in Türkiye in 2023 was 330 TWh. There has been a decrease in electricity demand in Türkiye over the past two years. The slowdown in industrial sector activities and the mild winter season have largely contributed to the negative divergence between Türkiye's GDP and electricity demand growth.

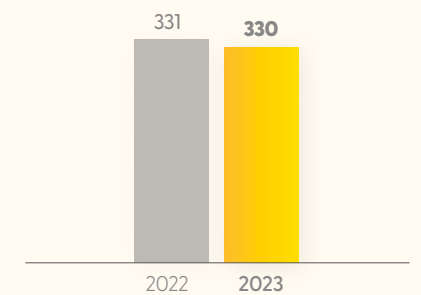
Natural gas prices, which began to rise because of post-pandemic economic recovery and supply chain issues, reached their peak with the Russia-Ukraine war that broke out in February 2022. The mild weather conditions, high storage levels, healthy supply and effective energy-saving measures in Europe in 2023 contributed to a continued downward trend. Compared with the previous year, the indicative (ICE-TTF) natural gas price decreased by 67%, and the coal price (ICE-API2) decreased by 54% in 2023.

Because of the decisive impact of natural gas and imported coal, power plants on cost formation in the Turkish electricity market, Market Clearing Prices (PTF) decreased by 9% compared with the previous year, which was in parallel with the decrease in global commodity prices. The average for 2023 was 2,189 TL/MWh.

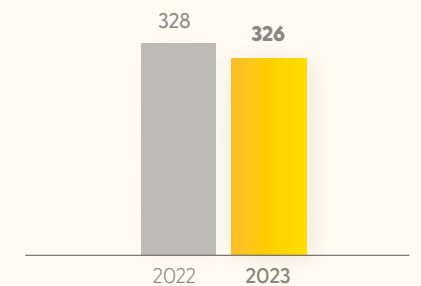
To protect consumers and ensure energy supply security, the Procedures and Principles for Determining and Implementing the Cross-Subsidy Mechanism were put into effect on April 1, 2022. Maximum price limits for the Day-Ahead Market and Balancing Power Market throughout 2023 were determined by considering the maximum settlement prices within the scope of these procedures and principles.

For January, the maximum price limit of the Day-Ahead Market and the Balancing Power Market, was set at TL 4,200/MWh, and was updated to TL 3,650/MWh in February, TL 3,050/MWh in March, TL 2,600/MWh in April, TL 2,700/MWh and TL 2,700/MWh until the end of the year.

Gross Electricity Demand (TWh)

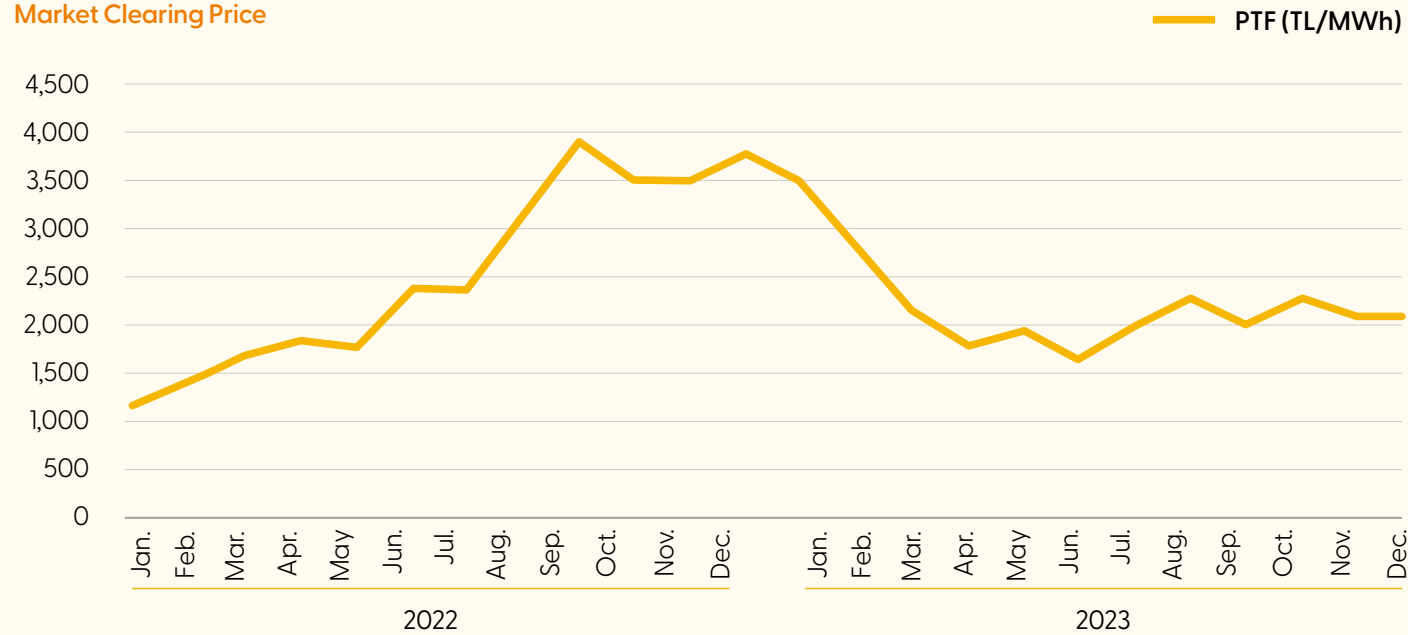


Gross Electricity Generation (TWh)

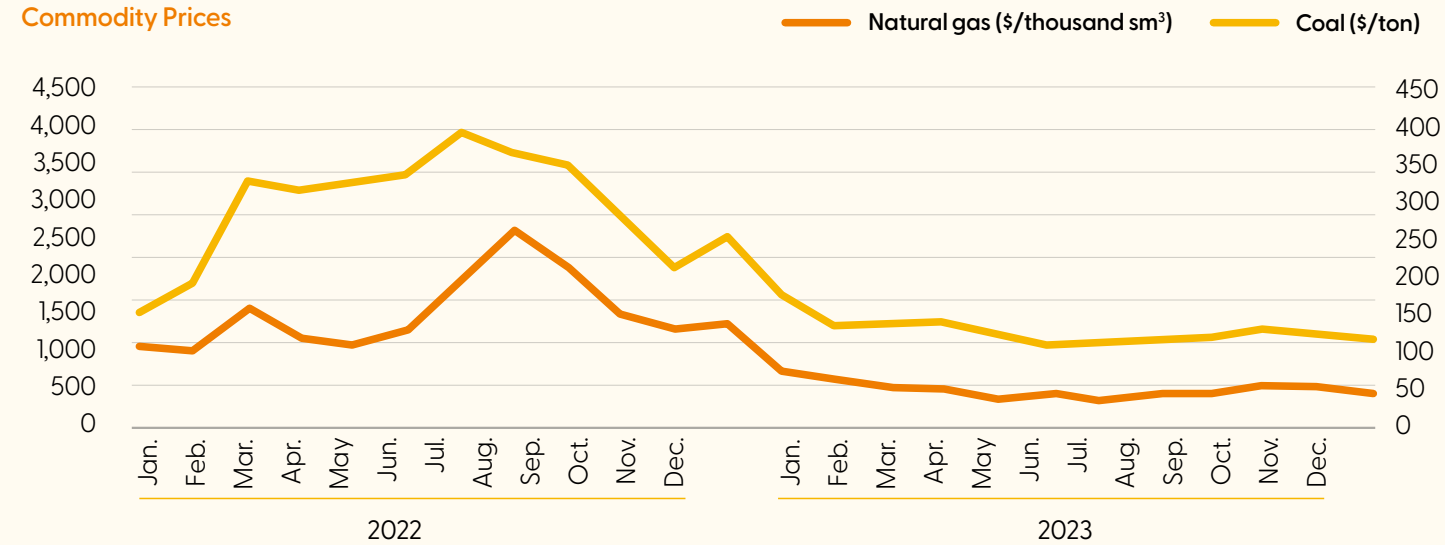


TURKISH ELECTRICITY MARKET

Market Clearing Price



Commodity Prices



MACROECONOMIC DEVELOPMENTS

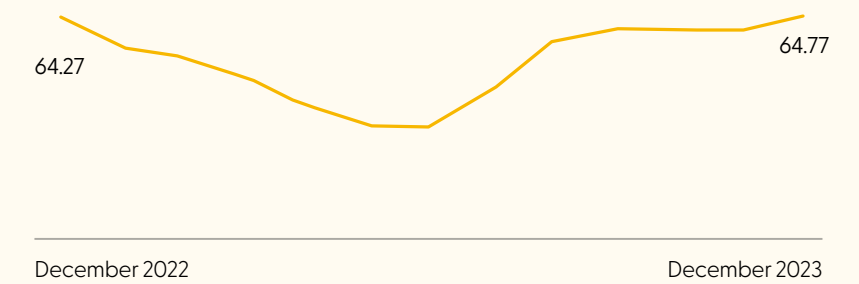
Growth: Gross Domestic Product (GDP) increased by 4%, 3.8%, 5.9%, and 4.5% respectively in the four quarters of 2023 compared to the same quarters of the previous year. While the share of the industrial sector in GDP decreased, most of the increase stemmed from the services sector, leading to a decrease in electricity consumption.

Inflation: Inflation increased slightly from 64.27% at the end of 2022 to 64.77% at the end of 2023. The increase in inflation was driven by fluctuations in energy costs caused by geopolitical developments, the effects of pricing formations detached from economic fundamentals, and ongoing risks associated with the rise in global energy, food, and agricultural commodity prices.

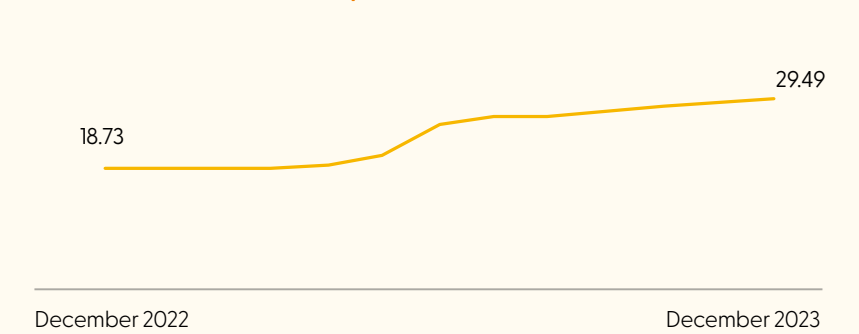
Interest Rate: The two-year Turkish bond interest rate, which was 8.75% at the end of 2022, rose to 39.68% at the end of 2023. On the other hand, the policy interest rate, which was 9% at the end of 2022, rose to 42.5% at the end of 2023.

Exchange Rate: In 2023, the US dollar exchange rate recorded an annual increase of 57% and closed the year at TL 29.49.

Inflation (%)



2022 & 2023 FX Rate Development (USD/TL)



Source: CBRT

TURKISH ELECTRICITY MARKET

OTHER PROMINENT DEVELOPMENTS IN 2023

- During the state of emergency declared after the February 6, 2023, earthquake, advance payments to be made by electricity generation facilities, distributors, incumbent supply companies, Organized Industrial Zones (OIZ) supply companies and supply companies with headquarters in the earthquake zone to the market operator and market participants were postponed until the invoice due date. No default interest was applied during the postponement.
- As of the Board decision on May 11, 2023, EMRA narrowed the scope and extended the period to June 30, 2023. With the June 22, 2023, Board decision, the period valid for the incumbent retail companies operating in the distribution regions and the supply companies that are partners of organised industrial zones was extended to September 30, 2023. Further extensions were granted with the September 28, 2023 Board decision to December 31, 2023, and with the December 21, 2023, Board decision to March 31, 2024.
- Due to increases in commodity prices and/or resource costs arising from the Energy Market Regulatory Authority's (EMRA) involvement in national or international electricity production markets, the Cross-Subsidy Mechanism initially introduced by EPDK in April 2022 for a six-month period to ascertain support fees in the interest of ensuring supply security and/or safeguarding consumers, was extended for the third time and ceased on October 1, 2023.

- The YEKDEM-3 model was put into operation in May 2023. The prices determined for Renewable Energy Source (RES) certified production facilities to be operational from July 2021 to December 31, 2025, have been updated indexed to 30% to the dollar exchange rate, 30% euro exchange rate and 40% to inflation developments.
- The EMRA published the Draft Regulation on the Operation of Carbon Markets, aiming to promote the cost-effective and economically efficient reduction of greenhouse gas emissions. The draft regulation determined the procedures and principles governing the establishment and operation of carbon markets for the distribution, purchase and sale of allowances (greenhouse gas emission permits) within the scope of the Emission Trading System (ETS).
- According to the procedures and principles published by the EMRA, natural gas was provided free of charge to residential and place-of-worship subscribers for the period of May 2023. It was announced that there would be no charge for natural gas up to 25 m³ for the next 1-year period. There was no increase in residential subscribers in 2023.
- Natural gas production in the Sakarya field was included in the September sector report of the EMRA. According to the report, the production amount in September was 75 mcm, accounting for 68% of the total production that month.
- BOTAŞ power plant tariff was 18,000 TL/kSm³ in January, 15,000 TL/kSm³ in February, and 12,000 TL/kSm³ in March, it decreased to 10,000 TL/kSm³ in April. The tariff, which increased to 12,000 TL/kSm³ with the increase in October, remained at this level until the end of the year.
- EÜAŞ supplied electrical energy to incumbent retail companies from mid-August until the end of the year.

END USER SALES TARIFF

To cover the operation and maintenance costs of the existing electricity system and encourage investments in new and advanced production and network infrastructure, the electricity bill components sent to the end consumer are given below:

- Energy Consumption Charge:** Consists of retail energy sales tariffs and distribution tariffs.
- Retail Energy Sales Tariff:** This includes energy supply costs, the net profit margin determined as 2.38% over the supply cost for the fourth

tariff application period, and other costs related to the provision of retail sales services.

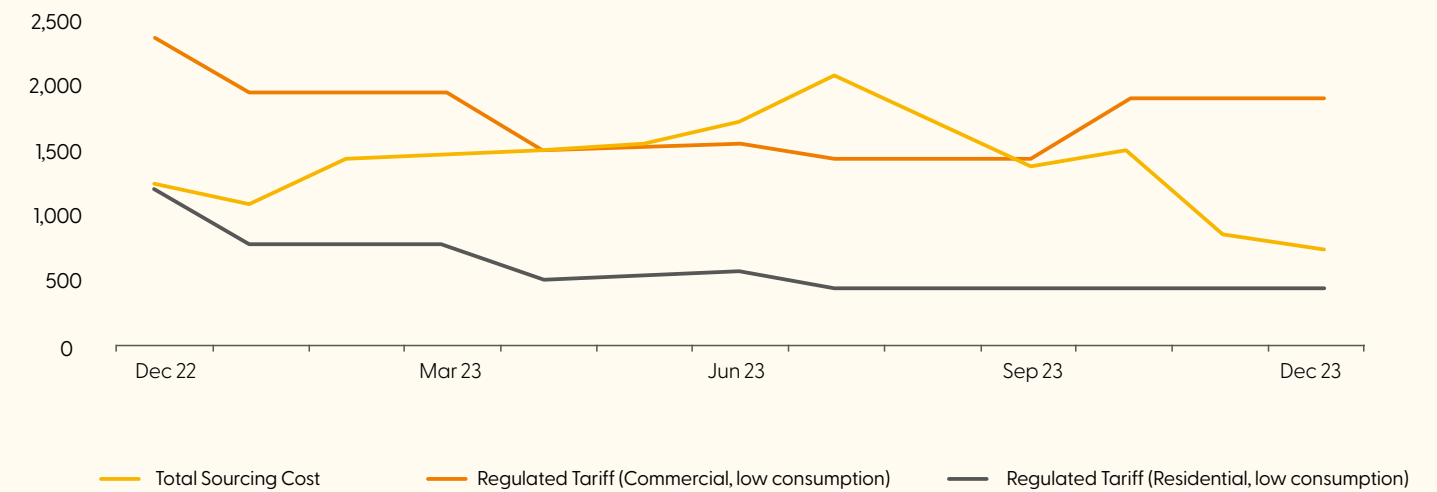
- Distribution Tariff:** This component includes the costs of operating, maintaining, expanding and improving both distribution and transmission networks.

Other Fees: Consists of items such as power fee, power excess fee and reactive energy fee. These fees can vary based on the connection status, consumption quantity and purpose of use.

Taxes: Includes taxes such as VAT and Electricity Consumption Tax. The Energy Fund Fee and Turkish Radio and Television Corporation (TRT) share application were abolished as of 2022. Effective July 7, 2023, the VAT rate in the Residential and Agricultural Irrigation subscriber groups increased from 8% to 10%; in other subscriber groups, it increased from 18% to 20%.

These retail sales tariffs are determined by the EMRA.

Regulatory Electricity Tariffs (TL/kWh)



STRATEGIC PRIORITIES

Enerjisa Enerji continues to expand its high-quality grids at its distribution regions to broaden its retail sales operations across the whole country and to deliver innovative and energy efficient solutions to its customers.

As the leading energy company in Türkiye, Enerjisa focuses on electricity distribution, retail sales, and customer solutions, in addition to rendering public services. Building the needed energy infrastructure in Türkiye based on adherence to sustainability and customer requirements, the Company upholds excellence in its customer interactions and investment activities.

Enerjisa Enerji continues to expand its high-quality grids at its distribution regions to broaden its retail sales operations across the whole country and to deliver innovative and energy efficient solutions to its customers. Aiming for profitable growth and value creation for its shareholders, the Company is recognizing of its responsibility to society, and demonstrates commitment to acting as a role model in the industry.

Enerjisa Enerji develops its long-term strategies with a sustainable and holistic approach, into which it integrates Environmental, Social and Governance (ESG) factors.

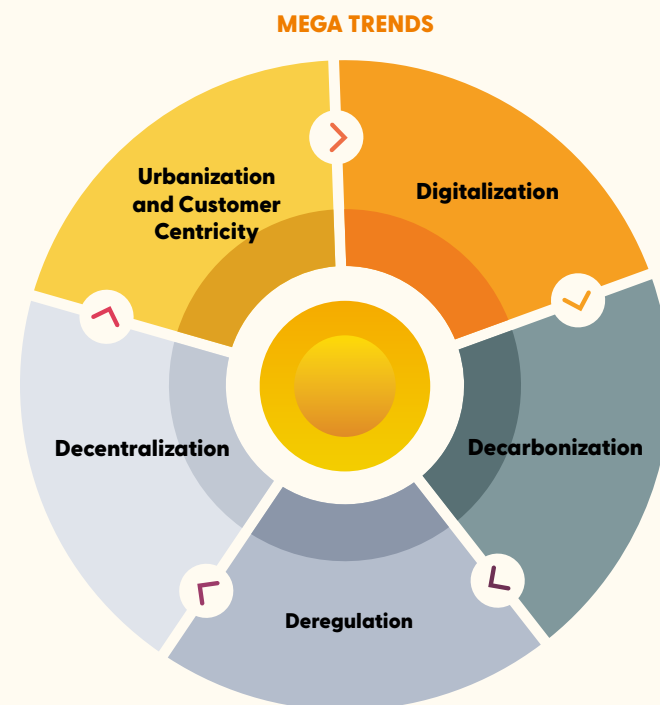
Enerjisa Enerji builds its positioning and outlook based on its core capabilities, including its value proposition to its stakeholders, as well as the external trends changing the way people will need and use energy in the future. Closely monitoring external developments, the Company continuously reviews its strategy, which it predicated on global mega trends to impact the energy sector in the decades to come.

The five global mega trends that are the cornerstones of the Company's strategy and future perspective are, Digitalization, Decarbonization, Deregulation, Decentralization, Urbanization, and Customer Centricity.

Enerjisa Enerji visualizes a new energy world where the customer, acting both as energy consumer and producer, plays a more central role within the energy cycle, and utilizes only those energy sources generated from the renewable resources. In this new energy world, described in greater detail below, citizens and companies interact with

energy in a more digital, decentralized, and deregulated manner. Enerjisa Enerji is committed to asserting itself as the accelerator of this new energy transformation, in order to leave behind a sustainable world for generations to come.

Enerjisa Enerji supports legislative changes and explores new opportunities in the sector. Hence, the Company prepares itself for these fundamental changes in question, and with its sustainable energy solutions, assumes a pioneering role for the New Energy World.



THE NEW ENERGY WORLD

The New Energy World is the world we will be living in once we possess fully sustainable energy systems, smart infrastructure, and digitally interconnected technologies, where energy is produced in a cyclical manner.

In this world, customers are at the centre of the energy system, rather than being the final point in the distribution network. Customers can produce energy themselves decentrally; share it within their communities; or store it for their own future needs through advanced storage capabilities. With the developed grid infrastructure of the New Energy World, customers can also choose to sell back the energy to the grid, thus reigning in their energy costs.

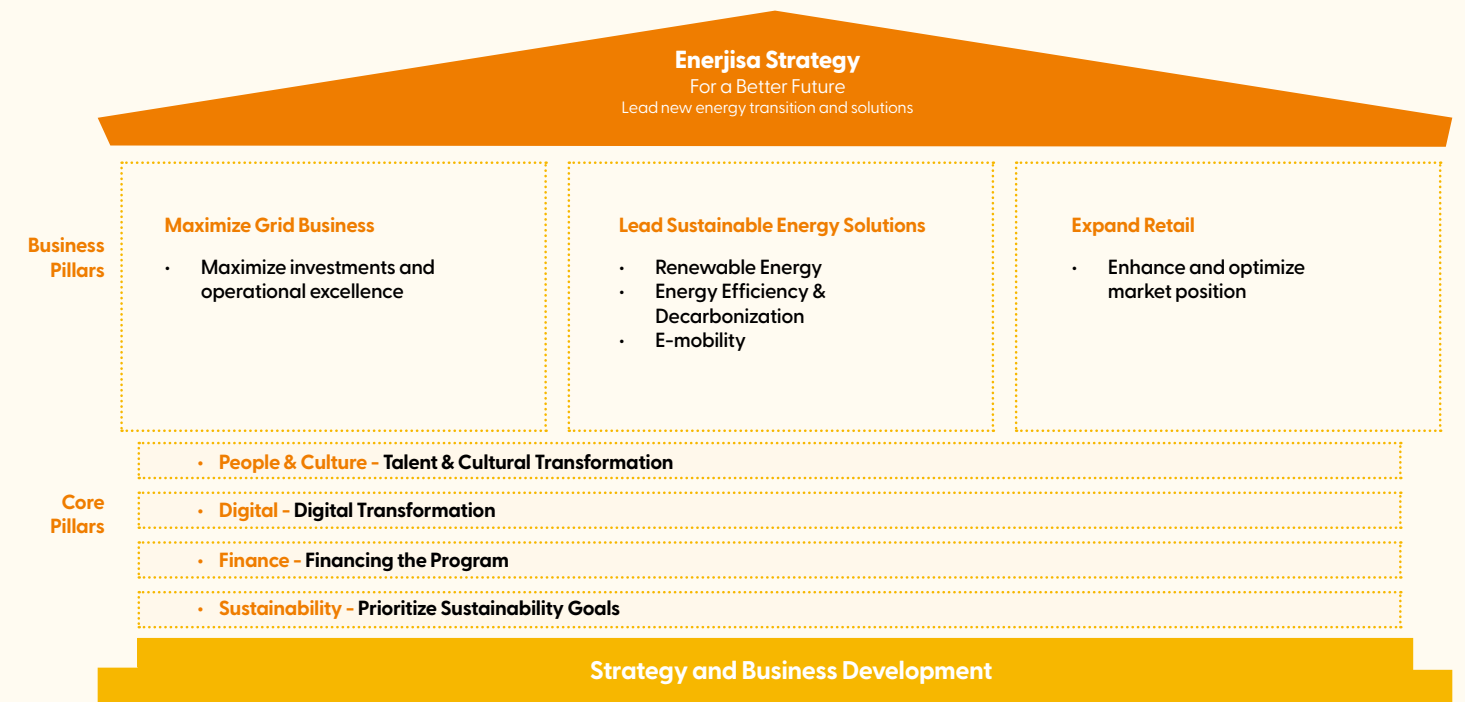
The New Energy World will alter our mode of interaction with energy, not only on an individual basis, but also as we use energy within and between our homes. Energy will be flexibly managed, and interlinked with our appliances, cars, and storage units, to digitally optimize our use and energy loads.

This transformation will pick up impetus once a greater number of individual consumers and companies assume an active stance in distancing themselves from the conventional energy world.

In its essence, the New Energy World is a world that provides us with a cleaner, smarter, more sustainable, and digital mode of living, and enables us to meet our energy needs, wherever and whenever they may arise. On the other hand, electricity grid is at the heart of this transformation which connects all trends together for more flexible and robust energy transition.

NEW ENERJISA STRATEGY HOUSE

To reach its targets and prepare for the future, Enerjisa Enerji has developed a strategic plan towards the vision of a better future for all. Our strategy is built on three key business pillars, and our core pillars. Supported by exemplary people and culture practices, enabled by state-of-the-art digital capabilities, defined by robust financials and motivated by ESG goals; the strategy seeks to position Enerjisa Enerji as the leader of the energy transition and new energy solutions while assuring maximum performance in our distribution, retail and customer solutions business lines:





STRATEGIC PRIORITIES

Enerjisa Enerji aims to position as the leader of the energy transition and new energy solutions while assuring maximum performance in its distribution, retail sales and customer solutions business lines.

1. MAXIMIZE GRID BUSINESS

- **Maximize value creation in the electricity distribution business**

With strong growth fundamentals and a favourable position in an expanding market, Enerjisa Enerji will leverage its experience to continue growing in the distribution business line:

- Expand the grid network in its distribution regions by seizing growth opportunities while maximizing investment in the regulated asset base;
- Improve the quality of the grid and operations, focusing on operational excellence and digitalization;
- Prepare the network of tomorrow to facilitate a secure energy transition, building a resilient infrastructure ready for the growth of renewable energy sources and the rise of e-Mobility;
- Ensure that execution and the relevant period's regulations are consistent by engaging with regulatory bodies to create the long-lasting framework required for operational continuity;
- Increase grid resiliency in the face of climate change, environmental crises and natural disasters.

2. LEAD SUSTAINABLE ENERGY SOLUTIONS

- **Deliver the energy services of tomorrow towards a better future for all**

Enerjisa Enerji leads the new energy solutions domain and energy transition aiming for sustainability through its offerings:

- Leverage broad customer base for market access, and be prepared to address changing customer demands and new macro trends by expanding the product portfolio;
- Attain growth in the sustainable energy solutions market with unique business models affording a competitive edge, creating value for customers in the distributed generation, energy efficiency and decarbonization domains;
- Expand e-Mobility solutions and services as the trailblazer in the market and build the sustainable transportation infrastructure crucial to the energy transition, helping reduce the current account deficit deepened by energy imports;
- Hone in on organic and inorganic opportunities in the growth areas of the future such as smart cities, renewable energy, energy efficiency, decarbonization, e-mobility, energy storage and innovative grid solutions, to develop new capabilities with cutting edge technologies;
- Capitalize on a reliable partnership approach "For a Better Future," consistent with the needs and expectations of key stakeholders, namely the state, local governments, the general public, customers, business partners, shareholders, contractors, investors and employees.

3. EXPAND RETAIL

- **Expanding market coverage with a "customer first" approach**

Adapting to the macro conditions and the mega trends that influence its sector, Enerjisa Enerji continuously advances its retail business line with extensive expertise and a sustainability mindset:

- Ensure robust performance by optimizing market coverage and proactive financial management relevant to the economic context, showcasing vigorous adaptability;
- Develop organizational and operational capabilities characterized by excellence in service quality, efficiency and agility;
- Build the Enerjisa Enerji brand as the most distinguished energy company, delivering best-in-class customer experience with top customer satisfaction;
- Enhance capabilities in accordance with Enerjisa Enerji's competencies, diversifying the product portfolio in areas such as energy management and strengthening alternative revenue streams;
- Work with all regulatory authorities to assure consistency between execution and the regulatory framework of the relevant period and that the best services are delivered to the public; be the "benchmark" stakeholder to regulatory agencies.

4. ENHANCE THE CORE PILLARS

- **People & Culture:** Get ready for the future of work by transforming the culture while recruiting and retaining the best talents
- **Digital:** Enable sector-leading services, the network of tomorrow and value added products & solutions through holistic digital transformation, adapting to the newest technological advances
- **Finance:** Power the program with robust financial management and desirable financing
- **ESG:** Prioritize sustainability, social responsibility and ethical governance in our strategy

INNOVATION

Enerjisa Enerji invests in innovation to discover new opportunities through a systematic approach.

INNOVATION

Enerjisa Enerji, with a commitment to leading the New Energy World, invests in innovation to discover new opportunities through a systematic approach. Our innovation activities not only develop an innovation culture within the company, but also focus on the entrepreneurship ecosystem outside the company while establishing strong collaborations.

OPEN INNOVATION

Enerjisa Enerji conducts various collaborations in the area of open innovation with technology startups, companies, technology development zones and universities.

Collaborations with Technology

Startups:The company employs mainly two different models to collaborate with technology startups to attract innovative ideas:

1. Developing new products or services that can be utilised in our operational areas by leveraging the in-depth knowledge and agility of these startups.
2. Incorporating existing products and services from the startups to our portfolio and offering them to our customers, thereby building a channel between the product and consumer..

Global Collaborations: Enerjisa Enerji focuses on accelerating digitalisation processes with new technologies by offering innovative products and services to individual and corporate customers. In this context, the Company engages in joint projects with companies from around the world, particularly from Europe and North America and collaborates with global accelerator programs. Enerjisa Enerji is partnering with the global innovation platform Plug and Play from Silicon Valley to accelerate the exchange of knowledge and experience within its ecosystem, creating opportunities for projects, collaborations and investments in the field. Within this scope, over 100 startups were reviewed, and three concept validation studies were conducted. The concept validation studies are as follows:

- **Enline:** Focused on optimising energy distribution line management in the Toroslar region.
- **OrxaGrid:** To enhance real-time energy and asset monitoring within our network.
- **Rebase:** To improve the accuracy of our predictions for unlicensed solar based electricity panel production.



Local Collaborations: In 2023, collaborations were established with Keiretsu Forum Türkiye and the Corporate Ventures Platform. The collaboration with Keiretsu Forum Türkiye entails the introduction and review of selected startups for investment opportunities on a monthly basis. Corporate Ventures Platform, on the other hand, aims to listen to successful corporate entrepreneurship projects from their founders, share best practices and development suggestions by bringing together innovation managers and member institutions with companies that have been organising corporate entrepreneurship for many years while also looking for ways to create a subcommunity within the platform for entrepreneurs in the incubation period.

University Collaborations: Since 2017, Enerjisa Enerji has been collaborating with ITU Arı Teknokent's incubation centre, ITU Çekirdek, as a key stakeholder. To date, the startups supported by Enerjisa Enerji have received approximately USD 40M from local and global investors, and their total valuation is estimated to be over USD 250M. The company has conducted pilot studies with Kozalak and Delifer Energy and continues to monitor the development of startups like Eyes of Solar and Energymet. During the Big Bang event on December 14, 2023, TL 300,000 in grants were provided to selected startups. Buradayım, one of Enerjisa Enerji Corporate Entrepreneurship and Innovation initiatives, was also among the Big Bang finalists

INNOVATION

Enerjisa Enerji has continued to gather innovative ideas through its internal entrepreneurship and innovation program, Nar, for nine years now.



CORPORATE ENTREPRENEURSHIP AND INNOVATION PROGRAM: NAR

Valuing employee participation in its innovation approach, Enerjisa Enerji has continued to gather innovative ideas through its internal entrepreneurship and innovation program, Nar, for nine years now. The program provides a platform enabling employees to generate and implement innovative ideas within the scope of an annual theme. Corporate entrepreneurs participate in acceleration programs where they are trained in the practical and theoretical aspects of entrepreneurship and design thinking and join the incubation process.

A total of 121 submissions have been received for the 2023 Nar Program themed 'Innovative, End-to-End Improvement Capable and Commercializable Products, Services or Business Models'. Five projects were accepted for the ninth iteration of Nar's acceleration phase, which was completed online, including bootcamp entrepreneurship trainings and coaching sessions. All five teams were deemed suitable to continue and were presented to the R&D and Innovation Committee during the Investment Day event in September.



The successful ideas from Nar Investment Day underwent a 12-week development process, including minimum viable product development, field and user testing and basic marketing metrics calculation, culminating in a go-live event where it was decided to commercialise two initiatives and advance three operationally.

The initiatives include the following:

InfAR: An augmented reality and infrastructure coordination application enabling collaboration among all infrastructure service providers.

Biomühür: A design for bio-based and biodegradable polymer seals to replace plastic seals used in electricity meters, measurement systems, meter boards and measuring cells with high recycling and reprocessing potential.

EDAS (Electromagnetic Pulse Sensor): A sensor product and system design for detecting illegal electricity usage through electromagnetic pulse interference on meters.

Digital Fleet: A portal to digitalise the entire maintenance and repair process of our vehicles, minimising technical and financial errors.

Unlicensed Energy Operations (LEO): The first digital platform providing all answers related to unlicensed energy processes.

Ongoing projects from the 8th Nar Program completed in early 2023 include the following:

MIOTE: Enerjisa's first commercialised internal startup, MIOTE, invoiced its first bill and received a grant from Çukurova Development Agency. It produces systems for anomaly detection in maintenance and faults using the Internet of Things.

Buradayım - Fault Mileage Relay: Buradayım received cash grants and awards from acceleration programs. The project successfully predicts various types of faults and through the assistance of field operators these faults can be identified with more precision. Buradayım is developed with the use of deep learning methods and artificial intelligence integration, and it is expected to make highly accurate predictions shortly.

VENTURE CAPITAL FUND INVESTMENTS

Enerjisa Enerji evaluates venture capital fund investments to have an impact as an investor in the entrepreneurial ecosystem: access knowledge in new technologies, new business models, products and venture investment processes. An investment has been made in Revo Capital Fund II. Having reached the size of 90 million euros, the fund's investors include the International Finance Corporation, the European Bank for Reconstruction and Development, the European Investment Fund and the German Development Finance Institution. Through this investment, the Company aims to offer business development opportunities to ventures, thereby strengthening the technology startup ecosystem in Türkiye. The fund's first exit transaction was completed in 2023 with a partial exit from Builder AI.



Financial Developments

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CONSOLIDATED FINANCIALS

Enerjisa Enerji A.Ş. Underlying Net Income was realised as TL 3,367 million in 2023.

CONSOLIDATED OPERATIONAL EARNINGS

	with TAS 29		
	with 2022 pp 2022	with 2023 pp 2022	with 2023 pp 2023
Consolidated Operational Earnings (TLm)			
Operating profit	10,786	17,773	14,896
Adjustment of depreciation and amortization	1,826	3,008	3,328
Adjustments related to operational fx losses	334	550	1,165
Adjustments related to interest income related to tariff receivables	-1,148	-1,892	-1,258
EBITDA	11,798	19,439	18,131
Capex reimbursements	4,753	7,832	8,496
EBITDA + Capex reimbursements	16,551	27,271	26,627
Non-recurring (income) / expense	1,116	1,839	312
Operational Earnings	17,667	29,110	26,939

CONSOLIDATED UNDERLYING NET INCOME

	with TAS 29		
	with 2022 pp 2022	with 2023 pp 2022	with 2023 pp 2023
Consolidated Underlying Net Income (TLm)			
Operating profit before finance income/(expense)	10,786	17,773	14,896
Financial Income/(Expense)	-4,649	-7,660	-7,581
Monetary Gain / (Loss)	-3,607	-5,943	-2,047
Profit before tax	2,530	4,170	5,268
Taxation	9,993	16,465	-751
Net Income	12,523	20,635	4,517
Non-recurring (income) / expense	887	1,462	-1,051
Tax rate change	311	512	-1,478
Impact of asset revaluation	-11,116	-18,316	1,379
Underlying Net Income	2,605	4,293	3,367

CONSOLIDATED UNDERLYING NET INCOME

Enerjisa Enerji A.Ş. Underlying Net Income decreased by 22% in real terms from TL 4,293 million in 2022 to TL 3,367 million in 2023. Below operational earnings line, the main effects in real terms were as follows:

- TL 301 million lower net loan and bond interest expenses.
- TL 615 million higher operational FX losses.
- TL 798 million higher other financial expenses.
- TL 3,896 million lower monetary loss as part of inflation accounting.

CONSOLIDATED FINANCIALS

CONSOLIDATED FREE CASH FLOW AFTER INTEREST AND TAX

	with TAS 29		
	with 2022 pp	with 2023 pp	with 2023 pp
Consolidated Free Cash Flow after Interest and Tax (TLm)	2022	2022	2023
Cash Flows from Operating Activities (before interest and tax)	11,456	18,878	10,272
CAPEX	-7,162	-11,801	-16,870
Free cash flow (before interest and tax)	4,294	7,077	-6,598
Tax payments	-718	-1,183	-3,149
Interest received	1,317	2,170	2,376
Interest paid	-4,288	-7,066	-7,540
Free cash flow (after interest and tax)	605	998	-14,911

CONSOLIDATED FREE CASH FLOW AFTER INTEREST AND TAX

Free Cash Flow after Interest and Tax decreased from TL 998 million in 2022 to TL -14,911 million in 2023 due to higher CAPEX spending at Distribution, tariff burden at Retail, higher interest payments due to higher funding need and higher tax payments.





DISTRIBUTION FINANCIALS

DISTRIBUTION INCOME STATEMENT

Distribution Income Statement (TLm)	with TAS 29		
	with 2022 pp	with 2023 pp	with 2023 pp
	1 January 31 December 2022	1 January 31 December 2022	1 January 31 December 2023
Sales Revenue	28,611	47,142	64,413
Financial income	7,218	11,893	14,666
Distribution revenue	10,703	17,635	17,468
Pass-through transmission revenue	2,496	4,112	8,730
Lighting sales revenue	3,347	5,515	6,039
Investment revenue	4,777	7,871	17,342
Other	70	116	168
Cost of Sales	-17,008	-28,023	-45,285
Energy purchases (Lighting, T&L)	-4,348	-7,164	-7,757
Investment costs	-5,588	-9,207	-17,342
Pass-through transmission cost	-2,496	-4,112	-8,730
Other	-4,576	-7,540	-11,456
Gross Profit	11,603	19,119	19,128
OPEX	-3,055	-5,033	-6,339
Other Income/(Expense)	-466	-768	-629
Operating Profit Before Finance Income/(Expense)	8,082	13,318	12,160
Adjustment of depreciation and amortization	569	937	1,231
Adjustments related to operational fx gains and losses	230	379	1,068
Adjustments related to interest income related to tariff receivables	-214	-353	-1,266
EBITDA	8,667	14,281	13,193
CAPEX Reimbursements	4,753	7,832	8,496
EBITDA+CAPEX Reimbursements	13,420	22,113	21,689
Non-recurring (income)/expense	1,065	1,755	51
Operational Earnings	14,485	23,868	21,740

DISTRIBUTION OPERATIONAL EARNINGS

Distribution Operational Earnings (TLm)	with TAS 29		
	with 2022 pp	with 2023 pp	with 2023 pp
	2022	2022	2023
Financial Income	7,218	11,893	14,666
Capex reimbursements	4,753	7,832	8,496
Efficiency & Quality	1,495	2,463	-2,139
Tax correction	566	933	-
Other	453	747	717
Operational Earnings	14,485	23,868	21,740

DISTRIBUTION OPERATIONAL EARNINGS

Distribution business unit's operational earnings accounted for 80% of Enerjisa Enerji's operational earnings in 2023. The main differences in the operational earnings of the Distribution business unit in 2023 compared to 2022 are mainly due to:

- **Financial Income:** Financial income increased by 23% annually reaching TL 14,666 million.
- **CAPEX Reimbursements:** Capex reimbursements increased by 8% from TL 7,832 million in 2022 to TL 8,496 million in 2023.
- **Efficiency & Quality Earnings:** Total Efficiency & Quality item was realized as TL -2,139 million mainly due to the increase in operational expenses (2022: TL 2,463 million)
- **Other Items:** Other items were realized as TL 717 million (2022: TL 747 million).

DISTRIBUTION FREE CASH FLOW BEFORE INTEREST AND TAX

Distribution Free Cash Flow Before Interest and Tax (TLm)	with TAS 29		
	with 2022 pp	with 2023 pp	with 2023 pp
	2022	2022	2023
Operational Earnings	14,485	23,868	21,740
TAS 29 impacts	-6,882	-11,339	-4,910
Financial income not yet cash-effective	-2,906	-4,789	-9,578
Capex outperformance	811	1,336	-105
Net working capital and other	1,480	2,438	8,995
Operating Cash Flow (before interest & tax)	6,988	11,514	16,142
TAS 29 impacts	-3,190	-5,258	-3,402
Actual allowed Capex	-2,702	-4,452	-13,564
Capex outperformance	-811	-1,336	105
VAT paid	-575	-947	-2,373
Unpaid and previous year Capex	370	610	3,245
Cash-effective Capex	-6,908	-11,383	-15,989
Free Cash Flow (before interest & tax)	80	131	153

RETAIL SALES & CUSTOMER SOLUTIONS FINANCIALS

The contribution of the Retail Sales and Customer Solutions business unit in operational earnings was 20% in 2023.

RETAIL SALES INCOME STATEMENT

Retail Sales Income Statement (TLm)	with TAS 29		
	with 2022 pp 1 January 31 December 2022	with 2023 pp 1 January 31 December 2022	with 2023 pp 1 January 31 December 2023
Sales Revenue (net)	70,235	115,729	102,617
<i>Regulated</i>	43,114	71,041	62,435
<i>Liberalised</i>	27,121	44,688	40,182
Cost of Sales (-)	-67,927	-111,926	-97,149
<i>Regulated</i>	-39,692	-65,402	-57,947
<i>Liberalised</i>	-28,235	-46,524	-39,202
Gross Profit	2,308	3,803	5,468
OPEX	-1,229	-2,025	-2,742
Other Income/(Expense)	2,817	4,642	886
Operating Profit Before Finance Income/(Expense)	3,896	6,420	3,612
Adjustment of depreciation and amortization	135	222	245
Adjustments related to operational fx gains and losses	104	171	98
Adjustments related to interest income related to tariff receivables	-934	-1,539	9
Adjustments related to valuation difference arising from deposits	-	-	-
EBITDA	3,201	5,274	3,964
Non-recurring (income) / expense	51	84	261
Operational Earnings	3,252	5,358	4,225

RETAIL SALES OPERATIONAL EARNINGS

Retail Sales Operational Earnings (TLm)	with TAS 29		
	with 2022 pp 2022	with 2023 pp 2022	with 2023 pp 2023
Regulated gross profit	3,474	5,724	4,609
Liberalised gross profit	1,140	1,878	1,568
Opex	-1,094	-1,803	-2,496
Bad debt related income and expense	271	447	208
Other	-539	-888	336
Operational Earnings	3,252	5,358	4,225

RETAIL SALES OPERATIONAL EARNINGS

The contribution of the Retail Sales and Customer Solutions business unit in operational earnings was 20% in 2023. The gross profit of the regulated market has decreased by 19% on an annual basis from TL 5.724 billion in 2022 to TL 4.609 billion in 2023, due to the weighted average cost of energy supply increasing at a rate lower than inflation and the reduced impact of some of the support mechanisms to keep the tariff low, along with a higher volume of

energy supply from EÜAŞ. Meanwhile, liberalised gross profit decreased in real terms by TL 310 million to TL 1,568 million again due to lower real margins driven by the cost of energy supply increasing at a rate lower than inflation.

In contrast to the difficult market conditions in terms of margins, Enerjisa Enerji was able to increase its electricity volumes sold in both markets. Regulated segment sales increased by 10% from

27.5 TWh in 2022 to 30.4 TWh in 2023. Meanwhile, liberalised segment's sales were realized as 12.8 TWh in 2023 compared to 11.7 TWh in 2022 (9% yoy growth).



RETAIL SALES & CUSTOMER SOLUTIONS FINANCIALS

The operational earnings of the emerging Customer Solutions business increased in real terms by TL 1,131 billion to TL 1,171 billion.

CUSTOMER SOLUTIONS INCOME STATEMENT

Customer Solutions Income Statement (TLm)	with TAS 29		
	with 2022 pp 1 January 31 December 2022	with 2023 pp 1 January 31 December 2022	with 2023 pp 1 January 31 December 2023
Sales Revenue (net)	268	442	1,634
Cost of Sales (-)	-99	-163	-676
Gross Profit	169	279	958
OPEX	-94	-155	-438
Other Income/(Expense)	-70	-115	597
Operating profit before finance income/(expense)	5	9	1,117
Adjustment of depreciation and amortization	19	31	54
EBITDA	24	40	1,171
Non-recurring (income) / expense	0	0	0
Operational earnings	24	40	1,171

CUSTOMER SOLUTIONS OPERATIONAL EARNINGS

Customer Solutions Operational Earnings (TLm)	with TAS 29		
	with 2022 pp 2022	with 2023 pp 2022	with 2023 pp 2023
Revenue	268	442	1,634
Cost of Sales	-80	-132	-622
Gross Profit (exc. depreciation)	188	310	1,012
OPEX	-94	-155	-438
Doubtful provision expense	0	0	0
Other	-70	-115	597
Operational Earnings	24	40	1,171

CUSTOMER SOLUTIONS OPERATIONAL EARNINGS

The operational earnings of the emerging Customer Solutions business increased in real terms by TL 1.131 billion to TL 1.171 billion (2022: TL 40 million), driven by increased demand for solar power projects, where we install solar panels for our industrial and commercial customers, providing them with access to green energy.

RETAIL SALES & CUSTOMER SOLUTIONS KPI'S

Retail Sales & Customer Solutions Operations	2022	2023
Sales Volume (TWh)	39.2	43.2
Regulated (TWh)	27.5	30.4
Liberalised (TWh)	11.7	12.8
Corporate	10.3	12.8
Residential & SME	1.4	0.1
Gross Profit Margin (%)	6.6%	6.1%
Regulated (%)	8.1%	7.3%
Liberalised (%)	4.2%	3.8%
Other		
Customer number (m)	10.6	10.7
Churn rates (%)	0.1%	0.1%
Installed Capacity		
Solar PV Installed Capacity (MWp)	24.1	29.5
Combined Heat and Power (MW)	3.8	3.8
E-mobility		
Charging plugs	788	1,780
Public charging locations	422	1,003

RETAIL SALES FREE CASH FLOW BEFORE INTEREST AND TAX

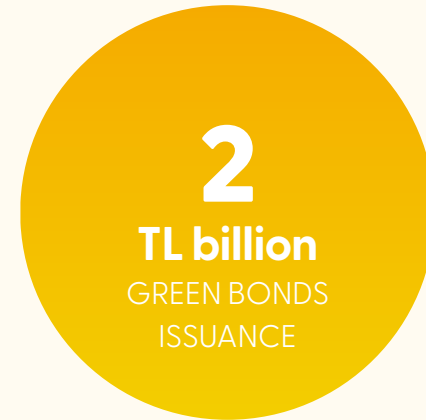
Retail Sales Free Cash Flow Before Interest and Tax (TLm)	with TAS 29		
	with 2022 pp 2022	with 2023 pp 2022	with 2023 pp 2023
Operational Earnings	3,252	5,358	4,225
TAS 29 impacts	-1,047	-1,724	-857
Price equalization effects	6,711	11,058	-8,663
Net deposit additions	324	534	321
Delta NWC	-4,353	-7,173	2,532
Operating Cash Flow (before interest & tax)	4,887	8,053	-2,442
TAS 29 impacts	-24	-40	-62
Capex	-133	-219	-219
Free Cash Flow (before interest & tax)	4,730	7,794	-2,723

CUSTOMER SOLUTIONS FREE CASH FLOW BEFORE INTEREST AND TAX

Customer Solutions Free Cash Flow Before Interest and Tax	with TAS 29		
	with 2022 pp 2022	with 2023 pp 2022	with 2023 pp 2023
Operational Earnings	24	40	1,171
IAS 29 impacts	-734	-1,210	-1,435
Delta NWC	-201	-331	-3,060
Operating Cash Flow (before interest & tax)	-911	-1,501	-3,324
IAS 29 impacts	9	14	47
Capex	-90	-148	-576
Free Cash Flow (before interest & tax)	-992	-1,635	-3,853

FINANCING

Enerjisa Enerji issued bonds totalling TL 17 billion in 2023.



Enerjisa Enerji aims to pursue its financial activities by managing interest, liquidity and exchange rate risks in concert with its operating revenues and long-term strategies.

In addition to cash flows obtained from operations, Enerjisa Enerji continued to use external financing to fund its distribution and customer solutions investment expenditures and working capital needs in 2023.

As a result of various resolutions of the Central Bank and the Banking Regulation and Supervision Agency, the maturities of these loans were reduced. With additional resolutions subsequently promulgated, the availability of liquidity from banks was considerably limited. Throughout the period of limited liquidity, financing needs continued to be met mainly through cash flows from operations. Additionally, a new agreement was signed with the European Bank for Reconstruction and Development (EBRD) on January 9, 2024 to utilize a

USD 100 million equivalent Turkish Lira loan. With this new loan, it is planned to meet the financing needs of distribution modernization CAPEX, renewable energy, energy efficiency and electric vehicle charging stations going forward.

With a view to leveraging all possible financing sources in this environment of limited liquidity, Enerjisa Enerji completed its green bond shelf registration of TL 15 billion on October 13, 2023. In addition, Enerjisa completed a conventional shelf registration of TL 20 billion on December 2023. After being approved by the CMB, Enerjisa Enerji updated the Green Finance Framework and Second Party Opinion in July 2023, which is the main basis for green bond financing. The Company declared, within the scope of the Green Finance Framework, that the funds to be secured through Green Borrowings (such as loans and bond issuances) would be used for Green Projects; and provided relevant information.

The Company issued bonds totalling TL 17 billion throughout the year to meet some of its 2023 financing needs. TL 2 billion was realized as green bonds of the total TL 17 billion.

A TL 3.1 billion bond issuance in July 2023 was realized which is also the highest volume issuance realized in a single tranche by Enerjisa in Türkiye.

On June 26, 2023, JCR Eurasia Rating affirmed the national credit rating of Enerjisa Enerji A.Ş. as "AAA (Trk)" with a stable outlook and international credit rating of "BBB+". In addition, on November 23, 2023, the Fitch Rating Agency revised the long-term national credit rating of Enerjisa Enerji A.Ş. as "AA(tur)". The outlook for the Company's ratings was affirmed as negative.

Enerjisa Enerji's debt portfolio does not incorporate any currency risk. As of the end of December 2023, 97% of the bank loans and bonds on the Company's balance sheet are denominated directly in the Turkish Lira. The remaining 3% consists of a foreign currency loan, which is hedged against foreign currency risk with derivative products.

In addition to bank loans and bonds, there is EUR 28 million in Turkish Electricity Distribution Corporation (TEDAŞ) debt as of the end of December 2023, which is classified as "other financial debt" in the balance sheet (debt within the scope of the loan agreements made by TEDAŞ with the

European Investment Bank and World Bank, and transferred to the Company upon transfer of operating rights). This amount is fully hedged against foreign currency risk with derivative products.

Issuer	Type	Issuance Amount		Date	Maturity	Interest Rate (%)	Issuance Type
		Amount (million)	Currency				
Enerjisa Enerji A.Ş.	Bond	1,500	TRY	21.10.2022	18.10.2024	TLREF + 16%	Qualified Investors
Enerjisa Enerji A.Ş.	Bond	600	TRY	21.10.2022	18.10.2024	TLREF + 16%	Qualified Investors
Enerjisa Enerji A.Ş.	Bond	2,500	TRY	27.01.2023	28.02.2024	32.5%	Qualified Investors
Enerjisa Enerji A.Ş.	Bond	1,375	TRY	03.03.2023	12.03.2025	33.0%	Qualified Investors
Enerjisa Enerji A.Ş.	Bond	950	TRY	06.04.2023	04.04.2025	35.0%	Qualified Investors
Enerjisa Enerji A.Ş.	Bond	1,183	TRY	21.06.2023	04.07.2025	42.5%	Qualified Investors
Enerjisa Enerji A.Ş.	Bond	3,100	TRY	17.07.2023	17.07.2025	42.5%	Qualified Investors
Enerjisa Enerji A.Ş.	Bond	2,260	TRY	09.08.2023	08.08.2025	39%	Qualified Investors
Enerjisa Enerji A.Ş.	Bond	1,000	TRY	20.09.2023	25.09.2025	48%	Qualified Investors
Enerjisa Enerji A.Ş.	Bond	2,600	TRY	02.10.2023	08.10.2025	49.5%	Qualified Investors
Enerjisa Enerji A.Ş.	Bond	2,000	TRY	25.10.2023	17.01.2025	48%	Qualified Investors
Total		19,068	TRY				

³ TLREF - Turkish Lira Overnight Reference Rate

¹ <https://www.enerjisainvestorrelations.com/medium/ReportAndPresentation/File/2775/enerjisagreenfinanceframework.pdf>

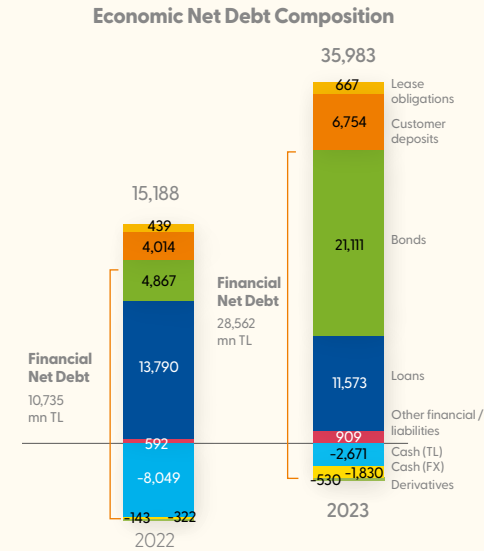
² <https://www.enerjisainvestorrelations.com/medium/ReportAndPresentation/File/2810/enerjisagreenfinancespo.pdf>

ECONOMIC NET DEBT DEVELOPMENT

ECONOMIC NET DEBT

Economic Net Debt increased by 137%, going from TL 15.2 billion in December 2022 to TL 36.0 billion in 2023. Most of the increase in borrowings is a result of our CAPEX overspending on profitable investments and the temporary regulatory impacts as the mismatch between tariff and energy costs.

Net Financial Debt/Operational Earnings* increased from 0.7x in December 2022 to 1.1x in December 2023, still allowing us to continue profitable investments considering the combined regulated and market conditions as sufficiently advantageous.



Economic Net Debt Development (TLm)

Economic Net Debt (Dec 31, 2022)	15,188
Free cash flow (bIT)	5,224
Net interest payments	4,565
Tax payments	3,111
Change in deposits	2,740
Dividend payments	2,716
Other	2,439
Economic Net Debt (Dec 31, 2023)	35,983

* With TAS 29 impact

2023 COMPANY GUIDANCE AND REALIZATION

2023 Company Guidance

Guidance for 2023 announced on August 7, 2023 via Public Disclosure Platform is as follows:

- Operational Earnings: Between 20 – 24 billion TL
- Underlying Net Income: Between 5.0 – 6.0 billion TL
- Investments**: Between 11 – 15 billion TL
- Regulatory Asset Base: Between 30 – 35 billion TL

2023 Realization

Enerjisa Enerji achieved all its targets despite the very challenging environment. The Company met all of its financial KPI's that were calculated and provided as a guidance without inflation accounting, as the Company had set at the beginning of 2023. Operational Earnings increased by 38% y/y and reached TL 20,765 million. Underlying net income increased by 30% y/y and reached TL 5,816 million. Investments more than tripled, reaching TL 15,731 billion, even exceeding the guidance ensuring profitability in the future. And lastly, Regulatory Asset Base increased by 73% y/y and reached TL 34,328 billion.

FINANCIAL KPIs

Operational Earnings refers to EBITDA plus CAPEX reimbursements excluding non-recurring items. Enerjisa Enerji distribution segment is subject to the application of IFRIC12 (an IFRS standard that governs accounting for service concession arrangements). The Company books operating licenses and investments in the networks as financial asset. This asset is not subject to depreciation. Consequently, P&L does not include depreciation and amortization expenses of networks. Similarly, P&L also does not include reimbursement of CAPEX as a revenue item. This means that the Company's EBITDA figure is not comparable to international peers that do not apply IFRIC12 accounting standard. Therefore, management uses Operational Earnings defined above as a KPI for comparability.

2023 Guidance (w/o IAS 29)	Actuals (w/o IAS 29)	Actuals (w/ IAS 29)
Operational Earnings 2023 of 20 – 24 bn TL	20.8 bn TL	26.9 bn TL
Underlying Net Income 2023 of 5.0 – 6.0 bn TL	5.8 bn TL	3.4 bn TL
Regulated Asset Base (RAB) 2023 of 30 – 35 bn TL ¹	34.3 bn TL	34.3 bn TL
Investments** 2023 of 11 – 15 bn TL	15.7 bn TL	16.9 bn TL

¹Not subjected to the inflation accounting.

** Distribution investments are classified as investment spending. Customer Solutions investments are classified as Net Operating Capital under Operational Cash Flow

Uninterrupted Steps

for a better future

We are securing our future by maintaining a strong market presence. One in four people in Türkiye relies on Enerjisa for their electricity. Holding a 26% market share in electricity distribution and 22% in retail sales, with 10.7 million customers, we stand as the leader and largest player in our sector. We are committed to ensuring millions of people continue their lives with uninterrupted electricity.





Operational Developments

- 92 Distribution
- 108 Retail Sales
- 124 Customer Solutions

DISTRIBUTION

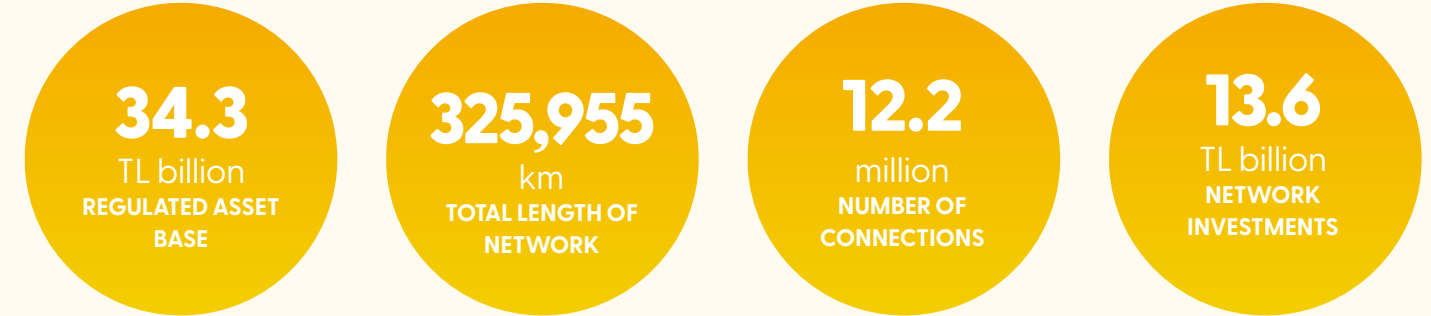
At the core of Enerjisa Enerji's distribution operations are people, solution and innovation-oriented activities. The Company takes a pioneering role in the distribution sector with its operations aimed at improving the service quality.



Enerjisa Enerji carries out its electricity distribution activities in 3 distribution regions, namely Başkent, AYEDAŞ and Toroslar. In these 3 regions spanning 14 provinces, the Company serves a population of 22 million accounting for approximately 26% of the grid connections in Türkiye.

At the core of Enerjisa Enerji's distribution operations are people, solution and innovation-oriented activities. The Company takes a pioneering role in the distribution sector with its operations aimed at improving the service quality.

As a sector leader, Enerjisa Enerji is one of the top companies in Türkiye in terms of openness for development. The company leads the New Energy World, which is shaped by mega trends, by adapting the most innovative technological applications in the world and in Türkiye to its own system and arranging its processes accordingly.



DISTRIBUTION ACTIVITIES

Distribution is defined as the delivery of electricity to the end user through power lines with a voltage level below 36 kV. Pursuant to "Electric Power Sector Reform and Privatization Strategy Document," the electricity distribution grid in Türkiye is divided into 21 distribution regions. Following the completion of privatizations between 2009 and 2013, all distribution regions started to be operated by private companies.

Each of the regional distribution grid operators is obliged to fulfil the following responsibilities in their region:

- Operation of the distribution grid,
- Making the necessary investments in maintenance, repair, environment, security, renovation and expansion,

- Maintaining and reading electricity meters,
- Preparing demand forecasts and investment plans,
- Monitoring electricity theft-loss rates,
- Purchasing electricity to cover technical and commercial losses,
- Taking necessary technical and operational measures to reduce theft-loss rates,
- Providing illumination in public areas.

Enerjisa Enerji centrally manages and monitors all of its operations in the 3 distribution regions within its operation area, and plans and conducts its operations related to distribution grids.

As part of the distribution grid management processes, the Company also engages in expansion and modernization of the distribution grid, increasing the distribution grid's operational efficiency as well as research and development activities. These activities enable the Company in all 3 regions to;

- Standardize distribution grid management processes,
- Create centralized procedures,
- Determine the important performance indicators such as compliance with the technical and commercial standards of the EMRA, supply reliability standards and interruption, theft-loss targets,
- Plan system improvements,
- Control and monitor local distribution grids,
- Carry out customer-related activities.

DISTRIBUTION

In 2023, the Company distributed 49.26 TWh gross electricity through a 325,955 km long distribution line.

DISTRIBUTION COMPANIES

Enerjisa Enerji carries out its electricity distribution activities in 14 provinces across 3 regions through Başkent Elektrik Dağıtım A.Ş. (Başkent EDAŞ), İstanbul Anadolu Yakası Elektrik Dağıtım A.Ş. (AYEDAŞ) and Toroslar Elektrik Dağıtım A.Ş. (Toroslar EDAŞ). In 2023, the Company distributed 49.26 TWh gross electricity through a 325,955 km long distribution line.

BAŞKENT ELEKTRİK DAĞITIM A.Ş.

Başkent EDAŞ builds, maintains and operates electricity distribution grids in provinces within the Başkent Electricity Distribution Region. The Company provides access to electricity distribution for 7.7 million people within the distribution region which covers Ankara, Bartın, Çankırı, Karabük, Kastamonu, Kırıkkale and Zonguldak provinces. In 2023, Başkent EDAŞ distributed a gross total of 16.99 TWh electricity via 138,591 km long distribution network.

Enerjisa Enerji was awarded the tender for the privatization of 100% of the shares of Başkent Elektrik Dağıtım A.Ş. through block sale method on July 1, 2008 for USD 1,225 million. The transfer of the shares was completed

on January 28, 2009. Under the Transfer of Operating Rights (TOR) agreement signed with Türkiye Elektrik Dağıtım A.Ş. (TEDAŞ) on March 31, 2006, Başkent EDAŞ is entitled to distribute electricity in a total of 7 cities - Ankara, Bartın, Çankırı, Karabük, Kastamonu, Kırıkkale and Zonguldak - for a period of 30 years, until September 1, 2036.

İSTANBUL ANADOLU YAKASI ELEKTRİK DAĞITIM A.Ş.

AYEDAŞ builds, maintains and operates electricity distribution grids in sub-provinces within İstanbul Anadolu Yakası Electricity Distribution Region. Providing electricity distribution service to approximately 5.7 million people residing at the Anatolian Side of İstanbul, AYEDAŞ distributed a gross total of 13.25 TWh electricity via 35,125 km long distribution network of in 2023.

Enerjisa Enerji was awarded the tender for the privatization of 100% of the shares of AYEDAŞ through block sale method for USD 1,227 million. The transfer of the shares was completed on July 31, 2013. Under the Transfer of Operating Rights (TOR) agreement signed with TEDAŞ on July 24, 2006, AYEDAŞ is entitled to distribute electricity on the Anatolian side of İstanbul until December 31, 2042.

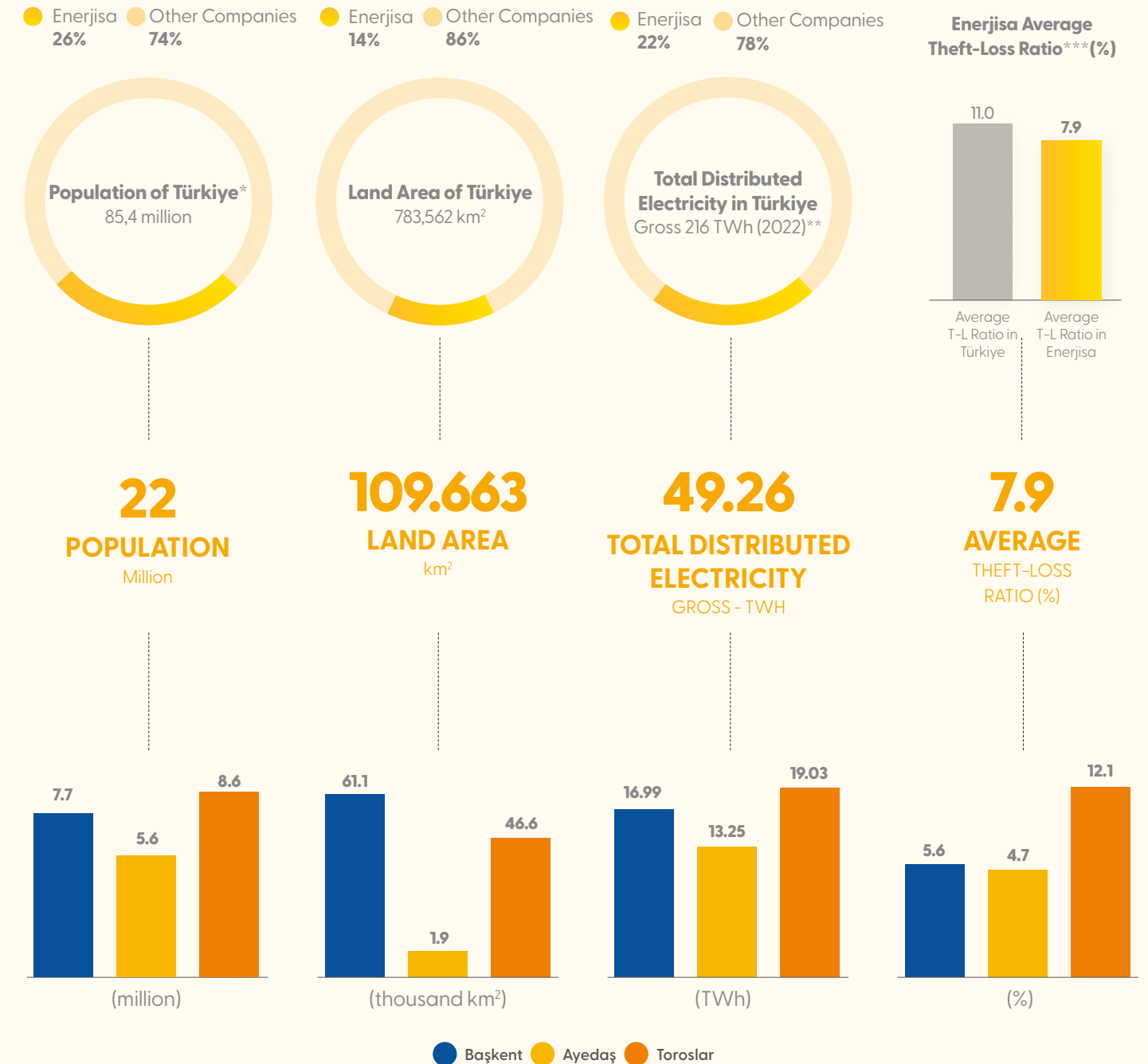
TOROSLAR ELEKTRİK DAĞITIM A.Ş.

Toroslar EDAŞ builds, maintains and operates electricity distribution grids in provinces within its distribution region. The Company provides electricity distribution to 8.7 million people within Toroslar Electricity Distribution Region which covers Adana, Gaziantep, Hatay, Kilis, Mersin and Osmaniye provinces. In 2023, Toroslar distributed a gross total of 19.03 TWh electricity via 152,239 km long distribution network.

Enerjisa Enerji was awarded the tender for the privatization of 100% of the shares of Toroslar through block sale method for USD 1,725 million. The transfer of the shares was completed on September 30, 2013. Under the TOR agreement signed with TEDAŞ on July 24, 2006, Toroslar is entitled to distribute electricity in Adana, Gaziantep, Hatay, Kilis, Mersin and Osmaniye until December 31, 2042.

	License Start Date	License End Date
Başkent	1 September 2006	1 September 2036
AYEDAŞ	1 September 2006	31 December 2042
Toroslar	1 September 2006	31 December 2042

Distribution Companies in Figures



* TURKSTAT

** EMRA 2022 Report

*** Türkiye theft and loss figure is based on 2022 EMRA sector report. 2023 Enerjisa Enerji theft & loss figure is calculated based on legal reporting figures.

DISTRIBUTION

As a result of the investments made, the regulated asset base reached TL 34.3 billion as of the end of 2023.

INVESTMENTS

Long-term and steady investments should be sustained to ensure continuity in the service quality and supply security of the electricity distribution grid. However, investments in the distribution grid remained relatively limited before the privatization of the distribution companies in Türkiye. Following the privatization, investments increased and were executed in line with the needs.

Nevertheless, the nationwide increase in the number of electricity grid users as well as the energy demand is expected to continue in the long-term. The current momentum in investments needs to be sustained in order to reach the quality criteria of the developed countries in grid service quality. Moreover, the mega trends in the energy sector and the electrification trend in the energy demand is estimated to increase the investment requirement in the distribution grid. Considering these factors, the increase in investments is expected to continue.

Electricity distribution investments are subject to regulations and the investment amounts are determined by the EMRA for regulatory periods of 5 years. Investment plans and realizations of these investments are inspected by public institutions (Energy Market Regulatory Authority (EMRA), Ministry of Energy and Natural Resources (MoENR), Turkish Electricity Distribution Corporation (TEDAŞ)).

Distribution companies are responsible for assessing the energy demand, lighting grid requirements, investment requirements to renovate the grid and improve the grid topology; as well as developing and implementing investment plans. In these assessments, the quality indicators and other indicators regarding the current status and operation of the grid, needs identified through field surveys, energy demand and demands of users, local authorities, public institutions and organizations are taken into consideration.

Furthermore, monitoring the investment budget, preparing the investment reports submitted to the EMRA with the 5-year investment budget and justification reports, and developing a master plan that include 5-year and 10-year plans are also among the duties of the distribution companies.

3rd Regulatory Period

The initial allowed CAPEX in the third regulatory period (2016-2020) was TL 4.3 billion based on 267.2 base CPI (Oct 2015), which corresponds to TL 7.9 billion based on 487.38 CPI (Oct 2020).

The actual allowed CAPEX (initial allowed CAPEX plus additional allowance granted by the EMRA) in the third regulatory period was TL 6.0 billion based on 267.2 CPI (Oct 2015), which corresponds to TL 11.0 billion based on 487.38 CPI (Oct 2020).

4th Regulatory Period

For the 4th regulatory period that started in 2021, EMRA continued to incentivize investments in the sector via increasing the CAPEX allowance.

In the fourth regulatory period, total initial allowed CAPEX of Enerjisa Enerji Distribution Companies for 2021-2025 is set at TL 13.5 billion based on 487.38 CPI (Oct 2020). Accordingly, initial CAPEX allowance increased by 72% in real terms compared to the third regulatory period.



Developments in 2023

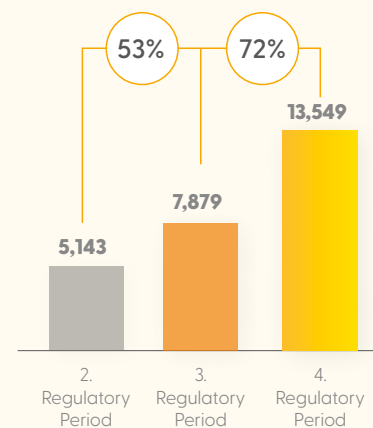
Enerjisa Enerji sustained strong growth in 2023. The Company continued to meet the energy demand in its distribution regions with its high operational capacity and sound financial structure and carried on with its investments in lighting, grid modernisation improvement and similar investments, as well as its investments in technology and digitalisation to support the operation of the distribution grid. In 2023, Enerjisa Enerji's investments reached approximately TL 13.5 billion.

Enerjisa Enerji updates its investment plans throughout the year in line with changes in field needs and financing costs. In 2023, disasters caused by the earthquake in the Toroslar region and adverse weather conditions in the Başkent region had an impact on operational processes. Despite these challenges, the Company maintained its momentum in investment activities thanks to agile investment and

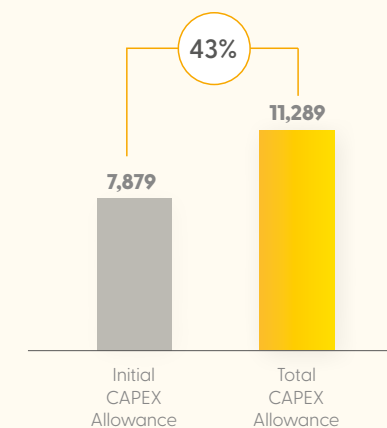
procurement planning in all three Distribution Companies. The planning took into account the impact of the disasters in the Toroslar and Başkent regions.

As a result of the investments made, the regulated asset base reached TL 34.3 billion as of the end of 2023.

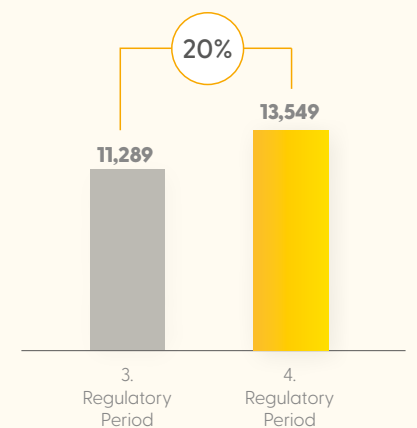
Comparison of Initial CAPEX Allowance (TL million - Oct 2020 CPI (487.38))



3rd Regulatory Period CAPEX Allowance (TL million - Oct 2020 CPI (487.38))



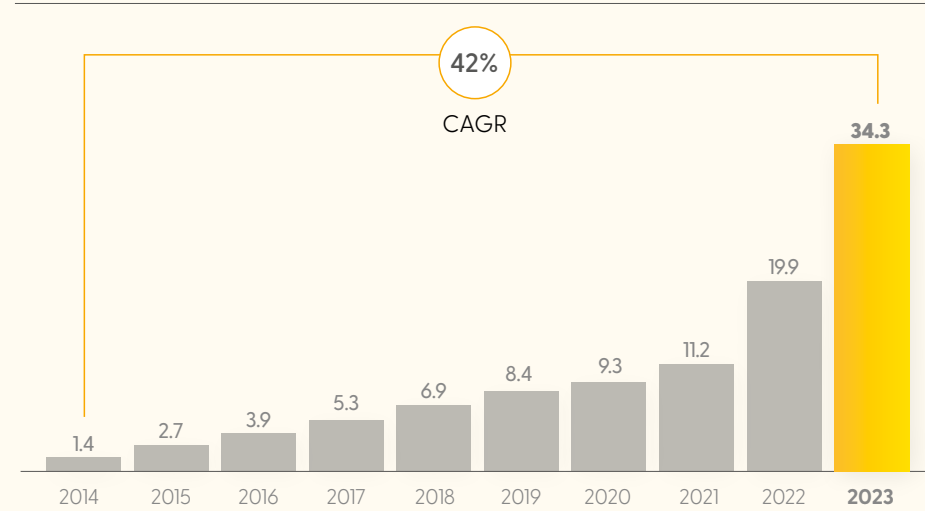
Comparison of Total CAPEX Allowance* (TL million - Oct 2020 CPI (487.38))



*There is no additional CAPEX allowance for the 4th regulatory period yet.

DISTRIBUTION

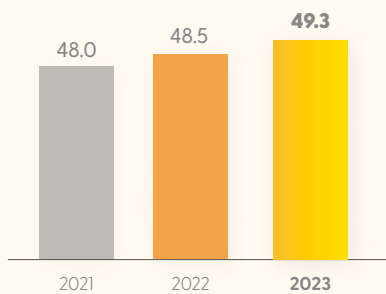
Regulated Asset Base (TL billion)



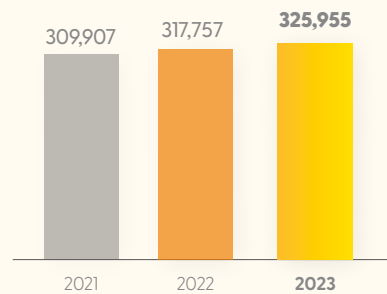
● AYEDAŞ 11% ● Toroslar 47% ● Başkent 42%

Grid Development

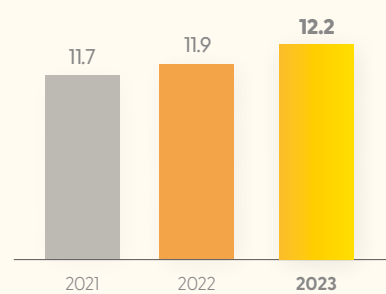
Total Distributed Gross Electricity (TWh)



Total Length of Network (km)



Number of Connections (million)



EFFICIENCY AND QUALITY PARAMETERS

In the Turkish electricity sector, there is a legislative structure that supports efficiency, service quality and the reduction of theft-loss rate for distribution companies. In this context, the prominent efficiency and quality parameters are as follows:

CAPEX Outperformance: By the end of a tariff year, if a distribution company realizes its mandated investments at a cost less than the unit prices determined by the EMRA, then it will have its revenues based on CAPEX realization calculated with the unit prices set by the EMRA. In this case, the Company retains the difference.

OPEX Outperformance: As per current regulatory framework, the fixed and variable OPEX component is not subject to adjustment based on realizations and it is possible to achieve OPEX outperformance through efficient processes, cost management and digitalization. In case of outperformance, the Company retains the difference. However, due to

macroeconomic volatilities occurred in 2022 and 2023 the OPEX ceiling became insufficient for distribution companies. Following the relevant lobbying activities, EMRA introduced a new basket for ceiling escalation beyond inflation which contains the increases mainly in minimum wage, FX, material prices, fleet costs and Fuel. Consequently EMRA increased the OPEX ceiling 14.3% for 2022 and 30% for 2023 in line with the relevant basket item cost changes.

Theft-Loss Outperformance: Except for those consumers connected directly to the transmission network, all eligible and ineligible customers pay the theft-loss tariff. Distribution companies are obliged to procure energy to compensate for energy theft-loss. The theft-loss tariff is determined at the national level, and the revenue imbalances between the distribution regions are corrected through the price equalization mechanism. In this way, the cost burden calculated based on the theft-loss target does not fall on the consumers in a specific region alone but is distributed across all consumers in the country. If the performance of distribution companies

is below the target, the Company retains the difference, and if it is above the target, it bears the cost.

Quality Parameters: EMRA applies quality parameters to the revenue requirement (excluding non-controllable OPEX and including scheduled maintenance) to incentivize the performance of companies with regard to continuity of supply, technical quality, customer satisfaction, transparency, corporate governance and occupational health and safety.

Additional Income: Additional income is retained by distribution companies based on predetermined ratios and the rest is deducted from revenue cap. The following revenues are retained by distribution companies as additional income:

- 55% of detected and invoiced theft usage accrual,
- 50% of actual theft usage accruals after legal proceedings,
- Maintenance and repair service revenues (75%), advertisement and rent revenues (50%), consultancy revenues (75%), AMR (75%), litigative income (50%) etc.



DISTRIBUTION

Enerjisa Enerji places a high priority on diversifying customer communication channels to meet present needs.



Enerjisa Enerji places a high priority on diversifying customer communication channels to meet present needs. The Company actively works to promptly address customer requests and complaints through these channels, aiming to provide the most suitable solutions to its customers.

Communication Channels

Enerjisa Enerji customers may submit their applications and complaints to the Company through various channels such as petitions, e-mail, telephone, website, mobile application (Mobil 186), registered e-mail (REM), social media (Twitter, Facebook, Instagram, LinkedIn) support accounts, corporate Facebook account, corporate Sikayetvar.com account, WhatsApp Support Line, and Chatbot.

