

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

THE INTERIM CONDENSED CONSOLIDATED
FINANCIAL INFORMATION FOR THE
PERIOD ENDED 31 MARCH 2024

(ORIGINALLY ISSUED IN TURKISH)

ENERJİSA 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 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of purchasing power of the TL at 31 March 2024 unless otherwise indicated. Currencies other than TL are also expressed in thousands unless otherwise indicated.)

ASSETS	Notes	Unaudited / current period 31 March 2024	Audited / prior period 31 December 2023
Current Assets		42,759,536	46,814,779
Cash and Cash Equivalents	23	2,685,531	5,179,296
Financial Assets from			
Service Concession Arrangements	8	8,114,835	6,857,187
Trade Receivables	6	19,872,879	17,872,904
<i>Due from Related Parties</i>	5	101,308	121,404
<i>Due from Third Parties</i>		19,771,571	17,751,500
Other Receivables	7	4,465,614	6,306,229
<i>Due from Third Parties</i>		4,465,614	6,306,229
Derivative Financial Instruments	21	281,386	656,057
Inventory		3,471,930	4,541,096
Prepaid Expenses		1,563,283	1,630,420
Assets Related with Current Taxes	19	947,077	1,089,025
Other Current Assets		1,357,001	2,682,565
Non-Current Assets		96,799,856	105,180,130
Trade Receivables	6	2,355,991	946,810
<i>Due from Related parties</i>	5	72,926	87,467
<i>Due from Third parties</i>		2,283,065	859,343
Other Receivables	7	2,646,769	2,715,951
<i>Due from Third Parties</i>		2,646,769	2,715,951
Derivative Financial Instruments	21	-	5,454
Financial Assets from			
Service Concession Arrangements	8	23,915,260	29,684,957
Right of Use Assets	9	917,266	1,023,467
Property, Plant and Equipment	10	7,723,562	7,582,112
Intangible Assets	11	38,295,927	38,873,958
<i>Goodwill</i>		2,276,969	2,276,969
<i>Other Intangible Assets</i>		36,018,958	36,596,989
Prepaid Expenses		79,644	116,961
Deferred Tax Assets	19	20,848,938	24,198,718
Other Non-Current Assets		16,499	31,742
TOTAL ASSETS		139,559,392	151,994,909

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

ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of purchasing power of the TL at 31 March 2024 unless otherwise indicated. Currencies other than TL are also expressed in thousands unless otherwise indicated.)

LIABILITIES	Notes	Unaudited / current period 31 March 2024	Audited / prior period 31 December 2023
Current Liabilities		43,176,933	55,235,134
Short-Term Financial Liabilities	20	7,752,333	8,329,649
Short-Term Portion of Long Term Financial Liabilities	20	11,405,774	14,878,415
Other Financial Liabilities	20	148,594	161,000
Trade Payables	6	10,247,040	18,650,967
<i>Due to Related Parties</i>	5	98,275	170,261
<i>Due to Third Parties</i>		10,148,765	18,480,706
Payables for Employee Benefits		947,454	770,228
Other Payables	7	9,946,461	10,344,613
<i>Due to Related Parties</i>	5	460	23,818
<i>Due to Third Parties</i>		9,946,001	10,320,795
Derivative Financial Instruments	21	110,587	51,989
Deferred Income		51,783	36,366
Income Tax Liability		246,231	42,091
Short-Term Provisions		870,453	1,262,207
<i>Provisions for Employment Benefits</i>		173,059	515,346
<i>Other Short-Term Provisions</i>		697,394	746,861
Other Short-Term Liabilities		1,450,223	707,609
Non-Current Liabilities		32,637,573	30,282,381
Long-Term Financial Liabilities	20	16,472,355	15,167,025
Other Financial Liabilities	20	774,967	885,336
Deferred Income		4,824,693	3,569,978
Long-Term Provisions		1,519,667	1,552,494
<i>Provisions for Employment Benefits</i>		1,519,667	1,552,494
Deferred Tax Liabilities	19	9,045,891	9,107,548
TOTAL LIABILITIES		75,814,506	85,517,515

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

ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of purchasing power of the TL at 31 March 2024 unless otherwise indicated. Currencies other than TL are also expressed in thousands unless otherwise indicated.)

LIABILITIES	Notes	Unaudited / current period 31 March 2024	Audited / prior period 31 December 2023
Equity		63,744,886	66,477,394
Registered Share Capital	13	1,181,069	1,181,069
Adjustments to Share Capital	13	10,509,752	10,509,752
Share Premium	13	24,987,272	24,987,272
Total Share Capital		36,678,093	36,678,093
Other Funds		18,394	18,394
Accumulated Other Comprehensive Income / (Expense) to be Reclassified to Profit or Loss in Subsequent Periods		80,330	54,498
<i>Hedge Reserves</i>		80,330	54,498
Restricted Profit Reserves	13	2,873,422	2,837,262
Retained Earnings		26,852,987	21,691,348
Profit / (Loss) for the Period		(2,758,340)	5,197,799
TOTAL LIABILITIES AND EQUITY		139,559,392	151,994,909

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

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 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of purchasing power of the TL at 31 March 2024 unless otherwise indicated. Currencies other than TL are also expressed in thousands unless otherwise indicated.)

	Notes	Unaudited / current period 1 January - 31 March 2024	Unaudited / prior period 1 January - 31 March 2023
Revenue	14	34,502,517	49,553,123
Cost of Sales (-)	15	(24,908,852)	(43,578,869)
GROSS PROFIT		9,593,665	5,974,254
General Administrative Expenses (-)	16	(3,277,475)	(3,152,098)
Other Income from Operating Activities	17	1,392,846	781,606
Other Expenses from Operating Activities (-)	17	(2,007,378)	(1,123,034)
OPERATING PROFIT BEFORE FINANCE INCOME / (EXPENSE)		5,701,658	2,480,728
Finance Income	18	312,962	787,286
Finance Expense (-)	18	(4,055,465)	(2,118,807)
Monetary Gain / (Loss)		(1,251,555)	(412,085)
PROFIT BEFORE TAX		707,600	737,122
Tax Expense		(3,465,940)	(3,208,492)
Current Tax Expense (-)	19	(185,221)	(1,839,170)
Deferred Tax Expense	19	(3,280,719)	(1,369,322)
LOSS FOR THE PERIOD		(2,758,340)	(2,471,370)
OTHER COMPREHENSIVE INCOME AND EXPENSE			
Other Comprehensive Income / (Expense) to be Reclassified to Profit or Loss in Subsequent Periods		25,832	(136,490)
<i>Gains / (Losses) on Hedges</i>		33,236	(170,631)
<i>Income Tax Relating to Other Comprehensive Income</i>	19	(7,404)	34,141
TOTAL COMPREHENSIVE LOSS		(2,732,508)	(2,607,860)
Loss per share (kr)			
Loss per share (kr)	13	(2.34)	(2.09)

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

ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2024**

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of purchasing power of the TL at 31 March 2024 unless otherwise indicated. Currencies other than TL are also expressed in thousands unless otherwise indicated.)

						Accumulated Other Comprehensive Income / (Expense) to be Reclassified to Profit or Loss in Subsequent Periods			
	<u>Share Capital</u>	<u>Adjustment to Share Capital</u>	<u>Share premium</u>	<u>Restricted Profit Reserves</u>	<u>Other Funds</u>	<u>Hedge Reserves</u>	<u>Retained Earnings</u>	<u>Profit / (Loss) for the Period</u>	<u>Total Equity</u>
Balance as at 1 January 2023	1,181,069	10,509,752	25,632,921	2,683,469	18,394	1,899,034	2,033,722	23,742,872	67,701,233
Transfers	-	-	(645,649)	147,546	-	-	24,240,975	(23,742,872)	-
Dividend	-	-	-	-	-	-	(4,577,108)	-	(4,577,108)
Total comprehensive loss	-	-	-	-	-	(136,490)	-	(2,471,367)	(2,607,857)
Balance as at 31 March 2023	1,181,069	10,509,752	24,987,272	2,831,015	18,394	1,762,544	21,697,589	(2,471,367)	60,516,268
Balance as at 1 January 2024	1,181,069	10,509,752	24,987,272	2,837,262	18,394	54,498	21,691,348	5,197,799	66,477,394
Transfers	-	-	-	36,160	-	-	5,161,639	(5,197,799)	-
Total comprehensive loss	-	-	-	-	-	25,832	-	(2,758,340)	(2,732,508)
Balance as at 31 March 2024	1,181,069	10,509,752	24,987,272	2,873,422	18,394	80,330	26,852,987	(2,758,340)	63,744,886

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

ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of purchasing power of the TL at 31 March 2024 unless otherwise indicated. Currencies other than TL are also expressed in thousands unless otherwise indicated.)

