



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

# **ENERJİSA ENERJİ ANONİM ŞİRKETİ**

**ACTIVITY REPORT  
FOR THE PERIOD OF  
01.01.2023 – 31.03.2023**

## 1- GENERAL INFORMATION

- a) Accounting period that the report relates to : 01.01.2023 – 31.03.2023
- b) Trade-name of the Company : ENERJİSA ENERJİ ANONİM ŞİRKETİ
- Trade registration number : 800865
- Head office contact details and website address : Barbaros Mah. Begonya Sok. Nida Kule  
Ataşehir Batı Sitesi No: 1 / 1  
Ataşehir-İSTANBUL  
Phone : 0216 579 05 79  
Fax : 0216 579 05 30  
e-mail : enerjisa-info@enerjisa.com  
website : [www.enerjisa.com.tr](http://www.enerjisa.com.tr)

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

#### Shareholding Structure of the Company:

Shareholder Name	Share / Voting Right			
	31.03.2022		31.03.2023	
	(TL)	(%)	(TL)	(%)
Hacı Ömer Sabancı Holding A.Ş.	472,427,587.56	40.0	472,427,587.56	40.0
DD Turkey Holdings S.A.R.L.	472,427,587.56	40.0	472,427,587.56	40.0
Other (Public)	236,213,792.00	20.0	236,213,792.00	20.0
<b>TOTAL</b>	<b>1,181,068,967.12</b>	<b>100.0</b>	<b>1,181,068,967.12</b>	<b>100.0</b>

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

None

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

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

##### Members of the Board of Directors:

The members of the Company's Board of Directors and independent board members are as follows:

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

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

As of 31 March 2023 the organization of senior management is as below:

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

The Group has 11,571 employees as of 31.03.2023.

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

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

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

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

The Chairman and the members of the Board of Directors may not execute any transaction with the Company on their own behalf or for or on account of others, personally or indirectly, without the prior permission of the General Assembly. During the period of 01.01.2023 – 31.03.2023, the members of the Board of Directors neither executed any transaction with the Company, nor been involved in any attempts that can compete with the Company in its fields of operation.

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

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

	1 January - 31 March 2023	1 January - 31 March 2022
Short-term employee benefits	55,468	22,420
Long-term employee benefits	1,995	640
	<u>57,463</u>	<u>23,060</u>

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

During the period of 01.01.2023 - 31.03.2023, TL 3,969,067.58 was spent on the projects supported by EU Framework Programs, TÜBİTAK and EMRA R&D funds.

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

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

##### **Kahramanmaraş Earthquake**

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

##### **Dividend Distribution**

Pursuant to the review of the Consolidated Financial Statements for the year 2022, prepared in accordance with the Turkish Accounting Standards/Turkish Financial Reporting Standards, it was resolved at the General Assembly dated 29 March 2023 to distribute the profit as follows:

Distribution of total TL 2,716,458,624.38 dividend (Gross 230%, Net 207%) from TL 14,430,408,611.13 Consolidated Net Distributable Profit including the donations incurred between 01.01.2022 - 31.12.2022 in cash to the shareholders who are representing the TL 1,181,068,967.12 capital.

The above calculation translates to a proposed dividend per share (DPS) of 2.30 Turkish Lira and translates to a payout ratio of 60.89% of TFRS Underlying Net Income.

##### **Determination of Independent Audit Company**

With the acceptance of the given proposal at the Company's Ordinary General Assembly for the year 2022; as with the consensus of participants as a result of unanimously votes; taking into account the recommendation of the Audit Committee and the proposal of the Board of Directors, in accordance with the principles set in the Turkish Commercial Code No. 6102 and Capital Market Law No. 6362, "PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş." was selected as the Auditor to audit the financial reports for the year 2023 and to carry out other activities within the scope of relevant regulations of these Laws.

##### **Compliance Management System Certification**

By demonstrating its pioneering identity in the field of compliance management, Enerjisa Enerji A.Ş. and its subsidiaries, Enerjisa Retail Sales Companies, Enerjisa Distribution Companies and Enerjisa Customer Solutions have successfully completed ISO 37301: 2021 Compliance Management System certification audits which are a corporate reflection of effective ethics and compliance management (Official accreditation by the German Accreditation Body (DAkkS) is still pending.) as of March 2023.

**The legislative changes specific to the electricity sector in the first quarter of 2023 are summarized below:**

**EMRA Decision No. 11646, dated 09.02.2023, on Associate Degree Applications with Storage**

Regarding the pre-license applications with electricity storage, The State of Emergency announced by the Presidential Decision:

- The extension of the period of The State of Emergency, in addition to the period specified, for the protection of the guarantees required to be secured to the Authority within the scope of the temporary article 38 of the Electricity Market License Regulation,
- As of 06.02.2023, within the scope of the pre-license applications made for the purpose of establishing an electricity generation facility with storage, which was taken within the scope of the Temporary Article 12 of the Electricity Market License Regulation, the State of Emergency
- Following the end of the state of emergency in question, it was decided that the process of submitting missing documents could be continued from the point where the completion of missing documents, which took the remaining time as of 06.02.2023.

**EMRA Decision dated 16.02.2023 and numbered 11651 on Unlicensed Electricity Generation Facilities**

With the EMRA Decision published in the Official Gazette dated 18.02.2023 and numbered 32108, regarding the unlicensed electricity generation practices starting from 06.02.2023 for the provinces centered in Kahramanmaraş where a state of emergency decision was taken and/or declared disaster areas due to the earthquakes that occurred on February 6, 2023. Aspect;

- To give an additional time equal to the state of emergency due to the state of emergency, to the existing durations of the connection agreements with the call letter for the connection agreement valid as of 06.02.2023, which was given to the network operators throughout the country,

In this context,

- Electricity distribution companies operating in the mentioned provinces (Akedaş Elektrik Dağıtım A.Ş., Dicle Elektrik Dağıtım A.Ş., Fırat Elektrik Dağıtım A.Ş. and Toroslar Elektrik Dağıtım A.Ş.) and Organized Industrial Zones holding distribution licenses,
- For the regional capacities including the mentioned provinces, Türkiye Elektrik Üretim A.Ş. (9th and 10th regions) not to receive new unlicensed electricity generation applications during the state of emergency and the commission meetings regarding the already received applications to be postponed until the end of the state of emergency,
- Unlicensed electricity generation facilities located in the mentioned provinces will be exempted from the ninth paragraph of Article 28 of the Regulation on Unlicensed Electricity Production in the Electricity Market during the state of emergency,

decided.

**EMRA Decision dated 28.02.2023 and numbered 11669 on Unlicensed Electricity Generation Facilities**

EMRA Decision No. 11669 published in the Official Gazette dated 28.02.2023 and numbered 32118, and the Decision of the Board No. 11651, published in the Official Gazette dated 18.02.2023 and numbered 32108, on the effect of the state of emergency period on unlicensed electricity generation practices,

“2-In this context, distribution licenses with electricity distribution companies operating in the said provinces (Akedaş Elektrik Dağıtım A.Ş., Dicle Elektrik Dağıtım A.Ş., Fırat Elektrik Dağıtım A.Ş. and Toroslar Elektrik Dağıtım A.Ş.) Not to accept new unlicensed electricity generation applications for the substations feeding the places directly affected by the earthquake by the owner Organized Industrial Zones and to postpone the commission meetings regarding the applications already received for the said transformer centers until the end of the state of emergency.

was decided to be changed.