The information shared through these channels is logged and subsequently passed on to the operational units. The response received from the operational units is shared with the customer through the preferred communication channel of the latter. In accordance with the Personal Data Protection Law (PDPL), customers approve the clarification text through the distribution websites, WhatsApp Support Line, Chatbot application and mobile application channels. In addition, masking is performed on Call Centre screens.

approach across all operational units and elevating the quality of services provided to customers. To enhance the customer experience, Enerjisa Enerji's Distribution Companies have introduced innovative applications and embark on new investments in this domain.

CUSTOMER EXPERIENCE AND CALL CENTRE

CUSTOMER EXPERIENCE

Maximising customer experience is a top priority for Enerjisa Enerji. The Company consistently engages in a wide array of activities, with the goal of fostering a customer-oriented

Customer Communication Channels

	Call Centre	Mobile App	Social Media	Petition	E-mail	Website	WhatsApp Support Line	Chatbot
Meter Reading	√	√	√	√	√	√	√	
Meter Operations	√	√	√	√	√	√	√	
Disconnect/ Reconnect	√	√	√	√	√	√	√	
Failure Related Outages	√	√	√	√	√	√	√	√
Damage Claim	√			√	√	√	√	
Lighting Failure	√	√	√	√	√	√	√	√
Electricity Theft	√			√	√	√	√	
New Connection	√	√	√	√	√	√	√	

CALL CENTRE

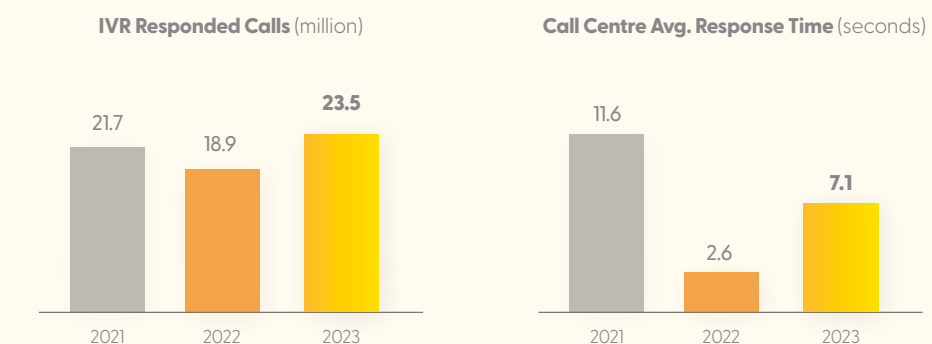
Putting customer satisfaction at the core of its high-quality service principle, Enerjisa Enerji manages the sector's largest call operations with a team of approximately 800 staff in the distribution business line. The Call Centre, accessible at 186, provides uninterrupted 24/7 communication between the Company and its customers.

Customer complaints and Call Centre performance are treated among crucial quality parameters by Energy Market Regulatory Authority (EMRA). In this context, a better performance compared to the predetermined target provides a financial return over the revenue requirement of distribution tariffs.

Enerjisa Enerji meticulously analyses all customer requests and complaints, and works to improve its operational processes in this area. Based on continuous channel- and process-based measurements, the Company makes a detailed analysis of issues where there is a scope for improvement, and takes the necessary remedial measures to boost customer satisfaction.

Enerjisa Enerji Distribution Companies received around 23.5 million calls through the Call Centre in 2023. The response rate for these calls was 95.5% with a service level score of 87.1%, and an average call response time of 7.1 seconds.

Responded Calls and Response Times



DISTRIBUTION

Enerjisa Enerji carries out customer satisfaction surveys on a regular basis to evaluate and enhance customer experience at the communication channels.



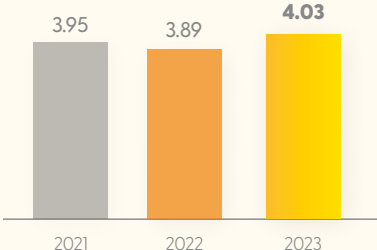
Customer Satisfaction

Enerjisa Enerji manages customer satisfaction and communication with customers in line with its internal policies and international standards. The Company delivers services at global standards within the scope of the ISO 10002 Customer Satisfaction Management System, which is internalized by all employees. To this end, Enerjisa Enerji provided training to more than 3,500 employees on customer orientation and customer satisfaction in 2023.

Enerjisa Enerji carries out customer satisfaction surveys on a regular basis to evaluate and enhance customer experience at the communication channels.

Customer Satisfaction Scores (CSAT) the years, 2021, 2022 and 2023 are provided below:

Customer Satisfaction Score (out of 5)



Recognizing communication as an important priority towards bolstering customer satisfaction, Enerjisa Enerji communicates with its customers through diversified channels. The Company, while raising the diversity of the communication channels to address customer needs on the one hand, constantly improves them on the other to ensure prompt problem and complaint resolution.

Developments in 2023

In 2023, Enerjisa Enerji's Distribution Companies executed the following projects to raise customer satisfaction within the scope of digitalisation.

Speech Analytics Project: With this project, we introduce technology that converts customer calls to our Call Centre 186 into text using 'Speech to Text'. The 'Speech to Text' technology allows for in-depth analysis and assessment of emotional changes throughout a given call. This technology, which distinguishes between the voice of the customer and that of the agent, enhances our efforts to increase customer satisfaction and agent performance. Moreover, critical word alerts generated for the agents support operational excellence.

Our 186 Call Centre was a finalist in the 14th Sabancı Golden Collar Awards in the Customer Experience category, recognising the combination of speech technology and customer satisfaction. The speech programme, which we have been using for about a year and a half, digitises our analyses and enables us to address customer dissatisfaction cases immediately. To date, we have achieved a 28% improvement in customer satisfaction scores and a 46% reduction in complaints through the Communication Centre of the Turkish Presidential Office, namely CIMER.

By increasing the number of speech analytics user licences from 110 to 410 as December 31, 2023, more call centre agents in the AYEDAŞ, Başkent, and Toroslar regions have been able to use the technology, leading to more analyses being carried out to measure and improve customer satisfaction.

Digitalisation of the Damage Claim

Approval Process: In the AYEDAŞ, Başkent and Toroslar regions where we provide service, our customers can now submit documents for the damage claim applications arising from the distribution network, which have been concluded positively, through the WhatsApp support lines of Başkent EDAŞ, Toroslar EDAŞ and AYEDAŞ as well as the Customer Service Centres.

Interactive Voice Response (IVR) to Digital Project: With the IVR to Digital Project, we ensured the redirection of our customers to digital channels by sharing announcements and SMS with our website link during peak times at the call centre. As a result, we directed 23% of our customers to digital channels and observed that 85% of these customers preferred digital channels in their subsequent interactions.

Social Media Panel Change and Sentiment Analysis: The new panel offers the opportunity to monitor all Enerjisa social media messages in real time, analyse big data, track the sector and report in detail.

With the Social Emotion project, we are using data analytics to analyse all the big data in real time and to predict the emotional tone of each of our customers on a 5-point scale.

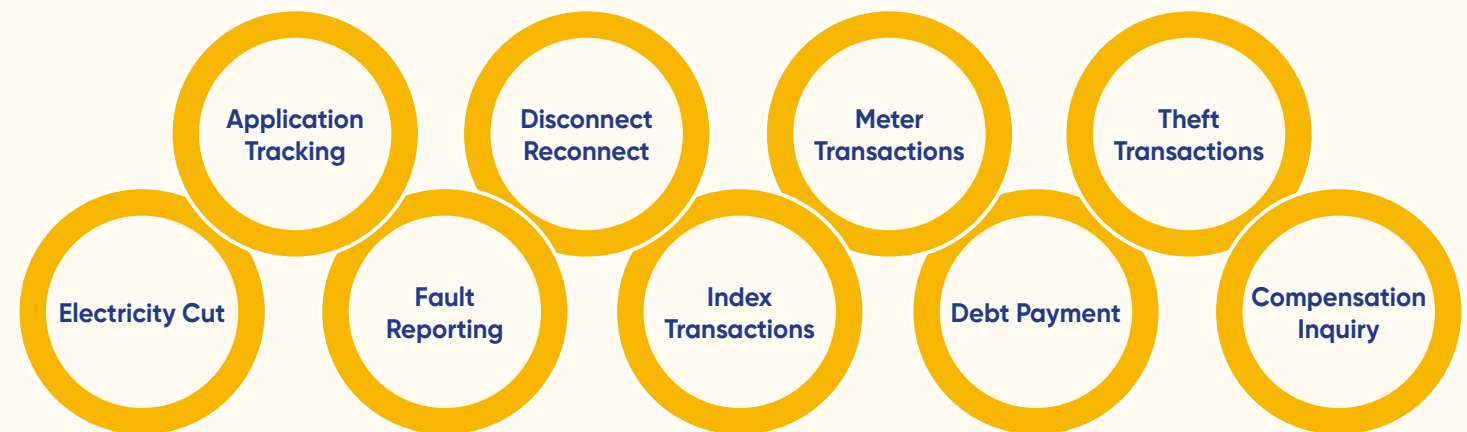
Customer Relations and Experience Group Management Dashboard:

Thanks to our dashboard created with the Power BI system, our Customer Experience, Customer Relations and Digital Channels and Call Centre reporting can now be monitored more easily and effectively. From the Customer Experience Dashboard screens, it is possible to compare our regional scores for AYEDAŞ, Başkent EDAŞ and Toroslar EDAŞ, as well as the scores in the province-district breakdown and of our operational and digital channels. In addition, the Customer Relations and Digital Channels dashboards show the number of applications by year and region and the digital channel usage rates, while the Call Centre dashboard shows call centre statistics.

IMI Awards: As part of the 16th Türkiye Call Centre Awards 2023 organised by the IMI Conferences, where the most successful companies offering customer relationship management (CRM) services compete for awards, Enerjisa Distribution Companies received the 'Most Commendable' award for Distribution Company Websites in the 'Best Digital Solution' category. Through our award-winning websites with user-friendly interfaces, transactions such as power outage enquiry, debt payment, fault reporting, application tracking and digital document delivery process for device-dependent patient applications can be carried out.

The websites of Enerjisa's Distribution Companies, which provide fast and immediate solutions according to customers' needs based on analyses conducted with a focus on customer satisfaction, are the most preferred digital solution among all other digital channels of Başkent EDAŞ, AYEDAŞ and Toroslar EDAŞ with 2.5 million visitors and more than 800,000 applications per year.

Online Transactions



DISTRIBUTION

Enerjisa Enerji implements a technology-focused and effective network management with the goal of providing uninterrupted electricity.

102,498
AMRS
INSTALLATIONS

TECHNOLOGY AND GRID MANAGEMENT

One of Enerjisa Enerji's primary objectives is to provide an uninterrupted and accessible energy supply with the solutions it develops by closely monitoring technological developments. The Company implements a technology-focused and effective network management with the goal of providing uninterrupted electricity. Enerjisa Enerji's Distribution Companies use the following systems in their operations:

- The Outage Management System (OMS) is used for outage management. In addition, customer notices received from the CRM system are conveyed directly in the OMS.
- SCADA (Supervisory Control and Data Acquisition), which is an industrial automation control system that remotely monitors supply continuity, is used to collect outage data. The total number of sensors in the SCADA system, which was 1,165,762 at the end of 2022, reached 1,299,239 by the end of 2023.

- In addition, outage information is received from the Lighting and Customer Automatic Metre Reading System (AMRS). The AMRS installations have continued for remote readings of metres in distribution regions. The total number of installations within the scope of AMRS increased from 92,947 as of the end of 2022 to 102,498 by the end of 2023.
- Our current electricity network is processed in the GIS application, and customers affected by outages can be identified through GIS.

In line with the outage information received from all of these systems, the location of the outage is estimated through the use of various algorithms, which, in turn, reduces outage response times. Enerjisa Enerji Distribution Companies use industrial tablets to record the procedures performed in the field during power outages. All system integrations ensure the correct calculation of the start and end times of outages in operating regions, as well as the number of affected subscribers.

Grid Quality Metrics

With the new tariff period, which started as of 2021, 'The Procedures and Principles Regarding the Consideration of Planned Maintenance Expenditures of the Electricity Distribution Companies in Tariff Calculations' entered into effect. In this context, a new framework was defined for planned maintenance to improve the continuity of supply and support the increase in customer satisfaction; a new OPEX allowance was introduced for planned maintenance. With this practice, the maintenance work of distribution companies has been stepped up with an increase in the number of power cuts applied for maintenance purposes when compared with the previous years. Intensive maintenance work is aimed at reducing the incidence of failure in the grid and reducing the frequency of outages in upcoming years.

Despite the various adversities mentioned below, there has been an improvement in the SAIDI and SAIFI indices in 2023 compared to the previous year.

- In the Toroslar Region, the earthquake disaster that occurred in Hatay, Gaziantep and Osmaniye provinces in February 2023.
- In the Toroslar Region, events such as storms, heavy snowfall and so forth caused by adverse weather conditions experienced in February 2023, particularly in Mersin.

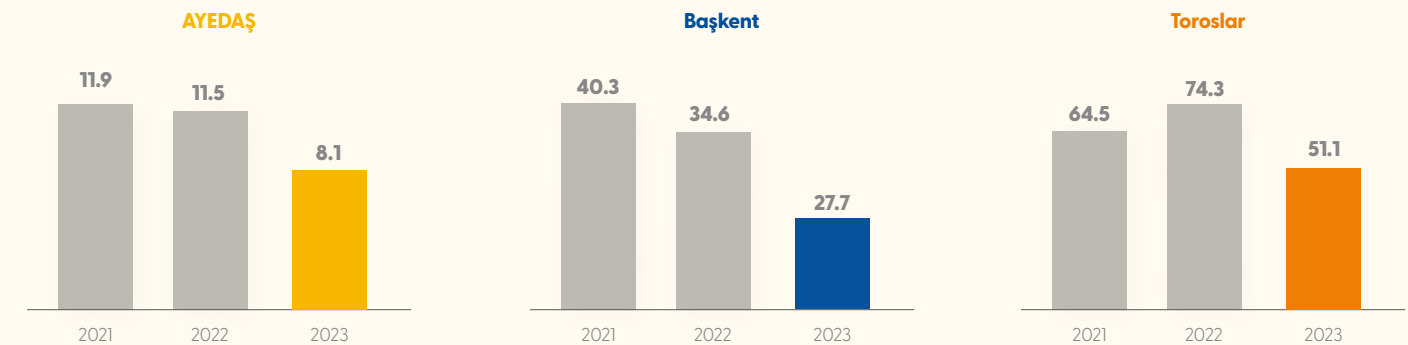
- In the Başkent Region, disasters resulting from adverse weather conditions such as storms, heavy snowfall and similar events that occurred in the Ankara, Kırıkkale, Çankırı, Zonguldak, Bartın, Karabük and Kastamonu provinces in July 2023 and November 2023.

Enerjisa Enerji carries out projects and investments to facilitate adaptation to the potential impacts of climate change as part of its sustainability strategy. For example, the overhead

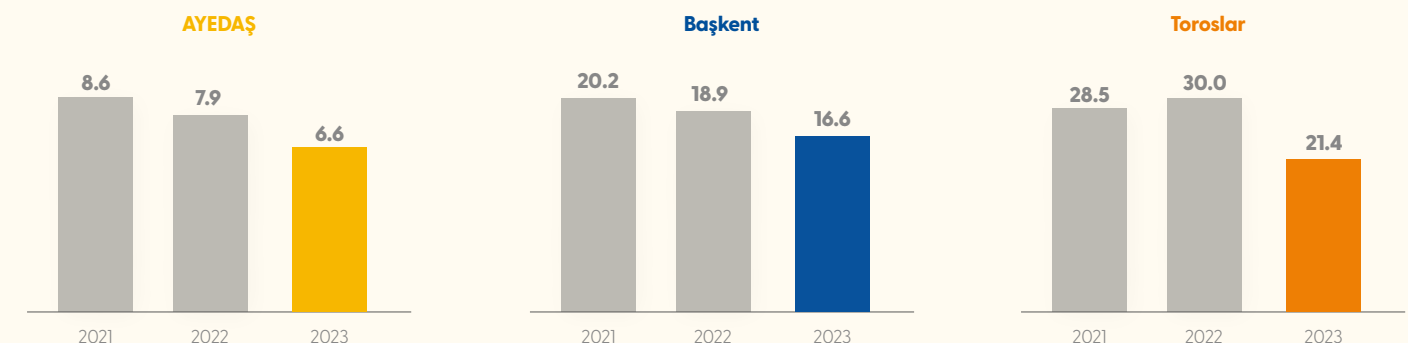
lines in distribution networks are more exposed to the impacts of natural disasters than underground cables. The ratio of underground cables increased from 19% in 2015 to 28% in 2023 in the Enerjisa distribution regions, mitigating the impact of external factors on the distribution network.

The System Average Interruption Duration Index (SAIDI) and System Average Frequency Index (SAIFI) are used to monitor grid quality in terms of continuity of supply.

System Average Interruption Duration Index (SAIDI) (hour)



System Average Frequency Index (SAIFI) (number of power outages)



DISTRIBUTION

Enerjisa Enerji provides added value in many fields with its energy, technology, and network management projects.

Technology and Grid Management Projects

Enerjisa Enerji presses ahead with its grid investments to provide an uninterrupted supply of power and makes extensive use of technology.

Projects	Scope	Impact Area
The Tablet User Experience Project	The four-phase project aims to facilitate the use of tablets by field operators to reduce erroneous data entry and resolve problems they may encounter.	Stakeholder Management Customer Experience Digitalisation Quality Occupational Health and Safety (OHS)
Project of Tracking Personnel Working in the Shift	It is a project that allows central operators to gain observation capabilities to transportation routes of the site operators working in shifts to their assigned work point and facilitate the management of these routes instantaneously.	Stakeholder Management Digitalisation Quality
Unmanned Aerial Vehicle Supply	With this project, operational efficiency is ensured by the use of unmanned aerial vehicles, which are among the indispensables of technology, in fault search, maintenance, and disaster processes in the network and the risk of work accidents that may occur during direct line and connection controls is minimised.	Digitalisation OHS
Digitalisation and Replacement of Protection Relays and Computers	With this project, faulty lines and equipment are disconnected from the grid in the event of a failure on the grid, within the time set in the relay coordination. Thus, customers in areas where there are no failures are not affected by these outages. Computers are renewed and increased in number, thus increasing the reliability of the grid.	Stakeholder Management Customer Experience Digitalisation Quality
Digital Inventory Management System and Analysis	The aim of the project is to render grid management more secure. With the modelling and simulation software, protection and coordination functions are transferred to the digital environment. The software allows for an examination of voltage and current frequency anomalies through digital modelling with power quality and harmonic analysis modules. Thanks to the protection module, relay coordination analysis can be performed. With GIS integration, GIS data can be used by modelling the network without the need for manual network drawing.	Digitalisation Quality
Digital Inventory Management System and Analysis (Modelling and Simulation Software) - GIS Integration	Through the interface created, GIS data and error reports will be obtained automatically, and network analysis studies can be carried out in the modelling and simulation software. Up-to-date data will be obtained, and time will be saved.	Digitalisation Quality
OMS & AMRS (Outage Notice)	Improvement activities are carried out in the OMS project to provide ease of use by considering the EMRA's recommendations and legislative requirements.	Customer Experience Digitalisation Quality

Projects	Scope	Impact Area
The TEİAŞ Feeder Monitoring and Improvement Project	The project is aimed at monitoring output feeder data (current, voltage, power etc.) and the location information of circuit breakers and disconnectors and the like at the TEİAŞ substations with the application software and to integrate these data into the SCADA and Inavitas systems. In addition, demand tracking of the TEİAŞ substations and TEİAŞ feeder openings can be monitored instantly through the Inavitas system.	Stakeholder Management Digitalisation Quality OHS
Reactive Power Compensation Systems Project	The aim of the project is to keep the reactive power supplied to or withdrawn from the system within the limits specified in the Regulation on Electricity Grid and prevent possible reactive penalty excesses, which are defined as violations in the penal clauses of the System Usage Agreements signed with TEİAŞ. With the project, user and inventory protection can be achieved and SCADA integration easily provided with the closed system automation software developed considering OHS measures. In addition, inventories (such as capacitor banks and shunt reactors), which are suitable for changing grid conditions, can be quickly adapted.	Stakeholder Management Digitalisation Quality OHS
Overhead Line Fault Indicator Mechanisms	Overhead Line Fault Indicator Mechanisms are devices that locate the fault occurring on the line, thanks to the light signal they emit. These devices contribute to customer satisfaction by shortening the time for the team to locate the fault, thus shortening the outage time.	Customer Experience OHS
Autorecloser / Sectionalizer	Recloser devices enable automatic reclosing in case of temporary faults in the network. In this way, the duration of the power outage can be reduced to 30 seconds without the intervention of the team. As a result, long interruption times will be minimised, and the values of SAIDI and SAIFI will be reduced.	Stakeholder Management Customer Experience
SCADA Infrastructure and Adaptation Projects	Infrastructure and extension work will be carried out at the centres within the scope of the projects, and the relevant centres will be added to the SCADA system. By replacing the relays that have completed their technological lives, the feeders will be rendered remotely monitorable and controllable.	Stakeholder Management Digitalisation Quality OHS
SCADA Projects of Transformer	With these projects, high-voltage and low-voltage information from the Distribution Substations is collected and sent to SCADA and the IoT platform. Overall, the data to be received from the centres will be cell location/control information, substation information and voltage yes/no data related to the substation output feeders. Necessary infrastructure and expansion work will be carried out at the substation centres to receive these data.	Stakeholder Management Digitalisation Quality OHS
Industrial IoT Platform and Software Project	The Industrial IoT Platform and Software Project is a multilayered hardware and software whole project equipped with the innovations brought by Industry 4.0, having a communication infrastructure that will collect millions of data from thousands of endpoints, containing analytical and reporting tools to make the collected data meaningful and capable of forecasting and modelling with artificial intelligence and machine learning algorithms, thus directing the Company's investments in the future.	Stakeholder Management Digitalisation Quality OHS
Peak SCADA Projects	Within the scope of the project, low-voltage (LV) substation data will be received from the centres where the Pole Mounted Substations are located. To receive this information, necessary infrastructure and expansion work will be carried out at the substation centres. The received LV data will be transferred to the IoT Platform.	Stakeholder Management Digitalisation Quality OHS
Disaster Communication System Project	After the earthquake on 06.02.2023, in 11 provinces, there were interruptions in communication and data traffic because of physical damage and overloading of GSM infrastructures. This situation partially disrupted electricity distribution field coordination. The collapse of communication just when it is crucial for crisis situations poses a significant risk to our field operations. Within the scope of the project, vehicle radios will be installed on all repair and maintenance vehicles. Trailer-type communication stations with solar panels and radio transmitter stations will be supplied.	Digitalisation Quality OHS
BAŞKENT SCADA System Renewal Project	Software, hardware and all licences of the existing SCADA system, which constitutes the architecture of the existing SCADA system and whose technological life span has expired (10 years), will be procured and installed. Approximately 3,000 stations that are monitored and controlled by the system will be transferred to the new system and tested. The system will provide data flow to other applications such as OMS, GIS and TFI (TEİAŞ Feeder Monitoring).	Stakeholder Management Digitalisation
Lighting SCADA Project	By improving the existing lighting AMRS system, remote on/off operation is performed in lighting installations via the AMRS Modem. The activation/deactivation times of the facilities can be monitored and reported.	Stakeholder Management Digitalisation

RETAIL SALES

In the retail energy sales sector, Enerjisa Enerji is the industry leader in terms of sales volume and number of customers.

In the retail energy sales sector, Enerjisa Enerji is the industry leader in terms of sales volume and number of customers. As of the end of 2023, the Company commanded a 22% market share based on the number of customers.

Enerjisa Enerji retail companies operate in three regions as the incumbent retail companies in the regulated electricity market, under the supply license issued by the Energy Market Regulatory Authority (EMRA).

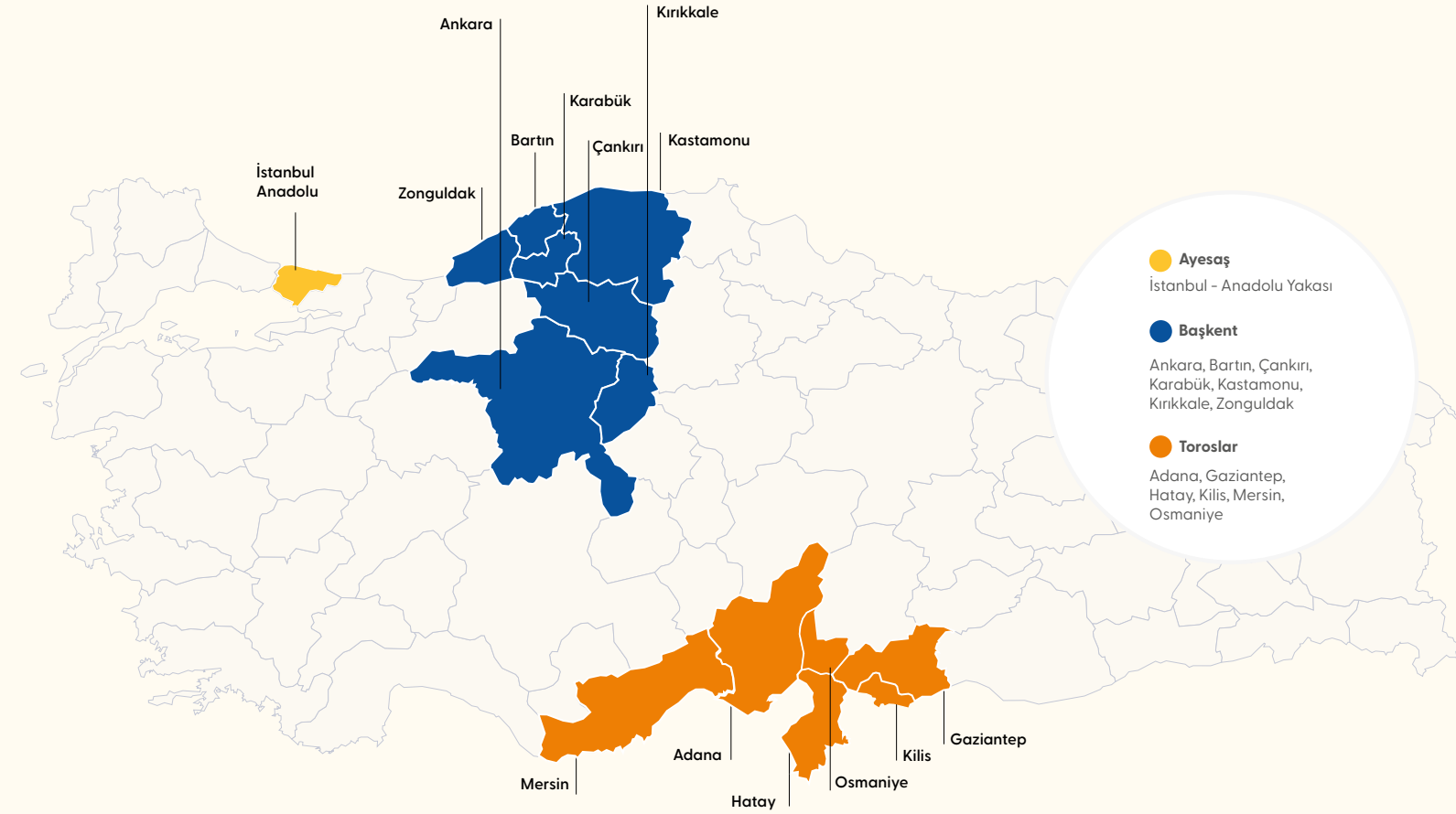
As incumbent retail companies, these companies provide electricity retail sales services to customers below the eligible consumer limit as well as consumers above the eligible limit but who have not chosen a different supplier, in the Company's distribution regions. Furthermore, these companies may sell electricity to eligible customers in their own regions as well as other parts of Türkiye with no regional restrictions.

Enerjisa Enerji develops its products and services with a focus on sustainability and provides cutting-edge technology to its consumers. The Company implements a wide range of innovations aimed at increasing customer satisfaction through customer-oriented digitalization projects.

The customer-oriented business approach adopted by Enerjisa Enerji is directly reflected in its wide range of service channels and after-sales service network. Providing services to approximately 10.7 million customers and a population of 22 million through the physical, digital and remote channels, Enerjisa Enerji strives to meet the needs of its customers, create value in electricity supply and provide aftersales support.

The main service channels used by Enerjisa Enerji are as follows:

- **Physical Channels:** Customers services are provided through physical channels including 39 Enerjisa Customer Service Centres, 69 Enerjisa Transaction Centres and 10 Mobile Service Vehicles.
- **Digital Channels:** Customer transactions are executed through digital service channels, which were redesigned to meet the needs of customers. Digital channels include the Online Service Centre, the internet, mobile platforms and e-Government.
- **Remote Channels:** 24/7 uninterrupted services are provided remotely through the Call Centre, while the tele sales services have also been actively provided.



RETAIL SALES COMPANIES

Enerjisa Enerji carries out electricity retail activities in 14 provinces across three regions through Enerjisa Başkent Elektrik Perakende Satış A.Ş., Enerjisa İstanbul Anadolu Yakası Elektrik Perakende Satış A.Ş. and Enerjisa Toroslar Elektrik Perakende Satış A.Ş.

Enerjisa Başkent Elektrik Perakende Satış A.Ş. was established and started its operations in 2014. Enerjisa Başkent Elektrik Perakende Satış A.Ş., serves approximately 4.1 million predominantly residential and commercial customers in the Başkent Region (Ankara, Bartın, Çankırı, Karabük, Kastamonu, Kırıkkale and Zonguldak), where the Company is the incumbent electricity supplier.

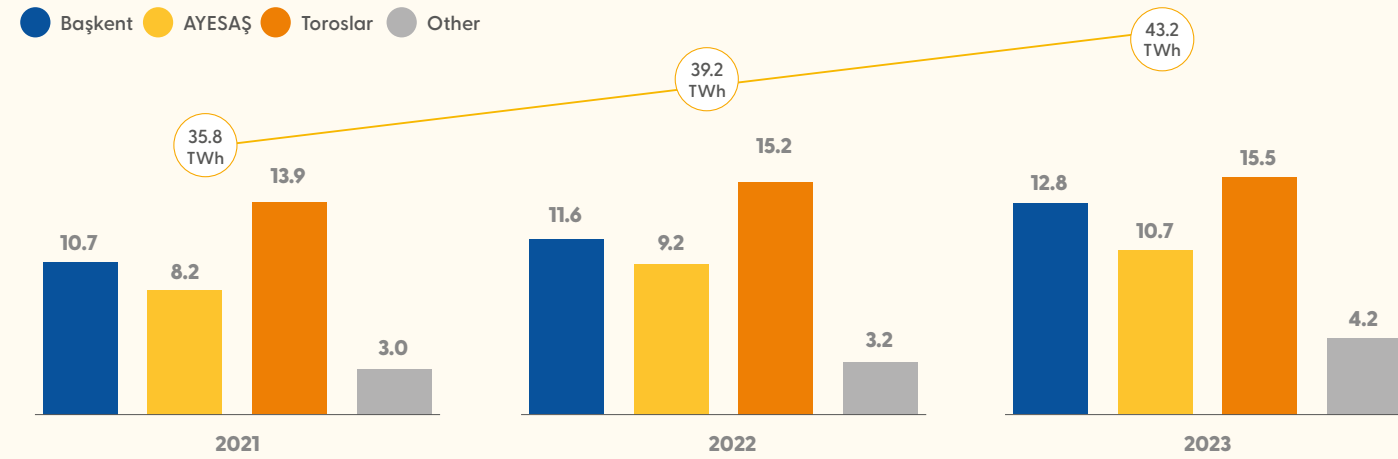
Enerjisa İstanbul Anadolu Yakası Elektrik Perakende Satış A.Ş. Under the privatization program, the transfer of Enerjisa İstanbul Anadolu Yakası Elektrik Perakende Satış A.Ş. shares to Enerjisa Enerji were completed on July 31, 2013, with the signing of share transfer agreement. Enerjisa İstanbul Anadolu Yakası Elektrik Perakende Satış A.Ş. provides services to approximately 2.6 million predominantly residential and commercial customers on the Anatolian Side of İstanbul, where the Company is the incumbent electricity supplier.

Enerjisa Toroslar Elektrik Perakende Satış A.Ş. The transfer of Enerjisa Toroslar Elektrik Perakende Satış A.Ş. shares to Enerjisa Enerji under the privatization program was completed on September 30, 2013, with the signing of the share transfer agreement. Enerjisa Toroslar Elektrik Perakende Satış A.Ş. serves approximately 4 million predominantly residential and commercial customers in the Toroslar Region (Adana, Gaziantep, Hatay, Kilis, Mersin and Osmaniye) where the Company is the incumbent electricity supplier.

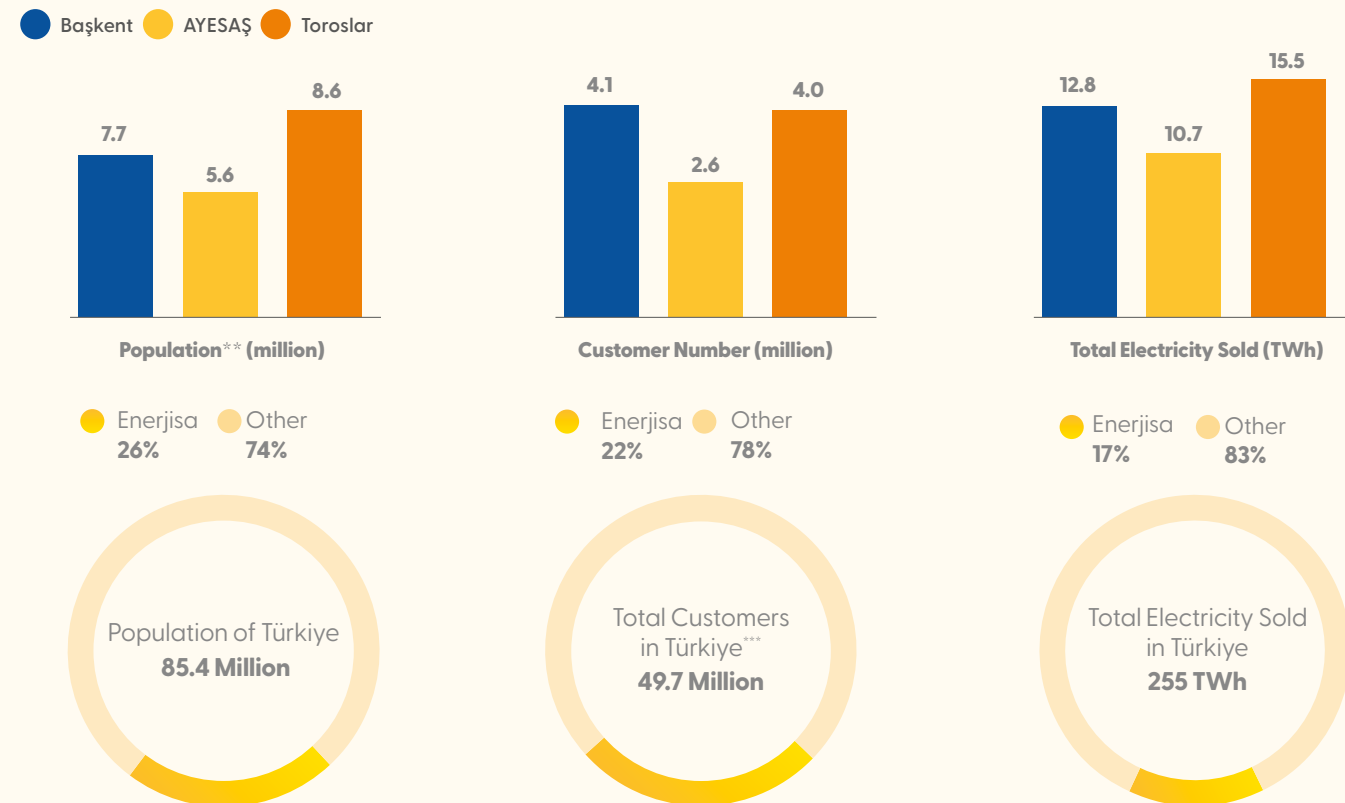
Within the scope of its retail sales activities, Enerjisa Enerji continued to develop its products and services with a focus on sustainability and to realize customer-oriented digitalization projects in 2023 as well.

RETAIL SALES

RETAIL SALES COMPANIES IN NUMBERS SALES VOLUME BY REGIONS* (TWh)



RETAIL SALES COMPANIES IN NUMBERS ENERJİSA ENERJİ – 2023

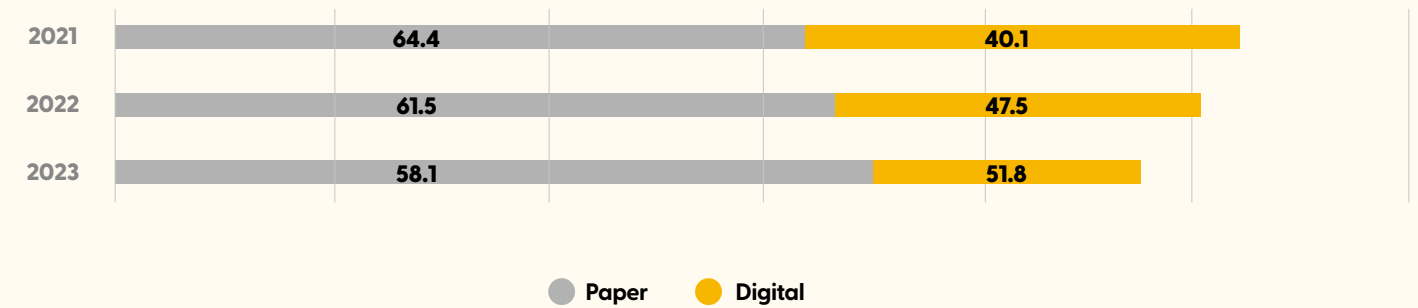


* Sales volume includes the liberalised and nonliberalised sales in the three regions where the sales company has the status of the assigned supplier and the liberalised market sales in the other regions.

** TURKSTAT

*** EMRA 2022 Report

Number of Paper & Digital Bills (million)



Sales Volume

The total retail sales volume was 43.2 TWh in 2023 compared with 39.2 TWh in 2022. In 2023, demand for electricity increased in the segments on which Enerjisa Enerji has focused, in line with its profitable growth strategy.

Payments

Due to the digitalization trend and the impact of digital solutions offered to customers, the share of digital channels in bill payments has been increasing since 2017. With the effect of technological developments and the increasing digitalization trend, the volume increase in our digital payment channels has become permanent, as transactions are made easier and faster.

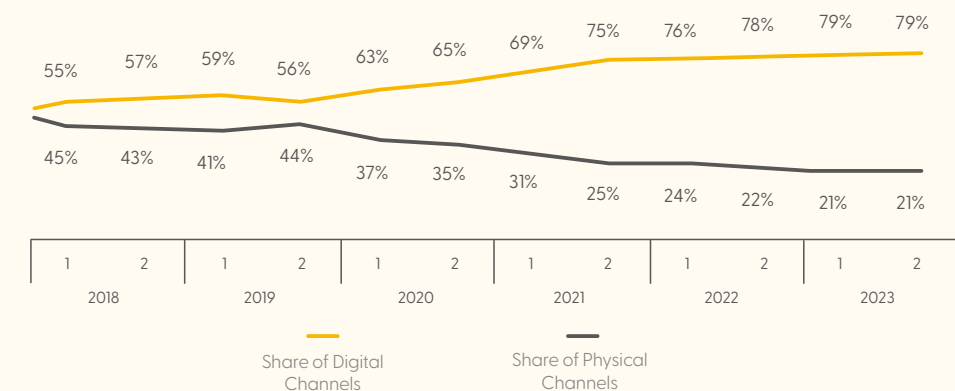
The share of digital payments in terms of units has increased to over 79% by the end of 2023.

Billing

In 2023, the total invoice volume reached approximately 110 million. Depending on customers' preferences, 47.7 million invoices were sent as e-archives, and 4.1 million invoices were sent as e-invoices. Enerjisa Enerji aims to enable customers to access their

invoices instantly by switching to digital invoices and, accordingly, contribute to the protection of the environment by using less paper. With the increase in the digital invoice ratio in the total invoice over the years, we have saved 1,350 trees and avoided the use of 75 tonnes of paper in 2023.

Progression of Share of Digital and Physical Channels: 2018-2023



RETAIL SALES



Consumer Limits and Applied Tariffs in the Electricity Market

Consumption Volume (kWh/year)* and Customer Type	Eligible Consumer Right Exercise Status	Tariff Applied	Supplier
0–950 kWh	Noneligible Consumers No right to choose a supplier	National (Regulated) Tariff (Compulsory)	Incumbent Electricity Retail Company
Residential and Agricultural Activities ≥ 950 kWh and <100 million kWh	Eligible Consumer The right to choose a supplier has not been exercised.	National Tariff	Incumbent Electricity Retail Company
Other (Public, Exclusive Services Sector, Industrial, Lighting) ≥ 950 kWh and <1 million kWh	Eligible Consumer The right to choose a supplier has been exercised.	Eligible Consumer Tariff	Incumbent Electricity Retail Company or Other Suppliers
Residential and Agricultural Activities ≥ 100 million kWh	Eligible Consumer The right to choose a supplier has not been exercised.	Last Resource Tariff Energy Costs (including FIT) x 1.0938	Incumbent Electricity Retail Company
Other (Public and Exclusive Services Sector, Industrial, Lighting) ≥ 1 million kWh	Eligible Consumer The right to choose a supplier has not been exercised.	Eligible Consumer Tariff	Incumbent Electricity Retail Company or Other Suppliers

*As of 01.01.2024

DEFINED STRATEGY BASED ON CUSTOMER SEGMENTS

MASS

Residential*

(Regulated + Liberalized)

- Regulated or those who continue to purchase electricity at the regulated tariff due to their tariff structure, even though exceeding the eligibility limit,
- Wide customer base and diverse customer needs,
- Service and support need through different channels.

SME

(Regulated + Liberalized)

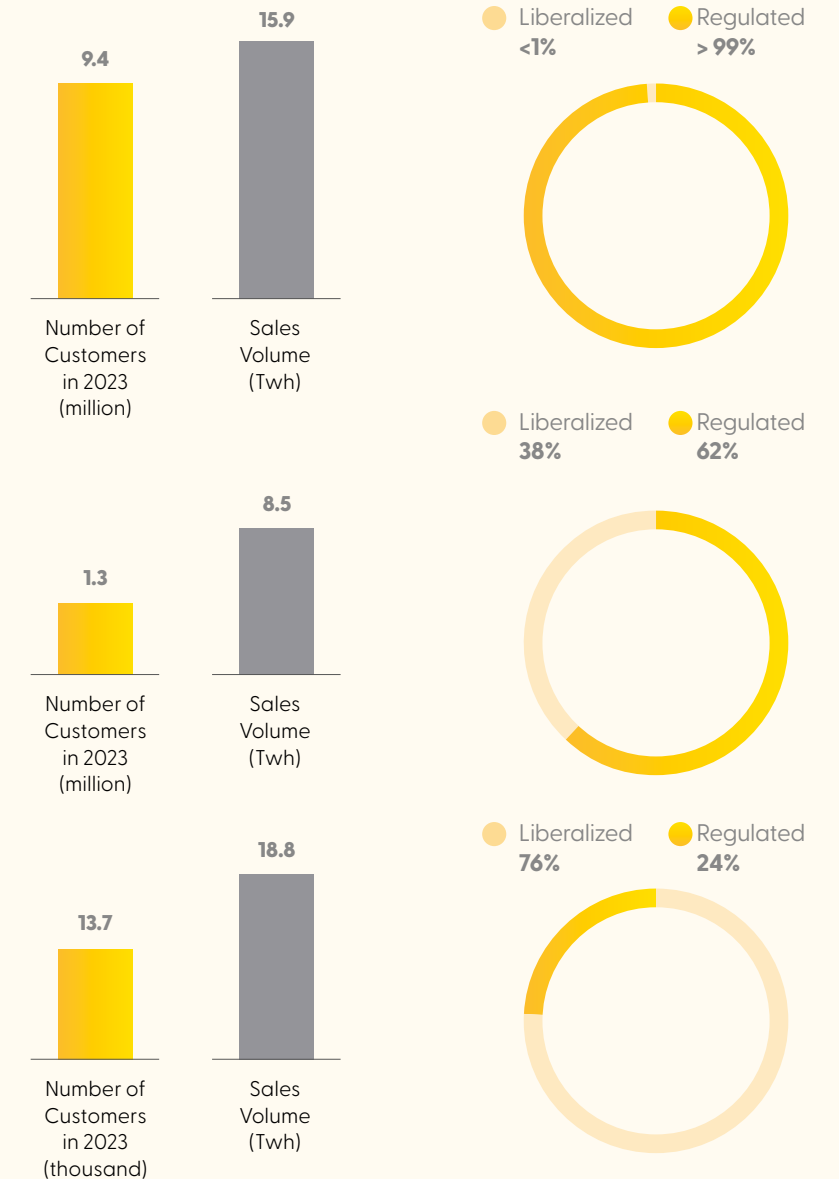
- Due to the tariff structure, a shift to liberalized SME who are above the eligibility limit,
- Wide customer base and diverse customer needs,
- Service and support need through different channels.

CORPORATE

(Regulated + Liberalized)

- Commercial or industrial customers above eligibility limit and with high consumption,
- Customer oriented solution and customized service need.

*Households (detached buildings, apartments, sites), common areas and non-commercial (associations, foundations, places of worship, etc.)



RETAIL SALES

Enerjisa Enerji structures its products and services in two groups, electrical and non electrical, and manages this structure in accordance with the different expectations and needs of individual and corporate customer segments.

PRODUCTS, TARIFFS AND SERVICES

Enerjisa Enerji structures its products and services in two groups, electrical and non-electrical, and manages this structure in accordance with the different expectations and needs of individual and corporate customer segments.

Enerjisa Enerji's individual customer segment consists of residences and small-scale businesses. The company prepares periodic campaigns for this segment and offers the most advantageous offers to its customers, taking into account the developments in the sector.

Enerjisa Enerji aims to offer solutions that touch different points in the lives of its customers with non-electrical products. Various advantages are provided to customers in different sectors.

Enerjisa Enerji's approach in the corporate segment is to offer commercial products with fixed and variable prices to meet the expectations and needs of its corporate customers. In addition to electricity sales, end-to-end solutions to increase the energy efficiency of corporate customers and reduce carbon emissions, and detailed information is provided under the "Customer Solutions" section.

	Customer Type			
	Mass		Corporate	
Electricity Tariffs	Residential	SME	Commercial and Industrial Medium-Sized Customers	Commercial and Industrial Large and Special Customers
National Tariff	✓	✓	✓	✓
Fixed Tariff		✓	✓	✓
Standard Tariff		✓		
National Tariff Indexed Tariff		✓	✓	✓
Market Indexed Tariff		✓	✓	✓
Green Energy Tariff			✓	✓

PRODUCTS AND TARIFFS

The products and tariffs offered by Enerjisa Enerji with different commercial options, including indexed, fixed, prepaid and post-paid options, are shown below.

- **National Tariff:** This refers to the tariff announced by the EMRA quarterly, which is applicable to eligible consumers who do not exercise their eligibility rights or end-users whose consumption is below the eligible consumer limit.
- **Standard Tariff:** The price set for retail customers is variable with defined conditions and requires no commitment.
- **National Tariff Indexed Tariff:** This is a product offered at a discount over national tariff prices. When national tariff prices decrease or increase, electricity supply continues by applying a fixed discount rate.

- **Fixed Tariff:** It is a product with a fixed unit price that is not affected by the costs in the energy market and changes that may occur in the national tariff during the contract period. More advantageous price options are offered with different prepayment terms.
- **Market Indexed Tariff:** This product is indexed to the cost of energy supply. The unit price varies according to changes in market costs throughout the contract period. More cost-effective pricing options are provided with different prepayment terms.
- **Green Energy Products:** Green energy is a type of energy produced from renewable energy sources, certified by internationally recognized accredited organizations and transparently reported. Enerjisa Enerji customers can reduce or neutralize greenhouse gas emissions resulting from their electricity consumption with two types of certificates.

- **Renewable (Green) Energy Certificate:** A market-based instrument that represents the property rights of the environmental, social and other non-power attributes of renewable electricity production. It refers to the Renewable Energy Certificate showing that 1 MWh of electricity is produced from a renewable energy source and delivered to the electricity grid. In this context, 709,000 MWh Renewable Energy Certificates were sold in 2023.
- **Carbon Reduction Certificate:** It is a type of loan that belongs to a real or legal person (belonging to a business/power plant producing from renewable energy), is standardized, tradable and is expressed in metric tons of CO₂.

In addition, corporate segment customers are also offered options to create their own tariffs by combining different tariffs in order to manage their financial risks.



RETAIL SALES

In 2023, important steps were taken to maximize customers' experiences in digital channels and to continue the increase in usage of the channels.

SERVICE CHANNELS

Enerjisa Enerji diversifies its channel and service structure for an excellent customer experience, while also producing projects that will ensure the most efficient use of resources.

Physical Channels

Adopting a customer-oriented approach in its services, Enerjisa Enerji aspires to provide its consumers with the best experience through physical channels. These channels, which handled approximately 1.6 million transactions in 2023, and the services they offer are listed below: In addition to the mentioned physical channels, as assigned incumbent electricity retail companies, customer-oriented sales activities are carried out for corporate customers with a total of 16 corporate dealers in 14 different provinces in order to sell electricity to eligible consumers in other regions of Türkiye in addition to the regions where the Company operates. Corporate customers are visited at their own locations through energy professionals who are experts in their fields, and solutions tailored to their needs and preferences are provided.

Digital Channels

Enerjisa Enerji customers; Many transactions, from membership creation to subscription, subscription cancellation and payment transactions, from appointment transactions to

Customer Service Centre	Enerjisa Transaction Centre
<p>Enerjisa Enerji serves its customers with 39 Customer Service Centres (CSC) in 3 regions. The transactions carried out in the Customer Service Centres are as follows:</p> <ul style="list-style-type: none"> • Application transactions • Subscription and termination transactions • Billing transactions • Information update transactions • Permission/request management transactions • Tariff change transactions • Security deposit refund/inquiry request transactions 	<p>Enerjisa Enerji serves its customers with 69 Enerjisa Transaction Centres (ETC) in 3 regions.</p> <p>Most transactions carried out in customer service centres can also be carried out by contracted Enerjisa Transaction Centres.</p>

Furthermore, the Company serves its customers at Enerjisa Transaction Centres in the Başkent and Toroslar Regions and with 10 mobile service vehicles (Mobile CSCs) at remote locations where there are no Customer Service Centres.

invoice viewing, consumption tracking and application transactions, can be carried out online 24/7 via online. enerjisa.com.tr, Enerjisa Mobile and e-Government without going to physical channels. Digital channel usage in retail sales increased from 21% in 2022 to 28% in 2023.

In 2023, important steps were taken to maximize customers' experiences in digital channels and to continue the increase in usage of the channels. Efforts to provide customers with a flawless end-to-end digital experience

continued unabated. In this regard, customer needs were identified by thoroughly examining the feedback received from customers. In order to serve customers with easy-to-use, functional and high-performance digital channels, modern technologies have been integrated into the systems and all user interfaces have been designed based on basic design principles. Enerjisa Mobile and Online Services Centre was completely renewed to take the digital user experience to the next level and was made available to customers with new versions in June 2023.

The digital channels developed by Enerjisa Enerji to provide the best service to its customers, and the transactions performed on these channels are listed below:

Online Services Centre & Enerjisa Mobile	e-Government
<p>The following operations are carried out through the Online Service Centre and Enerjisa Mobile:</p> <ul style="list-style-type: none"> • Subscription • Termination of Subscription • Online membership • Monitoring energy consumption transactions <ul style="list-style-type: none"> - Monitoring energy consumption trend - Consumption comparison graphs • Billing viewing and payment transactions • Tariff change transactions • Application transactions • Permission request management transactions • Information update transactions • Appointment transactions • Eligible consumer application 	<p>Enerjisa Enerji customers may perform the following transactions through the e-Government portal:</p> <ul style="list-style-type: none"> • Subscription • Termination of Subscription • Billing transactions • Payment transactions

Remote Channels

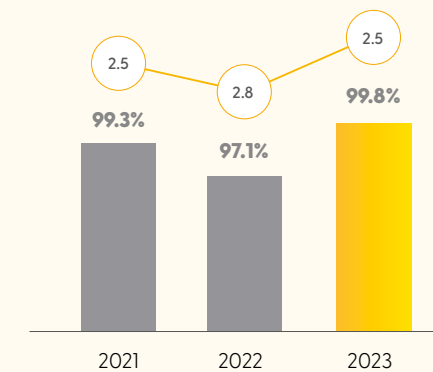
Call Centre

Call Centre With around 250 staff, Enerjisa Enerji's Call Centre represents an important channel for the Company. Managing a wide range of customer traffic, this channel offers the following services:

- Contract Transactions
- Billing Transactions
- Payment Transactions
- Eligible Customer Transactions
- Information Update
- Appointment Transactions
- Technical Support
- Operations Support Transactions

The Call Centre received a total of approximately 4,9 million calls in 2023, 52% of which were handled by the voice response system, with 99,82% of the 2.5 million queued-up calls answered. The average response time of the Call Centre was 3 seconds. Billing transactions were the most frequent application subject with 50%, while subscription transactions took the second place with 18%.

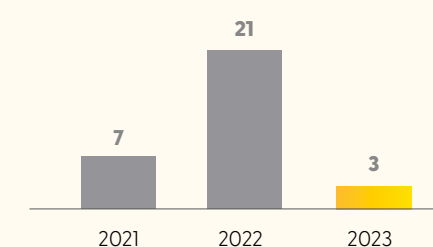
Number of Queued-up Calls (million) and Response Rate (%)



In addition to calling our customers who gave low scores in the Customer Satisfaction Surveys, it is aimed to ensure the continuity of the quality service provided by calling our customers who gave high scores in 2023. Customers who made repeated calls to the Call Centre during the day were called back, and their dissatisfaction and deficiencies in the processes were identified and improved.

In addition to the subscription/ unsubscription and appointment transactions currently provided via IVR, the effects of congestion have been tried to be eliminated by transmitting process information via SMS. In addition to these developments, if customers calling the Call Centre have a receivable, it is instantly detected by the voice response system and the calls are resolved in IVR without connecting to a customer representative. Also, customers who do not have E-archive approval can receive their invoices via E-Mail / Instead of paper invoices. It is possible to give approval on IVR to receive it via SMS.

Call Response Speed (second)



RETAIL SALES

After reviewing customer applications, Enerjisa Enerji Customer Solution Centre produces solutions in cooperation with the relevant department.

459,138

APPLICATIONS

CUSTOMER SOLUTION CENTRE & CUSTOMER EXPERIENCE

CUSTOMER SOLUTION CENTRE

After reviewing customer applications, Enerjisa Enerji Customer Solution Centre produces solutions in cooperation with the relevant department and transmits the explanation about the solution to the Solution Centre through the system. The Solution Centre organizes this explanation and presents it to the customer in a format that the customer can forward through the channel customer prefers.

With the Solution Centre 2.0 project, the variety of services during the registration phase of the application has been increased, and in cases where questions are asked to more than one team or the application is recorded in the wrong category at the first stage, it is aimed to provide a quick solution without changing the customer application number. With the "Refactoring" project, the diversity of applications made through digital channels has been increased and a more comprehensive service has begun to be offered to customers with the Omnichannel approach.

With both projects, it is aimed to develop, improve and digitalize the various stages of the application receiving and responding operation carried out by the Solution Centre.

In 2023, the Solution Centre received 459,138 applications to be monitored and to be responded to. Of these applications, 98.37% were responded to within the targeted time frame. On average, the applications were completed in 2.5 business days.

CUSTOMER EXPERIENCE

The importance of "Customer Experience" as a concept is increasing at a pace in parallel with changing customer needs and behaviours. Since its establishment, Enerjisa Enerji has always prioritized customer satisfaction and service quality in its investments and strategies.

Placing its customers at the heart of its business model, Enerjisa Enerji develops exclusive services and products compatible with the digitalized world. The Company aims to provide the best service in energy supply by continuously improving these products and services.

Customer Experience teams of Enerjisa Enerji work in cooperation with internal stakeholders and customers to improve the interactions between customers and the Company. Before every improvement, the Company first receives feedback from its customer service employees and takes opinions of its customers by using research methods such as surveys and focus group studies, which can clearly reveal

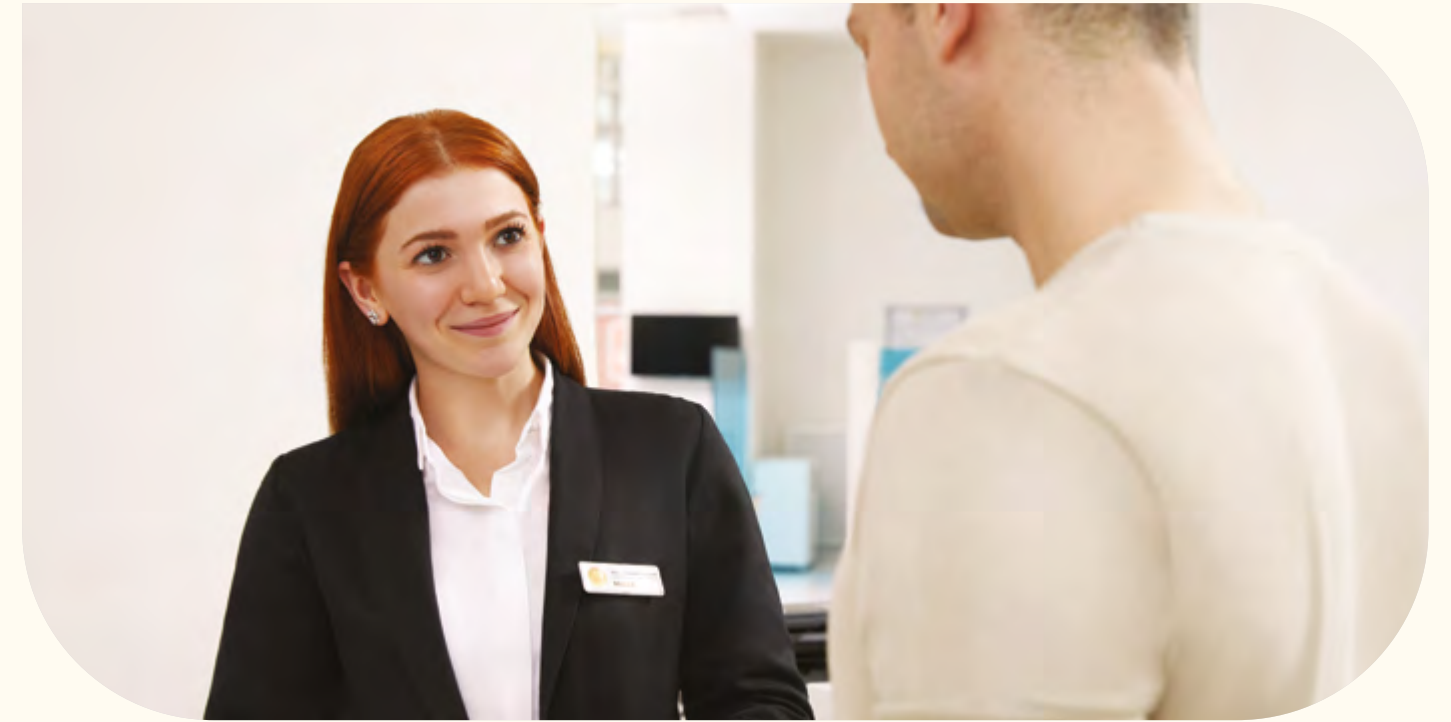
customer expectations. Relevant actions are planned according to the feedbacks.

Enerjisa Enerji implements experience and process designs in every project which touches the customer. As part of its attempts to improve the customer experience the Company concentrated on digitalization and segment-based service strategies in 2023, and these efforts had a positive impact on customer satisfaction. In this regard, Enerjisa Enerji's customer experience vision has guided projects involving digitalization of relocation and application procedures, the expansion of payment channels and the improvement of the user experience in mobile applications and the digital channels.

Experience Route

To reinforce the determination of all our employees to provide a better experience for our customers and realise this vision, the customer-focused programme called Experience Route was launched on October 3, 2023.

Within the programme's scope, World Customer Experience Day was first celebrated in October with various events. As part of the Inspirational Stops event series, the initial project of Experience Route, live broadcasts and face-to-face meetings were held with professionals who are known in the industry.



Customer immersion work, which we regularly undertake to enhance our customer experience processes, was conducted within the programme. During this meeting, where our corporate customers and senior management team gathered, we listened to our customers regarding their experiences with Enerjisa.

CUSTOMER SATISFACTION MEASUREMENT

Customer satisfaction is measured regularly at Enerjisa Enerji. The results of the monthly quantitative Customer Satisfaction Score (CSAT) and the Net Promoter Score (NPS) are shared with all stakeholders by the Customer Experience Committee, which consists of the senior management.

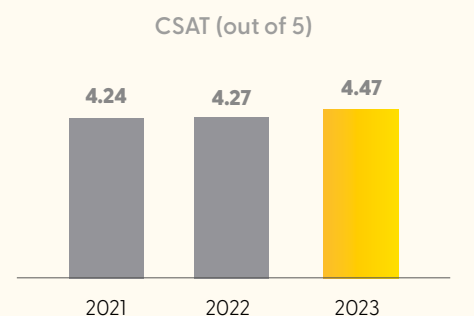
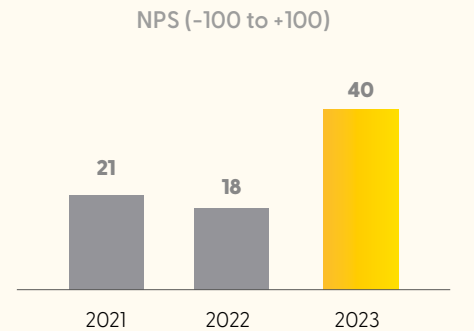
Enerjisa Enerji implemented an end-to-end customer satisfaction model that started in 2018. In 2023, new contact points such as applications made through online transactions, appointments, becoming a customer, and becoming a member were added to the customer satisfaction

measurement system. Customer satisfaction is measured in real time at forty-two customer contact points.

In 2023, more than 50,000 customer feedbacks were collected per month with the customer experience measurement system. In accordance with these measurements, the results were analysed, priority issues requiring resolution were identified and conceptualized as projects, and improvements were carried out in the processes highlighted by the customers.

The Net Promoter Score is measured by an independent research company and over 2,000 customers per month have been reached for NPS measurement.

Thanks to the initiatives launched to improve the customer experience, it managed to maintain the level of satisfaction in the Customer Satisfaction Survey and Net Promoter Score in 2023 as well.



RETAIL SALES

Enerjisa Enerji effectively manages the energy supply process, which is critical for financial sustainability.

ENERGY MANAGEMENT

ENERGY MANAGEMENT AT ENERJISA ENERJİ

Enerjisa Enerji effectively manages the energy supply process, which is critical for financial sustainability. The company leads the market with its flexible product supply model, strong risk management policy, exemplary information technology infrastructure in the sector, and expert human resources.

The purpose of energy management at Enerjisa Enerji is to successfully carry out the entire energy supply process for the Company's retail sales portfolio (regulated and liberalised) and contribute to sustainable and predictable profitability by effectively managing the risks related to this process.

Enerjisa Enerji supplies the electricity needed for regulated market sales, primarily through Elektrik Üretim A.Ş. (EÜAŞ), while the remaining part of the capacity is offered by EÜAŞ from

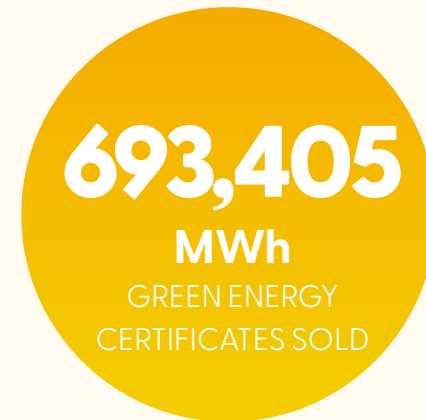
the day-ahead market. The company meets the electrical energy needs for its liberalised consumer portfolio from the over-the-counter market, the day-ahead and intraday markets.

Enerjisa Enerji continued its efforts in 2023 to increase the number of active suppliers and product diversity, develop competitive supply strategies and create value by performing effective portfolio management.

SUPPLY OF GREEN ENERGY

Although Enerjisa Enerji supplies green energy to its customers, it also uses green energy in its headquarters buildings, customer service centres and distribution facilities.

Aiming to contribute to environmental sustainability, the Company began supplying and selling green energy certified by internationally accredited organisations in 2019.



Enerjisa Enerji has carried out work to supply its energy needs from power plants produced from renewable resources throughout 2023. The company has significantly increased its renewable portfolio volume and signed bilateral agreements for direct electricity supply from power plants produced from renewable energy sources. Through these agreements, the total volume of electricity supplied from renewable energy sources in 2023 reached 917,000 MWh.

In addition to the renewable energy supply, throughout 2023, Enerjisa Enerji sold 693,405 MWh of green energy certificates to customers in the free portfolio. Through these certificates, the Company has certified that it procures the energy it consumes in its facilities from renewable sources.

Enerjisa Enerji aims to provide some of the electricity that it will supply to its customers in the free market portfolio from renewable sources in 2024.

RISK MANAGEMENT

Enerjisa Enerji develops strategies to effectively manage the risks posed by uncertainty and variability in energy markets in the energy supply process. With its risk management policies, the Company aims to ensure sustainable and predictable profitability and protect the value created as a result of sales activities. At Enerjisa Enerji, risk management is followed under four main headings within the framework of the approved risk policy:

- Price risk
- Volume risk
- FIT (feed in tariff) risk
- Counterparty risk

Price risk took first place on the risk agenda in 2023. The reflection of global developments on commodity prices and regulatory changes caused forward energy contracts to remain in low liquidity throughout the year. This has negatively affected price predictability in the market. In line with all these developments, the increasing price risk was managed by applying sensitivity analysis scenarios and active portfolio management principles.



RETAIL SALES

Our brand-new, environmentally friendly, agile, smart and vibrant Customer Services Centre concept takes visitors on an exciting energy journey with the energy museum.

CUSTOMER-ORIENTED PROJECTS

Söğütözü and Osmaniye Customer Service Centres

Our brand-new, environmentally friendly, agile, smart and vibrant Customer Services Centre concept, which takes visitors on an exciting energy journey with the energy museum—a revolution in the energy sector—provides our customers with the chance to experience the unity of technology and nature, triggering their sense of discovery and curiosity. This concept was implemented, and the first example was presented to our customers at our Söğütözü Customer Services Centre, with the next adaptation being at our Osmaniye Customer Services Centre.

With the new concept, digital screens positioned inside and outside the Customer Service Centre have begun to be utilised, paving the way for the digitalisation of our Customer Service Centres and contributing to nature conservation by reducing paper waste.

Digital Channels Refactoring Project

Our Enerjisa Mobile and Online Services Centre refactoring project—one of the development and improvement steps for our channels that measures our customers' experiences at every point and that incorporates their feedback—launched in June. The goal is to elevate the digital customer experience to the highest standards through a redesigned, user-friendly and customer-oriented design; transaction diversity; and newly added features.

Additionally, our Enerjisa mobile application has been awarded in international platforms such as the TITAN Business and Brandon Hall Excellence programs, recognizing its innovation, success, and exemplary projects.

Digital Service Centre Project

Tablets especially designed for customer use are positioned in our Söğütözü Customer Services Centre. These tablets provide an alternative service channel for our customers.

Digital Submission of Subscription and Unsubscription Printouts

In subscription and subscription cancellation transactions conducted through our Customer Service Centres, the documents provided to our customers are sent digitally via SMS or email. Now, our customers can access their contract and subscription cancellation documents digitally whenever they wish.

Digital Ticket Project

By sending queue numbers obtained at customer service and transaction centres as SMS to mobile phones instead of using paper tickets, we avoid deforestation and reduce paper waste, thus promoting the preservation of natural ecosystems.



Customer Application and Complaint Management Project

With our award-winning project in the Service Management Solution, Operations Management Solution, and Business Management Platform categories, we offer our customers a swift and high-quality application process experience. This not only helps prevent potential issues, but it also enables the transparent reporting of approximately 6,000 applications on average per year.

S-BOARDS – Sales Management Dashboards Corporate

The dashboard project, which enables instant tracking of our corporate sales performance and guides our large and special segment sales teams to achieve their goals, was implemented and received the Gold Payment Systems Magazine (PSM) award in the in-house innovation category.

Large and Private Customer Contract Management System

The Contract Management System for Large and Private Customers was implemented in March. With this project, we moved the signed versions of the contracts to our digital archive, making them instantly accessible on any device (smartphone, tablet, computer) and preventing possible contract errors by performing compliance checks through the system.

CUSTOMER SOLUTIONS

Enerjisa Enerji attaches importance to meeting customer needs with sustainable and innovative solutions.

CUSTOMER SOLUTIONS

Enerjisa Enerji attaches importance to meeting customer needs with sustainable and innovative solutions. In that vein, Enerjisa Müşteri Çözümleri A.Ş. was established in 2017 to conduct customer solutions activities.

In this context, since October 2020, Enerjisa Enerji has been offering end-to-end solutions to its corporate customers in order to offset their energy consumption with the production from renewable energy sources and reduce carbon emissions by increasing energy efficiency under the roof of "The Energy of My Business" (İşimin Enerjisi).

In addition, performance and efficiency-oriented products such as renewable energy and energy efficiency applications were promoted by participating in Antalya Hotel Equipment and Food Specialization, Energy Congress and Fair (Gaziantep and Istanbul), Energy Producing Factories Summit and Exhibition, Turkish Wind Energy Conference (TÜREK) and 3rd Eurasia Cogeneration Conference hosting domestic and international participants.

The Enerjisa Customer Solutions Product Portfolio

Renewable Energy Solutions	Energy Efficiency Applications	Green Energy	Cogeneration and Trigeneneration Solutions	E-Mobility
<ul style="list-style-type: none"> Solar Power Plants (SPP) Wind Power Plants (WPP) Energy Storage Solutions 	<ul style="list-style-type: none"> Lighting Conversion Projects Process Efficiency Projects 	<ul style="list-style-type: none"> Renewable Energy Certificate Carbon Reduction Certificate 	<ul style="list-style-type: none"> Cogeneration systems Trigeneneration systems Biomass Power Plants 	<ul style="list-style-type: none"> Electric Vehicle Charging Stations and Systems

The Enerjisa Customer Solutions Dealers

Enerjisa Enerji sells solar renewable energy and energy efficiency applications in every region of Türkiye. In this context, energy solutions are offered to corporate customers through 9 dealers (İzmir, Diyarbakır, Konya, İstanbul, Antalya, Nevşehir, Ankara) in 7 different cities.



RENEWABLE ENERGY SOLUTIONS

The use of renewable energy resources supports the effort to combat climate crisis both in Türkiye and around the world. Enerjisa Enerji contributes to the selection of renewable energy sources in order to take an active role in this struggle.

Solar Power Plants (SPP)

Enerjisa Enerji offers reliable solutions that considers specific requirements of its customers through innovative business and financial models in the field of solar power plants, where it deploys its financial and technical know-how.

Enerjisa Enerji Solar Power Plant (SPP) solutions, which can be applied to all industrial, commercial and public organizations and institutions, aim substantially to reduce investment burden of its customers.

Enerjisa Enerji's SPP activities consist of undertaking all financial costs for the power plant investment, carrying out the analysis and project stages, carrying out turnkey installation and acceptance procedures, and providing maintenance-repair services during the contract period.

In this context, in addition to administrative processes such as the permit and connection procedures, the Company provides professional engineering support, maintenance and repair services, guarantee the product during the contract period. It offers end-to-end integrated solutions including energy storage, electrical vehicle charging in accordance with requirements.

By the end of 2023, the total installed capacity of our solar power plants had reached 29.5 MWp, with 5.4 MWp of this capacity under the self-consumption model. This has facilitated the prevention of 22,950 tonnes of CO₂ emissions.

In 2023, the tender for the Construction, Installation and Operation of a 6 MWp Solar Energy Plant was won with Kilis Municipality within the scope of the Revenue Sharing Model. Thus, Kilis Municipality is expected to reduce its CO₂ emissions by 6,426 tonnes per year with a solar power plant.

In another contract in 2023, a land-mounted solar power plant construction and maintenance contract with a power of 74.255 MWp was signed within the scope of Medical Park Solar Power Plant Projects. It is anticipated that 72,860 tonnes of CO₂ emissions will be reduced annually by establishing a solar power plant.

Within the scope of the cooperation with Brisa (Sabancı Group company), an agreement was made for the construction of a 1.17 MWp solar power plant at the Brisa Aksaray facility. Brisa is expected to reduce its CO₂ emissions by 1,291 tonnes per year, with the solar power plant planned to be operational in 2024.

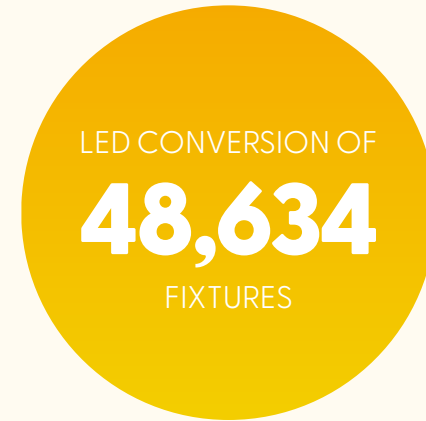
Wind Power Plants (WPP)

As a solution partner in the field of wind energy, Enerjisa Enerji assumes investment and performance risks by creating a business model specific to the needs and goals of businesses. This ensures that businesses get the most benefit from wind energy.

Like any large-scale investment, WPP investments require a well-designed financial plan and cost-effective financial resources. Through our Energy Performance Contract (EPC) model, Enerjisa Enerji utilizes its financial strength to spare customers from the search for WPP investment financing. Thus, in the business model that we have collaboratively created, which considers the needs of our customers, long-term cooperation is offered, allowing them to fully benefit from the advantages of WPP installation.

CUSTOMER SOLUTIONS

Enerjisa Enerji develops customer-oriented alternative energy efficiency solutions.



WPP projects are executed by taking into consideration various factors, such as turbine type and placement, which are determined after detailed wind analyses, foundation selection suitable for the site, detailed logistics studies for the transportation of equipment like blades and nacelles to the site and routes of electrical transmission lines. The most optimal solutions are provided with our energy performance-oriented approach during the project design and analysis phases. In 2023, we began presenting our initial proposals for our WPP Solutions.

Energy Storage Solutions

The preliminary licences for a total of five electricity production facilities with solar energy-based storage in the provinces of Ankara and Çankırı, having a combined installed power of 287 MWp / 205 MWe / 256 MWh, as applied for by Enerjisa Müşteri Çözümleri A.Ş., have been approved by the Energy Market Regulatory Authority. Announcements regarding the mentioned applications and approvals were shared through the Public Disclosure Platform on December 26, 2022, August 10, 2023, and January 8, 2024, respectively.

Permission processes for obtaining licences for five projects have been initiated and are being carried out within the legal deadlines.

ENERGY EFFICIENCY APPLICATIONS

Enerjisa Enerji develops customer-oriented alternative energy efficiency solutions. The Company offers energy efficiency applications with the energy performance contract model, particularly in the fields of waste heat recovery, heating, ventilation and air conditioning (HVAC), pressurized systems, electric engines and lighting.

With this model Enerjisa Enerji performs energy audits of the facilities, offers solutions, designs and implements them. At the same time, by financing entire or a part of the investment, Enerjisa Enerji creates a payment model based on the anticipated savings within this model and guarantees the performance of the replaced equipment or the equipment modified to be efficient. Thus, a performance-guaranteed saving is achieved.

- Lighting Conversion Projects:** Enerjisa Enerji aims to increase the energy efficiency of its customers through LED conversion projects. Within the scope of EPC model, the Company implemented the LED conversion of 48.634 fixtures with 46 projects as of the end of 2023. The projects carried out delivered a total of 12,763 MWh in energy savings, reducing CO₂ emissions by 7,083 tons. Specific to 2023, LED conversion of 2.424 fixtures was carried out in the Brisa LED project within the scope of EPC. It is expected to provide annual energy savings of 851 MWh and 472 tons of CO₂ emission reduction during the contract period.
- Process Efficiency Projects:** Enerjisa Enerji implemented a project with Çimsa one of the Sabancı Group Companies to ensure waste heat recovery and to reduce the natural gas-based energy consumption of the facility with the help of waste heat recovery equipment in 2023. With this project, 40.000 MWh of energy will be produced annually. Thus, 25% of the annual electricity consumption of Çimsa Eskişehir Factory will be met with the waste heat recovery investment. The

electrical energy produced in this system will be equivalent to the electricity consumed annually by 13 thousand households. The project signed for 54 months is aimed to be completed by the end of 2024. Within the scope of the cooperation with Brisa (Sabancı Group company), an agreement was reached on the compressor replacement that will save 642 MWh annually for the Brisa Izmit facility. Brisa is expected to reduce 356 tons of CO₂ emissions annually with the compressor, whose installation is planned to be completed in 2024.

COGENERATION AND TRIGENERATION SOLUTIONS

The efficiency offered by the Cogeneration (CHP-Combined heat and power) and Trigeneration (CCHP-Combined cooling, heat and power) systems, which are installed as turnkey projects, significantly reduces total energy costs. Carbon emissions are reduced as a result of the reduction in primary energy consumption. Enerjisa Enerji offers turnkey services for both systems, and presents financial solutions which will ease the investment burden on customers.

In this context, these solutions are provided with the Cogeneration and Trigeneration plants with a total installed capacity of 3.8 MWe at Sabancı University, Hilton Adana and Hilton Ankara locations. The efficiency achieved with these plants will prevent more than 30,000 tons of CO₂ emissions over the course of 10 years.

ENERGY MONITORING

Enerjisa Enerji becomes a 360-degree solution partner in the energy field by gathering customer requirements under one roof. Energy Monitoring & Management Platform (Platform) enables customers to monitor their businesses in real time at all stages from energy generation to consumption with Internet of Things (IoT) infrastructure and transform their data into information with advanced Artificial Intelligence (AI) methods.

Customers manage the energy consumed in their businesses that are located at one or more points via Platform. Consumptions can be monitored on a device basis, comparative reporting can be made between locations, and the control of energy expenses can be managed with preferences that can be customized according to location.

Enerjisa Enerji manages the entire process related to the Platform from beginning to end by analysing customers' requirements beginning with exploration visit to businesses, providing necessary equipment and software support and carrying out the installation and commissioning processes. The Company provides periodic maintenance and repair services for both equipment and software and stands by its customers throughout the entire contract period.

CUSTOMER SOLUTIONS

Eşarj operates Türkiye's first and fastest electric vehicle station network with 1,780 charging points, 1,387 of which are fast charging stations, at 1,003 public locations as of the end of 2023.

E-MOBILITY: EŞARJ

Enerjisa Enerji promotes the widespread use of electric and high-efficiency vehicles to contribute to the development of a low-carbon ecosystem. To achieve this goal, the Company evaluates opportunities effectively in various innovative business areas such as electric vehicle charging stations, electricity storage systems, smart home technologies and systems that help users produce their own electricity.

In this context, in 2018, Enerjisa Müşteri Çözümleri A.Ş. became the majority shareholder of Eşarj Elektrikli Araçlar Şarj Sistemleri A.Ş. (Eşarj) by purchasing 80% of the Company. In December 2021, Enerjisa Müşteri Çözümleri A.Ş. acquired an additional 14% minority stake in Eşarj to increase its stake from 80% to 94%, and in 2023, it acquired Eşarj totally with all its shares.

Eşarj plans to create a national charging station network and operating system and offer charging solutions to all customers across the country with a wide range of products. Eşarj aims to contribute to Türkiye's infrastructure quality, accelerate the transition to ultra-fast charging stations, and at the same time increase its contribution to green transformation further with solar/battery integrated systems.

As of the end of 2023, Eşarj is Türkiye's first and fastest electric vehicle station network with 1,780 charging sockets at 1,003 locations, 1,387 of which are fast charging sockets. In addition to this, the Company increased its contribution to reducing carbon emissions with its expanding network by certifying the electricity used for charging at all of its public stations with the Renewable Energy Resource Guarantee System (YEK-G) certificate.