	Notes	Unaudited / current period 1 January - 31 March 2024	Unaudited / prior period 1 January - 31 March 2023
Cash Flows from Operating Activities		3,509,225	12,405,184
Profit for the period		(2,758,340)	(2,471,370)
Profit for the period		(2,758,340)	(2,471,370)
Adjustments to reconcile net profit for the period		5,016,762	6,914,316
Adjustments related to the depreciation and amortization	9, 10, 11	1,013,373	953,723
Adjustments related to the depreciation of right of use assets	9	214,742	213,519
Adjustments related to the depreciation of property, plant and equipment	10	215,569	165,564
Adjustments related to the amortization of intangible assets	11	583,062	574,640
Adjustments related to impairment loss		482,668	664,717
Adjustments related to doubtful provision expenses	6, 8	482,668	664,717
Adjustments related to provisions		255,816	805,837
Adjustments related to provisions for employee benefits		250,604	550,153
Adjustments related to legal case provisions		37,381	(5,606)
Adjustments related to other provisions		(32,169)	261,290
Adjustments related to interest (income) and expenses, net		3,652,926	1,402,296
Adjustments related to interest income	18	(312,121)	(716,511)
Adjustments related to interest expense	18	3,965,047	2,118,807
Adjustments related to unrealized foreign exchange loss		(157,576)	172,266
Adjustments related to tax expense	19	3,465,940	3,208,492
Adjustments related to change in fair value losses / (gains)		400,145	(218,993)
Other adjustments to reconcile profit / (loss)	23	(4,665,530)	(3,381,447)
Adjustments related to interest (income) / expense from tariff receivables	17	(454,795)	17,455
Adjustments related to financial income from service concession arrangements	8, 14	(4,210,735)	(3,398,902)
Monetary (gains) / losses		569,000	3,307,425
Changes in operating assets and liabilities		(3,863,834)	3,868,954
(Increase) / decrease in trade receivables		(6,583,307)	(2,199,733)
(Increase) / decrease in inventories		474,666	(1,383,357)
(Increase) / decrease in other receivables and assets		1,589,809	(2,109,987)
Increase / (decrease) in trade payables		(5,965,564)	6,898,173
Increase / (decrease) in other payables and expense accruals		6,620,562	2,663,858
Cash generated from/(used in) operating activities		(1,605,412)	8,311,900
Payments related with provisions for employee benefits		(313,964)	(310,910)
Tax payments		-	(354,887)
Interest received / (paid)		591,497	-
Other cash in-flows	23	4,837,104	4,759,081
Capital expenditures reimbursements related to service concession arrangements	8	2,999,990	2,930,382
WACC reimbursements related to service concession arrangements	8	1,744,590	1,754,822
Collections from doubtful trade receivable	6	92,524	73,877
Cash Flows from Investing Activities		(3,821,943)	(4,740,764)
Cash used for purchase of tangible and intangible assets		(358,710)	(414,131)
Interest received		564,580	728,631
Other cash out-flows	23	(4,027,813)	(5,055,264)
Capital expenditures related to service concession arrangements		(4,027,813)	(5,055,264)
Cash Flows from Financing Activities		(1,502,996)	(4,925,705)
Cash in-flows from borrowings		9,898,935	10,024,445
Cash out-flows for borrowings		(7,836,203)	(12,341,336)
Repayment of of lease liabilities		(135,653)	(123,960)
Interest paid		(3,430,075)	(2,484,854)
Increase / (decrease) in cash and cash equivalents		(1,815,714)	2,738,715
Inflation impact on cash and cash equivalents		(678,051)	(1,766,137)
Cash and cash equivalents at the beginning of the year		5,179,296	15,870,863
Cash and cash equivalents at the end of the period		2,685,531	16,843,441

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

ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of purchasing power of the TL at 31 March 2024 unless otherwise indicated. Currencies other than TL are also expressed in thousands unless otherwise indicated.)

NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS OF THE GROUP

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

On 27 April 2023, DD Turkey Holdings S.A.R.L. ("DD Turkey") has 40% shares in the Company, have signed a share transfer agreement regarding the transfer of shares to E.ON International Participations N.V (EIP), which is also an E.ON group company and incorporated in the Netherlands. Accordingly, Company shares, which are held by DD Turkey, are transferred to EIP, another E.ON group company, which has the same controlling structure, without any change in control. Above mentioned transaction is part of a corporate internal restructuring due to sole technical reasons within E.ON group. Following the transfer of shares, E.ON group still holds 40% of Company shares. Thus, there is no change in Company's ultimate shareholding structure.

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

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

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

Subsidiaries consolidated in the consolidated financial statements as of 31 March 2024 and their activities are as follows:

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

ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of purchasing power of the TL at 31 March 2024 unless otherwise indicated. Currencies other than TL are also expressed in thousands unless otherwise indicated.)

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

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

The Group has 11,520 employees as of 31 March 2024 (31 December 2023: 11,583).

The interim condensed consolidated financial statements were authorized for issue by the Board of Directors of the Company on 28 May 2024. The General Assembly and certain regulatory bodies have the power to amend the consolidated financial statements after the issue.

BAŞKENT EDAŞ and EPS

100% shares of BAŞKENT EDAŞ has been acquired by EEDAŞ as of 28 January 2009 by privatization bid for the consideration of USD 1,225 million. BAŞKENT EDAŞ currently operates in 7 provinces including Ankara, Kırıkkale, Kastamonu, Zonguldak, Bartın, Çankırı and Karabük and holds the licence that gives the right for distribution of electricity in these provinces for 30 years starting from the date of Transfer of Operation Rights ("TOR") agreement signed with Türkiye Elektrik Dağıtım A.Ş. ("TEDAŞ") on 31 March 2006.

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

AYEDAŞ and AYESAŞ

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

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

ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of purchasing power of the TL at 31 March 2024 unless otherwise indicated. Currencies other than TL are also expressed in thousands unless otherwise indicated.)

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

TOROSLAR EDAŞ and TOROSLAR EPSAŞ

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

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

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

Toroslar EDAŞ, which operates in Adana, Gaziantep, Hatay, Kilis, Mersin and Osmaniye provinces, was directly affected by the earthquakes that occurred in Kahramanmaraş province on 6 February 2023. In accordance with the decision taken by EMRA, regions directly affected by the disaster are supported by the price equalization mechanism via making assumptions on energy volumes and revenues. It was decided that the earthquake disaster is considered among the extraordinary circumstances regulated in Article 16 of the Electricity Market Tariff Regulation published in the Official Gazette dated 19 June 2020 and numbered 31160, and in this context, the necessary expenses to be incurred by distribution companies due to the effects of earthquakes are generally accepted as uncontrollable operating expenses within the scope of the fourth paragraph of Article 8 of the Communiqué on the Regulation of Distribution Tariff published in the Official Gazette dated 19 November 2020 and numbered 31309, provided that the relevant conditions are met. Negotiations with EMRA regarding the relevant processes are ongoing. The Company's operational activities are secured by the relevant regulations.

Enerjisa Müşteri Çözümleri A.Ş.

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

E-şarj

Enerjisa Müşteri Çözümleri A.Ş., acquired 80% of the shares of E-şarj on 26 April 2018 and 14% shares on 3 December 2021.

Enerjisa Müşteri Çözümleri A.Ş. has acquired remaining 6% of the shares of E-şarj Elektrikli Araçlar Şarj Sistemleri A.Ş. based on Board of Directors decision dated 27 July 2023. Following transaction, Enerjisa Müşteri Çözümleri A.Ş. has become 100% shareholder of E-şarj.

E-şarj is mainly involved in the operation of charging network for electric vehicles and supply of charging stations equipment.

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(Amounts expressed in thousands of Turkish Lira ("TL") in terms of purchasing power of the TL at 31 March 2024 unless otherwise indicated. Currencies other than TL are also expressed in thousands unless otherwise indicated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of Presentation

The accompanying interim condensed consolidated financial statements are prepared in accordance with the requirements of Capital Markets Board ("CMB") Communiqué Serial II, no: 14.1 "Basis of Financial Reporting in Capital Markets", which was published in the Official Gazette No: 28676 on 13 June 2013. The accompanying consolidated financial statements have been prepared in accordance with Turkish Financial Reporting Standards ("TFRS") and interpretations regarding these standards that have been put into effect by Public Oversight Accounting and Auditing Standards Authority of Türkiye ("POA") under Article 5 of the Communiqué. TFRS is updated through communiqués to be in line with the changes in International Financial Reporting Standards ("IFRS").

The interim condensed consolidated financial statements has been prepared in accordance with the formats stated in "Announcement regarding to TAS Taxonomy" which was published on 4 October 2022 by POA. Group's this interim condensed consolidated financial statements for the period ended 31 March 2024 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 statement for the three months period ended 31 March 2024 are consistent with consolidated financial statements as at 31 December 2023 except the ones disclosed in Note 2.4. Therefore, the interim condensed consolidated financial statements should be read and evaluated together with the annual financial statements prepared by the Group as of 31 December 2023.

Financial reporting in hyperinflationary economy

With the announcements made by the Public Oversight Accounting and Auditing Standards Authority (POA) on 23 November 2023, entities applying TFRSs have started to apply inflation accounting in accordance with TAS 29 Financial Reporting in Hyperinflation Economies as of financial statements for the interim condensed consolidated on or after 31 March 2024. TAS 29 is applied to the financial statements, including the consolidated financial statements, of any entity whose functional currency is the currency of a hyperinflationary economy. According to the standard, financial statements prepared in the currency of a hyperinflationary economy are presented in terms of the purchasing power of that currency at the balance sheet date. Prior period financial statements are also presented in the current measurement unit at the end of the reporting period for comparative purposes. The Group has therefore presented its consolidated financial statements as of 31 December 2023 and 31 March 2023, on the purchasing power basis as of 31 March 2024.

Pursuant to the decision of the Capital Markets Board ("CMB") dated 28 December 2023 and numbered 81/1820, it has been decided that issuers and capital market institutions subject to financial reporting regulations that apply Turkish Accounting/Financial Reporting Standards will apply inflation accounting by applying the provisions of TAS 29 starting from their annual financial reports for the periods ending on 31 December 2023. The Group has applied IAS 29 "Financial Reporting in Hyperinflationary Economies" Standard in its consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") as of and for the year end 31 December 2022. Therefore, the Group's first application date of TMS 29 has been determined as 1 January 2021.

As of 1 January 2021, retained earnings were amounting TL 3,297,321 before the adjustments made in accordance with TAS 29. As of 1 January 2021, restated amount of retained earnings after the adjustments made in accordance with TAS 29 is TL 4,211,200 with the purchasing power of 31 March 2024.

The adjustments made in accordance with TAS 29 were made using the adjustment coefficient obtained from the Consumer Price Index ("CPI") of Türkiye published by the Turkish Statistical Institute ("TURKSTAT").

ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2024

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

2.1 Basis of Presentation (Continued)

Financial reporting in hyperinflationary economy (Continued)

As of 31 March 2024, the indices and adjustment coefficients used in the adjustment of the consolidated financial statements are as follows:

<u>Date</u>	<u>Index</u>	<u>Adjustment Coefficient</u>	<u>Three -years compound inflation rates</u>
31 March 2024	2,139.47	1.00000	309%
31 December 2023	1,859.38	1.15064	268%
31 March 2023	1,269.75	1.68495	182%

The main elements of the Group's adjustment process for financial reporting in hyperinflationary economies are as follows:

- Current period consolidated financial statements prepared in TL are expressed in terms of the purchasing power at the balance sheet date, and amounts from previous reporting periods are also adjusted and expressed in terms of the purchasing power at the end of the reporting period.
- Monetary assets and liabilities are not adjusted as they are already expressed in terms of the current purchasing power at the balance sheet date. In cases where the inflation-adjusted values of non-monetary items exceed their recoverable amount or net realizable value, the provisions of TAS 36 "Impairment of Assets" and TAS 2 "Inventories" are applied, respectively.
- Non-monetary assets and liabilities and equity items that are not expressed in terms of the current purchasing power at the balance sheet date have been adjusted using the relevant adjustment coefficients.
- All items in the comprehensive income statement, except for those that have an impact on the comprehensive income statement of non-monetary items on the balance sheet, have been indexed using the coefficients calculated for the periods when the income and expense accounts were first reflected in the financial statements.
- The effect of inflation on the Group's net monetary asset position in the current period is recorded in the monetary gain/loss account in the consolidated income statement.

2.2 Functional and Presentation of Currency

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

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

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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 Group does not have any material reclassifications and adjustments in the interim condensed consolidated financial statements as at 31 March 2024.

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 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 period.

2.6 Going Concern

The Group prepares consolidated financial statements in accordance with the going concern assumption and does not anticipate a significant risk.

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 2024 and 31 December 2023 are as follows:

	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group (%)		Principal activity
		31 March 2024	31 December 2023	
Başkent Elektrik Dağıtım A.Ş.	Ankara	100	100	Electricity Distribution Services
Enerjisa Başkent Elektrik Perakende Satış A.Ş.	Ankara	100	100	Electricity Retail Services
İstanbul Anadolu Yakası Elektrik Dağıtım A.Ş.	İstanbul	100	100	Electricity Distribution Services
Enerjisa İstanbul Anadolu Yakası Elektrik Perakende Satış A.Ş.	İstanbul	100	100	Electricity Retail Services
Toroslar Elektrik Dağıtım A.Ş.	Adana	100	100	Electricity Distribution Services
Enerjisa Toroslar Elektrik Perakende Satış A.Ş.	Adana	100	100	Electricity Retail Services
Enerjisa Müşteri Çözümleri A.Ş.	İstanbul	100	100	Renewable Energy and Energy Efficiency Solutions
E-şarj Elektrikli Araçlar Şarj Sistemleri A.Ş.	İstanbul	100	100	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
FOR THE PERIOD ENDED 31 MARCH 2024**

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

2.9 New and Revised International Financial Reporting Standards

The accounting policies adopted in preparation of the consolidated financial statements as at 31 March 2024 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 2024 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 2024:

Amendments to TAS 1	<i>Classification of Liabilities as Current or No Current</i>
Amendments to TFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to TAS 1	<i>Non-current Liabilities with Covenants</i>
Amendments to TAS 7 and TFRS 7	<i>Supplier Finance Arrangements</i>
TSRS 1	<i>General Requirements for Disclosure of Sustainability-related Financial Information</i>
TSRS 2	<i>Climate-related Disclosures</i>

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 2024:

The Group has not yet adopted the following standards and amendments and interpretations to the existing standards:

TFRS 17	<i>Insurance Contracts</i>
Amendments to TFRS 17	<i>Initial Application of TFRS 17 and TFRS 9 - Comparative Information (Amendment to TFRS 17)</i>

The Group evaluates the effects of these standards, amendments and improvements on the consolidated financial statements.

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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 2024	31 December 2023
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.	Renewable Energy and Energy Efficiency Solutions	İstanbul	100	100
E-şarj	Electric Vehicles and Charging Stations Services	İstanbul	100	100

Principal Activity	Place of incorporation and operation	Number of subsidiaries owned by the Group	
		31 March 2024	31 December 2023
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

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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 renewable energy and energy efficiency solutions to customers. E-şarj Elektrikli Araçlar Şarj Sistemleri A.Ş.'s activities are also disclosed under customer solutions segment. The Group performs segment reporting according to 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 2024 and 31 March 2023.

1 January - 31 March 2024	Distribution	Retail	Customer Solutions	Unallocated (*)	Eliminations	Total
Revenue	13,768,668	17,587,468	3,146,381	129,918	(129,918)	34,502,517
Cost of sales (-)	(7,110,397)	(16,591,560)	(1,206,895)	-	-	(24,908,852)
Gross profit / (loss)	6,658,271	995,908	1,939,486	129,918	(129,918)	9,593,665
General administrative expenses (-)	(1,847,938)	(791,846)	(112,930)	(657,197)	132,436	(3,277,475)
Other income / (expense) from operating activities - net	202,386	605,925	(1,411,453)	(8,872)	(2,518)	(614,532)
Operating profit / (loss)	5,012,719	809,987	415,103	(536,151)	-	5,701,658
Financial income	228,495	853,148	13,829	1,558,821	(2,341,331)	312,962
Financial expense (-)	(3,702,596)	(553,673)	(450,848)	(1,689,679)	2,341,331	(4,055,465)
Monetary gains / (losses)	(892,813)	(1,047,384)	60,361	628,281	-	(1,251,555)
Profit / (loss) before taxation on income	645,805	62,078	38,445	(38,728)	-	707,600
Current tax expense (-)	(183,194)	(45,383)	43,356	-	-	(185,221)
Deferred tax income / (expense)	(3,141,275)	(82,572)	(35,199)	(21,673)	-	(3,280,719)
Net profit / (loss) for the period	(2,678,664)	(65,877)	46,602	(60,401)	-	(2,758,340)

(*) TL 510,783 of TL 1,013,373 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.

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NOTE 4 - SEGMENT REPORTING (Continued)

1 January - 31 March 2023	Distribution	Retail	Customer Solutions	Unallocated (*)	Eliminations	Total
Revenue	14,787,802	34,642,178	123,316	114,039	(114,212)	49,553,123
Cost of sales (-)	(10,955,812)	(32,513,365)	(109,692)	-	-	(43,578,869)
Gross profit / (loss)	3,831,990	2,128,813	13,624	114,039	(114,212)	5,974,254
General administrative expenses (-)	(1,782,892)	(766,414)	(59,743)	(660,182)	117,133	(3,152,098)
Other income / (expense) from operating activities - net	33,041	(350,736)	(25,442)	4,630	(2,921)	(341,428)
Operating profit / (loss)	2,082,139	1,011,663	(71,561)	(541,513)	-	2,480,728
Financial income	221,718	1,232,955	3,437	158,154	(828,978)	787,286
Financial expense (-)	(2,020,379)	(608,908)	(98,296)	(220,202)	828,978	(2,118,807)
Monetary gains / (losses)	(326,985)	(631,087)	8,656	537,331	-	(412,085)
Profit / (loss) before taxation on income	(43,507)	1,004,623	(157,764)	(66,230)	-	737,122
Current tax expense (-)	(486,011)	(1,098,129)	-	(255,030)	-	(1,839,170)
Deferred tax income / (expense)	(2,060,214)	643,490	14,296	33,106	-	(1,369,322)
Net profit / (loss) for the period	(2,589,732)	549,984	(143,468)	(288,154)	-	(2,471,370)

(*) TL 505,172 of TL 953,723 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.

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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 2024 and 31 December 2023.

As at 31 March 2024	Distribution	Retail	Customer Solutions	Unallocated (*)	Eliminations	Total
Segment assets						
Cash and cash equivalents	397,335	1,489,336	798,062	798	-	2,685,531
Trade receivables	10,564,273	11,860,807	2,733,277	77,747	(3,007,234)	22,228,870
Inventories	2,876,346	-	595,584	-	-	3,471,930
Derivative instruments	55,800	225,586	-	-	-	281,386
Financial assets	32,038,169	-	-	(8,074)	-	32,030,095
Right of use assets	691,563	190,978	570	34,155	-	917,266
Property, plant and equipment	6,738,160	253,808	709,403	22,191	-	7,723,562
Intangible assets	185,284	265,399	297,091	37,548,153	-	38,295,927
Deferred tax assets	19,298,598	861,804	70,159	618,377	-	20,848,938
Other receivables and assets	5,506,215	9,638,119	1,286,816	24,243,391	(29,598,654)	11,075,887
Total assets	78,351,743	24,785,837	6,490,962	62,536,738	(32,605,888)	139,559,392
Segment liabilities						
Financial liabilities	12,785,100	3,853,722	4,188,196	27,632,375	(12,828,931)	35,630,462
Other financial liabilities	923,561	-	-	-	-	923,561
Trade payables	4,527,860	8,607,448	89,742	29,224	(3,007,234)	10,247,040
Derivative instruments	88,462	-	22,125	-	-	110,587
Deferred tax liabilities	-	-	229,657	8,816,234	-	9,045,891
Other payables and liabilities	25,267,899	10,520,045	655,143	183,601	(16,769,723)	19,856,965
Total liabilities	43,592,882	22,981,215	5,184,863	36,661,434	(32,605,888)	75,814,506

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

(*) As of 31 March 2024, the Group has recorded an impairment provision of TL 8,074 for its financial assets from service concession arrangements in accordance with TFRS 9 Financial Instruments.

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NOTE 4 - SEGMENT REPORTING (Continued)

As at 31 December 2023	Distribution	Retail	Customer Solutions	Unallocated (*)	Eliminations	Total
Segment assets						
Cash and cash equivalents	1,291,694	2,816,060	1,068,701	2,841	-	5,179,296
Trade receivables	7,457,288	14,133,190	1,196,853	86,016	(4,053,633)	18,819,714
Inventories	3,015,565	-	1,525,531	-	-	4,541,096
Derivative instruments	230,917	270,730	159,864	-	-	661,511
Financial assets	36,549,666	-	-	(7,522)	-	36,542,144
Right of use assets	778,414	212,015	656	32,382	-	1,023,467
Property, plant and equipment	6,600,308	248,526	716,623	16,655	-	7,582,112
Intangible assets	214,075	304,516	299,263	38,056,104	-	38,873,958
Deferred tax assets	22,457,558	934,199	40,094	766,867	-	24,198,718
Other receivables and assets	7,924,172	8,589,005	1,333,782	27,477,625	(30,751,691)	14,572,893
Total assets	86,519,657	27,508,241	6,341,367	66,430,968	(34,805,324)	151,994,909
Segment liabilities						
Financial liabilities	13,405,139	5,242,767	3,553,175	29,759,752	(13,585,744)	38,375,089
Other financial liabilities	1,046,336	-	-	-	-	1,046,336
Trade payables	11,977,358	10,529,850	135,657	61,735	(4,053,633)	18,650,967
Derivative instruments	51,658	331	-	-	-	51,989
Deferred tax liabilities	-	-	163,656	8,943,892	-	9,107,548
Other payables and liabilities	23,172,489	10,828,185	1,229,378	221,481	(17,165,947)	18,285,586
Total liabilities	49,652,980	26,601,133	5,081,866	38,986,860	(34,805,324)	85,517,515

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

(*) As of 31 December 2023, the Group has recorded an impairment provision of TL 7,522 for its financial assets from service concession arrangements in accordance with TFRS 9 Financial Instruments.

