

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

CONVENIENCE TRANSLATION INTO ENGLISH OF  
THE INTERIM CONDENSED CONSOLIDATED  
FINANCIAL INFORMATION FOR THE  
PERIOD ENDED 31 MARCH 2023

(ORIGINALLY ISSUED IN TURKISH)

## ENERJISA ENERJİ A.Ş. AND ITS SUBSIDIARIES

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# ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 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.)

ASSETS	Notes	Unaudited / current period 31 March 2023	Audited / prior period 31 December 2022
<b>Current Assets</b>		<b>28,115,988</b>	<b>21,990,411</b>
Cash and Cash Equivalents	23	9,996,382	8,370,987
Financial Assets	8	4,935,309	3,342,405
Trade Receivables	6	6,481,751	5,687,530
<i>Due from Related Parties</i>	5	45,382	37,211
<i>Due from Third Parties</i>		6,436,369	5,650,319
Other Receivables	7	2,780,568	1,862,308
<i>Due from Third Parties</i>		2,780,568	1,862,308
Derivative Financial Instruments	21	215,778	234,604
Inventory		2,051,735	1,562,338
Prepaid Expenses		788,845	419,238
Assets Related with Current Taxes	19	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	6	112,555	109,078
<i>Due from Related Parties</i>	5	21,713	23,753
<i>Due from Third Parties</i>		90,842	85,325
Other Receivables	7	3,724,154	4,776,922
<i>Due from Third Parties</i>		3,724,154	4,776,922
Derivative Financial Instruments	21	8,103	11,646
Financial Assets	8	10,436,923	11,790,168
Right of Use Assets	9	354,545	387,317
Property, Plant and Equipment	10	1,858,897	1,634,005
Intangible Assets	11	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	19	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>

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

# ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 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.)

<b>LIABILITIES</b>	<b>Notes</b>	<b>Unaudited / current period 31 March 2023</b>	<b>Audited / prior period 31 December 2022</b>
<b>Current Liabilities</b>		<b>37,164,194</b>	<b>31,253,840</b>
Short-Term Financial Liabilities	20	5,441,377	8,181,288
Short-Term Portion of Long Term Financial Liabilities	20	6,956,776	6,990,064
Other Financial Liabilities	20	87,615	82,688
Trade Payables	6	10,859,304	6,772,301
<i>Due to Related Parties</i>	5	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	7	8,864,985	5,369,044
<i>Due to Related Parties</i>	5	2,716,459	2,425
<i>Due to Third Parties</i>		6,148,526	5,366,619
Derivative Financial Instruments	21	41,013	102,960
Deferred Income		21,780	32,538
Income Tax Liability	19	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	20	5,181,169	3,923,661
Other Financial Liabilities	20	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	19	764,874	774,789
Other Long-Term Liabilities		-	1,726
<b>TOTAL LIABILITIES</b>		<b>45,039,127</b>	<b>37,616,351</b>

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

# ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 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.)

LIABILITIES	Notes	Unaudited / current period 31 March 2023	Audited / prior period 31 December 2022
<b>Equity</b>		<b>19,158,127</b>	<b>21,572,246</b>
Registered Share Capital	13	1,181,069	1,181,069
Share Premium	13	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	13	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>

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

# ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 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.)

	Notes	Unaudited / current period 1 January - 31 March 2023	Unaudited / prior period(*) 1 January - 31 March 2022
Revenue	14	28,641,417	17,910,428
Cost of Sales (-)	15	(22,926,773)	(15,191,668)
<b>GROSS PROFIT</b>		<b>5,714,644</b>	<b>2,718,760</b>
General Administrative Expenses (-)	16	(3,683,841)	(1,320,178)
Other Income from Operating Activities	17	431,000	576,167
Other Expenses from Operating Activities (-)	17	(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	18	459,736	115,544
Finance Expense (-)	18	(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 (-)	19	(909,823)	(352,395)
Deferred Tax Income / (Expense)	19	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>		(84,038)	(17,118)
<i>Income Tax Relating to Other Comprehensive Income</i>	19	16,806	3,871
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>302,340</b>	<b>179,779</b>
<b>Earnings per share</b>			
Earnings per share (kr)	13	0.31	0.16

(\*) Details for reclassifications of prior year consolidated financial statements are disclosed in Note 2.3.

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

## ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

### INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 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.)

	Share Capital	Share Premium	Restricted Profit Reserves	Other Funds	Accumulated (Loss) on Remeasurement of Defined Benefit Plans	Hedge Reserves	Retained Earnings	Profit for the Period	Total Equity
<b>Balance as at 1 January 2022</b>	<b>1,181,069</b>	<b>1,954,164</b>	<b>394,232</b>	<b>4,340</b>	<b>(3,464)</b>	<b>986,687</b>	<b>2,551,626</b>	<b>2,282,368</b>	<b>9,351,022</b>
Transfers (*)	-	(178,188)	322,355	-	-	-	2,138,201	(2,282,368)	-
Dividend	-	-	-	-	-	-	(1,464,526)	-	(1,464,526)
Total comprehensive income	-	-	-	-	-	(13,247)	-	193,026	179,779
<b>Balance as at 31 March 2022</b>	<b>1,181,069</b>	<b>1,775,976</b>	<b>716,587</b>	<b>4,340</b>	<b>(3,464)</b>	<b>973,440</b>	<b>3,225,301</b>	<b>193,026</b>	<b>8,066,275</b>
<b>Balance as at 1 January 2023</b>	<b>1,181,069</b>	<b>1,775,976</b>	<b>696,708</b>	<b>4,340</b>	<b>(3,464)</b>	<b>174,344</b>	<b>3,245,180</b>	<b>14,498,093</b>	<b>21,572,246</b>
Transfers (*)	-	(383,185)	87,567	-	-	-	14,793,711	(14,498,093)	-
Dividend (**)	-	-	-	-	-	-	(2,716,459)	-	(2,716,459)
Total comprehensive income	-	-	-	-	-	(67,232)	-	369,572	302,340
<b>Balance as at 31 March 2023</b>	<b>1,181,069</b>	<b>1,392,791</b>	<b>784,275</b>	<b>4,340</b>	<b>(3,464)</b>	<b>107,112</b>	<b>15,322,432</b>	<b>369,572</b>	<b>19,158,127</b>

(\*) Share premiums amounting to TL 383,185 has been transferred to retained earnings and subject to dividend distribution (31 December 2022: TL 178,188).

(\*\*) During the Ordinary General Assembly held on 29 March 2023, it has been resolved to distribute the dividend at the amount of TL 2,716,459 derived from the Group’s net distributable earnings in 2022 and pay the cash dividend beginning from 12 April 2023. Dividends were paid out in cash in April 2023. Dividend paid by the Group per share with a TL 1 (full digit) nominal value is gross TL 2.30 (full digit) (2022: TL 1.24 (full digit)).

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

# ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS 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.)

	Notes	Unaudited / current period 1 January - 31 March 2023	Unaudited / prior period 1 January - 31 March 2022
<b>Cash Flows from Operating Activities</b>		<b>7,238,765</b>	<b>(2,143,029)</b>
<b>Profit for the period</b>		<b>369,572</b>	<b>193,026</b>
Profit for the period		369,572	193,026
<b>Adjustments to reconcile net profit for the period</b>		<b>366,771</b>	<b>1,065,165</b>
Adjustments related to the depreciation and amortization	9, 10, 11	157,283	126,564
Adjustments related to the depreciation of right of use assets	9	48,656	33,068
Adjustments related to the depreciation of property, plant and equipment	10	37,128	29,593
Adjustments related to the amortization of intangible assets	11	71,499	63,903
Adjustments related to impairment loss		383,787	236,614
Adjustments related to doubtful provision expenses	6, 8	383,787	236,614
Adjustments related to provisions		466,141	124,288
Adjustments related to provisions for employee benefits		318,239	119,877
Adjustments related to legal case provisions		147,902	4,411
Adjustments related to interest (income) and expenses, net		799,579	673,798
Adjustments related to interest income	18	(417,495)	(115,544)
Adjustments related to interest expense		1,217,074	789,342
Adjustments related to unrealized foreign exchange loss		105,159	(141,724)
Adjustments related to tax expense	19	125,141	93,594
Adjustments related to change in fair value losses / (gains)		(129,970)	213,772
Other adjustments to reconcile profit / (loss)	23	(1,540,349)	(261,741)
Adjustments related to interest (income) / expense from tariff receivables	17	10,134	11,465
Adjustments related to financial income from service concession arrangements	8, 14	(1,972,147)	(855,748)
Adjustments related to revaluation differences arising from deposits and guarantees	17	421,664	582,542
<b>Changes in operating assets and liabilities</b>		<b>4,135,949</b>	<b>(5,076,579)</b>
(Increase) / decrease in trade receivables		(1,403,704)	(4,710,896)
(Increase) / decrease in inventories		(489,397)	(388,250)
(Increase) / decrease in other receivables and assets		(1,204,049)	(752,403)
Increase / (decrease) in trade payables		4,093,998	(797,420)
Increase / (decrease) in other payables and expense accruals		3,139,101	1,572,390
<b>Cash generated from operating activities</b>		<b>4,872,292</b>	<b>(3,818,388)</b>
Payments related with provisions for employee benefits		(179,848)	(67,648)
Tax payments		(206,740)	(77,172)
Other cash in-flows	23	2,753,061	1,820,179
Capital expenditures reimbursements related to service concession arrangements	8	1,695,097	1,008,899
WACC reimbursements related to service concession arrangements	8	1,015,087	770,923
Collections from doubtful trade receivable	6	42,877	40,357
<b>Cash Flows from Investing Activities</b>		<b>(2,781,133)</b>	<b>(1,133,256)</b>
Cash used for purchase of tangible and intangible assets		(278,367)	(109,621)
Interest received		421,481	49,299
Other cash out-flows	23	(2,924,247)	(1,072,934)
Capital expenditures related to service concession arrangements		(2,924,247)	(1,072,934)
<b>Cash Flows from Financing Activities</b>		<b>(2,832,237)</b>	<b>3,452,541</b>
Cash in-flows from borrowings		5,798,580	19,596,480
Cash out-flows for borrowings		(7,138,919)	(15,607,635)
Repayment of lease liabilities		(71,706)	(46,682)
Interest paid		(1,422,271)	(489,622)
Interest received		2,079	-
Increase / (decrease) in cash and cash equivalents		1,625,395	176,256
Cash and cash equivalents at the beginning of the period	23	8,370,987	411,992
<b>Cash and cash equivalents at the end of the period</b>		<b>9,996,382</b>	<b>588,248</b>

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

# ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 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.)

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

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

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

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

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

Subsidiaries consolidated in the consolidated financial statements as of 31 March 2023 and their activities are as follows:

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

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

The Group has 11,571 employees as of 31 March 2023 (31 December 2022: 11,685 employees).

