

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

CONVENIENCE TRANSLATION INTO ENGLISH OF
THE INTERIM CONDENSED CONSOLIDATED
FINANCIAL INFORMATION FOR THE
PERIOD ENDED 30 SEPTEMBER 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 30 SEPTEMBER 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of purchasing power of the TL at 30 September 2024 unless otherwise indicated. Currencies other than TL are also expressed in thousands unless otherwise indicated.)

ASSETS	Notes	Unaudited / current period 30 September 2024	Audited / prior period 31 December 2023
Current Assets		49,737,656	55,276,131
Cash and Cash Equivalents	23	8,552,057	6,115,407
Financial Assets from			
Service Concession Arrangements	8	8,835,241	8,096,562
Trade Receivables	6	18,998,246	21,103,271
<i>Due from Related Parties</i>	5	164,591	143,346
<i>Due from Third Parties</i>		18,833,655	20,959,925
Other Receivables	7	5,736,918	7,446,023
<i>Due from Third Parties</i>		5,736,918	7,446,023
Derivative Financial Instruments	21	22,039	774,634
Inventory		4,442,909	5,361,859
Prepaid Expenses		1,656,887	1,925,104
Assets Related with Current Taxes	19	17,484	1,285,857
Other Current Assets		1,475,875	3,167,414
Non-Current Assets		117,084,069	124,190,493
Trade Receivables	6	3,400,407	1,117,938
<i>Due from Related parties</i>	5	59,422	103,276
<i>Due from Third parties</i>		3,340,985	1,014,662
Other Receivables	7	6,086,840	3,206,835
<i>Due from Third Parties</i>		6,086,840	3,206,835
Derivative Financial Instruments	21	-	6,440
Financial Assets from			
Service Concession Arrangements	8	29,816,492	35,050,247
Right of Use Assets	9	1,042,051	1,208,449
Property, Plant and Equipment	10	9,384,550	8,952,510
Intangible Assets	11	43,858,324	45,900,076
<i>Goodwill</i>		2,688,510	2,688,510
<i>Other Intangible Assets</i>		41,169,814	43,211,566
Prepaid Expenses		1,153,298	138,101
Deferred Tax Assets	19	22,320,304	28,572,419
Other Non-Current Assets		21,803	37,478
TOTAL ASSETS		166,821,725	179,466,624

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 30 SEPTEMBER 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of purchasing power of the TL at 30 September 2024 unless otherwise indicated. Currencies other than TL are also expressed in thousands unless otherwise indicated.)

LIABILITIES	Notes	Unaudited / current period 30 September 2024	Audited / prior period 31 December 2023
Current Liabilities		66,106,572	65,218,388
Short-Term Financial Liabilities	20	7,150,752	9,835,159
Short-Term Portion of Long Term Financial Liabilities	20	22,113,943	17,567,554
Other Financial Liabilities	20	168,659	190,100
Trade Payables	6	19,379,676	22,021,961
<i>Due to Related Parties</i>	5	129,307	201,034
<i>Due to Third Parties</i>		19,250,369	21,820,927
Payables for Employee Benefits		1,055,551	909,440
Other Payables	7	11,931,332	12,214,309
<i>Due to Related Parties</i>	5	5,742	28,123
<i>Due to Third Parties</i>		11,925,590	12,186,186
Derivative Financial Instruments	21	654,416	61,386
Deferred Income		33,454	42,939
Income Tax Liability	19	441,594	49,699
Short-Term Provisions		781,797	1,490,339
<i>Provisions for Employment Benefits</i>		42,126	608,490
<i>Other Short-Term Provisions</i>		739,671	881,849
Other Short-Term Liabilities		2,395,398	835,502
Non-Current Liabilities		30,506,598	35,755,650
Long-Term Financial Liabilities	20	17,440,016	17,908,329
Other Financial Liabilities	20	784,055	1,045,353
Deferred Income		9,394	4,215,219
Long-Term Provisions		1,935,075	1,833,093
<i>Provisions for Employment Benefits</i>		1,935,075	1,833,093
Deferred Tax Liabilities	19	10,338,058	10,753,656
TOTAL LIABILITIES		96,613,170	100,974,038

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 30 SEPTEMBER 2024**

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of purchasing power of the TL at 30 September 2024 unless otherwise indicated. Currencies other than TL are also expressed in thousands unless otherwise indicated.)

LIABILITIES	Notes	Unaudited / current period 30 September 2024	Audited / prior period 31 December 2023
Equity		70,208,555	78,492,586
Registered Share Capital	13	1,181,069	1,181,069
Adjustments to Share Capital	13	12,622,763	12,622,763
Share Premium	13	<u>27,929,865</u>	<u>29,503,498</u>
Total Share Capital		41,733,697	43,307,330
Other Funds		21,719	21,719
Accumulated Other Comprehensive Income / (Expense) to be Reclassified to Profit or Loss in Subsequent Periods		(275,341)	64,348
<i>Hedge Reserves</i>		(275,341)	64,348
Restricted Profit Reserves	13	3,243,668	3,350,071
Retained Earnings		29,658,302	25,611,864
Profit / (Loss) for the Period		<u>(4,173,490)</u>	<u>6,137,254</u>
TOTAL LIABILITIES AND EQUITY		<u>166,821,725</u>	<u>179,466,624</u>

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 30 SEPTEMBER 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of purchasing power of the TL at 30 September 2024 unless otherwise indicated. Currencies other than TL are also expressed in thousands unless otherwise indicated.)

	Notes	Unaudited / current period 1 January - 30 September 2024	Unaudited/ prior period 1 January - 30 September 2023	Unaudited / current period 1 July - 30 September 2024	Unaudited / prior period 1 July - 30 September 2023
Revenue	14	133,036,071	180,745,953	52,106,585	65,590,593
Cost of Sales (-)	15	(103,693,392)	(152,525,920)	(42,464,937)	(54,547,913)
GROSS PROFIT		29,342,679	28,220,033	9,641,648	11,042,680
General Administrative Expenses (-)	16	(10,970,940)	(11,753,541)	(3,451,184)	(4,151,348)
Other Income from Operating Activities	17	6,113,883	7,410,268	3,505,417	3,292,069
Other Expenses from Operating Activities (-)	17	(4,195,175)	(7,302,827)	(1,310,087)	(2,841,143)
OPERATING PROFIT BEFORE FINANCE INCOME / (EXPENSE)		20,290,447	16,573,933	8,385,794	7,342,258
Finance Income	18	1,918,412	1,814,020	796,259	415,863
Finance Expense (-)	18	(15,904,580)	(8,184,595)	(5,623,933)	(3,520,153)
Monetary Gain / (Loss)		(2,861,626)	(1,965,598)	(601,820)	(1,308,702)
PROFIT BEFORE TAX		3,442,653	8,237,760	2,956,300	2,929,266
Tax Income / (Expense)		(7,616,143)	(889,399)	(3,891,261)	5,361,211
Current Tax Income / (Expense) (-)	19	(1,665,158)	(444,271)	(607,554)	451,295
Deferred Tax Income / (Expense)	19	(5,950,985)	(445,128)	(3,283,707)	4,909,916
PROFIT / (LOSS) FOR THE PERIOD		(4,173,490)	7,348,361	(934,961)	8,290,477
OTHER COMPREHENSIVE INCOME AND EXPENSE					
Other Comprehensive Income / (Expense) to be Reclassified to Profit or Loss in Subsequent Periods		(339,689)	553,080	63,496	(507,343)
<i>Gains / (Losses) on Hedges</i>		<i>(454,157)</i>	<i>722,140</i>	<i>84,730</i>	<i>(603,295)</i>
<i>Income Tax Relating to Other Comprehensive Income</i>	19	<i>114,468</i>	<i>(169,060)</i>	<i>(21,234)</i>	<i>95,952</i>
TOTAL COMPREHENSIVE INCOME / (LOSS)		(4,513,179)	7,901,441	(871,465)	7,783,134
Gain / (Loss) Per Share (kr)					
Gain / (Loss) Per Share (kr)	13	(3.53)	6.22	(0.79)	7.02

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 30 SEPTEMBER 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of purchasing power of the TL at 30 September 2024 unless otherwise indicated. Currencies other than TL are also expressed in thousands unless otherwise indicated.)

	Share Capital	Adjustment to Share Capital	Share premium	Restricted Profit Reserves	Other Funds	Accumulated Other Comprehensive Income / (Expense) to be Reclassified to Profit or Loss in Subsequent Periods	Retained Earnings	Profit / (Loss) for the Period	Total Equity
						Hedge Reserves			
Balance as at 1 January 2023	1,181,069	12,622,763	30,265,842	3,168,482	21,719	2,242,268	2,401,299	28,034,183	79,937,625
Transfers (*)	-	-	(762,344)	84,082	-	-	28,712,445	(28,034,183)	-
Dividend	-	-	-	-	-	-	(5,404,385)	-	(5,404,385)
Total comprehensive loss (**)	-	-	-	-	-	553,080	-	7,348,361	7,901,441
Balance as at 30 September 2023	1,181,069	12,622,763	29,503,498	3,252,564	21,719	2,795,348	25,709,359	7,348,361	82,434,681
Balance as at 1 January 2024	1,181,069	12,622,763	29,503,498	3,350,071	21,719	64,348	25,611,864	6,137,254	78,492,586
Transfers (*)	-	-	(1,573,633)	(106,403)	-	-	7,817,290	(6,137,254)	-
Dividend	-	-	-	-	-	-	(3,770,852)	-	(3,770,852)
Total comprehensive loss (**)	-	-	-	-	-	(339,689)	-	(4,173,490)	(4,513,179)
Balance as at 30 September 2024	1,181,069	12,622,763	27,929,865	3,243,668	21,719	(275,341)	29,658,302	(4,173,490)	70,208,555

(*) Share premiums amounting to TL 1,573,633 has been transferred to retained earnings and subject to dividend distribution (30 September 2023: TL 762,344).