E-mobility Market

The e-mobility market, which has revolutionized the automotive, fuel and infrastructure industries in Türkiye and across the world, continues to grow rapidly. Before the United Nations Climate Summit (COP26) held in Glasgow, Türkiye announced its goal of creating a carbon-neutral ecosystem by 2053; our nation, along with more than 100 other countries, cities and car manufacturers, announced in Glasgow that all new PC and LCV sales will be zero-emission vehicles by 2040.

In line with this national target, it is expected that the Turkish e-mobility market will progress from the early development stage to a developed market structure in the coming years. By the end of 2023, the number of electric vehicle parks in Türkiye has exceeded 80,000 units. The market is expected to grow exponentially in the coming years. The Ministry of Industry and Technology forecasts that 1.5 to 2.5 million electric vehicles will be on the roads in 2030.

There are many local and foreign brands in our country that produce and sell 100% electric passenger cars, buses, minibuses, trucks, tractors and boats. Considering the future projections of these brands, it is seen that one of the most central and critical issues of this transformation is to ensure a healthy and rapid development in the charging station infrastructure.



Eşarj's Objectives

- To utilize a national station network and operating system to offer all users in the nation customer experience-focused charging solutions;
- To provide the technical, administrative, and legislative support for infrastructure work;
- To meet a variety of charging unit needs with a broad product range;
- To add charging points where the market demands, for both investors and customers.

Eşarj's Vision

- To provide technology-focused e-mobility solutions with the aim of developing a sustainable, innovative, environmentally friendly, and electric future;
- To maintain a high standard of quality for both products and services and to meet consumer expectations;
- To ensure product and solution diversification with a technology and software-driven strategy;
- To safeguard the environment and ensure that strategies for lowering carbon emissions are widely adopted;
- To aid the country's efforts to reduce its economic and strategic reliance on energy imports.

Eşarj's Revenue Streams

- Providing electric vehicle users with charging options at publicly operated Eşarj stations;
- Testing, training, commissioning, and installation of residential and commercial charging stations;
- Providing after-sales maintenance, repair, and technical support at charging stations in homes, workplaces, and public and private spaces;
- Creating platforms and software solutions to service a variety of industrial players.

Significant developments for 2023:

Fuel Oil Station Collaborations: Eşarj has further developed its collaboration with Aytemiz in 2023 with new installations at additional fuel stations. In this context, the number of charging stations increased to 28 in 25 locations, especially in cities where vehicle density has increased. The number of stations established within the scope of the collaboration with Kadoil, which started in 2023, is 15 in 15 locations.

Automotive Brand Collaborations:

Within the scope of agreements made with Citroën, Peugeot, Opel, Mercedes, Fiat and Jeep brands, free charging service was provided to relevant vehicle customers for one year. This

campaign, worth up to TL 20,000, made a significant contribution to both the number of new Eşarj members and the charging revenue.

BYD Collaboration: Eşarj has started to serve in the dealerships of BYD, the world's leading electric car manufacturer. Thanks to this collaboration, installations were made in dealerships' parking lots and a commercial cooperation including special solutions for BYD customers was developed.

Visa Collaboration: Visa's new generation card storage infrastructure, "Visa Pay per Charge," has been put into operation at all public Eşarj stations. With this partnership and the updates to our mobile application, the aim is to provide users with user interfaces that are comfortable, safe, simple, and smart as well as infrastructure that is integrated with modern devices and technologies. Furthermore, a rise in the volume of transactions is anticipated. In order to promote cooperation with customer campaigns, Eşarj members who register their Visa card for the first time and make transactions with the registered card through the Eşarj mobile app during the campaign are given a 20% discount on the current tariff for each charging session realized between October 15th and December 31st 2023.

CUSTOMER SOLUTIONS

Eşarj aims to utilize a national station network and operating system to offer all users in the nation customer experience-focused charging solutions.

Carrefoursa Collaboration: Eşarj continued its collaboration with Carrefoursa to establish charging stations in market car parks in 2023. In this context, fast charging station installations continued throughout the year and the number of cooperative locations increased to 16. The collaboration was supported with a customer campaign in which an Eşarj promotional code providing a 10% discount for charging sessions was shared with customers who bought groceries of 500 TL or more at selected Eşarj-Carrefoursa locations between October 10th and November 10th 2023.

Brisa Collaboration: The number of charging stations installed throughout Türkiye within the Eşarj-Brisa cooperative agreement increased to a total of 62 points with 35 new locations added in 2023.

Hilton Collaboration: The number of charging stations installed throughout Türkiye within the Eşarj-Hilton cooperative agreement increased to a total of 16 points with 8 new locations added in 2023.

E-Kasko - Eşarj Collaboration: With E-Kasko they purchase from Aksigorta, Eşarj members receive a promotional code valid until September 1st, 2024 from Eşarj, which provides a 10% discount for charging sessions.

October 29th, Centennial of Republic of Türkiye Campaign: With a special campaign for the 100th anniversary of our Republic, Eşarj provided free charging services at all Eşarj stations nationwide, on October 29th, 30th and 31st, 2023.

Recharge Point: Eşarj put its first "Recharge (Deşarj) Point" into service in Söke, Aydın in order for drivers to have a comfortable experience area and a resting point where they can relax and have a pleasant time while charging their vehicles.

Ankara Armada Shopping Mall Station Hub: Eşarj established a station area in the open and closed parking lots of Ankara Armada Shopping Mall, which can provide charging service for up to 20 vehicles simultaneously with 9 DC and 2 AC stations. With this investment, Eşarj established the largest charging point serving the largest number of vehicles at the same time in Ankara, with stations utilizing an installed power output of 1 MWh, in the area next to the Ankara showrooms of the Tesla and TOGG automotive brands.

Mobile App Features: With features such as starting, tracking, and ending the charging sessions, saving credit cards, and managing payments, customers have been able to carry out all their transactions via our mobile app. In addition to these features, coupon/campaign setups that enable customer campaigns and loyalty discounts have been implemented to increase customer loyalty and satisfaction.



Eco-Friendly Steps

for a better future

Pioneering the rapidly expanding electric vehicle ecosystem, we proudly operate Türkiye's first and fastest electric vehicle station network under our Eşarj brand. While sustaining our stable growth trajectory, we will persist in contributing to our country's infrastructure quality, promoting green transformation through projects and collaborations that benefit society, and creating value for all stakeholders.





| People and Culture

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February 6, 2023 Kahramanmaraş
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WORKING AT ENERJISA

Resting at the core of the business at Enerjisa Enerji, people are the foremost power behind the sustainability transformation.

OVER
11
THOUSAND
EMPLOYEES

Resting at the core of the business at Enerjisa Enerji, people are the foremost power behind the sustainability transformation. Investments are made to recruit and retain talented people, and the effects of talent management programs are measured.

Considering each of its over 11,000 employees spanning four different generations across 14 provinces as a "Talent," Enerjisa Enerji acts with the vision of being the most preferred employer in the Energy sector, ranking among the top 15 companies in all sectors, and complying with the Future of Work.

Enerjisa Enerji's People and Culture practices that increase the high-performance culture are designed to:

- Create a purposeful working environment that cultivates a positive organizational climate, communication and culture,
- Develop leaders and sound management practices,
- Offer a wide range of opportunities to all of its potential and existing employees, based on unequivocal equality in all People and Culture processes,
- Create training and development opportunities that offer diverse growth and career advancement possibilities,

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AWARDS
FOR PEOPLE AND
CULTURE PRACTICES.

- Solidify its employer brand to attract and retain talent,
- Aim for organizational excellence to maximize stakeholder loyalty and satisfaction.

In 2023, Enerjisa Enerji won 42 awards from internationally respected award programs for its People and Culture practices.

"Adapting to the Future of Work" Approach

Enerjisa Enerji prepares to the future of work today by providing opportunities to its employees to reflect their potential in the best and most appropriate manner to their jobs, thereby developing existing potential, as well as attracting the best talent to the organization.

With its "Adapting to the Future of Work" activities initiated in 2020, Enerjisa Enerji aims to shape the future of work together with its employees, considering the principles of the new workplace in 7 fundamental dimensions, defined from a holistic perspective. These activities were supported by a number of workshops, one-on-one interviews and surveys, with broad participation from all levels. Within the scope of Adapting to the Future of Work, Enerjisa Enerji implemented actions with the motto #OntheRoadtotheFuture! (#GeleceğinYolunda!), including, most notably, updates to the scope and execution details of work models, and support packages suited to diverse work models.

Adapting to the Future of Work



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Remote Working:

- **You Choose Flexible Working & Support Packages:** Launched in 2019, our remote working practice continued in 2023 by expanding its scope according to employee groups in line with different needs in 2022. Opportunities such as ergonomics support, inventory and communication packages were provided to facilitate remote working.
- **You Choose Flexible Benefits:** In addition, with the Flexible Benefits System, which has been implemented since 2021, employees can update their benefits according to their personal preferences. In 2023, 44% of white-collar employees participated in the program.

Physical and Mental Health:

- **Employee Support Program:** As part of the "Avita Employee Support Program," the Company continued to provide personal consultancy services to its employees and their family members with expert support on psychological, medical, financial and legal issues in 2023. The goal of this program is to provide proactive support in solving problems

affecting employees and to minimize the related problems. In 2023, 1,088 requests were recorded through the Avita Employee Support Program.

- **İyi Yaşam Uygulaması (Good Life Application):** In order to support employees' healthy lives, all employees have access to a healthy life application where experts give live lectures on topics such as exercise (fitness), mindfulness, pilates, yoga and nutrition. More than 1,000 employees actively use this application, which can also be used by their families. In the feedback surveys conducted, the majority of employees shared their satisfaction with the wellness practices.

- **Meeting Culture:** Starting in 2022, the Meeting Culture Manifesto was published, enabling employees to better manage their time, with this manifesto, the practice of working hours without meetings continued in 2023.

- **Sports and Esports Clubs:** Enerjisa Sports and Esports Clubs were established in 2022 to make it possible to have fun at work and support the employer brand. The clubs, which include

swimming, running, basketball and Esports branches and represent the Company in external tournaments, continued in 2023 with the participation of 73 Enerjisa employees active in swimming, running and basketball teams and more than 1,000 employees in Esports Clubs. Sports and Esports Club teams, which were formed following evaluation processes with expert coaches, won medals in tournaments. A total of 297 medals were won in swimming, running, basketball and Esports.

- **Leave Practices:** At Enerjisa Enerji, there has long been a practice of annual leave in excess of the legal period. In addition to the existing practices such as breastfeeding leave, military leave, marriage leave, leave in case of death, circumcision leave, etc., 5 days welcome leave and 1 day birthday leave were added for new Enerjisa employees, and paternity and adoption leaves were updated by adding 5 days to the legal period.

WORKING AT ENERJISA

One of Enerjisa Enerji's strategic priorities is a high-performance culture based on continuous learning, agility, passion, perseverance and responsibility.

Flexible Workforce and High Performance:

- **Performance Management:** One of Enerjisa Enerji's strategic priorities is a high-performance culture based on continuous learning, agility, passion, perseverance and responsibility. Enerjisa Enerji implements a Performance Management System that is in line with the Company's strategies, commitments and targets, supports collaboration, open to continuous feedback dialogues, and prioritizes the development of employees. Employees within the scope of the performance system experience a transparent, agile and flexible, user-friendly and accessible process via web and mobile applications. Other features of the System that support a high-performance culture include:
 - ✓ Employees can associate their goals with other employees,
 - ✓ Ability to add and revise targets throughout the year,
 - ✓ Clear and transparent targets,
 - ✓ Having targeted areas of dialog between managers and employees,
 - ✓ Enabling instant and continuous structural feedback throughout the year,
 - ✓ It provides ease of goal tracking with the ability to set milestones based on goals.

- **Recognition-Appealation**

Application: "Sana Değer" (You are worth it) Online Rewarding Platform is used to support recognition and appreciation opportunities that arise as a result of the employee's contribution to the formation, functioning and positive development of the corporate culture and way of doing business. Through various applications developed with "Sana Değer," individual efforts and development of employees are recognized and appreciated, employees can appreciate each other on their special and important days.

- **Talent and Skills Management:**

- **Workforce Planning:** In 2021, segmentation, effort and efficiency studies were carried out with the Helios project in our retail companies, the ABC project in our distribution companies and the Elpis project in our Technology function. Following these studies, Strategic Workforce Management studies were carried out in 2022. The Strategic Workforce project enabled the use of advanced data analytics to identify talent families and define desired talent groups, and to create a labour demand and supply model with different scenarios to identify talent gaps. Strategic Workforce Planning is a digital and analytical tool for managing HR actions in an efficient and integrated manner.

- **Recruitment & Orientation:**

With the end-to-end digital recruitment and orientation platform used at Enerjisa Enerji since 2020, data analytics are utilized in recruitment processes. In addition, Meta/Or project, launched in 2023, aims to indicate Enerjisa world in the metaverse universe in orientation training, to strengthen their experience by coming together with Enerjisa employees in different locations, and to discover the SCADA centre and Customer Services Centre. Also, the Recruitment Excellence project was carried out in 2023 to improve the candidate experience. This project aims to review the recruitment process from end to end to ensure unity of practice among business units, review the entire process with a focus on improving the employee/candidate experience, improve existing practices and processes, and implement innovative practices with an awareness of recruitment trends.

- **Young Talent Recruitment & Internship Programs:**

Young talent recruitment and internship programs targeting talent acquisition in different business lines continued in 2023. In this context, the seventh term of the Enter Program was started in the Distribution business line; Retail-X for the retail business line, and I-Talent for the technology function started their second terms.

- **Internal Announcement**

Application: In order to provide equal opportunity to all employees and support talent and skill development, white-collar job postings were sent to all current employees since 2022. In 2023, 25% of the open positions were filled with the applications of Enerjisa employees to internal job advertisements.

- **Career Management:**

Career paths were reviewed as a pilot within Information Technologies teams in order to create a competency-based career architecture design according to segments that supports the right organizational structure and career paths to attract and retain a qualified workforce. In 2023, efforts to expand this career architecture across Enerjisa Enerji was initiated and is targeted to be completed in 2024.

Future Leadership:

- **Leaders' Summit:** The Leaders' Summit is organized every year to ensure that employees at all management levels are equally informed about company strategies and future plans, and at the same time reflect the Enerjisa culture to their teams.
- **CEO Live Broadcast:** With the CEO Live Broadcasts held throughout the year, all employees can be informed about the current situation of Enerjisa and ask their questions to the CEO.
- **Leadership Development Programs:** In 2023, all Enerjisa leaders were provided with training and development opportunities that support their leadership competencies. In 2023, program contents were revised to prepare Enerjisa and Enerjisa employees for the future and to become more inclusive.

Purpose Driven Organization and Culture:

- **Culture Studies:** Adaptation to the future of work is considered as a cultural change. With the participation of employees from different levels and meetings with executive management teams, the desired working culture was defined and announced to employees. In 2023, with the Culture Champions project, which is one of the priorities of People and Culture, the desired culture dimensions created within the scope of adaptation to the future of work were discussed and finalized in order to ensure that all Enerjisa employees experience the same climate in the same culture, to improve the current cultural perception, to minimize differences and to create a happier and engaged employee profile.

After the ideal culture components were created, a Culture Survey was conducted on the digital platform to measure the culture that experienced by the employees, and the result was 83%. Following the results, a total of 6 workshops, 3 online and 3 face-to-face, were held to deeply understand the cultural climate. All title groups were directly contacted and a roadmap to the ideal culture was determined. In 2024, visible leadership practices will be carried out with our cultural ambassadors and the Company's executive management team, and dissemination efforts will continue among employees.

CULTURE COMPONENTS 2023

Common Purpose and Vision

We act in line with a common purpose and vision in every decision we make.

Valuing People

We structure all our efforts in a way that makes people feel valued.

Open Communication

We create an environment where everyone can comfortably speak and listen through direct and sincere communication.

Autonomy

We trust in our knowledge and experience when performing tasks within established principles, planning resources to complete the work.

Creative Work Environment & Agility

We create environments that support creativity and use different working methods on-site and as needed.

Participatory & Collaborative Approach

We value every idea, create open spaces for sharing and collaboration.

WORKING AT ENERJISA

With the improvements made in İKON, it is now possible for employees to instantly access the personal information they will need in their daily lives.

Digital, Data-Driven and Agile Organization:

- **Digital HR Platform (İKON):** Since 2018, Enerjisa Enerji has been using the Digital HR Platform İKON to ensure that more than 11 thousand employees living in different geographies are informed about developments within the Company at the same time via mobile devices. With the improvements made in İKON, it is now possible for employees to instantly access the personal information they will need in their daily lives. The İKON application includes features such as chatbot, payroll viewing, company seniority certificate viewing, advance payment request, visa document request, annual leave, training selection and evaluation.
- **Data Marathon:** In 2022, the scope of the Data Marathon, an online challenge to develop a solution to a specific business problem using machine learning, artificial intelligence and data science methods, was expanded.
- **HR Digitalization Project (HR Connect):** Within the scope of the HR-Connect project, which aims to improve the end-to-end employee experience, digitalization efforts were accelerated in human and cultural processes. Within the scope of the project, 24 developments were completed.

- **Agile Work:** Agile teams continued to be formed and 66 agile teams completed their transformation.
- **AA+ (Administrative Affairs Plus) Administrative Affairs Application:** The application, which was developed in 2022 with the need for a digital structure that will play a role in carrying out the work of Administrative Affairs employees with minimum errors and reducing operational effort, continued to be used in 2023. The Administrative Affairs functions consist of many business lines such as fleet, security, cafeteria, facility management, building rental, communication, management of subcontracted employees, and management of these business lines from a single centre in multiple locations.
- **Mobile QDMS:** From May 2023, our blue-collar colleagues can now access the QDMS via the business applications on their mobile devices and access the documents and reading tasks of the documents belonging to their own units. With this project, which was carried out within the scope of digitalization, blue-collar employees were provided with continuous access to up-to-date information on which job they should do and at what standard.



- **I Have an Idea (Bir Fikrim Var):** With the "I Have an Idea" portal, which established in 2023, we received 693 suggestions, highest number of suggestions in Distribution, in the Suggestion System. With this mobile application, the accessibility of all employees was increased. Of the suggestions received, 47% were submitted by white-collar and 53% by blue-collar colleagues. The categories of Customer Satisfaction, Sustainability, Efficiency and Communication-Social Responsibility were added to the Suggestion System in addition to R&D, Environment and Energy Management and Occupational Health and Safety categories, making the application more inclusive. Everyone whose suggestion was accepted by the category officer started to be rewarded.
- **Periscope:** In order to ensure opportunity in Quality Management Systems, we developed and launched our Opportunity Module in Periscope. Opportunity assessments of our processes were made with all our units, added to Periscope.

Diversity, Equity and Inclusion

Within the framework of the Enerjisa Enerji Sustainability Approach, the Company places importance on the impact it creates for society and defines diversity, equality, and inclusion as significant focal points. In parallel with its Diversity, Equality, and Inclusion policy, Enerjisa Enerji is committed to providing a diverse and inclusive work environment that offers equal opportunities to everyone. The company observes that diversity enriches and streamlines decision-making processes, recognizes equality and inclusion as fundamental human rights and notes that they enhance stakeholder commitment.

The company conducts all its activities following current legal regulations and the Enerjisa Enerji Business Ethics Rules (Enetik 2.0). The Enerjisa Enerji Business Ethics Rules inform all employees and third parties about the principles of operation through the Human Rights Policy, Human Resources Policy, and Diversity and Inclusion Policies. Efforts are made to reflect this approach in every area, from office workspaces to orientation programs.

Enerjisa Enerji ensures equal opportunities and works to prevent discrimination in all its processes. Employees are not subjected to discrimination based on language, religion, nationality, race, ethnic origin, age, gender, sexual orientation, marital status, health, disability status, political views, union membership, or similar reasons. In parallel, the Enerjisa Enerji Diversity, Equality, and Inclusion Committee ensures that any actions that may involve discrimination or mistreatment are reported by employees by privacy principles and necessary actions are taken.



WORKING AT ENERJISA

Within the framework of the Enerjisa Enerji Sustainability Approach, the Company places importance on the impact it creates for society and defines diversity, equality, and inclusion as significant focal points.



The Diversity, Equality, and Inclusion Committee of Enerjisa Enerji, established in 2022, has formulated the relevant strategy. Action responsibilities are identified and monitored, with the Head of Sustainability and Corporate Competencies being responsible for initiatives related to diversity, equality, and inclusion, serving as the Committee Chairman. Decisions and actions approved by this Committee are reported to the Sustainability Executive Committee by the Committee Chairman.

The diversity, equality, and inclusion platform "Sensiz Olmaz," established to provide equal opportunities for everyone in the workplace, organizes its efforts under the clusters of "Eşitlik Olmazsa Olmaz" (Equality is Essential), "Gençlik Olmazsa Olmaz" (Youth is Essential), and "Engel Tanımayanlar Olmazsa Olmaz" (Inclusion is Essential). Ongoing initiatives target the entire society with a focus on gender equality, youth, and accessible practices, and the effectiveness of these efforts is regularly monitored.

In 2023, the She-nergy program was launched under the "Equality is a Must" initiative to inform and encourage Electrical & Electronics engineering students from universities across

Türkiye about the advantages of working in the electrical distribution sector. The program includes webinars with speakers from both within and outside the Company, tea-talk sessions where students meet with the Company's management, and a project phase where students can present innovative ideas related to the electrical distribution sector. Care has been taken to design content accessible to students from every city and university in Türkiye at every stage of the She-nergy program. One of the program's key features is its

emphasis on broad participation and inclusivity, aiming to increase gender equality and inclusivity in the energy sector. In 2023, the program reached more than 2,000 students from all over Türkiye. In the award-winning project phase that followed the webinars, 80 students worked one-on-one with project mentors selected from within the Company on innovative projects. They had the opportunity to develop technically and provide different perspectives on the energy sector.



While the program's focus was on female students studying electrical & electronics engineering, participation was open to everyone without gender or department restrictions to serve as inspiration for all students.

In the year 2023, the young talent recruitment and internship programs aimed at skill acquisition in various business sectors achieved a 56% female participation rate in the Retail-X program within the retail sector, 54% in the Italent program in the technology function, and 48% in the Enter program within the Distribution business line.

Additionally, specially designed Gender Equality workshops for managers, awareness campaigns on Gender Equality for all employees, training sessions, and virtual meetings were conducted. Comprehensive webinars, aiming to break gender-based biases, were held throughout the Company to create awareness on gender equality. These webinars, promoting gender equality, also included discussions on a zero-tolerance policy against violence and awareness sessions to prevent and address sexual harassment in the workplace. As part of the Human Rights training designed for all employees, awareness is raised about the rights of employees when facing situations such as gender-based discrimination and harassment in the workplace.

Enerjisa Enerji demonstrates a strong stance against increasing gender-based violence and harassment each year, striving to raise awareness and provide support. The company shares its commitment with all stakeholders through its 'Zero Tolerance for Violence' policy. An informative session on the fundamental concepts of violence was conducted for the Diversity, Equality, and Inclusion Committee.

Since 2019, Enerjisa has been participating in the "Business Against Domestic Violence" (BADV) project, led by Sabancı University Corporate Governance Forum with the support of UNFPA and Sabancı Foundation. In 2022, Enerjisa became a strategic member of the "Companies Network



Against Domestic Violence," aiming to enhance communication among member companies, share inspiration, experiences, and knowledge, promote best practices, and grow stronger by welcoming new companies.

Every year, between November 25, the International Day for the Elimination of Violence against Women, and December 10, Human Rights Day, Enerjisa joins the activism campaign conducted by the United Nations Women's Unit. Through this campaign, the Company fosters awareness about combating violence among both its employees and stakeholders.

As part of its activism campaign, Enerjisa aimed to create awareness about support hotlines for those experiencing or witnessing violence by sharing the contact numbers of relevant ministries on the invoice bills. The company sought to promote awareness among its customers regarding helplines for situations of violence. To increase the representation of women, the Company set a target to enhance the percentage of women in its workforce. The goal of increasing women's employment was tracked throughout 2023 by adding function-specific scorecards, and necessary actions were taken.

In 2023, internal mentorship support was provided to women returning from maternity leave to facilitate their return to work and adaptation process.

In 2019, Enerjisa Enerji became a signatory of the Women's Empowerment Principles (WEPS), a significant global private sector initiative aiming to empower women to participate increasingly in all sectors and at all levels of economic life. In 2023, the Company participated in the Action WEPS project led by UN Women to deepen and strengthen the implementation of WEPS principles, creating an action plan related to the Women's Empowerment Principles.

Additionally, Enerjisa provides support to organizations working towards women's empowerment and collaborates on projects in this field. The company is a major supporter of the 'Million Women Mentors' program, led by the global sisterhood platform TurkishWIN. The program aims to connect young women (aged 15-25) studying or working in STEM (Science, Technology, Engineering, and Mathematics) fields and industry leaders through a digital platform. Enerjisa employees have been actively mentoring within the program since 2019. As a corporate member of the 'Women in Technology Association,' Enerjisa supports projects that focus on

WORKING AT ENERJISA

Enerjisa employees have been actively mentoring within the “Million Women Mentors” program since 2019.

ensuring diversity in human resources within the technology sector. The company provides educational support to empower and specialize women who are underrepresented and have low motivation to pursue careers in technology. Furthermore, Enerjisa is a corporate member of the Green-Collar Women’s Association, which operates to facilitate Türkiye’s transition to clean energy, increase women’s employment, and engage young graduates in STEM fields with new and green technologies.

In 2023, Enerjisa contributed to the “Empowering Young Women Building their Future” project led by the Sabancı Foundation. The project aims to support the development of young women in both education and employment. Enerjisa provides mentorship and educational support to empower women and integrate them into the workforce as part of this initiative.

Collaborating with Yanındayız Derneği and Artı Prodüksiyon, Enerjisa Enerji released the album “Eşitlik Ninnileri” (Equality Lullabies). This album, which aims to break free from gender roles by reversing the lullaby singing ritual traditionally associated with women, will donate all proceeds to the Mor Çatı Derneği.

Under the “Gençlik Olmazsa Olmaz” (Youth is Essential) program, Enerjisa engaged with young people in high school, university, and various civil society events, providing information about the energy sector and career opportunities, both in-person and through virtual platforms. Different talent programs within Enerjisa have facilitated the integration of young individuals with diverse skills into the Company.

As part of the Vocational High School Coaches program led by the Private Sector Volunteers Association, Enerjisa volunteers provide group coaching to 10th and 11th-grade vocational high school students. Over two years, the coaches, consisting of Enerjisa employees, meet with the same group of 106 students at least 12 times, addressing various personal development topics in each session. The aim is to support the students in both socialization and personal development while serving as role models in their lives.

As part of Sabancı Holding’s Republic Campaign, Enerjisa collaborated with Çimsa, Sabancı DX, and Sabancı University in the “Yarınlar Seninle Mümkün” (Tomorrow is Possible with You) project. In celebration of the 100th



anniversary of the Republic, the project aimed to provide 500 young individuals who aspire to strengthen their competencies, develop digital skills, and plan their careers with educational opportunities, scholarships, internships, and avenues for personal growth in the fields of technology and digital skills.

Enerjisa has implemented the “Yoda Reverse Mentoring” program to facilitate learning between different generations. This program allows young employees to mentor the upper management of Enerjisa. In this initiative, 34 young individuals from Enerjisa have started providing mentorship to directors and the management team.

Within the scope of “Engel Tanımayanlar Olmazsa Olmaz” (Not Without People Challenging Disabilities) initiative, Enerjisa Distribution companies have been implementing the En-Biz project since 2016, focusing on diversity and inclusivity as both a social responsibility and recruitment practice. In 2022, based on the data obtained from focus group studies with our colleagues, business processes are being reviewed to enhance physical, social, and digital accessibility. To overcome barriers in job interviews, our Human Resources and Culture teams have been trained by experts, supporting efforts to increase communicative accessibility.

In 2023, under the three categories of Communication, Career, and Equal Access, the project has been structured, and classroom training sessions have been conducted with 28 participants under the Career category. After two days of training sessions on Interview Techniques, Self-awareness and Professional Management, Emotional Resilience, and Coping with Stress, participants had the opportunity to experience the recruitment process through Interview Simulation, contributing to the personal and career development of individuals with disabilities.

The company continues projects focused on both physical and digital accessibility for employees and customers. The Equal Access Project aims to eliminate speech and hearing barriers, providing not only behavioural

training but also sign language training for all Customer Service Centre employees. Ongoing efforts include transforming all service points to be physically more accessible.

Enerjisa ensures accessibility through the voice billing system, allowing the billing information to be conveyed via the call centre. It provides bills and contracts in Braille, and on its digital channels, all electricity-related processes for visually impaired customers are completed using 100% voice simulation technology.

On December 3rd, International Day of Persons with Disabilities, Enerjisa collaborated with the Audio Description Association to add audio description and sign language to the publicly available accessible version of the theatre play “Küsmesin Yıldızlar,” which

aims to instil energy efficiency and savings awareness in children.

Enerjisa has formed voluntary working groups by involving employees to bring different perspectives and skill sets to its Diversity, Equality, and Inclusion initiatives. These working groups, focusing on projects and improvement suggestions for equality, youth, and disabled individuals, report to the Diversity, Equality, and Inclusion Committee. Enerjisa Enerji places importance on ensuring gender equality throughout all processes, starting from the hiring process. The company’s diversity approach goes beyond gender, also supporting age diversity and generational differences, which contribute to employees learning from each other.

- In 2023, 61% of the newly hired employees are below the age of 30, while 30% fall between the ages of 30 and 49.
- 23% of the employees are below the age of 30, while 74% fall within the age range of 30 to 49.
- 45% of the employees have been working for a duration ranging from five to ten years, while 22% have been with Enerjisa Enerji for over ten years.
- The participation of individuals with disabilities in social and economic life under equal conditions is supported. As of the year 2023, the total number of disabled employees, which is 341, exceeds the legal requirement.

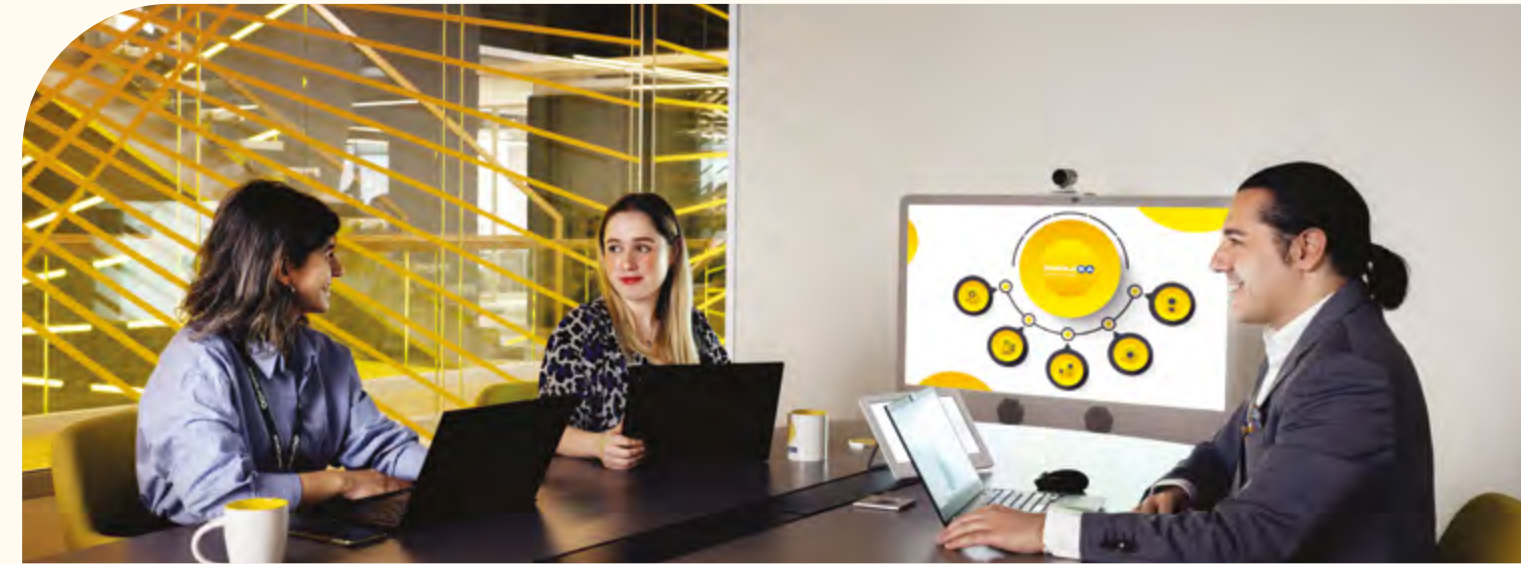
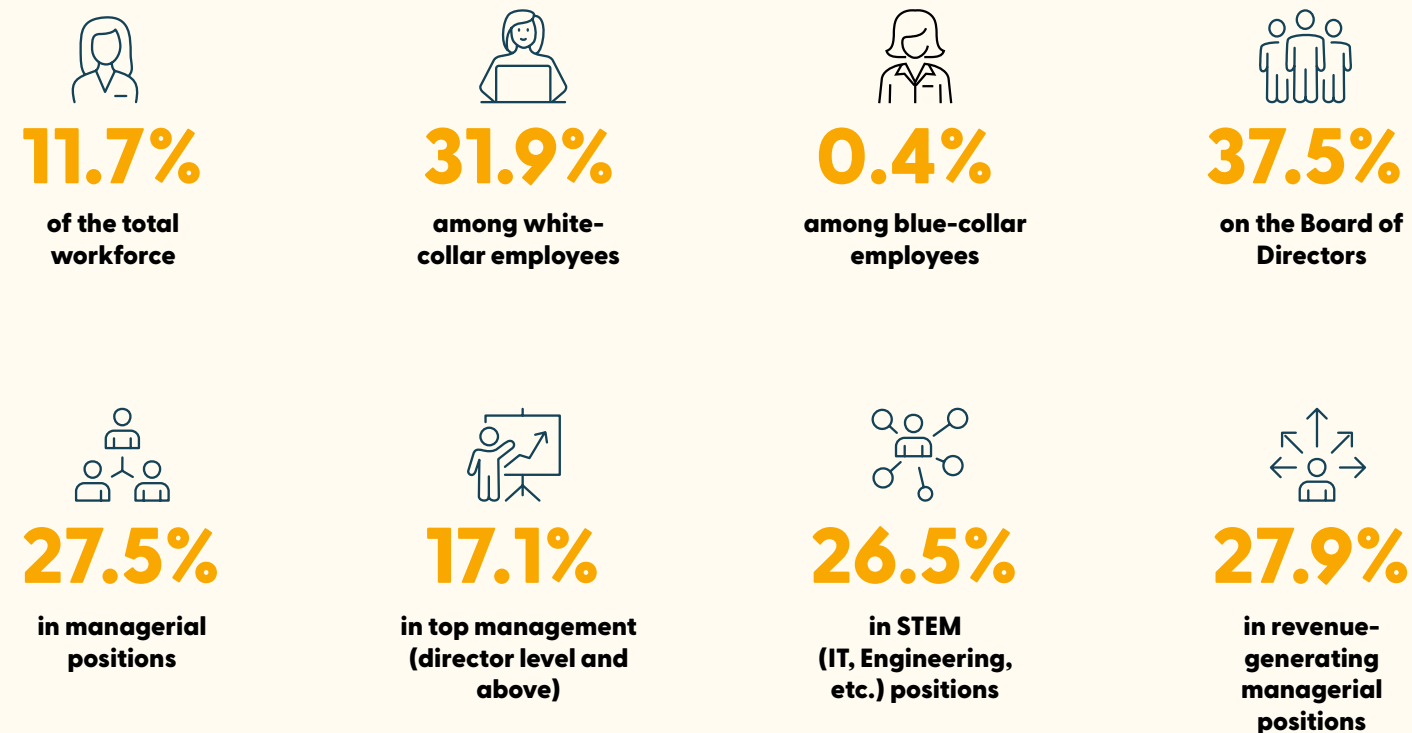
Enerjisa Enerji, having published its Diversity and Inclusion Policy, provides fair and equal opportunities to all employees, candidates, and business partners within its business processes and values. For this purpose, each white-collar job announcement is open to applications from all employees. Moreover, the Company is aware of its impact area and responsibilities in creating a positive impact in society, based on human rights.



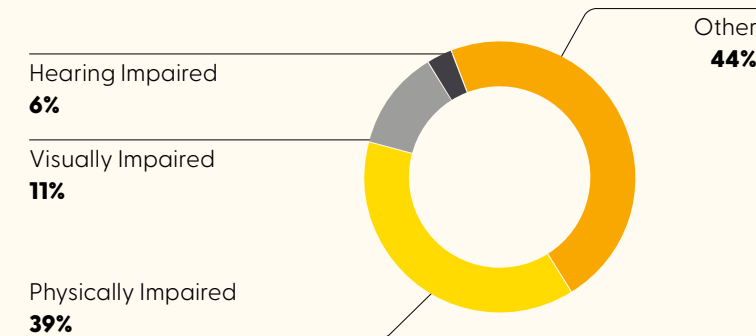
WORKING AT ENERJISA

Enerjisa Enerji provides fair and equal opportunities to all employees, candidates, and business partners within its business processes and value chain.

Women's Employment Statistics



Employee Distribution by Disability



At Enerjisa Enerji in 2023, the employee turnover rate* for female employees was 0.5%, while for male employees, this turnover rate** was 2.9%. These rates are reported to be below sector and Türkiye averages according to similar analysis studies conducted by globally recognized corporate companies.

*Number of female employees who left voluntarily/Total number of employees
**Number of male employees who left voluntarily/Total number of employees

Freedom of Expression and Right to Organize

Enerjisa Enerji respects the freedom of expression for its employees and does not tolerate any attitude preventing the exercise of this freedom. Additionally, the Company supports the right to unionize within the framework of relevant legislation.

Enerjisa Enerji has signed a Collective Labor Agreement (CLA) valid for three years (01.03.2021-29.02.2024) between the distribution companies of Enerjisa Enerji and TES-İŞ Union (Türkiye Energy, Water and Gas Workers' Union). Within the scope of this CLA, the wages and working conditions of 7,439 blue-collar workers are determined according to the provisions of the current CLA.

As of July 2023, with 68,845 members (26.27%), TES-İŞ Union is the eighth-largest union in Türkiye and the largest union in the energy sector in terms of membership.

TALENT ACQUISITION

Enerjisa Enerji has placed diversity and inclusion principles at the centre of all its processes.

In Enerjisa Enerji, recruitment is carried out in accordance with the Company's Human Rights Policy and Diversity and Inclusion Policy, considering equal opportunities while identifying and placing the most suitable candidate based on organizational culture, company goals, position-specific competencies, knowledge, and experience.

Enerjisa Enerji has placed diversity and inclusion principles at the centre of all its processes.

In all HR processes, an equal approach is demonstrated regarding language, religion, nationality, race, ethnic origin, age, gender, sexual orientation, marital status, health, disability status, political views, union membership, and similar issues.

Enerjisa Enerji conducts all its activities in compliance with existing legal regulations and Enerjisa Code of Business Ethics.

Participation in Management

Enerjisa Enerji values the feedback of its employees and strives to provide them with a work environment where they feel valued. In line with the Company's value of "Participation," employee involvement in decision-making processes is encouraged at every opportunity.

Employee participation in management is achieved through periodic meetings held within the Company, annual goal-setting and performance meetings, live broadcasts, involvement in decision-making mechanisms, committees, and projects within the framework of authority and responsibilities. Additionally, employees can share their requests, suggestions, and opinions through various platforms such as intranet, mobile applications (IKON), I have an Idea portal (Bir Fikrim Var), feedback mechanisms, and surveys. The results obtained through these platforms are analysed, and action plans are created for necessary changes.

Enerjisa Enerji recognizes and evaluates employees who contribute to the Suggestion System based on acknowledgment and appreciation systems, and rewards them when necessary. The participation of high-



potential employees in management decisions is particularly encouraged. Employees are informed about developments within the Company through various communication channels. Annual management meetings are held to provide employees with information about the overall situation of the Company.

Employee Commitment and Satisfaction

Employee commitment and satisfaction at Enerjisa Enerji are measured annually. According to the 2023 Employee Commitment and Satisfaction research results, the employee satisfaction score was 81%, and the employee commitment rate was 72%. In the survey, employees gave the highest commitment scores to questions measuring equal opportunities in performance, career, education, and development areas. Through global research efforts, Kincentric, a consultancy providing services in various areas such as Employee Commitment and Experience, conducts evaluations based on employee commitment scores in the 2023 Best Workplaces program. Enerjisa Toroslar Retail Sales and Enerjisa Toroslar Electricity Distribution Companies were recognized among "Türkiye's Best Workplaces."

Enerjisa Enerji meticulously evaluates feedback received from employees. The company aims to improve working conditions, enhance employee satisfaction and commitment, and reduce employee turnover based on this feedback. In addition to annual external assessments, satisfaction is measured in real-time through surveys on various HR applications conducted via the IKON application.

Enerjisa Enerji employs various mechanisms, including surveys, one-on-one interviews, and focus group studies, to gather employee complaints, opinions, and suggestions. Furthermore, requests related to administrative matters are collected in a helpdesk system accessible to all employees. Actions are planned based on these requests, and these actions are proactively implemented. Incoming requests are directed to the relevant person, and the resolution process is initiated.

After the action is taken in response to the owner of the operational request, a notification is sent through the system confirming the completion of the action, and this information reaches the employee who opened the request. In 2023, the number of requests received was 13,765, and 96% of these were resolved.





TALENT MANAGEMENT

Enerjisa Enerji, whose employees are composed of four different generations, considers each of its more than 11 thousand employees as a “talent.”

Enerjisa Enerji, whose employees are composed of four different generations, considers each of its more than 11 thousand employees as a “talent.” Accordingly, the Company follows global trends in HR management and implements new approaches in line with its priorities.

Enerjisa Enerji considers continuous development as one of its most important values, learns from past experiences to always be better, develops with a vision of the future and becomes pioneer of the change.

The Company aims to recruit and develop qualified young people and experienced professionals through talent management practices that support its high-performance culture and vision of adaptation to the future of work.

Enerjisa Enerji believes that organizational success is based on individual achievements. Accordingly, the Company uses different talent management systems to identify and evaluate the performance and competencies of employees.

In order to ensure the sustainability of its organization, Enerjisa Enerji creates short- and medium-term succession plans for all critical positions in parallel with the potential evaluation studies conducted every year and monitors the career and development of its employees accordingly. In 2023, 87% of all appointments at the manager level and above were made from internal candidates.

The Company supports its employees with leadership, individual and professional development programs and tools. Accordingly, the number of training hours per person in 2023 was 34.92.

Details on the hours of training provided in appendix. Enerjisa Enerji helps employees lead the Company in the fastest and most effective way through programs developed to train effective leaders.



SABANCI HOLDING PROGRAMS & ENERJISA PROGRAMS

SABANCI HOLDING

Leadership Development Purposed Programs	Period and 2023 Attendees
X-CELERATE	1.5 year
X-POSURE	1.5 year, 3 participants
Individual Development Purposed Programs	Period and 2023 Attendees
X-LAB	4-6 months, 38 participants
X-TEND	8 months, 754 participants
Young Talent Development Purposed Programs	Süre ve 2023 Katılımcıları
TP-X	1.5 year, 3 participants
SEED	1 year, 3 participants
Professional Development Purposed Programs	Period and 2023 Attendees
Advance Data Analytic Academy (IVAA)	8 months, 25 participants
Industry Leaders	1 year, 4 participants

ENERJISA

Leadership Development Purposed Programs	Period and 2023 Attendees
I WE ALL	1 year, 7 participants
LEAP	1 year, 24 participants
STEP	1 year, 105 participants
JUMP	1 year, 390 participants
Individual Development Purposed Programs	Period and 2023 Attendees
YODA Mentorship – Reverse Mentorship	1 year, 160 participants
Gate: Self Awareness Journey	1 year, 1,473 participants
INSIDER	1 year, 815 participants
Language Training	1 year, 497 participants
Young Talent Development Purposed Programs	Period and 2023 Attendees
YOUNG ENERGY	1.5 year, 22 participants
ENTER	9 months, 43 participants
ITALENT	9 months, 13 participants
RETAIL-X	1 year, 33 participants
SPARK	1 months, 63 participants
Professional Development Purposed Programs	Period and 2023 Attendees
Sales School	1 year, 245 participants
KOZA Development Program	1.5 year, 62 participants
Corporate Sales Academy	1.5 year, 28 participants
Technology Development Academy	-
Patika Development Program	1 year, 362 participants
Engineering Development School	3 months, 519 participants
Blue Collar Training	1 year, 7,897 participants
Energy Management Academy	1 year, 22 participants
Operation Academy	4 months, 199 participants
Polaris Program	1 year, 122 participants

TALENT MANAGEMENT

Yoda Reverse Mentoring program aims to ensure different generations learn from each other and allows a younger generation of employees to mentor senior management at Enerjisa Enerji.

LEADERSHIP DEVELOPMENT PURPOSED PROGRAMS

I WE ALL

The program implemented for Enerjisa Management Team consists of 3 modules including individual development, team development and the latest trends and developments in the Energy World.

LEAP

This was designed to increase the knowledge and awareness of the management team at director level on new technologies and current applications in the energy sector and enhance their leadership skills on new performance models in the modern business world.

STEP

STEP is a development program that aims to strengthen the leadership competencies of managers and group managers. The program offers a



flexible, social and individual leadership development perspective by combining learning techniques such as remote learning, onsite training and simulations to practice.

JUMP

This was designed to ensure the employees who undertake team and process executive roles increase their efficiency in their current roles and develop their executive skills using the mixed learning method. A flexible, social and individual development world is presented to the employees with this program by combining learning techniques such as remote learning and simulations.

X-CELERATE

This was designed to enrich transformative/connected/inspiring/inclusive leadership styles for senior management at the general manager, department manager, chairman and director levels. In the X-CELERATE Program many different learning methods take place, such as virtual class training, individual coaching sessions, company experience-sharing visits and business simulation applications.

X-POSURE

This consists of four modules for developing the potential of medium-level leaders such as managers and group managers. In the program, many different learning methods are presented, as well as webinar sessions, coaching sessions and business simulation applications with acknowledged instructors and in-class training.

INDIVIDUAL DEVELOPMENT PURPOSED PROGRAMS

YODA Mentorship- Adverse Mentorship

YODA Mentoring is our development tool that aims to provide support to Enerjisa employees who are willing to spend time for their professional and personal development and who are open to receiving feedback, by bringing them together with mentors who will guide them in this regard.



Yoda Reverse Mentoring program aims to ensure different generations learn from each other and allows a younger generation of employees to mentor senior management at Enerjisa Enerji. The reverse mentors will have the benefit of experience gained at senior management level and can explain the dynamics and expectations of their own generation. The employees receiving mentorship understand the dynamics of the new generation and they can benefit from the advice in both their private and business life.

EnAkademi

This e-learning platform aims to provide employees with online development tools to receive the training needed to reach career goals and to follow obligatory training. In EnAkademi, employees can plan and manage their own career development by selecting tools from a wide catalogue consisting of e-training, class training, simulations, videos, articles and development action recommendations to develop both their abilities and technical knowledge.

Gate: Self Awareness Journey

GATE is a development program designed with the personal development plan of specialist and assistant specialist based on Enerjisa competencies. It includes remote learning contents, webinars and onsite training. The program offers participants the opportunity to develop in Enerjisa competencies and future business trends.

INSIDER

Insider Platform aims to promote cultural awareness in the Company by ensuring that Enerjisa employees share their knowledge and experience with each other. With this program, our attendees focus on their technical and competency development as well as learning from each other's culture by receiving training prepared by internal instructors who are experts in their fields.

X-LAB

This program was created for those employees who have potential to 'make change happen' by demonstrating courage and an innovative perspective in their work.

X-TEND

This program has been put into effect to provide the skills required for the future of business, such as indomitableness, innovative thinking, awareness of climate change, diversity and inclusivity. It is open to all the employees of the Sabancı Community and their families.

Language Training

Enerjisa supports the development of employees who request language support by using multiple tools such as digital platforms, speaking classes and group lessons. In this context, language support was provided to 497 participants in 2023.

YOUNG TALENT DEVELOPMENT PURPOSED PROGRAMS

YOUNG ENERGY

Young Energy is designed to support and accelerate the development of high-potential young Enerjisa employees who are at the beginning of their careers. The aim of the program, which lasts approximately one and a half years, is to prepare participants for future positions by supporting them in removing obstacles to achieving their fullest potential and performance. In the program, which started with 22 participants in the middle of 2023 and includes four modules, training is planned to improve the leadership, technical and professional competencies of the participants. With this program, participants receive mentorship from our leaders as well as experience in how a project can be managed using the agile methodology.



TALENT MANAGEMENT

The ENTER Program, which was held for the seventh time in 2023, aims to create a trained workforce and contribute to the employment of the young population.

ENTER

ENTER is a structured program for fourth-year and graduate students enrolled in the departments of Electrical Engineering, Electrical-Electronics Engineering, Political Science and International Relations, Political Science and Public Administration, Mathematics, Statistics, Business Administration, Economics and Industrial Engineering of universities located in our Enerjisa Distribution regions. Through the rotation process, they can learn about Enerjisa Distribution's procedures and discover their own interests in their talent program. The talented youth who work in rotations in the departments, dubbed the Electricity Distribution Path, Functional Units Path and Data Management Path, learn about all functions in the energy distribution business line during the nine-month program. Participants can pursue their hobbies with the help of talent coaches who provide guidance.

ITALENT

This is a long-term intern experience program targeting fourth grade and graduate students who want to work in the energy sector with digital skills and prepare them for the technology world. The program aims to raise and develop young people as professionals who are interested in digital transformation and want to continue their training. Young talents gain career experience in various functions in information technology and digitalisation, and they also get a chance to participate in training modules designed for their personal and occupational development supported with various tools.

RETAIL-X

This is a Young Talent Program aiming to recruit to Enerjisa new graduates who want to work in electricity retail sales companies and who have a maximum of two years of business experience. The program aims to strengthen the strategic position of Enerjisa in the retail sector and recruit and develop new talent. It includes training in a long-term learning environment, mentorship and coaching process and rotation opportunities between functions, in addition to experience of professional business life.



SPARK

SPARK summer intern program aims to spark the career of third and fourth grade students of engineering, economy and administrative sciences or social sciences and recognise the electricity distribution sector. The program lasting 20 days, contains personal development, technical training, coaching support, project work, technical trips and project presentation.

TP-X

This program is designed to develop the leadership skills of those with high potential and those at the beginning of their professional career in the Sabancı Community. TP-X consists of three modules and lasts 1.5 years. It includes webinar sessions with recognised instructors, development coaching and business simulation applications and utilises a variety of learning methods.

SEED

This is a program designed with the aim of acquiring young talent to the Sabancı Community in order to strengthen the young talent pool for strategic growth areas and in recognition of Employer Brand of New Generation Sabancı by target talent group.

PROFESSIONAL DEVELOPMENT PURPOSED PROGRAMS

Sales School

With Sales School, which was initiated with the cooperation of Sabancı University in 2014, various behavioural and technical training required for the sector are provided to the employees in our Customer Service Centres from the perspective of Sales and Customer Focus. The training also aims to enhance service quality, operational excellence and customer satisfaction.

KOZA Development Program

The Koza Development Program, implemented in 2019, has been redesigned to consist of training programs addressing the needs of three different participant profiles to support development and strengthen the experiences of sales teams. The program, which spans 1.5 years and includes training sessions supporting technical and competency development as well as inspiring meetings, features a project module where participants will share improvement suggestions related to their work processes with upper management through three training modules.

Corporate Sales Academy

The Corporate Sales Academy has been designed to support the development of corporate sales teams. The program aims to ensure that sales teams reach their highest potential in a dynamic business environment in line with the company vision and goals, enriching their strategic perspective. The program, which takes 1.5 years, includes technical training, ability training and inspirational meetings where attendees can meet important figures in the sector.

Technology Development Academy

The Technology Development Academy is designed with the purpose of ensuring that technology teams follow current trends and develop themselves in the areas needed. It is renewed every period within the scope of current needs and priorities and prepares employees with up-to-date technology awareness. The program's target is to maximise the potential of information teams and improve their performance in accordance with the vision and strategy of Enerjisa Enerji.

Patika Development Program

The Patika Development Program has been developed in conjunction with Sabancı University EDU and Bilge Adam by considering the skills of employees in administration, supervisor and technician roles that are often needed in their business life. In 2023, based on focus group studies and manager opinions, the target audience was asked to choose one of the Time Management or Excel trainings. A Level Determination Exam has been applied to those who choose Excel Training, and training will continue in 2024 in online classes appropriate to their level. In 2024, the target audience will continue to be supported with Stakeholder Communication Management and Sustainable Motivation webinars, as well as in-class training.

TALENT MANAGEMENT

The Energy Management Academy provides attendees with content that will add value to our sector and our company.

Engineer Training Institute

It is a digital development program established by EnAkademi with the goal of improving the technical knowledge and abilities of engineers in Enerjisa Distribution firms. The course, which comprises of 2 sessions and 8 modules, introduces the materials used in the field, as well as field applications and how to do calculations.

Admission Training with VR

VR Acceptance Training was given to 543 engineers assigned to the facility acceptances as part of the VR Glasses Project, which was implemented as a first in the distribution sector and aims to explain the facility acceptance processes to employees in a virtual reality environment. This gave the engineers the opportunity to perform remote acceptance by using technology.

Transportable Training Facility

Over 1300 students may be reached, 13 schools throughout 5 provinces can be visited, and technical applications in the industry are taught with the help of the mobile training centre. Technical information was sent and distribution data was released in this fashion.

Polaris Program

Kaizen and Six Sigma Projects were united under the Polaris Program in order to spread the culture of continuous improvement and make employees a part of the system. Within the scope of this program, which is launched in 2023, 111 project ideas were collected through Ikon. Process owners identified 13 Kaizen and 10 Six Sigma Green Belt projects in line with company priorities. Six Sigma project team leaders received Green Belt and team members received Yellow Belt trainings. Kaizen project team members continue to be trained on Kaizen and Problem-Solving Techniques. Six Sigma and Kaizen project teams continue their projects with weekly meetings. Since 2019, Kaizen projects implemented within the scope of continuous improvement in 15 different processes within the Company. In 2023,

“Toroslar İvme Kaizen team” participated in the Quality Circles Sharing Conference organized by the Turkish Quality Association with the Kaizen project selected, and received the Kaizen Award for the first time in this competition with the Video Installation Inspection Project.

Trainings for Blue Collar Workers

Enerjisa Enerji, which works in 3,079 in 2023, has finished the legally mandated and obligatory certification processes (EKAT, Driving License, Safe Working at Height, Vocational Qualification Certificate, etc.) as part of the operations associated with producing energy. During a two-day Safe Working in the Field Level 2 training, 749 fault repair operators employed by Network Operations learned about safe field operations and proper techniques for functioning in distribution network fields. A 2-day Level 2 Maintenance Training was provided to 453 employees in accordance with the Planned Maintenance Procedures and Principles announced by the EMRA in the 4th Implementation Period of 2021. The goal of this training was to improve the technical integration of maintenance personnel and increase the efficiency of maintenance work.

External Trainings

Within the scope of the “Centre of Excellence” project carried out jointly with Elder, 20 technical vocational high school teachers from different provinces under the Ministry of National Education were given 2-week training on distribution sector information, inventory and technical field applications. In addition, in order to improve cooperation with the Mersin branch of the Chamber of Electrical Engineers and contribute to professional development, 10 EMO member engineers were given training on High Voltage Maneuvering and distribution network materials.

Energy Management Academy

The Energy Management Academy was designed using innovative methodologies for exploring the highest potential of our Energy Management team in a rapidly changing

and dynamic business environment from the perspective of compliance with the future of our business. It provides attendees with content that will add value to our sector and our company. The program includes technical training content specific to energy markets, competency training to develop current skills and build new ones and inspirational talks.

Advance Data Analytic Academy (İVAA)

This program was put into effect in cooperation with Sabancı Holding, Sabancı University and Sabancı EDU with the purpose of creating a sustainable human resource in this field to support leadership in digitalisation. The 5th period of the program has been performed by focusing on Data Scientist, Data Translator and Data Engineering technical expertise.

Industry Leaders

This was developed with the purpose of ensuring the professional and leadership development of engineers and technical executives with high potential in the Industry, Building Materials and Energy Group companies of the Sabancı Community.

Operation Academy

The program is designed to support the rapidly changing business processes of the teams working in the Receivables Management, Invoicing, Customer Market Operations, Operations Support, Payment Solutions and Account Transactions Departments under the Operations Directorate, which is located within the organization of the Retail Business Unit, in line with the company’s vision and goals. The primary requirements of success and sustainability in a constantly evolving world are planned in a modular structure in the four-month program. The program consists of trainings that support technical development and inspiring meetings where participants come together with important names of the sector.

Rewards and Benefits

Enerjisa Enerji predicates rewards and benefits on the principles of fairness, transparency, competitiveness, and rewarding high performance. In all its processes, the Company considers the wage market, the sector in which it operates, Sabancı Holding practices, and macroeconomic indicators.

Enerjisa Enerji aims to ensure a constructive and competitive work environment by implementing a competitive and fair wage policy through regular market analyses, for the purpose of attracting the necessary talent and maintaining a high degree of loyalty among current employees.

Enerjisa Enerji obtains the reports, surveys or statistics on remuneration from third party compensation consultants. Position levels at Enerjisa are determined on the basis of an external job evaluation methodology widely used by globally recognized corporations. Enerjisa participates in annual wage surveys to designate its base pay policy. For all grades, external consultants provide grade-based reference pay data based on the market, peer group, sector, etc. The Company sets blue collar wages in accordance with the Collective Labor Agreement.



ACTIONS TAKEN AFTER THE FEBRUARY 6, 2023 KAHRAMANMARAŞ EARTHQUAKES

From the very first moment, Enerjisa Enerji took many actions for the health and safety of Enerjisa employees affected by the earthquake.

Enerjisa Enerji has 4,507 employees in the Toroslar region (Adana, Gaziantep, Hatay, Mersin, Kilis and Osmaniye), the region where Enerjisa Enerji operates.

As a result of the February 6 earthquakes, 17 Enerjisa Enerji employees lost their lives, 58 Enerjisa Enerji employees were injured, and the houses of 593 Enerjisa Enerji employees were moderately or severely damaged or destroyed.

From the very first moment, Enerjisa Enerji took many actions for the health and safety of Enerjisa employees affected by the earthquake.

From day one, Field Operations, Executive Management and Human Culture crisis desks were established to promote effective communication, and the necessary actions for streamlined coordination during crisis meetings were taken.

The health conditions of employees were determined through the 'We Wonder About You' survey, location detection from handheld terminal records, employee detection from log records of Ikon mobile application and SMS sent via the Call Centre. Through one-to-one calls, crisis teams and communication groups, the health status and needs of the employees were instantly monitored, and needs

such as storage for household goods, vehicle transfers to different cities, food, clothing, physicians, medicines and so forth were met by sending field teams to the region with the support of field teams within the possibilities.

Accommodation facilities were provided for employees and their families in need of housing at Adana Demirköprü, Adana Regional Directorate, Gaziantep Regional Directorate and Mersin Regional Directorate buildings. Employees were notified of the company locations where they could stay through messages and calls.

From the first day of the earthquake, Sabancı Holding coordinated employees to send to the disaster area. Tents and containers were provided to employees for short-term shelter. Injured employees and their relatives were contacted through workplace physicians to provide the necessary support.

Enerjisa Üretim and Enerjisa Enerji established a platform for the education support process and preparation for high school and university entrance exams and support for students (stationery, books).

POST-EARTHQUAKE
PSYCHOLOGICAL
SUPPORT FOR
4,507
ENERJISA
EMPLOYEES

Regarding the people affected by the earthquake and general life, summary information on the State of Emergency decisions and regulations made by public institutions and organizations were regularly shared with employees via e-mail and the icon platform.

Throughout the process, all Enerjisa employees were informed about the post-earthquake actions and employees in the disaster area with CEO video messages.

Advance payments were made to employees in the earthquake zone, all February wages were paid early, and advance payment opportunity, location difficulty payment and earthquake support packages were studied and implemented quickly.

Container and tent cities were established for the living spaces of Enerjisa employees where all their needs could be met. For electricity service continuity, Enerjisa Enerji determined the damage assessment of the locations with the relevant institutions and took the necessary actions for damaged locations and new workplaces. Rotation priority was provided for Enerjisa employees who requested and relocated.



As part of social and cultural activities, Enerjisa Enerji organized cinema events and social activities in living spaces. In container and tent cities, Enerjisa Enerji activated kindergartens for children and study centres for students.

Post-earthquake psychological support was provided for 4,507 Enerjisa employees affected by the earthquake. Psychological support was provided for all employees through the Good Life Application and psychological support sessions from psychologists specialized in post-disaster psychology

were organized for Enerjisa employees and their relatives affected by the earthquake.

Within the scope of "You Choose Flexible Benefits Program," support was provided to Darüşşafaka and Needs Map organization.

The "Disaster Support Project Group," formed by volunteers from Enerjisa, has been established. This group includes participants from both the affected areas and other provinces where Enerjisa operates. The team

has initiated efforts to identify and implement actions in response to the disaster affecting the region.

Container cities were opened in Hatay Antakya and İskenderun for creating living spaces for our employees. In addition to social areas, playgrounds for children and study centres for young people were created. The mobile game bus application called OYUNGEZER, prepared in cooperation with TEMSA and featuring electronic game consoles for the children was launched.

Responsible Steps

for a better future

We act with a sense of responsibility toward the environment and society in every facet of our operations. We continually strive to minimize environmental impacts while delivering reliable, sustainable, and high-quality services to our customers. By internalizing the principles of corporate social responsibility, we strive to contribute to our employees, society and the environment.





Information Technologies

164 Data Security
168 Digitalization

DATA SECURITY

Enerjisa Enerji considers all the information that it collects and processes through all kinds of methods and that belongs to itself and its stakeholders as critical assets and takes utmost care and importance for its protection.

The amount of data that we are processing, transmitting and storing is growing exponentially along with digitalization processes. As part of our responsibility to provide a public service, we take every precaution necessary to ensure the highest level of confidentiality and security regarding customer data within the framework of applicable legislation. To that end, we implement the measures and actions stipulated in our corporate policies and procedures.

INFORMATION SECURITY MANAGEMENT POLICY

Enerjisa Enerji considers all the information that it collects and processes through all kinds of methods and that belongs to itself and its stakeholders as critical assets and takes utmost care and importance for its protection.

Accordingly, with reference to the ISO/IEC 27001 Information Security Management System standard, the Corporate Information Security Management System is effectively implemented within Enerjisa Enerji.

The main purpose of corporate information security is to ensure the confidentiality, integrity and availability of any information collected and processed by Enerjisa Enerji. Due to the nature of Enerjisa Enerji's corporate

activities, the main goal of corporate information security is to prevent material and intangible losses that may occur and affect Enerjisa and its stakeholders, to early identify these losses if they occur and to minimize their possible effects by designing, operating, monitoring processes and taking precautions by continuously improving them.

Regardless of their positions or duties, all Enerjisa Enerji employees and related third parties comply with Enerjisa Enerji's practices, policies and procedures regarding information security. Violation of corporate information security policies and procedures may result in disciplinary action and criminal sanctions within the scope of the relevant legislation.

The manager of each unit is primarily responsible for taking all necessary measures in their areas of responsibility and controlling business activities in order to ensure compliance with corporate information security policies and procedures.

Enerjisa Enerji commits that it will meet the applicable requirements regarding information security institutionally, will ensure compliance with all kinds of legislations, laws, communiqués and similar regulations that Enerjisa Enerji is obliged to comply with, and will continuously improve its Information Security Management System.

INFORMATION SECURITY MANAGEMENT APPROACH

Scope

Design, implementation and maintenance of our information security management approach is determined based on the Information Security Management Policy and the internationally accepted ISO 27001 standard. Our Information Security Management Approach encompasses the following: Enerjisa Enerji A.Ş., our electricity distribution companies (İstanbul Anadolu Yakası Elektrik Dağıtım A.Ş., Başkent Elektrik Dağıtım A.Ş., Toroslar Elektrik Dağıtım A.Ş.), incumbent retail companies (Enerjisa İstanbul Anadolu Yakası Elektrik Perakende Satış A.Ş., Enerjisa Başkent Elektrik Perakende Satış A.Ş., Enerjisa Toroslar Elektrik Perakende Satış A.Ş.) and Enerjisa Müşteri Çözümleri A.Ş.

Data Security

In order to meet business needs and ensure compliance with laws and regulations, technical and administrative measures related to information security and operational processes are carried out by the Cyber Security Group Directorate under the Information Technologies and Digital Business Management Department. We ensure that the necessary support is provided and make the necessary assignments to fulfil information security requirements.

We take the necessary measures to ensure the highest level of confidentiality and security for customer data within the framework of the relevant rules and regulations and to this end, we implement the measures and actions specified in Company policies.

Since data is a critical asset, confidentiality, integrity and availability of data is of great importance to us. We conduct the necessary technical and administrative controls at every point where data is obtained, processed, transmitted and stored. We process data only for business needs and ensure that it can only be accessed by authorized staff, considering the level of confidentiality of the data.

The copyrights for the information and materials on our website belong to us. All copyrights, registered trademarks, patents, intellectual and other property rights related to the information and materials on our website, other than those belonging to third parties, are reserved by us.

In all operational processes, we implement the information security management system with a defined risk management approach and in compliance with information security policies, procedures, instructions and other issues including standards, frameworks and guidelines based on international and sectoral good practices. We share the relevant documentation within our Document Management System and make it available to all our employees. The purpose of information security documentation is to manage information security risks and ensure that data is adequately protected. While using the information assets they are responsible for, all employees are responsible for the implementation of the Information Security Management Policy and related procedures in the operation of business processes throughout their employment at our Company and even when they quit their job.



Personal Data Protection Law (PDPL)

As the Data Controller, for the continuity of our activities and services, we process personal data obtained verbally, in writing or electronically through channels such as the head office, regional offices, customers, dealers, website or call centre with the processing conditions listed in Article 5 of the Personal Data Protection Law (PDPL). Personal data processed by business units for the purpose of carrying out their routine operational activities are securely stored in the electronic systems and physical environments we use.

Data owners are informed with clarification texts about the mentioned data processing activities through our various channels on the purposes of processing, the security measures taken, the rights of the data owner and the application channels. In order to ensure a lawful data processing, this clarification must be made to the data owner before the data is processed and if it is not within the scope of the exception in accordance with the PDPL, explicit consent must be obtained.

The security of personal data is among our top priorities. Therefore, we prepare and update policies and procedures for the protection of personal data and take necessary and suitable technical and administrative security measures

in compliance with relevant legislation to protect personal data against unauthorized access, damage, loss or disclosure.

Third parties are prevented from accessing the information entered by our customers through the website. In order to protect the confidentiality of our customers' personal information, our system and access infrastructure is maintained at the most reliable manner and the necessary measures are taken.

Personal data whose purpose of use and legal storage period have expired, are deleted, destroyed, or anonymized in accordance with Article 7 of the PDPL.

When required, we receive support services from different organisations and ensure that these organisations act in accordance with our privacy standards and terms. We make sure that the data processors with whom we work value information security and act with the awareness of mutual responsibility, and we also guarantee this contractually.

The applications of persons whose personal data are processed regarding their rights listed in Article 11 of the PDPL are answered within the legal period by examining the system records and customer documents.

DATA SECURITY

Throughout the year, simulations/ practices of phishing attacks are made at regular intervals by Cyber Security Group Directorate, and the results are evaluated.

1,104
HOURS
PDPL TRAINING



Incident Response

We have a Cyber Incident Response Team within the Cyber Security Group Directorate. All kinds of software, hardware and human-induced situations that disrupt the normal operations of our business processes and negatively affect some or all information or industrial control systems are defined as information security incidents. We examine situations such as malware, phishing attacks, unauthorized access, cyber-attacks and data exfiltration (data leak) as part of the information security incident management process. The application, system and access components of our Company are continuously monitored using monitoring and detection tools that are deemed to be successful by the information security industry. We ensure that incidents encountered within the scope of monitoring are evaluated, relevant actions are taken and the issues are resolved properly.

Our Cyber Security Group Directorate follows technological developments and vulnerabilities around the world through cyber intelligence services. Penetration tests are performed by independent teams once a year and the safety of the applications and services of our company are ensured by implementing a secure development life cycle. In addition, vulnerability scans, source code analysis and

maturity assessments are performed. The deficiencies that are identified as a result of these evaluations are examined, monitored and the relevant actions are undertaken with the guides of the Cyber Security Group Directorate.

In case of emergence of an information security incident or a vulnerability that may cause an incident, our employees/ external consultants are informed about what channels to make their notifications through. Reminders are also made at regular intervals. The process document for the actions to be taken after notifications is periodically reviewed and implemented.

In addition, the Information Security Awareness Commitment document signed with the third parties (suppliers, vendors etc.) includes an article stating that the suppliers should contact us in case of an information security incident.

Information Security Awareness

As data and data security are of great importance to us, we conduct training sessions in order to increase information security awareness. The completion rate for the training is monitored by senior management in order to raise awareness within the Company and to exhibit an integrated approach within the organization.

Throughout the year, simulations/ practices of phishing attacks are made at regular intervals by Cyber Security Group Directorate, the results are evaluated and reported to senior management. We prepare Cyber Security Newsletters that are sent to all employees every two weeks and share global and domestic cyber security news. We also share e-learning training videos about information security with all employees every two weeks. At the end of each quarter throughout the year, we share the statistics of current attacks in our country and around the world with all Company employees via informative emails. We implement clean table - clean screen policies and remind our employees of our policies with posters in physical locations.

All personnel are required to sign the information security commitment which states that information security issues are the common responsibility of all personnel.

Licenses and Certificates

- We and our distribution and retail companies hold the ISO 27001 Information Security Management System certificate, which is given as a result of the audits carried out by accredited institutions.
- Our distribution and retail companies hold the ISO 20000 Information Technology Service Management System certificate, which is given as a result of audits carried out by accredited institutions.
- Our retail companies hold the ISO 22301 Business Continuity Management System certificate.

In addition, compliance with the Electricity Licensing Regulation, Industrial Control Systems (ICS) Information Security Regulation, Electricity Distribution and Sales Call Centre Service Quality Standards, ICS Security Analysis and Testing Procedures and Principles, Cyber Security Competency Model in the Energy Sector which are subject to the EMRA and compliance with the Information and Communication Security Guidelines of the Digital Transformation Office of the Presidency of the Republic of Türkiye is periodically checked by Cyber Security Group Directorate.

Information Security at Third Parties

When working with third-party companies, we include confidentiality clauses in the contracts to ensure the continuity and quality of the services provided by us. If there is a need for data sharing due to business requirements, we share only the necessary data. We have approval processes for the safe transfer of data and ensure that only data required for the job is transferred.

In order to protect such data, we take security measures in accordance with international standards in our systems and applications. Critical suppliers are evaluated within the scope of information security according to the criteria determined in line with the annual plan. Actions to remedy the deficiencies observed in the evaluation results are followed by the Cyber Security Group Directorate Trainings.

Training

In 2023, we assigned PDPL training to our employees through EnAkademi, and 1,089 employees completed 1,104 hours of online training. In 2023, the Information Security Interactive Training and exam was assigned through EnAkademi, and 3,567 people completed a total of 3,148.6 hours of online training. In the online and in-class training, Information Security sessions were organized for new recruits, and 683 people received a total of 683 hours of training. Phishing and Ransomware Attacks Awareness Training was also assigned through EnAkademi, and 419 people completed a total of 279,3 hours of online training.

DIGITALIZATION

While supplying energy to our customers, we add value to the world, humanity and our own operations by using the power of technology.

Digital Transformation Model - E-TERNAL

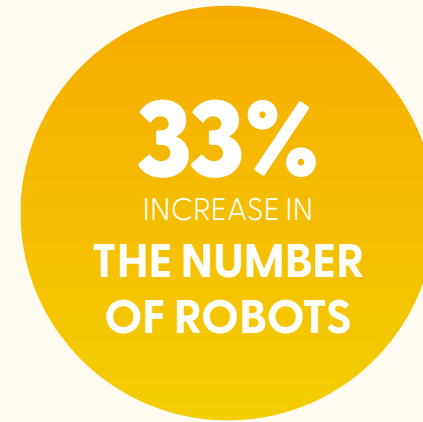
While supplying energy to our customers, we add value to the world, humanity and our own operations by using the power of technology. In 2020, we developed E-TERNAL, our digital transformation model, to holistically empower sustainability through digitalisation. 'Ternal' symbolises our dedication to improve the world, people and our business, while 'E' symbolises electron, energy and Enerjisa.

In E-TERNAL, as part of our digital programmes, we have updated our digital maturity goals for the next three years and our digital maturity assessments for 2023, focusing on business needs, sectoral developments and new technologies in collaboration with our relevant stakeholders.

We have defined past and current projects along with over 500 new digital projects for the next five years. We identified our major areas of value creation within 14 digital programmes and matched these programmes with the names of inspiring scientists from history.

We established the Analytic Circle community to enhance analytical skills, ensure the continuity of analytical projects, and support our employees involved in these projects in collaboration with those who have received data analytics training and are interested in data analytics across our company. With this community, we aimed to improve our analytical knowledge through comprehensive training and carry out new analytical projects that would advance our company. In 2023, we conducted both online and face-to-face meetings with the community, and at the end of the year, during our Ideathon event, we generated 15 project ideas in areas such as artificial intelligence, generative AI, image processing and so forth with 55 participants. Our goal for the coming years will be to increase the number of project ideas and bring them to life.

In an industry like the energy sector, where tasks are highly intensive and repetitive, we continue our efforts to expand robotic process automation (RPA) across all possible processes in our company to enable more efficient use of resources. In 2023, we implemented RPA technology in many business units, including Legal, System Operations, Finance/Accounting and Customer Relations. Compared with 2022, the number of robots in our processes increased by 33%, and the number of transactions they performed increased by 87%, while our accuracy rate reached a high of 99.8%.



Developments in 2023

As we implemented the governance plan with a holistic approach in 2023, we continued our digital transformation journey with inputs from business units. We applied our sustainability framework to our digital transformation model and tracked how our projects impact our society, environment and business.

Within the framework of our sustainability, we contributed through projects in our E-TERNAL digital transformation model under various categories: 308 projects under the impact-focused business model, 13 projects for societal impact, 12 projects for planetary impact and 159 projects under the foundations of our performance.

Additionally, we have launched numerous new digital projects, focusing on customers, operations, technology and the market. Some of the significant projects are listed below.

Employee Focus: We contribute to processes with machine learning, artificial intelligence and data analytics projects to support a digital, data-driven and agile organisation. Through completed projects in Human & Culture processes, we have contributed to the end-to-end digitisation of processes.

Standing by the Customer: With the Mobile Application & Online Service Centre (OHM) project, we aimed to enhance the user experience, increase digital channel usage and improve customer satisfaction and loyalty. Additionally, we aimed to provide the best possible experience in digital channels for all transactions that customers frequently perform through traditional channels (such as subscription management, bill payment, outage reporting, scheduling appointments at the nearest service point, etc.) while also ensuring that the customer feels the same way in the digital channel as they would in the traditional one.

The Licenced and Unlicensed Producers Portal project is designed to enable producers to access all their data in real time and submit their demands and objections. Through this portal, petitions, objections, requests and commitments can be received, and producers can see their own data. The portal includes the addition of producer information and training documents, the demonstration of our operations in every aspect, along with the relevant legislative articles, and the answering of incoming questions on the portal by our side.

Under Article 26 of the Electricity Market Distribution and Retail Sale Activities Quality Regulation, requests from customers who have suffered damage and whose contract is in their name are considered within the damage process if submitted within the 'legal period'. With the Digitalisation of the Positive Damage Process Project, customers whose damage applications are approved can now send the documents we previously required to be delivered physically via WhatsApp.



DIGITALIZATION

The IoT project aims to contribute to various teams, including network operations, investment and energy management, by appropriately collecting data.

Enriched Sales: In the D2D Out-of-Area Sales project, which was undertaken to make sales outside our region more efficient and use our workforce more effectively, we enabled our field staff to process sales transactions outside our region through their tablets.

A separate CRM (Customer Relationship Management) Project has been implemented for our Customer Solutions unit. The project also facilitated the integration of customer management, visits, offers, contract management, billing/collection, feasibility and data collection processes and activities with other systems.

Supply Continuity: We continue to make improvements in the Outage Management System to ensure supply continuity in the field and minimise power outages.

With the North Star Project, an application was launched that displays—in an interactive spatial and graphical manner—the points affected by a disaster and their current energy status fed by data received from remote points and personnel before and during a disaster. This application also provides information for management reports. It is planned to quickly operate decision and action mechanisms in the processes of identifying inventories left without power during a disaster, fixing their faults and reporting to relevant institutions. This aims to enable

immediate action, ensuring the quickest possible restoration of power to affected areas.

The IoT project aims to create a platform for real-time monitoring, analysis, storage, visualisation and sharing with other necessary systems of solutions that are end-to-end encrypted, open-source and minimise licence and producer dependencies added to the distribution company's digital inventory. The project aims to contribute to various teams,

including network operations, investment and energy management, by appropriately collecting data being analysed for decision-making and business development purposes.

Maintenance: To ensure the continuity of network supply, which plays a critical role, we continue our digitalisation projects, which are aimed at making our maintenance and repair operations more efficient, minimising occupational health and safety risks and monitoring and reporting field operations.



Asset Management: To ensure the optimum management of field assets and improve data quality, we continue to implement projects focused on a GIS (geographic information system).

Under our digitalisation framework, one of the projects we implemented is the Android GENII project. In this project, we aim to enhance integration quality, supply continuity and customer satisfaction in our future network digitalisation projects while also ensuring that field operations are performed with the most up-to-date and efficient technologies.

Safety First: Occupational health and safety (OHS) is one of our top priorities. Through our digitalisation projects focused on OHS, we aim to minimise risks that could cause work accidents and implement digital technologies that ensure that the highest safety measures are taken during operations conducted by our employees in the field.

Data-Oriented Operations: To strengthen our data-driven operation capacity, we continue to implement numerous analytical projects. We have carried out many data optimisation and infrastructure projects to improve data quality.



With the OGSS Data Synchronisation Project, we increased data reliability by ensuring the accuracy and synchronisation of data related to outages. With the Digitalisation of New Connection Field Processes Project, we simplified processes by digitising the traditional manual, paper-based new connection processes, making life easier for customers and the new connection operation.

Energy Market: We continue to align our energy management forecasting and operations in energy markets with the future of the sector through our digitalisation investments. We aim to make our market operations more efficient with projects such as the Price Forecast Model and Visualisation, Long-Term Demand Forecasting and Automation of Reconciliation Reports.

DIGITALIZATION

Through projects that ensured system integration, we also achieved time savings and operational efficiency.

Digital Finance: With a focus on digital finance, we aim to increase efficiency and create value through managing financial processes with advanced digital technologies. Here, we are working on restructuring, considering financial risks in digitised processes. Upon completion of the projects, we achieved automation in transactions, minimised error rates, provided faster reporting infrastructure, followed risk controls more effectively and achieved resource efficiency.

In addition to maintaining digital records, we have digitised previously manual document processes, ensuring quality documentation through projects focused on E-ledger, E-invoice and E-archive. We integrated RPA technology in processes such as the automatic recording of E-invoices, accounts receivable management, and collections management. Through projects that ensured system integration, we also achieved time savings and operational efficiency.

M2C Journey: We continue to implement digitalisation projects to increase our operational efficiency and ensure effective resource utilisation. In the coming periods, we aim to meet our customers' demands and needs quickly and effectively while supporting our goal of operational excellence through hyperautomation projects and RPA integrations.

Customised Solutions: In operational processes, timely processing, monitoring and placement in decision support processes of data has become extremely important. In this context, we launched the 'E-Central' project as part of Enerjisa's 'Energy of My Business' model, which aims at real-time monitoring and reporting of assets and operations. E-Central aims to monitor, report and manage energy-efficiency systems established through a centralised monitoring application. Operations, maintenance and asset management were made available on a single platform with modern mobility and AI-supported algorithms.

In our Distribution Companies operating in three regions, approximately 130,000 new connection inspections and temporary acceptance of connection lines are conducted by about 80 field teams in 45 operation centres. To increase work efficiency and customer satisfaction in challenging operational areas, the Visual Installation Inspection Project was implemented.