The interim condensed consolidated financial statements were authorized for issue by the Board of Directors of the Company on 4 May 2023. The General Assembly and certain regulatory bodies have the power to amend the consolidated financial statements after the issue.

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

### **NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 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.)

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

##### **BAŞKENT EDAŞ and EPS**

BAŞKENT EDAŞ has been acquired by EEDAŞ as of 28 January 2009 by privatization bid for the consideration of USD 1,225 million. BAŞKENT EDAŞ currently operates in 7 provinces including Ankara, Kırıkkale, Kastamonu, Zonguldak, Bartın, Çankırı and Karabük and holds the licence that gives the right for distribution of electricity in these provinces for 30 years starting from the date of Transfer of Operation Rights (“TOR”) agreement signed with Türkiye Elektrik Dağıtım A.Ş. (“TEDAŞ”) on 31 March 2006.

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

##### **AYEDAŞ and AYESAŞ**

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

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

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

### **NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023**

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

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

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

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

EMRA has set a unique pricing mechanism for all of the electricity distribution companies in Turkey. In accordance with this pricing mechanism, EMRA determines the regional tariffs for distribution companies in Turkey. EMRA has announced new tariffs for the period between 2011 and 2015 in December 2010; for the period between 2016 and 2020 in December 2015; and for the period between 2021 and 2025 in December 2020.

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

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

##### **E-şarj**

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

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

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
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Currencies other than TL are also expressed in thousands unless otherwise indicated.)

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**NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS**

**2.1 Basis of Presentation**

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

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

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

The interim condensed consolidated financial information has been prepared in accordance with the formats stated in “Announcement regarding to TAS Taxonomy” which was published on 7 June 2019 by POA. Group’s this interim condensed consolidated financial information for the three months period ended 31 March 2023 have been prepared in accordance with the TAS 34 Interim Financial Reporting (“TAS 34”). Interim financial information does not include all the information and disclosures required to be included in the annual financial statements. In addition, significant accounting policies and significant accounting estimates and assumptions used in the preparation of the interim condensed consolidated financial information for the three months period ended 31 March 2023 are consistent with consolidated financial statements as at 31 December 2022 except the ones disclosed in Note 2.4. Therefore, the interim condensed consolidated financial information should be read and evaluated together with the annual financial statements prepared by the Group as of 31 December 2022.

Public Oversight Accounting and Auditing Standards Authority ("POA") made an announcement on 20 January 2022 about Application of Financial Reporting in Hyperinflationary Economies for Turkish Financial Reporting Standards and Reporting Standards. In accordance with the announcement, companies that apply TFRS should not adjust financial statements for TAS 29 - Financial Reporting in Hyperinflationary Economies for the year 2021. As of the preparation date of this consolidated financial statements, POA did not make an additional announcement and no adjustment was made to these consolidated financial statements as at 31 March 2023 in accordance with TAS 29.

**2.2 Functional and Presentation of Currency**

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

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

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
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**NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS  
(Continued)**

**2.3 Comparative Information and Reclassification of Prior Period Consolidated Financial Statements**

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

If the presentation or classification of the current period financial statements is changed, in order to maintain consistency, comparative information is also adjusted or reclassified in line with the related changes. The nature, amount and reasons for each of the reclassifications and adjustments are described below:

	<b>Previously Reported 31 March 2022</b>	<b>Impact of reclassifications</b>	<b>Restated 31 March 2022</b>
Revenue	17,530,530	379,898	17,910,428
Cost of Sales (-)	(14,811,770)	(379,898)	(15,191,668)
<b>GROSS PROFIT</b>	<b>2,718,760</b>	-	<b>2,718,760</b>

The Group has reviewed revenue and cost of sales accounts and presented investment revenues and investment costs as gross, which were shown net previously, in the consolidated statement of profit or loss and other comprehensive income for the period ended 31 March 2022.

**2.4 Changes in Accounting Policies**

The significant changes that were made on accounting policies applied retrospectively and the financial statements of preceding period are restated. No other changes have been applied to the accounting policies of the Group in the current period.

**2.5 Changes and Misstatements in Accounting Estimates**

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

**2.6 Going Concern**

The business models of electricity distribution companies operating in Turkey are to make distribution infrastructure investments and reimburse the investments within 10 years together with a weighted average cost of capital (WACC) regulated by the Energy Market Regulatory Authority (EMRA). Therefore, a short-term financing need is inherent in the business model. The over or under invoicing made by the Group is calculated at the end of each year and adjusted by the EMRA through tariffs after two years. These amounts are classified as long-term receivables in the balance sheet.

At the same time, deposits received from customers by retail companies are classified as other short-term payables since they are treated as payable on demand. However, the cash outflows of those amounts expected to occur in the long term. As of 31 March 2023, current liabilities exceed the current assets amounting to TL 9,048,206 in the consolidated financial position of the Group. Group ensures the any possible short-term cash need with its strong operational cash inflow and effective financing management. The Group prepares consolidated financial statements in accordance with the going concern assumption and does not anticipate a significant risk.

## ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023

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#### NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

##### 2.7 Seasonality of the Group’s operations

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

##### 2.8 Basis of Consolidation

The details of the Company’s subsidiaries at 31 March 2023 and 31 December 2022 are as follows:

	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group (%)		Principal activity
		31 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

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
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**NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS  
(Continued)**

**2.8 Basis of Consolidation (Continued)**

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

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

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

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

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

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

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

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

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

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
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**NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS  
(Continued)**

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

The accounting policies adopted in preparation of the interim condensed consolidated financial statements as at 31 March 2023 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRIC interpretations effective as of 1 January 2023 and thereafter. The effects of these standards and interpretations on the Group’s financial position and performance have been disclosed in the related paragraphs.

**a) Standards, amendments, and interpretations applicable as of 31 March 2023:**

- Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8,
- Amendment to IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction,
- IFRS 17, ‘Insurance Contracts’

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

**b) Standards, amendments, and interpretations that are issued but not effective as of 31 March 2023:**

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

- Amendment to IAS 1 – Non-current liabilities with covenants,
- Amendment to IFRS 16 – Leases on sale and leaseback,

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

# ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023

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

#### Subsidiaries

Name of Subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership (%)	
			31 March 2023	31 December 2022
BAŞKENT EDAŞ	Electricity Distribution Services	Ankara	100	100
EPS	Electricity Retail Services	Ankara	100	100
AYEDAŞ	Electricity Distribution Services	İstanbul	100	100
AYESAŞ	Electricity Retail Services	İstanbul	100	100
TOROSLAR EDAŞ	Electricity Distribution Services	Adana	100	100
TOROSLAR EPSAŞ	Electricity Retail Services	Adana	100	100
Enerjisa Müşteri Çözümleri A.Ş.	Customer Solutions and Distributed Generation Services	İstanbul	100	100
E-şarj	Electric Vehicles and Charging Stations Services	İstanbul	94	94

Principal Activity	Place of incorporation and operation	Number of subsidiaries owned by the Group	
		31 March 2023	31 December 2022
Electricity Distribution Services	Ankara, İstanbul, Adana	3	3
Electricity Retail Services	Ankara, İstanbul, Adana	3	3
Customer Solutions and Distributed Generation Services	İstanbul	1	1
Electric Vehicles and Charging Stations Services	İstanbul	1	1

## ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023

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#### NOTE 4 - SEGMENT REPORTING

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

The following table contains information on the Group's sales and profit from its operations for the 3 months period ended 31 March 2023 and 31 March 2022.

<b>1 January - 31 March 2023</b>	<b>Distribution</b>	<b>Retail</b>	<b>Customer Solutions</b>	<b>Unallocated (*)</b>	<b>Eliminations</b>	<b>Total</b>
Revenue	8,551,504	20,017,883	72,030	65,909	(65,909)	28,641,417
Cost of sales (-)	(4,079,019)	(18,787,069)	(60,685)	-	-	(22,926,773)
<b>Gross profit / (loss)</b>	<b>4,472,485</b>	<b>1,230,814</b>	<b>11,345</b>	<b>65,909</b>	<b>(65,909)</b>	<b>5,714,644</b>
General administrative expenses (-)	(3,150,374)	(427,083)	(34,616)	(139,366)	67,598	(3,683,841)
Other income / (expense) from operating activities - net	18,135	(624,206)	(14,642)	(148,623)	(1,689)	(771,025)
<b>Operating profit / (loss)</b>	<b>1,340,246</b>	<b>179,525</b>	<b>(37,913)</b>	<b>(222,080)</b>	<b>-</b>	<b>1,259,778</b>
Financial income	140,663	718,570	9,334	(9,343)	(399,488)	459,736
Financial expense (-)	(1,180,957)	(351,885)	(64,880)	(26,567)	399,488	(1,224,801)
<b>Profit / (loss) before taxation on income</b>	<b>299,952</b>	<b>546,210</b>	<b>(93,459)</b>	<b>(257,990)</b>	<b>-</b>	<b>494,713</b>
Current tax expense (-)	(280,463)	(629,360)	-	-	-	(909,823)
Deferred tax income / (expense)	222,124	525,327	15,863	21,368	-	784,682
<b>Net profit / (loss) for the period</b>	<b>241,613</b>	<b>442,177</b>	<b>(77,596)</b>	<b>(236,622)</b>	<b>-</b>	<b>369,572</b>

(\*) TL 51,451 of TL 157,283 depreciation and amortization expenses, represents amortization expenses of intangible assets (Note 11), which is presented as unallocated under general administrative expenses. The majority of financial expenses under unallocated part mainly represent costs of loans utilized for the acquisitions of distribution and retail business and financial incomes under unallocated part mainly represents the interest income from intercompany loans given to distribution and retail business. The Group management follows the performances of the operating segments excluding acquisitions related loans, therefore the amounts have not been distributed to the segments.

## ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023

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

<b>1 January - 31 March 2022</b>	<b>Distribution</b>	<b>Retail</b>	<b>Customer Solutions</b>	<b>Unallocated (**)</b>	<b>Eliminations</b>	<b>Total</b>
Revenue (*)	3,860,188	14,008,804	41,436	19,989	(19,989)	17,910,428
Cost of sales (-) (*)	(1,568,111)	(13,617,203)	(6,354)	-	-	(15,191,668)
<b>Gross profit / (loss)</b>	<b>2,292,077</b>	<b>391,601</b>	<b>35,082</b>	<b>19,989</b>	<b>(19,989)</b>	<b>2,718,760</b>
General administrative expenses (-)	(1,061,449)	(186,092)	(9,155)	(84,717)	21,235	(1,320,178)
Other income / (expense) from operating activities - net	(35,062)	(297,612)	(10,149)	(455)	(1,246)	(344,524)
<b>Operating profit / (loss)</b>	<b>1,195,566</b>	<b>(92,103)</b>	<b>15,778</b>	<b>(65,183)</b>	<b>-</b>	<b>1,054,058</b>
Financial income	175,085	122,175	4,022	(27,736)	(158,002)	115,544
Financial expense (-)	(800,315)	(37,550)	(8,958)	(194,161)	158,002	(882,982)
<b>Profit / (loss) before taxation on income</b>	<b>570,336</b>	<b>(7,478)</b>	<b>10,842</b>	<b>(287,080)</b>	<b>-</b>	<b>286,620</b>
Current tax expense (-)	(352,395)	-	-	-	-	(352,395)
Deferred tax income / (expense)	214,090	(12,480)	(226)	57,417	-	258,801
<b>Net profit / (loss) for the period</b>	<b>432,031</b>	<b>(19,958)</b>	<b>10,616</b>	<b>(229,663)</b>	<b>-</b>	<b>193,026</b>

(\*) Details for reclassifications of prior year consolidated financial statements are disclosed in Note 2.3.

(\*\*) TL 51,451 of TL 126,564 depreciation and amortization expenses represents amortization expenses of intangible assets (Note 11), which is presented as unallocated under general administrative expenses. The majority of financial expenses under unallocated part mainly represent costs of loans utilized for the acquisitions of distribution and retail business and financial incomes under unallocated part mainly represents the interest income from intercompany loans given to distribution and retail business. The Group management follows the performances of the operating segments excluding acquisitions related loans, therefore the amounts have not been distributed to the segments.

## ENERJISA ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023

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

The information below includes information about the Group's financial position of its business segments related to the periods ended 31 March 2023 and 31 December 2022.

As at 31 March 2023	Distribution	Retail	Customer Solutions	Unallocated (*)	Eliminations	Total
<b>Segment assets</b>						
Cash and cash equivalents	541,443	7,217,296	1,050,824	1,186,819	-	9,996,382
Trade receivables	6,546,838	2,434,649	176,589	28,526	(2,592,296)	6,594,306
Inventories	1,906,080	-	145,655	-	-	2,051,735
Derivative instruments	78,904	144,977	-	-	-	223,881
Financial assets	15,372,604	-	-	(372)	-	15,372,232
Right of use assets	295,318	55,233	570	3,424	-	354,545
Property, plant and equipment	1,588,332	49,665	217,029	3,871	-	1,858,897
Intangible assets	60,772	114,252	49,986	5,810,132	-	6,035,142
Deferred tax assets	11,053,090	1,657,613	29,282	423,000	-	13,162,985
Other receivables and assets	6,615,874	9,345,528	217,344	9,827,961	(17,459,558)	8,547,149
<b>Total assets</b>	<b>44,059,255</b>	<b>21,019,213</b>	<b>1,887,279</b>	<b>17,283,361</b>	<b>(20,051,854)</b>	<b>64,197,254</b>
<b>Segment liabilities</b>						
Financial liabilities	8,560,766	5,018,680	1,412,475	11,219,659	(8,632,258)	17,579,322
Other financial liabilities	600,589	-	-	-	-	600,589
Trade payables	6,656,263	6,746,275	19,450	29,612	(2,592,296)	10,859,304
Derivative instruments	16,048	7,049	17,916	-	-	41,013
Deferred tax liabilities	-	-	-	764,874	-	764,874
Other payables and liabilities	12,059,713	8,610,341	444,325	2,906,946	(8,827,300)	15,194,025
<b>Total liabilities</b>	<b>27,893,379</b>	<b>20,382,345</b>	<b>1,894,166</b>	<b>14,921,091</b>	<b>(20,051,854)</b>	<b>45,039,127</b>

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

(\* As of 31 March 2023, the Group has recorded an impairment provision of TL 372 for its financial assets in accordance with TFRS 9 Financial Instruments.

## ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023

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

As at 31 December 2022	Distribution	Retail	Customer Solutions	Unallocated (*)	Eliminations	Total
<b>Segment assets</b>						
Cash and cash equivalents	315,017	8,040,899	14,891	180	-	8,370,987
Trade receivables	3,862,470	2,930,900	175,794	42,274	(1,214,830)	5,796,608
Inventories	1,393,613	-	168,725	-	-	1,562,338
Derivative instruments	17,280	228,970	-	-	-	246,250
Financial assets	15,134,818	-	-	(2,245)	-	15,132,573
Right of use assets	318,588	63,301	570	4,858	-	387,317
Property, plant and equipment	1,490,471	36,978	102,464	4,092	-	1,634,005
Intangible assets	68,576	115,997	50,328	5,862,197	-	6,097,098
Deferred tax assets	10,831,314	1,115,132	13,419	411,547	-	12,371,412
Other receivables and assets	6,511,518	5,020,174	128,291	7,643,782	(11,713,756)	7,590,009
<b>Total assets</b>	<b>39,943,665</b>	<b>17,552,351</b>	<b>654,482</b>	<b>13,966,685</b>	<b>(12,928,586)</b>	<b>59,188,597</b>
<b>Segment liabilities</b>						
Financial liabilities	9,133,018	4,972,170	154,680	10,125,625	(5,290,480)	19,095,013
Other financial liabilities	591,775	-	-	-	-	591,775
Trade payables	4,387,515	3,454,251	128,618	16,747	(1,214,830)	6,772,301
Derivative instruments	94,865	6,035	2,060	-	-	102,960
Deferred tax liabilities	-	-	-	774,789	-	774,789
Other payables and liabilities	8,742,731	7,617,180	298,415	44,463	(6,423,276)	10,279,513
<b>Total liabilities</b>	<b>22,949,904</b>	<b>16,049,636</b>	<b>583,773</b>	<b>10,961,624</b>	<b>(12,928,586)</b>	<b>37,616,351</b>

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

(\*) As of 31 December 2022, the Group has recorded an impairment provision of TL 2,245 for its financial assets in accordance with TFRS 9 Financial Instruments.

## ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 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.)

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

<b>1 January - 31 March 2023</b>	<b>Distribution</b>	<b>Retail</b>	<b>Customer Solutions</b>	<b>Unallocated</b>	<b>Eliminations</b>	<b>Total</b>
<b>Cash Flows from Operating Activities</b>	<b>3,885,450</b>	<b>3,609,232</b>	<b>(229,348)</b>	<b>(26,569)</b>	<b>-</b>	<b>7,238,765</b>
Profit for the period	241,613	442,177	(77,596)	(236,622)	-	369,572
Adjustments to reconcile net profit for the period	(529,987)	606,570	59,887	230,301	-	366,771
Changes in operating assets and liabilities	1,746,641	2,599,506	(211,639)	1,441	-	4,135,949
Cash generated from operating activities	1,458,267	3,648,253	(229,348)	(4,880)	-	4,872,292
Tax payments	(206,740)	-	-	-	-	(206,740)
Other cash inflows / (outflows) (*)	2,633,923	(39,021)	-	(21,689)	-	2,573,213
<b>Cash Flows from Investing Activities</b>	<b>(3,048,809)</b>	<b>688,727</b>	<b>(109,873)</b>	<b>761,262</b>	<b>(1,072,440)</b>	<b>(2,781,133)</b>
Cash used for purchase of property, plant and equipment and intangible assets	(126,766)	(32,738)	(118,056)	(807)	-	(278,367)
Interest received	2,204	721,465	8,183	762,069	(1,072,440)	421,481
Other cash out-flows (**)	(2,924,247)	-	-	-	-	(2,924,247)
<b>Cash Flows from Financing Activities</b>	<b>(610,215)</b>	<b>(5,121,562)</b>	<b>1,375,154</b>	<b>451,946</b>	<b>1,072,440</b>	<b>(2,832,237)</b>
Increase / (decrease) in cash and cash equivalents	226,426	(823,603)	1,035,933	1,186,639	-	1,625,395
Cash and cash equivalents at the beginning of the period	315,017	8,040,899	14,891	180	-	8,370,987
<b>Cash and cash equivalents at the end of the period</b>	<b>541,443</b>	<b>7,217,296</b>	<b>1,050,824</b>	<b>1,186,819</b>	<b>-</b>	<b>9,996,382</b>

(\*) Other cash inflows include capital expenditures reimbursements related to service concession arrangements amounting to TL 1,695,097 and WACC reimbursements related to service concession arrangements amounting to TL 1,015,087.

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

## ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 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.)

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

<b>1 January - 31 March 2022</b>	<b>Distribution</b>	<b>Retail</b>	<b>Customer Solutions</b>	<b>Unallocated</b>	<b>Eliminations</b>	<b>Total</b>
<b>Cash Flows from Operating Activities</b>	<b>1,495,971</b>	<b>(3,598,253)</b>	<b>(26,094)</b>	<b>(14,653)</b>	<b>-</b>	<b>(2,143,029)</b>
Profit for the period	432,031	(19,958)	10,616	(229,663)	-	193,026
Adjustments to reconcile net profit for the period	221,885	607,297	9,712	226,271	-	1,065,165
Changes in operating assets and liabilities	(841,190)	(4,178,675)	(45,453)	(11,261)	-	(5,076,579)
Cash generated from operating activities	(187,274)	(3,591,336)	(25,125)	(14,653)	-	(3,818,388)
Tax payments	(77,172)	-	-	-	-	(77,172)
Other cash inflows / (outflows) (*)	1,760,417	(6,917)	(969)	-	-	1,752,531
<b>Cash Flows from Investing Activities</b>	<b>(1,132,767)</b>	<b>21,934</b>	<b>(21,569)</b>	<b>238,040</b>	<b>(238,894)</b>	<b>(1,133,256)</b>
Cash used for purchase of property, plant and equipment and intangible assets	(59,833)	(26,203)	(21,692)	(1,893)	-	(109,621)
Interest received	-	48,137	123	239,933	(238,894)	49,299
Other cash out-flows (**)	(1,072,934)	-	-	-	-	(1,072,934)
<b>Cash Flows from Financing Activities</b>	<b>(446,534)</b>	<b>3,737,840</b>	<b>65,595</b>	<b>(143,254)</b>	<b>238,894</b>	<b>3,452,541</b>
Increase / (decrease) in cash and cash equivalents	(83,330)	161,521	17,932	80,133	-	176,256
Cash and cash equivalents at the beginning of the period	231,294	158,792	21,791	115	-	411,992
<b>Cash and cash equivalents at the end of the period</b>	<b>147,964</b>	<b>320,313</b>	<b>39,723</b>	<b>80,248</b>	<b>-</b>	<b>588,248</b>

(\*) Other cash inflows include capital expenditures reimbursements related to service concession arrangements amounting to TL 1,008,899 and WACC reimbursements related to service concession arrangements amounting to TL 770,923.

