

TRANSCRIPT OF ENERJISA ENERJI FY 2025 EARNINGS CALL

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SPEAKERS:	Dr. Philipp Ulbrich – CFO Cem Gökmen Gökkaya – Treasury, Risk, Investor Relations and Tax Director Martin Jaeger – Head of Investor Relations

PRESENTATION SESSION

Martin Jaeger:

Merhaba. Good afternoon and welcome also from my side to Enerjisa Enerji's full year 2025 earnings call. Today I'm here with our CFO Philipp and with Cem, our IR director, and Philipp will start running you through the financial as well as operational performance of the year 2025. We'll share our view on the regulatory changes for the business and also will present our updated 2026 targets. And with that, let's kick it off. Over to you, Philipp.

Page 2: Highlights

Dr. Philipp Ulbrich: Thank you, Martin, and a warm welcome to all of you from my side. I'm happy that you join us presenting our strong 2025 full year results. Before I come to today's key messages, let me allow one comment on the current geopolitical situation. While Turkey is not directly involved in the conflict, the recent escalation in Iran and countries in the Gulf region has clearly increased geopolitical risks. We as Enerjisa are on the alert and have increased our precautionary measures. We are also monitoring what this could mean for energy prices, supply security, and overall market conditions in Turkey. And we'll keep you updated if necessary. Let me now lead you in with my four key messages.

First, Enerjisa Energy has overdelivered in 2025, exceeding the previously communicated guidance range of 52 to 57 billion Turkish Lira for operational earnings. This robust performance was driven by the resilience of our regulated business model, strong operational execution, and strict cost management. With group operational earnings at around 58 billion Turkish Lira, we grew above inflation by roughly 8%. A clear proof point that our core earnings engine continues to perform, even in a demanding macro environment.

Second, our underlying net income increased strongly to 9.5 billion Turkish Lira, up by even 73% year over year, in real terms. The results of our strong operational management were further boosted by disciplined financial management and the positive impact of suspending inflation accounting at statutory and tax financial statements. This was decided by the Turkish policymakers in late December and improved the tax line for this last year. In other words, our operational and financial performance remains strong, while changes in the accounting environment contributed also positively to the bottom line earnings. This led to an uplift even well above the already revisited guidance of 7.5 billion Turkish

Lira. This performance is the basis for the dividend proposal of 5.08 Turkish Lira per share, corresponding to distribute 63% of underlying net income. Our DPS proposal corresponds exactly to an 80% payout ratio for our prior 7.5 billion Turkish Lira unit target, and thus incorporates the increase by more than 35% compared to the initial guidance for 2025. This fully reflects our long-standing commitment to deliver an attractive cash return to shareholders, while at the same time protecting our capacity to invest.

Third, we continue to execute on what matters most for the value creation of Enerjisa in the current geopolitical and macroeconomic environment, growing the grid and strengthening the balance sheet at the same time. Our regulated asset base increased by 42% to around 84 billion Turkish Lira, again meaningfully add up inflation. This is the foundation for sustainable earnings growth going forward. At the same time, our leverage remains low at 1.1 times, reflecting discipline cost and debt management as macros keep being challenging in Turkey. By this, we are keeping full strategic flexibility as we enter into the next regulatory cycle. And finally, as a key milestone looking forward, we now have more clarity on the parameters of the fifth regulatory period. Most important in this respect, the regulated WACC for distribution increased to more than 13%, which is ensuring the profitability of our core business. The regulated net profit margin in retail, representing a far smaller share of our business, remains unchanged, constraining earnings growth due to the highly subsidized tariff environment. This regulatory framework is central because it defines the return profile of the business for the next five years until 2030, and it underpins our investment case. I will come back to that during the presentation. Based on this visibility, we are setting ourselves ambitious 2026 targets, remaining fully committed to growing investments and earnings profitably above inflation, based on execution and cost discipline plus competitive financing. Before moving to 2026, let me share the 2025 guidance achievement.