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NOTE 4 - SEGMENT REPORTING (Continued)

The information below includes depreciation and amortisation expenses and capital expenditures for the Group's business segments related to for the 3 months period ended 31 March 2024 and 31 March 2023.

1 January - 31 March 2024	Distribution	Retail	Customer Solutions	Unallocated	Eliminations	Total
Depreciation and amortization expenses	(387,320)	(72,667)	(33,540)	(519,846)	-	(1,013,373)
Purchase of tangible and intangible assets	(299,768)	(56,141)	8,912	(11,713)	-	(358,710)
Capital expenditures related to service concession arrangements	(4,027,813)	-	-	-	-	(4,027,813)
1 January - 31 March 2023	Distribution	Retail	Customer Solutions	Unallocated	Eliminations	Total
Depreciation and amortization expenses	(353,303)	(69,751)	(12,436)	(518,233)	-	(953,723)
Purchase of tangible and intangible assets	(176,555)	(51,461)	(184,491)	(1,624)	-	(414,131)
Capital expenditures related to service concession arrangements	(5,055,264)	-	-	-	-	(5,055,264)

ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

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(Amounts expressed in thousands of Turkish Lira ("TL") in terms of purchasing power of the TL at 31 March 2024 unless otherwise indicated. Currencies other than TL are also expressed in thousands unless otherwise indicated.)

NOTE 5 - RELATED PARTY TRANSACTIONS

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

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

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

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

	31 March 2024	31 December 2023
<u>Related party bank balances – Akbank T.A.Ş. (1)</u>		
Demand deposits	896,127	1,143,067
Time deposits	-	1,061,907
	<u>896,127</u>	<u>2,204,974</u>

As of 31 March 2024 and 31 December 2023, the Group has not given any collateral for the loans.

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

	31 March 2024				
	Contract Amount (USD)	Contract Amount (EUR)	Contract Amount (TL) (*)	Assets	Liabilities
Forward exchanges	103,826	35,104	4,573,764	74,230	(71,298)
	<u>103,826</u>	<u>35,104</u>	<u>4,573,764</u>	<u>74,230</u>	<u>(71,298)</u>
	31 December 2023				
	Contract Amount (USD)	Contract Amount (EUR)	Contract Amount (TL) (*)	Assets	Liabilities
Forward exchanges	78,435	38,765	3,571,712	412,338	(15,599)
	<u>78,435</u>	<u>38,765</u>	<u>3,571,712</u>	<u>412,338</u>	<u>(15,599)</u>

(*) Contract amounts are presented in nominal values.

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NOTE 5 - RELATED PARTY TRANSACTIONS (Continued)

Balances with Related Parties	31 March 2024			
	Receivables		Payables	
	Current	Non-current	Current	
	Trade	Trade	Trade	Other
Akbank T.A.Ş. (1)	30,243	-	-	-
Aksigorta A.Ş. (1)	2	-	2,798	460
Brisa Bridgestone Sabancı Lastik San. ve Tic. A.Ş. (1)	44,590	15,201	-	-
Carrefoursa A.Ş. (1)	1,234	-	-	-
Çimsa Çimento Sanayi A.Ş. (1)	16,319	47,852	-	-
Enerjisa Üretim Santralleri A.Ş. (1)	87	-	81,524	-
Hacı Ömer Sabancı Holding A.Ş. (2)	434	-	465	-
Kordsa Teknik Tekstil A.Ş. (1)	-	-	121	-
Sabancı Dijital Teknolojileri A.Ş. (1)	-	-	12,725	-
Teknosa İç ve Dış Ticaret A.Ş. (1)	2,805	426	-	-
Temsa Global San. ve Tic. A.Ş. (1)	4,572	9,447	-	-
Other (1)	1,022	-	642	-
	<u>101,308</u>	<u>72,926</u>	<u>98,275</u>	<u>460</u>

Balances with Related Parties	31 December 2023			
	Receivables		Payables	
	Current	Non-current	Current	
	Trade	Trade	Trade	Other
Akbank T.A.Ş. (1)	31,155	-	-	-
Aksigorta A.Ş. (1)	-	-	63,170	23,818
Brisa Bridgestone Sabancı Lastik San. ve Tic. A.Ş. (1)	55,376	18,085	-	-
Carrefoursa A.Ş. (1)	14,236	-	510	-
Çimsa Çimento Sanayi A.Ş. (1)	9,722	57,543	-	-
Enerjisa Üretim Santralleri A.Ş. (1)	368	-	83,647	-
Hacı Ömer Sabancı Holding A.Ş. (2)	2,220	-	11,601	-
Sabancı Dijital Teknolojileri A.Ş. (1)	-	-	10,725	-
Kordsa Teknik Tekstil A.Ş. (1)	-	-	139	-
Teknosa İç ve Dış Ticaret A.Ş. (1)	2,466	550	-	-
Temsa Global San. ve Tic. A.Ş. (1)	4,284	11,289	-	-
Other (1)	1,577	-	469	-
	<u>121,404</u>	<u>87,467</u>	<u>170,261</u>	<u>23,818</u>

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(Amounts expressed in thousands of Turkish Lira ("TL") in terms of purchasing power of the TL at 31 March 2024 unless otherwise indicated. Currencies other than TL are also expressed in thousands unless otherwise indicated.)

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 2024	1 January - 31 March 2023
Short-term key management benefits	100,115	93,461
Long-term key management benefits	2,758	3,361
	<u>102,873</u>	<u>96,822</u>

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(Amounts expressed in thousands of Turkish Lira ("TL") in terms of purchasing power of the TL at 31 March 2024 unless otherwise indicated. Currencies other than TL are also expressed in thousands unless otherwise indicated.)

NOTE 5 - RELATED PARTY TRANSACTIONS (Continued)

Transactions with Related Parties	1 January-31 March 2024					
	Electricity sales	Electricity purchases	Interest income	Interest expense	General administrative expenses	Other income
Akbank T.A.Ş. (1)	81,878	-	6,840	531	-	-
Akçansa Çimento Sanayi ve Ticaret A.Ş. (1)	93	-	-	-	-	-
Aksigorta A.Ş. (1)	40	-	-	-	144,322	22
Avivasa Emeklilik ve Hayat A.Ş. (1)	5	-	-	-	-	-
Brisa Bridgestone Sabancı Lastik San. ve Tic. A.Ş. (1)	485	-	-	-	-	2,427
Carrefoursa A.Ş. (1)	255	-	-	-	1,330	3,583
Çimsa Çimento Sanayi A.Ş. (1)	2,843	-	-	-	-	5,539
Enerjisa Üretim Santralleri A.Ş. (1)	462,649	-	-	-	-	4,147
Hacı Ömer Sabancı Holding A.Ş. (2)	3,639	-	-	-	-	-
Sabancı Dijital Teknolojileri A.Ş. (1)	-	-	-	-	47,579	-
Teknosa İç ve Dış Ticaret A.Ş. (1)	6,595	-	-	-	-	673
Temsa Global San. ve Tic. A.Ş. (1)	-	-	-	-	-	1,267
Tursa Sabancı Turizm ve Yatırım İşletmeleri A.Ş. (1)	-	-	-	-	-	120
Other (1)	3,147	-	-	-	-	-
	<u>561,629</u>	<u>-</u>	<u>6,840</u>	<u>531</u>	<u>193,231</u>	<u>17,778</u>

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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)	94,365	-	1,188	184,648	-	-
Akçansa Çimento Sanayi ve Ticaret A.Ş. (1)	97	-	-	-	-	-
Aksigorta A.Ş. (1)	45	-	-	-	41,678	-
Avivasa Emeklilik ve Hayat A.Ş. (1)	6	-	-	-	-	-
Brisa Bridgestone Sabancı Lastik San. ve Tic. A.Ş. (1)	650	-	-	-	-	1,342
Carrefoursa A.Ş. (1)	104,756	-	-	-	71	2,095
Çimsa Çimento Sanayi A.Ş. (1)	2,613	-	-	-	-	-
Enerjisa Üretim Santralleri A.Ş. (1)	1,522	534,860	-	-	3,306	-
Hacı Ömer Sabancı Holding A.Ş. (2)	6,144	-	-	-	-	-
Sabancı Dijital Teknolojileri A.Ş. (1)	-	-	-	-	17,856	-
Teknosa İç ve Dış Ticaret A.Ş. (1)	7,978	-	-	-	-	297
Other (1)	89	-	-	-	-	54
	<u>218,265</u>	<u>534,860</u>	<u>1,188</u>	<u>184,648</u>	<u>62,911</u>	<u>3,788</u>

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of purchasing power of the TL at 31 March 2024 unless otherwise indicated. Currencies other than TL are also expressed in thousands unless otherwise indicated.)

NOTE 6 - TRADE RECEIVABLES AND PAYABLES

6.1 Trade Receivables

	31 March 2024	31 December 2023
Current Trade Receivables		
Trade receivables (*)	25,865,566	24,323,517
Due from related parties (Note 5)	101,308	121,404
Allowance for doubtful receivables (-)	(6,093,995)	(6,572,017)
	<u>19,872,879</u>	<u>17,872,904</u>
Non-Current Trade Receivables		
Trade receivables	2,283,065	859,343
Due from related parties (Note 5)	72,926	87,467
	<u>2,355,991</u>	<u>946,810</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 2024, trade receivables amounting TL 17,480,690 (31 December 2023: TL 14,281,305) were neither past due nor impaired. Interest is charged at 3.5% for the period of 1 January 2024 – 31 March 2024 per month on the overdue receivable balances (1 January 2023 – 14 November 2023 2.5% and for the period of 15 November 2023 – 31 December 2023 3.5%).