(**) During the Ordinary General Assembly held on 4 April 2024, it has been resolved to distribute the dividend at the amount of TL 3,770,852 (As of Board of Directors decision date: TL 3,295,182) 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) (2023: TL 2.30 (full digit)).

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 30 SEPTEMBER 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of purchasing power of the TL at 30 September 2024 unless otherwise indicated. Currencies other than TL are also expressed in thousands unless otherwise indicated.)

	<u>Notes</u>	Unaudited / current period 1 January - 30 September 2024	Unaudited / prior period 1 January - 30 September 2023
Cash Flows from Operating Activities		20,006,607	14,306,103
Profit for the period		(4,173,490)	7,348,361
Profit / (loss) for the period		(4,173,490)	7,348,361
Adjustments to reconcile net profit for the period		10,851,057	4,625,173
Adjustments related to the depreciation and amortization	9, 10, 11	3,449,183	3,348,124
Adjustments related to the depreciation of right of use assets	9	675,413	705,880
Adjustments related to the depreciation of property, plant and equipment	10	718,233	610,202
Adjustments related to the amortization of intangible assets	11	2,055,537	2,032,042
Adjustments related to impairment loss		1,801,805	3,085,478
Adjustments related to doubtful provision expenses	6, 8	1,801,805	3,085,478
Adjustments related to provisions		875,288	1,445,808
Adjustments related to provisions for employee benefits		822,215	1,367,280
Adjustments related to legal case provisions		101,632	78,528
Adjustments related to other provisions		(48,559)	-
Adjustments related to interest (income) and expenses, net		13,613,118	6,252,888
Adjustments related to interest income	18	(1,918,412)	(1,814,020)
Adjustments related to interest expense	18	15,531,530	8,066,908
Adjustments related to unrealized foreign exchange loss		(11,590)	727,760
Adjustments related to tax expense	19	7,616,143	889,399
Adjustments related to change in fair value losses / (gains)		728,012	(1,068,470)
Other adjustments to reconcile profit / (loss)	23	(18,144,909)	(13,734,292)
Adjustments related to interest (income) / expense from tariff receivables	17	(3,601,483)	(1,019,437)
Adjustments related to financial income from service concession arrangements	8, 14	(14,543,426)	(12,714,855)
Monetary (gains) / losses		924,007	3,678,478
Changes in operating assets and liabilities		(2,853,589)	(3,886,652)
(Increase) / decrease in trade receivables		(5,463,888)	(35,521,363)
(Increase) / decrease in inventories		(496,313)	(8,668,846)
(Increase) / decrease in other receivables and assets		(4,413,007)	(18,434,189)
Increase / (decrease) in trade payables		3,103,126	39,821,545
Increase / (decrease) in other payables and expense accruals		4,416,493	18,916,201
Cash generated from/(used in) operating activities		3,823,978	8,086,882
Payments related with provisions for employee benefits		(571,623)	(824,938)
Tax payments		(504,797)	(4,832,781)
Interest received / (paid)		640,845	(792,474)
Other cash in-flows	23	16,618,204	12,669,414
Capital expenditures reimbursements related to service concession arrangements	8	9,527,322	8,565,819
WACC reimbursements related to service concession arrangements	8	5,540,507	3,775,868
Prior tariff adjustments related to service concession arrangements	8	967,174	-
Collections from doubtful trade receivable	6	583,201	327,727
Cash Flows from Investing Activities		(11,153,545)	(17,954,557)
Cash used for purchase of tangible and intangible assets		(1,096,594)	(1,877,009)
Interest received		1,834,830	2,201,902
Other cash out-flows	23	(11,891,781)	(18,279,450)
Capital expenditures related to service concession arrangements		(11,891,781)	(18,279,450)
Cash Flows from Financing Activities		(4,802,250)	4,675,782
Cash in-flows from borrowings		32,011,770	38,040,762
Cash out-flows for borrowings		(17,686,396)	(21,605,402)
Repayment of of lease liabilities		(463,208)	(448,324)
Interest paid		(14,893,564)	(5,906,869)
Dividend paid		(3,770,852)	(5,404,385)
Increase / (decrease) in cash and cash equivalents		4,050,812	1,027,328
Inflation impact on cash and cash equivalents		(1,614,162)	(6,234,381)
Cash and cash equivalents at the beginning of the period		6,115,407	18,739,379
Cash and cash equivalents at the end of the period		8,552,057	13,532,326

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 30 SEPTEMBER 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of purchasing power of the TL at 30 September 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 30 September 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
Enerjisa Araç Filo Hizmetleri A.Ş.	Operational car rental and fleet services

ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of purchasing power of the TL at 30 September 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 11,188 employees as of 30 September 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 4 November 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.

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.

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 30 September 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 (Continued)

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

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

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

Enerjisa Müşteri Çözümleri A.Ş.

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

E-şarj

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

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

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

Enerjisa Araç Filo Hizmetleri A.Ş.

Enerjisa Araç Filo Hizmetleri A.Ş. was established on 14 May 2024 to provide comprehensive services for customers in the operational vehicle rental and fleet services sector.

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of Presentation

The accompanying interim condensed consolidated financial statements 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 July 2024 by POA. Group's this interim condensed consolidated financial statements for the period ended 30 September 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 nine months period ended 30 September 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 30 September 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 30 September 2023, on the purchasing power basis as of 30 September 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 4,972,337 with the purchasing power of 30 September 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").

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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 30 September 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>
30 September 2024	2,526.16	1.00000	343%
31 December 2023	1,859.38	1.35860	268%
30 September 2023	1,691.04	1.49385	254%

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 30 September 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.

The business models of electricity distribution companies operating in Türkiye are to make distribution infrastructure investments and reimburse the investments within 10 years together with a weighted average cost of capital (WACC) regulated by the Energy Market Regulatory Authority (EMRA). Therefore, a short-term financing need is inherent in the business model. The over or under invoicing made by the Group is calculated at the end of each year and adjusted by the EMRA through tariffs after two years. These amounts are classified as long-term receivables in the balance sheet. At the same time, deposits received from customers by retail companies are classified as other short term payables since they are treated as payable on demand. However, the cash outflows of those amounts expected to occur in the long term. As of 30 September 2024, current liabilities exceeds the current assets amounting to TL 16,368,916 in the consolidated financial position of the Group. Group ensures the any possible short term cash need with its strong operational cash inflow and effective financing management.

2.7 Seasonality of the Group's operations

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

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

2.8 Basis of Consolidation

The details of the Company's subsidiaries at 30 September 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
		30 September 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
Enerjisa Araç Filo Hizmetleri A.Ş.	Ankara	100	-	Operational Car Rental and Fleet Services

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.

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

2.8 Basis of Consolidation (Continued)

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.

2.9 New and Amended Turkish Financial Reporting Standards

a) Amendments that are mandatorily effective from 2024

Amendments to TAS 1	<i>Classification of Liabilities as Current or Non-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>

Amendments to TAS 1 *Classification of Liabilities as Current or Non-Current*

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

Amendments to TFRS 16 *Lease Liability in a Sale and Leaseback*

Amendments to TFRS 16 clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in TFRS 15 to be accounted for as a sale.

Amendments to TAS 1 *Non-current Liabilities with Covenants*

Amendments to TAS 1 clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.

Amendments to TAS 7 and TFRS 7 *Supplier Finance Arrangements*

The amendments add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements.

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

2.9 New and Amended Turkish Financial Reporting Standards (Continued)

a) Amendments that are mandatorily effective from 2024 (continued)

TSRS 1 General Requirements for Disclosure of Sustainability-related Financial Information

TSRS 1 sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity. The application of this standard is mandatory for annual reporting periods beginning on or after 1 January 2024 for the entities that meet the criteria specified in POA's announcement dated 5 January 2024 and numbered 2024-5 and for banks regardless of the criteria. Other entities may voluntarily report in accordance with TSRS.

TSRS 2 Climate-related Disclosures

TSRS 2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity. The application of this standard is mandatory for annual reporting periods beginning on or after 1 January 2024 for the entities that meet the criteria specified in POA's announcement dated 5 January 2024 and numbered 2024-5 and for banks regardless of the criteria. Other entities may voluntarily report in accordance with TSRS.

b) New and revised TFRSs in issue but not yet effective

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>
Amendments to TAS 21	<i>Lack of Exchangeability</i>

TFRS 17 Insurance Contracts

TFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. TFRS 17 has been deferred for insurance, reinsurance and pension companies for a further year and will replace TFRS 4 *Insurance Contracts* on 1 January 2025.

Amendments to TFRS 17 Insurance Contracts and Initial Application of TFRS 17 and TFRS 9 — Comparative Information

Amendments have been made in TFRS 17 in order to reduce the implementation costs, to explain the results and to facilitate the initial application.

The amendment permits entities that first apply TFRS 17 and TFRS 9 at the same time to present comparative information about a financial asset as if the classification and measurement requirements of TFRS 9 had been applied to that financial asset before. Amendments are effective with the first application of TFRS 17.

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

2.9 New and Amended Turkish Financial Reporting Standards (Continued)

b) New and revised TFRSs in issue but not yet effective (continued)

Amendments to TAS 21 *Lack of Exchangeability*

The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. Amendments are effective from annual reporting periods beginning on or after 1 January 2025.