Page 3: Guidance Achievement

I'm proud that we have delivered a strong operational and financial performance in 2025, despite the challenging macroeconomic environment we over-delivered on our targets. On operational earnings, we have successfully exceeded the upper band of our guidance, which stood at 57 billion Turkish Lira. The underlying net income reflects both strong bottom line business performance and, in the final step, a favorable accounting effect.

To be clear, the first guidance increase was operationally driven, whereas the later revision to 9.5 billion Turkish Lira in February is primarily attributable to the accounting framework. Finally, our investments and regulated asset base fully met our 2025 targets. As a summary, let me state that Enerjisa Enerji again delivered on its promises.

Page 4: Implement Period 5

On the next page, let me now walk you through the most important parameters of the fifth implementation period, so-called IP5, valid for the years 2026 to 2030, and what it means economically versus the last period. As indicated, we see an improvement on the distribution side, while retail is still constrained by the unchanged regulated margin. Here's my view on both.

Starting with distribution, the most important change is the increase in the guaranteed return on our investments, with the WACC moving from 12.30 to 13.49%. This is supportive and sets a clear incentive for the necessary investments for the midterm. In parallel, the CAPEX ceiling, which is the investment target agreed with the regulator, increased by 23% in real terms compared to IP5 and was set to 132

billion Turkish Lira with today's purchasing power. This follows the significant step up we've already performed in the last period that resulted in a very ambitious investment level for Enerjisa Enerji. With the increased ceiling in IP5, we are in a strong position to accelerate our investments even further, if the macroeconomic environment allows this. These investments are needed in order to respond to the grid stability and growth needs in the three regions we are operating, that represent 25% of Turkey.

The OPEX ceiling uplift is also positive, as it improves the cost allowance compared to IP4. We are confident to be able to remain within the allowed spending. Even this requires big cost management. We already have initiated all necessary measures to manage our OPEX successfully also in the new period. Turning now to retail, the regulated net profit margin remains unchanged at 2.38%. In a high inflation environment, this effectively results in a real margin erosion and constrains the company's profitability for as long as tariffs remain subsidized. At the same time, the OPEX ceiling increased, which is a constructive step and supports commercial execution towards customer satisfaction. We continue to believe that the retail framework needs further improvement, and we would expect the regulator to take additional steps over time to better reflect realities such as inflation, competitive dynamics, and service requirements. We are continuously engaging in this topic through the appropriate channels. For our planning, we remain disciplined. All of the visible IP5 parameters shown here are fully considered in our 2026 guidance. It does already reflect the improved distribution economics. The current retail margin framework and our corresponding management decisions reflected in our overall ambitious planning. With that, let me move on the financial performance on the next page.

Page 5: Financial Highlights

Operational earnings grew 8% above inflation, again confirming the strengths of our regulated earnings base and the operational and cost discipline across the organization. When it comes to our underlying net income, we had two very clear inflection points during the year.

We closed the year at 9.5 billion Turkish Lira, and importantly, we raised our target twice significantly within the last month. The first step up happened during 2025 as a result of active investment steering and the direct impact this had on our financing costs. As we explained already during the nine-month results, we consciously changed the CAPEX phasing across the year. We delayed tendering and execution where possible without compromising on the full-year delivery in order to reduce the interest that we paid to finance our investments. That's why we raised our UNI expectation to around 7.5 billion Turkish Lira in Q4, compared to the previous level of close to 6 billion Turkish Lira.

The second step up was of a different nature. It is mainly attributable to the suspension of inflation accounting in statutory and tax books and the resulting accounting mechanics. In particular, asset revaluation and tax line effects, which improved underlying net income versus what we would have expected under the previous inflation accounting setup. Under the cancelled statutory inflation accounting, both assets and equity were restated, and the impact of inflation adjustments was reflected through the P&L, creating an immediate tax effect. Newly introduced as revaluation is instead limited to depreciable fixed assets, while equity is no longer restated in statutory accounts.