## Regulation Amending the Regulation on Unlicensed Electricity Generation in the Electricity Market

The Regulation on the Amendment of the Regulation on Unlicensed Electricity Production in the Electricity Market, which entered into force by being published in the Official Gazette dated 02.03.2023 and numbered 32120, and the regulations made in the Regulation on Unlicensed Electricity Production in the Electricity Market published in the Official Gazette dated 12/5/2019 and numbered 30772. items are as follows. With the amendments made, harmonization with the Environmental Impact Assessment Regulation has been carried out and the document statements within the scope of the Environmental Impact Assessment Regulation have been added to the Regulation instead of the expressions of the EIA Conformity Report, and the following issues are also important.

- In case of establishing an unlicensed electricity generation facility to be located at the same facility site as the licensed generation facilities and to be connected from the same measurement point; It is obligatory that the connection and system usage agreements regarding the relevant generation facilities must be zero on the supply side, In case of any energy flow to the grid from the generation facilities included in this scope, the said energy cannot be subject to any settlement and set-off within the scope of the relevant legislation, and the energy supplied to the system shall be transferred to YEKDEM (Renewable Energy Resources Support Mechanism). It is decided that there will be a free contribution.
- In addition, new applications for the generation facilities to be within the borders of different assigned supplier companies and settlement transactions for the facilities that are currently in operation, will be applied as of 1/7/2023, and in case of energy supplied to the grid by the generation facilities in operation within the scope of this paragraph, In this context, the energy supplied to the system is considered as a free contribution to YEKDEM and is considered as a free contribution to YEKDEM(Renewable Energy Resources Support Mechanism). The system usage fee to be incurred for the amount of energy received is notified to EPIAŞ by the relevant network operators. No invoice is served to the owners of unlicensed generation facilities for the energy paid to the relevant network operator through the incumbent supply company and considered as a free contribution to YEKDEM (Renewable Energy Resources Support Mechanism).

**Amendments of The Procedures and Principles Regarding the Determination of Maximum and Minimum Price Limits in the Day-Ahead Market and the Balancing Power Market in the First Quarter:** With the amendment made in the provisional article 1 of the Procedures and Principles Regarding the Determination of Maximum and Minimum Price Limits in the Day Ahead Market and Balancing Power Market in the first quarter, 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. 31840 dated 19.05.2022)
As of 01.02.2023	As of 28.02.2023
Minimum; 0 TL/Mh, (It was applied as 0 TL/MWh as of 30.12.2022)  Maximum; 3.650 TL/MWh (It was applied as 3650 TL/MWh as of 30.12.2022)	Minimum; 0 TL/MWh, Maximum; 3.050 TL/MWh

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

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

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

**Board Decision dated 29.12.2022 and numbered 11513:** With the Board decision published in the 2nd Repeated Official Gazette dated December 30, 2022 and numbered 32059, about the active electricity energy wholesale tariff to be applied by EÜAŞ as of 1/1/2023 within the scope of Article 17 of the Electricity Market Law No. 6446, it has been decided to apply

- 50,0000 kr/kWh (it was applied as 31,8592 kr/kWh as of 01.10.2022) for sales made to distribution companies within the scope of technical and non-technical lost energy,
- 380,0000 kr/kWh (it was applied as 350,0000 kr/kWh as of 01.10.2022) for sales made to distribution companies within the scope of general lighting.

**Board Decision dated 29.12.2022 and numbered 11529-2:** With the Board Decision dated December 30, 2022 and published in the 2nd Repeated Official Gazette dated December 30, 2022 and numbered 32059, the cut-connection fees to be valid as of January 1, 2023 have been determined as follows.

AG (Low voltage)	44,8 TL (in 2022, it was 24.3 TL)
OG (Average/Medium voltage)	335,6 TL (in 2022, it was 182 TL)

**Board Decision dated 29.12.2022 and numbered 11529-3:** With the Board decision published in the 2nd Repeated Official Gazette dated December 30, 2022 and numbered 32059, the meter control fees to be valid as of January 1, 2023 have been determined as follows.

Meter Type	Cost (TL)
Directly connected single-phase active or three-phase active and/or reactive meters	62,1 TL (in 2022, it was 33,7 TL)
Active and/or reactive meters with current transformer and/or voltage transformer	78,7 TL (in 2022, it was 42,7 TL)

**Board Decision dated 29.12.2022 and numbered 11529-4:** With the Board decision published in the 2nd Repeated Official Gazette dated December 30, 2022 and numbered 32059, the payment notification and second notification release fees to be valid as of January 1, 2023 have been determined as follows:

	Cost (TL / Transaction)	
	AG (Low voltage)	OG (Average/Medium voltage)
Notification of Payment (TL/transaction)	0,133	1,33
Second notification fee (TL/transaction)	2,66	26,68
In case of delivering a second notification together with the payment notification, the price (TL/transaction)	0 TL	

**Board Decision Dated 29.12.2022 And Numbered 11529-5:** With the Board decision published in the 2nd Repeated Official Gazette dated December 30, 2022 and numbered 32059, the application fee to be collected by the network operator in accordance with subparagraph (a) of paragraph 2 of Article 36 of the Unlicensed Electricity Generation Regulation, which will be valid as of January 1, 2023, is determined as follows.

Power Range	Price (TL/Year)
0-25 kW (included)	0
25 – 250 Kw (included)	1059,7
250 Kw – 5 mw (included)	2119,4
Over 5 MW	4238,7

**Board Decision Dated 29.12.2022 And Numbered 11529-6:** With the Board decision published in the 2nd Repeated Official Gazette dated December 30, 2022 and numbered 32059, the annual operating fee to be collected by the assigned supply companies in accordance with the Article 36, Paragraph 2, subparagraph (b) of the Unlicensed Electricity Generation Regulation, which will be valid as of January 1, 2023, has been determined as follows.

Power Range	Price (TL/Year)
0-25 kW (included)	0
25-250 kW (included)	2119,4
250 Kw – 5 MW (included)	4238,7
Over 5 MW	8477,3

**Board Decision Dated 29.12.2022 And Numbered 11529-7:** With the Board decision published in the 2nd Repeated Official Gazette dated December 30, 2022 and numbered 32059, the annual operating fee to be collected by the relevant network operator, pursuant to subparagraph (b) of the second paragraph of Article 36 of the Unlicensed Electricity Generation Regulation, which will be valid as of January 1, 2023, is determined as follows.

Power Range	Price (TL/Year)
0-25 kW (included)	0
25-250 Kw (included)	2963,3
250 kW – 5 MW (included)	5926,5
Over 5 MW	11852,8

**Board Decision Dated 29.12.2022 And Numbered 11529-8:** With the Board decision published in the 2nd Repeated Official Gazette dated December 30, 2022 and numbered 32059, the transaction fee to be collected by the relevant network operator and the incumbent supply company in accordance with subparagraph (c) of the second paragraph of Article 36 of the Unlicensed Electricity Generation Regulation, which will be valid as of January 1, 2023, is determined as follows.