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

## ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023

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

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

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

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

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

	31 March 2023	31 December 2022
Related party bank balances – Akbank T.A.Ş. (1)		
Demand deposits	521,951	110,548
Time deposits	224,659	1,501,932
	<u>746,610</u>	<u>1,612,480</u>

Loans provided by related parties	Original currency	Maturity	31 March 2023	
			Current liabilities	Non-current liabilities
Akbank T.A.Ş. (1)	TL	15 December 2023	609,010	-
Akbank T.A.Ş. (1)	TL	15 December 2023	304,505	-
Akbank T.A.Ş. (1)	TL	15 December 2023	609,010	-
			<u>1,522,525</u>	<u>-</u>

As of 31 March 2023, the interest rate of TLREF related party loans are TLREF+23%. (31 December 2022 fixed rate: 9.71% - 21.00%, TLREF: TLREF+23%). As of 31 March 2023, there is no foreign currency related party loans (31 December 2022: None).

As of 31 March 2023 and 31 December 2022, the Group has not given any collateral for the loans.

## ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023

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

Loans provided by related parties	Original currency	Maturity	31 December 2022	
			Current liabilities	Non-current liabilities
Akbank T.A.Ş. (1)	TL	23 February 2023	306,693	-
Akbank T.A.Ş. (1)	TL	23 February 2023	306,546	-
Akbank T.A.Ş. (1)	TL	23 February 2023	306,550	-
Akbank T.A.Ş. (1)	TL	9 March 2023	51,537	-
Akbank T.A.Ş. (1)	TL	9 March 2023	102,975	-
Akbank T.A.Ş. (1)	TL	9 March 2023	103,024	-
Akbank T.A.Ş. (1)	TL	9 March 2023	206,048	-
Akbank T.A.Ş. (1)	TL	9 March 2023	975,764	-
Akbank T.A.Ş. (1)	TL	15 December 2023	608,979	-
Akbank T.A.Ş. (1)	TL	15 December 2023	608,979	-
Akbank T.A.Ş. (1)	TL	15 December 2023	304,490	-
			<u>3,881,585</u>	<u>-</u>

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

	31 March 2023				
	Contract Amount (USD)	Contract Amount (EUR)	Contract Amount (TL)	Assets	Liabilities
Forward exchanges	<u>134,141</u>	<u>49,829</u>	<u>3,607,915</u>	<u>157,133</u>	<u>(24,528)</u>
	<u>134,141</u>	<u>49,829</u>	<u>3,607,915</u>	<u>157,133</u>	<u>(24,528)</u>

  

	31 December 2022				
	Contract Amount (USD)	Contract Amount (EUR)	Contract Amount (TL)	Assets	Liabilities
Forward exchanges	<u>125,095</u>	<u>46,224</u>	<u>3,260,541</u>	<u>142,728</u>	<u>(92,630)</u>
	<u>125,095</u>	<u>46,224</u>	<u>3,260,541</u>	<u>142,728</u>	<u>(92,630)</u>

# ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023

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

Balances with Related Parties	31 March 2023			
	Receivables		Payables	
	Current	Non-current	Current	
	Trade	Trade	Trade	Other
Akbank T.A.Ş. (1)	27,395	-	-	-
Aksigorta A.Ş. (1)	-	-	810	-
Brisa Bridgestone Sabancı Lastik San. ve Tic. A.Ş. (1)	4,081	20,953	-	-
Carrefoursa A.Ş. (1)	7,246	-	2,650	-
Çimsa Çimento Sanayi A.Ş. (1)	880	-	-	-
DD Turkey Holdings S.A.R.L. (2) (*)	-	-	-	1,086,583
Enerjisa Üretim Santralleri A.Ş. (1)	286	-	265,298	-
Hacı Ömer Sabancı Holding A.Ş. (2) (*)	1,835	-	-	1,086,583
Sabancı Dijital Teknolojileri A.Ş. ("Sabancı DX") (1) (**)	-	-	2,499	-
Teknosa İç ve Dış Ticaret A.Ş. (1)	2,379	760	-	-
Other (1)	1,280	-	-	-
Other (2) (*)	-	-	-	543,293
	<u>45,382</u>	<u>21,713</u>	<u>271,257</u>	<u>2,716,459</u>

  

Balances with Related Parties	31 December 2022			
	Receivables		Payables	
	Current	Non-current	Current	
	Trade	Trade	Trade	Non-trading
Akbank T.A.Ş. (1)	21,971	-	-	-
Aksigorta A.Ş. (1)	-	-	7,133	2,425
Brisa Bridgestone Sabancı Lastik San. ve Tic. A.Ş. (1)	3,832	23,753	-	-
Carrefoursa A.Ş. (1)	4,820	-	-	-
Çimsa Çimento Sanayi A.Ş. (1)	1,118	-	-	-
Enerjisa Üretim Santralleri A.Ş. (1)	259	-	295,699	-
Hacı Ömer Sabancı Holding A.Ş. (2)	1,130	-	-	-
Sabancı Dijital Teknolojileri A.Ş. ("Sabancı DX") (1) (**)	-	-	7,900	-
Teknosa İç ve Dış Ticaret A.Ş. (1)	1,913	-	-	-
Other (1)	2,168	-	-	-
	<u>37,211</u>	<u>23,753</u>	<u>310,732</u>	<u>2,425</u>

(\*) Other payables include dividends payables to shareholders.

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

## ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023

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

##### Key management compensation

Key management includes Chairman and members of the Board of Directors, General Manager, Heads of Units and Directors. The compensation paid or payable to key management is shown below:

	1 January - 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>

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

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2023**

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

Transactions with Related Parties	1 January - 31 March 2023					
	Electricity sales	Electricity purchases	Interest income	Interest expense	General administrative expenses	Other income
Akbank T.A.Ş. (1)	79,934	-	1,006	156,410	-	-
Akçansa Çimento Sanayi ve Ticaret A.Ş. (1)	82	-	-	-	-	-
Aksigorta A.Ş. (1)	38	-	-	-	35,304	-
Avivasa Emeklilik ve Hayat A.Ş. (1)	5	-	-	-	-	-
Brisa Bridgestone Sabancı Lastik San. ve Tic. A.Ş. (1)	551	-	-	-	-	1,137
Carrefoursa A.Ş. (1)	88,736	-	-	-	60	1,775
Çimsa Çimento Sanayi A.Ş. (1)	2,213	-	-	-	-	-
Enerjisa Üretim Santralleri A.Ş. (1)	1,289	453,065	-	-	2,800	-
Hacı Ömer Sabancı Holding A.Ş. (2) (*)	5,204	-	-	-	-	-
Sabancı Dijital Teknolojileri A.Ş. ("Sabancı DX") (1) (**)	-	-	-	-	15,126	-
Teknosa İç ve Dış Ticaret A.Ş. (1)	6,758	-	-	-	-	252
Other (1)	76	-	-	-	-	45
	<u>184,886</u>	<u>453,065</u>	<u>1,006</u>	<u>156,410</u>	<u>53,290</u>	<u>3,209</u>

(\*) Includes electricity sales to Sabancı.

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

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

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
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**NOTE 5 - RELATED PARTY TRANSACTIONS (Continued)**

Transactions with Related Parties	1 January - 31 March 2022					
	Electricity sales	Electricity purchases	Interest income	Interest expense	General administrative expenses	Other income
Akbank T.A.Ş. (1)	32,258	-	3,495	102,460	-	-
Akçansa Çimento Sanayi ve Ticaret A.Ş. (1)	25	-	-	-	-	-
Aksigorta A.Ş. (1)	22	-	-	-	7,469	-
Avivasa Emeklilik ve Hayat A.Ş. (1)	15	-	-	-	-	-
Brisa Bridgestone Sabancı Lastik San. ve Tic. A.Ş. (1)	361	-	-	-	-	1,056
Carrefoursa A.Ş. (1)	57,207	-	-	-	819	-
Çimsa Çimento Sanayi A.Ş. (1)	1,315	-	-	-	-	-
Enerjisa Üretim Santralleri A.Ş. (1)	381	1,838,814	-	-	-	243
Hacı Ömer Sabancı Holding A.Ş. (2) (*)	1,766	-	-	-	-	-
Sabancı Dijital Teknolojileri A.Ş. ("Sabancı DX") (1) (**)	-	-	-	-	31,857	-
Teknosa İç ve Dış Ticaret A.Ş. (1)	2,393	-	-	-	-	43
Other (1)	2,561	-	-	-	-	127
	<u>98,304</u>	<u>1,838,814</u>	<u>3,495</u>	<u>102,460</u>	<u>40,145</u>	<u>1,469</u>

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

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

## ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023

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#### NOTE 6 - TRADE RECEIVABLES AND PAYABLES

##### 6.1 Trade Receivables

	31 March 2023	31 December 2022
<b>Current Trade Receivables</b>		
Trade receivables (*)	10,953,989	9,825,156
Due from related parties (Note 5)	45,382	37,211
Allowance for doubtful receivables (-)	(4,517,620)	(4,174,837)
	<u>6,481,751</u>	<u>5,687,530</u>
<b>Non-Current Trade Receivables</b>		
Trade receivables	90,842	85,325
Due from related parties (Note 5)	21,713	23,753
	<u>112,555</u>	<u>109,078</u>

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

As of 31 March 2023, trade receivables amounting TL 2,289,070 (31 December 2022: TL 2,846,034) were neither past due nor impaired. Interest is charged at 2.5% for the period of 1 January 2023 – 31 March 2023 per month on the overdue receivable balances (1.6% for the period of 1 January 2022 – 20 July 2022, 2.5% for the period of 21 July 2022 – 31 December 2022).

