

OUR BUSINESS IS ENERGY OUR STRENGTH IS PEOPLE

ENERJİSA ANNUAL R PORT 2020



ENERJİSA
Energy of Turkey

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PREFACE

The year 2020 has been unprecedented for the whole world in every sense due to the COVID-19 pandemic. As Enerjisa Enerji, our main goal is to provide the highest possible value to all our stakeholders and to sustain our distribution and sales services uninterruptedly. While achieving all these goals in 2020, we focused on taking measures to protect the health of our employees and customers at the highest level. Despite all the challenges, we completed the year with many financial and operational achievements.

We owe our successful performance to our customer focused approach, ceaseless grid investments, the strong risk management build in our DNA, operational capabilities, qualified human resources and the devoted efforts of our employees.

We shape our business model around sustainability with an integrated approach. While continuing to increase our grid and technology investments, we also take steps to lead the sector into the New Energy World which is customer-centric, sustainable, distributed and low carbon. In this context, we restructured our end-to-end solutions aimed at increasing the energy efficiency of corporate customers and reducing their carbon emissions under the roof of **“Energy of My Business”** in October 2020. While developing sustainable and innovative solutions, solar power plant installation services and energy-efficiency solutions, we also provide green

energy certification for our customers. Another topic we attach importance to is e-mobility. We anticipate that electric vehicle charging station management will be an important part of energy transformation.

Electricity storage is also a critical technology and we are trying to expand its usage areas by carrying out research on the most advanced technologies such as advanced data analytics, robotics and artificial intelligence. While supporting internal entrepreneurship in our companies, we also provide financial support to start-up initiatives outside the Company, as well as all kinds of support such as office space, know-how, experience, and competence.

Meanwhile, the most important development for our industry in 2020 was the announcement of the new regulatory period parameters covering the 2021–2025 period. We view this as a new period which prioritizes investments and encourages increase in service levels, incentivizes corporate governance, and transparency. We assess the parameters of the new period as a positive development for our industry and company.

In the light of these, we will continue to support the development of our sector and our country by maintaining our successful 2020 performance in the future as well at the highest level as the pioneering and leading company of the sector.

Enerjisa Enerji with the awareness of the importance of its sector, continued to provide uninterrupted services with the motto **“Our Business is Energy, Our Strength is People”**.



OUR BUSINESS IS ENERGY

Our Strength is Turkey



Enerjisa at a Glance

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ENERJİSA AT
A GLANCE

MANAGEMENT

STRATEGY

FINANCIAL
DEVELOPMENTS

OPERATIONAL
DEVELOPMENTS

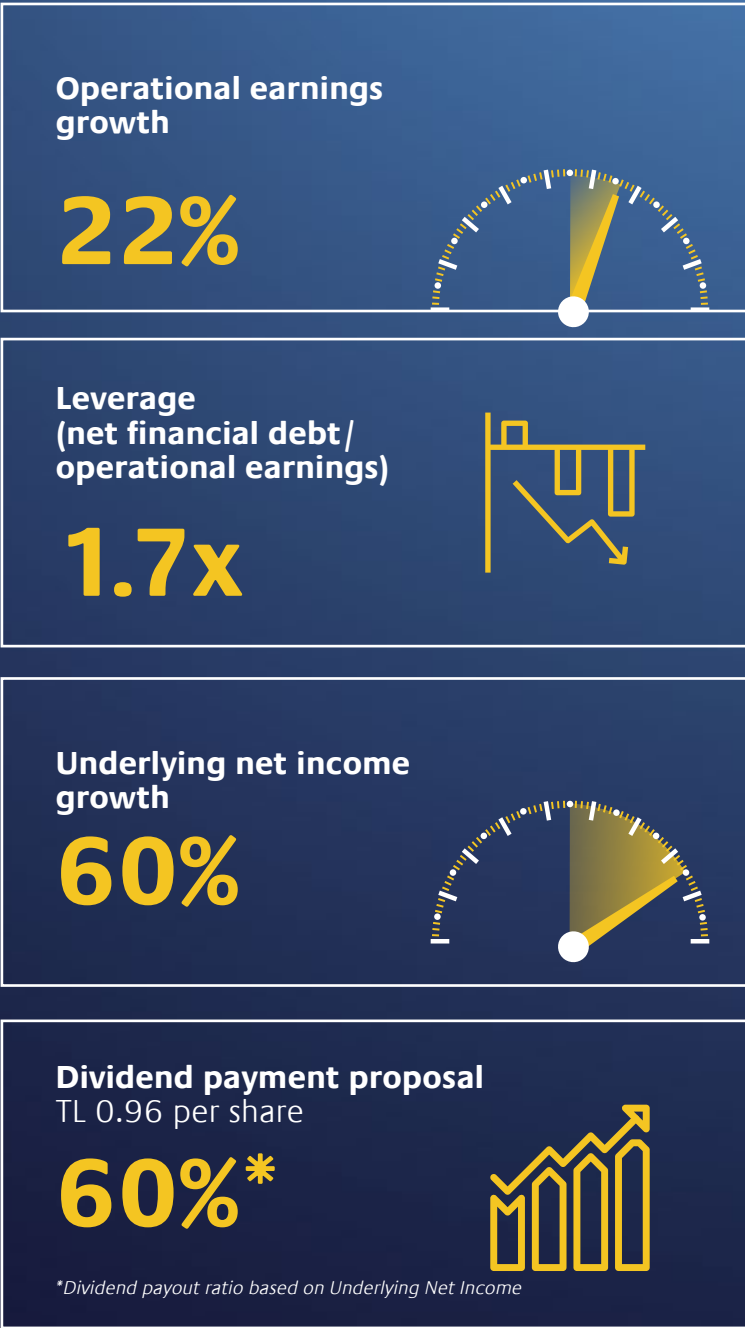
SUSTAINABILITY

CORPORATE
GOVERNANCE

FINANCIAL
STATEMENTS

ENERJİSA AT A GLANCE

KEY FINANCIAL INDICATORS



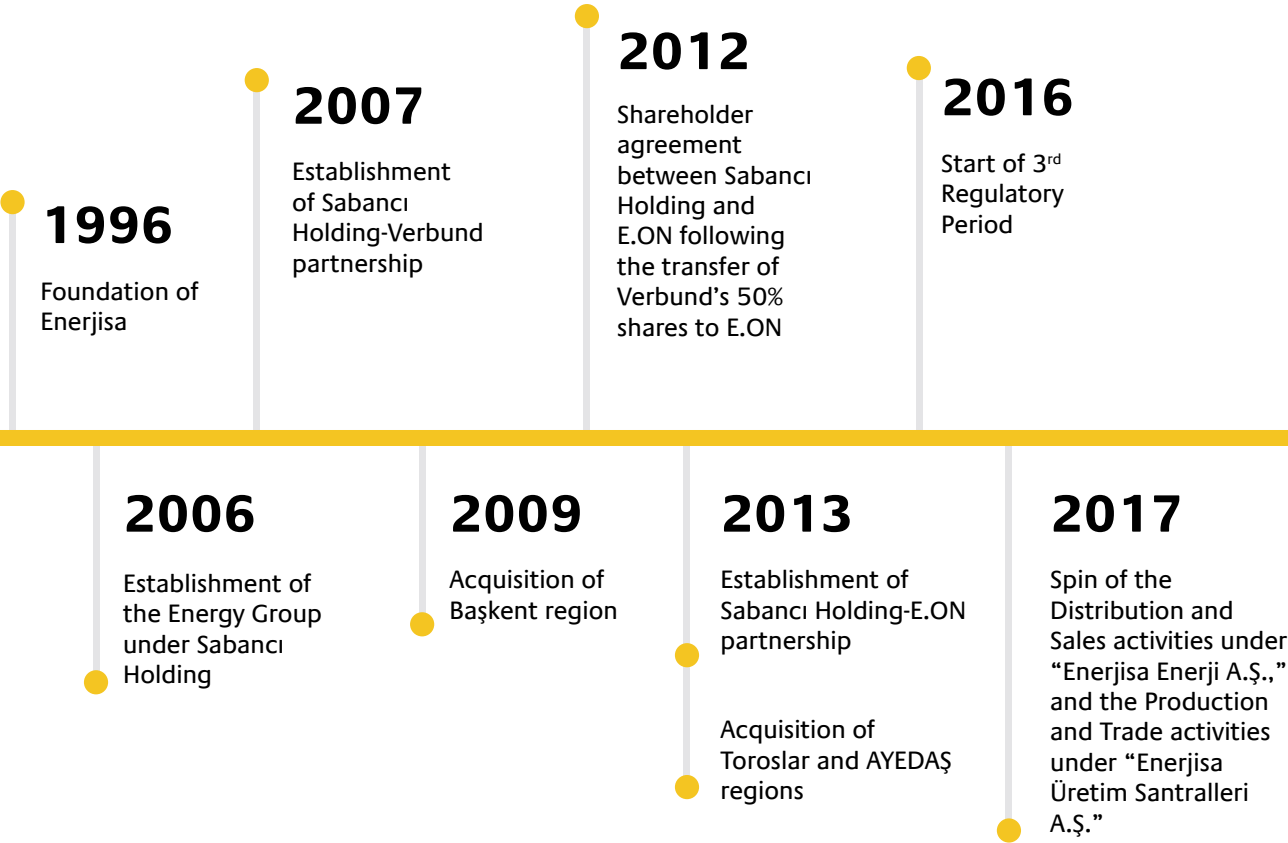
KEY OPERATIONAL INDICATORS



ABOUT ENERJİSA

HISTORY

PRE-IPO



POST-IPO



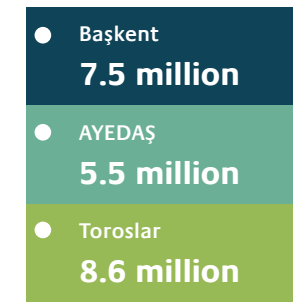
ABOUT ENERJİSA

Enerjisa Enerji is Turkey's largest electricity distribution and retail company in a regulated sector. As of December 31, 2020, the Company has approximately 11.4 million distribution network connections accounting for approximately 25% of all network connections in Turkey and 10.1 million customers accounting for approximately 22% of the retail electricity market.

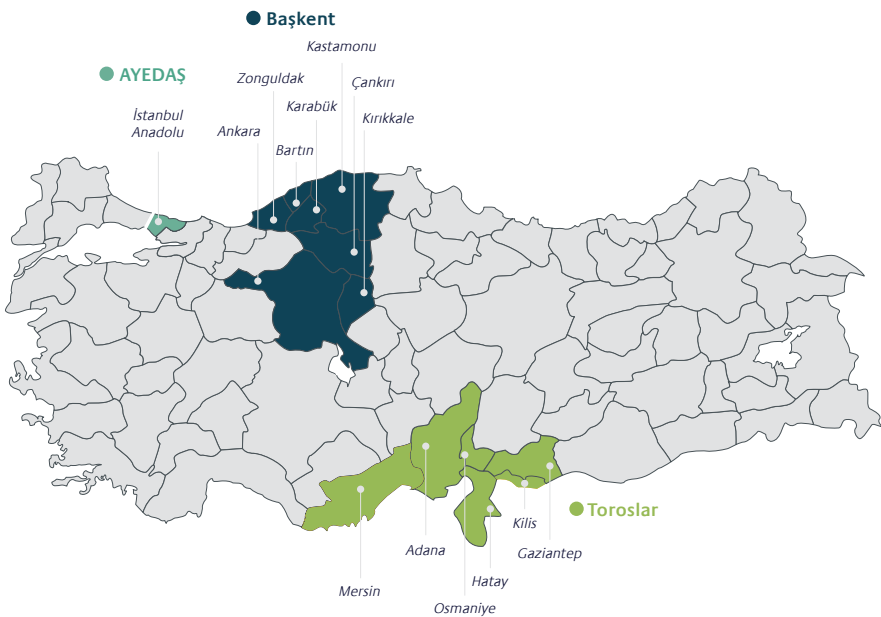
Enerjisa Enerji carries out electricity distribution and retail sales operations through:

- **Başkent Elektrik Dağıtım A.Ş.** (Başkent EDAŞ) and **Enerjisa Başkent Elektrik Perakende Satış A.Ş.** (Başkent EPSAŞ) operating in the Başkent Region, which covers the provinces of Ankara, Zonguldak, Kastamonu, Kırıkkale, Karabük, Bartın and Çankırı.
- **İstanbul Anadolu Yakası Elektrik Dağıtım A.Ş.** (AYEDAŞ) and **Enerjisa İstanbul Anadolu Yakası Elektrik Perakende Satış A.Ş.** (AYESAŞ) operating in the AYEDAŞ Region, which covers districts on the Asian side of İstanbul.
- **Toroslar Elektrik Dağıtım A.Ş.** (Toroslar EDAŞ) and **Enerjisa Toroslar Elektrik Perakende Satış A.Ş.** (Enerjisa Toroslar EPSAŞ) operating in the Toroslar Region, which covers the provinces of Adana, Gaziantep, Mersin, Hatay, Osmaniye and Kilis.

POPULATION*



*TÜİK



The regions in which Enerjisa Enerji operates cover the capital city Ankara, the Asian side of İstanbul which is the largest city in Turkey and major industrial and commercial cities with high population density, such as Adana, Gaziantep and Mersin.

Economic growth and urbanization, the effects of digital transformation in all areas of life, electrification trends, and a young and dynamic population create significant potential for growth in electricity demand in Turkey. Electricity today constitutes a vital need, much like air and water. Enerjisa Enerji targets to meet the rapid growth in electricity demand with an efficient approach that focuses on people and technology and accordingly to create sustainable value for its customers, business partners, shareholders and all stakeholders.

Enerjisa Enerji derives its power from people and builds its operations on the values of sincerity, passion, courage, continuous development and inclusion. As Turkey's agile and innovative energy company, it continues to produce sustainable energy solutions that touch human lives.

DISTRIBUTION

Electricity distribution is carried out by **Başkent Elektrik Dağıtım A.Ş.** (Başkent EDAŞ), **İstanbul Anadolu Yakası Elektrik Dağıtım A.Ş.** (AYEDAŞ) and **Toroslar Elektrik Dağıtım A.Ş.** (Toroslar EDAŞ). The operations of electricity distribution companies are restricted to the regions defined in their licenses.

Electricity distribution is the delivery of electricity to end users via low voltage (under 36 kV) power lines. Turkey's distribution network is divided into 21 distribution regions as defined by the "Electricity Privatization Strategy Document." These regions are operated in by private distribution companies since the privatizations that were undertaken between 2009 and 2013.

Each of the regional distribution network operators are responsible for carrying out operation of the distribution network in their own regions; making required maintenance, repair, environment, security, renewal and expansion investments; maintaining and reading electricity meters; preparing demand projections and investment plans; monitoring theft/loss rates; supplying

electricity to cover technical and commercial losses; and taking the necessary technical and operational measures to reduce the theft/loss rates and ensure the lighting of public areas.

Enerjisa centrally manages and monitors all its network operations in its 3 distribution regions. As a part of grid management processes, Enerjisa undertakes efforts to expand and renovate its network and increase the operational efficiency of the network; as well as carrying out research and development efforts. These various activities enable Enerjisa to standardize network management processes in its three regions; create centralized procedures; determine key performance indicators such as compliance with EMRA's technical, commercial and supply security standards; meet outage and theft and loss targets; plan system improvements; control and monitor local networks and perform customer service operations.

RETAIL

Retail sales of electricity is carried out by **Enerjisa Başkent Elektrik Perakende Satış A.Ş.** (Başkent EPSAŞ), **Enerjisa İstanbul Anadolu Yakası Elektrik Perakende Satış A.Ş.** (AYESAŞ) and **Enerjisa Toroslar Elektrik Perakende Satış A.Ş.** (Enerjisa Toroslar EPSAŞ).

Retail companies sell electricity exclusively to non-eligible consumers within the Company's distribution regions as the incumbent retail companies and to eligible consumers in their respective regions and in other parts of Turkey without regional limitations.

Enerjisa Enerji is the leader in Turkey's retail electricity market in terms of both customer numbers and sales volume. Enerjisa Enerji, as the incumbent retail company sells electricity to regulated customers through regulated national tariffs in 14 provinces and to eligible consumers across Turkey. It also offers innovative products and services to 10.1 million customers, from households to small or large enterprises. With its extensive field team support, the Company provides services through 39 Customer Service Centers and 79 Transaction Centers, as well as via the internet and on mobile platforms.

ABOUT ENERJİSA

CUSTOMER SOLUTIONS

Enerjisa Müşteri Çözümleri A.Ş. was established on December 29, 2017 to carry out **Customer Solutions** activities.

Enerjisa prioritizes providing its customers with sustainable and innovative solutions. In this scope, end-to-end solutions aimed at increasing the energy efficiency of corporate customers and reducing their carbon emissions were restructured under the roof of **“Energy of My Business”** in October 2020. This portfolio includes many environmentally friendly and sustainable energy solutions, ranging from solar power plant (SPP) installation services, energy efficiency applications, cogeneration/trigeneration applications and electric vehicle-charging station management to green energy certification.

E-MOBILITY: EŞARJ

Enerjisa Müşteri Çözümleri A.Ş. acquired 80% of Elektrikli Araçlar Şarj Sistemleri A.Ş. shares in 2018, becoming its controlling shareholder. In addition to its leadership in distribution and sales in the electricity sector, Enerjisa Enerji aims to take on an innovative and pioneering role in the

electric vehicle ecosystem and play an active role in the transformation of the industry.

As of the end of 2020, at 186 public locations, Eşarj has 320 charging plugs, 109 of which are fast-charging plugs. The Company aims to accelerate the transition to ultra-fast charging stations in the coming period.

DISTRIBUTED GENERATION AND OTHER CUSTOMER SOLUTIONS

Distributed generation refers to a variety of technologies that generate and store electricity at or relatively close locations to the consumption.

Enerjisa Enerji provides Solar Power Plant Installation Services and energy efficiency applications including waste heat recovery; heating, ventilation and air conditioning (HVAC); pressurized systems; electric motors and lighting solutions with energy performance contract (EPC / ESCO) model under Distributed Generation Solutions.

Enerjisa Enerji also provides Cogeneration (CHP) and Trigeneration (CCHP) Solutions and Green Energy solutions.



BRAND VALUE

Enerjisa Enerji has become one of the most recognized and trusted brands in Turkey, thanks to its investments, brand communication programs, and customer-oriented and innovative product offerings. The brand power is also supported by the strong image of its shareholders, namely Sabancı Holding and E.ON.

The Company has set a long-term strategy with the goal of being a reliable and innovative brand with the highest awareness and a strong image in the market, caring about its customers and creating value for them.

According to the Enerjisa Brand Awareness research, the brand's top-of-mind awareness score¹ and spontaneous awareness score² increased to 76% and 94% respectively in April 2020 (from 22% and 47% respectively in April 2015).

Enerjisa Enerji has the highest reputation in the sector with its emphasis on customer satisfaction and innovation. In 2015, Enerjisa Enerji relaunched its brand, further strengthening its emotional bond with its customers. During this process, a national advertising campaign was rolled out in December 2015, in which the brand's look and tone of communication were revised to strengthen the brand's perception as accessible in the eyes of the customers. In addition, the “Power Button” and “Energy of Turkey” brands were added to the brand assets.

The Company started the “Save Your Energy” movement to create awareness for energy efficiency, which has been instrumental for the sustainability of energy resources in 2016. This move has helped to foster more energy saving and technology practices.

With the IPO that took place in 2018, Enerjisa offered 20% of its shares to the public and took a valuable step towards institutionalizing the energy sector with the support of the communication campaign undertaken during this process. The IPO was promoted in Turkey with a 360-degree communication campaign with the motto of “The future is very bright as long as there is this energy in Turkey”. Brand awareness and corporate identity of Enerjisa Enerji, the only publicly-traded company providing services in the electricity distribution sector in Turkey strengthened with the IPO.

Enerjisa Enerji, which is a leader in its sector in the fields of Corporate Governance and Sustainability, launched a new awareness project in 2020 to emphasize sustainability and future technologies. In this context, with the motto of “What will you leave for your child in the future?”, two image films were aired both in traditional and digital channels.

Enerjisa Enerji is considered as one of the most admired and reputable companies in the energy sector and award-worthy by many institutions since 2009. In 2019, Enerjisa was awarded **“Most Reputable Brand in Turkey in the Energy Sector”** by Turkey Reputation Index. According Brand Finance's **“Most Valuable Brands”** Report, Enerjisa ranked 1st in the Energy Sector and 34th in overall standings in Turkey subcategory. Moreover, Enerjisa was ranked 18th in Fortune's **“Turkey's Top 500 Companies”**.

¹ Brand awareness in the media with the ability of a potential customer to recognize or remember a brand as a member of a particular product category - without reminder.

² The ability of a potential customer to recognize or remember - without being reminded - a brand as a member of a particular product category.

VISION, MISSION AND VALUES

VISION

TO DIFFERENTIATE THE ENERGY SECTOR WITH PEOPLE, TECHNOLOGY AND CUSTOMER-ORIENTED APPROACHES WHILE OFFERING USER-FRIENDLY PRODUCTS, SERVICES AND INNOVATIVE SOLUTIONS.

MISSION

TO BE THE UNDISPUTED LEADER AND THE MOST ADMIRABLE ENERGY COMPANY IN EVERY FIELD AND LOCATION WE OPERATE. WE ARE HERE TO ADD ENERGY TO LIFE.

INCLUSION

We create environments to facilitate the participation of all our stakeholders, encourage them, value different ideas and generate the highest benefit with multiple collaborations.

COURAGE

We express our ideas freely, take risks and we are not afraid to make mistakes. We use initiative to take responsibility and action.

SINCERITY

We put love, respect and trust at the center of all our stakeholder relations and we appear as we are and act as we appear.

VALUES

CONTINUOUS DEVELOPMENT

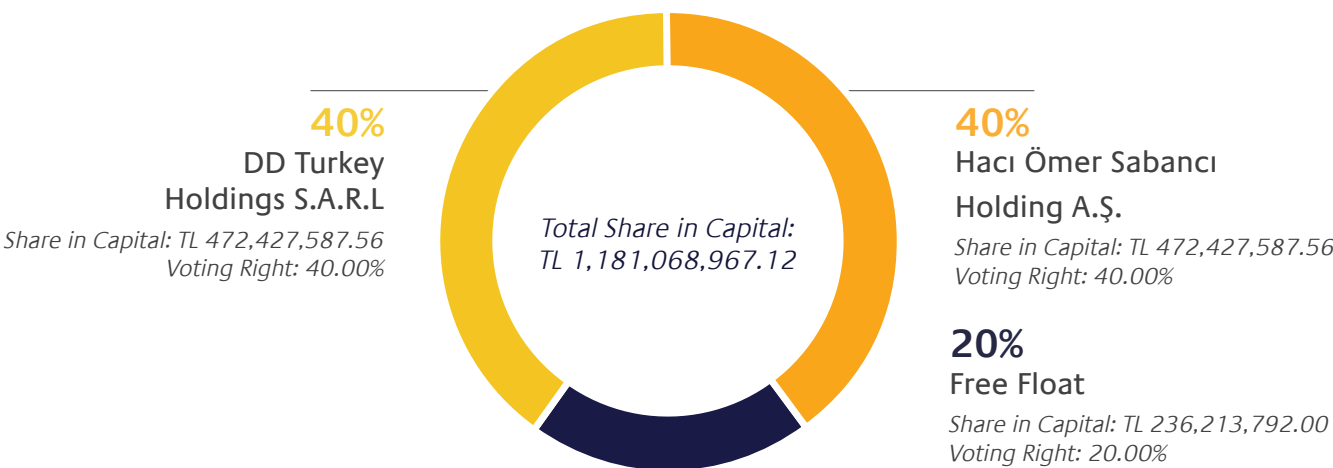
We question ourselves and our work with a positive curiosity and a genuine excitement about innovation. To ensure excellence, we always learn from our past experiences, develop in light of our future vision and pioneer change.

PASSION

We approach everything we do with enthusiasm, excitement and perseverance; we move to energize our entire environment.

CAPITAL AND SHAREHOLDER STRUCTURE

Enerjisa Enerji continues its operations and investments with the strength it derives from its strong shareholders; E.ON, which operates in the global energy market and Sabancı Holding, Turkey's leading business conglomerate.



e-on	SABANCI
<p>E.ON is one of the largest electricity service providers in the world.</p> <ul style="list-style-type: none">E.ON focuses on two main business areas which are management of distribution networks and customer solutions in Europe.Has approximately 78,000 employees.More than €30 billion Regulated Asset Base.Has approximately 1.4 million km electricity distribution network.Integration of Innogy was completed in 2020.	<p>Sabancı Holding is a diversified conglomerate that focuses on creating value add with the Group's ecosystem and prioritizes a high-performance culture.</p> <ul style="list-style-type: none">Main business areas are banking, insurance, energy, industrials, cement and retail.Sabancı Group companies operate in 14 countries as of year-end 2020.Sabancı Holding's own shares, as well as the shares of its 12 subsidiaries, are listed on Borsa Istanbul (BIST) and constitute 6% of total market capitalization of Turkish equity market as of year-end 2020.Partnerships with leading names in the world (Ageas, Aviva, Bridgestone, Carrefour, E.ON, Heidelberg Cement, Marubeni, Skoda and Philip Morris).



ENERJİSA STOCK PERFORMANCE

Enerjisa Enerji continued to be in BIST Sustainability and Corporate Governance indices in 2020.

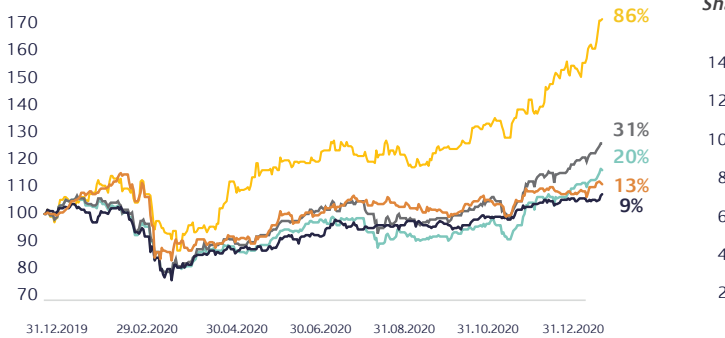
2020 STOCK PERFORMANCE

Following the successful IPO, Enerjisa Enerji shares trade under the “ENJSA” ticker on the Istanbul Stock Exchange (“BIST”) since February 8, 2018. Enerjisa Enerji was included in the FTSE All-World Index in June 2018, MSCI Global Small Cap Index in November 2018, BIST Sustainability Index in October 2019 and BIST Corporate Governance Index in December 2019.

Stock Information	2020
Stock Exchange	Borsa İstanbul
BIST Ticker	ENJSA
Bloomberg Ticker	ENJSA TI
Reuters Ticker	ENJSA:IS
IPO Date	08.02.2018
Nominal Value of Total Shares	1,181,068,967.12
Free Float	20%
Nominal Value of Free Float Shares	236,213,792
Market Capitalization (31.12.2020)	TL 14.78 billion
Average Daily Trading Volume (01.01.2020 -31.12.2020)	TL 40.1 million
Highest Price (01.01.2020–31.12.2020)	TL 12.86
Lowest Price (01.01.2020–31.12.2020)	TL 5.66
Year-End Closing Price (31.12.2020)	TL 12.51

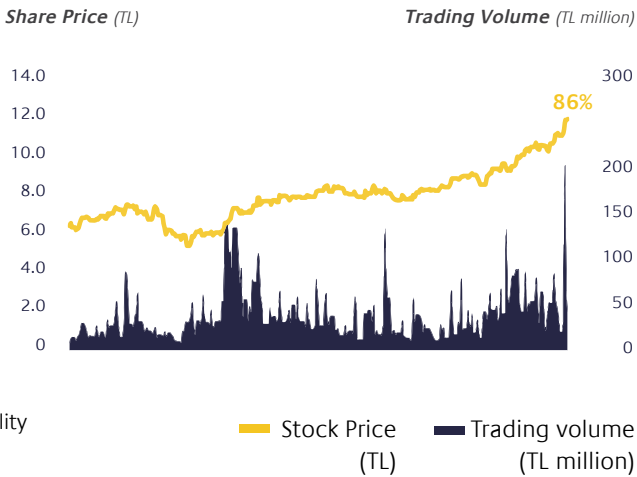
Source: Bloomberg

SHARE PERFORMANCE (%)



Source: Bloomberg

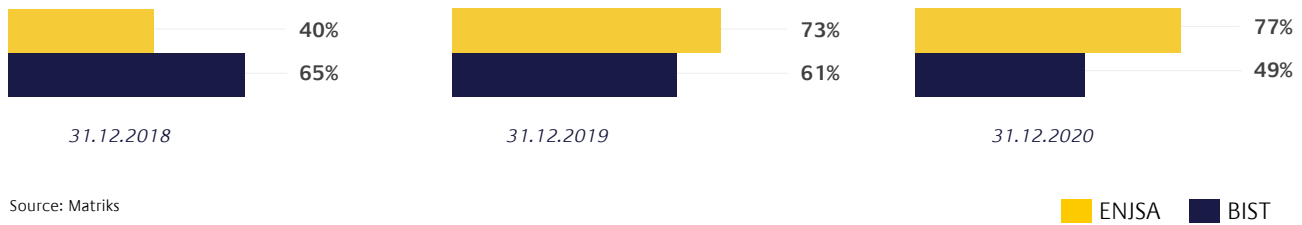
TRADING VOLUME (TL million)



With a return of 86% in 2020, Enerjisa Enerji stock has outperformed BIST30, BIST100, MSCI EM and MSCI Utility indices by 66%, 55%, 77% and 73% respectively in the same period. The average daily trading volume was TL 40.1 million during the year.

SHARE OF FOREIGN INVESTORS IN FREE FLOAT

As of 2020 year end, Enerjisa Enerji had a market capitalization of TL 14.78 billion. The share of foreign investors in the free float as of 2020 year end was 77%, compared to 49% foreign ownership for BIST.



Source: Matriks

ENERJİSA STOCK PERFORMANCE

SHAREHOLDER STRUCTURE

The shareholder structure of the Company as of December 31, 2020 is as follows:

Name of Shareholder	Share in Capital (TL)	Share in Capital (%)	Voting Right (%)
Hacı Ömer Sabancı Holding A.Ş.	472,427,587.56	40.00	40.00
DD Turkey Holdings S.A.R.L	472,427,587.56	40.00	40.00
Other	236,213,792.00	20.00	20.00
Total	1,181,068,967.12	100.00	100.00

Sabancı Holding, via the legal entity Hacı Ömer Sabancı Holding A.Ş. and E.ON, via the legal entity DD Turkey Holdings S.A.R.L., remain the largest minority shareholders with joint control of the Company.

2019 ORDINARY GENERAL MEETING OF SHAREHOLDERS

The Company held its Ordinary General Meeting of Shareholders for the fiscal 2019 with a **91%** attendance rate on March 23, 2020. No meeting agenda proposals were made by the shareholders.

The invitations to the General Meeting of Shareholders are made by the Board of Directors in accordance with the Turkish Commercial Code, the Capital Markets Law and the Articles of Association of the company. The meeting minutes were announced to the public on the Company website and the Public Disclosure Platform (KAP).

The decision to hold a General Meeting is announced to the public through the Public Disclosure Platform and the Electronic General Assembly System (E-GKS). General Assembly announcements are made in accordance with legal regulations at www.enerjisainvestorrelations.com 21 days before the General Assembly at the latest to reach the highest possible number of shareholders.

2019 DIVIDEND

Pursuant to the review of the audited Consolidated Financial Statements for the year 2019 prepared in accordance with the Turkish Financial Reporting Standards, it was resolved to distribute TL 0.60 per share

in cash dividend to all shareholders, equivalent to TL 708,641,380. This dividend corresponds to a **60% payout of Underlying Net Income** for the fiscal year 2019 of TL 1,175,000,000.

DIVIDEND DISTRIBUTION PROPOSAL FOR 2020

At the meeting of the Board of Directors dated February 22, 2021, pursuant to the review of the Consolidated Financial Statements that are prepared in accordance with the Turkish Financial Reporting Standards for the year 2020, it was resolved to propose to the General Assembly to distribute the profit as follows:

- TL 1,052,352,418.14 from Consolidated Net Distributable Profit including the donations incurred between 01.01.2020 - 31.12.2020,
- TL 81,473,790.30 from the retained earnings and total TL 1,133,826,208.44 dividend in cash (Gross

96%, Net 81.60%) to the shareholders who are representing the TL 1,181,068,967.12 capital,

- Distribution of the cash dividend beginning from April 9, 2021.

The dividend proposal of Board of Directors to the General Assembly (**TL 0.96 gross dividend per share**) corresponds to a payout ratio of **60% of the Underlying Net Income** of TL 1,878,000,000 for the 2020 fiscal year. Based on 2020 year end closing stock price of Enerjisa, the proposed **dividend yield is 7.7%**.

CORPORATE GOVERNANCE RATING

Enerjisa Enerji has demonstrated the transparency, accountability and sustainability of its management with its corporate governance rating. SAHA Kurumsal Yönetim ve Kredi Derecelendirme Hizmetleri A.Ş. (SAHA), which is authorized to perform ratings in accordance with the Corporate Governance Principles of the Capital Markets

Board of Turkey (CMB), completed and announced its first Corporate Governance Rating Report for Enerjisa Enerji on December 19, 2019 as 94.53. Enerjisa Enerji's Corporate Governance Rating increased to 94.56 with the new report announced on December 21, 2020.

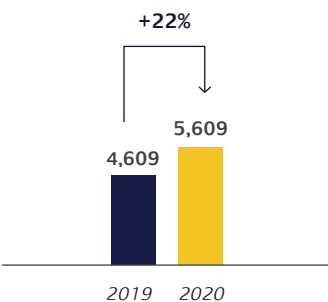
Subcategories	Weight	2019 Rating	2020 Rating
Shareholders	25%	95.06	95.06
Public Disclosure and Transparency	25%	98.35	98.37
Stakeholders	15%	99.51	99.51
Board of Directors	35%	89.28	89.34
Total	100%	94.53	94.56

KEY OPERATIONAL AND FINANCIAL INDICATORS

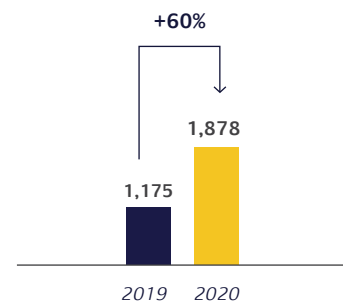
In 2020, Enerjisa continued its strong performance with high earnings growth. Consolidated operational earnings (EBITDA + Capex reimbursements, excluding exceptional items) increased by 22% from TL 4,609 million in 2019 to TL 5,609 million in 2020. The increase in Underlying Net Income was 60% compared to last year.

FINANCIAL INDICATORS

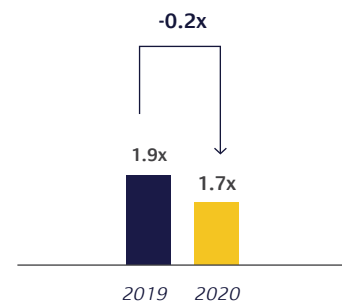
OPERATIONAL EARNINGS
(TL million)



UNDERLYING NET INCOME
(TL million)

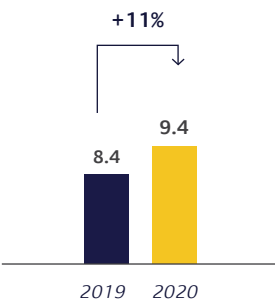


LEVERAGE
(net financial debt/operational earnings)

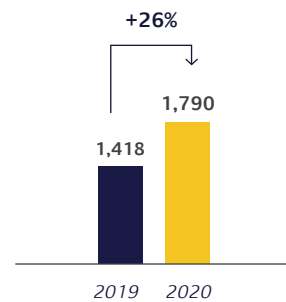


DISTRIBUTION OPERATIONAL INDICATORS

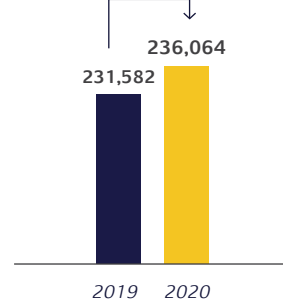
REGULATED ASSET BASE
(TL billion)



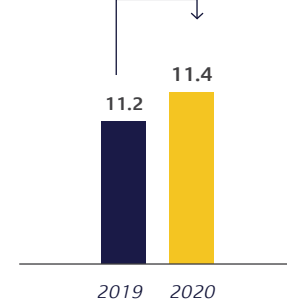
INFRASTRUCTURE INVESTMENTS
(TL million)



NETWORK LENGTH
(km)

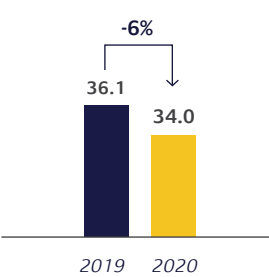


NETWORK CONNECTIONS
(million)

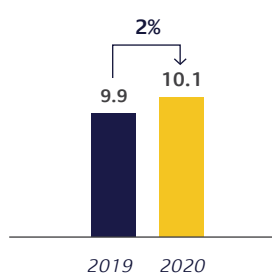


RETAIL AND CUSTOMER SOLUTIONS OPERATIONAL INDICATORS

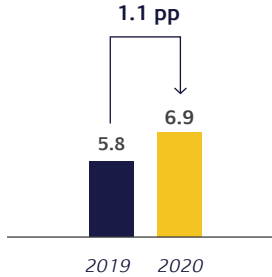
RETAIL SALES VOLUME
(TWh)



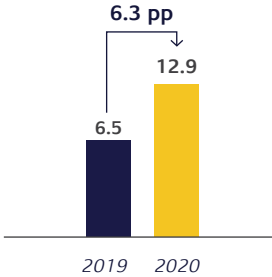
NUMBER OF CUSTOMERS
(million)



REGULATED GROSS
PROFIT MARGIN (%)



LIBERALISED GROSS
PROFIT MARGIN (%)



	1 January- 31 December 2019	1 January- 31 December 2020	Delta	Delta %
Consolidated				
Operational Earnings (TL million)	4,609	5,609	1,000	22%
Underlying Net Income (TL million)	1,175	1,878	703	60%
Free Cash Flow (after interest & tax) (TL million)	505	504	-1	0%
Economic Net Debt (TL million)	10,618	11,305	687	6%
Leverage (Net Financial Debt/Operational Earnings)	1.9x	1.7x	-0.2x	
Distribution				
Operational Earnings (TL million)	4,073	4,763	690	17%
Regulated Asset Base (TL million)	8,400	9,354	954	11%
Infrastructure Investments (TL million)	1,418	1,790	372	26%
Network connections (million)	11.2	11.4	0.2	2%
Network Length (km)	231,582	236,064	4,482	2%
Retail and Customer Solutions				
Operational Earnings (TL million)	559	879	320	57%
Retail Sales Volume (TWh)	36.1	34.0	-2.1	-6%
Number of Customers (million)	9.9	10.1	0.2	2%
Regulated Gross Profit Margin (%)	5.8%	6.9%		1.1 pp
Liberalised Gross Profit Margin (%)	6.5%	12.9%		6.3 pp



OUR BUSINESS IS ENERGY

Our Strength is
Prudent Management



Management

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CHAIRMAN’S MESSAGE

While managing the effects of the pandemic in 2020, we also ensured the continuity of our services and delivered the targets we had committed to our stakeholders. In the upcoming period, we will continue to work with all our strength by following global trends and keeping local dynamics in our focus, for the continuation of life and a sustainable future.

Dear Stakeholders,

While assessing 2020, we should naturally start with the COVID-19 pandemic, which has had a significant global impact. The utmost critical task while going through a period that changed all norms for humanity beyond our company and our sector, was to adapt to the new normal defined by this period in a swift and agile manner.

Following the first two quarters, of when the pandemic and restrictions had significant impacts on Turkish economy, the year is expected to be completed with a positive growth thanks to the growth trend achieved in the last two quarters. Energy sector also experienced a similar growth trend, which positively distinguished us from the western countries.

Enerjisa Enerji provides electricity distribution and retail services, one of the most critical services for the continuity of life, to approximately one fourth of Turkey. This, of course, is a great responsibility. We strived to maintain the continuity of the service and to fulfill our commitments to all our stakeholders despite the adverse impacts of the pandemic. So, this year has been a more challenging and extraordinary year than ever.

Beyond any doubt, one of the most significant developments in our sector has been the announcement of the new regulatory period parameters for 2021-2025. As the pioneering and leading company of the sector, Enerjisa Enerji sought to contribute to the process by carrying out the relevant activities in coordination with all sector-related stakeholders. I believe the parameters announced for the new regulatory period will encourage

progress and incentivize delivery of high-quality services for our company as well as our sector and I hope it will serve for the best interest of our country.

Enerjisa Enerji adopts an approach that focuses on global trends and local dynamics while shaping its strategy and practices. In line with this approach, our company will continue to carry out its core businesses in electricity distribution and retail services with the leading practices of the sector in grid investments, high-level operational efficiency, customer satisfaction practices, as well as R&D and innovation. Furthermore, I have full confidence that the company will continue leading the market in customer solutions as well, in which we have started offering innovative, technology and sustainability-oriented products.

We place utmost importance to all aspects of sustainability in the areas of environment, society and governance and consider the issue as a mission to fulfill the principle of “giving what we take from these lands back to these lands.” In the forthcoming periods we will continue our operations in both social and technological aspects, which in essence relate to people, society and the 17 sustainable development goals of the UN.

During the period, the Board of Directors of Enerjisa Enerji fulfilled all tasks and responsibilities in line with its roles as per the legislation and procedures. The Board reviewed the company’s operational and financial performance and gave necessary consultation and remarks to the senior management of the company during the six scheduled board meetings held in the fiscal year of 2020. The Board meticulously discussed all agenda items conveyed by the company management throughout this period and made decisions.

Furthermore, the committees structured under the Board of Directors regularly convened several times to discuss the items on their agendas and reviewed the activities regarding corporate governance, risk, financing and human resources. These committees issued several recommendations for the Board of Directors.

Ernst&Young, an independent auditing company carried out the required audit process and audited the financial statements related to the fiscal period that ended in December 31, 2020, and submitted an unqualified opinion. These financial statements were agreed upon and approved by the Board of Directors on February 22, 2021.

On behalf of the Board of Directors, I would like to thank the Enerjisa Enerji company management, all its committees, employees and suppliers for their commitments throughout 2020. Of course, we would also like to thank all our customers and investors who continue to trust us and wish 2021 will bring health and happiness worldwide.

Kıvanç Zaimler
Chairman



“ I would like to thank the Enerjisa Enerji company management, all its committees, employees and suppliers for their commitments throughout 2020. ”



BOARD OF DIRECTORS



Kivanç Zaimler

Chairman

Kivanç Zaimler graduated from Istanbul Technical University Industrial Engineering Department in 1991. He started his career in 1992 and until 2008; he worked in various executive positions in Turkish Electricity Industry, RAM Foreign Trade and Aygaz companies respectively. Kivanç Zaimler joined Enerjisa in 2008 and served as Trade Director, Distribution Companies General Manager, Sales Companies General Manager and CEO at Enerjisa respectively. As of July 2018, Zaimler was appointed President of the Energy Group at Sabancı Holding. Taking active roles in NGOs, Zaimler serves as Turkish Vice President at World Energy Council; Chairman at TÜSİAD Energy Working Group; Chairman at ELDER, Board Member at YASED, Sabancı University Istanbul International Energy and Climate Center (IICEC) and Advisory Council Member at SHURA. He is also Chairman of the Board at Enerjisa Enerji and SabancıDx, serves as Deputy Chairman of the Board at Enerjisa Üretim and is a Member of the Board of Directors at Aksigorta.



Dr. Eric René C. Depluet

Vice Chairman

A graduate of RWTH Aachen University, Department of Business Administration, Eric René C. Depluet holds a Ph.D. in Business Administration. After starting his career at Klöckner & Co. AG as the Control and Operations Manager in 1990, he served as Senior Vice President of Control, Operations and Accounting between 1992 and 1993. From 1993–1994, he served as the head of Accounting, Data Management and Purchasing at Max Kettner. He joined Ruhrgas AG in 1994 and worked in several leading roles, including Head of Control (1994–1996), Senior Vice President of Control (1997–1999), Senior Vice President of Technical Control and Support (1999–2000), Executive Vice President of Corporate Planning, Gas Economy Planning (2000–2001), Executive Vice President of Corporate Planning, Economical Planning, Analysis and Billing (2001–2004). Dr. Depluet joined E.ON Hungary in 2004 and served as the Board Member responsible for Gas Trade and Human Resources (2004–2007), the Senior Vice President of Corporate Social Responsibility (2007–2009), and as the CEO of E.ON Hungary (2009–2018).



Barış Oran

Board Member

Baris Oran is the Group CFO of Sabancı Holding (Industrial Conglomerate) and Chairman of Teknosa (Technology Retail & E-commerce). He started his career as an auditor at Price Waterhouse Coopers and from 1998 to 2003, worked at Sara Lee Corp in Chicago IL, in audit, finance and treasury/capital markets. Between 2003 and 2006, he worked as Senior Manager at Ernst and Young initially at Minneapolis, MN and then in Europe, Middle East, Africa and India regions. He started working at Kordsa Global in 2006, and held positions of Internal Audit Director, Global Finance Director and CFO respectively. Oran has started at Sabancı Holding in 2011. He graduated from Boğaziçi University, Department of Business Administration, completed his MBA studies at the University of Georgia and Advanced Management Program at the Kellogg School of Management, Northwestern University. Mr. Oran also serves as the Vice Chairman of the Board of Directors in Philip Morris and Philips companies and he is a member of the Board of Directors of Carrefour, Enerjisa Enerji and Enerjisa Üretim. He is also a member of the Board of TUSIAD.



Johan Magnus Mörnstaam

Board Member

Johan Mörnstaam received his diploma in business administration and business law in Lund and Växjö, before completing his Executive MBA education at the University of Lund, Sweden. He started his professional career in 1988 as business controller at Fylgia Invest. In 1995, he joined the energy company Sydgas, which later was acquired by the E.ON Group. After holding several managerial positions, Mr. Mörnstaam was appointed Vice president of Commodity Portfolio Optimization at E.ON, in 2007. From 2010 until 2014, he served as the director of various positions in Germany and Sweden. Between 2014-2019 Mr. Mörnstaam held the role as CEO of E.ON Energidistribution AB, one of Sweden's largest power and gas distribution companies. Since 2020, Mr. Mörnstaam serves as the Senior Vice President of Energy Networks – Europe, responsible within the E.ON Group, for power and gas distribution in Sweden, Poland, Slovakia, Czech, Hungary, Romania, Croatia and Turkey.

BOARD OF DIRECTORS



Hakan Timur

Board Member

Hakan Timur graduated from Istanbul University Economics and received his master degree in Energy and Technology Management from the Sabancı University. Starting his career in 1997 at Marsa-Kraft Foods International, Hakan Timur worked as "Human Resources Manager" at Sabancı Food Group, "Human Resources Manager" at Sabancı Holding, "Global Human Resources Director" at Kordsa Global, "Human Resources Vice General Manager" at Akçansa and "Chief Officer, Human Resources and Corporate Capabilities" at Enerjisa respectively. Mr. Timur was appointed as Human Resources & Sustainability Group President at the Sabancı Holding A.Ş. on February 1, 2018. In addition to his current role, Mr. Timur is also serving as Executive Committee member at Sabancı Holding and Executive Board member at Çimsa, Enerjisa Enerji, Enerjisa Üretim Santralleri and Sabancı DX.

Mehmet Sami

Independent Board Member

Following his graduation from Kingston University London, Department of Economics. Mehmet Sami completed his master's degree in Business Systems Analysis Design at City, University of London. He has more than 30 years of experience in corporate finance, venture capital fund advisory services (including the establishment of the first fund in Turkey) and capital markets. Mr. Sami has taken part in various privatizations, international mergers and acquisitions and international joint ventures undertaken by resident companies in Turkey. After EuroTurk Bank and Finansbank, he worked at Ata Yatırım, one of the largest independent firms in Turkey, for almost 19 years. In 2012, he joined Deloitte Corporate Finance to lead M&A and Debt Advisory unit. He served on Deloitte Global Merger & Acquisition's Executive Board as well as at Deloitte Turkey Partnership until 2015. He now runs a private consultancy firm that provides portfolio review and monitoring services, as well as advisory services on micro/macro risks and probable effects and corporate finance alternatives to international banks and multinationals through the consultancy firm he co-founded. He served as Board of Director of the Corporate Governance Association of Turkey (TKYD). He is a co-founder and Chairman of Board Directors Association. Since 2018, Mr. Sami has been serving as Independent Board member of Enerjisa Enerji, Chairperson of the Corporate Governance Committee, member of the Audit Committee and member of Early Detection of Risk Committee. Since 2015, he is a partner of Pretium Kurumsal Danışmanlık and Independent Board member of Akçansa and Kordsa.



Dr. Eva-Maria Verena Volpert

Board Member

Eva-Maria Verena Volpert holds a degree in business administration and works as tax advisor. She joined E.ON in 2006 and was responsible for Group Finance until June 2020. Verena Volpert is also a Board Member at Enerjisa Enerji A.Ş., Enerjisa Üretim Santralleri A.Ş., Vibracoustic AG and Thyssenkrupp AG. Before joining E.ON, she headed the finance department of the media company Bertelsmann.

Fatma Dilek Yardım

Independent Board Member

Dilek Yardım completed the joint MBA program of University of Bangor and Manchester Business School after graduating from the Department of Business Administration at Boğaziçi University. She started her professional career as an auditor at Interbank in 1988. Between 1990 and 1999, she hold different positions at Project Finance and Corporate Banking Manager units of Bankers Trust. Between 1999–2001, she served as the Vice President of Corporate Finance at Deutsche Bank. Between 2011 until 2016, she served as the CEO and a Board member of Deutsche Bank, Credit Agricole CIB and Standard Chartered Bank respectively. Since 2018, she has been serving as Independent Board member and Chairperson of Early Risk Detection of Risk Committee of Enerjisa Enerji. Since 2019, she works as Turkey Branch Manager of Commerz Real Investmentgesellschaft. Ms. Yardım has also served as the Chairperson of various working groups at TÜSİAD and as Deputy Board member between 2001 and 2017. She also served as Deputy Chairperson at YASED (Foreign Investors Association) for three terms between 2007 and 2012 and Turkish-English Business Council member at DEİK (Foreign Economic Relations Board) between 2012 and 2016. Yardım is also an Independent Board member of Çimsa and Afyon Çimento.



Board of Director	Duty	Date of Appointment	End of Duty
Kıvanç Zaimler	Chairman	01.07.2018	29.03.2021
Eric René C. Depluet	Vice Chairman	15.06.2018	29.03.2021
Bariş Oran	Member	29.03.2018	29.03.2021
Johan Magnus Mörnstam	Member	01.08.2020	29.03.2021
Hakan Timur	Member	28.08.2019	29.03.2021
Eva-Maria Verena Volpert	Member	29.03.2018	29.03.2021
Fatma Dilek Yardım	Independent Member	29.03.2018	29.03.2021
Mehmet Sami	Independent Member	29.03.2018	29.03.2021

MANAGEMENT MESSAGE

This year we were focused on two missions. Ensure uninterrupted electricity distribution and retail services throughout all regions and undertake the required measures for the health of our employees, suppliers and customers in the best possible way.

Dear Stakeholders,

Every year bears its own challenges. However, 2020 has been an unprecedented and definitely a challenging year for the entire world. While the pandemic left its mark for this year, we delivered successful results despite all the challenges thanks to our existing investments in technology and infrastructure as well as our prudent risk management, strategic moves and sound financial structure.

This year we were focused on two missions. Ensure uninterrupted electricity distribution and retail services throughout all regions and undertake the required measures for the health of our employees, suppliers and customers in the best possible way.

We, at Enerjisa Enerji, had already set-up a committee, including our entire senior management team and doctors as consultants, and started taking actions when WHO had just declared the outbreak as a pandemic and no COVID-19 cases were diagnosed in our country. During the pandemic, we took over 1,000 decisions in this committee and the sub-committees in the fields of occupational health and safety, human resources, technology, financing and operations and implemented these decisions.

While we endeavour to uninterruptedly sustain our electricity distribution services throughout our regions, we also executed all our investment plans and we realized an investment of approximately TL 1.8 billion in 2020.

We appreciate in particular the commitment of our employees, as well as the efforts of our suppliers during this period. I would like to thank each and every one of them. Moreover, I would also like to thank our Ministry of Energy and Natural Resources and the regulatory body EMRA, for their support in the management of this period.

Besides our initiatives in our main areas of activity, one of the most significant steps taken this year was the launch of Customer Solutions services with the focus of technology and sustainability under the **“Energy of My Business”** brand. At Enerjisa Enerji, we determine our strategy considering the global energy trends as well as the local dynamics in our country. We are aware that a new energy world is coming and this brand-new energy world is based on concepts such as distributed generation, efficiency, renewable energy and e-mobility. Hence, Energy of My Business product family is of great significance as an indication of our leading approach in this area.

I also would like to emphasize that it is crucial to include entrepreneurship ecosystem into the process. In addition to the strengths of corporate structures, we should benefit from the agile and entrepreneurial characteristics of this ecosystem. This will provide us dynamism. We, as Enerjisa Enerji, are supporting the ecosystem via both our corporate entrepreneurship platform Nar and İvme program, which we launched in 2020.

I also consider the announcement of the Fourth Regulatory Period parameters a highly important development of 2020. In the upcoming period, we will continue our activities in line with our principles to provide efficient, high-quality and sustainable services. I would like to sincerely thank and pay my respects to our shareholders, business partners, customers and of course, our employees for their supports.

Murat Pınar
CEO



As Enerjisa Enerji, we are preparing ourselves to lead the energy sector in Turkey to a more digital, decarbonized and decentralized ecosystem.

Dear Stakeholders,

The year 2020 was a challenging year, with the COVID-19 pandemic, for every single person and company. With our prudent business continuity plan and effective crisis management, we took timely and prescient measures ensuring operational sustainability. Despite the uncertainties the pandemic posed globally, we successfully implemented our operational strategy, continued to expand our distribution infrastructure and provided our customers the best energy service possible. Consequently, we delivered a sound financial performance that outperformed our guidance to the market. Thanks to a supportive regulatory system, our sound risk management and devoted efforts of our employees, we reinforced our leading position in transforming the Turkish energy market.

While staying focused on our core commitments in 2020, we invested TL 1,790 million into our power distribution grids, which is 26% higher than in 2019. Our Underlying Net Income was TL 1,878 million, registering 60% year-over-year growth. Thus, we further strengthened our balance sheet, where financial net debt to operational earnings ratio declined from 1.9x last year to 1.7x this year. Our strong balance sheet will enable the continuity of our investments to secure uninterrupted energy for our consumers and facilitate their lives.

We also entered into a very exciting period as the new tariff parameters for 2021-2025 were announced. We assess the regulatory framework as overall supportive of growth, while encouraging increase in service level through improved quality mechanisms and rewarding corporate governance and transparency.

The new regulatory framework will enable us to continue delivering on our strategy to build and modernize the energy infrastructure of Turkey. For instance, there has been a 72% increase in the initial capex allowance for our distribution business. There is also a newly introduced incentive for companies listed on Borsa İstanbul, which proves that our successful public offering was also a significant step towards the institutionalization and transparency of our sector.

As Enerjisa, our mission is to accelerate the sustainable energy transformation in Turkey by building the needed infrastructure and services of tomorrow. We are preparing ourselves to lead the energy sector in Turkey to a more digital, decarbonized and decentralized ecosystem.

We restructured our end-to-end solution portfolio aiming to increase energy efficiency and to reduce carbon emissions of our corporate customers under the roof of the **“Energy of My Business”** initiative. Our target is to leapfrog in our customer solutions business focusing especially on e-mobility and distributed generation.

In 2020, we have undertaken important steps such as recent publication of our new Human Rights Policy and new Code of Conduct to fulfil our goal to become best-in-class in corporate governance. We also strive to further develop our Enterprise Risk Management and together with all actors in Turkey make ESG driven business models the only way forward for a clean, fair and sustainable society.

As Enerjisa, we aim to deliver value to our investors and all other stakeholders. Our board proposed a dividend of 0.96 TL/share to the AGM as per our commitment to return sustainable dividend as we continue to grow Enerjisa. This marks a 60% increase compared to last year and a 60% pay-out ratio.

I have full faith in our strategy and believe we, as Enerjisa Enerji, are in the best position to capitalize on the opportunities of the Turkish energy sector. I wholeheartedly present my gratitude to our investors, who have been continuously supporting us in this path, our business partners that we share mutual values with as well as all our customers and employees.

Dr. Michael Moser
CFO



EXECUTIVE MANAGEMENT

Murat Pinar

CEO



Murat Pinar, having graduated from Karadeniz Technical University as an Electric and Electronics Engineer and took MBA degree from London School of Commerce & University of Wales. He started his professional career in Siemens where he worked as transmission engineer, transmission product manager and application and integration manager during the years 1998-2006. Later, he undertook the task manager responsible for the field operations and Program Director roles at Nokia Siemens Networks Company in 13 different countries including Eastern Europe, Central Asia and Turkey, Azerbaijan and Georgia. Murat Pinar, joined Enerjisa in 2015 and undertook different executive positions within Enerjisa Distribution Companies - Başkent, Ayedaş and Toroslar- which are operating in 14 cities and serving over 9 million customers and 21 million population. He led the integration, growth and development phases of Enerjisa Distribution companies especially leading operational excellence, business development and investment processes through contributing to restructuring of the market dynamics. Mr. Pinar was appointed as the General Manager of Enerjisa Distribution Companies in 2015 and as the President of Enerjisa Enerji Distribution Business Unit in 2016. He has served as the Enerjisa Enerji CEO since November 1, 2019. He is Board Member of ELDER (Association of Electricity Distribution Companies) and EUROGIA2020 Chairman.

Dr. Michael Moser

CFO



Dr. Michael Moser has successfully received seven international university degrees in law and business economics such as Ph.D. in international energy law, legal state exams, degree in business economics, MBA, Master of Laws and general management in Germany, USA, UK, Switzerland and China. After starting his professional career in a private equity company and later on as a lawyer at Baker McKenzie Frankfurt and London in 2005, Dr. Moser joined E.ON SE in 2008. He first steered as Global Legal M&A Vice President all worldwide transactions of E.ON, became Chief Development Officer at the stock listed company Eneva S.A. in Brazil (2013– 2015), steered later on the spin-off and listing of Uniper SE, became Chief Audit Officer at E.ON SE. Later, he was appointed Chief Financial Officer of the global business area New Customer Solutions at E.ON, responsible for 8 countries (UK, Sweden, Germany, Italy, France, Hungary, Czech Republic and Romania). Since July 2019, Dr. Moser serves as CFO of Enerjisa Enerji.

GENERAL ASSEMBLY MEETING

ENERJİSA ENERJİ A.Ş. AGENDA FOR THE 2020 ORDINARY GENERAL ASSEMBLY MEETING TO BE HELD ON 30 MARCH 2021, AT 09.00 A.M.

1. Opening and formation of the Meeting Council,
2. Reading and discussion of the 2020 Annual Report of the Board of Directors,
3. Reading the 2020 Independent Auditor's Reports,
4. Reading, discussion and approval of the 2020 Financial Statements,
5. Presenting the members of the Board of Directors, which was appointed during the current year due to the occurrence of the absence in the Board of Directors' membership to serve for the remaining period for the approval of the General Assembly,
6. Release of the members of the Board of Directors with regard to the 2020 activities,
7. Determination of the usage of the 2020 profit, dividend and dividend per share to be distributed,
8. Election of the members of the Board of Directors and determination of their duty term,
9. Determination of the salaries, attendance fees, bonus, premium and similar rights to be paid to the members of the Board of Directors,
10. Election of the auditor,
11. Discussion and approval on the amendment to be made on the Article 7 ("Capital and Shares") and Article 10 ("Meetings of the Board of Directors and the Management of the Company") of the Articles of Association provided that the required permits are granted/to be granted from the Capital Markets Board and the Ministry of Trade,
12. Discussion and approval of the amendments to be made on the Donation and Grants Policy,
13. Discussion and approval of the amendment to be made on the Dividend Policy,
14. Informing the General Assembly regarding the amendment made on the Disclosure Policy,
15. Informing the General Assembly regarding the donations and grants made by the Company in 2020,
16. Determination of an upper limit for donations to be made in 2021,
17. Granting permission to the Chairman and members of the Board of Directors for the activities under the Articles 395 and 396 of the Turkish Commercial Code,
18. Wishes and requests.

OUR BUSINESS IS ENERGY

Our Strength is Our Vision



TURKISH ELECTRICITY MARKET

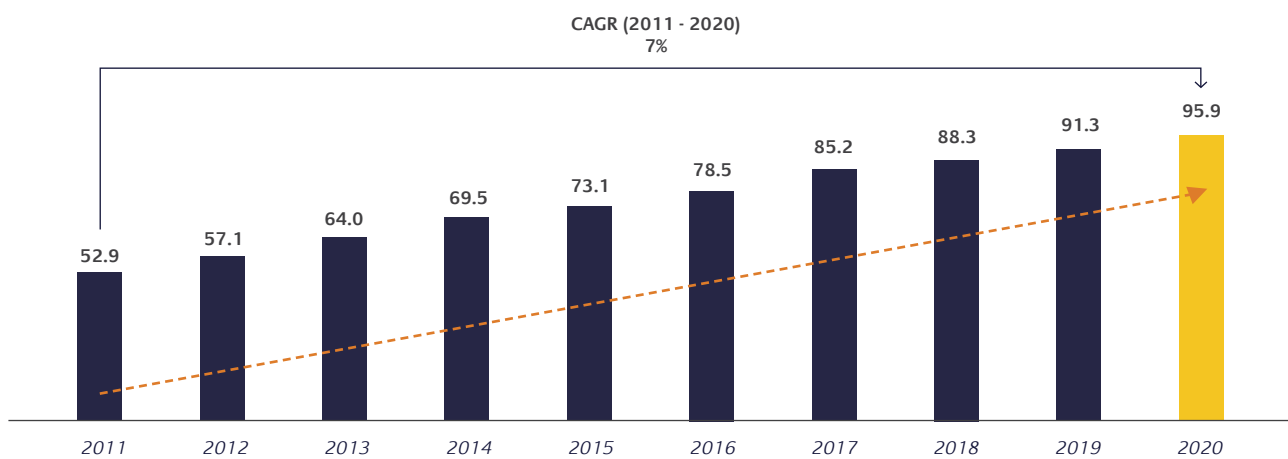
Despite the pandemic, the gross electricity demand in Turkey was 305 TWh in 2020, slightly exceeding the demand in 2019.

GENERATION CAPACITY

Turkish Electricity Market went through substantial changes over the past 20 years and achieved significant growth on the back of these changes. With the developments including the introduction of renewable technologies, liberalisation and privatisation of the markets, as well as effective regulations and new legislations, the total installed capacity increased from 28 GW in 2001 to over 95 GW in

2020. The increase in the total installed capacity of Turkey also paved the way for the rapid growth in other industries and became one of the most important drivers of the strong GDP performance of Turkey in the past 20-year period. Since 2011, the generation capacity in Turkey has achieved a compounded annual growth rate (CAGR) of 7%.

INSTALLED CAPACITY (GW)



Source: TEİAŞ

The share of renewable energy resources in total installed capacity has had an increasing trend since 2005. While the share of power plants using renewable resources in the installed capacity was around 33% in 2005; the share increased to 51%¹ in 2020.

YEKDEM (Renewable Energy Resources Support Mechanism) played a significant role in that increase. 2020 was also a critical year in terms of YEKDEM.

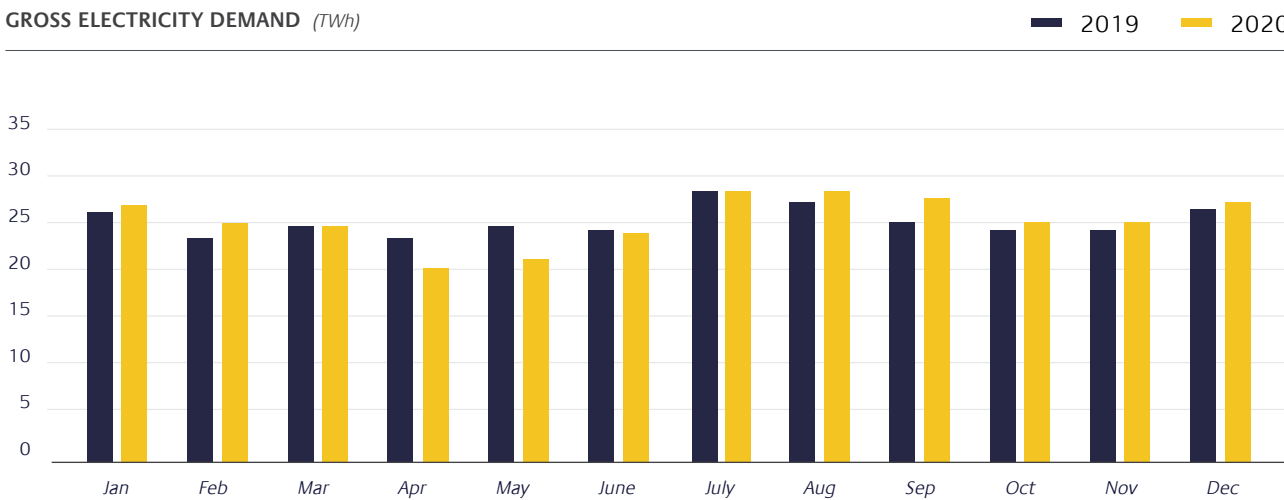
USD based incentives that were expected to end as of December 31, 2020, have been extended until June 30, 2021 with the Presidential decision published on the Official Gazette dated September 18, 2020. The new incentive mechanism for renewable generation facilities to be commissioned after June 30, 2021 has been determined to be in Turkish Lira.

SUPPLY & DEMAND BALANCE

COVID-19 started to affect the world in the beginning of 2020 and the impacts in Turkey were first observed in March. Since the first COVID-19 case was announced in Turkey on March 11th, restrictions have started to be implemented gradually till the end of May and several companies in manufacturing and services sectors suffered a decline in their activities, including even temporary closures. As a result of the restrictions, significant declines were experienced in the electricity demand, particularly in

April and May, compared to the previous year. Starting from June, the restrictions were gradually lifted; which resulted in a recovery in the electricity demand and the demand reached pre-COVID levels. According to the daily data, the daily electricity demand reached record-breaking levels in September due to hot weather conditions. In 2020, the gross electricity demand increased by 0.5% compared to 2019 and reached 305 TWh².

GROSS ELECTRICITY DEMAND (TWh)



Source: EMRA Electricity Market Sector Report, December 2020

In 2020, electricity consumption of commercial segment declined by 12% due to the impacts of the pandemic, while other segments registered growth. In 2020, the share of residential, industrial and commercial demand in total electricity consumption was 26%, 43% and 25% respectively.¹

With the impact of the decrease in electricity demand during the period covering March to June due to restrictions, Turkey's gross electricity generation also decreased. While the year-on-year gross electricity generation decreased by 0.6% in March; the annual decline in April, May and June were 14.6%, 16.5% and 2.6%, respectively. As of the end of

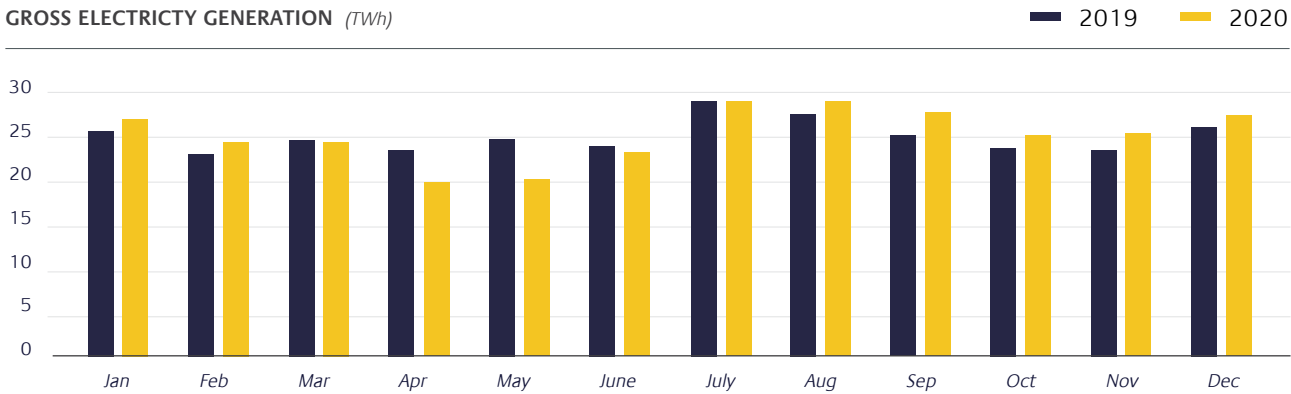
September, total gross electricity generation was 227 TWh with 1.1% year-on-year decline. In 2020, the gross electricity generation increased by 0.5% compared to 2019 and reached 305 TWh.

Compared to 2019, when favourable hydrology conditions were experienced, the decreasing generation from hydroelectric resources was compensated by wind- and solar-based generation in 2020; hence, the share of energy generated by renewable energy resources in total gross generation remained around the same levels compared to last year.

¹ EMRA Electricity Market Sector Report December 2020
² TEİAŞ 2020 Electricity Generation-Consumption Report



TURKISH ELECTRICITY MARKET



Source: TEİAŞ

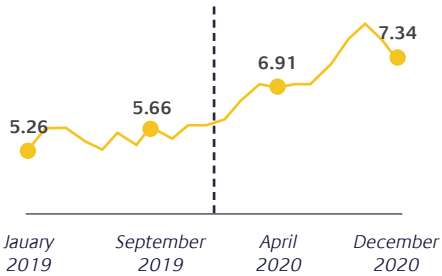
MACROECONOMIC DEVELOPMENTS

The positive trend in economic growth achieved during January and February 2020 slowed down around mid-March because of the restrictions put into effect due to the pandemic. During the first half of 2020, the decline in domestic and foreign demand due to COVID-19 pandemic had a negative impact on the Turkish economy. In the second quarter, the economy shrunk by 10.3% due to reduction in demand with the impacts of the national and global measures taken against the pandemic. During the third quarter, a swift recovery thanks to the pent-up demand and the favourable financial conditions resulted in a growth rate of 6.3%. In 2020, the Gross Domestic Product demonstrated an increase of 1.8%, distinguishing Turkey from the rest of the world.

While annual consumer inflation was flat in the first quarter of 2020, it increased to 12.6% in the second quarter of 2020 as a result of the raise in unit prices, fluctuations in the exchange rates and increase in food prices due to unprocessed raw materials due to the pandemic. Increasing costs due to COVID-19 pandemic, exchange rate movements, recovery in international oil prices and increasing food prices due to the seasonal and pandemic-related impacts resulted in 14.6% consumer inflation in 2020 year end, an increase of 2.8pp compared to the previous year.

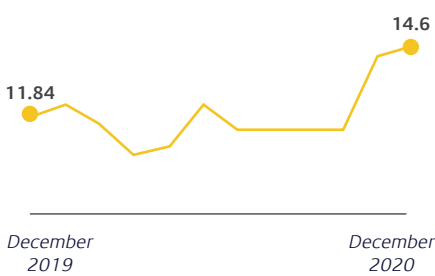
2020 year-end USD exchange rate was TL 7.34 with an annual increase of 24%. As the uncertainties in the global economy continued due to COVID-19, 6-month TRLIBOR interest rate increased 6.8pp at the end of 2020 compared to 2019.