Transaction Type	Value (TL)
Share Transfer	0
Other Transactions	1348,1

**Board Decision Dated 29.12.2022 And Numbered 11529-9:** With the Board decision published in the 2nd Repeated Official Gazette dated December 30, 2022 and numbered 32059, the project approval and acceptance transaction fees to be made by electricity distribution companies for solar power generation facilities with roof and facade application of 25 kW and below, within the scope of the Regulation on Unlicensed Electricity Production in the Electricity Market, which will be valid as of January 1, 2023, are determined as follows:

Project Approval and Acceptance Transaction Fees for 25 Kw and Below Roof and Facade Applied Solar Energy Based Production Facilities	
Transaction Type	Value (TL)
Project Approval	0
Project Acceptance	0

**Board Decision Dated 29.12.2022 And Numbered 11529-10:** With the Board decision published in the 2nd Repeated Official Gazette dated December 30, 2022 and numbered 32059, within the scope of the automatic meter reading system that will be effective as of January 1, 2023, the fee to be collected in case of additional data is requested is determined as follows.

AMRS Additional Data Request Fee	
2023	Value (TL)
Meter /Month	19,7

**Board Decision Dated 29.12.2022 And Numbered 11529-11: The following has been decided:**

- In case both aerial and underground cables are used in the connection line, calculating the length of each of the aerial and underground lines separately when calculating the unit price,
- When calculating the connection fee for lines over 100 kW, it is calculated by adding the price found by multiplying each kW over 100 kW by 1.11 TL/m to the price of 275.20 TL/meter up to 100 kW,
- Not applying any fee under a name other than TL/meter based fees to the consumer who receives connection service,
- Distribution connection agreement as the basis for the connection fee. Based on the power in 3/1

2023 Prices	
Connection Fee	TL/meter
AG (Low Voltage)	
0-15 kW(included)	
underground	148,89
aerial	69,22
15- 50 kW	
underground	201,54
aerial	117,47
50-100 kW	
underground	275,20
aerial	146,33
100 kW üzeri	
underground	$275,20 + 1,11 \times (\text{Power}-100)$
OG (Medium/Average Voltage)	
underground	703,56
aerial	188,08

**Board Decision Dated 29.12.2022 And Numbered 11529-12:** With the Board decision published in the 2nd Repeated Official Gazette dated December 30, 2022 and numbered 32059, as of January 1, 2023, within the scope of the Regulation on Unlicensed Electricity Production in the Electricity Market, it has been decided to apply the project approval and acceptance procedures fees to be made by electricity distribution companies for electricity generation facilities based on unlicensed solar energy as follows:

<b>SOLAR BASED UNLICENSED ELECTRICITY GENERATION FACILITIES PROJECT APPROVAL AND ACCEPTANCE FEES</b>			
<b>PROJECT APPROVAL FEE OF SPP FACILITIES WITHIN THE SCOPE OF UGR</b>	<b>VALUE TL (Excluding VAT)</b>	<b>ACCEPTANCE FEE WORK OF SPP FACILITIES WITHIN THE SCOPE OF LUY</b>	<b>VALUE TL (Excluding VAT)</b>
Electricity Project Approval of 25 kWe and below SPP Production Facilities within the scope of Unlicensed Electricity Generation Regulation	0	Acceptance of 25 kWe and below SPP Production Facilities within the scope of Unlicensed Electricity Generation Regulation	0
Electricity Project Approval of 25 kWe- 100 kWe (including 100 kWe) SPP Production Facilities within the scope of Unlicensed Electricity Generation Regulation	692,0	Acceptance Price of 25 kWe- 100 kWe (including 100 kWe) SPP Production Facilities within the scope of Unlicensed Electricity Generation Regulation	1.316,9
Electricity Project Approval of 100 kWe- 300 kWe (including 300 kWe) SPP Production Facilities within the scope of Unlicensed Electricity Generation Regulation	2.633,6	Acceptance Price of 100 kWe- 300 kWe (including 300 kWe) SPP Production Facilities within the scope of Unlicensed Electricity Generation Regulation	3.804,9
Electricity Project Approval of 300 kWe- 500 kWe (including 500 kWe) SPP Production Facilities within the scope of Unlicensed Electricity Generation Regulation	5.634,6	Acceptance Price of 300 kWe- 500 kWe (including 500 kWe) SPP Production Facilities within the scope of Unlicensed Electricity Generation Regulation	5.749,1
Electricity Project Approval of 500 kWe- 700 kWe (including 700 kWe) SPP Production Facilities within the scope of Unlicensed Electricity Generation Regulation	9.292,7	Acceptance Price of 500 kWe- 700 kWe (including 700 kWe) SPP Production Facilities within the scope of Unlicensed Electricity Generation Regulation	10.179,9
Electricity Project Approval of 700 kWe- 1000 kWe (including 1000 kWe) SPP Production Facilities within the scope of Unlicensed Electricity Generation Regulation	12.813,8	Acceptance Price of 700 kWe- 1000 kWe (including 1000 kWe) SPP Production Facilities within the scope of Unlicensed Electricity Generation Regulation	12.950,6
Electricity Project Approval for each MWe of SPP Production Facilities above 1 MWe within the scope of Unlicensed Electricity Generation Regulation; For SPP production facilities above 1 MWe within the scope of Unlicensed Electricity Generation Regulation, an additional project approval service fee of 50% of the service fee in the 700 kWe - 1000 kWe index is charged for each MWe.	6.407,5	Acceptance Fee for each MWe of SPP Production Facilities above 1 MWe within the scope of Unlicensed Electricity Generation Regulation; For SPP production facilities above 1 MWe within the scope of Unlicensed Electricity Generation Regulation, an additional acceptance fee of 50% of the service fee in the 700 kWe - 1000 kWe index is charged for each MWe.	6.475,9

**Board Decision dated 29.12.2022 and numbered 11529-13:** With the Board Decision published in the 2nd Repeated Official Gazette dated December 30, 2022 and numbered 32059, it has been decided to apply the technical quality measurement service fee as follows as of 1/1/2023 in accordance with Article 2 of the Board Decision dated 21/10/2021 and numbered 10505/1:

<b>Technical Quality Measurement Service Fees</b>		
<b>Device class</b>	<b>Cost (TL)</b>	
	<b>Low Voltage</b>	<b>Avarage/Medium Voltage</b>
S Class	202,5	540,3
A Class	311,6	831,2

**Electricity Market Notification Obligation Table:** With the Board Decision dated 26.01.2023 and numbered 11607 published in the Official Gazette dated 28.01.2023 and numbered 32087, legal processes notification, purchase and sale transactions notification, and charging station notification were included in the Annex-1 Electricity Market Notification Obligation Table which is the annex of the instruction by adopting The Board Decision on Amending the Board Decision Regarding the Energy Market Notification System Usage Instruction.

**Turkish Presidency Decision re. State of Emergency:** With the Presidential Decision No. 6785 published in the Official Gazette dated February 8, 2023 and numbered 32098, it was decided to declare a state of emergency for three months starting from 01.00 on Wednesday, 08.02.2023 in Adana, Adıyaman, Diyarbakır, Gaziantep, Hatay, Kahramanmaraş, Kilis, Malatya, Osmaniye and Şanlıurfa.