As a result, the higher asset base generates increased depreciation over time, reducing the taxable base and leading to higher deferred tax benefits under TFS compared to the inflation accounting regime. As we continue to hold these assets in our distribution business on a long-term basis, and as they are also revalued in the regulated asset base with yearly inflation, they generate a stable real income flow. And we are comfortable with reflecting the revaluation and the related deferred tax impacts in TFS. Due to the

sustainable and repetitive character, we are also fully comfortable in not treating this as a one-off. And if this yearly increase from deferred taxes is more than compensating for the remaining negative impact from inflation accounting in TFS in a sustainable manner, we could even speak of a factual suspension of overall inflation accounting. Hence, we decided to return to our long-term dividend policy as applied before the introduction of inflation accounting.

Page 6: Operational Earnings Development

Let me continue with our operational earnings performance for 2025. Operational earnings of our distribution business increased by 5.1 billion TL compared to last year, primarily driven by our continuous investments into the asset base and the catch-up of increased inflation and increased regulated WACC for IP5. As you know, we apply financial asset accounting in which any changes in the estimations of future cash flows matter. Efficiency and quality earnings also increased operational earnings, mainly stemming from three factors.

We recorded an improved OPEX performance due to the additional OPEX ceiling for 2025, along with the OPEX ceiling revision for 2024. We continued cost management and successfully implemented the internal optimization program. Stronger theft and loss performance, especially in the regions of Toroslara and Bařkent, combined with higher energy unit costs also contributed positively.

Moving to retail. On the regulated side, we increased retail service revenues following the revision of the OPEX ceiling. On the liberalized side, margins improved due to better contract profitability and a significant reduction in the last resort supply tariff limits in February 2025, leading to higher liberalized sales volumes and higher margins. Higher operational expenditures, however, offset the positive effect from the regulated and liberalized gross profit.

In customer solutions, energy efficiency projects commissioned during 2025 led to a positive gross margin development. Overall, the high inflation environment has softened domestic investor appetite for customer solutions projects, leading to a slower pace of realization compared to prior years. This limited contracts being signed and delivered in the so far very strong PV segment, leading to an overall decrease of operational earnings of customer solutions. Hence, we continue to follow a prudent and selective growth strategy, seeking to preserve flexibility and capture value once market conditions improve. Our e-mobility business delivered an improved gross profit, driven by the sharp increase in electricity sold to the growth of the electric vehicle market in Turkey. The additional sales reflect a remarkable improvement in the uptime and utilization of our charging network. This allowed us to capture market-driven demand more effectively without additional CAPEX. Let's continue with a detailed view on the underlying net income on the next page.

Page 7: Underlying Net Income

Last year's UNI improvement by 73% is mainly attributable to higher operational earnings and higher tax income due to suspension of inflation accounting. And last but not least, successful debt and interest management. Lower interest rates for our debt could partially compensate for the higher financing volumes of our investments, which remain fully justified by the profitability of these investments. Let me explain the key drivers in more detail. The strong operational earnings growth is the base effect of the UNI direction. Roughly 280 million Turkish Lira negative Roughly 280 million Turkish Lira negative year over year is coming from interest expenses, resulting from higher average net debt volumes that are partially offset by lower average interest rates compared to 2024. This was anticipated and is in line with the substantial growth of the regulated asset base. Following the increase of real interest costs in

March, we expected an even sharper increase of the interest expenses. However, we were able to limit the burden by shifting investments within the year as explained in the nine-month earnings call. Other financial income is lower year over year due to a lower average tariff burden distribution. As you would have to finance the tariff burden, this is not impacting our results. Let me also provide some color on reported net income. It improved significantly from minus 4.9 Turkish Lira in 2024 to now positive 3.2 billion Turkish Lira in 2025, corresponding to an approximately 8 billion Turkish Lira year over year uplift and almost 165% turnaround. The strong recovery reflects improved operational profitability, a more favorable tax position, and the disciplined financial management. The shift from a net loss to a solid positive bottom line demonstrates the structural earnings resilience of Enerjisa's regulated and integrated business model and supports our sustainable profitability outlook. With that, over to Cem for the operational highlights and the balance sheet movement.

Page 8: Operations

Cem Gökmen Gökkaya: Thank you, Philipp, and good afternoon, everyone, also from my side. Let me first walk you through the main operational developments in each of our business lines, starting with distribution.