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

NOTE 3 – SHARES IN OTHER PARTIES

Subsidiaries

Name of Subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership (%)	
			30 September 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
Enerjisa Araç Filo Hizmetleri A.Ş.	Operational Car Rental and Fleet Services	Ankara	100	-
			Number of subsidiaries owned by the Group	
Principal Activity		Place of incorporation and operation	30 September 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
Operational Car Rental and Fleet Services		Ankara	1	-

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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 9 months period ended 30 September 2024 and 30 September 2023.

1 January - 30 September 2024	Distribution	Retail	Customer Solutions	Unallocated (*)	Eliminations	Total
Revenue	55,992,962	72,111,412	4,931,697	424,059	(424,059)	133,036,071
Cost of sales (-)	(34,462,614)	(67,456,487)	(1,774,291)	-	-	(103,693,392)
Gross profit / (loss)	21,530,348	4,654,925	3,157,406	424,059	(424,059)	29,342,679
General administrative expenses (-)	(6,012,324)	(2,647,162)	(391,638)	(2,354,817)	435,001	(10,970,940)
Other income / (expense) from operating activities - net	1,289,766	1,932,053	(1,267,758)	(24,411)	(10,942)	1,918,708
Operating profit / (loss)	16,807,790	3,939,816	1,498,010	(1,955,169)	-	20,290,447
Financial income	252,436	4,262,475	43,744	6,015,663	(8,655,906)	1,918,412
Financial expense (-)	(13,846,571)	(1,697,536)	(1,804,892)	(7,211,487)	8,655,906	(15,904,580)
Monetary gains / (losses)	(2,088,614)	(2,849,281)	204,441	1,871,828	-	(2,861,626)
Profit / (loss) before taxation on income	1,125,041	3,655,474	(58,697)	(1,279,165)	-	3,442,653
Current tax expense (-)	(47,723)	(1,668,627)	51,192	-	-	(1,665,158)
Deferred tax income / (expense)	(6,299,680)	291,905	(16,870)	73,660	-	(5,950,985)
Net profit / (loss) for the period	(5,222,362)	2,278,752	(24,375)	(1,205,505)	-	(4,173,490)

(*) TL 1,815,941 of TL 3,449,183 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 - 30 September 2023	Distribution	Retail	Customer Solutions	Unallocated (*)	Eliminations	Total
Revenue	64,230,355	115,507,662	1,007,936	375,234	(375,234)	180,745,953
Cost of sales (-)	(42,915,485)	(109,133,643)	(476,792)	-	-	(152,525,920)
Gross profit / (loss)	21,314,870	6,374,019	531,144	375,234	(375,234)	28,220,033
General administrative expenses (-)	(6,783,676)	(2,589,416)	(422,642)	(2,343,498)	385,691	(11,753,541)
Other income / (expense) from operating activities - net	(1,160,561)	178,299	1,101,076	(916)	(10,457)	107,441
Operating profit / (loss)	13,370,633	3,962,902	1,209,578	(1,969,180)	-	16,573,933
Financial income	511,367	5,124,599	406,722	808,439	(5,037,107)	1,814,020
Financial expense (-)	(8,670,459)	(2,069,477)	(988,772)	(1,492,994)	5,037,107	(8,184,595)
Monetary gains / (losses)	(1,473,687)	(2,721,407)	(109,643)	2,339,139	-	(1,965,598)
Profit / (loss) before taxation on income	3,737,854	4,296,617	517,885	(314,596)	-	8,237,760
Current tax expense (-)	-	(142,985)	-	(301,286)	-	(444,271)
Deferred tax income / (expense)	2,810,646	(1,368,999)	(185,129)	(1,701,646)	-	(445,128)
Net profit / (loss) for the period	6,548,500	2,784,633	332,756	(2,317,528)	-	7,348,361

(*) TL 1,809,312 of TL 3,348,124 depreciation and amortization expenses, represents amortization expenses of intangible assets (Note 11), which is presented as unallocated under general administrative expenses. The majority of financial expenses under unallocated part mainly represent costs of loans utilized for the acquisitions of distribution and retail business and financial incomes under unallocated part mainly represents the interest income from intercompany loans given to distribution and retail business. The Group management follows the performances of the operating segments excluding acquisitions related loans, therefore the amounts have not been distributed to the segments.

ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of purchasing power of the TL at 30 September 2024 unless otherwise indicated. Currencies other than TL are also expressed in thousands unless otherwise indicated.)

NOTE 4 - SEGMENT REPORTING (Continued)

1 July - 30 September 2024	Distribution	Retail	Customer Solutions	Unallocated (*)	Eliminations	Total
Revenue	21,276,382	29,870,620	959,583	129,439	(129,439)	52,106,585
Cost of sales (-)	(14,237,786)	(27,928,742)	(298,409)	-	-	(42,464,937)
Gross profit / (loss)	7,038,596	1,941,878	661,174	129,439	(129,439)	9,641,648
General administrative expenses (-)	(1,782,691)	(871,904)	(128,765)	(801,063)	133,239	(3,451,184)
Other income / (expense) from operating activities - net	1,412,245	582,258	215,060	(10,433)	(3,800)	2,195,330
Operating profit / (loss)	6,668,150	1,652,232	747,469	(682,057)	-	8,385,794
Financial income	(14,397)	1,959,368	24,841	2,128,283	(3,301,836)	796,259
Financial expense (-)	(4,972,995)	(501,533)	(656,795)	(2,794,446)	3,301,836	(5,623,933)
Monetary gains / (losses)	(612,456)	(712,068)	(35,598)	758,302	-	(601,820)
Profit / (loss) before taxation on income	1,068,302	2,397,999	79,917	(589,918)	-	2,956,300
Current tax expense (-)	(47,723)	(559,831)	-	-	-	(607,554)
Deferred tax income / (expense)	(3,203,466)	(236,232)	(59,845)	215,836	-	(3,283,707)
Net profit / (loss) for the period	(2,182,887)	1,601,936	20,072	(374,082)	-	(934,961)

(*) TL 722,435 of TL 1,097,323 depreciation and amortization expenses represents amortization expenses of intangible assets (Note 11), which is presented as unallocated under general administrative expenses. The majority of financial expenses under unallocated part mainly represent costs of loans utilized for the acquisitions of distribution and retail business and financial incomes under unallocated part mainly represents the interest income from intercompany loans given to distribution and retail business. The Group management follows the performances of the operating segments excluding acquisitions related loans, therefore the amounts have not been distributed to the segments.

ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of purchasing power of the TL at 30 September 2024 unless otherwise indicated. Currencies other than TL are also expressed in thousands unless otherwise indicated.)

NOTE 4 - SEGMENT REPORTING (Continued)

1 July - 30 September 2023	Distribution	Retail	Customer Solutions	Unallocated (*)	Eliminations	Total
Revenue	24,933,390	40,255,387	401,816	113,714	(113,714)	65,590,593
Cost of sales (-)	(16,115,953)	(38,246,591)	(185,369)	-	-	(54,547,913)
Gross profit / (loss)	8,817,437	2,008,796	216,447	113,714	(113,714)	11,042,680
General administrative expenses (-)	(2,449,074)	(889,577)	(114,937)	(815,271)	117,511	(4,151,348)
Other income / (expense) from operating activities - net	82,819	258,462	117,484	(4,042)	(3,797)	450,926
Operating profit / (loss)	6,451,182	1,377,681	218,994	(705,599)	-	7,342,258
Financial income	32,173	1,530,302	219,565	399,964	(1,766,141)	415,863
Financial expense (-)	(3,185,462)	(780,290)	(520,159)	(800,383)	1,766,141	(3,520,153)
Monetary gains / (losses)	(1,206,181)	(1,229,565)	(172,063)	1,299,107	-	(1,308,702)
Profit / (loss) before taxation on income	2,091,712	898,128	(253,663)	193,089	-	2,929,266
Current tax expense (-)	21,605	443,637	-	(13,947)	-	451,295
Deferred tax income / (expense)	7,606,080	(801,823)	4,008	(1,898,349)	-	4,909,916
Net profit / (loss) for the period	9,719,397	539,942	(249,655)	(1,719,207)	-	8,290,477

(*) TL 722,435 of TL 1,120,704 depreciation and amortization expenses, represents amortization expenses of intangible assets (Note 11), which is presented as unallocated under general administrative expenses. The majority of financial expenses under unallocated part mainly represent costs of loans utilized for the acquisitions of distribution and retail business and financial incomes under unallocated part mainly represents the interest income from intercompany loans given to distribution and retail business. The Group management follows the performances of the operating segments excluding acquisitions related loans, therefore the amounts have not been distributed to the segments.

ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of purchasing power of the TL at 30 September 2024 unless otherwise indicated. Currencies other than TL are also expressed in thousands unless otherwise indicated.)

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 30 September 2024 and 31 December 2023.

As at 30 September 2024	Distribution	Retail	Customer Solutions	Unallocated (*)	Eliminations	Total
Segment assets						
Cash and cash equivalents	368,275	7,543,823	627,785	12,174	-	8,552,057
Trade receivables	9,829,074	14,952,469	3,878,867	66,581	(6,328,338)	22,398,653
Inventories	3,059,681	-	1,383,228	-	-	4,442,909
Derivative instruments	-	22,039	-	-	-	22,039
Financial assets	38,661,482	-	-	(9,749)	-	38,651,733
Right of use assets	851,002	156,812	570	33,667	-	1,042,051
Property, plant and equipment	7,915,617	390,261	1,050,547	28,125	-	9,384,550
Intangible assets	157,931	225,101	356,813	43,118,479	-	43,858,324
Deferred tax assets	20,294,297	1,432,001	67,911	526,095	-	22,320,304
Other receivables and assets	11,156,150	11,098,432	1,583,537	31,496,726	(39,185,740)	16,149,105
Total assets	92,293,509	35,820,938	8,949,258	75,272,098	(45,514,078)	166,821,725
Segment liabilities						
Financial liabilities	12,783,794	3,875,090	5,433,776	38,605,833	(13,993,782)	46,704,711
Other financial liabilities	952,714	-	-	-	-	952,714
Trade payables	9,892,785	15,408,751	351,162	55,316	(6,328,338)	19,379,676
Derivative instruments	577,700	22,288	54,428	-	-	654,416
Deferred tax liabilities	-	-	232,425	10,105,633	-	10,338,058
Other payables and liabilities	29,399,749	12,723,494	1,414,694	237,616	(25,191,958)	18,583,595
Total liabilities	53,606,742	32,029,623	7,486,485	49,004,398	(45,514,078)	96,613,170

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

(*) As of 30 September 2024, the Group has recorded an impairment provision of TL 9,749 for its financial assets from service concession arrangements in accordance with TFRS 9 Financial Instruments.

ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of purchasing power of the TL at 30 September 2024 unless otherwise indicated. Currencies other than TL are also expressed in thousands unless otherwise indicated.)

NOTE 4 - SEGMENT REPORTING (Continued)

As at 31 December 2023	Distribution	Retail	Customer Solutions	Unallocated (*)	Eliminations	Total
Segment assets						
Cash and cash equivalents	1,525,156	3,325,038	1,261,859	3,354	-	6,115,407
Trade receivables	8,805,126	16,687,637	1,413,173	101,564	(4,786,291)	22,221,209
Inventories	3,560,602	-	1,801,257	-	-	5,361,859
Derivative instruments	272,654	319,662	188,758	-	-	781,074
Financial assets	43,155,689	-	-	(8,880)	-	43,146,809
Right of use assets	919,105	250,335	774	38,235	-	1,208,449
Property, plant and equipment	7,793,254	293,445	846,146	19,665	-	8,952,510
Intangible assets	252,767	359,554	353,352	44,934,403	-	45,900,076
Deferred tax assets	26,516,560	1,103,047	47,341	905,471	-	28,572,419
Other receivables and assets	9,356,395	10,141,390	1,574,851	32,443,959	(36,309,783)	17,206,812
Total assets	102,157,308	32,480,108	7,487,511	78,437,771	(41,096,074)	179,466,624
Segment liabilities						
Financial liabilities	15,827,997	6,190,350	4,195,380	35,138,560	(16,041,245)	45,311,042
Other financial liabilities	1,235,453	-	-	-	-	1,235,453
Trade payables	14,142,158	12,433,025	160,175	72,894	(4,786,291)	22,021,961
Derivative instruments	60,994	392	-	-	-	61,386
Deferred tax liabilities	-	-	193,236	10,560,420	-	10,753,656
Other payables and liabilities	27,360,707	12,785,283	1,451,577	261,511	(20,268,538)	21,590,540
Total liabilities	58,627,309	31,409,050	6,000,368	46,033,385	(41,096,074)	100,974,038

(*) 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 8,880 for its financial assets from service concession arrangements in accordance with TFRS 9 Financial Instruments.

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(Amounts expressed in thousands of Turkish Lira ("TL") in terms of purchasing power of the TL at 30 September 2024 unless otherwise indicated. Currencies other than TL are also expressed in thousands unless otherwise indicated.)

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 9 months period ended 30 September 2024 and 30 September 2023.

1 January - 30 September 2024	Distribution	Retail	Customer Solutions	Unallocated	Eliminations	Total
Depreciation and amortization expenses	(1,290,486)	(239,978)	(82,110)	(1,836,609)	-	(3,449,183)
Purchase of tangible and intangible assets	(688,878)	(179,767)	(219,377)	(8,572)	-	(1,096,594)
Capital expenditures related to service concession arrangements	(11,891,781)	-	-	-	-	(11,891,781)
1 January - 30 September 2023	Distribution	Retail	Customer Solutions	Unallocated	Eliminations	Total
Depreciation and amortization expenses	(1,210,293)	(247,128)	(57,399)	(1,833,304)	-	(3,348,124)
Purchase of tangible and intangible assets	(895,223)	(296,629)	(672,977)	(12,180)	-	(1,877,009)
Capital expenditures related to service concession arrangements	(18,279,450)	-	-	-	-	(18,279,450)

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(Amounts expressed in thousands of Turkish Lira ("TL") in terms of purchasing power of the TL at 30 September 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:

	30 September 2024	31 December 2023
<u>Related party bank balances – Akbank T.A.Ş. (1)</u>		
Demand deposits	895,908	1,349,667
Time deposits	3,000	1,253,837
	<u>898,908</u>	<u>2,603,504</u>

			30 September 2024	
Loans provided by related parties	Original currency	Maturity	Current liabilities	Non-current liabilities
Akbank T.A.Ş. (1)	TL	1 October 2024	380,543	-
			<u>380,543</u>	<u>-</u>

As of 30 September 2024 the interest rate of the overnight fixed rate loan from related parties is 51%. There is no loan from related parties as of 31 December 2023.

As of 30 September 2024 there is no collateral given for the borrowings.

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

30 September 2024					
	Contract Amount (USD)	Contract Amount (EUR)	Contract Amount (TL) (*)	Assets	Liabilities
Forward exchanges	81,347	30,513	3,940,365	-	(412,265)
	<u>81,347</u>	<u>30,513</u>	<u>3,940,365</u>	<u>-</u>	<u>(412,265)</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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(Amounts expressed in thousands of Turkish Lira ("TL") in terms of purchasing power of the TL at 30 September 2024 unless otherwise indicated. Currencies other than TL are also expressed in thousands unless otherwise indicated.)

NOTE 5 - RELATED PARTY TRANSACTIONS (Continued)

Balances with Related Parties	30 September 2024			
	Receivables		Payables	
	Current	Non-current	Current	
	Trade	Trade	Trade	Other
Akbank T.A.Ş. (1)	40,871	-	-	-
Aksigorta A.Ş. (1)	10	-	31,938	7
Brisa Bridgestone Sabancı Lastik San. ve Tic. A.Ş. (1)	84,673	12,091	-	-
Carrefoursa A.Ş. (1)	1,619	-	-	-
Çimsa Çimento Sanayi A.Ş. (1)	23,827	38,612	-	-
Enerjisa Üretim Santralleri A.Ş. (1)	205	-	87,831	-
Hacı Ömer Sabancı Holding A.Ş. (2)	3,159	-	1,080	-
Sabancı Dijital Teknolojileri A.Ş. (1)	-	-	8,458	5,734
Teknosa İç ve Dış Ticaret A.Ş. (1)	3,499	182	-	1
Temsa Global San. ve Tic. A.Ş. (1)	5,515	8,537	-	-
Other (1)	1,213	-	-	-
	<u>164,591</u>	<u>59,422</u>	<u>129,307</u>	<u>5,742</u>

Balances with Related Parties	31 December 2023			
	Receivables		Payables	
	Current	Non-current	Current	
	Trade	Trade	Trade	Other
Akbank T.A.Ş. (1)	36,786	-	-	-
Aksigorta A.Ş. (1)	-	-	74,587	28,123
Brisa Bridgestone Sabancı Lastik San. ve Tic. A.Ş. (1)	65,384	21,353	-	-
Carrefoursa A.Ş. (1)	16,809	-	602	-
Çimsa Çimento Sanayi A.Ş. (1)	11,479	67,944	-	-
Enerjisa Üretim Santralleri A.Ş. (1)	435	-	98,765	-
Hacı Ömer Sabancı Holding A.Ş. (2)	2,621	-	13,697	-
Sabancı Dijital Teknolojileri A.Ş. (1)	-	-	12,664	-
Kordsa Teknik Tekstil A.Ş. (1)	-	-	164	-
Teknosa İç ve Dış Ticaret A.Ş. (1)	2,911	649	-	-
Temsa Global San. ve Tic. A.Ş. (1)	5,058	13,330	-	-
Other (1)	1,863	-	555	-
	<u>143,346</u>	<u>103,276</u>	<u>201,034</u>	<u>28,123</u>

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(Amounts expressed in thousands of Turkish Lira ("TL") in terms of purchasing power of the TL at 30 September 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 - 30 September 2024	1 January - 30 September 2023
Short-term key management benefits	206,411	224,121
Long-term key management benefits	6,122	6,749
	<u>212,533</u>	<u>230,870</u>

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(Amounts expressed in thousands of Turkish Lira ("TL") in terms of purchasing power of the TL at 30 September 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 - 30 September 2024					
	Electricity sales	Electricity purchases	Interest income	Interest expense	General administrative expenses	Other income
Akbank T.A.Ş. (1)	296,312	-	62,224	2,650	-	-
Akçansa Çimento Sanayi ve Ticaret A.Ş. (1)	321	-	-	-	-	-
Aksigorta A.Ş. (1)	187	-	-	-	332,034	24
Avivasa Emeklilik ve Hayat A.Ş. (1)	71	-	-	-	-	-
Brisa Bridgestone Sabancı Lastik San. ve Tic. A.Ş. (1)	1,489	-	-	-	-	62,235
Carrefoursa A.Ş. (1)	2,474	-	-	-	7,655	11,644
Çimsa Çimento Sanayi A.Ş. (1)	9,632	-	-	-	-	17,973
Enerjisa Üretim Santralleri A.Ş. (1)	302,992	1,164,937	-	-	-	23,719
Hacı Ömer Sabancı Holding A.Ş. (2)	20,520	-	-	-	-	-
Sabancı Dijital Teknolojileri A.Ş. (1)	-	-	-	-	136,114	-
Teknosa İç ve Dış Ticaret A.Ş. (1)	24,866	-	-	-	19	1,048
Temsa Global San. ve Tic. A.Ş. (1)	-	-	-	-	-	3,037
Other (1)	9,766	-	-	-	-	1,243
	<u>668,630</u>	<u>1,164,937</u>	<u>62,224</u>	<u>2,650</u>	<u>475,822</u>	<u>120,923</u>

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(Amounts expressed in thousands of Turkish Lira ("TL") in terms of purchasing power of the TL at 30 September 2024 unless otherwise indicated. Currencies other than TL are also expressed in thousands unless otherwise indicated.)