2019 & 2020 FX RATE DEVELOPMENT
(USD/TL)



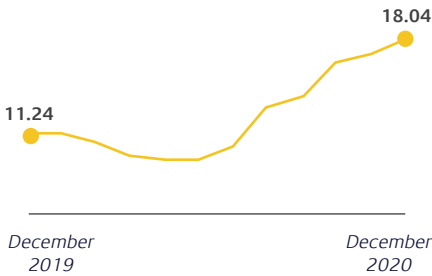
Source: TCMB

2020 INFLATION (CPI) (%)



Source: TURKSTAT

2020 INTEREST RATE (6-month TRLIBOR) (%)



Source: TBB

END CONSUMER COSTS

The end consumer electricity bills include the following components in order to cover the operation and maintenance costs of the existing electricity system and encourage investments in new and improved generation and network infrastructure:

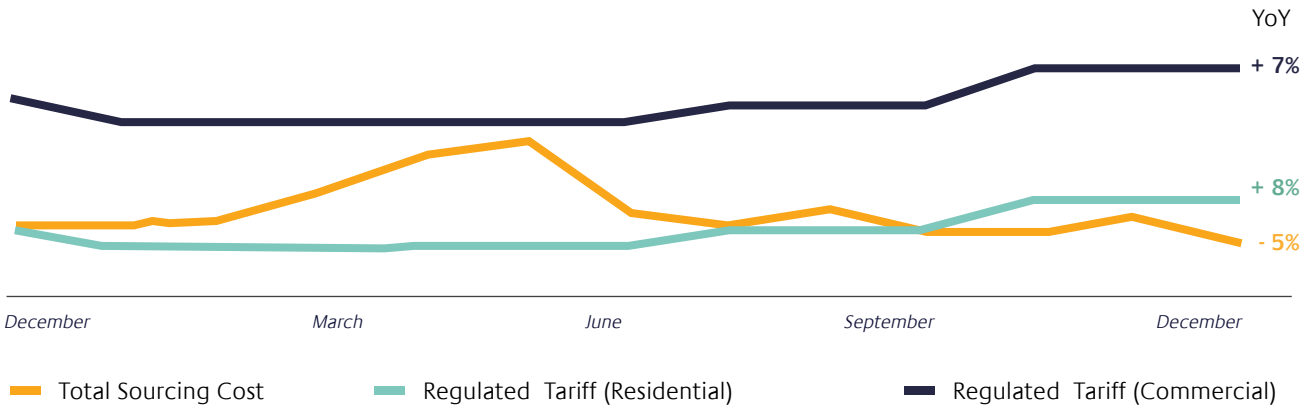
- **Retail Energy Sales Tariff:** This component includes the generation costs as well as the net profit margin of the retail companies.

- **Distribution Tariff:** This component includes the cost of operating, maintenance, expansion and improvement of both distribution and transmission grids.

- **Taxes:** Includes taxes such as; VAT, Energy Fund surcharge, TRT surcharge, Electricity Consumption tax.

In 2020, EMRA increased the single-time retail tariffs reflected to end consumers between 2.1-4.7% in Q1, 0.7-1.3% in Q2, 2.4-4.2% in Q3 and 7.2-8.3% in Q4 according to their customer groups in the National Tariff. As of the end of 2020, the year-on-year increase was around 7-8%.

REGULATED ELECTRICITY TARIFFS



SIGNIFICANT CHANGES IN ELECTRICITY DISTRIBUTION AND RETAIL SECTOR

The amendments made in legislation regarding the electricity sector in 2020 are as follows:

The Period in which fourth Regulatory Period to be implemented: With the Board Decision dated 25.07.2019 and numbered 8750, it has been determined that the fourth regulatory period in which the parameters based on the income / tariff regulations of distribution and incumbent retail companies operating in the electricity market will be valid between the dates 01.01.2021 (included) – 31.12.2025 (included).

Accordingly, in 2020 Energy Market Regulatory Authority (EMRA) announced the tariff parameters for the fourth regulatory period (2021-2025) for the electricity distribution and incumbent retail companies.

For Enerjisa Enerji electricity distribution companies (İstanbul Anadolu Yakası Elektrik Dağıtım A.Ş., Başkent Elektrik Dağıtım A.Ş., Toroslar Elektrik Dağıtım A.Ş.), the highlights of key parameters determined based on 487.38 CPI (Oct 2020) are as follows:

- **WACC:** Weighted Average Cost of Capital (WACC) calculation methodology on Regulated Asset Base (RAB) is kept unchanged. As previously disclosed, pretax real WACC is set at 13.11% (2016-2017:12.66%, 2018-2020:14.60%). Mid-year adjusted pretax real WACC is 12.30% (2016-2017:11.91%, 2018-2020: 13.61%).
- In the fourth regulatory period, total initial allowed Capex for 2021-2025 is set at TL 13,549 million based on 487.38 CPI (Oct 2020).

Initial Allowed Capex (for Enerjisa Enerji distribution companies):

(TL million)	3 rd period CPI (267.2)	3 rd period CPI (487.38)	4 th period CPI (487.38)	Inc. vs 3 rd period CPI (487.38)
Initial investment ceiling	4,319	7,879	13,549	72%
Additional Capex allowance	1,869	3,410	-	n.m.
Actual allowed Capex	6,189	11,289	13,549	20%

KEY CHANGES IN 4th REGULATORY PERIOD

- 72% real increase in Initial Capex allowance for Enerjisa compared to third regulatory period (Distribution).
 - For scheduled maintenance a new scope is defined and a new opex allowance is introduced to incentivize improvement in continuity of supply and customer satisfaction (Distribution).
 - 8% real increase in Opex allowance excluding scheduled maintenance for Enerjisa compared to third regulatory period (Distribution).
 - Increased focus on quality performance and new quality incentives (In-house sourcing incentive / Incentive for public companies).
- The initial allowed Capex in the third regulatory period (2016-2020) was TL 4,319 million based on 267.2 base CPI (Oct 2015), which corresponds to TL 7,879 million based on 487.38 CPI (Oct 2020).
 - The actual allowed Capex (initial allowed Capex plus additional allowance granted by EMRA) in the third regulatory period was TL 6,189 million based on 267.2 CPI (Oct 2015), which corresponds to TL 11,289 million based on 487.38 CPI (Oct 2020).
 - **CAPEX Reimbursement** period will remain unchanged at 10 years.
 - 2020 **Closing Balance of Statutory Regulated Asset Base** is TL 9,875 million based on 487.38 CPI (Oct 2020) according to the calculations of the Company.

Regulated OPEX (for Enerjisa Enerji distribution companies):

(TL million)	3 rd period CPI (267.2)	3 rd period CPI (487.38)	4 th period CPI (487.38)	Inc. vs 3 rd period CPI (487.38)
Initial Controllable OPEX allowance	4,420	8,063	8,698	8%
Scheduled Maintenance OPEX	-	-	2,450	n.m.
Total	4,420	8,063	11,148	38%

- Total regulated controllable OPEX (fixed and variable OPEX) for 5 years is set at TL 8,698 million (third regulatory period initial allowance (2016-2020): TL 4,420 million based on 267.2 CPI (Oct 2015), which corresponds to TL 8,063 million based on 487.38 CPI (Oct 2020).
- Scheduled maintenance OPEX is included in total OPEX allowance as a new category. The scheduled maintenance OPEX allowance is set at TL 2,450 million for the five year period based on 487.38 CPI (this category was not available in the third regulatory period).
- **Theft Usage Accrual (Detection and Collection):** 55% of detected and invoiced theft usage accrual will be retained by distribution companies as incremental income (2017-2020: 55%). In addition, 50% of actual theft usage collection after legal proceedings will be retained by electricity distribution companies in regions where T&L rate is lower than Turkey average (all Enerjisa distribution regions) as additional income (75% across all regions in the third regulatory period).
- **Theft and Lost Target Threshold Rate:** For the first cluster of electricity distribution companies, theft and loss target threshold rate is set as 7.5% (8% in the third regulatory period). For the first cluster, theft and loss target threshold rate has 50% weight in theft and loss targets. İstanbul Anadolu Yakası Elektrik Dağıtım A.Ş. and Başkent Elektrik Dağıtım A.Ş. are included in the first cluster. For the second cluster, theft and loss target setting mechanism has been maintained. Toroslar Elektrik Dağıtım A.Ş. is included in the second cluster.
- **Quality Parameters (Quality Factor and General Quality Indicator):**
 1. **Quality Parameter Calculation Base:** Uncontrollable OPEX is excluded from revenue requirement for calculating base of revenue for quality factor (included in the third regulatory period) calculation. Meanwhile, the new scheduled maintenance OPEX category is included in the base.

2. **Quality Parameter Ceiling (Quality Factor and General Quality Indicator):** Compared to previous bonus mechanism based on performance, a bonus/ malus mechanism has been introduced. Under the quality factor and general quality indicator headings, total quality parameter bonus ceiling is set as 6% of regulated revenue requirement for 2021 and 7% of regulated revenue requirement for 2022-2025 (5% for 2018-2020). Penalty ceiling is set at minus 2.05% for 2021 and minus 2.8% for 2022-2025 (0% in the third regulatory period).
 - **Quality Factor:** Under this category, continuity of supply, technical quality, customer satisfaction and health and safety performances are covered. With the mechanism, the bonus ceiling is set as 4% of regulated revenue ceiling for 2021 and 5% of the ceiling for 2022-2025. Penalty ceiling is set at minus 2.05% for 2021 and minus 2.8% for 2022-2025.
 - **General Quality Indicator (In-house Sourcing Incentive):** With this new category, there will be an incentive for companies if the share of in-house sourcing is above 50%. The maximum incentive is set at 1% of revenue requirement for each year, while bonus amount will depend on in-house sourcing share. All Enerjisa distribution companies have above 50% in-house sourcing share.
 - **General Quality Indicator (Incentive for Public Companies):** Under this heading, for both electricity distribution companies and incumbent retail companies, a new general quality indicator has been introduced. Accordingly, those companies directly listed on Borsa İstanbul will be eligible for 1.0% of their revenue requirement as an incentive. If their parent companies (direct shareholders) are listed on Borsa İstanbul, there will be 0.3% incentive on the revenue requirement in each year.

TURKISH ELECTRICITY MARKET

- **Other Income (Retention):** 50% of case, court, advocacy, enforcement and conciliation income will be retained by distribution companies as additional income (100% in the third regulatory period). 50% of revenue items such as renting distribution network items will be retained by distribution companies as additional income (75% in the third regulatory period).
- **Other Income ((t) Correction Mechanism):** During the fourth regulatory period, there will be a change in deduction mechanism of other income not be retained by distribution companies (theft accrual, advertisement/ rent income, court income, etc) from revenue requirement based on predetermined ratios discussed above. In the fourth regulatory period, the amount will be deducted from revenue requirement for that particular year (t) based on a forecast (actual amount was deducted at year (t+2) in the third regulatory period). This change will have cash flow effect on IFRS Financial Statements.

The highlights of key parameters for Enerjisa Enerji incumbent retail companies (Enerjisa İstanbul Anadolu Yakası Elektrik Perakende Satış A.Ş., Enerjisa Başkent Elektrik Perakende Satış A.Ş., Enerjisa Toroslar Elektrik Perakende Satış A.Ş.) in the fourth regulatory period are as follows:

- Compared to gross profit margin rate implementation on energy procurement costs in the third regulatory period (2016-2020), in the fourth regulatory period EMRA has started **net profit margin rate** implementation on energy procurement costs while keeping profit margin application principles unchanged. The net margin in fourth regulatory period is set at 2.38% (2016-2020: 2.38%).
- **Regulated OPEX:** For Enerjisa incumbent retail companies, total regulated OPEX for the 5 years is set at TL 1,860 million (third regulatory period: TL 894 million based on 267.2 CPI (Oct 2015), which corresponds to TL 1,631 million based on 487.38 CPI (Oct 2020)).
- **Management and Support Service Procurement Expenses:** From the same holding or group of companies are included in regulated OPEX requirement (not included in the third regulatory period).

- **Quality Parameters (Quality Factor and General Quality Indicator)**
 1. **Quality Parameter Calculation Base:** Uncontrollable OPEX (pass through) is excluded from revenue requirement for calculating base of quality parameters (included in the third regulatory period).
 2. **Quality Parameter Ceiling (Quality Factor and General Quality Indicator):** Compared to previous bonus mechanism based on performance, a bonus/ malus mechanism has been introduced. Under the quality factor and general quality indicator headings, total quality parameter bonus ceiling is set at 2.23% (1% in the third regulatory period under the general quality indicator heading) and penalty ceiling is set at minus 1.23% (0% in the third regulatory period).
- **Quality Factor:** Under this heading, customer satisfaction and call center performances are covered. Bonus ceiling is set at 1.23% and penalty ceiling is set at minus 1.23%.
- **General Quality Indicator (Incentive for Public Companies):** For both electricity distribution companies and incumbent retail companies, a new general quality indicator has been introduced. Accordingly, those companies directly listed on Borsa İstanbul will be eligible for 1.0% of their revenue requirement as an incentive. If their parent companies (direct shareholders) are listed on Borsa İstanbul, there will be 0.3% incentive on the revenue requirement in each year.
- **Other Income (Retention):** 50% of case, court, advocacy, enforcement and conciliation income will be retained by incumbent retail companies (100% in the third regulatory period).
- **Retail Margin Calculation Base** will continue to include feed-in-tariff (FIT) costs.
- **Collection Risk:** The collection risk mechanism related to doubtful receivables will remain the same with its current practice.
- **Letter of Guarantee Commission Expenses:** These commission expenses that were covered through 2.38% profit margin will now be covered from the tariff as pass through within the readjustment component.

- **Market Clearance Price (PTF (1+X)) Mechanism:** 2.38% profit margin will be applied to PTF (1+X) mechanism used to cover the financing costs related to energy procurement (no profit margin was applied in the third regulatory period).

Procedures and Principles on Determination of Electricity Market Distribution System Investments: The Procedures and Principles published in the Official Gazette dated October 28, 2020 and numbered 31288 and entered into force on January 1, 2021. The investment characteristics are determined as a) network investments, b) legally required investments, c) network operating system investments, d) R&D projects dissemination investments, e) other expenditures classified as CAPEX. The characteristic of R&D project dissemination investments was added for the first time.

In accordance with the Procedures and Principles, the investment plan notification forms based on the investment plan for the 2021-2025 fourth regulatory period were approved.

Quality Regulation on Distribution and Retail Sales Activities in the Electricity Market: The Regulation, which was published in the Official Gazette dated December 29, 2020 and entered into force as of January 1, 2021, determines the principles and procedures to be followed by distribution companies, incumbent retail companies and users regarding continuity of supply, commercial and technical quality of electrical energy. Statements showing the performance of distribution companies in accordance with the standards specified in the Regulation will be transparently submitted to EMRA through the Electricity Distribution Data Warehouse and Reporting System (EDVARS). Incumbent retail companies will submit their quality report to EMRA in written and electronic form within the scope of the regulation. A new regulation regarding deduction of 1.2 (one point two) times of the unpaid indemnity from the Company's retail sales revenue income cap has been introduced. If the indemnity amounts are paid, the paid amount will be taken into consideration during revenue correction calculation.

Procedures and Principles on Call Center Service Quality Standards of Electricity Distribution Companies and Authorized Supply Companies: With the Procedures and Principles that entered into force on 01.01.2021, the satisfaction rate (% MO) to be measured as a result of the survey questions to be asked to the consumers was determined as a new performance parameter. In accordance with the Procedures and Principles, the Call Center Indicator Performance Score will be calculated taking into account i) accessibility level, ii) service level, iii) response rate, iv) satisfaction rate indicators.

The Law Amending the Electricity Market Law and Other Laws No. 7257 and Dated 25.11.2020: The Omnibus Law was published and entered into force on December 2, 2020. It has been determined that the national tariff will be implemented until the end of 2025, the President has the right to extend this period up to 5 years, and the general lighting consumption receivables will continue to be collected from the budget to be included in the budget of the Ministry of Energy and Natural Resources until the end of 2025.

Procedures and Principles on Supporting Research, Development and Innovation Activities of Electricity and Natural Gas Distribution Companies: The regulation, which entered into force after being published in the Official Gazette dated April 4, 2020 and numbered 31089, regulates the procedures and principles for supporting and incentivizing R&D activities aimed at bringing distribution systems to the level of international quality standards, developing technology for system operation, producing information, making innovations, increasing the domestic content ratio, increasing efficiency and service quality, and reducing service costs and losses.

The Eligible Consumer Limit for the Year 2021: The eligible consumer limit for the year 2021 has been determined as 1,200 kWh. This limit was 1,400 kWh in 2020.

Procedures and Principles Regarding Tariff Implementation of Distribution License Holder Legal Persons and Incumbent Retail Sales Companies: With the target to support renewable energy resources, a new tariff implementation named green tariff has been introduced with EMRA's 23.07.2020 dated and 9467 numbered Board Decision.



STRATEGIC PRIORITIES

As Turkey's leading electricity distribution and retail sales company, Enerjisa Enerji focuses on customer needs while striving to provide the highest quality service possible. Enerjisa Enerji aims to grow profitably and add value to its shareholders by expanding its high-quality grid in its distribution regions and extending the reach of its retail operations to the whole country. As a public service company and the market leader in its sector, Enerjisa is aware of its special responsibility towards the public and strives to be a role model. Enerjisa Enerji develops its long-term strategies with a sustainable and holistic approach and integrates the Environmental, Social and Governance (ESG) factors to its strategy.

Operating in a dynamic energy industry transforming by mega trends, Enerjisa Enerji prepares for future developments with a clear vision and prioritizes value-adding opportunities. Enerjisa prepares for these fundamental changes by helping to shape regulation, exploring new business opportunities and leading the sector into the New Energy World through focusing on five categories: digitalization, democratization of energy, low-carbon growth, deregulation and distributed generation.

To achieve its goals and prepare for the future, Enerjisa Enerji has set the following five key strategic priorities:

1. "FOCUS" ON THE CORE

With strong growth fundamentals and a favorable position in an expanding market, Enerjisa Enerji's will leverage on its experience and expertise to continue its growth in distribution and retail segments:

- a. Expand the network in its distribution regions by seizing organic growth opportunities
- b. Improve the quality of grid and operations by focusing on operational excellence and digitalization
- c. Expand the customer base in retail operations with excellent service quality and agile operations that quickly adapt to changing market conditions
- d. Work with stakeholders, including regulatory authorities, to ensure compliance of implementations with the regulations in the new regulatory period; and be a strong partner of regulatory agencies

2. "EXPLORE" ADJANCENCIES

Enerjisa Enerji adopts a 360-degree perspective to capture growth opportunities in its adjacencies:

- a. Leverage broad customer base to improve the performance in market access and data analytics capabilities
- b. Be prepared to meet changing customer demands and needs
- c. Grow by developing unique business models in areas that provide a competitive edge – namely, in the rooftop solar panels and energy efficiency products encompassed within our the "Energy of My Business" portfolio, which overlaps with market trends

3. PREPARE FOR THE "FUTURE"

Enerjisa Enerji is aware of the mega trends influence its sector and prepares for the New Energy World:

- a. Tap into the start-up ecosystem to add critical capabilities and provide solutions to get ready for the New Energy World
- b. Chase organic and inorganic opportunities in growth areas of the future, such as e-mobility, smart cities and energy storage
- c. Prepare for future data monetization prospects

4. SUPPORT THE "ECOSYSTEM"

Enerjisa Enerji adopts a reliable partnership approach based on the needs and expectations of its key stakeholders: national and local governments, general public, customers, partners, shareholders, contractors, investors and employees:

- a. Leverage on common interests between business and stakeholders
- b. Be a reliable partner of local governments
- c. Work together and win together

5. "PERFORMANCE CULTURE"

Enerjisa Enerji maximizes its efficiency by learning from its experiences, measuring its performance and prioritizing flexibility:

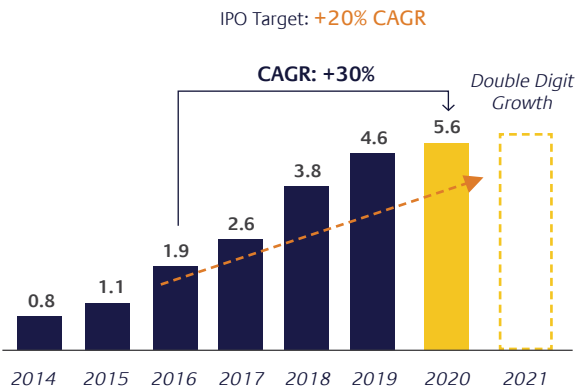
- a. Drive business excellence
- b. Ensure strong performance management
- c. Create a performance-driven, constructive and productive

FINANCIAL TARGETS

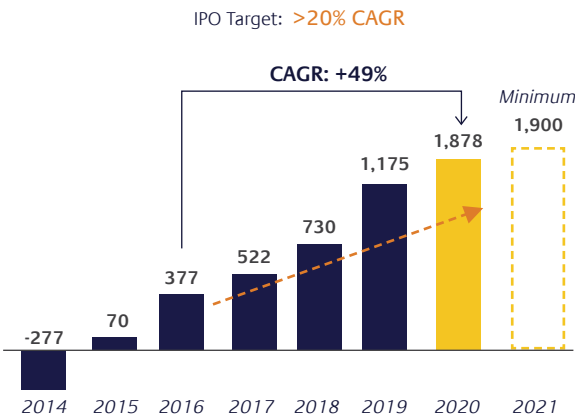
Outlook for 2021, in line with the determined strategic priorities, have been determined as follows:

- Double digit yoy growth in **Operational Earnings** (EBITDA + Capex reimbursements – excluding exceptional items)
- At least TL 1.9 billion **"Underlying Net Income"**
- At least TL 10.9 billion **"Regulated Asset Base"**
- At least TL 1.7 billion **"Free Cash Flow After Interest and Taxes"**

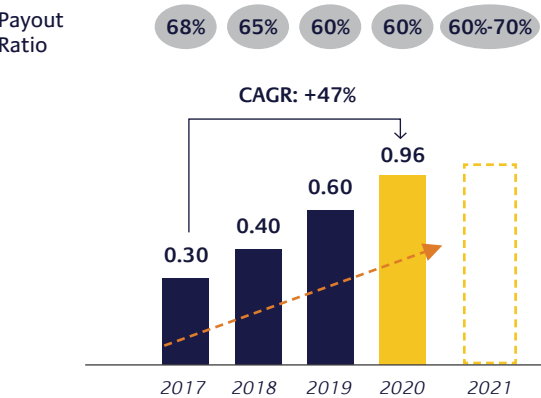
CONSOLIDATED OPERATIONAL EARNINGS (TLbn)



CONSOLIDATED UNDERLYING NET INCOME (TLm)

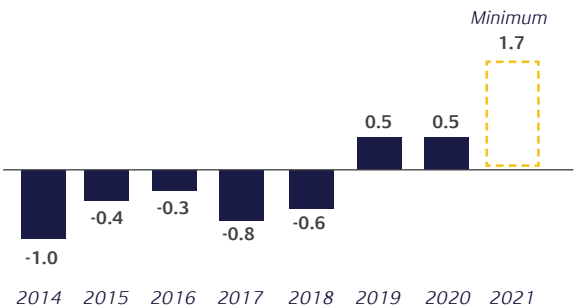


DIVIDEND POLICY: 60-70% OF UNDERLYING NET INCOME



FREE CASH FLOW (TLbn)

(After interest and Tax)



OUR BUSINESS IS ENERGY

Our Strength is Our
Financial Performance



Financial Developments

- 50 DISTRIBUTION BUSINESS UNIT FINANCIAL DEVELOPMENTS
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DISTRIBUTION BUSINESS UNIT FINANCIAL DEVELOPMENTS

Operational Earnings increased by 17% from TL 4,073 million in 2019 to TL 4,763 million in 2020. As a result, the contribution of distribution business unit to consolidated Operational Earnings of Enerjisa was 85%.

OPERATIONAL EARNINGS

(TL million)	1 January- 31 December 2019	1 January- 31 December 2020	Delta TL	Delta %
Sales Revenue	6,599	7,306	707	11%
Financial Income	1,959	2,070	111	6%
Distribution Revenue	3,351	3,545	194	6%
Pass-through Transmission Revenue	998	1,369	371	37%
Lighting Sales Revenue	291	322	31	11%
Cost of Sales	-2,029	-2,662	- 633	31%
Energy Purchases (Lighting, T&L)	-1,024	-1,293	- 269	26%
Pass-Through Transmission Cost	-998	-1,369	- 371	37%
Other	-7	-	7	-
Gross Profit	4,570	4,644	74	2%
OPEX	-1,563	-1,869	- 306	20%
Other Income/(Expense)	-105	-441	- 336	320%
Operating Profit Before Finance Income/(Expense)	2,902	2,334	- 568	-20%
Adjustment of Depreciation and Amortization	113	179	66	58%
Adjustments Related to Operational FX Gains and Losses	4	28	24	600%
Interest Income Related to Revenue Cap Regulation	-186	-30	156	-84%
EBITDA	2,833	2,511	-322	-11%
CAPEX Reimbursements	1,058	1,342	284	27%
EBITDA+CAPEX Reimbursements	3,891	3,853	-38	-1%
Fair Value Changes of Financial Assets	230	395	165	72%
Non-recurring Fair Value Changes	-	46	46	-
Non-recurring (Income) / Expense Related to Previous Years	- 48	469	517	n.m.
Operational Earnings	4,073	4,763	690	17%

OPERATIONAL EARNINGS

Operational Earnings of the distribution business unit increased by 17% from TL 4,073 million in 2019 to TL 4,763 million in 2020. As a result, the contribution of distribution business unit to consolidated operational earnings of Enerjisa Enerji was 85%. The main changes in the operational earnings of the Distribution business unit in 2020 compared to the same period of previous year are as follows.

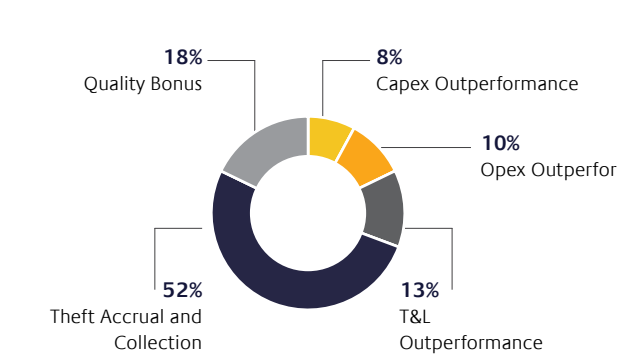
Financial Income derived from the Regulated Asset Base (RAB) in 2020 increased by TL 111 million compared to the same period of previous year, reaching TL 2,070 million.

Capex reimbursements, which are the second guaranteed element of investment earnings, and represent the return of the principal increased by TL 284 million from TL 1,058 million in 2019 to TL 1,342 million in 2020 mainly due to higher RAB.

Efficiency and Quality earnings increased by 4% from TL 902 million in 2019 to TL 941 million in 2020. The following changes were realised in efficiency and quality earnings:

- CAPEX Outperformance:** Due to the increase in the capex and the supply chain efficiencies, capex outperformance reached TL 121 million in 2020, compared to TL 69 million in 2019.

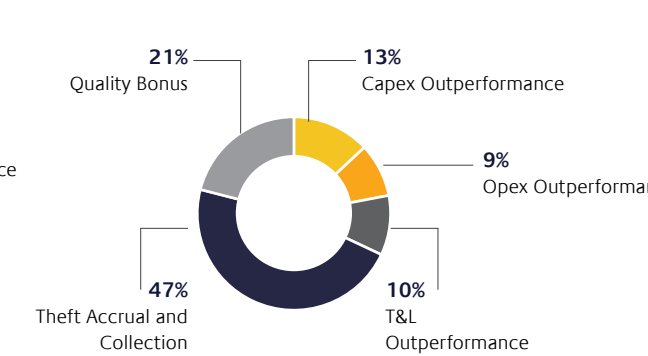
EFFICIENCY AND QUALITY - 2019



Other Items were TL 193 million (2019: minus TL 20 million) partly due to gains related to hedging of Capex

- Quality Bonus:** The second main reason driving the efficiency and quality earnings is the quality bonus mechanism with a TL 195 million contribution in 2020. With this mechanism, distribution companies were entitled to receive a quality bonus up to 5% of the total regulated revenue requirement in the third implementation period (2016-2020), when some quality parameters regarding occupational health and safety, technical and call center quality and execution of the investment were realised. While Enerjisa was entitled to receive a quality bonus of 3.5% of the regulated revenue cap in 2019, this rate was 3.4% in 2020.
- OPEX Outperformance:** Opex outperformance reached TL 82 million in 2020, compared to TL 92 million in 2019.
- Theft & Loss Outperformance:** Theft and loss outperformance was realised at TL 97 million, compared to TL 115 million in 2019, due to lower field operations with COVID-19 Impact.
- Theft Accrual & Collection:** Similarly, with the COVID-19 Impact, theft accrual & collection was realised at TL 446 million in 2020, compared to TL 466 million in 2019.

EFFICIENCY AND QUALITY - 2020



expenses and lower net operational financing expense with decrease in payables and interest rates.

DISTRIBUTION BUSINESS UNIT FINANCIAL DEVELOPMENTS

INVESTMENTS

In 2020 many uncertainties were experienced due to COVID-19. However, despite the increasing restrictions in the second and the fourth quarters, Enerjisa Enerji continued its investments to provide uninterrupted energy. CAPEX increased from TL 1.4 billion in 2019 with a growth of 26% to TL 1.8 billion in 2020.

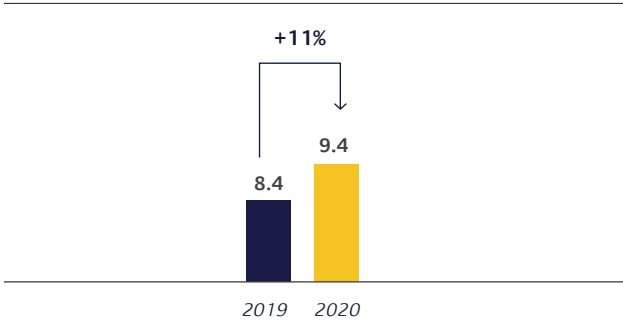
While annual inflation rate (CPI) was 11.8% at the end of 2019, it reached 14.6% at the end of 2020. Both the nominal return on investment (financial income) and the nominal Regulated Asset Base are indexed to inflation.

Regulated Asset Base increased by 11% from TL 8.4 billion in 2019 to TL 9.4 billion in 2020. While investments exceeding capex reimbursements and the revaluation of the opening balance had a positive contribution in this change,

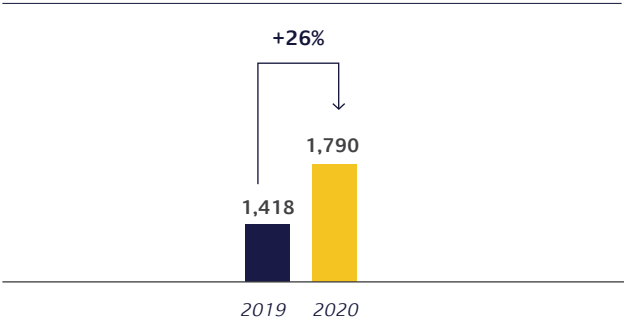
retrospective adjustments for the third regulatory period had a negative impact. Retrospective adjustments are mostly due to differences in the interpretation of the methodology for the application of scrap sales and connection revenues with the regulator.

Financial income can be reasonably estimated using real rate of return (WACC), assumptions on future investment ceilings and investment realizations, as well as macroeconomic forecasts. The mentioned variables are the core inputs for calculating the internal rate of return (IRR) to be used in estimating financial income. This method is a simplified expression of financial accounting, based on the IRR and the value of financial assets for current and future planned investments until the end of the concession period.

REGULATED ASSET BASE (TL billion)



CAPEX (TL million)



FREE CASH FLOW BEFORE INTEREST AND TAX

In the Distribution business unit, operating cash flow before interest and tax increased by 50% in 2020 and reached TL 3,563 million. The increase in operating cash flow is due to increase in operational earnings and improvements in the working capital. The additional investments completed in addition to the initial approved CAPEX will be cash-effective in 2021.

With the increase in capex, the cash effective capex investments increased to TL 2,111 million in 2020, with a 36% increase from TL 1,555 million in 2019. As a result, free cash flow before interest and tax for the Distribution business unit increased from TL 822 million in 2019 to TL 1,452 million in 2020.

OPERATIONAL EARNINGS BREAKDOWN AND RECONCILIATION TO FREE CASH FLOW BEFORE INTEREST AND TAX

(TL million)	1 January- 31 December 2019	1 January- 31 December 2020	Delta TL	Delta %
Financial Income	1,959	2,070	111	6%
Capex Reimbursements	1,058	1,342	284	27%
Efficiency & Quality	902	941	39	4%
Tax Correction	174	217	43	25%
Other	-20	193	213	n.m.
Operational Earnings	4,073	4,763	690	17%
Financial Income Not Yet Cash-Effective	-1,178	-1,157	21	-2%
Capex Outperformance	-69	-121	-52	75%
Working Capital and VAT	-449	78	527	n.m.
Operating Cash Flow (Before Interest & Tax)	2,377	3,563	1,186	50%
Actual Allowed Capex	-1,418	-1,790	-372	26%
Capex Outperformance	69	121	52	75%
Unpaid and Previous Year Capex and VAT	-206	-442	-236	115%
Cash-effective Capex	-1,555	-2,111	-556	36%
Free Cash Flow (Before Interest & Tax)	822	1,452	630	77%

RETAIL & CUSTOMER SOLUTIONS FINANCIAL DEVELOPMENTS

Operational Earnings from the retail and customer services business units increased by 57% from TL 559 million in 2019 to TL 879 million in 2020, with the support of effective portfolio management. The contribution of the retail and customer services to the consolidated operational earnings increased to 15%.

OPERATIONAL EARNINGS

(TL million)	1 January- 31 December 2019	1 January- 31 December 2020	Delta TL	Delta %
Sales Revenue	12,854	14,450	1,596	12%
Regulated	11,369	10,681	-688	-6%
Liberalised	1,464	3,743	2,279	156%
Customer Solutions	21	26	5	24%
Cost of Sales	-12,080	-13,456	-1,376	11%
Regulated	-10,711	-9,944	767	-7%
Liberalised	-1,362	-3,503	-2,141	157%
Customer Solutions	-7	-9	-2	29%
Gross Profit	774	994	220	28%
OPEX	-367	-432	-65	18%
Other Income/(Expense)	-9	90	99	n.m
Operating Profit Before Finance Income/(Expense)	398	652	254	64%
Adjustment of Depreciation and Amortization	47	52	5	10%
Adjustments Related to Deposit Valuation Expenses	114	162	48	42%
EBITDA	559	866	307	55%
Non-recurring Fair Value Changes	-	3	3	-
Non-recurring Expenses	-	10	10	-
Operational Earnings	559	879	320	57%

Revenues increased from TL 12.9 billion in 2019 to TL 14.5 billion in 2020 as a result of higher electricity prices.

Operational earnings increased by 57% annually to TL 879 million. The contribution of the retail business unit in the consolidated operating earnings increased by 3pp in 2020, compared to the same period of the previous year and reached 15%. The main reason for this was the increase in the liberalised market gross profit. The liberalised market gross profit increased by TL 385 million from TL 97 million in 2019 to TL 482 million in 2020. The main factor in the increase is the volume growth in profitable segments thanks to Enerjisa's effective portfolio management in the liberalised market. The regulated market gross profit increased by TL 81 million to TL 738 million in the same period.

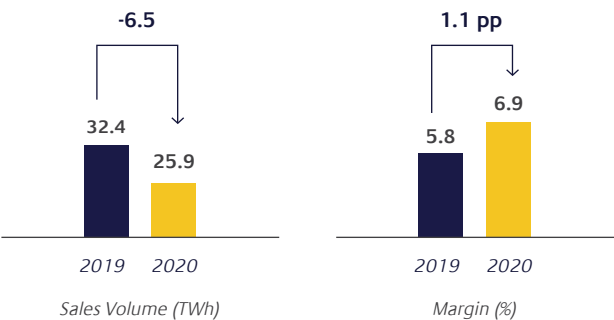
Total sales volume in 2020 was 34.0 TWh, compared to 36.1 TWh in 2019. The main reason behind the sales

volume decrease is the effect of COVID-19 on the energy demand of the segments that Enerjisa focuses on in line with its profitable growth strategy.

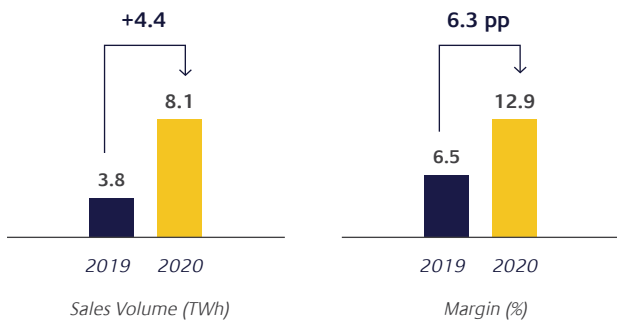
The liberalised market sales, which was 3.8 TWh in 2019, increased by 117% and reached 8.1 TWh in 2020. On the other hand, sales in the regulated market were 25.9 TWh in 2020, decreasing by 20% from as 32.4 TWh in 2019. The driver of the volume increase in the liberalised segment is the corporate and SME customers who switched from regulated segment, due to tariff structure and the tariff increases at the end of 2019 and throughout 2020.

Whilst the regulated market profitability increased by 1.1pp from 5.8% in 2019 to 6.9% in 2020, the liberalised market gross profit margin increased significantly by 6.3pp from 6.5% in 2019 to 12.9% in 2020.

REGULATED SEGMENT



LIBERALISED SEGMENT



RETAIL & CUSTOMER SOLUTIONS FINANCIAL DEVELOPMENTS

SALES VOLUME

(TWh)	1 January- 31 December 2019	1 January- 31 December 2020	Delta TWh	Delta %
Regulated	32.4	25.9	-6.5	-20%
Corporate	10.0	4.3	-5.7	-57%
Residential & SME	22.4	21.6	-0.8	-4%
Liberalised	3.8	8.1	4.4	117%
Corporate	3.6	6.4	2.8	77%
Residential & SME	0.2	1.8	1.6	975%
Total Sales Volume	36.1	34.0	-2.1	-6%

GROSS PROFIT MARGIN

Gross Profit Margin	1 January- 31 December 2019	1 January- 31 December 2020	Delta
Regulated	5.8%	6.9%	1.1 pp
Liberalised	6.5%	12.9%	6.3 pp
Corporate	5.6%	9.7%	4.1 pp
Residential & SME	-	22.4%	-
Total	6.0%	8.5%	2.5 pp

Operational expenses increased by 18% yoy in 2020, due to increase in sales and marketing expenses in the liberalised segment, in addition to inflation. In the provision for doubtful receivables, there was increase due to increase in the invoice values with the increase in electricity prices and decrease in customer credits cores due to slight deterioration in the payment behaviours. At the same time, interest income from overdue electricity receivables remained at the same levels as last year, due to the decline in late payment interest rates in the low interest rate environment.

Operational cash flow before interest and tax was TL 781 million in 2020 compared to TL 1,776 million in 2019.

The main reasons for the decrease in cash flow compared to last year are as follows:

- High base impact of around TL 800 million due to significant price equalization collections in 2019,
- Decrease of deposit principal balances due to customers switching to the liberalised market,
- Decline in net working capital due to the decrease in EÜAŞ volumes and prices in December 2020 compared to December 2019.

As a result, retail and customer solutions completed the year 2020 with TL 742 million of free cash flow before interest and tax.

OPERATIONAL EARNINGS BREAKDOWN AND RECONCILIATION TO FREE CASH FLOW BEFORE INTEREST AND TAX

(TL million)	1 January- 31 December 2019	1 January- 31 December 2020	Delta TL	Delta %
Regulated Gross Profit	657	738	81	12%
Liberalised Gross Profit	97	482	385	397%
Customer Solutions Gross Profit	19	21	2	11%
Opex	-325	-385	-60	18%
Bad Debt Related Income and Expense	111	23	-88	-79%
Operational Earnings	559	879	320	57%
Price Equalization Effects	811	-119	-930	n.m
Net Deposit Additions	64	-25	-89	n.m
Change in Net Working Capital (NWC)	342	46	-296	-87%
Operating Cash Flow (Before Interest & Tax)	1,776	781	-995	-56%
Capex	-51	-39	12	-24%
Free Cash Flow (Before Interest & Tax)	1,725	742	-983	-57%

CONSOLIDATED FINANCIAL DEVELOPMENTS

Operational Earnings of Enerjisa Enerji increased by TL 1 billion (+22%) from TL 4,609 million in 2019 to TL 5,609 million in 2020. Enerjisa Enerji generated TL 4,763 million operational earnings (17% yoy increase) in the Distribution business unit and TL 879 million operational earnings (57% yoy increase) in the Retail and Customer Solutions business units.

OPERATIONAL EARNINGS

(TL million)	1 January- 31 December 2019	1 January- 31 December 2020	Delta TL	Delta %
Operating Profit Before Finance Income/(Expense)	3,064	2,738	-326	-11%
Adjustment of Depreciation and Amortization	373	444	71	19%
Adjustments Related to Operational Fx Gains and Losses	4	28	24	600%
Adjustments Related to Fair Value Difference Arising from Deposits	114	162	48	42%
Interest Income Related to Revenue Cap Regulation	-186	-30	156	-84%
EBITDA	3,369	3,342	-27	-1%
CAPEX Reimbursements	1,058	1,342	284	27%
EBITDA+CAPEX Reimbursements	4,427	4,684	257	6%
Fair Value Changes of Financial Assets	230	395	165	72%
Non-recurring (Income) / Expense Related to Previous Years	-48	469	517	n.m
Non-recurring Fair Value Changes	-	49	49	-
Non-recurring Expenses	-	12	12	-
Operational Earnings	4,609	5,609	1,000	22%

UNDERLYING NET INCOME

The **Underlying Net Income** of Enerjisa Enerji A.Ş has increased by TL 703 million from TL 1,175 million in 2019 to TL 1,878 million in 2020. In addition to the changes in the operational earnings, the main factors driving changes in the Underlying Net Income are as follows:

- TL 401 million decrease in net loan interest expenses driven by lower weighted average loan financing cost.
- TL 33 million increase in bond interest expenses and TL 48 million increase in deposit valuation expenses due to higher CPI change. (+8.6% in 2019 +11.9% in 2020)

- TL 115 million increase in other financial expenses driven by lower interest income related to revenue cap regulation and lower price equalization income.
- TL 147 million increase in tax item due to increasing operational earnings and decreasing financing expenses.

The average loan financing cost, which was 18.1% in 2019, decreased to 11.9% in 2020. During the same period, bond interest expenses increased from 12.9% to 16.2%. Economic Net Debt of TL 10.6 billion at the end of 2019 (including non-financial debt, e.g. lease debts and customer deposits); was realised as TL 11.3 billion at the end of 2020.

(TL million)	1 January- 31 December 2019	1 January- 31 December 2020	Delta TL	Delta %
Operating Profit Before Finance Income/(Expense)	3,064	2,738	-326	-11%
Financial Income/(Expense)	-1,672	-1,325	347	-21%
Profit Before Tax	1,392	1,413	21	2%
Taxation	-358	-325	33	-9%
Net Income	1,034	1,088	54	5%
Fair Value Changes of Financial Assets	179	308	129	72%
Non-recurring Fair Value Changes	-	38	38	-
Non-recurring (Income) / Expense Related to Previous Years	-38	366	404	n.m.
Non-recurring Expenses	-	12	12	-
Non-recurring Refinancing Transactions Fees	-	66	66	-
Underlying Net Income	1,175	1,878	703	60%

FREE CASH FLOW AFTER INTEREST AND TAX

Free cash flow after interest and tax was TL 504 million in 2020, compared to TL 505 million in 2019. Excluding the TL 800 million positive base effect of price equalization

mechanism in 2019, a significant increase was achieved in the cash flow.

(TL million)	1 January- 31 December 2019	1 January- 31 December 2020	Delta TL	Delta %
Operating Cash Flow (Before Interest & Tax)	4,168	4,315	147	4%
Capex	-1,621	-2,155	-534	33%
Free Cash Flow (Before Interest & Tax)	2,547	2,160	-387	-15%
Tax Payments	-456	-445	11	-2%
Interest Received	122	49	-73	-60%
Interest Paid	-1,708	-1,260	448	-26%
Free Cash Flow (After Interest & Tax)	505	504	-1	0%

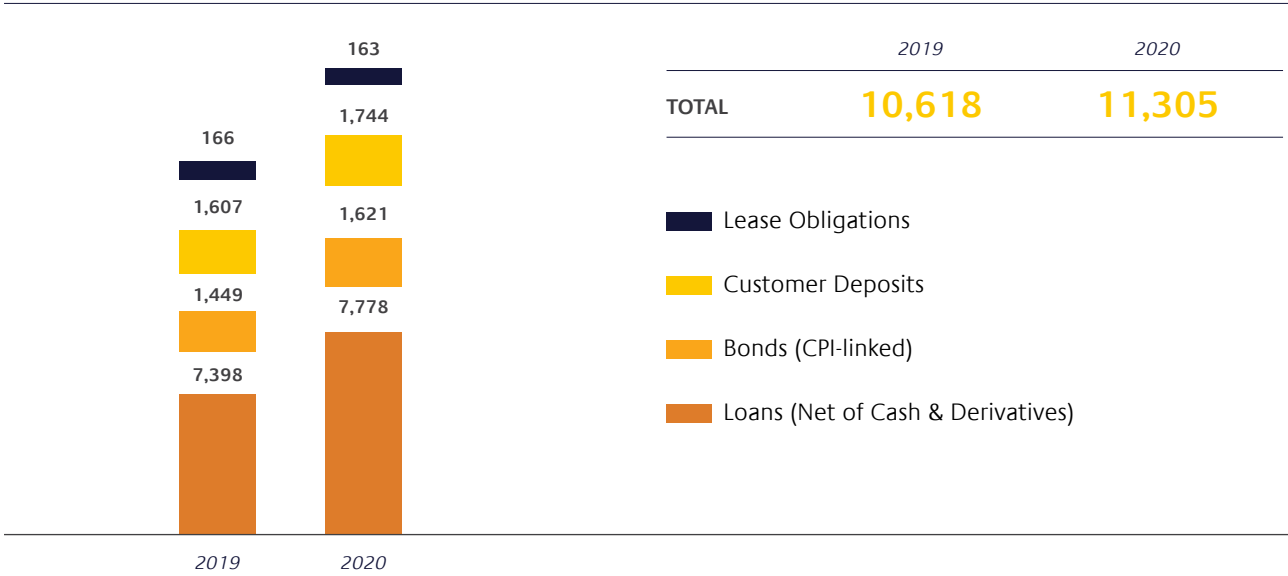
CONSOLIDATED FINANCIAL DEVELOPMENTS

ECONOMIC NET DEBT

The economic net debt increased from TL 10,618 million in 2019 to TL 11,305 million in 2020. The main reasons for the change in economic net debt change are TL 162

million increase in customer deposits in due to revaluation and inflation revaluation accruals of the outstanding bonds in 2020.

ECONOMIC NET DEBT COMPOSITION (TL million)



CONSOLIDATED: ECONOMIC NET DEBT DEVELOPMENT

	(TL million)
Economic Net Debt (31 December 2019)	-10,618
Free Cash Flow Before Interest and Tax	2,160
Net Interest Payments	-1,211
Tax Payments	-445
Dividend Payments	-709
Other (FX, Interest Accrual)	-482
Economic Net Debt (31 December 2020)	-11,305

FINANCING

In 2020, Enerjisa continued to use external financing along with its operational cash flows, to fund its distribution investments, meet its obligations related to the acquisitions of the operating rights, and fund its working capital needs.

In the first half of 2020, after appearance of the first COVID-19 cases in Turkey, access of real sector to financing was supported with the monetary policies of Central Bank of the Republic of Turkey (CBRT) and the asset ratio criterion introduced by Banking Regulation and Supervision Agency (BRSA). Enerjisa Enerji benefited from this low interest rate environment and reduced its borrowing costs. In the second half of the year, the financial markets were impacted by the steps towards normalization with the CBRT's tightening policies and the reduction of asset ratio, followed by its complete removal, and interest rates started to increase. As Enerjisa predominantly used internal funds in the second half of the year, it did not borrow at higher interest rates.

In 2020, Enerjisa Enerji did not issue new bonds. This was in large part due to the relatively low costs of bank loans during the first half of 2020 and its utilization of internal resources to fund its expenditures during the second half of 2020. As of the end of 2020, the share of bonds in total financing was 17%.

Enerjisa continued its credit rating for bond investors. On February 18, 2021, Fitch Ratings upgraded the National Long-Term Ratings of Enerjisa Enerji A.Ş. and Başkent EDAŞ from "AA(tur)" to "AA+(tur)", with stable outlooks.

The Company's debt portfolio does not have any FX exposure. All loans and bonds are either directly denominated in or exchanged to Turkish Lira. The only exception is the TEDAŞ payables, which amounts to €45.4 million as of December 2020 (December 2019: €53.2 million) and which was fully hedged (TEDAŞ's loan contracts

with the European Investment Bank and the World Bank, the debt obligation was transferred to the Company following the transfer of operating rights). Hedging instruments limited the effects of foreign exchange expenses on the debt and protected Enerjisa from the effects of exchange rate fluctuations.

In May 2020, Enerjisa Enerji signed another loan deal with the European Bank for Reconstruction and Development (EBRD), which amounts to \$125 million and is indexed to Turkish Lira Overnight Reference Rate (TLREF). As of the end of 2020, the Company has not drawn any loans under this contract.

In the first half of 2020, Enerjisa restructured its loan portfolio with low interest rates and reduced its borrowing costs to minimum levels. As of the end of 2020, fixed-rate loans account for 68% of Enerjisa's loan portfolio (bonds and bank loans), and bonds account for 17%. While the bonds are indexed to CPI, revenues as a part of concession agreements are also indexed to CPI. Considering both the nature of the fixed-rate loans and of the bonds, the Company's sensitivity to short-term interest rates is low.

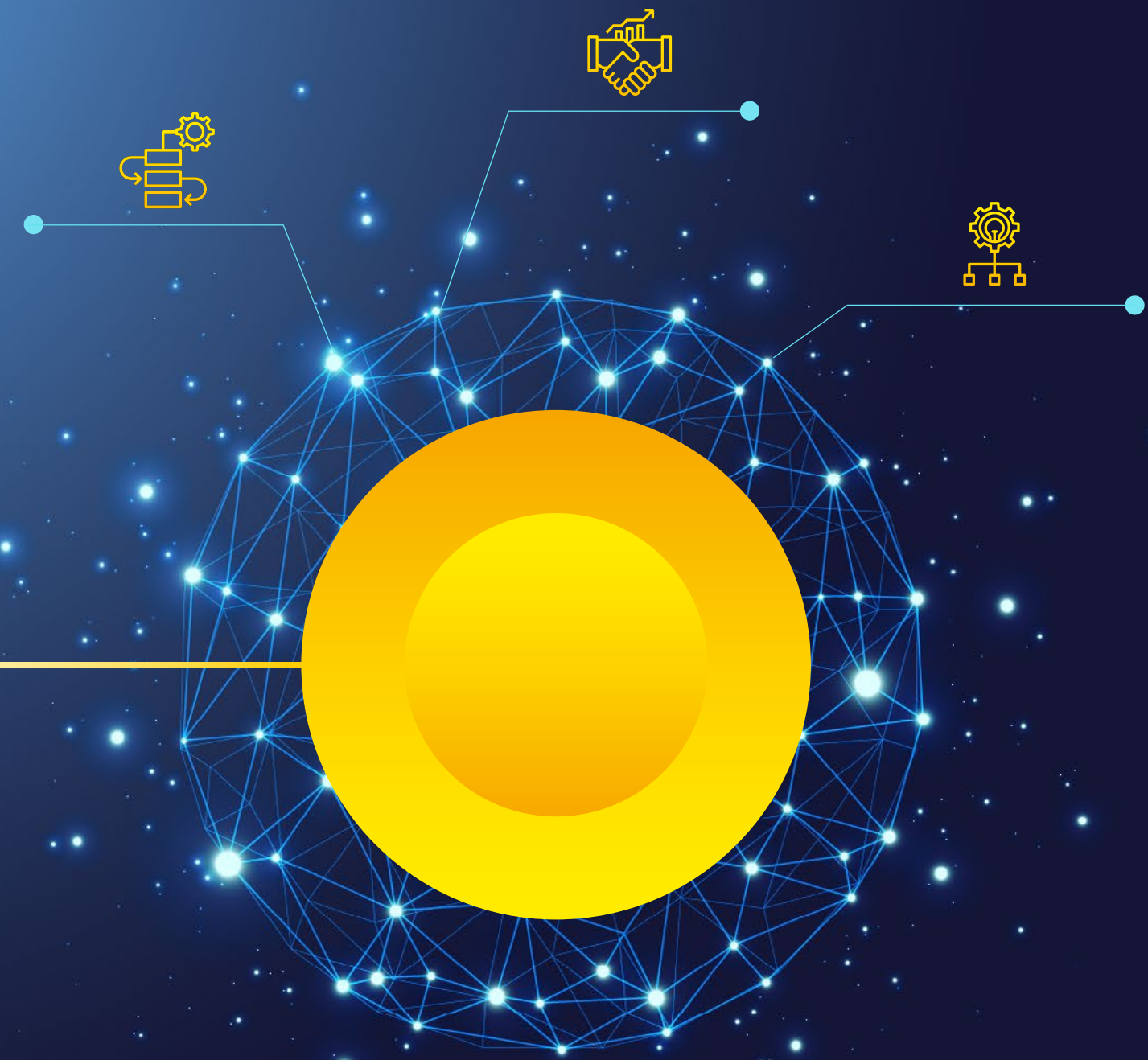
As interest rates increased in the second half of the year, the Company did not raise any additional borrowing while benefiting from the higher deposit interest rates thanks to its cash flow generation. Enerjisa's net debt to operational earnings ratio continued to decrease thanks to the strong cash flow and increase in operational earnings. The Company's financial net debt/operational earnings ratio declined from 1.9x in December 2019 to 1.7x in December 2020.

Just as in 2020, Enerjisa aims to continue its financial operations without taking interest rate, liquidity and exchange rate risks in 2021.

Issuer	Issue Amount (TL million)	Real Coupon Rate	Issue Date	Maturity Date
Enerjisa Enerji A.Ş.	405	4.75%	March 2, 2017	February 23, 2021
Enerjisa Enerji A.Ş.	335	5.00%	August 1, 2017	July 26, 2022
Enerjisa Enerji A.Ş.	100	4.75%	October 20, 2017	October 15, 2021
Enerjisa Enerji A.Ş.	162	5.00%	April 5, 2018	March 30, 2023
Total	1,002			

OUR BUSINESS IS ENERGY

Our Strength is Our
Operational Excellence



Operational Developments

- 64 DISTRIBUTION ACTIVITIES
- 80 RETAIL ACTIVITIES
- 101 CUSTOMER SOLUTIONS
- 106 AWARDS

DISTRIBUTION ACTIVITIES

Enerjisa Enerji carries out its operations in an effort to provide uninterrupted distribution service. The company continued its investments despite the pandemic and carries out TL 1.8 billion investment in 2020.

One of the main business areas of Enerjisa Enerji is electricity distribution. In 14 provinces across 3 distribution regions, the company serves a population of 21.6 million accounting for approximately 25% of the grid connections in Turkey. The Company's distribution regions are Başkent, AYEDAŞ and Toroslar.

The essence of Enerjisa Enerji's distribution operations are people, solution and innovation oriented activities. As the sector leader, the Company takes a pioneering role in the

distribution sector with its operations aimed at improving the service quality.

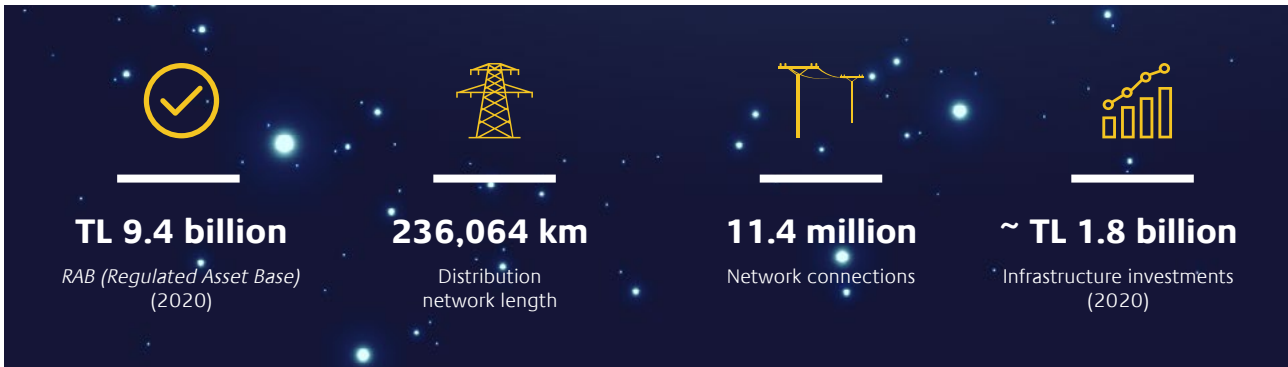
Enerjisa Enerji is one of the top companies in terms of openness for development and application of the most advanced technologies in Turkey. The Company is distinguished among distribution companies for rapidly adapting global and local innovative applications to its systems. Today, Enerjisa Enerji holds the largest market share in electricity distribution sector in Turkey.

DISTRIBUTION ACTIVITIES

Distribution is defined as the delivery of electricity to the end user through power lines with a voltage level below 36 kV. Pursuant to "Electric Power Sector Reform and Privatisation Strategy Document", the electricity distribution grid in Turkey is divided into 21 distribution regions. Following the completion of privatisations between 2009 and 2013, all distribution regions started to be operated by private companies.

Each of the regional distribution grid operators is obliged to fulfil the following responsibilities in their region:

- Operation of distribution grid,
- Making necessary maintenance, repair, environment, security, renovation and expansion investments,
- Maintaining and reading electricity meters,
- Preparing demand forecasts and investment plans,
- Monitoring electricity theft and lost rates,
- Purchasing electricity to cover technical and commercial losses,
- Taking necessary technical and operational measures to reduce the theft and loss rates,
- Providing illumination in public areas.



Enerjisa Enerji centrally manages and monitors all of its operations in the 3 distribution regions within its operation area, and plans and carries out its operations related to distribution grids.

As part of the distribution grid management processes, the company also engages in expansion, renovation of distribution grid, increasing the distribution grid's operational efficiency as well as research and development activities. These activities enable the

Company in all 3 regions to;

- Standardise distribution grid management processes,
- Create centralised procedures,
- Determine the important performance indicators such as compliance with the technical and commercial standards of EMRA, supply reliability standards, and interruption, theft and loss targets,
- Plan system improvements,
- Control and monitor local distribution grids,
- Carry out customer related activities.

DISTRIBUTION COMPANIES

Enerjisa Enerji carries out its electricity distribution activities in 14 provinces across 3 regions through **Başkent Elektrik Dağıtım A.Ş. (Başkent EDAŞ)**, **İstanbul Anadolu Yakası Elektrik Dağıtım A.Ş. (AYEDAŞ)** and **Toroslar Elektrik Dağıtım A.Ş. (Toroslar EDAŞ)**. In 2020, the Company distributed 46.1 TWh gross electricity through a 236,064 km long distribution line.

BAŞKENT ELEKTRİK DAĞITIM A.Ş.

Başkent Elektrik Dağıtım A.Ş. (Başkent EDAŞ) builds, maintains and operates electricity distribution grids in provinces within the Başkent Electricity Distribution Region. The Company provides electricity distribution to 7.5 million people within the distribution region which covers Ankara, Bartın, Çankırı, Karabük, Kastamonu, Kırıkkale and Zonguldak provinces. In 2020, Başkent distributed a gross total of 15.8 TWh electricity via 115,723 km long distribution network.

Enerjisa Enerji was awarded the tender for the privatisation of 100% of the shares of Başkent Elektrik Dağıtım A.Ş. through block sale method on July 1, 2008 for US \$1,225 million. The transfer of the shares was completed on January 28, 2009.

Under the Transfer of Operating Rights (TOR) agreement signed with Türkiye Elektrik Dağıtım A.Ş. (TEDAŞ) on March 31, 2006, Başkent EDAŞ is entitled to distribute electricity in a total of 7 cities - Ankara, Kırıkkale, Kastamonu, Zonguldak, Bartın, Çankırı and Karabük - for a period of 30 years, until September 1, 2036.

İSTANBUL ANADOLU YAKASI ELEKTRİK DAĞITIM A.Ş.

İstanbul Anadolu Yakası Elektrik Dağıtım A.Ş. (AYEDAŞ) builds, maintains and operates electricity distribution grids in sub-provinces within İstanbul Anadolu Yakası Electricity Distribution Region. Providing electricity distribution service to 5.5 million people residing at the Anatolian Side of İstanbul, AYEDAŞ distributed 12.1 TWh gross electricity through a distribution network of 25,230 km long in 2020.

Enerjisa Enerji was awarded the tender for the privatisation of 100% of the shares of AYEDAŞ through block sale method for US \$1,227 million. The transfer of the shares was completed on July 31, 2013. Under the Transfer of Operating Rights (TOR) agreement signed with TEDAŞ on July 24, 2006, AYEDAŞ is entitled to distribute electricity on the Asian side of İstanbul until December 31, 2042.

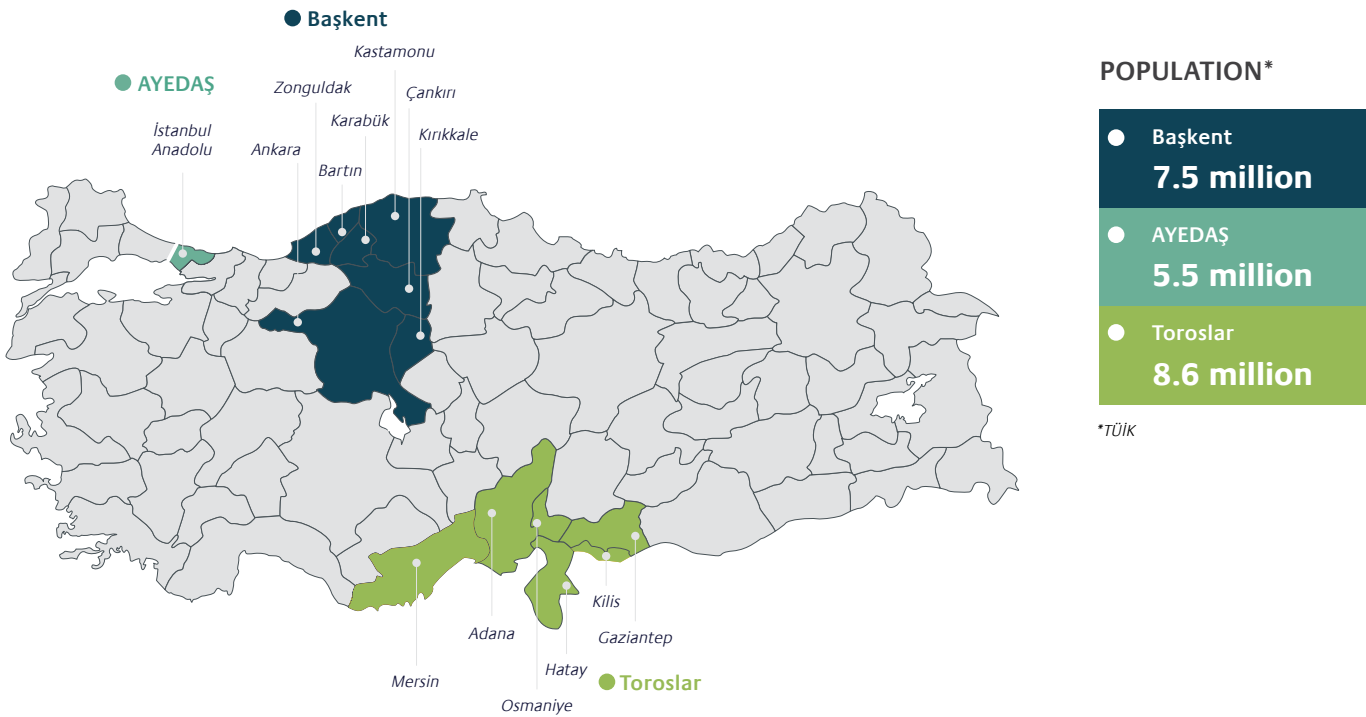
DISTRIBUTION ACTIVITIES

TOROSLAR ELEKTRİK DAĞITIM A.Ş.

Toroslar Elektrik Dağıtım A.Ş. (Toroslar EDAŞ) builds, maintains and operates electricity distribution grids in provinces within its distribution region. The Company provides electricity distribution to 8.6 million people within Toroslar Electricity Distribution Region which covers Adana, Osmaniye, Gaziantep, Mersin, Kilis and Hatay provinces. In 2020, Toroslar distributed 18.2 TWh gross electricity via 95,111 km long distribution network.

Enerjisa Enerji was awarded the tender for the privatisation of 100% of the shares of Toroslar through block sale method for US \$1,725 million. The transfer of the shares was completed on September 30, 2013. Under the Transfer of Operating Rights (TOR) agreement signed with TEDAŞ on July 24, 2006, Toroslar is entitled to distribute electricity in Adana, Gaziantep, Hatay, Kilis, Mersin and Osmaniye until December 31, 2042.

	License Start Date	License End Date
Başkent	13 March 2003	1 September 2036
AYEDAŞ	1 September 2006	31 December 2042
Toroslar	1 September 2006	31 December 2042



REGULATED ASSET BASE (TL million)



VOLUME OF DISTRIBUTED ELECTRICITY – GROSS (TWh)



DISTRIBUTION NETWORK LENGTH (km)

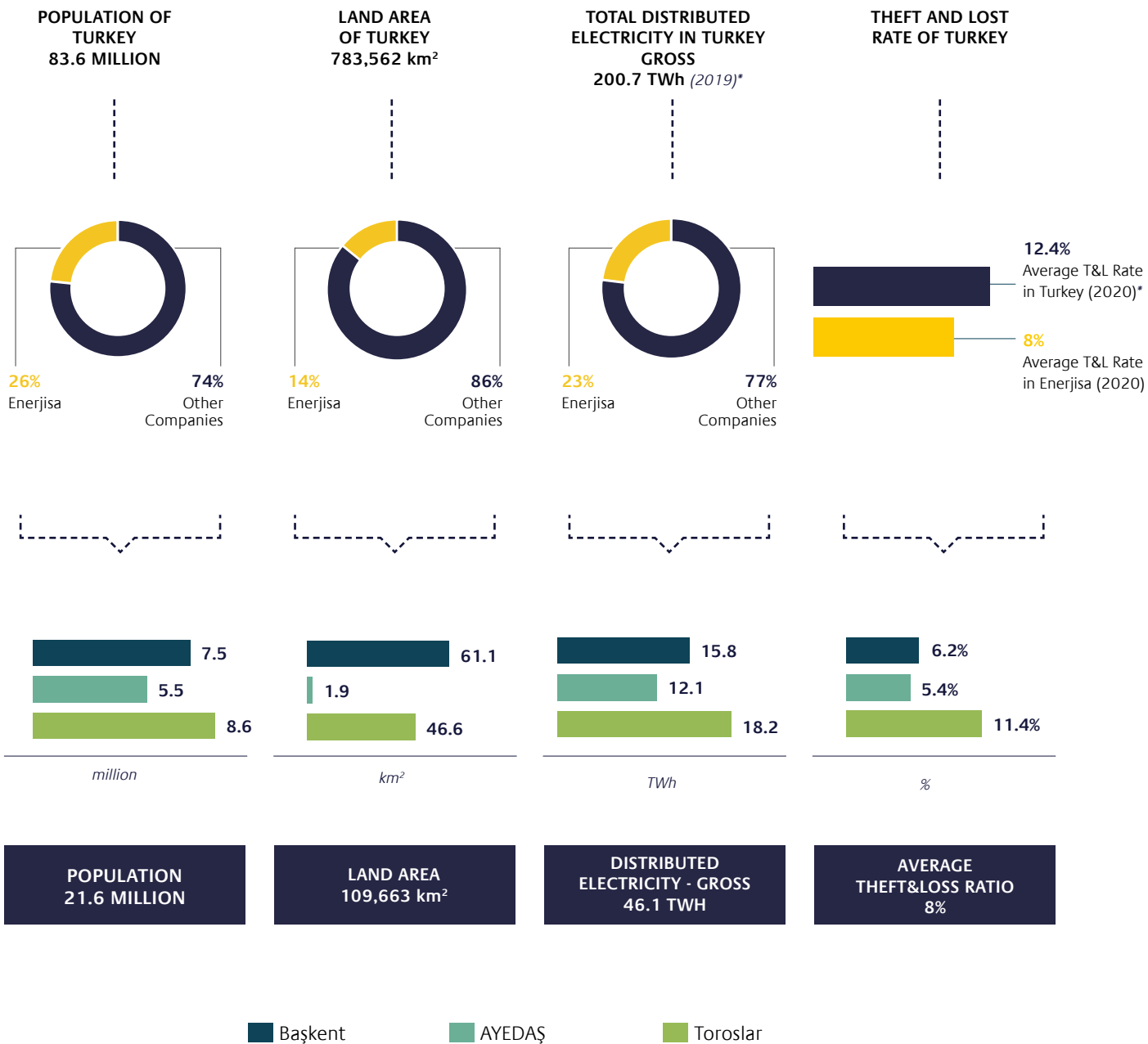


NUMBER OF NETWORK CONNECTIONS (million)



DISTRIBUTION ACTIVITIES

DISTRIBUTION COMPANIES IN FIGURES



* EPDK

INVESTMENTS

Enerjisa Enerji sustained its strong growth and carried out TL 1.8 billion investment in 2020. Thanks to its dynamic operational structure and strong financial structure, the Company meets the grid improvement, new connection and other investment needs in the distribution regions.

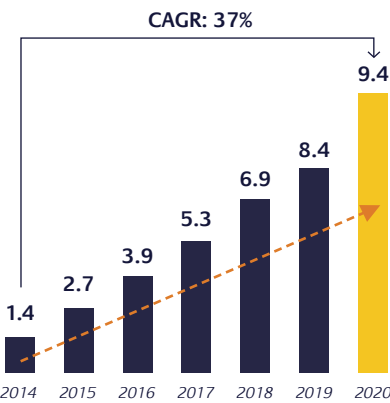
Distribution companies are responsible for the preparation and implementation of investment plans by taking into account energy demand, grid requirements and all other investment needs within the Company. They are also responsible for managing their investment budgets in addition to preparing a 5 year investment budget, budget justification report and investment reports that are submitted to EMRA.

Investment plans are prepared by assessing the quality and other indicators related to the conditions and operation of the grid, the requirements determined through field studies, energy demand and requests of customers, local governments, public institutions and organisations and all other investment needs within the Company. Enerjisa Enerji updates its investment plans throughout the year in line with its dynamic structure, financing costs and changes in field needs.