As of 31 March 2024, trade receivables amounting TL 4,748,180 (31 December 2023: TL 4,538,409) were past due but not impaired. The aging analysis of trade receivables past due but not impaired as of 31 March 2024 and 31 December 2023 is as follows:

	31 March 2024	31 December 2023
Up to 1 month	2,345,700	2,184,044
1 to 3 months	1,035,971	948,750
Over 3 months	1,366,509	1,405,615
	<u>4,748,180</u>	<u>4,538,409</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.

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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 2024	1 January - 31 March 2023
Opening balance	(6,572,017)	(7,915,228)
Charge for the period	(481,131)	(667,873)
Amounts collected during the period	92,524	73,877
Inflation effect	866,629	897,243
Closing balance	<u>(6,093,995)</u>	<u>(7,611,981)</u>

The Group received guarantee letters amounting to TL 6,559,581 (31 December 2023: TL 8,850,152) and deposits and guarantees amounting to TL 9,155,435 (31 December 2023: TL 9,317,517) as collateral for its electricity receivables.

6.2 Trade Payables

	31 March 2024	31 December 2023
Current Trade Payables	<u>10,247,040</u>	<u>18,650,967</u>
Trade payables	10,148,765	18,480,706
Due to related parties (Note 5)	98,275	170,261

Trade payables mainly arise from the Group's electricity purchases from Türkiye Elektrik Üretim A.Ş. ("EÜAŞ") and Enerji Piyasaları İşletme A.Ş. ("EPIAŞ") and payables related to transmission costs invoiced by Türkiye Elektrik İletim A.Ş. ("TEİAŞ"). The average maturity of the payables related to electricity purchases is 51 days.

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NOTE 7 - OTHER RECEIVABLES AND PAYABLES

7.1 Other Receivables

	31 March 2024	31 December 2023
Other Current Receivables		
Income accruals (*)	3,359,467	5,558,587
Deposits and guarantees given	21,379	21,885
Receivables from personnel	39,245	66
Allowance for other doubtful receivables (-) (**)	(194,133)	(223,376)
Other sundry receivables (***)	1,239,656	949,067
	<u>4,465,614</u>	<u>6,306,229</u>
	31 March 2024	31 December 2023
Other Non-Current Receivables		
Deposits and guarantees given (****)	1,555,394	1,572,869
Other sundry receivables (*****)	1,091,375	1,143,082
	<u>2,646,769</u>	<u>2,715,951</u>

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

(**) Consists of provision related to general lighting receivables which are disputed.

(***) As of 31 March 2024, TL 972,077 of the amount arises from receivables from tax office.

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

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

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NOTE 7 - OTHER RECEIVABLES AND PAYABLES (Continued)

7.1 Other Receivables (Continued)

Movement of allowance for other doubtful receivables is as follows:

	1 January - 31 March 2024	1 January - 31 March 2023
Opening balance	(223,376)	(9,756)
Inflation effect	29,243	4,494
Closing balance	<u>(194,133)</u>	<u>(5,262)</u>

7.2 Other Payables

	31 March 2024	31 December 2023
<u>Other Current Payables</u>		
Due to related parties (Note 5)	460	23,818
Deposits received (*)	9,155,435	9,317,517
Lighting payables	15,000	17,260
Other payables (**)	775,566	986,018
	<u>9,946,461</u>	<u>10,344,613</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 liabilities related to customer penalties.

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NOTE 8 - FINANCIAL ASSETS FROM SERVICE CONCESSION ARRANGEMENTS

	Financial assets	
	31 March 2024	31 December 2023
Within one year	8,114,835	6,857,187
1-3 years	9,388,913	16,592,123
More than 3 years	14,526,347	13,092,834
	<u>32,030,095</u>	<u>36,542,144</u>
Current financial assets from service concession arrangements	8,114,835	6,857,187
Non-current financial assets from service concession arrangements	23,915,260	29,684,957
	<u>32,030,095</u>	<u>36,542,144</u>
	1 January - 31 March 2024	1 January - 31 March 2023
Opening balance	36,542,144	28,690,404
Investments (*)	816,668	1,686,945
Collections	(4,744,580)	(4,685,204)
<i>CAPEX reimbursements (**)</i>	(2,999,990)	(2,930,382)
<i>WACC reimbursements</i>	(1,744,590)	(1,754,822)
Financial income from service concession arrangements (Note 14)	4,210,735	3,398,902
(Recognition) / Reversal of impairment for financial assets	(1,537)	3,156
Inflation effect	(4,793,335)	(3,192,703)
Closing balance	<u>32,030,095</u>	<u>25,901,500</u>

(*) Investments amounting to TL 787,788 consists of the main balance arising from the presentation before TAS 29 and TL 28,880 consists of the monetary loss gain arising from the purchasing power indexation after TAS 29 as at 31 March 2024 (2023: TL 975,823 main balance arising from the presentation before TAS 29, TL 711,122 purchasing power indexation after TAS 29).

(**) TL 2,893,902 of the capex reimbursement amount consists of the main balance arising from the presentation before TAS 29 and TL 106,088 consists of the monetary loss gain arising from the purchasing power indexation presentation after TAS 29 as at 31 March 2024 (2023: TL 1,695,097 main balance arising from the presentation before TAS 29, TL 1,235,285 purchasing power indexation amount after TAS 29).

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NOTE 9 - RIGHT OF USE ASSETS

	Buildings	Motor vehicles	Total
Cost			
Opening balance as of 1 January 2024	963,486	2,582,574	3,546,060
Additions	37,954	79,300	117,254
Variable lease payment adjustments and changes in lease conditions	(8,745)	-	(8,745)
Disposals	-	(132)	(132)
Closing balance as of 31 March 2024	<u>992,695</u>	<u>2,661,742</u>	<u>3,654,437</u>
Accumulated Depreciation			
Opening balance as of 1 January 2024	(546,813)	(1,975,780)	(2,522,593)
Charge for the period	(47,455)	(167,287)	(214,742)
Disposals	-	164	164
Closing balance as of 31 March 2024	<u>(594,268)</u>	<u>(2,142,903)</u>	<u>(2,737,171)</u>
Carrying value as of 31 March 2024	<u><u>398,427</u></u>	<u><u>518,839</u></u>	<u><u>917,266</u></u>
Cost			
Opening balance as of 1 January 2023	645,536	2,184,804	2,830,340
Additions	10,086	64,413	74,499
Variable lease payment adjustments and changes in lease conditions	(1,443)	8,657	7,214
Disposals	-	(1,174)	(1,174)
Closing balance as of 31 March 2023	<u>654,179</u>	<u>2,256,700</u>	<u>2,910,879</u>
Accumulated Depreciation			
Opening balance as of 1 January 2023	(410,475)	(1,335,855)	(1,746,330)
Charge for the period	(40,264)	(173,255)	(213,519)
Disposals	-	671	671
Closing balance as of 31 March 2023	<u>(450,739)</u>	<u>(1,508,439)</u>	<u>(1,959,178)</u>
Carrying value as of 31 March 2023	<u><u>203,440</u></u>	<u><u>748,261</u></u>	<u><u>951,701</u></u>

Depreciation expenses of TL 214,742 are accounted in general administrative expenses (31 March 2023: TL 213,519).

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NOTE 10 - PROPERTY, PLANT AND EQUIPMENTS

	Plant, machinery and equipment	Leasehold improvements	Motor vehicles	Furniture and fixtures	Construction in progress	Total
Cost						
Opening balance as of 1 January 2024	5,447,190	109,145	126,735	2,968,163	2,366,919	11,018,152
Additions	241,598	15,548	4,943	88,103	6,827	357,019
Closing balance as of 31 March 2024	5,688,788	124,693	131,678	3,056,266	2,373,746	11,375,171
Accumulated Depreciation						
Opening balance as of 1 January 2024	(1,950,209)	(20,792)	(124,613)	(1,340,426)	-	(3,436,040)
Charge for the period	(107,489)	(5,447)	(368)	(102,265)	-	(215,569)
Closing balance as of 31 March 2024	(2,057,698)	(26,239)	(124,981)	(1,442,691)	-	(3,651,609)
Carrying value as of 31 March 2024	3,631,090	98,454	6,697	1,613,575	2,373,746	7,723,562
Cost						
Opening balance as of 1 January 2023	4,887,729	-	125,059	2,095,437	2,361,844	9,470,069
Additions	102,000	-	-	73,316	212,406	387,722
Closing balance as of 31 March 2023	4,989,729	-	125,059	2,168,753	2,574,250	9,857,791
Accumulated Depreciation						
Opening balance as of 1 January 2023	(1,539,618)	-	(124,011)	(1,041,099)	-	(2,704,728)
Charge for the period	(105,329)	-	(216)	(60,019)	-	(165,564)
Closing balance as of 31 March 2023	(1,644,947)	-	(124,227)	(1,101,118)	-	(2,870,292)
Carrying value as of 31 March 2023	3,344,782	-	832	1,067,635	2,574,250	6,987,499

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

Depreciation expense of TL 184,044 and TL 31,525 are accounted in general administrative expenses and cost of sales, respectively (31 March 2023: general administrative expenses: TL 154,138 and cost of sales: TL 11,426).

