ENERJISA
Energy of Türkiye

H1 2025 EARNINGS RELEASE

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ENERJISA ENERJI ANNOUNCES ITS FINANCIALS FOR H1 2025

Key Takeaways:

- **Strong operational performance offsets slower-than-expected recovery of macro environment in the second quarter**
- **Group Operational Earnings increases to ~TL 27bn, growing on top of inflation by 9% year-over-year**
- **Underlying Net Income increased by 15% yoy in real terms to TL 3.2bn driven by prudent CAPEX timing**
- **Net Financial Debt/LTM[1] Operational Earnings remains low at 1.0x supported by earnings acceleration and lower cash impact from tariff burden**
- **Regulated Asset Base increased by 33% year-over-year to TL 75bn and investment target of TL 21 -24bn reaffirmed**
- **Fully on track to deliver 2025 outlook with Underlying Net Income to reach upper end of TL 5.0 to 6.0 billion range**

Enerjisa Enerji reported strong financial results for the first half of 2025, demonstrating resilient performance amid a challenging macroeconomic environment. Enerjisa Enerji's inflation adjusted[2] Operational Earnings have increased from TL 24.7bn in H1 2024 to TL 26.9bn in H1 2025. Despite a continuous high inflation and interest market environment in Türkiye, Enerjisa Enerji thus increased its earnings more than inflation. This growth is primarily driven by a significant year-over-year improvement in the underlying operational performance of our core business segments Distribution and Retail. Operational Earnings of the Distribution business improved by 4%, resulting at TL 22.3bn despite a decline in financial income due to comparably low investments in 2025 year to date and lower inflation assumptions compared to 2024. Accordingly, the share of the Distribution business in the consolidated Operational Earnings was 83%. Operational Earnings of the Retail business increased from TL 2.5bn in H1 2024 to TL 2.9bn in H1 2025. The regulated segment benefited from a higher Opex ceiling and improved energy procurement performance,

[1] Last twelve months.
[2] This release refers to IAS29 reported figures unless stated otherwise except for the data associated with Cash Flow, Investments and tariff related impacts, which are shown without Inflation Accounting (IAS29).

resulting in a 27% increase in gross profit. In the liberalized segment, Enerjisa remains the clear market leader. Gross margin improved by 1.1 percentage points and liberalized sales volumes rose by 4% year-over-year.

Our third business segment, Customer Solutions, contributed to Operational Earnings development with a year-over-year growth of TL 0.8bn. This increase was mainly driven by energy efficiency projects, despite the lower gross profit contribution from Solar PV, that was driven by reduced project additions and revenue recognition. The lack of new project additions will result in a lower full-year earnings contribution from Customer Solutions segment compared to 2024, which is already reflected in Enerjisa Enerji's 2025 guidance.

Enerjisa Enerji's CFO Philipp Ulbrich: "In the first half of 2025, we delivered strong operational and financial results despite persistent macroeconomic challenges, demonstrating the effectiveness and solid returns of our strategic investments. The anticipated decline in interest rates is expected to further support and enhance our performance going forward. With the new tariff period set to begin in 2026, we anticipate that the regulator will continue to implement supportive policies that promote investments in electricity distribution networks, which are essential for economic growth and the transition to a carbon-neutral energy system. While we observed a slight decline in volumes sold, recent regulatory adjustments have started to ease the tariff burden on our Retail business, supporting a more balanced and sustainable operating environment."

Underlying Net Income increased by 15% yoy

Underlying Net Income increased by 15% year-over-year and reached TL 3.2bn in the first half. The improvement is mainly attributable to higher operational earnings and a significantly lower monetary loss from inflation accounting. As a reminder, Enerjisa Enerji continues to be structurally impacted by inflation accounting due to the fact that our equity exceeds our non-monetary assets by about TL 9.3bn, while our Regulated Asset Base is classified as a financial asset.

Free Cash Flow increased by TL 2.4bn year-over-year, to TL -3.4bn. This performance was primarily driven by reduced Capex allocation, enhanced Working Capital management, and stronger tariff collections. Enerjisa Enerji is striking a careful balance between sustaining its commitment to

profitable growth through continuous profitable investments and upholding financial discipline in a challenging environment where tariffs remained at low levels. H1 2025 tariff update implemented on April 5th, incorporates a 34.5% increase in distribution fees, whereas retail energy prices experienced only modest adjustments of approximately 2%. This tariff update will gradually reduce the negative cash impacts.