NOTE 5 - RELATED PARTY TRANSACTIONS (Continued)

	1 January - 30 September 2023					
Transactions with Related Parties	Electricity sales	Electricity purchases	Interest income	Interest expense	General administrative expenses	Other income
Akbank T.A.Ş. (1)	392,217	-	58,751	920,292	-	-
Akçansa Çimento Sanayi ve Ticaret A.Ş. (1)	412	-	-	-	-	-
Aksigorta A.Ş. (1)	209	-	-	-	126,698	39
Avivasa Emeklilik ve Hayat A.Ş. (1)	22	-	-	-	-	-
Brisa Bridgestone Sabancı Lastik San. ve Tic. A.Ş. (1)	2,058	-	-	-	-	6,317
Carrefoursa A.Ş. (1)	296,485	-	-	-	1,912	11,203
Çimsa Çimento Sanayi A.Ş. (1)	12,551	-	-	-	-	108,046
Enerjisa Üretim Santralleri A.Ş. (1)	5,690	4,526,816	-	-	-	24,100
Hacı Ömer Sabancı Holding A.Ş. (2)	30,353	-	-	-	-	-
Sabancı Dijital Teknolojileri A.Ş. (1)	-	-	-	-	68,264	-
Teknosa İç ve Dış Ticaret A.Ş. (1)	32,468	-	-	-	-	1,971
Other (1)	142	-	-	-	-	395
	<u>772,607</u>	<u>4,526,816</u>	<u>58,751</u>	<u>920,292</u>	<u>196,874</u>	<u>152,071</u>

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(Amounts expressed in thousands of Turkish Lira ("TL") in terms of purchasing power of the TL at 30 September 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

	30 September 2024	31 December 2023
Current Trade Receivables		
Trade receivables (*)	25,639,651	28,719,774
Due from related parties (Note 5)	164,591	143,346
Allowance for doubtful receivables (-)	(6,805,996)	(7,759,849)
	<u>18,998,246</u>	<u>21,103,271</u>
	30 September 2024	31 December 2023
Non-Current Trade Receivables		
Trade receivables	3,340,985	1,014,662
Due from related parties (Note 5)	59,422	103,276
	<u>3,400,407</u>	<u>1,117,938</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 30 September 2024, trade receivables amounting TL 17,492,033 (31 December 2023: TL 16,862,523) were neither past due nor impaired. Interest is charged at 3.5% for the period of 1 January 2024 – 20 May 2024 and for the period of 21 May 2024 – 30 September 2024 4.5% 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 30 September 2024, trade receivables amounting TL 4,906,620 (31 December 2023: TL 5,358,686) were past due but not impaired. The aging analysis of trade receivables past due but not impaired as of 30 September 2024 and 31 December 2023 is as follows:

	30 September 2024	31 December 2023
Up to 1 month	2,626,005	2,578,791
1 to 3 months	870,596	1,120,228
Over 3 months	1,410,019	1,659,667
	<u>4,906,620</u>	<u>5,358,686</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 - 30 September 2024	1 January - 30 September 2023
Opening balance	(7,759,849)	(9,345,834)
Charge for the period	(1,798,593)	(3,081,180)
Amounts collected during the period	583,201	327,727
Write offs	9,307	27,621
Inflation effect	2,159,938	4,098,533
Closing balance	<u>(6,805,996)</u>	<u>(7,973,133)</u>

The Group received guarantee letters amounting to TL 7,018,939 (31 December 2023: TL 10,449,737) and deposits and guarantees amounting to TL 11,118,194 (31 December 2023: TL 11,001,575) as collateral for its electricity receivables.

6.2 Trade Payables

	30 September 2024	31 December 2023
Current Trade Payables		
Trade payables	19,250,369	21,820,927
Due to related parties (Note 5)	129,307	201,034
	<u>19,379,676</u>	<u>22,021,961</u>

Trade payables mainly arise from the Group's electricity purchases from Türkiye Elektrik Üretim A.Ş. ("EÜAŞ") and Enerji Piyasaları İşletme A.Ş. ("EPIAŞ") and payables related to transmission costs invoiced by Türkiye Elektrik İletim A.Ş. ("TEİAŞ"). The average maturity of the payables related to electricity purchases is 54 days.

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NOTE 7 - OTHER RECEIVABLES AND PAYABLES

7.1 Other Receivables

	30 September 2024	31 December 2023
Other Current Receivables		
Income accruals (*)	5,311,272	6,563,251
Deposits and guarantees given	27,331	25,841
Receivables from personnel	1,447	77
Allowance for other doubtful receivables (-) (**)	(194,133)	(263,750)
Other sundry receivables (***)	591,001	1,120,604
	<u>5,736,918</u>	<u>7,446,023</u>
	30 September 2024	31 December 2023
Other Non-Current Receivables		
Deposits and guarantees given (****)	1,889,087	1,857,151
Income accruals (*)	2,616,299	-
Other sundry receivables (*****)	1,581,454	1,349,684
	<u>6,086,840</u>	<u>3,206,835</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 30 September 2024, TL 146,759 of the amount arises from receivables from tax office and general lighting receivables amounting to TL 191,027 of amount arises from general lighting receivables which are disputed and provision has been provided.

(****) 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 - 30 September 2024	1 January - 30 September 2023
Opening balance	(263,750)	(6,991)
Inflation effect	69,617	2,326
Closing balance	<u>(194,133)</u>	<u>(4,665)</u>

7.2 Other Payables

	30 September 2024	31 December 2023
<u>Other Current Payables</u>		
Due to related parties (Note 5)	5,742	28,123
Deposits received (*)	11,118,194	11,001,575
Lighting payables	15,000	20,379
Other payables (**)	792,396	1,164,232
	<u>11,931,332</u>	<u>12,214,309</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	
	30 September 2024	31 December 2023
Within one year	8,835,241	8,096,562
1-3 years	9,555,937	19,591,000
More than 3 years	20,260,555	15,459,247
	<u>38,651,733</u>	<u>43,146,809</u>
Current financial assets from service concession arrangements	8,835,241	8,096,562
Non-current financial assets from service concession arrangements	29,816,492	35,050,247
	<u>38,651,733</u>	<u>43,146,809</u>
	1 January - 30 September 2024	1 January - 30 September 2023
Opening balance	43,146,809	33,875,937
Investments (*)	9,302,815	13,676,113
Collections	(15,067,829)	(12,341,687)
<i>CAPEX reimbursements (**)</i>	(9,527,322)	(8,565,819)
<i>WACC reimbursements</i>	(5,540,507)	(3,775,868)
Tariff corrections (***)	(967,174)	-
Financial income from service concession arrangements (Note 14)	14,543,426	12,714,855
(Recognition) / Reversal of impairment for financial assets	(3,212)	(4,298)
Inflation effect	(12,303,102)	(13,956,358)
Closing balance	<u>38,651,733</u>	<u>33,964,562</u>

(*) Investments amounting to TL 8,291,660 consists of the main balance arising from the presentation before TAS 29 and TL 1,011,155 consists of the monetary loss gain arising from the purchasing power indexation after TAS 29 as at 30 September 2024 (2023: TL 7,395,243 main balance arising from the presentation before TAS 29, TL 6,280,869 purchasing power indexation after TAS 29).

(**) TL 8,491,764 of the capex reimbursement amount consists of the main balance arising from the presentation before TAS 29 and TL 1,035,558 consists of the monetary loss gain arising from the purchasing power indexation presentation after TAS 29 as at 30 September 2024 (2023: TL 4,631,895 main balance arising from the presentation before TAS 29, TL 3,933,924 purchasing power indexation amount after TAS 29).

(***) The related amount arises from the adjustment of the provisionally recorded unit price profit/loss amount for 2023 upon realization in the current period.

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NOTE 9 - RIGHT OF USE ASSETS

	Buildings	Motor vehicles	Total
Cost			
Opening balance as of 1 January 2024	1,137,628	3,049,351	4,186,979
Additions	120,491	457,974	578,465
Variable lease payment adjustments and changes in lease conditions	(69,450)	-	(69,450)
Closing balance as of 30 September 2024	<u>1,188,669</u>	<u>3,507,325</u>	<u>4,695,994</u>
Accumulated Depreciation			
Opening balance as of 1 January 2024	(645,645)	(2,332,885)	(2,978,530)
Charge for the period	(143,184)	(532,229)	(675,413)
Closing balance as of 30 September 2024	<u>(788,829)</u>	<u>(2,865,114)</u>	<u>(3,653,943)</u>
Carrying value as of 30 September 2024	<u><u>399,840</u></u>	<u><u>642,211</u></u>	<u><u>1,042,051</u></u>
	Buildings	Motor vehicles	Total
Cost			
Opening balance as of 1 January 2023	762,210	2,579,688	3,341,898
Additions	339,632	233,261	572,893
Variable lease payment adjustments and changes in lease conditions	(14,308)	-	(14,308)
Disposals	-	(4,776)	(4,776)
Closing balance as of 30 September 2023	<u>1,087,534</u>	<u>2,808,173</u>	<u>3,895,707</u>
Accumulated Depreciation			
Opening balance as of 1 January 2023	(484,664)	(1,577,299)	(2,061,963)
Charge for the period	(128,266)	(577,614)	(705,880)
Disposals	-	1,043	1,043
Closing balance as of 30 September 2023	<u>(612,930)</u>	<u>(2,153,870)</u>	<u>(2,766,800)</u>
Carrying value as of 30 September 2023	<u><u>474,604</u></u>	<u><u>654,303</u></u>	<u><u>1,128,907</u></u>

Depreciation expenses of TL 675,413 are accounted in general administrative expenses (30 September 2023: TL 705,880).