Technological Infrastructure: We are increasing our investments in technological infrastructures every year to adapt to the latest technologies and to develop our processes to respond more quickly and effectively to our customers. With our SAP S/4HANA project at Enerjisa Customer Solutions, all processes and integrations in the existing R/3 system were transferred to the HANA system over a short period of three and a half months. While redesigning our business processes in this project, we reduced the system load and increased performance.



Efficient Steps

for a better future

With a view to contributing to Türkiye's economic efficiency, we initiated the "For a Better Future Platform" in collaboration with our stakeholders. Within this framework, we introduced the Türkiye Efficiency Survey and Türkiye Data Map, providing insights into the productivity levels of businesses in our country. As the exclusive private sector contributor to the Regional Reconstruction and Development Centres (RRDC) project, a joint initiative with the UNDP, Needs Map, and the Chambers of Commerce in Adana and Gaziantep, we have sustained our commitment to supporting and reconstructing earthquake-affected areas.





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SUSTAINABILITY GOVERNANCE AND PERFORMANCE

We view sustainability as an important element of our equity story and a critical tool for effective strategic management.

Enerjisa Enerji believes that sustainably managed companies are better equipped to address customer needs, utilise resources more effectively, and adapt more flexibly to mega trends, as well as to manage risks and opportunities more efficiently. Furthermore, reflecting stakeholder expectations, the disclosure of non-financial Key Performance Indicators (KPIs) and targets has become more important.

Enerjisa Enerji views sustainability as an important element of its equity story and a critical tool for effective strategic management. The Company integrates sustainability in all its processes, and strives to raise its compliance with global environmental, social and governance norms and standards. In addition, the Company continues to invest in raising social awareness for ESG issues.

As a pioneer for the energy sector in the Corporate Governance and Risk Management, Occupational Health and Safety (OHS) and Environmental Management areas, Enerjisa Enerji stays abreast of global sector and ESG trends, stakeholder expectations and new developments to further improve its ESG performance, and aims to lead the energy sector in this area, both in Türkiye and the world. Accordingly, Enerjisa Enerji conducts activities within a sustainability strategy aligned with this goal.

ENERJISA SUSTAINABILITY FRAMEWORK

External Environment and the Trends Affecting Our Business

We are preparing for fundamental changes that will shape our industry. Decarbonization, deregulation, decentralization, digitalization, urbanization and customer centricity are the sectoral trends with the potential to disrupt our way of doing business. We are developing innovative, impactful and sustainable products and services, not only to better manage the risks of these trends, but also to spearhead the transformation while working for accessible and uninterrupted energy.

As a leading electricity distribution, retail sales, customer solutions and e-Mobility company in Türkiye, we are aware of our responsibility to deliver prosperity to humanity and the future. Our purpose is to shape and connect this new energy world, operating as a role model while providing a public service to millions of people.

Our Approach to Sustainability

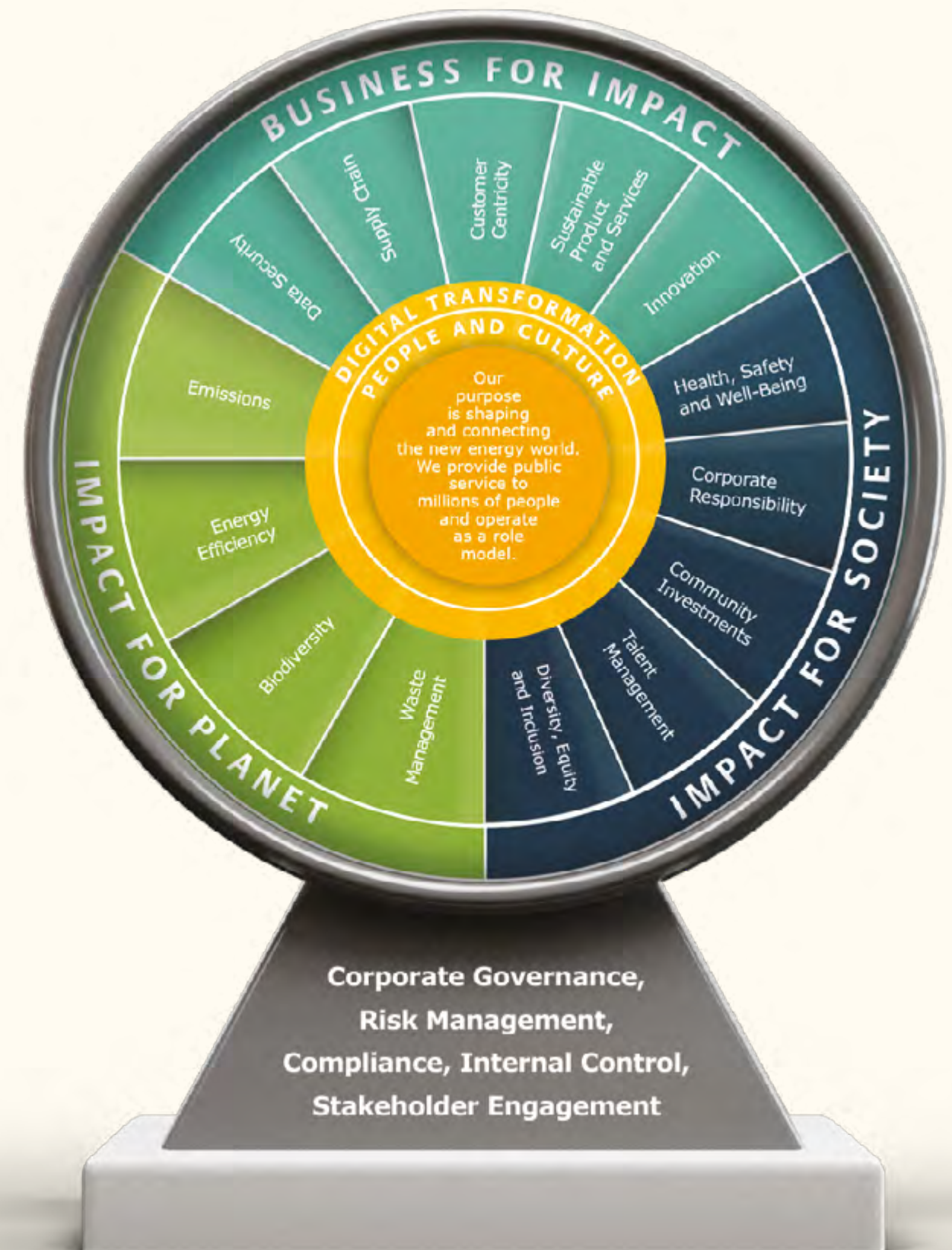
Sustainability is at the core of our business and integrated into our entire organization. Placing sustainability at the forefront of its operations, the Company focuses on the impact of its products and services, and

methodically researches avenues for the industry-wide transition to a low-carbon, cleaner and greener energy sector. Additionally, we advocate for equality among all individuals and uphold the right to life and developmental potential for every living being, today and in the future.

With the ultimate aim of becoming an impact-oriented business, we prioritized our environmental, social and governance impacts, and updated our Environmental, Social and Governance (ESG) targets. Our road map to achieving these targets is aligned with this strategy and in accordance with the United Nations Sustainable Development Goals (SDG).

We established a systematic governance structure for sustainability, including thematic working groups, and disclosed comprehensive policies on our sustainability topics. We adhere to these policies while working towards our goals, and we monitor, measure and report our results and progress in a transparent manner.

Not only is Enerjisa Enerji at the centre of the energy transformation, but the Company is also an important part of our country's decarbonization road map.



SUSTAINABILITY GOVERNANCE AND PERFORMANCE

Our responsibility towards the environment is a fundamental component of our strategy.

Our Decarbonization Strategy and Net Zero Roadmap

We are acutely aware of the urgent need for actions to address climate change. Our responsibility towards the environment is a fundamental component of our strategy and we set strong goals that demonstrate this commitment.

Following the successful completion of the Net Zero Phase I process of our decarbonization journey, we commenced the Net Zero Phase II process in 2023, creating our current working groups. We continued training, workshops and action activities together with the Task Force on Climate-Related Financial Disclosures (TCFD), and the Circularity, Biodiversity, EU Taxonomy, International Reporting Standard and Scope 3 working groups and their members.

In line with our management-approved climate strategy, we set an ambitious target to reduce our Scope 1 and Scope 2 emissions by 30% by 2030, using 2021 as the baseline year, and to align all business operations with the Net Zero Journey by 2050. This target is a key element in our comprehensive climate transition plan and in line with the worldwide commitment to limit the increase in global temperatures to 1.5°C.

Our climate strategy includes short, medium and long-term targets, enabling us to track our progress in detail and perform adjustments where necessary. In the short term, during the next year, we will focus on immediate improvements and optimizing current processes. In the medium term, over the next decade, we intend to implement more extensive changes, taking significant strides towards our main goal. In the long term, spanning 10 to 28 years, we will continuously evaluate and refine our approach, ensuring that we remain on track and are effectively contributing to the global fight against climate change.

Enablers and Foundations of Our Performance

To further our purpose and achieve our targets, we place people, culture and digital transformation at the centre of our business. We are dedicated to continuously investing in these areas, as they are essential resources in creating value across our impact areas.

We believe that strong corporate governance and compliance are the backbone for sustaining our performance, as are integrated risk management, internal control mechanisms and effective stakeholder engagement. In terms of the latter, we consistently communicate our impact and performance to our stakeholders.

Sustainability Governance Structure
Since 2019, Enerjisa Enerji's governance structure has underpinned the development of a strategic and holistic approach to economic, environmental and social factors that is designed to create long-term value. The Company's Board of Directors bears the ultimate responsibility for defining the Company's sustainability strategy and performance, and for managing its success in this area. Additionally, The Board of Directors is responsible for identifying Environmental, Social and Governance (ESG) material issues, risks and opportunities, and establishing and enacting appropriate ESG policies.

The Sustainability and Corporate Capabilities function, created in 2021, is responsible for maintaining a strategic and integrated approach to corporate sustainability and creating maximum value for stakeholders.

The mandatory committees of Enerjisa Enerji work actively to monitor ESG issues and report to the Board of Directors. In addition to the mandatory committees, the Company effectively runs other non-mandatory committees with representatives from relevant business units to cover critical ESG-related matters.

The Executive Management (CEO/ CFO) oversees ESG-related actions in all processes, and reports to the Board of Directors regarding critical initiatives, developments, key performance indicators and commitments.

The Company's Sustainability Executive Committee operates to guide and develop our corporate sustainability strategy. This Committee is essential in advising the Executive Management on sustainability related issues and in ensuring that our performance and progress are thoroughly monitored,

measured and reported. The Committee is chaired by the Head of Sustainability and Corporate Competencies, includes all unit heads and reports directly to the Executive Management. The Sustainability Steering Committee met three times in 2023 to address important sustainability issues and initiatives.

Our committees carry out their responsibilities systematically, actively monitoring ESG-related issues and submitting pertinent reports to the Board of Directors. The committees include representatives from relevant business units, ensuring company-wide participation in ESG-related discussions and decisions.





SUSTAINABILITY GOVERNANCE AND PERFORMANCE

We strive to operate as a transparent, ethical and principled company in line with our corporate governance structure.

ESG Performance

While carrying out activities to successfully integrate sustainability, Enerjisa Enerji strives to operate as a transparent, ethical and principled company in line with its corporate governance structure. Reporting ESG data within this framework, the Company received assurance for important ESG indicators in 2023.

In 2023 we raised our Carbon Disclosure Project (CDP) Climate Change score to A- and CDP Water Security score to A, claiming our place in CDP Global A List.

2023 ESG Performance

CDP Climate Change	Reporting Date: 2023
	Rating Scoring Range: D-, D, C-, C, B-, B, A-, A
	Enerjisa Enerji Rating: A-
CDP Water Security	Reporting Date: 2023
	Rating Scoring Range: D-, D, C-, C, B-, B, A-, A
	Enerjisa Enerji Rating: A
FTSE Russell	Reporting Date: June 2023
	Rating Scoring Range: 0 - 5
	Enerjisa Enerji Rating: 3.8
	Sector Ranking*: 78 th percentile in Utilities Sector
Corporate Governance Rating	Reporting Date: December 2023
	Rating Scoring Range: 0-100
	Enerjisa Enerji Rating: 96.32
Refinitiv	Reporting Date: December 2023
	Enerjisa Enerji Rating: Overall 85/100 (Environment: 81, Social: 88, Governance: 88)
	Sector Ranking: 5 th in global ranking of electric utilities & IPPs Companies that contributed to the platform
Sustainalytics**	Reporting Date: April 2023
	Rating Scoring Range: ESG Risk Rating Overall Score Range (Negligible/Low/Medium/High/Severe)
	Enerjisa Enerji Rating: Low Risk
	Enerjisa Risk Score: 19
	Sector Ranking: 7 th percentile in Utilities Sector among 271 electrical utility companies.

* The FTSE overall ESG rating is represented as a percentile where "1" indicates that a company is in the bottom 1% and "100" indicates a company is in the top 1%.
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IMPACT FOR PLANET

We have adopted a proactive, environmentally responsible and respectful approach across all our operations, in accordance with the relevant legislation and the principle of voluntariness.

Human-caused environmental problems, e.g., climate change, environmental pollution, consumption of natural resources, and loss of biodiversity, are increasingly impacting the world. The COVID-19 pandemic, which started at the end of 2019, further highlighted the importance of healthy, safe and environmentally friendly operations. The pandemic presented clear evidence that our natural resources are limited, and that business continuity is unachievable in a world where the climate and biodiversity are not protected. Consequently, it underscores the necessity of balancing conservation and consumption in the course of any economic developments.

Enerjisa Enerji is aware that adverse impacts to the environment and economy will be irreversible unless we tackle climate change, manage our limited resources correctly, and take the measures necessary to preserve ecosystems and biodiversity.

Subsequently, the Company has adopted a proactive, environmentally responsible and respectful approach across all its operations, in accordance with the relevant legislation and the principle of voluntariness.

- As part of its Environmental Management System, Enerjisa Enerji manages risks accurately, seizes appropriate opportunities, and consistently improves its environmental performance with a particular focus on mitigating the adverse environmental impacts of its operations. Accordingly, the Company assumes responsibilities beyond the requirements decreed by the legislation in its relations

with contractors and suppliers. In addition, Enerjisa Enerji encourages its stakeholders to adopt environmental best practices, and closely monitors their environmental performance in line with the Company's environmental sustainability goals.

- As Türkiye's leading electricity distribution, retail sales, e-mobility and customer solutions business, Enerjisa Enerji plays a central role in the country's nationwide energy transformation and decarbonization by means of its efficiency solutions.
- Enerjisa Enerji acts as a driver of social decarbonization through its electricity grid operations, and services and products that enable a cleaner, smarter, more sustainable and digitally driven manner of living.
- Enerjisa Enerji sets rational targets within the scope of its strategy and sustainability framework, including improving all business processes and taking appropriate action along the Decarbonization Journey.
- To mitigate the adverse effects of climate change and secure a brighter future for all, the Intergovernmental Panel on Climate Change (IPCC) is dedicated to limiting global warming to 1.5°C. This commitment aligns with the objectives outlined in the United Nations Paris Agreement on Climate Change, and emphasizes the importance of coordinating societal efforts with the necessary progress to meet this target. Enerjisa Enerji acknowledges this Call to Action and commits to aligning its operations with the Net Zero Target by 2050, as well as reducing Scope 1 and Scope 2 emissions by 30% by 2030 compared to the baseline year 2021.

- Acknowledging that gender equality is an accelerator of climate action, the Company believes that full, equal and meaningful participation by women in the clean energy transition is a driving force for a greener and more sustainable future.

Environmental Policy & Management System

Enerjisa Enerji adopted its Environmental Policy to monitor and minimize all direct and indirect environmental impacts of its operations. The Company conducts innovative activities and implements various practices to manage its environmental impacts.

Operating under the Distribution Business Unit, the Occupational Health, Safety and Environment Department is responsible for environmental issues and reports to the Head of the Distribution Business Unit, working under the CEO. Operating under the Retail Business Unit, the Occupational Health, Safety and Environment Department reports to the Head of Sustainability and Corporate Competencies Department, working under the CEO; operating under the E-Mobility Business Unit, the Occupational Health, Safety and Environment Department reports to the General Manager, working under the CEO.

In 2023, as part of the Company's ISO 14001 Environmental Management System and environmental sustainability compliance activities, Enerjisa Enerji set goals in pollution prevention; circular

waste management; environmental impact management in line with the life cycle principle; and resource efficiency (recovery of electricity, fuel, network assets), and achieved improvements to reach these goals.

The ISO 14001 Environmental Management System is implemented at all Enerjisa Enerji locations. In 2023, external audits were conducted by a globally accredited independent organization to ensure the effectiveness and continuity of the management system. In 2023, the ISO 50001 Energy Management System, the ISO 14001 Environmental Management System and ISO 45001 Occupational Health and Safety Management Systems were integrated into Enerjisa Enerji Distribution Business Units.

To improve its environmental performance, Enerjisa Enerji continued collaborations with non-governmental organizations in 2023, participating in the TÜSİAD Environment and Climate Change Working Group and the Circular Economy Sub-Working Group. Also in 2023, the Company maintained its contribution to the Environmental Working Group of the Electricity Distribution Services Association (ELDER). Established in 2021, the Environmental Working Group of ELDER, aims to promote collaboration and consistency across the environmental management practices of electricity distribution companies.

In 2023, Enerjisa Enerji did not face any penalties from the Ministry of Environment, Urbanization and Climate Change or any other local authority as per Environmental Law No. 2872.

Enerjisa Enerji Environmental Policy is available on the Investor Relations website.

Energy Efficiency

In awareness of the significant role that the Company plays in addressing climate change, Enerjisa Enerji aims to minimize the direct and indirect impacts of its operations. Thus, the Company regularly monitors its energy consumption, makes efficiency-oriented investments, and mitigates the environmental impacts of its operations.

Enerjisa Enerji carries out all operations as per its Energy Management Policy and, in line with this policy, strives to create added value through its activities.

In 2023, we ensured the effectiveness and continuity of the ISO 50001 Energy Management System, established within our Distribution Business Units to systematically monitor and measure their activities. As pledged in our policies, we monitor our actions directed towards the efficient use of energy in a systematic and quantifiable manner, and contribute to the protection of natural resources and the environment. Through our effective energy management efforts, we are tackling climate change, the foremost global environmental problem.

Enerjisa Enerji Energy Management Policy is available on the Investor Relations website.

Emissions

Enerjisa Enerji monitors its emissions under Scope 1-2-3. The Company constantly reviews and improves the reporting methodologies in order to meet its stakeholders' expectations of transparency and consistency.

The Scope 1, 2 and 3 data of Enerjisa Enerji were verified for 2022 and disclosed in the 2022 Sustainability Report. The calculations for 2023 emissions are ongoing and will be disclosed in the Company's 2023 Sustainability Report.



Selen Okay Akçali
President of Yanındayız Association

"Equality Lullabies"

The active participation of thought leaders who inspire the community to take ownership of gender equality is the most significant contribution to raising awareness. Our "Equality Lullabies" project, brought to life with the generous support of Enerjisa Enerji, represents a crucial step challenging entrenched gender roles and aspiring for change. The verses crafted by our poets and the voices of our artists will serve as lullabies for equality, reminding us that being a parent entails embodying both maternal and paternal roles.



IMPACT FOR PLANET

The Company carries out innovative activities and puts into operation various practices to manage the environmental impacts:

Scope	Practices to Reduce Emissions	Impacts of the Practices
<p>Scope 1</p> <p>These emissions include direct GHG emissions associated with the resources owned or controlled by the Company such as fuel consumption, company vehicles and fugitive emissions, etc.</p>	<p>Fleet Vehicles/Fuel Consumption Enerjisa Enerji has the goal to include hybrid and electric vehicles in its administrative vehicles fleet instead of diesel vehicles.</p> <p>With the completion of the driver tracking system for the fleet vehicles of the distribution business unit, the requirements of the vehicles in the fleet will be tracked; thus, the number of vehicles and, accordingly, fuel consumption will be reduced.</p>	<p>Fleet Vehicles/Fuel Consumption Retail business unit: In 2023, 51 electric/hybrid vehicles were included in the fleet, and the share of electric and electric/hybrid vehicles in the administrative vehicles fleet increased from 16% in 2022 to 43,6% in 2023.</p> <p>Distribution Business Unit: 193 electric/hybrid vehicles (151 electric, 52 hybrid) were included in the fleet in 2023, and the share of electric and hybrid vehicles in the administrative vehicles fleet was approximately 72% in 2023.</p>
<p>Scope 2</p> <p>Scope 2 emissions include indirect consumption due to electricity, heat or steam purchased and consumed, and emissions due to theft-loss.</p>	<p>Enerjisa Enerji has the goal to reduce its Scope 2 emissions by purchasing energy from the renewable resources for its energy consumption.</p> <p>The electricity consumption is closely monitored in order to boost efficiency through root-cause analysis and rehabilitation projects.</p>	<p>In 2022, 100% of the energy use outside the Distribution business unit and 96.7% of the energy use of the Distribution business unit was covered by green energy supply. 2023 data will be given in the 2023 Sustainability report.</p> <p>In 2020, a pilot project was initiated in the distribution business line (98 buildings) to monitor electricity consumption in real time via the AMRS system.</p> <p>After expanding the project to other regions in 2023, the number of buildings, in which electricity consumption is monitored in real time via the AMRS system, reached 160.</p>
<p>Scope 3</p> <p>These emissions include indirect emissions associated with the resources that are not owned and cannot be directly controlled by the Company, such as, business travels, procured goods and services, activities associated with fuel and energy, etc.</p>	<p>In December 2020, the very first bilateral agreements (Power Purchase Agreements - PPA) were signed to supply electricity directly from the power plants that generate electricity from renewable energy resources.</p> <p>Solutions for Customers (Indirect Impacts) Green Energy Solutions: With 2 types of certificates, GHG emissions from the electricity consumptions of the customers are reduced or neutralized.</p> <p>Lighting Conversion Solutions: In 2023, a LED conversion project consisting of 19,400 luminaires was initiated with the Energy Performance Contract (EPC).</p> <p>Process Efficiency Projects: Our first project in heat pump technology in 2023 was implemented with Brisa, one of the Sabancı Group companies, with the EPS model.</p> <p>CHP and CCHP Solutions: Cogeneration and trigeneration facilities with total installed capacity of 3.8 MWe is in operation.</p> <p>Renewable Energy Solutions: In 2023, 4 MWp SPP was put into operation and the total installed capacity reached 29,5 MWp.</p> <p>Enerjisa Enerji Digital Channels Thanks to the digital and remote application channels developed for the retail business unit, the need for customers to visit physical channels are expected to be reduced.</p> <p>Digital Application System in New Connection Annually, 45 operation centres under the three distribution companies of Enerjisa Enerji receive over 100,000 connection application with the documents specified in the regulations. Thanks to the update commissioned in August 2021, applications for new connections can be submitted online and 24/7 via ybp.eedas.com.tr.</p>	<p>With the bilateral agreements drawn for renewable energy resources, eligible customers were supplied electricity partially from renewable energy resources.</p> <p>Benefits to Customers Green Energy Solutions: In 2023, 693 GWh renewable energy certificates were sold.</p> <p>Lighting Conversion Solutions: With the projects carried out in 2023, 4,900 MWh energy will be conserved, while 2,725 tons of CO₂ emission will be reduced per annum.</p> <p>Process Efficiency Projects: With the project initiated in 2023, approximately 707,100 m³ natural gas will be conserved, while 3,750 tons of CO₂ emission will be reduced per annum.</p> <p>CHP and CCHP Solutions: The efficiency resulting from these facilities is expected to prevent a total of more than 30,000 tons of CO₂ emissions in 10 years.</p> <p>Renewable Energy Solutions: The total installed capacity enables an annual reduction of 26,150 tons of CO₂ emissions.</p> <p>Enerjisa Enerji Digital Channels Thanks to the exclusive developments made for digital and remote channels in 2021, the number of applications submitted to the physical channels decreased by 7%.</p> <p>Digital Application System in New Connection Through the implementation of this project, the amount of A4 papers used by the Company decreased by approximately 7 million, and 90 trees are preserved each year. Since the applications can be submitted without the need to visit the operation centre, fossil fuel consumption was decreased; hence, the carbon footprint was reduced.</p>



Waste Management

In terms of waste management, Enerjisa Enerji operates in compliance with the relevant legislation, and OHS and Environmental Policy, as well as international standards. The Company has defined the methods for prevention and reduction at the source as collection, transportation, storage and recycling and/or final disposal of domestic, industrial, and hazardous and non-hazardous wastes from its activities, in accordance with the waste hierarchy.

Enerjisa Enerji improves its Waste Management System, which was designed in compliance with ISO 14001, in line with the relevant legislation, as well as the announced sustainability goals. The Company carries out all material usage and waste management with the purpose of mitigating environmental impacts and contributing wastes to the circular economy through the life cycle approach.

At Enerjisa Enerji, the following methods are used for waste management.

Hazardous Waste Management: Hazardous wastes are stored in accordance with the legislation and disposed of by licensed recycling companies. Enerjisa Enerji built eight Logistics Services Centres Hazardous Wastes Temporary Storage Areas in various cities, in compliance with the legislation, for wastes generated by the Company's distribution operations.

Hence, Enerjisa Enerji separates wastes at the source, stores recyclable/recoverable wastes, and delivers wastes to authorized waste disposal companies.

Enerjisa Enerji holds Hazardous Waste Temporary Storage Permits for all its sites and annually renews the Dangerous Goods and Hazardous Waste Compulsory Liability Insurances that are legally required for all storage areas in which hazardous wastes are temporarily stored. In 2023, 4,851.7 tons of hazardous wastes were generated at the Company's facilities, of which 4,851.6 tons were sent to recycling facilities.

Non-Hazardous Waste Management: Non-hazardous wastes are also separated at the source, stored if recyclable/recoverable, and delivered to authorized waste disposal companies. In 2023, Enerjisa Enerji sent a total of 10,426.8 tons of non-hazardous wastes generated at its facilities to recycling facilities.

- **Grid Wastes:** Enerjisa Enerji places utmost importance on enabling the contribution of operational wastes into the circular economy. The Company enables the adequate collection of network wastes from distribution activities, the re-use of these wastes if and to the extent possible, the storage of these wastes in line with the legislation, and the disposal of wastes by licensed recycling companies in order to

reduce resource utilization and to control environmental impacts through the life cycle mentality. Accordingly, Enerjisa Enerji passes its grid wastes through the Material Quality Control and Recycle Test Centre processes to recycle them if and to the maximum extent possible.

- **Domestic and Recyclable Wastes:** Domestic and recyclable wastes are delivered to the related municipalities and the authorized companies of these municipalities' licensed waste management facilities.
- **Biodegradable Wastes:** Biodegradable wastes are recycled into compost at the HQs of AYEDAŞ, Toroslar Edaş and the operation centres of Erenköy, as well as the Marmara Region and Black Sea Region directorates. The compost is used as fertilizer in gardening activities.
- **Vegetable Oils:** Vegetable oil waste from the catering services of contractor activities are delivered to licensed companies to be disposed of as per the Waste Oil Control Regulation.
- **Hygienic Wastes:** As part of the measures taken in response to the COVID-19 pandemic, a waste collection and disposal system was established in compliance with legislation related to wastes from masks, gloves and single-use hygiene materials.

IMPACT FOR PLANET

- **Medical Wastes:** Medical wastes generated at workplace healthcare units are managed in accordance with the Regulation on Medical Wastes and disposed of properly by the licensed company.
- **Zero Waste Practices:** Enerjisa Enerji aims to transition into a circular economic model with a zero waste approach. In 2023, zero waste management systems were installed across 23 Distribution Business Unit operation centres in 14 provinces. Together with the Toroslar Headquarters and the AYEDAŞ Headquarters buildings,

the total number of Distribution Unit buildings entitled to receive basic-level Zero Waste Certificates from the Ministry of Environment, Urbanization and Climate Change reached 25. In 2023, zero waste management systems were installed for one Regional Directorate and seven Customer Service Centre buildings of the Enerjisa Enerji Retail Business Unit across 14 provinces. With the addition of these locations, the number of Enerjisa Enerji Retail Business buildings entitled to receive basic level Zero Waste Certificate reached 10.

We consider waste management to be a major environmental and material issue and, accordingly, we minimize our environmental impacts and contribute to the circular economy where feasible. Wastes are separated at their sources and transferred for recycling. Additionally, we sustain steadfast efforts to raise our employees' awareness regarding waste management.

Other developments regarding Waste Management at Enerjisa Enerji are as follows:

Practices	
Reducing On-Site Consumption	As of the end of 2021, water dispensers with treatment systems were begun to be used instead of plastic carboys in 170 locations operating under the Distribution Business Units. Thus, consumption of 550,000 plastic carboys was prevented per annum.
	By preventing the use of raw materials for PET plastic carboys -taking into account the life cycle, from the source to waste disposal- it can be observed that emissions and wasting the water and energy resources are prevented.
Separation	Activities were initiated to end the use of disposable plastics at the Company buildings. In-house awareness-raising activities continue in order to prevent disposable plastic, paper and other similar wastes.
	Waste separation practices were adapted to the Zero Waste Management System at all locations. Therefore, plastic, paper, metal, glass, biodegradable and non-recyclable wastes are collected separately.
Recycling/ Disposal	Distribution transformers, cells and circuit breakers in the Material Quality Control and Recycling Test Centres of the Company, which are among materials with significant environmental aspects, were recycled at targeted percentages. Thus, a total of 819 distribution transformers, 373 cells and 238 circuit breakers were reused in all of Enerjisa Enerji Distribution Companies in 2023. Hence, the environmental impacts were reduced at the production phases of these materials according to the principle of life cycle.
	Papers from certified industrial productions (Forest Certification) are used in all printers. Wastepaper is separated for recycling and delivered to the contracted local authorities to be recycled.
	The waste management plans are requested from the suppliers in accordance with their operations. Thus, the separated wastes are coordinated to be recycled or disposed in compliance with the legislation.
Circular Economy	After the second half of 2023, all Customer Services within the Retail Business Unit will reduce resource consumption and non-recyclable waste by switching from cardboard cups to glass cups. A transition plan is being prepared for the headquarters.
	To reduce paper use across all business units, we switched to double-sided printing on printers, thus benefiting the environment while contributing to forest preservation, and reducing carbon emissions and the consumption of natural resources.
	Activities are conducted according to a waste hierarchy in compliance with the latest regulations per Environmental Legislation and circular economy principles.
	A circular economy road map was created within the scope of the ongoing Net Zero Project.

Biodiversity

Enerjisa Enerji places immense importance on the protection of biodiversity, consistently striving to minimize the potential negative impacts of its operations on natural life. The Company's Environmental Policy is based on the principle of safeguarding natural life and preventing the destruction of vegetation. As the 14 provinces where Enerjisa Enerji operates cover approximately 60% of Türkiye's biogeography, and there are designated protected areas within the Company's operational regions, flora-fauna experts prepared Ecosystem Risk Assessment Reports to assess the existing conditions. Enerjisa Enerji takes stringent measures to curtail the environmental impact of investments that pass through sensitive, protected, or developmental areas concerning biodiversity and natural ecosystems. These measures align with the relevant national and international legislation and adhere to the Biodiversity Protection Action Plan.

In 2020, Enerjisa Enerji formulated a Biodiversity Conservation Action Plan for three distribution regions within the scope of a loan study conducted with the European Bank for Reconstruction and Development (EBRD). The action plan incorporates an Ecosystem Risk Assessment, prepared in accordance with the European Bank for Reconstruction and Development's Guidelines on Biodiversity Conservation and Sustainable Management of Living Natural Resources. It also includes a Bird Protection Plan based on the results of ornithological studies. Türkiye, situated on two major bird migration routes, serves as a crucial feeding and breeding ground for birds, and the electricity grid operated by AYEDAŞ, Toroslar EDAŞ, and Başkent EDAŞ intersects with important bird flight routes. Covering approximately 60% of Türkiye's biogeography, Enerjisa Enerji has designated protected areas in its

operational regions. The goal of the action plan is to establish a database of guidelines for measures to be implemented in natural environments.

The purpose of the Enerjisa Enerji Biodiversity Conservation Action Plan is to comply with international obligations arising from the European Convention for the Conservation of Wildlife and Habitats (BERN), the Rio Convention on Biological Diversity, and the provisions of the Convention on the Protection of Wetlands (RAMSAR), to which Türkiye became a party in 1994, and the EU Habitat and Bird Directives, along with legal requirements arising from national legislation.

Actions identified under the Framework Biodiversity Conservation Action Plan are as follows:

- The diversity and characteristics of ecosystems in distribution areas have been defined and, within this framework, biodiversity inventory and protection measures have been included in the action plan.
- The vulnerability, rarity and conservation status of living species have been identified.
- The Biodiversity Procedure aims to manage and monitor mitigation activities by assessing the potential impacts of electricity distribution activities on ecosystems and related habitats, and identifying the necessary actions. Currently, the procedure is under preparation and is expected to be completed by the end of 2024.
- Enerjisa Enerji takes all necessary measures to protect existing biodiversity across all its activities and complies with relevant legal regulations. The Company monitors and analyses environmental risks in its fields of activity and makes plans to minimize its impact. All Company facilities are evaluated for potential impacts.



IMPACT FOR PLANET

We place immense importance on the protection of biodiversity, consistently striving to minimize the potential negative impacts of our operations on natural life.



Enerjisa Enerji has conducted the following projects for the protection of biodiversity.

- **High Voltage Aerial Line Insulator Project:** Winged fauna and migratory birds in particular, face the danger of electrocution as a result of landing, nesting, or flying between two conductors on distribution networks; at times, these interactions may result in bird fatalities. At the end of 2017, insulators were installed on some power lines as part of the High Voltage Line Insulator Project. Toroslar EDAŞ maintained preventative measures against bird strikes in 2023, especially during migration, in Adana, Gaziantep, Hatay, Kilis, Mersin and Osmaniye. Hosting millions of migratory birds every year in Hatay, Adana and Mersin, locations where global bird migration routes intersect, Toroslar EDAŞ continued its cooperation with the Nature Association to protect bird populations sharing the sky with its overhead lines. Thanks to this cooperation, the installation of insulating materials for 18,727 meters of conductors and 7,638 insulators,

which could cause bird strikes, was completed, especially on lines in areas of concentrated migration. In 2023, insulation was applied to 100 poles in the Toroslar region through a collaboration with our stakeholder, the Nature Association.

- **Bird Deterrents:** To prevent bird deaths, the installation of insulators on lines deemed risky or along the migration routes has begun. A line in Adana was selected for the installation of insulators, and monitoring of the line has commenced. This project aims to protect bird populations in the region as well as avifauna biodiversity.
- **Bird Deflectors:** To minimize bird deaths due to electric shock, Bird Deflectors were installed on selected aerial line sections.

In 2023, more than 12,000 insulators were insulated, and over 10,000 bird deflectors were installed to protect biodiversity.

Water Management and Consumption

The global decline in available water resources poses a risk to all humanity. Moreover, water resource risks are expected to rise in conjunction with anticipated population and economic growth, and the impact of climate change. Türkiye is not a water-rich country and due to its growing population, developing economy and urban expansion, is on the way to becoming “water-poor.”

Enerjisa Enerji closed existing wells that had been used for garden irrigation and fire extinguishing taps. At this time, all water consumption across the Company’s locations is from mains water. The Company does not discharge any industrial wastewater.

Any wastewater generated is not discharged to a natural receiving environment, but directly into the city sewerage system (except groundwater used for garden irrigation purposes). Wastewater is not contaminated with industrial chemicals or vegetable waste oils from cafeteria-kitchen facilities.

Enerjisa Enerji Distribution Companies published the Instructions for Chemical Leakage-Spill and Pollution Prevention Plan. Additionally, employees of these companies were informed regarding the required rules and process controls for preventing environmental pollution in municipal water, surface water and groundwater resources while conducting electric distribution activities outside their own buildings.

As the direct use of water in Enerjisa Enerji’s operations is limited to domestic purposes, the water-related risks are low in terms of a direct impact on operations. However, water-related risks may affect the payment capacity of customers whose operations require high water consumption; additionally, the hydrological factors may affect energy prices. These risks are followed by the relevant business units and necessary precautions are taken.

Enerjisa Enerji Water Policy is available on the Investor Relations website.

In 2023, a water consumption goal was set as part of 14001 Management. The goal was to reduce the amount of water (taken from the municipality) consumed per capita in buildings by 1% compared to the previous year. Appropriate programs are determined and water-conservation activities are conducted.

The Administrative Affairs Units in both the distribution and retail business lines are responsible for monitoring and reducing water consumption. In 2023, the Company’s total water consumption data will be included in the Enerjisa Enerji 2023 Sustainability Report.

Activities to reduce water consumption are as follows:

- In 2023, Enerjisa Enerji continued awareness-raising activities for water conservation in its facilities, and organized awareness-raising campaigns for its employees.
- The Company deploys faucet aerators to reduce water consumption. Water savings have been achieved through good practices such as aerators and photocell taps.
- Approximately 270 tons of rain water has been collected in locations with established rainwater harvesting facilities for use in garden irrigation, toilet siphons and cleaning activities.

Air Quality

Enerjisa Enerji does not engage in electricity generation activities; therefore the Company’s direct impact area on air quality is limited. Moreover, the Company monitors emissions and aims to reduce those that affect air quality. In addition, Enerjisa Enerji operates in compliance with the Regulation on Control of Industrial Air Pollution regarding emissions from its generators, machinery and vehicle fleet.

Excluding extraordinary conditions, the Company’s operations do not include any polluting gas emissions, other than burning fossil fuels for heating and transportation. Enerjisa Enerji conducts various activities to improve the existing monitoring scope in order to follow up and report indirect GHG emissions, i.e., air polluting gases.

IMPACT FOR SOCIETY

Operating in a dynamic industry that is being transformed by global mega trends, we aim to prepare for the future by focusing on our employees and society.



IDEMA

Sait Beyazyürek
IDEMA Deputy General Manager

“For a Better Future Platform”

The “For a Better Future” Platform, meticulously crafted by IDEMA with a development perspective tailored to our ecosystem, stands as one of our proud, long-term projects. We take pride in contributing value at every stage, from research design to the publication of the Türkiye Efficiency Report and Efficiency Map, the creation of Efficiency Report Cards for businesses, to the implementation of free training programs.

By bringing together the private sector, civil society, academia, and public institutions, the Platform offers a multidisciplinary perspective. I firmly believe that it will contribute to the creation of a solidarity environment essential for a sustainable future and a better tomorrow in our country. Soon, it will be recognized as a global exemplar.

We empower people to create prosperity and an inclusive society; we encourage a talented and diverse workforce in a safe working environment; and we act responsibly to create a wider positive impact on communities.

Operating in a dynamic industry that is being transformed by global mega trends, we aim to prepare for the future by focusing on our employees and society. Inclusion, diversity, accountability, ethics and transparency are key to establishing a preferred workplace, and contributing to the prosperity and well-being of society and our community.

Health, Safety and Well-Being

We value the health and well-being of our employees and act as a role model in occupational health and safety. We are committed to the Zero Accident Journey and aim to prevent fatalities, as well as critical and high potential near-miss accidents.

Corporate Social Responsibilities and Community Investments

We provide voluntary contributions to the prosperity of society in addition to direct financial support with our community investments. We conduct corporate responsibility projects that have a strong community impact; and we carry out activities directed towards education, energy conservation, and the environment and society within our CSR efforts.

Talent Management¹

We invest in engaging and retaining talent and aim to support the individual and professional development of our employees; and we are committed to quantifying the impact of our talent management programs.

¹For more information, please see the People and Culture section of this Report.

Diversity, Equity and Inclusion²

We believe in the power of a diverse workforce and an inclusive work environment. Within this framework, we are committed to expanding diversity in terms of gender equality and age, especially in managerial positions.

²For more information about Diversity, Equity and Inclusion activities, please see the People & Culture section of this Report.



IMPACT FOR SOCIETY

We take a wide range of precautions to manage the potential risks that employees and contractors may encounter in their roles.



Occupational Health and Safety

Our employees and contractors are exposed to significant health and safety risks in the course of electricity distribution activities and the installation of alternative energy solutions and e-mobility. We consider occupational health and safety (OHS) as one of our key values, and consequently take a wide range of precautions to manage the potential risks that employees and contractors may encounter in their roles. Additionally, Key Performance Indicators (KPI) on OHS are periodically presented to the senior management.

We monitor OHS performance through the monthly OHS-E Report, which also includes Critical Accident and Safety Improvement Plan target realizations; these two KPIs are incorporated in the senior management's performance assessment.

The OHS policy sets out the senior management's commitment to occupational health and safety. This policy was announced to the entire organization and our stakeholders, and is available for review. The OHS policy emphasizes the importance of proactively preventing accidents and diseases, complying with legal obligations, and continuous improvement.

Enerjisa Enerji's Health and Safety Policy is available on the Investor Relations website.

The Occupational Health and Safety Management System

We believe that managing OHS in accordance with international standards is vital. The ISO 45001:2018 Occupational Health and Safety Management System covers all the locations and facilities of our distribution and retail sales companies. In accordance with the principle of continuous improvement, audits performed within the scope of the Management System demonstrate that our Occupational Health and Safety Management System achieved a transformation focused on preventive actions through a more efficient and integrated approach based on risk and opportunity. The annual interim audits in 2023 showed that activities were conducted in accordance with the OHS Management System and that the commitments specified for continuous improvement were fulfilled.

We conduct risk assessments for potential new projects, non-routine operations, changes in existing operations, and new work areas. Prior to commencing new operations, we ensure compliance with OHS standards. During risk assessment processes, we implement the Fine-Kinney method, with hazards determined according to the probability of occurrence, severity and frequency. We classify the identified risks and undertake precautionary measures to mitigate any risk exceeding an acceptable level.

We draw up emergency plans for each region and conduct annual emergency drills. We identify actions necessary to eliminate any issues of non-compliance found in the annual drills and monitor their implementation.

We establish monthly and annual targets to promote higher OHS awareness. With the aim of improving OHS performance and identifying risk areas more effectively, we ensure the collaboration and participation of our employees and stakeholders. We expect our employees and contractors to participate and provide their feedback during risk assessment and incident investigations.

We also provide employees with the opportunity to be involved in relevant decision-making processes regarding OHS issues via OHS committees that include employee representatives. We take into consideration the views of employee and union representatives, and field workers in the selection of Personal Protective Equipment, and we ensure their participation in the material selection process.

We invest in OHS training to disseminate our OHS culture and we organize events to raise awareness among employees, business partners and contractors across all regions in which we operate. We deploy all existing communication channels to notify contractors regarding work-related accidents and near misses in all units, and utilise the Contractor Communication Portal to maintain contact with contractors in Distribution Companies.

Zero Tolerance Policy Towards Violence

In 2022, we issued the Zero Tolerance Policy Towards Violence. The purpose of the policy is to set principles and enforcement processes establishing a work environment at Enerjisa Enerji that is egalitarian, safe, and does not tolerate violence of any kind.

Accordingly, we endeavour to raise awareness regarding violence, and to provide support and assistance mechanisms through which employees who have been subjected to violence can communicate in a secure and confidential manner. Additionally, we operate an enforcement mechanism by means of effective examination and auditing processes.

Enerjisa Enerji's Zero Tolerance Policy Towards Violence Policy is available on the Investor Relations website.

OHS Training

We strive to maintain an internalized OHS culture and a safe workplace for all our employees. We conduct regular training and improvement activities to reduce OHS risks for employees

and contractors and to ensure a healthy workplace in terms of OHS management. Training on safe working conditions is an integral element of OHS management and strengthens both our OHS culture and employees' professional skills.

We continued to prioritize OHS trainings during the pandemic, with OHS training accounting for 38% of total employee training during the year. We provided 166,547 hours of OHS training for 11,321 employees in 2023, corresponding to 14.7 hours of OHS training per employee.

In 2023, Technical Development Management provided technical trainings to our employees. Additionally, we provided a three-day practical training program on Working Safely at Heights to 253 field workers, and a refresher course on Working Safely at Height Reminder Training to 1,130 employees based on their job descriptions. Safe driving training was provided to 831 employees, and G-class driver's licenses were issued to 328 employees.

As well, in 2023, we implemented a number of projects targeted towards raising employee awareness of occupational health and safety, encouraging ownership in this matter, and actively contributing to the development of the Company's OHS culture.

OHS Week

Further emphasizing the priority that we accord to OHS awareness, we conducted informative messaging from 4 to 10 May, OHS Week, to raise OHS awareness across the entire organization. Additionally, business unit managers shared related video messages during the week.



IMPACT FOR SOCIETY

We established instructions and procedures for performed work to ensure that employees conduct their activities safely.

TOTAL OF
63,384
OHS FIELD
INSPECTIONS

Furthermore, individual sessions were organized for employees in need, and their psychological conditions were closely monitored.

OHS Culture Maturity Assessment Project Workshops: In 2022, an assessment study using the Hudson & Parker method, consisting of 18 parameters, was conducted to determine the Occupational Health and Safety (OHS) Culture Maturity in Distribution Companies. The final reports of this study were shared with all of our Distribution Companies in 2023, and workshops were conducted to evaluate the results and gather feedback.

Unsafe Acts Project: In the 2019 Model-Based Critical Behaviour Analysis study, we endeavoured to determine the causes of critical unsafe behaviours and examined the resulting outputs. A seminar series, building on the insights gained from this study and aimed at understanding the underlying causes of unsafe behaviours, was conducted throughout Distribution Companies in 2022. As a furtherance of the project, the identification of unsafe behaviours was initiated in 2023. This ongoing project, slated to continue into the next year, aims to implement improvements that will positively impact the safety culture in Distribution Companies.

Go-See-Talk Module: Managers can record their field visits using the Go-See-Talk module of the ENSAFE mobile application. The objective is to promote ownership and OHS commitment among senior management by conveying to the relevant managers the messages and feedback given to employees during field visits.

ISO 39001 Road Traffic Safety Management System Gap Analysis: To introduce a systematic approach to Traffic Safety, the installation of the ISO 39001 Road and Traffic Safety Management System in Distribution Companies commenced in 2022. In 2023, a gap analysis was conducted within the scope of Road Traffic Safety to enhance good practices in our companies' current operations and to identify those practices requiring reinforcement. Based on the findings, a road map has been developed.

HSE Expert Improvement Program: The goal is to define the Company's expectations from HSE Experts and identify improvement areas for each expert in alignment with these expectations, thus ensuring that each expert follows their improvement plan. Three one-on-one sessions were conducted with each expert, together with their consultant, to assess determined competencies.

Weekly Incident Notifications: In 2022, the Weekly Incident Bulletin, accessible to all employees, began to include investigation results for accidents and near misses in Distribution Companies. In addition to incident investigation reports, the Bulletin incorporates Critical Accidents and High Potential (HiPo) Incident Notifications from the previous week. This ensures that employees have access to timely information during ongoing incident investigations. An additional aim is to compile a comprehensive document by the year-end that includes all Critical Accidents and HiPo Incidents.

Instruction-Procedure Simplification: The project's objective is to simplify and thus better facilitate the transfer of instructions and procedures pertaining to critical risk activities in Distribution Companies.

Effective OHS Communication Workshops: Two-day practical workshops were organized to enhance the skills of those engineers and team managers responsible for employee meetings in establishing effective OHS communication. Participants gave presentations, gaining practical experience, and received feedback. During sessions featuring professional actors, participants practiced various methods for conveying OHS information effectively.

Lessons Learned from Accidents Workshops for Contractors: Workshops for Distribution Companies' contractors continued in 2023. Tailored specifically for contractor employees, the "Lessons Learned from Accidents" workshops presented serious accidents that had occurred during contractor operations and the subsequent actions and responses. The goal of these workshops is to disseminate the Occupational Health and Safety (OHS) approach and experience of Distribution Companies to contractor companies.

Caring Culture Survey: A survey was conducted to determine employees' assessment of the health culture at their workplaces.

Occupational Health Webinars: Webinars on health issues were organized for employees and conducted by expert medical officials. The webinars are intended to inform employees regarding topics such as diabetes and sugar consumption, breast cancer, causes of headaches, and the benefits of sports.

Training for Contractors

We adhere to the legislation regarding the processes required for programming OHS trainings for the employees of contractor companies, ensuring this process through field audits, document controls and regular meetings. In 2023, contractor companies provided basic OHS training for 8,775 employees.

Field Audits

We established instructions and procedures for performed work to ensure that employees conduct their activities safely. In this context, we provided training in accordance with rules and procedures, and ensured compliance with these practices in the field through field inspections. In 2023, we conducted approximately 42,851 field inspections on our workforce.

Improving the OHS culture of our business partners and contractors is one of our core responsibilities. In this context, our relevant business units conduct one-on-one visits to contractors and request safety improvement plans. We conducted approximately 20,533 OHS field inspections of contractors in 2023.

Projects to Improve OHS Performance

We consider the prevention of occupational accidents to be a crucial aspect of maintaining a safe working environment. In pursuit of this goal, we prioritize root cause analysis in incident investigations. Across the Company, we implement innovative initiatives and practices that leverage technology to prevent accidents, particularly in high-risk processes.

In 2023, there were zero employee casualties due to occupational accidents.

In the same year, we implemented the following improvement measures targeted towards preventing potential accidents and enhancing the safety culture within the organization.

Post-Earthquake Psychological Support Program: After the earthquake in February, psychological support was provided to employees and their families in the Toroşlar region by Psychologist Dr. Nedret ÖZTAN and Expert Psychologist Füsün KURDOĞLU in 12 locations (İskenderun, Antakya, Kırıkhan, Samandağ, Reyhanlı, Payas, Altınözü, Yayladağ, Gaziantep, İslahiye, Adana and Osmaniye). Twenty-one Psychological First Aid training sessions were conducted for employees and their families, with an additional 17 sessions specifically tailored for children. In total, 656 employees (plus 93 family members) and 186 children attended these sessions.



Gül Çetin

Co-founder of Fikri Mahsul
Creator of the "I Protect My Energy" Project

"I Protect My Energy"

Enerjisa Enerji's "I Protect My Energy" project is a truly remarkable initiative that has been aimed at raising awareness about energy efficiency among primary school students since 2010. This project has made a positive impact on our challenging world, and it's a venture that we've nurtured with innovations over the years, earning us various awards. Collaborating with passionate stakeholders who genuinely love their work, I get to channel my creative talents into this project, where we've reached and touched the lives of thousands of children. I am delighted to have formed a heartfelt connection with all the children, teachers, and volunteers involved in this project. Witnessing the enduring positive impact of this social initiative, created in collaboration with Enerjisa, brings me great joy; may it continue to thrive indefinitely.

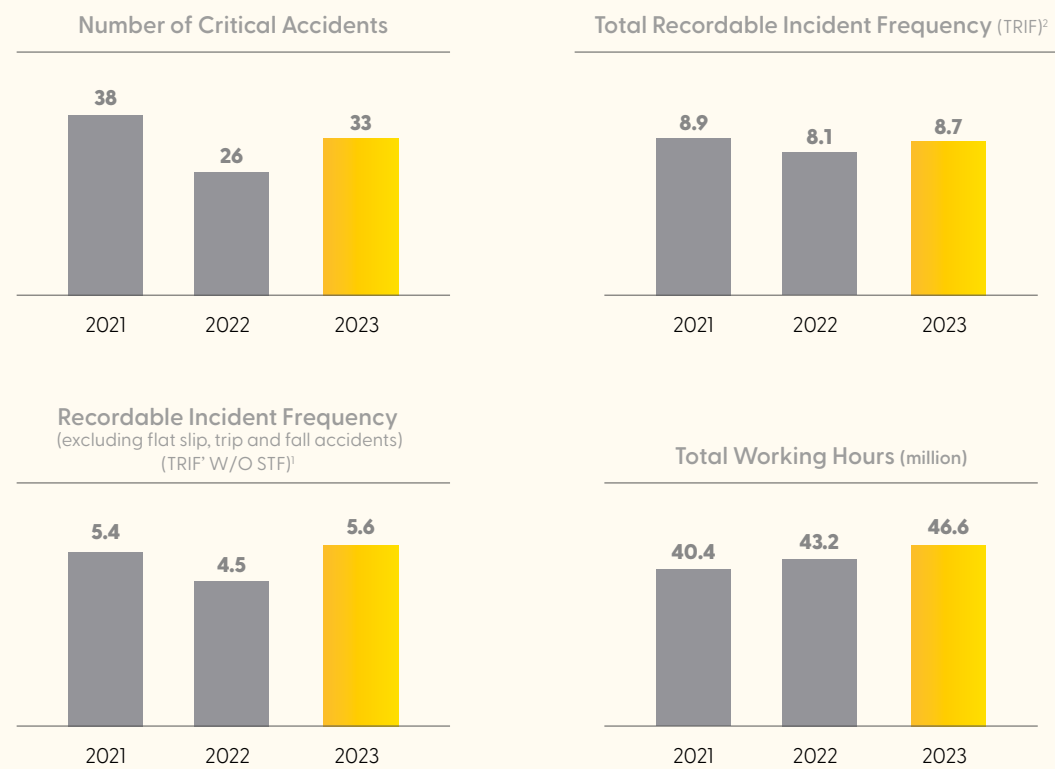
IMPACT FOR SOCIETY

We monitor OHS performance in line with critical accident targets.

Occupational Health and Safety Performance Indicators

We monitor OHS performance in line with critical accident targets. In addition, we ensure the participation of the entire organization in OHS audits and contractor management by monitoring SIP targets at the directorate level.

We monitor our OHS performance based on the following metrics. The data includes all employees and contractors.



¹Total Recordable Injury Frequency W/O Slip, Trip and Fall Accidents: (Accidents resulting in fatality, lost workdays, medical treatment; excluding flat slip, trip and fall accidents) x 1,000,000 / Total working hours

²Total Recordable Incident Frequency: (Accidents resulting in fatality, lost workdays, medical treatment) x 1,000,000 / Total working hours

* The numbers are consolidated for the Enerjisa Enerji employees and contractors.



IMPACT FOR SOCIETY

We are striving to increase our positive impact on society by focusing on corporate responsibility projects that have a significant effect.

Corporate Social Responsibility and Community Investment

At Enerjisa Enerji, in addition to offering direct financial support to enhance societal well-being via our social investments, we cultivate collaborations with reputable institutions and organizations that are authorities in their respective fields. We actively encourage our employees to engage in voluntary work, and we are striving to increase our positive impact on society by focusing on corporate responsibility projects that have a significant effect.

In 2023, we continued corporate social responsibility and community investment activities focusing on education, energy conservation, and the environment and society.

I Am Protecting the Energy of The World

Energy conservation is one of the most significant energy-related issues in Türkiye. As Enerjisa Enerji, we seek to raise social awareness regarding energy efficiency, particularly in primary schools, with the aim of creating a positive impact on society. Through the "I Am Protecting the Energy of the World" project, implemented within the framework of the protocol signed with the Ministry of National Education, we have carried out activities directed at raising awareness on energy efficiency among children since 2010. Since the start of the project, we have provided energy conservation training to more than 300 thousand pupils from 750

schools across 14 provinces, with the voluntary participation of 450 employees.

In 2023, to mark the project's fourteenth anniversary, we continued stagings of children's theatre performances. We reached approximately six thousand children through these events and provided them with information on energy conservation.

Independently measured, the project's return on social investment (SROI) indicator was realized as a 2.7 TL return for every 1 TL investment.

Ranked among Türkiye's top 20 Corporate Social Responsibility Projects, "I Protect My Energy" has been ongoing for more than a decade. In 2023, the project further expanded its sphere of influence with the Energy Savers Program, launched in cooperation with Bilim Virüsü, a social enterprise, last year. Within the program, we connect university volunteers with students aged 7-11. Coming together in this initiative are young individuals who strive to raise awareness on efficient energy use promote sustainability and contribute to the common good; the Program focuses on understanding the impact of individuals on Earth and the Earth's impact on individuals with a global awareness.

Participants in the Energy Savers Program undergo training workshops to develop expertise in areas such as energy and sustainability, storytelling, and learning through games. Subsequently, these young individuals, now Energy Savers, voluntarily deliver training modules on "Energy Saving," "Sustainability" and "Global Awareness" to children aged 7-10 in their local areas, and take action to conserve energy as a part of the Energy Savers Community.

Sustainable Energy-Based Tourism Practice Centre (SENTRUM)

In 2022, the 18-month transformation of the Sustainable Energy-Based Tourism Practice Centre (SENTRUM) project was successfully completed in Ayvalık Küçükköy in cooperation with the United Nations Development Program (UNDP) and Sabancı University. The project will directly or indirectly contribute to 10 of the 17 the United Nations Sustainable Development Goals. The SENTRUM project aims to:

- Raise awareness on energy efficiency by developing a Sustainable Green Destination Model,
- Support social, environmental and economic transformation in the field of sustainable tourism,
- Contribute to society-based socioeconomic development by raising awareness of energy efficiency and the use of renewable energy sources, and to
- Create a scalable and repeatable Sustainable Green Destination Model in Ayvalık Küçükköy.



Project Outcomes

- First, a current situation analysis was conducted in order to determine tourism resource values, to identify cultural and natural values that can be marketed in terms of tourism, and to gain familiarity with stakeholders.
- Green destination standards in various countries were examined, and standards that could be adapted to Küçükköy were determined. Within the framework of these standards, road maps were prepared on green purchasing, sustainable transportation, and production and consumption; feedback on the road maps was obtained from relevant public institutions and members of the local community.

- Energy survey studies were conducted for tourism enterprises and public buildings in the region. Eight businesses were supported with energy efficient lighting and white goods in line with their needs. Solar power plant and energy efficiency applications were implemented in two public buildings, and one private enterprise was supported in terms of improvements in energy applications.
- Training was provided to 140 high school students, along with business owners and women in the region, on topics such as energy efficiency, sustainable tourism, waste management, climate change and gender equality.

- Enerjisa Enerji's "I Am Protecting the Energy of the World Children's Theatre," ongoing for 14 years with the aim of raising awareness on energy efficiency for children aged 7-11, met with more than 500 children.
- The Sabancı University Creative Technologies Workshop in Küçükköy was positioned as the Sustainable Energy-Based Tourism Practice Centre (SENTRUM) to raise awareness on energy efficiency and the use of renewable energy resources.
- A permaculture garden was established on the SENTRUM grounds to support sustainable agriculture and raise awareness among visitors. In this manner, trainings offered at SENTRUM on topics such as energy efficiency, the use of renewable energy sources, permaculture applications, composting, rainwater harvesting and climate change were supported by practical applications.
- To address the issue of gender equality in all studies, a Gender Equality Action Plan was formulated to increase the participation of women in these processes, as well as to inform and empower them.
- In addition, in cooperation with the Ministry of Energy and Natural Resources, young graduates from engineering departments in Ayvalık and the surrounding provinces were invited to participate in energy manager training. Young people who completed the trainings and passed the relevant exams were eligible to become certified energy managers and conduct energy studies, thus increasing employment in this field.
- Alternative walking and cycling routes were established; the routes and energy use statistics were displayed via boards, signboards and qualified maps in a way to allow the source values to be experienced.

IMPACT FOR SOCIETY

We invested a total of TL 10 million in the Green Destination transformation of Küçükköy.

- As a supporter of the SENTRUM project, Enerjisa Enerji implemented energy efficiency practices under the umbrella of “The Energy of My Business” in Küçükköy, as part of SENTRUM, in order to contribute to the transformation of Küçükköy, and to support local economic development and promote sustainable tourism. Following the energy studies, energy efficiency and solar power plant applications were carried out in the Necmi Komili Primary and Secondary School and Küçükköy Cultural Centre.
- Within the scope of the projects, the buildings’ exterior insulation was conducted, as were the installations of air source heat pumps, and temperature-controlled double-glazed windows and PVC frames. In addition, the school’s radiators were modified and all radiator valves were replaced with thermostatic valves.

Through the “Energy of My Business” applications, annual energy savings achieved are equivalent to 15,000 kg of coal. The amount of carbon emissions to be prevented corresponds to an average of 90,000 kg/year. Annual energy production is 80,000 kWh.

As Enerjisa Enerji, we invested a total of TL 10 million in the Green Destination transformation of Küçükköy.

Sustainable Fishing Project

Together with the Karataş Municipality and Karataş Fisheries Cooperative, we are carrying out a comprehensive “Support to Sustainable Fisheries” project to promote local development and protect the environment. Adana, Karataş, among our operational locations, has one of the highest marine biodiversity levels in Türkiye, yet the amount of plastic waste in its seas increases each year. This issue impacts the entire fishing ecosystem, the primary source of income in the region. Within the framework of Support to Sustainable Fisheries, we are addressing this challenge through the establishment of a waste collection and recycling centre in the Cooperative area, where we collect ghost fishing nets and other plastic waste from the seas. This initiative not only helps clean our seas, but also provides additional income to members via the recycling of collected waste. Simultaneously, we aim to meet a significant portion of the Cooperative’s energy needs from renewable sources by installing a solar power plant on the roof of the ice production facility. The resulting electricity bill savings will contribute to women’s employment within the Cooperative. Through project-related training sessions such as “Sustainable

Fishing,” “Ergonomics in Fishing” and “Plastic Waste Management,” members enhance their awareness, acquire new competencies and develop skills, ultimately boosting the technical capacity of the Karataş Fisheries Cooperative.

In an event organized with our 300 volunteers in Karataş as part of the Sabancı Republic Mobilization, we conducted a sea, coast and port cleanup, raising awareness and collecting 878 kilograms of waste.

Tomorrow Is Possible with You

As part of the Sabancı Republic Mobilization, we are executing the “Tomorrow is Possible with You” project, a collaborative initiative involving Çimsa, SabancıDx and Sabancı University. On the 100th anniversary of the Republic and within the scope of the project, we are reaching 500 young people who are pursuing greater strengths in the field of new generation competencies, digital skills and technology, and helping them reach their potential while planning their careers. The “Tomorrow is Possible with You” project supports these young people in acquiring the skills and knowledge crucial for career planning, aiming to strengthen



their competence in thematic areas. Tailored for this purpose, the project includes young university students in workshop programs focusing on new generation competencies. Through these workshops, participants have an opportunity to acquire and develop skills that are essential for the future business world, including critical thinking, learning to learn, creativity, leadership, and emotional resilience and intelligence. By means of the mentoring program within the project, young individuals engage in one-on-one meetings with experienced mentors from the Sabancı Group. By meeting inspiring business figures, participants can deepen their knowledge, create a career vision, and gain insights into the interests, skills and values beneficial for career development.

Science Heroes Meet/First Lego League Tournaments

In collaboration with the Science Heroes Association, we engaged with 548 teams from 54 cities and more than four thousand Science Heroes in ten face-to-face and online tournaments during the FIRST LEGO League Super Powered - The Story of Energy season. As a component of our partnership, we conducted a webinar on Renewable Energy Applications. Additionally, we shared the excitement of the Science Heroes by involving our volunteer employees in providing jury support for tournaments held in Ankara and Istanbul.

Employee Volunteer Activities

We support employees’ voluntary participation in social responsibility projects and their efforts to contribute to social welfare in every aspect. We believe that such activities not only raise the morale and loyalty of our employees, but also strengthen their sense of belonging in the Company.

Our employees also participated in the Sabancı Republic Mobilization, initiated under the leadership of Sabancı Holding and held between October 29 and November 10. Within the scope of the mobilization, employee volunteers and their families took part in waste collection, a waste separation workshop, olive crushing activities and the 45th Istanbul Marathon.

In 2023, we initiated the utilization of the Abilitypool digital platform to streamline the management of our volunteering projects. This application allows us to execute and document all volunteer activities and employee volunteer hours on a unified platform. Through the application, we introduce our own “Energetic Hearts” projects to employees, who can also apply independently to various non-governmental projects organized by different associations. This platform empowers our employees to participate individually in projects led by various Non-Governmental Organizations in Türkiye and aligned with their talents and interests, consequently contributing to an increase in employee volunteering hours.

Başkent EDAŞ Sports Club

As Enerjisa, we support the development of youth in sports and education, and carry out activities aimed at safeguarding youth from harmful habits and promoting their well-being and education. Active since 2010, the Başkent EDAŞ Sports Club, in 2023, participated in leagues in all categories between the ages of 12 and 18, with a total of 135 athletes under the management of two coaches. The club successfully represented the Company by winning the championships in the U13 and U15 leagues, receiving second place in the U14 and U17 leagues, and third place in the U16 and U18 leagues. While supporting the physical and mental development of our young people, we also prepare them for the future as healthy and well-rounded individuals by promoting a team spirit, and by offering the opportunity to realize their potential.

BUSINESS FOR IMPACT

Our goal is to connect and create a New Energy World, setting an example for millions of people while delivering a vital public service.



Celal Safsoylu
Chairman of S.S. Karataş
Fisheries Cooperative

“Karataş Sustainable Fishing Project”

In our district, Karataş, boasting the largest fishing fleet in the Mediterranean, fishing stands as the primary livelihood for our local community. Through our partnership with Enerjisa Enerji, the revenue generated from establishing renewable energy systems is directed as a resource towards the initiative of collecting plastic waste and discarded fishing nets in our seas. This project not only enhances the income of our fishermen, ensuring the sustainability of their profession, but also safeguards the future of our seas and the longevity of marine ecosystems by preventing abandoned nets from persisting in the oceans. Furthermore, the net knitting activities designed for women aim to amplify their presence in the industry.

We aspire to contribute to the growth of our business by offering sustainable products and services through a responsible value chain approach and innovation.

As one of Türkiye's leading companies in electricity distribution, retail sales and customer solutions, we play a pivotal role as a catalyst for social development and prosperity. We recognize our obligation to provide essential services in this field: Our goal is to connect and create a New Energy World, setting an example for millions of people while delivering a vital public service. In that regard, we have placed sustainability at the core of our business.

We acknowledge that a sustainable society relies on a robust and adaptable energy ecosystem. Therefore, we focus on providing sustainable products and services, while aiming to meet our customers' demands and expectations with tailored solutions.

Innovation is an indispensable element of our sustainability strategy, and we continue to invest in initiatives that accelerate the transition to a resource-based, flexible and low-carbon economy.

Sustainable Products and Services

We are committed to developing sustainable products and services that move towards a resilient and growing energy ecosystem. Accordingly, we established Enerjisa Müşteri Çözümleri A.Ş. in 2017 to engage in customer solutions activities; since October 2020, we have offered end-to-end solutions to enhance energy efficiency and reduce the carbon emissions of corporate customers under the roof of “The Energy of My Business (İşimin Enerjisi)”. Additionally, in our distribution business, we designate distribution investments that support the transition to a low-carbon energy system.

Customer Centricity

The importance of “customer centricity” is growing in tandem with evolving customer needs and behaviours. A customer-oriented approach requires an intense focus on the needs and demands of our customers. Placing customer satisfaction at the heart of our business model, we offer the best services, create new applications and consistently make new investments.



BUSINESS FOR IMPACT

We invest in innovation to lead the New Energy World.

Responsible Supply Chain

We continue grid investments across three distribution regions in order to provide uninterrupted and high-quality electricity service to our customers. In carrying out various infrastructure projects as part of these investments, we require flexible supply chain management.

Innovation

We invest in innovation to lead the New Energy World and explore new opportunities through a systematic innovation approach. Our innovation activities foster a culture of innovation within the Company in addition to focusing on the entrepreneurship ecosystem outside the Company and establishing strong collaborations.

Data Security

The amount of data that we process, transmit and store grows exponentially alongside digitalization processes. As part of our responsibility to provide a public service, we take every precaution necessary to ensure the highest level of confidentiality and security regarding customer information within the framework of the applicable legislation. To achieve this, we implement measures and actions set by our corporate policies and procedures.

Supply Chain Management

To ensure the provision of uninterrupted and high-quality electricity service to our customers, we are actively engaged in network maintenance and investments in three distribution regions, as well as renewable energy power plant installations and energy efficiency projects in line with Türkiye's medium-term plans. These efforts contribute to the ongoing transformation process in Türkiye; thus the significance of flexible supply chain management cannot be overstated in successfully realizing these investments and projects.

We work with more than three thousand suppliers, procuring various services including infrastructure installation, distribution grid construction, repair and maintenance, renewable energy power plant installation and energy efficiency projects, and building construction and renovation, along with the procurement of other goods and services to ensure the sustainable development of our products. Around 128 of these suppliers are critical Tier-1 suppliers¹. The entire supplier network of the electricity distribution business line is composed of local suppliers.

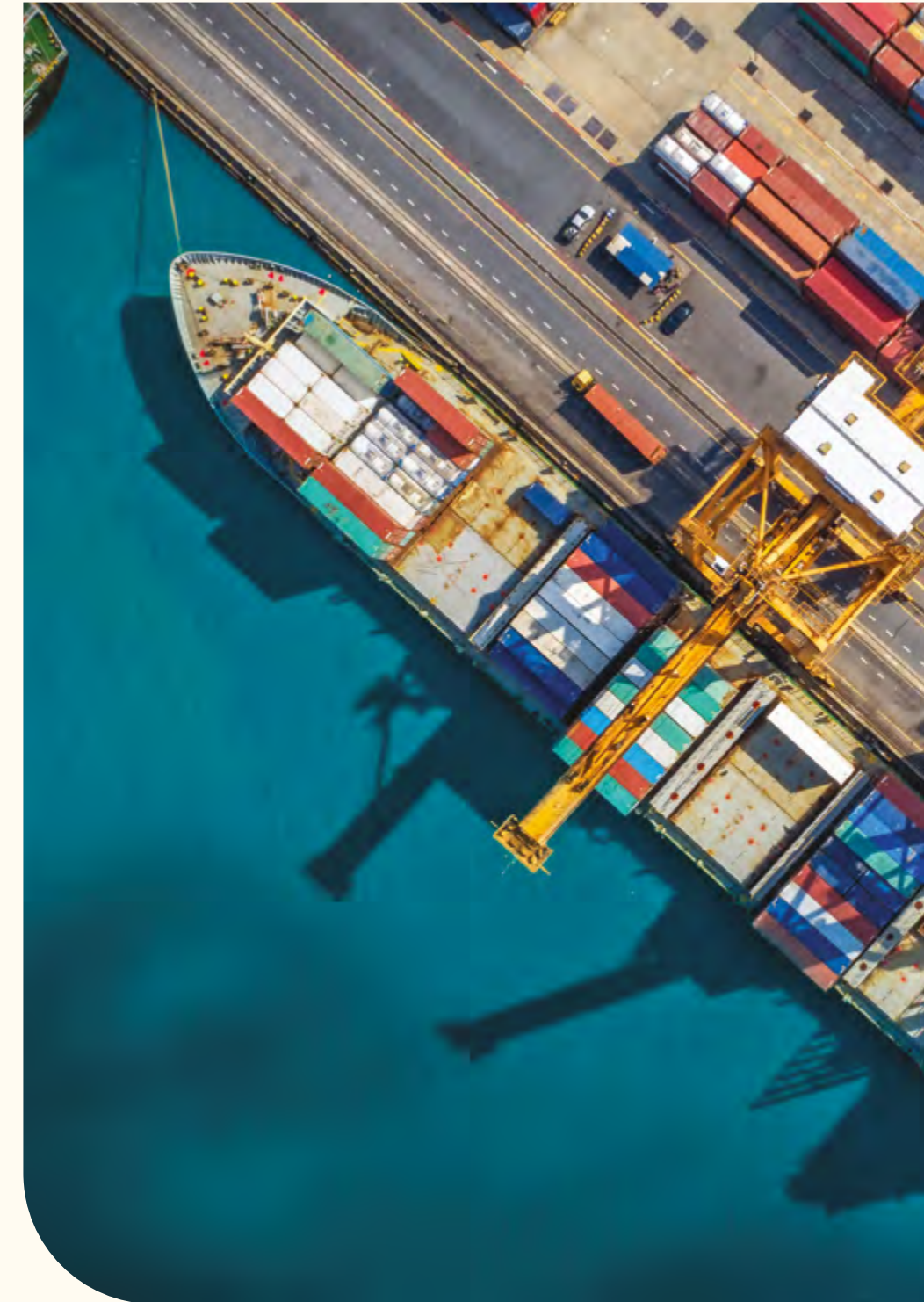
¹ The first level critical suppliers consist of suppliers who have contracts over TL 2 million, as well as suppliers whose contract amount is lower but are critical for the supply chain.

Our comprehensive logistics operations encompass 117 Operation Centre Warehouses and 18 Logistics Service Centres, covering a total area of 351,835 square metres. The management of our logistics operations involves a fleet of 144 vehicles, including mobile cranes, forklifts, panel vans and pickup trucks. Material management for both investment activities and maintenance/repair works is efficiently handled through our Logistics Service Centres.

We categorize planned material purchases and suppliers based on market complexity, supply risk, potential bottlenecks in internal and external markets, and suppliers' impact on our profitability using the Kraljic Matrix. This matrix allows us to define the most appropriate purchasing, planning and inventory strategies for each materials purchasing category or supplier.

While applying the Kraljic Matrix to planned materials purchases, we not only identified risks in the domestic and global markets for the 2023 period, but also formulated strategies to mitigate these risks. Supply continuity risks, including those related to disasters, energy, political processes, and the effects of climate change identified at the beginning of 2023, were incorporated into the supply plans using the Kraljic Matrix. Strategies were developed to ensure supply security against these risks.

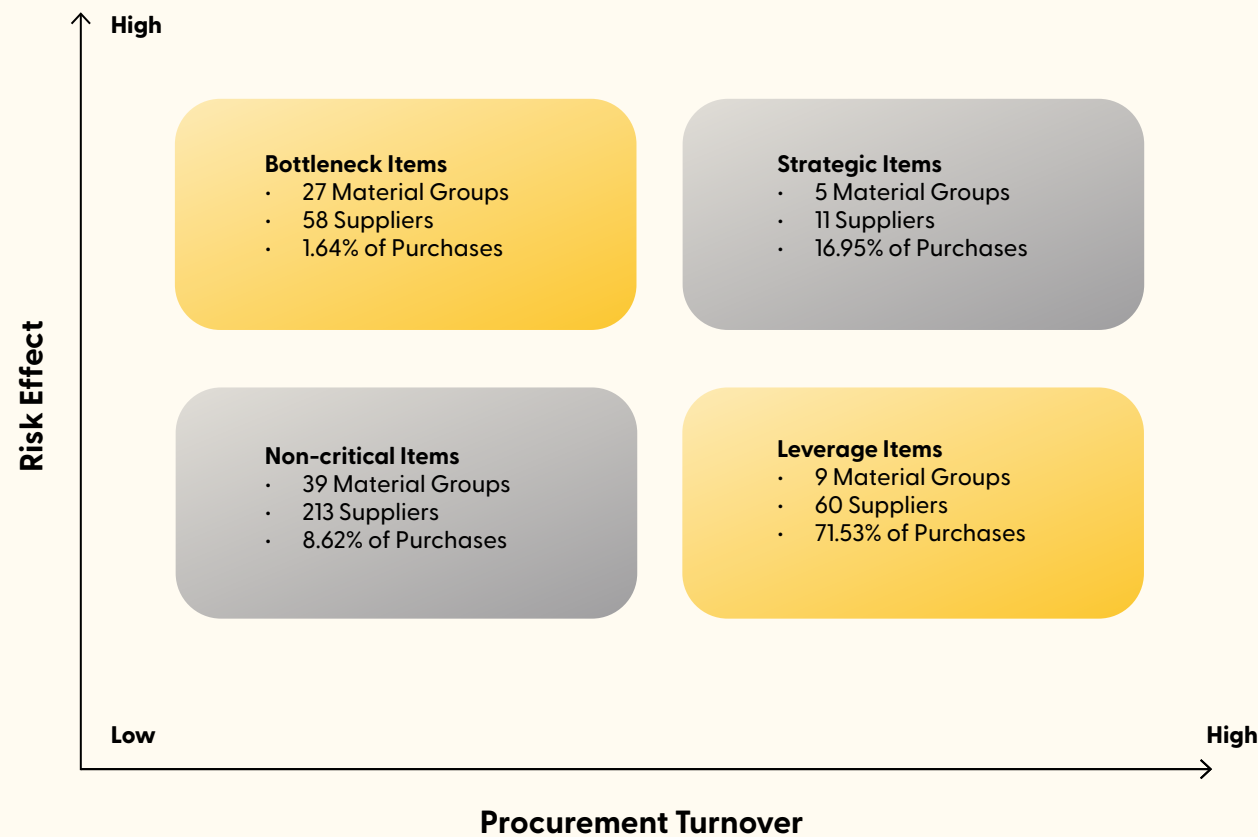
In alignment with the Company's 2023 targets, the supply of electricity network materials required for investment, maintenance, and repair processes has been ensured without interruption. These materials were used for expansion, development, continuity and emergency needs during disasters. The procurement and supply continuity strategies were regularly updated throughout the year in response to changing investment and operation plans. The frequency and severity of disasters are increasing due to global changes in climate and natural conditions; consequently, the critical importance of the necessity and management of disaster plans and stocks, determined in previous years, once again came to the forefront with the disasters that occurred in 2023. In Distribution Companies' electricity network material stocks are maintained at a predetermined level for potential disaster situations.



BUSINESS FOR IMPACT

In alignment with the Company's 2023 targets, the supply of electricity network materials required for investment, maintenance, and repair processes has been ensured without interruption.

Kraljic Matrix



Kraljic Matrix: The Kraljic Matrix, also known as the Kraljic model, is applied in the planned material management of our supply chain. The matrix is utilised to assess the complexity and risk of the supply market, as well as the significance of suppliers in terms of their impact on the company's profitability. This tool enables the Company to define the most appropriate purchasing, planning and inventory strategies for each materials purchasing category or supplier.

Our Sustainability Approach in the Supply Chain

In our supply chain management processes, we follow the principles outlined in the "Enerjisa Enerji Code of Conduct" and "People Guidelines." We act carefully and diligently in the selection of suppliers, distributors, authorized dealers, service providers and consultants. We take all required measures and follow up on the outcomes to ensure that our business partners comply with the applicable legislation, the Code of Conduct, and principles governing business ethics and anti-corruption, as well as OHS rules and respect for human rights.

We secure confidentiality commitments in all of the Company's business relations using contractual means in line with our Code of Conduct. During the selection stage, we also ensure that the natural persons and legal entities with whom we work are not included

in national and international sanction lists, and are not connected with any terrorist organization, terrorist actions, or tax fraud or money laundering activities.

In 2023, on-site visits were conducted with suppliers to discuss their efforts in sustainability and carbon emissions. While the reports and studies in this regard are still in the early stages within the sector, these visits have contributed to raising awareness among suppliers on the critical importance of sustainability and carbon emissions, topics that will be pivotal in the future.

We expect our suppliers to meet the fundamental standards required for successful Environmental, Social and Governance performance, including respect for human rights. Thus, we require our suppliers to sign the "Enerjisa Enerji Supplier Business Rules" and the "Enerjisa Enerji Supplier Compliance

Declaration," and to comply with our "Enerjisa Enerji OHS and Environmental Policies."

We pay our consultants only for duly executed and legitimate services. We require our business partners and companies from/to which we purchase/sell goods and services to comply with the "Anti-Bribery and Anti-Corruption Policy," as well as our current policies regarding business partner selection, procurement procedures and instructions, and other relevant legal regulations.

Furthermore, we implement a "Third-Party Relations Policy," which specifies the fundamental principles that apply to the parties with whom we work and their working conditions in all our business dealings. We terminate contracts with individuals and organizations that do not comply with these policies.



BUSINESS FOR IMPACT

As the sustainability of our supply chain is critical, we support our suppliers and business partners in various ways.

Initiatives to Support the Ecosystem

As the sustainability of our supply chain is critical, we support our suppliers and business partners in various ways. Some of the support mechanisms are as follows:

Training: We provide training to suppliers that are of critical importance to our activities in areas ranging from changes in legislation to technical issues related to procurement. Furthermore, we hold Q&A sessions with suppliers prior to calls for tenders, in order to minimize uncertainties that they may experience due to any changes in the regulation (EMRA Procurement Regulation) or the Company's policies during the procurement process.

Sustainability of the Supply Chain:

For all planned materials, supply continuity risks identified at the beginning of 2023, including those related to disasters, political processes, risks in the field of energy, and the effects of climate change, were incorporated into the supply plans using the Kraljic Matrix. Strategies were then developed to ensure supply security against these risks. We aim to leverage the dynamic nature of the market by comprehensively assessing the entire supply chain; in this context, we shortened contract terms and introduced price differentials to promptly reflect commodity price changes in contracts with certain suppliers facing bottlenecks in commodity supply.