As of 31 March 2023, trade receivables amounting TL 4,305,236 (31 December 2022: TL 2,950,574) were past due but not impaired. The aging analysis of trade receivables past due but not impaired as of 31 March 2023 and 31 December 2022 is as follows:

	31 March 2023	31 December 2022
Up to 1 months	2,081,046	1,909,224
1 to 3 months	1,615,038	608,942
Over 3 months	609,152	432,408
	<u>4,305,236</u>	<u>2,950,574</u>

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

## ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023

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

##### 6.1 Trade Receivables (Continued)

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

	1 January - 31 March 2023	1 January - 31 March 2022
Opening balance	(4,174,837)	(3,141,666)
Charge for the period	(385,660)	(236,353)
Amounts collected during the period	42,877	40,357
Closing balance	<u>(4,517,620)</u>	<u>(3,337,662)</u>

The Group received guarantee letters amounting to TL 3,627,834 (31 December 2022: TL 2,853,966) and deposits and guarantees amounting to TL 5,569,418 (31 December 2022: TL 4,834,531) as collateral for its electricity receivables.

##### 6.2 Trade Payables

	31 March 2023	31 December 2022
<u>Current Trade Payables</u>		
Trade payables	10,588,047	6,461,569
Due to related parties (Note 5)	271,257	310,732
	<u>10,859,304</u>	<u>6,772,301</u>

Trade payables mainly arise from the Group’s electricity purchases from Türkiye Elektrik Üretim A.Ş. (“EÜAŞ”) and Enerji Piyasaları İşletme A.Ş. (“EPIAŞ”). The average maturity of the payables related to electricity purchases is between 23 - 25 days.

# ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

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### NOTE 7 - OTHER RECEIVABLES AND PAYABLES

#### 7.1 Other Receivables

	31 March	31 December
<b>Other Current Receivables</b>	<b>2023</b>	<b>2022</b>
Income accruals (*)	2,662,587	1,777,957
Deposits and guarantees given	15,213	15,203
Receivables from personnel	2,379	43
Allowance for other doubtful receivables (-)	(3,123)	(3,123)
Other sundry receivables	103,512	72,228
	<u>2,780,568</u>	<u>1,862,308</u>
	31 March	31 December
<b>Other Non-Current Receivables</b>	<b>2023</b>	<b>2022</b>
Deposits and guarantees given (**)	933,724	839,467
Income accruals (*)	1,666,655	2,995,987
Other sundry receivables (***)	1,123,775	941,468
	<u>3,724,154</u>	<u>4,776,922</u>

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

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

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

## ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023

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

##### 7.1 Other Receivables (Continued)

Movement of allowance for other doubtful receivables is as follows:

	1 January - 31 March 2023	1 January - 31 March 2022
Opening balance	(3,123)	(3,123)
Closing balance	(3,123)	(3,123)

##### 7.2 Other Payables

	31 March 2023	31 December 2022
Other Current Payables		
Due to related parties (Note 5)	2,716,459	2,425
Deposits received (*)	5,569,418	4,834,531
Lighting payables	49,236	49,236
Other payables (**)	529,872	482,852
	<u>8,864,985</u>	<u>5,369,044</u>

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

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

# ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 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.)

### NOTE 8 - FINANCIAL ASSETS

	Financial assets	
	31 March 2023	31 December 2022
Within one year	4,935,309	3,342,405
1-3 years	6,886,158	8,303,887
More than 3 years	3,550,765	3,486,281
	<u>15,372,232</u>	<u>15,132,573</u>
Current financial assets	4,935,309	3,342,405
Non - current financial assets	10,436,923	11,790,168
	<u>15,372,232</u>	<u>15,132,573</u>
	1 January - 31 March 2023	1 January - 31 March 2022
Opening balance	15,132,573	12,853,639
Investments	975,823	379,898
Collections	(2,710,184)	(1,779,822)
<i>CAPEX reimbursements</i>	<i>(1,695,097)</i>	<i>(1,008,899)</i>
<i>WACC reimbursements</i>	<i>(1,015,087)</i>	<i>(770,923)</i>
Financial income from service concession arrangements (Note 14)	1,972,147	855,748
Reversal / (recognition) of impairment for financial assets	1,873	(261)
Closing balance	<u>15,372,232</u>	<u>12,309,202</u>

# ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023

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

	Buildings	Motor vehicles	Total
<b>Cost</b>			
Opening balance as of 1 January 2023	178,895	629,924	808,819
Additions	2,961	1,454	4,415
Variable lease payment adjustments	11,469	-	11,469
Closing balance as of 31 March 2023	193,325	631,378	824,703
<b>Accumulated Depreciation</b>			
Opening balance as of 1 January 2023	(100,192)	(321,310)	(421,502)
Charge for the period	(10,244)	(38,412)	(48,656)
Closing balance as of 31 March 2023	(110,436)	(359,722)	(470,158)
Carrying value as of 31 March 2023	82,889	271,656	354,545
<b>Cost</b>			
Opening balance as of 1 January 2022	121,719	402,292	524,011
Additions	2,362	2,493	4,855
Variable lease payment adjustments	7,949	-	7,949
Closing balance as of 31 March 2022	132,030	404,785	536,815
<b>Accumulated Depreciation</b>			
Opening balance as of 1 January 2022	(63,489)	(204,326)	(267,815)
Charge for the period	(6,057)	(27,011)	(33,068)
Closing balance as of 31 March 2022	(69,546)	(231,337)	(300,883)
Carrying value as of 31 March 2022	62,484	173,448	235,932

Depreciation expense of TL 48,656 are accounted in general administrative expenses (31 March 2022: TL 33,068).

## ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 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.)

#### NOTE 10 - PROPERTY, PLANT AND EQUIPMENTS

	Plant, machinery and equipment	Motor vehicles	Furniture and fixtures	Construction in progress	Total
<b>Cost</b>					
Opening balance as of 1 January 2023	1,026,753	19,772	540,447	535,217	2,122,189
Additions	98,964	-	49,938	113,118	262,020
Closing balance as of 31 March 2023	1,125,717	19,772	590,385	648,335	2,384,209
<b>Accumulated Depreciation</b>					
Opening balance as of 1 January 2023	(277,750)	(18,735)	(191,699)	-	(488,184)
Charge for the period	(21,959)	(1,014)	(14,155)	-	(37,128)
Closing balance as of 31 March 2023	(299,709)	(19,749)	(205,854)	-	(525,312)
Carrying value as of 31 March 2023	826,008	23	384,531	648,335	1,858,897
<b>Cost</b>					
Opening balance as of 1 January 2022	841,537	17,819	327,280	602,259	1,788,895
Additions	47,117	70	15,496	10,094	72,777
Closing balance as of 31 March 2022	888,654	17,889	342,776	612,353	1,861,672
<b>Accumulated Depreciation</b>					
Opening balance as of 1 January 2022	(199,717)	(16,369)	(128,721)	-	(344,807)
Charge for the period	(15,697)	(851)	(13,045)	-	(29,593)
Closing balance as of 31 March 2022	(215,414)	(17,220)	(141,766)	-	(374,400)
Carrying value as of 31 March 2022	673,240	669	201,010	612,353	1,487,272

	Useful Life
Plant, machinery and equipment	5-25 years
Motor vehicles	3 years
Furniture and fixtures	5 years

Depreciation expense of TL 33,538 and TL 3,590 are accounted in general administrative expenses and cost of sales, respectively (31 March 2022: general administrative expenses: TL 28,387 and cost of sales: TL 1,206).

## ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023

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

	Customer contracts and related relationships	Transfer of operating rights	Goodwill	Computer software	Leasehold improvements	Other intangible assets	Total
<b>Cost</b>							
Opening balance as of 1 January 2023	4,390,673	1,650,121	2,730,031	369,787	4,973	49,912	9,195,497
Additions	-	-	-	7,941	-	1,602	9,543
Closing balance as of 31 March 2023	4,390,673	1,650,121	2,730,031	377,728	4,973	51,514	9,205,040
<b>Accumulated Amortization</b>							
Opening balance as of 1 January 2023	(1,612,019)	(547,916)	(752,904)	(175,617)	(3,999)	(5,944)	(3,098,399)
Charge for the period	(37,506)	(13,945)	-	(19,452)	(212)	(384)	(71,499)
Closing balance as of 31 March 2023	(1,649,525)	(561,861)	(752,904)	(195,069)	(4,211)	(6,328)	(3,169,898)
Carrying value as of 31 March 2023	2,741,148	1,088,260	1,977,127	182,659	762	45,186	6,035,142
<b>Cost</b>							
Opening balance as of 1 January 2022	4,390,673	1,650,121	2,730,031	226,937	4,973	49,588	9,052,323
Additions	-	-	-	3,369	-	24	3,393
Closing balance as of 31 March 2022	4,390,673	1,650,121	2,730,031	230,306	4,973	49,612	9,055,716
<b>Accumulated Amortization</b>							
Opening balance as of 1 January 2022	(1,459,911)	(491,361)	(752,904)	(116,509)	(2,928)	(3,275)	(2,826,888)
Charge for the period	(37,506)	(13,945)	-	(11,956)	(253)	(243)	(63,903)
Closing balance as of 31 March 2022	(1,497,417)	(505,306)	(752,904)	(128,465)	(3,181)	(3,518)	(2,890,791)
Carrying value as of 31 March 2022	2,893,256	1,144,815	1,977,127	101,841	1,792	46,094	6,164,925

Amortization expense of TL 71,070 and TL 429 are accounted in general administrative expenses and cost of sales, respectively (31 March 2022: general administrative expenses: TL 63,718 and cost of sales: TL 185).

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

On 31 March 2006 BAŞKENT EDAŞ and on 24 July 2006, AYEDAŞ and TOROSLAR EDAŞ signed TOR Agreements with TEDAŞ. In accordance with the TOR agreement, TEDAŞ transferred the operating rights of the distribution system, the distribution facilities, and the other movables and immovable which are crucial for the operation of the distribution facilities to BAŞKENT EDAŞ until the end of 2036 and to AYEDAŞ and TOROSLAR EDAŞ until the end of 2042. Based on the future cash flows fair value of the TOR agreements are determined. The residual value of TOR after the portion recognized as financial asset which calculated based on TFRIC 12 (Note 8) is recognized as intangible asset based on TFRS 3.