Distribution investments reached 22.2 billion Turkish Lira in 2025. With this, our regulated asset base increased by 42% year over year, reaching close to 84 billion Turkish Lira. We were able to grow RAB significantly above the inflation rate, driven by the announced accelerating realization of strategic grid investments in the second half of the year that overcompensated the CAPEX reimbursements. Efficiency and quality-related earnings amount to 4.8 billion Turkish Lira, increasing by 2.1 billion Turkish Lira, mainly driven by the already addressed OPEX ceiling revision and lower-than expected expense realizations.

Turning to retail, in the regulated segment, volumes decreased to 29.6 terawatt-hours. This effect is mainly resulting from the continued shift of regulatory customers to the liberalized market, as the regulator lowered the last resort supply tariff limits in February 2025. However, we were able to safeguard the operational performance by increasing retail service revenues, driven by a higher OPEX ceiling for 2025. Also, the OPEX ceiling increase for 2024 drove the gross margin up to 14.3%, compared to the 10.5% in 2024. In the liberalized segment, our sales volume reached 17.6 terawatt-hours, which is marginally higher than the prior year period. This uptick was driven by the aforementioned switching effort of SME customers and households from regulated tariffs to market-based contracts. As we deprioritized the low-margin, large-scale corporate segment, we, however, overall recorded lower volumes. While our liberalized gross margin improved by 40% year-over-year, especially our active portfolio management enabled us to sustain a higher margin level.

Now, to customer solutions, which remains our opportunistic investment business. In the last 12 months, gross profit decreased by 0.9 billion Turkish Lira to 6.8 billion Turkish Lira. Although our installed solar PV capacity increased to around 142 megawatt peak as of the end of 2025, we recognized the majority revenues already in 2024 due to the accounting treatments of these long-term projects. The lack of new projects in 2025, compared to 2024, was due to the lower B2B investment appetite as macro headwinds prevailed. While we certainly would appreciate every increasing energy efficiency investments in the B2B business, we continue to apply the same hurdle rates for these projects compared to our investments into the electricity distribution grids. In other words, we can deploy our CAPEX headroom into profitable investments in the distribution business, and we remain financially less dependent on the growth momentum of the customer solution segment. This principle of our capital allocation as part of our financial framework fully confirms our opportunistic approach. With that, let's move to the next page.

Page 9: Economic Net Debt

In 2025, economic net debt increased by 5.1 billion Turkish Lira to 78.2 billion Turkish Lira, mainly driven by higher CAPEX and interest payments. Interest totaled almost 29 billion Turkish Lira during the last 12 months, primarily due to higher average outstanding debt that was only partially offset by slightly lower average interest rates compared to 2024. Please note that our gearing is kept in the challenging macro environment at a low level in order to provide the necessary resilience to our P&L. Importantly, our regulated asset base continues to grow faster than our net debt, which is clearly highlighting the embedded value creation within the regulatory framework. Net financial debt stood at 63.5 billion Turkish Lira at the end of December, compared to 58.6 billion Turkish Lira at the year-end 2024. The increase mainly reflects the aforementioned continued investment-driven growth.

Page 10: Free Cash Flow

The next page shows our free cash flow after interest and tax. It includes cash effective investments and mainly the cash impact of tariff policies in both distribution and retail. In 2025, we recorded a free cash flow after interest and tax of negative 15 billion Turkish Lira. This indicates a year-over-year decline by more than 4.4 billion Turkish Lira, driven by higher interest payments for our investment program. Free cash flow after interest and tax improved through nine months, 2025, because Enerjisa delayed investments, benefited from better tariff collections and working capital effects, but Q4 then contained the deferred CAPEX cash-outs, ongoing high-interest payments, and still incomplete tariff recovery. The compensating cash flow from CAPEX reimbursements and the recovery of maintenance expenditures already incurred materialized with a time lag and therefore only support free cash flow in subsequent periods. Cash effective investments totaled 25 billion Turkish Lira, the majority of which stemmed from our increased investments in the distribution business, causing higher investment-related cash outflow. In retail, the cumulative tariff surplus amounts to around 1 billion Turkish Lira now at the end of the year due to the positive impact driven by the significant and ongoing EÜAŞ subsidy. With that, let's look into the details of our 2025 financing successes on the next stage.