**Postponement re. Pre-payment on Balancing and Settlement Requirements:** The amounts in the advance payment notifications specified in paragraph 1 of Article 132/Ç have been postponed until the invoice deadline for the relevant billing period, and no default interest has been applied to the market operator and market participant during the period when the advance payments are postponed.

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

**Board Decision, dated 16.02.2023 and numbered 11659, on Not Receiving the Security Deposit and the Cutting-Connecting Fee:** According to Board Decision published in the Official Gazette dated 18.02.2023 and numbered 32108, it has been decided that consumers who documented that they were affected by the earthquake in the provinces where a state of emergency was declared and/or declared disaster areas due to the earthquakes in Kahramanmaraş on 6 February 2023, will not be charged a security deposit and cutting-connecting fee for their retail sales applications in all electricity distribution regions during the state of emergency.

**Board Decision dated 16.02.2023 numbered 11650 re. the obligations of legal entities holding pre-license or generation licenses:** Earthquakes will be considered as force majeure in terms of the obligations of legal entities holding pre-license or generation licenses. Pre-license periods and the pre-construction period and construction period, Periods of data for the completion of the necessary information and documents within the scope of preliminary license or license applications and amendment applications, periods regarding the obligations determined within the scope of preliminary license or generation license amendment procedures, periods regarding the obligations determined within the scope of merger or spin-off transactions, periods regarding the obligations determined within the scope of granting a generation license as a continuation of the old one will be considered as an extension of the state of emergency, effective from the date of expiration.

**Board Decision dated 16.02.2023 numbered 11651 Regarding Unlicensed Electricity Generation Facilities:** By the Board Decision, some practises regarding unlicensed electricity generation will be implemented starting from 06.02.2023 for the provinces where a state of emergency decision has been taken and/or declared as disaster areas due to the earthquakes in Kahramanmaraş. These practises are related to giving additional time for the invitation letter in order to sign connection and system use agreements, and giving extension period for conducting connection agreement; not taking new connection related applications of unlicensed generation facilities in the provinces where the state of emergency was declared and/or declared disaster areas.

Unlicensed electricity generation facilities established in the cities where state of emergency were declared were excluded from the liabilities to charge net-produced electricity within the scope of feed-in tariff in cases where premises related with the generation facilities have no consumption according to subparagraph 9 of article 28 of Regulation on Unlicensed Generation. With the exclusion distribution companies shall enter all consumption amount to the market management system operated by EPIAŞ (Energy Market Operations Co.).

**Regulation on Amending General Lighting Regulation:** Lighting facilities established and put into operation within the scope of General Lighting with the Regulation published in the Official Gazette dated February 22, 2023 and numbered 32112; The project, without seeking approval and acceptance, has been determined and with a protocol to be signed between the parties, the period for the acquisition of which belongs to TEDAŞ has been extended until 30 June 2023.

The period specified in the regulation for general lighting meters to be included in the Automatic Meter Reading System ("MSOS") by postponing the periods in the temporary 7th article is from 31.12.2022 to 31.12.2023; Due to the fact that general lighting meters cannot be monitored instantly and/or online by TEDAŞ as of 1.1.2023, the deadline in the provision regarding non-payment of general lighting costs to distribution companies has been extended to 1.1.2024.

With the amendment made, the obstacle to obtaining general lighting payments from the budget determined in the temporary article 6 of the Electricity Market Law, including the period of January/ 2023, has been removed.

**Presidential Decree on the Measures Taken in the Field of Labor and Social Security under the State of Emergency (No: 125):** With the aforesaid Decree published in the Official Gazette dated 22 February 2023 and numbered 32112, it has been regulated that short-time working allowance will be granted for workplaces located in the provinces/districts to be determined by the Ministry of Labor and Social Security from the regions declared under the State of Emergency and/or workplaces that are documented to be destroyed, to be destroyed immediately, heavily or moderately damaged due to earthquake, in line with the application of employers without waiting for the completion of the eligibility determination.

The Decree also introduced measures to protect employment, such as a ban on termination of all kinds of employment or service contracts in the provinces where the State of Emergency has been declared, wage support, the granting of authorization determinations within the scope of the Law No. 6356 on Trade Unions and Collective Bargaining Agreements, the conclusion of collective labor agreements, the resolution of collective labor disputes and the extension of the periods regarding strikes and lockouts during the State of Emergency, and measures in the field of social security.

**Amendment to the Regulation on Inspection and Stamping Fees for Measuring and Measuring Instruments:** With the Amending Regulation published in the Official Gazette dated January 22, 2022 and numbered 31727, Provisional Article 1 regarding the inspection and stamping fees charged proportionally over the number of meters included in the application declaration for the first, periodic and stock inspection of electricity, water and gas meters was added to the Regulation as Article 3/A with the title "Discount Rates to be Applied".

**Average Wholesale Price of Electricity in Turkey:** With the decision of the Energy Market Regulatory Authority dated 20.01.2022 and numbered 10740 published in the Official Gazette dated January 22, 2022 and numbered 31727, it was decided to set the Turkish Average Electricity Wholesale Price (TORETOSAF) for the year 2006 as 9.06 kr / kWh in order to fulfill the decision of the 13th Chamber of the Council of State dated 07.06.2021 and numbered E:2021/1019 for the annulment and stay of execution of the EML Board decision dated 21.12.2006 and numbered 1030.

**Energy Market Regulatory Board Decision dated 26.01.2023 and numbered 11596:** With the board decision of the Energy Market Regulatory Authority dated 26.01.2023 and numbered 11596 published in the Official Gazette dated January 26, 2023 and numbered 32087, it was decided to set the Turkish Average Electricity Wholesale Price (TORETOSAF) valid in year 2018 pertaining year 2017 as 16.85 kr / kWh in order to fulfill the decision of the 13th Chamber of the Council of State dated 23.11.2022 and numbered E:2018/872 K:2022/4349 for the annulment and stay of execution of the board decision dated 13.12.2017 and numbered 7516-4.

**Energy Market Regulatory Board Decision dated 26.01.2023 and numbered 11597:** With the board decision of the Energy Market Regulatory Authority dated 26.01.2023 and numbered 11597 published in the Official Gazette dated January 26, 2023 and numbered 32087, it was decided to set the Turkish Average Electricity Wholesale Price (TORETOSAF) valid in year 2019 pertaining year 2018 as 23.49 kr / kWh in order to fulfill the decision of the 13th Chamber of the Council of State dated 23.11.2022 and numbered E:2019/1085, K:2022/4350 for the annulment and stay of execution of the board decision dated 13.12.2018 and numbered 8252-9.

**The Method of Implementation of the Tiered Tariff for Unlicensed Producers has been Determined:** With the Board Decision dated 03.02.2022 and numbered 10759 published in the Official Gazette dated 4 February 2022 and numbered 31740, the method of application of the tiered tariff for unlicensed producers was determined. The decision clarifies how the tiered tariff should be applied in terms of support payment if an unlicensed generation facility is associated with a consumption facility with LV (low voltage) residential subscribers. It has been decided to;

- 1) apply the tiered tariff as the basis for the electricity price to be paid to producers, regardless of whether the deduction is hourly or monthly.
- 2) apply a graduated tariff over the net consumption value obtained at the end of hourly deduction, in case consumption is higher than production.
- 3) apply tiered tariffs for consumers and suppliers based on the raw consumption values of the facilities within the scope of monthly deduction.