The Group recognized TL 46,447 under other intangible assets, in connection with E-şarj purchase price amounting to TL 45,787 (31 December 2022: TL 45,787 of TL 46,447).

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

## ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023

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

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

As of 31 March 2023, there is no impairment on goodwill (31 December 2022: None).

#### NOTE 12 - COMMITMENT AND CONTINGENCIES

<u>31 March 2023</u>	<u>TL Equivalent</u>	<u>TL</u>	<u>USD</u>	<u>EUR</u>
A. Total amount of Collateral Pledge Mortgage (CPM) given on behalf of the legal entity	4,749	4,749	-	-
- Collateral	4,749	4,749	-	-
B. Total amount of CPM given against the subsidiaries included in full consolidation (*)	7,247,213	6,485,426	38,894	808
- Collateral	7,247,213	6,485,426	38,894	808
Total	<u>7,251,962</u>	<u>6,490,175</u>	<u>38,894</u>	<u>808</u>
<u>31 December 2022</u>	<u>TL Equivalent</u>	<u>TL</u>	<u>USD</u>	<u>EUR</u>
A. Total amount of Collateral Pledge Mortgage (CPM) given on behalf of the legal entity	4,959	4,959	-	-
- Collateral	4,959	4,959	-	-
B. Total amount of CPM given against the subsidiaries included in full consolidation (*)	5,832,959	4,648,032	62,261	1,041
- Collateral	5,832,959	4,648,032	62,261	1,041
Total	<u>5,837,918</u>	<u>4,652,991</u>	<u>62,261</u>	<u>1,041</u>

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

#### Mandatory investments

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

#### Energy Sales Agreements

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

# ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023

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

#### 13.1 Share Capital

Shareholders	31 March 2023		31 December 2022	
	Share (%)	TL	Share (%)	TL
Hacı Ömer Sabancı Holding A.Ş.	40	472,427.6	40	472,427.6
DD Turkey Holdings S.A.R.L. (E.ON)	40	472,427.6	40	472,427.6
Other	20	236,213.8	20	236,213.8
	100	1,181,069	100	1,181,069
Share Premium (*)		1,392,791		1,775,976
Total share capital		2,573,860		2,957,045

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

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

Share premiums amounting to TL 383,185 has been transferred to retained earnings and subject to dividend distribution (31 December 2022: TL 178,188).

As at 31 March 2023, the capital of the Company comprising 118,106,897 thousand (31 December 2022: 118,106,897 thousand) registered ordinary shares of TL 0.01 each (31 December 2022: TL 0.01 each).

#### 13.2 Earnings per share

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

	1 January - 31 March 2023	1 January - 31 March 2022
Profit for the period	369,572	193,026
Weighted average shares	118,106,896,712	118,106,896,712
Earnings per share (kr)	0.31	0.16

## ENERJISA ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023

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

##### 13.3 Restricted Profit Reserves

	31 March 2023	31 December 2022
Restricted Profit Reserves	784,275	696,708
	<u>784,275</u>	<u>696,708</u>

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

# ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023

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

	1 January - 31 March 2023	1 January - 31 March 2022
Revenue from electricity sales and services provided	26,559,961	17,002,391
<i>Retail sales revenue</i>	19,612,089	13,765,775
<i>Regulated revenue</i>	11,429,347	10,078,790
<i>Liberalised revenue</i>	8,182,742	3,686,985
<i>Retail service revenue</i>	405,794	243,029
<i>Distribution lighting sales revenue</i>	1,311,042	446,496
<i>Distribution service revenue</i>	2,793,409	1,644,374
<i>Investment revenue</i>	975,823	379,898
<i>Transmission revenue</i>	1,461,804	522,819
Financial income from service concession arrangements (Note 8, 23)	1,972,147	855,748
Other revenue	109,309	52,289
	<u>28,641,417</u>	<u>17,910,428</u>

### NOTE 15 - COST OF SALES

	1 January - 31 March 2023	1 January - 31 March 2022
Electricity purchases	(20,438,823)	(14,279,665)
<i>Retail energy purchases</i>	(18,787,069)	(13,617,202)
<i>Distribution related energy purchases (*)</i>	(1,651,754)	(662,463)
System usage fee (**)	(1,461,804)	(522,819)
Investment cost	(965,461)	(379,898)
Depreciation and amortization expenses (Note 10, 11)	(4,019)	(1,391)
Other	(56,666)	(7,895)
	<u>(22,926,773)</u>	<u>(15,191,668)</u>

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

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

## ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023

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

	1 January - 31 March 2023	1 January - 31 March 2022
General administrative expenses (-)	(3,683,841)	(1,320,178)
	<u>(3,683,841)</u>	<u>(1,320,178)</u>

Details of general administrative expenses are as follows:

	1 January - 31 March 2023	1 January - 31 March 2022
Payroll and employee benefit expenses	(1,674,531)	(674,429)
Material expenses	(932,551)	(95,560)
Fleet management expenses	(183,756)	(93,424)
Repair and maintenance expenses	(156,009)	(58,745)
Depreciation and amortization expenses (Note 9, 10, 11)	(153,264)	(125,173)
Duties, taxes and levies	(92,527)	(29,665)
Rent expenses	(85,182)	(26,340)
Legal and lawsuit provision expenses	(51,147)	(27,863)
Outsourcing expenses	(43,223)	(38,101)
Insurance expenses	(32,633)	(16,435)
Travel expenses	(31,048)	(7,527)
Consulting expenses	(25,259)	(12,515)
Other expenses	(222,711)	(114,401)
	<u>(3,683,841)</u>	<u>(1,320,178)</u>

# ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023

(Amounts expressed in thousands of Turkish Lira ("TL"), unless otherwise indicated.  
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### NOTE 17 - OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES

#### 17.1 Other Income from Operating Activities

	1 January - 31 March 2023	1 January - 31 March 2022
Late payment interest income from electricity receivables	144,072	70,602
Power theft penalties	88,711	65,073
Income from operational hedge transactions - net	79,652	428,669
Rent and advertisement income	4,525	1,862
Cancellation of impairment provision on financial assets (Note 8) (*)	1,873	-
Other income (**)	112,167	9,961
	<u>431,000</u>	<u>576,167</u>

#### 17.2 Other Expenses from Operating Activities

	1 January - 31 March 2023	1 January - 31 March 2022
Valuation differences arising from deposits and guarantees (Note 23)	(421,664)	(582,542)
Provision for doubtful receivables - net (Note 6)	(342,783)	(195,996)
Late payment interest expense	(169,373)	(44,888)
Customer penalty expenses	(37,799)	(6,492)
Donations	(32,768)	(8,377)
Foreign exchange losses from operating activities - net	(27,079)	(49,002)
Penalty expenses	(711)	(549)
Interest expense related to tariff receivables - net (Note 23)	(10,134)	(11,465)
Expense from operational hedge transactions - net	-	(1,950)
Impairment provision on financial assets (Note 8) (*)	-	(261)
Other expenses (***)	(159,714)	(19,169)
	<u>(1,202,025)</u>	<u>(920,691)</u>

(\*) As of 31 March 2023, the Group has been recorded reversal of impairment provision of TL 1,873 for its financial assets, which had been recorded as at 31 December 2022 in the amount of TL (2,245) in accordance with the amendments in TFRS 9 Financial Instruments Standard (31 March 2022: (261) TL additional provision).

(\*\*) TL 86,808 of the amount arises from the late payment interest income of the adjustments within the scope of the resource-based support mechanism made by EMRA for the year 2022.

(\*\*\*) With the 27th paragraph of the 10th article of the Law No. 7440, the amounts of exemptions and deductions that are subject to deduction from the corporate income pursuant to the Corporate Tax Law No. 5520 within the scope of article 32/A, at the rate of 10%, without being associated with the profit for period, on the basis subject to reduced corporate tax, with the exception regulated in subparagraph (a) of the first paragraph of the Law No. 5520, obtained from abroad and proven to have a tax burden of at least 15% It has been regulated that an additional tax of 5% will be calculated on the exempt earnings.

## ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023

(Amounts expressed in thousands of Turkish Lira ("TL"), unless otherwise indicated.  
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#### NOTE 17 - OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES (Continued)

##### 17.2 Other Expenses from Operating Activities (Continued)

Within the scope of this regulation, tax liability amounting to TL 151,145 has been occurred from the dividend income of the Company from its subsidiaries, which were previously an exemption. Within the scope of the relevant law, TL 151,145 has been accounted in the interim condensed consolidated statement of profit or loss and other comprehensive income. The first installment of new tax will be paid within the payment period of the corporate tax, and the second installment will be paid in the fourth month following this period.

#### NOTE 18 - FINANCE INCOME AND EXPENSES

##### 18.1 Finance Income

	1 January - 31 March 2023	1 January - 31 March 2022
Interest income	417,495	115,544
Foreign exchange gains / (losses) - net	42,241	-
	<u>459,736</u>	<u>115,544</u>

##### 18.2 Finance Expenses

	1 January - 31 March 2023	1 January - 31 March 2022
Interest expenses of borrowings	(1,162,091)	(751,204)
Foreign exchange gains / (losses) - net	-	(93,640)
Bank commission expenses	(62,710)	(38,138)
	<u>(1,224,801)</u>	<u>(882,982)</u>

## ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023

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#### NOTE 19 - TAX ASSETS AND LIABILITIES

	31 March 2023	31 December 2022
<u>Current assets related with current taxes</u>		
Prepaid taxes and funds	194,567	442,940
	<u>194,567</u>	<u>442,940</u>
	31 March 2023	31 December 2022
<u>Current tax liability</u>		
Current corporate tax provision	2,696,892	2,105,142
Less: Prepaid taxes and funds	(134,051)	(203,352)
	<u>2,562,841</u>	<u>1,901,790</u>
	1 January - 31 March 2023	1 January - 31 March 2022
<u>Tax expense recognized in profit or loss</u>		
Current tax expense	(909,823)	(352,395)
Deferred tax income relating to the origination and reversal of temporary differences, net	784,682	258,801
Total tax income / (expense)	<u>(125,141)</u>	<u>(93,594)</u>
<u>Corporate tax</u>		

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

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

Valid rate of corporate tax in 2023 is 20% (31 December 2022: 23%).