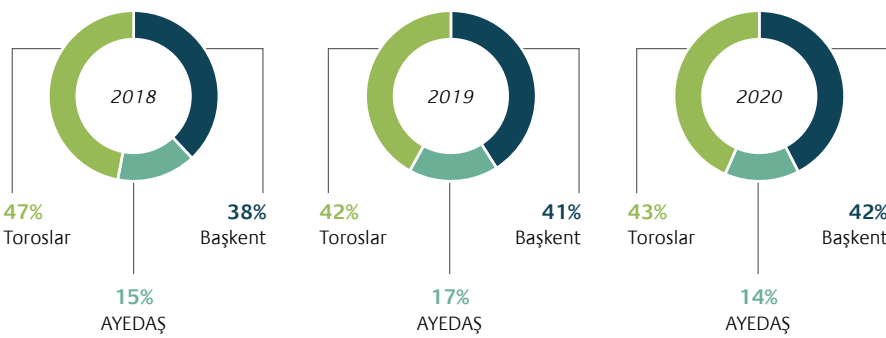
The Company sustained its strong growth in 2020 as well. Enerjisa Enerji, has continued to invest in the framework of Turkey's prioritization of continuously improving quality parameters of electricity supply and carried out an investment of approximately TL 1.8 billion in 2020. The Company has sustained its significant improvements in reducing technical and commercial losses.

Electricity distribution investments are fully regulated. Enerjisa Enerji's Regulated Asset Base that is an important component of its revenues reached TL 9.4 billion level by the end of 2020.

REGULATED ASSET BASE (TL billion)



INVESTMENTS BY DISTRIBUTION REGIONS



DISTRIBUTION ACTIVITIES

CUSTOMER EXPERIENCE

Diversifying its communication channels that enable one-to-one contact with its customers according to today’s needs, Enerjisa Enerji prioritises resolving customer requests and complaints through these channels promptly.

Optimising the customer experience with Enerjisa Enerji is one of top priorities of the Company. Enerjisa Enerji strives to ensure the adoption of a customer-oriented culture in all its operational units and to continuously improve the quality of its services offered to its customers.

Enerjisa Enerji Distribution Companies whilst continuing their operations with the new offerings to their customers and new investments in the field of customer experience, improve their operational processes in line with the principles of quality and sustainability as well.

Enerjisa Enerji prioritises diversifying customer communication channels, which enable one-to-one contact with the customer, according to today’s needs. The company continues to work intensely by giving priority to resolving customer requests and complaints through these channels promptly and to responding to customers in the best way.

Enerjisa Enerji customers can submit their applications and complaints to the Company through various channels such as petition, e-mail, telephone, website, mobile application (Mobil 186), registered electronic mail (REM), Twitter support

accounts, corporate Facebook account, corporate sikayetvar.com account, WhatsApp Customer Hotline, Chatbot and WhatsApp Mukhtar Hotline. Information shared through these channels is logged in accordance to the Company’s customer experience principles and shared with the operational units. The feedback received from the operation units on the subject is conveyed to the customer through the feedback channel preferred by the customer.

In 2020, Enerjisa Enerji implemented the following projects to improve customer experience:

- WhatsApp Customer Hotline:** Thanks to the establishment of this new digital channel for customer communication, customer requests can be received and feedback can be provided via WhatsApp.
- Chatbot (Webchat) Communication Line:** The Chatbot project enables to receive customer requests in different categories via the tab added to the website. Customers can easily post their requests and inquire about the status of their pending requests via Chatbox.

	Call Center	Mobile App	Social Media	Petition	Email	WhatsApp Mukhtar Hotline	Website
Index-Reading	x	x	x	x	x	x	
Meter Operations	x	x	x	x	x		
Disconnect/Reconnect	x	x	x	x	x	x	
Failure-Related Outages	x	x	x	x	x	x	x
Damage	x			x	x	x	
Lighting Failure	x	x	x	x	x	x	x
Electricity Theft	x			x			
New Connection	x	x	x	x	x	x	

CALL CENTER

Putting customer satisfaction at the center of service quality, Enerjisa Enerji carries out the largest call operations of the sector with its team of 800 people in the distribution unit.

Enerjisa Enerji customers can reach 24/7 Enerjisa Enerji Distribution Companies that carry out a comprehensive customer relations operation addressing an increasing number of customers every year. 186 Call Center providing uninterrupted communication between the Company and its customers serves with a total of 800 people in Ankara, Adana and Rize.

Customer complaints and call center performance are determined as important quality parameters by EMRA. In this context, good performance compared to the target provides financial return over the revenue requirement.

Putting customer satisfaction at the center of service quality, Enerjisa Enerji works to improve its operational processes by analysing all customer requests and complaints. The company takes necessary steps to increase customer satisfaction by continuously measuring their satisfaction. Enerjisa undertakes studies to improve customer satisfaction by performing detailed analyses of the deteriorating channel and process based measurements.

In 2020, Enerjisa Enerji received 23 million calls through the call center. Respond rate of the received calls was 93.6% and

service level was 81.1%. Accordingly, Enerjisa Enerji Call Center has outperformed sector average.

The following projects were implemented in 2020 within the scope of Call Center operations.

- IVR Optimisation:** This project aims to increase the number of customers who complete the call without connecting to the representative by receiving information via the voice response system, and thus to use the IVR service more efficiently. As a part of the project, the system has started to recognise customers by their phone numbers and provide the information such as planned outages, instant malfunctions and application history automatically via voice response. It is aimed to increase customer satisfaction by enabling customers to receive information with the help of the information provided on IVR, without any need for a representative.
- 360 Degree CRM Screens:** In the 360 Degree CRM project, the call center screens work through SAP-CRM integration and the summary information of the customer calling the call center is displayed on the call center representative screen on a single page.

RESPONDED CALL NUMBERS (million)



CALL CENTER RESPONSE TIMES (second)



In 2020, as the number of people waiting on the line increased due to reasons such as storm, rainfall and fire, there was an increase in the waiting time.

DISTRIBUTION ACTIVITIES

TECHNOLOGY AND GRID MANAGEMENT

Enerjisa Enerji effectively utilizes technology in its business processes and projects by closely following all technologic developments and trends.

Enerjisa Enerji continues its activities with the aim of providing world-class service quality to 21.6 million people in 3 distribution regions covering 14 provinces. Implementing new ideas adding value to society and offering exclusive innovative services and solutions to its customers by closely following the latest technological developments are among the primary goals of Enerjisa Enerji.

Automatic Meter Reading System (OSOS) installations continue to remotely read the meters in the distribution areas. Due to legal obligations, general lighting, high consumption, generators' meters and trade (energy trade between two distribution companies) meters should be included in the scope of OSOS. The number of meters covered by OSOS, which was approximately 76,550 at the end of 2019, increased to 80,250 as of the end of 2020.

Enerjisa distribution companies use SCADA, an industrial automation control system, for outage management and collect the outage data from distribution network through the SCADA system. Outage Management System (OMS) is integrated with Geographic Information System (GIS), Customer Relations Management system (CRM) and Interactive Voice Response (IVR) system, in addition to the SCADA system. Enerjisa distribution companies carry out field operations using hand devices connected to SAP Workforce Management System (WFM) to manage outage operations.

Some of the major projects carried out by the Company in 2020 in the fields of technology and grid management are as follows:

- **Proposal Works for Regulation on Service Quality in Electricity Distribution and Retail Sales:** Research and analysis were conducted for increasing the technical quality to be prepared for the Regulation on Service Quality in Electricity Distribution and Retail Sales revised for the fourth regulatory period (2021-2025). Previous measurement results were modelled

and analyzed and new measurement methods were developed by examining European methodologies and analysis results. Accordingly, it is aimed to increase customer satisfaction and achieve improvement in technical quality parameters.

- **Digitalization and Replacement of Protection Relays and Testing Devices:** The purpose was to disconnect the faulty lines and equipment from the grid within the scheduled time in the event of faults in the grid. Thus, customers in an area with no fault will not be impacted by outages. Relays that could not provide protection properly were replaced with the new ones. Within the scope of the project, relay testing devices and similar testing devices were replaced with the new ones and their number was increased, thus the grid reliability was enhanced. In this way, the nearest point to the fault will be detected and the relay will be controlled remotely through the SCADA system to minimize the impact area of the outage and to prevent faulty activations in the network. Thus, SAIDI and SAIFI values will be improved. Furthermore, the interruptions reflecting to TEİAŞ Substation will be prevented and any related punitive actions will be avoided.
- **Demand Optimisation System Improvements (DOS):** With the Demand Optimization System, it is aimed to prevent power limits to be exceeded and to minimize any related punitive fines by following generation and consumption data. DOS calculates the maximum demand values on a daily basis and informs all users via e-mail for in 3 distribution regions of Enerjisa. Thanks to these features, potential punitive risks can be minimized by efficiently performing power analyses and demand controls. Provisional acceptance procedures of the DOS Project were completed in the beginning of 2020 and with the project, the agreed power overrun calculations on the Demand Optimization System were revised in accordance with the current legislation.



Enerjisa Enerji evaluates best global practices on distribution grids and develops customized solutions for Turkey by using local resources.

DISTRIBUTION ACTIVITIES

- **Recloser/Sectionalizer Replacement Works:** Recloser devices enable automatic reclosure in the event of temporary faults in the grid. In this way, the energy outage time can be reduced to 30 seconds without the need for the team to intervene. Thus, long downtime is minimized, SAIDI and SAIFI values are improved. As a part of the project, faulty devices were replaced with the new ones and re-included to the network.
- **Başkent Digital Inventory Management System and Analysis (DIGSILENT):** With this project, it is aimed to make grid management more reliable. With the DIGSILENT software, protection coordination works, which were previously performed manually, were transferred to the digital environment by electrical modelling of the distribution network. DIGSILENT software enables analysis of voltage and current frequency anomalies via digital modelling with its power quality and harmonic analysis modules. The pilot project was launched in Ankara and designed to be implemented throughout the entire Başkent region. Thus, legislative requirements were fulfilled and an increase in the energy power quality was achieved.
- **Mobile Geographic Information System (GIS):** The purpose of the project is to process various data over the map on the tablet during the operations carried out in the field by the Fault Repair and Maintenance (FRM) teams. With these data, it is aimed to designate the fault and outage points, to control electrical connectivity, to process new connections and manage the entire inventory changes in the field. As a result, GIS data will be updated and become more accurate. Thus, the map application which will be operated over Android FRM application was improved. Modules to monitor network inventories and collect data to provide input to GIS system and teams were developed. The project is planned to be put into operation in 3 phases. Phase-1, which includes recording of the fault outage points over the map screens, is completed.
- **OMS & OSOS (Outage Notice):** Outage Management System (OMS) project was updated to enable ease of

use for the users considering the recommendations of EMRA and legislative requirements. All activities carried out in the field without any faults and outages (uninterrupted works) were added to the OMS system and management has been made possible through OMS. The system was integrated into TEDAŞ Demand Tracking System. The centers added to the SCADA can now be automatically displayed on OMS. In OMS, various improvements have been made on OSOS modems that transmit outage information before the customer.

- **TEİAŞ Feeder Monitoring and Improvement Project:** The project aims to monitor output feeder data (current, voltage, power, etc.) at the TEİAŞ substations, as well as information on the locations of circuit breakers, disconnectors, etc. through application software. The aim was the integration of the data into the SCADA system, using the same interface in all Enerjisa distribution companies for standardization and ease of use. The project enabled fulfillment of regulatory requirements. Source data was provided for effective operation of SCADA/OMS/DMS functions and consumption analyses on feeder basis was made possible. Furthermore, infrastructure was provided for TEİAŞ feeder activations and demand processes followed up in Enerjisa distribution companies. Templates were designed for the reports, and the required data and regular, processed and accurate reports can now be collected from the system.
- **Mobile Reactive Power Compensation Systems Projects and Compensation Facilities Maintenance Works:** The project aims to keep the reactive energy supplied to the system or collected from the system within the limits specified in the Regulation on Electricity Grids and to prevent exceeding the possible punitive limit for reactive energy. Thanks to mobility, it has become adaptable to changing operating conditions. Control and command of the systems are designed to be performed automatically over SCADA. Thus, any changes in the type of feeding to the system will be swiftly assessed through SCADA and maneuvering of compensation plants can be performed. Furthermore, in 2020,

periodical maintenance works were carried out at the compensation plants to avoid any possible faults.

- **Mobile Power Quality Device (MPQD) Procurement:** PQDs were procured for customer /operation measurement demands, measurements to be conducted in determining the customer adversely affecting technical quality, and to replace the malfunctional devices at the EMRA points where measurements are made in the field during the year. In line with the operation demands received,

measurements were made in the problematic areas, and in line with the results of the measurements, improvements were made in the technical parameters of the power quality. Thus, it is aimed to improve technical quality of the grid and to increase customer satisfaction. Moreover, it is aimed to get full score from the Technical Quality Performance Score by reporting with accurate and reliable data. Mobile Power Quality Devices procured in line with these goals also fulfils the requirements of the EN 50160 and IEEE Std 519-2014 standards of the legislations.

PROJECTS BY IMPACT AREAS

	Stakeholder Management	Customer Experience	Digitalization	Quality	OHS
Proposal Works for Regulation on Service Quality in Electricity Distribution and Retail Sales	x	x		x	
Digitalization and Replacement of Protection Relays and Testing Devices	x	x	x	x	
Demand Optimization System Improvements (DOS)	x		x		
Recloser/Sectionalizer Replacement Works	x	x			x
Başkent Digital Inventory Management System and Analysis (DIGSILENT)			x	x	
Mobile GIS (Geographic Information System)			x	x	
OMS & OSOS (Outage Notice)		x	x	x	
TEİAŞ Feeder Monitoring and Improvement Project	x		x	x	x
Mobile Reactive Power Compensation Systems Projects and Compensation Facilities Maintenance Works	x		x	x	x
Mobile Power Quality Device (MPQD) Procurement		x		x	



DISTRIBUTION ACTIVITIES

R&D

Enerjisa Enerji is the sector leader with its R&D projects developed considering operational efficiency, technological developments required by the new energy world and occupational health and safety.

Closely following the technological developments in the energy sector, Enerjisa Enerji's R&D business unit develops and manages projects in an effort to develop new products, systems and designs. In that process, the Company evaluates best global practices on distribution grids and develops customized solutions for Turkey by using local resources. Enerjisa carries out studies on renewable energy resources, electric vehicles, microgrid and storage systems, Internet of Things (IoT), information and communication technologies, artificial intelligence, big data and cybersecurity technologies for building a smart and sustainable future. The Company's R&D projects are funded by both local and international funding sources. While the main funding source is the EMRA's R&D Fund, other sources include European Union Framework Programs, ITEA and EUROGIA. In 2020, around TL 12 million was invested in the projects, funded by the European Union Framework Programs, the Scientific and Technological Research Council of Turkey (TÜBİTAK) and the EMRA's R&D Fund.

At Enerjisa Enerji, there is an R&D and Innovation Committee under the leadership of the CEO, with senior level managers from all business units as decision-makers and leaders. This committee is a structure where the opinions of different areas of expertise are blended during the company's new products, services and project development stages. All R&D projects of the company are selected by considering the internal needs and expectations, strategic goals of the company and international R&D developments and are followed up by the R&D and Innovation Committee. R&D projects play a vital role in fostering innovation culture within the Company. Additionally, as the outputs of the designed projects are shared with EMRA, they also help shaping future legislation.

Enerjisa also collaborates with universities within the scope of R&D projects. In this context, the Company continued its collaborations with Middle East Technical University, Bartın University, Özyeğin University, TOBB University of Economics and Technology, Bilkent University, İstanbul Technical University, Sabancı University and Karadeniz Technical University in 2020.

Enerjisa Enerji is a sector leader in terms of its R&D projects and the funding it receives. The Company serves in both the management and technical evaluation committees of the EUROGIA 2020 cluster, operating in the energy field under the roof of **EUREKA**. The cluster is chaired by Enerjisa Enerji CEO, Murat Pinar.

The Company carried out the following R&D projects in 2020:

- **Personal Energy Administration Kiosk App (PEAKAPP):** With this project it is aimed to accurately estimate the macro demand affecting electricity prices and make consumers aware of the electricity consumption of their devices. In addition, an easy-to-use mobile application has been developed to manage electricity demand without the need for a large investment. With this mobile application, users can actively monitor their consumption, compare them with their past consumption and set saving goals for themselves, earn points and compete with their friends with the concept of "serious game". Users can benefit from various discounts in return for these points. Furthermore, in markets with variable electricity prices, consumers are informed about the hours of low-cost energy. The application has been tested by focus groups in Austria, Estonia, Latvia and Sweden, and the project results have been reported to the European Commission by the project coordinator on behalf of the project consortium.



- **Portable Tracked Vehicle System (Pençe):** Uninterrupted, sustainable and high-quality energy is critical in the electricity distribution sector. Access to fault location may pose difficulties, especially in winter

due to adverse weather conditions. In areas with heavy snowfall, it is tried to reach the fault location with tracked vehicles, which causes prolongation of operation times. The "Portable Tracked Vehicle System" project was implemented to address this problem. Accordingly, a portable track system that can be attached to the wheels of 4x4 vehicles has been developed with local resources and energy supply security is ensured in regions where site conditions are unfavorable.



- **Daphne Project:** Trees on energy distribution lines can cause electricity losses and fires if they come into contact with the lines. Energy distribution lines are cleared of vegetation in an area determined in accordance with the relevant regulations. When deemed necessary, trees are removed from the area by cutting or pruning. However, this procedure is costly and significantly affects the ecological balance. Within the scope of the Daphne project, Enerjisa planted trees that are compatible with the current climate conditions, do not grow too much (up to a maximum of 5 m), with high added value and with high moisture content under the distribution lines. Within this project, the company planted 5,500 daphne saplings in the pilot area in Bartın province in 2020. Different planting distances and sapling ages were modelled in simulation studies, and the saplings were observed for a year to determine the most suitable distance and age for planting. Enerjisa also carried out feasibility studies to expand the project implementation to other regions.
- **Chemical Energy Storage Project (KEDEP):** Over the last few years, storage technologies are being used in a range of areas such as congestion control, load shifting, peak load shaving, investment postponement and micro grids in the electricity distribution sector. As a part of the KEDEP R&D project developed in this direction and supported by EMRA, lithium ion-based storage systems will be tested in pilot areas for different use cases at five different distribution companies. In this context, Başkent EDAŞ aims to test micro grid technologies by installing a 420-kWH lithium ion battery system.

- **The Next Generation Secure Electricity Grids Project:** The main purpose of the international project, supported by the "EU ITEA" program operating under EUREKA's IT technologies, is to detect possible anomalies in consumption models by artificial intelligence algorithm (such as theft usage detection, unauthorized access to the measurement system) and prevention of them. This project aims to identify attack types by using the data transmitted and collected by smart meter systems. In 2020, attack scenarios were tested on the developed platform, while physical attack scenarios were not tested on the field due to the COVID-19 pandemic. TÜBİTAK finances 60% of the project. The remaining part is covered by the EMRA R&D fund.
- **Microgrid Management Methods and Control Equipment Development:** The keystones of micro grids are renewable energy resources, storage systems, loads and micro grid management system that governs the relation between these three factors. This project aims to develop a micro grid control hardware and management software by using local resources. Pilot field studies for the developed system will be carried out.
- **Humidity Problem in Substations:** Humidity adversely affects electrical equipment in substations and reduces equipment lifetime. Within the scope of this project, it is aimed to develop solutions to the humidity problem by using chemical and physical methods. Literature studies on the subject suggests that mechanical solutions based on heat transfer can be more efficient than chemical solutions. In line with these literature studies, improvements were made in the selected TR 251 substation in Mersin, the ambient humidity was fixed with a dehumidifier device and humidity-related faults were prevented with the project. The project outputs have been presented to EMRA as legislative proposals.
- **Error Warning System – Phase 2:** Fault in low-voltage overhead lines may have very low-level fault current due to high impedance. In such cases, thermal magnetic switches or fuses do not open and faults they may cause loss of life and property. In this project, a device is being developed that can detect high impedance faults by using the wavelet transform method and measuring the neutral current of the distribution substation.
- **Domestic Recloser Development:** Reclosers are equipment that ensures continuity of supply by automatically re-energizing the grid in case of temporary faults that occur especially in radial lines in rural areas. Unlike other medium-voltage equipment, reclosers are not

DISTRIBUTION ACTIVITIES

manufactured in Turkey and due to high import costs, distribution companies are not able to use reclosers despite the necessity. With this project, a domestic and affordable recloser with both an overhead line breaker and control panel will be produced. Design studies and prototype productions have been completed, and the type testing process continues.

- **Duplex Substation Design:** In order to solve the space problem of substations, especially in crowded city centers, a double-story substation design that takes up less space has been designed and prototype production has started.
- **Energy Efficiency Harvest Project:** The HARVEST project is financed by EMRA R&D Fund, supported by the Republic of Turkey Ministry of Energy and Natural Resources and carried out by Başkent EDAŞ in two-phases under the coordination of the Association of Distribution System Operators (ELDER). In the first phase of the project, Başkent EDAŞ researched ways to increase energy efficiency in the electricity distribution sector. The literature studies were shared with ELDER's Energy Efficiency Committee and methods that would be suitable for Turkey were identified. In the second phase of the project, it is aimed to ensure energy efficiency in substations and to integrate distributed generation plants into reactive power compensation processes by positioning them at the most appropriate location. In addition, pilot studies will be carried out to determine the energy efficiency applications of different types of sensor LED lighting in the electricity distribution sector as well as alternative solutions and their effects.
- **Production of Sensor and Monitoring Software for High-Voltage Overhead Lines to Increase the Energy Quality and Efficiency:** The aim of this project is to locally develop an Energy Monitoring System that can be installed on overhead lines to detect theft and loss and the detect of the source of theft usage by analyzing the electricity consumption. With the measurements taken from 3 phases, it is aimed to instantly monitor the meter index and load profile of customers, analyze the sudden load losses caused by the consumers and determine the intervention points.
- **Fault Detection and Analysis through Image Processing:** Enerjisa Enerji Distribution Companies actively employ drones in maintenance operations. With this project, images captured by drones are processed and faults in power distribution are detected and analyzed.



- **Grid Downtime Estimation and Optimization:** Within the scope of the EMRA supported project initiated with the aim of accurately estimating grid downtime and accurately informing customers, a platform based on artificial intelligence, big data, data analysis and business intelligence is being developed to predict and optimize grid downtime.
- **National Smart Meter Systems:** In this project, all components of smart meter systems, such as communication systems, various models of modems and meters are analyzed. Considering the feedback received from all distribution companies and the shortcomings of the existing system, the most applicable system will be designed.
- **Next-Generation Meter Test Bench:** The process of meter tests and approval of inspection reports causes a waste of time especially for electricity distribution companies operating in crowded areas. With the meter test bench to be developed, the meter testing process will be transformed into a system that is 90% automated and concluded in a shorter time. This meter test bench will analyze the test results, form the reports, and in the future will forward the reports directly to the Republic of Turkey Ministry of Science, Industry and Technology with system integration.

THE İVME ENTREPRENEURSHIP ACCELERATION PROGRAM

In 2020, Enerjisa R&D unit launched “İvme Entrepreneurship Acceleration Program” in order to develop and offer solutions to current problems that the energy sector focuses on, to develop scalable and easily implementable technologies and to contribute to the formation and growth of next-generation enterprises. Aiming to support initiatives that make an impact in the energy sector, the **İvme Entrepreneurship Acceleration Program** brings together start-ups with Enerjisa Distribution Companies, addresses the existing problems and opportunities of the future, helps start-ups overcome the difficult step between prototype product and commercialization.

In the first term of the İvme Entrepreneurship Acceleration Program, 10 start-ups were selected from among 44 start-up applications under 8 main focus areas. With these initiatives, Proof of Concept (POC) studies were carried out on OHS, micro-solar solutions, consumption analytics, image processing, smart lighting and drone solutions. An EMRA project on product development was prepared with 6 start-ups, and studies on co-marketing of the product were initiated with one start-up. The second term of the İvme Entrepreneurship Acceleration Program will begin in 2021.

The start-ups accepted into the POC process and supported by the program to jump the threshold between commercialization and scaling are as follows:

- **AREYLight:** AREYLight offers advanced technology solutions that provide efficiency up to 60% by reducing energy and maintenance costs for outdoor lighting in cities and large complex areas (streets, parks, industrial and university areas) with artificial intelligence technology, as well as environmentally friendly solutions that bring the smart city concept to the regions they are installed.
- **CY Enerji:** Conducting R&D studies to develop a uniaxial solar tracking system for rooftop solar panels, CY Enerji aims to maximize the efficiency of solar panels through its micro-solar solutions and solar tracking systems.
- **EventGates:** Developing solutions based on machine vision and machine learning in the fields of security and OHS, EventGates offers solutions in application software, image processing, deep learning and machine learning.

- **Humming Drone:** Working on aerial imaging and analysis services with a drone, Humming Drone has developed a software called “INSPECT,” that enables mapping and analysis using the collected images. Thanks to this software, the images collected can be analyzed on an interactive map, notes can be taken, phytosanitary reports can be produced and a digital height map can be displayed.
- **Massive Energy:** Massive Energy analyzes household energy consumption by using its own social research and big data without any hardware installation. It provides electricity distribution and retail companies with products that help them build interactive relations with their users.
- **Eye of the Power/Rtm Elektronik:** Working in the field of electronic hardware, the Eye of the Power/Rtm Elektronik produces lighting control, remote control, energy monitoring and control products exclusively over the internet of things and cloud-supporting system.
- **Stroma Vision:** Thanks to its image-processing technology, Stroma Vision designs systems that detect potentially life-threatening situations in construction, logistics and production areas and ensure that measures are taken actively. Stroma Vision, which includes Personal Protective Equipment Tracking, Fatigue & Inattention Tracking, Ergonomic Risk Analysis, Social Distance Tracking, Facial Recognition Verification, Object-Area Recognition and Motion Sensor features in its products, aims to create a safer business culture.
- **Visiosoft:** Providing services in object recognition and locating, Visiosoft offers a wide range of products for many purposes such as processing images with artificial intelligence, determining global location of objects as large as a vehicle or as small as a centimeter, and detecting faulty products during factory quality control.
- **Xena Vision:** An expert in Computer Vision, Xena Vision works on human detection, human activity detection and emergency detection through cameras.
- **Geodo Technology:** Geodo Technology carries out field exploration and measurement activities. In line with industrial needs requiring precise land measurement, the Start-Up performs marking, mapping and reporting services with a portable terminal (with the help of a base station of their own production where necessary).



RETAIL ACTIVITIES

Enerjisa Enerji is the sector leader in terms of sales volume and the number of customers in retail sales, which is one of its main business areas. The company delivered a strong growth in operational earnings in 2020 through effective portfolio management.

RETAIL ACTIVITIES

One of other main business lines of Enerjisa Enerji is retail sales, where it is the sector leader in terms of sales volume and the number of customers. Having a 22% market share in terms of number of customers, the Company serves approximately 10.1 million customers in 14 provinces across 3 regions through the electricity retail companies under its roof.

Enerjisa Enerji retail companies act as the incumbent retail companies in the regulated electricity market, under the supply license issued by the Energy Market Regulatory Authority (EMRA), in the following regions:

- **Enerjisa Başkent Elektrik Perakende Satış A.Ş.:** Ankara, Kırıkkale, Çankırı, Kastamonu, Karabük, Bartın, Zonguldak
- **Enerjisa İstanbul Anadolu Yakası Elektrik Perakende Satış A.Ş.:** İstanbul Anatolian Side
- **Enerjisa Toroslar Elektrik Perakende Satış A.Ş.:** Adana, Mersin, Gaziantep, Hatay, Osmaniye, Kilis

Operating under the umbrella of Enerjisa Enerji, these retail companies, as incumbent retail companies, provide electricity retail services to customers under the eligible consumer limit and consumers above the eligible limit but has not selected different supplier in the distribution regions of the Company, in addition, may sell electricity without any restriction to eligible consumers both in its region and in other parts of Turkey.

Serving approximately 10.1 million customers and 21.6 million population through physical and digital channels, Enerjisa strives to meet the needs of its customers, create value in electricity supply and provide after sales support.

At the core of the Enerjisa Enerji's customer focused business model and innovative market approach, increasing the life quality of customers and elevating them to global standards stands out.

Electricity is an indispensable and essential element for human life. The company develops its products and services with this awareness and with the sustainability perspective embedded in its core strategy, and provides services to its customers with the latest technologies.

Wide spread sales channels and after-sales service network reflect Enerjisa Enerji's customer-oriented culture. In 2020, the Company operated in a wide physical service network including 39 Enerjisa Customer Service Centers, 79 Enerjisa Transaction Centers and 24/7 Call Center. In addition to these physical channels, the Company also provided services to both mass and corporate customers through digital channels such as web and mobile platforms.

Enerjisa will continue to take steps to increase its effectiveness, flexibility and efficiency in all its activities in accordance with the operational excellence principle.

RETAIL COMPANIES

Enerjisa Enerji carries out electricity retail activities in 14 provinces across 3 regions through Enerjisa Başkent Elektrik Perakende Satış A.Ş., Enerjisa İstanbul Anadolu Yakası Elektrik Perakende Satış A.Ş. and Enerjisa Toroslar Perakende Satış A.Ş.

ENERJİSA BAŞKENT ELEKTRİK PERAKENDE SATIŞ A.Ş.

Enerjisa Başkent Elektrik Perakende Satış A.Ş. was founded and started its operations in 2013.

Enerjisa Başkent Elektrik Perakende Satış A.Ş. provides service to more than 3.8 million predominantly residential and commercial customers, in Başkent Region (Ankara, Kırıkkale, Çankırı, Kastamonu, Karabük, Bartın, Zonguldak) where the Company is the incumbent electricity supplier.

ENERJİSA İSTANBUL ANADOLU YAKASI ELEKTRİK PERAKENDE SATIŞ A.Ş.

Under the privatisation program, the transfer of the shares of **Enerjisa İstanbul Anadolu Yakası Elektrik Perakende Satış A.Ş.** to Enerjisa Enerji was completed on July 31, 2013 with the signature of share transfer agreement.

Enerjisa İstanbul Anadolu Yakası Elektrik Perakende Satış A.Ş. provides services to approximately 2.5 million predominantly residential and commercial customers, at the Anatolian Side of İstanbul where the Company is the incumbent electricity supplier.

ENERJİSA TOROSLAR ELEKTRİK PERAKENDE SATIŞ A.Ş.

Under the privatisation program, the transfer of shares of **Enerjisa Toroslar Elektrik Perakende Satış A.Ş.** to Enerjisa Enerji was completed on September 30, 2013 with the signature of share transfer agreement.

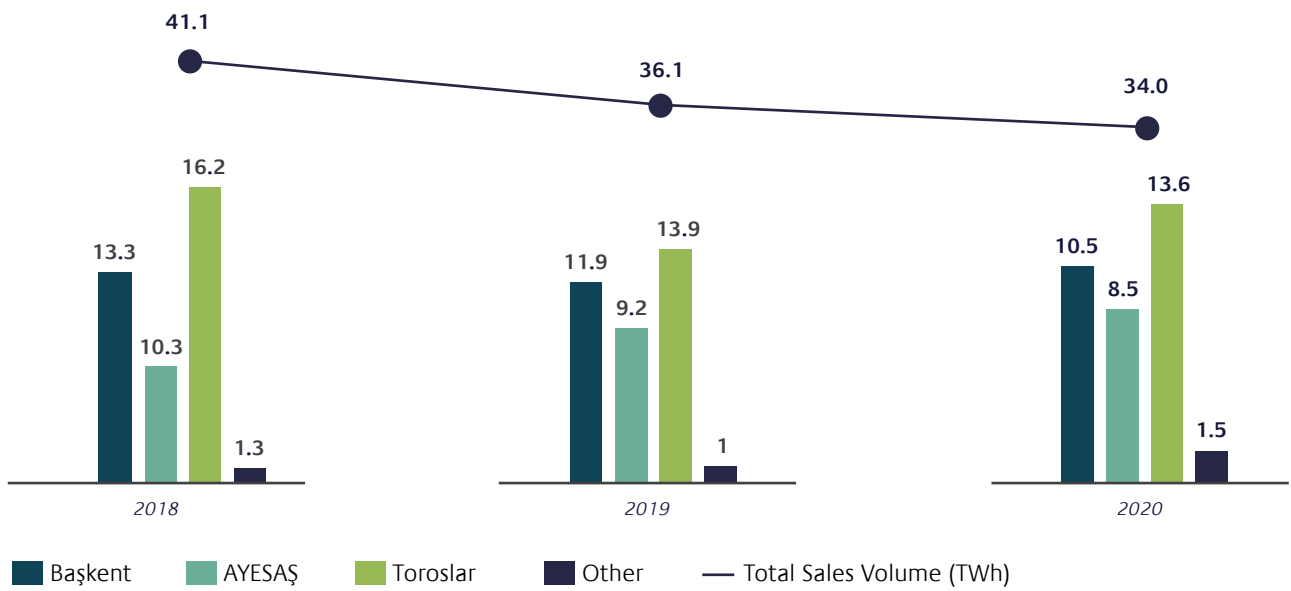
Enerjisa Toroslar Elektrik Perakende Satış A.Ş. provides services to more than 3.7 million predominantly residential and commercial customers in Toroslar Region (Adana, Mersin, Gaziantep, Hatay, Osmaniye and Kilis) where the Company is the incumbent electricity supplier.



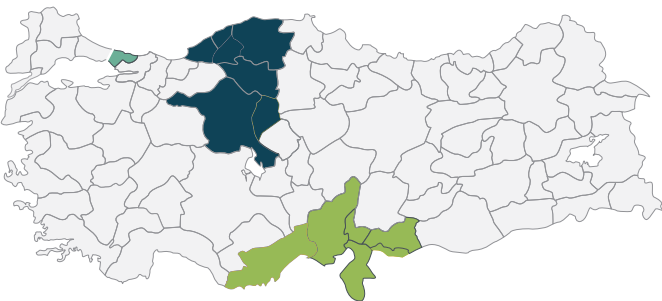
RETAIL ACTIVITIES

RETAIL COMPANIES IN NUMBERS

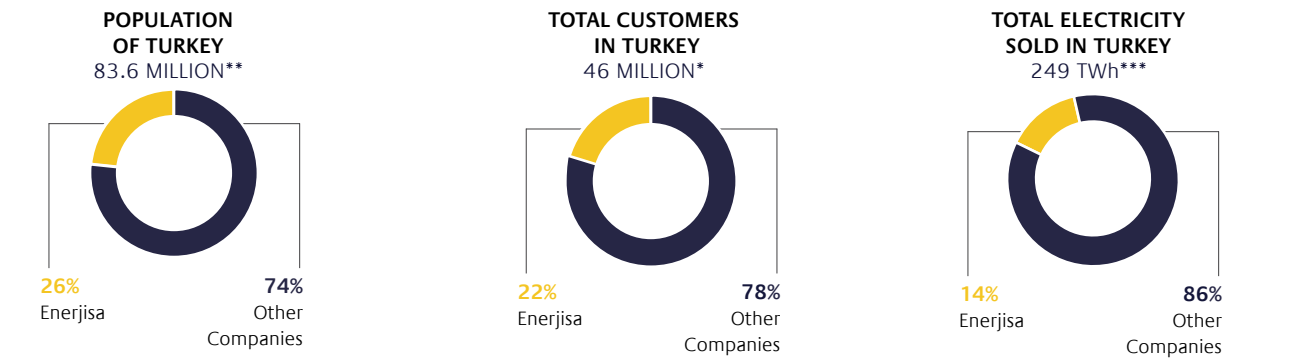
SALES VOLUME BY REGION (TWh)



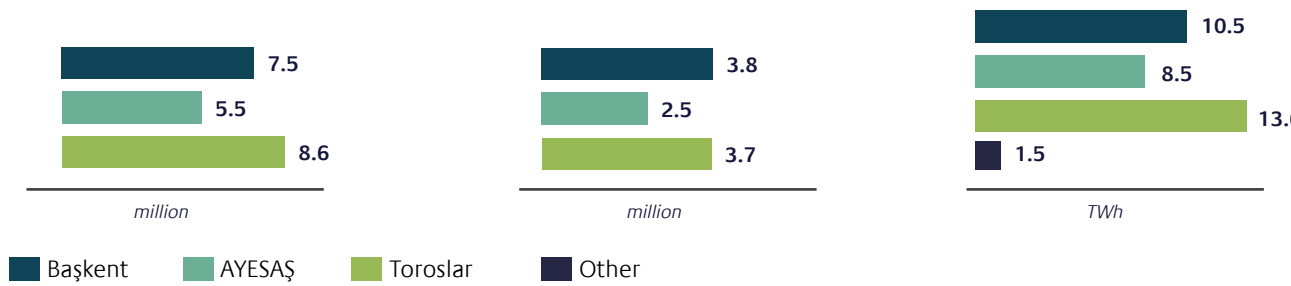
WIDE SALES CHANNELS AND AFTER-SALES SERVICE NETWORK REFLECT ENERJİSA ENERJİ'S CUSTOMER-ORIENTED CULTURE.



Başkent Ankara, Bartın, Çankırı, Karabük, Kastamonu, Kırıkkale, Zonguldak	Toroslar Adana, Gaziantep, Hatay, Kilis, Mersin, Osmaniye
AYESAŞ İstanbul - Anatolian Side	Other



ENERJİSA



POPULATION 21.6 MILLION	NUMBER OF CUSTOMERS 10.1 MILLION	ELECTRICITY SALES 34 TWh
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*EMRA December sectoral report
**TÜİK
***TEİAŞ

RETAIL VOLUME (TWh)

The retail volume consists of eligible and non-eligible sales in 3 regions where the retail company has the incumbent electricity supplier status as well as free market sales in other regions.



Total retail volume was 34.0 TWh in 2020 compared to 36.1 TWh in 2019. The main reason for the decrease in retail volume is the effect of COVID-19 on the electricity demand of the segments that Enerjisa focuses on in line with its profitable growth strategy.

NUMBER OF BILLS (million)

Approximately 100 million bills are printed annually on the field and centrally.



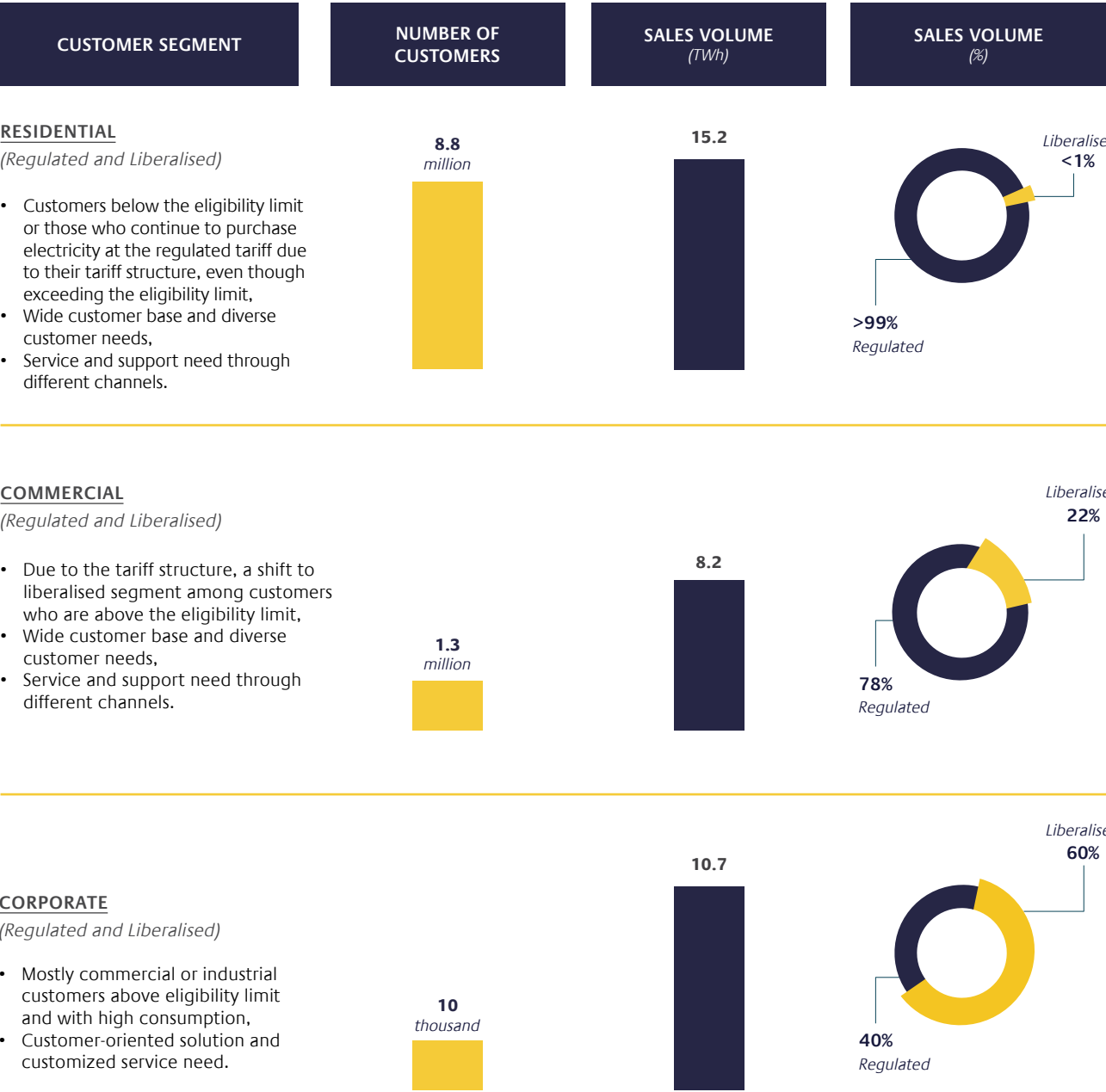
RETAIL ACTIVITIES

RETAIL MARKET

Market Type	Customer Type (By Eligibility)	Consumption Volume (kWh/ year)*	Purchase Conditions	Supplier
Regulated Market	Non-eligible Consumer Can not Choose Supply Company	0-1,200 kWh	National Tariff (Compulsory)	Incumbent Electricity Retail Companies
	Eligible Consumer Can Choose Supply Company	≥ 1,200 kWh	National Tariff (Optional) In the Free Market: Retail Energy Sales Price	Incumbent Electricity Retail Companies Other Electricity Suppliers
Free Market	Last Resource Tariff Customer Can Choose Supply Company	≥ 7 Million kWh	Energy Costs (Including Feed-in Tariff) x 1.0938% (If free market electricity supply company is not chosen) In the Free Market: Retail Energy Sales Price	Incumbent Electricity Retail Companies Other Electricity Suppliers

*Valid from 2021.

DEFINED STRATEGY BASED ON CUSTOMER SEGMENTS



PRODUCTS, TARIFFS & SERVICES

Meeting the needs and expectations of customers in line with the latest developments and trends in the sector is one of the cornerstones of Enerjisa Enerji’s business understanding. The Company manages all its products and services in this direction.

Enerjisa Enerji structures its products and services in two groups as electricity and non-electricity; and also manages them according to the different expectations and needs of mass and corporate customer segments.

The Company periodically offers different campaigns and services to residential and commercial customers in the mass customer segment; and develops offers of pricing methods that may be the most advantageous for its customers, taking into account the development of

the market and the sector. In addition, it plans to extend projects developed for corporate customers to the mass segment and the non-electricity products and services.

Enerjisa Enerji develops fixed and variable priced commercial products to meet the expectations and the needs of the corporate customers. The Company also provides its customers energy solutions other than electricity sales, such as energy efficiency and project-based electricity generation at the point of consumption.

Customer Type	Customer Group	Electricity Tariffs
Mass	Residential	<ul style="list-style-type: none">National Tariff
	Commercial	<ul style="list-style-type: none">Fixed TariffFree (Variable) TariffNational Tariff Indexed
Corporate	Commercial and Industry Medium-Sized Customers	<ul style="list-style-type: none">Green Energy TariffFixed TariffFixed Priced Excluding FITFixed Tariff Excluding MCPNational Tariff Indexed
	Commercial and Industry Large and Special Customers	<ul style="list-style-type: none">Green Energy TariffIntraday Market TariffFixed TariffFixed Priced Excluding FITFixed Tariff Excluding MCPNational Tariff Indexed

TARIFFS

The products and tariffs offered by the Company with different commercial options such as indexed, fixed, pre-paid and post-paid are as follows;

- National Tariff:** Refers to the tariff announced by EMRA quarterly, which is applicable to eligible consumers who do not exercise their eligibility rights or end users whose consumption is below the eligible consumer limit.
- National Tariff Indexed Tariff:** The product is offered with a discount on the national tariffs. Electricity is supplied by applying the same discount rate when the national tariff increases or decreases.
- Fixed Tariff:** Refers to the tariff where the unit price of active electricity energy is fixed during the relevant contract period, without being affected by fluctuations in the national tariff.
- Free (Variable) Tariff:** The price set for retail customers is a variable with defined conditions and has no commitment.
- Fixed Tariff Excluding FIT (Feed-in Tariff):** The tariff offers fixed price for all market components excluding FIT cost throughout the contract period.

- Fixed Tariff Excluding MCP:** The tariff offers fixed price for all market components excluding MCP (Market Clearing Price) cost throughout the contract period. Unit price excluding MCP is fixed throughout the contract period and the total unit price is revised every month according to the announced MCP unit cost.
- Green Energy Tariff:** Green Energy refers to energy generated from renewable resources, certified by globally recognised accreditation organisations and reported transparently. Users prefer green energy sources to reduce or neutralize greenhouse gas emissions resulting from their electricity consumption. Enerjisa Enerji offers green energy solutions with two types of certificates including carbon reduction certificate and renewable energy certificate.
- MCP + FIT Based Tariff:** The product is indexed on the costs of energy supplied to customers for their consumptions. Unit price varies according to the changes in the market costs throughout the contract period.

In addition, in 2020, the “Independent Green Tariff”, which allows Green Tariff retail transactions to be carried out independent of electricity sales, became available for customers.

RETAIL ACTIVITIES

SALES CHANNELS

Enerjisa Enerji aims to ensure the most efficient use of resources while diversifying its channel and service structure in order to provide its customers with the best experience.

In this respect, the Company continuously reviews and improves its processes. Enerjisa Enerji retail channels are as follows:

PHYSICAL SALES CHANNELS

- Customer Service Centers (CSCs)
- Enerjisa Transaction Center (ETC)

DIGITAL SALES CHANNELS

- Online Services Center (OSC)
- Enerjisa Mobile
- Social Media



CUSTOMER

- CALL CENTER

- CORPORATE SALES CHANNELS

Residential and Commercial	Physical Sales Channels	<ul style="list-style-type: none">• 39 Customer Service Centers• 79 Enerjisa Transaction Centers• Field Sales• In addition to subscription, termination and transfer transactions for residential and commercial customers, their applications and requests are also met.• Sales to commercial/industry tariff customers
	Digital Sales Channels	<ul style="list-style-type: none">• Subscription and termination processes on the phone• Billing viewing• Application tracking• Sales application admission through the Online Service Center• Sales to commercial/industry tariff customers
	Call Center	<ul style="list-style-type: none">• Contract transactions• Billing transactions• Payment transactions• Eligible customer transactions• Information update• Booking transactions• Technical assistance• Sales transactions via phone
Corporate	Medium Scale Customers	<ul style="list-style-type: none">• Electricity retail• Key customer management• Energy consultancy• Renewable energy solutions• Energy efficiency solutions• VIP support Line
	Large Scale Customers	<ul style="list-style-type: none">• Electricity retail• Key customer management• Energy consultancy• Renewable energy solutions• Energy efficiency solutions
	Special Scale Customers	<ul style="list-style-type: none">• Electricity retail• Key customer management• Energy consultancy• Renewable energy solutions• Energy efficiency solutions

Touching the lives of a sizeable population, Enerjisa Enerji manages the customer experience over five main journeys. These journeys and their scope are described below:

- **Sales Journey:** As a part of this journey, Enerjisa Enerji maps pre-sales preparations in all sales channels, information sharing on the process through different channels, making registrations in the portfolio and all processes until bills to eligible customer are issued and plans actions to improve customer experience. The main goals include measuring satisfaction in all journey steps, improving the results and sharing them with all the teams.
- **Relocation Journey:** As part of this journey, Enerjisa Enerji maps customer journeys according to their experiences during subscription transactions and plans process improvement actions according to the customer needs/expectations. It carries out experience-improving actions by working together with cross functions. The Company monitors customer satisfaction results in all journey steps and the results are shared with relevant functions.
- **Application and Request Management Journey:** This journey includes the creation of journey maps regarding receiving and following the customer requests and complaints, developing solutions and communicating the results to the customers. The improvement actions in these steps are planned

and implemented with cross functions. All periodic and ad-hoc market research studies and the management and responsibility of the satisfaction measurement system are also within the scope of that journey.

- **Journey from Meter to Payment:** In this journey, mapping of all steps from the perspective of customers and determining the experience-improving actions, starting from the moment the electricity meters of customers are read, to the creation of bills, understanding and paying the bills, making debt reminder communication before payment, termination and litigation processes in case of non-payment are included. Measuring satisfaction and increasing satisfaction results are also the main topics of interest in this journey.
- **Corporate Customer Experience Journey:** This journey refers to the creation of journey maps with cross functions for electricity and non-electricity services. In this scope, the Company covers establishment of the necessary infrastructure to measure the corporate customer experiences, determination of the development areas by developing customer journey maps, and carrying out improvement activities.

RETAIL ACTIVITIES

PHYSICAL CHANNELS

Enerjisa Enerji strives to provide its customers with the best experience with its **39 Customer Service Centers, 79 Enerjisa Operation Centers and 9 Mobile Service Vehicles across 3 regions.**

Enerjisa Enerji aims to provide the best experience to its customers through physical channels as a part of its customer-oriented culture.

These channels which carried out approximately 2.2 million transactions in 2020, and the services provided are as follows:

Customer Service Center (CSC)	Enerjisa Transaction Center (ETC)
<div>Enerjisa Enerji continues to serve its customers with a total of 39 Customer Service Centers in 3 regions. The transactions carried out in the Customer Service Centers are as follows:</div> <ul style="list-style-type: none">• Application transactions• Subscription and contract transactions,• Billing transactions,• Information update transactions,• Petition transactions. <div>In addition, the Company continues to provide quality service to its customers with Customer Service Centers in Başkent and Toroslar Regions, and with 9 mobile service vehicles at remote locations where there are no Enerjisa Operation Centers.</div>	<div>Enerjisa Enerji continues to serve its customers with a total of 79 Enerjisa Operation Centers in 3 regions.</div> <div>The Company further strengthened its physical channel structure in 2020 and added electricity subscription, termination and moving (transfer) transactions to its product range in addition to electricity and other bill payment services. Furthermore, Enerjisa Transaction Centers continue collecting all kinds of applications and complaints from customers with regard to electricity and responding to their requirements in line with the principle of customer satisfaction.</div>

DIGITAL CHANNELS

The digital channels developed by Enerjisa Enerji to provide the best service to its customers and the transactions carried out in these channels are as follows:

Online Services Center	Enerjisa Mobile
<div>Enerjisa Enerji customers can make appointments through the Online Service Center and complete their transactions quickly without waiting in line in physical channels. Operations carried out through the Online Service Center are as follows:</div> <ul style="list-style-type: none">• Subscription and contract transactions,• Electricity sales applications,• Billing transactions,• Payment transactions,• Permission/request approval transactions,• Information update transactions,• Petition transactions.	<div>Enerjisa Enerji customers can perform the following transactions via the Enerjisa Mobile application:</div> <ul style="list-style-type: none">• Completing transactions in physical channels quickly by making an appointment,• Submitting electricity sales application requests,• Periodic bill viewing through the application,• Monitoring the monthly energy consumption trend,• Application tracking and bill payment services.

CALL CENTER

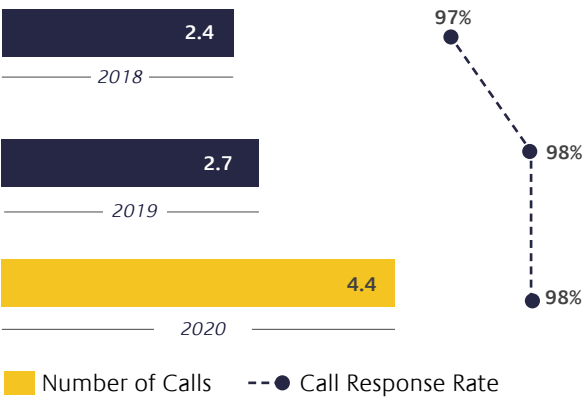
With around 200 staff, Enerjisa Enerji's call center represents an important channel for the Company. This channel, where a wide range of customer traffic is managed, serves under the following headings:

- Contract transactions
- Billing Transactions
- Payment Transactions
- Eligible Customer Transactions
- Information Update
- Booking Transactions
- Technical Support

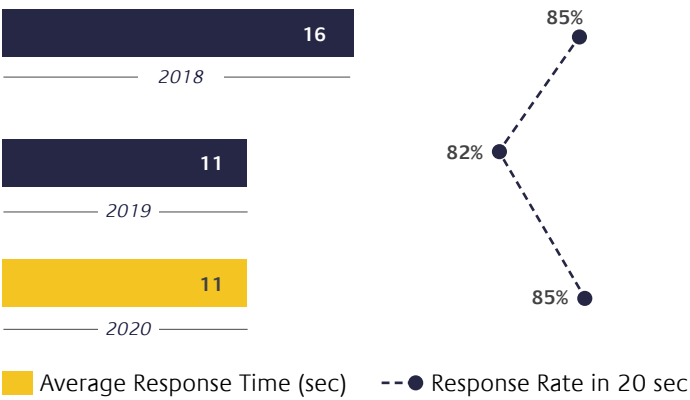
The Call Center received a total of around 6 million calls in 2020, 50% of which were handled by the voice response system and 98% of the 3 million queued-up calls were answered.

The average response time of the call center was 15 seconds. 45% of the calls were about billing transactions, followed by 22% on subscription transactions.

NUMBER OF CALLS (million) AND RESPONSE RATE (%)



CALL RESPONSE SPEED (second)



In 2020, the “Voice Recognition and Analysis” project went live in Call Centers. Thanks to this project, all calls performed at the call center are analysed with the support of artificial intelligence according to the determined criteria. In this application, which aims to increase customer and employee satisfaction, continuous improvement is enabled through machine learning.

to a representative. It has been ensured that appointment operations, bill inquiries, objections and connection-disconnection transactions are handled through the voice response system. This development has provided improvements in terms of customer satisfaction and efficiency. The calls that require representatives has decreased by about 20% and the call answer rate was above the targets at 98%, while 85% of these calls have been answered within the first 20 seconds.

Due to COVID-19, the importance of Call Centers as a communication channel with customers has increased. In order to prevent the intensity of calls caused by the pandemic, ‘Self Service IVR’, which enables customers to perform their transactions on the call center voice response system without connecting to a representative, has been developed. In this way, improvements have been made to enable customers calling the call center to carry out transactions through the voice response system quickly without waiting and any need for talking

With COVID-19, in order to provide uninterrupted call center services, the facilities provided by the call center switchboard and infrastructure have been made suitable for remote access. All employees were quickly switched to the home-office system at the beginning of the pandemic, and remote personnel recruitment, training, and operations management continued throughout the year without any problems.

RETAIL ACTIVITIES

CUSTOMER SOLUTION CENTER

Enerjisa Enerji monitors customer requests, complaints and information requests received from all channels through the Customer Solution Center, and replies via the channel preferred by the customers. The process in the Customer Solution Center proceeds as follows:

After customer applications are logged in the SAP CRM system, they are directly transferred to the relevant department over the system. After the check, the relevant department produces a solution regarding the issue and the description of the solution reaches the Solution Center through the system. The Solution Center translates the solution to a form that can be communicated to the customer and shares it with the customer through the channel preferred by the customer.

Enerjisa Enerji digitalized the process of preparation, approval and communication of the response by the Solution Center in 2018. This way, pre-formatted responses are drafted on the system using software to ensure they are ready to be shared following approval by an e-signature. The printing/delivery phase was also included in this project in 2019; the preparation, approval, printing and delivery of the statements have been carried out completely in digital environment. The “Envision” application, which enables these improvements, was also integrated with SAP CRM software, the company database, in 2020.

In 2020, the Solution Center received 385,000 applications to be monitored and replied. 99% of these applications were answered within the targeted time frame. The average completion time of the applications was 3 business days.



CUSTOMER EXPERIENCE

Benefiting from the state-of-the-art technology for its customers with a customer-oriented approach and developing customized services and products compatible with the digitalizing world, Enerjisa Enerji prepares for the energy supply applications of the future, as well as offers solutions that will provide high customer satisfaction.

Due to the changing customer requirements and behaviours, the customer experience approach has quickly gained prominence in the world and in Turkey. Customer satisfaction and service quality have always been prioritized by Enerjisa Enerji in its investments and strategies since its establishment.

With its customer focused approach, Enerjisa Enerji develops exclusive services and products that keep up with the digitalized world and utilizes this cutting-edge technology for its customers. The Company aims to provide the best service in energy supply by continuously improving these products and services. In that way, Enerjisa prepares for future energy supply applications as of today, while offering services that provide a high level of customer satisfaction.

Customer Experience teams strive to improve the interactions between customers and Enerjisa Enerji. For this purpose, they closely and continuously engage with internal stakeholders and customers. Before launching any business initiative, the Company first get feedback from its customer service employees and takes opinions of customers by using research methods such as surveys and focus group studies, where customer expectations can be clearly understood. Relevant actions are planned according to the feedbacks. The most important priority in customer relations is data security and protection of personal data. These two issues are considered high priority in every communication with customers.

In 2020, Enerjisa Enerji realized many important projects, such as improving the customer-oriented focus internally, developing digitalized processes and facilitating the lives of employees touching the customers, as well as projects aiming to better hear the voices of customers.

- **Customer Satisfaction Measurement System:** Enerjisa Enerji has established a measurement system to measure and track customer satisfaction during customer journeys. The system was established in 2018 to cover mass and business customers and in 2020, mid-sized and corporate customers were also included in the system. Customer satisfaction is measured at 45 points, while new projects are in the planning phase to increase satisfaction.
- **Corporate Solutions Request and Complaint Tracking Project:** With the project, the request management process carried out for corporate customers by sales teams and via e-mail, were transferred to a system in order to be efficient, traceable, measurable and compliant with quality standards. The project went live in 2020.
- **Establishment of Sales Journey Satisfaction Measurement System and Voice of Customer Program:** In the second half of 2020, the Voice of Customer program was launched, which aims to monitor the end-to-end satisfaction of small industry and commercial customers in retail processes and better understand their needs. Thanks to this program, customer satisfaction can be measured at all sales and after sales stages, and the issues that negatively affect satisfaction are detected and improved.
- **Digital Subscription Project:** With this project, Enerjisa targeted its customers to carry-out their subscription and termination transactions quickly and easily via e-government, web and mobile application channels.

RETAIL ACTIVITIES

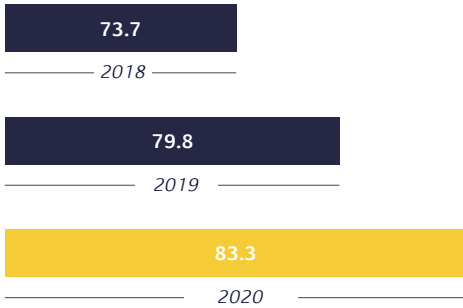
- Retail 360 CRM Displays Project:** A more user-friendly SAP interface, which enables viewing the basic customer information altogether, has been designed for Retail Call Center screens. Enerjisa Enerji targets higher customer and customer representative satisfaction with this project.
 - E-archive billing improvements:** With the project, Enerjisa terminated sending paper invoices to those customers who have approved the use of e-archive invoices.
 - Digital payment channels improvements:** Thanks to the project, improvements have been made in order to meet the bill payment requests of customers from digital channels. Bill payment limits on digital platforms have been removed, and credit card storage feature has been added to the payment step with the payment gateway for OCS & Mobile.
 - Warning process improvement:** TAHSILAB application, which allows debt reminder tools such as text messages, IVR, and e-mails to be implemented on a customer basis, as well as the transaction sequence, transaction time interval and transaction repeat period criteria to be flexible, went live.
 - Enerjisa Support Corporate (B2B Portal):** The digital platform, where corporate customers can perform corporate transactions on the menu through a single system, was renewed and went live in 2020.
- Customer Solutions RPA (Robotic Process Automation):** The project is aims to increase operational efficiency via implementing the sales steps such as profile, cost, pricing, offer, etc. with robotic processes for large and private corporate customer segment. In 2020, in accordance with the project plan, the cost and pricing phases went live.
 - Digital Archive Project:** With the project, control of contracts was carried out on time and through the system, and the obstacles in the physical delivery process have been minimized especially during the pandemic period.

Enerjisa Enerji performs monthly satisfaction measurements with IVR method at customer contact points in the field of customer experience, shares the results with the senior management, and determines the areas that need to be improved.

In addition, with COVID-19, many fast and effective actions have been taken in the services provided through physical channels. In order to avoid the number of customers exceeding the specified limit within the channel, full-time appointment system was implemented.

At the same time, the HES code application has been integrated with all systems. For occupational health and safety, shift based and remote working systems were initiated and procedures have been implemented for customers and employees in line with the principles of mask, distance and cleaning. Announcements encouraging the use of digital channels have been made and procedures have been applied with extra care for customers over 65 years of age.

CUSTOMER SATISFACTION (%)



ENERGY MANAGEMENT

Energy supply process, which has a significant impact on financial sustainability is managed effectively at Enerjisa Enerji. The Company has a pioneering role in the market with its flexible product supply, strong risk management policy, IT infrastructure that sets a benchmark in the sector and experienced human resources.

ELECTRICITY MARKETS IN TURKEY

Electricity trading transactions are carried out by incumbent electricity retail companies, other supply companies and electricity generation companies. The trading transactions are performed through bilateral agreements on forward and spot markets.

Enerji Piyasaları İşletme A.Ş. (EPIAŞ), which serves as market operator, operates the day-ahead and intraday

markets, conducts reconciliation processes and issues notifications for relevant market participants on their receivables/payables and manages eligible consumer processes.

Türkiye Elektrik İletim A.Ş. (TEİAŞ), which serves as the system operator, carries out installation and management of electricity transmission system to ensure supply security and continuity, as well as organisation and operation of power balancing market and ancillary services market.

STRUCTURE OF THE POWER MARKET IN TURKEY

Settlement	Commodity	Time Horizon	Market	Operator
Physical	Power	Forward	Over the Counter (OTC)	
			VEP (in 2021)	
		Spot	Day Ahead	EPIAŞ
			Intra Day	
		Real-Time	Balancing Power	TEİAŞ
			Ancillary Services	
Financial	Certificate	Forward	YEK-G (2021)	EPIAŞ
	Power		Over the Counter (OTC)	
			viOP	BORSA İSTANBUL

OTC: Over the Counter
VEP: Electricity Futures Market (expected to be open in 2021)
YEK-G: Renewable Energy Resources Guarantee Certificate (expected to be processed in 2021)
viOP: Derivatives Market

RETAIL ACTIVITIES

Electricity Futures Market (VEP) to be operated by EPIAŞ will be open in 2021. This new market, an alternative to OTC markets, will enable long-term reference prices to be created in the electricity market and market participants to manage their risks, while allowing participants to trade without being exposed to risks resulting from the counterparty including default risks or reneging on the transaction.

Furthermore, the organised YEK-G Market that brings together the companies that generate energy from renewable energy resources and the consumers who demand their electric energy to be supplied from renewable energy resources is expected to be put into operation by EPIAŞ in 2021. The market will enable the consumers who prefer to consume energy generated from renewable energy resources to be assured their electric energy is generated from these resources; and these consumers/customers will be able to document the supply of their consumption from green resources.

SUPPLY-DEMAND BALANCE AND DEVELOPMENTS IN ELECTRICITY MARKET

In Turkey, which has main targets of ensuring supply security and reducing foreign dependency in electricity generation, the growth in installed capacity continued. Installed capacity reached 95.9 GW in total with 4.6 GW power capacity installed in 2020 in line with the energy policies. Particularly hydroelectric power plants (HEPP) with dams, solar (SPP) and wind power plants (WPP) significantly contributed to the growth.

In 2020, approximately 2.5 GW, 1.2 GW, and 1 GW installed capacity from HEPPs, WPPs, and solar and biomass power plants, was commissioned respectively. Accordingly, in 2020, the share of power plants using renewable energy resources in total installed capacity increased and reached 49.2 GW, corresponding to 51.3% of the total installed capacity (2019 share: 48.7%).

In 2020, the gross electricity demand was lower than the estimates due to the impact of the pandemic and the resulting economic recession. Gross electricity demand increased approximately by 0.5% compared to 2019 and reached 305 TWh*. When 2% decline in the global electricity demand in 2020 is considered, it can be concluded that

Turkey positively diverged from several developed countries worldwide in terms of the electricity demand increase achieved with the economic growth, particularly during the second of the year.

Due to the aforementioned growth, average market clearing price (MCP) increased by 7% the year-on-year in 2020 to 278.7 TL/MWh. Especially in September and October, significant price increases were observed during the peak hours of the electricity consumption in the day-ahead electricity market.

In October, EMRA (Energy Market Regulatory Authority) revised the hourly price ceiling, from a fixed price of 2,000 TL/MWh, to a formula with the resolution of the Board. Accordingly, the price ceiling was revised to twice as much the MCP weighted average of the previous 12-month period to starting from two months before the current calendar month.

In 2020, significant developments that could affect the electricity market occurred. During the second half of the year, 5 thermal power plants, which had to cease operation in the beginning of 2020 due to not completing their environmental investments, such as filter and flue gas treatment, were re-commissioned to contribute to the electricity generation after completing the required investments.

2020 was a critical year in terms of YEKDEM (Renewable Energy Resources Support Mechanism). USD based incentives to end as of December 31, 2020, have been extended until June 30, 2021. The new incentive mechanism for generation facilities based on renewable energy resources to be commissioned after June 30, 2021 has been declared to be in Turkish Lira.

Moreover, another significant development related to the electric energy sector was the Amendment to the Electricity Market License Regulation, which paved the way for generation from multiple resources (hybrid generation), in March 2020.

ENERJİSA ENERGY MANAGEMENT

Energy supply process, which has a significant impact on financial sustainability, is managed efficiently at Enerjisa Enerji. The Company has a pioneering role in the market with

its flexible product supply, strong risk management policy, IT infrastructure that sets a benchmark in the sector and experienced human resources.

Energy management at Enerjisa has the target to carry out the entire energy supply process for the retail portfolio of the company (regulated and free market); and effectively manage the risks related to the process and contribute to the sustainable and predictable profitability.

Enerjisa Enerji supplies the electricity required for the most of the sales subject to regulated market from Elektrik Üretim A.Ş. (EÜAŞ), while the rest is supplied from the day-ahead market. The electricity required for the eligible consumer market is supplied from OTC market, as well as day-ahead and intraday markets.

In 2020, Enerjisa Enerji became a member of Energy Traders Association, attended the meetings of the association and provided contribution to the development of the free market.

In 2021, Enerjisa Enerji will continue to increase the number of its active suppliers and product variety, develop competitive supply strategies and put efforts to create value through with its effective portfolio management by increasing its price estimation performance. Within that context, the company targets to be active in the Electricity Futures Market, which is expected to be put into operation in 2021.

GREEN ENERGY SUPPLY

While supplying green energy to its customers, Enerjisa Enerji also consumes green energy in its headquarters, customer services centers and distribution facilities.

Starting to supply green energy certified by the international accreditation organisations in 2019, Enerjisa Enerji continued to expand its portfolio in 2020. In order to contribute to the environmental sustainability, the Company took a significant step in green energy supply and retail in 2020 and supplied 44,000 MWh green energy. From the green energy supplied, Enerjisa Enerji used 17,000 MWh green energy in 2020 for its own consumption.

In December 2020, for the first time, Enerjisa Enerji signed bilateral agreements in order to supply electricity directly from the power plants that generate energy from renewable energy resources. Thanks to that, the Company targets to provide energy to its eligible customers by partly using the energy directly supplied from renewable resources.

RISK MANAGEMENT

Enerjisa Enerji has the goal to effectively manage the risks posed by the uncertainty and volatility in the energy markets in the energy supply process, achieve sustainable and predictable profitability and maintain the value generated as a result of sales activities through risk management policies.

Enerjisa Enerji revised its ETRM (Energy Trade and Risk Management) system to have a more dynamic structure; and included the back-office processes, such as processes related to contracts, protocols, warranty and bilateral agreements, to the system. Furthermore, the system now has a commercially more reliable structure with the inclusion of authorisation and limit restrictions in commercial transactions and additional controls to the processes that have financial impacts. With the ongoing improvements, the system will soon be able to be integrated with the finance and treasury procedures; hence, majority of the manual procedures will become automated.

As part of the approved risk policy, Enerjisa Enerji monitors its risk management under four main topics:

- Price risk
- Volume risk
- YEKDEM (Renewable Energy Resources Support Mechanism) risk
- Counterparty risk

During the COVID-19 period, sensitivity analyses were carried considering all variables including price, volume, YEKDEM, which pose a risk on the profitability of liberalised market portfolio; and stress tests on profitability were conducted. The risks could be estimated thanks to the regularly monitored sensitivity analyses and a dynamic portfolio management process was followed with the timely actions taken. The parameter sets used in these analyses were updated by all related units considering the COVID-19 progression and submitted to the senior management with the weekly reports.

INNOVATION

At Enerjisa Enerji, innovation culture is adopted by all business units and pursued at the highest level. Through innovation projects, Enerjisa also aims to facilitate developments that will contribute to sustainability.

Enerjisa Enerji considers innovation as a powerful tool to get prepared for the future of energy. In this context, Innovation Department supports innovation culture within the company. Innovation Team focuses on the Company's collaborations within the entrepreneurship ecosystem, the corporate entrepreneurship program that fosters innovative transformation within the company and the development of new products and services that can be offered to the customers. The solutions developed and the programs carried out by the Innovation Department are monitored by the R&D and Innovation Committee, as well as the senior management of Enerjisa Enerji. Through innovation projects, Enerjisa also aims to develop products and services that will contribute to sustainability. The budget allocated for innovation projects in 2020 was approximately TL 3.4 million.

OPEN INNOVATION

Enerjisa Enerji collaborates with technology start-ups, companies, technology development zones and universities to promote open innovation.

- **Collaborations with Start-Ups:** Enerjisa Enerji uses three unique business models in its collaborations with start-ups to attract innovative ideas.

1. Developing new products and services to be used in Enerjisa Enerji's business areas by benefitting from the extensive knowledge and agility of start-ups in their expertise areas.

2. Presenting products and services of start-ups to customers by adding them to Enerjisa Enerji's portfolio, and thus building a channel between the customers and the products.

3. Investing in start-ups.

- **Global Collaborations:** Enerjisa Enerji focuses on offering innovative products and services to its retail and corporate customers, and accelerating its digitalization process with new technologies. In that context, the Company cooperates with other companies that have similar activities in the sector, especially in Europe and North America, through joint project development and acceleration programs that host international initiatives. Enerjisa also collaborates with acceleration programs that host international enterprises. The cooperation with EIT InnoEnergy, which is funded by the European Union and started in 2018 as an event sponsorship, continued in 2020 at the membership level. In the last quarter of 2020, Enerjisa Enerji has also started to collaborate with Canadian start-up accelerator, The DMZ, which was selected as the best university-based start-up incubator in the world on UBI Global's list.