**Presidential Decree On The Partial Payments to be Paid Exclusively to the Administrations in the Places Declared As Force Majeure by the Debtors:** With the Presidential Decree published in the Official Gazette dated February 23, 2023 and numbered 32113, it has been decided to extend the payment periods of some partial payments of the debtors in the places declared as force majeure due to earthquakes, which must be paid to the creditor administrations in these places within the scope of Law No. 7256 and Law No. 7326 and whose payment coincides with the dates between the start and end of the force majeure (6.2.2023-31.7.2023).

**Presidential Decree on Settlement and Structuring under the State of Emergency:** With the Presidential Decree No. 126 on Settlement and Structuring within the Scope of the State of Emergency, which entered into force after being published in the Official Gazette dated 24 February 2023 and numbered 32114, it was decided that natural gas, electricity, water, wastewater and treatment facilities, waste treatment facilities, communication and all other kinds of infrastructure investments in the provinces within the scope of the state of emergency shall be completed by the relevant institutions, organizations and distribution companies primarily, until the superstructure productions are completed.

**Regulation Amending the Electricity Market Balancing and Settlement Regulation:** With the Amending Regulation published in the Official Gazette dated 28.02.2023 and numbered 32118, a sentence has been added to the end of the first paragraph of Article 140 of the Regulation, stating that the Board may take a decision regarding the implementation in cases of state of emergency and/or disaster.

**Board Decision dated 28.02.2023 and numbered 11669 on Unlicensed Electricity Generation Facilities:** With the aforesaid Board Decision published in the Official Gazette dated 8.02.2023 and numbered 32118, the Board Decision No. 11651 published in the Official Gazette dated 18.02.2023 and numbered 32108 regarding the effect of the state of emergency on unlicensed electricity generation practices was amended. With the amendment, Akedaş Elektrik Dağıtım A.Ş., Dicle Elektrik Dağıtım A.Ş., Fırat Elektrik Dağıtım A.Ş., Toroslar Elektrik Dağıtım A.Ş. and Organized Industrial Zones holding distribution licenses will not receive any new unlicensed electricity generation applications for the transformer substations feeding the areas directly affected by the earthquake and the commission meetings regarding the applications already received for the said transformer substations will be postponed until the end of the state of emergency.

**EXIST Announcement on Collateral Calculation Method:** Energy Exchange İstanbul (EXIST) announced that the coefficient "r" used in the calculation of the collateral amount to be provided for day-ahead and intraday market activities has ceased to be applied as "1" for the consumer category within the scope of Article 17 of the Electricity Market Balancing and Settlement Regulation.

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

The principles of abandonment are as follows:

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

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

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

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

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

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

**The Decision dated 23.03.2023 and numbered 11743 of EMRA:** With the Board decision, within the scope of the Electricity Market Consumer Services Regulation for electricity consumers\* who are active or available for

use in the provinces of Adıyaman, Hatay, Kahramanmaraş and Malatya and the districts of İslahiye and Nurdağı in Gaziantep, which were affected by the earthquakes that occurred on February 6<sup>th</sup>, 2023;

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

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

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

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

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

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

**The Decision dated 23.03.2023 numbered 11745 of EMRA:** With the Board 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, provided that they are limited to these places, have been declared shall be exempted from the following obligations foreseen in Article 35 of License Regulation of Electricity Market on until 08.05.2023:

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

**Regulation Amending the General Lighting Regulation (“Amendment Regulation”):** With the amendment regulation published in the Official Gazette dated March 30, 2023 and entered into force on the same day, the title of Article 24 of the General Lighting Regulation published in the Official Gazette dated 27/7/2013 and numbered 28720 was amended as "Disputes and other issues", and in the same article, it was regulated in the same article that the principles regarding how the practices within the scope of the Regulation will be carried out in places declared as disaster zones affecting general life will be determined by the Ministry.

**Communiqué Amending the General Lighting Communiqué (“Amendment Communiqué”):** With the Amendment Communiqué published in the Official Gazette dated March 30, 2023 and entered into force on the same day, the title of Article 20 of the General Disclosure Communiqué published in the Official Gazette dated 2/8/2013 and numbered 28726 has been amended as "Settlement of disputes and other issues", and in the same article, it has been regulated in the same article that the principles regarding how the practices within the scope of this Communiqué will be carried out in places declared as disaster zones affecting general life will be determined by the Ministry.

**Amendment to the Communiqué on the Implementation of Energy Performance Contracts in Public Sector:** The summary of the amendments to the Communiqué and its annexes, which entered into force after being published in the Official Gazette dated March 18, 2022 and numbered 31782, is as follows:

- In the calculation of the price to be paid for the annual savings verified in the savings verification report, the unit energy prices specified in the specification will be used.
- The public authority may determine *the inflation rate to be applied on an annual basis for unit energy prices in the specification, provided that it does not exceed the annual average price increase rate for the last 15 years occurring in the Consumer Price Index (CPI) of the Turkish Statistical Institute.*
- In case the inflation rate for unit energy prices is defined in the specification, the unit energy price of each year will be calculated by using the inflation rate defined in the specification and the annual savings amount will be calculated by multiplying the savings amount of the relevant year.
- In case there are measures for energy generation, it is stated that the unit energy price and/or inflation rate can be defined as well as a price difference mechanism based on the unit prices determined by EMRA can be defined by the public authority. The necessary arrangements of specifications and contract draft will be made by the public authority.



- It is regulated that the unit energy price to be used in the calculation of the price to be paid on an annual basis cannot be more than the unit energy price based on the energy invoice of the public authority on the date of approval of the savings verification report.
- In the Additional Specification of the Communiqué, it is regulated that the unit energy prices may be increased by the annual ... inflation rate.
- In the draft contract; if the inflation rate or price difference mechanism is not defined in the specifications, the contractor shall not apply any price difference to the Unit Energy Prices for any reason during the term of the Contract.
- In case an inflation rate or price difference mechanism is defined in the specifications, provisions have been added that the unit energy price to be used in the calculation of the price to be paid on an annual basis cannot be more than the unit energy price based on the energy invoice of the administration on the date of approval of the savings verification report.

**Amendment to Electricity Market Connection and System Utilization Regulation:** With the Amending Regulation published in the Official Gazette dated March 22, 2022 and numbered 31786, Article 7 regulating the "Agreement Power" rules in Section 3 titled "Connection to the Transmission System and System Utilization" of the Regulation stipulates that, if requested by the Ministry of Energy and Natural Resources on the grounds of security of supply, generation facilities may supply electrical energy to the system above the agreement power for the period to be determined by the Board and within the framework of the principles specified in the relevant Board decision, and that the energy supplied to the system above the agreement power will not be considered as power overload.