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NOTE 11 - INTANGIBLE ASSETS

	Customer contracts and related relationships	Transfer of operating rights	Goodwill	Computer software	Other intangible assets	Total
Cost						
Opening balance as of 1 January 2024	43,319,829	15,938,497	2,276,969	1,753,685	288,961	63,577,941
Additions	-	-	-	646	4,385	5,031
Closing balance as of 31 March 2024	43,319,829	15,938,497	2,276,969	1,754,331	293,346	63,582,972
Accumulated Amortization						
Opening balance as of 1 January 2024	(17,602,878)	(5,866,966)	-	(1,193,323)	(40,816)	(24,703,983)
Charge for the period	(374,535)	(136,248)	-	(72,081)	(198)	(583,062)
Closing balance as of 31 March 2024	(17,977,413)	(6,003,214)	-	(1,265,404)	(41,014)	(25,287,045)
Carrying value as of 31 March 2024	25,342,416	9,935,283	2,276,969	488,927	252,332	38,295,927
Cost						
Opening balance as of 1 January 2023	43,319,829	15,938,497	2,276,969	1,401,329	175,961	63,112,585
Additions	-	-	-	13,457	1,192	14,649
Closing balance as of 31 March 2023	43,319,829	15,938,497	2,276,969	1,414,786	177,153	63,127,234
Accumulated Amortization						
Opening balance as of 1 January 2023	(16,100,619)	(5,320,477)	-	(926,577)	(34,679)	(22,382,352)
Charge for the period	(370,421)	(134,751)	-	(69,306)	(162)	(574,640)
Closing balance as of 31 March 2023	(16,471,040)	(5,455,228)	-	(995,883)	(34,841)	(22,956,992)
Carrying value as of 31 March 2023	26,848,789	10,483,269	2,276,969	418,903	142,312	40,170,242

Amortization expense of TL 581,055 and TL 2,007 are accounted in general administrative expenses and cost of sales, respectively (31 March 2023: general administrative expenses: TL 573,749 and cost of sales: TL 891).

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

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

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

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

As of 31 March 2024, there is no impairment on goodwill (31 December 2023: None).

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NOTE 12 - COMMITMENT AND CONTINGENCIES

<u>31 March 2024</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	14,551	14,551	-	-
- <i>Collateral</i>	<i>14,551</i>	<i>14,551</i>	-	-
B. Total amount of CPM given against the subsidiaries included in full consolidation	15,121,582	14,990,841	3,171	815
- <i>Collateral</i>	<i>15,121,582</i>	<i>14,990,841</i>	<i>3,171</i>	<i>815</i>
Total	<u>15,136,133</u>	<u>15,005,392</u>	<u>3,171</u>	<u>815</u>
<u>31 December 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	12,518	12,518	-	-
- <i>Collateral</i>	<i>12,518</i>	<i>12,518</i>	-	-
B. Total amount of CPM given against the subsidiaries included in full consolidation	18,420,942	17,219,197	39,663	1,048
- <i>Collateral</i>	<i>18,420,942</i>	<i>17,219,197</i>	<i>39,663</i>	<i>1,048</i>
Total	<u>18,433,460</u>	<u>17,231,715</u>	<u>39,663</u>	<u>1,048</u>

(*) TL equivalent amounts are presented in nominal values.

Mandatory Investments

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

Energy Sales Agreements

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

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NOTE 13 - SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS

13.1 Share Capital

Shareholders	31 March 2024		31 December 2023	
	Share (%)	TL	Share (%)	TL
Hacı Ömer Sabancı Holding A.Ş.	40	472,427.6	40	472,427.6
E.ON International Participations N.V. (E.ON) (*)	40	472,427.6	40	472,427.6
Other	20	236,213.8	20	236,213.8
	100	1,181,069	100	1,181,069
Adjustment to share capital		10,509,752		10,509,752
Share premium (**)		24,987,272		24,987,272
Total share capital		<u>36,678,093</u>		<u>36,678,093</u>

(*) On 27 April 2023, DD Turkey Holdings S.A.R.L. ("DD Turkey") has 40% shares in the Company, have signed a share transfer agreement regarding the transfer of shares to E.ON International Participations N.V (EIP), which is also a E.ON group company and incorporated in the Netherlands. Accordingly, Company shares, which are held by DD Turkey, are transferred to EIP, another E.ON group company, which has the same controlling structure, without any change in control. Above mentioned transaction is part of a corporate internal restructuring due to sole technical reasons within E.ON group. Following the transfer of shares, E.ON group still holds 40% of Company shares. Thus, there is no change in Company's ultimate shareholding structure.

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

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

As at 31 March 2024, the capital of the Company comprising 118,106,897 thousand (31 December 2023: 118,106,897 thousand) registered ordinary shares of TL 0.01 each (31 December 2023: TL 0.01 each).

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NOTE 13 - SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS (Continued)

13.2 Earnings / (Loss) 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 2024	1 January - 31 March 2023
Loss for the period	(2,758,340)	(2,471,370)
Weighted average shares	118,106,896,712	118,106,896,712
Loss per share (kr)	(2.34)	(2.09)

13.3 Restricted Profit Reserves

	31 March 2024	31 December 2023
Restricted Profit Reserves	2,873,422	2,837,262
	<u>2,873,422</u>	<u>2,837,262</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.

13.4 Additional Information for Capital, Legal Reserves and Other Equity Items

A comparison of the Group's equity items restated for inflation in the interim condensed consolidated financial statements as of 31 March 2024 and the restated amounts in the financial statements prepared in accordance with Law No. 6762 and other legislation are as follows:

31 March 2024	Inflation adjusted amounts in the financial statements prepared in accordance with Law No. 6762 and other legislation	Inflation adjusted amounts in the financial statements prepared in accordance with TAS/IFRS	Differences recognized in retained earnings
Adjustments to Share Capital	16,870,667	10,509,752	6,360,915
Share Premium	25,911,047	24,987,272	923,775
Restricted Profit Reserves	4,626,368	2,873,422	1,752,946

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NOTE 14 – REVENUE

	1 January - 31 March 2024	1 January - 31 March 2023
Revenue from electricity sales and services provided	27,083,227	45,966,563
<i>Retail sales revenue</i>	16,983,284	33,942,201
<i>Regulated revenue</i>	7,055,014	19,763,131
<i>Liberalised revenue</i>	9,928,270	14,179,070
<i>Retail service revenue</i>	604,184	699,978
<i>Distribution lighting sales revenue</i>	1,453,294	2,271,078
<i>Distribution service revenue</i>	5,303,501	4,827,843
<i>Investment expenses</i>	816,668	1,686,945
<i>Transmission revenue</i>	1,922,296	2,538,518
Financial income from service concession arrangements (Note 8, 23)	4,210,735	3,398,902
Other revenue	3,208,555	187,658
	<u>34,502,517</u>	<u>49,553,123</u>

NOTE 15 - COST OF SALES

	1 January - 31 March 2024	1 January - 31 March 2023
Electricity purchases	(18,296,000)	(35,383,323)
<i>Retail energy purchases</i>	(16,591,560)	(32,513,365)
<i>Distribution related energy purchases (*)</i>	(1,704,440)	(2,869,958)
Investment costs	(816,668)	(1,669,485)
System usage fee (**)	(1,922,296)	(2,538,518)
Payroll and employee benefit expenses	(1,290,329)	(1,511,575)
Repair and maintenance expenses	(567,130)	(261,414)
Material expenses	(313,181)	(1,606,759)
Fleet management expenses	(273,103)	(304,606)
Insurance expenses	(93,309)	(51,236)
Depreciation and amortization expenses (Note 10, 11)	(33,532)	(12,317)
Other	(1,303,304)	(239,636)
	<u>(24,908,852)</u>	<u>(43,578,869)</u>

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

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

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NOTE 16 - GENERAL ADMINISTRATIVE EXPENSES

	1 January - 31 March 2024	1 January - 31 March 2023
General administrative expenses (-)	(3,277,475)	(3,152,098)
	<u>(3,277,475)</u>	<u>(3,152,098)</u>

Details of general administrative expenses are as follows:

	1 January - 31 March 2024	1 January - 31 March 2023
Payroll and employee benefit expenses	(1,473,506)	(1,372,447)
Depreciation and amortization expenses (Note 9, 10, 11)	(979,841)	(941,406)
Legal and lawsuit provision expenses	(171,493)	(166,767)
Outsourcing expenses	(149,465)	(87,395)
Duties, taxes and levies	(127,205)	(159,173)
Information technologies expenses	(78,229)	(94,026)
Advertisement and promotion expenses	(52,794)	(52,241)
Consulting expenses	(44,361)	(40,403)
Travel expenses	(34,536)	(53,355)
Post, telephone and communication expenses	(26,402)	(37,078)
Call center expenses	(22,776)	(17,752)
Invoice expenses	(22,044)	(41,322)
Fleet management expenses	(17,170)	(12,139)
Insurance expenses	(16,005)	(19,159)
Rent expenses	(13,932)	(16,177)
Repair and maintenance expenses	(4,562)	(7,825)
Material expenses	(719)	(447)
Other expenses	(42,435)	(32,987)
	<u>(3,277,475)</u>	<u>(3,152,098)</u>

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NOTE 17 - OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES

17.1 Other Income From Operating Activities

	1 January - 31 March 2024	1 January - 31 March 2023
Interest income related to tariff receivables - net (Note 23) (*)	454,795	-
Late payment interest income from electricity receivables	277,163	248,863
Power theft penalties	259,898	154,142
Income from operational hedge transactions - net	106,815	187,215
Rent and advertisement income	7,609	7,754
Income from doubtful receivables - net (Note 6)	2,733	-
Lawsuit income	90	-
Cancellation of impairment provision on financial assets (Note 8) (**)	-	3,156
Other income (***)	283,743	180,476
	<u>1,392,846</u>	<u>781,606</u>

17.2 Other Expenses From Operating Activities

	1 January - 31 March 2024	1 January - 31 March 2023
Rediscount expense for trade receivables	(1,385,418)	(6,722)
Provision for doubtful receivables - net (Note 6)	(391,340)	(593,996)
Foreign exchange losses from operating activities - net	(99,113)	(44,681)
Customer penalty expenses	(42,795)	(63,968)
Late payment interest expense	(20,696)	(293,023)
Donations	(12,826)	(60,381)
Impairment provision on financial assets (Note 8) (**)	(1,537)	-
Penalty expenses	(769)	(814)
Interest expense related to tariff receivables - net (Note 23) (*)	-	(17,455)
Expense from operational hedge transactions - net	-	(39,952)
Other expenses	(52,884)	(2,042)
	<u>(2,007,378)</u>	<u>(1,123,034)</u>

(*) Interest income / (expense) related to tariff receivables are the interest income / expense for the receivables arising from the difference between revenue requirement and revenue recognition on cash basis of the Group.

(**) As of 31 March 2024, the Group has been recorded additional impairment provision of TL 1,537 for its financial assets from service concession arrangements in accordance with the amendments in TFRS 9 Financial Instruments Standard (31 March 2023: TL 3,156 reversal of impairment provision).