- **Collaborations with Universities:** In 2020, Enerjisa continued its collaboration with Sabancı University's entrepreneurship and start-up engagement unit Inovent A.Ş. In addition, within the scope of initiatives to support the innovation and entrepreneurship ecosystem, Enerjisa has continued its collaboration with İTÜ Arı Teknokent's incubation center İTÜ Çekirdek, as one of the major stakeholders since 2017. Grant support was provided to "Delifer Enerji", "Byqee" and "Büyütech" start-ups, which made it to the finals of the "Big Bang Start-Up Challenge" in 2020, organized annually by the İTÜ Çekirdek Incubation Center.

NAR CORPORATE ENTREPRENEURSHIP AND INNOVATION PROGRAM

Nar Program is Enerjisa Enerji's corporate entrepreneurship and innovation program that has been ongoing for the past six years. The program provides a platform that accelerates and facilitates the implementation of innovative ideas of the employees within the context of annual

entrepreneurship themes. As a part of the acceleration program, intrapreneurs receive practical and theoretical lean entrepreneurship training and then they participate in the incubation process.

The 6th term of the Nar Program has been completed in 2020 with the theme of "Digital Solutions for Efficiency." The program, which was redesigned due to the COVID-19, was carried out online. Therefore, all processes that are normally held face to face with Enerjisa Enerji intrapreneurs who applied to Nar Program, such as jury meetings, trainings and mentoring processes have been transferred to digital platforms. With the use of user-friendly platforms and entertaining content that allows training content to flow easily on digital platform, the 6th Term of the Nar Program has been completed pleasantly and successfully.

In 2020, 15 ideas were accepted to the acceleration phase of the Nar Program, which received 160 idea applications. The teams completed their bootcamp entrepreneurship trainings digitally and then presented their ideas to the final jury, comprised of the members of the R&D and Innovation Committee. 8 of these ideas have been transferred to the relevant business units for their fast implementation and 4 of these are in the incubation stage of the pilot process.

The projects that were accepted to the incubation stage by the final jury of the 6th Nar Program and which are aimed to be commissioned in 2021 upon the completion of their pilot tests are as follows:

- **EVPark Project:** EVPark project aims establishing a sustainable digital parking lot ecosystem that facilitates the lives of users and supports renewable energy consumption. Thanks to the project, it is aimed to provide a solution for the limited parking spaces, particularly in metropolitan cities. EVPark project aims to offer a digital solution to the shared parking lot model, which is known all over the world, and is getting more popular. This project has entered the proof of concept (PoC) testing phase and is targeted to be commissioned in 2021.

- **Simply Sun Project:** With the Simply Sun project, a solar energy solution that can be easily installed by consumers at their homes has been designed. This project offers a portable and scalable plug-and-play micro solar solution that will eliminate the permit process of rooftop solar power plants and the need for roof installation, meet the energy need from a renewable energy source, and can be installed without any technical knowledge. The project is targeted to be commissioned in 2021 upon completion of the pilot tests.

- **Touch in Safe Project:** Thanks to the equipment developed with the Touch in Safe project, the main target is to reduce Occupational Health and Safety risks in the field. Climbing up to electricity poles to replace high-voltage fuses has risks of falling from height and electric shocks. The aim of the project is to ensure safer high-voltage fuse assembly and disassembly with the system designed from the ground without climbing the disconnecter pole.

- **G-Check Project:** The G-Check Project develops an advanced device that will safely detect the presence of power by using the magnetic field principle. Following detection, the device will send a notification to the team tablets via GSM. Power must be cut off first before repair and maintenance work can be undertaken. The distance between the location where the power is cut-off and the maintenance area results in loss of time and labor on the road for the field teams. The distance causes a delay in the power outage checks, which puts maintenance and repair teams at OHS risk. G-Check provides a safe process that enables the field teams to de-energize the right location, eliminating OHS risks. Moreover, it prevents further outage delays, improves customer satisfaction, prevents lost time and unnecessary operational expenses.

RETAIL ACTIVITIES

“**Dokunma Bana**” project from the 5th term of Nar Program, which developed an innovative and crowdsourcing alert system warning on possible electricity leakages on street lighting poles enabling citizens to report leakages to distribution call centers, earned the first prize of the Innovation category of the 11th Sabancı Golden Collar Awards.

VENTURE CAPITAL FUND INVESTMENTS

Enerjisa Enerji assesses venture capital fund investments in order to have a say in the start-up ecosystem as an investor, to have direct access to new technologies, business models and products and build the know-how on the start-up investment processes. Within that scope, the investment in

Revo Capital Fund II was completed in 2020. Among the investors of Revo Capital are the IFC, EBRD, and EIF. With this investment, Enerjisa Enerji also aims to strengthen the Turkish technology start-up ecosystem by providing business development opportunities to start-ups.

OTHER DEVELOPMENTS

With the processes and projects developed by the Innovation Department, Enerjisa Enerji was selected as the third prize winner in the Most Successful Innovation Strategy category in the 6th “InovaLig Entrepreneurship Competition”, organized by the Turkish Exporters Assembly (TİM) in December 2020.



CUSTOMER SOLUTIONS

Enerjisa prioritizes providing its customers with sustainable and innovative solutions. In this context, end-to-end solutions for corporate customers which target to improve efficiency and to reduce carbon emission were consolidated under the roof of “The Energy of My Business” in October 2020. This portfolio includes various

environmentally friendly and sustainable energy solutions in a broad range of services from renewable energy, energy efficiency, cogeneration/trigeneration and electric vehicle charging station management to green energy certification.

DISTRIBUTED GENERATION SOLUTIONS

One of the most important steps to combat climate change at local and global scale is to utilize renewable energy resources and ensure higher energy efficiency.

In this context, Enerjisa Enerji works on distributed generation in parallel to its centralized energy model. Distributed generation refers to a variety of technologies that generate and store electricity at or relatively close locations to the consumption.

Distributed generation contributes to reduction of the costs of the generation, transmission and distribution of electricity; enhancing the continuity of supply; reducing dependence on imports; promoting the use of renewable energy resources; reducing greenhouse gas emissions; and strengthening regional development.

1) Renewable Energy Solutions - Solar Power Plants (SPP)
Taking customers’ needs into account, Enerjisa Enerji offers reliable solar power plant solutions with its innovative business and financial models. SPP solutions are suitable for all types of industrial, commercial and public facilities. Enerjisa Enerji offers end-to-end solar energy solution



by providing project design, turn-key installation and maintenance services.

As part of these services, Enerjisa Enerji provides:

- Professional support services in engineering along with administrative processes regarding permit and connection procedures,
- Turnkey installation,
- Maintenance services during the contract term,
- Performance and product warranty during the contract term.

At the same time, Enerjisa Enerji provides integrated end-to-end solutions that include energy storage and electric vehicle charging infrastructures in accordance with the needs.

At the end of 2020, the total capacity of SPPs served under that scope was 9 MWp. The Company targets to increase this capacity to over 100 MWp by the end of 2025.

In the last quarter of 2020, the company signed two roof-top SPP projects with a total installed capacity of 3.2 MWp which will supply electricity for self-consumption of the customers. These projects will eliminate at least 2,200 metric tons of CO₂ emissions.

2) Energy Efficiency Solutions
Enerjisa Enerji offers customer-oriented alternative energy efficiency solutions. With its energy performance contracting model (EPC/ESCO), the Company offers products and services to improve energy efficiency such as waste heat recovery solutions; heating, ventilation, and air conditioning (HVAC); pressurized systems; electric motors and lighting. Enerjisa Enerji’s EPC model is designed for its customers to maximize the efficiency of workforce and utilization

CUSTOMER SOLUTIONS

of capital. The Company provides turnkey projects while reducing capital requirement. This reduces customer's energy cost, which is among largest expenses of a facility in most of the cases. It also helps to save time and reduce labor costs. The financial benefit obtained with this energy-saving model is shared between Enerjisa Enerji and the customer. In 2020, Enerjisa continued to offer solutions especially in lighting area with its LED transformation projects. Using the Energy Performance Contracting method, the Company changed 6,400 fixtures with LED products as part of the six projects it carried out primarily in the tourism industry, production facilities and public buildings. These projects will

enable more than 1,600 MWh of electricity consumption reduction annually and eliminate at least 870 metric tons of CO₂ emissions.

In addition to the LED transformation projects, Enerjisa made an agreement with one of Turkey's biggest iron and steel manufacturer to renew the facility's pressurized ventilation system by utilizing the EPC model in the last quarter of 2020. Starting in 2021, Enerjisa plans to increase the number of industrial energy efficiency projects based on the EPC model.

OTHER SOLUTIONS

1. COGENERATION (CHP) AND TRIGENERATION (CCHP) SOLUTIONS

Cogeneration refers to simultaneous heat and electricity generation while trigeneration refers to the simultaneous generation of heat, electricity and cooling. These systems can significantly reduce energy costs.

These solutions provide maximum efficiency in the facilities with high consumption of electricity, heating and cooling; with even distribution of consumption throughout the day; and with continuous heating and cooling consumptions depending on the season.

Enerjisa Enerji offers turnkey services for both of these systems in conjunction with financial solutions that will ease customers' financial burden. Once these high-performance systems are installed, energy costs decrease significantly and decline in energy consumption enables a reduction in carbon emissions.



In this context, Enerjisa provided cogeneration and trigeneration systems with a total installed capacity of 3.8 MWe at the Sabancı University, Hilton Adana and Hilton Ankara premises. These systems are expected to eliminate at least 30,000 metric tons of CO₂ emission within the next decade.

2. GREEN ENERGY SOLUTIONS

Green Energy is defined as the energy produced from renewable energy sources, certified by internationally accredited institutions and reported transparently. With two type of certificates, Enerjisa Enerji's customers can reduce or neutralize the greenhouse gas emissions caused by their electricity consumption.

Carbon Reduction Certificate

Carbon Reduction Certificate refers to the standardized and tradable credit expressed in terms of metric tons of CO₂ claimed by real or legal person (a business/power plant that generates energy from renewable energy sources). In 2020, Enerjisa sold a total CO₂ emission reduction certificates of 7,000 metric ton equivalent.

Renewable Energy Certificate

Renewable Energy Certificate is a market-based tool that represents the proprietary rights of environmental, social and other non-power qualities of renewable electricity generation. It certifies that each 1 MWh unit of energy has been generated from a renewable energy source and delivered to the grid. In 2020, Enerjisa sold 44,000 MWh of renewable energy certificates.

E-MOBILITY: EŞARJ

Eşarj is the first and fastest electric vehicle charging station network in Turkey, operating 320 charging plugs at 186 public locations by the end of 2020, including 109 fast-plugs.

Enerjisa Müşteri Çözümleri A.Ş. acquired the majority shares of **Elektrikli Araçlar Şarj Sistemleri A.Ş.** in 2018, becoming its controlling shareholder. In addition to its leadership in distribution and sales in the electricity sector, Enerjisa Enerji aims to play an active role in the transformation of the industry with this acquisition by undertaking an innovative and pioneering role in the electric vehicles sector.

According to the 2020 year-end official records, Turkey has a vehicle park of 23 million vehicles, out of which approximately 2,600 are electric vehicles. However, the future targets of both the domestic and the foreign brands indicate that the number of electric vehicles will grow exponentially. Turkey's Automobile Joint Venture Group Inc. (TOGG) has announced that it will start electric vehicle production by the end of 2022 with the target to reach 1 million vehicles by 2030. Additionally, there are various Turkish brands which manufacture electric buses, minibuses, trucks, tractors and boats.

In 2019, Eşarj launched a system consisting of 20 fast-charging stations of 50 kW at İstanbul Airport, which became Turkey's largest single-location charging pool. These stations supply energy to 50 fully electric dispenser vehicles that, in turn, provide fuel to the planes at İstanbul Airport.

As of the end of 2020, at 186 public locations, Eşarj has 320 charging plugs, 109 of which are fast-charging plugs. The company plans to fasten the transition to ultra-fast charging stations as well as to increase the number of solar-integrated battery systems.

EŞARJ'S GOALS

- To create a national station network and operating system of charging stations to offer nationwide charging solutions for its customers,
- To contribute to infrastructure works in technical, administrative and regulatory aspects,
- To address a diverse charging unit needs with a wide range of products and

- To install charging stations at the locations demanded by customers.

EŞARJ'S VISION

- To continuously develop and improve the quality of its products and services in accordance to customer expectations,
- To provide a wide range of products and services,
- To cultivate solutions that protect the environment by reducing carbon emissions and
- To support reduction of Turkey's economic and strategic dependency on energy imports.

EŞARJ'S INCOME AREAS

- Wallbox charger installation for retail and corporate customers
- Wallbox charger technical support service for retail and corporate customers
- Charging station revenue sharing models at public locations
- Software solutions and platform development for players across different sectors

List of important developments in 2020 are as below:

- **OEM Collaborations:** Eşarj has been selected as an e-mobility business/solution partner by the passenger car manufacturers that launched electric and hybrid cars in 2020. These manufacturers include Mini Cooper, Groupe PSA, Volvo and Mercedes-Benz. Moreover, Eşarj is continues its collaborations with BMW, Jaguar, Renault and Land Rover.

- **Renewable Energy:** Since July 1, Eşarj's public stations fully operate with renewable energy, breaking new ground among charging operators. Through International Renewable Energy Certificate (IREC), Eşarj has certified its users that the electricity used during charging is produced 100% by wind and solar plants. With this development, Eşarj targets to support reduction in carbon emissions.

CUSTOMER SOLUTIONS

- **Charging Station in Sweden:** Eşarj stations will provide electricity to six electric buses that were developed by the engineers of Temsa (bus and midibus manufacturer), manufactured at the facilities in Adana and exported to Sweden. Eşarj aims to continue carrying out such international projects in 2021.
- **Eşarj and CarrefourSA's Electric Vehicle Charging Station Collaboration:** Eşarj collaborated with the retail chain CarrefourSA to build charging stations at store parking lots. At the first stage, charging stations were installed at the parking lots of three CarrefourSA stores in İstanbul. Eşarj and CarrefourSA aim to extend the collaboration in the forthcoming period.
- **Collaboration with the Ministry of Energy and Natural Resources:** A solar power plant integrated with two 50 kW fast-charging stations and a standard charging station of 22kVA were set and launched on the campus of the Ministry of Energy and Natural Resources.
- **Collaboration with Brisa:** Eşarj signed an agreement with Brisa to install fast-charging (DC) stations at “Otopratik” centers (vehicle maintenance areas). As part of this project, Brisa aims to improve its services at “Otopratik” centers by providing fast-charging stations at 20 locations to reduce customers' waiting time. The project is expected to be completed in the first half of 2021.
- **Collaboration with Shell:** Eşarj built fast-charging stations at three Shell gas stations to provide charging solutions for electric vehicle drivers. This number is expected to increase rapidly in the future.
- **Collaboration with Aytemiz:** Eşarj built fast-charging stations at eight Aytemiz gas stations to provide charging solutions for electric vehicle drivers. This number is expected to increase in the future.



Enerjisa Enerji aims to play an active role in the transformation of the industry by undertaking an innovative and pioneering role in the electric vehicles sector.

AWARDS

Turkey's leading energy company Enerjisa Enerji, which continues to add value Turkey, received numerous awards in 2020.



Brand Finance

34th Most Valuable Brands in Turkey and 1st in Energy Sector.



CBS News

Enerjisa's CFO Dr. Michael Moser **granted Global Thought Leader by CBS Television.**



Corporate Register

2018 Sustainability Report ranked the 2nd and the 3rd in the categories of The Best Report and Creativity in Communication, and became the first company in Turkey presented these awards.



Fortune 500

18th Largest Company in Turkey.



Fortune

Dr. Michael Moser, CFO of Enerjisa, has been listed among the 50 Most Effective CFOs in Turkey list of the Fortune Magazine.



IDC Turkey CIO Awards

"360 CRM Transformation Display" project has been granted the 2nd rank in the category of Future of Work - Metrics and KBIs of Future.



Institutional Investor

Enerjisa Enerji Investor Relations Program was granted the 3rd rank in EMEA Utilities Sector in the Institutional Investor Research 2020 Emerging EMEA Executive Team Ranking.



PRIDA Awards

Exploration Team Project based on moving journey to the Enerjisa Ataşehir office was presented the Prida Award in the category of Internal Communication.



Most Popular Companies Survey by REALTA Consultancy

Ranked 46th in general and first among the Top 50 Companies in the Energy sector.



Şikayetvar.com

Enerjisa Enerji ranked with three companies that manages the customer complaints best in energy sector in 2019.



TİM Innovalig Awards

Ranking 3rd in the Innovation Strategy category.



Turkey Reputation Index 2019 Survey

Enerjisa selected The Most Reputable Brand in Turkish Energy Sector for the sixth time.



TÜBİTAK Threshold Awards

The HORIZON 2020 project application STEMION, which aims a system to control the self-consumption of renewable energy integrated residential/commercial customers connected to the meter, received the threshold award by TÜBİTAK.



International Stevie Awards

Granted the Bronze Stevie award with "Digital Recruitment Experience" project in the category of Success in Recruitment.



2020 ARC Awards

Silver award for 2019 Annual Report in the category of Non-Traditional Annual Reports.



11th Sabancı Golden Collar Awards

Cankurtaran (*Lifeguard*) project granted in the Digitalisation category, the Dokunma Bana (*Don't Touch Me*) project in the Innovation category.



2019 LACP Vision Awards

2019 Annual Report was granted seven international awards;

- Silver award in the category of Energy Sector Annual Reports
- Ranked in Best 10 Annual Report of Turkey
- Ranked in Best 40 Annual Reports of Europe, Middle East and Africa
- Gold award in the category of Online Reports
- Ranked in Best 10 Online Report of Turkey
- Ranked in Best 40 Online Reports of Europe, Middle East and Africa
- Best Online Report of Europe, Middle East and Africa Region (Agency)



2019/2020 LACP Vision Awards

2019 Annual Report was granted;

- Gold award in the category of Online Annual Reports
- Ranked 30th in Global 100 Report
- Bronze award in the category of Letter to Investors

OUR BUSINESS IS ENERGY

Our Strength is Our Sustainability Focus



- | | |
|------------------------------------|---|
| 110 SUSTAINABILITY STRATEGY | 140 SUPPLY CHAIN MANAGEMENT |
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SUSTAINABILITY STRATEGY

Enerjisa Enerji aims to develop sector-leading practices and to conduct its operations with an exemplary approach. Pioneering in Corporate Governance and Risk Management, Occupational Health and Safety and Environmental Impact in the energy sector, the company follows the global trends to improve its Environmental, Social & Governance (ESG) performance further and aims to become one of the leading companies in the energy sector, both in Turkey and globally.

SUSTAINABILITY FOCUS IN THE CHANGING ENERGY WORLD

COVID-19 marked the world agenda in 2020, highlighting the importance of managing social issues including healthcare. In the meantime, climate change still remains as one of the biggest threats to the world. Meanwhile, the energy sector is in a rapid transformation.

As the energy world becomes increasingly more distributed, digital and decarbonized, the Distribution System Operators form the foundation of this future system. The distribution grid is one of the pillars of the economic, cultural and scientific development of modern society, given that it provides electricity service to all citizens without exception or discrimination.

At the same time, the demand for energy is growing exponentially. The increase in population and economic growth, along with a rise in per capita energy consumption due to lifestyle changes intensify the load on the grid infrastructure. Today, the efforts by industries such as automotive to reduce their carbon footprint by switching from fossil fuels to electricity are further driving the demand for electricity power.

Enerjisa Enerji operates in a dynamic energy sector that is transforming with mega trends and has a clear vision of potential changes and value creation opportunities. Enerjisa Enerji is already preparing for these fundamental changes by helping to shape sectoral regulations, exploring new business opportunities and leading the transformation of the sector into the New Energy World.

Enerjisa Enerji aims to create long-term value for the society and adopts an innovative and environmentally-oriented approach, while managing electricity, one of the

indispensable necessities of life. Hence, the Equity Story of Enerjisa has been enhanced with this approach, based on the following 4 main pillars:

- **Growth:** Enerjisa Enerji aims to sustain its strong growth and the value it has created for its shareholders. The Company invests in the distribution regions to increase the quality standards of the grid and to expand it. While pursuing the organic growth opportunities the electricity distribution sector provides, Enerjisa Enerji continues to respond to customer needs by closely monitoring the new energy mega trends. Enerjisa Enerji responds to those mega trends by offering environmentally friendly and sustainable energy solutions under the umbrella of the “Energy of My Business”, including Solar Power Plant installation services, energy efficiency applications, electric vehicle charging station management and green energy certification.
- **Focus:** Enerjisa Enerji operates as the leading and pioneering electricity company in Turkey in the fields of electricity distribution, retail sales and customer solutions. Enerjisa Enerji offers a predictable revenue model for its shareholders by focusing on its main business lines within the boundaries of a regulatory framework, which has proven its reliability and rationality.
- **Discipline:** Enerjisa Enerji closely monitors macro-economic developments and global trends and develops effective strategies to achieve a long-term and sustainable success. Focusing on creating value for all its stakeholders by achieving a sustainable financial performance through efficient operations, Enerjisa Enerji manages market, liquidity, credit, operational and regulation risks effectively to maintain its strong balance sheet structure.

- **Sustainability:** Enerjisa Enerji considers sustainability as an important element of its equity story. The Company sees sustainability as an important tool for an effective strategic management, and meets the increasing demand for energy and electricity due to population growth and urbanization trend with a quality and customer-focused approach. While integrating sustainability into all its processes, Enerjisa continues to comply with the global principles in environmental and social issues, while investing on social awareness on these issues.

SUSTAINABILITY EFFORTS

Enerjisa Enerji shapes its business model around sustainability. With its distribution network, retail and customer solutions portfolio, Enerjisa Enerji will enable and drive the energy transformation in Turkey.

Following the successful initial public offering in 2018, Enerjisa Enerji focused on corporate sustainability, aiming to develop a strategic and holistic approach on economic, environmental and social factors in order to create long-term value.

Enerjisa Enerji is a signatory of both the world’s largest voluntary corporate sustainability initiative, the United Nations Global Compact (**UN Global Compact**) and the United Nations Women’s Empowerment Principles (**WEPs**) since 2019. The Company is also included in the BIST Sustainability Index since 2019 which incorporates the companies listed in Borsa Istanbul with top performance in the corporate sustainability field.

Enerjisa Enerji works diligently to align its policies, standards and procedures with global ESG standards. In that respect, the Company reviews its policies regularly.

Environmental Policy and Environmental Management System Framework were published in 2019. In 2020, Code of Conduct have been revised. In addition, the Company has also set its Information Security Approach and Human Rights Policy and led the way on these issues as well.

SUSTAINABILITY GOVERNANCE STRUCTURE

In order to strategically manage sustainability, governance structure for sustainability was determined in 2019, and the Sustainability Committee and the Sustainability Working Group were established. In 2020 Sustainability Committee was restructured as the ESG Committee, which is co-chaired by the CEO and the CFO. The Committee oversees the ESG practices across the Company and informs the Board of Directors about important initiatives, developments and key performance indicators (KPIs). The Enerjisa Enerji Board of Directors defines sustainability strategy and has overall responsibility for sustainability performance.

SUSTAINABILITY STRATEGY

Enerjisa Enerji believes that the sustainability strategy needs to be fully integrated into the business strategy in order to successfully manage the future challenges. Therefore, all sustainability efforts are channelled towards achieving the strategic business goals, and similarly, all business initiatives are aligned with the Company’s sustainability efforts.

Within that scope, “**Sustainability Strategy**” journey was launched in 2020. The sustainability strategy roadmap incorporating all key areas of ESG reporting was set considering international standards, requirements of global indices, investor expectations, as well as the best practices of the benchmark companies. Following that, workshops were held with all relevant business units of the company and the roadmap was further developed.

The company’s equity story has been placed at the core of the sustainability strategy, and the strategic priorities have been grouped in three main areas: **Responsible Public Services, Role Model within the Sector, Preparing for the New Energy World**. This strategy will support Enerjisa to become an energy company that acts with environmental responsibility, digitalizes and democratizes energy, and accomplishes ground breaking achievements in providing stakeholders access to the energy in the digital era.

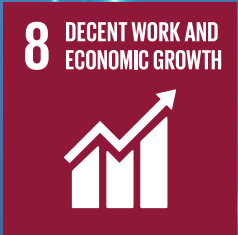


SUSTAINABILITY TARGETS

ENERGY IS LIFE.
ENERGY IS PROGRESS.
OUR FUTURE IS ENERGY.

TOGETHER WE ARE GOING TO BE
THE FUTURE'S ENERGY COMPANY.
ENERJISA ENERJİ OF FUTURE:

- Works to ensure that energy is uninterrupted, high quality and accessible.
- Responds to the energy demand of the digital age and implements innovative technologies.
- Considers Occupational Health and Safety management as an important part of its business.
- Undertakes actions to tackle climate crisis.



A RESPONSIBLE PUBLIC SERVICE

We are aware that electrical energy is a basic need, just like air and water. Accordingly, we take responsibility to ensure all segments of society have equal welfare and healthy living standards. Responsible public service lies at the core of Enerjisa. To reach this end efficiently, we shape our business model around our customers, we effectively manage all our stakeholders and try to create value with our social responsibility approach.

A ROLE MODEL WITHIN THE SECTOR

We aim to develop sector-leading practices and perform our operations with an exemplary approach. Our priorities include providing our employees with a safe working environment, monitoring the environmental effects of our operations and maintaining highest standards for corporate governance and risk management. Therefore, we try to ensure that our investments and projects within the scope of environment and occupational safety create a common long term value.

PREPARING FOR THE NEW ENERGY WORLD

We work to stay competitive, stable and sustainable while providing energy supply safety and quality. We closely observe the changes and trends occurring in the highly adaptive energy world and develop our diverse, young and equipped human resources, as well as our strong and reliable brand, to successfully keep up with the changes in our sector. We also closely monitor technological developments and implement innovative ideas that bring value to people.



Enerjisa Enerji believes that the sustainability strategy needs to be fully integrated into the business strategy.

HUMAN RESOURCES

Enerjisa Enerji’s Human Resources practices aim to strengthen the Company’s organizational climate, communication and culture in the working environment. While providing equal opportunity, Enerjisa focuses on drawing out the leadership traits of its employees with training and development opportunities.

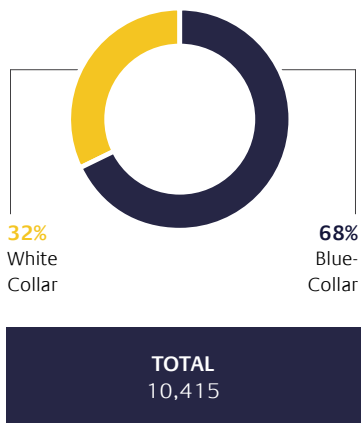
Operating at hundreds of locations in a disperse area in 14 provinces with thousands of employees, Enerjisa Enerji offers an uninterrupted electricity supply to homes, industrial facilities and hospitals across Turkey for continuity of life. In line with its continuous focus, the Company prioritizes employee health and safety, also during the COVID-19 pandemic. The Company continued to work hard in fields, homes and offices to ensure a continuous supply of electricity during COVID-19 as well. The company management utilized monitoring, support and continuous communication mechanisms to effectively manage this process by providing correct information flow to each employee.

By the time the COVID-19 pandemic started to spread in Turkey, Enerjisa’s newly established crisis committees had already started to operate. Effectively utilizing digital solutions and improvements in all its operations, Enerjisa Enerji utilized its Human Resources mobile application, **İKON**, for fast and simultaneous communication with all employees during the pandemic.

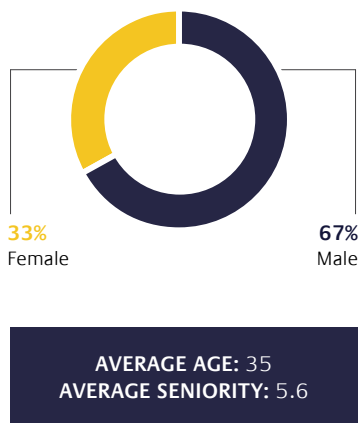
Enerjisa Enerji focuses on Human Resources processes and practices as part of its vision to become the employer of choice in the energy sector and to rank in the top 15 employers across all sectors. The company’s HR practices are designed to:

- Create a purposeful working environment that cultivates a positive organizational climate, communication and culture,
- Develop leaders and good management practices,
- Offer all kinds of opportunities to all potential and existing employees in equal attitude and without discrimination, in all Human Resources processes,
- Offer training and development opportunities that provide differentiated growth and career advancement paths,
- Attract and retain talent by strengthening its corporate reputation,
- Ensure organizational excellence to maximize stakeholder loyalty and satisfaction.

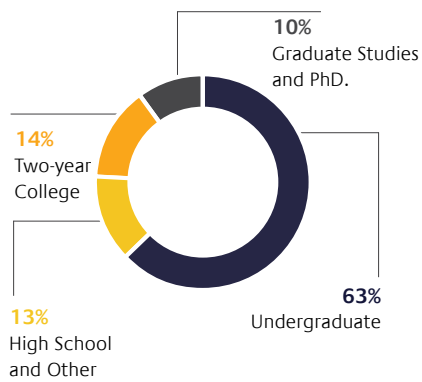
DISTRIBUTION OF HEADCOUNT



WHITE-COLLAR GENDER DISTRIBUTION



WHITE-COLLAR EDUCATION STATUS



TALENT MANAGEMENT

Enerjisa Enerji’s employees consist of four different generations. The Company considers each of its 10,000 employees as talents. With this perspective, it follows global HR management trends and adopts new approaches in line with its priorities.

Continuous development is one of Enerjisa Enerji’s most important values. The Company always learns from its past experiences, develops in light of its future vision and ensures excellence as a pioneer of change. In line with the high-performance culture it has cultivated, Enerjisa Enerji aims to hire and develop qualified young talents and experienced professionals by utilizing its talent management programs supporting its vision.

Enerjisa Enerji believes that individual achievement lies at the core of organizational success. The Company uses diverse talent management systems to determine and evaluate employee performance and competence. To ensure the sustainability of its organization, Enerjisa Enerji develops short and medium-term succession plans for all its critical positions in line with the annual potential assessment studies, and follows up on the career and development of its employees accordingly. The Company supports its employees with various leadership, personal and professional development programs and tools.



LEADERSHIP DEVELOPMENT PROGRAMS AND TOOLS

LEAP Digital (Leadership Acceleration Program)	<p>The program is developed to enable Directors to proactively reflect on the opportunities digitalization has brought to energy sector and to develop their leadership skills required by the digital age. Leap Digital has been designed in accordance with international studies on digital technologies and the energy sector by ESMT Berlin, one of the leading providers of executive education in Europe according to the Financial Times. The program content has been localized by ESMT's academic partner in Turkey.</p> <p>The program consists of four modules. The second module was completed in February 2020 following the completion of the first module in October 2019. The first meeting of the third module took place in December. All Enerjisa Enerji directors participated in the program. In the second module, trendsetting developments and technologies, along with the examples of their application in both the domestic and the global market, were discussed. The third module focuses on next-generation leadership skills.</p>
Step Digital	<p>In 2020, Enerjisa launched the Step Digital Program. With this program, the Company aims to grasp the new business methods driven by the opportunities created by digitalization on the global level and for the energy sector, improve its knowledge and competence regarding next-generation technologies and utilize these technologies to transfer know-how to new digitalization projects that will create value. Enerjisa Enerji collaborated once again with ESMT Berlin, its partner in the Leap Digital Program, to hold the first module of the Step Digital Program. This program was adapted to the new normal set by COVID-19 via online classes and was simultaneously translated via online tools, reaching 145 participants.</p> <p>Before launching this kind of long-term training and development programs, Enerjisa Enerji uses pilot modules. Before a program is introduced to the whole company, pilot modules are carried out in pilot groups. After incorporating the participant feedback in developing the design, Enerjisa evaluates whether the training is successful. Thanks to the pilot group's experience in the design and development processes, the Step Digital Program has been tailored to fit Enerjisa Enerji's training goals.</p>
Step Management & Step Performance Coaching	<p>The STEP Management module, which was organized in collaboration with the Sabancı University Executive Development Unit (EDU), aims to strengthen the leadership traits of managers and group managers. This six-day program was launched in 2019 to ensure the continuity of high-performance culture. 66 managers completed the program in 2019 and a further 46 participants completed it in the first quarter of 2020.</p> <p>The Step Performance Coaching was developed for managers and incorporates Enerjisa Enerji's high-performance culture, next-generation performance management and regular feedback approach. 33 managers participated in-class trainings in February 2020. Supervision coaching sessions, one of the main focuses of the training, were held online. A total of 126 one-on-one sessions focusing on the coaching traits of managers were carried out throughout the year.</p>
JUMP	<p>JUMP program was designed for the Enerjisa team and process leaders. Using the integrated learning method, the program aims to increase the effectiveness of participants in their current roles and to develop their leadership skills. In the second half of 2019, design studies for a new program started and the Jump 2.0 was kicked-off in 2020. Tailored to Enerjisa's competency model, the program comprises of the "I Keep My Values Alive", "I Develop My Leadership" and "I Increase My Performance" modules, along with three e-learning modules, a webinar and three online meetings. The program's e-learning module has been completed by 249 participants. The program's webinar had 137 participants. The webinar was moderated by the two most effective users of the e-learning platform and the program consultant, where recommendations were provided to the participants. The "I Keep My Values Alive", "I Develop My Leadership" online meetings had 188 and 261 participants, respectively. "I Increase My Performance" online meeting sessions will be held in 2021.</p>

Young Energy	<p>Since 2010, the Young Energy program has focused on training of young talents, people at the beginning of their careers with high potential. As a part of 5th generation, following the evaluation of applications from in-house employees and external candidates, 28 participants were accepted to the program. In December 2019, the participants attended a three-day orientation. Young Energy Talent Development Program consists of four modules: Self- Awareness, Organizational Awareness, Leadership and Relationship Awareness and Digital Awareness.</p> <p>In 2020, the participants were trained to improve their professional image, leadership skills and focused on their development areas through three-session one-on-one coaching programs as part of the Personal Awareness module. During the Organizational Awareness module, the participants gained insight into the energy sector and Enerjisa Enerji and met with Enerjisa Enerji's leaders to discuss the value chain in the energy sector, financial literacy, and strategic awareness. The Young Energy participants prepared strategy presentations, which determined the team to join the Young Strategy Committee. The participants concluded the module with a "Capsim Simulation". Participants will finish their training in the first quarter of 2021 upon completion of the Leadership and Relationship Awareness and Digital Awareness modules.</p>
ENTER	<p>With the Enter project, the Company's next-generation talent management program, seniors and graduate students in Electrical/Electronics Engineering were invited to gain insight into the energy sector and Enerjisa Enerji's distribution processes. During this one-year program, future engineers were assigned to different sections (Investment, Customer and Grid) on a rotating basis and received the opportunity to experience and learn about the engineering processes involved in the energy distribution business. Mentored by the talent coaches, they were able to explore their individual areas of interest.</p> <p>10 of the 22 engineer candidates who completed the Enter program in 2020 have been employed by Enerjisa distribution companies. In 2020, the evaluation and recruitment processes for engineer candidates participating in the 4th Enter program were carried out online due to the pandemic. Following the evaluation and online interviews, the 4th Enter program kicked off with an introductory meeting in October. 26 engineer candidates from three regions have started their developmental journey.</p>
Other	<p>In 2020, 10 Enerjisa Enerji employees attended the tailored leadership development programs organized by Sabancı Holding, including X-CELERATE, the senior leadership development program; X-Posure, developed for mid-level managers preparing for future roles; and TPX, designed for young talents with high potential.</p> <p>In 2020, seven Enerjisa employees participated in the leadership development program New Professional Leader, which consists of training, mentoring, coaching and networking sessions. The program was organized by the "Yenibirlikler Association" in collaboration with Boğaziçi University.</p>



PERSONAL DEVELOPMENT PROGRAMS AND TOOLS

YODA Reverse Mentoring Program	<p>Designed in 2017, the aim of the YODA Mentoring and YODA Reverse Mentoring programs is to create a platform on which multi-generation Enerjisa Enerji employees can learn from each other. The YODA Reverse Mentoring program, where new-generation employees receive the opportunity to mentor Enerjisa Enerji's Senior Management, is a first in the sector.</p> <p>The program was expanded to the director level in 2019 and applications were received from both directors as mentees and young Enerjisa employees who aspire to become mentors. 34 young mentors and 10 director mentees completed their training and 10 couples have been assembled, starting the six-month mentoring process. In 2021, Enerjisa plans to expand the program to include new leadership levels for 24 young mentors who have completed their training but have not yet been assigned a mentee.</p>
EnAkademi	<p>EnAkademi is a platform that offers development opportunities to help Enerjisa employees reach their career goals. The platform content has been updated to reflect the Enerjisa Enerji Competency Model and in 2020, 3,740 Enerjisa employees found an opportunity to improve themselves thanks to the training tools in the platform. Furthermore, Each Enerjisa employee is required to complete information security, competition law and ethics trainings via Enakademi. Participants received 7,879 hours of e-learning as part of this training program on Enakademi.</p>
Gate: Self Awareness Journey	<p>Gate is a Specialist Development program that helps people at the beginning of their careers discover their strengths and improvable competencies. The program design and platform preparation were completed in 2019, and pilot studies were carried with 50 employees. In 2020, 1,358 employees were welcomed into the program following the platform improvements carried based on the feedbacks. Tools, such as e-learning, video and reading assignments, were offered to the participants through the EnAkademi Personal Development Platform to support their development in areas they built awareness. Additionally, participants received feedback from their mentors through one-on-one development sessions.</p> <p>As remote-working became the new normal during the pandemic, Enerjisa organized two webinars in June to enhance the outcome of Gate for both participants and their managers. Managers joined the "Coaching Employees for Development with Gate" webinar to discuss efforts to support employees in their development journey, provide effective feedback and coach employees working remotely. Organized for the program participants, the webinar focused on ways to increase awareness and ensure the continuity of learning and development. The webinar received participation from 355 employees. After completing their online coaching and e-learning sessions, 983 Enerjisa Enerji employees determined development areas for themselves with the help of their managers and earned their spots in the online competency training sessions. Of these, 797 employees have successfully completed the training.</p>
Sen Seç: Training Catalog	<p>In 2020 digitalization of training and development processes of Enerjisa continued. Sen Seç: Training Catalog, designed in line with the Company's continuous development focus, was introduced to employees. The catalog features 12 different training content and reflects the results of the training needs analysis. Participants chose the appropriate program based on their interests and needs and the trainings of Sales and Group business units were completed between November and December 2020.</p>

PERSONAL DEVELOPMENT PROGRAMS AND TOOLS

Advanced Data Analytics Academy (İVAA)	<p>The program has been developed with the collaboration of Sabancı Holding, Sabancı University and the Sabancı University Executive Development Unit (EDU). Enerjisa Enerji participated in the program with 17 employees in 2020. The participants successfully completed the program: three with the title of Data Engineer, five with the title of Data Scientist and nine with the title of Data Translator.</p> <p>In 2020, a process was developed to encourage employees to volunteer for this intensive program, to select participants from different functions and levels, and to help them determine their goals from their first day on the job. For the evaluation process, employees filled out an application form detailing why they wish to participate in the program and the project ideas they target to implement, utilizing the know-how build via the program. Following the measurement and evaluation process, applications were reviewed and approved by a committee of managers with different roles, HR employees and İVAA graduates, based on the eligibility criteria.</p>
In-Lead	<p>In 2020, three employees enrolled in the development program founded by Sabancı Holding and Sabancı University Executive Development Unit (EDU). The program is aimed at development of engineers and leaders with technical roles. During the nine-month program, employees received technical skill and competency development trainings. They were also required to present their project assignments before completing the program.</p>
Sales School	<p>Sales School is a development program that aims to develop a customer-oriented perspective and sales skills. As part of the school, the Team Leader Development Workshop began in 2019 with a new competence set.</p> <p>The program content for Sales School 2020 was determined through focus group studies carried with Customer Services Regional Managers and Customer Representatives. As part of the training, interactive videos were created based on strategic priorities and participant needs. Employees benefited from an online development collection and webinars throughout the year.</p>
KOZA Development Program	<p>The KOZA Development Program was launched in 2019 as a sales representative/official development program to support the young talent pool for the sales function. Participants were identified using various measurement and evaluation tools. This three-module program lasted for a year and half and continued in 2020 via online training sessions. Following the completion of their training, participants will receive the opportunity to develop projects based on their recommendations to improve the sales process and to present these to the management. The KOZA Development Program will continue in 2021 with new participants.</p>
We Learn From Each Other	<p>The We Learn From Each Other training program started in 2019 at Enerjisa Enerji's Sales Business Unit. The program aims to spread the culture of collaborative learning across the functions and to ensure that employees share their knowledge and know-how with each other.</p> <p>The participants benefit from the materials, which are prepared by internal trainers and supported by design coaching. In 2020, the materials prepared by internal trainers were consolidated into two interactive videos for all participants.</p>

OTHER PROGRAMS

- **Vocational Training Collaboration Protocol:** At the end of 2017, Enerjisa signed the Vocational Training Collaboration Protocol with the Ministry of National Education. This aims to create a qualified workforce to meet the sector’s needs by supporting the development of vocational high school teachers and students who comprise the labor pool of the Electricity Distribution sector. As part of the collaboration protocol, Enerjisa provided vocational high school electrical/electronics students with insight into the Electricity Distribution sector and the Company. Moreover, Enerjisa offered hands-on experience to these students in addition to their theoretical education and provided information about the latest developments in the sector. In 2019, two in-service trainings were offered for teachers to support them in learning and experiencing the newest practices in the sector. In 2020, events were not organized within the framework the protocol due to the pandemic. However, the protocol has been extended to the end of 2022.
- **Engineering Development School:** In 2018 and 2019, a total of 566 engineers received face-to-face trainings as part of the Engineering Development School. The Technical Training Unit has prepared online materials concerning the first phase of the training and uploaded these materials to the EnAkademi platform. Former participants can now refresh their knowledge through this digital platform. Furthermore, 96 newly employed engineers received the first phase of the training online. Materials for the second phase have been prepared and uploaded to the system. In 2021, more than 600 engineers are expected to attend the second phase of the training.
- **Informative Presentations on Labour Relations:** At Enerjisa Enerji Distribution Companies, informative presentations on labour relations were made to the supervisors. A total of 410 supervisors were invited to 16 sessions and the attendance to these sessions was 90%. To help supervisors improve their expertise, Enerjisa’s informative presentations covered several topics such as the Definitions of Employee, Employer, Labor Union, Labor Agreement and Collective

Bargaining Agreements; Relations with Labor Unions; Compensation and Benefits; Annual Leave; Probationary Periods; Disciplinary Processes; Situational Changes and Overtime Work. Questions of supervisors concerning frequent work problems and other topics of interest were also addressed during these presentations. Enerjisa’s presentations aimed to provide a basic knowledge on legislation to supervisors, share accurate and recent information about current Human Resources practices, and improve supervisor productivity by helping them perform their roles in accordance with the law and Company procedures.

- **Technical Knowledge Contest:** Technical Knowledge Contest is organized to offer rewards and a competitive environment for the field operators working in highly technical electricity distribution sector. Starting in November, this contest will be held on a monthly basis throughout the year. The Company’s blue-collar employees join the Technical Knowledge Contest through İKON application. The contests provide Enerjisa employees with an opportunity to demonstrate their technical knowledge and earn rewards.
- **L- and T-Type Plug-in Elbow Connectors Training:** Plug-in Elbow Connectors, which provide the connection of electrical distribution transformers to high voltage insulators and switchgears, have started to be more frequently used in new facilities. The biggest advantage of these plug-in elbow connectors, which increase occupational safety and cause less malfunction, is that they prevent the head points, which are potential failure points, from being affected by external factors and provide insulation against accidental touches. At Toroslar Distribution Company, 21 operation engineers and 105 field operators from all regions received L- and T-Type Plug-in Elbow Connectors Training.
- **Safe Field Operations Trainings:** This training aims to improve technical competencies, electrical equipment knowledge and operational process skills of the field operators in Grid Operations. As part of this program in 2020, 157 operators received “Safe Field Operations Trainings” trainings for three days.

- **VR Headset Project:** As a leading energy company in today’s fast-changing and digitalized world, Enerjisa Enerji takes a leap forward in digitalization with the “VR Headset” project. The first module was completed to improve the approval processes of electrical facility projects, which is a critical process in the Electricity Distribution sector. In total, 12 attractive modules have been designed for approval processes.
- **Practical Python Training:** Practical Python Training program is offered to its data experts of Enerjisa Enerji Distribution Companies who collect and analyze data. The program aims to equip employees to implement their scientific thinking concepts by developing basic programming skills. The program was developed by the Sabancı University Executive Development Unit (EDU) and the faculty of Sabancı University. Through classes,

assignments and practical applications, participants learn to design algorithms, divide a problem into sub-problems and create solutions by using part-to-whole strategies.

- **Other Training Opportunities:** In 2020, the Company continued to support the professional and personal development of Enerjisa employees with various training programs, including master’s programs, online foreign language courses, and training courses on information security, competition law and ethics, among others. Enerjisa Enerji has accepted the application of 36 employees to the master’s support program. Approximately 600 employees benefited from online foreign language courses and participants received a total of 3,888 hours of e-learning.

DIVERSITY AND INCLUSION

Enerjisa attaches importance to hearing different voices in community life and business world, and to include all individuals in its processes with an equitable approach. For this reason, the Company focuses on the principle of “Diversity and Inclusion” in all its processes and numerous studies are carried out to serve this approach.

As a signatory to the “Women’s Empowerment Principles” (WEPs), a joint initiative of the UN and Global Compact Network, Enerjisa Enerji has committed to support women to take active part in all aspects of economic life and to strengthen its work on equality. Enerjisa Enerji takes active role with an ambassador and two representatives in the “Target Gender Equality” (#targetgenderequality) program, which is a part of the 5th sustainable development goal put forth by the UN Global Compact.

Enerjisa Enerji manages the “Equal Opportunities in the Electricity Distribution Sector” project in collaboration with Deloitte and the Gender Equality Program Coordination Office of the European Bank for Reconstruction and Development (EBRD). As part of the project, the Company aims to review its Human

Resources policies and practices, to encourage female employment in technical and managerial positions, to set clear and measurable goals for equal opportunity and to collaborate with institutions and organizations working in this area. These studies will be carried out by the project team established with volunteers from different business units. The study results will be reported to a monitoring committee, which consists of executive managers.

In 2020, the Company also has enthusiastically participated in the “Business Against Domestic Violence” (BADV) project, which was carried out by the Corporate Governance Forum at Sabancı University. In this regard, representatives from the Human Resources teams completed the Gender Equality Training Program. These representatives have started studies to implement training outcomes within the company.

On November 25- International Day for the Elimination of Violence against Women, Enerjisa employees participated in the UN Women’s Anti-Cyberviolence Campaign, “Light a Firefly, Light the Dark”. This 16-day activism campaign aimed to raise awareness of Enerjisa employees on cyberviolence against women and girls.

HUMAN RESOURCES

RECRUITMENT PROCESS

As an equal opportunity employer, Enerjisa Enerji recruits the most suitable candidate based on the requirements of its corporate culture, Company objectives, position-specific competencies, knowledge and experience in line with its Human Rights Policy.

PERFORMANCE MANAGEMENT SYSTEM

A strategic priority of Enerjisa Enerji is the High Performance culture based on continuous learning, agility, passion, determination and responsibility. To ensure the continuity of high-performance culture, Enerjisa Enerji developed a performance system by studying latest benchmarks and systems, and organizing workshops with employees in 2019. The Company switched to this new system in 2020. The new Performance Management System is grounded in the Company's open and continuous feedback culture supporting cooperation. It is designed to support the Company's strategies, commitments and targets along with employee development. All employees within the scope have experienced this user-friendly Performance Management System, which is agile, flexible, transparent, user-friendly and can be utilized over web and mobile application. This system supports the high performance culture by access with a mobile application, continuous target setting and revision functionality, clear and transparent targets, linking targets with targets of other employees, having target-oriented dialogue areas between manager and employee, and providing instant and continuous structured feedback throughout the year. The system also features a milestone-setting function that helps employees track their targets with ease.

Additionally, the Company provided performance coaching trainings and mentoring support to its managers and senior-level executives in 2020.

DIGITAL TRANSFORMATION, TECHNOLOGY AND NEW TRENDS

With the Digital Human Resources Platform **İKON**, launched in 2018, the Company ensures that its 10,000 employees across different regions are informed on the

Company developments at the same time. Following the improvements made to İKON, employees can now access their personal information needed in their daily lives. In 2020, new features, such as annual leave date planning and training selection/evaluation, were added to İKON to complement existing features such as payroll viewing, remote work planning and the viewing of teammates working remotely.

The Company minimized the use of paper in the annual leave and training evaluation processes as employees can now request annual leave and track the approval process through İKON without the need for a computer or a request form.

On a daily basis, health and contact tracing is carried out through the İKON's communication section, which was developed in response to COVID-19. The Company also utilizes İKON to inform all employees simultaneously through live streams and announcements.

Following the improvements made to İKON in 2020, the Company began monitoring and assessing employee satisfaction instantly through short surveys.

With the aim to increase operational efficiency, HR chatbot was developed in 2020 for employees to receive answers to their question at any time.

In 2020, Enerjisa carried out several projects on data excellence and reporting areas. Human Resources reports, which are created for decision support mechanisms, can now be accessed by managers through the indicator panel.

In line with its target of end-to-end digitalization of the recruitment process, the Company started managing the recruitment and evaluation of candidates and candidate experience on digital platforms in 2020. With this project, Enerjisa earned a Bronze Award at the 2020 International Stevie Awards.

In addition to the end-to-end digitalization of the recruitment process, the Company also carried the onboarding process on a digital platform. The digital onboarding process begins before the start date of employees and continues afterwards.



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HUMAN RESOURCES

With this process, Enerjisa Enerji aims to offer a joyful experience for new talents on their first days of work by informing them about systems and operations, and introducing them to their teammates.

The Company has inaugurated the Trend Talks meetings since the beginning of 2019 to help Enerjisa Enerji employees understand the effects that digital transformation, technological developments, and emerging global and domestic trends have on the Company's business practices, and to implement the necessary changes and transformations in line with current business practices.

In 2020, the Company started and commissioned the **"Social Network"** project in collaboration with the Sabancı Group Human Resources Directorate and SabancıDx. With this project, strengthening communications and collaborations both in-house and within Sabancı Group companies is aimed.

REWARDS AND BENEFITS

The rewards and benefits at Enerjisa Enerji employees are based on principles that reward fair, transparent and competitive high performance. In all its processes, the Company considers the wage market, the sector it operates in, Sabancı Holding practices and macroeconomic indicators.

Enerjisa Enerji aims to create a positive and competitive working environment by implementing a competitive and fair wage policy through regular market analyses, by attracting necessary talent to the organization and by keeping the loyalty of current employees high.

As part of **"Sen Seç"** program, Enerjisa has instituted the Flexible Working Hours, Flexible Dress Code and the Remote Working Model in all head offices since 2019. In accordance with this modern and flexible approach, the Flexible Benefits project has been developed to meet the diverse needs and expectations of employees. The **"Sen Seç: Flexible Benefits Portal"** will enable employees to customize their benefits, such as annual leave and health

insurance, in line with their preferences and needs. They will also be able to utilize their budget created for new benefits (e.g., gift cards or donations).

The Online appreciation system **"You are Worth it"** is used to buttress opportunities that arise for the acknowledgment and appreciation of an employee's contribution to the formation, functioning and positive development of the Company's corporate culture and business operations. With the various apps developed using the **"You are Worth it"** platform, it is possible to appreciate the individual efforts and development of employees as well as their contribution to corporate development. Through the platform, the Company can celebrate its employees' special and important days and foster appreciation.

In 2020, the Company continued to provide its employees and their family members with personal counseling services using the expert psychological, medical, financial and legal support provided through the **"Employee Support Program."** This program aims to minimize the problems that affect employees through proactive support.

FREEDOM OF EXPRESSION AND ASSOCIATION

Enerjisa Enerji respects its employees' freedom of expression and does not tolerate any conduct preventing exercise of this freedom. Additionally, the Company supports the freedom of association under applicable laws and regulations.

The Collective Bargaining Agreement (CBA), signed between Enerjisa Enerji Distribution Companies and the TES-İŞ Union (Turkey Energy, Water and Gas Workers' Union) is in effect for a period of three years (March 1, 2018–February 28, 2021). The wages and working conditions of 7,112 blue-collar employees are governed by the provisions of the CBA in effect.

TES-İŞ Union is the seventh-largest trade union in Turkey and the biggest in the energy business in terms of number of union member (64,723 members as of June 2020).



EQUAL OPPORTUNITIES AND ANTI-DISCRIMINATION

In all Human Resources processes, Enerjisa display an equal attitude regarding language, religion, nationality, race, ethnic origin, age, gender, marital status, health, disability status, political opinion, union memberships and all similar matters.

Diversity and inclusiveness constitute the core of Enerjisa Enerji.

All activities are undertaken in accordance with the applicable legal regulations and rules, and with the Enerjisa Enerji Business Ethics Rules. The Ethics Committee is responsible for ensuring that any actions that may be construed as discriminatory or abusive are reported by employees under the protection and safeguard of the principles of confidentiality, and that all necessary actions are taken.

EMPLOYEE PARTICIPATION IN MANAGEMENT

In line with Enerjisa Enerji's "inclusion" value, employees are encouraged to participate in the decision-making

processes at every opportunity. Employee participation in management includes attendance at periodic internal meetings, annual target-setting and performance evaluation meetings, live streaming, and participation in the decision-making mechanisms, committees and projects within the frame of roles and responsibilities.

Employees can also share their requests, suggestions and feedbacks through various channels such as the intranet, mobile applications (İKON), suggestion systems (Fikir Kumbarası), feedback systems and surveys. The results obtained through these platforms are analyzed and action plans are prepared accordingly to ensure necessary changes are implemented.

In accordance with the Suggestion, Recognition and Appreciation systems, participants are evaluated and awarded as necessary. The participation of high potential employees in management decisions is especially supported. Developments within the Company are communicated to employees through different channels. Employees are informed about the overall situation of the Company through annual management meetings.



OCCUPATIONAL HEALTH AND SAFETY

Enerjisa Enerji considers Occupational Health and Safety as top priority and manages it according to the international standards.

Electricity distribution to end users poses high Occupational Health and Safety (OHS) risks. For this reason, dissemination of the Occupational Health and Safety culture across all business partners, especially employees is the main priority of Enerjisa Enerji.

OHS is prioritized at all management levels within the Company to proactively manage the risks involving the company and contractors and KPIs are periodically reported to the senior management. Potential risks are continuously evaluated to entrench OHS culture in the company. In distribution business, the Occupational Health, Safety and Environment Unit reports to the Head of Distribution Business Unit under the CEO and in the retail business, it reports to the Human Resources and Corporate Competencies Department.

OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM

Managing OHS within international standards is critical. Within this scope, ISO 45001:2018 Occupational Health and Safety Management System, which covers all locations and facilities of the Enerjisa Enerji Distribution Companies, was recertified in 2020. The recertification process, carried out in accordance with the most up-to-date version of the standard, proved that the Company's Occupational Health and Safety System, rolled out in 2017, carried a transformation that focuses on preventive actions by taking into account a more effective, more integrated risk and opportunity-based approach in 2020 within the framework of continuous improvement principle. Enerjisa Enerji Retail Companies also started to work for ISO 45001: 2018 Management System certification in 2020, and carried out 47 internal audits in three regions as well as reviewing their compliance with the Occupational Health and Safety Management System. The certification process is expected to be completed in 2021.

In addition, risks are divided into very high, high, important, probable and low risk categories using the Fine-Kinney method with the participation of employees, occupational safety experts and workplace doctor within

the framework of OHS risk management. Monthly and annual targets are set to cultivate OHS culture.

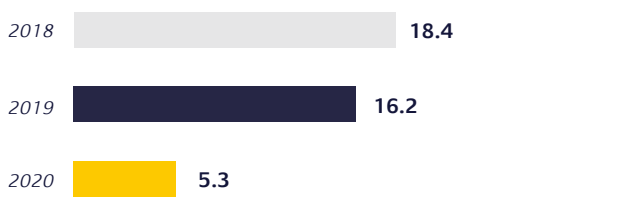
TRAININGS AND PROGRAMS FOR OHS CULTURE

Enerjisa Enerji attaches importance to spreading Occupational Health and Safety culture among all business partners, particularly employees. In 2020, information notes on important OHS messages were shared with the employees in all operational regions during the OHS week, between the dates of May 4–10.

In order to implement the high standards and manage the risks in the OHS field, the employees must first gain competence in this field. Trainings on safe working conditions and spread the OHS culture are essential in OHS management, and they also strengthen the professional skills of the employees.

Face-to-face trainings, which could have caused contact, were not held in 2020 due to the pandemic. Average OHS training per employee was 5.25 hours in 2020, including the trainings provided at the beginning of the year and trainings provided to new recruits during the pandemic. As the OHS training remained a priority during the pandemic, the share of OHS trainings in all employee trainings was 40% in 2020.

OHS TRAINING HOUR PER EMPLOYEE



Going beyond the requirements of the OHS legislation, Enerjisa Enerji undertook training and other activities on the following topics in 2020 to increase employee awareness of Occupational Safety and Health and to support their ownership of the issue:

- **Personal Occupational Health and Safety Consultancy for Managers:** In 2020 “Personal Occupational Health and Safety Consultancy Program” was launched to keep managers’ awareness on Occupational Health and Safety alive, and to contribute to the Occupational Health and Safety culture. Within the framework of this program, each manager had three one-on-one meetings with a personal Occupational Health and Safety consultant. Following these meetings, the consultants set targets for the managers and prepared roadmaps and action plans to contribute to the development of managers in the area of Occupational Health and Safety.
- **Online Training:** Training content for white-collar employees was developed in order to carry the Occupational Health and Safety Trainings, which must be completed by all employees at regular intervals depending on the risk class of the business line they operate, to online training platform EnAkademi. With a view to establish a safe business culture, “Online Occupational Health and Safety Training” was made available to all white-collar employees supporting field operations in order for them to internalize Occupational Health and Safety, and to improve their contribution in their areas of responsibility.

OCCUPATIONAL ACCIDENTS AND IMPROVEMENT ACTIVITIES

Improvement efforts to prevent occupational accidents are imperative to foster a safe working environment. Within this scope, Enerjisa Enerji focuses on the root causes of incidents by investigating fatal accidents and injuries, and launches innovative initiatives and practices that employ technology to prevent accidents across the company, particularly in high risk processes. These initiatives include:



- **Video Verification System:** Launched for high-voltage activities in 2019, the Video Verification System started to be used for energy control, energization-deenergization

and working at heights in 2020 for low-voltage activities. The Video Verification System monitors the work environment in real time with video push-to-talk devices to confirm the use of necessary personal protective equipment and to ensure a safe working environment. The system enables employees to start working following the approval of an official during the monitoring. The Company aims to prevent possible accidents by using the video verification system in also low-voltage works.

- **Contractor Communication Portal:** The Online “Contractor Communication Portal” was developed in 2020 for the contractors of Distribution Companies to upload the necessary Occupational Health, Safety and Environment documents to be prepared before they start their operations and provide a fast and secure way for the relevant departments of the distribution companies to check documents. With this platform, it is primarily ensured that network operations and construction contractors upload the information about the personnel to work, the machinery and equipment to be used and all the documents within the scope of the OHS-Environment plan to the system and work is not carried out without approval on the system. Created to prevent contractors from starting field operations without the knowledge and permission of the distribution companies, the platform aims to minimize time lost during document transfer and to communicate quickly with the contractors about occupational accidents and action plans.
- **ENSAFE Mobil:** Detecting and eliminating hazardous situations and near-miss incidents are among the most important steps in preventing occupational accidents. A mobile “ENSAFE” login interface has been added to the handheld terminals of field workers to help them report any hazardous situations and near-miss incidents they encounter. The system notifies the employee’s first manager of the hazardous, unusual situation or near-miss incident via email. The manager can assess the need for action on the ENSAFE website and, if necessary, actions are taken to eliminate non-conformities. In case of delays exceeding 14 days during the evaluation process, the senior managers are informed via email to ensure the continuity of the process.
- **Electricity Control Studies in Power Plants:** Even when there is no electricity in the distribution network, occupational accidents may occur due to the electricity flowing from power plants to network (feedback). The

OCCUPATIONAL HEALTH AND SAFETY

current control efforts in these power plants prevent potential hazards. Within this scope, inspection of 495 power plants in the Başkent distribution region, 51 plants in AYEDAŞ and 560 plants in Toroslar were completed in 2020.

- **Procurement of Flexible Magnetic Warning Signs:** A warning sign was designed, procured and distributed to the three distribution companies to warn operators of OHS risks when working with dangerous or unusual equipment during the fault and maintenance controls in the network.
- **Root Cause Analysis:** The root causes of environmental incidents/accidents due to leakage-spillage were analyzed and preventative measures were taken.

Enerjisa Enerji considers developing the responsible OHS culture among its business partners and contractors as one of its responsibilities. In this context, the relevant units of the Company make one-on-one visits to the contractors and request safety improvement plans. In 2020, Enerjisa Enerji carried out approximately 15,000 field inspections for contractors within the scope of OHS.

CORONAVIRUS MEASURES

The “**Coronavirus Crisis Committee**”, formed within Enerjisa Enerji in response to the COVID-19 pandemic, has taken a wide array of measures from the beginning of the pandemic to ensure that all activities of Enerjisa Enerji continue without interruption. The following measures have been implemented and followed up throughout the Company with utmost care:

- **Coronavirus Response Plans:** These plans set out the necessary actions in case of suspected or active confirmed cases. The office and working environment are disinfected when there is a confirmed active patient. In such a case, the employee is isolated for a period determined by the workplace doctor in accordance with the notifications issued by the Ministry of Health of Republic of Turkey. The employees who are considered as a suspected case under the coronavirus response plan are isolated for a period determined by the workplace doctor. The number of confirmed, suspected and recovered cases are reported to the committee daily. In addition, a weekly report that includes the trend of the

cases since the report of the first cases, confirmed and recovered cases, their age averages, treatment status and contact sources is submitted.

- **Risk Group Evaluation:** At the very beginning of the process, considering the circulars issued by the Ministry of Health and other relevant official institutions, issues such as chronic diseases of employees, disabilities and pregnancy status of female employees were evaluated. Employees in this group were directed to remote/ rotational working models or administrative leave.
- **Review of Working Conditions:** In accordance with remote working principles, Company operations were rescheduled to minimize the number of personnel in offices. The OHS inspectors switched to a home-field-home work schedule and were asked to avoid working at the offices unless necessary to ensure the continuity of field inspections and to minimize their exposure to the virus.
- **Cleaning and Disinfection Plans:** The existing cleaning plans in all locations were revised, the frequency of the cleaning routines were tripled and disinfection methods were reviewed by taking into account the circulars issued by the relevant official institutions. For public holidays, disinfection plans were prepared in addition to the existing cleaning plans, and periodic disinfection programs for personnel shuttles and fleet vehicles were introduced.
- **Training:** At around approximately 150 sales and distribution locations, workplace doctors carried awareness-raising activities on disease prevention and control.
- **Physical Barriers:** Physical barriers to reduce the risk of infection were placed in all locations, especially where the customers were physically served such as payment desks or counters.
- **Entry-Exit Controls:** Temperature measurements, HES code inquiry and coronavirus assessment of visitors were initiated at all operational facilities.
- **Contact-free Technologies:** In all buildings and their extensions, points such as entrances and faucets where hand contact is intense were refitted with sensors to reduce direct contact.

- **Appointment System:** For all locations that physically serve customers, appointments have been made through digital channels, and measures have been taken against customer density that may pose a risk for maintaining social distance.
- **TSE Safe Service Certification:** In parallel with the “Infection Prevention and Control” guide prepared by the Turkish Standards Institute, a certification application was made to certify the compliance of Enerjisa workplaces with the determined standards.
- **Mask Supply:** Employees were supplied with seven million face masks and surface and hand disinfectants. The office employees were provided with washable fabric face masks to minimize waste.

INDUSTRIAL COLLABORATIONS

3rd Occupational Health and Safety in Electricity Distribution Sector Conference: Enerjisa participated in the 3rd Occupational Health and Safety in Electricity Distribution Sector Conference, which was organized by the Association of Distribution System Operators (ELDER). The event was attended by sector stakeholders including Energy Market Regulatory Authority (EMRA), Turkish Electricity Distribution Corporation (TEDAŞ), Turkey Energy, Water and Gas Workers’ Union (TES-İŞ), electricity distribution companies, as well as local and international experts in the energy sector.

In addition, the report of the “**Root Cause Analysis of Fatal Accidents in the Electricity Distribution Sector**”, a joint

study of ELDER and the European Bank for Reconstruction and Development (EBRD), aimed at developing Occupational Health and Safety culture in the electricity distribution sector and minimizing occupational accidents, was published during the conference.

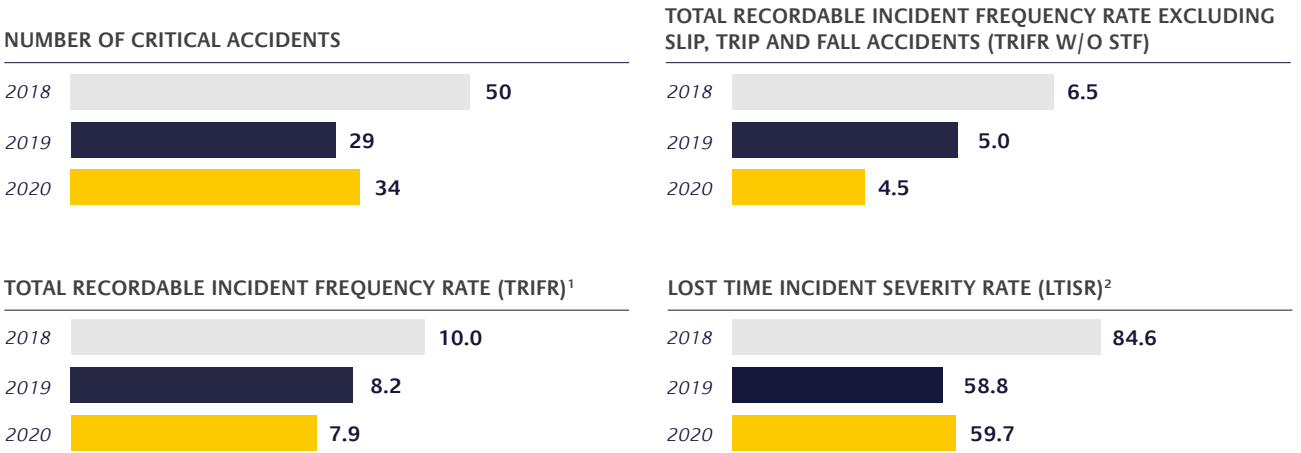
Carried out in the Enerjisa Distribution Companies as a first in the sector, the report of the “**Model-Based Critical Behavior Analysis and Behavior Change in Distribution Sector**” project, which is the product of a joint work with the Psychology Department of Middle East Technical University (METU) aiming to determine the causes of critical hazardous behavior, was presented.

Results for another unprecedented study, “**Technical Analysis of Local Grounding Practices in Distribution Grids,**” a comparative analysis of grounding systems under various scenarios, which was carried out with EPRA (Engineering, Procurement, Research and Analysis), was shared with the participants.

The “**Platform Vehicle Standards and Applications in Turkey**” presentation, which was prepared by TÜV SÜD to evaluate their observations on the operations of Enerjisa Distribution Companies, set an example for all distribution companies.

OHS PERFORMANCE INDICATORS

The impact of all OHS-related investments and initiatives undertaken by Enerjisa Enerji on OHS performance is regularly monitored based with the following indicators:



¹ (Total number of recordable incidents that occurred/Working hours in the last 12 months) x 10⁶
² (Total number of employees lost due to incidents/Working hours in the last 12 months) x 10⁶



ENVIRONMENTAL SUSTAINABILITY

In 2020, Enerjisa Enerji developed action plans in various fields including conservation of biodiversity in its operational areas, tackling climate change and transition to circular economy in waste management in line with its environmental sustainability goals.

Impacts of human-induced environmental problems such as climate change, environmental pollution, depletion of natural resources and biodiversity loss are now witnessed more widely all around the world. Population growth and the related consumption increase are among the factors behind these issues. The COVID-19 pandemic has enabled the realization of the importance of healthy, safe and green working environments. The pandemic revealed the fact that natural resources are not unlimited, businesses cannot be sustained in a world where climate and biodiversity are not conserved and development by considering the conservation-consumption balance without putting future generations at risk is a must. Enerjisa Enerji has the goal to uplift OHS-Environment performance by adopting sustainability as a principle and managing risks and opportunities as a part of OHS-Environment Management Systems.

Enerjisa Enerji is aware of irreversible impacts on the environment and economy unless the limited resources are managed accurately, ecosystem and biodiversity are conserved and necessary measures are taken to tackle climate change. Hence, the Company adopts a responsible and respectful approach for the environment in its operations. Enerjisa Enerji focuses on continuously improving its environmental performance and mitigating adverse environmental impacts.

In 2019, the Company revised its **Environmental Policy** in line with its environmental sustainability goals; and included improving efficiency in resource utilisation, prevention of possible environmental pollution at the source, contribution to tackling climate change, reducing air and wastewater emissions and conservation of biodiversity in its areas of operation to the updated environmental policy. Furthermore, in 2019, an **Environmental Management System** was developed.

In 2020, Enerjisa Enerji achieved improvements in pollution prevention, management of environmental impacts in line with the life cycle principle, circular waste management and resource efficiency (electricity, water, fuel, paper consumption, grid assets and chemicals) as part of the ISO 14001:2015 Environmental Management System and environmental sustainability compliance studies.

In 2020, the Company established collaborations with NGOs and participated in Turkish Industry and Business Association's (TUSIAD) Environment and Climate Change Working Group and Circular Economy Sub-Working Group in order to improve the environmental performance.

CLIMATE CHANGE AND ENERGY MANAGEMENT



Enerjisa Enerji is aware of its role in tackling climate change; and has the goal to mitigate the direct and indirect impacts through the value chain of energy. Accordingly, the Company regularly monitors its energy consumption, makes efficiency-oriented investments and mitigates the environmental impacts of the company operations.

The Company carries out innovative activities and puts into operation various practices to manage its environmental impacts:

- **Reducing Natural Resource Consumption:** Enerjisa Enerji effectively monitors the electricity, water and fuel consumptions in all its buildings and defines location-specific, annual targets in accordance with the ISO 14001 Environmental Management System. The ultimate goal is to reduce air and greenhouse gases (GHG) emissions.

- **Scope 1** emissions covers direct GHG emissions associated with resources owned or controlled by the Company such as fuel consumption, company vehicles and fugitive emissions, etc.

Enerjisa puts efforts to expand the use of electric and/or hybrid vehicles in its vehicle fleet taking into account limitations of its operations and market conditions. In 2020, 3 electric and 23 hybrid vehicles were included in the Enerjisa vehicle fleet pool. Fossil fuel consumption of the vehicles in its fleet declined by 2% and 3% throughout Ayedaş+Toroslar and Başkent regions respectively compared to 2019.