We continue to leverage framework contracts, enabling us to cultivate longer-term relationships with a broader spectrum of suppliers. We also utilise framework sub-contracts to promptly obtain prices aligned with market conditions. In addition, suppliers are expected to sign Third-Party Code of Conduct and Declaration of Compliance documents. Through this declaration, suppliers are expected to comply with all relevant legal regulations, the stipulations outlined in contracts, specifications and similar documents governing the business relationship with Enerjisa Enerji, as well as internationally applicable regulations.

Of our 2023 purchases, 99.81% are contracted purchases. In all these purchases, the Third-Party Code of Conduct and Declaration of Compliance (as of 5 April 2023) or the Supplier Code of Conduct and Declaration of Compliance have been signed.



BUSINESS FOR IMPACT

Third-Party Code of Conduct and Statement of Compliance

Basic Principles

This document has been prepared to inform and guide our Business Partners regarding our expectation that they adhere to the highest ethical standards while conducting business.

In all agreements we sign, we provide information to our Business Partners in the Declaration of Compliance form, indicating where to report situations that constitute a violation or suspected violation, based on reasonable suspicion within the scope of this Code of Conduct and Declaration of Compliance. This includes situations that may create a conflict of interest with Enerjisa Enerji.

Anti-Bribery and Anti-Corruption

We are against all types of corruption. We do not take or give bribes under any circumstances to influence any official transaction or decision, or to assist the Company in taking or maintaining business; we do not act in any way that could cause corruption. In this regard, we act in accordance with all applicable law and the “Enerjisa Enerji Anti-Bribery and Anti-Corruption Policy.” We know that violation of Enerjisa Enerji Anti-Bribery and Anticorruption Policy is illegal, as are taking and giving bribes, and that such actions will lead to extremely serious sanctions, including imprisonment, and we act accordingly. We expect our suppliers to act in accordance with these rules.

Our Business Partners avoid any conduct that may lead to corruption. Our Business Partners undertake and guarantee that their employees, subcontractors or agents will not take advantage of, bribe, make illegal donations or other illegal payments to, or accept benefits from, public officials or other third parties. These rules also apply to facilitating actions and payments [payments made to secure

or expedite a routine transaction or process (obtaining permits and licenses, obtaining documents, etc.)] with government agencies.

All transactions must be recorded in legal books and records in an accurate, transparent and adequately disclosed manner.

Environment, Health and Safety

Ensuring a secure, healthy and safe environment for our employees and stakeholders, and protecting the environment are key priorities. We act in accordance with Health and Safety legislation, the Enerjisa Enerji Health and Safety Policy, the ISO 14001 Environmental Management System Standard and the relevant legal regulations on the environment.

We expect our Business Partners to prioritize the protection of health, safety and the environment in the workplace, and to establish and maintain a work environment in line with this basic principle.

Our Business Partners ensure that their employees receive complete training on occupational safety. They provide their employees with the necessary work-related personal protective equipment and ensure that their employees regularly undergo occupational health inspections.

We expect our Business Partners to take measures to protect the environment, establish and maintain an appropriate environmental management system, and encourage the development and dissemination of environmentally friendly technologies to reduce environmental impacts and hazards and further protect the environment in their daily operations.

Labor and Human Rights

We are against forced labour, gender discrimination, child labour, exploitation of children and all other abusive or exploitative behaviour related to workers.



We expect our Business Partners to act in accordance with Enerjisa Enerji Human Rights Policy, to protect human rights, to stand against forced labour, to prevent discrimination and harassment, to comply with legal working hours for employees, to not employ child labour, to respect the rights of employees to organize or elect their own representatives without fear of reprisal, to ensure that employees receive their wages in full and on time in accordance with the legislation, and to treat their employees and partners with dignity and respect.

Our Business Partners must conduct their activities by avoiding child labour, forced labour and work abuse. In addition, in accordance with ILO Conventions and Recommendations, the Universal Declaration of Human Rights and the UN Global Compact, we expect our Business Partners and those with whom our Business Partners have business relationships not to tolerate slavery and human trafficking.

We expect our Business Partners to provide a work environment free from violence, harassment, and other unsafe and offensive conditions resulting from internal and external threats.

Compliance with International Sanctions and Trade Controls

To the extent applicable to our business, we comply with, and expect our Business Partners to comply with, all rules and restrictions, including import and export control rules, economic sanctions regulations, and embargoes imposed by various governments, international organizations and financial institutions around the world.

Business Partners Compliance Code of Conduct

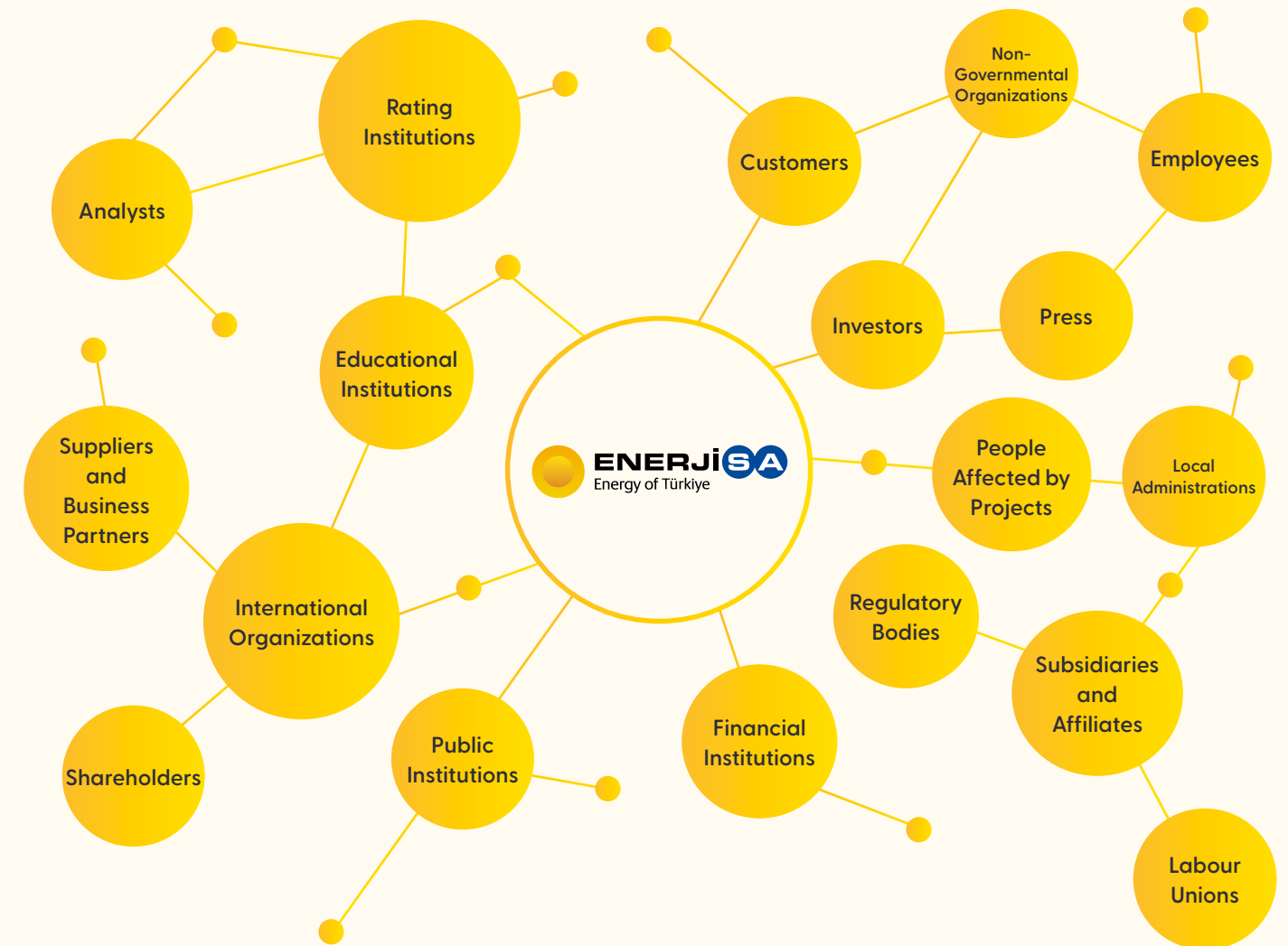
We select our Business Partners based on technical competencies, product and service quality, pricing, corporate reputation and financial soundness. We act in accordance with Enerjisa Enerji’s Third-Party Relations Policy, which defines the basic principles and principles regarding our working conditions with the parties we will work with within the scope of all business processes; we expect our Business Partners to act in accordance with the aforementioned Policy and to take great care to prevent damage to Enerjisa Enerji’s corporate reputation.

We expect our Business Partners to pay attention to the minimum rules of courtesy and respect in communication with customers and third parties on behalf of Enerjisa Enerji, and to use the communication language appropriate to the Company’s corporate identity.

STAKEHOLDER ENGAGEMENT

We value our relations with all stakeholders who are directly or indirectly affected by our activities.

Enerjisa Enerji Stakeholders



We value our relations with all stakeholders who are directly or indirectly affected by our activities. As we work with an extensive value chain, we communicate with the stakeholders in this ecosystem on the basis of trust and in an open and transparent manner. Within this framework, we identify all stakeholders within our impact area and the impacts of our activities on these stakeholders.

The ultimate responsible of stakeholder engagement is Head of Sustainability and Corporate Capabilities (CSO). We adopted the AA1000 Accountability Stakeholder Engagement Standard to identify our stakeholders.

We employ various communication tools to collect opinions and feedback and to effectively address expectations from our employees and internal and external stakeholders, including customers, shareholders, non-governmental organizations, international organizations, analysts, financial institutions, subsidiaries, universities, media, business partners, suppliers, government agencies, regulatory bodies, and local governments.

We utilize several communication tools to receive feedback from our stakeholders and to effectively address their expectations. We communicate with our internal and external stakeholders on a regular basis via the mechanisms specified in Annex III.



Dr. Ali Ercan Özgür
Co-founder of Needs Map

“RRDC – Needs Map”

As the “Need Map,” we are continuing to take robust steps in the reconstruction of the disaster zone following the February 6th earthquake. In this journey, we take pride in establishing the Regional Reconstruction and Development Centre (RRDC) with the support of the United Nations Development Programme (UNDP) and Enerjisa Enerji, in coordination with the Adana and Gaziantep Chambers of Commerce.

Together with Enerjisa Enerji, a key private sector partner, RRDC has been diligently working to provide support for the purchase of machinery, equipment, and raw materials for SMEs in the earthquake-affected region, with the aim of restoring prosperity in the area.

As the “Need Map,” we find immense joy in being a part of every effort that contributes to the socio-economic development of our country, collaborating seamlessly with our ecosystem.

We are confident that the Regional Reconstruction and Development Centre (RRDC) will play a pivotal role in taking significant steps to fortify the operations of businesses in the sector.

STAKEHOLDER ENGAGEMENT

We conduct annual employee engagement surveys to assess employee engagement and satisfaction, and to ensure that the best possible and fair working conditions are provided.



Umut Zenar
Çimsa CEO

“Energy of My Business – Enerjisa Enerji Çimsa Collaboration”

To achieve a substantial reduction in global emissions by 2030, a widespread shift towards the utilization of renewable energy is imperative. Aligned with our sustainability objectives and SBTi target, at Çimsa, we concentrate on areas like diminishing carbon footprint, enhancing energy efficiency, and promoting environmentally friendly products. Through the “The Energy of My Business” initiative in collaboration with Enerjisa, we fulfill our energy requirements from renewable sources, courtesy of the investment we’ve executed in our Afyon Factory. This facility stands as one of the largest solar energy plants in the Turkish cement sector.

Employees and Labour Organizations:

For the purpose of fostering a positive corporate environment, communication and culture across the entire organization, we provide a safe working environment to our employees and support their development. Within this framework, we focus on issues such as developing our employees’ leadership skills, supporting employees’ development through various training programs, and ensuring equal opportunities to all employees. We conduct annual employee engagement surveys to assess employee engagement and satisfaction, and to ensure that the best possible and fair working conditions are provided. Additionally, we respect labour unions and our employees’ collective bargaining rights, as stated in the Human Rights.

Customers: We believe that access to energy is an undisputable human right. We strive to deliver the best possible service in power supply by constantly improving our products and services. We provide electricity to a population of around 22 million with a customer-centric approach. We offer our customers tailored product and services in compliance with the ISO 10002 Customer Satisfaction Management System Standard.

Contractors and Suppliers: We purchase goods and services from more than three thousand different suppliers, of which around 128 are categorized as first-tier critical suppliers. The entire supplier network in our distribution business line is composed of local suppliers. Attaching importance to the quality and sustainability of the supply chain, we support the development of our suppliers and business partners.

Public Institutions and Regulatory Bodies: Public institutions and regulatory bodies are critical stakeholders that may directly affect us. We are aware of the necessity of a regulatory framework which promotes investments, efficiency and quality for a reliable and cost-effective grid infrastructure in Türkiye. We regularly interact with public institutions and regulatory bodies, and conduct our relations with public institutions on the basis of integrity, honesty, equality and independence; independent of any political view and in a manner consistent with our corporate identity.

Local Governments: Within the scope of our annual Local Governments Communication Plan, we regularly visit the offices of governors, district governors, mayors and local community leaders, i.e., mukhtars (elected village or neighbourhood leaders) in our regions. We learn about the expectations of local governments through face-to-face interviews. The requests and feedback we receive provide us with the opportunity to improve our work processes.

Non-Governmental Organizations (NGOs): As the sector leader, we are actively involved with NGOs and initiatives that advance the sector and extend our sustainability vision.

We actively participate in non-governmental organizations and initiatives to promote actions that move our industry forward and broaden the private sector’s sustainability vision at the highest levels. Our Board of Directors Chairperson is also the Vice President of the World Energy Council. In addition, he serves as a Board member for the Sabancı University İstanbul International Centre for Energy and Climate (IICEC), which conducts energy policy research and brings together prominent global authorities on energy and climate at Sabancı University. Additionally, he is the Chairperson of the Association of Distribution System Operators (ELDER) and a member of the Advisory Council of the SHURA Energy Transition Centre.

In its commitment to enhancing environmental performance, Enerjisa Enerji continued various collaborations with non-governmental organizations in 2023. The Company actively participated in the TÜSİAD Environment and Climate Change Working Group and Circular Economy Sub-Working Group and, also in 2023, we continued our contribution to the Environmental Working Group of the Electricity Distribution Services Association (ELDER). The Environmental Working Group of ELDER, established in 2021, aims to promote collaboration and consistency in the environmental management practices of electricity distribution companies. Additionally, Enerjisa Enerji is a participant in the Business World Plastics Initiative initiated by TÜSİAD, and an ongoing collaborator with the Business World and Sustainable Development Association (SKD Türkiye).

Our CEO has been serving as the Chairperson of EUROGIA2020, a EUREKA Cluster for low-carbon energy technologies; EUROGIA2020 is a market- and industry-driven initiative that works across the entire energy value chain, from renewable energy and efficiency to reducing energy consumption and carbon emissions from fossil fuels. In addition to his position on the ELDER Board of Directors, our CEO serves as the Chairman of the Board for the E-mobility Operators Association (E-MOD). Moreover, members of Enerjisa Enerji’s executive team are actively engaged as board or steering committee members at various organizations, including The Blockchain Türkiye Platform, the Artificial Intelligence and Technology Association, the Energy Digitalization Association, the Association of Young Executives and Business People, and the Women in Technology Association.

At Enerjisa Enerji, we focus on diversity, equality and inclusion in all our processes. We take an active role in NGOs and platforms working on diversity, equality and inclusion in order to raise social awareness and consciousness on these issues. As a founding member company of the Sabancı University Business Against Domestic Violence (BADV) project, we actively participated in the network’s initiatives in 2023. A recipient of support from the Sabancı Foundation and UNFPA, the project was hosted by TÜSİAD and conducted by the Sabancı University Corporate Governance Forum, serving as a collaborative effort to address domestic violence. We support and take an active role in projects to empower women through organizations such as TurkishWIN and the Women in Technology Association. The full list of member organizations is provided in the Annexes.

Corporate Stakeholder Engagement Plan

We prepared a Corporate Stakeholder Engagement Plan within the scope of the loan agreement signed with the European Bank for Reconstruction and Development (EBRD) in 2019 and in accordance with the conditions of EBRD Requirement 10 (EBRD PR10): “Information Disclosure and Stakeholder Engagement”; and we update the Plan every year. The Corporate Stakeholder Engagement Plan establishes a framework for stakeholder engagement, public consultation, stakeholder identification and grievance mechanisms that we plan to execute at the corporate level, as well as their implementation processes.

The Corporate Stakeholder Engagement Plan will be disclosed in the 2023 Sustainability Report.



SUSTAINABILITY PRINCIPLES COMPLIANCE REPORT

	Company Compliance Status				Explanation	Report Information on Publicly Disclosed Information (Page number, menu name on the website)
	Yes	Partial	No	Not Applicable		
A. GENERAL PRINCIPLES						
A1. Strategy, Policy and Goals						
A1.1. The prioritised environmental, social and corporate governance (ESG) issues, risks and opportunities have been determined by the Company's Board of Directors.	X				There is a Sustainability Executive Committee includes the executives of the relevant business units. The committee meets regularly and evaluates ESG priority issues, risks and opportunities. Within this framework, it determines the Company's short-, medium- and long-term strategies and action plans, makes the necessary revisions in its current policies, and creates new policies and procedures. Additionally, ESG issues are discussed in the Corporate Governance Committee and Early Detection of Risk Committee set under the Board of Directors and the Board of Directors is informed.	https://www.enerjisa.com.tr/en/sustainability https://www.enerjisainvestorrelations.com/medium/ReportAndPresentation/File/2855/enerjisaenerji2022sustainabilityreport.pdf (Pg. 36-38, 133-138)
A1.1. The ESG policies (Environmental Policy, Energy Policy, Human Rights and Employee Policy etc.) have been created and disclosed to the public by the Company's Board of Directors.	X				ESG Policies are published on the website.	https://www.enerjisainvestorrelations.com/en/corporate-governance/policies
A1.2. The short and long-term targets set within the scope of ESG policies have been disclosed to the public.	X				Enerjisa Enerji undertakes sustainability perspective in all its core business areas and adapts its corporate strategy to this. In addition, while positioning itself in the energy world of the future, it created its short, medium and long-term targets and disclosed them through the Sustainability Report.	https://www.enerjisainvestorrelations.com/medium/ReportAndPresentation/File/2855/enerjisaenerji2022sustainabilityreport.pdf (Pg. 30)
A2. Implementation/Monitoring						
A2.1. The responsible committees and/or business units for the implementation of ESG policies and the senior officials related to ESG issues in the Company and their duties have been identified and disclosed to the public.	X				There is a Sustainability Executive Committee which includes executives of the relevant business units.	https://www.enerjisainvestorrelations.com/en/corporate-governance/committees https://www.enerjisainvestorrelations.com/medium/ReportAndPresentation/File/2617/enerjisasustainabilityexecutivecommitteechartervf.pdf
A2.1. The activities carried out within the scope of policies by the responsible committee and/or unit have been reported to the Board of Directors at least once a year.	X				Sustainability Executive Committee assigned with Sustainability Principles Compliance activities reports to the Board of Directors.	https://www.enerjisainvestorrelations.com/medium/ReportAndPresentation/File/2625/enerjisaenerji2022annualreport.pdf (Pg. 164)
A2.2. In line with the ESG targets, the implementation and action plans have been formed and disclosed to the public.	X				ESG targets, materiality matrix and implementation-action plans are disclosed in Sustainability Report. The implementation and action plans are detailed under individual section they are executed.	https://www.enerjisainvestorrelations.com/medium/ReportAndPresentation/File/2855/enerjisaenerji2022sustainabilityreport.pdf (Pg. 29, 30, 40, 47-152)
A2.3. The Key ESG Performance Indicators (KPI) and the level of reaching these indicators have been disclosed to the public on yearly basis.	X				ESG performance indicators covering the last three years retrospectively, are explained in Sustainability and/or Annual Reports.	https://www.enerjisainvestorrelations.com/medium/ReportAndPresentation/File/2625/enerjisaenerji2022annualreport.pdf (Pg. 167-173) https://www.enerjisainvestorrelations.com/medium/ReportAndPresentation/File/2625/enerjisaenerji2022annualreport.pdf (Pg. 244-247)
A2.4. The activities for improving the sustainability performance of the business processes or products and services have been disclosed to the public.	X				Enerjisa Enerji explains the activities taken to improve sustainability performance for business processes or products and services in its Annual and/or Sustainability Reports.	https://www.enerjisainvestorrelations.com/medium/ReportAndPresentation/File/2625/enerjisaenerji2022annualreport.pdf https://www.enerjisainvestorrelations.com/medium/ReportAndPresentation/File/2855/enerjisaenerji2022sustainabilityreport.pdf

	Company Compliance Status				Explanation	Report Information on Publicly Disclosed Information (Page number, menu name on the website)
	Yes	Partial	No	Not Applicable		
A3. Reporting						
A3.1. The information about the sustainability performance, targets and actions have been given in annual reports of the Company an understandable, accurate and sufficient manner.	X				Enerjisa Enerji discloses its sustainability performance and actions to the public once a year in its Sustainability Report. The Sustainability section in the Annual Report also includes sustainability activities.	https://www.enerjisainvestorrelations.com/medium/ReportAndPresentation/File/2625/enerjisaenerji2022annualreport.pdf (Pg. 162-193) https://www.enerjisainvestorrelations.com/en/sustainability/sustainability-reports/
A3.2. The information about activities which are related to the United Nations (UN) 2030 Sustainable Development Goals have been disclosed to the public.	X				Enerjisa Enerji links its activities with the UN Sustainable Development Goals for 2030 in its Sustainability Report.	https://www.enerjisainvestorrelations.com/medium/ReportAndPresentation/File/2855/enerjisaenerji2022sustainabilityreport.pdf (Pg. 29, 30)
A3.3. The lawsuits filed and/or concluded against the Company about ESG issues which are material in terms of ESG policies and/or will significantly affect the Company's activities, have been disclosed to the public.	X				Necessary disclosures on this issue are made in the Annual Report.	https://www.enerjisainvestorrelations.com/medium/ReportAndPresentation/File/2625/enerjisaenerji2022annualreport.pdf (Pg. 218)
A4. Verification						
A4.1. The Company's Key ESG Performance metrics have been verified by an independent third party and publicly disclosed.	X				In 2022, a verification study has been made by independent third party and disclosed in the 2022 Sustainability Report.	https://www.enerjisainvestorrelations.com/medium/ReportAndPresentation/File/2855/enerjisaenerji2022sustainabilityreport.pdf (Pg. 154-156)
B. ENVIRONMENTAL PRINCIPLES						
B1. The policies and practices, action plans, environmental management systems (known by the ISO 14001 standard) and programs have been disclosed.	X				Enerjisa Enerji discloses its policies and practices, action plans, environmental management systems (ISO 14001 standard) and programs in the field of environmental management on its website and/or Annual and/or Sustainability Reports.	https://www.enerjisainvestorrelations.com/medium/ReportAndPresentation/File/2625/enerjisaenerji2022annualreport.pdf https://www.enerjisainvestorrelations.com/medium/ReportAndPresentation/File/2855/enerjisaenerji2022sustainabilityreport.pdf https://www.enerjisainvestorrelations.com/en/corporate-governance/policies/
B2. The environmental reports prepared to provide information on environmental management have been disclosed to the public which is including the scope, reporting period, reporting date and limitations about the reporting conditions.	X				These issues are addressed in the Limited Assurance Report within Sustainability Reports.	https://www.enerjisainvestorrelations.com/medium/ReportAndPresentation/File/2855/enerjisaenerji2022sustainabilityreport.pdf (Pg. 154-164)
B4. The environmental targets within the scope of performance incentive systems which included in the rewarding criteria have been disclosed to the public on the basis of stakeholders (such as members of the Board of Directors, managers and employees).	X				Necessary disclosures on this issue are made in the CDP Reports.	https://www.enerjisainvestorrelations.com/medium/ReportAndPresentation/File/2874/cdpclimatechange2023.pdf https://www.enerjisainvestorrelations.com/medium/ReportAndPresentation/File/2875/cdpwatersecurity2023.pdf
B5. How the prioritised environmental issues have been integrated into business objectives and strategies has been disclosed.	X				Enerjisa Enerji aims to develop a strategic and holistic approach related to economic, environmental and social factors and create long-term value by focusing on sustainability. Progress in this area is explained in detail in the Sustainability Reports.	https://www.enerjisainvestorrelations.com/medium/ReportAndPresentation/File/2855/enerjisaenerji2022sustainabilityreport.pdf



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	Company Compliance Status				Explanation	Report Information on Publicly Disclosed Information (Page number, menu name on the website)
	Yes	Partial	No	Not Applicable		
B7. The way of how environmental issues has been managed and integrated into business objectives and strategies throughout the Company's value chain, including the operational process, suppliers and customers has been disclosed.	X				Enerjisa Enerji expects its suppliers to comply with highest ESG standards and to have processes in place to achieve this. In this context, it asks its suppliers to sign the Enerjisa Supplier Code of Conduct and Compliance Statement and to comply with both the Enerjisa Enerji Anti-Bribery and Anti-Corruption Policy and the OHS and Environmental Policies. In addition, Enerjisa Enerji offers end-to-end solutions to its customers to increase energy efficiency and reduce carbon emissions under the umbrella of 'The Energy of My Business'.	https://www.enerjisainvestorrelations.com/en/corporate-governance/policies https://www.enerjisainvestorrelations.com/en/sustainability/cdp-reports
B8. Whether the Company have been involved to environmental related organizations and non-governmental organizations' policy making processes and collaborations with these organizations has been disclosed.	X				Collaborations with associations, collaborations involving Board members and senior management are announced.	https://www.enerjisainvestorrelations.com/medium/ReportAndPresentation/File/2855/enerjisaenerji2022sustainabilityreport.pdf (Pg. 144,145)
B9. In the light of environmental indicators (Greenhouse gas emissions (Scope-1 (Direct), Scope-2 (Energy indirect), Scope-3 (Other indirect), air quality, energy management, water and wastewater management, waste management, biodiversity impacts)), information on environmental impacts is periodically disclosed to the public in a comparable manner.	X				Enerjisa Enerji includes these indicators in its Sustainability Reports.	https://www.enerjisainvestorrelations.com/medium/ReportAndPresentation/File/2855/enerjisaenerji2022sustainabilityreport.pdf (Pg. 167)
B10. Details of the standard, protocol, methodology, and baseline year used to collect and calculate data has been disclosed.	X				References, such as the calculation of greenhouse gas emissions according to the GHG Protocol with reference to the IPCC AR5 report, are included in the Sustainability Reports.	https://www.enerjisainvestorrelations.com/medium/ReportAndPresentation/File/2855/enerjisaenerji2022sustainabilityreport.pdf (Pg. 161)
B11. The increase or decrease in Company's environmental indicators as of the reporting year has been comparatively disclosed with previous years.	X				Enerjisa Enerji includes these indicators in its Sustainability Reports. All ESG performance indicators for the year 2023 will be disclosed in the 2023 Sustainability Report.	https://www.enerjisainvestorrelations.com/medium/ReportAndPresentation/File/2855/enerjisaenerji2022sustainabilityreport.pdf (Pg. 167)
B12. The short and long-term targets for reducing the environmental impacts have been determined and the progress compared to previous years' targets has been disclosed.	X				The short-, medium- and long-term targets are determined and disclosed in the 2022 Sustainability Report.	https://www.enerjisainvestorrelations.com/medium/ReportAndPresentation/File/2855/enerjisaenerji2022sustainabilityreport.pdf (Pg. 30)
B13. A strategy to combat the climate crisis has been created and the planned actions have been publicly disclosed.	X				Enerjisa discloses the actions planned within its climate strategy to the public in the Sustainability Report and CDP Reports.	https://www.enerjisainvestorrelations.com/medium/ReportAndPresentation/File/2855/enerjisaenerji2022sustainabilityreport.pdf (Pg.84-88) https://www.enerjisainvestorrelations.com/medium/ReportAndPresentation/File/2874/cdpclimatechange2023.pdf

	Company Compliance Status				Explanation	Report Information on Publicly Disclosed Information (Page number, menu name on the website)
	Yes	Partial	No	Not Applicable		
B14. The programs/procedures to prevent or minimize the potential negative impact of products and/or services on the environment have been established and disclosed.	X				In order to expand its renewable portfolio volume, Enerjisa Enerji signed bilateral agreements to supply electricity directly from power plants that generate energy from renewable energy resources. The company offers its customers carbon reduction and renewable energy certificates in its product portfolio. In addition, it offers end-to-end solutions to increase energy efficiency and reduce carbon emissions under the "The Energy of My Business" framework.	https://www.enerjisainvestorrelations.com/medium/ReportAndPresentation/File/2855/enerjisaenerji2022sustainabilityreport.pdf (Pg. 64-70)
B14. The actions to reduce greenhouse gas emissions of third parties (suppliers, subcontractors, dealers, etc.) have been carried out and disclosed.	X				Enerjisa Enerji expects its suppliers to comply with highest ESG standards and to have processes in place to achieve this. In this context, it asks its suppliers to sign the Enerjisa Supplier Code of Conduct and Compliance Statement and to comply with both the Enerjisa Enerji Anti-Bribery and Anti-Corruption Policy and the OHS and Environment and Water Policies.	https://www.enerjisainvestorrelations.com/medium/ReportAndPresentation/File/2855/enerjisaenerji2022sustainabilityreport.pdf (Pg. 61-63) https://www.enerjisainvestorrelations.com/en/corporate-governance/policies
B15. The environmental benefits/gains and cost savings of initiatives/projects that aims reducing environmental impacts have been disclosed.	X				Enerjisa Enerji takes many actions to reduce its environmental impacts. In order to reduce environmental impacts in its activities, it conducts optimization studies on issues such as resource use and energy consumption, offers its customers products that reduce environmental impacts and develops projects within this scope. In addition, Enerjisa Enerji develops products, processes and services with its R&D and Innovation units, to reduce environmental impacts. The details are provided in the Annual and / or Sustainability Reports. Costs-benefits analysis is performed for projects, and the process to report financial gains and effects is continuing.	https://www.enerjisainvestorrelations.com/medium/ReportAndPresentation/File/2874/cdpclimatechange2023.pdf (Pg. 23-27) https://www.enerjisainvestorrelations.com/medium/ReportAndPresentation/File/2855/enerjisaenerji2022sustainabilityreport.pdf https://www.enerjisainvestorrelations.com/medium/ReportAndPresentation/File/2625/enerjisaenerji2022annualreport.pdf
B16. The data related to energy consumption (natural gas, diesel, gasoline, LPG, coal, electricity, heating, cooling, etc.) has been disclosed as Scope-1 and Scope-2.	X				Scope 1 and Scope 2 GHG emissions are regularly calculated within the scope of sustainability efforts, which are verified by an independent third party and publicly disclosed.	https://www.enerjisainvestorrelations.com/medium/ReportAndPresentation/File/2855/enerjisaenerji2022sustainabilityreport.pdf (Pg. 167)
B17. The information related to production of electricity, heat, steam and cooling as of the reporting year has been disclosed.				X	Electricity production, heat, steam and cooling are not within the scope of Enerjisa Enerji's operations	



SUSTAINABILITY PRINCIPLES COMPLIANCE REPORT

	Company Compliance Status				Explanation	Report Information on Publicly Disclosed Information (Page number, menu name on the website)
	Yes	Partial	No	Not Applicable		
B18. The studies related to increase the use of renewable energy and transition to zero/ low carbon electricity have been conducted and disclosed.	X				Enerjisa Enerji gives importance to providing its customers with sustainable and innovative solutions. In this context, end-to-end solutions aimed at increasing the energy efficiency of corporate customers and reducing their carbon emissions were restructured under "The Energy of My Business" roof in October 2020. This portfolio includes many environmentally friendly and sustainable energy solutions, ranging from solar power plants installation services, energy efficiency applications, cogeneration/ trigeneration applications and electric vehicle charging station management to green energy certifications. Enerjisa Enerji also works to reduce carbon emissions and increase energy efficiency in its own consumption. In addition, 97.2% of the electricity consumption in all Enerjisa facilities was met from green energy supply. Data related to these issues are disclosed in or Sustainability Reports.	https://www.enerjisainvestorrelations.com/medium/ReportAndPresentation/File/2855/enerjisaenerji2022sustainabilityreport.pdf (Pg. 64-70, 24)
B19. The renewable energy production and usage data has been publicly disclosed.	X				Information on renewable energy supply is disclosed in the Sustainability Report. Enerjisa Enerji is not involved directly in production activities.	https://www.enerjisainvestorrelations.com/medium/ReportAndPresentation/File/2855/enerjisaenerji2022sustainabilityreport.pdf (Pg. 24,167)
B20. The Company conducted projects about energy efficiency and the amount of reduction on energy consumption and emission achieved through these projects have been disclosed.	X				Energy consumption savings and emission reduction amounts are disclosed in the Sustainability Report.	https://www.enerjisainvestorrelations.com/medium/ReportAndPresentation/File/2855/enerjisaenerji2022sustainabilityreport.pdf (Pg. 24)
B21. The water consumption, the amount, procedures and sources of recycled and discharged water from underground or above ground (if any), have been disclosed.	X				Water consumption and water use data, sources and procedures are disclosed in the CDP Water Security, Sustainability Reports and in the Water Policy.	https://www.enerjisainvestorrelations.com/medium/ReportAndPresentation/File/2855/enerjisaenerji2022sustainabilityreport.pdf (Pg. 167) https://www.enerjisainvestorrelations.com/medium/ReportAndPresentation/File/2875/cdpwatersecurity2023.pdf https://www.enerjisainvestorrelations.com/medium/ReportAndPresentation/File/2700/waterpolicy.pdf
B22. The information related to whether Company's operations or activities are included in any carbon pricing system (Emissions Trading System, Cap & Trade or Carbon Tax).			X		Enerjisa's operations and activities are not included in any carbon pricing system (Emission Trading System, CAP&Trade or Carbon Tax).	
B23. The information related to accumulated or purchased carbon credits within the reporting period has been disclosed.				X		
B24. If carbon pricing is applied within the Company, the details have been disclosed.				X		
B25. The platforms where the Company discloses its environmental information have been disclosed.	X				CDP Report of Enerjisa is publicly disclosed. In addition, environmental information is disclosed through LSEG Refinitiv, FTSE Russel ESG and Sustainalitics platforms, and in the Annual and Sustainability Reports.	https://www.enerjisainvestorrelations.com/en/sustainability/cdp-reports/ https://www.enerjisainvestorrelations.com/en/sustainability/esg-performance/ https://www.enerjisainvestorrelations.com/en/financial-information/financial-results--reports/annual-reports https://www.enerjisainvestorrelations.com/en/sustainability/sustainability-reports

	Company Compliance Status				Explanation	Report Information on Publicly Disclosed Information (Page number, menu name on the website)	
	Yes	Partial	No	Not Applicable			
C. SOCIAL PRINCIPLES							
C1. Human Rights and Employee Rights							
	X				C11. The Institutional Human Rights and Employee Rights Policy has been established in the light of the Universal Declaration of Human Rights, ILO Conventions ratified by Turkey and other relevant legislation. The policy and the officials that responsible for the implementation of it have been determined and disclosed.	Enerjisa Enerji's Human Rights and Human Resources, Zero Tolerance Policy Towards Violence and Anti-Retaliation Policies address these issues.	https://www.enerjisainvestorrelations.com/en/corporate-governance/policies
	X				C12. Considering the effects of supply and value chain, fair workforce, improvement of labour standards, women's employment and inclusion issues (gender, race, religion, language, marital status, ethnic identity, sexual orientation, gender identity, family responsibilities, union activities, political opinion, disability, social and cultural differences, etc., such as non-discrimination) are included in its policy on employee rights.	Enerjisa Enerji explains its approach in consideration with supply chain and value chain effects of these issues in its Human Rights, Human Resources and Diversity and Inclusion, Zero Tolerance Policy Towards Violence and Third-Party Relations Policies.	https://www.enerjisainvestorrelations.com/en/corporate-governance/policies/
	X				C13. The measures taken for the minority rights/equality of opportunity or the ones who are sensitive about certain economic, environmental, social factors (low income groups, women, etc.) along the supply chain have been disclosed.	Enerjisa Enerji explains its approach to equal opportunities and discrimination in its Human Rights, Human Resources, and Diversity and Inclusion Policies and discloses the measures taken in Sustainability Reports.	https://www.enerjisainvestorrelations.com/medium/ReportAndPresentation/File/2855/enerjisaenerji2022sustainabilityreport.pdf (Pg. 112-116) https://www.enerjisainvestorrelations.com/en/corporate-governance/policies
	X				C14. The developments regarding preventive and corrective practices against discrimination, inequality, human rights violations, forced and child labour have been disclosed.	Enerjisa Enerji includes its procedures on these issues in its Human Rights Policy.	https://www.enerjisainvestorrelations.com/medium/ReportAndPresentation/File/401/humanrightspolicy.pdf
	X				C15. Investments in employees (education, development policies), compensation, fringe benefits, right to unionize, work/life balance solutions and talent management are included in the employee rights policy.	Enerjisa Enerji publishes its policies and practices concerning employee rights and talent management on the company's website.	https://www.enerjisainvestorrelations.com/medium/ReportAndPresentation/File/401/humanrightspolicy.pdf https://www.enerjisainvestorrelations.com/medium/ReportAndPresentation/File/410/compensationpolicy.pdf https://www.enerjisainvestorrelations.com/medium/ReportAndPresentation/File/402/humanresourcespolicy.pdf
	X				C15. The mechanism for employee complaints and resolution of disputes have been established and related solution processes have been determined.	Mechanisms for employee complaints and conflicts are disclosed in the Sustainability Report.	https://www.enerjisainvestorrelations.com/medium/ReportAndPresentation/File/2855/enerjisaenerji2022sustainabilityreport.pdf (Pg. 99, 118)



SUSTAINABILITY PRINCIPLES COMPLIANCE REPORT

	Company Compliance Status				Explanation	Report Information on Publicly Disclosed Information (Page number, menu name on the website)
	Yes	Partial	No	Not Applicable		
C15. The activities carried out within the reporting period which related to ensure employee satisfaction have been disclosed.	X				Enerji Enerji's activities on employee satisfaction are disclosed in the Sustainability Report. The activities for the year 2023 will be disclosed in the 2023 Annual Report and 2023 Sustainability Report.	https://www.enerjisainvestorrelations.com/medium/ReportAndPresentation/File/2855/enerjsaenerji2022sustainabilityreport.pdf (Pg. 95-99) https://www.enerjisainvestorrelations.com/medium/ReportAndPresentation/File/2625/enerjsaenerji2022annualreport.pdf (Pg. 140-141)
C16. The occupational health and safety policies have been established and disclosed.	X				Enerjisa Enerji published its Health and Safety Policy on its website.	https://www.enerjisainvestorrelations.com/medium/ReportAndPresentation/File/403/healthsafetypolicy.pdf
C16. The measures taken for protecting health, preventing occupational accidents and related statistics have been disclosed.	X				Proactively managing OHS risks is a priority for Enerjisa Enerji at the senior management level. Details concerning the Occupational Health and Safety Policy are available on the website. The measures taken and accident statistics are included in the Sustainability Reports.	https://www.enerjisainvestorrelations.com/medium/ReportAndPresentation/File/2855/enerjsaenerji2022sustainabilityreport.pdf (Pg. 168) https://www.enerjisainvestorrelations.com/medium/ReportAndPresentation/File/403/healthsafetypolicy.pdf
C17. The personal data protection and data security policies have been established and disclosed.	X				Enerjisa Enerji discloses its Data Security Policy and Information Security Management Approach on its website.	https://www.enerjisa.com.tr/en/about-enerjisa/company-profile/policies https://www.enerjisainvestorrelations.com/medium/ReportAndPresentation/File/400/informationsecuritymanagementapproach.pdf
C18. The ethics policy have been established and disclosed.	X				Enerjisa Enerji has a Code of Conduct, which has been shared with all stakeholders both internally and on the website.	https://www.enerjisainvestorrelations.com/en/corporate-governance/code-of-ethics/ https://www.enerjisainvestorrelations.com/medium/Content/File/2614/enerjisacodeofconduct.pdf
C19. The studies related to social investment, social responsibility, financial inclusivity and access to finance have been explained.	X				Enerjisa Enerji discloses its CSR and community investments in the Sustainability Report.	https://www.enerjisainvestorrelations.com/medium/ReportAndPresentation/File/2855/enerjsaenerji2022sustainabilityreport.pdf (Pg. 122-125)
C1.10. The informative meetings and training programs related to ESG policies and practices have been organized for employees.	X				Enerjisa Enerji provides training on Occupational Health and Safety and Environment, Ethics, Risk Management, Customer Satisfaction within the scope of ESG. Details are provided in the Sustainability Reports.	https://www.enerjisainvestorrelations.com/medium/ReportAndPresentation/File/2855/enerjsaenerji2022sustainabilityreport.pdf

	Company Compliance Status				Explanation	Report Information on Publicly Disclosed Information (Page number, menu name on the website)
	Yes	Partial	No	Not Applicable		
C2. Stakeholders, International Standards and Initiatives						
C2.1. The customer satisfaction policy regarding the management and resolution of customer complaints has been prepared and disclosed.	X				Customer Satisfaction is a primary focus of Enerjisa Enerji's corporate strategy. Customer Satisfaction Policy is published on the website.	https://www.enerjisainvestorrelations.com/medium/ReportAndPresentation/File/272/customer satisfactionpolicy.pdf
C2.2. The information about the communication with stakeholders (which stakeholder, subject and frequency) have been disclosed.	X				Stakeholders' views were considered within the scope of the materiality analysis. The Corporate Stakeholder Participation Plan can be accessed on the website. Details on stakeholder communication are included in the Sustainability Report.	https://www.enerjisainvestorrelations.com/medium/ReportAndPresentation/File/2855/enerjsaenerji2022sustainabilityreport.pdf (Pg. 7, 40, 165) https://www.enerjisainvestorrelations.com/en/sustainability/corporate-stakeholder-engagement/
C2.3. The international reporting standards that adopted in reporting have been explained.	X				Enerjisa Enerji details its reporting standards (GRI) in its Sustainability Report.	https://www.enerjisainvestorrelations.com/medium/ReportAndPresentation/File/2855/enerjsaenerji2022sustainabilityreport.pdf (Pg. 176-180)
C2.4. The principles adopted regarding sustainability, the signatory or member international organizations, committees and principles have been disclosed.	X				Enerjisa Enerji is a signatory of the UN Global Compact, the UN Women's Empowerment Principles (WEPEs) and IPG Business Plastics Initiative. This information is included in the Sustainability Reports.	https://www.enerjisainvestorrelations.com/medium/ReportAndPresentation/File/2855/enerjsaenerji2022sustainabilityreport.pdf (Pg. 16, 166)
C2.5. The improvements have been made and studies have been carried out in order to be included in the Borsa Istanbul sustainability indices and/or international index providers.	X				Enerjisa Enerji is included in the Borsa Istanbul Sustainability Index since 2019, and continues to follow the standards and requirements of international indices to ensure compliance.	https://www.enerjisainvestorrelations.com/en/stock--debt-instruments/stock-information/index-info/
D. CORPORATE GOVERNANCE PRINCIPLES						
D1. The opinions of stakeholders have been sought in the determination of measures and strategies related to sustainability field.	X				Stakeholders' views were considered within the scope of the materiality analysis.	https://www.enerjisainvestorrelations.com/medium/ReportAndPresentation/File/2855/enerjsaenerji2022sustainabilityreport.pdf (Pg. 36, 39-41)
D2. The social responsibility projects, awareness activities and trainings have been carried out to raise awareness about sustainability and its importance.	X				Enerjisa Enerji discloses this information in its Annual, Sustainability Reports and on its website.	https://www.enerjisa.com.tr/en/sustainability/impact-for-society/corporate-responsibility https://www.enerjisainvestorrelations.com/medium/ReportAndPresentation/File/2625/enerjsaenerji2022annualreport.pdf (Pg. 180-181) https://www.enerjisainvestorrelations.com/medium/ReportAndPresentation/File/2855/enerjsaenerji2022sustainabilityreport.pdf (Pg. 123-125)



Corporate Governance

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CORPORATE GOVERNANCE COMPLIANCE REPORT

Corporate Governance Compliance Report	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
1.1. FACILITATING THE EXERCISE OF SHAREHOLDER RIGHTS						
1.1.2 - Up-to-date information and disclosures which may affect the exercise of shareholder rights are available to investors at the corporate website.	X					
1.2. RIGHT TO OBTAIN AND REVIEW INFORMATION						
1.2.1 - Management did not enter into any transaction that would complicate the conduct of special audit.	X					
1.3. GENERAL ASSEMBLY						
1.3.2 - The company ensures the clarity of the General Assembly agenda, and that an item on the agenda does not cover multiple topics.	X					
1.3.7 - Insiders with privileged information have informed the board of directors about transactions conducted on their behalf within the scope of the company's activities in order for these transactions to be presented at the General Shareholders' Meeting.					X	
1.3.8 - Members of the board of directors who are concerned with specific agenda items, auditors, and other related persons, as well as the officers who are responsible for the preparation of the financial statements were present at the General Shareholders' Meeting.		X				Independent auditors, Chairman of the Board, some of the Independent Board Members, some of the Board Members, CEO and the relevant managers physically attended to the AGM.
1.3.10 - The agenda of the General Shareholders' Meeting included a separate item detailing the amounts and beneficiaries of all donations and contributions.		X				All donations and grants are presented to the General Assembly and made in accordance with the Donation and Grants Policy. The total amount of the donations was disclosed. Details of the recipients are planned to be disclosed in the upcoming AGM in 2024.
1.3.11 - The General Shareholders' Meeting was held open to the public, including the stakeholders, without having the right to speak.			X			There is no article in the articles of association that regulates the participation of stakeholders in the General Assembly. However, the General Assembly Meeting minutes are made available to all stakeholders via the Public Disclosure Platform and the Company's corporate website.
1.4. VOTING RIGHTS						
1.4.1 - There is no restriction preventing shareholders from exercising their shareholder rights.	X					
1.4.2 - The company does not have shares that carry privileged voting rights.	X					
1.4.3 - The company withholds from exercising its voting rights at the General Shareholders' Meeting of any company with which it has cross-ownership, in case such cross-ownership provides management control.					X	There are no companies in which Enerjisa has cross-ownership.
1.5. MINORITY RIGHTS						
1.5.1 - The company pays maximum diligence to the exercise of minority rights.	X					
1.5.2 - The Articles of Association extend the use of minority rights to those who own less than one twentieth of the outstanding shares, and expand the scope of the minority rights.			X			Minority rights are determined in accordance with the relevant legislation, and there is no specific provision for the extension of minority rights in the Articles of Association. At the same time, attention is paid to the use of minority rights within the scope of TCC and CMB regulations.
1.6. DIVIDEND RIGHT						
1.6.1 - The dividend policy approved by the General Shareholders' Meeting is posted on the company website.	X					
1.6.2 - The dividend distribution policy comprises the minimum information to ensure that the shareholders can have an opinion on the procedure and principles of dividend distributions in the future.	X					
1.6.3 - The reasons for retaining earnings, and their allocations, are stated in the relevant agenda item.					X	This was not stated as Enerjisa distributed dividend.
1.6.4 - The board reviewed whether the dividend policy balances the benefits of the shareholders and those of the company.	X					
1.7. TRANSFER OF SHARES						
1.7.1 - There are no restrictions preventing shares from being transferred.	X					

Corporate Governance Compliance Report	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
2.1. CORPORATE WEBSITE						
2.1.1 - The company website includes all elements listed in Corporate Governance Principle 2.1.1.	X					
2.1.2 - The shareholding structure (names, privileges, number and ratio of shares, and beneficial owners of more than 5% of the issued share capital) is updated on the website at least every 6 months.	X					
2.1.4 - The company website is prepared in other selected foreign languages, in a way to present exactly the same information with the Turkish content.	X					
2.2. ANNUAL REPORT						
2.2.1 - The board of directors ensures that the annual report represents a true and complete view of the company's activities.	X					
2.2.2 - The annual report includes all elements listed in Corporate Governance Principle 2.2.2.	X					
3.1. CORPORATION'S POLICY ON STAKEHOLDERS						
3.1.1 - The rights of the stakeholders are protected pursuant to the relevant regulations, contracts and within the framework of bona fides principles.	X					
3.1.3 - Policies or procedures addressing stakeholders' rights are published on the company's website.	X					
3.1.4 - A whistleblowing programme is in place for reporting legal and ethical issues.	X					
3.1.5 - The company addresses conflicts of interest among stakeholders in a balanced manner.	X					
3.2. SUPPORTING THE PARTICIPATION OF THE STAKEHOLDERS IN THE CORPORATION'S MANAGEMENT						
3.2.1 - The Articles of Association, or the internal regulations (terms of reference/manuals), regulate the participation of employees in management.	X					
3.2.2 - Surveys/other research techniques, consultation, interviews, observation method etc. were conducted to obtain opinions from stakeholders on decisions that significantly affect them.	X					
3.3. HUMAN RESOURCES POLICY						
3.3.1 - The company has adopted an employment policy ensuring equal opportunities, and a succession plan for all key managerial positions.	X					
3.3.2 - Recruitment criteria are documented.	X					
3.3.3 - The company has a policy on human resources development, and organises trainings for employees.	X					
3.3.4 - Meetings have been organised to inform employees on the financial status of the company, remuneration, career planning, education and health.	X					
3.3.5 - Employees, or their representatives, were notified of decisions impacting them. The opinion of the related trade unions was also taken.	X					
3.3.6 - Job descriptions and performance criteria have been prepared for all employees, announced to them and taken into account to determine employee remuneration.	X					
3.3.7 - Measures (procedures, trainings, raising awareness, goals, monitoring, complaint mechanisms) have been taken to prevent discrimination, and to protect employees against any physical, mental, and emotional mistreatment.	X					
3.3.8 - The company ensures freedom of association and supports the right for collective bargaining.	X					
3.3.9 - A safe working environment for employees is maintained.	X					
3.4. RELATIONS WITH CUSTOMERS AND SUPPLIERS						
3.4.1 - The company measured its customer satisfaction, and operated to ensure full customer satisfaction.	X					
3.4.2 - Customers are notified of any delays in handling their requests.	X					
3.4.3 - The company complied with the quality standards with respect to its products and services.	X					
3.4.4 - The company has in place adequate controls to protect the confidentiality of sensitive information and business secrets of its customers and suppliers.	X					
3.5. ETHICAL RULES AND SOCIAL RESPONSIBILITY						
3.5.1 - The board of the corporation has adopted a code of ethics, disclosed on the corporate website.	X					
3.5.2 - The company has been mindful of its social responsibility and has adopted measures to prevent corruption and bribery.	X					
4.1. ROLE OF THE BOARD OF DIRECTORS						
4.1.1 - The board of directors has ensured strategy and risks do not threaten the long-term interests of the company, and that effective risk management is in place.	X					
4.1.2 - The agenda and minutes of board meetings indicate that the board of directors discussed and approved strategy, ensured resources were adequately allocated, and monitored company and management performance.	X					



CORPORATE GOVERNANCE COMPLIANCE REPORT

Corporate Governance Compliance Report	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
4.2. ACTIVITIES OF THE BOARD OF DIRECTORS						
4.2.1 - The board of directors documented its meetings and reported its activities to the shareholders.	X					
4.2.2 - Duties and authorities of the members of the board of directors are disclosed in the annual report.	X					
4.2.3 - The board has ensured the company has an internal control framework adequate for its activities, size and complexity.	X					
4.2.4 - Information on the functioning and effectiveness of the internal control system is provided in the annual report.	X					
4.2.5 - The roles of the Chairman and Chief Executive Officer are separated and defined.	X					
4.2.7 - The board of directors ensures that the Investor Relations department and the corporate governance committee work effectively. The board works closely with them when communicating and settling disputes with shareholders.	X					
4.2.8 - The company has subscribed to a Directors and Officers liability insurance covering more than 25% of the capital.	X					A directors and officers liability insurance with a limit of 20 million USD has been provided for the individual liability of the managers and members of the Board of Directors regarding their faults during their duties. The amount of the insurance covers 25% of the Company's paid in capital as of 31.12.2023.
4.3. STRUCTURE OF THE BOARD OF DIRECTORS						
4.3.9 - The board of directors has approved the policy on its own composition, setting a minimal target of 25% for female directors. The board annually evaluates its composition and nominates directors so as to be compliant with the policy.	X					The Board of Directors has 8 members. 3 members are women, making up 37.5% of the Board of Directors. 2 of the women members are Independent Board Members.
4.3.10 - At least one member of the audit committee has 5 years of experience in audit/accounting and finance.	X					
4.4. BOARD MEETING PROCEDURES						
4.4.1 - Each board member attend the majority of the board meetings in person or via an electronic board meeting system	X					
4.4.2 - The board has formally approved a minimum time by which information and documents relevant to the agenda items should be supplied to all board members.	X					
4.4.3 - The opinions of board members that could not attend the meeting, but did submit their opinion in written format, were presented to other members.	X					
4.4.4 - Each member of the board has one vote.	X					
4.4.5 - The board has a charter/written internal rules defining the meeting procedures of the board.	X					
4.4.6 - Board minutes document that all items on the agenda are discussed, and board resolutions include director's dissenting opinions if any.	X					
4.4.7 - There are limits to external commitments of board members. Shareholders are informed of board members' external commitments at the General Shareholders' Meeting.		X				Board Member's assignments in different companies are limited on the basis of not creating conflict of interest during their term of office. An additional restriction is not deemed necessary as the business and sectoral experience of BoD Members makes a vital contribution to the BoD. Members of the Board of Directors do not have an assignment outside the company that will create a conflict of interest.

Corporate Governance Compliance Report	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
4.5. BOARD COMMITTEES						
4.5.5 - Board members serve in only one of the Board's committees.			X			Due to Energisa shareholder structure, the requirement for committee chairs to be selected among independent Board members in accordance with the Corporate Governance Principles, the number of committees to be formed and the knowledge and experience requirements for members, Board Members take part in more than one committee. Members taking in part in more than one committee also ensure inter-committee communication and cooperation. Taking into account the professions, knowledge and experience of the members of the board of directors, competent persons related to the subject are appointed to the committees. Current structure does not prevent the committees from carrying out their duties effectively. In addition, it is ensured that the committees comply with the legal authority and responsibilities.
4.5.6 - Committees have invited persons to the meetings as deemed necessary to obtain their views.	X					
4.5.7 - If external consultancy services are used, the independence of the provider is stated in the annual report.					X	No external consultancy service is used for Board Committees.
4.5.8 - Minutes of all committee meetings are kept and reported to board members.	X					
4.6. FINANCIAL RIGHTS						
4.6.1 - The board of directors has conducted a board performance evaluation to review whether it has discharged all its responsibilities effectively.	X					
4.6.4 - The company did not extend any loans to its board directors or executives, nor extended their lending period or enhanced the amount of those loans, or improve conditions thereon, and did not extend loans under a personal credit title by third parties or provided guarantees such as surety in favour of them.	X					
4.6.5 - The individual remuneration of board members and executives is disclosed in the annual report.		X				In disclosure of the remuneration and benefits provided to the Members of the Board of Directors and senior executives, a balance is targeted between the benefits of these persons that must be protected in terms of the Personal Data Protection Law and the transparency requirement of the shareholders and stakeholders in accordance with the Corporate Governance Communiqué. Remuneration Policy was prepared and presented to the shareholders and stakeholders as a separate item during the 2019 Ordinary General Assembly meeting. In addition, remuneration for the Members of the Board of Directors is submitted to the approval of the shareholders at the General Assembly meeting every year. Consolidated payments made to senior executives and Board of Directors are publicly disclosed in financial statement footnotes. Disclosure of remuneration in person, which is considered commercial secret for competitiveness, will be determined in line with the general practices in the country.



CORPORATE GOVERNANCE INFORMATION FORM

1. SHAREHOLDERS	
1.1. Facilitating the Exercise of Shareholders Rights	
The number of investor meetings (conference, seminar/etc.) organised by the company during the year	Enerjisa participated to 1 conference and in total had 50 meetings with existing and potential investors.
1.2. Right to Obtain and Examine Information	
The number of special audit request(s)	0
The number of special audit requests that were accepted at the General Shareholders' Meeting	0
1.3. General Assembly	
Link to the PDP announcement that demonstrates the information requested by Principle 1.3.1. (a-d)	https://www.kap.org.tr/en/Bildirim/1119403
Whether the company provides materials for the General Shareholders' Meeting in English and Turkish at the same time	All documents were presented in English simultaneously except the list of attendees. Since the list of attendees was taken from the system in Turkish, it was presented in Turkish.
The links to the PDP announcements associated with the transactions that are not approved by the majority of independent directors or by unanimous votes of present board members in the context of Principle 1.3.9	Such transactions do not exist.
The links to the PDP announcements associated with related party transactions in the context of Article 9 of the Communique on Corporate Governance (II-17.1)	No transactions in the scope of Article 9.
The links to the PDP announcements associated with common and continuous transactions in the context of Article 10 of the Communique on Corporate Governance (II-17.1)	https://www.kap.org.tr/en/Bildirim/1118284
The name of the section on the corporate website that demonstrates the donation policy of the company	Under the Corporate Governance - Policies section of the Investor Relations website https://www.enerjisainvestorrelations.com/en/corporate-governance/policies/
The relevant link to the PDP with minute of the General Shareholders' Meeting where the donation policy has been approved	https://www.kap.org.tr/en/Bildirim/921884
The number of the provisions of the articles of association that discuss the participation of stakeholders to the General Shareholders' Meeting	N/A
Identified stakeholder groups that participated in the General Shareholders' Meeting, if any	https://www.kap.org.tr/en/Bildirim/1129457
1.4. Voting Rights	
Whether the shares of the company have differential voting rights	No
In case that there are voting privileges, indicate the owner and percentage of the voting majority of shares.	N/A
The percentage of ownership of the largest shareholder	40%
1.5. Minority Rights	
Whether the scope of minority rights enlarged (in terms of content or the ratio) in the articles of the association	No
If yes, specify the relevant provision of the articles of association.	N/A
1.6. Dividend Right	
The name of the section on the corporate website that describes the dividend distribution policy	Under the Corporate Governance - Policies section of the Investor Relations website https://www.enerjisainvestorrelations.com/en/corporate-governance/policies/
Minutes of the relevant agenda item in case the board of directors proposed to the general assembly not to distribute dividends, the reason for such proposal and information as to use of the dividend	Not proposed
PDP link to the related general shareholder meeting minutes in case the board of directors proposed to the general assembly not to distribute dividends	Not proposed

General Assembly Meetings									
General Meeting Date	The number of information requests received by the company regarding the clarification of the agenda of the General Shareholders' Meeting	Shareholder participation rate to the General Shareholders' Meeting	Percentage of shares directly present at the GSM	Percentage of shares represented by proxy	Specify the name of the page of the corporate website that contains the General Shareholders' Meeting minutes, and also indicates for each resolution the voting levels for or against	Specify the name of the page of the corporate website that contains all questions asked in the general assembly meeting and all responses to them	The number of the relevant item or paragraph of General Shareholders' Meeting minutes in relation to related party transactions	The number of declarations by insiders received by the board of directors	The link to the related PDP general shareholder meeting notification
29/03/2023	0	83.923%	0.004%	83.92%	Corporate Governance section of the IR web site.	https://www.enerjisainvestorrelations.com/medium/ReportAndPresentation/File/2629/enerjisa2022meetingminutesofordinarygeneralassemblypdf	N/A	0	https://www.kap.org.tr/en/Bildirim/1119403

2. DISCLOSURE AND TRANSPARENCY	
2.1. Corporate Website	
Specify the name of the sections of the website providing the information requested by the Principle 2.1.1.	Under the tabs on the Investor Relations website.
If applicable, specify the name of the sections of the website providing the list of shareholders (ultimate beneficiaries) who directly or indirectly own more than 5% of the shares.	https://www.enerjisainvestorrelations.com/en/corporate/shareholder-structure
List of languages for which the website is available	Turkish and English
2.2. Annual Report	
The page numbers and/or name of the sections in the Annual Report that demonstrate the information requested by principle 2.2.2.	
a) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the duties of the members of the board of directors and executives conducted out of the company and declarations on independence of board members	SECTION NAME: DUTIES OF THE MEMBERS OF THE BOARD OF DIRECTORS AND EXECUTIVES CONDUCTED OUT OF THE COMPANY & SECTION NAME: DECLARATIONS OF INDEPENDENCE
b) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on committees formed within the board structure	SECTION NAME: RISKS AND THE EVALUATION OF THE MANAGEMENT BODY/ COMMITTEES
c) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the number of board meetings in a year and the attendance of the members to these meetings	SECTION NAME: RISKS AND THE EVALUATION OF THE MANAGEMENT BODY/BOARD OF DIRECTORS MEETINGS
ç) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on amendments in the legislation which may significantly affect the activities of the corporation	SECTION NAME: COMPANY'S OPERATIONS AND RELATED MAJOR DEVELOPMENTS
d) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on significant lawsuits filed against the corporation and the possible results thereof	SECTION NAME: COMPANY'S OPERATIONS AND RELATED MAJOR DEVELOPMENTS
e) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the conflicts of interest of the corporation among the institutions that it purchases services on matters such as investment consulting and rating and the measures taken by the corporation in order to avoid from these conflicts of interest	SECTION NAME: COMPANY'S OPERATIONS AND RELATED MAJOR DEVELOPMENTS
f) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the cross ownership subsidiaries that the direct contribution to the capital exceeds 5%	SECTION NAME: COMPANY'S OPERATIONS AND RELATED MAJOR DEVELOPMENTS
g) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on social rights and professional training of the employees and activities of corporate social responsibility in respect of the corporate activities that arises social and environmental results	SECTION NAME: COMPANY'S OPERATIONS AND RELATED MAJOR DEVELOPMENTS



CORPORATE GOVERNANCE INFORMATION FORM

3. STAKEHOLDERS	
3.1. Corporation's Policy on Stakeholders	
The name of the section on the corporate website that demonstrates the employee remedy or severance policy	Under the Corporate Governance - Policies section of the Investor Relations website https://www.enerjisainvestorrelations.com/en/corporate-governance/policies/
The number of definitive convictions the company was subject to in relation to breach of employee rights	53
The position of the person responsible for the alert mechanism (i.e. whistleblowing mechanism)	Head of Internal Audit
The contact detail of the company alert mechanism	https://www.enerjisa.com.tr/en/about-enerjisa/company-profile/working-principlesethical-statement
3.2. Supporting the Participation of the Stakeholders in the Corporation's Management	
Name of the section on the corporate website that demonstrates the internal regulation addressing the participation of employees on management bodies	Human Resources Policy, under the Corporate Governance - Policies section of the Investor Relations website https://www.enerjisainvestorrelations.com/en/corporate-governance/policies/
Corporate bodies where employees are actually represented	https://www.enerjisainvestorrelations.com/medium/ReportAndPresentation/File/402/humanresourcespolicy.pdf
3.3. Human Resources Policy	
The role of the board on developing and ensuring that the company has a succession plan for the key management positions	Human Resources Policy: https://www.enerjisainvestorrelations.com/medium/ReportAndPresentation/File/402/humanresourcespolicy.pdf Corporate Governance Committee Charter: https://www.enerjisainvestorrelations.com/medium/ReportAndPresentation/File/918/corporategovernancecommitteecharter.pdf
The name of the section on the corporate website that demonstrates the human resource policy covering equal opportunities and hiring principles. Also provide a summary of relevant parts of the human resource policy.	Human Resources Policy and Diversity and Inclusion Policy under the Corporate Governance - Policies section of the Investor Relations website https://www.enerjisainvestorrelations.com/en/corporate-governance/policies/
Whether the company provides an employee stock ownership programme	There isn't an employee stock ownership programme
The name of the section on the corporate website that demonstrates the human resource policy covering discrimination and mistreatments and the measures to prevent them. Also provide a summary of relevant parts of the human resource policy.	Human Resources Policy, Anti-Retaliation Policy and Diversity and Inclusion Policy under the Corporate Governance - Policies section of the Investor Relations website https://www.enerjisainvestorrelations.com/en/corporate-governance/policies/
The number of definitive convictions the company is subject to in relation to health and safety measures	1
3.5. Ethical Rules and Social Responsibility	
The name of the section on the corporate website that demonstrates the code of ethics	https://www.enerjisainvestorrelations.com/en/corporate-governance/code-of-ethics
The name of the section on the company website that demonstrates the corporate social responsibility report. If such a report does not exist, provide the information about any measures taken on environmental, social and corporate governance issues.	https://www.enerjisainvestorrelations.com/en/sustainability/sustainability-reports-menu
Any measures combating any kind of corruption including embezzlement and bribery	Anti-Bribery and Anti-Corruption Policy under the Corporate Governance - Policies section of the Investor Relations website https://www.enerjisainvestorrelations.com/en/corporate-governance/policies/

4. BOARD OF DIRECTORS-I	
4.2. Activity of the Board of Directors	
Date of the last board evaluation conducted	4.12.2023
Whether the board evaluation was externally facilitated	No
Whether all board members released from their duties at the GSM	Yes
Name(s) of the board member(s) with specific delegated duties and authorities, and descriptions of such duties	N/A
Number of reports presented by internal auditors to the audit committee or any relevant committee to the board	22 process audit reports and 87 ethics investigations
Specify the name of the section or page number of the annual report that provides the summary of the review of the effectiveness of internal controls	SECTION NAME: COMPANY'S OPERATIONS AND RELATED MAJOR DEVELOPMENTS
Name of the Chairman	Kıvanç Zaimler
Name of the CEO	Murat Pınar
If the CEO and Chair functions are combined: provide the link to the relevant PDP announcement providing the rationale for such combined roles	Not combined.
Link to the PDP notification stating that any damage that may be caused by the members of the board of directors during the discharge of their duties is insured for an amount exceeding 25% of the company's capital	https://www.kap.org.tr/en/Bildirim/1133358
The name of the section on the corporate website that demonstrates current diversity policy targeting women directors	Diversity and Inclusion Policy under the Corporate Governance - Policies section of the Investor Relations website https://www.enerjisainvestorrelations.com/en/corporate-governance/policies/
The number and ratio of female directors within the Board of Directors	3 female directors - 37.5%

Composition of Board of Directors							
Name, Surname of Board Member	Whether Executive Director or Not	Whether Independent Director or Not	The First Election Date to Board	Link to PDP Notification that Includes the Independency Declaration	Whether the Independent Director Considered by the Nomination Committee	Whether She/He Is the Director Who Ceased to Satisfy the Independence or Not	Whether the Director Has at Least 5 Years' Experience on Audit, Accounting and / or Finance or Not
KIVANÇ ZAIMLER	Non-executive	Not independent director	01/07/2018		Not considered	No	No
JOHAN MAGNUS MOERNSTAM	Non-executive	Not independent director	01/08/2020		Not considered)	No	Yes
YEŞİM ÖZLALE ONEN	Non-executive	Not independent director	15/03/2023		Not considered	No	No
THORSTEN LOTT	Non-executive	Not independent director	01/01/2022		Not considered	No	Yes
NUSRET ORHUN KOSTEM	Non-executive	Not independent director	01/04/2022		Not considered	No	Yes
GUNTRAM WÜRZBERG	Non-executive	Not independent director	01/04/2022		Not considered	No	No
FATMA DİLEK YARDIM	Non-executive	Independent director	29/03/2018	https://www.kap.org.tr/en/Bildirim/915655	Considered	No	Yes
KAMURAN UÇAR	Non-executive	Independent director	01/04/2022	https://www.kap.org.tr/en/Bildirim/1015064	Considered	No	No

CORPORATE GOVERNANCE INFORMATION FORM

4. BOARD OF DIRECTORS-II	
4.4. Meeting Procedures of the Board of Directors	
Number of physical or electronic board meetings in the reporting period	5
Director average attendance rate at board meetings	95%
Whether the board uses an electronic portal to support its work or not	No
Number of minimum days ahead of the board meeting to provide information to directors, as per the board charter	7
The name of the section on the corporate website that demonstrates information about the board charter	Article 10 - Articles of Association (https://www.enerjisainvestorrelations.com/en/corporate/articles-of-association)
Number of maximum external commitments for board members as per the policy covering the number of external duties held by directors	N/A
4.5. Board Committees	
Page numbers or section names of the annual report where information about the board committees are presented	SECTION NAME: RISKS AND THE EVALUATION OF THE MANAGEMENT BODY/COMMITTEES
Link(s) to the PDP announcement(s) with the board committee charters	Under Committee Charter tab in Investor Relations website (https://www.enerjisainvestorrelations.com/en/corporate-governance/committee-charters), https://www.kap.org.tr/en/Bildirim/1004425 , https://www.kap.org.tr/en/Bildirim/1015065 , https://www.kap.org.tr/en/Bildirim/1072715

Composition of Board Committees-I				
Names of the Board Committees	Name of Committees Defined as "Other" in the First Column	Name-Surname of Committee Members	Whether Committee Chair or Not	Whether Board Member or Not
Audit Committee		Fatma Dilek Yardım	Yes	Board member
Audit Committee		Kamuran Uçar	No	Board member
Committee of Early Detection of Risk		Fatma Dilek Yardım	Yes	Board member
Committee of Early Detection of Risk		Kamuran Uçar	No	Board member
Committee of Early Detection of Risk		Nusret Orhun Köstem	No	Board member
Committee of Early Detection of Risk		Thorsten Lott	No	Board member
Corporate Governance Committee		Kamuran Uçar	Yes	Board member
Corporate Governance Committee		Guntram Würzberg	No	Board member
Corporate Governance Committee		Yeşim Özlale Önen	No	Board member
Corporate Governance Committee		Burak Şimşek	No	Not board member

4. BOARD OF DIRECTORS-III	
4.5. Board Committees-II	
Specify where the activities of the audit committee are presented in your annual report or website (Page number or section name in the annual report/website)	SECTION NAME: RISKS AND THE EVALUATION OF THE MANAGEMENT BODY/COMMITTEES
Specify where the activities of the corporate governance committee are presented in your annual report or website (Page number or section name in the annual report/website)	SECTION NAME: RISKS AND THE EVALUATION OF THE MANAGEMENT BODY/COMMITTEES
Specify where the activities of the nomination committee are presented in your annual report or website (Page number or section name in the annual report/website)	SECTION NAME: RISKS AND THE EVALUATION OF THE MANAGEMENT BODY/COMMITTEES
Specify where the activities of the early detection of risk committee are presented in your annual report or website (Page number or section name in the annual report/website)	SECTION NAME: RISKS AND THE EVALUATION OF THE MANAGEMENT BODY/COMMITTEES
Specify where the activities of the remuneration committee are presented in your annual report or website (Page number or section name in the annual report/website)	SECTION NAME: RISKS AND THE EVALUATION OF THE MANAGEMENT BODY/COMMITTEES
4.6. Financial Rights	
Specify where the operational and financial targets and their achievement are presented in your annual report (Page number or section name in the annual report)	SECTION NAME: COMPANY'S OPERATIONS AND RELATED MAJOR DEVELOPMENTS
Specify the section of website where remuneration policy for executive and non-executive directors are presented.	Remuneration Policy is Under Corporate Governance - Policies section of the Investor Relations website https://www.enerjisainvestorrelations.com/en/corporate-governance/policies/
Specify where the individual remuneration for board members and senior executives are presented in your annual report (Page number or section name in the annual report)	SECTION NAME: FINANCIAL RIGHTS GRANTED TO THE MEMBERS OF THE MANAGEMENT BODY AND THE SENIOR-LEVEL EXECUTIVE OFFICERS

Composition of Board Committees-II					
Names of the Board Committees	Name of Committees Defined as "Other" in the First Column	The Percentage of Non-executive Directors	The Percentage of Independent Directors in the Committee	The Number of Meetings Held in Person	The Number of Reports on Its Activities Submitted to the Board
Audit Committee		100%	100%	4	4
Committee of Early Detection of Risk		100%	50%	3	5
Corporate Governance Committee		75%	2%5	4	4



ANNUAL GENERAL MEETING

2022 ORDINARY GENERAL MEETING OF SHAREHOLDERS

The Company held its Ordinary General Meeting of Shareholders for the fiscal year 2022 with an 84% attendance rate on March 29, 2023. No meeting agenda proposals were made by the shareholders.

The invitations to the General Meeting of Shareholders are made by the Board of Directors in accordance with the Turkish Commercial Code, the Capital Markets Law and the Articles of Association of the Company. The meeting minutes were announced to the public on the Company website and the Public Disclosure Platform (KAP).

The decision to hold a General Meeting is announced to the public through the Public Disclosure Platform and the Electronic General Assembly System (E-GKS). General Assembly announcements are made in accordance with legal regulations at www.enerjisainvestorrelations.com 21 days before the General Assembly at the latest to address the highest possible number of shareholders.

2022 DIVIDEND

Pursuant to the review of the audited Consolidated Financial Statements for the year 2022 prepared in accordance with the Turkish Financial Reporting Standards, it was resolved to distribute TL 2.30 per share in cash dividend to all shareholders, equivalent to TL 2,716,458,624. This dividend corresponds to a 60.89% payout of Underlying Net Income for the fiscal year 2022 of TL 4,461,000,000.

DIVIDEND DISTRIBUTION PROPOSAL FOR 2023

Pursuant to the review of the Consolidated Financial Statements for the year 2023, prepared in accordance with the Turkish Accounting Standards/Turkish Financial Reporting Standards, it was resolved to propose to the General Assembly to distribute the profit as follows:

- Distribution of a cash dividend in an amount of TL 2.79 per 1 TL nominal share, with a payout ratio of 97.87% based on an underlying net income (net income excluding any exceptional items) of TL 3,366,897,331.42,
- Distribution of total TL 3,295,182,418.26 dividend (Gross 279%, Net %251) from TL 4,423,808,287.49 Consolidated Net Distributable Profit including the donations incurred between 01.01.2023 - 31.12.2023 in cash to the shareholders who are representing the TL 1,181,068,967.12 capital and,
- Distribution of the cash dividend to be determined and approved by the general assembly, provided that the payment is completed within eight weeks from the date of the General Assembly Meeting.

ENERJISA ENERJİ A.Ş. AGENDA FOR THE 2023 ORDINARY GENERAL ASSEMBLY MEETING TO BE HELD ON APRIL 4, 2024, AT 15:00

1. Opening and formation of the Meeting Council,
2. Reading and discussion of the 2023 Activity Report of the Board of Directors,
3. Reading the 2023 Independent Auditor's Reports,
4. Reading, discussion and approval of the 2023 Financial Statements,
5. Submission to the General Assembly the approval of the appointment to the Board of Directors that became vacant during the relevant year,
6. Release of the members of the Board of Directors with regard to the 2023 activities,
7. Election of the members of the Board of Directors and determination of their duty term,
8. Determination of the usage of the 2023 profit, dividend and dividend per share to be distributed,
9. Determination of the salaries, attendance fees, bonus, premium and similar rights to be paid to the members of the Board of Directors,
10. Election of the auditor,
11. Informing the General Assembly regarding the amendment made on the Disclosure Policy,
12. Approval of the granting authority to the Board of Directors to decide on the distribution of dividend advances for the fiscal year 2024 in compliance with the Company's Articles of Association and the Capital Markets Board's Communiqué II-19.1 on Dividend Distribution,
13. Informing the General Assembly regarding the donations and grants made by the Company in 2023,
14. Determination of an upper limit for donations to be made in 2024,
15. Granting permission to the members of the Board of Directors for the activities under the Articles 395 and 396 of the Turkish Commercial Code,
16. Wishes and requests.

ENERJISA ENERJİ ANONİM ŞİRKETİ



LEGAL DEVELOPMENTS

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.

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. Regarding this issue, financial statements are updated.

Bond Issuance

Enerjisa Enerji has issued a TL bond on 02.10.2023, amounting to TL 2,600,000,000 (full digit), with 737 days maturity, fixed interest with 49.5% rate, redemption date of 08.10.2025, and with TRSENSAE2510 code.

Enerjisa Enerji has issued a TL bond on 25.10.2023, amounting to 2,000,000,000 TL (full digit), with 450 days term, fixed

interest rate of 48.0%, redemption date of 17.01.2025, and with TRSENSA12514 ISIN code.

E-Şarj Share Purchase

Group'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.

Fitch Ratings Credit Rating

International credit rating agency Fitch Ratings has downgraded Enerjisa Enerji A.S.'s National Long-Term Credit Rating from AA+(tur) to AA(tur) with a negative outlook.

National Tariffs

According to the national tariff announced by EMRA and effective as of October 1, 2023, single-time and low-voltage retail sales tariffs for residential customers remained unchanged, while other customer groups were increased by 25% to 32%. While the distribution tariff remained the same, the final

tariff groups reflected to the end-user remained unchanged for residential customers and increased by 20% for all other groups.

Major Legislative Changes in the Distribution Business Segment:

Eligible Consumer Limit: With the Energy Market Regulatory Board decision dated 29.12.2022 and numbered 11496 published in the Official Gazette dated December 30, 2022 and numbered 32059, it was decided to apply the eligible consumer limit as 1000 kWh for 2023 (The eligible consumer limit was set as 1100 kWh in 2022).

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 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 2023, the minimum and maximum price limits to be applied are summarized in the table below:

Minimum and Maximum Price Limits Applicable After the Amendments to the Provisional Article 1	
EMRA Board Decision No. 11588 dated 26.01.2023 (Published in the Official Gazette No. 32086 dated 27.01.2023)	EMRA Board Decision No. 11682 dated 28.02.2023 (Published in the Official Gazette No. 32119 dated 01.03.2023)
As of 01.02.2023	As of 28.02.2023
Minimum; 0 TL/MWh, Maximum; 3,650 TL/MWh	Minimum; 0 TL/MWh, Maximum; 3,050 TL/MWh

Minimum and Maximum Price Limits Applicable After the Amendments to the Provisional Article 1	
EMRA Board Decision No. 11772 dated 30.03.2023 (Published in the Official Gazette No. 32149 dated 31.03.2023)	EMRA Board Decision No. 11933 dated 03.07.2023 (Published in the Official Gazette No. 32258 dated 04.07.2023)
As of 01.04.2023	As of 04.07.2023
Minimum; 0 TL/MWh, Maximum; 2,600 TL/MWh	Minimum; 0 TL/MWh, Maximum; 2,700 TL/MWh

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:

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

EMRA Board Decision No. 11929 dated 22.06.2023 (Published in the Official Gazette No. 32231 dated 24.06.2023)	EMRA Board Decision No. 12031 dated 17.08.2023 (Published in the Official Gazette No. 32283 dated 18.08.2023)
As of 01.07.2023	As of 18.08.2023
100,0000 kr/kWh	100,0000 kr/kWh

Sales to Distribution Companies within the Scope of General Lighting (kr/kWh)	
EMRA Board Decision No. 11513 dated 29.12.2022 (Published in the Official Gazette No. 32059 dated 30.12.2022)	EMRA Board Decision No. 11775 dated 30.03.2023 (Published in the Official Gazette No. 32149 dated 31.03.2023)
As of 01.01.2023	As of 01.04.2023
380,0000 kr/kWh	380,0000 kr/kWh

EMRA Board Decision No. 11929 dated 22.06.2023 (Published in the Official Gazette No. 32231 dated 24.06.2023)	EMRA Board Decision No. 12031 dated 17.08.2023 (Published in the Official Gazette No. 32283 dated 18.08.2023)
As of 01.07.2023	As of 18.08.2023
380,0000 kr/kWh	380,0000 kr/kWh

LEGAL DEVELOPMENTS

Electricity Tariffs: With the Final Tariff Table determined by the Energy Market Regulatory Board with the board decisions published quarterly by the Energy Market Regulatory Board, the general lighting unit cost tariffs applied in 2023 for consumers receiving energy (low voltage - single term) by the authorized supply companies are as follows:

General Lighting Unit Cost (kr/kWh)			
EMRA Board Decision dated 29.12.2022 and numbered 11537 (Published in the 2 nd Repeated Official Gazette dated 30.12.2022 and numbered 32059)	EMRA Board Decision dated 30.03.2023 and numbered 11776 (Published in the Official Gazette dated 31.03.2023 and numbered 32149)	EMRA Board Decision dated 22.06.2023 and numbered 11930 (Published in the Official Gazette dated 24.06.2023 and numbered 32231)	EMRA Board Decision dated 28.09.2023 and numbered 12108 (Published in the Official Gazette dated 30.09.2023 and numbered 32325)
As of 01.01.2023	As of 01.04.2023	As of 01.07.2023	As of 01.10.2023
465,3196	465,3196	473,1539	473,1539

Regulations Regarding the Advance Payment Notifications Stated in Article 132/Ç of the Electricity Market Balancing and Settlement Regulation:

Regulations concerning Advance Payment Notifications, as outlined in Article 132/Ç of the Electricity Market Balancing and Settlement Regulation, were established through the following Board Decisions: No. 11629 dated 09.02.2023, No. 11827 dated 04.05.2023, No. 11846 dated 11.05.2023, No. 11846 dated 11.05.2023, and No. 11928 dated 22.06.2023. These decisions addressed payment dates and interest applications for amounts outlined in advance payment notifications stipulated in Article 132/Ç of the DUY, necessitated by the earthquake on February 6, 2023. Subsequently, the regulations outlined in prior Board Decisions were abolished. Instead, regulations introduced by Board Decision No. 12095, dated 28.09.2023, and effective until December 31, 2023, are detailed below.