(***) TL 39,294 of the amount arises from the late payment interest incomes of the adjustments made by EMRA within the scope of the resource-based support mechanism made for the year 2023 (31 March 2023: TL 147,108).

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NOTE 18 - FINANCE INCOME AND EXPENSES

18.1 Finance Income

	1 January - 31 March 2024	1 January - 31 March 2023
Interest income	312,121	716,511
Foreign exchange gains / (losses) - net	-	70,775
Other	841	-
	<u>312,962</u>	<u>787,286</u>

18.2 Finance Expenses

	1 January - 31 March 2024	1 January - 31 March 2023
Interest expenses of borrowings	(3,857,714)	(2,015,023)
Foreign exchange gains / (losses) - net	(90,418)	-
Bank commission expenses	(107,333)	(103,784)
	<u>(4,055,465)</u>	<u>(2,118,807)</u>

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NOTE 19 - TAX ASSETS AND LIABILITIES

	31 March 2024	31 December 2023
<u>Current assets related with current taxes</u>		
Prepaid taxes and funds	947,077	1,089,025
	<u>947,077</u>	<u>1,089,025</u>
	1 January - 31 March 2024	1 January - 31 March 2023
<u>Tax expense recognized in profit or loss</u>		
Current tax expense (*)	(185,221)	(1,839,170)
Deferred tax expense relating to the origination and reversal of temporary differences, net	(3,280,719)	(1,369,322)
Total tax expense	<u>(3,465,940)</u>	<u>(3,208,492)</u>

(*) With the 27th paragraph of the 10th article of the Law No. 7440, the amounts of exemptions and deductions that are subject to deduction from the corporate income pursuant to the Corporate Tax Law No. 5520 within the scope of article 32/A, at the rate of 10%, without being associated with the profit for period, on the basis subject to reduced corporate tax, with the exception regulated in subparagraph (a) of the first paragraph of the Law No. 5520, obtained from abroad and proven to have a tax burden of at least 15% It has been regulated that an additional tax of 5% will be calculated on the exempt earnings. Within the scope of this regulation, tax liability amounting to TL 221,953 has been occurred from the dividend income of the Company from its subsidiaries, which were previously an exemption. As of 31 March 2023, TL 221,953 has been accounted in the interim condensed consolidated statement of profit or loss and other comprehensive income within the scope of the relevant law. This tax was paid in two installments on 5 May 2023 and 31 August 2023.

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NOTE 19 - TAX ASSETS AND LIABILITIES (Continued)

Corporate tax

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

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

With the Law No. 7456 published in the Official Gazette dated 15 July 2023, the first paragraph of Article 32 of the Corporate Tax Law was amended and the corporate tax rate was increased to 25% for corporate earnings for the year 2023 and the following taxation periods.

Valid rate of corporate tax as of 31 March 2024 is 25% (31 December 2023: 25%).

In Türkiye, temporary tax is calculated and accrued on a quarterly basis. The companies apply 25% tax rate over their quarterly profits (25% for the year 2023) 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.

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

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

Income withholding tax

In addition to corporate taxes, companies should also calculate income withholding taxes and funds surcharge on any dividends distributed, except for companies receiving dividends who are Turkish residents and Turkish branches of foreign companies. Income withholding tax applied is 10% (31 December 2023: 10%). Undistributed dividends incorporated in share capital are not subject to income withholding tax.

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NOTE 19 - TAX ASSETS AND LIABILITIES (Continued)

Deferred tax

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

As of 31 March 2024, 25% tax rate is used in the deferred tax calculation (31 December 2023: 25%).

	31 March 2024	31 December 2023
Deferred tax (asset)	(20,848,938)	(24,198,718)
Deferred tax liability	9,045,891	9,107,548
Deferred tax (asset) / liability, net	<u>(11,803,047)</u>	<u>(15,091,170)</u>

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

	1 January - 31 March 2024	1 January - 31 March 2023
Opening balance	(15,091,170)	(14,943,964)
Charged to statement of profit or loss	3,280,719	1,369,322
Charged to other comprehensive income / expense	7,404	(34,141)
Closing balance	<u>(11,803,047)</u>	<u>(13,608,783)</u>

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NOTE 19 - TAX ASSETS AND LIABILITIES (Continued)

Deferred tax (Continued)

	31 March 2024	31 December 2023
<u>Deferred tax (assets) / liabilities</u>		
Differences arising from customer contracts and transfer of operational rights	8,819,423	8,947,120
Carrying amount differences of property, plant and equipment, intangible assets and concession arrangement difference	3,179,230	3,352,440
Revaluation effect of property, plant and equipment and intangible assets (*)	(17,974,603)	(21,060,057)
Carrying amount differences of right of use assets and lease liabilities	29,186	24,176
Provision for employment termination benefits	(24,524)	(28,483)
Provision for doubtful receivables	(118,240)	(125,696)
Provision for lawsuits	(168,985)	(184,003)
Provision for unused vacation	(84,769)	(77,758)
Effect of revenue cap adjustments	(1,371,159)	(365,457)
Carry forward tax losses	(1,171,751)	(2,489,208)
Income / (expense) accruals	1,573,672	610,499
Deposit revaluation	(1,185,556)	(1,158,970)
Derivative financial instruments	42,005	144,613
Statutory inflation accounting deferred tax impact (**)	(2,944,689)	(2,269,884)
Other	(402,287)	(410,502)
	<u>(11,803,047)</u>	<u>(15,091,170)</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.

(**) In accordance with the Tax Procedure Law dated 30 December 2023 and numbered 32415 (2nd Repeated), it consists of the deferred tax effect of temporary differences arising from the adjustments made in relation to inflation accounting.

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

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NOTE 19 - TAX ASSETS AND LIABILITIES (Continued)

Deferred tax (Continued)

At 31 March 2024, the Group recognized deferred tax assets amounting to TL 1,171,751 for unused carry forward tax losses amounting to TL 4,687,005 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 2023: TL 2,489,208 and TL 9,956,832 respectively).

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

	31 March 2024	31 December 2023
Expiring in 2024	542,013	623,660
Expiring in 2025	511,910	589,022
Expiring in 2026	485,577	558,722
Expiring in 2027	588,047	698,642
Expiring in 2028	2,366,925	7,486,786
Expiring in 2029	192,533	-
	<u>4,687,005</u>	<u>9,956,832</u>

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

	31 March 2024	31 December 2023
Expiring in 2024	1,817	2,091
Expiring in 2025	1,805	2,077
	<u>3,622</u>	<u>4,168</u>

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NOTE 20 - FINANCIAL INSTRUMENTS

20.1 Financial Liabilities

	31 March 2024	31 December 2023
Short-term borrowings	7,752,333	8,329,649
Short-term portion of long term lease liabilities	281,938	335,111
Short-term portion of long term bonds issued	9,009,693	12,247,026
Short-term portion of long-term borrowings	2,114,143	2,296,278
	<u>19,158,107</u>	<u>23,208,064</u>
Long-term borrowings	2,293,801	2,690,528
Long-term lease liabilities	385,741	432,609
Long-term bonds issued	13,792,813	12,043,888
	<u>16,472,355</u>	<u>15,167,025</u>
Total financial liabilities	<u>35,630,462</u>	<u>38,375,089</u>

The borrowings and bonds issued are repayable as follows:

	31 March 2024	31 December 2023
To be paid within 1 year	18,876,169	22,872,953
To be paid between 1-2 years	14,808,407	13,264,093
To be paid between 2-3 years	623,280	716,967
To be paid between 3-4 years	425,420	489,277
To be paid between 4-5 years	229,507	264,079
	<u>34,962,783</u>	<u>37,607,369</u>

As of 31 March 2024 and 31 December 2023, the Group has not given any collateral for the loans obtained.

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NOTE 20 - FINANCIAL INSTRUMENTS (Continued)

20.1 Financial Liabilities (Continued)

As of 31 March 2024 and 31 December 2023, 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 2024	
		Current	Non-current
TL		9,866,476	2,293,801
<i>Overnight</i>	60.06%	668,000	-
<i>Fixed rate</i>	47.06%	8,427,740	1,329,371
<i>TLREF indexed</i>	TLREF + 1.70%-2.40%	770,736	964,430
		<u>9,866,476</u>	<u>2,293,801</u>

Currency	Weighted average effective interest rate	31 December 2023	
		Current	Non-current
TL		10,625,927	2,690,528
<i>Overnight</i>	48.30%	164,541	-
<i>Fixed rate</i>	44.97%	8,518,166	1,529,681
<i>TLREF indexed</i>	TLREF + 1.70%-15.14%	1,943,220	1,160,847
		<u>10,625,927</u>	<u>2,690,528</u>

As of 31 March 2024 and 31 December 2023, details of bonds issued are as follows:

Currency	Weighted average effective interest rate	31 March 2024	
		Current	Non-current
TL		9,009,693	13,792,813
<i>Fixed rate</i>	42.96%	7,816,863	8,297,474
<i>TLREF indexed</i>	TLREF 4.25%-16.00%	1,192,830	5,495,339
		<u>9,009,693</u>	<u>13,792,813</u>

Currency	Weighted average effective interest rate	31 December 2023	
		Current	Non-current
TL		12,247,026	12,043,888
<i>Fixed rate</i>	32.00%	9,581,913	12,043,888
<i>TLREF indexed</i>	TLREF + 1.40%-16.00%	2,665,113	-
		<u>12,247,026</u>	<u>12,043,888</u>

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NOTE 20 - FINANCIAL INSTRUMENTS (Continued)

20.1 Financial Liabilities (Continued)

The fair values of the financial liabilities with fixed interests are presented by calculating their discounted cash flows using the market interest rate effective at the reporting date. The fair value of financial liabilities with variable interest rates are considered to be equivalent to the carrying amount due to the expectation that the floating interest rate will change accordingly with the market interest rates. Fair values of the borrowings are higher than their carrying amounts amounting to TL 802,116 as of 31 March 2024 (31 December 2023: TL 794,914 higher).

As of 31 March 2024 and 31 December 2023, Group has fulfilled its financial debt covenants arising from its borrowings.