- **Scope 2** emissions describes indirect consumptions associated with purchased electricity, heat or steam. Enerjisa Enerji has the goal to neutralise its indirect scope 2 emissions by purchasing renewable energy for its consumption. In line with this goal, in 2020, the Company supplied all energy requirement of its headquarters via green energy sources. Moreover, a total of 176 service buildings in Başkent, Anadolu Yakası and Toroslar EDAŞ regions started to use 100% green energy via renewable energy certificates.

- **Scope 3** emissions includes indirect emissions associated with resources that are not owned and cannot be directly controlled by the company, such as, business travels and procured goods and services. Scope 3 emissions were reported for the first time in 2019.

Carbon emissions data related to 2020 will be disclosed in the first half of 2021 as part of the Sustainability Report.

- **Climate Project Regarding SF6 Gas Usage in Electric Sector:** Enerjisa Enerji has participated in the “Climate Project Regarding SF6 Gas Usage in Electric Sector” financed by European Union

and carried out by Association of Waste Paper and Recyclists (AGED) and Association of Distribution System Operators (ELDER). The purpose of the project is the develop a framework to monitor and recycle SF6 gas, a GHG that is widely used in power sector, in compliance with the provisions of Regulation on Fluorinated Greenhouse Gases; hence prevent impacts of climate change due to SF6.

- **Smart Grids:** Enerjisa Enerji studies grids compatible with renewable energy systems for the energy infrastructure and energy storage systems of future through pilot projects. Electric public transport and charging infrastructure are managed in an integrated manner. These pilot projects have the goal to deliver significant improvements in terms of energy efficiency and GHG emission reduction. Furthermore, prevention of energy loss due to faulty meters is aimed through works on smart electricity meters and automated electricity meter reading.

- **HASAT Project:** With the purpose to develop innovative practices and methodologies that will increase the energy efficiency in the electricity distribution sector and define a road map for energy efficiency, “HASAT” Project was initiated in collaboration with Association of Distribution System Operators (ELDER) and with the support of other Electricity Distribution Companies. The project has the goal to develop practices to define infrastructure and systemic improvement requirements in line with the initiatives to increase efficiency and encourage consumers to use more energy more efficiently.

While managing the environmental impacts of its activities, Enerjisa Enerji also offers its customers leading energy solutions in tackling climate change.

- **Renewable Energy Solutions - SPP Solar Power Plant:** Enerjisa Enerji offers reliable solutions with its innovative business and financial models regarding the solar power plants taking into account the specific requirements of its customers. SPP solutions can be implemented for all industrial, commercial and public facilities. The Company provides an end-to-end SPP solutions project design, turn-key installation and maintenance services model

ENVIRONMENTAL SUSTAINABILITY

- **Green Energy Solutions:** With two type of certificates, Enerjisa Enerji's customers can reduce or neutralize the greenhouse gas emissions caused by their electricity consumption.
- **Carbon Reduction Certificate:** Carbon Reduction Certificate refers to the standardized and tradable credit expressed in terms of metric tons of CO₂ claimed by real or legal person (a business/power plant that generates energy from renewable energy sources). In 2020, Enerjisa sold a total CO₂ emission reduction certificates of 7,000 metric ton equivalent.
- **Renewable Energy Certificate:** Renewable Energy Certificate is a market-based tool that represents the proprietary rights of environmental, social and other non-power qualities of renewable electricity generation. It certifies that each 1 MWh unit of energy has been generated from a renewable energy source and delivered to the grid. In 2020, Enerjisa sold 44,000 MWh of renewable energy certificates.
- **Energy Efficiency Solutions:** The Company offers energy efficiency solutions through its energy performance contract (EPC/ESCO) model, particularly in areas such as waste heat recovery solutions, heating, ventilation, and air conditioning (HVAC), pressurised systems, electric motors and lighting. Accordingly, in 2020 Enerjisa continued to offer solutions especially in lighting field with its LED transformation projects. These projects will enable more than 1,600 MWh of electricity consumption reduction annually and eliminate at least 870 metric tons of CO₂ emissions.
- **Cogeneration (CHP) and Trigeneration (CCHP) Solutions:** Thanks to the efficiency provided by the cogeneration and trigeneration systems delivered turnkey, total energy costs decrease significantly; and decline in primary energy consumption enables a reduction in carbon emissions. Accordingly, at least 30,000 tons of CO₂ emission within the next decade is expected to be eliminated with the efficiency of the cogeneration and trigeneration systems build at Sabancı University, Hilton Adana and Hilton Ankara premises.

WASTE MANAGEMENT

Enerjisa Enerji carries out waste management activities as part of its environmental responsibility and in compliance with the related legislation, its OHS and Environment Policy and international standards. The Company has set the methods for prevention, reduction, collection, transportation, storage, recycling and/or final disposal of domestic, industrial, hazardous and non-hazardous wastes from its activities according to waste hierarchy.

Enerjisa Enerji has developed its Waste Management System in compliance with ISO 14001 and improved the system in line with the related legislation, as well as the Company's sustainable development principles. The Company carries out all material usage and waste management with the purpose of mitigating environmental impacts and transition to circular economy in waste management activities through life cycle approach. Waste management is carried out as follows:

- **Hazardous Waste Management:** Hazardous wastes are stored according to the legislation and disposed with the support of licensed recycling companies. Enerjisa Enerji built hazardous waste temporary storage areas for waste generated by its distribution companies at İstanbul Kurtköy, Gaziantep, Mersin, Hatay, Kastamonu Logistics Services Centers in compliance with the legislation. Thanks to these areas, waste is separated at the source, stored without losing its recyclable/recoverable properties and delivered to the authorised waste companies. Furthermore, all storage areas where hazardous waste is temporarily stored are insured by Compulsory Liability Insurances for Hazardous Materials and Hazardous Waste as required by law; and the insurance policies are renewed annually. All sites are certified with Hazardous Waste Temporary Storage Permit.

- **Non-Hazardous Waste Management:** Activities to set up the Zero Waste System in compliance with the Zero Waste Regulations were completed. Applications were made for Zero Waste System Certification of Toroslar, Ayedaş and Başkent headquarter buildings. Toroslar Headquarter was certified with basic zero waste level in January 2021.
- **Grid Waste:** Enerjisa Enerji places utmost significance to recycling operational waste back to circular economy. The Company ensures proper collection of grid waste from distribution activities, reuse to the extent possible, storage in line with the legislation and disposal by licensed recycling companies in order to reduce consumption of resources and control environmental impacts through a life cycle approach. Accordingly, grid waste undergoes Material Quality Control and Recycle Test Center processes and materials are recycled to the extent possible; hence, waste quantity is reduced.
- **Domestic and Recyclable Wastes:** Domestic and recyclable wastes are delivered to the related municipalities and authorised companies of the municipalities' licensed waste management plants.
- **Vegetable Oils:** Waste vegetable oils from catering services of contractors are delivered to the licensed companies to be disposed as per the Waste Oil Control Regulation.
- **Hygienic Wastes:** As part of COVID-19 Pandemic Prevention Measures, a waste collection-disposal system was established in compliance with the legislation regarding wastes of masks, gloves and single-use hygienic materials.
- Waste separation practices were adapted to Zero Waste Management System at all locations. Thus, plastic, paper, metal, glass, biodegradable, non-recyclable wastes are collected separately.
- Waste Management and Recovery: Enerjisa Enerji ensures contribution of waste from its activities to the circular economy through 2020 scrap procurement contracts in its distribution business line. Enerjisa contractors under these contracts are required to have ISO 14001 certificates. In 2020, tenders (Scrap Sales Tenders) were held to sell end-of-life useful network inventories that will contribute to the circular economy. The new tender procedure was structured according to the waste hierarchy that complies with the latest amendments in Environmental Legislation and principles of circular economy.
- Suppliers are requested to have waste management plans within the scope of their operations. Within that framework, classification, recycling or disposal in line with the legislation is coordinated.
- Activities were initiated to stop using disposable plastics at the company buildings. Inhouse awareness-raising activities continue to prevent disposable plastic, paper and other similar wastes. Enerjisa Enerji participates in the Business Plastic Initiative developed in collaboration with Global Compact Turkey, Turkish Industry and Business Association (TÜSIAD) and World Business Council for Sustainable Development Turkey (BCSD).
- Plastic waste reduction: Water dispensers for purified water were placed to the headquarters of Enerjisa Enerji, İstanbul Anadolu Yakası Region and Toroslar Region and glass water bottles were provided to employees to minimise the consumption of disposable plastic water bottles. Hence, annual disposal of 450,000 plastic water bottles at these regions was avoided. The practice will also be initiated at the headquarters of Başkent Region in 2021.
- As part of the paper use and recycling activities, certified industrial paper (Forest Certification) are used in all printers. Waste paper is separated for recycling and delivered to contracted local authorities to be recycled. Printers have been adjusted to print and copy on both sides of the paper; which resulted in saving of 500 trees. An agreement was signed with the Turkish Ministry of Environment and Urban Planning for collection of waste printer cartridges.

In 2020, a total of 3,456 tons of hazardous and a total of 7,835 tons of non-hazardous wastes from Ayedaş, Başkent, Toroslar distribution companies were recycled to the circular economy through companies authorised/licensed by Turkish Ministry of Environment and Urban Planning and related Provincial Directorates of Environment and Urban Planning.

Other developments regarding waste management are as follows:

- Distribution transformers, cells and circuit breakers which are among materials with significant environmental aspects were recycled at targeted levels in the Company's Material Quality Control and Recycling Test Centers. Hence, environmental impacts were reduced at the production phase according to the life cycle principles.



BIODIVERSITY CONSERVATION

Enerjisa Enerji places utmost significance to conservation of biodiversity with the goal to reduce the possible adverse impacts of its operations on natural life. The Environmental Policy of the Company includes principles regarding conservation of natural life and vegetation. Enerjisa Enerji operates in 14 provinces in Turkey, which covers approximately 60% of the country’s biogeography. Therefore, **“Ecosystem Risk Assessment Reports”** were prepared by the flora-fauna experts to assess the current conditions. Enerjisa Enerji takes necessary measures to mitigate the environmental impacts as per the applicable national and international legislation and in accordance with Biodiversity Conservation Action Plan for its investments in sensitive, protection or development zones in terms of biodiversity and natural ecosystem.

In 2020, **“Biodiversity Conservation Action Plan”** was prepared for 3 distribution regions as part of the loan agreement carried out with European Bank for Reconstruction and Development (EBRD). The action plan also includes **“Ecosystem Risk Assessment”** prepared in accordance with the Biodiversity Conservation and Sustainable Management of Living Natural Resources Guide of EBRD and **“Aviation Protection Plan”** prepared as a result of ornithological studies.

With the Biodiversity Conservation Action Plan, the goal is to comply with the legal requirements arising from national legislation as well as international obligations including Convention for the Conservation of European Wildlife and Natural Habitats (BERN), Rio Convention on Biological Diversity, RAMSAR (Convention on Protection of Wetlands) Convention ratified by Turkey in 1994 and EU Habitat and Bird Directives.

- Biodiversity Conversation Action Plan defines the following actions:
- Definition of ecosystem diversity and properties in distribution regions: Biological diversity inventory and conservation measures to be a basis for conservation activities of all areas to be protected within the legal

- boundaries of electricity distribution regions shall be included in the action plan. Within that framework, the area status such as protection and/or development sites, key bird and plant areas, sensitive areas, national parks, natural parks, RAMSAR sites, wetlands, etc. at the distribution regions specified by the national and international legislation and conventions are defined.
- Definition of the vulnerability, rareness and protection status of living species
 - Assessment of the potential impacts of electricity distribution activities on ecosystem and related habitats and
 - Preparation of an Action Plan to manage and monitor activities regarding mitigation of impacts.

Turkey is located on the two major bird migration routes of the world; hence, making our country an important feeding and breeding area for birds. The distribution regions are within the protection areas; and the electricity network operated by AYEDAŞ, Toroslar EDAŞ and Başkent EDAŞ intersects with the flyways of birds. Projects carried out as a part of biodiversity conservation are as follows:



- **Daphne Project:** Trees over energy distribution lines can cause electricity loss and fires in case of contact with the lines. Hence, vegetation is removed for a specified cross-section of the energy distribution lines as per the provisions of the related regulations. If required, trees are cut or trimmed to clear the area.

However, the process is both costly in and creates a significant ecological impact. The project has the goal to ensure line safety and prevent possible fire risk by planting appropriate tree type under the lines instead of cutting or trimming trees. Accordingly, not only safety of the line, but also sustainability of nature and conservation of environment is targeted. As a result of the project, outages and losses on the energy distribution lines due to trees will be decreased, electricity outage for long hours will be avoided, costs related to losses will be reduced and balance of nature and ecological conditions will be conserved.

Accordingly, Enerjisa Enerji focused on choosing the suitable tree type with high added value and economic return through literature review and research within the scope of the project. As a result of these reviews and research, bay trees (daphne) were decided to be planted. As a part of the project, Enerjisa Enerji planted 5,500 bay tree saplings at a designated area in Bartın province. The project has several direct and indirect benefits, such as reduction of workloads of the maintenance teams, prevention of possible accidents, decrease in expenses to repair the breakdowns and reduction of energy losses.

- **High Voltage Lines Insulator Project:** Avifauna, particularly migratory birds, can be exposed to electrocution when they perch on distribution

networks, nest or fly between two conductors. These kind of interactions often lead to fatality of birds. As part of the High Voltage Lines Insulation Project, which was initiated in 2017, some power lines were retrofitted with insulators. Investments made so far are as follows:

INSULATOR INVESTMENTS (000' TL)	2018	2019	2020
AYEDAŞ	-	140	-
Başkent	88	111	158
Toroslar	35	95	12

- **Bird Deterrent:** In order to prevent bird fatalities, installation of insulators on lines over the migration routes or lines considered to pose a risk started. A pilot line was designated in Adana for installation of insulators and started to be monitored. The goal of the project is to conserve the bird populations in the region as well as the biodiversity of avifauna.
- **Bird Diverter:** In order to minimise the bird fatalities due to electric shock, a pilot project has been initiated to install bird diverter to the designated aerial line sections.

WATER MANAGEMENT

Enerjisa Enerji does not draw water from natural raw water resources for its operations and does not discharge industrial waste water. Water is only consumed from the municipal water supplied by the city network at all locations. In 2020, Enerjisa Elektrik Dağıtım A.Ş. consumed 89,000 m3 municipal water in total, with a 10,000 m3 reduction compared to 2019. The decrease is due to reduction in the number of employees working at the offices due to the pandemic as well as improvements made in company buildings in terms of water consumption.

Waste water generated is not discharged to a receiving environment, but directly to the city sewerage system.

Waste water is not contaminated with vegetable waste oils from cafeteria-kitchen and other industrial chemicals. Enerjisa Elektrik Dağıtım A.Ş. published instructions related to Chemical Leakage-Spill and Pollution Prevention Plan; specified required rules and process controls to avoid any environmental pollution in municipal water, surface water and groundwater resources outside of its own buildings while carrying out electric distribution activities and informed its employees accordingly.

Furthermore, AYEDAŞ Headquarters is equipped with rain water harvesting mechanism that collect rain water drainages. As a result, clean water is not consumer for gardening and cleaning activities.

STAKEHOLDER MANAGEMENT

Enerjisa Enerji attaches priority to establish an open and transparent engagement build on trust with all of its stakeholders in its wide stakeholder ecosystem.

Enerjisa Enerji places utmost significance to its relationships with all stakeholders that are directly or indirectly affected by its operations. The Company attaches priority to establish an open and transparent engagement build on trust with all of its stakeholders in its wide stakeholder ecosystem. Accordingly, all stakeholders within the impact area of the company are defined; and short and medium-term impacts are determined. The Company uses diverse means of communication to receive the expectations and feedbacks of stakeholders.

- Employees and Labour Organisations:** Enerjisa Enerji provides a safe working environment to its employees to develop themselves and targets to develop a positive corporate climate, communication and culture in the Company. Accordingly, the Company focuses on developing leadership qualifications of the employees, providing trainings for their development and offering equal opportunities to all employees. Every year, employee loyalty surveys are carried out to measure employee loyalty and ensure the best working conditions are provided. Furthermore, labour unions and collective bargaining rights of employees are respected as discussed in the Human Rights policy.
- Customers:** Enerjisa Enerji considers accessibility of energy by all segments of society as an incontestable human right. Products and services are continuously improved to provide the best service in the energy supply. Providing energy to a population of over 21 million through energy distribution and retail activities, the Company develops exclusive services and products in compliance with the digitalising world, using the latest technologies with a customer-oriented approach and provides service at international standards with ISO 10002 Customer Satisfaction Management System Standard.
- Contractors and Suppliers:** Enerjisa Enerji has more than 2,000 suppliers that it procures goods
- Public Institutions and Regulatory Authorities:** Public institutions and regulatory authorities are the primary stakeholders that directly affect Enerjisa Enerji. As the pioneering company in the sector, the Company is aware of the necessity of a regulatory framework supporting investments, efficiency and quality, to ensure a reliable and cost-effective grid infrastructure. The engagement of the Company with public is based on righteousness, honesty, equality and independence principles. Its relationships with public institutions are independent of any political view, and managed as required by its corporate identity. Accordingly, the Company carries out regular consultations with the public institutions and regulatory authorities.
- Local Governments:** As a part of the “**Local Governments Communication Plan**” prepared every year, Enerjisa Enerji pays regular visits to the offices of governors, district governors, majors and local community leaders (mukhtar) in its regions. These face-to-face meetings enable the Company to learn the expectations of public institutions and get the opportunity to improve its business processes through the requests and feedback received. Accordingly, meetings are held with various stakeholders including local community leaders in particular, as well as municipalities and district governorates.
- Non-governmental organizations:** Enerjisa Enerji is a member of several NGOs to carry the sector forward and to spread the vision of sustainability in the business world as the sector leader.

and services. Around 100 of these suppliers are categorized as critical tier 1 supplier. Furthermore, the entire supplier network of the distribution business line is composed of local suppliers. With the importance it places to quality and sustainability of its supply chain, Enerjisa provides support to its suppliers and business partners.

STAKEHOLDERS

Analysts	Investors	Shareholders	Rating Institutions	Financial Institutions	Regulatory Authorities
Subsidiaries and Affiliates	Government Agencies	Customers	Employees	Non-Governmental Organisations	Suppliers and Business Partners
Unions	International Organization	Universities	Press	Local Governments	People Affected from Projects

MEMBER ORGANISATIONS

UN Women’s Empowerment Principles (WEPs)	In support of WOMEN’S EMPOWERMENT PRINCIPLES
UN Global Compact	WE SUPPORT
Association of Electricity Distribution System Operators (ELDER)	Elder
Turkey Ethic and Reputation Association (TEİD)	TEİD
EUROGIA2020	eurogia 2020
Solar Energy Investors Association (GÜYAD)	GÜYAD
The Business Plastic Initiative (IPG)	İPG İS DÜNYASI PLASTİK girişimi
Business Council for Sustainable Development Turkey (BCSD)	bcSD TURKEY
Women’s Technology Empowerment Center (WTEC)	W.TEC Women’s Technology Empowerment Centre
Turkey Cogeneration Association (TÜRKOTED)	TÜRKOTED
The Corporate Governance Association of Turkey (TKYD)	Türkiye Kurumsal Yönetim Derneği
Turkish Industry and Business Association (TÜSİAD)	TÜSİAD
Global Investor Relations Associations (TÜYİD)	tüyid yatırımcı ilişkileri derneği
Transparency International Turkey	ULUSLARARASI ŞEFFAFLIK DERNEĞİ
International Investors Association (YASED)	yased



STAKEHOLDER MANAGEMENT

Stakeholder Group	Stakeholder Type	Stakeholder Communication Platforms and Methods	Communication Frequency	Targets and Successful Self- Evaluation Criteria
Analysts	External	Meetings conferences, phone calls, quarterly investor teleconferences, analyst informing activities, podcasts, webcasts, Investor Relations website	Continuous	<ul style="list-style-type: none">Increasing transparencyInforming market about the CompanyCompany valuation reports reflecting the fair valueIncreasing Company credibilityFinancial sustainability
Press	External	Email campaigns, Sponsorships and sectoral events (excluding the pandemic period) Regular/irregular press releases, press conferences, interviews	Year-round	<ul style="list-style-type: none">Informing public accuratelyIncreasing Company reputation and brand valueBuilding strong relations with press members
Credit Rating Agencies	External	Meetings, teleconferences and phone calls, Email	Once a year	<ul style="list-style-type: none">Increasing transparencyGenerating a fair value for Company's equityIncreasing Company credibilityFinancial sustainability
Financial Institutions	External	Meetings, teleconferences and phone calls	Continuous	<ul style="list-style-type: none">Increasing transparencyIncreasing Company credibilityFinancial sustainability
Shareholders	External	Meetings, teleconferences and phone calls	Continuous	<ul style="list-style-type: none">Managing sustainability risksAdopting a target-oriented management approachSharing environmental performance transparentlyCompliance with Corporate Governance PrincipalsFinancial sustainability
Government Agencies and Regulatory Bodies	External	Meetings, teleconferences and phone calls	Continuous	<ul style="list-style-type: none">Improving stakeholder engagementIncreasing transparency in customer communicationFinancial sustainability
Project Affected People (landowners/ users, local community)	External	Face to face meetings (email, phone calls, communication through SMS, Mobile App, e-mail, website)	Continuous	<ul style="list-style-type: none">Managing social risks of the projects and mitigate the adverse impactsInforming PAPs accurately Improving stakeholder engagement
Related directly impacted experts (electricians/ electrical engineers)	External	Face to face meetings, phone calls, communication through SMS, Mobile App, e-mail, website and other channels of Enerjisa, authorization trainings for electricians	Continuous	<ul style="list-style-type: none">Improving stakeholder engagementTo support capacity building and improvement of knowledge (project design, changed legislations, etc)Engagement and cooperation with authorized electricians and electrical engineers
Customers	External	Customer Service Centers, Enerjisa Operation Centers alternative sales channels, call centers, digital channels (Mobile application, website), customer representatives social media channels, SMS and customer satisfaction surveys	Continuous	<ul style="list-style-type: none">Developing customer- oriented solutionsIncreasing customer satisfactionEnabling a continuous supply of energy from renewable energy sourcesEnsuring data securityIncreasing smart technologies
Unions	External	Face to face meetings	Once a year	<ul style="list-style-type: none">Providing uninterrupted and accessible energyEnsuring leadership on energy efficiency and increasing awareness

Non- Governmental Organisations	External	Conferences (after the pandemic period), management meetings, focus group activities	Continuous	<ul style="list-style-type: none">Ensuring leadership on and energy efficiency increasing awareness
Suppliers and Business Partners	External	Joint projects	Continuous	<ul style="list-style-type: none">Establishing alternative supply infrastructures for uninterrupted energy in distribution regionsEnsuring customer satisfaction and continuous energy supply
International Organisations and Initiatives	External	Joint projects	Continuous	<ul style="list-style-type: none">Ensuring leadership on energy efficiency and increasing awareness
Universities	External	Joint projects	At least four times a year	<ul style="list-style-type: none">Stakeholder collaborationAttracting qualified talentsInvestment on R&D
Investors	External	Roadshows, meetings teleconferences, quarterly investor teleconferences, podcasts, webcasts, General Assembly, Investor Relations website, online surveys	Continuous	<ul style="list-style-type: none">Managing sustainability risksAdopting a target-oriented management approachSharing environmental performance transparentlyCompliance with Corporate Governance PrincipalsFinancial sustainability
Local governments/ Mukhtars	External	Whatsapp Mukhtar Support Line, regular meetings with the mukhtars	Continuous	<ul style="list-style-type: none">Building stakeholder dialogueTransparency in customer communication
Employees	Internal	İKON, mobile applications, Intranet, employee engagement focus groups, team leaders information meetings, CEO briefing meetings, management meetings, human resources meetings (happy hour), Trend Talks	Continuous	<ul style="list-style-type: none">Attracting qualified talentBroadening the knowledge and skills of employees, primarily blue-collar employeesIncreasing employee loyaltyInvesting in smart technologiesIncreasing OHS investments
Subsidiaries	Internal	Meetings, Board meetings	Continuous	<ul style="list-style-type: none">Promoting leadership in the use of new technologiesManaging sustainability risksFinancial sustainability

**During the pandemic, the meetings are carried online whenever possible.*

CORPORATE STAKEHOLDER ENGAGEMENT PLAN

In 2019, as part of the loan agreement signed with European Bank for Reconstruction and Development (EBRD), Enerjisa Enerji developed a “Corporate Stakeholder Engagement Plan” in line with the related requirements of “EBRD Performance Requirement 10 (EBRD PR10): Disclosure and Stakeholder Engagement” and revised the plan in 2020. Corporate Stakeholder Engagement Plan provides a framework that summarises the requirements and implementation processes of Enerjisa Enerji related to stakeholder engagement, public consultation, stakeholder identification and grievance mechanism. Corporate Stakeholder Engagement Plan can be accessed from [Investor Relations website](#).

In 2020, as part of the same loan agreement, a significant step was taken in terms of Environmental and Social Sustainability and social management practices covering the distribution activities were initiated. Customized Stakeholder Engagement and Cultural Heritage Management plans for each distribution company, along with a Social Management and Monitoring plan were prepared. The purpose of Social Management System is to identify social impacts that may emerge from new investments and ongoing electricity distribution activities, as well as communities affected from the project; enable disclosure and engagement; take mitigating measures; and monitor activities.



SUPPLY CHAIN MANAGEMENT

Enerjisa Enerji with the importance it attaches to the quality and sustainability of its supply chain, continued to support its suppliers and business partners during the pandemic.

Enerjisa Enerji continues its grid investments in 3 distribution regions in order to provide uninterrupted and high quality electricity service to its customers. Within the scope of investments, as several infrastructure projects of various sizes needs to be managed in these regions, supply chain management plays a critical role.

Enerjisa Enerji has more than 2,000 suppliers that it procures infrastructure facility, distribution grid construction, repair and maintenance, building construction and renovation related services, as well as other goods and services. Around 100 of these suppliers are critical Tier 1 suppliers. Furthermore, the entire supplier network of the distribution business line consists of **local suppliers**.

Taking the responsibilities it undertakes seriously, Enerjisa Enerji is committed to doing business ethically, respecting human rights, protecting the environment and providing proper working conditions while carrying out its operations and acts in line with **“Enerjisa Code of Conduct”** and **“People Guidelines”** during supplier processes.

Enerjisa Enerji diligently selects suppliers, dealers, authorised dealers, service providers and consultants to work in line with the Code of Conduct. The Company takes necessary measures and monitors them to act in compliance with the legislation and Code of Conduct, respect human rights and act in line with the principle of business ethics and anti-corruption, as well as occupational health and safety rules.

In line with Code of Conduct, Enerjisa Enerji secures confidentiality terms in its relations with business partners through contracts. Accordingly, the Company also makes sure that real and legal persons to be worked with are not included in the national and international sanction list; or are not linked to any terrorist organisations or terrorist acts, as well as tax evasion and money laundering during the selection stage.

Enerjisa Enerji expects its suppliers to meet fundamental standards required for a good Environmental, Social and Governance (ESG) performance including respect to human rights. In this respect, the Company requires its suppliers to sign the **“Enerjisa Supplier Business Rules”** and **“Enerjisa Supplier Compliance Declaration”** and act in line with **“OHS and Environment Policies”**. Furthermore, Enerjisa Enerji pays its consultants only for their proper and legitimate services.

The companies and business partners that Enerjisa Enerji procures goods and services from shall comply with the **“Anti-Bribery and Anti-Corruption Policy”** of Enerjisa Enerji, as well as the related policies, Procurement Procedure and Instructions and other relevant legislation. The Company terminates its activities with the persons and organisations that do not comply with these requirements.

INITIATIVES TO SUPPORT ECOSYSTEM

Enerjisa Enerji places importance to quality and sustainability of its supply chain and continues to support its suppliers and business partners through the following activities:

- **Trainings:** Enerjisa Enerji provides training to its critical suppliers on legislation changes and technical issues related to procurement. Furthermore, Q&A sessions are held with the suppliers before tender invitations in order to minimise the uncertainties that the companies may experience due to changes in the legislations (EMRA Procurement Legislation) or company policies during procurement process.
- **Supplier financing:** Suppliers may face difficulties in access to financing, particularly during volatile macroeconomic conditions and this may pose a risk for their financial continuity. In such events, Enerjisa Enerji distribution companies carries agreements with banks to provide financing to their suppliers and support their financial sustainability.

ENERJISA SUPPLIER BUSINESS RULES



Our suppliers are expected to comply with all applicable law, the rules written in contracts, specifications and other similar documents regulating their business relationship with Enerjisa, and the international regulations. This document is prepared to inform and guide our suppliers regarding our expectation that our suppliers adhere to the highest ethical standards while doing business.

• Anti-Bribery & Anti-Corruption

We are against all types of corruption. We do not take or give bribes under any circumstances to influence any official transaction or decision or to assist the Company in taking or maintaining business; we do not act in any way that could cause corruption. In this regard, we act in accordance with all applicable law and **Enerjisa Anti-Bribery and Anti-Corruption Policy**. We know that violation of Enerjisa Anti-Bribery and Anti-Corruption Policy, taking and giving bribes is illegal and will lead to very serious sanctions, including imprisonment, and we act accordingly. We expect our suppliers to act in accordance with these rules.

• Environment, Health & Safety

Ensuring a secure, healthy and safe environment for our employees and all our stakeholders and

protecting environment are of our key priorities. We act in accordance with Health and Safety legislation, **Enerjisa Health and Safety Policy**, ISO 14001 Environmental Management System Standard, and the relevant legal regulations on the environment. We expect from our suppliers to give priority to the protection of health, safety and protection of the environment and to create a work environment in line with this basic principle.

We expect from our suppliers to take measures to protect the environment, to establish and maintain an appropriate environmental management system; to encourage the development and dissemination of environmentally friendly technologies to reduce environmental impacts and dangers and to protect the environment more in their daily operations.

• Labor and Human Rights

We are against forced labor, gender discrimination, illegal child labor, child abuse, and any other abusive or exploitative behavior related to workers.

We expect our suppliers to protect human rights, to stand against forced labor, to prevent discrimination and harassment, to comply with legal working hours for employees, not to employ illegal child labor, and to treat their employees and partners with dignity and respect.

INITIATIVES TO REDUCE ENVIRONMENTAL IMPACT

Enerjisa Enerji endeavours to minimise environmental impacts in supply chain management and places importance to circular economy. Initiatives taken in this context are included in the environment section.

ANTI-BRIBERY AND ANTI-CORRUPTION INITIATIVES

Enerjisa diligently selects its Business Partners and monitors their compliance with the Company's Code of Conduct. Along with other factors, the commercial success of Enerjisa also depends on the Company to diligently choose strong and reliable business partners. Hence, Enerjisa carefully selects its suppliers and service providers in accordance with the Company procedures and avoids in proper selections in terms of the Company's Code of Conduct. The Company monitors compliance of its business partners to these principles.

CORPORATE SOCIAL RESPONSIBILITY APPROACH

Enerjisa Enerji continues to cultivate and spread awareness about energy saving across the public with the social responsibility project “I am Protecting the Energy of the World” on energy efficiency, which is one of the most important issues in the field of energy.

I AM PROTECTING THE ENERGY OF THE WORLD

One of the most important issues in the energy field in Turkey is energy efficiency. Enerjisa Enerji attaches great importance to cultivating and expanding public awareness around the concept of energy saving, particularly among primary school students. The Company aims to raise the awareness of children on energy efficiency with the project “**I am Protecting the Energy of the World**”, which has been in place since the signature of a protocol with the Ministry of National Education in 2010. In this context, the Company trained over 300,000 students from 650 schools in 14 provinces by the end of 2020. 420 enthusiastic Enerjisa Enerji employees have been involved in the project so far. The Company delivered educational presentations on energy efficiency to primary school students with the support of its employees, followed by the theater play “May the Stars Not Offended” performed by professional actors. 50,000 copies of a fable drawing book of the same name were printed and distributed to children in the age group.



Enerjisa Enerji conducted a study in 2020 with around 1,000 children between the ages of 7 and 13 in Turkey to evaluate their energy-saving awareness and behavioral sensitivity. The results reveal that 51% of our children have only very little knowledge about energy saving.

Based on these results, Enerjisa Enerji integrated the use of digital channels to its “I am Protecting the Energy of the World” project in 2020, to reach more students across the country amid the pandemic. Using the project website www.enerjimikoruyorum.org and the updated mobile app “I am Protecting the Energy of the World,” children can play the energy-efficiency game, learn about global energy resources and learn how to conserve limited resources with the help of games. Using the application, which through its new interface restricts users to one hour of daily activity, the children can learn essential energy-saving methods while building a new city.

The digital application “I am Protecting the Energy of the World” amassed approximately 6 million interactions in 2020.



ENBİZ

Enerjisa carries out ENBİZ project with a “Diversity and Inclusion” focus. In 2016, the project was launched in an effort to promote the recruitment of people with disabilities. In line with this purpose, the Company supports unemployed people with disabilities by offering them personal development and awareness trainings each year.

In addition to these trainings, Enerjisa organized the “**Enerjimiz Engel Tanımıyor (Our Energy Knows No Barrier)**” webinar this year on December 3 at International Day of Persons with Disabilities. The webinar’s aim was to promote the full and equal participation of people with disabilities in society. During the webinar, Paralympic Swimming Champion Sümeyye Boyacı and the Sabancı Foundation Social Rights and Research Association Head Süleyman Akbulut discussed personal and social responsibilities to combat the problems and prejudice faced by people with disabilities. Moreover, Enerjisa employees took campaign to their social media accounts to promote the disability awareness campaign with the hashtag #morisikyak.



INFORMATION SECURITY MANAGEMENT APPROACH

ENERJİSA ENERJİ INFORMATION SECURITY MANAGEMENT POLICY

Enerjisa Enerji considers all the information that it collects and processes through all kinds of methods and that belongs to itself and its stakeholders as critical assets and takes utmost care and importance for its protection.

Accordingly, with reference to the ISO/IEC 27001 Information Security Management System standard, the Corporate Information Security Management System is effectively implemented within Enerjisa Enerji.

The main purpose of corporate information security is to ensure the confidentiality, integrity and availability of any information collected and processed by Enerjisa Enerji. Due to the nature of Enerjisa Enerji's corporate activities, main goal of corporate information security is to prevent material and intangible losses that may occur and affect Enerjisa and its stakeholders, to early identify these losses if they occur and to minimize their possible effects by designing, operating, monitoring processes and taking precautions by continuously improving them.

Regardless of their positions or duties, all Enerjisa Enerji employees and related third parties comply with Enerjisa Enerji's practices, policies and procedures regarding information security. Violation of corporate information security policies and procedures may result in disciplinary action and criminal sanctions within the scope of the relevant legislation.

The manager of each unit is primarily responsible for taking all necessary measures in their areas of responsibility and controlling business activities in order to ensure compliance with corporate information security policies and procedures.

Enerjisa Enerji commits that it will meet the applicable requirements regarding information security institutionally, will ensure compliance with all kinds of legislations, laws, communiqués and similar regulations that Enerjisa Enerji is obliged to comply with, and will continuously improve its Information Security Management System.

ENERJİSA ENERJİ INFORMATION SECURITY MANAGEMENT APPROACH

Scope

Enerjisa Enerji information security management approach is set on Enerisa Enerji information security policy. The scope of Enerjisa Enerji Information Security Management Approach includes Enerjisa Enerji A.Ş., its electricity distribution companies (İstanbul Anadolu Yakası Elektrik Dağıtım A.Ş., Başkent Elektrik Dağıtım A.Ş., Toroslar Elektrik Dağıtım A.Ş.), incumbent retail companies (Enerjisa İstanbul Anadolu Yakası Elektrik Perakende Satış A.Ş., Enerjisa Başkent Elektrik Perakende Satış A.Ş., Enerjisa Toroslar Elektrik Perakende Satış A.Ş.) and Enerjisa Müşteri Çözümleri A.Ş. (all referred as "Enerjisa Enerji").

Data Security

- Information security requirements of Enerjisa Enerji are evaluated and the relevant actions are undertaken by the Cyber Security Group Management under the Enerjisa Enerji Information Technologies and Digital Business Management Department in order to meet the business needs and comply with laws and legal regulations. Enerjisa Enerji management provides the necessary support and make the necessary assignments to fulfill information security requirements.

- Enerjisa Enerji takes the necessary measures to ensure the confidentiality and security of customer information at the highest level within the framework of the relevant legislation, and in this direction, implements the measures and actions determined by the Company policies.
- Since data is one of the biggest values, at Enerjisa Enerji, the confidentiality, integrity and availability of data are of great importance. Necessary controls are carried out to ensure data security at every point where data is transmitted and stored. Enerjisa Enerji ensures that data can only be accessed by those required for business purposes on a need to know basis.
- Within Enerjisa Enerji, the information security management system is implemented with a defined risk management approach and implemented with information security policies, procedures, instructions and other documentation that include rules based on best practices. Relevant documentation is shared within Document Management System of the company and are made available to all Enerjisa Enerji employees. The purpose of information security documentation is to manage information security risks and to ensure that data is adequately protected. All Enerjisa Enerji employees are responsible for the implementation of these policies, in the operation of business processes and the use of the information assets they are responsible for.

Protection of Personal Data (KVKK)

- Enerjisa Enerji, as the Data Controller, processes personal data obtained from different channels (head office, region offices, customers, dealers, website, call center, etc.) verbally, in writing or through electronic media for the operation of its activities and continuity of its services.
- The personal data processed by the business units for the purpose of carrying out the necessary studies are

- securely stored in the electronic systems and physical environments used by Enerjisa Enerji.
- Enerjisa Enerji attaches importance to the security of personal data. Accordingly, it takes necessary and suitable technical and administrative security measures of which are compliant with relevant legislation to protect personal data against unauthorized access, damage, loss or disclosure.
- Any personal data requested for product and service sales / application through the Enerjisa Enerji website or existing in the Enerjisa Enerji system is never shared with third parties without the consent of the customer except the data transfers that do not require consent due to Article 5 of the Law on Personal Data Protection ("KVKK"). Assessments in means of Article 5 of KVKK are fulfilled by Regulation Legal Team.
- Third parties are prevented from accessing the information entered by Enerjisa Enerji customers through the website. In order to protect the confidentiality of personal information of customers, Enerjisa Enerji's system and access infrastructure has been kept at the most reliable level and necessary measures have been taken.
- Personal data whose purpose of use has expired and the legal storage period has expired, are deleted, destroyed or anonymized by Enerjisa Enerji in accordance with Act 7 of the KVKK.
- Enerjisa Enerji may work with third party companies when it deems necessary to provide certain services. It is ensured that the relevant organizations act in accordance with the security standards and the terms of Enerjisa Enerji. Enerjisa Enerji makes sure that data processors with whom it works attach importance to information security and act with the awareness of mutual responsibility, and it also guarantees this contractually. In line with the definition in the legislation, data processors only process personal data in accordance with the instructions of Enerjisa Enerji,



INFORMATION SECURITY MANAGEMENT APPROACH

- within the framework of the contract concluded with Enerjisa Enerji and in accordance with the legislation.
- The copyrights of the information and materials on the Enerjisa Enerji website belong to Enerjisa Enerji. All copyrights, registered trademarks, patents, intellectual and other property rights regarding the information and materials on the Enerjisa Enerji website, other than those belonging to third parties, are reserved by Enerjisa Enerji.
 - The rights of persons whose personal data are processed are regulated within the scope of Article 11 of the KVKK. Pursuant to the relevant article, data owners have the following rights over Enerjisa Enerji:
 - a) Learn whether or not data are being processed,
 - b) Request relevant information if personal data related to him/her have been processed,
 - c) Obtain information as to the purposes of the processing of personal data and whether or not such data have been processed accordingly,
 - d) Know the third persons within or outside the country to whom personal data are transferred,
 - e) Ask for the rectification of any incomplete or inaccurate personal data process,
 - f) Ask for the erasure or destruction of the personal data within the framework of the conditions referred to in article 7,
 - g) Request the notification to third parties to whom the personal data have been transferred of operations carried out within the meaning of sub-paragraphs (e) and (f),
 - h) Object to any conclusion to the detriment of himself/herself, which results from analysis of the processed data exclusively by means of automated systems,

- i) Request compensation for the damages incurred as a result of an unlawful personal data processing.

Enerjisa Enerji reserves the right to change and update the terms and conditions in this legal notice without the need for a prior notice.

Incident Response

Enerjisa Enerji has a Cyber Incident Response Team within the Cyber Security Group Directorate. All kinds of software, hardware and human-induced situations that disrupt the normal working order of Enerjisa Enerji business processes and negatively affect some or all of the information or industrial control systems are defined as information security incidents. Situations such as malware, phishing attacks, unauthorized access, cyber-attacks, data extraction are examined within the scope of information security incident management process. The application, system and access components of Enerjisa Enerji are continuously monitored using monitoring and detection tools that are deemed to be successful in the information security industry. It is ensured that incidents encountered within the scope of monitoring are evaluated, relevant actions are taken action and closed properly.

Technological developments and vulnerabilities in the world are followed by the Cyber Security Group Management through cyber intelligence services. Penetration tests are performed by independent teams once a year, and the safety of the applications and services of Enerjisa Enerji is ensured by implementing the secure development life cycle. In addition, vulnerability scans, source code analysis and maturity assessments are performed. The deficiencies that are identified after these studies are examined,

monitored and the relevant actions are undertaken by the personnel of the Cyber Security Group Management. Necessary information has been shared on how Enerjisa Enerji personnel should report incidents and violations, and the actions to be taken after the notifications are defined within the processes.

Information Security Awareness

As data and data security are of great importance within Enerjisa Enerji, trainings are conducted in order to increase information security awareness. The completion rate of the trainings is monitored by the senior management in order to raise awareness within Enerjisa Enerji and to exhibit an integrated approach within the organization.

During the year, samples of phishing attacks are made monthly by the Cyber Security Group Management, the results are evaluated and reported to the senior management. A Cyber Security Newsletter is prepared and sent to all employees every two weeks and cyber security news from around the world are shared. It is ensured that each personnel sign the information security commitment and it is stated that information security issues are the responsibility of all personnel. Cyber security developments in the world are shared by the Cyber Security Group Management via announcement mails. Within the scope of awareness, clean table - clean screen policies are implemented, and policies are reminded with posters in the physical locations. In addition, information security reminders are constantly made on computer screen savers.

Licenses and Certificates

The licenses and certificates of Enerjisa Enerji A.Ş and its distribution and retail companies on Information Security and systems are as below:

- Enerjisa Enerji A.Ş and its distribution and retail companies hold the ISO27001 Information Security Management System Standard license.
- Enerjisa distribution and retail companies hold the ISO20000 Information Technology Service Management Standard license.
- Enerjisa Enerji A.Ş retail companies hold the ISO22301 Business Continuity Management System certificate.

In addition, compliance with the Electricity Licensing Regulation, EKS Information Security Regulation, Electricity Distribution and Sales Call Center Service Quality Standards, EKS Security Analysis and Testing Procedures and Principles, which are subject to the Energy Market Regulatory Authority, is controlled periodically by Cyber Security Group Management.

Information Security at Third Parties

In case of working with third party companies in order to ensure the continuity and quality of the services provided by Enerjisa Enerji, confidentiality clauses are included in the contracts. In case of need for data sharing due to business requirements, only the necessary data is shared. Approval processes for the safe transfer of data are also put into use and ensure that only required data for the job is transferred. In order to protect such data in systems, security measures in accordance with international standards are taken in systems and applications. Critical suppliers are evaluated within the scope of information security according to the criteria determined in line with the annual plan. Actions to close the deficiencies seen in the results of the evaluations are followed by the Cyber Security Group Management.



SUSTAINABILITY PRINCIPLES COMPLIANCE REPORT

The Sustainability Principles Compliance Report, which shows the compliance with the Sustainability Principles Compliance Framework prepared in line with the amendment dated 02.10.2020 made by the Capital Markets Board in the Corporate Governance Communiqué, was accepted by the decision of Enerjisa Enerji A.Ş Board of Directors.

Enerjisa Enerji has achieved high compliance as a result of the studies conducted in this area. In addition, Enerjisa Enerji plans to continue its efforts to improve its compliance with these principles in 2021, taking into account the interests of all stakeholders, especially shareholders.

Enerjisa Enerji’s compliance with Sustainability Principles in 2020 is summarized in the table below:

A. GENERAL	POLICY NAME AND CODE	POLICY DESCRIPTION	COMPLIANCE STATUS	DESCRIPTION	LINK(S)
	A1.Strategy, Policy and Goals	The Board of Directors identifies ESG priority issues, risks and opportunities and develops ESG policies accordingly. In terms of the effective implementation of these policies, Company internal guidelines, business procedures etc. can be prepared. The Board of Directors approves resolutions on these policies and announces to public.	Partial Compliance	There is an ESG Committee conducted under the co-chairmanship of the CEO and CFO and includes the managers of the relevant business units. The committee meets regularly and evaluates ESG priority issues, risks and opportunities. Within this framework, it determines its short, medium and long term strategies and action plans, makes the necessary revisions in its current policies, and creates new policies and procedures. Policies are published on the website. Additionally, ESG issues are discussed in the Corporate Governance Committee and Early Detection of Risk Committee set under the Board of Directors and the Board of Directors is informed. Enerjisa Enerji targets to expand the scope of the policies approved by the Board of Directors.	https://www.enerjisainvestorrelations.com/policies https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu https://www.enerjisainvestorrelations.com/committees
	A1.Strategy, Policy and Goals	Determines the Company Strategy appropriate to the ESG policies, risks and opportunities. Determines the short and long-term goals in line with the partnership strategy and ESG policies, and announces to public.	Partial Compliance	Enerjisa Enerji adapts with a perspective of sustainability in all its core business areas and adapts its corporate strategy to this. In addition, whilst positioning itself in the energy world of the future, it makes short and long-term plans to lead in the ESG area. The studies conducted by the ESG Committee to publicly announce the short and long term numerical Key Performance Indicators targets are ongoing.	https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu https://www.enerjisainvestorrelations.com/committees
	A2.Implementation/ Monitoring	Determines the committees/ units responsible for the implementation of ESG policies and makes them public. The responsible committee/unit reports the activities carried out within the scope of the policies to the Board of Directors at least once a year and in any case within the maximum periods that is determined for the public disclosure of the annual reports in the relevant regulations of the Capital Markets Board. Prepares action plans in line with the short- and long-term goals determined and makes them public.	Partial Compliance	There is an ESG Committee under the co-chairmanship of the CEO and CFO, including the managers of the relevant business units. The committee meets regularly and evaluates ESG priority issues, risks and opportunities. Within this framework, it determines its short, medium and long term strategies and action plans, determines the necessary revisions in its current policies and enables the creation of new policies and procedures. Policies are published on the website. Additionally, ESG issues are discussed in the Corporate Governance Committee and Early Detection of Risk Committee set under the Board of Directors and the Board of Directors is informed on the key items. Studies continue to increase the number of relevant policies. Additionally, the studies conducted by the ESG Committee to publicly announce the short and long term numerical Key Performance Indicators targets are ongoing.	https://www.enerjisainvestorrelations.com/policies https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu https://www.enerjisainvestorrelations.com/committees
	A2.Implementation/ Monitoring	Identifies ESG Key Performance Indicators (KPIs) and discloses them comparatively on an annual basis. In the presence of verifiable data, provides KPIs with local and international sector benchmarks.	Partial Compliance	ESG performance indicators covering the last three years retrospectively, are explained in Sustainability and/or Annual Reports. International sector comparisons are made; however, this issue is not specifically addressed in the reports.	https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu

A. GENERAL	POLICY NAME AND CODE	POLICY DESCRIPTION	COMPLIANCE STATUS	DESCRIPTION	LINK(S)
	A2.Implementation/ Monitoring	Discloses the innovation activities taken to improve the sustainability performance for business processes or products and services.	Full Compliance	Enerjisa Enerji explains the innovation activities taken to improve sustainability performance for business processes or products and services in its Annual and/ or Sustainability Reports.	https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu
	A3. Reporting	Reports its sustainability performance, goals and actions at least once a year and makes this information public. It reports the information on sustainability activities within the scope of the annual report.	Partial Compliance	Enerjisa Enerji discloses its sustainability performance and actions to the public once a year in its Sustainability Report. The Sustainability section in the Annual Report also includes sustainability activities. Additionally, the studies conducted by the ESG Committee to publicly announce the short and long term numerical Key Performance Indicators targets are ongoing.	https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu https://www.enerjisainvestorrelations.com/committees
	A3. Reporting	It is essential to share information that is important for stakeholders in understanding the position, performance and development of the Company, in a direct and concise manner. Can explain detailed information and data on the corporate website separately, and prepare separate reports that directly meet the needs of different stakeholders.	Full Compliance	Enerjisa Enerji shares presentations and reports in a precise manner to meet the needs of stakeholders and provide direct access to important information through the Investor Relations website.	https://www.enerjisainvestorrelations.com/en/reports-presentations/earnings-presentations https://www.enerjisainvestorrelations.com/en/reports-presentations/regulation-update https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu
	A3. Reporting	Takes utmost care in terms of transparency and reliability. Objectively explains all developments regarding the priority issues in disclosures and reports within the framework of a balanced approach.	Full Compliance	Enerjisa Enerji objectively details all developments regarding the priority issues in disclosures and reports them within the framework of a balanced approach.	https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu
	A3. Reporting	Identifies the activities that are related to the UN's Sustainable Development Goals for 2030.	Full Compliance	Enerjisa Enerji links its activities with the UN Sustainable Development Goals for 2030 in its Sustainability Report.	https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu
	A3. Reporting	Issues a statement concerning lawsuits filed and/or ruled against itself on environmental, social and corporate governance issues.	Full Compliance	Necessary disclosure on this issue are made in the Annual Report.	https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu
	A4. Verification	If verified by independent third parties (independent sustainability assurance providers), discloses its sustainability performance measurements to the public and targets to increase the scope of verification processes.	Partial Compliance	Sustainability performance measurements are disclosed to the public in the Annual and / or Sustainability Report. A verification study has not yet been made by third parties, studies are carried out actively in this regard.	https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu



SUSTAINABILITY PRINCIPLES COMPLIANCE REPORT

B. ENVIRONMENT	POLICY NAME AND CODE	POLICY DESCRIPTION	COMPLIANCE STATUS	DESCRIPTION	LINK(S)
	Principles on Environment	Explains its policies and practices, action plans, environmental management systems (known as the ISO 14001 standard) and programs in the field of environmental management.	Full Compliance	Enerjisa Enerji details its policies and practices, action plans, environmental management systems (ISO 14001 standard) and programs in the field of environmental management section on its website.	https://www.enerjisainvestorrelations.com/policies https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu
	Principles on Environment	Complies with environmental laws and other relevant regulations and discloses them.	Full Compliance	Enerjisa Enerji determines, documents and periodically monitors the compliance obligations arising from the Environmental Law and all related regulations at the ISO 14001 planning phase.	https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu
	Principles on Environment	Explains limits like boundaries, reporting periods, reporting dates, data collection processes, and the reporting criteria of the environmental report to be included in the report and prepared within the scope of the Sustainability Principles.	Full Compliance	These issues are addressed in the Annual and / or Sustainability Reports.	https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu
					https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu
	Principles on Environment	Identifies the most senior officer, the relevant committees and their duties in the Company on the issue of environment and climate change.	Full Compliance	Enerjisa Enerji discloses its ESG Committee members on its website.	https://www.enerjisainvestorrelations.com/committees
	Principles on Environment	Discloses its incentives for managing environmental issues, including the delivery of goals.	Partial Compliance	Studies continue by the ESG Committee to disclosure the short and long term Key Performance Indicators targets. With the completion of these studies, the incentives offered / to be offered to the management will also be shared with the public.	https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu https://www.enerjisainvestorrelations.com/committees
					https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu
	Principles on Environment	Discloses how environmental problems are integrated into business goals and strategies.	Full Compliance	Enerjisa Enerji aims to develop a strategic and holistic approach related to economic, environmental and social factors and create long-term value by focusing on sustainability. Work in this area are explained with detail in the Sustainability Reports.	https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu

B. ENVIRONMENT	POLICY NAME AND CODE	POLICY DESCRIPTION	COMPLIANCE STATUS	DESCRIPTION	LINK(S)
	Principles on Environment	Discloses the sustainability performance for business processes or products and services, and the activities required to improve this performance.	Full Compliance	Enerjisa Enerji's performance and improvement activities on this issue are included in the Annual and/or Sustainability Report.	https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu
	Principles on Environment	Discloses how it manages environmental issues throughout the Company value chain, and how it integrates suppliers and customers into its strategies, even outside of its direct operations.	Full Compliance	Enerjisa Enerji expects its suppliers to comply with highest ESG standards and to have processes in place to achieve this. In this context, it asks its suppliers to sign the Enerjisa Supplier Code of Conduct and Compliance Statement and to comply with both the Enerjisa Enerji Anti-Bribery and Anti-Corruption Policy and the OHS and Environmental Policies.	https://www.enerjisainvestorrelations.com/policies https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu
	Principles on Environment	Discloses whether it engages in policy-making processes on environmental issues (sectoral, regional, national and international); its membership in the environmental associations, related organizations and non-governmental organizations; the collaborations it has made; the duties it has undertaken; and the activities it supports.	Full Compliance	Collaborations with associations, collaborations involving Board members and senior management are announced.	https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu https://www.enerjisa.com.tr/en/about-enerjisa/media-centre/press-releases
	Principles on Environment	Reports comparable information on environmental impacts periodically in the light of environmental indicators (Greenhouse gas emissions [Scope-1 (Direct), Scope-2 (Energy indirect), Scope-3 (Other indirect)], air quality, energy management, water and wastewater management, waste management, and biodiversity impacts).	Full Compliance	Enerjisa Enerji includes these indicators in its Annual and/or Sustainability Reports.	https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu
	Principles on Environment	Explains in detail the standard, protocol, methodology, and base year details used to collect and calculate its data.	Full Compliance	References, such as the calculation of greenhouse gas emissions according to the GHG Protocol with reference to the IPCC AR5 report, are included in the Sustainability Reports.	https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu
	Principles on Environment	Reports the development of environmental indicators (increase or decrease) for the reporting year in comparison to previous years.	Full Compliance	Enerjisa Enerji includes these indicators in its Annual and/or Sustainability Reports.	https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu
	Principles on Environment	Sets short and long-term goals to reduce its environmental impact and discloses these goals. These goals should be Science Based in accordance with recommendations from the United Nations Conference of the Parties on Climate Change. In case of progress made in the reporting year towards previously established goals, provides information on the subject.	Partial Compliance	Enerjisa Enerji is aware of its role in combating climate change and aims to reduce the direct and indirect impact of energy throughout its entire journey. It offers end-to-end solutions to increase energy efficiency and reduce carbon emissions under the "The Energy of My Business" framework. Studies continue to determine the targets in the fight against climate change and to explain its actions in greater detail.	https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu



SUSTAINABILITY PRINCIPLES COMPLIANCE REPORT

B. ENVIRONMENT	POLICY NAME AND CODE	POLICY DESCRIPTION	COMPLIANCE STATUS	DESCRIPTION	LINK(S)
	Principles on Environment	Discloses its strategy and actions to combat the climate crisis.	Partial Compliance	Enerjisa Enerji is aware of its role in combating climate change and aims to reduce the direct and indirect impact of energy throughout its entire journey. It offers end-to-end solutions to increase energy efficiency and reduce carbon emissions under the "The Energy of My Business" framework. Studies continue to determine the targets in the fight against climate change and to explain its actions in greater detail.	https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu
	Principles on Environment	Discloses the program or procedures it has undertaken to prevent or minimize the potential negative impact of its products and/or services. Discloses also the actions undertaken to reduce greenhouse gas emissions of third parties.	Full Compliance	Enerjisa Enerji offers its customers carbon reduction and renewable energy certificates in its product portfolio. In addition, it offers end-to-end solutions to increase energy efficiency and reduce carbon emissions under the "The Energy of My Business" framework.	https://www.enerjisainvestorrelations.com/policies https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu
	Principles on Environment	Discloses the actions taken to reduce its environmental impact, the total number of projects and initiatives carried out and the environmental benefits/gains and cost savings these activities provide.	Partial Compliance	Enerjisa Enerji takes many actions to reduce its environmental impacts. In order to reduce environmental impacts in its activities, it conducts optimization studies on issues such as resource use and energy consumption, offers its customers products that reduce environmental impacts and develops projects within this scope. In addition, with R&D and Innovation units, to reduce environmental impacts; develops products, processes and services. Details of all these are provided in the Annual and / or Sustainability Reports. Benefit-cost analysis is performed in projects, and carries on works are ongoing to report financial gains and effects.	https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu
	Principles on Environment	Reports its total energy consumption data (excluding raw materials) and discloses the energy consumption as Scope-1 and Scope-2.	Full Compliance	Enerjisa Enerji discloses its electricity consumption data as Scope-1 and Scope-2 in its Annual and/or Sustainability Reports.	https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu
	Principles on Environment	Provides information on the electricity, heat, steam and cooling generated and consumed during the reporting year.	Full Compliance	Enerjisa Enerji discloses its electricity consumption data in its Annual and/or Sustainability Report. Electricity production, heat, steam and cooling are not within the scope of Enerjisa Enerji's operations.	https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu
	Principles on Environment	Carries studies to increase the use of renewable energy and transition to zero- or low-carbon electricity, and discloses these studies.	Full Compliance	Enerjisa Enerji gives importance to providing its customers with sustainable and innovative solutions. In this context, end-to-end solutions aimed at increasing the energy efficiency of corporate customers and reducing their carbon emissions were restructured under "The Energy of My Business" road in October 2020. This portfolio includes many environmentally friendly and sustainable energy solutions, ranging from solar power plants installation services, energy efficiency applications, cogeneration /trigeneration applications and electric vehicle charging station management to green energy certifications. Enerjisa Enerji also works to reduce carbon emissions and increase energy efficiency in its own consumption. Data related to these issues is disclosed in the Annual and/or Sustainability Reports.	https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu

B. ENVIRONMENT	POLICY NAME AND CODE	POLICY DESCRIPTION	COMPLIANCE STATUS	DESCRIPTION	LINK(S)
	Principles on Environment	Reports its renewable energy production and consumption data.	Full Compliance	Information on renewable energy supply is disclosed in the Annual and/or Sustainability Reports. Enerjisa Enerji is not involved directly in production activities.	https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu
	Principles on Environment	Carries out energy efficiency projects and reports the energy consumption and emission reduction rates delivered via these studies.	Full Compliance	Enerjisa Enerji gives importance to providing its customers with sustainable and innovative solutions. In this context, end-to-end solutions aimed at increasing the energy efficiency of corporate customers and reducing their carbon emissions were restructured under "The Energy of My Business" road in October 2020. This portfolio includes many environmentally friendly and sustainable energy solutions, ranging from solar power plant installation services, energy efficiency applications, cogeneration/trigeneration applications, and electric vehicle charging station management to green energy certifications. Enerjisa Enerji also works to reduce carbon emissions and increase energy efficiency in its own consumption. Data related to these issues is disclosed in the Annual and/or Sustainability Reports. In addition, it continues work to increase the scope of its disclosures.	https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu
	Principles on Environment	Reports the amount of water used, recycled and discharged from underground or above-ground; sources and procedures for water withdrawal (total water withdrawal by source, water resources affected by water withdrawal, percentage and total volume of recycled and reused water etc).	Not Applicable	Enerjisa Enerji does have water discharge and industrial water consumption. Municipal water consumption data is included in the Annual and/or Sustainability Reports.	https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu
	Principles on Environment	Discloses which operations or activities are included in various carbon pricing systems (European Union Emission Trading Scheme, cap & trade or carbon tax). Discloses data on the carbon credit accumulated or purchased during the reporting period. Discloses the carbon pricing details, if applicable, within the company.	Partial Compliance	Enerjisa Enerji developed carbon reduction and renewable energy certificates as a product in 2019 and offers them to its customers as a solution. Recent information on these issues will be shared in the 2020 Annual and Sustainability Reports.	https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu
	Principles on Environment	Discloses all mandatory and voluntary platforms upon which it presents its environmental information.	Full Compliance	Enerjisa Enerji makes its CDP disclosure in publicly accessible format.	https://www.cdp.net/en



SUSTAINABILITY PRINCIPLES COMPLIANCE REPORT

C. SOCIAL	POLICY NAME AND CODE	POLICY DESCRIPTION	COMPLIANCE STATUS	DESCRIPTION	LINK(S)
	C1.Human Rights and Employee Rights	Develops a Corporate Human Rights and Employee Rights Policy with commitment for complete compliance to the Universal Declaration of Human Rights; the ILO Conventions Turkey is a party to; and the legal framework and legislation regulating human rights and working life in Turkey. Discloses the relevant policy and the roles and responsibilities for its implementation to the public.	Full Compliance	Enerjisa Enerji's Human Rights and Human Resources Policies address these issues.	https://www.enerjisainvestorrelations.com/en/corporate-governance/policies/human-resources-policy https://www.enerjisainvestorrelations.com/en/corporate-governance/policies/human-rights-policy
	C1.Human Rights and Employee Rights	Provides equal opportunity in recruitment processes. Addressing also the supply and value chain impact, incorporates fair workforce, the improvement of labor standards, female employment and inclusion issues (such as discrimination based on sex, gender, religious belief, language, race, ethnic origin, age, disability, refugee status, and so on) in its policies.	Full Compliance	Enerjisa Enerji explains its approach to equal opportunities and discrimination in its Human Rights Policy.	https://www.enerjisainvestorrelations.com/en/corporate-governance/policies/human-rights-policy
	C1.Human Rights and Employee Rights	Discloses the measures taken along the value chain for the protection of groups vulnerable to particular economic, environmental, social factors (low-income groups, women etc) or minority rights/equal of opportunity.	Full Compliance	Enerjisa Enerji explains its approach to equal opportunities and discrimination in its Human Rights Policy.	https://www.enerjisainvestorrelations.com/en/corporate-governance/policies/human-rights-policy
	C1.Human Rights and Employee Rights	Reports developments on corrective practices regarding discrimination, inequality, human rights violations, forced labor. Discloses the procedures against the use of child labor.	Full Compliance	Enerjisa Enerji includes its procedures on these issues in its Human Rights Policy.	https://www.enerjisainvestorrelations.com/en/corporate-governance/policies/human-rights-policy
	C1.Human Rights and Employee Rights	Describes policies regarding investment in employees (training, development policies), compensation, fringe benefits, the right to unionize, work/life balance solutions and talent management. Determines the dispute resolution processes by creating mechanisms for employee complaints and disputes. Regularly explains the activities carried out to ensure employee satisfaction.	Full Compliance	Enerjisa Enerji publishes its policies and practices concerning employee rights and skill development on the company's website, and in Annual and Sustainability Reports.	https://www.enerjisainvestorrelations.com/en/corporate-governance/policies/human-resources-policy https://www.enerjisainvestorrelations.com/en/corporate-governance/policies/human-rights-policy https://www.enerjisainvestorrelations.com/en/corporate-governance/policies/Compensation-Policy https://www.enerjisainvestorrelations.com/en/corporate-governance/code-of-ethics https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu

C. SOCIAL	POLICY NAME AND CODE	POLICY DESCRIPTION	COMPLIANCE STATUS	DESCRIPTION	LINK(S)
	C1.Human Rights and Employee Rights	Develops occupational health and safety policies and makes them public. Discloses the precautions and accident statistics taken to prevent work accidents and protect health.	Full Compliance	Proactively managing OHS risks is a priority for Enerjisa Enerji at the senior management level. Details concerning the Occupational Health and Safety policy are available on the website. The measures taken and accident statistics are included in the Annual and/or Sustainability Reports.	https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu https://www.enerjisainvestorrelations.com/en/corporate-governance/policies/health-and-safety-policy
	C1.Human Rights and Employee Rights	Develops personal data protection and data security policies and makes them public.	Full Compliance	Enerjisa Enerji discloses its Data Security Policy on its website.	https://www.enerjisainvestorrelations.com/policies
	C1.Human Rights and Employee Rights	Develops an ethics policy (encompassing work, work ethics, orientation period, advertising and marketing ethics, open disclosure and so on) and makes it public.	Full Compliance	Enerjisa Enerji has a Code of Conduct, which has been shared with all stakeholders both internally and on the website.	https://www.enerjisainvestorrelations.com/en/corporate-governance/code-of-ethics
	C1.Human Rights and Employee Rights	Explains its work within the scope of social investment, social responsibility, financial inclusion and access to financing.	Full Compliance	Enerjisa Enerji provides information on this subject in its Annual and/or Sustainability Reports.	https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu
	C1.Human Rights and Employee Rights	Organizes informative meetings and training programs for employees on ESG policies and practices.	Full Compliance	Enerjisa Enerji provides training on Occupational Health and Safety and Environment, Ethics, Risk Management, Customer Satisfaction within the scope of ESG. Details are provided in the Annual and/or Sustainability Reports.	https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu
	C2. Stakeholders, International Standards and Initiatives	Conducts its activities in the field of sustainability by taking into account the needs and priorities of all stakeholders (employees, customers, suppliers and service providers, public institutions, shareholders, community and non-governmental organizations etc.).	Full Compliance	Stakeholders' views were considered within the scope of the materiality analysis. The Corporate Stakeholder Participation Plan, prepared under the EBRD loan agreement, can be accessed on the website. Details concerning stakeholder communication are included in the Annual Report and/or Sustainability Reports.	https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu https://www.enerjisainvestorrelations.com/en/reports-presentations/corporate-stakeholder-engagement



SUSTAINABILITY PRINCIPLES COMPLIANCE REPORT

C. SOCIAL	POLICY NAME AND CODE	POLICY DESCRIPTION	COMPLIANCE STATUS	DESCRIPTION	LINK(S)
	C2. Stakeholders, International Standards and Initiatives	Develops a customer satisfaction policy regarding the management and resolution of customer complaints and makes the policy public.	Full Compliance	Customer Satisfaction is a primary focus of Enerjisa Enerji's corporate strategy. Additionally, the Customer Satisfaction Policy is published on the website.	https://www.enerjisainvestorrelations.com/policies
	C2. Stakeholders, International Standards and Initiatives	Communicates with stakeholders continuously and transparently. Also discloses information on with which stakeholders the company engages; the purpose, specifics and frequency of the communications; and the developments in sustainability activities.	Full Compliance	Stakeholders' views were considered within the scope of the materiality analysis. The Corporate Stakeholder Participation Plan, prepared under the EBRD loan agreement, can be accessed on the website. Details on stakeholder communication are included in the Annual Report and/or Sustainability Reports.	https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu https://www.enerjisainvestorrelations.com/en/reports-presentations/corporate-stakeholder-engagement
	C2. Stakeholders, International Standards and Initiatives	It discloses the international reporting standards it has adopted (the Carbon Disclosure Project [CDP], the Global Reporting Initiative [GRI], the International Integrated Reporting Council [IIRC], the Sustainability Accounting Standards Board [SASB], the Climate-Related Financial Disclosures Task Force [TCFD], and so on) to the public.	Full Compliance	Enerjisa Enerji details its reporting standards (GRI) in its Sustainability Report.	https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu
	C2. Stakeholders, International Standards and Initiatives	Discloses to the public the international organization or principles (the Equator Principles, the United Nations Environment Program Finance Initiative [UNEP-FI], the United Nations Global Principles [UNGC], the United Nations Principles for Responsible Investment [UNPRI] etc.) of which it is a signatory or member and the international principles (such as the International Capital Markets Association [ICMA] Green/Sustainable Bond Principles) it has adopted.	Full Compliance	Enerjisa Enerji is a signatory of the UN Global Compact, the UN Women's Empowerment Principles (WEPs) and IPG Business Plastics Initiative. This information is included in the Sustainability and/or Annual Reports.	https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu
	C2. Stakeholders, International Standards and Initiatives	Makes concrete efforts to be included in the Borsa Istanbul Sustainability Index and international sustainability indices (the Dow Jones Sustainability Index, FTSE4Good, MSCI ESG Indices, and so on).	Full Compliance	Enerjisa Enerji is included in the Borsa Istanbul Sustainability Index since 2019, and continues to follow the standards and requirements of international indices to ensure compliance.	https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu

D. CORPORATE GOVERNANCE	POLICY NAME AND CODE	POLICY DESCRIPTION	COMPLIANCE STATUS	DESCRIPTION	LINK(S)
	Corporate Governance Principles	Makes maximum effort to comply with all Corporate Governance Principles as well as the mandatory Corporate Governance principles within the scope of the Capital Markets Board Communiqué on Corporate Governance (II-17.1).	Full Compliance	Enerjisa Enerji is rated by the Independent Rating Institution within the scope of Corporate Governance and has been included in the Borsa Istanbul Corporate Governance Index since 2019.	https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu https://www.enerjisainvestorrelations.com/en/corporate-governance/corporate-governance-compliance-report/corporate-governance-credit-rating-report
	Corporate Governance Principles	Carefully considers the sustainability issue, the environmental impact of its activities and the principles in this regard when determining its corporate governance strategy.	Full Compliance	Enerjisa Enerji has integrated environmental impact analysis into its corporate management strategy with its vision of becoming the leading energy company of the future. This approach is included in the Annual and Sustainability Reports.	https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu
	Corporate Governance Principles	Takes the necessary measures to comply with the principles concerning stakeholders as stated in the Corporate Governance Principles and to strengthen the communication with the stakeholders. Considers the opinions of its stakeholders when determining measures and strategies in the field of sustainability.	Full Compliance	Stakeholders' views were considered within the scope of the materiality analysis. The Corporate Stakeholder Participation Plan, prepared under the EBRD loan agreement, can be accessed on the website.	https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu https://www.enerjisainvestorrelations.com/en/reports-presentations/corporate-stakeholder-engagement
	Corporate Governance Principles	Works to raise awareness on the issue of sustainability and its importance through social responsibility projects, awareness activities and training.	Full Compliance	Enerjisa Enerji discloses this information in its Annual, Sustainability Reports and website	https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu
	Corporate Governance Principles	Endeavors to become a member of international standards and initiatives on sustainability and to contribute to studies.	Full Compliance	Enerjisa Enerji discloses this information in its Annual, Sustainability Reports and website.	https://www.enerjisainvestorrelations.com/en/reports-presentations/annual-reports-menu https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu
	Corporate Governance Principles	Discloses policies and programs that aim to combat bribery and corruption, and the principle of tax honesty.	Full Compliance	Enerjisa Enerji discloses the policies and programs on anti-bribery and anti-corruption and tax honesty.	https://www.enerjisainvestorrelations.com/en/corporate-governance/code-of-ethics



OUR BUSINESS IS ENERGY

Our Strength is Our Corporate Governance Approach



Corporate Governance

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CORPORATE GOVERNANCE COMPLIANCE REPORT

Enerjisa Enerji has adopted the principle of complying with the 4 main principles of corporate governance based on Transparency, Fairness, Responsibility and Accountability. Enerjisa Enerji forms its management approach by centering these principles and improves its corporate governance practices every year by taking the best practices in the world as a guide. Enerjisa Enerji is included in the BIST Corporate Governance Index since 2019.

The Corporate Governance Compliance Report and Corporate Governance Information Form for 2020, prepared in accordance with the Capital Markets Board’s Decision No. 2/49 dated 10.01.2019 and approved by the Board of Directors, are below.