Akedaş Elektrik Dağıtım A.Ş., Dicle Elektrik Dağıtım A.Ş., Fırat Elektrik Dağıtım A.Ş., Toroslar Elektrik Dağıtım A.Ş. and the incumbent supply companies operating in the said distribution regions;

- Non-eligible consumers, eligible consumers who have not chosen their suppliers, eligible consumers who have previously selected their supplier and who receive energy from the 15 authorized supply company again, eligible

and non-eligible consumers who want to supply energy over the tariffs determined for the purpose of supporting renewable energy resources within the scope of the fourth paragraph of Article 17 of the Law,

- Supply companies in which Organised Industrial Zones are direct or indirect shareholders
- Which are obliged to pay the amounts included in the daily advance payment notifications sent to the market participants by the Market Operator regarding the day-ahead market will be postponed until the invoice due date for the relevant invoice period. It has been decided that default interest will be applied to the market operator and market participant during the period during which advance payments are postponed, and this decision came into force on October 1, 2023.

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 6th, 2023 are determined as follows:

Within the scope of the matters specified in these Procedures and Principles, the Board 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 Adiyaman, Hatay, Kahramanmaraş and Malatya and the districts of İslahiye and Nurdağı in Gaziantep, which were affected by the earthquakes that occurred on February 6th, 2023;

- It has been decided to postpone the meter reading operations until 31.05.2023 (including this date).
- It has been decided to postpone invoice and collection procedures until 31.05.2023.
- It has been decided to collect invoice amount based on the total electricity consumption during this period in 6 months in equal instalments without a delay increase starting from the June 2023 invoice period.
- 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.

- o Procedures for making a second notification,
- o Power cut operations,
- o Set-off transactions and notifications from the guaranteed amount,
- o Legal proceedings and notifications

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 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:

- 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,
- 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,
- 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,
- 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 centre under Article 10,
- 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.

Presidential Decision No. 7346:

With the Presidential Decision No. 7346 published in the Official Gazette dated 7 July 2023 and numbered 32241, the Decision Concerning Amendment to the Decision on Determination of Value Added Tax Rates Applicable to Goods and Services enters into force on 10.07.2023. According to this;

Value added tax rates to be applied to the delivery of goods and performance of services, it has been determined as:

- 20% for taxable transactions, except for those included in the annexed lists,
- 1% for the deliveries and services included in the annexed list (I),
- 10% for the deliveries and services included in the annexed list (II),

LEGAL DEVELOPMENTS

Determination of Interest Rates to be Applied in Rediscount and Advance Transactions:

The Central Bank of the Republic of Turkey has changed the discount interest rates to be applied in rediscount transactions and the interest rates to be applied in advance transactions against bills with a maximum of 3 months to maturity on the dates and at the rates indicated below. The amendments entered into force on the date of publication.

Communiqué	Rediscount Rate (Annual - %)	Advance Rate (Annual - %)
Communiqué of the Central Bank of the Republic of Turkey published in the Official Gazette dated June 24, 2023 and numbered 32296	15.75%	16.75%
Communiqué of the Central Bank of the Republic of Turkey published in the Official Gazette dated September 1, 2023 and numbered 32296	25.75%	26.75%
Communiqué of the Central Bank of the Republic of Turkey published in the Official Gazette dated September 28, 2023 and numbered 32323	30.75%	31.75%
Communiqué of the Central Bank of the Republic of Turkey published in the Official Gazette dated November 1, 2023 and numbered 32356	35.75%	36.75%
Communiqué of the Central Bank of the Republic of Turkey published in the Official Gazette dated December 1, 2023 and numbered 32386	40.75%	41.75%
Central Bank of the Republic of Turkey Communiqué published in the Official Gazette dated December 23, 2023 and numbered 32386	43.25%	44.25%

The Law on the Establishment of an Additional Motor Vehicle Tax and the Amendment of Some Laws and Decree Law No. 375 for the Compensation of Economic Losses Caused by Earthquakes that Occurred on 6, 2, 2023:

With the aforementioned Law published in the Official Gazette on 15.07.2023, the corporate tax rate was set at 25%.

Communiqué on Amendments (Monetary Limits And Ratios) to the General Communiqué (Sequence No: 80) of the General Directorate of Accounting (Sequence No: 82):

The following line numbered 1 has been added to the Table numbered "VI" titled "Legal Interest and Default Interest Rates" in the annex of the Communiqué on the Amendment of the General Communiqué of the Directorate General of Accounting (Sequence No: 80) (Monetary Limits and Ratios) published in the Official Gazette dated July 22, 2023 and numbered 32256 (Sequence No: 82) and the General Communiqué of the Directorate General of Accounting dated 9/3/2023 and published in the Official Gazette numbered 32127 (Sequence No: 80) (Monetary Limits and Ratios) and the other lines have been consecutively arranged accordingly. The phrase "As of 1/1/2023" in the current line numbered 1. has been changed to "for the period 1/1/2023-30/6/2023."

1. from 01.07.2023:

1.1. If the legal interest rate has not been determined by the contract	9
1.2. Default interest rate	
1.2.1. If it has not been determined by the contract	9
1.1.1. In commercial affairs (with the communiqué of the central bank of the republic of Turkey dated 24/6/2023)	16.75

The Communiqué entered into force on the date of publication, effective from 1/7/2023.

Energy Market Regulatory Board Decision dated 19/10/2023 and numbered 12138:

With the Decision No. 12138 of the Energy Market Regulatory Board published in the Official Gazette dated October 24, 2023 and numbered 32349, the following decisions have been taken regarding the implementation of the sixteenth paragraph of Article 26 of the Unlicensed Electricity Generation Regulation in the Electricity Market and the Board Decision dated 04.08.2022 and numbered 11098 for unlicensed generation facilities located in cities where a state of emergency has been declared and/or declared a disaster area due to the earthquakes that occurred on February 6, 2023:

- In 2023, it has been decided to take into account the entire amount of electrical energy above the need that can be subject to sale in the generation facilities associated with the consumption facilities commissioned for the first time in 2023 and commissioned in 2023.
- In the event that the total electricity energy consumption of the relevant consumption facility for the year 2023 or 2024 is lower than the total electricity energy consumption for the year 2022, it has been decided to use the total electricity energy consumption for the year 2022 in the calculation of the electricity generation amount that can be subject to sale in 2024.

Consumption amounts specified in Articles 5 and 6 of the Communiqué on the Regulation of the Last Source Supply Tariff and the coefficient rate determined by the Board:

With the Board Decision published in the Official Gazette dated October 28, 2023 and numbered 32353, the consumption amounts in Articles 5 and 6 of the Communiqué on the Regulation of the Last Source Supply Tariff and the coefficient determined by the Board were determined for 2024.

- The consumption amount specified in the third paragraph* of Article 5 of the Communiqué on the Regulation of the End-Source Supply Tariff is applied as 100 million kWh/year for residential and agricultural activities consumer groups and 1 million kWh/year for other consumer groups for 2024.

Consumer Group	Consumption Amount (kWh/year)	
	2023	2024
Household	100 million	100 million
Agricultural Activities	100 million	100 million
Public and Private Sector Services Sector and Other	1 million	1 million
Industry	1 million	1 million
Lighting	1 million	1 million

- The KBK in the fifth paragraph of Article 6 of the Communiqué on the Regulation of the End-Source Supply Tariff continued to be applied as 1.0938, as of January 1, 2024 (it was also applied as 1.0938 in 2023).

LEGAL DEVELOPMENTS

Amendments in the Electricity Market Connection and System Usage Regulation:

Two changes were made to the Electricity Market Connection and System Usage Regulation in 2023. According to the Regulation on Amendments to the Electricity Market Connection and System Usage Regulation published in the Official Gazette dated 29 July 2023 and numbered 32263, the amount stated in the notification shall be transferred to TEİAŞ or the distribution company within fifteen days following the day on which the payment notification pursuant to the second paragraph of Article 25 of the CSUR and in case of non-payment, the delay interest calculated in accordance with Article 51 of the Law No. 6183 on the Collection Procedure of Public Receivables will be applied twice for transmission system users.

Another change was made in November. The following changes has been made to the Regulation on Amendments to the Electricity Market Connection and System Usage Regulation (BSKY) published in the Official Gazette dated 9 November 2023 with numbered 32363 the Electricity Market Connection and System Usage Regulation published in the Official Gazette dated 28/1/2014 and numbered 28896.

Tax Procedure Law General Communiqué (Sequence No: 554):

In accordance with the Tax Procedural Law General Communiqué No. 554 published in the Official Gazette No. 32380 dated 25 November 2023 and paragraph (B) of Article 298 bis of the Tax Procedure Law No. 213, the revaluation rate is the average price increase rate in the Domestic Producer Price Index of the Turkish Statistical Institute in October of the year to be revalued (including October) compared to the same period of the previous year. This rate must be announced in the Official Gazette by the Ministry of Treasury and Finance. In accordance with this provision, the revaluation rate has been determined as 58.46% (fifty-eight point forty-six) for 2023. On the other hand, it has been notified that the previously published Communiqués on this subject are also in force.

Presidential Decree No. 7918:

The decisions taken within the framework of the "Decision on the Redetermination of the Instalment Payment Periods in the Law No. 7256 on the Restructuring of Certain Receivables and Amendments to Certain Laws and the Law No. 7326 on the Restructuring of Certain Receivables and Amendments to Certain Laws Due to the

Earthquakes Occurring in the Province of Kahramanmaraş on 6/2/2023 and the Continuing Force Majeure in the Provinces of Adıyaman, Hatay, Kahramanmaraş and Malatya and the Districts of İslahiye and Nurdâğı of Gaziantep Province" published in the Official Gazette dated December 12, 2023 and numbered 32397 are as follows:

- On February 6, due to the earthquakes that occurred in Kahramanmaraş Province on February 6, it was announced by the Ministry of Treasury and Finance that the state of force majeure declared by the Ministry of Treasury and Finance in accordance with Article 15 of the Law No. 213 to be valid from February 6, 2023 until April 30, 2024 (including this date) in Adıyaman, Hatay, Kahramanmaraş and Malatya provinces and İslâhiye and Nurdâğı districts of Gaziantep Province.
- The payment period of the first of the instalments (including those whose last day of the payment period coincides with the date of the end of the state of force majeure) that must be paid between 06.02.2023 and 29.02.2023 within the scope of the aforementioned Laws (including those whose last day of the payment period coincides with the date of the end of the state of force majeure) of those who are indebted to the offices in these places exclusively to the offices (creditor administrations) in these places has been extended to be paid in the month following the date of the end of the state of force majeure, and the payment periods of the following instalments in monthly periods following this month (in total twelve months).
- If the number of instalments between the date of the beginning of the force majeure event and the end of the force majeure event is more than twelve, the excess instalments are paid together with the twelfth instalment.

Regulation Amending the Electricity Market Balancing and Settlement Regulation:

With the Regulation Amending the Electricity Market Balancing and Settlement Regulation published in the Official Gazette dated December 19, 2023 and numbered 32404, amendments were made to the Electricity Market Balancing and Settlement Regulation, which entered into force after being published in the Official Gazette dated April 14, 2009 and numbered 27200, and which determines the procedures and principles regarding the balancing of active electricity energy

supply and demand and the realization of settlement. Amendments were made to the articles on intraday market bids, notification of intraday market bids, matching of bids in the intraday market and commercial transaction approval, PMS failure and maintenance procedures within the scope of the intraday market, and objection process in the intraday market. A summary of the amendments is as follows:

- "Block bidding" is abolished in the intraday market (Art. 66/C f.1)
- Minimum price steps that can be offered in the intraday market will be determined by the Market Operator and announced to the market participants through the PMS (Art. 66/C f.3)
- Bid options
 - Standard
 - Periodic
 - Map or destroy all
 - Match or destroy what exists
 - Price levelled
 - time levelled
 - Iceberg
- Article 132 of the Regulation stipulates that the amount of energy taken as imbalance by the relevant supply company due to the withdrawals made by the eligible consumers falling into the portfolio of the incumbent supply company shall be evaluated at the market clearing price for the settlement periods determined including the 2nd business day following the notification made by the Market Operator to the relevant distribution company as of the date of fall into the portfolio.
- Article 133 of the Regulation sets out the process for objecting to the LUATOB values calculated in accordance with the provisions of the Regulation on Certification and Support of Renewable Energy Resources within the scope of the retrospective correction item, and stipulates that the distribution company must finalize the objections submitted in writing or via PYS within 5 business days.
- It is stipulated that the Market Operator shall make the necessary correction in accordance with the results notified to it in writing or through the PMS by the incumbent supply companies regarding the LUYTOB values within the scope of the provisions of Article 134 and the correction made shall be notified to the relevant incumbent supply company in writing or through the PMS.

Communiqué on Administrative Fines to be Imposed in 2024 Pursuant to Article 16 of the Electricity Market Law:

With the Communiqué published in the Official Gazette dated December 27, 2023 and numbered 32412, the administrative fines regulated in Article 16 of the Electricity Market Law ("Law") were increased by 58.46%, which was determined as the revaluation rate for 2023, and redetermined as follows. The Communiqué entered into force on 01/01/2024.

	ADMINISTRATIVE FINES ANTICIPATED IN LAW	ADMINISTRATIVE FINES IMPLEMENTED IN 2023	ADMINISTRATIVE FINES TO BE IMPLEMENTED IN 2024
RELEVANT ARTICLE	(TL)	(TL)	(TL)
In cases of request for information or on-site inspection by the Board; if it is determined that the requested information is provided inaccurately, incompletely or misleadingly, or if no information is provided at all, or if the opportunity for on-site inspection is not provided, it shall be warned to provide accurate information or to provide the opportunity for inspection within fifteen days. The administrative fine to be imposed on those who continue to violate despite the written warning Paragraph (a) of the First Paragraph of Article 16	500,000	3,607,749	5,716,839
In the event that it is determined that there is a violation of the Law, secondary legislation or license provisions, Board decisions and instructions, it shall be warned to eliminate the violation within thirty days or not to repeat it, depending on the nature of the violation, and the administrative fine to be imposed on those who continue or repeat the violations despite the written warning Paragraph (b) of the First Paragraph of Article 16	500,000	3,607,749	5,716,839
Administrative fine to be imposed without the need for warning in case of violation of the provisions of the Law, secondary legislation or license in a way that cannot be corrected after the violation has been made Paragraph (c) of the First Paragraph of Article 16	500,000	3,607,749	5,716,839
Administrative fine to be imposed in case of submitting untrue documents or misleading information about the conditions required for the issuance of a license, or failing to notify the Board of changes in license conditions that will affect the issuance of a license during the license application or license execution Paragraph (ç) of the First Paragraph of Article 16	800,000	5,772,413	9,146,965
In case of violation of the prohibition of affiliate relationship during the license period, the affiliate relationship shall be warned to be corrected within thirty days. Administrative fine to be imposed on those who continue to violate despite the written warning Paragraph (d) of the First Paragraph of Article 16	900,000	6,493,959	10,290,327
In the event that it is determined that there is activity outside the scope of the license in the market, it shall be warned to stop the out-of-scope activity or adverse activity within fifteen days. Administrative fines to be imposed on those who continue their violations despite the written warning Paragraph (e) of the First Paragraph of Article 16	1,000,000	7,215,524	11,433,719
Except for the inspections of electricity distribution companies, a period of time is given for the elimination of deficiencies related to unlit, out-of-place luminaires and/or poles detected within the scope of general lighting. An administrative fine of five hundred Turkish liras shall be imposed by the Board for each pole or luminaire determined by the determination that the deficiencies are not eliminated within the specified periods, following the notification of the Ministry to the Board. The periods to be given for the elimination of the identified deficiencies and the principles of determining the deficiencies shall be determined by regulation. Administrative fines imposed pursuant to this Law shall be paid within one month following the notification. Eighth Paragraph of Article 16	500	2,864	4,538

LEGAL DEVELOPMENTS

Electricity Market Measurement Systems Regulation:

Regulation on Electricity Market Measurement Systems published on December 28, 2023 and entered into force on January 1, 2024 has following transition provisions:

- (i) The user mobile application to be established by EPIAŞ (June 1, 2024) and the distribution company to provide data to this application as of July 1, 2024.
- (ii) National smart meter system ("MASS") transition period implementations (the distribution company shall install the central communication software by April 1, 2025; ensure integration for the transfer and processing of meter data by August 1, 2025; the meters to be supplied by the distribution company as of June 1, 2025 shall comply with the interoperability principle).

The National Smart Meter System (MASS) consists of the following hardware and software components, and these components should work in harmony without the need for any revision:

- Smart meters
- Modem
- Central communication software
- Data concentrator
- User mobile app

The duties and responsibilities of the distribution company regarding the Smart Meter System Infrastructure are as follows:

- Inclusion of meters connected to the distribution system in the scope of MASS (until 1/8/2025),
- Installation, operation and maintenance of the equipment, infrastructure and smart meters necessary for establishing communication; and
- Replacement of existing meters with smart meters.

The User Mobile Application to be established by EPIAŞ until 1/6/2024 is operated by EPIAŞ in order to enable users to view and analyse some of their information and is based on the principle that the distribution company is responsible for the accuracy of the data it will provide until 1/7/2024.

The following features will be available in the user mobile application:

- Ability to view daily, monthly, yearly consumption and/or production data (by time period)

- Ability to alert the user in case of unexpected overconsumption, consumption when not in use
- Informing the user even if the limit value set is exceeded
- Displaying the interruption list of the current and previous year interruption data affected by the users, the total interruption duration and total number of interruptions based on the continuity of supply compensation on a yearly basis, the start and end time of each interruption, the interruption duration, long-term and annual interruption compensation information
- Advance notification of notifiable outages
- Ability to view meter data related to technical quality events
- Reporting complaints and malfunctions

The procedures and principles regarding the sharing of data in the user mobile application with public institutions and organizations will be determined by the Authority.

Electricity meters are divided into 2 categories as Smart Meter EKO and Smart Meter PRO by the Regulation. According to the order of priority, the meters that should be within the scope of Smart Meter EKO are determined as follows:

- Newly installed meters and meters that need to be replaced due to expiration of the stamp period.
- Meters that must be installed at the output of each distribution transformer.
- Meters that need to be replaced due to malfunction.
- Meters replaced due to suspicion of illegal electricity use.

The meters that should be within the scope of Smart Meter PRO are determined as follows.

- Meters that measure the electricity drawn from the distribution system by the consumption units of licensed generation facilities.
- Meters that measure the electrical energy supplied by licensed generation facilities to the distribution system.
- Meters that measure the electrical energy exchanged between two distribution systems.
- Meters that measure the electrical energy supplied and withdrawn from the electricity storage unit within the electricity storage facility with storage, the electricity storage unit integrated to the generation facility and the stand-alone electricity storage facilities.

- Existing meters for places of use whose consumption in the previous year or consumption during the year is over 10 MWh.
- Meters to be used for measuring the electricity consumption of charging stations with a separate electricity subscription and at least one DC 50 kW and above charging unit and charging stations with an annual consumption of over 10 MWh.
- Unlicensed generation facilities with an installed capacity of over 10 kW.

Distribution companies shall record the data related to continuity of supply on the meters in such a way that there will be no data loss within the framework of the procedures defined in the Quality Regulation on Distribution and Retail Sales Activities in the Electricity Market and the procedures defined in the Procedures and Principles Regarding the Technical Quality of the Electricity Distribution System.

For meters that are not within the scope of remote communication, interruption and technical quality records on the meter will be read at least every 6 months by electricity distribution companies and recorded in their related systems.

The Procedures and Principles on the Scope of Automatic Meter Reading Systems and Determination of Meter Values and the Communiqué on Meters to be Used in the Electricity Market have been repealed.

The dates foreseen for the MASS Transition Period are as follows:

- Meters purchased according to TEDAŞ - MLZ/2017-062.A coded Electronic Electricity Meters Technical Specification can be installed until 1/1/2025.
- Communication units purchased according to TEDAŞ - MLZ/2019-064.A coded Communication Unit Technical Specification can be installed until 1/1/2025.
- Meters and modems compatible with the Automatic Meter Reading System can be installed until 1/1/2025 in places where Smart Meter PRO must be installed.
- Existing meters in the places of use with previous year consumption or consumption over 10 MWh within the year shall be replaced with Smart Meter PRO or Automatic Meter Reading System compatible meters and modems until 1/1/2025, starting with the ones with high consumption and not less than twenty percent on distribution company basis.

Minimum Wage Determination

Commission Decision: With the Decision of the Ministry of Labor and Social Security dated 27.12.2023 and numbered 2023/2 published in the Official Gazette dated 30 December 2023 and numbered 32415, pursuant to Article 39 of the Labor Law No. 4857 and Article 522 of the Presidential Decree No. 1 on the Organization of the Presidency, it is decided

- 1) To determine a single minimum wage at the national level
- 2) To determine the minimum wage of the worker for one day of normal work as: 666.75 Turkish Liras between 01/01/2024 - 31.12.2024,
- 3) To propose to redefine the scope of the support and the procedures and principles in order to maintain the minimum wage support as 700 Turkish Liras from January to December 2024

by the Minimum Wage Determination Commission, which is responsible for determining the minimum wage of all kinds of workers working with an employment contract and whether or not covered by this Law.

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.

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 6th, 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 centre 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.

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

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.

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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 cancelled 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 cancelled 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.

Energy Market Regulatory Board Decision dated 03.07.2023 and numbered 11933:

With the Board Decision numbered 11933 published in the Official Gazette dated 04.07.2023 and numbered 32238, "Procedures and Principles for Determining Minimum and Maximum Price Limits in the Day-Ahead Market and Balancing Power Market," has been amended as follows in the temporary 1 article's fifth paragraph: "5) Until a new decision is made by the Board; minimum price limits in the relevant markets are applied as 0 TL/MWh, and maximum price limits are applied as 2,700 TL/MWh. During this period, the provisions of the second paragraph of Article 4 of these Procedures and Principles shall not apply."

Presidential Decree No. 7346:

With Presidential Decree No. 7346, published in the Official Gazette numbered 32241 and dated 07.07.2023, "Amendment to the Decision on the Determination of Value Added Tax Rates to be Applied to Goods and Services." Has been put into effect. The relevant Decree has made changes to the Decision on the Determination of Value Added Tax Rates to be Applied to Goods and Services, which was put into effect by the Council of Ministers Decision No. 2007/13033 dated 24/12/2007, as follows:

- In the first paragraph of Article 1;
- o The phrase "18%" in subparagraph (a) has been changed to "20%,"
 - o The phrase "8%" in subparagraph (c) has been changed to "10%."

Energy Market Regulatory Board Decision dated July 13, 2023 and numbered 11952:

With Decision No. 11952 dated July 13, 2023, published in the Official Gazette numbered 32250 on July 16, 2023, it has been decided to revise as stated below the anticipated RES Support Mechanism (YEKDEM) cost per unit of energy supplied for the month of July 2023 and beyond, within the scope of the fourth paragraph of Article 13 and the second paragraph of Article 14 of the Regulation on the Certification and Support of Renewable Energy Resources.

Months	2023 Estimated YEKDEM Cost (TL/MWh)
July	186.33
August	143.58
September	196.97
October	220.22
November	205.80
December	159.91

Regulation Amending the Electricity Market Connection and System Usage Regulation:

With the Regulation Amending the Electricity Market Connection and System Usage Regulation, published in the Official Gazette numbered 32263 on July 29, 2023, the second paragraph of Article 25 of the Electricity Market Connection and System Usage Regulation has been amended as follows and came into effect on the date of publication:

"Payment Procedure -

ARTICLE 25: (2) *The user shall pay the amount specified in the notification to TEİAŞ or the distribution company within fifteen days following the day of notification. A delay penalty, calculated in accordance with Article 51 of the Law No. 6183 on the Procedure for the Collection of Public Receivables dated 21/7/1953, shall be applied for the delayed payment period. For transmission system users, this rate shall be applied at twice the amount.*

Energy Market Regulatory Board Decision dated August 17, 2023 and numbered 12031:

With Decision No. 12031 dated August 17, 2023, published in the Official Gazette numbered 32283 on August 18, 2023, regarding the wholesale electricity sales tariff to be applied by the Electricity Generation Corporation:

- An amount of 110.0000 kr/kWh shall be applied for sales to authorized supply companies.
- An amount of 100.0000 kr/kWh shall be applied for sales to distribution companies for technical and non-technical loss energy.
- An amount of 380.0000 kr/kWh shall be applied for sales to distribution companies for general lighting purposes.

Change in the Collateral Calculation Method by Energy Markets Operations Inc. ("EPIAŞ"):

EPIAŞ has made amendments to the temporary additional collateral clause for distribution and authorized supply companies in the Collateral Calculation Method with the General Manager's Decree No. 10002 dated August 17, 2023. This change came into effect on August 18, 2023.

Amendment to the Regulation Regarding the Exemption of Energy Consumption Fees within the Scope of the State of Emergency:

With the Regulation Amending the Regulation Regarding the Exemption of Energy Consumption Fees within the Scope of the State of Emergency, published in the Official Gazette numbered 32263 on July 29, 2023, the second paragraph of the article titled "Submission of Invoices and Summaries" has been amended as follows:

"Submission of Invoices and Summaries

ARTICLE 8- (2) *Applications within the scope of the first paragraph may be made collectively or separately. However, applications made by the relevant company for all consumers within the scope of the exemption, except those subject to objections and/or legal proceedings due to damage conditions, shall be completed by November 1, 2023.*

Energy Market Regulatory Board Decision dated August 17, 2023 and numbered 12022:

With Decision No. 12022 dated August 17, 2023, published in the Official Gazette numbered 32287 on August 22, 2023, due to the earthquakes that occurred on February 6, 2023, and the subsequent

declaration of a state of emergency and disaster zones in certain cities, for moderately and heavily damaged structures associated with unlicensed electricity generation facilities installed under the Unlicensed Electricity Generation Regulation in the Electricity Market, as well as for demolished and to-be-demolished structures, it has been decided that the provisions of the eighth and ninth paragraphs of Article 28 of the Regulation on Unlicensed Electricity Generation in the Electricity Market will not be applied until August 31, 2024, starting from May 9, 2023.

Energy Market Regulatory Board Decision dated September 14, 2023 and numbered 12069:

With Decision No. 12069 dated September 14, 2023, published in the Official Gazette numbered 32311 on September 16, 2023, the transmission additional fee to be applied in 2024 has been determined as 0.5 per thousand (‰) of the transmission tariff of the Turkish Electricity Transmission Corporation, in accordance with the seventh paragraph of Article 5 and the (e) subparagraph of the first paragraph of Article 10 of Law No. 4628 on the Organization and Duties of the Energy Market Regulatory Authority, as well as the third paragraph of Article 7 of the Electricity Market Tariffs Regulation.

Transmission additional fees shall be calculated monthly by the Turkish Electricity Transmission Corporation and deposited into the account of the Energy Market Regulatory Authority by the 25th of the following month.

This decision came into effect on the date of its publication, effective from January 1, 2024.

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Energy Market Regulatory Board Decision dated September 28, 2023 and numbered 12095:

With Decision No. 12095 dated September 28, 2023, published in the Official Gazette numbered 32325 on September 30, 2023, due to the ongoing effects of the earthquakes centred in Kahramanmaraş on February 6, 2023, in accordance with Article 140 of the Electricity Market Balancing and Settlement Regulation, until December 31, 2023:

For Akedaş Elektrik Dağıtım A.Ş., Dicle Elektrik Dağıtım A.Ş., Fırat Elektrik Dağıtım A.Ş., Toroslar Elektrik Dağıtım A.Ş., operating in the distribution regions in question,

- the amounts specified in the advance payment notifications in accordance with the categories listed in the second paragraph of Article 17 (a), (b), (c), and (ç) of the Regulation and for supply companies directly or indirectly affiliated with Organized Industrial Zones,
- The payment of which is obligated, shall be postponed until the last payment date of the relevant invoice period, as stated in the first paragraph of Article 132/Ç of the Regulation, and during the period when advance payments are deferred, default interest shall not be applied to the market operator and market participants.

This decision came into effect on October 1, 2023.

Energy Market Regulatory Board Decision dated September 28, 2023 and numbered 12108:

With Decision No. 12108 dated September 28, 2023, published in the Official Gazette numbered 32325 on September 30, 2023, the following decisions have been made:

- Approval of the tariff tables to be applied as of October 1, 2023, for low- consumption consumers defined within the scope of the Regulation on the Preparation of the Last Resort Supply Tariff, published in the Official Gazette numbered 30307 dated January 20, 2018, by distribution companies to distribution system users, and by authorized supply companies to non-liberalized consumers and consumers who, despite having the option to choose their supplier, have not selected one.

- Approval of the tariff table to be applied as of October 1, 2023, for consumers who choose the Green Tariff by authorized supply companies. The relevant tariff tables were published in the Appendix to the Board Decision.

Energy Market Regulatory Board Decision dated October 19, 2023 and numbered 12138:

With Decision No 12138 dated 19 October 2023, published in the Official Gazette numbered 32349 and dated 24 October 2023, due to the earthquakes that occurred on February 6, 2023; regarding the implementation of the sixteenth paragraph of Article 26 of the Unlicensed Electricity Generation Regulation in the Electricity Market and the Board Decision numbered 11098 and dated 04 August 2022 for unlicensed generation facilities located in cities where a state of emergency has been declared and/or declared a disaster area it has been decided to;

- To take into account the entire amount of electrical energy above the need that can be subject to sale in the production facilities associated with the consumption facilities commissioned for the first time in 2023 and commissioned in 2023,
- In the event that the total electricity energy consumption of the relevant consumption facility for the year 2022, the total electricity energy consumption of the relevant consumption facility for the year 2022 shall be used in the calculation of the amount of electricity generation that can be subject to sale in 2024.

Regulation Amending the Regulation Regarding the Exemption of Energy Consumption Fees within the Scope of the State of Emergency:

Published in the Official Gazette numbered 32353 and dated 28.10.2023, the title of Article 7 of the Regulation Amending the Regulation Regarding the Exemption of Energy Consumption Fees within the Scope of the State of Emergency has been amended as "Amounts subject to abandonment" and the first paragraph of the same article has been amended as follows and entered into force on the date of publication:

"(1) Companies shall not apply for cancellation of the security deposits of the terminated or terminated contracts of the consumers within the scope of this Regulation and shall refund these security deposits in accordance with the provisions of the relevant legislation, without subjecting them to offsetting."

Determination of Interest Rates Applicable to Rediscount and Advance Transactions:

With the Communiqué published in the Official Gazette numbered 32356 and dated 01.11.2023, the discount interest rate to be applied by the Central Bank of the Republic of Turkey in rediscount transactions against bills with a maximum of 3 months to maturity was determined as 35.75 percent per annum, and the interest rate to be applied in advance transactions was determined as 36.75 percent per annum and entered into force as of the date of publication.

Energy Market Regulatory Board Decision dated November 9, 2023 and numbered 12186:

With the Decision of the Energy Market Regulatory Board numbered 12186 and dated 09.11.2023 published in the Official Gazette numbered 32365 and dated 10.11.2023, it has been decided to apply the active electricity energy wholesale tariff as 48,2187 kr/kWh for the sales made by EÜAŞ to the authorized supply companies, effective from 11.11.2023.

No. 6183 on the Determination of the Delay Increase Rate in the First Paragraph of Article 51 of the Law No. 6183 on the Procedure for Collection of Public Receivables as 3.5% to be applied separately for each month (Decision No.: 7782):

In the Official Gazette numbered 32369 and dated 14.11.2023, the Decision on the Determination of the Delay Increase Rate in the First Paragraph of Article 51 of the Law No. 6183 on the Collection Procedure of Public Receivables as 3.5% to be applied separately for each month (Decision No.: 7782) was published.

Determination of Interest Rates Applicable to Rediscount and Advance Transactions:

In the Official Gazette numbered 32386 and dated 01.12.2023, the Central Bank of the Republic of Turkey published the Determination of Interest Rates to be Applied in Rediscount and Advance Transactions, and accordingly, the discount interest rate to be applied in rediscount transactions to be made against bills with a maximum of 3 months to maturity was determined as 40.75 percent per annum and the interest rate to be applied in advance transactions was determined as 41.75 percent per annum and entered into force on the date of publication.

Regulation Amending the Electricity Market Balancing and Settlement Regulation:

With the Regulation Amending the Electricity Market Balancing and Settlement Regulation published in the Official Gazette numbered 32404 and dated 19.12.2023, certain amendments were made to the Electricity Market Balancing and Settlement Regulation.

In general, amendments were made to the articles on intraday market bids, notification of intraday market bids, matching of bids and trade confirmation in the intraday market, PMS failure and maintenance procedures within the scope of the intraday market, and objection process in the intraday market.

Subparagraph (d) of the fifth paragraph 132/E of the Regulation titled "Failure to make bill payments" has been amended as follow: "The amount of energy taken as imbalance by the relevant supply company due to the withdrawals made by the eligible consumers who fall into the portfolio of the incumbent supply company or who will supply energy within the relevant OIZ holding a distribution license, is evaluated at the market clearing price for the settlement periods determined including the second business day following the notification made by the Market Operator to the relevant distribution company or TEİAŞ as of the date of fall into the portfolio."

Determination of Interest Rates Applicable to Rediscount and Advance Transactions:

With the Official Gazette numbered 32408 and dated 23.12.2023, the interest rate to be applied in rediscount transactions of the Central Bank of the Republic of Turkey against bills with a maximum of 3 months to maturity was determined as 43.25 percent per annum and the interest rate to be applied in advance transactions was determined as 44.35 percent per annum and entered into force on the date of publication.

Energy Market Regulatory Board Decision dated December 27, 2023 and numbered 12271:

With the Decision of the Energy Market Regulatory Board numbered 12271 and dated 21/12/2023 published in the Official Gazette numbered 32412 and dated 27.12.2023 and, due to the continuing effects of the earthquakes on February 6, 2023, in accordance with Article 140 of the DUY, it has been decided until 31 March 2024:

Akedaş Elektrik Dağıtım A.Ş., Dicle Elektrik Dağıtım A.Ş., Fırat Elektrik Dağıtım A.Ş., Toroslar Elektrik Dağıtım A.Ş. and the incumbent supply companies operating in the said distribution regions;

- The categories of the incumbent supply companies within the scope of a, b, c, subparagraphs of Article 17, Paragraph 2 of the Regulation
- Supply companies in which Organised Industrial Zones are direct or indirect shareholders which are obliged to pay the amounts included in the daily advance payment notifications sent to the market participants by the Market Operator regarding the day-ahead market, will be postponed until the invoice due date for the relevant invoice period. It has been decided that default interest will be applied to the market operator and market participant during the period during which advance payments are postponed, and this decision will come into force on January 1, 2024.

Communiqué on Administrative Fines to be Imposed in 2024 Pursuant to Article 16 of the Electricity Market Law No. 6446:

With the Official Gazette numbered 32412 and dated 27.12.2023, the Communiqué on Administrative Fines to be Imposed in 2024 Pursuant to Article 16 of the Electricity Market Law No. 6446 was published,

Pursuant to Article 16 of the Law No. 6446, the administrative fines to be imposed are determined as follows:

RELEVANT PROVISION OF ARTICLE 16 OF THE LAW NO. 6446	ADMINISTRATIVE FINES TO BE APPLIED IN 2024 (TL)
Paragraph (a) of the first paragraph of Article 16	5,716,839
Paragraph (b) of the first paragraph of Article 16	5,716,839
Paragraph (c) of the first paragraph of Article 16	5,716,839
Paragraph (ç) of the first paragraph of Article 16	9,146,965
Paragraph (d) of the first paragraph of Article 16	10,290,327
Paragraph (e) of the first paragraph of Article 16	11,433,719
Article 16, paragraph eight	4,538

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Energy Market Regulatory Board Decision dated December 28, 2023 and numbered 12302-5:

With the Decision of the Energy Market Regulatory Board numbered 12295 and dated 28.12.2023 published in the 2nd Repeated Official Gazette numbered 32415 and dated December 30, 2023, it was decided to apply the eligible consumer limit as 950 kWh for 2024.

Energy Market Regulatory Board Decision dated December 28, 2023 and numbered 12302-1:

With the Board Decision of the Energy Market Regulatory Board numbered 12302-1 and dated 28.12.2023 published in the 2nd Repeated Official Gazette, 2023 numbered 32415 and dated December 30, the assurance fees to be valid as of 01.01.2024 have been determined as follows.

Industry and Public and Private Services Sector and Other	387.1 TL/kW
Household	136.2 TL/kW
Martyr Families and Combat Veterans	68.0 TL/kW
Agricultural irrigation, lighting and Other	183.7 TL/kW

Energy Market Regulatory Board Decision dated December 28, 2023 and numbered 12302-4:

With the Board Decision of the Energy Market Regulatory Board numbered 12302-4 and dated 28.12.2023 published in the 2nd Repeated Official Gazette numbered 32415 and dated December 30, 2023, as of 01.01.2024, the fees for the payment notification and second notification release services received by the authorized supply companies from the distribution companies have been determined as follows.

	Price (TL / Transaction)	
	Low Voltage	Medium Voltage
Payment Notice Release Fee	0.215	2.15
Second Notification Fee	4.31	43.22
Fee to be applied in case of leaving a second notification together with the payment notification	0 TL	

Energy Market Regulatory Board Decision dated December 28, 2023 and numbered 12302-6:

With the Board Decision numbered 12302-6 and dated 28.12.2023 of the Energy Market Regulatory Board published in the 2nd Repeated Official Gazette numbered 32415 and dated December 30, 2023, the annual operating fee to be collected by the incumbent supply companies in accordance with subparagraph (b) of paragraph 2 of Article 36 of the Unlicensed Electricity Generation Regulation, which will be effective as of 01.01.2024, has been determined as follows.

Power Range	Cost (TL/Year)
0-50 kW (including)	0
50-250 Kw (including)	3433.0
250 kW – 5 MW (including)	6865.9
Above 5 MW	13731.5

Energy Market Regulatory Board Decision dated December 28, 2023 and numbered 12302-8:

With the Board Decision numbered 12302-8 and dated 28.12.2023 of the Energy Market Regulatory Board published in the 2nd Repeated Official Gazette numbered 32415 and dated December 30, 2023, the transaction fee to be collected by the relevant network operator and incumbent supply companies in accordance with subparagraph (c) of paragraph 2 of Article 36 of the Unlicensed Electricity Generation Regulation, which will be effective as of 01.01.2024, has been determined as follows.

Transaction Type	Cost (TL)
Share Transfer	0
Other Transactions	2183.7

Energy Market Regulatory Board Decision dated December 28, 2023 and numbered 12316:

With the Board Decision numbered 12316 and dated 28.12.2023 of the Energy Market Regulatory Board published in the 2nd Repeated Official Gazette numbered 32415 and dated December 30, 2023, the transmission system usage and system operation tariffs to be applied as of 01.01.2024 have been approved on the basis of 15 regions, within the framework of the Transmission System Usage and System Operation Tariffs Calculation and Implementation Method Statement of the Board Decision for generators and consumers.

Energy Market Regulatory Board Decision dated December 28, 2023 and numbered 12318:

With the Board Decision dated 28.12.2023 and numbered 12318 of the Energy Market Regulatory Board published in the 2nd Repeated Official Gazette dated December 30, 2023 and numbered 32415;

- (a) by distribution companies to distribution system users, by incumbent supply companies to i) non-eligible consumers (= Eligible Consumer Limit 2024: 950 kWh), ii) consumers who do not choose their supplier despite being eligible consumers, and iii) low consumption consumers defined within the scope of the Communiqué on Regulation of the End Source Supply Tariff
- (b) The tariff tables to be applied by the incumbent supply company to consumers opting for the green tariff as of 1/1/2024 have been approved.

Energy Market Regulatory Board Decision dated December 28, 2023 and numbered 12319:

With the Board Decision of the Energy Market Regulatory Board numbered 12319 and dated 28.12.2023 published in the 2nd Repeated Official Gazette numbered 32415 and dated December 30, 2023, the projected YEKDEM cost per unit energy amount supplied for 2024 has been approved as follows:

Months	2024 Projected YEKDEM Cost (TL/MWh)
January	208.35
February	263.87
March	323.22
April	306.84
May	391.74
June	376.78
July	257.13
August	217.37
September	225.77
October	299.44
November	220.28
December	179.51

Major Legislative Changes in the Electric Vehicle Charging Segment

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.

Regulation on Amendments to the Charging Service Regulation was published in the Official Gazette dated 28.07.2023 and numbered 32262. Article 32 of the regulation introduces provisions related to the cancellation of charging network operator licenses for legal entities, including those with a ten percent or greater ownership stake in the legal entity, as well as board members who resigned within one year before the license cancellation date. According to these provisions, such individuals are prohibited from obtaining a charging network operator license, submitting license applications, having direct or indirect ownership stakes in entities

applying for licenses, or serving on their management boards for a period of three years following the license cancellation. Additionally, Temporary Article 3 was added to the relevant Regulation, extending the deadline for the establishment of charging networks within the scope of license obligations to January 31, 2024.

Regulation on Amendments to the Workplace Opening and Operating Licenses was published in the Official Gazette dated 29.07.2023 and numbered 32263. Under these changes, non-independent charging stations located in other businesses and residential complexes can commence operations with an activity certificate. This certificate will be issued by metropolitan municipalities in metropolitan areas.

Regulation on Amendments to the Charging Service Regulation was published in the Official Gazette dated 09.08.2023 and numbered 32274. These amendments extend the deadline for submitting the necessary documents to the Authority for adding charging stations to the charging network until July 31, 2024.

Regulation on Amendments to the Renewable Energy Source Guarantee Certificate Regulation and the EPDK Decision numbered 12006, dated August 10, 2023, were published in the Official Gazette dated 17.08.2023 and numbered 32282. These regulations introduce the possibility for charging network operators to participate in the Renewable Energy Sources Guarantee System. Furthermore, it imposes an obligation on charging network operators to disclose and redeem YEK-G certificates to users who charge their electric vehicles at green charging stations.



LEGAL DEVELOPMENTS

Notification on Amendments to the Occupational Hazard Classifications for Workplace Health and Safety was published in the Official Gazette dated 11.08.2023 and numbered 32276. Under these amendments, charging station activities for electric vehicles are classified as "hazardous."

Regulation on Amendments to the Charging Service Regulation was published in the Official Gazette dated 17.08.2023 and numbered 32282. Under these changes, charging network operators are allowed to establish green charging stations. Green charging stations are defined as stations where the electricity used for charging services is produced from renewable sources and redeemed with a YEK-G certificate.

On Communique (Serial No: 550) on amendment to the General Communique of Tax Procedure Law (Serial No: 509) was published in the Official Gazette dated 07.10.2023 and numbered 32332. According to Communique, charging network operators are obliged to issue and transmit electronic documents (e-invoice, e-Archive Invoice) regardless of the amount subject to the obligation to issue invoices. The effective date of the relevant Communique is 02.01.2024.

General Communique of Tax Procedure Law (Serial No: 551) was published in the Official Gazette dated 07.10.2023 and numbered 32332. According to Communique, it was decided that the invoice regarding the charging service provided to electric vehicles should be issued at the time of delivery. Nonetheless, an exception has been introduced for the issuance of invoices every 7 days under certain conditions. Additionally, charging network operators are obliged to electronically report real-time information regarding charging services provided at the charging station and the information contained in the invoice to the Technology systems of the Revenue Administration. The effective date of invoice issuance is 02.01.2024, and the obligation of system integration came into effect on the publication date of the relevant Communique.

EVENTS THAT OCCURRED AFTER THE BALANCE SHEET DATE:

The Energy Market Regulatory Authority (EMRA) has approved the pre-license application for solar energy-based storage power plant facility in Ankara province with installed capacity of 70 MWp / 50 MWe, submitted by Enerjisa Müşteri Çözümleri A.Ş., a subsidiary of our Company.

Enerjisa Enerji has issued a TL bond on 03.01.2024, amounting to TL 2,000,000,000 (full digit), with 730 days term, interest with TLREF+4,75% rate, redemption date of 02.01.2026, and with TRSENSA12613 code.

Enerjisa Enerji has issued a TL bond on 08.02.2024, amounting to TL 3,500,000,000 (full digit), with 728 days term, interest with TLREF+4,25% rate, redemption date of 05.02.2026, and with TRSENSA22612 code.

Mr. Attila Kiss to be appointed, as the Board of Directors' member in lieu of Mr. Johan Magnus Moernstam, who has resigned from the Board of Directors on March 1, 2024, to be approved at the next General Assembly, as per the Article 363 of the Turkish Commercial Code and to be assigned as Vice-Chairman of Board of Directors, to be effective as of March 1, 2024.

Policies

Anti-Bribery and Anti-Corruption Policy

<https://www.enerjisainvestorrelations.com/medium/ReportAndPresentation/File/1413/antibriberyandanticorruptionpolicy.pdf>

Anti-Retaliation Policy

<https://www.enerjisainvestorrelations.com/medium/ReportAndPresentation/File/411/antiretaliationpolicy.pdf>

Compensation Policy

<https://www.enerjisainvestorrelations.com/medium/ReportAndPresentation/File/410/compensationpolicy.pdf>

Compliance Policy

<https://www.enerjisainvestorrelations.com/medium/ReportAndPresentation/File/409/compliancepolicy.pdf>

Customer Satisfaction Policy

<https://www.enerjisainvestorrelations.com/medium/ReportAndPresentation/File/2721/customersatisfactionpolicy.pdf>

Disclosure Policy

<https://www.enerjisainvestorrelations.com/medium/ReportAndPresentation/File/408/disclosurepolicy.pdf>

Diversity and Inclusion Policy

<https://www.enerjisainvestorrelations.com/medium/ReportAndPresentation/File/407/diversityandinclusionpolicy.pdf>

Dividend Policy

<https://www.enerjisainvestorrelations.com/medium/ReportAndPresentation/File/406/dividendpolicy2021.pdf>

Donation and Grants

<https://www.enerjisainvestorrelations.com/medium/ReportAndPresentation/File/405/donationandgrantspolicy2021.pdf>

Energy Management Policy

<https://www.enerjisainvestorrelations.com/medium/ReportAndPresentation/File/2677/energymanagementpolicy.pdf>

Environmental Policy

<https://www.enerjisainvestorrelations.com/medium/ReportAndPresentation/File/1248/environmentalpolicy.pdf>

Health and Safety Policy

<https://www.enerjisainvestorrelations.com/medium/ReportAndPresentation/File/403/healthsafetypolicy.pdf>

Human Resources Policy

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

Human Rights Policy

<https://www.enerjisainvestorrelations.com/medium/ReportAndPresentation/File/401/humanrightspolicy.pdf>

Information Security Management Approach

<https://www.enerjisainvestorrelations.com/medium/ReportAndPresentation/File/400/informationsecuritymanagementapproach.pdf>

Quality Policy

<https://www.enerjisainvestorrelations.com/medium/ReportAndPresentation/File/2720/qualitypolicy.pdf>

Remuneration Policy

<https://www.enerjisainvestorrelations.com/medium/ReportAndPresentation/File/399/remunerationpolicy.pdf>

Third-Party Relations Policy

<https://www.enerjisainvestorrelations.com/medium/ReportAndPresentation/File/2446/thirdpartyrelationspolicy.pdf>

Water Policy

<https://www.enerjisainvestorrelations.com/medium/ReportAndPresentation/File/397/waterpolicy.pdf>

Zero Tolerance Policy Towards Violence

<https://www.enerjisainvestorrelations.com/medium/ReportAndPresentation/File/396/zertolerancepolicytowardsviolence.pdf>



RISK MANAGEMENT

Enerjisa Risk Management Approach

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

Setting risk management as an integral part of sound management, Enerjisa Enerji's Risk Management Framework aims to identify risks and opportunities that may impact the Company's financial, operational and strategic plans. The framework enables the 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 by 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 the Committee of Sponsoring Organisations of the Treadway Commission (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 business unit process owners to raise risk management awareness. In these workshops, the important topics of the previous year, the annual risk management calendar and risk analysis, consolidation and reporting methodology are discussed.

Risk Governance Structure

Enerjisa Enerji utilises both mandatory committees in accordance with legislation and non-mandatory committees to ensure effective and functional risk management.

Established under the CFO organisation, 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 senior executives from all business units and chaired by the CFO.

In 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 that 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.

Risk Management Procedure

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

1. 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 prioritised 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.

2. Quantitative risk and opportunity methodology:

for each risk and opportunity, the best-case, base-case and worst-case scenarios are collected from the business units. The probabilities of realisation of these risks and opportunities are determined, simulated 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 fluctuations that may affect the Company's net profit are reported.

Basic Categories of Risk and Opportunities

Enerjisa Enerji establishes risk management systems and prepares action plans to minimise the occurrence of financial and non-financial risks and their effects to maximise 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. These cover the regular reporting and decision-making processes, while also facilitating 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 categorised and monitored according to their sources. These risks are followed up and prioritised depending on their possible impact levels and recorded with risk-mitigating practices. Following the sensitivity analysis, quantifiable risks and their financial implications are reported.

MAIN RISKS AND OPPORTUNITY AREAS	HOW THEY ARE MANAGED
	Electricity distribution and retail sales activities are regulated businesses that are carried out under the supervision of the 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 the EMRA to its regulated customers. The National Tariff consists of the tariffs applied to the users of the transmission and distribution system. The EMRA determines the items of the National Tariff for each tariff period.
	Revenue requirement and/or price ceilings for regulated activities is determined by the EMRA and reflected to the end consumer through the National Tariff mechanism by taking into account all the costs and services for the execution of the relevant activity in the fourth regulatory period, which will apply between January 1, 2021–December 31, 2025, as in the previous regulatory periods.
Regulation Risks and Opportunities	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 the EMRA, changes in any component of this tariff may lead to a significant deviation in Enerjisa Enerji's plans. In addition, regulations issued by the EMRA include organisational and operational requirements and limitations regarding retail sales and distribution activities. These requirements and limitations are audited by regulatory authorities (primarily the EMRA), and any findings of 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 that will positively contribute to all sector stakeholders, including consumers, and legislative measures to support the sustainability of the sector.
	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).
Market Risks and Opportunities	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 the 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 exposure is 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.
	Enerjisa retail companies are exposed to credit risks due to sales in the regulated and liberalised markets. Enerjisa Distribution Companies, on the other hand, are exposed to credit risks 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 a credit risk in collection processes.
Credit Risks and Opportunities	Enerjisa Enerji manages its credit risk by obtaining security deposits from regulated customers, letters of guarantee or other types of guarantees from liberalised customers. Timely invoicing, efficient receivables management and monitoring the credit ratings of large customers enables Enerjisa Enerji to minimise its credit risk. 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 that have a credit rating of no more than two notches below the sovereign rating. In addition, steps are taken to ensure the diversification of banks in the portfolio of financial derivative instruments and deposits.
Liquidity Risk	Enerjisa Enerji is exposed to liquidity risk due to network investments in the distribution business or temporary funding needs driven by collection performance in the retail business. Although the Company believes this funding need can be covered by external debt capital providers, there is a risk that market conditions could limit conventional liquidity sources. Enerjisa Enerji manages liquidity risk by extending the average tenor of its debt portfolio and developing alternative debt capital sources such as corporate bonds. 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 appropriate action.
Operational Risks	All processes in Enerjisa Enerji's value chain are exposed to operational risks arising from internal and external factors. The areas affected by these risks are grouped under the categories of Information Technologies and Occupational Health and Safety (which mostly pertains to the distribution business), Environment, Human Resources and Reputation and are examined in detail with mitigation plans. Relevant procedures and policies are established for all operational risks and published in Enerjisa Enerji's quality management systems. Committees are appointed to review realisations and manage risk mitigation activities.



RISK MANAGEMENT

Non-Financial Risks and Opportunities

MAIN RISK AND OPPORTUNITY AREAS	DEFINITION OF RISK	HOW THEY ARE MANAGED
Occupational Health and Safety (OHS) Risks and Opportunities	Electricity distribution involves a high level of OHS risks. Accidents, which may occur during the construction, maintenance and repair of power lines, pose significant risks to the safety of employees and subcontractors as well as the reputation of the Company.	Enerjisa Enerji works to the goal of zero critical injuries and accidents. Related risks are managed within the scope of the ISO 45001:2018 standard. The OHS issue is under the oversight of senior management. Risks faced by the Company and contractors are proactively managed. Within the framework of the Safety Improvement Plan, targets are defined, risks are managed and preventive measures are planned. The Fine-Kinney method is used to classify risks. Enerjisa Enerji organises training programs in order to reduce its risks and provide a healthy workplace for its employees and contractors.
	Severe weather conditions, floods and fire resulting from climate change may disrupt customer services and the electricity distribution infrastructure. As a result of this situation, Enerjisa Enerji might be subject to fines, depending on the number of customers without energy and for how long the energy flow is interrupted.	
	Global warming may lead to droughts, which may also affect energy prices. In addition, developments such as the global and regional regulatory environment and Türkiye's ratification of the Paris Agreement are important for the Company to take the necessary measures to combat climate change.	Enerjisa Enerji prepared its Biodiversity Conservation Action Plan in 2020. Within the scope of the CDP Climate Change, the issue of climate change is evaluated from the perspective of risks and opportunities. In the CDP-related study carried out in 2021, a report was prepared under the heading of carbon emissions and climate change, which includes the definitions of risks and opportunities, the financial effects of risks and opportunities, methods of combating risk and the costs of these methods.
	The spilling of transformer oil during the operation, maintenance or storage, and causing water and soil pollution poses a risk.	
Risks and Opportunities Related to Climate Crisis and the Environment	Because of operating in a highly regulated market of Enerjisa Enerji, there is a risk of facing fines or sanctions if it does not meet relevant regulatory requirements.	In addition, the study to quantify climate change risks was completed. The study uses climate change-related acute inventory losses and damages, disruptions to service and penalties for quality standard violations stipulated by the legislation as inputs. The Company regularly monitors and reports its environmental performance and carbon emissions. The Company takes part in various initiatives on climate change and energy efficiency, meets with the NGOs and regulatory authorities and develops R&D projects. Enerjisa Enerji offers solutions to customers to help them reduce their carbon emissions.
	In line with the Paris Climate Agreement and Türkiye's net zero emission targets, Enerjisa Enerji may be subject to carbon tax.	
	As a result of risks related to climate change, such as drought, Enerjisa Enerji customers' activities may be affected negatively. They may have difficulty paying their electricity bills, and this may result in a decrease in Enerjisa Enerji's earnings.	
	An increasing population, urbanisation and rising mean temperatures increase the demand for electricity in Türkiye. Increasing demand for products and services results in increasing revenues and more low carbon products and services are developed.	
Risks and Opportunities Related to Digitalisation and Customer Privacy	As a result of connecting renewable energy systems and charging stations to the grid, grid development investments are increasing.	
	In line with green financing mechanisms, diversification of funding resources is increasing.	Insurance is taken out for damage due to severe weather conditions caused by climate change and lack of payment of bills.
	Increasing complexity in protecting customer data and IT systems poses risks, especially for those companies with databases holding the data of millions of customers. Additionally, data security breaches may occur due to cyber-attacks with increased digitalisation of grids and processes.	Enerjisa Enerji takes all necessary precautions to ensure confidentiality and security of customer information and personal data at the highest level within the framework of the legislation in force. Within that scope, the measures and actions determined in accordance with corporate policies are implemented within the Company.
		A holder of the ISO 27001 Information Security Management System certificate, Enerjisa Enerji fully complies with the Personal Data Protection Law (PDPL) and provides training to its employees on PDPL and information security, under the supervision of the Personal Data Protection Committee. There is a Cyber Incident Response Team under the Cyber Security Group Management to manage cyber-attack risks and the Company has insurance against cyber-attacks.

Developments in 2023

Risk management departments should keep track of realized/unrealized risks and analyse them effectively and efficiently. As a result of this analysis, changes in the mitigating actions that need to be taken or the methodologies that need to be updated are identified and an improvement in the detection of risks is achieved. In parallel with this, Group Risk Management takes the Risk Reporting Performance Measurement (Backtesting) studies one step further with digitization projects. An interface has been designed on Periscope where information (the actual impact, the mitigating actions to be taken, the action cost and the deadlines for the actions) can be tracked for each risk. By taking advantage of the convenience of technology, with this development, a more detailed risk performance measurement will be carried out and risk detection performance will also improve and develop.

In 2023, Group Risk Management, together with the Distribution Business Unit Quality Management team, launched the Opportunities module on the Periscope system. After the risks on the Periscope system reach a certain level of maturity, it has begun to raise awareness of the opportunities that are as important as risks and to track them through the Periscope system for the entire company.

Furthermore, the definition of EMÇ and Eşarj processes and their risks to the Periscope system were initiated in 2023.



CODE OF BUSINESS ETHICS AND COMPLIANCE MANAGEMENT

In 2020, the Enerjisa Enerji Compliance Management Unit was structured to define and prevent compliance risks, carry out the necessary awareness-raising and training activities, monitor violations, execute an effective compliance management system and report compliance management performance regularly. Accordingly, online Code of Conduct training that includes all employees continued to expand and sustain the compliance culture. Moreover, customized trainings have been planned taking into account the needs of the relevant business units. Regular communication activities were conducted to increase compliance awareness, and compliance messages were shared with all employees within the Company.

Enerjisa Enerji initiated the process for ISO 37301:2021 Compliance Management System Certification for effective compliance management. As part of the process, the Enerjisa Compliance Policy was prepared and approved by the Board of Directors. ISO Internal audits of the related departments as per requirements of the standard were completed within Distribution, Retail Sales and Group companies by the Compliance Function. As of March 10, 2023, the Compliance Management System Certificate process has been completed.

The Compliance Policy can be accessed on the Investor Relations website.

Business Ethics

The Enerjisa Code of Conduct (Enetik 2.0) provides that the Company's activities are carried out in an honest, transparent, fair and reliable framework. Enetik 2.0 is developed by the Compliance Management Unit in consultation with the relevant teams and within the scope of continuous improvement in line with changing needs and emerging new compliance risks reviewed once a year and updated if required.

Every Enerjisa Enerji employee is committed to the framework that defines the fundamentals of the Company's way of doing business. The Enerjisa Code of Conduct addresses various issues such as human rights, protecting the environment, anti-bribery and anti-corruption, compliance with sector-related and general legal regulations, establishing sustainable relations pursuant to the rules of competition, protection of personal data and confidentiality, protection of corporate data and assets, principles related to the use of printed and mass media as well as social media, relations with public institutions and political organizations, conflicts of interest, accepting and giving gifts and donations, working outside of the Company, dress code, employment of relatives and Health and Safety.

All employees are responsible for acting in compliance with the Code of Conduct, while the Compliance Management Department is responsible for the awareness and guidance activities. The target is set for all Compliance Management

Department employees to complete the Corporate Ethics and Compliance Management training provided by the Ethics and Reputation Society and obtain the Ethics and Compliance Managers Certificate.

Compliance Managers provide compliance consultancy to Company employees with a proactive approach. The Compliance Management Unit replies to information requests from employees regarding actions and processes that may violate the Code of Conduct, carries out activities to raise awareness of related issues and plans training for the Company at the executive level. The Compliance Management Unit also monitors compliance rules and possible risks through the risk matrix prepared in accordance with the scope of the Compliance Management system's risks.

The follow-up and investigation of violations of the Code of Conduct are monitored by the Internal Audit Department, and the Compliance Function supports the reviews and investigations of the Internal Audit Department regarding any violations of business ethics. The Corporate Compliance Officer takes charge as a member of the Ethics Committee within this process.

Informing and Training Employees

The Enerjisa Code of Conduct and compliance policies are disclosed to all employees via email. The Code of Conduct is constantly and easily accessible on the Company website in the Document Management System, which is available to all employees, and under the İKON application, the mobile application for employees.

Enerjisa Enerji provides training for employees to understand and adopt the Code of Conduct. In 2023, 3,085 hours of online Code of Conduct training were provided to 3,182 employees. The online tool also offers training in anti-bribery and corruption, human rights and third-party relations.

Business Ethics Violation Notifications

All Enerjisa Enerji employees and stakeholders can anonymously report any non-compliance or violations of the Code of Conduct by calling the Enerjisa Enetik Hot-Line at 0 (216) 579 09 14, by sending an e-mail to enetik@enerjisa.com or a letter to Enerjisa Enerji Internal Audit Presidency, Nidakule Batı 1/1 Ataşehir 34746, İstanbul. In addition to these reporting channels, all stakeholders have the opportunity to direct their notifications to the Sabancı Holding ethics line.

The internal Audit Department reviews these reported notifications and investigates them if required. Moreover, the Internal Audit Department is also in charge of maintaining confidentiality and anonymity of all reporting channels. The notices are scrutinised and reported to senior management and, if required, to the Disciplinary Board. The Audit Committee is informed about the notices reported to the Disciplinary Board.

Employees who honestly and in good faith report a violation and/or suspected violation and/or request information shall not be subject to any retaliation (including but not limited to discrimination, suspension, loss of rights, demotion, blocked promotions, threats or harassment) as per the Company's Anti-Retaliation Policy.

In 2023, the Company received 95 notifications via different channels, such as the ethics line, shareholder requests, business units and human and culture departments, and resolved all of them.

Information on risks related to the violation of the Code of Conduct, including anti-bribery and anti-corruption, are collected from the related units during the qualitative risk assessment activities carried out twice a year and are reported to the Early Risk Detection Committee or Enerjisa Risk Management Committee. At the beginning of each year, risk realisations due to the violations are evaluated, and the reported expectations, probability and impacts of risk realisations are reviewed in the back-testing, during which the performance of the risk reports of the previous year is measured.

The Enerjisa Enerji Code of Conduct can be accessed on the Investor Relations website.

Anti-Bribery and Anti-Corruption

The prevention of bribery and corruption is governed by the Enerjisa Code of Conduct and Anti-Bribery and Anti-Corruption Policy, in particular, which are binding for all employees and stakeholders. The Company is against all forms of bribery and corruption. It is unacceptable to receive or offer bribes, regardless of their purpose. All practices and sanctions related to the violations of the Code of Conduct also apply to bribery and corruption.

The Board of Directors is responsible for the implementation and revision of the Anti-Bribery and Anti-Corruption Policy. The Policy covers all Company employees, including the Board of Directors of the Company, companies contracted for goods and services and their employees, all persons and organizations that are assigned to serve on behalf of the Company (business partners), including suppliers, consultants, advocates, external auditors, et cetera.

The Policy is uploaded to the Document Management System and is accessible by all Enerjisa Enerji employees. Furthermore, business partners are also requested to sign the Enerjisa Third-Party Business Ethics Rules and Compliance Declaration, which includes Enerjisa Enerji's commitment to comply with the Anti-Bribery and Anti-Corruption Policy.

CODE OF BUSINESS ETHICS AND COMPLIANCE MANAGEMENT

In 2021, the duties and responsibilities of the Board of Directors, which is responsible for the implementation of the Policy, were revised, and the responsibility to “ensure that no employees shall suffer any harm due to refusing to pay bribes” was included. The revision was accepted by the resolution of the Board.

The Compliance Management Unit is in charge of developing the Enerjisa Code of Conduct and the Anti-Bribery and Anti-Corruption Policy, providing training to employees and responding to requests for an opinion. The Ethics and Investigation Department works in coordination with Compliance Management to raise awareness about compliance with business ethics in general, as well as all internal procedures and policies, including the Company’s Anti-Bribery and Anti-Corruption Policy. The Ethics and Investigation Department regularly informs the Board of Directors, Audit Committee and Head of Compliance and Corporate Legal Department regarding the nature and intensity distribution of violations of ethical rules and shares its opinions and suggestions about the actions taken or to be taken.

Informing and Training Employees

The Anti-Bribery and Anti-Corruption Policy has been disclosed to Company employees. The up-to-date policy, which is continuously and easily accessible in the Document Management System available to all employees, is also available on the Company’s website.

Online ethics training provided to employees also includes anti-bribery and anti-corruption training. Moreover, the Compliance Management Unit prepared an up to date, more detailed and interactive video training in December 2021 regarding anti-bribery and anti-corruption. In 2022, the People and Culture Department assigned interactive video training to all white-collar employees through the EnAkademi platform.

In addition, the Compliance Unit prepared another interactive video training on the Company’s Human Rights Policy and general human rights approach in 2022 and a training on Third-Party Relations in 2023 assigned it to employees across the Company.

Notifying Other Stakeholders

Enerjisa Enerji uses the best anti-bribery and corruption practices in the selection of its suppliers and business partners. The company is in constant communication with its suppliers and business partners to prevent possible future violations regarding corruption. The anti-corruption performance of suppliers and business partners is reviewed at least once every three years or a shorter period if required. Support is requested from independent third parties to carry out the assessments if required. If a possible violation is identified, the required sanctions are imposed immediately in accordance with the signed contracts.

Anti-Bribery and Anti-Corruption Notifications

In the notifications reported in 2023, bribery and corruption cases were detected and investigated; necessary process improvements, legal actions, and disciplinary measures regarding these notifications have been implemented. There are no lawsuits, administrative or judicial investigations or any judicial or administrative sanctions against the Company related to bribery and corruption.

Enerjisa Enerji places utmost significance on stakeholder dialogue and collaboration with NGOs regarding anti-bribery and anti-corruption. Since 2020, the Company has been a corporate member of the Turkish Ethics and Reputation Society. In 2021, Enerjisa Enerji committed to complying with the principles of Transparency International to underscore its determination to satisfy higher ethical standards.

Donations and Grants

The Enerjisa Donations and Grants Policy was updated by the resolution taken at the Enerjisa Enerji Annual General Assembly Meeting held on March 30, 2021. Accordingly, it was stipulated and approved by the General Assembly that no donation shall be made to any political parties, political candidates, managers of political offices or representatives of public administration for political purposes. In line with the related policy, it was stipulated that donations and grants shall be made to public institutions and organizations, nongovernmental organizations and other private natural persons and legal entities only for social, cultural, educational, environmental protection and similar purposes related to sustainability. Enerjisa compliance teams were added to the Donation and Grant approval processes in 2023, and donations and grants are also examined from a compliance perspective.

Third-Party Transactions

Enerjisa Enerji has the goal to establish sustainable relations with all third parties with which the Company has business relations as part of its activities in accordance with the fundamental principles outlined in the Enerjisa Code of Conduct. Thus, the Enerjisa Third-Party Relations Policy was developed in 2021 and approved by the Board of Directors of Enerjisa Enerji.

The purpose of this policy is to define the fundamental principles regarding the conditions that govern Enerjisa Enerji’s work with third parties and the parties to be worked with as part of all business processes of Enerjisa Enerji A.Ş. and its subsidiaries. As part of the policy, ‘Third-Party’ refers to the persons, organisations and communities with which the Company establishes any kind of business relations, such as suppliers, dealers, authorized dealers, service providers and consultants.

Some amendments were made to the said policy in 2022; a wide definitions section was added to the Policy, the countries/ regions that are subject to sanctions were determined and a risk-based preliminary assessment stage for third parties was defined.

Sales and/or other business activities from countries, regions and companies (particularly regarding solar panels and products containing critical metals and minerals) that appear risky in terms of compliance have been added as criteria that require third-party control.

In addition to this, commitments have been added that the criteria of the United Nations and other international organisations will be considered and followed, especially in the prevention of child labour and forced labour on Human Rights.

The Compliance Unit prepared an interactive video training on the Company’s Third-Party Relations Policy in 2023 and assigned it to employees across the Company.

The updated Third-Party Relations Policy can be accessed on the Investor Relations website.

Related Party Transactions

Every year, the Board of Directors resolves to specify the principles related to the transactions to be carried out by Enerjisa Enerji with related parties pursuant to the Capital Markets Legislation.

Accordingly, it is decided in the assessment regarding all assets, services and liability transfer transactions, including common and recurring transactions between the Company and the related parties, including in the financial plans (budget) approved by the Board of Directors that;

- a) Transaction conditions should be determined in line with previous years, as well as market conditions;
- b) Transactions should be carried out in line with the financial planning of the Company unless there is a significant change in the conditions of the transactions during the year, and

- c) Approval of the Board of Directors should be requested in the event of a change in the conditions of the transactions or the related parties and before the transaction is held with the new conditions (significant price or quantity deviations, significant change in the nature of the purchased service or product).

Furthermore, an annual assessment is made whether the ratio of common and recurring related party purchase (sales) transactions to the amount of cost of sales (revenue) according to the past year’s financial statements exceeds 10% as per the Corporate Governance Communiqué (II-17.1). If the ratio exceeds 10%, a report is prepared by the Board of Directors regarding the terms of the transactions and their comparison with the market conditions, and the entire report or the outcome is disclosed on the Public Disclosure Platform. Because the transactions carried out in 2022 exceeded the said threshold, the report prepared by a board of directors’

resolution on the subject on March 1, 2023 was approved and the outcome was announced on the Public Disclosure Platform.

In addition, the Enerjisa Code of Conduct sets a compliance framework for all employees to avoid conflicts of interest while making business decisions. Cases in which the personal interests of one or more employees and/or their family members and the interests of the Company have positive or adverse impacts on each other are identified as a conflict of interest, and the relevant Compliance Manager is informed directly in such a case. The opinion of the Compliance Manager shall be considered in actions taken on such cases. To prevent such events, relationships and situations involving potential or real conflicts of interest shall be avoided. In supplier selection processes, any actions that may benefit the Company employees, their relatives and/or third parties shall be avoided.



INTERNAL AUDIT

The Enerjisa Enerji Internal Audit Department reports directly to the Audit Committee, composed of Board members as per the principle of independence. Internal Audit activities have the purpose of expressing opinions to the Board of Directors on the activities of the Company and its affiliates in line with the laws and other related legislation, as well as internal strategies, policies and procedures and on the effectiveness and adequacy of internal audits, besides risk management systems and compliance management. The goal of these activities and structuring is to improve work processes and create added value for the organization through the presented opinions and suggestions related to taking preventive measures, protecting company assets and increasing operational efficiency. In line with this goal, internal audit activities are carried out in compliance with the approved Audit Committee charter and the Internal Audit charter.

The annual risk-based internal audit plan, which is prepared by taking into account the Company's risk assessment results that are updated every year and the opinions of the relevant executives, is submitted for the approval of the Audit Committee and the Board of Directors. Every year, the audit activities are carried out in accordance with the international audit standards and the requirements of COSO as part of the approved audit plan. Full compliance to the International Audit Standards was certified again in 2023, with the independent quality assurance audit conducted by KPMG.

Internal Audit also covers the assessment and analysis of the ethics notifications received regarding employees and other stakeholders (shareholders, customers, suppliers and public institutions). Besides the audit activities, consultancy services are also provided in line with the vision and mission of the Company as part of the demands of senior management and pursuant to the "reliable business partner" principle.

In 2023, Continuous Audit and Continuous Monitoring activities were implemented effectively; hence, all units were supported to develop effective control practices. Furthermore, findings and improvement suggestions based on data analytics methods that were not included in the audit plan were shared with the business units.

INTERNAL CONTROL

The primary goal of the Internal Control System, which is one of the key components of effective and sustainable governance, is to ensure the continuous effectiveness and efficiency of the control environment, applied controls, and information and communication channels, thereby supporting senior management in fulfilling their oversight responsibilities.

To achieve this goal, Process Management, Risk Management, Control Activities, and Business Continuity structures at Enerjisa Enerji have been end-to-end modelled in the Periscope software to be managed effectively and efficiently. Within the scope of this work, transparent, reliable, and up-to-date information flow regarding business processes, their interdependencies, ownership, risks, and controls has been established. Process, risk, and control management are conducted in a digital environment, allowing the central monitoring of the effectiveness and efficiency of controls related to risks. In this context, over 1,000 workflows, nearly 800 operational risks, and more than 1,100 control activities, 13% of which are automated, have been defined.

Online training courses prepared to ensure the understanding and adoption of the Periscope system by employees have been assigned to all white-collar employees through the EnAkademi platform.

In 2023, efforts were undertaken by top management to evaluate the effectiveness and efficiency of preventive, detective, and corrective controls in place to control the risks of the Company and its subsidiaries through three main processes, which were approved. Areas for improvement and identified action plans were reported within the scope of this work.

Additionally, in 2023, a project was carried out within Enerjisa Enerji to extract the end-to-end process universe, identify risks and controls, and define them in the Periscope system for Enerjisa Customer Solutions and Eşarj subsidiaries. The work related to Eşarj is expected to be completed in the first quarter of 2024.

To standardize critical approval mechanisms in company processes and reduce potential risks, the "Authorization Delegation Matrix Project" has been initiated, aiming to ensure compliance with the Human and Culture system infrastructure and signature circulars. The project involves the central management of the Company's approval processes from a single system, increasing and standardizing automation levels. The system integration of the project is planned to be completed in 2024.

Internal Control closely follows the latest technological developments and strives to implement them. In this context, the Company conducted two pilot projects with two different suppliers to integrate Process Mining solutions into company governance competencies, aiming to model, analyse, and optimize business processes. The results of the project were evaluated, and this technological solution, which allows rapid end-to-end process analyses by processing process data, enables companies to create action plans to increase process automations. Process Mining competencies are planned to be integrated into the Company in 2024 based on top management decisions.

Continuous improvements are made to the Periscope System to manage Process Management, Risk Management, Internal Control, and Business Continuity activities in line with current requirements. In this context, in 2023, an opportunity module was added to the Periscope system, providing systematic tracking capability for opportunities related to processes.

In rapidly changing and complex environments, the Internal Control team needs to have regularly updated knowledge and skills to effectively carry out internal control processes. In this regard, the Internal Control team successfully completed the COSO Internal Control Certificate program offered by the Turkish Institute of Internal Auditors to enhance their competencies.

BUSINESS CONTINUITY MANAGEMENT PRACTICES

Enerjisa Enerji carries out electricity distribution, retail sales and customer solutions activities in 26 provinces and at 44 sites. Business continuity has critical importance in providing uninterrupted and sustainable energy services with this wide operation network. In this context, Business Continuity Management System (BCMS) practices have been implemented since 2015 to create an organization that is resilient to possible interruptions and crises within Enerjisa Enerji A.Ş. and its subsidiaries.

The Group Risk Department, which is part of the CFO organization, monitors the global BCMS, prepares all documents and implements the standards with this approach.

The Group Risk Department is also responsible for monitoring the crisis management processes and guiding the Crisis Management Team in the event of a crisis, comprehensive interruption and/or disaster, which may affect Enerjisa Enerji in general.

The Enerjisa Enerji BCMS documentation has been prepared in accordance with the ISO 22301:2019 BCMS standards and updated every year with the contributions of all relevant stakeholders in the process. The ISO 22301 BCMS certificates of Enerjisa retail sales companies were renewed in 2023 following the successful completion of the annual monitoring audits conducted at the head office and with the participation of the business continuity departments in Ankara and Adana. While the certificate requirement only applies to retail sales companies, the BCMS infrastructure and documentation quality is maintained at the same level in all Enerjisa business units, including distribution companies and Enerjisa Enerji A.Ş.

Critical Processes and Departments

Critical Departments are units with at least one process that must be activated within the month following a crisis to ensure business continuity. The relevant processes of these critical departments are considered “critical processes,” and the owners of these processes comprise the members of the Business Rescue Teams. Business Rescue Teams are responsible for putting the process back on track after any interruption.

A Business Continuity Information workshop was organized with the participation of these units in order to raise awareness about business continuity, update documents and increase cooperation with the units responsible for emergency / crisis situations. In the workshop, in addition to transferring information on business continuity management, a road map was created to increase effectiveness in emergency / crisis situations by sharing mutual opinions and experiences.

In addition, in order to update the Business Impact Analysis studies, process-based meetings were held with the units with critical processes and the business impact analyses were updated. During these meetings, information was also provided regarding the Enerjisa business continuity management structure.

Coordination

The sites that meet the Crisis Management and/or Alternative Workplace standards to be used in case of any interruption or crisis are evaluated annually in three regions and are selected accordingly. To ensure the availability of these sites, preparations are carried out with the related units. Twelve alternative locations were determined for three regions, and the contingency plans were updated in line with this study. The units that should support the Crisis Management Team in such crises were identified.

Drills and Exercises

Two methods are followed to evaluate the extent to which the scenarios and forecasts prepared within the scope of the BCMS will succeed in real-life scenarios.

Scenario-Based Desktop Exercise: As addressed in the ISO 22301:2019 certification audit held every year; a desktop exercise is conducted about the scenario and a final report of this exercise is submitted to the auditors and is shared with process stakeholders.

Disaster Recovery Test: Every year, 24-hour disaster recovery tests are carried out by the decision of the IT Senior Management and under the leadership of the IT Business Continuity team. The Group Risk Management is responsible for participating in the test activity as an observer and for archiving the final test reports. During the course of the ISO 22301:2019 certification audit, these final reports are shared with the audit company.

Critical IT applications with criticality level 1 and 2 used at Enerjisa Enerji are recovered and raised in an isolated environment in the Disaster Recovery Centre, together with all business owners, without affecting the production environments during the exercise. The Recovery Time Objective, Recovery Point Objective and Maximum Tolerable Period of Disruption are measured as defined in the Business Continuity Management standards. The data obtained in the exercise are synchronized with the data in the IT and Group Risk Management documents.

Developments in 2023

In 2023 business continuity practices, the focus was on increasing the awareness of the Enerjisa Business Continuity Management structure within the organization and increasing cooperation with other relevant units.

A desktop crisis simulation study was carried out for the Crisis Management Team. In this simulation study, a possible Istanbul earthquake scenario was discussed.

The Periscope application, which is used for risk and internal control processes, is also used for the Business Continuity Management process. Business impact analysis details regarding critical processes are monitored via Periscope and updates are made on this application. Improvements were made for more effective use in 2023.

In order to increase the maturity of IT applications, service maturity framework and criteria have been studied and application owners have started to work on increasing service maturity. Disaster Recovery Tests have been completed. Studies and developments have been made within IT to review the service catalog and review the service life cycle framework. Follow-ups were carried out for the backup procedures and backup restore tests of the applications.

CORPORATE GOVERNANCE RATING

Enerjisa Enerji has demonstrated the transparency, accountability and sustainability of its management with its corporate governance rating. SAHA Kurumsal Yönetim ve Kredi Derecelendirme Hizmetleri A.Ş. (SAHA), which is authorized to perform ratings in accordance with the Corporate Governance Principles of the Capital Markets Board of Türkiye (CMB), completed and announced its first Corporate Governance Rating Report for Enerjisa Enerji in 2019.

Enerjisa Enerji's first Corporate Governance Rating score was determined as 94.53 on December 19, 2019. With the second report announced on December 21, 2020, the Corporate Governance Rating score increased to 94.56, in the third report announced on December 21, 2021, it increased to 95.09, and in the fourth report announced on December 21, 2022 it increased to 95.50. Finally, in the fifth report announced on December 21, 2023, the Corporate Governance Rating score of the Company increased to 96.32.

Subcategories	Weight	2022 Rating	2023 Rating
Shareholders	25%	95.06	95.16
Public Disclosure and Transparency	25%	98.79	98.79
Shareholders	15%	99.51	99.51
Board of Directors	35%	91.73	94.02
Total	100%	95.50	96.32

AFFILIATION REPORT VIEW

Legal transactions carried out with the controlling companies and their affiliated companies for the benefit of the controlling companies or a subsidiary company with the guidance of the controlling companies, according to the conditions and conditions known to us, and all measures taken or avoided for the benefit of the controlling companies or a company affiliated to them in the operating year 2023 were evaluated in the report. We hereby declare that our company did not suffer a loss due to a transaction occurred according to the known situation and conditions related to 2023 Activity Year.