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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
<u>Cost</u>						
Opening balance as of 1 January 2024	6,431,720	128,872	149,640	3,504,634	2,794,717	13,009,583
Additions	551,323	29,459	17,284	450,944	101,263	1,150,273
Closing balance as of 30 September 2024	6,983,043	158,331	166,924	3,955,578	2,895,980	14,159,856
<u>Accumulated Depreciation</u>						
Opening balance as of 1 January 2024	(2,302,694)	(24,550)	(147,134)	(1,582,695)	-	(4,057,073)
Charge for the period	(381,686)	(17,565)	(12,867)	(306,115)	-	(718,233)
Closing balance as of 30 September 2024	(2,684,380)	(42,115)	(160,001)	(1,888,810)	-	(4,775,306)
Carrying value as of 30 September 2024	4,298,663	116,216	6,923	2,066,768	2,895,980	9,384,550
<u>Cost</u>						
Opening balance as of 1 January 2023	5,771,142	-	147,663	2,474,169	2,788,726	11,181,700
Additions	837,040	-	-	499,745	560,951	1,897,736
Closing balance as of 30 September 2023	6,608,182	-	147,663	2,973,914	3,349,677	13,079,436
<u>Accumulated Depreciation</u>						
Opening balance as of 1 January 2023	(1,817,890)	-	(146,425)	(1,229,268)	-	(3,193,583)
Charge for the period	(378,756)	-	(551)	(230,895)	-	(610,202)
Closing balance as of 30 September 2023	(2,196,646)	-	(146,976)	(1,460,163)	-	(3,803,785)
Carrying value as of 30 September 2023	4,411,536	-	687	1,513,751	3,349,677	9,275,651

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

Depreciation expense of TL 638,973 and TL 79,260 are accounted in general administrative expenses and cost of sales, respectively (30 September 2023: general administrative expenses: TL 557,154 and cost of sales: TL 53,048).

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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	51,149,501	18,819,237	2,688,510	2,070,647	341,187	75,069,082
Additions	-	-	-	8,277	5,508	13,785
Closing balance as of 30 September 2024	51,149,501	18,819,237	2,688,510	2,078,924	346,695	75,082,867
Accumulated Amortization						
Opening balance as of 1 January 2024	(20,784,441)	(6,927,368)	-	(1,409,004)	(48,193)	(29,169,006)
Charge for the period	(1,331,551)	(484,390)	-	(238,724)	(872)	(2,055,537)
Closing balance as of 30 September 2024	(22,115,992)	(7,411,758)	-	(1,647,728)	(49,065)	(31,224,543)
Carrying value as of 30 September 2024	29,033,509	11,407,479	2,688,510	431,196	297,630	43,858,324
Cost						
Opening balance as of 1 January 2023	51,149,500	18,819,237	2,688,510	1,654,606	207,764	74,519,617
Additions	-	-	-	17,880	133,424	151,304
Closing balance as of 30 September 2023	51,149,500	18,819,237	2,688,510	1,672,486	341,188	74,670,921
Accumulated Amortization						
Opening balance as of 1 January 2023	(19,010,660)	(6,282,105)	-	(1,094,047)	(40,948)	(26,427,760)
Charge for the period	(1,326,690)	(482,622)	-	(219,032)	(3,698)	(2,032,042)
Closing balance as of 30 September 2023	(20,337,350)	(6,764,727)	-	(1,313,079)	(44,646)	(28,459,802)
Carrying value as of 30 September 2023	30,812,150	12,054,510	2,688,510	359,407	296,542	46,211,119

Amortization expense of TL 2,052,825 and TL 2,712 are accounted in general administrative expenses and cost of sales, respectively (30 September 2023: general administrative expenses: TL 2,027,889 and cost of sales: TL 4,153).

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 30 September 2024, there is no impairment on goodwill (31 December 2023: None).

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NOTE 12 - COMMITMENT AND CONTINGENCIES

<u>30 September 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	15,548	15,548	-	-
- <i>Collateral</i>	15,548	15,548	-	-
B. Total amount of CPM given against the subsidiaries included in full consolidation	19,696,297	19,502,681	5,322	315
- <i>Collateral</i>	19,696,297	19,502,681	5,322	315
Total	<u>19,711,845</u>	<u>19,518,229</u>	<u>5,322</u>	<u>315</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>	12,518	12,518	-	-
B. Total amount of CPM given against the subsidiaries included in full consolidation	18,420,942	17,219,197	39,663	1,048
- <i>Collateral</i>	18,420,942	17,219,197	39,663	1,048
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	30 September 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		12,622,763		12,622,763
Share premium (*)		27,929,865		29,503,498
Total share capital		<u>41,733,697</u>		<u>43,307,330</u>

(*) 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.

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.

1,573,633 TL in premiums related to shares was transferred to retained earnings and subjected to profit distribution (30 September 2023: 762,344).

As at 30 September 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 - 30 September 2024	1 January - 30 September 2023
Loss for the period	(4,173,490)	7,348,361
Weighted average shares	118,106,896,712	118,106,896,712
Loss per share (kr)	(3.53)	6.22

13.3 Restricted Profit Reserves

	30 September 2024	31 December 2023
Restricted Profit Reserves	3,243,668	3,350,071
	<u>3,243,668</u>	<u>3,350,071</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 30 September 2024 and the restated amounts in the financial statements prepared in accordance with Law No. 6762 and other legislation are as follows:

30 September 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	18,253,473	12,622,763	5,630,710
Share Premium	27,760,200	27,929,865	(169,665)
Restricted Profit Reserves	5,107,214	3,243,668	1,863,546

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NOTE 14 – REVENUE

	1 January - 30 September 2024	1 January - 30 September 2023	1 July - 30 September 2024	1 July - 30 September 2023
Revenue from electricity sales and services provided	113,408,511	166,832,000	46,314,452	61,432,755
<i>Retail sales revenue</i>	69,714,566	113,326,711	29,078,265	39,616,489
<i>Regulated revenue</i>	32,307,632	71,356,589	14,617,420	25,897,790
<i>Liberalised revenue</i>	37,406,934	41,970,122	14,460,845	13,718,699
<i>Retail service revenue</i>	2,396,845	2,180,951	792,355	638,898
<i>Distribution lighting sales revenue</i>	3,989,228	6,438,764	1,109,577	1,773,587
<i>Distribution service revenue</i>	19,792,353	21,814,367	7,143,460	9,881,987
<i>Investment expenses</i>	8,335,641	13,676,113	4,844,873	6,358,973
<i>Transmission revenue</i>	9,179,878	9,395,094	3,345,922	3,162,821
Financial income from service concession arrangements (Note 8, 23)	14,543,426	12,714,855	4,791,940	3,704,096
Other revenue	5,084,134	1,199,098	1,000,193	453,742
	<u>133,036,071</u>	<u>180,745,953</u>	<u>52,106,585</u>	<u>65,590,593</u>

NOTE 15 - COST OF SALES

	1 January - 30 September 2024	1 January - 30 September 2023	1 July - 30 September 2024	1 July - 30 September 2023
Electricity purchases	(73,322,902)	(117,261,022)	(29,722,910)	(40,902,060)
<i>Retail energy purchases</i>	(67,456,487)	(109,133,643)	(27,928,742)	(38,246,591)
<i>Distribution related energy purchases (*)</i>	(5,866,415)	(8,127,379)	(1,794,168)	(2,655,469)
Investment costs	(9,302,815)	(13,676,112)	(5,812,047)	(6,447,553)
System usage fee (**)	(9,179,878)	(9,395,094)	(3,345,922)	(3,162,821)
Payroll and employee benefit expenses	(5,273,947)	(5,266,790)	(1,621,185)	(1,738,796)
Repair and maintenance expenses	(1,906,704)	(1,371,891)	(765,954)	(676,600)
Material expenses	(906,276)	(3,361,606)	(131,011)	(829,568)
Fleet management expenses	(876,136)	(1,031,673)	(287,322)	(381,550)
Insurance expenses	(616,824)	(186,002)	(284,573)	(61,075)
Depreciation and amortization expenses (Note 10, 11)	(81,972)	(57,201)	(32,980)	(16,610)
Other	(2,225,938)	(918,529)	(461,033)	(331,280)
	<u>(103,693,392)</u>	<u>(152,525,920)</u>	<u>(42,464,937)</u>	<u>(54,547,913)</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 - 30 September 2024	1 January - 30 September 2023	1 July - 30 September 2024	1 July - 30 September 2023
General administrative expenses (-)	(10,970,940)	(11,753,541)	(3,451,184)	(4,151,348)
	<u>(10,970,940)</u>	<u>(11,753,541)</u>	<u>(3,451,184)</u>	<u>(4,151,348)</u>

Details of general administrative expenses are as follows:

	1 January - 30 September 2024	1 January - 30 September 2023	1 July - 30 September 2024	1 July - 30 September 2023
Payroll and employee benefit expenses	(4,890,867)	(4,981,143)	(1,548,156)	(1,791,600)
Depreciation and amortization expenses (Note 9, 10, 11)	(3,367,211)	(3,290,923)	(1,064,343)	(1,104,094)
Duties, taxes and levies	(492,428)	(757,222)	(188,356)	(345,638)
Outsourcing expenses	(427,266)	(409,304)	(111,079)	(215,215)
Legal and lawsuit provision expenses	(425,020)	(585,190)	(83,411)	(52,765)
Information technologies expenses	(277,009)	(275,881)	(92,854)	(80,401)
Consulting expenses	(171,452)	(156,310)	(56,663)	(61,513)
Advertisement and promotion expenses	(161,933)	(156,944)	(41,116)	(34,530)
Travel expenses	(109,367)	(150,556)	(32,371)	(52,705)
Post, telephone and communication expenses	(87,363)	(108,190)	(27,589)	(38,731)
Call center expenses	(85,120)	(63,102)	(25,028)	(21,593)
Fleet management expenses	(64,033)	(92,262)	(23,108)	(60,352)
Invoice expenses	(63,769)	(130,423)	(20,337)	(22,559)
Rent expenses	(43,643)	(51,786)	(17,556)	(16,926)
Insurance expenses	(15,327)	(77,773)	(5,140)	(14,905)
Repair and maintenance expenses	(13,980)	(78,882)	(5,596)	(61,063)
Material expenses	(5,100)	(50,992)	(3,564)	(20,846)
Other expenses	(270,052)	(336,658)	(104,917)	(155,912)
	<u>(10,970,940)</u>	<u>(11,753,541)</u>	<u>(3,451,184)</u>	<u>(4,151,348)</u>

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NOTE 17 - OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES

17.1 Other Income From Operating Activities

	1 January - 30 September 2024	1 January - 30 September 2023	1 July - 30 September 2024	1 July - 30 September 2023
Interest income related to tariff receivables - net (Note 23) (*)	3,601,483	1,019,437	2,581,478	930,884
Late payment interest income from electricity receivables	1,229,444	1,019,324	581,645	326,579
Power theft penalties	460,421	520,033	(38,098)	196,286
Income from doubtful receivables - net (Note 6)	176,691	-	176,691	-
Rent and advertisement income	65,355	43,334	41,425	25,165
Lawsuit income	449	-	326	-
Income from operational hedge transactions - net	-	2,959,288	-	1,174,766
Cancellation of impairment provision on financial assets (Note 8) (**)	-	-	-	(1,869)
Other income (***)	580,040	1,848,852	161,950	640,258
	<u>6,113,883</u>	<u>7,410,268</u>	<u>3,505,417</u>	<u>3,292,069</u>

17.2 Other Expenses From Operating Activities

	1 January - 30 September 2024	1 January - 30 September 2023	1 July - 30 September 2024	1 July - 30 September 2023
Rediscount expense for trade receivables	(1,343,696)	(245,467)	51,670	(118,177)
Provision for doubtful receivables - net (Note 6)	(1,392,083)	(2,753,453)	(716,200)	(1,033,082)
Expense from operational hedge transactions - net	(723,369)	-	(391,660)	-
Late payment interest expense	(298,838)	(1,785,763)	(92,012)	(1,077,917)
Foreign exchange losses from operating activities - net	(202,560)	(1,427,975)	(76,395)	(153,973)
Customer penalty expenses	(160,148)	(157,283)	(66,712)	(2,482)
Donations	(29,434)	(147,252)	(11,421)	(19,985)
Impairment provision on financial assets (Note 8) (**)	(3,212)	(4,298)	1,999	(4,298)
Penalty expenses	(1,441)	(3,728)	3,896	(2,238)
Other expenses	(40,394)	(777,608)	(13,252)	(428,991)
	<u>(4,195,175)</u>	<u>(7,302,827)</u>	<u>(1,310,087)</u>	<u>(2,841,143)</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 30 September 2024, the Group has been recorded additional impairment provision of TL 3,212 for its financial assets from service concession arrangements in accordance with the amendments in TFRS 9 Financial Instruments Standard (30 September 2023: TL 4,298).

(***) TL 103,914 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 (30 September 2023: TL 815,995).

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NOTE 18 - FINANCE INCOME AND EXPENSES

18.1 Finance Income

	1 January - 30 September 2024	1 January - 30 September 2023	1 July - 30 September 2024	1 July - 30 September 2023
Interest income	1,918,412	1,814,020	796,259	415,863
	<u>1,918,412</u>	<u>1,814,020</u>	<u>796,259</u>	<u>415,863</u>

18.2 Finance Expenses

	1 January - 30 September 2024	1 January - 30 September 2023	1 July - 30 September 2024	1 July - 30 September 2023
Interest expenses of borrowings	(15,263,612)	(7,706,627)	(5,446,045)	(3,262,402)
Foreign exchange gains / (losses) - net	(373,050)	(117,687)	(124,094)	(103,250)
Bank commission expenses	(267,918)	(360,281)	(53,794)	(154,501)
	<u>(15,904,580)</u>	<u>(8,184,595)</u>	<u>(5,623,933)</u>	<u>(3,520,153)</u>

ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 19 - TAX ASSETS AND LIABILITIES

	30 September 2024	31 December 2023
<u>Current assets related with current taxes</u>		
Prepaid taxes and funds	17,484	1,285,857
	<u>17,484</u>	<u>1,285,857</u>
	30 September 2024	31 December 2023
<u>Current tax liability</u>		
Current corporate tax provision	1,536,766	508,220
Less: Prepaid taxes and funds	(1,228,727)	(237,894)
Inflation effect	133,555	(220,627)
	<u>441,594</u>	<u>49,699</u>
	1 January - 30 September 2024	1 January - 30 September 2023
<u>Tax expense recognized in profit or loss</u>		
Current tax expense	(1,665,158)	(444,271)
Deferred tax expense relating to the origination and reversal of temporary differences, net	(5,950,985)	(445,128)
Total tax expense	<u>(7,616,143)</u>	<u>(889,399)</u>

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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 30 September 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 30 September 2024, 25% tax rate is used in the deferred tax calculation (31 December 2023: 25%).

	30 September 2024	31 December 2023
Deferred tax (asset)	(22,320,304)	(28,572,419)
Deferred tax liability	10,338,058	10,753,656
Deferred tax (asset) / liability, net	<u>(11,982,246)</u>	<u>(17,818,763)</u>

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

	1 January - 30 September 2024	1 January - 30 September 2023
Opening balance	(17,818,763)	(17,644,951)
Charged to statement of profit or loss	5,950,985	445,128
Charged to other comprehensive income / (expense)	(114,468)	169,060
Closing balance	<u>(11,982,246)</u>	<u>(17,030,763)</u>

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NOTE 19 - TAX ASSETS AND LIABILITIES (Continued)

Deferred tax (continued)

Deferred tax (assets) / liabilities	30 September 2024	31 December 2023
Differences arising from customer contracts and transfer of operational rights	10,110,246	10,564,231
Carrying amount differences of property, plant and equipment, intangible assets and concession arrangement difference	3,629,243	3,958,363
Revaluation effect of property, plant and equipment and intangible assets (*)	(17,312,590)	(24,866,473)
Carrying amount differences of right of use assets and lease liabilities	32,094	28,546
Provision for employment termination benefits	(26,370)	(33,631)
Provision for doubtful receivables	(104,974)	(148,414)
Provision for lawsuits	(181,187)	(217,260)
Provision for unused vacation	(110,443)	(91,812)
Effect of revenue cap adjustments	897,863	(431,510)
Carry forward tax losses	(1,633,893)	(2,939,110)
Income / (expense) accruals	(2,547)	720,841
Deposit revaluation	(1,470,304)	(1,368,444)
Derivative financial instruments	(119,188)	170,751
Statutory inflation accounting deferred tax impact (**)	(5,339,840)	(2,566,502)
Other	(350,356)	(598,339)
	(11,982,246)	(17,818,763)

(*) 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 30 September 2024, the Group recognized deferred tax assets amounting to TL 1,633,893 for unused carry forward tax losses amounting to TL 6,535,571 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 2,939,110 and TL 11,756,411 respectively).

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

	30 September 2024	31 December 2023
Expiring in 2024	27,894	736,381
Expiring in 2025	539,805	695,483
Expiring in 2026	485,577	659,707
Expiring in 2027	607,237	824,915
Expiring in 2028	2,971,345	8,839,955
Expiring in 2029	1,903,713	-
	<u>6,535,571</u>	<u>11,756,441</u>

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

	30 September 2024	31 December 2023
Expiring in 2024	1,817	2,469
Expiring in 2025	1,805	2,452
	<u>3,622</u>	<u>4,921</u>

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NOTE 20 - FINANCIAL INSTRUMENTS

20.1 Financial liabilities

	30 September 2024	31 December 2023
Short-term borrowings	7,150,752	9,835,159
Short-term portion of long term lease liabilities	295,313	395,680
Short-term portion of long term bonds issued	19,088,182	14,460,565
Short-term portion of long-term borrowings	2,730,448	2,711,309
	<u>29,264,695</u>	<u>27,402,713</u>
Long-term borrowings	5,108,935	3,176,817
Long-term lease liabilities	498,389	510,800
Long-term bonds issued	11,832,692	14,220,712
	<u>17,440,016</u>	<u>17,908,329</u>
Total financial liabilities	<u>46,704,711</u>	<u>45,311,042</u>

The borrowings and bonds issued are repayable as follows:

	30 September 2024	31 December 2023
To be paid within 1 year	28,969,382	27,007,033
To be paid between 1-2 years	14,139,005	15,661,458
To be paid between 2-3 years	1,288,375	846,553
To be paid between 3-4 years	1,042,114	577,709
To be paid between 4-5 years	472,133	311,809
	<u>45,911,009</u>	<u>44,404,562</u>