Company Compliance Status						Explanation
1.1. FACILITATING THE EXERCISE OF SHAREHOLDER RIGHTS	Yes	Partial	No	Exempted	Not Applicable	
1.1.2- Up-to-date information and disclosures which may affect the exercise of shareholder rights are available to investors at the corporate website.	X					
1.2. RIGHT TO OBTAIN AND REVIEW INFORMATION						
1.2.1 - Management did not enter into any transaction that would complicate the conduct of special audit.	X					
1.3. GENERAL ASSEMBLY						
1.3.2 - The company ensures the clarity of the General Assembly agenda, and that an item on the agenda does not cover multiple topics.	X					
1.3.7- Insiders with privileged information have informed the board of directors about transactions conducted on their behalf within the scope of the company's activities in order for these transactions to be presented at the General Shareholders' Meeting.	X					
1.3.8 - Members of the board of directors who are concerned with specific agenda items, auditors, and other related persons, as well as the officers who are responsible for the preparation of the financial statements were present at the General Shareholders' Meeting.		X				Physical attendance was limited due to COVID-19, but the auditors, Chairman of the Board, CEO and the relevant managers physically attended.
1.3.10 - The agenda of the General Shareholders' Meeting included a separate item detailing the amounts and beneficiaries of all donations and contributions.		X				The amount of donations is disclosed. However, details of the recipients are not disclosed due to the low amount of donations.
1.3.11 - The General Shareholders' Meeting was held open to the public, including the stakeholders, without having the right to speak.			X			As defined in the Articles of Association Annual General Assembly meeting is held open to shareholders but close to press and public. AGM documents are submitted to all stakeholders via related KAP announcements and company website.

Company Compliance Status						Explanation
1.4. VOTING RIGHTS	Yes	Partial	No	Exempted	Not Applicable	
1.4.1 - There is no restriction preventing shareholders from exercising their shareholder rights.	X					
1.4.2 - The company does not have shares that carry privileged voting rights.	X					
1.4.3-The company withholds from exercising its voting rights at the General Shareholders' Meeting of any company with which it has cross-ownership, in case such cross-ownership provides management control.					X	There are no companies in which Enerjisa has cross-ownerships.
1.5. MINORITY RIGHTS						
1.5.1 - The company pays maximum diligence to the exercise of minority rights.	X					
1.5.2 - The Articles of Association extend the use of minority rights to those who own less than one twentieth of the outstanding shares, and expand the scope of the minority rights.			X			Minority rights are determined in accordance with the relevant legislation, and there is no specific provision for the extension of minority rights in the Articles of Association. At the same time, attention is paid to the use of minority rights within the scope of TTK and CMB regulations.
1.6. DIVIDEND RIGHT						
1.6.1 - The dividend policy approved by the General Shareholders' Meeting is posted on the company website.	X					
1.6.2 - The dividend distribution policy comprises the minimum information to ensure that the shareholders can have an opinion on the procedure and principles of dividend distributions in the future.	X					
1.6.3 - The reasons for retaining earnings, and their allocations, are stated in the relevant agenda item.					X	This was not stated as Enerjisa distributed dividend.
1.6.4 - The board reviewed whether the dividend policy balances the benefits of the shareholders and those of the company.	X					
1.7. TRANSFER OF SHARES						
1.7.1 - There are no restrictions preventing shares from being transferred.	X					



CORPORATE GOVERNANCE COMPLIANCE REPORT

Company Compliance Status						Explanation
2.1. CORPORATE WEBSITE	Yes	Partial	No	Exempted	Not Applicable	
2.1.1. - The company website includes all elements listed in Corporate Governance Principle 2.1.1.	X					
2.1.2 - The shareholding structure (names, privileges, number and ratio of shares, and beneficial owners of more than 5% of the issued share capital) is updated on the website at least every 6 months.	X					
2.1.4 - The company website is prepared in other selected foreign languages, in a way to present exactly the same information with the Turkish content.	X					
2.2. ANNUAL REPORT						
2.2.1 - The board of directors ensures that the annual report represents a true and complete view of the company's activities.	X					
2.2.2 - The annual report includes all elements listed in Corporate Governance Principle 2.2.2.	X					
3.1. CORPORATION'S POLICY ON STAKEHOLDERS						
3.1.1- The rights of the stakeholders are protected pursuant to the relevant regulations, contracts and within the framework of bona fides principles.	X					
3.1.3 - Policies or procedures addressing stakeholders' rights are published on the company's website.	X					
3.1.4 - A whistleblowing programme is in place for reporting legal and ethical issues.	X					
3.1.5 - The company addresses conflicts of interest among stakeholders in a balanced manner.	X					
3.2. SUPPORTING THE PARTICIPATION OF THE STAKEHOLDERS IN THE CORPORATION'S MANAGEMENT						
3.2.1 - The Articles of Association, or the internal regulations (terms of reference/manuals), regulate the participation of employees in management.	X					

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
3.2.2 - Surveys/other research techniques, consultation, interviews, observation method etc. were conducted to obtain opinions from stakeholders on decisions that significantly affect them.	X					
3.3. HUMAN RESOURCES POLICY						
3.3.1 - The company has adopted an employment policy ensuring equal opportunities, and a succession plan for all key managerial positions.	X					
3.3.2 - Recruitment criteria are documented.	X					
3.3.3 - The company has a policy on human resources development, and organises trainings for employees.	X					
3.3.4 - Meetings have been organised to inform employees on the financial status of the company, remuneration, career planning, education and health.	X					
3.3.5 - Employees, or their representatives, were notified of decisions impacting them. The opinion of the related trade unions was also taken.	X					
3.3.6 - Job descriptions and performance criteria have been prepared for all employees, announced to them and taken into account to determine employee remuneration.	X					
3.3.7 - Measures (procedures, trainings, raising awareness, goals, monitoring, complaint mechanisms) have been taken to prevent discrimination, and to protect employees against any physical, mental, and emotional mistreatment.	X					
3.3.8 - The company ensures freedom of association and supports the right for collective bargaining.	X					
3.3.9 - A safe working environment for employees is maintained.	X					



CORPORATE GOVERNANCE COMPLIANCE REPORT

	Company Compliance Status					Explanation
3.4. RELATIONS WITH CUSTOMERS AND SUPPLIERS	Yes	Partial	No	Exempted	Not Applicable	
3.4.1-The company measured its customer satisfaction, and operated to ensure full customer satisfaction.	X					
3.4.2 - Customers are notified of any delays in handling their requests.	X					
3.4.3 - The company complied with the quality standards with respect to its products and services.	X					
3.4.4 - The company has in place adequate controls to protect the confidentiality of sensitive information and business secrets of its customers and suppliers.	X					
3.5. ETHICAL RULES AND SOCIAL RESPONSIBILITY						
3.5.1 - The board of the corporation has adopted a code of ethics, disclosed on the corporate website.	X					
3.5.2-The company has been mindful of its social responsibility and has adopted measures to prevent corruption and bribery.	X					
4.1. ROLE OF THE BOARD OF DIRECTORS						
4.1.1 - The board of directors has ensured strategy and risks do not threaten the long-term interests of the company, and that effective risk management is in place.	X					
4.1.2 - The agenda and minutes of board meetings indicate that the board of directors discussed and approved strategy, ensured resources were adequately allocated, and monitored company and management performance.	X					
4.2. ACTIVITIES OF THE BOARD OF DIRECTORS						
4.2.1-The board of directors documented its meetings and reported its activities to the shareholders.	X					
4.2.2 - Duties and authorities of the members of the board of directors are disclosed in the annual report.	X					
4.2.3-The board has ensured the company has an internal control framework adequate for its activities, size and complexity.	X					
4.2.4 - Information on the functioning and effectiveness of the internal control system is provided in the annual report.	X					

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
4.2.5 - The roles of the Chairman and Chief Executive Officer are separated and defined.	X					
4.2.7-The board of directors ensures that the Investor Relations department and the corporate governance committee work effectively. The board works closely with them when communicating and settling disputes with shareholders.	X					
4.2.8 - The company has subscribed to a Directors and Officers liability insurance covering more than 25% of the capital.	X					
4.3. STRUCTURE OF THE BOARD OF DIRECTORS						
4.3.9 - The board of directors has approved the policy on its own composition, setting a minimal target of 25% for female directors. The board annually evaluates its composition and nominates directors so as to be compliant with the policy.		X				Although there is no written policy, the existing practice meets the 25% criteria. For this purpose, study to develop a policy is being carried out.
4.3.10 - At least one member of the audit committee has 5 years of experience in audit/accounting and finance.	X					
4.4. BOARD MEETING PROCEDURES						
4.4.1-Each board member attended the majority of the board meetings in person.	X					
4.4.2 - The board has formally approved a minimum time by which information and documents relevant to the agenda items should be supplied to all board members.	X					
4.4.3 - The opinions of board members that could not attend the meeting, but did submit their opinion in written format, were presented to other members.	X					
4.4.4 - Each member of the board has one vote.	X					
4.4.5 - The board has a charter/written internal rules defining the meeting procedures of the board.	X					
4.4.6 - Board minutes document that all items on the agenda are discussed, and board resolutions include director's dissenting opinions if any.	X					
4.4.7-There are limits to external commitments of board members. Shareholders are informed of board members' external commitments at the General Shareholders' Meeting.		X				Board Members' assignments in different companies are limited on the basis of creating conflict of interest. There are no such incidents with Board Members.

CORPORATE GOVERNANCE COMPLIANCE REPORT

4.5. BOARD COMMITTEES	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
4.5.5 - Board members serve in only one of the Board's committees.			X			Due to Enerjisa shareholder structure and the requirement for committee chairs to be selected among independent Board members in accordance with the Corporate Governance Principles, board members take part in more than one committee, taking into account the number of committees to be formed. In any case, it is ensured that the committees comply with the legal authority and responsibilities.
4.5.6 - Committees have invited persons to the meetings as deemed necessary to obtain their views.	X					
4.5.7 - If external consultancy services are used, the independence of the provider is stated in the annual report.					X	No external consultancy service is used for Board Committees.
4.5.8 - Minutes of all committee meetings are kept and reported to board members.	X					
4.6. FINANCIAL RIGHTS						
4.6.1-The board of directors has conducted a board performance evaluation to review whether it has discharged all its responsibilities effectively.	X					
4.6.4-The company did not extend any loans to its board directors or executives, nor extended their lending period or enhanced the amount of those loans, or improve conditions thereon, and did not extend loans under a personal credit title by third parties or provided guarantees such as surety in favour of them.	X					
4.6.5 - The individual remuneration of board members and executives is disclosed in the annual report.		X				In disclosure of the remuneration and benefits provided to the members of the Board of Directors and senior executives, the principle of balance is targeted between the benefits of these persons that must be protected in terms of the Personal Data Protection Law and the transparency requirement of the shareholders and stakeholders in accordance with the Corporate Governance Communiqué. Accordingly, the information is disclosed in terms of separate line items for Board of Directors and senior executives. Remuneration Policy is written and disclosed via Annual General Assembly Meeting to stakeholders. In addition, the remuneration for the Board of Directors is approved at the General Assembly.

CORPORATE GOVERNANCE INFORMATION FORM

1. SHAREHOLDERS	
1.1. FACILITATING THE EXERCISE OF SHAREHOLDERS RIGHTS	
The number of investor meetings (conference, seminar/etc.) organised by the company during the year	In 2020, due to pandemic Enerjisa participated to 3 online conferences and 2 online roadshows and in total had 55 meetings with existing and potential investors.
1.2. RIGHT TO OBTAIN AND EXAMINE INFORMATION	
The number of special audit request(s)	0
The number of special audit requests that were accepted at the General Shareholders' Meeting	0
1.3. GENERAL ASSEMBLY	
Link to the PDP announcement that demonstrates the information requested by Principle 1.3.1. (a-d)	https://www.kap.org.tr/en/Bildirim/823308
Whether the company provides materials for the General Shareholders' Meeting in English and Turkish at the same time	Provided
The links to the PDP announcements associated with the transactions that are not approved by the majority of independent directors or by unanimous votes of present board members in the context of Principle 1.3.9	Such transactions do not exist
The links to the PDP announcements associated with related party transactions in the context of Article 9 of the Communiqué on Corporate Governance (II-17.1)	No transactions in the scope of Article 9
The links to the PDP announcements associated with common and continuous transactions in the context of Article 10 of the Communiqué on Corporate Governance (II-17.1)	No transactions in the scope of Article 10
The name of the section on the corporate website that demonstrates the donation policy of the company	https://www.enerjisainvestorrelations.com/en/corporate-governance/policies/donation-grants-policy



CORPORATE GOVERNANCE
INFORMATION FORM

The relevant link to the PDP with minute of the General Shareholders' Meeting where the donation policy has been approved	https://www.kap.org.tr/en/Bildirim/671488
The number of the provisions of the articles of association that discuss the participation of stakeholders to the General Shareholders' Meeting	N/A
Identified stakeholder groups that participated in the General Shareholders' Meeting, if any	https://www.kap.org.tr/en/Bildirim/831560
1.4. VOTING RIGHTS	
Whether the shares of the company have differential voting rights	No
In case that there are voting privileges, indicate the owner and percentage of the voting majority of shares.	N/A
The percentage of ownership of the largest shareholder	40%
1.5. MINORITY RIGHTS	
Whether the scope of minority rights enlarged (in terms of content or the ratio) in the articles of the association	No
If yes, specify the relevant provision of the articles of association.	N/A
1.6. DIVIDEND RIGHT	
The name of the section on the corporate website that describes the dividend distribution policy	Under Corporate Governance Policies tab in IR web site (https://www.enerjisainvestorrelations.com/en/corporate-governance/policies/dividend-policy)
Minutes of the relevant agenda item in case the board of directors proposed to the general assembly not to distribute dividends, the reason for such proposal and information as to use of the dividend.	Not proposed
PDP link to the related general shareholder meeting minutes in case the board of directors proposed to the general assembly not to distribute dividends	Not proposed

GENERAL ASSEMBLY MEETINGS

General Meeting Date	The number of information requests received by the company regarding the clarification of the agenda of the General Shareholders' Meeting	Shareholder participation rate to the General Shareholders' Meeting	Percentage of shares directly present at the GSM	Percentage of shares represented by proxy	Specify the name of the page of the corporate website that contains the General Shareholders' Meeting minutes, and also indicates for each resolution the voting levels for or against	Specify the name of the page of the corporate website that contains all questions asked in the general assembly meeting and all responses to them	The number of the relevant item or paragraph of General Shareholders' Meeting minutes in relation to related party transactions	The number of declarations by insiders received by the board of directors	The link to the related PDP general shareholder meeting notification
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23.03.2020	0	91%	0.00000086%	91%	Corporate Governance section under the Investor Relations website	https://www.enerjisainvestorrelations.com/Media/Default/pdf/genel-kurul/2019_Olagan_Genel_Kurul_Toplanti_Tutanagi.pdf	N/A		https://www.kap.org.tr/en/Bildirim/823308
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2.DISCLOSURE AND TRANSPARENCY	
2.1. CORPORATE WEBSITE	
Specify the name of the sections of the website providing the information requested by the Principle 2.1.1.	Under Corporate Governance section in IR web site
If applicable, specify the name of the sections of the website providing the list of shareholders (ultimate beneficiaries) who directly or indirectly own more than 5% of the shares.	https://www.enerjisainvestorrelations.com/en/corporate/shareholder-structure
List of languages for which the website is available	Turkish and English

CORPORATE GOVERNANCE INFORMATION FORM

2.2. ANNUAL REPORT	
THE PAGE NUMBERS AND/OR NAME OF THE SECTIONS IN THE ANNUAL REPORT THAT DEMONSTRATE THE INFORMATION REQUESTED BY PRINCIPLE 2.2.2.	
a) The page numbers and /or name of the sections in the Annual Report that demonstrate the information on the duties of the members of the board of directors and executives conducted out of the company and declarations on independence of board members	2020 Annual Report - Duties of the Members of the Board of Directors and Executives Conducted Out of the Company and Declarations on Independence of Board Members
b) The page numbers and /or name of the sections in the Annual Report that demonstrate the information on committees formed within the board structure	2020 Annual Report - Risks and Evaluation of the Management Body
c) The page numbers and /or name of the sections in the Annual Report that demonstrate the information on the number of board meetings in a year and the attendance of the members to these meetings	2020 Annual Report - Risks and Evaluation of the Management Body
c) The page numbers and /or name of the sections in the Annual Report that demonstrate the information on amendments in the legislation which may significantly affect the activities of the corporation	2020 Annual Report - Information on the Main Developments During the Related Fiscal Period and Events That Occurred After the Balance Sheet Date
d) The page numbers and /or name of the sections in the Annual Report that demonstrate the information on significant lawsuits filed against the corporation and the possible results thereof	2020 Annual Report - Information on Legal Actions Filed Against the Company Which Might Adversely Affect the Financial Situation and Operations of the Company and Their Possible Consequences
e) The page numbers and /or name of the sections in the Annual Report that demonstrate the information on the conflicts of interest of the corporation among the institutions that it purchases services on matters such as investment consulting and rating and the measures taken by the corporation in order to avoid from these conflicts of interest	There is no conflict of interests
f) The page numbers and /or name of the sections in the Annual Report that demonstrate the information on the cross ownership subsidiaries that the direct contribution to the capital exceeds 5%	There is no such cross-ownership
g) The page numbers and /or name of the sections in the Annual Report that demonstrate the information on social rights and professional training of the employees and activities of corporate social responsibility in respect of the corporate activities that arises social and environmental results	2020 Annual Report - Information on the Company's Donations and Aids and Its Expenditures Made on Social Responsibility Projects During the Year



3. STAKEHOLDERS	
3.1. CORPORATION'S POLICY ON STAKEHOLDERS	
The name of the section on the corporate website that demonstrates the employee remedy or severance policy	https://www.enerjisainvestorrelations.com/en/corporate-governance/policies/Compensation-Policy
The number of definitive convictions the company was subject to in relation to breach of employee rights	36
The position of the person responsible for the alert mechanism (i.e. whistleblowing mechanism)	Head of Internal Audit
The contact detail of the company alert mechanism	https://www.enerjisa.com.tr/en/about-enerjisa/company-profile/working-principles
3.2. SUPPORTING THE PARTICIPATION OF THE STAKEHOLDERS IN THE CORPORATION'S MANAGEMENT	
Name of the section on the corporate website that demonstrates the internal regulation addressing the participation of employees on management bodies	https://www.enerjisainvestorrelations.com/en/corporate-governance/policies/human-resources-policy
Corporate bodies where employees are actually represented	https://www.enerjisainvestorrelations.com/en/corporate-governance/policies/human-resources-policy
3.3. HUMAN RESOURCES POLICY	
The role of the board on developing and ensuring that the company has a succession plan for the key management positions	https://www.enerjisainvestorrelations.com/en/corporate-governance/policies/human-resources-policy https://www.enerjisainvestorrelations.com/en/corporate-governance/committee-charters/corporate-governance-committee-charter
The name of the section on the corporate website that demonstrates the human resource policy covering equal opportunities and hiring principles. Also provide a summary of relevant parts of the human resource policy.	https://www.enerjisainvestorrelations.com/en/corporate-governance/policies/human-resources-policy
Whether the company provides an employee stock ownership programme	There isn't an employee stock ownership programme
The name of the section on the corporate website that demonstrates the human resource policy covering discrimination and mistreatments and the measures to prevent them. Also provide a summary of relevant parts of the human resource policy.	https://www.enerjisainvestorrelations.com/en/corporate-governance/policies/human-resources-policy
The number of definitive convictions the company is subject to in relation to health and safety measures	4

CORPORATE GOVERNANCE
INFORMATION FORM

3.5. ETHICAL RULES AND SOCIAL RESPONSIBILITY	
The name of the section on the corporate website that demonstrates the code of ethics	https://www.enerjisainvestorrelations.com/en/corporate-governance/code-of-ethics
The name of the section on the company website that demonstrates the corporate social responsibility report. If such a report does not exist, provide the information about any measures taken on environmental, social and corporate governance issues.	https://www.enerjisainvestorrelations.com/en/reports-presentations/sustainability-reports-menu
Any measures combating any kind of corruption including embezzlement and bribery	https://www.enerjisainvestorrelations.com/en/corporate-governance/policies/anti-bribery-anti-corruption-policy
4. BOARD OF DIRECTORS - I	
4.2. ACTIVITY OF THE BOARD OF DIRECTORS	
Date of the last board evaluation conducted	17.12.2020
Whether the board evaluation was externally facilitated	No
Whether all board members released from their duties at the GSM	Yes
Name(s) of the board member(s) with specific delegated duties and authorities, and descriptions of such duties	Chairman: Kivanç Zaimler Vice Chairman: Eric Rene C. Depluet
Number of reports presented by internal auditors to the audit committee or any relevant committee to the board	18 process audit reports and 70 ethics investigations
Specify the name of the section or page number of the annual report that provides the summary of the review of the effectiveness of internal controls	2020 Annual Report - Information on the Internal Control System and Internal Audit Activities of the Company and the Related Opinion of the Management Body
Name of the Chairman	Kivanç Zaimler
Name of the CEO	Murat Pinar
If the CEO and Chair functions are combined: provide the link to the relevant PDP announcement providing the rationale for such combined roles	Not combined
Link to the PDP notification stating that any damage that may be caused by the members of the board of directors during the discharge of their duties is insured for an amount exceeding 25% of the company's capital	https://www.kap.org.tr/tr/Bildirim/844693
The name of the section on the corporate website that demonstrates current diversity policy targeting women directors	No written diversity policy, but application is in line with the relevant term
The number and ratio of female directors within the Board of Directors	2 - 25%

COMPOSITION OF BOARD OF DIRECTORS							
Name, Surname of Board Member	Whether Executive Director or Not	Whether Independent Director or Not	The First Election Date to Board	Link to PDP Notification that Includes the Independency Declaration	Whether Independent Director Considered By the Nomination Committee	Whether She/ He is the Director Who Ceased to Satisfy the Independence or Not	Whether the Director Has At Least 5 Years' Experience On Audit, Accounting and/or Finance or Not
Kivanç Zaimler	Executive	Not independent director	1.07.2018		Not Considered	No	No
Eric René C. Depluet	Executive	Not independent director	15.06.2018		Not Considered	No	Yes
Johan Magnus Moernstam	Non-executive	Not independent director	1.08.2020		Not Considered	No	Yes
Eva-Maria Verena Volpert	Non-executive	Not independent director	29.03.2018		Not Considered	No	Yes
Bariş Oran	Non-executive	Not independent director	29.03.2018		Not Considered	No	Yes
Hakan Timur	Non-executive	Not independent director	28.08.2019		Not Considered	No	No
Mehmet Sami	Non-executive	Independent director	29.03.2018	https://www.kap.org.tr/tr/Bildirim/671488	Not Considered	No	Yes
Fatma Dilek Yardım	Non-executive	Independent director	29.03.2018	https://www.kap.org.tr/tr/Bildirim/671488	Not Considered	No	Yes
4. BOARD OF DIRECTORS-II							
4.4. MEETING PROCEDURES OF THE BOARD OF DIRECTORS							
Number of physical board meetings in the reporting period (meetings in person)		1 physical meeting, 5 online meetings due to COVID-19					
Director average attendance rate at board meetings		98%					
Whether the board uses an electronic portal to support its work or not		No					
Number of minimum days ahead of the board meeting to provide information to directors, as per the board charter		7					
The name of the section on the corporate website that demonstrates information about the board charter		Article 10 - Articles of Association (https://www.enerjisainvestorrelations.com/en/corporate/articles-of-association)					
Number of maximum external commitments for board members as per the policy covering the number of external duties held by directors		N/A					



CORPORATE GOVERNANCE INFORMATION FORM

4.5. BOARD COMMITTEES	
Page numbers or section names of the annual report where information about the board committees are presented	2020 Annual Report - Risks and Evaluation of the Management Body
Link(s) to the PDP announcement(s) with the board committee charters	Under Committee Charter tab in Investor Relations website

COMPOSITION OF BOARD COMMITTEES-I				
Names Of The Board Committees	Name Of Committees Defined As "Other" In The First Column	Name-Surname of Committee Members	Whether Committee Chair Or Not	Whether Board Member Or Not
Audit Committee		Fatma Dilek Yardim	Yes	Board member
Audit Committee		Mehmet Sami	No	Board member
Committee of Early Detection of Risk		Fatma Dilek Yardim	Yes	Board member
Committee of Early Detection of Risk		Mehmet Sami	No	Board member
Committee of Early Detection of Risk		Hakan Timur	No	Board member
Committee of Early Detection of Risk		Eric Rene C. Depluet	No	Board member
Corporate Governance Committee		Mehmet Sami	Yes	Board member
Corporate Governance Committee		Michael Moser	No	Not board member
Corporate Governance Committee		Johan Magnus Moernstam	No	Board member
Corporate Governance Committee		Hakan Timur	No	Board member

4. BOARD OF DIRECTORS-III	
4.5. BOARD COMMITTEES-II	
Specify where the activities of the audit committee are presented in your annual report or website (Page number or section name in the annual report/website)	2020 Annual Report - Risks and Evaluation of the Management Body (https://www.enerjisainvestorrelations.com/en/corporate-governance/committee-charters/audit-committee-charter)
Specify where the activities of the corporate governance committee are presented in your annual report or website (Page number or section name in the annual report/website)	2020 Annual Report - Risks and Evaluation of the Management Body (https://www.enerjisainvestorrelations.com/en/corporate-governance/committee-charters/corporate-governance-committee-charter)
Specify where the activities of the nomination committee are presented in your annual report or website (Page number or section name in the annual report/website)	2020 Annual Report - Risks and Evaluation of the Management Body (https://www.enerjisainvestorrelations.com/en/corporate-governance/committee-charters/corporate-governance-committee-charter)

Specify where the activities of the early detection of risk committee are presented in your annual report or website (Page number or section name in the annual report/website)	2020 Annual Report - Risks and Evaluation of the Management Body (https://www.enerjisainvestorrelations.com/en/corporate-governance/committee-charters/early-risk-detection-committee-charter)
Specify where the activities of the remuneration committee are presented in your annual report or website (Page number or section name in the annual report/website)	2020 Annual Report - Risks and Evaluation of the Management Body (https://www.enerjisainvestorrelations.com/en/corporate-governance/committee-charters/corporate-governance-committee-charter)
4.6. FINANCIAL RIGHTS	
Specify where the operational and financial targets and their achievement are presented in your annual report (Page number or section name in the annual report)	2020 Annual Report - Company's Operations and Related Major Developments
Specify the section of website where remuneration policy for executive and non-executive directors are presented.	Under Corporate Governance Policies tab in the IR website (https://www.enerjisainvestorrelations.com/en/corporate-governance/policies/remuneration-policy)
Specify where the individual remuneration for board members and senior executives are presented in your annual report (Page number or section name in the annual report)	2020 Annual Report - Financial Rights Granted to the Members of the Management Body and the Senior-Level Executive Officers

COMPOSITION OF BOARD COMMITTEES-II					
Names Of The Board Committees	Name of committees defined as "Other" in the first column	The Percentage Of Non-executive Directors	The Percentage Of Independent Directors In The Committee	The Number Of Meetings Held In Person	The Number Of Reports On Its Activities Submitted To The Board
Audit Committee		100%	100%	4	4
Committee of Early Detection of Risk		100%	50%	5	7
Corporate Governance Committee		75%	25%	4	4

RISK ASSESSMENT

1. RISK MANAGEMENT FRAMEWORK OF ENERJİSA

Enerjisa Enerji's Risk Management Framework aims to define all risks and opportunities, which may impact financial, operational and strategic plans and enables to assess, classify and mitigate these risks through various methodologies.

The ultimate goal of the framework is to provide transparency to management functions and influence decision making processes via regular reporting.

2. ENERJİSA RISK MANAGEMENT PROCEDURE

All risks and opportunities are identified through a detailed assessment process. These works are elaborated through two separate approaches, i.e., qualitative and quantitative reporting methodology. In quantitative risk and opportunity methodology, for each risk and opportunity best, base and worst cases are collected with their probability of occurrence from the business units, simulated using numeric analysis methodologies and grouped based on their expected values. Correlations are considered during consolidation of risk and opportunity impacts and fluctuations that may occur in the net revenue of Enerjisa are reported. On the other hand, in qualitative risk reporting methodology, the risks, of which their direct financial affect cannot be calculated but have a potential to adversely affect the strategic and operational activities of the company, are prioritised through scales defined according to impact levels and likelihoods; and reported through heat maps. These assessments form the basis of the Risks and Opportunities Report, which is presented to top management as well as to the Enerjisa Early Risk Detection Committee.

3. KEY RISK AND OPPORTUNITIES

Due to the nature of the electricity distribution and retail business, Enerjisa Enerji is exposed to various risks and opportunities throughout the value chain. Based on their sources, risks and opportunities are classified in five categories and monitored accordingly.

3.1. REGULATION RISKS AND OPPORTUNITIES

The electricity distribution and retail businesses are regulated businesses under the supervision of EMRA and are governed by the Electricity Market Law and relevant secondary regulations. For regulated customers Enerjisa applies the National Tariff which is determined by EMRA. The National Tariff is composed of tariffs which will be applied to transmission and distribution line users. EMRA determines the items in the National Tariff for each tariff period.

In the fourth tariff implementation period, which will be valid between 01.01.2021 and 31.12.2025, revenue and/or price cap for regulated activities will be determined by EMRA as in the third tariff implementation period covering the period between 01.01.2016 and 31.12.2020 and will be reflected to the end consumer through the National Tariff mechanism by taking into consideration all costs and services for the execution of the relevant activity.

As the majority of Enerjisa Enerji's revenue is generated from the electricity distribution operations and retail sales to regulated customers, which are both subject to regulated tariffs set by EMRA, any change on these tariff components and/or calculation methodologies mean a significant deviation from Enerjisa Enerji's plans.

Additionally, the regulations issued by EMRA, among other matters, impose organizational and operational restrictions on, and requirements with respect to the electricity distribution and retail sales operations. These requirements and restrictions are audited by regulatory authorities (mainly by EMRA) and any non-compliance detected upon these audits may have an adverse effect on Enerjisa Enerji's financial and operational plans.

Enerjisa Enerji conducts regular and constructive studies with industry participants and regulatory bodies in order to manage regulatory risks and opportunities. In addition, it conducts rational and fact-based discussions with other market participants and regulatory institutions through systematic projects and transparent reporting. As a result of these discussions and in-house studies, it undertakes studies and initiatives that will positively contribute to all

sector stakeholders, including consumers, and legislative regulations in order to support the sustainability of the sector.

3.2. MARKET RISKS AND OPPORTUNITIES

Enerjisa Enerji is subject to financial market risks relating to interest rate fluctuations due to the financial borrowings as well as foreign exchange rate fluctuations due to Feed-in-Tariff regulation.

Enerjisa Enerji is also subject to commodity market risks related to OTC price and volume fluctuations due to the sourcing strategy for retail sales business and other commodity price fluctuations due to the raw material procurements (transaction are in local currency, but highly correlated with related commodity prices) for the distribution business.

Enerjisa Enerji uses systematic approaches to forecast market parameters such as price, inflation, interest and FX rates, demand, etc. Existing and expected exposures are monitored regularly and through hedging operations the risk exposure is kept at an optimum level. Hedging strategies, their effectiveness and further plans are discussed regularly in the Finance Committee and Commodity Risk Committee.

3.3. CREDIT RISKS AND OPPORTUNITIES

Enerjisa Retail companies are exposed to counterparty credit risk with respect to the collection of invoices for regulated and liberalised customers.

Enerjisa Distribution companies are exposed to credit risk mainly due to companies engaged in retail electricity sales (system usage receivables) and the collection of invoices for illegal and unlawful electricity consumption through the distribution system of related regions.

Enerjisa Enerji manages credit risks by requiring security deposits from regulated customers and letters of guarantee or other form of securities from liberalised customers to secure present and future invoices. Timely invoicing, efficient receivable management and credit

scoring of large customers enables Enerjisa Enerji to mitigate credit risk as much as possible.

For the mitigation of financial counterparty credit risks, apart from reporting and monitoring activities, Enerjisa exclusively engages with counterparties that have a rating of no more than 2 notches below the Turkish sovereign rating. Moreover, diversification of banks in the portfolio of financial hedging instruments as well as cash deposits is ensured.

3.4. LIQUIDITY RISK

Enerjisa Enerji is exposed to liquidity risk due to the ongoing funding needs which arise from distribution network investments. While Enerjisa expects that these funding needs can be covered by external debt capital providers, market situations may arise in which conventional sources of liquidity are limited.

Enerjisa Enerji manages liquidity risk by actively seeking to extent average tenors of the loan portfolio as well as to develop alternative sources of debt capital (e.g. corporate bonds). Furthermore, Enerjisa Enerji regularly forecasts short and mid-term funding needs in order to anticipate liquidity needs in time to prepare and act accordingly.

3.5. OPERATIONAL RISKS

All processes in value chain of Enerjisa are exposed to operational risks from internal and external factors. These risks mainly are classified under affect Information Technologies, Occupational Health and Safety (mostly in Distribution business unit), Environment, Human Resources and Reputation headings and are reviewed in detail together with its mitigation activities.

For all types of operational risks, relevant procedures and policies are structured and published in Enerjisa Enerji's quality management systems. Committees are assigned to review all event occurrences and to monitor existing mitigation actions.

COMMITTEES

AUDIT COMMITTEE

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

Activities of the Internal Audit Department are regularly reported to the Audit Committee. In this scope, four Audit Committee meetings was held in 2020. Through these meetings, the Audit Committee was informed on topics including, but not limited to, improvement areas identified in audit/consultancy activities and relevant action plans, results of follow-up activities, information about performed ethics investigation activities and significant considerations about other activities.

The dates of the Audit Committee are as follows:

Meeting Date	In-Depth Review Topic
05.02.2020	Briefing on audit and examination activities Presenting financial tables Presenting the results of audit report
13.04.2020	Briefing on audit and examination activities Presenting financial tables
16.07.2020	Briefing on audit and examination activities Presenting financial tables
21.10.2020	Briefing on audit and examination activities Presenting financial tables

EARLY RISK DETECTION COMMITTEE

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

Early Risk Detection Committee is responsible to advise Board regarding risk and opportunity definitions which threat Company's existence and strategies, relevant

mitigation actions, early detections and precautions. Following Board review, agreed actions are monitored by the Enerjisa Enerji CFO and Early Risk Detection Committee.

The meetings of the Committee are organized at least four times (once every three months around quarter closings) per year. The Early Risk Detection Committee had five meetings and two report circulations in 2020. Meeting and report circulation dates and in-depth review topics have been the following:

Meeting Date	In-Depth Review Topic
06.02.2020	Crisis Management and Emergency Response Plans
12.03.2020 (Report Circulation)	COVID-19 Scenarios and Financial Impacts
21.04.2020	Business Continuity Management and COVID-19 Implementations, Enerjisa Insurance Universe
15.06.2020 (Report Circulation)	H1 Qualitative Risk Report, IT Control Environment, June Risk Management Highlights
16.07.2020	BCM Highlights, IT Control Environment
20.10.2020	Budget 2021 Risk and Opportunities Report, Q&A on 2020 Achievements and 2021 Plans
11.12.2020	H2 Qualitative Risk Report, BCM Highlights

Moreover, members of the Early Risk detection Committee have been informed regularly about the detailed data and actions related to the COVID-19 crisis through daily report circulations since April.

CORPORATE GOVERNANCE COMMITTEE

Following the IPO in February 2018, the Corporate Governance Committee has been enacted at the General Assembly Meeting held on March 29, 2018. Members of the Committee are selected Board members, as well as the Enerjisa Enerji CFO and Committee is chaired by an independent Board member.

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

- To ensure the compliance of the corporate governance principles of the Company with the Corporate Governance Principles as determined by the Board and other internationally accepted corporate governance principles and best practices,

- To make advices in order for implementation of such principles,
- To follow-up compliance of the Company with such principles,
- This Committee also performs the governance related duties of the Nomination Committee and the Remuneration Committee within the Company.

The meetings of the Committee are organized at least four times (once every three months around quarter closings) per year. The Corporate Governance Committee had four meetings in 2020. Meeting and report circulation dates and in-depth review topics have been the following:

Meeting Date	In-Depth Review Topic
05.02.2020	Corporate Communications, Human Resources and Investor Relations Presentations Future of the Committee ESG Reporting
07.04.2020	Corporate Communications, Human Resources and Investor Relations Presentations Post COVID-19 Governance Measures
16.07.2020	Corporate Communications, Human Resources and Investor Relations Presentations Rethinking Investor Reach a) ESG Investing Landscape b) Shifting Cash Equity Ownership in Turkey
13.11.2020	Corporate Communications, Human Resources and Investor Relations Presentations Regulation Update Sustainability / ESG Update



CODE OF CONDUCT AND COMPLIANCE MANAGEMENT

In 2020, Enerjisa Enerji Compliance Management Unit was structured in order to determine and prevent compliance risks, carry out the necessary awareness raising and training activities, monitor violations and implement an effective compliance management system in general. In this context, online trainings is provided to all employees on Code of Conduct once a year for the compliance culture to become widespread and be sustained. Again, a tailor-made Code of Conduct trainings are planned for the related business units including all business partners.

The process for ISO 37301 Compliance Management Certification has been initiated for an effective Compliance Management System. The certification process is expected to be completed by the end of 2021.

“Enerjisa Code of Conduct” (Enetik 2.0) provide a common and binding framework to be followed at every stage of Company’s activities. Each and every Enerjisa employee commits to the framework that defines the fundamentals of ways of business. Enerjisa Code of Conduct includes various issues, such as human rights, protection of environment, anti-bribery and anti-corruption, compliance to sector-related and general legal regulations, establishing sustainable relations as a part of the competition rules, protection of personal data and confidentiality, protection of corporate data and assets, principles in using printed, mass media as well as social media, conflicts of interest, political activities, association memberships, accepting and donating money, gifts and grants, external duties, dress code, employment of relatives and Occupational Health and Safety.

Implementation and supervision of Code of Conduct are followed by the **Compliance Management Unit**. Compliance Managers guide the company employees proactively. Moreover, Compliance Management Unit replies the information requests of employees regarding the actions and processes that may violate the Code of Conduct, carries out awareness-raising activities related

to these rules, plans trainings at executive level within the company and supports Internal Audit Department in reviews and investigations related to the violations in Conduct. All Compliance Management Unit employees completed the Corporate Ethics and Compliance Management training provided by the Turkish Ethics and Reputation Society (TEID) and were certified as Ethics and Compliance Managers. Compliance Management Unit also monitors the risks based on compliance rules and through the risk matrix prepared in accordance with the related legislation.

Enerjisa Code of Conduct (ENETIK 2.0) have been announced to all employees through e-mail and is easily and always accessible on the website of the company, the “Document Management System”, and under the Sustainability menu of IKON, the mobile application for employees.

Employees and all Enerjisa stakeholders can anonymously submit any non-compliance or violations notifications to the Code of Conduct through the **“Enerjisa Enetik Line”** on 0 (216) 579 09 14, e-mail to **ENETIK@enerjisa.com** or using 0 (312) 573 55 55 fax number or postal code P.K. 2 06510 Emek / Ankara. These reported notifications are reviewed and, if required, investigated by the Internal Audit Department. The Internal Audit Department is also in charge of maintaining confidentiality and anonymity through all reporting channels. The notifications are scrutinized and reported to the senior management and, if required, to the Disciplinary Board. The Audit Committee is informed about the notifications reported to the Disciplinary Board. In 2020, all 70 notifications made to the Company were resolved.

Risks related to the violation of the Code of Conduct including anti-bribery and anti-corruption are collected from the related units during the qualitative risk assessment, which is prepared twice a year, and are reported to the Early Risk Detection Committee or Enerjisa Risk Management Committee. At the beginning

of each year, realisation of the risks from violations are assessed during the backtesting activities, in which the performance of the previous year’s reports is measured.

The reported estimates, their likelihoods and impacts are analysed. Enerjisa Enerji Code of Conduct can be accessed

from below link which is on the website. (<https://www.enerjisainvestorrelations.com/en/corporate-governance/code-of-ethics>)

ANTI-BRIBERY AND ANTI-CORRUPTION

Enerjisa Enerji **“Anti-Bribery and Anti-Corruption Policy”** and Code of Conduct explicitly sets forth the company’s anti-bribery and anti-corruption approach.

The Policy covers all Company employees, including the Board of Directors of the Company, Companies from which good and services are outsourced and their employees, people and agencies working on behalf of the Company including consultants, lawyers, external auditors.

Implementation and revision of the policy is under the authority, duty and responsibility of the Board of Directors. Within that framework, the Company is against any and all kinds of bribery and corruption. Offering or receiving a bribe can never be accepted under any circumstance regardless of the reason. Moreover, in line with the donations and grants policy which will be submitted to the approval of the General Assembly, no donation shall be made to political parties, political candidates, managers of political offices, or representatives of the public administration for political purposes. Donations and assistance shall be made to public institutions and organizations, nongovernmental organizations and other private real and legal persons only for social, cultural, educational, environmental protection and similar sustainability purposes.

Anti-bribery and anti-corruption are managed as part of Anti-Bribery and Anti-Corruption Policy in particular, and Enerjisa Code of Conduct in general, which are binding for all employees and stakeholders. Ethics Committee

and Compliance Management Unit have certain responsibilities to prevent and eliminate any and all kinds of bribery and corruption. All sanctions to be imposed in the event of violating the Code of Conduct is also imposed for bribery and corruption.

Online ethics trainings provided to employees also include anti-bribery and anti-corruption trainings. 2020, 14 cases of bribery and corruption were detected in the reported notices received on the ethics hot-line. All these notifications were resolved. As a result of the evaluations, 20 employees were imposed disciplinary sanctions related to corruption. Moreover, a civil law suit related to corruption is against a former company employee still ongoing.

Anti-Bribery and Anti-Corruption Policy has been disclosed to the Company employees. The Policy can be easily accessed and always available through the internal systems of the Company; as well as being disclosed on the Company’s website.

Enerjisa places utmost significance to stakeholder communications and NGO collaborations regarding anti-bribery and anti-corruption. In 2020, Enerjisa Enerji A.Ş. completed the corporate membership process of Turkish Ethics and Reputation Society (TEID). In 2021, the Company declared its commitment to comply with the Transparency International’s principles to demonstrate the determination of the Company to reach higher ethics standards.



CODE OF CONDUCT AND COMPLIANCE MANAGEMENT

INTERNAL AUDIT

Enerjisa Enerji Internal Audit Department directly reports to the Audit Committee composed of Board members as per the principle of independence. Internal Audit activities have the purpose of expressing opinions to the Board of Directors on the activities of the Company and its affiliates in line with the laws and other related legislation as well as in-house strategies, policies and procedures; and on the effectiveness and adequacy of internal audits, besides risk management systems and compliance management. The goal of these activities and structuring is to improve work processes and create added value for the organisation through the presented opinions and suggestions related to the preventive measures to be taken, protection of company assets and development of operational efficiency. In line with the goal, internal audit activities are carried out in compliance with the approved regulation on the audit committee and internal audit regulations.

Annual risk-based internal audit plan, which is prepared considering the risk assessment results of the Company that are revised every year and the opinions of the related managers, is submitted to the approval of the Audit Committee and the Board of Directors. As part of the approved audit plan, auditing activities are carried out in compliance with the international audit standards and

the requirements of **“COSO”** (Committee of Sponsoring Organizations of the Treadway Commission) every year. The compliance was certified with the independent quality assurance assessment conducted in 2018.

Internal Audit also covers the assessment and analysis of the ethics-related notices received regarding the employees and other stakeholders (shareholders, customers, suppliers, public institutions). Besides auditing activities, consultancy services are also provided in line with the vision and mission as part of the demands of senior management and pursuant to the “reliable business partner” principle.

In 2020, a new web-based internal audit module called **“ENAT”** was put into operation by the Internal Audit Department to carry out the audit processes in accordance with the identified standards and conduct more effective finding follow-up processes.

In 2020, Continuous Audit and Continuous Monitoring activities were implemented effectively; hence, all units had been supported to develop effective control practices, and finding and improvement suggestions based on data analytics methods that were not included in the audit plan were shared with the business units.

INTERNAL CONTROL

Activities regarding establishing an Internal Control System within Enerjisa were initiated in 2020 with the guidance of the Board of Directors; and an Internal Control Department was set and system development activities were initiated. COSO Internal Control Framework, which is recognised as a global standard and consists of the best practices, was considered as a reference while establishing the Internal Control System; and the principles, standards and methods included in the framework were decided to be applied.

The priority goal of the Internal Control System, an essential component of effective and sustainable governance, is to enable effective and efficient controls and means of information and communication; hence, support the senior management in fulfilling its supervision responsibility.

For that purpose, activities continue at Enerjisa Enerji to put a digital platform into operation, in which Process Management, Risk Management, Control Processes and Business Continuity structures will be modelled

end-to-end and these structures will be efficiently and effectively managed. As part of these activities, a transparent, reliable and up-to-date information flow will be provided regarding the business processes, impacts of these processes to each other, their ownerships, risks and controls; process, risk and control management will be carried out on a digital platform; and the efficiency and effectiveness of these controls against the risks will be able to be followed centrally. Expansion activities including system set-up and transferring all processes, operational risks and controls at Enerjisa to a digital environment are expected to be completed by the end of 2021.

With the active operation of Internal Control system in 2021, the goal is to maintain the effectiveness and efficiency of preventive, identifying, corrective controls that are implemented to keep the risks of the Company as well as its subsidiaries, i.e., Operational, Financial and Compliance Risks in particular, under control; and include the required new controls to the Internal Control Framework.

ENERJİSA BUSINESS CONTINUITY MANAGEMENT PRACTICES

BUSINESS CONTINUITY MANAGEMENT PRACTICES

Enerjisa Enerji attaches great significance to business continuity with the responsibility of providing service that touches the lives of approximately 21.6 million users through its distribution and retail businesses. Accordingly, Enerjisa Enerji A.Ş. and its subsidiaries have been implementing Business Continuity Management System practices since 2015 with the goal to increase resilience to possible disruptions and crises.

The Group Risk Management under the CFO organisation follows up the global Business Continuity Management standards (BCMS), prepares all documents in line with the approach and puts these standards into effect for Enerjisa Enerji A.Ş. And Enerjisa Retail Companies.

In 2020, critical processes in accordance to the Enerjisa Business Continuity Policy was defined, required documentation was reviewed and updated, information sessions were organised to raise in-house awareness and an efficient monitoring system was implemented for the necessary actions to be taken throughout Enerjisa, as in the previous years.

ISO 22301 Business Continuity Management System certificates of Enerjisa Retail Companies were renewed in March once the annual monitoring audits conducted in Ankara and Adana were completed successfully.

Following the widespread of Coronavirus cases throughout the world and World Health Organization (WHO) raised the risk assessment to the highest level on global scale, Enerjisa Business Continuity Committee held its first official meeting with its extended membership structure on March 2, 2020. The Crisis Management Team lead by Murat Pınar, Enerjisa Enerji CEO, was officially put into operation on March 5, 2020, and the Committee has continuously carried out the crisis management activities since WHO declared pandemic and Turkey announced its first case of the virus in March 11, 2020.

Enerjisa Risk and Business Continuity Management team elaborated the existing Business Continuity scenarios in line with the requirements of the COVID-19 crisis; has kept the record of and monitored the related actions of Crisis Management stakeholders; and has supported stakeholders to fulfil their all data requirements throughout the year.

With a continuous improvement perspective, meetings were held with the Sabancı Group and other companies regarding the best practices in Business Continuity Management and the existing crisis management practices were objectively evaluated to check if there are potential improvement areas.

Enerjisa BCM documentation has been prepared in line with the ISO 22301:2019 standards and is revised annually with the contribution of related stakeholders of the process. According to the Tax Procedure Law General Communiqué – No: 433 of the Turkish Revenue Administration, companies which carries out e-invoice and e-archive processes through inhouse IT systems, are required to have ISO 22301 certificate. In accordance with this obligation, 3 retail companies of Enerjisa have been certified and BCM function ensures the continuity of these certificates. Although the obligation is only applicable for retail companies, BCM infrastructure and documentation quality is kept at the same standards for all Enerjisa business units, including the distribution companies and Enerjisa Enerji A.Ş.

Over sixty critical departments were included to the scope of Business Continuity considering the business units throughout Enerjisa and corporate functions. Group Risk Management (for Group and Retail Companies) and Process Development Team (for Distribution companies) coordinate all meetings to be held and activities to be carried out as part of BCM; and periodically inform about the annual revision period and the organisational (or

departmental) changes to be reflected to the documents for the critical processes.

Revisions on the critical business units are incorporated to the Business Impact Analysis (BIA) documents; and then, Business Continuity and Crisis Management Plans are revised in line with the information received.

Group Risk Management is in charge of following up the crisis management processes during crises, widespread disruptions and/or disasters affecting Enerjisa in general and guiding the Crisis Management Team.

CRITICAL PROCESSES AND DEPARTMENTS

Critical Departments and processes are the units that have at least one process that needs to be activated within the first month following a crisis in order to ensure business continuity. Related processes of these critical units are also treated as critical processes and the representatives of these processes are constitute members of Business Recovery Teams. Business Recovery teams are responsible to activate the process following a disruption.

TRAININGS

5 Annual Business Continuity Briefing Sessions were organized with the participation of all critical department managers in İstanbul, Ankara and Adana. During these sessions, the participants were provided information on the changes implemented throughout the year and given guidance regarding the upcoming annual revision process of the Business Impact Analysis documents.

- In Business Impact Analysis documents, Critical Departments share the following information:
- Critical processes
 - IT applications used in critical processes
 - Recovery Time Objective (RTO), Recovery Point Objective (RPO), the Maximum Tolerable Period of Disruption (MTPOD) scores in critical processes
 - Internal and external dependencies on critical processes

- Printed or digital critical document information
- Critical employee list and contact information
- 1 to 3 disruption scenario and solution steps with 2 alternatives.

COORDINATION

The facilities that meet the standards for Crisis Command and/or Alternative Work Locations to be used in case of a disruption or crisis are assessed annually in 3 regions and selected accordingly. Necessary activities are carried out with the related units to ensure the physical availability of these location. 12 alternative locations were identified for 3 regions and plans were revised in line with these activities. Units to support the Crisis Management Team during these types of crisis were identified.

In 2019, Business Continuity Committee was established with the participation of unit managers. The Committee holds meetings chaired by the Group Risk Management twice a year regardless of occurrence of any incidents. The first meeting is held every year in February following the ISO 22301:2019 audit and the agenda includes disclosure of audit outputs and quality improvement suggestions related to the BCM structure. The second meeting is held in November to discuss the levels of activities carried out in line with the activity plans.

The CEO, who is Crisis Management Team leader and the ultimate crisis manager during possible crises, is informed during a private session following the certification audit and the first meeting of Business Continuity Committee. During this meeting, the CEO is informed on their roles and responsibilities within the crisis management organisation and revisions in the related plans are submitted for his attention. In 2020, these meetings were not organised due to the ongoing active crisis management process amid COVID-19 pandemic; however, Crisis Management Team meetings were held weekly. All decisions made and actions taken during these meetings have been followed by the Group Risk Management.

ENERJİSA BUSINESS CONTINUITY MANAGEMENT PRACTICES

DRILLS AND EXERCISES

Two methods are followed to assess the level to which the scenarios and estimates designed as part the Business Continuity Management System meet the actual requirements:

Scenario-Based Exercise: The Crisis Management Team meets once a year under the leadership of the CEO, with the participation of all representatives and related units. The scenario-based exercise, which is also a requirement of the ISO 22301: 2019 certification audit, is scheduled and performed on the same day with the Crisis Management Team meeting. The final report of this study is shared with auditors and participants.

Disaster Recovery Test: Disaster recovery tests are conducted under the leadership by the IT Unit uninterruptedly for 24 hours once a year in November. The Group Risk Management is responsible to supervise the test activities and archive the final reports. These final reports are disclosed to the audit company during ISO 22301:2019 certification audit.

All IT applications used at Enerjisa are deactivated at the same time in line with an actual disaster scenario during the drill; and then, RTO, RPO and MTPOD times are measured as defined in BCMS plans. Data collected during the drill is synchronised with the data in IT and Group Risk Management documents, revisions are coordinated and in the event of significant differences, these are shared with the related business units.

POLICIES

DIVIDEND POLICY

With the resolution of the Board of Directors dated 02.03.2021 and numbered 237, it was decided to amend our Company's "Dividend Policy" as below and submit the amendment for information and approval of the shareholders at the General Assembly meeting on March 30, 2021.

Enerjisa Enerji A.Ş.'s ("**Company**") Dividend Policy ("**Policy**") is prepared in accordance with the provisions of the Turkish Commercial Code no. 6102, Capital Markets Law no. 6362, and Communique on Dividends (II-19.1) of the Capital Markets Board of Turkey ("**CMB**"), Capital Markets Legislation and the provisions of our Articles of Association. Within the scope of this Policy, the Company targets cash dividend distribution in an amount between 60% and 70% of the net profit recorded under the consolidated and audited annual financial statements which are prepared in accordance with International Financial Reporting Standards (IFRS), excluding any exceptional items.

The annual dividend amount to be distributed in cash shall be determined by calculation of the "distributable earnings" in accordance with the Capital Markets Legislation and the targets stated above.

Implementation of this Policy and the ratio of distributable dividend in cash is subject to various components, including but not limited to, the Company's investment and financing strategies and needs, amendments and developments in the applicable regulation, mid to long-term strategies the Company, capital and investment requirements, profitability, financial position, indebtedness and liquidity position, as well as domestic and global economic conditions. In line with these conditions, the amount of the distributable dividend may be lower than the targeted amount, or the Company may

decide not to distribute dividend upon proposal of the Board of Directors and approval of the General Assembly.

Dividends will be distributed equally to all shareholders, regardless of their date of issuance and acquisition with in the legal period following the approval of the General Assembly on the date determined by the General Assembly. Dividend payments will be made once or in instalments.

Articles of Association of the Company determines that the Company may distribute advanced dividends in accordance with the applicable legislation.

Unless all reserves required by law are set aside and the dividend determined for the shareholders as per these Articles of Association are distributed, it cannot be resolved to set aside other reserve funds, or to carry forward profit to the next year, or to distribute profit to the holders of dividend shares (shall be written if there are any holders of dividend share), members of the Board of Directors, employees of the partnership and to distribute profit to these persons unless the dividend determined for the shareholders is paid in cash.

Provided that all reserves required by law are set aside and the dividend determined for the shareholders as per these Articles of Association are distributed, General Assembly can transfer a portion or all of the net profit to the extraordinary reserves. If the Board of the Company offers the General Assembly not to distribute dividend, the reason for not distributing dividends and information about the usage of undistributed profit needs to be presented to the shareholders at the General Assembly Meeting.

REMUNERATION POLICY FOR MEMBERS OF BOARD OF DIRECTORS AND EXECUTIVES

The Remuneration Policy (“**Policy**”) of Enerjisa Enerji A.Ş. (“**Company**”) defines the remuneration system and benefits applicable to the members of board of directors and executive managers, who have administrative liabilities in accordance with the Capital Markets Law numbered 6362, Communiqué on Corporate Governance (II-17.1) of the Capital Markets Board of Turkey (“**CMB**”) and other Capital Markets legislation.

The dividend, stock option or the Company’s performance-based payment plans do not apply to independent members of board of directors.

Expenses incurred by members of board of directors during their service to the Company (transportation, telephone, insurance and other costs) may be reimbursed by the Company.

The remuneration policy and benefits management system are based on fair, objective, performance-oriented, competitive, encouraging and motivating criteria.

The objectives of our remuneration policy are to ensure that remuneration take into consideration business size, performance, business contribution, knowledge, skills and competencies; to increase employee motivation and loyalty through observing wage balance within the company and among similar companies, and achieving competitiveness in the market; and to retain a competent workforce that will enable the Company to achieve its targets.

The business family model¹ in effect defines organizational roles, key responsibilities, performance indicators, knowledge and skills, and competencies, and the remuneration policy is built on an objective system that is designed with the business family model at its core.

The remuneration of executive managers consists of two components: base pay and performance bonus.

Executive managers may also be eligible for a variable performance bonus to be paid three months following the close of relevant fiscal year, which is calculated as a percentage of gross annual wages according to Company and individual performance ratings. The purpose of the performance-driven bonus pay is to reward achievements and encourage employees to display exceptional performance and meet or exceed the budgeted targets of the Company, thereby instilling a goal-oriented performance culture in the Company.

Benefits constitute an important part of total reward management in order to support wages with additional benefits. The Company seeks to ensure that additional benefits are fair, competitive and compatible with market conditions. Benefits extended to executive managers include, among others, private medical and health insurance, Company-matched pension plans, Company telephone lines and Company cars.

¹ “business family model” describes a number of different roles which are engaged in the same kind of work. Every Business Family forms a homogeneous set of job positions of the same nature which are responsible for the accomplishment of a certain role within an organization. (e.g. Operational management, Professional Administrative, Technological)

DISCLOSURE POLICY

With the resolution of the Board of Directors dated 02.03.2021 and numbered 238, it was decided to amend our Company’s “Disclosure Policy” as below and present the amendment for information of the shareholders at the General Assembly meeting on March 30, 2021.

1. PURPOSE

The management of the Company (the “Company”) follows a transparent and close communication with its shareholders. The main goal is to increase the value of the Company for the shareholders, potential investors and stakeholders.

To this end, the management of the Company shares its results fully, fairly, correctly, timely and transparently with the public, as well as capital markets participants equally as a principle pursuant to financial reporting standards and provisions of Capital Markets legislation.

The Company complies with regulations regarding public disclosure envisaged under the Capital Markets Law numbered 6362, the Capital Markets legislation, the Turkish Commercial Code (“TCC”) regulations and Borsa İstanbul A.Ş. (“BİST”) regulations and gives utmost importance in accomplishing the principles prescribed by the Corporate Governance Principles of the Capital Markets Board of Turkey (“CMB”).

The Disclosure Policy involves all employees and consultants of the Company and regulates the written and verbal communication of the Company with the capital markets participants.

The Disclosure Policy of the Company was prepared in accordance with Article 17 of the Communiqué on the Disclosure of Material Events (II-15.1) of the CMB and is announced to all stakeholders through the website (www.enerjisa.com.tr) of the Company.

2. AUTHORITY AND RESPONSIBILITY

The Disclosure Policy has been established and approved by the Board of Directors pursuant to CMB Corporate Governance Principles. Public disclosure and surveillance,

supervision and development of disclosure policy in the Company are under the authority and responsibility of the Board of Directors. The head of the Investor Relations department under the Chief Financial Officer (“CFO”) has been commissioned in order to supervise and to pursue all matters regarding the public disclosure.

3. PUBLIC DISCLOSURE METHODS AND INSTRUMENTS

Disclosures are made through information instruments such as material disclosures, financial statements and reports, annual reports, the web page, presentations, investor meetings and teleconferences, information letters, press releases, Turkish Trade Registry Gazette etc. Basic public disclosure methods and instruments used by the Company have been stated below provided that provisions of Capital Markets legislation and TCC are reserved;

- Material disclosures transmitted through Public Disclosure Platform (the “PDP”),
- Financial statement and footnotes, independent audit report, declarations and activity report transmitted periodically to the PDP,
- Announcements and proclamations performed through Turkish Trade Registry Gazette (letter of authorized signatures, general assembly call of notice etc.)
- Press releases performed through written and visual media, Disclosures made to data distribution institutions such as Reuters, Forex etc..
- Briefings and meetings held with capital markets participants either face to face or through teleconferences, Notifications of Corporate website (www.enerjisa.com.tr),
- Disclosures made through communication methods and instruments such as telephone, mobile phone (wap and similar technologies), electronic mail, telefax etc.

4. PUBLIC DISCLOSURE OF FINANCIAL STATEMENTS

Financial statements and footnotes of the Company are prepared in accordance with Turkish Accounting Standards /Turkish Financial Reporting Standards (TAS/TFRS) as well as IFRS. Annual and semi-annual financial statements are disclosed to the public after an independent audit.

Financial statements and footnotes are approved by the Board of Directors through assent of Audit Committee pursuant to provisions of Capital Markets legislation before any public disclosure. After accuracy statement is signed, financial statement and footnotes, independent audit report and attached documents are transmitted to PDP and then disclosed to the public in accordance with the CMB and BIST regulations following the approval of Board of Directors and then published on the Company’s website. Financial statements and footnotes of previous periods can be accessed through the Company’s website.

5. PUBLIC DISCLOSURE OF ANNUAL AND INTERIM REPORTS

Annual and interim reports are prepared in accordance with Capital Markets legislation and CMB Corporate Governance Principles. They are approved by the Board of Directors and then, disclosed to the public along with the financial statements. They are published in the Company’s website (www.enerjisa.com.tr) and are published together with the financial statements in PDP. The annual report is also published as printed in order to be distributed to the relevant parties as well.

6. PUBLIC DISCLOSURE OF INSIDE INFORMATION AND AUTHORIZED PERSONS

Disclosures of inside information of the Company are prepared by the Investor Relations department under the CFO and signed electronically, transmitted to PDP and then, disclosed to the public.

Material disclosures are issued timely, correctly, transparently, sufficiently and free from misleading statements in order to assist decisions of persons and institutions who/which shall benefit from the disclosure.

If any employee of the Company realizes that any important and private information, which has not been disclosed to the public in advance, is disclosed to the public inadvertently, s/he informs the Investor Relations department under the CFO immediately about the situation. In this case, appropriate material disclosure is prepared and then submitted to PDP by the Investor Relations department under the CFO in accordance with the provisions of Capital Markets legislation.

The Company announces material disclosures of the Company in Turkish and English at its website (www.enerjisa.com.tr) at the latest within the business day following the public disclosure and makes such disclosures available in its website for five years period.

7. PEOPLE AUTHORIZED TO MAKE PUBLIC DISCLOSURES

Written and verbal information requests transmitted by Capital markets participants or any institution/person other than above mentioned notifications are assessed by the Investor Relations department under the CFO. For the assessment, it is taken into account whether the request is in the nature of a trade secret or not, according to its content and whether it is in the type of affecting investment decisions and the value of capital market instruments pursuant to the Communiqué on the Disclosure of Material Events (II-15.1) of the CMB. Written and verbal information requests are answered generally by the Investor Relations department under the CFO.

Press releases made to written and visual media and data distribution channels such as Reuters, Forex etc. can be made only by Chairman of Board of Directors, CEO, CFO or Directors.

Apart from this, unless employees of the Company are specifically appointed, they cannot answer the questions addressed by the capital markets participants. Incoming information requests are directed to the Investor Relations department.

8. LIST OF PEOPLE HAVING MANAGERIAL RESPONSIBILITY AND ACCESSING INSIDE INFORMATION

People having managerial responsibility are the people who have regular access to direct or indirect inside information regarding the Company and who have the capacity to make administrative decisions to affect the future growth and commercial objectives of the Company. Therefore, people who are not authorized to make administrative decisions are not considered as persons who have managerial responsibility and ongoing accesses to the inside information.

Besides the Board Members, persons with the capacity to have ongoing access to the information and the power to give managerial decisions are the CEO, CFO and Directors.

The list of people who have access to the inside information is preserved in a documented form at Investor Relations department ready for submission to CMB and/or BIST if requested as per Article 7 of the Communiqué on the Disclosure of Material Events (II-15.1) of the CMB. All listed persons are notified about protecting inside information and complying with the confidentiality rules during their duty terms. This list is available at the Company and has been notified to Central Registry Agency (CRA). The notification is renewed when such people are changed.

9. COMMUNICATION WITH CAPITAL MARKETS PARTICIPANTS

To the extent legally permitted under Turkish capital markets regulations, the Company may make any guidance about expectations concerning interim period and annual activity results. Alternatively, the Company may also transmit critical issues affecting activity results, its strategic approaches, and important issues ensuring better understanding of the sector and operated environment to the capital markets participants. Unless otherwise stated in the information policy, only people, who are authorized to make public disclosure on behalf of the Company, may establish the communication with capital markets participants.

10. INCORRECT NEWS CIRCULATING ON THE MARKET

In principle, the Company does not present any opinion on market rumors and speculations. Communication department follows news and rumors about the Company that appear in the media organs and websites, and informs the Investor Relations department. This department assesses whether such news and information shall have any influence on the capital instruments or not.

This department also decides on whether to make any material disclosure pursuant to Article 9 of the Communiqué on the Disclosure of Material Events (II-15.1) of the CMB.

On the other hand, when verification request comes from CMB and/or BIST within provisions of Capital Markets legislation or in the event that the management decides that it is required and more suitable to give any answer, the disclosure is made about rumors and gossips circulating on the market.

11. STAY OF THE PUBLIC DISCLOSURE OF INSIDE INFORMATION

People, who are listed for accessing inside information of the Company are informed about obligations of keeping confidential the inside information which they may have during execution of their duties or conduct of works and transactions on behalf of the Company and have not been disclosed to the public yet, not using them by providing any interest for themselves and third parties or not disclosing them to third parties without any authority.

The Company may postpone the public disclosure of the inside information pursuant to Article 6 of the Communiqué on the Disclosure of Material Events (II-15.1) of the CMB in order that its legitimate interests are not damaged and it is not caused to mislead the investors, in this case, it informs the related persons about the postponement and takes measures ensuring confidentiality. Postponement procedure is realized pursuant to written approval of Board of Directors or the senior managers who have been authorized generally by Board of Directors.

As long as postponement reasons of public disclosure of inside information are removed, public disclosure is made in accordance with the legislation. The postponement decision and the reasons of this decision shall be stated on the disclosure to be made.

12. MEETINGS AND DISCUSSIONS HELD WITH INVESTORS AND ANALYSTS

The CFO is responsible for conducting relationships with both its existing shareholders and also, potential shareholders at the Company regularly, answering investor questions in the most efficient manner and increasing the corporate value.

The CFO and the Investor Relations department under the CFO use various instruments such as roadshow, teleconference, e-mail, fax, analyst presentations, disclosure/announcement etc. for increasing recognition and preferability of the Company in the international investment field, featuring its advantageous aspects when it is compared with equivalent institutions and making the Company more preferable than other companies for the institutions making investments.

The Company accepts analyst reports as property of the company which prepares the analyst report and does not publish them in the Company's website (www.enerjisa.com.tr). The Company does not review, verify, approve analyst reports or income models and does not take their responsibilities and does not spread them. On the other hand, in some definite and limited cases and upon request, analyst reports may be reviewed provided that only publicly disclosed and previous historical information is used and it is limited to a specific issue in order to prevent incorrect information of the public.

13. PUBLIC DISCLOSURE OF FUTURE ASSESSMENTS

The Company may disclose its future expectations publicly from time to time in accordance with the disclosure policy. Future assessments may be disclosed subject to the resolution of board of directors or the written approval of person who is authorized by the Board of Directors. Disclosure may be made maximum four times a year. It may be disclosed at PDP in the material disclosure format or presentation format. If there is any important change, this number limit may be exceeded. It is submitted for information of related parties that future assessments disclosed publicly are made according to some presumptions and may vary from actual results. In the case that there are material changes related to future assessments or it is understood that assessments shall not be realized, the public opinion is informed immediately with the same instruments on a periodical basis.

14. SILENT PERIOD

The Company refrains from discussing the results of operations and financial condition of the Company which will be reported in the financial statements with capital markets participants in definite periods of the calendar year in order to prevent asymmetric information distribution and unauthorized disclosures concerning financial statements. This period is called as "silent period". The silent period for the Company starts from the day following quarter intervals, end of semi-annual and annual fiscal period and ends after a business day when financial statement and footnotes are disclosed publicly.

Furthermore, people who have inside information or ongoing information or spouses, children of such people or persons who live in the same home are forbidden to make transaction in the capital market instruments of the Company within the silent period.

15. MARKET FAILURE ACTIONS

Board of Directors of the Company takes and applies required measures for people in the list of inside information not to use confidential information and/or information which is in the nature of trade secret and are not disclosed to the public about the Company under the scope of Market Failure Actions so as to not provide interest for themselves or others, not to provide incorrect, misleading information about the Company, not to publish news in this manner pursuant to related provisions of Communiqué on Market Abuse (VI-104.1) of the CMB.

16. WEBSITE OF THE COMPANY (WWW.ENERJISA.COM.TR)

The website of the Company at www.enerjisa.com.tr is used actively for public disclosure as recommended by CMB Corporate Governance Principles. Disclosures in the website of the Company do not replace notifications and material disclosures which should be made in accordance with provisions of Capital Markets legislation. It is ensured to access all public disclosures made by the Company via the website. The website is configured and partitioned accordingly. All kinds of measures concerning security of the website are taken. The website is arranged within the content and in the manner stipulated by CMB Corporate Governance Principles. Certain information such as disclosures of inside, financial statements, annual and interim reports and certain other information will also be included in English. Especially announcement concerning the general assembly meetings to be held, information document about the agenda articles, other information, documents and reports related to agenda articles and information about methods of participating into the general assembly are stated remarkably in the website. It is continued to the works concerning development of the website continuously.

DONATION AND GRANTS POLICY

With the resolution of the Board of Directors dated 02.03.2021 and numbered 238, it was decided to amend our Company's "Donation and Grants Policy" as below and submit the amendment for information and approval of the shareholders at the General Assembly meeting on March 30, 2021.

Subject to the restrictions set forth in this Donation and Grants Policy, Enerjisa Enerji A.Ş. (the "Company") can donate to and grant to the persons, non-governmental organizations, associations or foundations, universities, public institutions and organizations, all of which are active in the fields of education, culture, arts, environment and sport, within the principles stipulated in the Capital Markets Law numbered 6362, Dividends Communiqué (II-19.1) of the Capital Markets Board of Turkey and other Capital Markets Legislation, with a corporate sense of social responsibility, without limited to those listed.

Pursuant to Article 17 of the Company's Articles of Association, the Company can donate 1% of its consolidated profit to Sabancı University and/ or Sabancı Association. The annual total amount of donations to be made in this way is limited to five (5) Million Euros. In addition to the above, the total limit of donations to be made in the fiscal year is determined by the General Assembly.

No donation shall be made to political parties, political candidates, managers of political offices, or representatives of the public administration for political purposes. Donations and assistance shall be made to

public institutions and organizations, non-governmental organizations and other private real and legal persons only for social, cultural, educational, environmental protection and similar sustainability purposes. In addition, the Company aims to make donations and grants which are only of a tax deductible nature.

All donations and grants are carried out in accordance with the resolution of the board of directors of the Company, in compliance with the vision, mission and policies of the Company and based on the ethical principles and values of the Company. Donations and grants can be carried out in two manners; in cash and in kind.

The Company, in line with the principles mentioned in the Donation and Grants Policy and the principles stipulated by the regulations applicable to the Company, submits all donations and grants made in each fiscal year to the attention of the shareholders at the General Assembly Meeting of the relevant year with a separate agenda item.

The necessary material event disclosures shall be made pursuant to the Capital Markets legislation, if the donations and grants made by the Company equals to 1% or more of the total assets of the Company recorded under the latest publicly available balance sheet of the Company; or if the sum of donations and grants that are below 1%, reaches at 1% or more of the total assets of the Company recorded under the latest publicly available balance sheet of the Company.

ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

1. PURPOSE

The purpose of the Anti-Bribery and Anti-Corruption Policy (“Policy”) is to state the anti-bribery and anti-corruption principles contained in the Code of Business Ethics of Enerjisa Enerji A.Ş. (“Company”).