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>

CORPORATE GOVERNANCE AND SUSTAINABILITY REPORTS

The Corporate Governance Principles Compliance Report and Corporate Governance Information Form for the accounting period of 2023, prepared in accordance with the Capital Markets Board's Decision dated 10.01.2019 and numbered 2/49 and approved by the Enerjisa Enerji Board of Directors Decision on 08.03.2024, were published on the Public Disclosure Platform on 08.03.2024. These reports can be found under KAP web site under Companies/BIST Companies/Enerjisa/Corporate Governance and Corporate Governance Principles Compliance Report sections.

The Sustainability Compliance Report, which shows the compliance with the principles in the CMB Sustainability Principles Compliance Framework, was also announced on the Public Disclosure Platform on 08.03.2024.



DECLARATION OF INDEPENDENCE

I hereby declare that I am a candidate to serve as an “independent member” on the Board of Directors of ENERJISA ENERJİ A.Ş. (“Company”) under related regulations, Articles of Association of the Company and the criteria stated in the Corporate Governance Principles as set forth by the Capital Markets Board (“CMB”)’s Communiqué on Corporate Governance. In this regard, I declare and confirm that:

- a) In the last five years, I myself, my spouse or my up to the second degree blood or affinity relatives are not or have not been; employed by as a key management personnel with significant duties and responsibilities; have not had ordinary or privileged shareholding exceeding 5% either jointly or solely by myself; or have not been involved in any material business dealings with the Company, its subsidiaries and affiliates, or shareholders with management control of the Company or having material effect over the Company and all entities controlled by those shareholders,
- b) In the last five years, I have not been employed by as an executive having significant duties and responsibilities or have not been a member of the board or have not been a shareholder (with 5% stake or more) of an entity which has had a contractual relationship with the Company for purchase or sale of goods or services such as audit (including tax audit, legal audit, and internal audit) credit rating or consulting services during the terms in which the goods or services were provided,
- c) I have relevant skills, knowledge and expertise in order to duly fulfil my duties as an independent board member,
- d) I do not work/will not be working full-time at public institutions and organisations, except for the faculty membership provided that it is in compliance with the relevant legislation,
- e) I am residing in Türkiye in accordance with the Income Tax Law No. 193 dated 31/12/1960,
- f) I am capable to contribute positively to the operations of the Company, to maintain my objectivity in conflicts of interests between the Company and the shareholders, to have strong ethical standards, professional reputation and experience to freely take decisions by considering the rights of the stakeholders,
- g) I will dedicate enough time to follow up the activities of the Company and for the duly fulfilment of my responsibilities,
- h) I have not served as a member of the Board of the Company for more than six years within last ten years,
- i) I am not registered in the name of any legal entity elected as a Board member,
- j) I am not/will not be an independent board member in more than three of the corporations controlled by the Company or its controlling shareholders, and in more than five corporations listed on Borsa Istanbul in total.

I hereby acknowledge to the General Assembly, the Board of Directors, the shareholders and all other stakeholders of the Company that the above statements are true and correct to the best of my knowledge.

Fatma Dilek YARDIM

I hereby declare that I am a candidate to serve as an “independent member” on the Board of Directors of ENERJISA ENERJİ A.Ş. (“Company”) under related regulations, Articles of Association of the Company and the criteria stated in the Corporate Governance Principles as set forth by the Capital Markets Board (“CMB”)’s Communiqué on Corporate Governance. In this regard, I declare and confirm that:

- a) In the last five years, I myself, my spouse or my up to the second degree blood or affinity relatives are not or have not been; employed by as a key management personnel with significant duties and responsibilities; have not had ordinary or privileged shareholding exceeding 5% either jointly or solely by myself; or have not been involved in any material business dealings with the Company, its subsidiaries and affiliates, or shareholders with management control of the Company or having material effect over the Company and all entities controlled by those shareholders,
- b) In the last five years, I have not been employed by as an executive having significant duties and responsibilities or have not been a member of the board or have not been a shareholder (with 5% stake or more) of an entity which has had a contractual relationship with the Company for purchase or sale of goods or services such as audit (including tax audit, legal audit, and internal audit) credit rating or consulting services during the terms in which the goods or services were provided,
- c) I have relevant skills, knowledge and expertise in order to duly fulfil my duties as an independent board member,
- d) I do not work/will not be working full-time at public institutions and organisations, except for the faculty membership provided that it is in compliance with the relevant legislation,
- e) I am residing in Türkiye in accordance with the Income Tax Law No. 193 dated 31/12/1960,
- f) I am capable to contribute positively to the operations of the Company, to maintain my objectivity in conflicts of interests between the Company and the shareholders, to have strong ethical standards, professional reputation and experience to freely take decisions by considering the rights of the stakeholders,
- g) I will dedicate enough time to follow up the activities of the Company and for the duly fulfilment of my responsibilities,
- h) I have not served as a member of the Board of the Company for more than six years within last ten years,
- i) I am not registered in the name of any legal entity elected as a Board member,
- j) I am not/will not be an independent board member in more than three of the corporations controlled by the Company or its controlling shareholders, and in more than five corporations listed on Borsa Istanbul in total.

I hereby acknowledge to the General Assembly, the Board of Directors, the shareholders and all other stakeholders of the Company that the above statements are true and correct to the best of my knowledge.

Kamuran UÇAR



Financial Statements

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ANNEX

Annex I: Stakeholder Management

Stakeholder Group	Stakeholder Category	Stakeholder Communication Platform and Methods	Communication Frequency	Objectives and Success Self-Evaluation Criteria
Analysts	External	Meetings, conferences, telephone calls, quarterly investor teleconferences, activities to inform analysts, podcasts, webcasts, Investor Relations website	Continuous	<ul style="list-style-type: none"> Increasing transparency Informing the market about the Company Company valuation reports Improving the Company's reputation Financial sustainability
The Press	External	E-mail campaigns, sponsorships and sectoral events, regular and irregular press releases, press conferences, interviews	Year-round	<ul style="list-style-type: none"> Accurately informing the public Improving the Company's reputation and brand value Building strong relations with members of the press
Credit Rating Agencies	External	Meetings, teleconferences and telephone calls, e-mail	Annually	<ul style="list-style-type: none"> Increasing transparency Ensuring a fair value for the Company's equity Improving the Company's reputation Financial sustainability
Financial Institutions	External	Meetings, teleconferences and phone calls	Continuous	<ul style="list-style-type: none"> Increasing transparency Improving the Company's reputation Financial sustainability
Shareholders	External	Board of Directors meetings, committee meetings, quarterly investor teleconferences, General Assembly Meetings, Investor Relations website	Continuous	<ul style="list-style-type: none"> Managing sustainability risks Adopting a target-based management approach Transparently sharing the environmental performance Compliance with Corporate Governance Principles Financial sustainability Improving stakeholder engagement
Public Institutions and Regulatory Bodies	External	Meetings, teleconferences and telephone calls, e-mail	Continuous	<ul style="list-style-type: none"> Increasing transparency in customer communication Financial sustainability Managing social risks of the projects and mitigating adverse impacts
People Affected by the Project (land owners/ users/ local communities)	External	Face to face meetings, e-mail, telephone calls, SMS, Mobile App, communication through the website	Continuous	<ul style="list-style-type: none"> Accurately informing those affected by the projects Enhancing stakeholder engagement Enhancing stakeholder engagement
Directly affected relevant specialists (electrical technicians/ electrical engineers)	External	Face to face meetings, telephone calls, SMS, Mobile App, e-mail, communication through the website and other Enerjisa channels, authorization training for electricians	Continuous	<ul style="list-style-type: none"> Supporting capacity building and improvement of knowledge (project design, changing legislation, etc.) Engagement of and cooperation with authorized electrical technicians and electrical engineers
Customers	External	Customer Service Centres, Enerjisa Operation Centres, alternative sales channels, call centres, digital channels (mobile application, website), customer representatives, social media channels, SMS and customer satisfaction surveys	Continuous	<ul style="list-style-type: none"> Developing customer-oriented solutions Increasing customer satisfaction Providing a continuous electricity from renewable energy resources Providing data security Expanding smart technologies

Stakeholder Group	Stakeholder Category	Stakeholder Communication Platform and Methods	Communication Frequency	Objectives and Success Self-Evaluation Criteria
Labor Unions	External	Face-to-face meetings, telephone calls, SMS	Continuous	<ul style="list-style-type: none"> Collaboration for the protection and continuity of labour peace and welfare. Managing OHS risks, strengthening OHS culture and taking action for Zero Accident Journey
NGOs	External	Conferences, management meetings, focus group activities, volunteer activities	Continuous	Support and collaboration in line with our strategy, leader representation
Suppliers and Business Partners	External	Joint projects	Continuous	<ul style="list-style-type: none"> Establishing alternative supply infrastructures for uninterrupted energy in distribution regions Providing customer satisfaction and uninterrupted energy supply
International Organizations and Initiatives	External	Joint projects	Continuous	Leadership and increasing awareness on energy efficiency
Universities	External	Joint projects	Min four times a year	<ul style="list-style-type: none"> Collaboration with stakeholders Attracting qualified talent Investment in R&D
Investors	External	Informative meetings, meetings, teleconferences, quarterly investor teleconferences, podcasts, webcasts, General Assembly Meetings, Investor Relations website, online surveys	Continuous	<ul style="list-style-type: none"> Managing sustainability risks Adopting a target-based management approach Transparently ESG performance Compliance with Corporate Governance Principles Financial sustainability
Local administrations/ Mukhtars	External	WhatsApp Mukhtar Support Line, regular meetings with mukhtars	Continuous	<ul style="list-style-type: none"> Building stakeholder dialogue Transparency in customer communication
Employees	Internal	İKON, mobile applications, intranet, employee engagement focus groups, team leaders' information meetings, CEO briefing meetings, management meetings, human resources meetings (happy hour), Trend Talks	Continuous	<ul style="list-style-type: none"> Attracting qualified talent Broadening the knowledge and skills of employees, primarily blue-collar employees Increasing employee loyalty
Subsidiaries	Internal	Meetings, Board meetings	Continuous	<ul style="list-style-type: none"> Investing in smart technologies Increasing OHS investments Promoting leadership in the use of new technologies Managing sustainability risks Financial sustainability

ANNEX

Annex II: Member Organizations

1	German - Turkish Chamber of Commerce and Industry (AHK Türkiye)		20	Central Securities Depository & Trade Repository of Türkiye (MKK)	
2	United Nations Women's Empowerment Principles (WEPs)		21	Moda Sea Club Association	
3	UN Global Compact		22	Customer Experience Management and Technologies Association (MDYD)	
4	Borsa İstanbul A.Ş.		23	Corporate Volunteers Association (ÖSGD)	
5	World Economic Forum (WEF)		24	Robotel Association	
6	Learning and Development Platform Association (TEGEP)		25	Chamber of Certified Public Accountants of Sakarya (SMMMÖ)	
7	Association of Electricity Distribution System Operators (ELDER)		26	Audio Description Association	
8	Energy Traders Association (ETD)		27	Woman in Technology Association (WTECH)	
9	Energy Experts Association		28	Turkish Education Foundation (TEV)	
10	Energy Efficiency and Management Association (EYODER)		29	The Institute of Internal Auditing-Türkiye (TİDE)	
11	Integrated Reporting Network Turkey (ERTA)		30	Turkish Quality Association (KALDER)	
12	Ethics and Reputation Society (TEİD)		31	Turkish Cogeneration and Clean Energy Technologies Association	
13	EUROGIA 2020		32	Corporate Governance Association of Türkiye (TKYD)	
14	Energy Investors Association (GÜYAD)		33	Turkish Industry and Business Association (TÜSİAD)	
15	Chamber of Certified Public Accountants of İstanbul (İSMMMÖ)		34	Transparency International (TI-Türkiye)	
16	İstanbul Chamber of Commerce (İTO)		35	Artificial Intelligence and Technology Association (YZTD)	
17	Business Plastic Initiative (İPG)		36	Turkish Investor Relations Society (TÜYİD)	
18	Business Council for Sustainable Development Türkiye (BCSD Türkiye)		37	Yenibirli Development Program - The Yenibirli Association	
19	Corporate Communication Professionals Association (KİD)		38	Board Directors Association (YUD)	



ANNEX

Annex III- Environmental Performance Indicators

Total Waste Amount (ton)	2021	2022	2023
Hazardous waste	3,804	5,122	4,852
Recycled hazardous waste	3,804	5,122	4,852
Non-hazardous waste	7,563	6,279	10,427
Recycled non-hazardous waste	7,450	6,279	10,427
Total waste	11,367	11,401	15,279

Annex-IV: Occupational Health and Safety Indicators

OHS	2021			2022			2023		
	Enerjisa	Contractors	Consolidated	Enerjisa	Contractors	Consolidated	Enerjisa	Contractors	Consolidated
Number of critical accidents	25	13	38	19	7	26	21	12	33
TRIF (w/o STF)	5.2	5.6	5.4	4.6	4.2	4.5	5.5	5.8	5.6
TRIF	10.1	6.6	8.9	9.1	6	8.1	9.8	6.8	8.7
The number of fatalities due to work-related injury	2	0	2	1	0	1	0	0	0
Occupational diseases	0	0	0	0	0	0	0	0	0
Total working hours (million)	26.2	14.2	40.4	27.9	15.4	43.2	29.4	17.2	46.6

	2021	2022	2023
OHS Investments (TL million)	80.9	115.4	153.2
OHS Trainings (hour per employee)	13.3	14.1	14.7

Annex V: Social Performance Indicators

	2021		2022		2023	
Employees per Category	Female	Male	Female	Male	Female	Male
Total number of employees	1,129	10,171	1,253	10,420	1,351	10,232
White-collar employees	1,080	2,423	1,202	2,661	1,321	2,823
Blue-collar employees	49	7,748	51	7,759	30	7,409
Employees covered by collective bargaining agreements*	49	7,748	51	7,759	30	7,409
Total	11,300		11,673		11,583	

	2021		2022		2023	
Employees by Employment Types	Full-Time	Part-Time	Full-Time	Part-Time	Full-Time	Part-Time
White-collar employees	3,503	0	3,863	0	4,144	0
Blue-collar employees	7,797	0	7,810	0	7,439	0
Employees with disabilities*		325		337		341
Total	11,300		11,673		11,583	

	2021		2022		2023	
Employees by Age	Female	Male	Female	Male	Female	Male
<30 years old	260	2,656	304	2,601	315	2,298
31-50 years old	855	7,266	930	7,517	1,014	7,579
>50 years old	14	249	19	302	22	355
Total	11,300		11,673		11,583	

	2021		2022		2023	
Parental Leave	Female	Male	Female	Male	Female	Male
Employees entitled to parental leave	68	665	92	713	52	676
Employees who returned to work following parental leave	66	664	90	713	48	674

* Not included in the total amount.



ANNEX

Annex V: Social Performance Indicators

	2021		2022		2023	
	Female	Male	Female	Male	Female	Male
Employees Who Left Work by Gender and Age						
<30 years old	32	121	25	164	29	186
31–50 years old	78	346	80	326	51	399
>50 years old	4	55	2	37	1	76
Total	114	522	107	527	81	661
Voluntary employee turnover	3.3%		2.9%		3.4%	

	2021		2022		2023	
	Female	Male	Female	Male	Female	Male
New Employee Hires by Gender and Age						
<30 years old	69	1143	141	522	109	344
31–50 years old	43	277	87	267	70	149
>50 years old	0	0	0	4	0	1
Total	112	1,420	228	793	179	494

TRAINING	2021	2022	2023
Total number of employees who received training	11,270	11,497	12,458
Total training hours	415,772	483,375	405,710
Total education expenditure (TL million)	24.9	45.3	99.3

Training hour (according to employee type)	2021	2022	2023
Employees in senior management and above	552	743	976
Employees in middle management	9,452	9,080	9,178
Employees in junior management	25,598	23,237	28,207
Employees in specialist and below	107,935	116,363	128,837
Blue collar	272,236	333,961	238,522

Training hour (by gender)	2021	2022	2023
Female	52,618	42,716	51,731
Male	363,154	440,659	353,979

Training hour (according to training type)	2021	2022	2023
Professional Development	45,673	68,143	45,038
Technical Development	155,437	211,186	128,902
Individual Development	53,341	25,052	44,981
Leadership Development	11,216	13,058	20,242
Occupational Health and Safety	150,105	164,730	166,547

Average training hours per person	2021	2022	2023
Total per person	36.79	41.30	34.92

	2021		2022		2023	
	Female	Male	Female	Male	Female	Male
Employees in Management by Gender and Age						
<30 years old	5	5	5	7	5	9
31–49 years old	156	430	176	455	191	476
>50 years old	4	40	4	41	4	43
Board members	2	6	2	6	3	5

	2021		2022		2023		
	Female	Male	Female	Male	Female	Male	Female Ratio
Employees in All Management Positions							
Employees in junior management	111	292	127	313	134	337	28.5%
Employees in middle management	51	155	53	162	60	162	27.0%
Employees in senior management	2	21	4	21	5	23	17.9%
Executives	1	7	1	7	1	6	14.3%
Total	165	475	185	503	200	528	27.5%

	2021		2022		2023		
	Female	Male	Female	Male	Female	Male	Female Ratio
Revenue Generating Roles							
Managers in revenue generating functions	19	59	20	63	38	98	27.9%
Employees in STEM (IT, engineering, etc.) roles	104	375	152	461	183	507	26.5%

Contactors by Service Type	2021	2022	2023
Number of contractors	6,558	9,079	8,167
Administrative affairs	1,052	1,007	1,142
Construction works	3,407	4,324	4,562
Fault repair and maintenance	1,199	2,848	1,452
Call Centre	900	900	1,011



ENERJISA ENERJİ A.Ş. AND ITS SUBSIDIARIES

Convenience Translation of
Consolidated Financial Statements for
the Year Ended 31 December 2023 and the
Independent Auditor's Report
(Originally Issued in Turkish)



CONVENIENCE TRANSLATION INTO ENGLISH OF
INDEPENDENT AUDITOR'S REPORT
ORIGINALLY ISSUED IN TURKISH

INDEPENDENT AUDITOR'S REPORT

To the General Assembly of Enerjisa Enerji A.Ş.

A. Audit of the consolidated financial statements

1. Our opinion

We have audited the accompanying consolidated financial statements of Enerjisa Enerji A.Ş. (the "Company") and its subsidiaries (collectively referred to as the "Group") which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements comprising a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with Turkish Financial Reporting Standards ("TFRS").

2. Basis for opinion

Our audit was conducted in accordance with the Standards on Independent Auditing (the "SIA") that are part of Turkish Standards on Auditing adopted within the framework of the regulations of the Capital Markets Board and issued by the Public Oversight Accounting and Auditing Standards Authority (the "POA"). Our responsibilities under these standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We hereby declare that we are independent of the Group in accordance with the Ethical Rules for Independent Auditors (including Independence Standards) (the "Ethical Rules") the ethical requirements regarding independent audit in regulations issued by the POA; the regulations of the Capital Markets Board; and other relevant legislation are relevant to our audit of the financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our opinion.



3. Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. Key audit matters were addressed in the context of our independent audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How the key audit matter was addressed in the audit
<i>Application of TAS 29, "Financial Reporting in Hyperinflationary Economies"</i>	
<p>The Group applied TAS 29 "Financial reporting in hyperinflationary economies" ("TAS 29") in its consolidated financial statements as of and for the year ending 31 December 2023.</p> <p>Applying TAS 29 results in significant changes to financial statement items included in the Group's consolidated financial statements as of and for the year ending 31 December 2023. The application of TAS 29 has a pervasive and material impact on the consolidated financial statements. In addition, considering the additional effort required to perform the audit of the application of TAS 29, we identified the application of TAS 29 as a key audit matter.</p> <p>The Group's accounting policies and related explanations regarding the application of TAS 29 are disclosed in Note 2.1.</p>	<p>We performed the following audit procedures in relation to the application of TAS 29:</p> <ul style="list-style-type: none"> Understanding and evaluating the process and controls related to application of TAS 29 designed and implemented by management, Verifying whether management's determination of monetary and non-monetary items is in compliance with TAS 29, Obtaining detailed lists of non-monetary items and testing original entry dates and amounts with supporting documents on a sample basis, Verifying the general price index rates used in calculations correspond with the coefficients in the "Consumer Price Index in Turkey" published by the Turkish Statistical Institute, Testing the mathematical accuracy of non-monetary items, income statement, and cash flow statement adjusted for inflation effects, Evaluating the adequacy of disclosures related to the application of TAS 29 in the notes to the consolidated financial statements in accordance with TFRS.



Key Audit Matters	How the key audit matter was addressed in the audit
<p>Accounting of Financial Assets</p> <p>In accordance with the terms of the service concession agreement with the government, the Group's subsidiaries in the <i>Distribution</i> segment have applied financial asset model based on TFRIC 12 "Service Concession Arrangements" ("TFRIC 12") and recognised a "financial asset" in the consolidated financial statements.</p> <p>Revenue calculated over the financial assets according to the effective interest method is accounted for as "financial income from service concession agreement" by the Group. As of 31 December 2023, the Group has financial assets amounting to 31,758,207 thousand TL and recognized financial income amounting to 14,666,186 thousand TL in the statement of profit or loss between 1 January and 31 December 2023. Given the complexity of the accounting implications within the scope of TFRIC 12, of the regulation and the use assumptions (primarily inflation rate, weighted average rate of return assumptions and unit price amounts to be applied for the investments), we determined these matters significant to our audit and therefore considered as a key audit matter.</p> <p>The details of financial assets within the scope of TFRIC 12 are disclosed in Note 10 to the consolidated financial statements.</p>	<p>The audit procedures performed for the accounting of Financial Assets are summarized below:</p> <ul style="list-style-type: none"> • The Service Concession Agreement was obtained and its provisions were evaluated during meetings held with the relevant management units. • Compatibility of the related calculation model with the Energy Market Regulatory Authority ("EMRA") regulations has been evaluated. • Since the earned income is calculated based on the internal rate of return, the mathematical accuracy of the internal rate of return calculation has been tested. • The weighted average rate of return has been checked from the communiqués published in the Official Gazette. • The short-term and long-term classification of the financial assets determined in the service concession agreement model and its consistency with the year-end financial statements has been tested. • The investments made in the current period have been tested. • The reasonableness and the appropriateness of the key assessments and estimations used by the management was assessed by comparing with independent external sources within the scope of TFRS 9 "Financial Instruments". • The compliance of the applied accounting policies with TFRS 9, past performance of the Group and local and global practices were assessed. • The compliance of the related disclosures on accounting of financial assets with the TFRS was evaluated.



Key Audit Matters	How the key audit matter was addressed in the audit
<p>Recoverability of deferred tax assets</p> <p>As disclosed in Note 24, the Group recognized deferred tax assets amounting to 13,115,500 thousand TL. Recoverable amount of recognized deferred tax asset was estimated based on the Group management's current assumptions and future business plans. As also disclosed in Note 2.10, the amount to be recognised depends on the estimates in the prospective income projections of the Group management and the deferred tax assets, which are recognized in the consolidated financial statements as of 31 December 2023, are significant. Accordingly, this matter has been considered as a key audit matter.</p>	<p>The audit procedures we have applied for the recoverability of deferred tax assets are summarized below:</p> <ul style="list-style-type: none"> • Prospective income projections have been obtained from the Group management and the significant estimates used in the prospective income projections were evaluated in meetings with senior management. Additionally, the reasonableness of these estimations was evaluated by comparing them with external sources. • The distribution revenue projections included in the prospective income projections prepared by the Group for the <i>Distribution</i> segment for the 2023-2025 period have been compared with the income requirement table announced by EMRA for the fourth (2021-2025) tariff period. • The deductible tax losses and the years in which the deduction from taxable income can be made are compared with the previous corporate tax returns approved by the tax experts of the Group and current year corporate tax calculations have been examined. • The compliance of related disclosures on the "recoverability of deferred tax assets" with the TFRS were tested.



Key Audit Matters	How the key audit matter was addressed in the audit
<p>Goodwill Impairment Test</p> <p>As at 31 December 2023, there is goodwill amounting to 1,978,878 thousand TL in the consolidated statement of financial position as a result of previous acquisitions.</p> <p>The accounting policies and estimates of the Group related to the goodwill impairment tests in accordance with TAS 36 “Impairment of Assets” were disclosed in Note 2.9 and Note 2.10 in the consolidated financial statements.</p> <p>We focused on this matter in our audit due to the following reasons:</p> <ul style="list-style-type: none"> Recognized goodwill is material to the Group’s consolidated financial statements as of 31 December 2023, The use of significant management estimates and assumptions in the goodwill impairment test as disclosed in Note 2.10 and the fact that these estimates and assumptions may be affected by future sectoral and economic changes, The necessity of using our valuation experts to check the mathematical accuracy of the goodwill impairment calculations 	<p>The audit procedures we have performed for goodwill impairment test are summarized below:</p> <ul style="list-style-type: none"> We tested the calculations in the goodwill impairment test for mathematical accuracy. We evaluated the estimations used in goodwill impairment test with the assistance of our valuation experts considering the independent data sources and current market conditions. We evaluated the realization of prospective cash flow and investment expenditures projections used in the goodwill impairment test in meetings held with senior management. We checked the compatibility of the financial statements of the base year on goodwill impairment tests with the audited financial statements. The consistency of projections made in previous years has been compared with this year’s consolidated financial statements. The sensitivity disclosures made in relation to goodwill impairment test have been tested for mathematical accuracy and proper disclosure. The compliance of related disclosures on the goodwill impairment testing to TFRS were evaluated.



Key Audit Matters	How the key audit matter was addressed in the audit
<p>Revenue recognition of retail companies</p> <p>As disclosed in Note 4, the Group’s subsidiaries in the <i>Retail</i> segment recognized revenue amounting to 102,617,275 thousand TL. These entities are obliged to supply electricity on retail sales tariff regulated by the EMRA to the ineligible customers (regulated customers) in their respective distribution regions, eligible customers who have not used their eligibility right to become an eligible customer and eligible customers who are in the last source consumer group and have not chosen their supplier through bilateral agreements.</p> <p>Along with that, retail companies supply electricity to eligible customers through bilateral agreement based on free market conditions.</p> <p>Given the complexity of such transactions, the necessity to account significant amounts of several accruals at the end of periods and their significant effects on the financial statements, we determined this matter significant to our audit and therefore considered as key audit matter.</p>	<p>The audit procedures we have applied for revenue recognition of retail companies are summarized below:</p> <p>Automated reconciliations on processes, including tariff definition, pricing, invoicing and collection sub-processes for systems invoicing important revenue streams, were understood and the completeness, accuracy of these transactions, as well as the key controls determined were tested.</p> <p>Tests were made with sampling method regarding the accuracy of customer invoices and these invoices were matched with the collections made from the customer. The accuracy of the tariffs on the invoices has been tested.</p> <p>In order to evaluate the compliance of the calculations with the EMRA legislations and TFRS, accruals related to revenue recognition were tested.</p> <p>The adequacy of the disclosures in the consolidated financial statements with TFRS has been checked.</p>



4. Responsibilities of management and those charged with governance for the consolidated financial statements

The Group management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with TFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

5. Auditor's responsibilities for the audit of the consolidated financial statements

Responsibilities of independent auditors in an independent audit are as follows:

Our aim is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent auditor's report that includes our opinion. Reasonable assurance expressed as a result of an independent audit conducted in accordance with SIA is a high level of assurance but does not guarantee that a material misstatement will always be detected. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an independent audit conducted in accordance with SIA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Assess the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence. We also communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**B. Other responsibilities arising from regulatory requirements**

1. No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code (“TCC”) No. 6102 and that causes us to believe that the Company’s bookkeeping activities concerning the period from 1 January to 31 December 2023 period are not in compliance with the TCC and provisions of the Company’s articles of association related to financial reporting.
2. In accordance with subparagraph 4 of Article 402 of the TCC, the Board of Directors submitted the necessary explanations to us and provided the documents required within the context of our audit.
3. In accordance with subparagraph 4 of Article 398 of the TCC, the auditor’s report on the early risk identification system and committee was submitted to the Company’s Board of Directors on 8 March 2024.

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

Çağlar Sürücü, SMMM
Independent Auditor

Istanbul, 8 March 2024

ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

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**ENERJISA ENERJİ A.Ş. AND ITS SUBSIDIARIES****Consolidated Statement of Financial Position
as at 31 December 2023**

ASSETS	Notes	Audited / current period 31 December 2023	Audited / prior period 31 December 2022
Current Assets		40,685,994	36,795,156
Cash and Cash Equivalents	28	4,501,245	13,793,119
Financial Assets from			
Service Concession Arrangements	10	5,959,474	5,507,378
Trade Receivables	6	15,533,062	9,371,510
<i>Due from Related Parties</i>	5	<i>105,510</i>	<i>61,314</i>
<i>Due from Third Parties</i>		<i>15,427,552</i>	<i>9,310,196</i>
Other Receivables	7	5,480,645	3,068,579
<i>Due from Third Parties</i>		<i>5,480,645</i>	<i>3,068,579</i>
Derivative Financial Instruments	26	570,169	386,564
Inventory	8	3,946,596	3,099,626
Prepaid Expenses	9	1,416,973	726,389
Assets Related with Current Taxes	24	946,455	729,845
Other Current Assets	17	2,331,375	112,146
Non-Current Assets		91,410,410	89,328,504
Trade Receivables	6	822,858	179,731
<i>Due from Related parties</i>	5	<i>76,016</i>	<i>39,139</i>
<i>Due from Third parties</i>		<i>746,842</i>	<i>140,592</i>
Other Receivables	7	2,360,391	7,871,074
<i>Due from Third Parties</i>		<i>2,360,391</i>	<i>7,871,074</i>
Derivative Financial Instruments	26	4,740	19,190
Financial Assets from			
Service Concession Arrangements	10	25,798,733	19,427,004
Right of Use Assets	11	889,479	942,096
Property, Plant and Equipment	12	6,589,495	5,879,653
Intangible Assets	13	33,784,750	35,398,011
<i>Goodwill</i>		<i>1,978,878</i>	<i>1,978,878</i>
<i>Other Intangible Assets</i>		<i>31,805,872</i>	<i>33,419,133</i>
Prepaid Expenses	9	101,649	25,958
Deferred Tax Assets	24	21,030,728	19,564,845
Other Non-Current Assets	17	27,587	20,942
TOTAL ASSETS		132,096,404	126,123,660

The accompanying notes form an integral part of these consolidated financial statements.

ENERJISA ENERJİ A.Ş. AND ITS SUBSIDIARIES**Consolidated Statement of Financial Position
as at 31 December 2023**

LIABILITIES	Notes	Audited / current period 31 December 2023	Audited / prior period 31 December 2022
Current Liabilities		48,003,993	51,501,244
Short-Term Financial Liabilities	25	7,239,168	13,480,547
Short-Term Portion of Long Term Financial Liabilities	25	12,930,598	11,517,732
Other Financial Liabilities	25	139,923	136,247
Trade Payables	6	16,209,264	11,158,918
<i>Due to Related Parties</i>	5	<i>147,971</i>	<i>512,002</i>
<i>Due to Third Parties</i>		<i>16,061,293</i>	<i>10,646,916</i>
Payables for Employee Benefits	16	669,393	391,075
Other Payables	7	8,990,342	8,846,730
<i>Due to Related Parties</i>	5	<i>20,700</i>	<i>3,996</i>
<i>Due to Third Parties</i>		<i>8,969,642</i>	<i>8,842,734</i>
Derivative Financial Instruments	26	45,183	169,650
Deferred Income	9	31,605	56,995
Income Tax Liability	24	36,581	3,133,635
Short-Term Provisions		1,096,964	834,295
<i>Provisions for Employment Benefits</i>	16	<i>447,879</i>	<i>223,079</i>
<i>Other Short-Term Provisions</i>	14	<i>649,085</i>	<i>611,216</i>
Other Short-Term Liabilities	17	614,972	1,775,420
Non-Current Liabilities		26,317,945	15,784,330
Long-Term Financial Liabilities	25	13,181,425	6,465,131
Other Financial Liabilities	25	769,432	838,838
Deferred Income	9	3,102,612	-
Long-Term Provisions		1,349,248	1,900,240
<i>Provisions for Employment Benefits</i>	16	<i>1,349,248</i>	<i>1,900,240</i>
Deferred Tax Liabilities	24	7,915,228	6,577,279
Other Long-Term Liabilities	17	-	2,842
TOTAL LIABILITIES		74,321,938	67,285,574

The accompanying notes form an integral part of these consolidated financial statements.



ENERJISA ENERJİ A.Ş. AND ITS SUBSIDIARIES

Consolidated Statement of Financial Position as at 31 December 2023

	Notes	Audited / current period 31 December 2023	Audited / prior period 31 December 2022
LIABILITIES			
Equity		57,774,466	58,838,086
Registered Share Capital	18	1,181,069	1,181,069
Adjustments to Share Capital	18	8,979,241	8,979,241
Share Premium	18	21,716,049	22,277,172
Total Share Capital		31,876,359	32,437,482
Other Funds		15,986	15,986
Accumulated Other Comprehensive Income / (Expense) to be Reclassified to Profit or Loss in Subsequent Periods		47,363	1,650,421
<i>Hedge Reserves</i>		47,363	1,650,421
Restricted Profit Reserves	18	2,465,820	2,332,161
Retained Earnings		18,851,612	1,767,476
Profit / (Loss) for the Period		4,517,326	20,634,560
TOTAL LIABILITIES AND EQUITY		132,096,404	126,123,660

The accompanying notes form an integral part of these consolidated financial statements.

ENERJISA ENERJİ A.Ş. AND ITS SUBSIDIARIES

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Period Ended 31 December 2023

	Notes	Audited / current period 1 January - 31 December 2023	Audited / prior period 1 January - 31 December 2022
Revenue	19	168,664,639	163,312,312
Cost of Sales (-)	20	(143,110,160)	(140,112,627)
GROSS PROFIT		25,554,479	23,199,685
General Administrative Expenses (-)	21	(11,501,206)	(9,178,811)
Other Income from Operating Activities	22	7,299,722	8,609,695
Other Expenses from Operating Activities (-)	22	(6,457,020)	(4,857,533)
OPERATING PROFIT BEFORE FINANCE INCOME / (EXPENSE)		14,895,975	17,773,036
Finance Income	23	1,963,791	499,975
Finance Expense (-)	23	(9,544,474)	(8,159,586)
Monetary Gain / (Loss)		(2,046,821)	(5,944,290)
PROFIT BEFORE TAX		5,268,471	4,169,135
Tax Expense		(751,145)	16,465,425
Current Tax Expense (-)	24	(374,075)	(4,528,512)
Deferred Tax Income / (Expense)	24	(377,070)	20,993,937
PROFIT / (LOSS) FOR THE PERIOD		4,517,326	20,634,560
OTHER COMPREHENSIVE INCOME AND EXPENSE			
Other Comprehensive Income / (Expense) to be Reclassified to Profit or Loss in Subsequent Periods		(1,603,058)	(1,406,345)
<i>Gains / (Losses) on Hedges</i>		(2,108,062)	(1,835,730)
<i>Income Tax Relating to Other Comprehensive Income</i>	24	505,004	429,385
TOTAL COMPREHENSIVE INCOME		2,914,268	19,228,215
Earnings / (Loss) per share			
Earnings / (Loss) per share (kr)	18	3.82	17.47

The accompanying notes form an integral part of these consolidated financial statements.



Consolidated Statement of Changes in Equity for the Period Ended 31 December 2023

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of purchasing power of the TL at 31 December 2023 unless otherwise indicated. Currencies other than TL are also expressed in thousands unless otherwise indicated.)

	Share Capital	Adjustment to Share Capital	Share premium	Restricted Profit Reserves	Other Funds	Hedge Reserves	Retained Earnings	Profit for the Period	Total Equity
Balance as at 1 January 2022	1,181,069	8,979,241	22,669,896	1,492,779	15,986	3,056,766	300,548	5,141,395	42,837,680
Transfers (*)	-	-	(392,724)	839,382	-	-	4,694,737	(5,141,395)	-
Dividend	-	-	-	-	-	-	(3,227,809)	-	(3,227,809)
Total comprehensive income	-	-	-	-	-	(1,406,345)	-	20,634,560	19,228,215
Balance as at 31 December 2022	1,181,069	8,979,241	22,277,172	2,332,161	15,986	1,650,421	1,767,476	20,634,560	58,838,086
Balance as at 1 January 2023	1,181,069	8,979,241	22,277,172	2,332,161	15,986	1,650,421	1,767,476	20,634,560	58,838,086
Transfers (*)	-	-	(561,123)	133,659	-	-	21,062,024	(20,634,560)	-
Dividend (**)	-	-	-	-	-	-	(3,977,888)	-	(3,977,888)
Total comprehensive income	-	-	-	-	-	(1,603,058)	-	4,517,326	2,914,268
Balance as at 31 December 2023	1,181,069	8,979,241	21,716,049	2,465,820	15,986	47,363	18,851,612	4,517,326	57,774,466

(*) Share premiums amounting to TL 561,123 has been transferred to retained earnings and subject to dividend distribution (31 December 2022: TL 392,724).

(**) During the Ordinary General Assembly held on 29 March 2023, it has been resolved to distribute the dividend at the amount of TL 3,977,888 (As of Board of Directors decision date: TL 2,716,459) derived from the Group's net distributable earnings in 2022 and pay the cash dividend beginning from 12 April 2023. Dividends were paid out in cash in April 2023. Dividend paid by the Group per share with a TL 1 (full digit) nominal value is gross TL 2.30 (full digit) (2022: TL 1.24 (full digit)).

The accompanying notes form an integral part of these consolidated financial statements.

ENERJISA ENERJİ A.Ş. AND ITS SUBSIDIARIES

Consolidated Statement of Cash Flows for the Period Ended 31 December 2023

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of purchasing power of the TL at 31 December 2023 unless otherwise indicated. Currencies other than TL are also expressed in thousands unless otherwise indicated.)

	Notes	Audited / current period 31 December 2023	Audited / prior period 31 December 2022
Cash Flows from Operating Activities		6,470,128	19,386,639
Profit for the period		4,517,326	20,634,560
Adjustments to reconcile net profit for the period		(1,775,408)	(14,616,893)
Adjustments related to the depreciation and amortization	11, 12, 13	3,328,302	3,008,428
Adjustments related to the depreciation of right of use assets	11	675,036	439,641
Adjustments related to the depreciation of property, plant and equipment	12	635,571	571,429
Adjustments related to the amortization of intangible assets	13	2,017,695	1,997,358
Adjustments related to impairment loss		2,761,295	2,444,660
Adjustments related to doubtful provision expenses	6, 10	2,761,295	2,444,660
Adjustments related to provisions		1,650,686	2,104,323
Adjustments related to provisions for employee benefits		1,295,059	1,943,462
Adjustments related to legal case provisions		355,627	160,861
Adjustments related to interest (income) and expenses, net		7,389,008	7,145,821
Adjustments related to interest income	23	(1,963,791)	(499,975)
Adjustments related to interest expense		9,352,799	7,645,796
Adjustments related to unrealized foreign exchange loss		614,850	(105,519)
Adjustments related to tax expense	24	751,145	(16,465,425)
Adjustments related to change in fair value losses / (gains)		(540,015)	627,061
Other adjustments to reconcile profit / (loss)	28	(15,923,790)	(13,785,296)
Adjustments related to interest (income) / expense from tariff receivables	22	(1,257,604)	(1,892,173)
Adjustments related to financial income from service concession arrangements	10, 19	(14,666,186)	(11,893,123)
Monetary (gains) / losses		(1,806,889)	409,054
Changes in operating assets and liabilities		(4,813,512)	(3,333,891)
(Increase) / decrease in trade receivables		(11,801,513)	(3,033,001)
(Increase) / decrease in inventories		(2,065,446)	(2,212,941)
(Increase) / decrease in other receivables and assets		(4,542,022)	(8,533,383)
Increase / (decrease) in trade payables		9,452,168	4,683,510
Increase / (decrease) in other payables and expense accruals		4,143,301	5,761,924
Cash generated from/(used in) operating activities		(2,071,594)	2,683,776
Payments related with provisions for employee benefits	16	(644,908)	(194,948)
Tax payments		(3,148,748)	(1,183,159)
Interest received / (paid)		(653,206)	1,691,565
Other cash in-flows	28	12,988,584	16,389,405
Capital expenditures reimbursements related to service concession arrangements	10	8,495,533	8,866,999
WACC reimbursements related to service concession arrangements	10	5,088,280	7,103,626
Prior tariff adjustments related to service concession arrangements	10	(991,240)	-
Collections from doubtful trade receivable	6	396,011	418,780
Cash Flows from Investing Activities		(14,493,952)	(11,322,927)
Cash used for purchase of tangible and intangible assets		(2,104,226)	(1,118,212)
Interest received		2,376,227	477,612
Other cash out-flows	28	(14,765,953)	(10,682,327)
Capital expenditures related to service concession arrangements		(14,765,953)	(10,682,327)
Cash Flows from Financing Activities		4,154,082	5,052,629
Cash in-flows from borrowings	25	36,340,265	71,622,167
Cash out-flows for borrowings	25	(20,861,210)	(55,868,847)
Repayment of lease liabilities	25	(460,213)	(406,833)
Interest paid		(6,886,872)	(7,066,049)
Dividend paid		(3,977,888)	(3,227,809)
Increase / (decrease) in cash and cash equivalents		(3,869,742)	13,116,341
Inflation impact on cash and cash equivalents		(5,422,132)	(438,369)
Cash and cash equivalents at the beginning of the year		13,793,119	1,115,147
Cash and cash equivalents at the end of the period		4,501,245	13,793,119

The accompanying notes form an integral part of these consolidated financial statements.



ENERJISA ENERJİ A.Ş. AND ITS SUBSIDIARIES

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2023

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of purchasing power of the TL at 31 December 2023 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") signed 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.

On 27 April 2023, DD Turkey Holdings S.A.R.L. ("DD Turkey") has 40% shares in the Company, have signed a share transfer agreement regarding the transfer of shares to E.ON International Participations N.V (EIP), which is also an E.ON group company and incorporated in the Netherlands. Accordingly, Company shares, which are held by DD Turkey, are transferred to EIP, another E.ON group company, which has the same controlling structure, without any change in control. Above mentioned transaction is part of a corporate internal restructuring due to sole technical reasons within E.ON group. Following the transfer of shares, E.ON group still holds 40% of Company shares. Thus, there is no change in Company's ultimate shareholding structure.

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 Türkiye and the address of the headquarters is as follows:

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

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. In addition to electricity distribution and retail services, the Company is also involved in customer solutions, renewable energy and energy efficiency solutions businesses and the operation of the charging network for electric vehicles and the supply of charging station equipment.

Subsidiaries consolidated in the consolidated financial statements as of 31 December 2023 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. ("EMÇ")	Renewable energy and energy efficiency solutions
E-şarj Elektrikli Araçlar Şarj Sistemleri A.Ş. ("E-şarj")	Electric vehicles and charging stations services

ENERJISA ENERJİ A.Ş. AND ITS SUBSIDIARIES

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2023

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of purchasing power of the TL at 31 December 2023 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 (Continued)

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

The Group has 11,583 employees as of 31 December 2023 (31 December 2022: 11,685).

The consolidated financial statements were authorized for issue by the Board of Directors of the Company on 8 March 2024. The General Assembly and certain regulatory bodies have the power to amend the consolidated financial statements after the issue.

BASKENT EDAŞ and EPS

100% shares of 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 7 provinces 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.



ENERJISA ENERJİ A.Ş. AND ITS SUBSIDIARIES

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2023

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of purchasing power of the TL at 31 December 2023 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 (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.

EMRA has set a unique pricing mechanism for all of the electricity distribution companies in Türkiye. In accordance with this pricing mechanism, EMRA determines the regional tariffs for distribution companies in Türkiye. EMRA has announced new tariffs for the period between 2011 and 2015 in December 2010; for the period between 2016 and 2020 in December 2015; and for the period between 2021 and 2025 in December 2020.

Toroslar EDAŞ, which operates in Adana, Gaziantep, Hatay, Kilis, Mersin and Osmaniye provinces, was directly affected by the earthquakes that occurred in Kahramanmaraş province on 6 February 2023. In accordance with the decision taken by EMRA, regions directly affected by the disaster are supported by the price equalization mechanism via making assumptions on energy volumes and revenues. It was decided that the earthquake disaster is considered among the extraordinary circumstances regulated in Article 16 of the Electricity Market Tariff Regulation published in the Official Gazette dated 19 June 2020 and numbered 31160, and in this context, the necessary expenses to be incurred by distribution companies due to the effects of earthquakes are generally accepted as uncontrollable operating expenses within the scope of the fourth paragraph of Article 8 of the Communiqué on the Regulation of Distribution Tariff published in the Official Gazette dated 19 November 2020 and numbered 31309, provided that the relevant conditions are met. Negotiations with EMRA regarding the relevant processes are ongoing. The Company's operational activities are secured by the relevant regulations.

Enerjisa Müşteri Çözümleri A.Ş.

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

E-şarj

Enerjisa Müşteri Çözümleri A.Ş., acquired 80% of the shares of E-şarj on 26 April 2018 and 14% shares on 3 December 2021.

Enerjisa Müşteri Çözümleri A.Ş. has acquired remaining 6% of the shares of E-şarj Elektrikli Araçlar Şarj Sistemleri A.Ş. based on Board of Directors decision dated 27 July 2023. Following transaction, Enerjisa Müşteri Çözümleri A.Ş. has become 100% shareholder of E-şarj.

E-şarj is mainly involved in the operation of charging network for electric vehicles and supply of charging stations equipment.

ENERJISA ENERJİ A.Ş. AND ITS SUBSIDIARIES

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2023

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of purchasing power of the TL at 31 December 2023 unless otherwise indicated. Currencies other than TL are also expressed in thousands unless otherwise indicated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL INFORMATION

2.1 Basis of Presentation

The accompanying consolidated financial statements 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 TFRS that have been put into effect by Public Oversight Accounting and Auditing Standards Authority of Türkiye ("POA") under Article 5 of the Communiqué.

Financial reporting in hyperinflationary economy

With the announcements made by the Public Oversight Accounting and Auditing Standards Authority (POA) on 23 November 2023, entities applying TFRSs have started to apply inflation accounting in accordance with TAS 29 Financial Reporting in Hyperinflation Economies as of financial statements for the annual reporting period ending on or after 31 December 2023. TAS 29 is applied to the financial statements, including the consolidated financial statements, of any entity whose functional currency is the currency of a hyperinflationary economy. According to the standard, financial statements prepared in the currency of a hyperinflationary economy are presented in terms of the purchasing power of that currency at the balance sheet date. Prior period financial statements are also presented in the current measurement unit at the end of the reporting period for comparative purposes. The Group has therefore presented its consolidated financial statements as of 31 December 2022, on the purchasing power basis as of 31 December 2023.

Pursuant to the decision of the Capital Markets Board ("CMB") dated 28 December 2023 and numbered 81/1820, it has been decided that issuers and capital market institutions subject to financial reporting regulations that apply Turkish Accounting/Financial Reporting Standards will apply inflation accounting by applying the provisions of TAS 29 starting from their annual financial reports for the periods ending on 31 December 2023. The Group has applied IAS 29 "Financial Reporting in Hyperinflationary Economies" Standard in its consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") as of and for the year end 31 December 2022. Therefore, the Group's first application date of TMS 29 has been determined as 1 January 2021.

As of 1 January 2021, retained earnings were amounting TL 3,297,321 before the adjustments made in accordance with TAS 29. As of 1 January 2021, restated amount of retained earnings after the adjustments made in accordance with TAS 29 is TL 3,659,889 with the purchasing power of 31 December 2023.

The adjustments made in accordance with TAS 29 were made using the adjustment coefficient obtained from the Consumer Price Index ("CPI") of Türkiye published by the Turkish Statistical Institute ("TURKSTAT"). As of 31 December 2023, the indices and adjustment coefficients used in the adjustment of the consolidated financial statements are as follows:

Date	Index	Adjustment Coefficient	Three -years compound inflation rates
31 December 2023	1,859.38	1.00000	268%
31 December 2022	1,128.45	1.64773	156%
31 December 2021	686.95	2.70672	74%

The main elements of the Group's adjustment process for financial reporting in hyperinflationary economies are as follows:

- Current period consolidated financial statements prepared in TL are expressed in terms of the purchasing power at the balance sheet date, and amounts from previous reporting periods are also adjusted and expressed in terms of the purchasing power at the end of the reporting period.



ENERJISA ENERJİ A.Ş. AND ITS SUBSIDIARIES

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2023

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of purchasing power of the TL at 31 December 2023 unless otherwise indicated. Currencies other than TL are also expressed in thousands unless otherwise indicated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL INFORMATION (Continued)

2.1 Basis of Presentation (Continued)

Financial reporting in hyperinflationary economy (Continued)

- Monetary assets and liabilities are not adjusted as they are already expressed in terms of the current purchasing power at the balance sheet date. In cases where the inflation-adjusted values of non-monetary items exceed their recoverable amount or net realizable value, the provisions of TAS 36 "Impairment of Assets" and TAS 2 "Inventories" are applied, respectively.
- Non-monetary assets and liabilities and equity items that are not expressed in terms of the current purchasing power at the balance sheet date have been adjusted using the relevant adjustment coefficients.
- All items in the comprehensive income statement, except for those that have an impact on the comprehensive income statement of non-monetary items on the balance sheet, have been indexed using the coefficients calculated for the periods when the income and expense accounts were first reflected in the financial statements.
- The effect of inflation on the Group's net monetary asset position in the current period is recorded in the monetary gain/loss account in the consolidated income statement.

2.2 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 converted 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 profit or loss and other comprehensive income.

2.3 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 is also adjusted or reclassified in line with the related changes.

The reclassification of the Group's consolidated financial statements as of 31 December 2022 is as follows:

The Group has reviewed the cost of sales and general administrative expenses accounts and reclassified the amounts related to the cost of services amounting to TL 7,533,699 presented under general administrative expenses in the statement of profit or loss and other comprehensive income for the period ended 31 December 2022 to cost of sales. There has been no change in the level of operating profit before financial income/(expense).

ENERJISA ENERJİ A.Ş. AND ITS SUBSIDIARIES

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2023

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of purchasing power of the TL at 31 December 2023 unless otherwise indicated. Currencies other than TL are also expressed in thousands unless otherwise indicated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL INFORMATION (Continued)

2.4 Changes in Accounting Policies

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

2.5 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.

2.6 Going Concern

The Group prepares consolidated financial statements in accordance with the going concern assumption and does not anticipate a significant risk.

The business models of electricity distribution companies operating in Türkiye are to make distribution infrastructure investments and reimburse the investments within 10 years together with a weighted average cost of capital (WACC) regulated by the Energy Market Regulatory Authority (EMRA). Therefore, a short-term financing need is inherent in the business model. The over or under invoicing made by the Group is calculated at the end of each year and adjusted by the EMRA through tariffs after two years. These amounts are classified as long-term receivables in the balance sheet. At the same time, deposits received from customers by retail companies are classified as other short term payables since they are treated as payable on demand. However, the cash outflows of those amounts expected to occur in the long term. As of 31 December 2023, current liabilities exceeds the current assets amounting to TL 7,317,999 in the consolidated financial position of the Group. Group ensures the any possible short term cash need with its strong operational cash inflow and effective financing management.

2.7 Basis of Consolidation

The details of the Company's subsidiaries at 31 December 2023 and 31 December 2022 are as follows:

	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group (%)		Principal activity
		31 December 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	Renewable energy and energy efficiency solutions
E-şarj Elektrikli Araçlar Şarj Sistemleri A.Ş.	İstanbul	100	94	Electric vehicles and charging stations services



ENERJISA ENERJİ A.Ş. AND ITS SUBSIDIARIES

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2023

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of purchasing power of the TL at 31 December 2023 unless otherwise indicated. Currencies other than TL are also expressed in thousands unless otherwise indicated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL INFORMATION (Continued)

2.7 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.

ENERJISA ENERJİ A.Ş. AND ITS SUBSIDIARIES

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2023

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of purchasing power of the TL at 31 December 2023 unless otherwise indicated. Currencies other than TL are also expressed in thousands unless otherwise indicated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL INFORMATION (Continued)

2.8 New and Revised International Financial Reporting Standards

The accounting policies adopted in preparation of the consolidated financial statements as at 31 December 2023 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 2023 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 of 31 December 2023:

- **Narrow scope amendments to TAS 1, Practice Statement 2 and TAS 8;** effective from annual periods beginning on or after 1 January 2023. The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.
- **Amendment to TAS 12 - International tax reform -Pillar Two Model Rules;** Temporary exception is effective for year ends on or after 31 December 2023. The disclosure requirements are effective for annual periods beginning on or after 1 January 2023, with early application permitted. This amendment clarifies the application of IAS 12 to income taxes arising from tax laws enacted or substantively enacted to implement the OECD's Pillar Two Model Rules. The amendment also introduces specific disclosure requirements for entities affected by such tax laws. The exception to not recognize and disclose information about deferred tax assets and liabilities related to Pillar Two income taxes, along with the disclosure requirement that the exception has been applied, is effective upon issuance of the amendment. However, the specific disclosure requirements introduced by the amendment are not required to be applied for interim periods ending before 31 December 2023.
- **Amendment to TAS 12 – Deferred tax related to assets and liabilities arising from a single transaction;** effective from annual periods beginning on or after 1 January 2023. These amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.

The amendments 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 of 31 December 2023:

- **Amendment to TFRS 16 – Leases on sale and leaseback;** effective from annual periods beginning on or after 1 January 2024. These amendments include requirements for sale and leaseback transactions in TFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.8 New and Revised Turkish Financial Reporting Standards (Continued)

b) Standards, amendments, and interpretations that are issued but not effective as of 31 December 2023 (Continued):

- **Amendment to TAS 1 – Non-current liabilities with covenants;** effective from annual periods beginning on or after 1 January 2024. These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.
- **Amendments to TAS 7 and TFRS 7 on Supplier finance arrangements;** effective from annual periods beginning on or after 1 January 2024. These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the TASB (Turkish Accounting Standards Board)'s response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.
- **TFRS 17, 'Insurance Contracts';** effective from annual periods beginning on or after 1 January 2025. This standard replaces TFRS 4, which permitted a wide variety of practices in accounting for insurance contracts. TFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts.
- **TSRS 1, 'General requirements for disclosure of sustainability-related financial information;** effective from annual periods beginning on or after 1 January 2024. This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.
- **TSRS 2, 'Climate-related disclosures';** effective from annual periods beginning on or after 1 January 2024. This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.

However, in the Board Decision of the KGK published in the Official Gazette dated 29 December 2023, it was announced that certain businesses will be subject to mandatory sustainability reporting as of 1 January 2024. Businesses that fall within the scope of sustainability practice are counted for the purpose of determining businesses that will be subject to sustainability reporting within the scope of the "Board Decision Regarding the Scope of Application of Turkish Sustainability Reporting Standards ("TSRS")" dated 5 January 2024.

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

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.9 Summary of Significant Accounting Policies

Business Combinations

The acquisition of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognized in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and its subsequent settlement is accounted for within equity. When the contingent consideration classified as asset or liability is in the nature of financial instruments and within the context of TFRS 9 *Financial Instruments*, it is re-measured at fair value and; gain or loss due to changes are recognized in profit or loss or other comprehensive income. Those are not within the context of TFRS 9 are re-measured in accordance with TAS 37 *Provisions, Contingent Liabilities and Contingent Assets*.



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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.9 Summary of Significant Accounting Policies (Continued)

Goodwill

Goodwill arising on an acquisition of a business is carried at indexed cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually (Note: 2.10), or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in profit or loss in the consolidated statement of comprehensive income. An impairment loss recognized for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Related Parties

A related party is a person or entity that is related to the entity that is preparing its financial statements

- a) A person or a close member of that person's family is related to a reporting entity if that person:
 - i. has control or joint control over the reporting entity;
 - ii. has significant influence over the reporting entity; or
 - iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- (b) An entity is related to a reporting entity if any of the following conditions applies:
 - i. The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - ii. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - iii. Both entities are joint ventures of the same third party.
 - iv. One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - v. The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
 - vi. The entity is controlled or jointly controlled by a person identified in (a).
 - vii. A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.9 Summary of Significant Accounting Policies (Continued)

Related Parties (Continued)

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

Revenue Recognition

Distribution part of the revenue is composed of distribution, meter reading services, transmission and theft and loss components. Distribution and meter reading service components are considered within the content of service concession arrangements due to the regulations of EMRA. Additionally, 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 which cover operating expenses and investment requirements related to distribution and meter reading services. Moreover, transmission revenue is a complete pass-through of transmission costs as charged by Türkiye Elektrik İletim A.Ş. ("TEİİAŞ"). These regulations guarantee revenue to the Group during the transition period regardless of the consumption level. The under billings or overbillings made by the Group are adjusted by EMRA in the tariffs to be effective in two years.

Revenue recognition principles other than the assets classified as due from service concession arrangements under TFRIC 12 are as follows:

Revenue (excluding the distribution business) is recognized upon delivery of electricity to customers or upon fulfilment of services. Delivery is deemed complete when the risk and rewards associated with ownership has been transferred to the buyer as contractually agreed, compensation has been contractually established and collection of the resulting receivable is probable.

Gross profit to be gained from the regulatory portfolio of the Group is determined by EMRA and the revenue of the companies related to the regulated portfolio is computed in accordance with the provisions of "Regulation of Retail Energy Sales Prices" issued by EMRA on 17 November 2020 by considering revenue requirements to cover the operational expenses and the doubtful receivable expenses are reflected in the consolidated financial statements with the requirement of TFRS 15.

Revenue from the sale and delivery of electricity is measured at the fair value of the consideration received or receivable. The estimated value of the electricity supplied but not invoiced to the customers is considered for the measurement of revenue.

Revenue is recognized on an accrual basis at the time the electricity is distributed, at the invoiced values. Net sales represent the invoiced value of electricity distributed excluding sales commission and sales taxes.



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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.9 Summary of Significant Accounting Policies (Continued)

Revenue Recognition (Continued)

Principal and agent assessment

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself or to arrange for the other party to provide those goods or services. The Group is a principal if it controls a promised good or service before the Group transfers the good or service to a customer. When a Group that is a principal satisfies a performance obligation, it recognizes as revenue the gross amount of consideration which it expects to be entitled to in exchange for those goods or services. The Group is an agent if its performance obligation is to arrange for the provision of goods or services by another party and in such a position, the Group does not recognize the revenue of the consideration at gross amount.

Financial income from service concession arrangements

Financial income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Financial income related to service concession arrangements is recognized in accordance with Service Concession Arrangements ("TFRIC 12"). Financial income from service concession arrangement is recognized on a time-proportion basis using the effective interest method.

Group recognizes the revenue calculated by the internal rate of return as "Financial Income from Service Concession Arrangements" in profit or loss and other comprehensive income statement. Main revenue source of distribution companies are financial income from the investments for improvement and maintenance of network. Therefore, Group evaluates that the financial income from service concession arrangements drives from the main business activity of the distribution companies and accordingly it is recognized as a part of revenue.

Service Concession Arrangements

Service concession arrangements are defined within scope of TFRIC 12 as those whereby a government or other body grants contracts for the supply of public services – operations such as roads, energy distribution, prisons or hospitals – to private operators. The Group's electricity distribution and meter reading service businesses are in the scope of service concession agreements.

Considering the Group's terms in the service concession arrangements, a financial asset model where the Group recognizes TFRIC 12 as a financial asset to the extent that it has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor has been applied, since the right to receive cash for the distribution and meter reading services are constituted through actual billing to subscribers where the distribution and meter reading service components of the billing are already specified or determinable through the regulated by EMRA.

The Group recognizes the revenue on an effective interest method as "Financial Income from Service Concession Arrangements" in profit or loss and other comprehensive income and "Financial Assets from Service Concession Arrangements" on the consolidated statement of financial position.

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.9 Summary of Significant Accounting Policies (Continued)

Inventories

Inventories mainly include electricity equipment and materials related to the Group's electricity distribution business. Inventories are stated at the lower of indexed cost or net realizable value. The cost of inventories is determined on a weighted average basis. Additional costs, incurred to bring the inventories to the intended usable condition or position, are included in determination of cost.

Property, plant and equipment

Property, plant and equipment are carried at indexed cost less indexed accumulated depreciation and any accumulated impairment losses.

Properties in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognized impairment loss. Cost includes professional fees such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognized so as to write off the indexed cost or valuation of assets, other than freehold land and properties under construction, less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of property, plant and equipment is derecognized from statement of financial position (balance sheet) upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Intangible assets

Customer contracts and relations and Transfer of Operational Rights

Customer contracts and relations and TOR are reported at indexed cost less accumulated amortization and accumulated impairment losses. Amortization is charged on a straight-line basis over their estimated useful lives. The useful lives of customer contracts and relations range between 25-30 years.

Computer software

Acquired computer software licenses are capitalized on the basis of the indexed costs incurred to acquire and bring to use the specific software. These indexed costs are amortized over their estimated useful lives (3-5 years).



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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.9 Summary of Significant Accounting Policies (Continued)

Leasing transactions

Group as a lessee

Initially the Group assesses whether the contract is, or contains lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group shall assess whether, throughout the period of use, the customer has both of the following:

- The contract includes an identified asset (identification of an asset in a clear or implicitly specified form in the contract),
- A capacity portion of an asset is an identified asset if it is physically distinct and represents substantially all of the capacity of the asset (the asset is not an identified asset if the vendor has a fundamental right to substitute the asset for the duration of its use and obtain an economic benefit from it),
- The Group has the right to obtain almost all of the economic benefits that will be derived from the use of the identified asset,
- The right to direct the use of the identified asset. The Group has the right to direct the use of an identified asset throughout the period of use only if either:
 - a) the Group has the right to direct how and for what purpose the asset is used throughout the period of use
 - b) the Group has the right to direct use of asset if either:
 - i. the Group has the right to operate (or to have the right to direct others to operate) the asset over its useful life and the lessor does not have the rights to change the terms to operate or;
 - ii. the Group designed the asset (or the specific features) in a way that predetermines how and for what purpose it is used

The Group recognizes right of use asset and lease liability at the start date of lease after evaluation of aforementioned criterias.

Right of use asset

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at indexed cost, less any indexed accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.9 Summary of Significant Accounting Policies (Continued)

Leasing transactions (Continued)

Right of use asset (Continued)

The cost of right-of-use assets includes:

- a. The amount of lease liabilities recognized,
- b. Lease payments made at or before the commencement date less any lease incentives received, and
- c. Initial direct costs incurred by the Group.

Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

Right-of-use assets are subject to impairment.

Lease Liabilities

The Group measures its rent obligation at the present value of unpaid lease payments on the date that the lease commences.

Lease payments included in the measurement of the lease obligation on the date that the lease actually commences consists of the following payments to be made for the right of use of the underlying asset during the lease period and not paid on the actual lease date:

- a. Fixed payments,
- b. Variable lease payments based on an index or rate, the first measurement made using an index or rate on the actual date of the lease,
- c. Amounts expected to be paid by the Group under residual value commitments,
- d. The use price of this option if the Group is reasonably certain that it will use it, and
- e. The penalty payments for termination of the lease if the lease shows that the Group will use an option to terminate the lease.

Variable lease payments that do not depend on an index or rate are recognized as an expense in the period in which the event or condition that triggered the payment occurred.

After the effective date of the lease, the Group measures the lease obligation as follows:

- a. Increase the carrying amount to reflect the interest on the lease obligation; and
- b. Decreases the carrying amount to reflect the lease payments made.

In addition, in the event of a change in the lease term, in essence a change in fixed lease payments or a change in the assessment of the option to buy the underlying asset, the value of the lease obligations is remeasured.



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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.9 Summary of Significant Accounting Policies (Continued)

Impairment of non-financial assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. There were no capitalized borrowing costs in 2022 and 2023.

All other borrowing costs are recognized in statement of profit or loss and other comprehensive income in the period in which they are incurred.

Financial instruments

Financial assets - Classification and measurement

The Group classified its financial assets in three categories as financial assets carried at amortized cost, financial assets carried at fair value through profit or loss, financial assets carried at fair value through other comprehensive income. Classification is performed in accordance with the business model determined based on the purpose of benefits from financial assets and expected cash flows. Management performs the classification of financial assets at the acquisition date.

(a) Financial assets carried at amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, whose payments are fixed or predetermined, which are not actively traded and which are not derivative instruments are measured at amortized cost. They are included in current assets, except for maturities more than 12 months after the balance sheet date. Those with maturities more than 12 months are classified as non-current assets. The Group's financial assets carried at amortized cost comprise "trade receivables", "other receivables", "financial assets" (TFRIC 12), "cash and cash equivalents" and "financial investments to be held to maturity" in the statement of financial position.

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.9 Summary of Significant Accounting Policies (Continued)

Financial Instruments (Continued)

Financial assets - Classification and measurement (Continued)

(a) Financial assets carried at amortised cost (Continued)

Impairment

The Group has applied simplified approach and used impairment matrix for the calculation of impairment for its receivables on its consolidated financial statements, since they do not comprise of any significant finance component. In accordance with this method, if any provision provided to the trade receivables as a result of a specific events, the Group measures expected credit loss from these receivables by the life-time expected credit loss. The calculation of expected credit loss is performed based on the experience of the Group and its expectation based on the macroeconomic indications.

In the retail business, part of the doubtful trade receivables expenses are compensated by EMRA through retail service revenue. The compensation amount calculated by multiplying the average of company risk and country risk with the net invoiced sales revenue of the retail company and the amount is included in the uncontrollable operating expenses.

In the distribution business, distribution companies receive reimbursements for overdue receivables from EMRA two years after the date when doubtful receivable has become due, provided that a legal action has been initiated against the counter-party with respect to receivables. Therefore, uncollected receivables are returned to distribution companies after a two-year period.

(b) Financial assets carried at fair value

Assets that are held by the management for collection of contractual cash flows and for selling the financial assets are measured at their fair value. If the management do not plan to dispose these assets in 12 months after the balance sheet date, they are classified as non-current assets. The Group make a choice for the equity instruments during the initial recognition and elect profit or loss or other comprehensive income for the presentation of fair value gain and loss:

i) *Financial assets carried at fair value through profit or loss*

Financial assets carried at fair value through profit or loss comprise of "derivative instruments" in the statement of financial position. Derivative instruments are recognized as asset when the fair value of the instrument is positive, as liability when the fair value of the instrument is negative. The Group's financial instruments at fair value through profit or loss consist of forward exchange contracts.

ii) *Financial assets carried at fair value through other comprehensive income*

Financial assets carried at fair value through other comprehensive income comprise of "derivative instruments" in the statement of financial position. Gains or losses on a financial asset carried at fair value through other comprehensive income is recognized in other comprehensive income under the scope of hedge accounting. The Group's financial instruments at fair value through other comprehensive income consist of forward exchange contracts to mitigate the foreign exchange rate risk arising from foreign currency costs, which are part of energy procurement costs, within the scope of feed-in-tariff ("FIT") mechanism, foreign currency denominated energy purchases and investments.



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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.9 Summary of Significant Accounting Policies (Continued)

Offsetting

Financial assets and liabilities are offset and the net amount reported in the consolidated balance sheet when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

Provisions, contingent liabilities, contingent assets

Provisions are recognized when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent liabilities are assessed continuously to determine probability of outflow of economically beneficial assets. For contingent liabilities, when an outflow of resources embodying economic benefits are probable, provision is recognized for this contingent liability in the period when the probability has changed, except for cases where a reliable estimate cannot be made.

Possible assets that arise from past events and whose existence not wholly within the control of the Group and that will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events are recognized as contingent assets. When an inflow of resources embodying economic benefits is probable, the Group discloses contingent assets in the notes.

When the outflow of economic benefits from the Group is probable but the amount cannot be measured reliably, the Group discloses this fact in the notes.

Earnings per share

Earnings per share disclosed in the consolidated statement of profit or loss and other comprehensive income are determined by dividing net earnings by the weighted average number of shares that have been outstanding during the related period.

In Türkiye, companies can increase their share capital by making a pro-rata distribution of shares ("bonus shares") to existing shareholders from retained earnings on equity items. Such kind of bonus shares are taken into consideration in the computation of earnings per share as issued share certificates. For the purpose of earnings per share computations, the weighted average number of shares outstanding during the period has been adjusted in respect of bonus shares issues without a corresponding change in resources, by giving them retroactive effect for the year in which they were issued and each earlier year.

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.9 Summary of Significant Accounting Policies (Continued)

Segment reporting

The Group has electricity distribution, retail and customer solutions operating segments, which includes the information used from management to evaluate performance and taking decision for resource allocation. These segments are managed separately because it is influenced by different economic situations and business positions in terms of risk and return.

Operating segments are reported in a manner consistent with the reporting provided to the board of directors. Board of directors are responsible for the decisions related to the allocation of resources to the segments and assessment of performance of segments.

Government grants

Electricity distribution companies within the Group have the right to benefit from VAT exemption for machinery equipment purchases from domestic suppliers in the scope of renewal of existing investments with the investment incentive certificate which had been obtained from the Ministry of Economy on 15 January 2016.

Taxation and deferred income taxes

Turkish Tax Legislation does not permit a parent company and its subsidiary to file a consolidated tax return. Therefore, provisions for taxes, as reflected in the accompanying consolidated financial statements, have been calculated on a separate-entity basis.

Income tax expense represents the sum of current tax and deferred tax expenses.

Current tax expense

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the comprehensive income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted by the balance sheet date.

Deferred tax

Deferred tax is recognized in accordance with the balance sheet method on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases which is used in the computation of taxable profit with using tax rates that have been enacted or substantively enacted in accordance with the balance sheet method.

Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.



ENERJISA ENERJİ A.Ş. AND ITS SUBSIDIARIES

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2023

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of purchasing power of the TL at 31 December 2023 unless otherwise indicated. Currencies other than TL are also expressed in thousands unless otherwise indicated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.9 Summary of Significant Accounting Policies (Continued)

Taxation and deferred income taxes (Continued)

Deferred tax (Continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred taxes are recognized as in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity.

Subsequent events

Subsequent events; even if they occur after any announcement related with profit or public announcement of other chosen financial information, covers any event between the balance sheet date and the publication date of the balance sheet.

In the case that events requiring an adjustment to the financial statements occur subsequent to the date of statement of financial position, the Group makes the necessary corrections on the consolidated financial statements.

Employment benefits

Termination and retirement benefits

Under Turkish law and union agreements, lump sum payments are made to employees retiring or involuntarily leaving the Group. Such payments are considered as being part of defined retirement benefit plan as per TAS 19 (revised) "Employee Benefits" ("TAS 19").

The retirement benefit obligation recognized in the statement of the financial position represents the present value of the defined benefit obligation. Actuarial gains and losses have no material impact in the consolidated financial statements and are recognized in the statement of profit or loss and other comprehensive income.

Vacation rights and bonus provisions

The liabilities related to unused vacation rights and bonus payments from current year's performance are accrued when they are entitled.

ENERJISA ENERJİ A.Ş. AND ITS SUBSIDIARIES

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2023

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of purchasing power of the TL at 31 December 2023 unless otherwise indicated. Currencies other than TL are also expressed in thousands unless otherwise indicated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.9 Summary of Significant Accounting Policies (Continued)

Employment benefits (Continued)

Defined contribution plans

The Group pays contributions to the Social Security Institution of Türkiye on a mandatory basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due.

Statement of cash flow

In statement of cash flows, cash flows are classified according to operating, investing and financing activities.

Cash flows from operating activities represent the cash flows generated from the Group's activities.

Cash flows related to investing activities represent the cash flows that are used in or provided from the investing activities of the Group (tangible and intangible assets, investments related to service concession arrangements and financial investments).

The disclosure of cash flows from investing activities provides users with information on the extent of expenditure that has been incurred in order to generate the future cash flows and profits of the business. Group is responsible to provide electricity distribution services and operate the electricity network during the license period. In order to maintain the network service, the Group has to make these physical investments and incur related expenditure to generate future cash flows. Therefore, capital expenditures related to service concession arrangement has been classified under cash flows from investing activities at consolidated statement of cash flow.

Cash flows arising from financing activities represent the cash proceeds from the financing activities of the Group and the repayments of these funds.

Share capital and dividends

Common shares are classified as equity.

Dividends on common shares are recognized in equity in the period in which they are approved and declared. Dividend income from investments is recognized when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).



ENERJISA ENERJİ A.Ş. AND ITS SUBSIDIARIES

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2023

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of purchasing power of the TL at 31 December 2023 unless otherwise indicated. Currencies other than TL are also expressed in thousands unless otherwise indicated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.10 Significant Accounting Estimates and Assumptions

Critical Accounting Judgments and Key Sources of Estimation Uncertainty

Critical judgments in applying the Group's accounting policies

Use of Estimates

The preparation of consolidated financial statements in conformity with TAS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

Impairment test of Goodwill

Pursuant to TAS 36 *Impairment of Assets*, the Group tested goodwill as of 31 December 2023 in accordance with the accounting policy stated at Note: 2.9. The goodwill impairment test is carried out for Retail ("CGU"). As of 31 December 2023, the following assumptions were used to determine the recoverable amount of Retail CGU:

<u>CGU:</u>	<u>Retail</u>				
	Value in use				
Base used for the recoverable amount:	Forecasted cash flows				
Source:	2024	2025	2026	2027	2028 and after
WACC (TL):	61.4%	37.4%	24.0%	22.7%	21.1%
Terminal growth rate:	4.5%				

The net present value of Retail CGU was calculated by discounting the TL, which is the functional currency of the Group, free cash flows. The Group compared the recoverable amount calculated based on the aforementioned assumptions to the total value of Retail CGU and no impairment was identified.

1% increase of weighted average cost of capital decreases the recoverable amount of Retail CGU by 5%, 1% decrease of weighted average cost of capital increases the recoverable amount of Retail CGU by 6%. 1% increase of terminal growth rate cost of capital increases the recoverable amount of Retail CGU by 4%, 1% decrease of terminal growth rate decreases the recoverable amount of Retail CGU by 7%. No impairment is identified based on the sensitivity analysis.

Non-monetary assets and liabilities are restated in terms of the measuring unit current at the balance sheet date, using the increase in the general price index from the transaction date when they arose to the balance sheet date. Specific issues arise when restatement increases the carrying amount of assets beyond the net realisable value or if non-monetary assets are carried at fair value. The restated carrying amount should then be compared to the 'current' values and the difference, if any, charged or credited to the income statement or shareholders' equity in accordance with the appropriate standard.

The net realisable value of an asset may be less than its restated amount. Application of the normal impairment requirement would therefore result in a write-down of the carrying amount in the restated financial statements, even if no impairment of the asset was required in the historical cost financial statements.

ENERJISA ENERJİ A.Ş. AND ITS SUBSIDIARIES

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2023

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of purchasing power of the TL at 31 December 2023 unless otherwise indicated. Currencies other than TL are also expressed in thousands unless otherwise indicated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.10 Significant Accounting Estimates and Assumptions (Continued)

Critical Accounting Judgments and Key Sources of Estimation Uncertainty (Continued)

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the consolidated balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is discussed below:

Service concession arrangements

The Group determines the financial assets and financial income from service concession arrangements balances recognized under service concession arrangements based on the cash flows derived from the tariffs announced by EMRA. The distribution revenue requirements of the Group during the second (2011 - 2015), third (2016 - 2020) and fourth tariff periods (2021 - 2025) were determined by EMRA considering the projected expenses and related tariffs which were published in 2010, 2015 and 2020. These tariffs are revised yearly due to inflation. In determination of the aforementioned projected cash inflows in the upcoming periods the Group management made estimates related to the CPI rate and the WACC ("Weighted Average Capital Cost") rate determined in the latest tariff period continued to be used until the end of the license period. Moreover, distribution revenue requirements from the end of fourth tariff period to the end of license (2036 for BAŞKENT EDAŞ and 2042 for AYEDAŞ and TOROSLAR EDAŞ) had been expected by the Group management based on the tariff components announced for the fourth tariff period until 30 June 2022. However, the expectations are limited to include only the realized investments and related reimbursements in the upcoming years for these investments and aforementioned CPI estimates in order to make more reliable estimates and measurement starting from 1 July 2022. The accounting estimate change has been applied prospectively. As stated in EMRA's decision dated December 8, 2023, it has been conveyed that if the average unit costs incurred by distribution companies in 2023 result in a loss of more than 10% compared to the sector arithmetic average related to investment expenditures, it will be reviewed again by the EPDK and the loss amount for the year 2022 has been corrected through a similar mechanism. The unit prices of the costs incurred by distribution companies for 2023 investments were higher than the base unit prices for 2023 calculated by EMRA. However, with the expectation that the unit prices to be determined in 2024 for 2023 will be higher than the costs incurred, the investment amounts included in the financial asset models prepared for the service concession agreements for the year ended December 31, 2023 are included with their actual cost amounts. The impact of unit price update amounts to be determined by the EPDK after the closure of the year 2023 will be accounted for when they occur.

Revenue recognition

Invoices of the subscribers other than residential and commercial groups are issued monthly at the end of each month by the Group whereas the invoices of the residential subscribers are issued continuously during each month due to the high number of subscribers in this group. Commercial group subscribers are also issued continuously during the month due to the high number of customers in this group although the subscribers with high consumption level are billed at the end of the month. As a result, the total electricity supplied to the residential and commercial subscribers during each month cannot be invoiced and income accruals are recognized as revenue at period-ends for these customer groups based on the actual billing performance.



ENERJISA ENERJİ A.Ş. AND ITS SUBSIDIARIES

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2023

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of purchasing power of the TL at 31 December 2023 unless otherwise indicated. Currencies other than TL are also expressed in thousands unless otherwise indicated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.10 Significant Accounting Estimates and Assumptions (Continued)

Critical Accounting Judgments and Key Sources of Estimation Uncertainty (Continued)

Key sources of estimation uncertainty (Continued)

Deferred tax

Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized in the upcoming years. Deferred tax assets are recognized for unused tax losses and deductible temporary differences to the extent that it is possible that future taxable profits will be available against which they can be used. Group calculated deferred tax assets for the unused tax losses which are carried in the legal books to the extent that it is possible that future taxable profits will be available against which they can be used and for the temporary differences created by adjustments made to inflation accounting in accordance with the Communiqué No. 32415 (2nd. Repetition) dated 30 December 2023 of the Tax Procedure Law. Deferred tax assets are recognized when it is probable that tax benefits will be available in future periods. Therefore, the recognition of the deferred tax assets are based on the expectations of the future financial performance of the Group. Assessments are performed based on the future financial plans and tax planning strategies which can be implemented when necessary. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered (Note 24).

NOTE 3 – SHARES IN OTHER PARTIES

Subsidiaries

Name of Subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership (%)	
			31 December 2023	31 December 2022
BASKENT 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.	Renewable Energy and Energy Efficiency Solutions	İstanbul	100	100
E-şarj	Electric Vehicles and Charging Stations Services	İstanbul	100	94

Principal Activity	Place of incorporation and operation	Number of subsidiaries owned by the Group	
		31 December 2023	31 December 2022
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 Services	İstanbul	1	1

ENERJISA ENERJİ A.Ş. AND ITS SUBSIDIARIES

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2023

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of purchasing power of the TL at 31 December 2023 unless otherwise indicated. Currencies other than TL are also expressed in thousands unless otherwise indicated.)

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 renewable energy and energy efficiency 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 IFRS 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.

The following table contains information on the Group's sales and profit from its operations for the year ended 31 December 2023 and 31 December 2022.