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

- The purpose and scope of the Regulation includes investments in the establishment of fast charging stations for electric vehicles in the field of mobility to be realized by real or legal persons resident in Turkey.
- Technological product investment support program is defined. Accordingly, the program supports investment projects for technological products resulting from industrial R&D and innovation projects and investment projects for the establishment of high-speed charging stations for electric vehicles.

Within the scope of the program, it is regulated that non-refundable support can be provided up to 75% of the expenditures constituting the investment project amount to be supported in investment projects to be supported for the establishment of fast charging stations for electric vehicles in the field of mobility.

**Energy Market Regulatory Board Decision dated 29.12.2022 and numbered 11529-1:** With the Board Decision, it has been decided to apply the security fees as of 01.01.2023 as follows:

Security Fees	
2023	
Consumer Groups	Unit Price (TL/kWh)
Industry and Pubice and Private Services Sector and Other	239,0
Residential	84,1
Families of Martyrs and Veterans	42,0
Agricultural Activities, Lighting and Other	113,4

**Energy Market Regulatory Board Decision dated 29.12.2022 and numbered 11529-4:** With the Board Decision, it has been decided to apply the payment notification and second notification leaving fees as of 01.01.2023 as follows:

Payment Notification And Second Notification Leaving Fees		
2023	Fees (TL/Proces)	
	LV	HV
Payment Notification Leaving Fee	0,133	1,33
Second Notification Leaving Fee	2,7	26,68
Fee to be Applied in the Case of Leaving a Second Notice together with the Payment Notification	0	

**Regulation on Technical Evaluation of Electricity Generation Applications Based on Biomass Energy** has entered in to force as of it has been published in the Official Gazette dated 26.01.2023 and numbered 32085. With the Regulation the procedures and principles regarding the technical evaluation of the applications for the establishment of electricity generation facilities based on biomass energy are regulated.

**Energy Market Regulatory Board Decision dated 16.02.2023 and numbered 11652:** With the board decision of the Energy Market Regulatory Authority dated **16.02.2023** and numbered **11652** published in the Official Gazette dated February 18, 2023 and numbered 32108, during the state of emergency, starting from 06.02.2023 for the provinces where a state of emergency decision was taken and/or declared as disaster areas due to the earthquakes that occurred in Kahramanmaraş on February 6, 2023; it has been decided to evaluate the imbalance amounts corresponding to the consumption amounts (drafts) in the said provinces of the legal entities holding a production or supply license with free consumers in the said provinces, over the market clearing price for the relevant settlement periods.

**Energy Market Regulatory Board Decision dated 02.03.2023 and numbered 11685:** With the board decision of the Energy Market Regulatory Authority dated **02.03.2023** and numbered **11685** published in the Official Gazette dated March 3, 2023 and numbered 32121, it has been decided that the following arrangement be added to 13.05.2016 dated and 29725 numbered Security Procedures and Principles;

*“In case there are market participants who do not make their advance payments partially or completely, the amount of the underpaid advances shall be deducted from the additional collateral required to be provided by the market participants who have received insufficient advance receivables. While calculating the advance amounts to be deducted from the guarantee amounts, unpaid and/or deferred advance debts, if any, are set off and are taken into account in the calculations up to the due date of the invoice they are related to.”*

**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 11770:**

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 formulas of the resource based maximum settlement prices within the scope of sub-article 4 of Article 4 of the Procedures and Principles Regarding the Determination and Application of the Support Fee on the Basis of Source were updated and will be applied as of 01.04.2023.

**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

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

The Company has made capital expenditures related to service concession arrangements of TL 975,823,000 and purchase of tangible and intangible assets TL 271,563,000 within the period of 01.01.2023 – 31.03.2023.

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

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

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

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

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

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

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

	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group (%)		Principal activity
		31 March 2023	31 December 2022	
Başkent Elektrik Dağıtım A.Ş.	Ankara	100	100	Electricity distribution services
Enerjisa Başkent Elektrik Perakende Satış A.Ş.	Ankara	100	100	Electricity retail services
İstanbul Anadolu Yakası Elektrik Dağıtım A.Ş.	İstanbul	100	100	Electricity distribution services
Enerjisa İstanbul Anadolu Yakası Elektrik Perakende Satış A.Ş.	İstanbul	100	100	Electricity retail services
Toroslar Elektrik Dağıtım A.Ş.	Adana	100	100	Electricity distribution services
Enerjisa Toroslar Elektrik Perakende Satış A.Ş.	Adana	100	100	Electricity retail services
Enerjisa Müşteri Çözümleri A.Ş.	İstanbul	100	100	Customer solutions and distributed generation services
E-şarj Elektrikli Araçlar Şarj Sistemleri A.Ş.	İstanbul	94	94	Electric vehicles and charging stations services

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

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

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

None.

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

There are no cases filed against the Company within the period of 01.01.2023 – 31.03.2023, which may adversely affect the financial situation and operations of the Company.

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

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

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

The Company has achieved its budgetary targets for the period of 01.01.2022 – 31.12.2022. Details are specified in the section of “Financial Situation” in the activity report as of 31.12.2022. The 1Q, 2023 performance of the Company is explained in the section of “Financial Situation” in this activity report for the period of 01.01.2023 – 31.03.2023.

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

None.

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

The Company has made donations and aids at the amount of TL 35,820,250 within the period of 01.01.2023 – 31.03.2023.

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

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

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

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

The Group has a total of TL 7,675,000,000 bonds (issued amount) in circulation as of March 31, 2022.

Issuer	Issue Amount (million TL)	Interest / Return Rate (%)	Issue Date	Redemption Date
Enerjisa Enerji A.Ş.	800	TLREF + 1.40%	15.10.2021	13.10.2023
Enerjisa Enerji A.Ş.	900	32.00%	21.10.2022	24.10.2023
Enerjisa Enerji A.Ş.	1,500	TLREF + 16.00%	21.10.2022	18.10.2024
Enerjisa Enerji A.Ş.	600	TLREF + 16.00%	21.10.2022	18.10.2024
Enerjisa Enerji A.Ş.	2,500	32.50%	27.01.2023	28.02.2024
Enerjisa Enerji A.Ş.	1,375	33.00%	03.03.2023	12.03.2025
<b>Total</b>	<b>7,675</b>			

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

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

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

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

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% and there has been no change in distribution tariff to be applied to all customer groups. The final tariff reflected to the end user for the all of the groups has been decreased c.15%.

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

In accordance with the clause of 4.2.8 of the Capital Markets Board's Corporate Governance Communiqué, "The company has subscribed to a Directors and Officers liability insurance covering more than 25% of the capital and this matter is disclosed on the Public Disclosure Platform", a Directors and Officers liability insurance, valid between 07.04.2023-07.04.2024 and providing coverage up to 20,000,000 USD, has been made for Enerjisa Enerji A.Ş.

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

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

None.

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

To the best of the Company's knowledge of current conditions, the legal actions taken by the Company with the controlling companies or any of their subsidiaries or in favor of the controlling companies or any of their subsidiaries upon the instructions of the controlling companies and all the other measures taken or avoided in favor of the controlling companies or any of their subsidiaries in the fiscal period of 01.01.2023 - 31.03.2023 were evaluated in the form of a report under the scope of all transactions performed between the Company and the controlling company and its affiliated companies during the Fiscal Period of 01.01.2023 - 31.03.2023, which were conducted in full conformity with the honest and fair accounting principles according to the conditions well known to us. The Company did not suffer any loss resulting from any transaction executed under known conditions in connection with the Fiscal Period of 01.01.2023 - 31.03.2023.