Page 11: Financing Development

Despite the challenging financial macro conditions in Turkey, Enerjisa continues to pursue a disciplined and diversified financing strategy with a clear focus on low-spread floating rate instruments. During 2025, we issued primarily TL-REF index bonds with limited spreads, maintaining cost efficiency and flexibility in our funding. As a result, our total bond issuance volume reached approximately 34.6 billion Turkish Lira. A key competitive advantage remains our sustainable financing strategy. In October 2025, we signed a sustainability-linked six-year club loan equivalent to 340 million US dollars with four international financial institutions, allowing to fund new investments over the long term. This agreement represents the first sustainability-linked financing in Turkey's electricity distribution sector.

Looking also at the recent additions to our debt portfolio, we continue to maintain our financing mix through bonds and loans at the same time during 2026, allowing us to use the most competitive sources of funding. In addition, Enerjisa has benefited from re-discount credits in the amount of 10.8 billion Turkish Lira in 2025. At the end of 2025, our average interest rate stood at 44.6%, 2.2 percentage points lower compared to 2024. Our floating rate instruments, compared to 2024. Our floating rate borrowings are expected to decrease in line with the rate cuts expected to prevail in 2026. And we are continuing our successful market issuances. We are pleased to announce that we issued a seven-year bond with a face value of 10 billion Turkish Lira and the floating rate of TLREF plus 1.5% on 20th of February, 2026.

This is, at the same time, the largest by size and maturity in the real sector in Turkey. With that, now I hand over back to Philipp for the closing remarks.

Page 12: 2026 Guidance

Thank you Cem. Let me conclude today's presentation with our outlook for 2026. And a reminder on our dividend policy. Before I go into the numbers, let me be very clear on the foundation of this guidance. Our 2026 targets are built on two pillars.

First, we have now visibility on the key parameters of the regulatory framework from 2026 to 2030. In particular, the updated distribution return framework and the retail parameters. These visible regulatory inputs are fully reflected in the ranges that you see here. Second, based on our financial framework, we will continue to grow our financial metrics significantly above inflation over time, in line with the discipline that we have applied in our guidance in the previous years. Against this background, for the full year 2026, we are targeting the following.

Operational earnings in the range of 75 to 80 billion Turkish Lira. This reflects continued expansion of our regulated earnings base, supported by the investment program and the mechanics of the regulatory scheme, while we keep tight control on cost execution. Underlying net income in the range of 11 to 13 billion Turkish Lira. Let me emphasize that this is reported net income excluding exceptional items, and it reflects our continued focus on disciplined balance sheet and debt management. Investments of 30 to 35 billion Turkish Lira. This underlines our commitment to remain the engine of Türkiye's energy transition. We are prepared operationally and financially to deliver this step up, and we will continue to steer execution in a way that optimizes financing efficiency without compromising delivery.

As a result, we target a regulated asset base of 110 to 120 billion Turkish Lira by year end. This is the key long-term value drive of Enerjisa, and we continue to grow the asset base on top of inflation by doing so with a clear focus on quality, efficiency, and delivery discipline. And finally, our updated dividend policy. We now again target a minimum payout of 60% of underlying net income to ensure sustainable DPS growth after the suspension of inflation accounting in the statutory accounts. This is the right framework to balance attractive shareholder returns with the investment level required to secure grid stability and long-term earnings growth. With this, we conclude our presentation, and I hand back to Martin.

Q&A Session

Martin Jaeger: Thank you, Philipp. Thank you, Cem. Operator, we can now start the Q&A session, and as usual, we highly welcome verbal questions today. You can also hand in your questions in a written form via the system, and for the first question, we wait a couple of seconds. Thank you.

Closing

Q1: İlker – Neo Portföy

Congratulations for the results, and thank you for the presentation. For the current year and the following years, what is your targeted debt equity funding mix for total investments?

Q2: İlker – Neo Portföy

How should we think about your optimal capital structure over the medium term? Could you please share your projected cash flow profile for this year and the coming years, excluding capex, but including tax and interest payments?