2. SCOPE

The Policy covers:

- All Company employees including the Board of Directors,
- Companies from which we outsource good and services and their employees, people and agencies working on behalf of the Company including consultants, lawyers, external auditors

This Policy is an integral part of:

- Corporate Governance Principles approved by the Board of Directors and disclosed to the public and Code of Business Ethics of the Company,
- Principles which we have undertaken to comply with by joining the United Nations’ Global Compact,
- Human resources practices of the Company.

3. DEFINITIONS

Corruption is the misuse of the authority held due to the position for the purpose of directly or indirectly gaining advantage, irrespective of the institution where the relevant person works and irrespective of the position of the relevant person.

Bribery is a person’s gaining advantage or providing advantages to others within the framework of an agreement reached with a third person so that such person acts in breach of the requirements of his/her duty by doing or not doing a work, speeding up or slowing down thereof, etc.,

irrespective of the institution where the relevant person works and irrespective of the position of the relevant person.

Bribery and corruption may occur in various different ways which includes the following, among others:

- Cash payments,
- Political or other donations,
- Commission,
- Social benefits,
- Gift, hosting,
- Other benefits

4. DUTIES AND RESPONSIBILITIES

Implementation and updating of the Policy are in the responsibility and duties of the Board of Directors. In this context, the followings are required:

- The Corporate Governance Committee is required to advice the Board of Directors for establishing an ethical, reliable, legal and controlled working environment,
- Senior management is required to evaluate risks and establish the necessary control mechanisms in compliance with the principles of Board of Directors,
- The Internal Audit Department Directorate and the Enerjisa Ethics Committee are required to evaluate whether operations are carried out safely and in compliance with legal regulations within the scope of their duties,
- In case policies, rules and regulations are not complied with, report, review and sanction mechanisms must be determined and operated.

Moreover, all of the Company employees are responsible for;

- Ensuring compliance with established policies of the Board of Directors.
- Effectively managing the risks associated with their business operations.
- Working in a manner consistent with the relevant legal regulations and the applications of the Company.
- Informing the Enerjisa Internal Audit Department if they encounter with a conduct, activity or application which are in breach of the Policy.

5. THE COMPANIES FROM /TO WHICH GOODS AND SERVICES ARE BOUGHT AND SOLD AND BUSINESS PARTNERS

The companies from which goods and services are bought and to whom goods and services are sold and Business Partners must comply with the Policy principles and other relevant regulations. Relations with persons and institutions failing to comply these conditions shall be terminated.

5.1 Selection of Companies and Business Partners
In addition to criteria such as experience, financial performance and technical sufficiency, Senior Management takes into account morality and a positive background in this field during the selection of the companies from which goods and services are bought and to whom goods and services are sold and the Business Partners. The companies and the Business Partners which have a negative information with regard to bribery or corruption are not collaborated even if they meet other requirements. Responsibility for making necessary research and evaluation within this scope primarily belongs to senior management. Internal Audit Department Directorate evaluates in its controls whether such issues are complied with.

5.2 Reaching Agreement with Companies and Business Partners
In contracts and agreements to be made with companies and business partners who have positive information and meet other criteria, the following conditions are included:

- Ensuring full compliance with the principles indicated in the policy and other relevant regulations,
- Employees’ internalizing these principles and acting accordingly,

- Ensuring its employees to receive trainings about the Policy in certain periods,
- Reminding its employees regularly about notification obligations and the Ethics Hotline (i.e., a line that is open the use of all employees in order to meet obligation of informing any case that is not complied to Code of Conduct of Enerjisa) and encouraging them to notify in case they encounter such situations.

Provisions stating that relations will be terminated, in case these criteria are not complied with or in case a situation against the Policy occurs, need to be added in the contracts.

6. OUR POLICIES AND PROCEDURES

6.1 Bribery and Corruption
The Company is against all kinds of bribery and corruption. Accepting bribes or bribing can never be accepted under any purpose.

Business relationships with 3rd persons wishing to get business from the Company through bribery or corruption have to be terminated.

6.2 Gift
A gift is a product generally given by customers or persons with which a business relationship is established as a means of thanking or commercial courtesy and which does not require a financial payment.

All kinds of gifts offered or given to third persons by the Company must be offered in public, with good faith and unconditionally. Principles regarding gifts which can be given within this scope and recording thereof have been made written in the Company’s Code of Business Ethics under the Principles of “Giving and Accepting Gifts”.

The same principles under the Company’s Code of Business Ethics apply for accepting a gift and no gift must be certainly accepted apart from the symbolic gifts included in these principles, with low financial value (maximum limit has been set as 300 TL per case; 1.500 TL within one year). In addition, even within this scope, gift acceptance must not become frequent and the Human Resource Department and Senior Management have to be informed about the gift by the employee who accept gift through his/her supervisor.

6.3 Facilitation Payments

The persons and institutions within the scope of this Policy must not offer facilitation payments to guarantee or speed up a routine transaction or process (obtaining authorization and license, obtaining a document, etc.) with government agencies.

6.4 Donations

Certain legal restrictions have been imposed on donations and aids pursuant to the Capital Markets Law numbered 6362 and other relevant legislation, which the Company is subject to, as well as the Company’s articles of association. Accordingly, Donation and Aid Policy has been approved by the General Assembly and disclosed on our website.

The Donations made by the Company employees to the charity organizations with the amounts they collect apart from and independent of their works are out of the scope of the Company Donation and Aid Policy. However, principles included in the Company Code of Business Ethics are also valid at this point.

7. CORRECT RECORDING

Issues which the Company must comply with in relation to accounting and recording system are regulated with legal regulations. Accordingly;

- All kinds of accounts, invoices and documents belonging to relations with third parties (customers, suppliers, etc.) must be recorded and kept in a complete, accurate and reliable manner.
- Falsification and distortion must not be made on accounting or similar commercial records related to any transaction.

8. TRAINING AND COMMUNICATION

Our Policy has been announced to employees of the Company and it can be continuously and easily accessed via the Company’s internal system.

Trainings, which are set on a regular basis, are important instruments for increasing awareness of employees. Within this scope, Human Resources and Corporate Capabilities Directorate, designs training programs together with Internal Audit Department Directorate and the Corporate

Legal Department, which are compulsory for all employees.

9. NOTIFICATION OF POLICY BREACHES

If opinion or suspicion exists that an employee or a person acting on behalf of the Company is acting in breach of this Policy, the issue must be submitted to the Enerjisa Internal Audit Department. Codes of Business Ethics of the Company are reminded to employees of the Company in certain periods.

The Company encourages an honest and transparent approach; supports any employee or person acting on behalf of the Company who expresses his/her sincere concerns with good faith, and keeps notifications secret. None of the employee shall be subject to pressure or punishment for the notification of the Enerjisa Ethics Committee about a violation of the Code of Ethics, the scope of the duties or place of job shall not be changed for this reason without written consent of the Enerjisa Ethics Committee.

In case the notifying person is subject to such treatment, he/she is expected to notify this to the Enerjisa Ethics Committee.

The companies and Business Partners from which goods and services are outsourced are also expected to remind their employees about the Ethics Line on a regular basis and encourage them to notify in case they encounter such situations. This issue is also guaranteed with the contracts made.

10. POLICY BREACHES

In cases which are or could be in breach of the Policy, the matter is reviewed by the Enerjisa Ethics Committee and necessary sanctions are implemented if inappropriate acts are detected.

In contracts made with the companies from which goods and services are bought and to whom goods and services are sold and with persons and institutions carrying out duties on behalf of the Company, the provisions stating that if conducts, attitudes or activities in breach of Policy are detected, business will be terminated, need to be included and in case of breach of policy business shall be terminated.

HUMAN RESOURCES POLICY

1. PURPOSE & SCOPE

The purpose of this policy is to define fundamental principles of Human Resources processes such as recruitment, career management, training & development, reward management, work environment and employment termination, in Enerjisa Enerji A.Ş., in accordance with its vision, mission, strategy, culture and values.

This policy is applied to Enerjisa Enerji A.Ş. and all its subsidiaries (Başkent Elektrik Dağıtım A.Ş., İstanbul Anadolu Yakası Elektrik Dağıtım A.Ş., Toroslar Elektrik Dağıtım A.Ş., Enerjisa Başkent Elektrik Perakende Satış A.Ş., Enerjisa İstanbul Anadolu Yakası Elektrik Perakende Satış A.Ş., Enerjisa Toroslar Elektrik Perakende Satış A.Ş., Enerjisa Müşteri Çözümleri A.Ş., Eşarj Elektrikli Araçlar Şarj Sistemleri A.Ş.; hereinafter referred as “Enerjisa”), to all employees, management staff, and future talents who are the candidates of being Enerjisa employee.

2. FUNDAMENTAL PRINCIPLES

We focus on the best, fair and cooperative human resources processes and practices, with the vision of “being a continuously preferred employer in its own sector and taking part in the top 15 in all sectors”.

Equal Opportunity and No-Discrimination form the fundamental ground for our vision and it exist at the core of our Human Resources management approach.

In all human resources processes such as recruitment, career management, training & development, reward management, work environment and employment termination, we display an equal attitude regarding language, religion, nationality, race, ethnic origin, age, gender, marital status, health, disability status, political opinion, union membership and all similar matters. We resolutely do not tolerate discrimination and unfair conduct in any form. A working environment, free from all kinds of ill-treatment, mobbing and harassment are provided for employees.

We get strength from diversity and support inclusion in all areas. We care about that all Enerjisa employees feel valued and equal, independent of their gender, age, profession, expertise, experience or any other discriminatory criteria.

2.1. Recruitment Management

As stated in our recruitment procedure (EE-P-215), recruitment in Enerjisa is carried out regardless of gender, nationality, faith, ethnicity in order to find and place the most suitable candidate based on corporate culture, company objectives, specific competencies, knowledge and experience. We also attach importance to the fact that employees take equal advantage of the opportunities offered by the company throughout their working life after recruitment.

2.2. Training and Development Management

We strive to provide Enerjisa employees a developing, meaningful, positive, diverse and full of opportunities work environment, to unleash their potential and creativity as well as to support their development throughout the whole working experience.

Continuous development is on our focus in which all our employees take responsibility for their own development, improve themselves and their work, and managers support & guide their employees by coaching and mentoring. We support Enerjisa employees with the knowledge, skills and competencies; they need and will be needing of today and tomorrow’s business world. Development programs are designed specifically in line with the customized needs of the target groups from young professionals to executives, based on learning with experience and implementation of different kinds of blended learning methods, in collaboration with best suppliers in the field. We care about offering training and development opportunities to all our colleagues in line with their specific needs.

2.3 Organizational Design, Planning, Succession and Career Management

The organizational design and planning process in Enerjisa includes the process of regularly reviewing the organizational structure in line with company strategies, targets and needs and designing and planning if necessary.

With succession plan and career management, while evaluating Enerjisa’s future strategies and organizational needs, by taking the performance, potential and individual preferences of the employees, creates the right succession plan for the organization and meaningful career plans for the employees.

2.4 Performance, Recognition and Total Reward Management

Enerjisa values the contribution of all employees to the company’s targets and creates a working environment in which they can show their performance and potential at the highest level.

The Performance Management system has a structure that supports the company strategies and targets, supports cooperation, continuous feedback dialogues, and also supports the development of employees. System enables target addition and revision operations throughout the year.

Performance Management System supports the high performance culture with the objectives being open and transparent, being associated with other targets, having target-oriented dialogue areas between the manager and the employee, allowing instant and continuous structural feedback throughout the year.

Recognition and Reward Management process that is fair, objective, supports high performance, centered of contribution and competencies of employees to their business targets includes rewarding, motivating and competitive salary, side benefits and recognition applications.

2.5 Wages and Work Hours

As Enerjisa, we develop our remuneration policy competitively, taking into account the sector, labour market, set the minimum wage level equal or above the statutory minimum wage. We are committed to offer opportunities to its employees that are competitive relative to the market. We comply with applicable laws, collective agreements, and regulations when setting daily and weekly work hours, overtime, breaks, weekends and annual paid leave and we regularly inform all business units about rules on overtime and audit their implementations. At Enerjisa, work environment takes into account the balance between work and private life of our employees.

2.6 Health and Safety

We attach importance to health and safety. We commit to reduce risks in our work environment and take measures to promote health, safety and well-being by constantly improving our processes.

We do not compromise on safety practices, behaviors or conditions.

We expect all our managers and employees to comply with our health, safety and security regulations, promote a safe and healthy work environment and improve our health and safety culture.

We act in accordance with the legislative Health & Safety framework and regulation.

2.7 Human Resources and Labour Relations Data Analytics Management

As Enerjisa, we aim to create the culture of decision-making based on data in all our processes and to expand the applications for all HR processes. In line with this goal, we regularly review the relevant systems and processes, develop the skills of all human resources teams in this direction, and work for the formation of this culture throughout the company.

2.8 Protecting the Rights of the Employees

Enerjisa employee rights are protected and managed within the framework of applicable legislations, employment contracts between employee & the employer and ethical rules. The requirements of Personal Data Protection Act are implemented, followed and reported. All rights of employee are in line with relevant regulations. The framework of our Code of Conduct (ENETİK 2.0) (“Code of Conduct”), full and correct use of personal rights of employees is ensured. Employees are treated honestly and fairly, and a non-discriminatory, safe and healthy working environment is committed. We respect labor unions and collective labor agreement rights of employees as stated in our Human Rights policy. We make the necessary efforts for the personal development of our employees. We also support them to volunteer for social and social activities with a sense of social responsibility.

All activities are carried out in accordance with the legal regulations and the Enerjisa Enerji Code of Conduct. Ethics Committee is obliged to ensure that all actions that may be subject to discrimination and maltreatment are reported by employees in accordance with the principles of confidentiality and that necessary actions are taken.

2.9 Forced Labor and Prohibition of Child Employment

We stand against any forced labor including compulsory work, employment of illegal migrants, and foreign nationals without a work permit, forced labor, debt bondage and any kind of human trafficking, gender discrimination, illegal child labor, abuse of children and all other abusive or exploitative behaviors related to workers and conduct all our business processes accordingly. Individuals that are under 18 years of age are not hired, and Enerjisa complies with international conventions on children rights

ratified by the Republic of Turkey, as well as the national legislation. These practices are open to inspection by public authorities.

We expect all of our employees and business partners to stand against forced labor, to prevent discrimination and harassment, to comply with legal working hours for employees, not to employ illegal child labor and to treat their employees and partners with dignity and respect.

2.10 Employee Participation in Management

Employee participation in management is supported through involving employees in regular meetings, annual target setting and performance management discussions and in decision-making process within the frame of their responsibilities. Additionally, employees can share their feedback, recommendations and requests through various channels such as intranet, mobile applications, recommendation systems (Fikir Kumbarası), focus groups, feedback systems and surveys. Data collected from these platforms are analyzed and used to create action items and in accordance with our recommendation, recognition and award systems, participations are evaluated and awarded if necessary. The participation of high potential employees in management decisions is especially supported. Employees are informed about the developments within the company through different communication channels. CEO Meetings are held with the participation of all management team and the annual management meetings are held to inform the employees about the general situation of the company. With these approaches, necessary employee participation and contribution are provided in order to ensure effective management of the company.

HUMAN RIGHTS POLICY

Enerjisa Enerji is a company operating in Turkish power distribution and retail sector that seeks to provide safe, environmental-friendly, stable and uninterrupted energy to its customer for the benefit of people and society. We have a strong presence in the Turkish Market and professional workforce. Respect for human rights is an integral part of our corporate culture. We are committed to respecting all human rights wherever we operate.

OUR COMMITMENT TO HUMAN RIGHTS

This Human Rights Policy statement applies to all employees, management staff in all business units, business partners, within our sphere of influence, to further parties in our supply chain.

Enerjisa Enerji is a member of the UN Global Compact as of 07.10.2019 and thus, we uphold its ten principles in the fields of human rights, labor standards, environment and anti-corruption. Our commitment to human rights also includes the acknowledgement of the following international documents:

1. The International Bill of Human Rights:

- Universal Declaration of Human Rights
- International Covenant on Civil and Economic Rights
- International Covenant on Economic, Social and Cultural Rights

2. International Labour Organisations's Declaration on Fundamental Principles and Rights at Work

We expect all our employees, business partners and parties in our supply chain to always regard the dignity, privacy and all fundamental human rights of each individual.

Enerjisa is committed to create a work environment, where all fundamental human rights in all its operations are respected. In line with this objective Enerjisa Enerji:

- Informs and trains all its employees and managers on the Human Rights Policy.
- Addresses opinions of its employees, clients, and stakeholders on human right issues.
- Undertakes to provide or cooperate for a fair and reasonable improvement and remediation in case of violation of the Human Rights Policy.
- Strives to end and remedy any negative impact of any identifie human rights violations.

WE SUPPORT EQUAL OPPORTUNITY AND NO-DISCRIMINATION

In all human resources processes such as recruitment, termination, wage compensation, training and reward management, work environment, we display an equal attitude regarding language, religion, nationality, race, ethnic origin, age, gender, marital status, health, disability status, political opinion, union membership and all similar matters. We resolutely do not tolerate discrimination and unfair conduct in any form. We provide our employees with a working environment, free from all kinds of ill-treatment, mobbing and harassment.

We strongly believe that we get strength from diversity and support inclusion in all areas.

WE DO NOT COMPROMISE ON HEALTH AND SAFETY

We attach importance to health and safety. We commit to reduce risks in our work environment and take measures to promote health, safety and well-being by constantly improving our processes.

We do not compromise on safety practices, behaviors or conditions.

We expect all our managers, employees and parties in the supply chain to comply with our health, safety and security regulations, promote a safe and healthy work environment and improve our health and safety culture.

We act in accordance with the legislative Health & Safety framework and regulation.

WE HAVE NO ACCEPTANCE FOR FORCED LABOR AND CHILD EMPLOYMENT

We stand against any forced labor including compulsory work, employment of illegal migrants, and foreign nationals without a work permit, forced labor, debt bondage and any kind of human trafficking, gender discrimination, illegal child labor, abuse of children and all other abusive or exploitative behaviors related to workers and conduct all our business processes accordingly. Individuals that are under 18 years of age are not hired, and Enerjisa complies with international conventions on children rights ratified by the Republic of Turkey, as well as the national legislation. These practices are open to inspection by public authorities.

We expect all of our employees and business partners to stand against forced labor, to prevent discrimination and harassment, to comply with legal working hours for employees, not to employ illegal child labor and to treat their employees and partners with dignity and respect.

WE PROMOTE FREEDOM OF EXPRESSION AND ASSOCIATION

At Enerjisa Enerji, we:

- Respect freedom of expression of our employees and do not tolerate any conduct preventing exercise of freedom of expression.
- Support the right of unionization of employee under the applicable laws and regulations.
- Attach importance to forming a workplace, which promotes cooperation and mutual respect.
- Are committed to engage in a constructive dialogue with labor union representatives elected freely by the employees.
- Aim to construct and develop social dialogue and labor peace with the labor unions.

WE OFFER FAIR COMPENSATION AND WORK HOURS

At Enerjisa Enerji, we:

- Develop our remuneration policy competitively, taking into account the sector and labor market.
- Set the minimum wage level equal or above the statutory minimum wage.
- Are committed to offer opportunities to our employees

- that are competitive relative to the market.
- Comply with applicable laws, collective agreements, and regulations when setting daily and weekly work hours, overtime, breaks, weekends and annual paid leave.
- Regularly inform all business units about rules on overtime and monitor their implementations.

At Enerjisa Enerji, work environment takes into account the balance between work and private life of our employees.

WE ACTIVELY WORK AGAINST CORRUPTION AND BRIBERY

As Enerjisa, we uphold following principles and committed not to tolerate and to counter corruption and bribery in whatsoever form throughout all our operations. We in particular:

- Adhere to all relevant legislation and regulations.
- Put strict limitations on giving and receiving gifts in any form.
- Ensure no harm to our employees refusing to pay bribes.
- Do not make political donations.
- Constantly monitor processes and operations in respect to countering corruption and bribery.
- Encourage our people to speak up in case of a breach.
- Train our people regularly on anti-corruption and anti-bribery.
- Report breaches on regular basis.
- Assure appropriate nomination and proportionate remuneration of our agents.
- Apply sanctions immediately to individuals that are in breach of anti-corruption and anti-bribery principles and rules.

WE UPHOLD THE PROTECTION OF PERSONAL DATA AND LEGAL COMPLIANCE

At Enerjisa Enerji, we:

- Follow the legislation for protection of all the personal data and information of our employees, customers and those related to field of our operations, and fulfil its obligations related thereto.
- Communicate our data security policies and procedures to our employees and creates awareness with our announcements and trainings.
- Avoid any act in all of our operations, which may

constitute an offense or violation of rights of individuals of personal data protection and expects our employees to act in the same way.

WE STRIVE FOR PROTECTING THE ENVIRONMENT AND CONTRIBUTE TO A SUSTAINABLE PLANET

We protect the environment. We constantly strive to be an environmentally-conscious energy partner of choice for our customers and society. In this context, we conduct all our activities, according to the following fundamental principles:

- While performing our activities, we adopt the principles of sustainable development and prevention of pollution at source.
- By reducing the wastes originating from our activities at source as much as possible, we ensure that wastes are recycled, recovered, reused or disposed without causing any harm or damage to the environment.
- We contribute in the fight against climate change. In this context, we conduct activities oriented towards reducing energy consumption, increasing energy efficiency, and reducing our greenhouse gas emissions.
- We aim at continuously reduce the consumption of water necessary for our activities by efficiently using water, one of our most important natural resources.
- We pay due attention and strive for direct and indirect biodiversity protection in all our operational areas.
- We aim to develop, expand and maintain environmental awareness across our sector and communities, and strive for being a role model within our industry when it comes to protecting the environment.
- We encourage our entire business network, including our employees, suppliers and business partners in particular, to maintain their environmentally-responsible activities.

GOVERNANCE

In order to attain a sustainable implementation of our approach towards human rights, a cross-functional “Environment, Sustainability and Governance Committee”, including the CFO and CEO, was established and commissioned to ensure an effective implementation of the Human Rights Policy.

As outlined above, Enerjisa Enerji adopts several operational policies to support and integrate its human rights commitment to our daily business. We have a responsibility to raise our employees’ awareness about human rights related issues and encourage them to take action to safeguard respect for human rights.

GRIEVANCE MECHANISM

We constantly encourage reporting of any human rights violations, and frequently monitor potential problems and concerns about the effective implementation of our policy statement.

Besides all employees, business partners or any other third party may report suspicious policy violations via Enetik Hotline (+90 216 579 09 14) and/or e-mail to ENETIK@enerjisa.com.

We do not take any retaliation or action against any employee who reports actual or potential violations and concerns under this policy. Regarding violation notifications, both the content of the notification and the information about the person making the notification are evaluated and kept with the highest confidentiality.

Violations of the Human Rights Policy may lead to disciplinary proceedings and legal sanctions. In case any violation is determined, procedures set out in the disciplinary provisions shall apply.

REPORTING AND REVIEW

We are committed to reporting on our human rights performance, including the implementation of this policy statement, thereby upholding the principle of transparency. Through our annual sustainability report, the public is informed about our commitments, efforts and statements regarding human rights in accordance with this policy.

Furthermore, this policy statement is an integral part of Enerjisa’s sustainability approach, and will together with other policies which include particular issues on human rights in more detail be reviewed and continuously improved in order to assure a sustainable implementation within our processes and procedures.

ENVIRONMENTAL POLICY

As Enerjisa Enerji A.Ş., we conduct all our activities, including our distribution and sales business lines in particular, according to the following fundamental principles:

- We fulfil all our statutory and other compliance obligations related with the Environment.
- While performing our activities, we adopt the principles of sustainable development and prevention of pollution at source.
- By reducing the wastes originating from our activities at source as much as possible; we ensure that wastes are recycled, recovered, reused or disposed without causing any harm or damage to the environment.
- We contribute in the fight against climate change. In this context, we conduct activities oriented towards reducing energy consumption, increasing energy efficiency, and reducing our greenhouse gas emissions.
- We aim to continuously reduce the consumption of water necessary for our activities by efficiently using water, one of our most important natural resources.
- We monitor and aim to reduce our air and wastewater emissions originating from our activities. We satisfy the legal requirements related with wastewater quality.
- We pay due attention and care for direct and indirect biodiversity protection in all our operational areas.
- We set measurable targets for the field of environment; and we continuously improve our environmental management system by periodically assessing our performance against such targets.
- While determining the methodologies and goals for our environmental management system, we benefit from the contributions of our employees, customers, business partners, investors and other stakeholders as well as our senior management

- We aim to develop, expand and maintain environmental awareness across our institution.
- We encourage our entire business network, including our employees, suppliers and business partners in particular, to maintain their environmentally-responsible activities.
- In case of procurement of products-services with substantial environmental aspects, we identify the necessary environmental conditions in line with the life cycle principle and share them with our suppliers. Thus, we contribute in the improvement of our suppliers’ environmental performances.
- We conduct awareness-raising activities for development of environmental awareness among all stakeholders of the energy sector in line with our responsibility arising from our position in the sector and we aim to lead the sector in this field.
- ISO 14001 Environmental Management System Standard is the fundamental guide that we use in all our activities.
- We ensure the monitoring and auditing of our environmental policy as part of our environmental management system.

The Sustainability Committee of Enerjisa Energy meets regularly and takes decisions by reviewing the Environmental Policy and environmental performance, and reports to the Board of Directors.

We regularly share with stakeholders the environmental performance that we continuously monitor in accordance with the Environmental Policy, through Sustainability Reports. We identify the issues of top priority in the field of environment in line with the stakeholder analyses and according to the local and global trends that are of interest for the sector. We make use of such priority issues that we have identified in the field of environment while developing and revising the Environmental Policy.

COMMITTEE CHARTERS

AUDIT COMMITTEE CHARTER

1 - Purpose And Scope

This charter is intended to provide members of Enerjisa Audit Committee with practical guidance to fulfil their oversight responsibilities. The charter basically defines the organization, authorities, responsibilities of Audit Committee and its members as well as primary rules of committee operations.

Enerjisa Enerji A.Ş. and its all subsidiaries mentioned as a whole as Enerjisa herein this report are in scope of this charter.

2 - Definitions

- **Compliance:** Conforming to the related rules, regulations, policies and procedures.
- **Enerjisa:** Enerjisa operational companies and corporate functions as a whole.
- **Independence:** The freedom from conditions that threaten objectivity or the appearance of objectivity.
- **Internal Audit Department:** The function executing internal audit activities at Enerjisa companies.
- **Internal Audit Executive:** Enerjisa Head of Internal Audit.
- **Risk:** The possibility of an event occurring that will have a negative impact on the achievement of objectives. Risk is measured in terms of impact and likelihood.
- **Risk Management:** Processes to identify, assess, manage, and control potential events or situations, to provide reasonable assurance regarding the achievement of the organization's objectives.

3 - Implementation

3.1 Definition of Roles

The audit committee will assist the Board of Directors by advising on and making recommendations in relation to;

- the integrity of the financial statements and the internal control processes
- the effectiveness of the internal audit function of the entity
- the effectiveness of internal audit processes and functioning systems
- the independence, qualifications and performance of the external auditors
- the compliance with applicable laws and regulations

3.2 Authorization

Audit committee is authorized to;

- Oversight the internal control system, accounting processes, reporting systems of Enerjisa.
- Coordinate the internal audit activities across Enerjisa and ensure the quality of these activities.
- Ensure that internal audit department performs its activities independently, effectively and with adequate proficiency and adequate human resource.
- Take decision to buy service from consultancy firms, external auditors, or other experts in order to ensure that committee carries out its responsibilities.
- Perform or give authorization to perform any examination/investigation in its responsibility frame.
- Have access to any information and document of the Enerjisa.
- Review the performance of internal audit department and assign/discharge the chief audit executive.
- Put the responsibilities defined in this charter into practice.

3.3 Responsibilities

Audit Committee is responsible to conduct the duties below within the definition of its purpose to assist to BoD in order to carry out oversight responsibilities:

Financial Data and Reporting

- Review the veridicality, accuracy and integrity of annual and interim public financial statements, accounting principles of Enerjisa and compliance with Applicable Law and notifying the Board of Directors together with the opinions of the responsible executives and independent auditors of Enerjisa in writing.
- Examine significant accounting issues and disagreements, including significant changes regarding the application of accounting and reporting regulations.
- Review the major changes to Enerjisa's accounting principles and practices based on advice of the management, independent auditors, chief audit executive or management.
- Monitoring and ensuring effectiveness and soundness of financial reporting processes and systems of the Enerjisa Companies.

Internal Controls

- Monitor and ensure effectiveness of internal control systems including information technology security and control.
- Understand the scope of internal and external auditor's reviews of internal control systems in relation to financial reporting and obtaining reports on significant findings and recommendations together with the management's view.

Internal Audit

- Guarantee the objectivity of the internal audit team as the reporting body.
- Review the responsibilities, resources, functions and performance of the internal audit department and chief audit executive of Enerjisa.
- Propose the appointment and when and if appropriate the replacement of the Enerjisa's chief audit executive who will report to the Audit Committee.
- Review and approve internal audit methodology, annual internal audit plan, any changes required in the planned scope of the audit plan and organizational structure of the internal audit function.

- Review any difficulties encountered in the course of the internal audit work, including any restrictions on the scope of the work of the internal auditor or access to required information.
- Review reports of the internal audit department of Enerjisa and their respective summaries prepared for the Board.
- Review significant findings and recommendations of the internal audit department together with management's responses.
- Review Enerjisa's internal audit procedures against international standards/benchmarks.

External Audit

- Oversee all efforts regarding the selection, engagement, evaluation, appraisal, compensation, termination and replacement of the internal audit company.
- Evaluate and present to the Board of Directors recommendations regarding areas to be audited by the authorized independent audit company.
- Monitor auditor independency, the rotation of audit partners and potential conflicts of interests arising from the control systems of the auditor and permitted non-audit services.
- Review the reports, findings and all related matters that the independent audit company believes should be discussed.
- Contribute to solve significant disagreements between Enerjisa's senior management and independent audit company.

Compliance

- Review the effectiveness of the systems for monitoring compliance with laws and regulations.
- Review policies and procedures for receipt and handling of complaints, concerns and risks regarding accounting internal controls and auditing matters.
- Review company policies and procedures regarding investigations about compliance, code of ethics, conflict of interest, mismanagement and fraud.
- Obtain regular updates from legal counsel regarding compliance and legal matters which may have a significant impact on Enerjisa.
- Oversee risk policies and processes relating to financial statements, reporting processes, compliance and auditing and guidelines, policies and processes for monitoring risks.

3.4 Organization

The Audit Committee comprises 2 independent non-executive members of Enerjisa Board of Directors. The roles and responsibilities, working principles and members of the Audit Committee are determined by BOD and announced in Public Disclosure Platform (KAP).

3.5 Meetings, Resolutions, Reports

- The Audit Committee meets regularly, at least four times in a year not exceeding the three months interval between meetings. The audit committee records the meeting minutes and submit their resolutions to the Board of Directors.
- For the financial statements and notes to the financial statements that are subject to audit, BOD resolution dated the report release date to KAP and CMB (Capital Markets Board) is required. For the financial statements and notes to the financial statements that are not subject to audit, BOD resolution dated at most one day before the report release date to KAP and CMB is required. And before these BOD resolutions, the Audit Committee informs the BOD and assures that the financial statements are in compliance with the relevant regulations and represent a fair presentation of the financial position of the Company.
- The quorum for meetings require the attendance of all Audit Committee members and the decision quorum consists of the affirmative votes of all members.
- The Audit Committee Chairman is responsible for setting up meetings and for calling those meetings.
- Head of Internal Audit of Enerjisa Enerji AŞ is the reporter of Audit Committee and assigned to record the minutes of each meeting and to circulate those minutes to the Audit Committee members.
- The Audit Committee Chairman regularly report on the activities to the Board of Directors. In addition, in case the request of the BoD, presents oral reports at the meetings of the BoD.
- In the annual report of the Company, a brief explanation on activities and resolutions of the Audit Committee is added. In addition, number of verbal communications done to the BOD by the Audit Committee in the relevant financial calendar year is stated in the annual report.
- The Audit Committee regularly and at least every two years review the efficiency of their own activities, and submit a report on their findings to the BoD.

3.6 Duty Period

The Audit Committee members' duty period is same as Enerjisa BOD members' period. Following appointment of the board members, the Audit Committee members are selected among the Independent members of BOD.

If Enerjisa Board membership of any member ends by any reason, the membership of Audit Committee ends as well. In this case, Enerjisa Board of Directors appoints a new member in its next meeting.

In case of membership change in Audit Committee, a hand over period is applied under close monitoring of the Board of Directors and the following actions are ensured to be realized:

- Following the appointment of new audit committee members by BoD, new Audit Committee members come together with ex Audit Committee members.
- The following documents and if necessary additional critical documents, that would impair the effectiveness of Audit Committee if not shared, should be hand over to the new Audit Committee members:
 - Audit committee charter, internal audit charter
 - Annual audit plan and supplementary documents
 - A list of outstanding items that should be followed up

4 - Related Documents

Internal Audit Charter: The document of which the purpose is to establish the mandate of Enerjisa Internal Audit Division (Enerjisa IA) to assign the responsibilities and identify the standards according to which it will be implemented.

5 - Review

Audit Committee is held accountable for administration of this charter. Audit Committee Charter is reviewed and updated annually. This charter is valid by approval of Enerjisa Board of Directors which is fully authorized to make changes if it deems necessary.

EARLY RISK DETECTION COMMITTEE CHARTER

1. Establishment

As per the Corporate Governance Principles attached to the Communiqué on Corporate Governance II No: 17.1 of the Capital Market Board ("Board"), the early risk detection committee ("Committee") has been established upon April 19, 2018 dated and 126 numbered resolution of Enerjisa Enerji A.Ş.'s ("Company") board of directors ("Enerjisa Board") for advising the board of directors on key risks and opportunities of the Company.

2. Purpose And Scope

Purpose of the Committee is the early detection of all key risks and opportunities which may pose a threat to the Company's existence, evolvement and strategies and advise the Enerjisa Board accordingly.

3. Responsibilities

Committee is responsible for;

- Advising on risk and opportunity definitions which threat company's existence and strategies, relevant mitigation actions, early detections and precautions
- Assisting the Enerjisa Board in the risk management-related decision making processes
- Assuring that the operational-level risk management principles and methodologies are appropriate with the existing market environment and best practices.
- Assuring that the Business Continuity Management methodologies and applications are appropriate and in place.
- Committee may invite relevant managers to the meeting if deemed appropriate
- Committee may benefit from external consultant views if deemed appropriate and Enerjisa bear the cost of the consultancy
- Committee decisions are advisory to Enerjisa Board. Ultimate decision maker is the Enerjisa Board. Committee makes a written statement to Enerjisa Board about the recommendations and assessments.
- Carrying out all other roles and responsibilities assigned by the CMB of Turkey and Turkish Code of Commerce.

4. Committee Membership

Members of the Committee are assigned by the Enerjisa Board and announced in the public disclosure platform

(KAP). Committee consist of at least two members except the chairperson assigned by the Enerjisa Board. Executives cannot be appointed as members to the Committee. Early Risk Detection Committee members are as follows:

- One member from the Enerjisa Board representing Sabancı
- One member from the Enerjisa Board representing E.ON
- Two independent Enerjisa Board members

4.1.Chairperson

Chairperson of the Committee is assigned by the Enerjisa Board. In case a vacancy in the chairperson role, Chairperson of the Enerjisa Board assigns a temporary Committee chairperson. Chairperson roles and responsibilities are as follows:

- Chairing the committee meetings
- Deciding on the meeting agenda
- Coordinating the data flow between Enerjisa Board and the Committee
- Inviting additional managers if appropriate
- Assigning a deputy chairperson for the meetings if needed
- Taking the required measures for the efficiency of the meetings

4.2.Members

Members are assigned by the Enerjisa Board and shall be at least one member except Chairperson in the Committee. Member roles and responsibilities are as follows;

- Attending physically to the meetings. Members are responsible to inform chairperson in case of non-attendance
- Reviewing the latest developments and informing members accordingly
- Taking charge if required
- Sharing views about agenda with the chairperson

4.3.Reporter

Enerjisa CFO and Group Risk Management function are assigned as the Committee Reporter. Reporter roles and responsibilities are as follows;

- Assisting chairperson in the agenda preparation
- Sharing the minutes with Committee chairperson and members
- Organizing the meeting and coordinating the invitees
- Accomplishing all other tasks assigned by the Chairperson

COMMITTEE CHARTERS

- Writing all the decisions and minutes after the meetings and submitting to chairperson

5. Duty Period

The Committee members’ duty period is same as Enerjisa Board members’ period. Following the appointment of Enerjisa Board Members the Committee members are selected among the independent members. If Enerjisa Board Membership of any members ends by a reason, the committee membership ends as well. In this case, the Enerjisa Board appoints a new member in the next Committee meeting.

6. Meeting And Reporting Principles

The meetings of the Committee are organized six times per year. Chairperson may invite the relevant managers if

deemed necessary. The meeting and decision quorum is the absolute majority of total member number.

Meeting minutes are recorded by the Reporter. At least, following issues should be kept in meeting minutes:

- Place and time of meeting
- Agenda
- Information on topics to be discussed in meeting
- Decisions taken

Meeting minutes are submitted to the board of directors after they are approved by all members of the Committee. Decisions of the Committee are advisory to the board of directors and the ultimate decision maker is the board of directors on related topics.

WORKING PRINCIPLES OF CORPORATE GOVERNANCE COMMITTEE

1. Establishment

As per the Corporate Governance Principles attached to the Communiqué on Corporate Governance II No: 17.1 of the Capital Market Board (“Board”), the Corporate Governance Committee (“Committee”) has been established upon April 19, 2018 dated and 143 numbered resolution of Enerjisa Enerji A.Ş.’s (“Company”) board of directors for offering recommendations and suggestions to the Board of Directors in order to develop corporate governance operations of the Company.

2. Basis

This document has been formed within the framework of capital markets legislation and related regulations in Corporate Governance Principles of the Board.

3. Purpose

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

- To ensure the compliance of the corporate governance principles of the Company with the Corporate Governance Principles as determined by the Board and other internationally accepted corporate governance

- principles and best practices,
- To make advices in order for implementation of such principles,
 - To follow-up compliance of the Company with such principles.

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

4. Authority And Scope

The authorities of the Committee are as follows:

- The Committee is formed and authorized by the Board of Directors of the Company.
- All kinds of source and support which are required by the Committee to maintain carrying out their duties are provided by the Board of Directors. The Committee may invite any required Company and/or third party executive(s) to its meetings, receive periodical reporting and receive their opinions.
- The Committee benefits from opinions of independent experts on required fields associated with the activities. The cost of such consultancy services required by the Committee is met by the Company.

5. Duties And Responsibilities

The Committee has the obligation to perform the following duties and responsibilities:

- To check whether corporate governance principles are applied in the Company or not, the reasons if they are not applied, and control conflicts of interest caused by noncompliance with such principles and provide recommendations and remedial advise in improving corporate governance practices to the Board of Directors.
- To supervise the activities of Investor Relations Unit.
- To review “Corporate Governance Compliance Report” to be disclosed to the public and to check whether information given in this report are correct and consistent with the information known by the Committee.

By following Corporate Governance Principles internationally, to provide recommendation to the Board of Directors for the purpose of applying required elements within the Company.

- To make regular evaluations about the structure and efficiency of the Board of Directors including agenda composition, quality and relevance of report content, appropriate time allocated to discussions and submit its suggestions to the Board of Directors as to the amendments that may be performed in this regard.
- To facilitate all Committees with Independent Directors to submit and discuss Committee findings and suggestions at each Board meeting.
- To review the composition and effectiveness of other Board committees once a year.
- To review the human resource; strategy, development and review of human resource scorecard and executive (N-1) succession plans.
- To determine and supervise the approach, principle and implementations of members of the board of directors and executives as to the remuneration criteria.
- To submit suggestions on the remuneration, provided by the HR Committee, to be provided to members of the board of directors and executives in consideration of degree of reaching determined remuneration criteria to the board of directors.
- To evaluate candidate proposals for independent membership including those suggested by the management and shareholders in consideration of whether the candidate meets independence criteria or not and to prepare a report about its evaluation in this regard and submits such report to the board of directors.

The Committee submits its consideration and recommendations on issues expressed above to the Board of Directors in written or verbally.

6. Committee Membership

- In principle, the Committee consists of four members. The chairperson of the Committee is chosen among independent Board of Directors. The Chief executive officer/general manager cannot be assigned to the Committee. The Committee Reporter must be assigned among the relevant executive pool.
- When new Board of Directors is assigned for duty at the ordinary general assembly meeting, members of the Committee are assigned in parallel to the duty period of related Board of Directors. Former committee members hold over until new members are assigned and all will hold a transition and coordination meeting when and if members change.
- The Committee consists of a chairperson and three members who will be assigned by the Company’s Board of Directors.
- The members of the Committee may participate to the meeting of the Committee through video conference or any convenient telecommunication tools.

7. Reporting Procedures

- Meeting minutes are kept regularly by the Committee Reporter assigned. The Committee Reporter assists the Chairperson of the Committee for preparation of the Agenda, Minutes of the Meeting and Summary Notes and coordinate the same among the Committee Members. At least, following issues should be kept in meeting minutes:
 - i.Place and time of meeting
 - ii. Agenda
 - iii. Information on topics to be discussed in meeting
 - iv. Decisions taken

Minutes of the Meeting or Committee working papers are submitted to the Board of Directors after they are approved by all members of the Committee.

- The Committee Reporter is responsible for the submission of decisions and meeting minutes to members of the board of directors and keeping the decision book.
- The meetings of the Committee are organized at least four times once every three months per year.
- The meeting and decision quorum is the absolute majority of total member number.
- Decisions of the Committee are advisory to the Board of Directors and the ultimate decision maker is the Board of Directors on related topics.

8. Validity And Enforcement

This document, namely, Working Principles of Corporate Governance Committee has entered into force with the Company’s 15/02/2019 dated and 170 numbered board of directors resolution.



DECLARATIONS OF INDEPENDENCE

MEHMET SAMİ (Independent Board Member)

I declare that, I am serving as an “independent member” at the Board of Enerjisa Enerji A.Ş. (the Company), according to the criterias specified in the legislation, articles of association and Communique on Corporate Governance (II- 17.1) announced by the Capital Markets Board. In this context, I declare that;

a) I do not have a relationship in terms of employment at an administrative level to take upon significant duty and responsibilities within the last five years, I do not own more than 5% of the capital or voting rights or privileged shares either jointly or solely or I have not established a significant commercial relation between the Company, companies on which the corporation hold control of management according to the Turkey Financial Reporting Standards 1O or significant effect according to the Turkey Accounting Standards 28 and shareholders who hold control of management of the corporation or have significant effect in the corporation and legal entities on which these shareholders hold control of management and myself, my spouse and my relatives by blood or marriage up to second degree,

b) I have not been a shareholder (5% and more), an employee at an administrative level to take upon significant duty and responsibilities or member of board of directors within the last five years in companies that the corporation purchases or sells goods or service at a significant level within the framework of the contracts executed, especially on audit (including tax audit, statutory audit, internal audit), rating and consulting of the corporation, at the time period when the corporation purchases or sells services or goods,

c) I have professional education, knowledge and experience in order to duly fulfill the duties assigned for being an independent board member,

d) I will not to be a full time employee at public authorities and institutions after being elected, except being an academic member at university provided that is in compliance with the relevant legislation,

e) I am residing in Turkey in accordance with the Income Tax Law (I.T.L) dated 31 December 1960 and numbered 193,

f) I am capable to contribute positively to the operations of the corporation, to maintain my objectivity in conflicts of interests between the corporation and the shareholders, to have strong ethical standards, professional reputation and experience to freely take decisions by considering the rights of the stakeholders,

g) I will be able to allocate time for the corporation’s business in order to follow up the activities of the corporation and duly fulfill the allocated duties,

h) I have not conducted membership of board of directors more than a term of six years in the last ten years,

i) I am not an independent member of the board of directors in more than three of the corporations that the Company or the controlling shareholders of the Company who hold the control of management and in more than five corporations in total which are admitted to the trading on the exchange,

j) I am not registered and declared for the name of legal entities selected as a member of the board of directors.

I offer to knowledge of the Board of the Directors, General Assembly, our shareholders and all other stakeholders.

MEHMET SAMİ
Independent Board Member



FATMA DİLEK YARDIM (Independent Board Member)

I declare that, I am serving as an “independent member” at the Board of Enerjisa Enerji A.Ş. (the Company), according to the criterias specified in the legislation, articles of association and Communique on Corporate Governance (II- 17.1) announced by the Capital Markets Board. In this context, I declare that;

a) I do not have a relationship in terms of employment at an administrative level to take upon significant duty and responsibilities within the last five years, I do not own more than 5% of the capital or voting rights or privileged shares either jointly or solely or I have not established a significant commercial relation between the Company, companies on which the corporation hold control of management according to the Turkey Financial Reporting Standards 1O or significant effect according to the Turkey Accounting Standards 28 and shareholders who hold control of management of the corporation or have significant effect in the corporation and legal entities on which these shareholders hold control of management and myself, my spouse and my relatives by blood or marriage up to second degree,

b) I have not been a shareholder (5% and more), an employee at an administrative level to take upon significant duty and responsibilities or member of board of directors within the last five years in companies that the corporation purchases or sells goods or service at a significant level within the framework of the contracts executed, especially on audit (including tax audit, statutory audit, internal audit), rating and consulting of the corporation, at the time period when the corporation purchases or sells services or goods,

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i) I am not an independent member of the board of directors in more than three of the corporations that the Company or the controlling shareholders of the Company who hold the control of management and in more than five corporations in total which are admitted to the trading on the exchange,

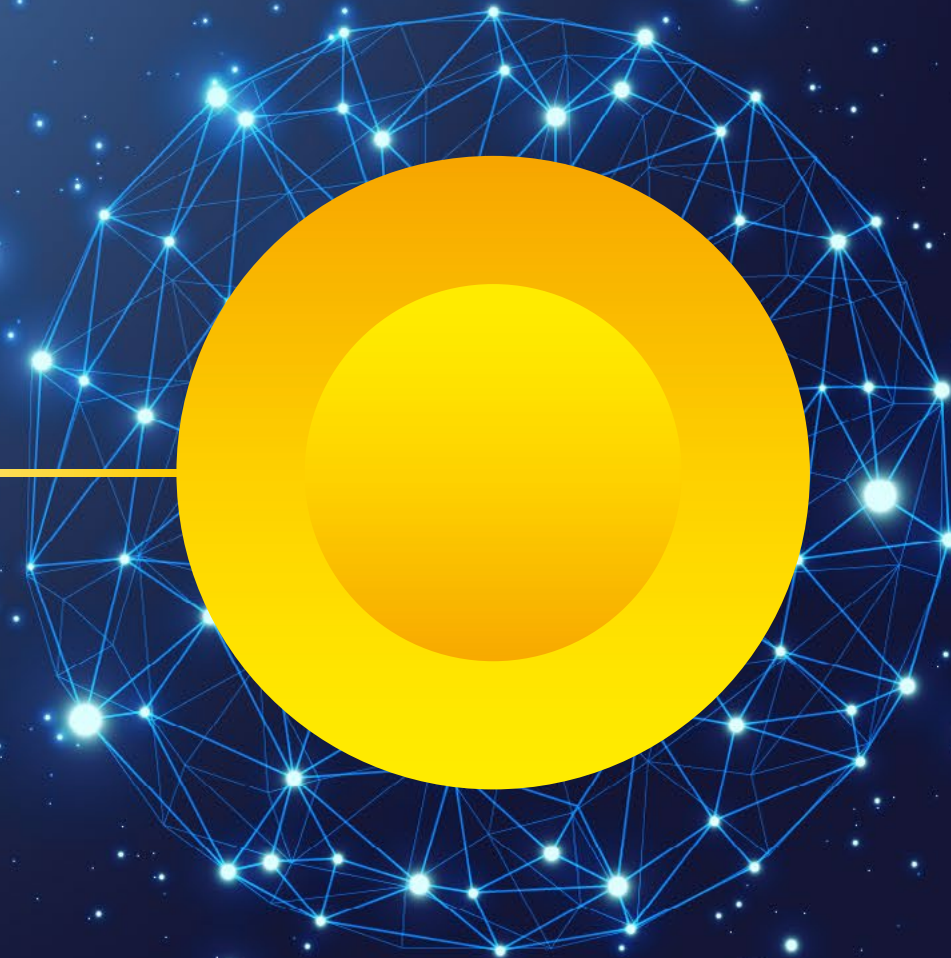
j) I am not registered and declared for the name of legal entities selected as a member of the board of directors.

I offer to knowledge of the Board of the Directors, General Assembly, our shareholders and all other stakeholders.

FATMA DİLEK YARDIM
Independent Board Member



OUR BUSINESS IS ENERGY



Financial Statements

214 CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 DECEMBER 2020
AND INDEPENDENT AUDITOR'S REPORT



ENERJİSA AT
A GLANCE

MANAGEMENT

STRATEGY

FINANCIAL
DEVELOPMENTS

OPERATIONAL
DEVELOPMENTS

SUSTAINABILITY

CORPORATE
GOVERNANCE

FINANCIAL
STATEMENTS

INDEPENDENT AUDITOR’S REPORT



Güney Bağımsız Denetim ve SMMM A.Ş.
Maslak Mahallesi Eski Büyükdere Cad.
Orjin Maslak Plaza No: 27
Kat: 2-3-4 Daire: 54-57-59
Sarıyer 34485
İstanbul - Türkiye

Tel: +90 212 315 3000
Fax: +90 212 230 8291
ey.com
Ticaret Sicil No: 479920
Mersis No: 0-4350-3032-6000017

To the Shareholders of Enerjisa Enerji A.Ş:

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Enerjisa Enerji A.Ş. (“the Company”) and its subsidiaries (“the Group”), which comprise the consolidated statement of financial position as at December 31, 2020, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (“IFRSs”).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (“ISAs”). Our responsibilities under those standards are further described in the *Auditor’s responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants’ (“IESBA”) International Code of Ethics for Professional Accountants (including International Independence Standards) (“IESBA Code”) together with the ethical requirements that are relevant to our audit of the financial statements in Turkey, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming the auditor’s opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor’s responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.



Key Audit Matter

How key audit matter addressed in the audit

IFRIC Interpretation 12 - Service Concession Arrangements

In accordance with the terms of the service concession agreement with the government, the Group has applied the IFRIC Interpretation 12 financial asset model and identified it in a financial asset in the consolidated financial statements.

Revenue calculated over the financial assets according to the effective interest method is accounted as “financial income from service concession agreement” by the Group. In addition, since the financial assets carried at the balance sheet is an asset subject to impairment in accordance with IFRS 9 “Financial Instruments” standard, the Group provides impairment for financial assets by making a credit risk assessment. As of 31 December 2020, the Group has financial assets amounting to 11,469,960 thousand TL, 880 thousand TL impairment for related assets and accounted interest income amounting to 2,069,123 thousand TL in the statement of profit or loss between 1 January and 31 December 2020. Given the complexity of the accounting of the elements within the scope of IFRIC Interpretation 12 and the legislation and application of the assumptions (basically includes inflation rate assumptions), we determined this significant to our audit and therefore considered as key audit matter.

The details of financial assets within the scope of IFRIC Interpretation 12 are disclosed in footnote 10 to the consolidated financial statements.

- The Service Concession Agreement was obtained and the contract conditions have been read.
- Compliance of the related calculation model to the legislation has been evaluated.
- Since the interest income is calculated based on the internal rate of return, calculation of internal rate of return has been checked.
- The payments which were committed by the Republic of Turkey Energy Market Regulatory Authority (“EMRA”) as a consequence of the investments made were checked by the communiques of income requirements.
- The rate of return has been checked from the communiques published in the Official Gazette.
- The year-end financial asset amount in the financial statements was reconciled with the economic model of service concession contracts.
- The fairness and the appropriateness of the key assessments and estimations used by the management together with the methods and data sources used in the calculation of impairment within the scope of “IFRS 9 Financial Instruments” were assessed.
- The compliance of the applied accounting policies with IFRS 9, past performance of the Group and local and global practices were assessed.
- Furthermore, within the scope of the above-mentioned specific accounting, the adequacy and sufficiency of the information included in the financial statements and explanatory notes for the users of the financial statements were evaluated.

Recoverability of deferred tax assets recognized over tax losses carried forward

As disclosed in footnote 24 to the consolidated financial statements as of 31 December 2020, the Group recognized deferred tax assets over the tax losses carried forward amounting to 212,906 thousand TL. Partially or fully recoverable amount of recognized deferred tax asset was estimated based on the Group Management's assumptions under current conditions. Business plans for the future, the loss amounts incurred in the last 5 years and the expiration dates of unused losses are taken into the consideration during the assessment. Given that the extent to which these assets are recognized is dependent on Group Management's assumptions, these assets are considered as key audit matter.

Goodwill Impairment Test

As at 31 December 2020, there is a goodwill amounting to 1,977,127 thousand TL on the consolidated statement of financial position as a result of previous acquisitions. In accordance with IFRS, the Group performs an impairment test per each cash generating unit to assess whether there is an impairment in the goodwill amount.

During our audit, we challenged the management's assumptions on the recoverability of tax assets by controlling the expiration dates of carry forward tax losses with the projected budgets approved by the management.

To examine the management's assumptions about the subject, we involved tax experts to our audit team from another entity that is a part of the same audit network. Calculation of related deferred tax assets is presented for the examination and evaluation to tax experts. In addition, the conformity of the disclosures in the financial statements to IFRS has been evaluated.

The assumptions, sensitivities and results of the tests performed are disclosed in footnote 2 to the financial statements. These tests are assessed as key audit matter due to the complexity, the required estimates of management and the dependency on future market circumstances. We involved the valuation specialists from another entity that is a part of the same audit network to support our assessment about the assumptions and methods used by the Group in testing the discount rates per cash generating unit and assessing the model that calculates future cash flows.

Furthermore, we tested the expected growth rates and related expected future cash flows. We assessed whether these future cash flows, amongst others, were based on the strategic plan as prepared by the management.

In addition, within the scope of the above-mentioned special accounting, the appropriateness and sensitivity of the disclosures contained in the financial statements and the importance of these information for the users of the financial statement were questioned by us.

Revenue recognition of incumbent suppliers

Incumbent suppliers are obliged supply electricity on retail sales tariff regulated by the EMRA to the ineligible customers (regulated customers) in their respective distribution regions, eligible customers who have not used their eligibility right to become a free customer and to eligible customers as the last resource supplier. Along with that, incumbent suppliers, supplies electricity to eligible customers in the distribution regions through bilateral agreement based on free market conditions.

Incumbent suppliers' revenue from the consumers subject to tariff regulation, is determined by the cost of carrying out their activities related to energy sales. In this context, the gross margin is taken into the consideration which is determined based on the depreciation expenses related to the investment expenditures required to carry out the activities, billing and customer services, operating expenses such as retail sales services, active energy costs and the costs to cover all the costs and services incurred to sustain the activity and the risks exposed. Therefore, the Group calculates and accounts for the revenue amount on consolidated financial statements prepared in accordance with IFRS on the basis of costs by considering gross profit margin determined by regulations.

Furthermore, invoices of the subscribers other than eligible residential and commercial groups are issued monthly at the end of each month by the Group whereas the invoices of the residential subscribers are issued continuously during each month due to the high number of subscribers in this group. As a result, the total electricity supplied to the residential and commercial subscribers during each month cannot be invoiced and income accruals are recognized as revenue at period-ends for these customer groups based on the actual billing performance.

Given the complexity of such transactions, we determined this significant to our audit and therefore considered as key audit matter.

We examined the customer classification, EMRA communiques and the correctness of calculations mentioned in these communiques, calculations and seasonality of invoicing that are used in the calculation of Group's revenue. We also performed sample tests of key controls over information technology systems where the information used in these calculations is provided. The overall consistency of the inputs and parameters used in the calculations are evaluated.

To evaluate conformity of applied calculations to communiques and IFRS, we especially focused on the accounting adjustments related to revenue recognition. The sources used for these adjustments and consistency of these adjustments with prior years are controlled.

In addition, the adequacy of the disclosures in footnote 19 of the financial statements and conformity with IFRS were also assessed.

Provision for impairment of trade receivables

Trade receivables are considered as an important balance sheet item as they represent 13% of the total assets in consolidated statement of financial position. Besides, the collectability of trade receivables is key elements of the Group's credit risk and business capital management and includes significant management judgment and estimates.

As of December 31, 2020, there is a provision amounting to 2,750,520 thousand TL for impairment of trade receivables amounting to 2,943,668 thousand TL (net) in the consolidated statement of financial position.

Determining the collection risk and the provision for trade receivables or determining whether a specific trade receivable is collectible requires significant management judgment. The Group management assesses all other information together with the aging of trade receivables, analyzing the risk of ongoing lawsuits taking letters from the company lawyers, the qualifications of the collaterals under the credit risk management and the collaterals, the collection performance after the current period and the balance sheet date.

The Group accounts for the expected credit losses for financial assets in the consolidated financial statements in accordance with IFRS 9.

Given the size of the amounts, the assessment required for the collectability evaluations of trade receivables and the complexity and the comprehensive application of IFRS 9, the existence and collectability of trade receivables is considered as key audit matter.

The details of trade receivables are disclosed in footnote 6 to the consolidated financial statements.

Following procedures have been applied for the audit of provisions on trade receivables:

- Evaluation of the Group's collection follow-up process and operational effectiveness of related internal controls for trade receivables from third parties,
- Understanding, evaluating and testing the effectiveness of the internal controls related to financial reporting for credit risk,
- Analytical review of the aging tables and comparison of the collection turnover rate with the previous year,
- Testing of trade receivable balances by sending confirmation letters by sampling method,
- Testing of subsequent collections by sampling method,
- Testing of the guarantees received against receivables by sampling method and evaluation of their ability to convert into cash,
- Evaluation of the fairness and appropriateness of the key assessments and estimations used by the management together with the methods and data sources used in the calculation of impairment within the scope of "IFRS 9 Financial Instruments" with the support of our valuation specialists from our entity,
- Evaluation of the compliance of the applied accounting policies with IFRS 9, past performance of the Group and local and global practices,
- Investigation of disputes and lawsuits related to receivables and obtaining confirmation letter about legal proceedings of ongoing legal lawsuits for the audit of the appropriateness of specific provisions for trade receivables,
- Assessment of the adequacy of the trade receivables and impairment of trade receivables disclosures to the consolidated financial statements and conformity with IFRS.

Other matters

We have expressed an unqualified opinion in our auditor's report dated February 22, 2021 on the consolidated financial statements of the Group for the period of 1 January 2020 – 31 December 2020, which are prepared in accordance with Turkish Accounting Standards.

We have expressed an unqualified opinion in our auditor's report dated February 22, 2021 on the annual report of Enerjisa Enerji A.Ş. for the period of 1 January 2020 – 31 December 2020, which are prepared in accordance with Articles 514 and 516 of the Turkish Commercial Code 6102 ("TCC").

Auditors' report on Risk Management System and Committee prepared in accordance with paragraph 4 of Article 398 of Turkish Commercial Code ("TCC") 6102 is submitted to the Board of Directors of the Company on February 22, 2021.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The partner in charge of the audit resulting in this independent auditor's report is Erdem Tecer.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst & Young Global Limited



Erdem Tecer, SMMM
Partner

February 22, 2021
İstanbul, Turkey

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ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

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

	Note	Audited / current period/ 31 December 2020	Audited - Restated / prior period (*) 31 December 2019	Audited - Restated / prior period (*) 1 January 2019
ASSETS				
Current Assets		6,852,870	5,781,800	5,872,184
Cash and Cash Equivalents	28	588,571	469,786	562,352
Financial Investments	29	126,108	-	-
Financial Assets	10	2,348,112	1,098,550	791,117
Trade Receivables	6	2,943,668	3,009,455	3,512,389
<i>Due from Related Parties</i>	5	17,796	17,679	130,832
<i>Due from Third Parties</i>		2,925,872	2,991,776	3,381,557
Other Receivables	7	588,922	1,022,446	458,449
<i>Due from Third Parties</i>		588,922	1,022,446	458,449
Derivative Financial Instruments	26	36,066	7,829	313,028
Inventory	8	169,539	131,953	147,956
Prepaid Expenses	9	44,112	41,474	71,355
Assets Related with Current Taxes	24	14	60	8,565
Other Current Assets	17	7,758	247	6,973
Non-Current Assets		17,822,635	17,613,658	16,720,626
Other Receivables	7	933,739	737,736	983,545
<i>Due from Third Parties</i>		933,739	737,736	983,545
Derivative Financial Instruments	26	63	960	-
Financial Assets	10	9,121,848	9,445,286	8,503,518
Right of Use Assets	11	140,771	145,483	-
Property, Plant and Equipment	12	902,255	483,543	358,781
Intangible Assets	13	6,357,036	6,548,405	6,745,195
<i>Goodwill</i>		1,977,127	1,977,127	1,977,127
<i>Other Intangible Assets</i>		4,379,909	4,571,278	4,768,068
Prepaid Expenses	9	4,507	1,642	2,575
Deferred Tax Assets	24	362,026	244,040	2,847
Other Non-Current Assets	17	390	6,563	124,165
TOTAL ASSETS		24,675,505	23,395,458	22,592,810

(*) Restatement effects are disclosed at Note 2.4.

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



ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

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

LIABILITIES	Note	Audited / current period 31 December 2020	Audited - Restated / prior period (*) 31 December 2019	Audited - Restated / prior period (*) 1 January 2019
Current Liabilities		8,287,610	9,234,695	8,705,257
Short-Term Financial Liabilities	25	1,098,798	676,281	998,170
Short-Term Portion of Long Term Financial Liabilities	25	1,573,117	3,015,735	2,435,639
Other Financial Liabilities	25	68,743	51,184	44,302
Trade Payables	6	1,914,357	2,611,620	2,480,917
Due to Related Parties	5	129,599	96,906	94,217
Due to Third Parties		1,784,758	2,514,714	2,386,700
Payables for Employee Benefits	16	57,939	52,358	43,217
Other Payables	7	2,579,077	2,078,343	1,917,252
Due to Third Parties		2,579,077	2,078,343	1,917,252
Derivative Financial Instruments	26	140,060	66,655	3,582
Deferred Income	9	6,964	8,284	74,752
Income Tax Liability	24	173,075	79,733	52,416
Short-Term Provisions		345,547	289,026	364,105
Provisions for Employment Benefits	16	46,423	41,190	28,779
Other Short-Term Provisions	14	299,124	247,836	335,326
Other Short-Term Liabilities	17	329,933	305,476	290,905
Non-Current Liabilities		9,234,589	7,326,260	7,588,638
Long-Term Financial Liabilities	25	7,090,385	5,378,462	5,765,047
Other Financial Liabilities	25	340,383	302,714	321,720
Derivative Financial Instruments	26	1,619	-	7,722
Deferred Income	9	211,044	-	-
Long-Term Provisions		224,179	167,216	115,366
Provisions for Employment Benefits	16	224,179	167,216	115,366
Deferred Tax Liabilities	24	1,366,979	1,477,868	1,378,783
TOTAL LIABILITIES		17,522,199	16,560,955	16,293,895

(*) Restatement effects are disclosed at Note 2.4.

ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

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

LIABILITIES	Note	Audited / current period 31 December 2020	Audited - Restated / prior period (*) 31 December 2019	Audited - Restated / prior period (*) 1 January 2019
Equity		7,153,306	6,834,503	6,298,915
Registered Share Capital	18	1,181,069	1,181,069	1,181,069
Adjustments to Share Capital	18	2,416,412	2,626,532	2,784,755
Total Share Capital		3,597,481	3,807,601	3,965,824
Other Funds		4,340	4,340	4,340
Accumulated Other Comprehensive Expenses not to be Reclassified to Profit or Loss in Subsequent Periods		(3,464)	(3,464)	(3,464)
Accumulated Loss on Remeasurement of Defined Benefit Plans		(3,464)	(3,464)	(3,464)
Accumulated Other Comprehensive Income / (Expense) to be Reclassified to Profit or Loss in Subsequent Periods		(62,487)	(2,248)	23,359
Hedge Reserves		(62,487)	(2,248)	23,359
Restricted Profit Reserves	18	485,378	251,545	216,612
Retained Earnings		2,044,375	1,743,107	1,344,547
Profit for the Period		1,087,683	1,033,622	747,697
TOTAL LIABILITIES AND EQUITY		24,675,505	23,395,458	22,592,810

(*) Restatement effects are disclosed at Note 2.4.

ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

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

	Notes	Audited / current period 1 January - 31 December 2020	Audited / prior period 1 January - 31 December 2019
Revenue	19	21,757,203	19,453,085
Cost of Sales (-)	20	(16,117,831)	(14,108,614)
GROSS PROFIT		5,639,372	5,344,471
General Administrative Expenses (-)	21	(2,543,194)	(2,170,485)
Other Income from Operating Activities	22	646,102	552,300
Other Expenses from Operating Activities (-)	22	(1,004,435)	(662,080)
OPERATING PROFIT BEFORE FINANCE INCOME / (EXPENSE)		2,737,845	3,064,206
Finance Income	23	64,091	170,627
Finance Expense (-)	23	(1,389,230)	(1,843,477)
PROFIT BEFORE TAX		1,412,706	1,391,356
Tax Expense		(325,023)	(357,734)
Current Tax Expense (-)	24	(537,986)	(492,099)
Deferred Tax Income	24	212,963	134,365
PROFIT FOR THE PERIOD		1,087,683	1,033,622
OTHER COMPREHENSIVE INCOME AND EXPENSE			
Other Comprehensive Expenses to be Reclassified to Profit or Loss in Subsequent Periods		(60,239)	(25,607)
<i>Losses on Hedges</i>	26	<i>(76,151)</i>	<i>(33,350)</i>
<i>Income Tax Relating to Other Comprehensive Expense</i>	24	<i>15,912</i>	<i>7,743</i>
TOTAL COMPREHENSIVE INCOME		1,027,444	1,008,015
Earnings per share			
Earnings per share (kr)	18	0.92	0.88

ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

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

		Accumulated Other Comprehensive (Expenses) not to be Reclassified to Profit or Loss in Subsequent Periods	Accumulated Other Comprehensive Income/(Expense) to be Reclassified to Profit or Loss in Subsequent Periods						
	Share Capital	Adjustment to Share Capital	Restricted Profit Reserves	Other Funds	Accumulated Loss on Remeasurement of Defined Benefit Plans	Hedge Reserves	Retained Earnings	Profit for the Period	Total Equity
Balance as at 1 January 2019	1,181,069	2,784,755	216,612	4,340	(3,464)	23,359	1,344,547	747,697	6,298,915
Transfers (*)	-	(158,223)	34,933	-	-	-	870,987	(747,697)	-
Dividend	-	-	-	-	-	-	(472,427)	-	(472,427)
Total comprehensive income	-	-	-	-	-	(25,607)	-	1,033,622	1,008,015
Balance as at 31 December 2019	1,181,069	2,626,532	251,545	4,340	(3,464)	(2,248)	1,743,107	1,033,622	6,834,503
Balance as at 1 January 2020	1,181,069	2,626,532	251,545	4,340	(3,464)	(2,248)	1,743,107	1,033,622	6,834,503
Transfers (*)	-	(210,120)	233,833	-	-	-	1,009,909	(1,033,622)	-
Dividend (**)	-	-	-	-	-	-	(708,641)	-	(708,641)
Total comprehensive income	-	-	-	-	-	(60,239)	-	1,087,683	1,027,444
Balance as at 31 December 2020	1,181,069	2,416,412	485,378	4,340	(3,464)	(62,487)	2,044,375	1,087,683	7,153,306

(*) In the statutory financial statement prepared in accordance with the tax procedure law, the loss for previous years amounting to TL 210,120 has been netted off with adjustments to share capital (31 December 2019: TL 158,223).

(**) During the Ordinary General Assembly held on 23 March 2020, it has been resolved to distribute the dividend at the amount of TL 708,641 derived from the Group's distributable earnings in 2019 and pay the cash dividend beginning from 1 April 2020. Dividends were paid out in cash in April 2020. Dividend paid by the Group per share with a TL 1 (full digit) nominal value is gross TL 0.60 (full digit) (2019: TL 0.40 (full digit)).

ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020

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

	Notes	Audited / current period 1 January - 31 December 2020	Audited / prior period 1 January - 31 December 2019
Cash Flows from Operating Activities		3,870,421	3,712,134
Profit for the period		1,087,683	1,033,622
Profit for the period		1,087,683	1,033,622
Adjustments to reconcile net profit for the period		1,211,934	1,087,976
Adjustments related to the depreciation and amortization	11, 12, 13	444,078	372,867
Adjustments related to the depreciation of right of use assets	11	81,682	73,422
Adjustments related to the depreciation of property, plant and equipment	12	122,769	65,502
Adjustments related to the amortization of intangible assets	13	239,627	233,943
Adjustments related to impairment loss		854,429	603,686
Adjustments related to doubtful provision expenses	6, 10	854,429	603,686
Adjustments related to provisions		161,897	120,251
Adjustments related to provisions for employee benefits		110,609	100,445
Adjustments related to legal case provisions	14	51,288	19,806
Adjustments related to interest (income) and expenses, net		1,286,381	1,707,923
Adjustments related to interest income	23	(64,091)	(135,554)
Adjustments related to interest expense	23	1,350,472	1,843,477
Adjustments related to unrealized foreign exchange loss		107,406	(111,471)
Adjustments related to tax expense	24	325,023	357,734
Adjustments related to change in fair value losses / (gains)		(30,148)	67,730
Other adjustments to reconcile profit / (loss)	28	(1,937,132)	(2,030,744)
Adjustments related to interest (income) / expense based on revenue cap regulation	22	(29,918)	(185,915)
Adjustments related to financial income from service concession arrangements	10, 19	(2,069,123)	(1,959,219)
Adjustments related to revaluation differences arising from deposits and guarantees	22	161,909	114,390
Changes in operating assets and liabilities		(368,059)	166,960
(Increase) / decrease in trade receivables		(965,769)	(281,098)
(Increase) / decrease in inventories		(37,586)	16,004
(Increase) / decrease in other receivables and assets		916,762	665,835
Increase / (decrease) in trade payables		(674,626)	143,490
Increase / (decrease) in other payables and expense accruals		393,160	(377,271)



ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020

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

	Notes	Audited / current period 1 January - 31 December 2020	Audited / prior period 1 January - 31 December 2019
Cash generated from operating activities		1,931,558	2,288,558
Payments related with provisions for employee benefits	16	(48,413)	(36,184)
Payments related with other provisions	14	-	(107,296)
Tax payments	24	(444,598)	(456,277)
Other cash in-flows	28	2,431,874	2,023,333
Capital expenditures reimbursements related to service concession arrangements	10	1,341,622	1,057,528
WACC reimbursements related to service concession arrangements	10	912,773	781,494
Collections from doubtful trade receivable	6	177,479	184,311
Cash Flows from Investing Activities		(2,227,778)	(1,498,919)
Cash used for purchase of tangible and intangible assets		(310,179)	(251,889)
Interest received		49,097	122,406
Other cash out-flows	28	(1,845,241)	(1,369,436)
Capital expenditures related to service concession arrangements		(1,845,241)	(1,369,436)
Cash outflows to acquire debt instruments	29	(121,455)	-
Cash Flows from Financing Activities		(1,523,858)	(2,305,781)
Cash in-flows from borrowings	25	14,075,458	21,517,121
Cash out-flows for borrowings	25	(13,519,861)	(21,554,598)
Repayment of of lease liabilities	25	(110,433)	(87,791)
Interest paid		(1,260,381)	(1,708,086)
Dividend paid		(708,641)	(472,427)
Increase / (decrease) in cash and cash equivalents		118,785	(92,566)
Cash and cash equivalents at the beginning of the period	28	469,786	562,352
Cash and cash equivalents at the end of the period		588,571	469,786

ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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

NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS OF THE GROUP

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

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

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

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

Subsidiaries consolidated in the consolidated financial statements as of 31 December 2020 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. (“AEPSAŞ”)	Retail service of electricity
Enerjisa Toroslar Elektrik Perakende Satış A.Ş. (“TOROSLAR EPSAŞ”)	Retail service of electricity
Enerjisa Müşteri Çözümleri A.Ş.	Customer solutions and distributed generation services
E-şarj Elektrikli Araçlar Şarj Sistemleri A.Ş. (“E-şarj”)	Electric vehicles and charging stations equipment services

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

The Group has 10,415 employees as of 31 December 2020 (31 December 2019: 10,240 employees).