Philipp Ulbrich, CFO: "Thanks to improved EBITDA performance and a reduced impact from inflation accounting, we have successfully increased our Underlying Net Income. Year-over-year Underlying Net Income increased from TL 2.8bn to TL 3.2bn or 15% in real terms and thus grew well above inflation."

In parallel, Economic Net Debt of Enerjisa Enerji increased by only TL 7.8bn to TL 63.6bn in the first half mainly due to higher interest payments and TL 3.4bn gross dividend payment made in April. Financial Net Debt grew by TL 6.2bn since end of 2024 and stands at TL 51bn in H1 2025, the increase mainly stems from the issuance of new bonds amounting to TL 10.7bn during the first half. Enerjisa Enerji's average borrowing rate is at 46.9% for H1 2025, well below today's interest levels. This and the low debt factor of 1.0x shows the robustness of Enerjisa's strategy.

Ambitious 2025 outlook

Enerjisa Enerji fully confirms its full-year outlook today.The focus remains on driving growth, enhancing operational efficiency, and leading Türkiye's energy transformation while ensuring the long-term sustainability of the business. All of this will be leading to a profitable growth that is in the best interest of Enerjisa`s investors.

Philipp Ulbrich, CFO: "We continue to project strong real growth in Operational Earnings and Underlying Net Income. We are now even targeting the upper end of the range of the Underlying Net Income outlook of TL 5.0 to 6.0 billion, supported by robust performance in Distribution and Retail and a favorable financing outlook. Additionally, we plan to invest TL 21 to 24 billion in 2025, reflecting approximately 45% growth from the prior year, focused on advancing our grid modernization program and selective opportunities in Customer Solutions. Our Regulated Asset

Base is projected to increase by 45%, reaching TL 80 to 90 billion by year-end, outpacing net debt growth and underscoring the structural value embedded in our regulatory framework.

We are certain that the significant investments into the distribution grids in the regions we are operating have to be continued. The recent heat wave showed that under extreme conditions the demand for electricity increases significantly and thus resilient networks are needed that can handle these peaks. We at Enerjisa Enerji are prepared to continue to invest the necessary amounts."

Financial overview H1 2025

H1 2025 actuals (TL m)	H1 24	H1 25	Change
Revenue	100,344	95,254	-5.1%
EBITDA	16,570	18,482	11.5%
Operational Earnings	24,746	26,865	8.8%
Net Income	-4,015	-273	93.2%
Underlying Net Income	2,760	3,162	14.6%
Free Cash Flow (after interest & tax)[3]	-5,869	-3,447	41.3 %

Guidance (TL bn)	H1 25 Actuals	FY 25 Targets
Operational Earnings	26.9	52-57
Underlying Net Income	3.1	5-6
Investments[3]	3.6	21-24
Regulated Asset Base	74.8	80-90

The difference between Reported Net Income (RNI) and Underlying Net Income (UNI)

Enerjisa Enerji utilizes Underlying Net Income in order to give a more accurate reflection of how much profit it generates. Underlying Net Income refers to Net Income excluding exceptional items. The resulting performance indicator sets the basis on which the company's dividend pay-out policy is applied. The below items are deducted from the Reported Net Income to reach Underlying Net Income:

[3] Data associated with Cash Flow, Investments and tariff related impacts are shown without Inflation Accounting (IAS29)

(TL million)	H1 24	H1 25
Reported Net Income	**-4,015**	**-273**
Non-recurring (income) / expense	-30	38
Tax rate change	0	0
Impact of asset revaluation	6,805	3,397
Underlying Net Income	**2,760**	**3,162**

These items are one-off items, which means that they do not represent ordinary financial performance of the company. The purpose of this treatment is to provide all external stakeholders with a transparent and relevant view of the financial performance of the company's earnings development, without the distortion of non-operational effects. The most important item out of these can be considered as the impact of asset revaluation, which was considered as a one-off and was not reflected to our UNI in prior year applications when it was providing significant positive income contributions and in order to be consistent with this view, asset revaluation effect on net income is considered as a one-off.

Contact Information

For more information please click here to visit our website.

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