Q3: İlker – Neo Portföy

Under what conditions would you consider distributing more than 60 percent of underlying income as dividends?

Dr. Philipp Ulbrich: Philipp Ulbrich:

This is really also at the heart of the consideration around our financial framework. So, to me, the question around that equity ratio and also gearing is pretty much depending on what situation we are in. And this is a recurring question. So, what we do here with our steering is that we take always a cautious approach that we can deliver on our promises of growing bottom line, even in a quite volatile environment. And I think you all have seen inflation data as it came out today. So, there is not, at least not in this monthly step now, this predicted approach. And I mentioned in the very beginning also the geopolitical tensions. So, what we are doing is that we always take certainly a look into the future, but we do this in a cautious way. And therefore, we, as I also said it, we are ready to increase our investments, which would then automatically, because we debt finance our investments, lower than the equity to debt ratio, which is currently sitting as a quite comfortable level. It would also then increase our gearing. However, this can only happen if there is sufficient confidence that we can operate also in an environment with higher net debt, meaning also a lower interest burden, because certainly in the P&L, you all know this, you will see the full interest impact while the compensating valuation of the regulated asset base happens outside of the P&L. And this is then also certainly leading into the limitation of our dividend distribution that we always want to keep at a healthy and also growing level. So, this is pretty much the steering behind it. Let me then also come from that to the remaining two questions that you are asking. And the one on the cash flow profile is also a recurring one. And we deliberately don't guide for cash flow, because it is not fully in our hands. You're all aware, it was also mentioned by Cem, that we have tariff burdens that are impacting us in a year-over-year view. They usually get compensated over time, but can significantly deteriorate or improve the cash flow profile. So, this is something where it's very difficult to predict and steer for. And also here, if we would see that there is a certain leeway, and you have seen that in 2023, we increased our investments despite a high interest environment. And therefore, that was also impacting then our cash out, not only on the investment side, also on the financing side. So, I think we are doing the right thing in keeping this flexibility. And as I always say, it is the right thing for a CAPEX-heavy business model, fully regulated like ours, that our free cash flow in the end is structurally negative, because it shows that we are seeing profitable investment opportunities. That then also leads me to the answer on your dividend question. I mean, we would increase the dividend payout if we see that this profitable investment model is not working anymore, where we would be able to afford also not increasing our asset base, not driving up our net debt. Or if we see that the interest environment is significantly lowering, because that would also allow us to grow profitably at the same time while distributing higher dividends. And what we are doing for 2025, we are distributing the dividend that we promised on the basis of the increased guidance as of Q3. So, just really to avoid any misunderstandings around this, the reduction in the percentage share is not leading to a lower payout when it comes to the Turkish Lira that we are paying out per share for 2025. I hope this answers the question. It's quite a long one. And therefore, we are, I think, very consistent also with our communication so far. Back to you, Martin.

Q4: Erman – İş Portföy

What is your expected underlying inflation rate for this year? How much real growth are you projecting for your operational earnings target?

Dr. Philipp Ulbrich: This is also a question we have received several times. The answer will not change. We are not guiding and sharing our inflation assumptions. What is important for you is that we stand to our promise that we grow also above inflation. This is our financial framework and we are really fully committed to keep this financial framework unless extra, extraordinary things would happen. But we are certainly not hoping for this. And the second question is implicitly, from my understanding, asking the same. I think the same answer prevails here. Really look on what we did over the last years and then you'll see how we are steering this. So, I think it's not something that makes sense now to share inflation expectations. Once again, also on the basis of what has been announced today, what we have seen since the weekend, any assumption that we would put now here on the paper is most likely outdated in the current environment within days. So, to our understanding, it really doesn't make sense to guide on this, rather to guide on the principles.

Q4: Cemal – Ata Yatırım

Is your guidance a nominal TL terms or based on TFRS 29, IAS 29?

Cem Gokmen Gokkaya:

Quick, yes. It's based on TFRS 29 and with 2026 purchasing power.

Martin Jäger:

This concludes our full year 2025 earnings call. Thank you for your participation and listening in. We will stay tuned and hopefully see you also in the upcoming Thank you.

investorrelations@enerjisa.com