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

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

# ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023

(Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated.  
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### NOTE 19 - TAX ASSETS AND LIABILITIES (Continued)

#### Corporate tax (Continued)

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

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

#### Income withholding tax

In addition to corporate taxes, companies should also calculate income withholding taxes and funds surcharge on any dividends distributed, except for companies receiving dividends who are Turkish residents and Turkish branches of foreign companies. Income withholding tax applied is 10% (31 December 2022: 10%). Undistributed dividends incorporated in share capital are not subject to income withholding tax.

#### Deferred tax

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

In accordance with Provisional Article 13 added to the Corporate Tax Law No. 5520, 23% corporate tax rate is determined for the profits related to their 2022 tax periods and as 20% corporate tax rate is determined for the profits related to their 2023 tax periods. Therefore, 20% tax rate is used for deferred tax calculation starting from 1 January 2023.

	31 March 2023	31 December 2022
Deferred tax (asset)	(13,162,985)	(12,371,412)
Deferred tax liability	764,874	774,789
Deferred tax (asset) / liability, net	<u>(12,398,111)</u>	<u>(11,596,623)</u>

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

	1 January - 31 March 2023	1 January - 31 March 2022
Opening balance	(11,596,623)	1,186,007
Charged to statement of profit or loss	(784,682)	(258,801)
Charged to other comprehensive income / expense	(16,806)	(3,871)
Closing balance	<u>(12,398,111)</u>	<u>923,335</u>

## ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023

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

##### Deferred tax (Continued)

	31 March 2023	31 December 2022
<u>Deferred tax (assets) / liabilities</u>		
Differences arising from customer contracts and transfer of operational rights	764,946	775,237
Carrying amount differences of property, plant and equipment, intangible assets and concession arrangement difference	411,059	497,901
Revaluation effect of property, plant and equipment and intangible assets (*)	(10,649,451)	(10,835,353)
Carrying amount differences of right of use assets and lease liabilities	(22,495)	(22,869)
Provision for employment termination benefits	(16,910)	(22,851)
Provision for doubtful receivables	(74,399)	(34,735)
Provision for lawsuits	(72,582)	(73,134)
Provision for unused vacation	(42,387)	(29,497)
Effect of revenue cap adjustments	257,050	346,008
Carry forward tax losses	(550,787)	(444,387)
Income / (expense) accruals	(2,022,267)	(1,415,321)
Deposit revaluation	(466,211)	(396,674)
Derivative financial instruments	40,798	35,451
Other	45,525	23,601
	<u>(12,398,111)</u>	<u>(11,596,623)</u>

(\*) With Law No. 7338 published in the Official Gazette on 26 October 2021, some amendments have been made in tax procedure law as of 1 January 2022. With those amendments, the opportunity to revalue the properties and depreciable economic assets was introduced. These assets, which are covered by the provisional article 32 of the law, will be valued with the Producer Price Index (“PPI”) rate and tax, calculated 2% of valuation difference, paid in 3 instalments (at two-month intervals). The assets, which are covered by the reiterated article 298 of the law, will be revalued with the revaluation rate announced in the relevant year and no additional tax will be paid for the valuation difference. For revalued assets, the valuation difference can be depreciated and written off as an expense. Within the scope of the law amendment, deferred tax asset has been recognised in the statement of financial position based on the revaluation records for fixed assets in the legal book, and the deferred tax income related to this asset has been recorded in the consolidated statement of profit or loss.

# ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023

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

#### Deferred tax (Continued)

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

At 31 March 2023, the Group recognized deferred tax assets amounting to TL 550,787 for unused carry forward tax losses amounting to TL 2,753,935 since it was considered as probable that there would be sufficient taxable income in the subsequent periods to utilise such assets based on the forecasts made (31 December 2022: TL 444,387 and TL 2,221,936 respectively).

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

	31 March 2023	31 December 2022
Expiring in 2024	542,374	544,192
Expiring in 2025	512,162	513,967
Expiring in 2026	485,577	485,577
Expiring in 2027	656,631	678,200
Expiring in 2028	557,191	-
	<u>2,753,935</u>	<u>2,221,936</u>

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

	31 March 2023	31 December 2022
Expiring in 2023	566,537	564,866
Expiring in 2024	1,817	-
Expiring in 2025	1,805	-
	<u>570,159</u>	<u>564,866</u>

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#### NOTE 20 - FINANCIAL INSTRUMENTS

##### 20.1 Financial Liabilities

	31 March 2023	31 December 2022
Short-term borrowings	5,441,377	8,181,288
Short-term portion of long term lease liabilities	187,246	180,143
Short-term portion of long term bonds issued	4,616,629	2,811,521
Short-term portion of long-term borrowings	2,152,901	3,998,400
	<u>12,398,153</u>	<u>15,171,352</u>
Long-term borrowings	1,522,606	1,609,908
Long-term lease liabilities	222,233	258,561
Long-term bonds issued	3,436,330	2,055,192
	<u>5,181,169</u>	<u>3,923,661</u>
Total financial liabilities	<u>17,579,322</u>	<u>19,095,013</u>

The borrowings and bonds issued are repayable as follows:

	31 March 2023	31 December 2022
To be paid within 1 year	12,210,907	14,991,209
To be paid between 1-2 years	3,994,507	2,656,227
To be paid between 2-3 years	275,908	320,352
To be paid between 3-4 years	229,507	229,507
To be paid between 4-5 years	229,507	229,507
To be paid between 5+ years	229,507	229,507
	<u>17,169,843</u>	<u>18,656,309</u>

As of 31 March 2023 and 31 December 2022, the Group has not given any collateral for the loans obtained.

## ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023

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

##### 20.1 Financial Liabilities (Continued)

As of 31 March 2023 and 31 December 2022, details of short and long term financial borrowings in terms of interest and currencies are as follows:

Currency	Weighted average effective interest rate	31 March 2023	
		Current	Non-current
TL		7,594,278	1,522,606
<i>Overnight</i>	33.71%	268,000	-
<i>Fixed rate</i>	24.78%	6,306,222	1,522,606
<i>TLREF indexed</i>	TLREF + 1.70%-23.00%	1,020,056	-
		<u>7,594,278</u>	<u>1,522,606</u>

Currency	Weighted average effective interest rate	31 December 2022	
		Current	Non-current
TL		12,179,688	1,609,908
<i>Overnight</i>	18.00%	268,000	-
<i>Fixed rate</i>	21.87%	10,393,261	-
<i>TLREF indexed</i>	TLREF + 1.70%-23.00%	1,518,427	1,609,908
		<u>12,179,688</u>	<u>1,609,908</u>

As of 31 March 2023 and 31 December 2022, details of bonds issued are as follows:

Currency	Weighted average effective interest rate	31 March 2023	
		Current	Non-current
TL		4,616,629	3,436,330
<i>Fixed rate</i>	32.50%	3,704,317	-
<i>TLREF indexed</i>	TLREF + 1.40% -16%	912,312	3,436,330
		<u>4,616,629</u>	<u>3,436,330</u>

Currency	Weighted average effective interest rate	31 December 2022	
		Current	Non-current
TL		2,811,521	2,055,192
<i>Fixed rate</i>	32.00%	953,906	-
<i>CPI indexed</i>	CPI + 5.0%	536,680	-
<i>TLREF indexed</i>	TLREF + 1.40% -16%	1,320,935	2,055,192
		<u>2,811,521</u>	<u>2,055,192</u>

## ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

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(Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated.  
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#### NOTE 20 - FINANCIAL INSTRUMENTS (Continued)

##### 20.1 Financial Liabilities (Continued)

As of 31 March 2023, there is no principal valuation due to the expiration of the CPI-indexed bonds (31 December 2022: TL 367,836).

The fair values of the financial liabilities with fixed interests are presented by calculating their discounted cash flows using the market interest rate effective at the reporting date. The fair value of financial liabilities with variable interest rates are considered to be equivalent to the carrying amount due to the expectation that the floating interest rate will change accordingly with the market interest rates. Fair values of the borrowings are lower than their carrying amounts amounting to TL 4,561 as of 31 March 2023 (31 December 2022: TL 6,967 lower).

As of 31 March 2023, Group has fulfilled its financial debt covenants arising from its borrowings.

As of 31 March 2023 and 31 December 2022, details of lease liabilities are as follows:

	31 March 2023	31 December 2022
<u>Short-term portion of long term lease liabilities</u>		
Buildings	32,829	33,798
Vehicles	154,417	146,345
	<u>187,246</u>	<u>180,143</u>
	31 March 2023	31 December 2022
<u>Long-term lease liabilities</u>		
Buildings	55,053	59,698
Vehicles	167,180	198,863
	<u>222,233</u>	<u>258,561</u>

The lease liabilities are repayable as follows:

	31 March 2023	31 December 2022
To be paid within 1 year	187,246	180,143
To be paid between 1-2 years	140,621	155,361
To be paid between 2-3 years	63,794	82,896
To be paid between 3-4 years	8,266	8,785
To be paid between 4-5 years	4,290	5,996
To be paid after 5 years and over	5,262	5,523
	<u>409,479</u>	<u>438,704</u>

## ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023

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

##### 20.2 Other Financial Liabilities

	31 March 2023	31 December 2022
Other current financial liabilities	87,615	82,688
Other non-current financial liabilities	512,974	509,087
	<u>600,589</u>	<u>591,775</u>

The other financial liabilities are repayable as follows:

	31 March 2023	31 December 2022
To be paid within 1 year	87,615	82,688
To be paid between 1-2 years	93,875	79,450
To be paid between 2-3 years	83,290	79,594
To be paid between 3-4 years	100,134	91,180
To be paid between 4-5 years	92,844	94,022
To be paid after 5 years and over	142,831	164,841
	<u>600,589</u>	<u>591,775</u>

As of 31 March 2023 and 31 December 2022, details of short and long term other financial liabilities in terms of currencies are as follows:

Currency	Weighted average effective interest rate	31 March 2023	
		Current	Non-current
EUR	4.70%	87,615	512,974
		<u>87,615</u>	<u>512,974</u>

  

Currency	Weighted average effective interest rate	31 December 2022	
		Current	Non-current
EUR	4.70%	82,688	509,087
		<u>82,688</u>	<u>509,087</u>

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

## ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

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#### NOTE 21 - DERIVATIVE INSTRUMENTS