As of 30 September 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 30 September 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	30 September 2024	
		Current	Non-current
TL		9,881,200	5,108,935
<i>Overnight</i>	50.15%	590,000	-
<i>Fixed rate</i>	51.41%	7,845,801	1,109,006
<i>TLREF indexed</i>	TLREF+1,00%-2,40%	1,445,399	3,999,929
		<u>9,881,200</u>	<u>5,108,935</u>

Currency	Weighted average effective interest rate	31 December 2023	
		Current	Non-current
TL		12,546,468	3,176,817
<i>Overnight</i>	48.30%	194,280	-
<i>Fixed rate</i>	44.97%	10,057,748	1,806,157
<i>TLREF indexed</i>	TLREF+1.70%-15.14%	2,294,440	1,370,660
		<u>12,546,468</u>	<u>3,176,817</u>

As of 30 September 2024 and 31 December 2023, details of bonds issued are as follows:

Currency	Weighted average effective interest rate	30 September 2024	
		Current	Non-current
TL		19,088,182	11,832,692
<i>Fixed rate</i>	44.73%	17,431,098	2,079,273
<i>TLREF indexed</i>	TLREF+1,00%-16,00%	1,657,084	9,753,419
		<u>19,088,182</u>	<u>11,832,692</u>

Currency	Weighted average effective interest rate	31 December 2023	
		Current	Non-current
TL		14,460,565	14,220,712
<i>Fixed rate</i>	41,42%	11,313,758	14,220,712
<i>TLREF indexed</i>	TLREF+16.00%	3,146,807	-
		<u>14,460,565</u>	<u>14,220,712</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 230,507 as of 30 September 2024 (31 December 2023: TL 938,587 higher).

As of 30 September 2024 and 31 December 2023, Group has fulfilled its financial debt covenants arising from its borrowings.

As of 30 September 2024 and 31 December 2023, details of lease liabilities are as follows:

	30 September 2024	31 December 2023
<u>Short-term portion of long term lease liabilities</u>		
Buildings	57,704	86,186
Vehicles	237,609	309,494
	<u>295,313</u>	<u>395,680</u>
	30 September 2024	31 December 2023
<u>Long-term lease liabilities</u>		
Buildings	174,016	263,007
Vehicles	324,373	247,793
	<u>498,389</u>	<u>510,800</u>

The lease liabilities are repayable as follows:

	30 September 2024	31 December 2023
To be paid within 1 year	295,313	395,680
To be paid between 1-2 years	238,367	303,533
To be paid between 2-3 years	185,762	92,855
To be paid between 3-4 years	53,147	70,662
To be paid between 4-5 years	4,491	33,332
To be paid after 5 years and over	16,622	10,418
	<u>793,702</u>	<u>906,480</u>

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NOTE 20 - FINANCIAL INSTRUMENTS (Continued)

20.2 Other Financial Liabilities

	30 September 2024	31 December 2023
Other current financial liabilities	168,659	190,100
Other non-current financial liabilities	784,055	1,045,353
	<u>952,714</u>	<u>1,235,453</u>

The other financial liabilities are repayable as follows:

	30 September 2024	31 December 2023
To be paid within 1 year	168,659	190,100
To be paid between 1-2 years	176,040	198,416
To be paid between 2-3 years	159,878	187,531
To be paid between 3-4 years	166,486	199,769
To be paid between 4-5 years	143,814	192,128
To be paid after 5 years and over	137,837	267,509
	<u>952,714</u>	<u>1,235,453</u>

As of 30 September 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	30 September 2024	
		Current	Non-current
EUR	4.70%	168,659	784,055
		<u>168,659</u>	<u>784,055</u>
Currency	Weighted average effective interest rate	31 December 2023	
		Current	Non-current
EUR	4.70%	190,100	1,045,353
		<u>190,100</u>	<u>1,045,353</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 30 September 2024 and 31 December 2023 are as follows:

	30 September 2024				
	Contract Amount (USD)	Contract Amount (EUR)	Contract Amount (TL) (*)	Assets	Liabilities
Forward exchanges	144,251	36,109	6,300,319	22,039	(654,416)
	<u>144,251</u>	<u>36,109</u>	<u>6,300,319</u>	<u>22,039</u>	<u>(654,416)</u>

	31 December 2023				
	Contract Amount (USD)	Contract Amount (EUR)	Contract Amount (TL) (*)	Assets	Liabilities
Forward exchanges	158,358	44,065	6,097,143	781,074	(61,386)
	<u>158,358</u>	<u>44,065</u>	<u>6,097,143</u>	<u>781,074</u>	<u>(61,386)</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.

	30 September 2024		
	Total	USD	EUR
	TL equivalent	TL equivalent	TL equivalent
Cash and cash equivalents	919,646	679,281	240,365
Trade receivables	211,516	211,516	-
Total assets	1,131,162	890,797	240,365
Other financial liabilities	(952,714)	-	(952,714)
Trade payables	(2,062,275)	(1,982,277)	(79,998)
Total liabilities	(3,014,989)	(1,982,277)	(1,032,712)
Net foreign currency asset position of off-balance sheet derivative	2,097,376	857,836	1,239,540
Net foreign currency asset / (liability) position	213,549	(233,644)	447,193
Cash flow hedging (*)	4,202,943	4,064,152	138,791
Net foreign currency position after cash flow hedging	4,416,492	3,830,508	585,984

(*) 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 4,202,943 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	2,486,254	1,894,476	591,778
Trade receivables	124,903	124,903	-
Total assets	2,611,157	2,019,379	591,778
Other financial liabilities	(1,235,453)	-	(1,235,453)
Trade payables	(3,223,399)	(3,092,169)	(131,230)
Total liabilities	(4,458,852)	(3,092,169)	(1,366,683)
Net foreign currency asset position of off-balance sheet derivative	4,345,823	2,606,823	1,739,000
Net foreign currency asset / (liability) position	2,498,128	1,534,033	964,095
Cash flow hedging (**)	3,937,776	3,726,679	211,097
Net foreign currency position after cash flow hedging	6,435,904	5,260,712	1,175,192

(*) All the amounts are expressed in thousands of TL in terms of purchasing power of the TL at 30 September 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 3,937,776 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 - 30 September 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	(109,148)	109,148	-	-
Hedged items (-)	85,784	(85,784)	406,415	(406,415)
USD net effect	(23,364)	23,364	406,415	(406,415)
Change in EUR against TL by 10%				
EUR net assets / liabilities	(79,235)	79,235	-	-
Hedged items (-)	123,954	(123,954)	13,879	(13,879)
EUR net effect	44,719	(44,719)	13,879	(13,879)
	1 January - 30 September 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	(92,235)	92,235	-	-
Hedged items (-)	408,893	(408,893)	617,495	(617,495)
USD net effect	316,659	(316,659)	617,495	(617,495)
Change in EUR against TL by 10%				
EUR net assets / liabilities	(62,968)	62,968	-	-
Hedged items (-)	196,224	(196,224)	25,370	(25,370)
EUR net effect	133,255	(133,255)	25,370	(25,370)

(*) All the amounts are expressed in thousands of TL in terms of purchasing power of the TL at 30 September 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 30 September 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 230,507 as of 30 September 2024 (31 December 2023: TL 938,587 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
	30 September 2024	31 December 2023	
Derivative financial instruments	(632,377)	719,688	Level 2

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NOTE 23 - EXPLANATORY NOTES TO THE STATEMENT OF CASH FLOWS

	30 September 2024	31 December 2023
Cash at banks	8,552,057	6,115,407
<i>Demand deposits</i>	1,798,926	2,211,543
<i>Time deposits</i>	6,753,131	3,903,864
	<u>8,552,057</u>	<u>6,115,407</u>

As at 30 September 2024, TL 1,124,430 of the Group's demand deposits are blocked at different banks (31 December 2023: TL 847,760). 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 30 September 2024 time deposits consist of short term TL 6,474,418, USD 2,211 and EUR 5,695 balances (31 December 2023: TL 2,650,025 and USD 31,350) with maturities between 1 - 7 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 49.08%, 2.00% and 1.00% respectively as at 30 September 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 - 30 September 2024	1 January - 30 September 2023
Adjustments related to interest income		
from tariff receivables (Note 17)	(3,601,483)	(1,019,437)
Adjustments related to financial income		
from service concession arrangements (Note 8, 14)	(14,543,426)	(12,714,855)
	<u>(18,144,909)</u>	<u>(13,734,292)</u>

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

	1 January - 30 September 2024	1 January - 30 September 2023
Net collections from financial assets related		
to service concession arrangements	16,035,003	12,341,687
<i>Capital expenditures reimbursements (Note 8)</i>	9,527,322	8,565,819
<i>WACC reimbursements (Note 8)</i>	5,540,507	3,775,868
<i>Tariff corrections (Note 8)</i>	967,174	-
Collections from doubtful trade receivable (Note 6)	583,201	327,727
	<u>16,618,204</u>	<u>12,669,414</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 - 30 September 2024	1 January - 30 September 2023
Capital expenditures related to service concession arrangements	(11,891,781)	(18,279,450)
	<u>(11,891,781)</u>	<u>(18,279,450)</u>

NOTE 24 - EVENTS AFTER THE REPORTING DATE

- The Grup has made a bond issuance on 21 October 2024, amounting to TL 2,200,000,000 (full digit), with 728 days term, coupon payments every 3 months, redemption date of 19 October 2026, and with TRSENSAE2619 ISIN code.
- On 17 October 2024, TSKB and Toroslar EDAŞ signed a TL-denominated loan agreement equivalent to USD 100 million (full digit), intended for future use in reinforcing the energy infrastructure earthquake-affected regions. The loan has a total maturity of six years, with a grace period for repayment in the first year.