As of 31 March 2024 and 31 December 2023, details of lease liabilities are as follows:

	31 March 2024	31 December 2023
<u>Short-term portion of long term lease liabilities</u>		
Buildings	66,135	72,993
Vehicles	215,803	262,118
	<u>281,938</u>	<u>335,111</u>
	31 March 2024	31 December 2023
<u>Long-term lease liabilities</u>		
Buildings	184,408	222,747
Vehicles	201,333	209,862
	<u>385,741</u>	<u>432,609</u>

The lease liabilities are repayable as follows:

	31 March 2024	31 December 2023
To be paid within 1 year	281,938	335,111
To be paid between 1-2 years	198,390	257,069
To be paid between 2-3 years	98,684	78,641
To be paid between 3-4 years	56,372	59,846
To be paid between 4-5 years	22,905	28,230
To be paid after 5 years and over	9,390	8,823
	<u>667,679</u>	<u>767,720</u>

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NOTE 20 - FINANCIAL INSTRUMENTS (Continued)

20.2 Other Financial Liabilities

	31 March 2024	31 December 2023
Other current financial liabilities	148,594	161,000
Other non-current financial liabilities	774,967	885,336
	<u>923,561</u>	<u>1,046,336</u>

The other financial liabilities are repayable as follows:

	31 March 2024	31 December 2023
To be paid within 1 year	148,594	161,000
To be paid between 1-2 years	155,097	168,044
To be paid between 2-3 years	146,500	158,825
To be paid between 3-4 years	152,636	169,190
To be paid between 4-5 years	143,227	162,718
To be paid after 5 years and over	177,507	226,559
	<u>923,561</u>	<u>1,046,336</u>

As of 31 March 2024 and 31 December 2023, details of short and long term other financial liabilities in terms of currencies are as follows:

Currency	Weighted average effective interest rate	31 March 2024	
		Current	Non-current
EUR	4.70%	148,594	774,967
		<u>148,594</u>	<u>774,967</u>
Currency	Weighted average effective interest rate	31 December 2023	
		Current	Non-current
EUR	4.70%	161,000	885,336
		<u>161,000</u>	<u>885,336</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.

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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 2024 and 31 December 2023 are as follows:

31 March 2024					
	Contract Amount (USD)	Contract Amount (EUR)	Contract Amount (TL) (*)	Assets	Liabilities
Forward exchanges	294,406	49,984	11,244,574	281,386	(110,587)
	<u>294,406</u>	<u>49,984</u>	<u>11,244,574</u>	<u>281,386</u>	<u>(110,587)</u>

31 December 2023					
	Contract Amount (USD)	Contract Amount (EUR)	Contract Amount (TL) (*)	Assets	Liabilities
Forward exchanges	158,358	44,065	6,097,143	661,511	(51,989)
	<u>158,358</u>	<u>44,065</u>	<u>6,097,143</u>	<u>661,511</u>	<u>(51,989)</u>

(*) Contract amounts are presented in nominal values.

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

	31 March 2024		
	Total TL equivalent	USD TL equivalent	EUR TL equivalent
Cash and cash equivalents	1,096,697	830,703	265,994
Trade receivables	142,701	142,701	-
Total assets	1,239,398	973,404	265,994
Other financial liabilities	(923,561)	-	(923,561)
Trade payables	(943,526)	(861,698)	(81,828)
Total liabilities	(1,867,087)	(861,698)	(1,005,389)
Net foreign currency asset position of off-balance sheet derivative	3,322,737	2,049,251	1,273,486
Net foreign currency asset / (liability) position	2,695,048	2,160,957	534,091
Cash flow hedging (*)	7,921,836	7,455,764	466,072
Net foreign currency position after cash flow hedging	10,616,884	9,616,721	1,000,163

(*) Cash flow hedging includes forward exchange contracts in order to mitigate foreign exchange rate risk arising from FIT cost and USD denominated energy purchases which are probable in the future. Since it will arise with the realization of highly probable FIT cost and USD denominated energy purchases in the future, relevant trade payables amounts are not included in this table. The total of those forward exchange contracts amounting to TL 7,921,836 is included at cash flow hedging in the foreign currency position table.

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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 2023 (*)		
	Total TL equivalent	USD TL equivalent	EUR TL equivalent
Cash and cash equivalents	2,105,673	1,604,481	501,192
Trade receivables	105,784	105,784	-
Total assets	2,211,457	1,710,265	501,192
Other financial liabilities	(1,046,337)	-	(1,046,337)
Trade payables	(2,729,980)	(2,618,838)	(111,142)
Total liabilities	(3,776,317)	(2,618,838)	(1,157,479)
Net foreign currency asset position of off-balance sheet derivative	3,680,590	2,207,786	1,472,804
Net foreign currency asset / (liability) position	2,115,730	1,299,213	816,517
Cash flow hedging (**)	3,335,005	3,156,221	178,784
Net foreign currency position after cash flow hedging	5,450,735	4,455,434	995,301

(*) All the amounts are expressed in thousands of TL in terms of purchasing power of the TL at 31 March 2024.

(**) Cash flow hedging includes forward exchange contracts in order to mitigate foreign exchange rate risk arising from FIT cost and USD denominated energy purchases which are probable in the future. Since it will arise with the realization of highly probable FIT cost and USD denominated energy purchases in the future, relevant trade payables amounts are not included in this table. The total of those forward exchange contracts amounting to TL 3,335,005 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 2024			
	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	11,171	(11,171)	-	-
Hedged items (-)	204,925	(204,925)	745,576	(745,576)
USD net effect	216,096	(216,096)	745,576	(745,576)
Change in EUR against TL by 10%				
EUR net assets / liabilities	(73,940)	73,940	-	-
Hedged items (-)	127,349	(127,349)	46,607	(46,607)
EUR net effect	53,409	(53,409)	46,607	(46,607)
	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)
USD net effect	23,147	(23,147)	354,453	(354,453)
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)
EUR net effect	71,378	(71,378)	5,910	(5,910)

(*) All the amounts are expressed in thousands of TL in terms of purchasing power of the TL at 31 March 2024.

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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 2024, 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 higher than their carrying amounts amounting to TL 802,116 as of 31 March 2024 (31 December 2023: TL 794,914 higher).

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

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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 2024	31 December 2023	
Derivative financial instruments	170,799	609,522	Level 2

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NOTE 23 - EXPLANATORY NOTES TO THE STATEMENT OF CASH FLOWS

	31 March 2024	31 December 2023
Cash at banks	2,685,531	5,179,296
<i>Demand deposits</i>	1,436,787	1,873,013
<i>Time deposits</i>	1,248,744	3,306,283
	<u>2,685,531</u>	<u>5,179,296</u>

As at 31 March 2024, TL 562,879 of the Group's demand deposits are blocked at different banks (31 December 2023: TL 778,336). These blocked deposits are related to the collections made through bank branches which are made available for use by banks 1 or 2 days after the collection depending on the agreements with related banks and related to the conditions of some loan agreements.

As at 31 March 2024 time deposits consist of short term TL 929,651, USD 8,660 and EUR 1,135 balances (31 December 2023: TL 1,950,551 and USD 922,888) with maturities between 3 - 32 days (31 December 2023: 4 - 33 days). Foreign currency term deposits are expressed in their nominal values. The weighted average effective interest rates of TL, USD and EUR time deposits are 49.44%, 0.10% and 0.20% respectively as at 31 March 2024 (31 December 2023: weighted average effective interest rate 43.29% and 3.00%, respectively).

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

	1 January - 31 March 2024	1 January - 31 March 2023
Adjustments related to interest (income) / expense from tariff receivables (Note 17)	(454,795)	17,455
Adjustments related to financial income from service concession arrangements (Note 8, 14)	(4,210,735)	(3,398,902)
	<u>(4,665,530)</u>	<u>(3,381,447)</u>

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

	1 January - 31 March 2024	1 January - 31 March 2023
Net collections from financial assets related to service concession arrangements	4,744,580	4,685,204
<i>Capital expenditures reimbursements (Note 8)</i>	2,999,990	2,930,382
<i>WACC reimbursements (Note 8)</i>	1,744,590	1,754,822
Collections from doubtful trade receivable (Note 6)	92,524	73,877
	<u>4,837,104</u>	<u>4,759,081</u>

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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 2024	1 January - 31 March 2023
Capital expenditures related to service concession arrangements	(4,027,813)	(5,055,264)
	<u>(4,027,813)</u>	<u>(5,055,264)</u>

NOTE 24 - EVENTS AFTER THE REPORTING DATE

- During the Ordinary General Assembly held on 4 April 2024, it has been resolved to distribute the dividend at the amount of TL 3,295,182,418.26 (full digit) derived from the Group's distributable earnings in 2023. Dividends were paid out in cash as of 6 May 2024. Dividend paid by the Group per share with a TL 1 (full digit) nominal value is gross TL 2.79 (full digit) (2022: TL 2.30 (full digit)).
- The Grup has made a bond issuance on 8 April 2024, amounting to TL 1,100,000,000 (full digit), with 364 days term, coupon payments every 3 months, redemption date of 7 April 2025, and with TRFENSA42518 ISIN code.
- The Grup has made a bond issuance on 6 May 2024, amounting to TL 1,600,000,000 (full digit), with 364 days term, coupon payments every 3 months, redemption date of 5 May 2025, and with TRFENSA52517 ISIN code.
- The Grup has made bond issuance on 14 May 2024, amounting to TL 1,000,000,000 (full digit), with 364 days term, coupon payments every 3 months, redemption date of 13 May 2025 and with TRSENSA52525 code.
- With the decision of Company's Board of Directors dated 13 May 2024, it was decided to establish a new company with the title "Enerjisa Araç Filo Hizmetleri A.Ş.", with 100% of the shares held by the Company. The necessary applications have been completed, and the establishment of Enerjisa Araç Filo Hizmetleri A.Ş. was registered before the Trade Registry Office on 14 May 2024, and announced in the Trade Registry Gazette dated 14 May 2024 and numbered 11081.
- With the Presidential Decree No. 8484 published in the Official Gazette on 21 May 2024, late payment interest rate has been determined as 4.5% per month to be calculated separately for each month; valid from the date of publication.