1 January - 31 December 2023	Distribution	Retail	Customer Solutions	Unallocated (*)	Eliminations	Total
Revenue	64,413,241	102,617,275	1,634,179	375,143	(375,199)	168,664,639
Cost of sales (-)	(45,285,332)	(97,149,094)	(675,734)	-	-	(143,110,160)
Gross profit / (loss)	19,127,909	5,468,181	958,445	375,143	(375,199)	25,554,479
General administrative expenses (-)	(6,339,222)	(2,741,667)	(437,595)	(2,367,440)	384,718	(11,501,206)
Other income / (expense) from operating activities - net	(627,460)	885,960	597,435	(3,714)	(9,519)	842,702
Operating profit / (loss)	12,161,227	3,612,474	1,118,285	(1,996,011)	-	14,895,975
Financial income	396,920	4,478,128	325,291	1,880,332	(5,116,880)	1,963,791
Financial expense (-)	(8,949,825)	(2,162,167)	(1,060,981)	(2,488,381)	5,116,880	(9,544,474)
Monetary gains / (losses)	(2,882,574)	(1,306,168)	112,899	2,029,022	-	(2,046,821)
Profit / (loss) before taxation on income	725,748	4,622,267	495,494	(575,038)	-	5,268,471
Current tax expense (-)	-	(10,222)	(41,900)	(221,953)	-	(374,075)
Deferred tax income / (expense)	2,389,789	(1,443,935)	(104,946)	(1,217,978)	-	(377,070)
Net profit / (loss) for the period	3,115,537	3,068,110	348,648	(2,014,969)	-	4,517,326

(*) TL 1,780,537 of TL 3,328,302 depreciation and amortization expenses represents amortization expenses of intangible assets (Note 13), which is presented as unallocated under general administrative expenses. The majority of financial expenses under unallocated part mainly represent costs of loans utilized for the acquisitions of distribution and retail business and financial incomes under unallocated part mainly represents the interest income from intercompany loans given to 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.

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2023

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of purchasing power of the TL at 31 December 2023 unless otherwise indicated. Currencies other than TL are also expressed in thousands unless otherwise indicated.)

NOTE 4 - SEGMENT REPORTING (Continued)

I January - 31 December 2022	Distribution	Retail	Customer Solutions	Unallocated (*)	Eliminations	Total
Revenue	47,141,834	115,729,368	442,389	228,774	(230,053)	163,312,312
Cost of sales (-)	(28,023,480)	(111,925,844)	(163,303)	-	-	(140,112,627)
Gross profit / (loss)	19,118,354	3,803,524	279,086	228,774	(230,053)	23,199,685
General administrative expenses (-)	(5,033,358)	(2,025,176)	(155,336)	(2,208,540)	243,599	(9,178,811)
Other income / (expense) from operating activities - net	(768,420)	4,641,633	(115,267)	3,149	(8,933)	3,752,162
Operating profit / (loss)	13,316,576	6,419,981	8,483	(1,976,617)	4,613	17,773,036
Financial income	411,445	509,470	39,615	1,479,724	(1,940,279)	499,975
Financial expense (-)	(6,192,008)	(1,444,933)	(133,723)	(2,329,201)	1,940,279	(8,159,586)
Monetary gains / (losses)	(2,868,889)	(5,670,021)	27,052	2,567,568	-	(5,944,290)
Profit / (loss) before taxation on income	4,667,124	(185,503)	(58,573)	(258,526)	4,613	4,169,135
Current tax expense (-)	(1,716,316)	(2,812,196)	-	-	-	(4,528,512)
Deferred tax income / (expense)	18,343,802	2,461,121	1,798	187,216	-	20,993,937
Net profit / (loss) for the period	21,294,610	(536,578)	(56,775)	(71,310)	4,613	20,634,560

(*) TL 1,780,537 of TL 3,008,428 depreciation and amortization expenses, represents amortization expenses of intangible assets (Note 13), which is presented as unallocated under general administrative expenses. The majority of financial expenses under unallocated part mainly represent costs of loans utilized for the acquisitions of distribution and retail business and financial incomes under unallocated part mainly represents the interest income from intercompany loans given to 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.

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NOTE 4 - SEGMENT REPORTING (Continued)

The following table includes information about the Group's financial position of its business segments related to the periods ended 31 December 2023 and 31 December 2022.

As at 31 December 2023	Distribution	Retail	Customer Solutions	Unallocated (*)	Eliminations	Total
Segment assets						
Cash and cash equivalents	1,122,591	2,447,394	928,791	2,469	-	4,501,245
Trade receivables	6,481,013	12,282,935	1,040,166	74,755	(3,522,949)	16,355,920
Inventories	2,620,781	-	1,325,815	-	-	3,946,596
Derivative instruments	200,687	235,287	138,935	-	-	574,909
Financial assets	31,764,744	-	-	(6,537)	-	31,758,207
Right of use assets	676,507	184,259	570	28,143	-	889,479
Property, plant and equipment	5,736,224	215,990	622,806	14,475	-	6,589,495
Intangible assets	186,050	264,650	260,085	33,073,965	-	33,784,750
Deferred tax assets	19,517,513	811,898	34,845	666,472	-	21,030,728
Other receivables and assets	6,886,774	7,464,570	1,159,169	23,880,377	(26,725,815)	12,665,075
Total assets	75,192,884	23,906,983	5,511,182	57,734,119	(30,248,764)	132,096,404
Segment liabilities						
Financial liabilities	11,650,197	4,556,407	3,088,009	25,863,736	(11,807,158)	33,351,191
Other financial liabilities	909,355	-	-	-	-	909,355
Trade payables	10,409,335	9,151,328	117,897	53,653	(3,522,949)	16,209,264
Derivative instruments	44,895	288	-	-	-	45,183
Deferred tax liabilities	-	-	142,231	7,772,997	-	7,915,228
Other payables and liabilities	20,138,848	9,410,607	1,068,433	192,486	(14,918,657)	15,891,717
Total liabilities	43,152,630	23,118,630	4,416,570	33,882,872	(30,248,764)	74,321,938

(*) The majority of intangible assets under unallocated part represents customer contracts, transfer of operating rights and goodwill (Note 13).

(*) As of 31 December 2023, the Group has recorded an impairment provision of TL 6,537 for its financial assets from service concession arrangements in accordance with TFRS 9 Financial Instruments.

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NOTE 4 - SEGMENT REPORTING (Continued)

As at 31 December 2022	Distribution	Retail	Customer Solutions	Unallocated (*)	Eliminations	Total
Segment assets						
Cash and cash equivalents	519,063	13,249,224	24,536	296	-	13,793,119
Trade receivables	6,364,305	4,829,329	289,661	69,657	(2,001,711)	9,551,241
Inventories	2,819,005	-	280,621	-	-	3,099,626
Derivative instruments	28,473	377,281	-	-	-	405,754
Financial assets	24,938,081	-	-	(3,699)	-	24,934,382
Right of use assets	775,028	154,483	939	11,646	-	942,096
Property, plant and equipment	5,495,878	107,396	264,258	12,121	-	5,879,653
Intangible assets	145,170	252,511	143,436	34,856,894	-	35,398,011
Deferred tax assets	17,072,704	1,805,845	11,551	674,745	-	19,564,845
Other receivables and assets	10,758,805	8,272,301	228,685	12,596,240	(19,301,098)	12,554,933
Total assets	68,916,512	29,048,370	1,243,687	48,217,900	(21,302,809)	126,123,660
Segment liabilities						
Financial liabilities	15,048,740	8,192,790	254,871	16,684,288	(8,717,279)	31,463,410
Other financial liabilities	975,085	-	-	-	-	975,085
Trade payables	7,229,437	5,691,670	211,928	27,594	(2,001,711)	11,158,918
Derivative instruments	156,312	9,944	3,394	-	-	169,650
Deferred tax liabilities	-	-	2,796	6,574,483	-	6,577,279
Other payables and liabilities	14,406,146	12,551,047	496,715	71,143	(10,583,819)	16,941,232
Total liabilities	37,815,720	26,445,451	969,704	23,357,508	(21,302,809)	67,285,574

(*) The majority of intangible assets under unallocated part represents customer contracts, transfer of operating rights and goodwill (Note 13).

(*) As of 31 December 2022, the Group has recorded an impairment provision of TL 3,699 for its financial assets from service concession arrangements in accordance with TFRS 9 Financial Instruments.

ENERJISA ENERJİ A.Ş. AND ITS SUBSIDIARIES

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2023

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NOTE 4 - SEGMENT REPORTING (Continued)

The information below includes depreciation and amortisation expenses and capital expenditures for the Group's business segments related to the years ended 31 December 2023 and 31 December 2022.

1 January - 31 December 2023	Distribution	Retail	Customer Solutions	Unallocated	Eliminations	Total
Depreciation and amortization expenses	(1,231,307)	(244,503)	(53,587)	(1,798,905)	-	(3,328,302)
Purchase of tangible and intangible assets	(1,222,583)	(314,235)	(554,459)	(12,949)	-	(2,104,226)
Capital expenditures related to service concession arrangements	(14,765,953)	-	-	-	-	(14,765,953)
1 January - 31 December 2022	Distribution	Retail	Customer Solutions	Unallocated	Eliminations	Total
Depreciation and amortization expenses	(936,945)	(222,297)	(30,798)	(1,818,388)	-	(3,008,428)
Purchase of tangible and intangible assets	(701,250)	(241,000)	(151,871)	(24,091)	-	(1,118,212)
Capital expenditures related to service concession arrangements	(10,682,327)	-	-	-	-	(10,682,327)

**ENERJISA ENERJİ A.Ş. AND ITS SUBSIDIARIES****Notes to the Consolidated Financial Statements
for the Year Ended 31 December 2023**

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of purchasing power of the TL at 31 December 2023 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 Türkiye) 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:

	31 December 2023	31 December 2022
Related party bank balances – Akbank T.A.Ş. (1)		
Demand deposits	993,422	182,153
Time deposits	922,887	2,474,777
	<u>1,916,309</u>	<u>2,656,930</u>

As of 31 December 2023, there is no related party loans. As of 31 December 2022, the interest rates of TL related party loans utilized are in the range of 9.71% - 21.00% and the interest rate of TLREF related party loans are utilized is TLREF+23%. As of 31 December 2023, there is no foreign currency related party loans (31 December 2022: None).

As of 31 December 2023 and 31 December 2022, the Group has not given any collateral for the loans.

Loans provided by related parties	Original currency	Maturity	31 December 2022	
			Current liabilities	Non-current liabilities
Akbank T.A.Ş. (1)	TL	23 February 2023	505,347	-
Akbank T.A.Ş. (1)	TL	23 February 2023	505,105	-
Akbank T.A.Ş. (1)	TL	23 February 2023	505,111	-
Akbank T.A.Ş. (1)	TL	9 March 2023	84,919	-
Akbank T.A.Ş. (1)	TL	9 March 2023	169,675	-
Akbank T.A.Ş. (1)	TL	9 March 2023	169,756	-
Akbank T.A.Ş. (1)	TL	9 March 2023	339,511	-
Akbank T.A.Ş. (1)	TL	9 March 2023	1,607,795	-
Akbank T.A.Ş. (1)	TL	15 December 2023	1,003,432	-
Akbank T.A.Ş. (1)	TL	15 December 2023	1,003,432	-
Akbank T.A.Ş. (1)	TL	15 December 2023	501,718	-
			<u>6,395,801</u>	<u>-</u>

ENERJISA ENERJİ A.Ş. AND ITS SUBSIDIARIES**Notes to the Consolidated Financial Statements
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(Amounts expressed in thousands of Turkish Lira ("TL") in terms of purchasing power of the TL at 31 December 2023 unless otherwise indicated. Currencies other than TL are also expressed in thousands unless otherwise indicated.)

NOTE 5 - RELATED PARTY TRANSACTIONS (Continued)

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

	31 December 2023				
	Contract Amount (USD)	Contract Amount (EUR)	Contract Amount (TL) (*)	Assets	Liabilities
Forward exchanges	78,435	38,765	3,571,712	412,338	(15,599)
	<u>78,435</u>	<u>38,765</u>	<u>3,571,712</u>	<u>412,338</u>	<u>(15,599)</u>
	31 December 2022				
	Contract Amount (USD)	Contract Amount (EUR)	Contract Amount (TL) (*)	Assets	Liabilities
Forward exchanges	125,095	46,224	3,260,535	142,728	(92,630)
	<u>125,095</u>	<u>46,224</u>	<u>3,260,535</u>	<u>142,728</u>	<u>(92,630)</u>

(*) Contract amounts are presented in nominal values.

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NOTE 5 - RELATED PARTY TRANSACTIONS (Continued)

	31 December 2023			
	Receivables		Payables	
	Current	Non-current	Current	
Balances with Related Parties	Trade	Trade	Trade	Other
Akbank T.A.Ş. (1)	27,076	-	-	-
Aksigorta A.Ş. (1)	-	-	54,900	20,700
Brisa Bridgestone Sabancı Lastik San. ve Tic. A.Ş. (1)	48,126	15,717	-	-
Carrefoursa A.Ş. (1)	12,372	-	443	-
Çimsa Çimento Sanayi A.Ş. (1)	8,449	50,010	-	-
Enerjisa Üretim Santralleri A.Ş. (1)	320	-	72,696	-
Hacı Ömer Sabancı Holding A.Ş. (2)	1,929	-	10,082	-
Kordsa Teknik Tekstil Anonim Şirketi (1)	-	-	121	-
Sabancı Dijital Teknolojileri A.Ş. (1)	-	-	9,321	-
Teknosa İç ve Dış Ticaret A.Ş. (1)	2,143	478	-	-
Temsa Global San. ve Tic. A.Ş. (1)	3,723	9,811	-	-
Other (1)	1,372	-	408	-
	<u>105,510</u>	<u>76,016</u>	<u>147,971</u>	<u>20,700</u>

	31 December 2022			
	Receivables		Payables	
	Current	Non-current	Current	
Balances with Related Parties	Trade	Trade	Trade	Other
Akbank T.A.Ş. (1)	36,202	-	-	-
Aksigorta A.Ş. (1)	-	-	11,753	3,996
Brisa Bridgestone Sabancı Lastik San. ve Tic. A.Ş. (1)	6,314	39,139	-	-
Carrefoursa A.Ş. (1)	7,942	-	-	-
Çimsa Çimento Sanayi A.Ş. (1)	1,842	-	-	-
Enerjisa Üretim Santralleri A.Ş. (1)	427	-	487,232	-
Hacı Ömer Sabancı Holding A.Ş. (2)	1,862	-	-	-
Sabancı Dijital Teknolojileri A.Ş. (1)	-	-	13,017	-
Teknosa İç ve Dış Ticaret A.Ş. (1)	3,152	-	-	-
Other (1)	3,573	-	-	-
	<u>61,314</u>	<u>39,139</u>	<u>512,002</u>	<u>3,996</u>

ENERJISA ENERJİ A.Ş. AND ITS SUBSIDIARIES

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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 - 31 December 2023	1 January - 31 December 2022
Short-term key management benefits	264,705	144,850
Long-term key management benefits	<u>7,897</u>	<u>2,795</u>
	<u><u>272,602</u></u>	<u><u>147,645</u></u>

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NOTE 5 - RELATED PARTY TRANSACTIONS (Continued)

Transactions with Related Parties	1 January-31 December 2023						
	Electricity sales	Electricity purchases	Interest income	Interest expense	General administrative expenses	Other income	
Akbank T.A.Ş. (1)	360,105	-	39,444	878,665	-	-	
Akçansa Çimento Sanayi ve Ticaret A.Ş. (1)	391	-	-	-	-	-	
Aksigorta A.Ş. (1)	188	-	-	-	365,659	27	
Avivasa Emeklilik ve Hayat A.Ş. (1)	19	-	-	-	-	-	
Brisa Bridgestone Sabancı Lastik San. ve Tic. A.Ş. (1)	1,906	-	-	-	-	59,243	
Carrefoursa A.Ş. (1)	243,473	-	-	-	623	10,428	
Çimsa Çimento Sanayi A.Ş. (1)	11,915	-	-	-	-	79,325	
Enerjisa Üretim Santralleri A.Ş. (1)	5,420	4,012,186	-	-	-	19,198	
Hacı Ömer Sabancı Holding A.Ş. (2)	27,578	-	-	-	-	-	
Sabancı Dijital Teknolojileri A.Ş. (1)	-	-	-	-	98,926	-	
Teknosa İç ve Dış Ticaret A.Ş. (1)	29,182	-	-	-	-	1,635	
Temsa Global San. ve Tic. A.Ş. (1)	-	-	-	-	-	5,278	
Tursa Sabancı Turizm ve Yatırım İşletmeleri A.Ş. (1)	-	-	-	-	-	710	
Other (1)	223	-	-	-	-	-	
	<u>680,400</u>	<u>4,012,186</u>	<u>39,444</u>	<u>878,665</u>	<u>465,208</u>	<u>175,844</u>	

ENERJISA ENERJİ A.Ş. AND ITS SUBSIDIARIES

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2023

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NOTE 5 - RELATED PARTY TRANSACTIONS (Continued)

Transactions with Related Parties	1 January-31 December 2022						
	Electricity sales	Electricity purchases	Interest income	Interest expense	General administrative expenses	Other income	
Akbank T.A.Ş. (1)	350,834	-	244,619	1,691,036	-	-	
Akçansa Çimento Sanayi ve Ticaret A.Ş. (1)	367	-	-	-	-	-	
Aksigorta A.Ş. (1)	236	-	-	-	197,106	-	
Avivasa Emeklilik ve Hayat A.Ş. (1)	73	-	-	-	-	-	
Brisa Bridgestone Sabancı Lastik San. ve Tic. A.Ş. (1)	2,742	-	-	-	-	11,411	
Carrefoursa A.Ş. (1)	518,797	-	-	-	2,111	-	
Çimsa Çimento Sanayi A.Ş. (1)	15,012	-	-	-	-	-	
Enerjisa Üretim Santralleri A.Ş. (1)	11,055	18,933,751	-	-	-	10,165	
Hacı Ömer Sabancı Holding A.Ş. (2)	18,000	-	-	-	-	-	
Sabancı Dijital Teknolojileri A.Ş. (1)	-	-	-	-	150,952	-	
Teknosa İç ve Dış Ticaret A.Ş. (1)	18,980	-	-	-	-	740	
Other (1)	145	-	-	-	-	355	
	<u>936,241</u>	<u>18,933,751</u>	<u>244,619</u>	<u>1,691,036</u>	<u>350,169</u>	<u>22,671</u>	

ENERJISA ENERJİ A.Ş. AND ITS SUBSIDIARIES

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2023

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of purchasing power of the TL at 31 December 2023 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

	31 December 2023	31 December 2022
Current Trade Receivables		
Trade receivables (*)	21,139,189	16,189,197
Due from related parties (Note 5)	105,510	61,314
Allowance for doubtful receivables (-)	(5,711,637)	(6,879,001)
	<u>15,533,062</u>	<u>9,371,510</u>
Non-Current Trade Receivables		
Trade receivables	746,842	140,592
Due from related parties (Note 5)	76,016	39,139
	<u>822,858</u>	<u>179,731</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 31 December 2023, trade receivables amounting TL 12,411,659 (31 December 2022: TL 4,689,496) were neither past due nor impaired. Interest is charged at 2.5% for the period of 1 January 2023 – 14 November 2023 2.5% and for the period of 15 November 2023 – 31 December 2023 3.5% per month on the overdue receivable balances (1.6% for the period of 1 January 2022 – 20 July 2022, 2.5% for the period of 21 July 2022 – 31 December 2022).

As of 31 December 2023, trade receivables amounting TL 3,944,261 (31 December 2022: TL 4,861,745) were past due but not impaired. The aging analysis of trade receivables past due but not impaired as of 31 December 2023 and 31 December 2022 is as follows:

	31 December 2023	31 December 2022
Up to 1 month	1,898,119	3,145,883
1 to 3 months	824,544	1,003,371
Over 3 months	1,221,598	712,491
	<u>3,944,261</u>	<u>4,861,745</u>

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

ENERJISA ENERJİ A.Ş. AND ITS SUBSIDIARIES

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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 - 31 December 2023	1 January - 31 December 2022
Opening balance	(6,879,001)	(8,503,604)
Charge for the period	(2,757,001)	(2,446,062)
Amounts collected during the period	396,011	418,780
Write offs	40,127	2,206
Inflation effect	3,488,227	3,649,679
Closing balance	<u>(5,711,637)</u>	<u>(6,879,001)</u>

The Group received guarantee letters amounting to TL 7,691,529 (31 December 2022: TL 4,702,563) and deposits and guarantees amounting to TL 8,097,709 (31 December 2022: TL 7,965,998) as collateral for its electricity receivables.

6.2 Trade Payables

	31 December 2023	31 December 2022
Current Trade Payables		
Trade payables	16,061,293	10,646,916
Due to related parties (Note 5)	147,971	512,002
	<u>16,209,264</u>	<u>11,158,918</u>

Trade payables mainly arise from the Group's electricity purchases from Türkiye Elektrik Üretim A.Ş. ("EÜAŞ") and Enerji Piyasaları İşletme A.Ş. ("EPIAŞ") and payables related to transmission costs invoiced by Türkiye Elektrik İletim A.Ş. ("TEİAŞ"). The average maturity of the payables related to electricity purchases is 42 days.

**ENERJISA ENERJİ A.Ş. AND ITS SUBSIDIARIES****Notes to the Consolidated Financial Statements
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NOTE 7 - OTHER RECEIVABLES AND PAYABLES**7.1 Other Receivables**

	31 December 2023	31 December 2022
Other Current Receivables		
Income accruals (*)	4,830,881	2,929,592
Deposits and guarantees given	19,020	25,050
Receivables from personnel	57	71
Allowance for other doubtful receivables (-)(**)	(194,133)	(5,146)
Other sundry receivables (***)	824,820	119,012
	<u>5,480,645</u>	<u>3,068,579</u>
	31 December 2023	31 December 2022
Other Non-Current Receivables		
Deposits and guarantees given (****)	1,366,956	1,383,214
Income accruals (*)	-	4,936,575
Other sundry receivables (*****)	993,435	1,551,285
	<u>2,360,391</u>	<u>7,871,074</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 consolidated financial statements.

(**) Consists of provision related to general lighting receivables which are disputed.

(***) As of 31 December 2023, TL 628,931 of the amount arises from receivables from tax office.

(****) 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.

(*****) 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.

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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 - 31 December 2023	1 January - 31 December 2022
Opening balance	(5,146)	(8,453)
Charge for the period	(191,010)	-
Inflation effect	2,023	3,307
Closing balance	<u>(194,133)</u>	<u>(5,146)</u>

7.2 Other Payables

	31 December 2023	31 December 2022
Other Current Payables		
Due to related parties (Note 5)	20,700	3,996
Deposits received (*)	8,097,709	7,965,998
Lighting payables	15,000	81,127
Other payables (**)	856,933	795,609
	<u>8,990,342</u>	<u>8,846,730</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.

NOTE 8 – INVENTORIES

	31 December 2023	31 December 2022
Spare parts and equipments	2,618,649	2,816,005
Trade goods	365,315	69,099
Other inventories	962,632	214,522
	<u>3,946,596</u>	<u>3,099,626</u>

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NOTE 9 - PREPAID EXPENSES AND DEFERRED INCOME

9.1 Prepaid Expenses

	31 December 2023	31 December 2022
Short-term prepaid expenses		
Inventory advances given	850,056	467,494
Prepaid expenses	358,757	196,993
Other advances given	163,481	46,982
Personnel advances	44,679	14,920
	<u>1,416,973</u>	<u>726,389</u>

	31 December 2023	31 December 2022
Long-term prepaid expenses		
Prepaid expenses	101,649	25,958
	<u>101,649</u>	<u>25,958</u>

9.2 Deferred Income

	31 December 2023	31 December 2022
Short Term Deferred Income		
Deferred income	20,089	26,975
Advances received	11,516	30,020
	<u>31,605</u>	<u>56,995</u>

	31 December 2023	31 December 2022
Long Term Deferred Income		
Deferred income (*)	3,102,612	-
	<u>3,102,612</u>	<u>-</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 overbillings, which means the actual revenue is above the revenue cap set by EMRA, are accounted as deferred income at the Group's accompanying consolidated financial statements.

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NOTE 10 - FINANCIAL ASSETS FROM SERVICE CONCESSION ARRANGEMENTS

	Financial assets	
	31 December 2023	31 December 2022
Within one year	5,959,474	5,507,378
1-3 years	14,419,955	13,682,557
More than 3 years	11,378,778	5,744,447
	<u>31,758,207</u>	<u>24,934,382</u>
Current financial assets from service concession arrangements	5,959,474	5,507,378
Non-current financial assets from service concession arrangements	25,798,733	19,427,004
	<u>31,758,207</u>	<u>24,934,382</u>
	1 January - 31 December 2023	1 January - 31 December 2022
Opening balance	24,934,382	34,791,177
Investments (*)	17,342,431	9,206,993
Collections	(13,583,813)	(15,970,625)
<i>CAPEX reimbursements (**)</i>	(8,495,533)	(8,866,999)
<i>WACC reimbursements</i>	(5,088,280)	(7,103,626)
Tariff corrections (***)	991,240	-
Financial income from service concession arrangements (Note 19)	14,666,186	11,893,123
(Recognition) / Reversal of impairment for financial assets	(4,294)	1,402
Inflation effect	(12,587,925)	(14,987,688)
Closing balance	<u>31,758,207</u>	<u>24,934,382</u>

(*) Investments amounting to TL 13,563,795 consists of the main balance arising from the presentation before TAS 29 and TL 3,778,636 consists of the monetary loss gain arising from the purchasing power indexation after TAS 29 as at 31 December 2023 (2022: TL 4,451,748 main balance arising from the presentation before TAS 29, TL 4,755,245 purchasing power indexation after TAS 29).

(**) TL 6,175,433 of the capex reimbursement amount consists of the main balance arising from the presentation before TAS 29 and TL 2,320,100 consists of the monetary loss gain arising from the purchasing power indexation presentation after TAS 29 as at 31 December 2023 (2022: TL 4,663,403 main balance arising from the presentation before TAS 29, TL 4,203,596 purchasing power indexation amount after TAS 29).

(***) The related amount arises from the adjustment of the provisionally recorded unit price profit/loss amount for 2022 upon finalization in the current period.



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NOTE 11 - RIGHT OF USE ASSETS

	Buildings	Motor vehicles	Total
Cost			
Opening balance as of 1 January 2023	561,025	1,898,779	2,459,804
Additions	260,826	346,393	607,219
Variable lease payment adjustments and changes in lease conditions	15,500	-	15,500
Disposals	-	(697)	(697)
Closing balance as of 31 December 2023	837,351	2,244,475	3,081,826
Accumulated Depreciation			
Opening balance as of 1 January 2023	(356,737)	(1,160,971)	(1,517,708)
Charge for the period	(118,490)	(556,546)	(675,036)
Disposals	-	397	397
Closing balance as of 31 December 2023	(475,227)	(1,717,120)	(2,192,347)
Carrying value as of 31 December 2023	362,124	527,355	889,479
Cost			
Opening balance as of 1 January 2022	471,102	1,513,083	1,984,185
Additions	74,362	368,866	443,228
Variable lease payment adjustments and changes in lease conditions	15,561	17,761	33,322
Disposals	-	(931)	(931)
Closing balance as of 31 December 2022	561,025	1,898,779	2,459,804
Accumulated Depreciation			
Opening balance as of 1 January 2022	(259,117)	(819,337)	(1,078,454)
Charge for the period	(97,620)	(342,021)	(439,641)
Disposals	-	387	387
Closing balance as of 31 December 2022	(356,737)	(1,160,971)	(1,517,708)
Carrying value as of 31 December 2022	204,288	737,808	942,096

Depreciation expenses of TL 675,036 are accounted in general administrative expenses (1 January – 31 December 2022: TL 439,641).

ENERJISA ENERJİ A.Ş. AND ITS SUBSIDIARIES

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NOTE 12 - PROPERTY, PLANT AND EQUIPMENTS

	Plant, machinery and equipment	Leasehold improvements	Motor vehicles	Furniture and fixtures	Construction in progress	Total
Cost						
Opening balance as of 1 January 2023	4,247,849	-	108,687	1,821,112	2,052,642	8,230,290
Additions	486,219	94,856	1,456	758,472	464,416	1,805,419
Transfers to financial assets	-	-	-	-	(339,174)	(339,174)
Transfers from construction in progress	-	-	-	-	(120,832)	(120,832)
Closing balance as of 31 December 2023	4,734,068	94,856	110,143	2,579,584	2,057,052	9,575,703
Accumulated Depreciation						
Opening balance as of 1 January 2023	(1,338,058)	-	(107,776)	(904,803)	-	(2,350,637)
Charge for the period	(356,838)	(18,070)	(523)	(260,140)	-	(635,571)
Closing balance as of 31 December 2023	(1,694,896)	(18,070)	(108,299)	(1,164,943)	-	(2,986,208)
Carrying value as of 31 December 2023	3,039,172	76,786	1,844	1,414,641	2,057,052	6,589,495
Cost						
Opening balance as of 1 January 2022	3,927,664	-	106,326	1,442,607	2,181,475	7,658,072
Additions	320,185	-	2,361	378,505	77,087	778,138
Transfers from construction in progress	-	-	-	-	(205,920)	(205,920)
Closing balance as of 31 December 2022	4,247,849	-	108,687	1,821,112	2,052,642	8,230,290
Accumulated Depreciation						
Opening balance as of 1 January 2022	(1,011,821)	-	(87,679)	(679,708)	-	(1,779,208)
Charge for the period	(326,237)	-	(20,097)	(225,095)	-	(571,429)
Closing balance as of 31 December 2022	(1,338,058)	-	(107,776)	(904,803)	-	(2,350,637)
Carrying value as of 31 December 2022	2,909,791	-	911	916,309	2,052,642	5,879,653

	Useful Life
Plant, machinery and equipment	5-25 years
Motor vehicles	3 years
Furniture and fixtures	5 years

Depreciation expense of TL 586,234 and TL 49,337 are accounted in general administrative expenses and cost of sales, respectively (1 January – 31 December 2022: general administrative expenses: TL 543,521 and cost of sales: TL 27,908).



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NOTE 13 - INTANGIBLE ASSETS

	Customer contracts and related relationships	Transfer of operating rights	Goodwill	Computer software	Other intangible assets	Total
Cost						
Opening balance as of 1 January 2023	37,648,588	13,851,899	1,978,878	1,217,873	152,925	54,850,163
Additions	-	-	-	185,395	98,207	283,602
Transfers from constructions in progress	-	-	-	120,832	-	120,832
Closing balance as of 31 December 2023	37,648,588	13,851,899	1,978,878	1,524,100	251,132	55,254,597
Accumulated Amortization						
Opening balance as of 1 January 2023	(13,992,796)	(4,623,943)	-	(805,273)	(30,140)	(19,452,152)
Charge for the period	(1,305,591)	(474,946)	-	(231,825)	(5,333)	(2,017,695)
Closing balance as of 31 December 2023	(15,298,387)	(5,098,889)	-	(1,037,098)	(35,473)	(21,469,847)
Carrying value as of 31 December 2023	22,350,201	8,753,010	1,978,878	487,002	215,659	33,784,750
Cost						
Opening balance as of 1 January 2022	37,648,588	13,851,899	1,978,878	962,804	152,352	54,594,521
Additions	-	-	-	255,069	573	255,642
Closing balance as of 31 December 2022	37,648,588	13,851,899	1,978,878	1,217,873	152,925	54,850,163
Accumulated Amortization						
Opening balance as of 1 January 2022	(12,687,205)	(4,148,997)	-	(591,943)	(26,649)	(17,454,794)
Charge for the period	(1,305,591)	(474,946)	-	(213,330)	(3,491)	(1,997,358)
Closing balance as of 31 December 2022	(13,992,796)	(4,623,943)	-	(805,273)	(30,140)	(19,452,152)
Carrying value as of 31 December 2022	23,655,792	9,227,956	1,978,878	412,600	122,785	35,398,011

Amortization expense of TL 2,013,577 and TL 4,118 are accounted in general administrative expenses and cost of sales, respectively (1 January – 31 December 2022: general administrative expenses: TL 1,995,262 and cost of sales: TL 2,096).

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 Agreement 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.

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 at the acquisition dates.

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 31 December 2023, there is no impairment on goodwill (31 December 2022: None).

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NOTE 14 - PROVISIONS

	31 December 2023	31 December 2022
Current Provisions		
Legal claims (*)	649,085	611,216
	<u>649,085</u>	<u>611,216</u>

(*) Legal claims are set for the probable cash outflows related to the legal disputes. As of 31 December 2023, the provision amount for the legal claims are determined according to the assessment made by the Group management, considering the probability of legal cases that will be finalized against the Group.

The Group is charging the theft and loss costs to the subscribers in accordance with the tariff determined by EMRA. There are legal cases filed by the subscribers to claim back the theft and loss amounts from the Group claiming that they are unfair. Some cases are finalized against the Group while some others in favor of the Group at local courts and consumer arbitration committees. In June of 2016, statement of "In applications filed in respect of the amounts determined by EMRA within the scope of income and tariff regulations, the authority of the consumer arbitration committees and the courts is limited to the control of compliance with the regulatory procedures of EMRA." has been added to article 17 of Law No. 6446. By this article, it has been determined that in the cases for the theft and loss amounts, the courts can only examine if the theft and loss amounts incurred in accordance with the regulations of the EMRA and it has been ruled that no judgement can be made whether the theft and loss amounts will be collected or not. As of reporting date, the total amount of ongoing cases against the Group is TL 296 (31 December 2022: TL 921).

Movements of provisions are as follows:

	Legal claims	Total
Opening balance as of 1 January 2023	611,216	611,216
Additional provisions recognized	369,079	369,079
Reversal of provisions	(13,452)	(13,452)
Inflation effect	(317,758)	(317,758)
Closing balance as of 31 December 2023	<u>649,085</u>	<u>649,085</u>
	Legal claims	Total
Opening balance as of 1 January 2022	792,400	792,400
Additional provisions recognized	233,302	233,302
Payments	(8,316)	(8,316)
Reversal of provisions	(72,441)	(72,441)
Inflation effect	(333,729)	(333,729)
Closing balance as of 31 December 2022	<u>611,216</u>	<u>611,216</u>

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NOTE 15 - COMMITMENT AND CONTINGENCIES

31 December 2023	TL Equivalent (*)	TL	USD	EUR
A. Total amount of Collateral Pledge Mortgage (CPM) given on behalf of the legal entity	12,518	12,518	-	-
- Collateral	12,518	12,518	-	-
B. Total amount of CPM given against the subsidiaries included in full consolidation	18,420,942	17,219,197	39,663	1,048
- Collateral	18,420,942	17,219,197	39,663	1,048
Total	18,433,460	17,231,715	39,663	1,048
31 December 2022	TL Equivalent (*)	TL	USD	EUR
A. Total amount of Collateral Pledge Mortgage (CPM) given on behalf of the legal entity	4,959	4,959	-	-
- Collateral	4,959	4,959	-	-
B. Total amount of CPM given against the subsidiaries included in full consolidation	5,832,959	4,648,032	62,261	1,041
- Collateral	5,832,959	4,648,032	62,261	1,041
Total	5,837,918	4,652,991	62,261	1,041

(*) TL equivalent amounts are presented in nominal values.

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 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.

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NOTE 16 - EMPLOYMENT BENEFITS

Payables Related to Employee Benefits	31 December 2023	31 December 2022
Social security premiums payable	449,585	236,444
Payable to personnel	219,808	154,631
	669,393	391,075
Short-term Provisions Related to Employee Benefits	31 December 2023	31 December 2022
Bonus provisions	447,879	223,079
	447,879	223,079
Long-term Provisions Related to Employee Benefits	31 December 2023	31 December 2022
Provisions for unused vacation	275,383	247,853
Provision for employment termination benefits	1,073,865	1,652,387
	1,349,248	1,900,240

The movement of bonus and unused vacation provisions are as follows:

	Bonus provisions	Unused vacation provision	Total
Opening balance as of 1 January 2023	223,079	247,853	470,932
Additional provisions recognized	565,470	159,774	725,244
Payments	(165,922)	-	(165,922)
Inflation effect	(174,748)	(132,244)	(306,992)
Closing balance as of 31 December 2023	447,879	275,383	723,262
	Bonus provisions	Unused vacation provision	Total
Opening balance as of 1 January 2022	208,331	189,901	398,232
Additional provisions recognized	238,753	156,585	395,338
Payments	(124,784)	-	(124,784)
Inflation effect	(99,221)	(98,633)	(197,854)
Closing balance as of 31 December 2022	223,079	247,853	470,932

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NOTE 16 - EMPLOYMENT BENEFITS (Continued)

Under Turkish Labor Law, the Group is required to pay termination benefits to each employee who has completed certain years of service and whose employment is terminated without due cause, who is called up for military service, dies or retires after completing 25 years of service and reaches the retirement age (58 for women and 60 for men).

The amount payable consists of one month's salary limited to a maximum of TL 23,489.83 (full digit) (31 December 2022: TL 15,371.40 (full digit, nominal)) for each period of service at 31 December 2023.

The provision has been calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of employees. TAS 19 *Employee Benefits* requires actuarial valuation methods to be developed to estimate the enterprise's obligation under defined benefit plans. Accordingly, the following actuarial assumptions were used in the calculation of the total liability.

The principal assumption is that the maximum liability for each year of service will increase parallel with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Consequently, in the accompanying consolidated financial statements as at 31 December 2023, the provision has been calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees. The provisions at the respective balance sheet dates have been calculated assuming an annual inflation rate of 24.61% and a discount rate of 28.00%, resulting in a real discount rate of approximately 2.72% (31 December 2022: inflation rate of 10.40% and a discount rate of 10.62%, resulting in a real discount rate of approximately 0.20%) Ceiling amount of TL 35,058.57 (full digit) which is in effect since 1 January 2024 is used in the calculation of Groups' provision for retirement pay liability (1 January 2023: TL 19,982.83 (full digit, nominal)).

Group management has assessed that the severance payment provisions of electricity distribution companies within the Group can be taken with the revenue requirement according to the changed tariff structure at third tariff period and has accounted accrued income for the severance payment provisions calculated for those companies as of 31 December 2023 and 31 December 2022.

The movement for retirement payment provisions is as follows:

	1 January - 31 December 2023	1 January - 31 December 2022
Opening balance	1,652,387	663,850
Service cost	272,002	1,499,735
Interest cost	297,813	48,389
Retirement payments	(478,986)	(70,164)
Inflation effect	(669,351)	(489,423)
Closing balance	<u>1,073,865</u>	<u>1,652,387</u>

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NOTE 17 - OTHER ASSETS AND LIABILITIES**17.1 Other Current Assets**

	31 December 2023	31 December 2022
Deferred VAT	2,261,449	52,787
Other	69,926	59,359
	<u>2,331,375</u>	<u>112,146</u>

17.2 Other Non-current Assets

	31 December 2023	31 December 2022
Other	27,587	20,942
	<u>27,587</u>	<u>20,942</u>

17.3 Other Current Liabilities

	31 December 2023	31 December 2022
Taxes and funds payable	602,266	1,773,838
Other	12,706	1,582
	<u>614,972</u>	<u>1,775,420</u>

17.4 Other Non-Current Liabilities

	31 December 2023	31 December 2022
Other Non-Current Liabilities	-	2,842
	<u>-</u>	<u>2,842</u>

ENERJISA ENERJİ A.Ş. AND ITS SUBSIDIARIES

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NOTE 18 - SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS

18.1 Share Capital

Shareholders	31 December 2023		31 December 2022	
	Share (%)	TL	Share (%)	TL
Hacı Ömer Sabancı Holding A.Ş.	40	472,427.6	40	472,427.6
E.ON International Participations N.V. (E.ON) (*)	40	472,427.6	-	-
DD Turkey Holdings S.A.R.L. (E.ON) (*)	-	-	40	472,427.6
Other	20	236,213.8	20	236,213.8
	100	1,181,069	100	1,181,069
Adjustment to share capital		8,979,241		8,979,241
Share premium (**)		21,716,049		22,277,172
Total share capital		31,876,359		32,437,482

(*) On 27 April 2023, DD Turkey Holdings S.A.R.L. ("DD Turkey") has 40% shares in the Company, have signed a share transfer agreement regarding the transfer of shares to E.ON International Participations N.V (EIP), which is also a E.ON group company and incorporated in the Netherlands. Accordingly, Company shares, which are held by DD Turkey, are transferred to EIP, another E.ON group company, which has the same controlling structure, without any change in control. Above mentioned transaction is part of a corporate internal restructuring due to sole technical reasons within E.ON group. Following the transfer of shares, E.ON group still holds 40% of Company shares. Thus, there is no change in Company's ultimate shareholding structure.

(**) Share premium, 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. This amount is classified as share premium.

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.

Share premiums amounting to TL 561,123 has been transferred to retained earnings and subject to dividend distribution (31 December 2022: TL 392,724).

As at 31 December 2023, the capital of the Company comprising 118,106,897 thousand (31 December 2022: 118,106,897 thousand) registered ordinary shares of TL 0.01 each (31 December 2022: TL 0.01 each).

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NOTE 18 - SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS (Continued)

18.2 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 - 31 December 2023	1 January - 31 December 2022
Profit for the period	4,517,326	20,634,560
Weighted average shares	118,106,896,712	118,106,896,712
Earnings per share (kr)	3.82	17.47

18.3 Restricted Profit Reserves

	31 December 2023	31 December 2022
Restricted Profit Reserves	2,465,820	2,332,161
	2,465,820	2,332,161

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.

18.4 Additional Information for Capital, Legal Reserves and Other Equity Items

A comparison of the Group's equity items restated for inflation in the consolidated financial statements as of 31 December 2023 and the restated amounts in the financial statements prepared in accordance with Law No. 6762 and other legislation are as follows:

31 December 2023	Inflation adjusted amounts in the financial statements prepared in accordance with Law No. 6762 and other legislation	Inflation adjusted amounts in the financial statements prepared in accordance with TAS/IFRS	Differences recognized in retained earnings
Adjustments to Share Capital	15,083,075	8,979,241	6,103,834
Share Premium	23,174,018	21,716,049	1,457,969
Restricted Profit Reserves	3,969,875	2,465,820	1,504,055

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NOTE 19 – REVENUE

	1 January - 31 December 2023	1 January - 31 December 2022
Revenue from electricity sales and services provided	152,196,011	150,862,119
<i>Retail sales revenue</i>	100,612,903	113,742,997
<i>Regulated revenue</i>	60,430,740	69,054,795
<i>Liberalised revenue</i>	40,182,163	44,688,202
<i>Retail service revenue</i>	2,004,372	1,986,372
<i>Distribution lighting sales revenue</i>	6,039,112	5,514,551
<i>Distribution service revenue</i>	17,467,013	17,635,573
<i>Investment expenses</i>	17,342,431	7,870,654
<i>Transmission revenue</i>	8,730,180	4,111,972
Financial income from service concession arrangements (Note 10, 28)	14,666,186	11,893,123
Other revenue	1,802,442	557,070
	<u>168,664,639</u>	<u>163,312,312</u>

NOTE 20 - COST OF SALES

	1 January - 31 December 2023	1 January - 31 December 2022
Electricity purchases	(104,905,837)	(119,089,815)
<i>Retail energy purchases</i>	(97,149,094)	(111,925,846)
<i>Distribution related energy purchases (*)</i>	(7,756,743)	(7,163,969)
Investment costs	(17,342,431)	(9,206,993)
Transmission costs (**)	(8,730,180)	(4,111,972)
Payroll and employee benefit expenses	(5,003,656)	(3,811,932)
Material expenses	(3,069,851)	(1,143,194)
Repair and maintenance expenses	(1,600,354)	(1,287,471)
Fleet management expenses	(975,708)	(876,890)
Insurance expenses	(250,014)	(145,505)
Depreciation and amortization expenses (Note 12, 13)	(53,455)	(30,004)
Other	(1,178,674)	(408,851)
	<u>(143,110,160)</u>	<u>(140,112,627)</u>

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

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

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NOTE 21 - GENERAL ADMINISTRATIVE EXPENSES

	1 January - 31 December 2023	1 January - 31 December 2022
General administrative expenses (-)	<u>(11,501,206)</u>	<u>(9,178,811)</u>
	<u>(11,501,206)</u>	<u>(9,178,811)</u>

Details of general administrative expenses are as follows:

	1 January - 31 December 2023	1 January - 31 December 2022
Payroll and employee benefit expenses	(4,556,634)	(3,489,028)
Depreciation and amortization expenses (Note 11, 12, 13)	(3,274,847)	(2,978,424)
Duties, taxes and levies	(672,972)	(460,142)
Legal and lawsuit provision expenses	(626,214)	(457,754)
Outsourcing expenses	(383,557)	(249,102)
Information technologies expenses	(335,571)	(293,669)
Rent expenses	(281,646)	(300,702)
Advertisement and promotion expenses	(237,770)	(180,788)
Consulting expenses	(195,181)	(180,410)
Travel expenses	(170,458)	(92,970)
Invoice expenses	(111,673)	(56,894)
Post, telephone and communication expenses	(104,074)	(106,409)
Repair and maintenance expenses	(67,713)	(25,725)
Insurance expenses	(60,874)	(52,288)
Call center expenses	(56,056)	(57,692)
Fleet management expenses	(48,186)	(57,974)
Material expenses	(38,679)	(16,565)
Other expenses	(279,101)	(122,275)
	<u>(11,501,206)</u>	<u>(9,178,811)</u>

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NOTE 22 - OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES**22.1 Other Income From Operating Activities**

	1 January - 31 December 2023	1 January - 31 December 2022
Income from operational hedge transactions - net	3,329,444	4,833,811
Interest income related to tariff receivables - net (Note 28) (*)	1,257,604	1,892,173
Late payment interest income from electricity receivables	1,102,764	845,712
Power theft penalties	446,950	624,443
Rent and advertisement income	52,494	41,243
Lawsuit income	26	3,503
Cancellation of impairment provision on financial assets (Note 10) (**)	-	1,402
Other income (***)	1,110,440	367,408
	<u>7,299,722</u>	<u>8,609,695</u>

22.2 Other Expenses From Operating Activities

	1 January - 31 December 2023	1 January - 31 December 2022
Provision for doubtful receivables - net (Note 6)	(2,360,990)	(2,027,282)
Late payment interest expense	(1,585,569)	(1,493,040)
Foreign exchange losses from operating activities - net	(1,164,817)	(549,854)
Customer penalty expenses	(373,952)	(206,246)
Rediscount expense for trade receivables	(367,859)	(142,393)
Donations	(167,981)	(234,042)
Impairment provision on financial assets (Note 10) (**)	(4,294)	-
Penalty expenses	(3,731)	(72,428)
Expense from operational hedge transactions - net	-	(5,573)
Other expenses	(427,827)	(126,675)
	<u>(6,457,020)</u>	<u>(4,857,533)</u>

(*) Interest income related to tariff receivables are the interest income for the receivables arising from the difference between revenue requirement and revenue recognition on cash basis of the Group.

(**) As of 31 December 2023, the Group has been recorded additional impairment provision of TL 4,294 for its financial assets from service concession arrangements in accordance with the amendments in TFRS 9 Financial Instruments Standard (31 December 2022: TL 1,402 reversal of impairment provision).

(***) TL 729,858 of the amount arises from the late payment interest incomes of the adjustments made by EMRA within the scope of the resource-based support mechanism made for the year 2022.

ENERJISA ENERJİ A.Ş. AND ITS SUBSIDIARIES**Notes to the Consolidated Financial Statements
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NOTE 23 - FINANCE INCOME AND EXPENSES**23.1 Finance Income**

	1 January - 31 December 2023	1 January - 31 December 2022
Interest income	1,963,791	499,975
	<u>1,963,791</u>	<u>499,975</u>

23.2 Finance Expenses

	1 January - 31 December 2023	1 January - 31 December 2022
Interest expenses of borrowings	(9,004,781)	(7,446,597)
Foreign exchange gains / (losses) - net	(155,378)	(490,949)
Bank commission expenses	(384,315)	(222,040)
	<u>(9,544,474)</u>	<u>(8,159,586)</u>

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NOTE 24 - TAX ASSETS AND LIABILITIES

	31 December 2023	31 December 2022
<u>Current assets related with current taxes</u>		
Prepaid taxes and funds	946,455	729,845
	<u>946,455</u>	<u>729,845</u>
<u>Current tax liability</u>		
Current corporate tax provision	374,075	4,528,512
Less: Prepaid taxes and funds	(175,102)	(396,725)
Inflation effect	(162,392)	(998,152)
	<u>36,581</u>	<u>3,133,635</u>
	1 January - 31 December	1 January - 31 December
<u>Tax expense recognized in profit or loss</u>	2023	2022
Current tax expense (*)	(374,075)	(4,528,512)
Deferred tax income relating to the origination and reversal of temporary differences, net	(377,070)	20,993,937
Total tax (expense) / income	<u>(751,145)</u>	<u>16,465,425</u>

(*) With the 27th paragraph of the 10th article of the Law No. 7440, the amounts of exemptions and deductions that are subject to deduction from the corporate income pursuant to the Corporate Tax Law No. 5520 within the scope of article 32/A, at the rate of 10%, without being associated with the profit for period, on the basis subject to reduced corporate tax, with the exception regulated in subparagraph (a) of the first paragraph of the Law No. 5520, obtained from abroad and proven to have a tax burden of at least 15% It has been regulated that an additional tax of 5% will be calculated on the exempt earnings. Within the scope of this regulation, tax liability amounting to TL 221,953 has been occurred from the dividend income of the Company from its subsidiaries, which were previously an exemption. Within the scope of the relevant law, TL 221,953 has been accounted in the condensed consolidated statement of profit or loss and other comprehensive income. This tax was paid in two installments on 5 May 2023 and 31 August 2023.

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NOTE 24 - TAX ASSETS AND LIABILITIES (Continued)Corporate tax

The Group is subject to Turkish corporate taxes. A provision is made in the accompanying financial statements 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).

With the Law No. 7456 published in the Official Gazette dated 15 July 2023, the first paragraph of Article 32 of the Corporate Tax Law was amended and the corporate tax rate was increased to 25% for corporate earnings for the year 2023 and the following taxation periods.

Valid rate of corporate tax as of 31 December 2023 is 25% (31 December 2022: 23%).

In Türkiye, temporary tax is calculated and accrued on a quarterly basis. The companies apply 25% tax rate over their quarterly profits (23% for the year 2022) 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 months 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.

The financial statements dated as of 31 December 2023 are prepared in accordance with tax legislation and have been adjusted for inflation in accordance with Temporary Article 33 added to the Tax Procedure Law by the Law Amending the Tax Procedure Law and Corporate Tax Law published in the Official Gazette dated 29 January 2022 and numbered 31734. The group has applied this change in the financial statements as of 31 December 2023. Any profit or losses arising from the inflation adjustment should be disclosed in the retained earnings and are not subject to taxation.

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 Türkiye, 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, examine such returns and the underlying accounting records and may revise assessments within five years.

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 2022: 10%). Undistributed dividends incorporated in share capital are not subject to income withholding tax.

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NOTE 24 - TAX ASSETS AND LIABILITIES (Continued)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.

As of 31 December 2023, 25% tax rate is used in the deferred tax calculation (31 December 2022: 20%).

	31 December 2023	31 December 2022
Deferred tax (asset)	(21,030,728)	(19,564,845)
Deferred tax liability	7,915,228	6,577,279
Deferred tax (asset) / liability, net	<u>(13,115,500)</u>	<u>(12,987,566)</u>

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

	1 January - 31 December 2023	1 January - 31 December 2022
Opening balance	(12,987,566)	8,435,756
Charged to statement of profit or loss	377,070	(20,993,937)
Charged to other comprehensive income / expense	(505,004)	(429,385)
Closing balance	<u>(13,115,500)</u>	<u>(12,987,566)</u>

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NOTE 24 - TAX ASSETS AND LIABILITIES (Continued)Deferred tax (Continued)

	31 December 2023	31 December 2022
<u>Deferred tax (assets) / liabilities</u>		
Differences arising from customer contracts and transfer of operational rights	7,775,802	6,576,764
Carrying amount differences of property, plant and equipment, intangible assets and concession arrangement difference	2,913,553	1,456,489
Revaluation effect of property, plant and equipment and intangible assets (*)	(18,302,967)	(17,853,727)
Carrying amount differences of right of use assets and lease liabilities	21,011	22,371
Provision for employment termination benefits	(24,754)	(37,652)
Provision for doubtful receivables	(109,240)	(57,234)
Provision for lawsuits	(159,914)	(120,505)
Provision for unused vacation	(67,578)	(48,603)
Effect of revenue cap adjustments	(317,613)	570,127
Carry forward tax losses	(2,163,332)	(732,229)
Income / (expense) accruals	530,575	(2,332,066)
Deposit revaluation	(1,007,243)	(653,611)
Derivative financial instruments	125,681	58,414
Statutory inflation accounting deferred tax impact (**)	(1,889,074)	-
Other	(440,407)	163,896
	<u>(13,115,500)</u>	<u>(12,987,566)</u>

	1 January - 31 December 2023	1 January - 31 December 2022
<u>Tax Reconciliation:</u>		
Profit from operations before tax	5,268,471	4,169,135
	25%	23%

Tax at the domestic income tax rate of 25% (2022: 23%)	1,317,118	958,901
- revenue that is exempt from taxation	(21,926)	(34,704)
- expenses that are not deductible in determining taxable profit	103,767	171,921
- effect of deferred tax rate change	(1,478,695)	512,443
- revaluation effect of property, plant and equipment and intangible assets (*)	(6,133,033)	(17,216,091)
- inflation effect	8,904,691	(858,655)
- deferred tax effect of temporary differences arising from inflation accounting in accordance with tax procedure law (**)	(1,889,074)	-
- other	(51,703)	760
Income tax (income) / expense recognised in profit or loss	<u>751,145</u>	<u>(16,465,425)</u>

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NOTE 24 - TAX ASSETS AND LIABILITIES (Continued)

Deferred tax (Continued)

(*) With Law No. 7338 published in the Official Gazette on 26 October 2021, some amendments have been made in tax procedure law as of 1 January 2022. With those amendments, the opportunity to revalue the properties and depreciable economic assets was introduced. These assets, which are covered by the provisional article 32 of the law, will be valued with the Producer Price Index ("PPI") rate and tax, calculated 2% of valuation difference, paid in 3 instalments (at two-month intervals). The assets, which are covered by the reiterated article 298 of the law, will be revalued with the revaluation rate announced in the relevant year and no additional tax will be paid for the valuation difference. For revalued assets, the valuation difference can be depreciated and written off as an expense.

Within the scope of the law amendment, deferred tax asset has been recognised in the statement of financial position based on the revaluation records for fixed assets in the legal book, and the deferred tax income related to this asset has been recorded in the consolidated statement of profit or loss.

(**) In accordance with the Tax Procedure Law dated 30 December 2023 and numbered 32415 (2nd Repeated), it consists of the deferred tax effect of temporary differences arising from the adjustments made in relation to inflation accounting.

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.

At 31 December 2023, the Group recognized deferred tax assets amounting to TL 2,163,332 for unused carry forward tax losses amounting to TL 8,653,328 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 2022: TL 732,229 and TL 3,661,147 respectively).

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

	31 December 2023	31 December 2022
Expiring in 2024	542,013	896,681
Expiring in 2025	511,910	846,878
Expiring in 2026	485,577	800,099
Expiring in 2027	607,179	1,117,489
Expiring in 2028	6,506,649	-
	<u>8,653,328</u>	<u>3,661,147</u>

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

	31 December 2023	31 December 2022
Expiring in 2023	-	930,746
Expiring in 2024	1,817	-
Expiring in 2025	1,805	-
	<u>3,622</u>	<u>930,746</u>

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NOTE 25 - FINANCIAL INSTRUMENTS

25.1 Financial Liabilities

	31 December 2023	31 December 2022
Short-term borrowings	7,239,168	13,480,547
Short-term portion of long term lease liabilities	291,240	296,827
Short-term portion of long term bonds issued	10,643,699	4,632,625
Short-term portion of long-term borrowings	1,995,659	6,588,280
	<u>20,169,766</u>	<u>24,998,279</u>
Long-term borrowings	2,338,296	2,652,692
Long-term lease liabilities	375,974	426,039
Long-term bonds issued	10,467,155	3,386,400
	<u>13,181,425</u>	<u>6,465,131</u>
Total financial liabilities	<u>33,351,191</u>	<u>31,463,410</u>

The borrowings and bonds issued are repayable as follows:

	31 December 2023	31 December 2022
To be paid within 1 year	19,878,526	24,701,452
To be paid between 1-2 years	11,527,616	4,376,743
To be paid between 2-3 years	623,105	527,853
To be paid between 3-4 years	425,223	378,165
To be paid between 4-5 years	229,507	378,165
To be paid after 5 years and over	-	378,166
	<u>32,683,977</u>	<u>30,740,544</u>

As of 31 December 2023 and 31 December 2022, the Group has not given any collateral for the loans obtained.

As of 31 December 2023 and 31 December 2022, the movement of loans and bonds are as follows:

	Borrowings and Bonds issued
Opening balance as of 1 January 2023	30,740,544
Additions	36,340,265
Payments	(20,652,412)
Change in interest accruals	2,247,679
Inflation impact	(15,992,099)
Closing balance as of 31 December 2023	<u>32,683,977</u>
	Borrowings and Bonds issued
Opening balance as of 1 January 2022	28,225,385
Additions	71,622,167
Payments	(55,936,916)
Change in interest accruals	434,384
Foreign exchange movements	(66,586)
Inflation impact	(13,537,890)
Closing balance as of 31 December 2022	<u>30,740,544</u>



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NOTE 25 - FINANCIAL INSTRUMENTS (Continued)

25.1 Financial Liabilities (Continued)

As of 31 December 2023 and 31 December 2022, details of short and long term financial borrowings in terms of interest and currencies are as follows:

Currency	Weighted average effective interest rate	31 December 2023	
		Current	Non-current
TL		9,234,827	2,338,296
Overnight	48.30%	143,000	-
Fixed rate	44.97%	7,403,005	1,329,422
TLREF indexed	TLREF + 1.70% - 15.14%	1,688,822	1,008,874
		<u>9,234,827</u>	<u>2,338,296</u>

Currency	Weighted average effective interest rate	31 December 2022	
		Current	Non-current
TL		20,068,827	2,652,692
Overnight	18.00%	441,591	-
Fixed rate	21.87%	17,125,279	-
TLREF indexed	TLREF + 1.70% - 23.00%	2,501,957	2,652,692
		<u>20,068,827</u>	<u>2,652,692</u>

As of 31 December 2023 and 31 December 2022, details of bonds issued are as follows:

Currency	Weighted average effective interest rate	31 December 2023	
		Current	Non-current
TL		10,643,699	10,467,155
Fixed rate	41.42%	8,327,491	10,467,155
TLREF indexed	TLREF + 16.00%	2,316,208	-
		<u>10,643,699</u>	<u>10,467,155</u>

Currency	Weighted average effective interest rate	31 December 2022	
		Current	Non-current
TL		4,632,625	3,386,400
Fixed rate	32.00%	1,571,779	-
CPI indexed	CPI + 5.00%	884,303	-
TLREF indexed	TLREF + 1.40% - 16.00%	2,176,543	3,386,400
		<u>4,632,625</u>	<u>3,386,400</u>

As of 31 December 2023, there is no principal valuation due to the expiration of the CPI-indexed bonds (31 December 2022: TL 606,094).

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NOTE 25 - FINANCIAL INSTRUMENTS (Continued)

25.1 Financial Liabilities (Continued)

The fair values of the financial liabilities with fixed interests are presented by calculating their discounted cash flows using the market interest rate effective at the reporting date. 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. Fair values of the borrowings are higher than their carrying amounts amounting to TL 690,847 as of 31 December 2023 (31 December 2022: TL 11,480 lower).

As of 31 December 2023 and 31 December 2022, Group has fulfilled its financial debt covenants arising from its borrowings.

As of 31 December 2023 and 31 December 2022, details of lease liabilities are as follows:

Short-term portion of long term lease liabilities	31 December 2023	31 December 2022
Buildings	63,437	55,690
Vehicles	227,803	241,137
	<u>291,240</u>	<u>296,827</u>

Long-term lease liabilities	31 December 2023	31 December 2022
Buildings	193,586	98,366
Vehicles	182,388	327,673
	<u>375,974</u>	<u>426,039</u>

The lease liabilities are repayable as follows:

	31 December 2023	31 December 2022
To be paid within 1 year	291,240	296,827
To be paid between 1-2 years	223,415	255,993
To be paid between 2-3 years	68,346	136,590
To be paid between 3-4 years	52,011	14,476
To be paid between 4-5 years	24,534	9,880
To be paid after 5 years and over	7,668	9,100
	<u>667,214</u>	<u>722,866</u>



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NOTE 25 - FINANCIAL INSTRUMENTS (Continued)

25.1 Financial Liabilities (Continued)

As of 31 December 2023 and 31 December 2022, the movement of lease liabilities is as follows:

	Buildings	Vehicles	Total
Opening balance as of 1 January 2023	154,056	568,810	722,866
Additions	231,360	253,723	485,083
Interest expense	63,753	154,495	218,248
Variable lease payment adjustments and changes in lease conditions	44,517	(862)	43,655
Payments	(136,182)	(324,031)	(460,213)
Inflation impact	(100,481)	(241,944)	(342,425)
Closing balance as of 31 December 2023	<u>257,023</u>	<u>410,191</u>	<u>667,214</u>
	Buildings	Vehicles	Total
Opening balance as of 1 January 2022	188,054	592,347	780,401
Additions	73,714	443,638	517,352
Interest expense	32,304	113,059	145,363
Variable lease payment adjustments and changes in lease conditions	37,832	1,126	38,958
Payments	(96,990)	(309,843)	(406,833)
Foreign exchange movements	-	(1,656)	(1,656)
Inflation impact	(80,858)	(269,861)	(350,719)
Closing balance as of 31 December 2022	<u>154,056</u>	<u>568,810</u>	<u>722,866</u>

25.2 Other Financial Liabilities

	31 December 2023	31 December 2022
Other current financial liabilities	139,923	136,247
Other non-current financial liabilities	<u>769,432</u>	<u>838,838</u>
	<u>909,355</u>	<u>975,085</u>

The other financial liabilities are repayable as follows:

	31 December 2023	31 December 2022
To be paid within 1 year	139,923	136,247
To be paid between 1-2 years	146,044	130,912
To be paid between 2-3 years	138,032	131,149
To be paid between 3-4 years	147,040	150,240
To be paid between 4-5 years	141,416	154,923
To be paid after 5 years and over	<u>196,900</u>	<u>271,614</u>
	<u>909,355</u>	<u>975,085</u>

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NOTE 25 - FINANCIAL INSTRUMENTS (Continued)

25.2 Other Financial Liabilities (Continued)

As of 31 December 2023 and 31 December 2022, details of short and long term other financial liabilities in terms of currencies are as follows:

Currency	Weighted average effective interest rate	31 December 2023	
		Current	Non-current
EUR	4.70%	139,923	769,432
		<u>139,923</u>	<u>769,432</u>
Currency	Weighted average effective interest rate	31 December 2022	
		Current	Non-current
EUR	4.70%	136,247	838,838
		<u>136,247</u>	<u>838,838</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.

As of 31 December 2023 and 31 December 2022, the movement of other financial liabilities is as follows:

	Other Financial Liabilities
Opening balance as of 1 January 2023	975,085
Payment	(208,798)
Foreign exchange movements	614,850
Inflation impact	(471,782)
Closing balance as of 31 December 2023	<u>909,355</u>
	Other Financial Liabilities
Opening balance as of 1 January 2022	1,559,045
Addition	68,069
Foreign exchange movements	(37,277)
Inflation impact	(614,752)
Closing balance as of 31 December 2022	<u>975,085</u>

Net debt position of the Group as of 31 December 2023 and 31 December 2022 are disclosed in Note 27.1.

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NOTE 26 - 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, equipment purchases to be used in energy efficiency and distributed energy solutions projects and foreign currency denominated other financial liabilities. The details and fair values of the agreements as of 31 December 2023 and 31 December 2022 are as follows:

	31 December 2023				
	Contract Amount (USD)	Contract Amount (EUR)	Contract Amount (TL) (*)	Assets	Liabilities
Forward exchanges	158,358	44,065	6,097,143	574,909	(45,183)
	<u>158,358</u>	<u>44,065</u>	<u>6,097,143</u>	<u>574,909</u>	<u>(45,183)</u>
	31 December 2022				
	Contract Amount (USD)	Contract Amount (EUR)	Contract Amount (TL) (*)	Assets	Liabilities
Forward exchanges	224,194	51,115	5,211,019	405,754	(169,650)
	<u>224,194</u>	<u>51,115</u>	<u>5,211,019</u>	<u>405,754</u>	<u>(169,650)</u>

(*) Contract amounts are presented in nominal values.

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NOTE 27 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

27.1 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Group consists of debt, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital and reserves.

The Group management considers the cost of capital and the risks associated with each class of capital. The management of the Group aims to balance its overall capital structure through new share issues, and by issue of new debt or the redemption of existing debt.

	31 December 2023	31 December 2022
Total borrowings (Note 25)	34,260,546	32,438,495
Less: cash and cash equivalents (Note 28)	(4,501,245)	(13,793,119)
Less: derivative instruments (Note 26)	(529,726)	(236,104)
Net debt	29,229,575	18,409,272
Total equity	57,774,466	58,838,086
Total capital	87,004,041	77,247,358
Net debt / Total capital ratio (%)	<u>34</u>	<u>24</u>

27.2 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.

27.2.1 Credit risk management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risks mainly arise from trade receivables. The Group manages this risk by the guarantees received from customers. Trade receivables, are evaluated based on the Group's policies and procedures and as a result presented net of doubtful provision in the consolidated financial statements. In accordance with the requirements of TFRS 9 introducing a new impairment model based on expected credit losses, the Group has modified impairment calculation method for trade receivables. The Group recognizes the impairment of trade receivables, weighting the lifetime expected credit losses by default (Probability of Default) for all trade receivables excluding distribution segment on each customer basis and including non-overdue receivables.

Trade receivables consist of a large number of customers, spread across diverse industries within several different provinces. Credit risk of the financial instruments is as the follows:

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NOTE 27 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

27.2 Financial risk factors (Continued)

27.2.1 Credit risk management (Continued)

Credit risk exposure based on financial instrument categories

31 December 2023	Receivables						Financial assets excluding cash	Derivatives
	Trade receivables		Other receivables		Bank deposits	Financial assets excluding cash		
	Related party	Other	Current	Non-current				
Maximum net credit risk as of the balance sheet date (*)	181,526	16,174,394	5,480,645	2,360,391	4,501,245	31,758,207	574,909	
The part of maximum risk under guarantee	-	15,789,238	-	-	-	-	-	
A. Net book value of financial assets that are neither past due nor impaired (**)	181,526	12,230,133	5,480,645	2,360,391	4,501,245	31,758,207	574,909	
B. Net book value of financial assets that are due but not impaired (**)	-	3,944,261	-	-	-	-	-	
C. Net book value of impaired assets	-	-	-	-	-	-	-	
- Past due (gross book value)	-	5,265,933	194,133	-	-	-	-	
- Impairment (-)	-	(5,265,933)	(194,133)	-	-	-	-	
- Not due (gross book value)	-	445,704	-	-	-	-	-	
- Impairment (-)	-	(445,704)	-	-	-	-	-	
D. Credit risk factors off balance sheet	-	-	-	-	-	-	-	

Maturity of Expected Credit Loss

31 December 2023	Not due	Overdue Up to 1 months	Overdue 1-3 months	Overdue more than 3 months	Total
Balance at period end	11,425,769	1,151,813	670,954	1,982,651	15,231,187
Credit loss rate (%)	2%	9%	24%	58%	10%
Expected credit losses	(190,673)	(98,633)	(158,012)	(1,147,151)	(1,594,469)

(*) The factors such as collaterals received, that increase the credit reliability, have not been taken into consideration in determination of the amount.
(**) Amounts excluding the distribution segment are subject to impairment within the scope of TFRS 9. The maturity of expected credit losses except distribution segment is given in the above table. Unlawful and illegal usage receivables amounting to TL 389,454 and general lighting receivables amounting to TL 1,174,496, which are not insured within the amount related to the distribution segment are guaranteed by the Ministry of Energy, Ministry of Finance and Ilter Bank in line with the Electricity Market Law, Electricity Market Tariff Regulation and other relevant regulatory arrangements.

ENERJISA ENERJİ A.Ş. AND ITS SUBSIDIARIES

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27.2 Financial risk factors (Continued)

27.2.1 Credit risk management (Continued)

Credit risk exposure based on financial instrument categories (Continued)

31 December 2022	Receivables						Financial assets excluding cash	Derivatives
	Trade receivables		Other receivables		Bank deposits	Financial assets excluding cash		
	Related party	Other	Current	Non-current				
Maximum net credit risk as of the balance sheet date (*)	100,453	9,450,788	3,068,579	7,871,074	13,793,119	24,934,382	405,754	
The part of maximum risk under guarantee	-	9,450,788	-	-	-	-	-	
A. Net book value of financial assets that are neither past due nor impaired (**)	100,453	4,589,043	3,068,579	7,871,074	13,793,119	24,934,382	405,754	
B. Net book value of financial assets that are due but not impaired (**)	-	4,861,745	-	-	-	-	-	
C. Net book value of impaired assets	-	-	-	-	-	-	-	
- Past due (gross book value)	-	6,558,546	5,146	-	-	-	-	
- Impairment (-)	-	(6,558,546)	(5,146)	-	-	-	-	
- Not due (gross book value)	-	320,455	-	-	-	-	-	
- Impairment (-)	-	(320,455)	-	-	-	-	-	
D. Credit risk factors off balance sheet	-	-	-	-	-	-	-	

Maturity of Expected Credit Loss

31 December 2022	Not due	Overdue Up to 1 months	Overdue 1-3 months	Overdue more than 3 months	Total
Balance at period end	1,994,563	2,129,596	837,706	1,774,588	6,736,453
Credit loss rate (%)	7%	5%	16%	70%	24%
Expected credit losses	(141,723)	(113,690)	(130,026)	(1,234,167)	(1,619,606)

(*) The factors such as collaterals received, that increase the credit reliability, have not been taken into consideration in determination of the amount.
(**) Amounts excluding the distribution segment are subject to impairment within the scope of TFRS 9. The maturity of expected credit losses is given in the above table. Unlawful and illegal usage receivables amounting to TL 528,583 and general lighting receivables amounting to TL 2,408,903, which are not insured within the amount related to the distribution segment are guaranteed by the Ministry of Energy, Ministry of Finance and Ilter Bank in line with the Electricity Market Law, Electricity Market Tariff Regulation and other relevant regulatory arrangements.

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NOTE 27 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)**27.2 Financial risk factors (Continued)***27.2.2 Liquidity risk management*

The Group aims to maintain an appropriate liquidity risk management framework for the Group's short and long-term funding and liquidity management requirements.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

The maturities of the financial liabilities determined with respect to the contracts including the expected interest payments as of 31 December 2023 and 31 December 2022 are as follows:

31 December 2023							
Maturity analysis of non-derivative financial liabilities	Carrying value	Total cash outflow according to contract					
		(I+II+III+IV+V)	Payable on demand (I)	Less than 3 months (II)	3-12 months (III)	1-5 years (IV)	More than 5 years (V)
Non-derivative financial liabilities							
Financial liabilities	33,351,191	65,103,894	-	12,546,499	16,238,820	36,318,575	-
Trade payables	16,209,264	16,209,264	-	16,209,264	-	-	-
Other payables	8,990,342	8,990,342	8,097,026	893,316	-	-	-
Other financial liabilities	909,355	909,355	-	27,508	112,415	572,532	196,900
Total liabilities	<u>59,460,152</u>	<u>91,212,855</u>	<u>8,097,026</u>	<u>29,676,587</u>	<u>16,351,235</u>	<u>36,891,107</u>	<u>196,900</u>
31 December 2022							
Maturity analysis of non-derivative financial liabilities	Carrying value	Total cash outflow according to contract					
		(I+II+III+IV+V)	Payable on demand (I)	Less than 3 months (II)	3-12 months (III)	1-5 years (IV)	More than 5 years (V)
Non-derivative financial liabilities							
Financial liabilities	31,463,410	45,311,201	-	14,250,607	17,155,748	13,242,869	661,977
Trade payables	11,158,918	11,158,918	-	11,158,918	-	-	-
Other payables	8,846,730	8,846,730	7,965,997	880,733	-	-	-
Other financial liabilities	975,085	975,085	-	29,507	106,740	567,224	271,614
Total liabilities	<u>52,444,143</u>	<u>66,291,934</u>	<u>7,965,997</u>	<u>26,319,765</u>	<u>17,262,488</u>	<u>13,810,093</u>	<u>933,591</u>

ENERJISA ENERJİ A.Ş. AND ITS SUBSIDIARIES**Notes to the Consolidated Financial Statements
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NOTE 27 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)**27.2 Financial risk factors (Continued)***27.2.3 Market risk management**27.2.3.1 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.

	31 December 2023		
	Total TL equivalent	USD TL equivalent	EUR TL equivalent
Cash and cash equivalents	1,830,007	1,394,429	435,578
Trade receivables	91,935	91,935	-
Total assets	<u>1,921,942</u>	<u>1,486,364</u>	<u>435,578</u>
Other financial liabilities	(909,355)	-	(909,355)
Trade payables	(2,372,583)	(2,275,991)	(96,592)
Total liabilities	<u>(3,281,938)</u>	<u>(2,275,991)</u>	<u>(1,005,947)</u>
Net foreign currency asset position of off-balance sheet derivative	3,198,743	1,918,752	1,279,991
Net foreign currency asset / (liability) position	<u>1,838,747</u>	<u>1,129,125</u>	<u>709,622</u>
Cash flow hedging (*)	2,898,400	2,743,022	155,378
Net foreign currency position after cash flow hedging	<u>4,737,147</u>	<u>3,872,147</u>	<u>865,000</u>

(*) Cash flow hedging includes forward exchange contracts in order to mitigate foreign exchange rate risk arising from unit price investments and USD denominated energy purchases that will be realised in accordance with the contract in the future. Since, the unit priced investment expenditures and USD energy purchases to be realised in accordance with the contract will be activated as they are realised, relevant trade payables amounts are not included in trade payables. The total of those forward exchange contracts amounting to TL 2,898,400 is included at cash flow hedging in the foreign currency position table.

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NOTE 27 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)**27.2 Financial risk factors (Continued)****27.2.3 Market risk management (Continued)****27.2.3.1 Foreign currency risk management (Continued)**

	31 December 2022 (*)		
	Total TL equivalent	USD TL equivalent	EUR TL equivalent
Cash and cash equivalents	530,154	477,828	52,326
Trade receivables	20,537	11,307	9,230
Total assets	550,691	489,135	61,556
Other financial liabilities	(975,085)	-	(975,085)
Trade payables	(3,310,594)	(2,971,460)	(339,134)
Other payables	(27,245)	-	(27,245)
Total liabilities	(4,312,924)	(2,971,460)	(1,341,464)
Net foreign currency asset position of off-balance sheet derivative	2,002,947	732,224	1,270,723
Net foreign currency asset / (liability) position	(1,759,286)	(1,750,101)	(9,185)
Cash flow hedging (**)	6,583,393	6,175,134	408,259
Net foreign currency position after cash flow hedging	4,824,107	4,425,033	399,074

(*) All the amounts are expressed in thousands of TL in terms of purchasing power of the TL at 31 December 2023.

(**) 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 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 6,583,393 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.

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NOTE 27 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)**27.2 Financial risk factors (Continued)****27.2.3 Market risk management (Continued)****27.2.3.1 Foreign currency risk management (Continued)**

	1 January - 31 December 2023			
	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	(78,963)	78,963	-	-
Hedged items (-)	191,875	(191,875)	274,302	(274,302)
USD net effect	112,912	(112,912)	274,302	(274,302)
Change in EUR against TL by 10%				
EUR net assets / liabilities	(57,037)	57,037	-	-
Hedged items (-)	127,999	(127,999)	15,538	(15,538)
EUR net effect	70,962	(70,962)	15,538	(15,538)
	1 January - 31 December 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	(248,233)	248,233	-	-
Hedged items (-)	73,222	(73,222)	617,513	(617,513)
USD net effect	(175,011)	175,011	617,513	(617,513)
Change in EUR against TL by 10%				
EUR net assets / liabilities	(127,991)	127,991	-	-
Hedged items (-)	127,072	(127,072)	40,826	(40,826)
EUR net effect	(919)	919	40,826	(40,826)

(*) All the amounts are expressed in thousands of TL in terms of purchasing power of the TL at 31 December 2023.

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NOTE 27 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)**27.2 Financial risk factors (Continued)**27.2.3 Market risk management (Continued)27.2.3.2 Interest rate risk management

As of 31 December 2023, 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 fair values of the financial liabilities with fixed interests are presented by calculating their discounted cash flows using the market interest rate effective at the reporting date. 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. Fair values of the borrowings are higher than their carrying amounts amounting to TL 690,847 as of 31 December 2023 (31 December 2022: TL 11,480 lower).

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

ENERJISA ENERJİ A.Ş. AND ITS SUBSIDIARIES**Notes to the Consolidated Financial Statements
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NOTE 27 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)**27.2 Financial risk factors (Continued)**27.2.3 Market risk management (Continued)27.2.3.2 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
	31 December 2023	31 December 2022	
Derivative financial instruments	529,726	236,104	Level 2

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NOTE 28 - EXPLANATORY NOTES TO THE STATEMENT OF CASH FLOWS

	31 December 2023	31 December 2022
Cash at banks	4,501,245	13,793,119
<i>Demand deposits</i>	<i>1,627,806</i>	<i>803,455</i>
<i>Time deposits</i>	<i>2,873,439</i>	<i>12,989,664</i>
	<u>4,501,245</u>	<u>13,793,119</u>

As at 31 December 2023, TL 676,440 of the Group's demand deposits are blocked at different banks (31 December 2022: TL 725,636). 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 and related to the conditions of some loan agreements.

As at 31 December 2023 time deposits consist of short term TL 1,950,551 and USD 922,888 balances (31 December 2022: TL 12,539,839 and USD 14,600) with maturities between 4 - 33 days (31 December 2022: 2 - 90 days). Foreign currency term deposits are expressed in their nominal values. The weighted average effective interest rates of TL and USD time deposits are 43.29% and 3.00% respectively as at 31 December 2023 (31 December 2022: weighted average effective interest rate 24.13% and 1.30% respectively).

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

	1 January - 31 December 2023	1 January - 31 December 2022
Adjustments related to interest (income) / expense from tariff receivables (Note 22)	(1,257,604)	(1,892,173)
Adjustments related to financial income from service concession arrangements (Note 10, 19)	<u>(14,666,186)</u>	<u>(11,893,123)</u>
	<u>(15,923,790)</u>	<u>(13,785,296)</u>

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

	1 January - 31 December 2023	1 January - 31 December 2022
Net collections from financial assets related to service concession arrangements	12,592,573	15,970,625
<i>Capital expenditures reimbursements (Note 10)</i>	<i>8,495,533</i>	<i>8,866,999</i>
<i>WACC reimbursements (Note 10)</i>	<i>5,088,280</i>	<i>7,103,626</i>
<i>Tariff corrections (Note 10)</i>	<i>(991,240)</i>	-
Collections from doubtful trade receivable (Note 6)	396,011	418,780
	<u>12,988,584</u>	<u>16,389,405</u>

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NOTE 28 - 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 - 31 December 2023	1 January - 31 December 2022
Capital expenditures related to service concession arrangements	<u>(14,765,953)</u>	<u>(10,682,327)</u>
	<u>(14,765,953)</u>	<u>(10,682,327)</u>

**NOTE 29 - FEES FOR SERVICES RECEIVED FROM INDEPENDENT AUDITOR /
INDEPENDENT AUDIT COMPANY**

The Group's explanation regarding the fees for the services rendered by the independent audit firm, which is prepared based on the POA's Board Decision published in the Official Gazette on 30 March 2021, and the preparation principles of which are based on the letter of POA dated 19 August 2021 are as follows:

	1 January - 31 December 2023	1 January - 31 December 2022
Audit services	5,089	4,229
Other assurance services	91	84
	<u>5,180</u>	<u>4,313</u>

Fees are determined by including all subsidiaries' statutory audit and other related service fees.

NOTE 30 - EVENTS AFTER THE REPORTING DATE

- The Group has made bond issuance on 3 January 2024, amounting to TL 2,000,000,000 (full digit), with 730 days term, interest rate of TLREF+4.75%, coupon payments every 3 months, redemption date of 2 January 2026 and with TRSENSA12613 code.
- The Group has made bond issuance on 8 February 2024, amounting to TL 3,500,000,000 (full digit), with 728 days term, interest rate of TLREF+4.25%, coupon payments every 3 months, redemption date of 5 February 2026 and with TRSENSA22612 code.



ENERJISA

PAROLA
BİZ
BİRLİKTE İNANCIYIZ
Zirveye