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

There is no cross shareholding.

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

This related information can be accessed from the link below.

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

## 5- FINANCIAL SITUATION

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

**Operational Earnings** (EBITDA + Capex reimbursements excluding exceptional items items) of Enerjisa Enerji A.Ş. increased by TL 41% annually from TL 2,675 million in Q1 2022 to TL 3,764 million in Q1 2023.

Distribution business unit's operational earnings accounted for 80% of Enerjisa Enerji's operational earnings in Q1 2023. The main differences in the operational earnings of the Distribution business unit in Q1 2023 compared to Q1 2022 are mainly due to:

- **Financial Income:** Financial income increased by 130% annually reaching TL 1,972 million.
- **CAPEX Reimbursements:** Capex reimbursements increased by 94% from TL 873 million in Q1 2022 to TL 1,695 million in Q1 2023 mainly due to higher inflation.
- **Efficiency & Quality Earnings:** Total Efficiency & Quality item was a negative TL 702 million mainly due to earthquake related operational expenses.
- **Tax Correction:** Tax Correction decreased from TL 105 million in Q1 2022 to TL 58 million in Q1 2023.
- **Other Items:** Other item was realized as a negative TL 13 million (Q1 2022: TL 111 million) and mostly driven by Mark to Market items of hedging activities.

The contribution of the Retail and Customer Solutions business unit in operational earnings remained stable at 20% in Q1 2023 compared to same period of last year. The regulated segment's gross profit increased by 50% and reached TL 939 million in Q1 2023 from TL 625 million in Q1 2022 mainly due to the increasing energy prices. Meanwhile, liberalised gross profit increased by TL 308 million to TL 395 million due to increasing energy prices and and a low comparison base.

Regulated segment sales increased by 3% from 7.4 TWh in Q1 2022 to 7.6 TWh in Q1 2023. Meanwhile, liberalised segment's sales were realized as 2.8 TWh in Q1 2023 compared to 3.0 TWh in Q1 2022.

Enerjisa Enerji A.Ş. **Underlying Net Income** increased by 159% from TL 213 million in Q1 2022 to TL 551 million in Q1 2023. Below operational earnings line, the main effects were as follows:

- TL 299 million lower net loan interest expenses driven lower average financial net debt
- TL 137 million higher bond interest expense due to more bond issuances during the period
- TL 161 million lower deposit valuation expenses
- TL 123 million lower other financial income

The average cost of financing from loans increased from 23.4% in Q1 2022 to 32.5% in Q1 2023 due to higher inflation and the related developments in the Turkish banking sector. Meanwhile, in the same period the average cost of bond financing decreased from 60.1% to 27.9%. Economic Net debt (financial net debt in addition to lease liabilities and customer deposits) decreased from TL 15.2 billion in 2022 year-end to TL 12.7 billion in Q1 2023.

Net Financial Debt/Operational Earnings declined from 0.7x in December 2022 to 0.5x in Q1 2023.

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

The Company's gross profit as of March 31, 2023 is TL 5,714 million (31 March 2022: TL 2,719 million). The Company's net debt / (net debt + equity) ratio as of March 31, 2023 has been recorded as 29% (December 31, 2022: 34%).

There is no revenue risk predicted for the Company.

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

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

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

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

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

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

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

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

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

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

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

**a) Board of Directors Meetings**

As of March 31, 2023, the Company's Board of Directors convened 1 time in total to evaluate strategic matters concerning the Company. The attendance rate of Board meetings was 100%.

**b) Committees**

**i. Corporate Governance Committee**

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



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

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

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

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

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

The Corporate Governance Committee had 1 meeting during Q1 2023.

Corporate Governance Committee members are as follows:

Name Surname	Duty	Duty in the Board
Kamuran Uçar	Corporate Governance Committee Chairperson	Independent Board Member
Guntram Würzberg	Corporate Governance Committee Member	Board member
Yeşim Özlale Önen	Corporate Governance Committee Member	Board member
Pınar Saatçioğlu	Corporate Governance Committee Member	Not board member

## ii. Early Risk Detection Committee

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

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

ERDC Charter can be viewed from the below link.

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

The ERDC meetings and report circulations to the committee are organized at least 6 times per year. In this scope, 2 meetings were held during Q1 2023.

ERDC members are as follows:

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

### iii. Audit Committee:

Activities of the Internal Audit Department are regularly reported to the Audit Committee. In this scope, one Audit Committee meeting was held during Q1 2023. Through these meetings, the Audit Committee was informed on topics including, but not limited to, improvement areas identified in audit/consultancy activities and relevant action plans, results of follow-up activities, information about performed ethics investigation activities and significant considerations about other activities.

Audit Committee Charter can be viewed from the below link.

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

Audit Committee members are as follows;

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

## 7.2. Risk Assessment

### a) Risk Management Approach

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

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

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

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

### b) Risk Governance Structure

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

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

### **c) Risk Management Procedure**

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

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

### **d) Basic Categories of Risk and Opportunity**

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

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

### **Financial Risks and Opportunities**

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

#### **i. Regulatory Risks and Opportunities**

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

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

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

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

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

ii. Market Risks and Opportunities

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

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

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

iii. Credit Risks and Opportunities

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

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

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

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

iv. Liquidity Risk

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

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

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

v. Operational Risks

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

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

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

i. Occupational Health and Safety Risks and Opportunities

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

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

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

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

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

iii. Risks and Opportunities Related to Digitalization and Customer Privacy

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

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

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

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

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

## **9- APPENDICES**

Consolidated Financial Statements  
Operational Earnings and Underlying Net Income Calculations

Best regards,

**Report date: 04.05.2023**

Murat Pinar,  
CEO

Dr. Michael Sven Moser,  
CFO

## ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

### INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023

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

	Unaudited / current period 31 March 2023	Audited / prior period 31 December 2022
<b>ASSETS</b>		
<b>Current Assets</b>	<b>28,115,988</b>	<b>21,990,411</b>
Cash and Cash Equivalents	9,996,382	8,370,987
Financial Assets	4,935,309	3,342,405
Trade Receivables	6,481,751	5,687,530
<i>Due from Related Parties</i>	45,382	37,211
<i>Due from Third Parties</i>	6,436,369	5,650,319
Other Receivables	2,780,568	1,862,308
<i>Due from Third Parties</i>	2,780,568	1,862,308
Derivative Financial Instruments	215,778	234,604
Inventory	2,051,735	1,562,338
Prepaid Expenses	788,845	419,238
Assets Related with Current Taxes	194,567	442,940
Other Current Assets	671,053	68,061
<b>Non-Current Assets</b>	<b>36,081,266</b>	<b>37,198,186</b>
Trade Receivables	112,555	109,078
<i>Due from Related Parties</i>	21,713	23,753
<i>Due from Third Parties</i>	90,842	85,325
Other Receivables	3,724,154	4,776,922
<i>Due from Third Parties</i>	3,724,154	4,776,922
Derivative Financial Instruments	8,103	11,646
Financial Assets	10,436,923	11,790,168
Right of Use Assets	354,545	387,317
Property, Plant and Equipment	1,858,897	1,634,005
Intangible Assets	6,035,142	6,097,098
<i>Goodwill</i>	1,977,127	1,977,127
<i>Other Intangible Assets</i>	4,058,015	4,119,971
Prepaid Expenses	382,600	15,327
Deferred Tax Assets	13,162,985	12,371,412
Other Non-Current Assets	5,362	5,213
<b>TOTAL ASSETS</b>	<b>64,197,254</b>	<b>59,188,597</b>

# ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023

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

	Unaudited / current period 31 March 2023	Audited / prior period 31 December 2022
<b>LIABILITIES</b>		
<b>Current Liabilities</b>	<b>37,164,194</b>	<b>31,253,840</b>
Short-Term Financial Liabilities	5,441,377	8,181,288
Short-Term Portion of Long Term Financial Liabilities	6,956,776	6,990,064
Other Financial Liabilities	87,615	82,688
Trade Payables	10,859,304	6,772,301
<i>Due to Related Parties</i>	271,257	310,732
<i>Due to Third Parties</i>	10,588,047	6,461,569
Payables for Employee Benefits	466,093	237,342
Other Payables	8,864,985	5,369,044
<i>Due to Related Parties</i>	2,716,459	2,425
<i>Due to Third Parties</i>	6,148,526	5,366,619
Derivative Financial Instruments	41,013	102,960
Deferred Income	21,780	32,538
Income Tax Liability	2,562,841	1,901,790
Short-Term Provisions	532,740	506,330
<i>Provisions for Employment Benefits</i>	13,894	135,386
<i>Other Short-Term Provisions</i>	518,846	370,944
Other Short-Term Liabilities	1,329,670	1,077,495
<b>Non-Current Liabilities</b>	<b>7,874,933</b>	<b>6,362,511</b>
Long-Term Financial Liabilities	5,181,169	3,923,661
Other Financial Liabilities	512,974	509,087
Deferred Income	2,785	-
Long-Term Provisions	1,413,131	1,153,248
<i>Provisions for Employment Benefits</i>	1,413,131	1,153,248
Deferred Tax Liabilities	764,874	774,789
Other Long-Term Liabilities	-	1,726
<b>TOTAL LIABILITIES</b>	<b>45,039,127</b>	<b>37,616,351</b>



## ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

### INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023

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

	Unaudited / current period 31 March 2023	Audited / prior period 31 December 2022
<b>LIABILITIES</b>		
<b>Equity</b>	<b>19,158,127</b>	<b>21,572,246</b>
Registered Share Capital	1,181,069	1,181,069
Share Premium	1,392,791	1,775,976
<b>Total Share Capital</b>	<b>2,573,860</b>	<b>2,957,045</b>
Other Funds	4,340	4,340
Accumulated Other Comprehensive (Expenses) not to be Reclassified to Profit or Loss in Subsequent Periods	(3,464)	(3,464)
<i>Accumulated (Loss) on Remeasurement of Defined Benefit Plans</i>	(3,464)	(3,464)
Accumulated Other Comprehensive Income / (Expense) to be Reclassified to Profit or Loss in Subsequent Periods	107,112	174,344
<i>Hedge Reserves</i>	107,112	174,344
Restricted Profit Reserves	784,275	696,708
Retained Earnings	15,322,432	3,245,180
Profit for the Period	369,572	14,498,093
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>64,197,254</b>	<b>59,188,597</b>

## ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

### INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2023

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

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

	Unaudited / current period 1 January - 31 March 2023	Unaudited / prior period 1 January - 31 March 2022
Revenue	28,641,417	17,910,428
Cost of Sales (-)	(22,926,773)	(15,191,668)
<b>GROSS PROFIT</b>	<b>5,714,644</b>	<b>2,718,760</b>
General Administrative Expenses (-)	(3,683,841)	(1,320,178)
Other Income from Operating Activities	431,000	576,167
Other Expenses from Operating Activities (-)	(1,202,025)	(920,691)
<b>OPERATING PROFIT BEFORE FINANCE INCOME / (EXPENSE)</b>	<b>1,259,778</b>	<b>1,054,058</b>
Finance Income	459,736	115,544
Finance Expense (-)	(1,224,801)	(882,982)
<b>PROFIT BEFORE TAX</b>	<b>494,713</b>	<b>286,620</b>
<b>Tax Expense</b>	<b>(125,141)</b>	<b>(93,594)</b>
Current Tax Expense (-)	(909,823)	(352,395)
Deferred Tax Income / (Expense)	784,682	258,801
<b>PROFIT FOR THE PERIOD</b>	<b>369,572</b>	<b>193,026</b>
<b>OTHER COMPREHENSIVE INCOME AND EXPENSE</b>		
<b>Other Comprehensive Income / (Expense) to be Reclassified to Profit or Loss in Subsequent Periods</b>	<b>(67,232)</b>	<b>(13,247)</b>
<i>Gains / (Losses) on Hedges</i>	<i>(84,038)</i>	<i>(17,118)</i>
<i>Income Tax Relating to Other Comprehensive Income</i>	<i>16,806</i>	<i>3,871</i>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>302,340</b>	<b>179,779</b>
<b>Earnings per share</b>		
Earnings per share (kr)	0.31	0.16

## OPERATIONAL EARNINGS AND UNDERLYING NET INCOME CALCULATION

<b>(TL million)</b>	<b>1 January- 31 March 2023</b>	<b>1 January- 31 March 2022</b>
<b>Operating profit before financial income/(expense)</b>	<b>1,259</b>	<b>1,054</b>
Adjustment of depreciation and amortization	157	127
Adjustments related to operational fx losses	27	49
Adjustments related to deposit valuation expense	422	583
Adjustments related to interest income related to tariff receivables	10	11
<b>EBITDA</b>	<b>1,876</b>	<b>1,824</b>
Capex reimbursements	1,695	873
<b>EBITDA + Capex reimbursements</b>	<b>3,571</b>	<b>2,697</b>
Non-recurring (income) / expense	194	(22)
<b>Operational Earnings</b>	<b>3,765</b>	<b>2,675</b>
 <b>Reported Net Income</b>	 <b>370</b>	 <b>193</b>
Non-recurring (income) / expense	181	(18)
Tax rate change	-	38
<b>Underlying Net Income</b>	<b>551</b>	<b>213</b>

Operational Earnings refers to EBITDA plus CAPEX reimbursements excluding exceptional items. Enerjisa Enerji distribution companies are subject to the application of TFRIC12 (a TFRS standard that governs accounting for service concession arrangements). Accordingly, the Company accounts its license to operate and invest in the networks as a financial asset. This asset is not depreciated. Accordingly, P&L does not include depreciation expenses of networks. Similarly, P&L also excludes the reimbursement of CAPEX (i.e. the depreciation allowance) as a revenue item. This means that the Company's EBITDA figure is not comparable to international peers that do not apply IFRIC12 accounting and the management uses Operational Earnings as a KPI for comparability.

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