The Group utilizes forward exchange contracts in order to mitigate foreign exchange rate risk arising from FIT cost, electricity purchases, unit price investments, equipment purchases to be used in energy efficiency and distributed energy solutions projects and foreign currency denominated other financial liabilities. The details and fair values of the agreements as of 31 March 2023 and 31 December 2022 are as follows:

	31 March 2023				
	Contract Amount (USD)	Contract Amount (EUR)	Contract Amount (TL)	Assets	Liabilities
Forward exchanges	<u>226,418</u>	<u>54,953</u>	<u>5,482,125</u>	<u>223,881</u>	<u>(41,013)</u>
	<u>226,418</u>	<u>54,953</u>	<u>5,482,125</u>	<u>223,881</u>	<u>(41,013)</u>

  

	31 December 2022				
	Contract Amount (USD)	Contract Amount (EUR)	Contract Amount (TL)	Assets	Liabilities
Forward exchanges	<u>224,194</u>	<u>51,115</u>	<u>5,211,014</u>	<u>246,250</u>	<u>(102,960)</u>
	<u>224,194</u>	<u>51,115</u>	<u>5,211,014</u>	<u>246,250</u>	<u>(102,960)</u>

## ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

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

##### 22.1 Financial risk factors

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

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

##### 22.1.1 Foreign currency risk management

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

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

	31 March 2023		
	Total TL equivalent	USD TL equivalent	EUR TL equivalent
Cash and cash equivalents	516,105	247,038	269,067
Trade receivables	19,268	19,268	-
<b>Total assets</b>	<b>535,373</b>	<b>266,306</b>	<b>269,067</b>
Other financial liabilities	(600,589)	-	(600,589)
Trade payables	(868,032)	(826,956)	(41,076)
<b>Total liabilities</b>	<b>(1,468,621)</b>	<b>(826,956)</b>	<b>(641,665)</b>
Net foreign currency asset position of off-balance sheet derivative	1,878,500	792,121	1,086,379
<b>Net foreign currency asset / (liability) position</b>	<b>945,252</b>	<b>231,471</b>	<b>713,781</b>
Cash flow hedging (*)	3,603,625	3,544,529	59,096
<b>Net foreign currency position after cash flow hedging</b>	<b>4,548,877</b>	<b>3,776,000</b>	<b>772,877</b>

(\*) Cash flow hedging includes forward exchange contracts in order to mitigate foreign exchange rate risk arising from FIT cost, unit price investments and USD denominated energy purchases which are highly probable in the future. Since it will arise with the realization of highly probable FIT cost, unit price investments and USD denominated energy purchases in the future, relevant trade payables amounts are not included in this table. The total of those forward exchange contracts amounting to TL 3,603,625 is included at cash flow hedging in the foreign currency position table.

# ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023

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### NOTE 22 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

#### 22.1 Financial risk factors (Continued)

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

	31 December 2022		
	Total	USD	EUR
	TL equivalent	TL equivalent	TL equivalent
Cash and cash equivalents	321,748	289,992	31,756
Trade receivables	12,464	6,862	5,602
<b>Total assets</b>	<b>334,212</b>	<b>296,854</b>	<b>37,358</b>
Other financial liabilities	(591,775)	-	(591,775)
Trade payables	(2,009,186)	(1,803,367)	(205,819)
Other payables	(16,535)	-	(16,535)
<b>Total liabilities</b>	<b>(2,617,496)</b>	<b>(1,803,367)</b>	<b>(814,129)</b>
Net foreign currency asset position of off-balance sheet derivative	1,215,580	444,384	771,196
<b>Net foreign currency asset / (liability) position</b>	<b>(1,067,704)</b>	<b>(1,062,129)</b>	<b>(5,575)</b>
Cash flow hedging (*)	3,995,434	3,747,663	247,771
<b>Net foreign currency position after cash flow hedging</b>	<b>2,927,730</b>	<b>2,685,534</b>	<b>242,196</b>

(\*) Cash flow hedging includes forward exchange contracts in order to mitigate foreign exchange rate risk arising from FIT cost and USD denominated energy purchases which are highly probable in the future. Since it will arise with the realization of highly probable FIT cost and USD denominated energy purchases in the future, relevant trade payables amounts are not included in this table. The total of those forward exchange contracts amounting to TL 3,995,434 is included at cash flow hedging in the foreign currency position table.

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

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

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### NOTE 22 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

#### 22.1 Financial risk factors (Continued)

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

	1 January - 31 March 2023			
	Profit / Loss		Other Comprehensive Income and Expense	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
Change in USD against TL by 10%				
USD net assets / liabilities	(56,065)	56,065	-	-
Hedged items (-)	79,212	(79,212)	354,453	(354,453)
<b>USD net effect</b>	<b>23,147</b>	<b>(23,147)</b>	<b>354,453</b>	<b>(354,453)</b>
Change in EUR against TL by 10%				
EUR net assets / liabilities	(37,260)	37,260	-	-
Hedged items (-)	108,638	(108,638)	5,910	(5,910)
<b>EUR net effect</b>	<b>71,378</b>	<b>(71,378)</b>	<b>5,910</b>	<b>(5,910)</b>
	1 January - 31 March 2022			
	Profit / Loss		Other Comprehensive Income and Expense	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
Change in USD against TL by 10%				
USD net assets / liabilities	(52,927)	52,927	-	-
Hedged items (-)	66,603	(66,603)	739,152	(739,152)
<b>USD net effect</b>	<b>13,676</b>	<b>(13,676)</b>	<b>739,152</b>	<b>(739,152)</b>
Change in EUR against TL by 10%				
EUR net assets / liabilities	(87,015)	87,015	-	-
Hedged items (-)	86,536	(86,536)	2,324	(2,324)
<b>EUR net effect</b>	<b>(479)</b>	<b>479</b>	<b>2,324</b>	<b>(2,324)</b>

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2023**

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**NOTE 22 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)**

**22.1 Financial risk factors (Continued)**

*22.1.2 Interest rate risk management*

As of 31 March 2023, the Group has TLREF indexed loans and bonds with floating interest rate risk. Interest rate risk arising from those loans are managed through perpetually monitoring and analyzing market interest rates and carrying out sensitivity analysis for interest rate changes in order to monitor possible cost changes within the scope of risk management activities.

*Fair value of financial instruments*

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

*Categories of financial instruments and fair values*

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

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

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

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

The fair values of the financial liabilities with fixed interests are presented by calculating their discounted cash flows using the market interest rate effective at the reporting date. The fair value of financial liabilities with variable interest rates are considered to be equivalent to the carrying amount due to the expectation that the floating interest rate will change accordingly with the market interest rates. Fair values of the borrowings are lower than their carrying amounts amounting to TL 4,561 as of 31 March 2023 (31 December 2022: TL 6,967 lower).

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

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

## ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

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#### NOTE 22 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

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

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

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

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

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

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

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

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

Financial assets / (Financial liabilities)	Fair value / revalued amount		Fair value hierarchy
	31 March 2023	31 December 2022	
Derivative financial instruments	182,868	143,290	Level 2

## ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 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.)

#### NOTE 23 - EXPLANATORY NOTES TO THE STATEMENT OF CASH FLOWS

	31 March 2023	31 December 2022
Cash at banks	9,996,382	8,370,987
<i>Demand deposits</i>	1,287,148	487,614
<i>Time deposits</i>	8,709,234	7,883,373
	<u>9,996,382</u>	<u>8,370,987</u>

As at 31 March 2023, TL 589,727 of the Group’s demand deposits are blocked at different banks (31 December 2022: TL 440,385). These blocked deposits are related to the collections made through bank branches which are made available for use by banks 1 or 2 days after the collection depending on the agreements with related banks.

As at 31 March 2023 time deposits consist of short-term TL 8,639,376, EUR 2,800 and USD 600 balances (31 December 2022: TL 7,610,376 and USD 14,600) with maturities between 1 - 7 days (31 December 2022: 2 - 90 days). The weighted average effective interest rates of TL, EUR and USD time deposits are 26.68%, 0.50% and 0.75% respectively as at 31 March 2023 (31 December 2022: weighted average effective interest rate rates of TL and USD time deposits are 24.13% and 1.30% respectively).

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

	1 January - 31 March 2023	1 January - 31 March 2022
Adjustments related to interest (income) / expense from tariff receivables (Note 17)	10,134	11,465
Adjustments related to financial income from service concession arrangements (Note 8, 14)	(1,972,147)	(855,748)
Adjustments related to revaluation differences arising from deposits (Note 17)	421,664	582,542
	<u>(1,540,349)</u>	<u>(261,741)</u>

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

	1 January - 31 March 2023	1 January - 31 March 2022
Net collections from financial assets related to service concession arrangements	2,710,184	1,779,822
<i>Capital expenditures reimbursements (Note 8)</i>	1,695,097	1,008,899
<i>WACC reimbursements (Note 8)</i>	1,015,087	770,923
Collections from doubtful trade receivable (Note 6)	42,877	40,357
	<u>2,753,061</u>	<u>1,820,179</u>

## ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 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.)

#### NOTE 23 - EXPLANATORY NOTES TO THE STATEMENT OF CASH FLOWS (Continued)

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

	1 January - 31 March 2023	1 January - 31 March 2022
Capital expenditures related to service concession arrangements	(2,924,247)	(1,072,934)
	<u>(2,924,247)</u>	<u>(1,072,934)</u>

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

- The Group has made bond issuance on 6 April 2023, amounting to TL 950,000,000 (full digit), with 729 days term, fixed interest with 35% rate, redemption date of 4 April 2025, and with TRSENSA42511code.
- Applicable from 1 April 2023, EMRA has announced that single-time retail sales tariff reflected to the end user according to customer groups in national tariff has been decreased between 18% - 49%. The final tariff reflected to the end user has been decreased 15% for the all customer groups.
- On 27 April 2023, DD Turkey Holdings S.A.R.L. (“DD Turkey”), which is incorporated in the Grand Duchy of Luxembourg and has 40% shares in the Company, have signed a share transfer agreement regarding the transfer of shares to E.ON International Participations N.V (EIP), which is also a E.ON group company and incorporated in the Netherlands. Accordingly, Company shares, which are held by DD Turkey, are transferred to EIP, another E.ON group company, which has the same controlling structure, without any change in control. Above mentioned transaction is part of a corporate internal restructuring due to sole technical reasons within E.ON group. Following the transfer of shares, E.ON group will still hold 40% of Company shares. Thus, there will be no change in Company’s ultimate shareholding structure.