The consolidated financial statements were authorized for issue by the Board of Directors of the Company on 22 February 2021. The General Assembly and certain regulatory bodies have the power to amend the consolidated financial statements after the issue.

ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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

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

BAŞKENT EDAŞ and EPS

BAŞKENT EDAŞ has been acquired by EEDAŞ as of 28 January 2009 by privatization bid for the consideration of USD 1,225 million. BAŞKENT EDAŞ currently operates in province 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 AEPSAŞ

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, AEPSAŞ was established with the same shareholder structure and as of 31 December 2012, AYEDAŞ has transferred some of its assets and liabilities to AEPSAŞ due to the legal unbundling. The aforementioned unbundling transactions have been registered as of 31 December 2012 and AEPSAŞ 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.

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.



ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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

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

TOROSLAR EDAŞ and TOROSLAR EPSAŞ (Continued)

In 2006, EMRA has set a unique pricing mechanism for all of the electricity distribution companies in Turkey which will be effective for the period between 1 January 2006 and 31 December 2012 which is called the “transition period”. In accordance with this pricing mechanism, distribution companies in Turkey have already determined their regional tariffs for the period between 1 January 2006 and 31 December 2010 and by using these regional tariffs, EMRA has already determined the national tariffs for the same period. In December 2010, EMRA has announced a new tariff for the period between 1 January 2011 and 31 December 2015; in December 2015, EMRA has announced a new tariff for the period 1 January 2016 and 31 December 2020; and in December 2020, EMRA has announced a new tariff for the period between 1 January 2021 and 31 December 2025.

Enerjisa Müşteri Çözümleri A.Ş.

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

E-şarj

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

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of Presentation

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

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

2.2 Statement of Compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) issued by International Accounting Standards Board (“IASB”).

2.3 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.

ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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

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

2.3 Functional and Presentation of Currency (Continued)

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 retranslated 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 comprehensive income.

2.4 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 are also adjusted or reclassified in line with the related changes. The nature, amount and reasons for each of the reclassifications and adjustments are described below:

	Notes	Previously Reported 31 December 2019	Impact of reclassifications	Restated 31 December 2019
Current Assets		5,781,800	-	5,781,800
Non-Current Assets		17,613,658	-	17,613,658
TOTAL ASSETS		23,395,458	-	23,395,458

Current Liabilities		7,331,012	1,903,683	9,234,695
Current Other Payables	a	174,660	1,903,683	2,078,343
Non-Current Liabilities		9,229,943	(1,903,683)	7,326,260
Non-Current Other Payables	a	1,903,683	(1,903,683)	-
Equity		6,834,503	-	6,834,503
TOTAL LIABILITIES AND EQUITY		23,395,458	-	23,395,458

	Notes	Previously Reported 1 January 2019	Impact of reclassifications	Restated 1 January 2019
Current Assets		5,872,184	-	5,872,184
Non-Current Assets		16,720,626	-	16,720,626
TOTAL ASSETS		22,592,810	-	22,592,810

Current Liabilities		7,011,907	1,693,350	8,705,257
Current Other Payables	b	223,902	1,693,350	1,917,252
Non-Current Liabilities		9,281,988	(1,693,350)	7,588,638
Non-Current Other Payables	b	1,693,350	(1,693,350)	-
Equity		6,298,915	-	6,298,915
TOTAL LIABILITIES AND EQUITY		22,592,810	-	22,592,810

ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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

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

2.4 Comparative Information and Reclassification of Prior Period Consolidated Financial Statements (Continued)

The Group has reviewed non-current other payables accounts and has made the following reclassifications due to the fact that the Group do not have an unconditional right to postpone the payment of the liability for at least twelve months after the reporting period in compliance with IFRS;

- a) As of 31 December 2019, the Group has retrospectively reclassified TL 1,903,683 of deposits received as short term which previously have been presented as long term.
- b) As of 1 January 2019, the Group has retrospectively reclassified TL 1,693,350 of deposits received as short term, which previously have been presented as long term.

There was no income / (loss) effect related to these reclassifications.

2.5 Changes in Accounting Policies

The significant changes that were made on accounting policies applied retrospectively and the financial statements of preceding period are restated.

The Group utilizes forward exchange contracts in order to mitigate foreign exchange rate risk arising from feed-in-tariff cost ("FIT") and USD denominated energy purchases. Starting from 1 January 2020, the effective portions of the gains or losses from the fair value change of forward exchange contracts are recognized in other comprehensive income in the hedge reserves for the purpose of hedge accounting.

No other changes have been applied to the accounting policies of the Group in the current period.

2.6 Changes and Misstatements in Accounting Estimates

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

2.7 Going Concern

The Group has prepared its consolidated financial statements in accordance with going concern principle.

ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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

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

2.8 Basis of Consolidation

The details of the Company's subsidiaries at 31 December 2020 and 31 December 2019 are as follows:

	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group (%)		Principal activity
		31 December 2020	31 December 2019	
Başkent Elektrik Dağıtım A.Ş.	Ankara	100	100	Electricity Distribution Services
Enerjisa Başkent Elektrik Perakende Satış A.Ş.	Ankara	100	100	Electricity Retail Services
İstanbul Anadolu Yakası Elektrik Dağıtım A.Ş.	İstanbul	100	100	Electricity Distribution Services
Enerjisa İstanbul Anadolu Yakası Elektrik Perakende Satış A.Ş.	İstanbul	100	100	Electricity Retail Services
Toroslar Elektrik Dağıtım A.Ş.	Adana	100	100	Electricity Distribution Services
Enerjisa Toroslar Elektrik Perakende Satış A.Ş.	Adana	100	100	Electricity Retail Services
Enerjisa Müşteri Çözümleri A.Ş.	İstanbul	100	100	Customer Solutions and Distributed Generation Services
E-şarj Elektrikli Araçlar Şarj Sistemleri A.Ş.	İstanbul	80	80	Electric Vehicles and Charging Stations Equipment Services

ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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

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

2.8 Basis of Consolidation (Continued)

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

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

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

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

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

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

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

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

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

ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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

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

2.9 New and Revised International Financial Reporting Standards

The accounting policies adopted in preparation of the consolidated financial statements as at 31 December 2020 are consistent with those of the previous financial year, except for the adoption of new and amended IFRS and IFRIC interpretations effective as of 1 January 2020. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

i) The new standards, amendments and interpretations which are effective as at 1 January 2020 are as follows:

Definition of a Business (Amendments to IFRS 3)

In October 2018, the IASB issued amendments to the definition of a business in IFRS 3 Business Combinations. The amendments are intended to assist entities to determine whether an acquired set of activities assets is a business or not.

The amendments:

- clarify the minimum requirements for a business;
- remove the assessment of whether market participants are capable of replacing any missing elements;
- add guidance to help entities assess whether an acquired process is substantive;
- narrow the definitions of a business and of outputs; and
- introduce an optional fair value concentration test.

The amendments to IFRS 3 are effective for annual reporting periods beginning on or after 1 January 2020 and apply prospectively. The amendments did not have a significant impact on the financial position or performance of the Group.

Amendments to IFRS 9, IAS 39 and IFRS 7- Interest Rate Benchmark Reform

The amendments issued to IFRS 9 and IAS 39 which are effective for periods beginning on or after 1 January 2020 provide reliefs which enable hedge accounting to continue. For these reliefs, it is assumed that the benchmark on which the cash flows of hedged risk or item are based and/or, the benchmark on which the cash flows of the hedging instrument are based, are not altered as a result of IBOR reform in connection with interest rate benchmark reform.

Reliefs used as a result of amendments in IFRS 9 and IAS 39 is aimed to be disclosed in financial statements based on the amendments made in IFRS 7.

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

Definition of Material (Amendments to IAS 1 and IAS 8)

In October 2018, the IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity. The amendments clarify that materiality will depend on the nature or magnitude of information, or both. An entity will need to assess whether the information, either individually or in combination with other information, is material in the context of the financial statements.

The amendments to IAS 1 and IAS 8 are required to be applied for annual periods beginning on or after 1 January 2020. The amendments did not have a significant impact on the financial position or performance of the Group.

ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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

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

2.9 New and Revised International Financial Reporting Standards (Continued)

i) The new standards, amendments and interpretations which are effective as at 1 January 2019 are as follows (Continued)

Amendments to IFRS 16 – COVID-19 Rent Related Concessions

In May 2020, the IASB issued amendments to IFRS 16 Leases to provide relief to lessees from applying IFRS 16 guidance on lease modifications to rent concessions arising a direct consequence of the COVID-19 pandemic. A lessee that makes this election accounts for any change in lease payments related rent concession the same way it would account for the change under the standard, if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if all of the following conditions are met:

- The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change.
- Any reduction in lease payments affects only payments originally due on or before 30 June 2021
- There is no substantive change to other terms and conditions of the lease.

A lessee will apply the amendment for annual reporting periods beginning on or after 1 June 2020. Early application of the amendments is permitted. The amendments did not have a significant impact on the financial position or performance of the Group.

ii) Standards issued but not yet effective and not early adopted

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

IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments)

In December 2015, the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. Early application of the amendments is still permitted. The Group will wait until the final amendment to assess the impacts of the changes.

IFRS 17 - The new Standard for insurance contracts

The IASB issued IFRS 17, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. IFRS 17 model combines a current balance sheet measurement of insurance contract liabilities with the recognition of profit over the period that services are provided. IFRS 17 will become effective for annual reporting periods beginning on or after 1 January 2023; early application is permitted. The standard is not applicable for the Group and will not have an impact on the financial position or performance of the Group.

ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

(Amounts expressed in thousands of Turkish Lira ("TL"), unless otherwise indicated.
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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.9 New and Revised International Financial Reporting Standards (Continued)

ii) Standards issued but not yet effective and not early adopted (Continued)

Amendments to IAS 1- Classification of Liabilities as Current and Non-Current Liabilities

23 January 2020, the IASB issued amendments to IAS 1 Presentation of Financial Statements. The amendments issued to IAS 1 which are effective for periods beginning on or after 1 January 2023, clarify the criteria for the classification of a liability as either current or non-current. Amendments must be applied retrospectively in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Early application is permitted.

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

Amendments to IFRS 3 – Reference to the Conceptual Framework

In May 2020, the IASB issued amendments to IFRS 3 Business combinations. The amendments are intended to replace to a reference to a previous version of the IASB’s Conceptual Framework (the 1989 Framework) with a reference to the current version issued in March 2018 (the Conceptual Framework) without significantly changing requirements of IFRS 3. At the same time, the amendments add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date. The amendments issued to IFRS 3 which are effective for periods beginning on or after 1 January 2022 and must be applied retrospectively. Earlier application is permitted if, at the same time or earlier, an entity also applies all of the amendments contained in the Amendments to References to the Conceptual Framework in IFRS standards (March 2018).

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

Amendments to IAS 16 – Proceeds before intended use

In May 2020, the IASB issued amendments to IAS 16 Property, plant and equipment. The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment (PP&E), any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and costs of producing those items, in profit or loss. The amendments issued to IAS 16 which are effective for periods beginning on or after 1 January 2022. Amendments must be applied prospectively only to items of PP&E made available for use on or after beginning of the earliest period presented when the entity first applies the amendment. There is no transition relief for the first time adopters.

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

Amendments to IAS 37 – Onerous contracts – Costs of Fulfilling a Contract

In May 2020, the IASB issued amendments to IAS 37 Provisions, Contingent Liabilities and Contingent assets. . The amendments issued to IAS 37 which are effective for periods beginning on or after 1 January 2022, to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making and also apply a “directly related cost approach”. Amendments must be applied retrospectively to contracts for which an entity has not fulfilled all of its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Earlier application is permitted and must be disclosed.

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

ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

(Amounts expressed in thousands of Turkish Lira ("TL"), unless otherwise indicated.
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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.9 New and Revised International Financial Reporting Standards (Continued)

ii) Standards issued but not yet effective and not early adopted (Continued)

Interest Rate Benchmark Reform – Phase 2 – Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

In August 2020, the IASB issued Interest Rate Benchmark Reform – Phase 2, Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 to provide temporary reliefs which address the financial reporting effects when an interbank offering rate (IBOR) is replaced with an alternative nearly risk-free rate (RFR), amending the followings:

Practical expedient for changes in the basis for determining the contractual cash flows as a result of IBOR reform

The amendments include a practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest. Under this practical expedient, if the interest rates applicable to financial instruments change as a result of the IBOR reform, the situation is not considered as a derecognition or contract modification; instead, this would be determined by recalculating the carrying amount of the financial instrument using the original effective interest rate to discount the revised contractual cash flows.

The practical expedient is required for entities applying IFRS 4 Insurance Contracts that are using the exemption from IFRS 9 Financial Instruments (and, therefore, apply IAS 39 Financial Instruments: Classification and Measurement) and for IFRS 16 Leases, to lease modifications required by IBOR reform.

Relief from discontinuing hedging relationships

- The amendments permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued.
- Amounts accumulated in the cash flow hedge reserve are deemed to be based on the RFR.
- For the IAS 39 assessment of retrospective hedge effectiveness, on transition to an RFR, entities may elect on a hedge-by-hedge basis, to reset the cumulative fair value changes to zero.
- The amendments provide relief for items within a designated group of items (such as those forming part of a macro cash flow hedging strategy) that are amended for modifications directly required by IBOR reform. The reliefs allow the hedging strategy to remain and not be discontinued.
- As instruments transition to RFRs, a hedging relationship may need to be modified more than once. The phase two reliefs apply each time a hedging relationship is modified as a direct result of IBOR reform.

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

2.9 New and Revised International Financial Reporting Standards (Continued)

ii) Standards issued but not yet effective and not early adopted (Continued)

Interest Rate Benchmark Reform – Phase 2 – Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (Continued)

Separately identifiable risk components

The amendments provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

Additional disclosures

Amendments need additional IFRS 7 Financial Instruments disclosures such as; how the entity is managing the transition to RFRs, its progress and the risks to which it is exposed arising from financial instruments due to IBOR reform, quantitative information about financial instruments that have yet to transition to RFRs and if IBOR reform has given rise to changes in the entity's risk management strategy, a description of these changes.

The amendments are mandatory, with earlier application permitted. While application is retrospective, an entity is not required to restate prior periods.

Overall, the Group expects no significant impact on its balance sheet and equity.

Annual Improvements – 2018–2020 Cycle

In May 2020, the IASB issued Annual Improvements to IFRS Standards 2018–2020 Cycle, amending the followings:

- IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter: The amendment permits a subsidiary to measure cumulative translation differences using the amounts reported by the parent. The amendment is also applied to an associate or joint venture.
- IFRS 9 Financial Instruments – Fees in the “10 per cent test” for derecognition of financial liabilities: The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either borrower or lender on the other's behalf.
- IAS 41 Agriculture – Taxation in fair value measurements: The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring fair value of assets within the scope of IAS 41.

Improvements are effective for annual reporting periods beginning on or after 1 January 2022. Earlier application is permitted for all.

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

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

2.10 Summary of Significant Accounting Policies

Business Combinations

The acquisition of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognized in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value, except that:

- Deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with IAS 12 *Income Taxes* and IAS 19 *Employee Benefits* respectively;
- Liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 *Share-based Payment* at the acquisition date; and
- Assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and its subsequent settlement is accounted for within equity. When the contingent consideration classified as asset or liability is in the nature of financial instruments and within the context of IFRS 9 *Financial Instruments*, it is re-measured at fair value and; gain or loss due to changes are recognized in profit or loss or other comprehensive income. Those are not within the context of IFRS 9 are re-measured in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

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

2.10 Summary of Significant Accounting Policies (Continued)

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually (Note: 2.12), or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in profit or loss in the consolidated statement of comprehensive income. An impairment loss recognized for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Related Parties

A related party is a person or entity that is related to the entity that is preparing its financial statements

a) A person or a close member of that person's family is related to a reporting entity if that person:

- i. has control or joint control over the reporting entity;
- ii. has significant influence over the reporting entity; or
- iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(b) An entity is related to a reporting entity if any of the following conditions applies:

- i.The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- ii. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- iii. Both entities are joint ventures of the same third party.
- iv. One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- v. The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity
- vi. The entity is controlled or jointly controlled by a person identified in (a).
- vii. A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

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

2.10 Summary of Significant Accounting Policies (Continued)

Related Parties (Continued)

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

Revenue Recognition

Distribution part of the revenue is composed of distribution, meter reading services, transmission and theft and loss components. Distribution and meter reading service components are considered within the content of service concession arrangements due to the regulations of EMRA. Additionally, 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 which cover operating expenses and investment requirements related to distribution and meter reading services. Moreover, transmission revenue is a complete pass-through of transmission costs as charged by Türkiye Elektrik İletim A.Ş. ("TEİAŞ"). These regulations guarantee revenue to the Group during the transition period regardless of the consumption level. The under billings or overbillings made by the Group are adjusted by EMRA in the tariffs to be effective in two years.

Revenue recognition principles other than the assets classified as due from service concession arrangements under IFRIC 12 are as follows:

Revenue (excluding the distribution business) is recognized upon delivery of electricity to customers or upon fulfilment of services. Delivery is deemed complete when the risk and rewards associated with ownership has been transferred to the buyer as contractually agreed, compensation has been contractually established and collection of the resulting receivable is probable.

Gross profit to be gained from the regulatory portfolio of the Group is determined by EMRA and the revenue of the companies related to the regulated portfolio is computed in accordance with the provisions of "Regulation of Retail Energy Sales Prices" issued by EMRA on 30 December 2015 and "Amendments to Regulation of Retail Energy Sales Prices" published on 31 August 2018 by considering revenue requirements to cover the operational expenses and the doubtful receivable expenses are reflected in the consolidated financial statements accordingly.

Revenue from the sale and delivery of electricity is measured at the fair value of the consideration received or receivable. The estimated value of the electricity supplied but not invoiced to the customers is considered for the measurement of revenue.

Revenue is recognized on an accrual basis at the time the electricity is distributed, at the invoiced values. Net sales represent the invoiced value of electricity distributed excluding TRT energy contribution share, sales commission and sales taxes.

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

2.10 Summary of Significant Accounting Policies (Continued)

Revenue Recognition (Continued)

Principal and agent assessment

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself or to arrange for the other party to provide those goods or services. The Group is a principal if it controls a promised good or service before the Group transfers the good or service to a customer. When a Group that is a principal satisfies a performance obligation, it recognizes as revenue the gross amount of consideration which it expects to be entitled to in exchange for those goods or services. The Group is an agent if its performance obligation is to arrange for the provision of goods or services by another party and in such a position, the Group does not recognize the revenue of the consideration at gross amount.

Interest revenue

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Interest income related to service concession arrangements is recognized in accordance with Service Concession Arrangements ("IFRIC 12"). Interest income on receivable from concession arrangement is recognized on a time-proportion basis using the effective interest method.

Service Concession Arrangements

Service concession arrangements are defined within scope of IFRIC 12 as those whereby a government or other body grants contracts for the supply of public services – operations such as roads, energy distribution, prisons or hospitals – to private operators. The Group's electricity distribution and meter reading service businesses are in the scope of service concession agreements.

Considering the Group's terms in the service concession arrangements, a financial asset model where the Group recognizes a financial asset to the extent that it has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor has been applied, since the right to receive cash for the distribution and meter reading services are constituted through actual billing to subscribers where the distribution and meter reading service components of the billing are already specified or determinable through the regulated by EMRA.

The Group recognizes the revenue on an effective interest method as "Financial Income from Service Concession Arrangements" in profit or loss and other comprehensive income and "Financial Assets" on the consolidated statement of financial position.

Inventories

Inventories mainly include electricity equipment and materials related to the Group's electricity distribution business. Inventories are stated at the lower of cost or net realizable value. The cost of inventories is determined on a weighted average basis. Additional costs, incurred to bring the inventories to the intended usable condition or position, are included in determination of cost.

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

2.10 Summary of Significant Accounting Policies (Continued)

Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses.

Properties in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognized impairment loss. Cost includes professional fees such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognized so as to write off the cost or valuation of assets, other than freehold land and properties under construction, less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of property, plant and equipment is derecognized from statement of financial position (balance sheet) upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Intangible assets

Customer contracts and relations and Transfer of Operational Rights

Customer contracts and relations and TOR are reported at cost less accumulated amortization and accumulated impairment losses. Amortization is charged on a straight-line basis over their estimated useful lives. The useful lives of customer contracts and relations range between 25-30 years.

Computer software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful lives (3-5 years).

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

2.10 Summary of Significant Accounting Policies (Continued)

Leasing transactions

Group as a lessee

Initially the Group assesses whether the contract is, or contains lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group shall assess whether, throughout the period of use, the customer has both of the following:

- The contract includes an identified asset (identification of an asset in a clear or implicitly specified form in the contract),
- A capacity portion of an asset is an identified asset if it is physically distinct and represents substantially all of the capacity of the asset (the asset is not an identified asset if the vendor has a fundamental right to substitute the asset for the duration of its use and obtain an economic benefit from it),
- The Group has the right to obtain almost all of the economic benefits that will be derived from the use of the identified asset,
- The right to direct the use of the identified asset. The Group has the right to direct the use of an identified asset throughout the period of use only if either:
 - a) the Group has the right to direct how and for what purpose the asset is used throughout the period of use
 - b) the Group has the right to direct use of asset if either:
 - i. the Group has the right to operate (or to have the right to direct others to operate) the asset over its useful life and the lessor does not have the rights to change the terms to operate or;
 - ii. the Group designed the asset (or the specific features) in a way that predetermines how and for what purpose it is used

The Group recognizes right of use asset and lease liability at the start date of lease after evaluation of aforementioned criterias.

Right of use asset

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

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

2.10 Summary of Significant Accounting Policies (Continued)

Leasing transactions (Continued)

Right of use asset (Continued)

The cost of right-of-use assets includes:

- a. The amount of lease liabilities recognized,
- b. Lease payments made at or before the commencement date less any lease incentives received, and
- c. Initial direct costs incurred by the Group.

Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

Right-of-use assets are subject to impairment.

Lease Liabilities

The Group measures its rent obligation at the present value of unpaid lease payments on the date that the lease commences.

Lease payments included in the measurement of the lease obligation on the date that the lease actually commences consists of the following payments to be made for the right of use of the underlying asset during the lease period and not paid on the actual lease date:

- a. Fixed payments,
- b. Variable lease payments based on an index or rate, the first measurement made using an index or rate on the actual date of the lease,
- c. Amounts expected to be paid by the Group under residual value commitments,
- d. The use price of this option if the Group is reasonably certain that it will use it, and
- e. The penalty payments for termination of the lease if the lease shows that the Group will use an option to terminate the lease.

Variable lease payments that do not depend on an index or rate are recognized as an expense in the period in which the event or condition that triggered the payment occurred.

After the effective date of the lease, the Group measures the lease obligation as follows:

- a. Increase the carrying amount to reflect the interest on the lease obligation; and
- b. Decreases the carrying amount to reflect the lease payments made.

In addition, in the event of a change in the lease term, in essence a change in fixed lease payments or a change in the assessment of the option to buy the underlying asset, the value of the lease obligations is remeasured.

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

2.10 Summary of Significant Accounting Policies (Continued)

Impairment of non-financial assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. There were no capitalized borrowing costs in 2019 and 2020.

All other borrowing costs are recognized in statement of profit or loss and other comprehensive income in the period in which they are incurred.

Financial instruments

Financial assets - Classification and measurement

The Group classified its financial assets in three categories as financial assets carried at amortized cost, financial assets carried at fair value though profit of loss, financial assets carried at fair value though other comprehensive income. Classification is performed in accordance with the business model determined based on the purpose of benefits from financial assets and expected cash flows. Management performs the classification of financial assets at the acquisition date.

a) Financial assets carried at amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, whose payments are fixed or predetermined, which are not actively traded and which are not derivative instruments are measured at amortized cost. They are included in current assets, except for maturities more than 12 months after the balance sheet date. Those with maturities more than 12 months are classified as non-current assets. The Group's financial assets carried at amortized cost comprise "trade receivables", "other receivables", "financial assets" (IFRIC 12), "cash and cash equivalents" and "financial investments to be held to maturity" in the statement of financial position.

Impairment

The Group has applied simplified approach and used impairment matrix for the calculation of impairment on its receivables and financial assets (IFRIC 12) carried at amortized cost on its consolidated financial statements, since they do not comprise of any significant finance component. In accordance with this method, if any provision provided to the trade receivables and financial assets as a result of a specific events, the Group measures expected credit loss from these receivables and financial assets by the life-time expected credit loss. The calculation of expected credit loss is performed based on the experience of the Group and its expectation based on the macroeconomic indications.

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

2.10 Summary of Significant Accounting Policies (Continued)

Financial Instruments (Continued)

Financial assets - Classification and measurement (Continued)

(b) Financial assets carried at fair value

Assets that are held by the management for collection of contractual cash flows and for selling the financial assets are measured at their fair value. If the management do not plan to dispose these assets in 12 months after the balance sheet date, they are classified as non-current assets. The Group make a choice for the equity instruments during the initial recognition and elect profit or loss or other comprehensive income for the presentation of fair value gain and loss:

i) Financial assets carried at fair value through profit or loss

Financial assets carried at fair value through profit or loss comprise of “derivative instruments” in the statement of financial position. Derivative instruments are recognized as asset when the fair value of the instrument is positive, as liability when the fair value of the instrument is negative. The Group’s financial instruments at fair value through profit or loss consist of forward exchange contracts.

ii) Financial assets carried at fair value through other comprehensive income

Financial assets carried at fair value through other comprehensive income comprise of “derivative instruments” in the statement of financial position. Gains or losses on a financial asset carried at fair value through other comprehensive income is recognized in other comprehensive income under the scope of hedge accounting. The Group’s financial instruments at fair value through other comprehensive income consist of forward exchange contracts to mitigate the foreign exchange rate risk arising from feed-in-tariff cost (“FIT”) and USD denominated energy purchases and cross currency swap agreements.

Offsetting

Financial assets and liabilities are offset and the net amount reported in the consolidated balance sheet when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

Provisions, contingent liabilities, contingent assets

Provisions are recognized when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

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

2.10 Summary of Significant Accounting Policies (Continued)

Provisions, contingent liabilities, contingent assets (Continued)

Contingent liabilities are assessed continuously to determine probability of outflow of economically beneficial assets. For contingent liabilities, when an outflow of resources embodying economic benefits are probable, provision is recognized for this contingent liability in the period when the probability has changed, except for cases where a reliable estimate cannot be made.

Possible assets that arise from past events and whose existence not wholly within the control of the Group and that will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events are recognized as contingent assets. When an inflow of resources embodying economic benefits is probable, the Group discloses contingent assets in the notes.

When the outflow of economic benefits from the Group is probable but the amount cannot be measured reliably, the Group discloses this fact in the notes.

Earnings per share

Earnings per share disclosed in the consolidated statement of profit or loss and other comprehensive income are determined by dividing net earnings by the weighted average number of shares that have been outstanding during the related period.

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares (“bonus shares”) to existing shareholders from retained earnings on equity items. Such kind of bonus shares are taken into consideration in the computation of earnings per share as issued share certificates. For the purpose of earnings per share computations, the weighted average number of shares outstanding during the period has been adjusted in respect of bonus shares issues without a corresponding change in resources, by giving them retroactive effect for the year in which they were issued and each earlier year.

Segment reporting

The Group has electricity distribution and retail operating segments, which includes the information used from management to evaluate performance and taking decision for resource allocation. These segments are managed separately because it is influenced by different economic situations and business positions in terms of risk and return.

Operating segments are reported in a manner consistent with the reporting provided to the chief operating decision-makers. The chief operating decision-makers are responsible for the decisions related to the allocation of resources to the segments and assessment of performance of segments.

Government grants

Electricity distribution companies within the Group have the right to benefit from VAT exemption for machinery equipment purchases from domestic suppliers in the scope of renewal of existing investments with the investment incentive certificate which had been obtained from the Ministry of Economy on 15 January 2016.

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

2.10 Summary of Significant Accounting Policies (Continued)

Taxation and deferred income taxes

Turkish Tax Legislation does not permit a parent company and its subsidiary to file a consolidated tax return. Therefore, provisions for taxes, as reflected in the accompanying consolidated financial statements, have been calculated on a separate-entity basis.

Income tax expense represents the sum of current tax and deferred tax expenses.

Current tax expense

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the comprehensive income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group’s liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases which is used in the computation of taxable profit, and is accounted for using the balance sheet liability method.

Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred taxes are recognized as in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity.

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

2.10 Summary of Significant Accounting Policies (Continued)

Subsequent events

Subsequent events; even if they occur after any announcement related with profit or public announcement of other chosen financial information, covers any event between the balance sheet date and the publication date of the balance sheet.

In the case that events requiring an adjustment to the financial statements occur subsequent to the date of statement of financial position, the Group makes the necessary corrections on the consolidated financial statements.

Employment benefits

Termination and retirement benefits

Under Turkish law and union agreements, lump sum payments are made to employees retiring or involuntarily leaving the Group. Such payments are considered as being part of defined retirement benefit plan as per IAS 19 (revised) “Employee Benefits” (“IAS 19”).

The retirement benefit obligation recognized in the statement of the financial position represents the present value of the defined benefit obligation. Actuarial gains and losses have no material impact in the consolidated financial statements and are recognized in the statement of profit or loss and other comprehensive income.

Vacation rights

The liabilities related to unused vacation rights are accrued when they are entitled.

Defined contribution plans

The Group pays contributions to the Social Security Institution of Turkey on a mandatory basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due.

Statement of cash flow

In statement of cash flows, cash flows are classified according to operating, investing and financing activities.

Cash flows from operating activities represent the cash flows generated from the Group’s activities.

Cash flows related to investing activities represent the cash flows that are used in or provided from the investing activities of the Group (tangible and intangible assets and financial assets).

Cash flows arising from financing activities represent the cash proceeds from the financing activities of the Group and the repayments of these funds.

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

2.10 Summary of Significant Accounting Policies (Continued)

Significant developments in the current period

The Group management closely monitors all developments and takes the necessary measures to manage effectively the negative effects of the COVID-19 outbreak on the Group’s consolidated financial position, consolidated financial performance and consolidated cash flows. The Group management believes that despite the uncertain economic outlook, it can successfully manage its commercial risks and liquidity reserves.

Since the beginning of pandemic, the Group is taking measures to protect its infrastructure systems which are vital to public services, and has been postponing development investments except those protecting service standards. With the normalization, investments gained momentum again at the third quarter. However, taking into account the latest situation in COVID-19 cases in the last quarter, the Group has adopted a cautious approach and has invested in its networks until the limits that ensures the health and safety of employees and contractors.

The distributed energy volumes in the regions where the Group is responsible for, decreased approximately by 10% in April and May compared to previous year. The level of electricity consumption has started to recover in June and reached to the same level of last year with the impact of high temperatures, in the last quarter of 2020. There was only a slight deterioration in the on-time collection rates at May and June due to the restrictions implemented as of March. However, the deteriorated collection rates reached to pre-pandemic levels at October as life began to partially normalize in the second half of the year. Field operations are mostly re-settled, meter reading, connection and disconnection activities have become normal again allowing timely invoicing and collection.

When considering all these factors, COVID-19 has only a limited operational impact on consolidated financial statements.

Share capital and dividends

Common shares are classified as equity.

Dividends on common shares are recognized in equity in the period in which they are approved and declared. Dividend income from investments is recognized when the shareholder’s right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

2.11 Significant Accounting Estimates and Assumptions

Critical Accounting Judgments and Key Sources of Estimation Uncertainty

Critical judgments in applying the Group’s accounting policies

Use of Estimates

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

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

2.11 Significant Accounting Estimates and Assumptions (Continued)

Critical Accounting Judgments and Key Sources of Estimation Uncertainty (Continued)

Critical judgments in applying the Group’s accounting policies (Continued)

Impairment test of Goodwill

Pursuant to IAS 36 Impairment of Assets, the Group tested goodwill as of 31 December 2020 in accordance with the accounting policy stated at Note: 2.10. The goodwill impairment test is carried out for Retail and Distribution Cash Generating Units ("CGUs"). As of 31 December 2020, the following assumptions were used to determine the recoverable amount of Retail CGU:

Table with 2 columns: CGU, Retail. Rows include Base used for the recoverable amount, Source, WACC (TL), and Terminal growth rate.

The net present value of Retail CGU was calculated by discounting the post-tax TL, which is the functional currency of the Group, free cash flows. The Group compared the recoverable amount calculated based on the aforementioned assumptions to the total value of Retail CGU and no impairment was identified.

1% increase of weighted average cost of capital decreases the recoverable amount of Retail CGU by 5%, 1% decrease of weighted average cost of capital increases the recoverable amount of Retail CGU by 5%. No impairment is identified based on the sensitivity analysis.

As of 31 December 2020, the following assumptions were used to determine the recoverable amount of Distribution CGU:

Table with 2 columns: CGU, Value in use. Rows include Base used for the recoverable amount, Source, WACC (TL), and Terminal growth rate.

The net present value of Distribution CGU was calculated by discounting the post-tax free cash flows for the discrete period from 2015 to 2036 for BAŞKENT EDAŞ and from 2015 to 2042 for AYEDAŞ and TOROSLAR EDAŞ. This calculation includes the discounted values of the TL cash flows of Distribution CGU which is the functional currency of the Group. The Group compared the recoverable amount calculated based on the aforementioned assumptions to the total value of Distribution CGU and no impairment was identified.

1% increase of weighted average cost of capital decreases the recoverable amount of Distribution CGU by 12%, 1% decrease of weighted average cost of capital increases the recoverable amount of Distribution CGU by 13%. No impairment is identified based on the sensitivity analysis.

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

2.11 Significant Accounting Estimates and Assumptions (Continued)

Critical Accounting Judgments and Key Sources of Estimation Uncertainty (Continued)

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the consolidated balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is discussed below:

Service concession arrangements

The Group determines the financial assets and financial income balances recognized under service concession arrangements based on the cash flows derived from the tariffs announced by EMRA. The distribution revenue requirement of the Group during the second (2011 - 2015), third (2016 - 2020) and fourth tariff periods (2021 - 2025) was determined by EMRA considering the projected expenses and related tariffs which were published in 2010, 2015 and 2020. Moreover, distribution revenue requirements from the end of fourth tariff period to the end of license (2036 for BAŞKENT EDAŞ and 2042 for AYEDAŞ and TOROSLAR EDAŞ) are expected by the Group management based on the tariff components announced for the fourth tariff period. These tariffs are revised yearly due to inflation, based on the changes in the Electricity Market Index ("EMI") (Since the "EMI" is not announced, CPI ("Consumer Price Index") is considered as based). In determination of the aforementioned projected cash inflows in the upcoming periods the Group management made estimates related to the CPI rate and the WACC ("Weighted Average Capital Cost") rate determined in the latest tariff period continued to be used until the end of the license period.

Revenue recognition

Invoices of the subscribers other than residential and commercial groups are issued monthly at the end of each month by the Group whereas the invoices of the residential subscribers are issued continuously during each month due to the high number of subscribers in this group. Commercial group subscribers are also issued continuously during the month due to the high number of customers in this group although the subscribers with high consumption level are billed at the end of the month. As a result, the total electricity supplied to the residential and commercial subscribers during each month cannot be invoiced and income accruals are recognized as revenue at period-ends for these customer groups based on the actual billing performance.

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NOTE 3 - SHARES IN OTHER PARTIES

Subsidiaries

Table with 5 columns: Name of Subsidiary, Principal activity, Place of incorporation and operation, 31 December 2020, 31 December 2019. Rows include BAŞKENT EDAŞ, EPS, AYEDAŞ, AEPSAŞ, TOROSLAR EDAŞ, TOROSLAR EPSAŞ, Enerjisa Müşteri Çözümleri A.Ş., and E-şarj.

Table with 4 columns: Principal Activity, Place of incorporation and operation, 31 December 2020, 31 December 2019. Rows include Electricity Distribution Services, Electricity Retail Services, Customer Solutions and Distributed Generation Services, and Electric Vehicles and Charging Stations Equipment Services.

ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

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NOTE 4 - SEGMENT REPORTING

The business activities of the Group are managed and organized according to the services provided in the electricity market. The Group has two main operating segments; electricity distribution and retail. 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. Enerjisa Müşteri Çözümleri A.Ş.'s and E-şarj Elektrikli Araçlar Şarj Sistemleri A.Ş.'s activities are also disclosed under Retail segment. The Group performs segment reporting according to IFRS 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. In addition to the requirements for segment reporting, Group management have included this information in their reporting footnotes, considering that some financial statement readers may use this information in their analyzes.

The following table contains information on the Group's sales and profit from its operations for the year ended 31 December 2020 and 31 December 2019.

1 January - 31 December 2020	Distribution	Retail	Unallocated (*)	Eliminations	Total
Revenue	7,305,154	14,449,640	23,764	(21,355)	21,757,203
Cost of sales (-)	(2,661,796)	(13,456,035)	-	-	(16,117,831)
Gross profit / (loss)	4,643,358	993,605	23,764	(21,355)	5,639,372
General administrative expenses (-)	(1,868,720)	(431,936)	(269,174)	26,636	(2,543,194)
Other income / (expense) from operating activities - net	(441,137)	90,405	(2,320)	(5,281)	(358,333)
Operating profit / (loss)	2,333,501	652,074	(247,730)	-	2,737,845
Financial income	100,720	252,430	97,048	(386,107)	64,091
Financial expense (-)	(1,184,739)	(20,488)	(570,110)	386,107	(1,389,230)
Profit / (loss) before taxation on income	1,249,482	884,016	(720,792)	-	1,412,706
Current tax expense (-)	(338,302)	(199,684)	-	-	(537,986)
Deferred tax income / (expense)	69,117	71	143,775	-	212,963
Net profit / (loss) for the period	980,297	684,403	(577,017)	-	1,087,683

(*) TL 208,663 of TL 444,078 depreciation and amortization expenses represents amortization expenses of intangible assets (Note 13), which is presented as unallocated under operating expenses. The majority of financial expenses under unallocated part mainly represent costs of loans utilized for the acquisitions of 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

1 January - 31 December 2019	Distribution	Retail	Unallocated (*)	Eliminations	Total
Revenue	6,599,410	12,853,675	26,673	(26,673)	19,453,085
Cost of sales (-)	(2,028,673)	(12,079,941)	-	-	(14,108,614)
Gross profit / (loss)	4,570,737	773,734	26,673	(26,673)	5,344,471
General administrative expenses (-)	(1,563,120)	(367,331)	(272,295)	32,261	(2,170,485)
Other income / (expense) from operating activities - net	(106,032)	(8,857)	10,697	(5,588)	(109,780)
Operating profit / (loss)	2,901,585	397,546	(234,925)	-	3,064,206
Financial income	14,133	470,781	459,482	(773,769)	170,627
Financial expense (-)	(1,628,693)	(17,939)	(970,614)	773,769	(1,843,477)
Profit / (loss) before taxation on income	1,287,025	850,388	(746,057)	-	1,391,356
Current tax expense (-)	(103,763)	(388,336)	-	-	(492,099)
Deferred tax income / (expense)	(214,971)	201,029	148,307	-	134,365
Net profit / (loss) for the period	968,291	663,081	(597,750)	-	1,033,622

(*) TL 208,663 of TL 372,867 depreciation and amortization expenses, represents amortization expenses of intangible assets (Note 13), which is presented as unallocated under operating expenses. The majority of financial expenses under unallocated part mainly represent costs of loans utilized for the acquisitions of distribution and retail business. The Group management follows the performances of the operating segments excluding acquisitions related loans, therefore the amounts have not been distributed to the segments.

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NOTE 4- SEGMENT REPORTING (Continued)

The information below includes information about the Group's financial position of its business segments related to the year ended 31 December 2020 and 31 December 2019.

As at 31 December 2020	Distribution	Retail	Unallocated (*)	Eliminations	Total
Segment assets					
Cash and cash equivalents	43,804	544,673	94	-	588,571
Financial investments	126,108	-	-	-	126,108
Trade receivables	1,870,803	1,703,137	703	(630,975)	2,943,668
Inventories	163,877	5,662	-	-	169,539
Derivative instruments	28,487	7,642	-	-	36,129
Financial assets	11,470,840	-	(880)	-	11,469,960
Right of use assets	86,371	49,180	5,220	-	140,771
Property, plant and equipment	847,631	58,015	3,609	(7,000)	902,255
Intangible assets	21,079	55,559	6,280,398	-	6,357,036
Deferred tax assets	-	152,382	209,644	-	362,026
Other receivables and assets	1,183,326	2,470,451	3,683,725	(5,758,060)	1,579,442
Total assets	15,842,326	5,046,701	10,182,513	(6,396,035)	24,675,505
Segment liabilities					
Financial liabilities	6,507,559	57,051	5,392,975	(2,195,285)	9,762,300
Other financial liabilities	409,126	-	-	-	409,126
Trade payables	986,336	1,550,048	8,948	(630,975)	1,914,357
Derivative instruments	56,160	85,519	-	-	141,679
Deferred tax liabilities	507,433	-	859,546	-	1,366,979
Other payables and liabilities	2,818,703	2,580,622	2,091,208	(3,562,775)	3,927,758
Total liabilities	11,285,317	4,273,240	8,352,677	(6,389,035)	17,522,199

(*) The majority of intangible assets under unallocated part represents customer contracts, transfer of operating rights and goodwill (Note 13).

(*) As of 31 December 2020, the Group has recorded an impairment provision of TL 880 for its financial assets in accordance with IFRS 9 Financial Instruments.

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NOTE 4- SEGMENT REPORTING (Continued)

As at 31 December 2019	Distribution	Retail	Unallocated (*)	Eliminations	Total
Segment assets					
Cash and cash equivalents	270,558	199,146	82	-	469,786
Trade receivables	1,940,517	1,672,994	2,325	(606,381)	3,009,455
Inventories	129,230	2,723	-	-	131,953
Derivative instruments	-	8,789	-	-	8,789
Financial assets	10,544,328	-	(492)	-	10,543,836
Right of use assets	107,944	31,093	6,446	-	145,483
Property, plant and equipment	425,856	61,950	2,737	(7,000)	483,543
Intangible assets	10,567	48,664	6,489,174	-	6,548,405
Deferred tax assets	-	136,401	107,639	-	244,040
Other receivables and assets	1,489,057	2,435,412	3,724,664	(5,838,965)	1,810,168
Total assets	14,918,057	4,597,172	10,332,575	(6,452,346)	23,395,458
Segment liabilities					
Financial liabilities	5,220,497	36,318	4,745,481	(931,818)	9,070,478
Other financial liabilities	353,898	-	-	-	353,898
Trade payables	1,610,018	1,597,266	10,717	(606,381)	2,611,620
Derivative instruments	62,961	3,694	-	-	66,655
Deferred tax liabilities	576,550	-	901,318	-	1,477,868
Other payables and liabilities	3,446,908	2,303,426	2,137,249	(4,907,147)	2,980,436
Total liabilities	11,270,832	3,940,704	7,794,765	(6,445,346)	16,560,955

(*) The majority of intangible assets under unallocated part represents customer contracts, transfer of operating rights and goodwill (Note 13).

(*) As of 31 December 2019, the Group has recorded an impairment provision of TL 492 for its financial assets in accordance with IFRS 9 Financial Instruments.



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NOTE 4- SEGMENT REPORTING (Continued)

1 January - 31 December 2020	Distribution	Retail	Unallocated	Eliminations	Total
Cash Flows from Operating Activities	3,270,032	628,847	(28,458)	-	3,870,421
Profit for the period	980,297	684,403	(577,017)	-	1,087,683
Adjustments to reconcile net profit for the period	277,387	361,623	572,924	-	1,211,934
Changes in operating assets and liabilities	(45,174)	(298,822)	(24,063)	-	(368,059)
Cash generated from operating activities	1,212,510	747,204	(28,156)	-	1,931,558
Tax payments	(292,099)	(152,499)	-	-	(444,598)
Other cash inflows / (outflows)	2,349,621	34,142	(302)	-	2,383,461
Cash Flows from Investing Activities	(2,232,076)	197,395	399,034	(592,131)	(2,227,778)
Cash used for purchase of property, plant and equipment and intangible assets"	(265,380)	(39,277)	(5,522)	-	(310,179)
Interest received	-	236,672	404,556	(592,131)	49,097
Other cash out-flows (*)	(1,845,241)	-	-	-	(1,845,241)
Cash outflows to acquire debt instruments	(121,455)	-	-	-	(121,455)
Cash Flows from Financing Activities	(1,264,710)	(480,714)	(370,565)	592,131	(1,523,858)
Increase / (decrease) in cash and cash equivalents	(226,754)	345,528	11	-	118,785
Cash and cash equivalents at the beginning of the period	270,558	199,145	83	-	469,786
Cash and cash equivalents at the end of the period	43,804	544,673	94	-	588,571

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

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NOTE 4- SEGMENT REPORTING (Continued)

1 January - 31 December 2019	Distribution	Retail	Unallocated	Eliminations	Total
Cash Flows from Operating Activities	2,294,259	1,402,457	15,418	-	3,712,134
Profit for the period	968,291	663,081	(597,750)	-	1,033,622
Adjustments to reconcile net profit for the period	518,493	(7,140)	576,623	-	1,087,976
Changes in operating assets and liabilities	(1,054,328)	1,182,636	38,652	-	166,960
Cash generated from operating activities	432,456	1,838,577	17,525	-	2,288,558
Tax payments	(83,035)	(373,242)	-	-	(456,277)
Other cash inflows / (outflows)	1,944,838	(62,878)	(2,107)	-	1,879,853
Cash Flows from Investing Activities	(1,554,819)	411,415	472,725	(828,240)	(1,498,919)
Cash used for purchase of property, plant and equipment and intangible assets"	(185,383)	(50,672)	(15,834)	-	(251,889)
Interest received	-	462,087	488,559	(828,240)	122,406
Other cash out-flows (*)	(1,369,436)	-	-	-	(1,369,436)
Cash Flows from Financing Activities	(730,441)	(1,915,422)	(488,158)	828,240	(2,305,781)
Increase / (decrease) in cash and cash equivalents	8,999	(101,550)	(15)	-	(92,566)
Cash and cash equivalents at the beginning of the period	261,559	300,696	97	-	562,352
Cash and cash equivalents at the end of the period	270,558	199,146	82	-	469,786

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

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NOTE 5 - RELATED PARTY TRANSACTIONS

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

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

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

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

Related Party Bank Balances- Akbank T.A.Ş. (1)		31 December 2020	31 December 2019
Demand deposits		63,829	29,767
Time deposits		414,206	263,831
		478,035	293,598

		31 December 2020		
Loans provided by related parties	Original currency	Maturity	Current liabilities	Non-current liabilities
Akbank T.A.Ş. (1)	EUR	15 January 2021	63,872	-
Akbank T.A.Ş. (1)	TL	25 February 2021	154,382	-
Akbank T.A.Ş. (1)	TL	8 March 2021	102,923	-
Akbank T.A.Ş. (1)	TL	11 May 2021	20,586	-
Akbank T.A.Ş. (1)	TL	11 May 2021	20,554	-
Akbank T.A.Ş. (1)	TL	2 June 2021	201	-
Akbank T.A.Ş. (1)	TL	25 November 2021	1,018	-
Akbank T.A.Ş. (1)	TL	7 February 2022	8,105	200,000
Akbank T.A.Ş. (1)	TL	17 May 2022	4,502	100,000
Akbank T.A.Ş. (1)	TL	17 May 2022	13,507	300,000
Akbank T.A.Ş. (1)	TL	18 May 2022	4,248	100,000
Akbank T.A.Ş. (1)	TL	16 June 2022	19,089	400,000
Akbank T.A.Ş. (1)	TL	16 June 2022	9,572	200,000
Akbank T.A.Ş. (1)	TL	27 June 2022	3,379	100,000
Akbank T.A.Ş. (1)	TL	27 June 2022	3,114	100,000
Akbank T.A.Ş. (1)	TL	27 June 2022	4,223	125,000
Akbank T.A.Ş. (1)	TL	27 June 2022	3,378	100,000
Akbank T.A.Ş. (1)	TL	9 March 2023	3,044	100,000
Akbank T.A.Ş. (1)	TL	9 March 2023	6,088	200,000
Akbank T.A.Ş. (1)	TL	9 March 2023	28,607	947,000
Akbank T.A.Ş. (1)	TL	9 March 2023	1,510	50,000
Akbank T.A.Ş. (1)	TL	9 March 2023	2,529	100,000
			478,431	3,122,000

As of 31 December 2020, the interest rates of TL related party loans utilized are in the range of 8.40% - 9.98% (31 December 2019: 10.24% - 18.38%). As of 31 December 2020, the interest rate of EUR related party loans utilized is 3.68% (31 December 2019: interest rate of USD related party loans: 6.27%).

As of 31 December 2020 and 31 December 2019, the Group has not given any collateral for the loans.

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NOTE 5 - RELATED PARTY TRANSACTIONS (Continued)

		31 December 2019		
Loans provided by related parties	Original currency	Maturity	Current liabilities	Non-current liabilities
Akbank T.A.Ş. (1)	TL	2 January 2020	65,200	-
Akbank T.A.Ş. (1)	TL	9 January 2020	512,032	-
Akbank T.A.Ş. (1)	USD	30 April 2020	36,032	-
Akbank T.A.Ş. (1)	TL	2 June 2020	304,016	-
Akbank T.A.Ş. (1)	TL	2 June 2020	151,814	-
Akbank T.A.Ş. (1)	TL	30 September 2020	313,685	-
Akbank T.A.Ş. (1)	TL	9 September 2021	7,401	100,000
Akbank T.A.Ş. (1)	TL	4 October 2021	5,947	100,000
Akbank T.A.Ş. (1)	TL	4 October 2021	6,073	100,000
Akbank T.A.Ş. (1)	TL	4 October 2021	5,808	100,000
Akbank T.A.Ş. (1)	TL	28 March 2022	7,659	200,000
Akbank T.A.Ş. (1)	TL	28 March 2022	1,873	50,000
Akbank T.A.Ş. (1)	TL	28 March 2022	3,933	100,000
Akbank T.A.Ş. (1)	TL	11 April 2022	17,514	450,000
Akbank T.A.Ş. (1)	TL	29 July 2022	11,559	297,000
			1,450,546	1,497,000

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

		31 December 2020				
		Contract Amount (USD)	Contract Amount (EUR)	Contract Amount (TL)	Assets	Liabilities
Forward exchanges		183,228	40,003	1,705,328	32,753	(102,918)
		183,228	40,003	1,705,328	32,753	(102,918)

		31 December 2019				
		Contract Amount (USD)	Contract Amount (EUR)	Contract Amount (TL)	Assets	Liabilities
Forward exchanges		121,147	44,000	1,012,264	3,914	(43,584)
Cross currency swap		6,000	-	35,641	-	(3,233)
		127,147	44,000	1,047,905	3,914	(46,817)

Related party government bonds – Akbank T.A.Ş. (1)

		31 December 2020			
	Orijinal currency	Maturity	Effective interest rate	Short term financial investments	
Government bonds	EUR	15 January 2021	3.10%	126,108	



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NOTE 5 - RELATED PARTY TRANSACTIONS (Continued)

	31 December 2020	
	Receivables	Payables
	Current	Current
	Trade	Trade
Balances with Related Parties		
Akbank T.A.Ş. (1)	5,561	17
Akçansa Çimento Sanayi ve Ticaret A.Ş. (1)	1,098	-
Avivasa Emeklilik ve Hayat A.Ş. (1)	81	-
Brisa Bridgestone Sabancı Lastik San. ve Tic. A.Ş. (1)	51	525
Carrefoursa A.Ş. (1)	9,942	-
Enerjisa Üretim Santralleri A.Ş. (1)	326	122,405
Hacı Ömer Sabancı Holding A.Ş. (2) (**)	393	259
Sabancı Dijital Teknolojileri A.Ş. ("Sabancı DX") (1) (*)	-	6,393
Teknosa İç ve External Ticaret A.Ş. (1)	344	-
	17,796	129,599
	31 December 2019	
	Receivables	Payables
	Current	Current
	Trade	Trade
Balances with Related Parties		
Akbank T.A.Ş. (1)	5,202	-
Akçansa Çimento Sanayi ve Ticaret A.Ş. (1)	1	-
Aksigorta A.Ş. (1)	4	-
Avivasa Emeklilik ve Hayat A.Ş. (1)	95	-
Brisa Bridgestone Sabancı Lastik San. ve Tic. A.Ş. (1)	41	768
Carrefoursa A.Ş. (1)	10,792	-
Çimsa Çimento Sanayi A.Ş. (1)	149	-
Enerjisa Üretim Santralleri A.Ş. (1)	46	94,811
Hacı Ömer Sabancı Holding A.Ş. (2) (**)	594	22
Sabancı Dijital Teknolojileri A.Ş. ("Sabancı DX") (1) (*)	-	1,196
Teknosa İç ve External Ticaret A.Ş. (1)	513	109
Tursa Sabancı Turizm ve Yatırım İşletmeleri A.Ş. (1)	199	-
Other (1)	43	-
	17,679	96,906

(*) Includes IT consulting and software fees that are billed to the Group companies by Sabancı DX one of the Group companies.
(**) Short term trade receivables and payables includes electricity sales to Sabancı and consultancy services from Sabancı.

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NOTE 5 - RELATED PARTY TRANSACTIONS (Continued)

Key management compensation

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

	1 January - 31 December 2020	1 January - 31 December 2019
Short-term employee benefits	32,565	27,924
Long-term employee benefits	441	856
	33,006	28,780

Transactions with Related Parties	1 January - 31 December 2020					
	Electricity sales	Electricity purchases	Interest income	Interest expense	General administrative expenses	Other income
Akbank T.A.Ş. (1)	60,553	-	28,091	439,388	-	-
Akçansa Çimento Sanayi ve Ticaret A.Ş. (1)	6,730	-	-	-	-	-
Aksigorta A.Ş. (1)	36	-	-	-	-	-
Avivasa Emeklilik ve Hayat A.Ş. (1)	768	-	-	-	-	-
Brisa Bridgestone Sabancı Lastik San. ve Tic. A.Ş. (1)	566	-	-	-	-	-
Carrefoursa A.Ş. (1)	116,720	-	-	-	-	-
Çimsa Çimento Sanayi A.Ş. (1)	2,164	-	-	-	-	-
Enerjisa Üretim Santralleri A.Ş. (1)	867	842,464	-	-	74	738
Hacı Ömer Sabancı Holding A.Ş. (2) (**)	5,874	-	-	-	283	-
Sabancı Dijital Teknolojileri A.Ş. ("Sabancı DX") (1) (*)	-	-	-	-	23,785	-
Teknosa İç ve External Ticaret A.Ş. (1)	4,293	-	-	-	61	-
	198,571	842,464	28,091	439,388	24,203	738

(*) Includes IT consulting and software fees that are billed to the group companies by Sabancı DX one of the group companies.
(**) Includes electricity sales to Sabancı and consultancy services from Sabancı.



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NOTE 5 - RELATED PARTY TRANSACTIONS (Continued)

Table with 7 columns: Transactions with Related Parties, Electricity sales, Electricity purchases, Interest income, Interest expense, General administrative expenses, Other income. Rows include Akbank T.A.Ş. (1), Akçansa Çimento Sanayi ve Ticaret A.Ş. (1), Aksigorta A.Ş. (1), Avivasa Emeklilik ve Hayat A.Ş. (1), Brisa Bridgestone Sabancı Lastik San. Tic. A.Ş. (1), Carrefoursa A.Ş. (1), Çimsa Çimento Sanayi A.Ş. (1), Enerjisa Üretim Santralleri A.Ş. (1), Hacı Ömer Sabancı Holding A.Ş. (2) (**), Philip Morris Sabancı Pazarlama Satış A.Ş. (1), Philip Morris Sabancı Sigara ve Tütün San. ve Tic. A.Ş. (1), Sabancı Dijital Teknolojileri A.Ş. ("Sabancı DX") (1) (*), Teknosa İç ve External Ticaret A.Ş. (1), Other, and a total row.

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

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NOTE 6 - TRADE RECEIVABLES AND PAYABLES

6.1 Trade Receivables:

Table with 3 columns: Current Trade Receivables, 31 December 2020, 31 December 2019. Rows include Trade receivables, Due from related parties (Note 5), Allowance for doubtful receivables (-), and a total row.

As of 31 December 2020, trade receivables amounting TL 2,207,254 (31 December 2019: TL 2,164,701) were neither past due nor impaired. Interest is charged at 1.6% for the period of 1 January 2020 – 31 December 2020, (31 December 2019: at 2% for the period of 1 January 2019 – 30 June 2019, at 2.5% for the period of 1 July 2019 – 30 September 2019 and at 2% for the period of 1 October 2019 – 31 December 2019) per month on the overdue receivable balances.

As of 31 December 2020, trade receivables amounting TL 736,414 (31 December 2019: TL 844,754) were past due but not impaired. The aging analysis of trade receivables past due but not impaired as of 31 December 2020 and 31 December 2019 is as follows:

Table with 3 columns: 31 December 2020, 31 December 2019. Rows include Up to 1 months, 1 to 3 months, Over 3 months, and a total row.

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



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NOTE 6 - TRADE RECEIVABLES AND PAYABLES (Continued)

6.1 Trade Receivables (Continued)

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

	1 January - 31 December 2020	1 January - 31 December 2019
Opening balance	(2,077,215)	(1,705,247)
Charge for the period	(854,041)	(608,430)
Amounts collected during the period	177,479	184,311
Write offs	3,257	52,151
Closing balance	(2,750,520)	(2,077,215)

The Group received guarantee letters amounting to TL 807,383 (31 December 2019: TL 976,850) and deposits and guarantees amounting to TL 2,085,433 (31 December 2019: TL 1,903,683) as collateral for its electricity receivables.

6.2 Trade Payables

Current Trade Payables	31 December 2020	31 December 2019
Trade payables	1,784,758	2,514,714
Due to related parties (Note 5)	129,599	96,906
	1,914,357	2,611,620

Trade payables mainly arise from the Group’s electricity purchases from Türkiye Elektrik A.Ş. (“EÜAŞ”) and Enerji Piyasaları İşletme A.Ş. (“EPIAŞ”). The average maturity of the payables related to electricity purchases is between 18 - 20 days.

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NOTE 7 - OTHER RECEIVABLES AND PAYABLES

7.1 Other Receivables

Other Current Receivables	31 December 2020	31 December 2019
Income accruals (*)	532,327	1,004,443
Deposits and guarantees given	26,384	-
Receivables from personnel	28	32
Allowance for other doubtful receivables (-)	(3,123)	(3,123)
Other sundry receivables	33,306	21,094
	588,922	1,022,446

Other Non-Current Receivables	31 December 2020	31 December 2019
Deposits and guarantees given (**)	356,385	306,667
Income accruals (*)	414,846	309,699
Other sundry receivables (***)	162,508	121,370
	933,739	737,736

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

(**) The balance represents subscription fees refunded to the subscribers, subscribed before 31 March 2006 for EPS and 24 July 2006 for AEPSAŞ 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, AEPSAŞ 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 according to the tariff structure changing with the third tariff period and has imposed an accrued income for the severance payment provision calculated.



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NOTE 7 - OTHER RECEIVABLES AND PAYABLES (Continued)

7.1 Other Receivables (Continued)

Movement of allowance for other doubtful receivables is as follows:

	1 January - 31 December 2020	1 January - 31 December 2019
Opening balance	(3,123)	(3,123)
Closing balance	(3,123)	(3,123)

7.2 Other Payables

Other Current Payables	31 December 2020	31 December 2019
Deposits received (*)	2,085,433	1,903,683
Lighting payables	43,236	43,236
Other	450,408	131,424
	2,579,077	2,078,343

(*) The Group receives deposits from the customers subscribed after 31 March 2006 for EPS and 24 July 2006 for AEPSAŞ 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, AEPSAŞ 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.

NOTE 8 – INVENTORIES

	31 December 2020	31 December 2019
Spare parts and equipments	162,699	126,976
Trade goods	697	1,927
Other inventories	6,143	3,050
	169,539	131,953

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NOTE 9 - PREPAID EXPENSES AND DEFERRED INCOME

9.1 Prepaid Expenses

Short-term prepaid expenses	31 December 2020	31 December 2019
Prepaid expenses	32,715	26,672
Inventory advances given	7,205	12,129
Personnel advances	2,202	664
Other advances given	1,990	2,009
	44,112	41,474

Long-term prepaid expenses	31 December 2020	31 December 2019
Prepaid expenses	3,772	1,642
Inventory advances given	735	-
	4,507	1,642

9.2 Deferred Income

Short Term Deferred Income	31 December 2020	31 December 2019
Advances received	6,964	8,284
	6,964	8,284

Long Term Deferred Income	31 December 2020	31 December 2019
Deferred income (*)	211,044	-
	211,044	-

(*) 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 overbillings, which means the actual revenue is above the revenue cap set by EMRA, are accounted as deferred income at the Group's accompanying consolidated financial statements.

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NOTE 10 – FINANCIAL ASSETS

	Financial assets	
	31 December 2020	31 December 2019
Within one year	2,348,112	1,098,550
1-3 years	3,831,451	3,613,964
3-5 years	2,831,053	2,269,850
More than 5 years	2,459,344	3,561,472
	11,469,960	10,543,836
Current financial assets	2,348,112	1,098,550
Non - current financial assets	9,121,848	9,445,286
	11,469,960	10,543,836
	1 January - 31 December 2020	1 January - 31 December 2019
Opening balance	10,543,836	9,294,635
Investments	1,790,072	1,417,620
Collections	(2,254,395)	(1,839,022)
CAPEX reimbursements	(1,341,622)	(1,057,528)
WACC reimbursements	(912,773)	(781,494)
Prior period advances added to investments in the current year	-	(63,375)
Financial income (Note 19)	2,069,123	1,959,219
Valuation differences and other	(678,288)	(229,985)
Transfers to property, plant and equipments	(282,897)	-
Valuation differences	(395,391)	(229,985)
(Provision) / reversal of impairment for financial assets	(388)	4,744
Closing balance	11,469,960	10,543,836

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NOTE 11 – RIGHT OF USE ASSETS

	Buildings	Motor vehicles	Total
Cost			
Opening balance as of 1 January 2020	76,916	141,989	218,905
Additions	29,357	46,572	75,929
Variable lease payment adjustment	1,041	-	1,041
Closing balance as of 31 December 2020	107,314	188,561	295,875
Accumulated Depreciation			
Opening balance as of 1 January 2020	(19,163)	(54,259)	(73,422)
Charge for the period	(20,755)	(60,927)	(81,682)
Closing balance as of 31 December 2020	(39,918)	(115,186)	(155,104)
Carrying value as of 31 December 2020	67,396	73,375	140,771
	Buildings	Motor vehicles	Total
Cost			
Opening balance as of 1 January 2019	56,797	76,869	133,666
Additions	20,119	65,120	85,239
Closing balance as of 31 December 2019	76,916	141,989	218,905
Accumulated Depreciation			
Opening balance as of 1 January 2019	-	-	-
Charge for the period	(19,163)	(54,259)	(73,422)
Closing balance as of 31 December 2019	(19,163)	(54,259)	(73,422)
Carrying value as of 31 December 2019	57,753	87,730	145,483

Depreciation expense of TL 81,682 are accounted in general administrative expenses (31 December 2019: TL 73,422).

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NOTE 12 - PROPERTY, PLANT AND EQUIPMENTS

	Plant, machinery and equipment	Motor vehicles	Furniture and fixtures	Construction in progress	Total
Cost					
Opening balance as of 1 January 2020	360,798	15,116	176,536	40,549	592,999
Additions	13,736	-	75,689	170,278	259,703
Transfers from financial assets (*)	282,897	-	-	-	282,897
Transfers from constructions in progress	-	-	-	(1,119)	(1,119)
Closing balance as of 31 December 2020	657,431	15,116	252,225	209,708	1,134,480

Accumulated Depreciation					
Opening balance as of 1 January 2020	(61,603)	(8,268)	(39,585)	-	(109,456)
Charge for the period	(76,878)	(4,748)	(41,143)	-	(122,769)
Closing balance as of 31 December 2020	(138,481)	(13,016)	(80,728)	-	(232,225)
Carrying value as of 31 December 2020	518,950	2,100	171,497	209,708	902,255

	Plant, machinery and equipment	Motor vehicles	Furniture and fixtures	Construction in progress	Total
Cost					
Opening balance as of 1 January 2019	238,239	14,760	107,307	42,429	402,735
Additions	122,559	356	69,229	41,299	233,443
Transfers to financial assets (**)	-	-	-	(42,487)	(42,487)
Transfers from constructions in progress	-	-	-	(692)	(692)
Closing balance as of 31 December 2019	360,798	15,116	176,536	40,549	592,999

Accumulated Depreciation					
Opening balance as of 1 January 2019	(26,693)	(3,551)	(13,710)	-	(43,954)
Charge for the period	(34,910)	(4,717)	(25,875)	-	(65,502)
Closing balance as of 31 December 2019	(61,603)	(8,268)	(39,585)	-	(109,456)
Carrying value as of 31 December 2019	299,195	6,848	136,951	40,549	483,543

(*) Cost and accumulated depreciation of the investments, which were not accepted by EMRA for the periods between 2015 and 2019, were recorded as TL 282,897 and TL 36,025, respectively.
(**) Transfers from construction in progress amounting to TL (42,487) are transfers to financial assets related to concession agreements.

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

Depreciation expense of TL 118,568 and TL 4,201 are accounted in general administrative expenses and cost of sales, respectively (31 December 2019: general administrative expenses: TL 61,566 and cost of sales: TL 3,936).

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NOTE 13 - INTANGIBLE ASSETS

	Customer contracts and related relationships	Transfer of operating rights	Goodwil	Computer software	Leasehold improvements	Other intangible assets	Total
Cost							
Opening balance as of 1 January 2020	4,390,673	1,650,121	2,730,031	105,720	4,374	7,452	8,888,371
Additions	-	-	-	46,833	-	306	47,139
Transfers from constructions in progress	-	-	-	520	599	-	1,119
Closing balance as of 31 December 2020	4,390,673	1,650,121	2,730,031	153,073	4,973	7,758	8,936,629

Accumulated Amortization							
Opening balance as of 1 January 2020	(1,155,695)	(378,251)	(752,904)	(49,762)	(964)	(2,390)	(2,339,966)
Charge for the period	(152,108)	(56,555)	-	(29,505)	(891)	(568)	(239,627)
Closing balance as of 31 December 2020	(1,307,803)	(434,806)	(752,904)	(79,267)	(1,855)	(2,958)	(2,579,593)
Carrying value as of 31 December 2020	3,082,870	1,215,315	1,977,127	73,806	3,118	4,800	6,357,036

	Customer contracts and related relationships	Transfer of operating rights	Goodwill	Computer software	Leasehold improvements	Other intangible assets	Total
Cost							
Opening balance as of 1 January 2019	4,390,673	1,650,121	2,730,031	69,087	3,917	7,389	8,851,218
Additions	-	-	-	36,004	394	63	36,461
Transfers from constructions in progress	-	-	-	629	63	-	692
Closing balance as of 31 December 2019	4,390,673	1,650,121	2,730,031	105,720	4,374	7,452	8,888,371

Accumulated Amortization							
Opening balance as of 1 January 2019	(1,003,587)	(321,696)	(752,904)	(26,324)	(29)	(1,483)	(2,106,023)
Charge for the period	(152,108)	(56,555)	-	(23,438)	(935)	(907)	(233,943)
Closing balance as of 31 December 2019	(1,155,695)	(378,251)	(752,904)	(49,762)	(964)	(2,390)	(2,339,966)
Carrying value as of 31 December 2019	3,234,978	1,271,870	1,977,127	55,958	3,410	5,062	6,548,405

Amortization expense of TL 239,117 and TL 510 are accounted in general administrative expenses and cost of sales, respectively (31 December 2019: general administrative expenses: TL 233,462 and cost of sales: TL 481).

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

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NOTE 13 - INTANGIBLE ASSETS (Continued)

On 31 March 2006 BAŞKENT EDAŞ and on 24 July 2006, AYEDAŞ and TOROSLAR EDAŞ signed TOR Agreements with TEDAŞ. In accordance with the TOR agreement, TEDAŞ transferred the operating rights of the distribution system, the distribution facilities, and the other movables and immovable which are crucial for the operation of the distribution facilities to BAŞKENT EDAŞ until the end of 2036 and to AYEDAŞ and TOROSLAR EDAŞ until the end of 2042. Based on the future cash flows fair value of the TOR agreements are determined. The residual value of TOR after the portion recognized as financial asset which calculated based on IFRIC 12 (Note 10) is recognized as intangible asset based on IFRS 3.

The Group recognized TL 3,997 under other intangible assets, in connection with E-şarj purchase price amounting to TL 4,000. TL 200 portion of this price which was accounted as contingent liabilities for 13 months following the purchase transaction is paid to the shareholders in accordance with agreement conditions on 31 May 2019.

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.

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

As of 31 December 2020, there is no impairment on goodwill (31 December 2019: None).

NOTE 14 - PROVISIONS

Current Provisions	31 December 2020	31 December 2019
Legal claims (*)	287,416	247,836
Other provisions	11,708	-
	299,124	247,836

(*) Legal claims are set for the probable cash outflows related to the legal disputes. As of 31 December 2020, the provision amount for the legal claims are determined according to the assessment made by the Group management, considering the probability of legal cases that will be finalized against the Group.

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NOTE 14 - PROVISIONS (Continued)

The Group is charging the theft and loss costs to the subscribers in accordance with the tariff determined by EMRA. There are legal cases filed by the subscribers to claim back the theft and loss amounts from the Group claiming that they are unfair. Some cases are finalized against the Group while some others in favor of the Group at local courts and consumer arbitration committees. In June of 2016, statement of “In applications filed in respect of the amounts determined by EMRA within the scope of income and tariff regulations, the authority of the consumer arbitration committees and the courts is limited to the control of compliance with the regulatory procedures of EMRA.” has been added to article 17 of Law No. 6446. By this article, it has been determined that in the cases for the theft and loss amounts, the courts can only examine if the theft and loss amounts incurred in accordance with the regulations of the EMRA and it has been ruled that no judgement can be made whether the theft and loss amounts will be collected or not. As of reporting date, the total amount of ongoing cases against the Group is TL 54,637 (31 December 2019: TL 62,672).

Movements of provisions are as follows:

	Other provisions	Legal claims	Total
Opening balance as of 1 January 2020	-	247,836	247,836
Additional provisions recognized	11,708	79,409	91,117
Reversal of provisions	-	(39,829)	(39,829)
Closing balance as of 31 December 2020	11,708	287,416	299,124

	Other provisions	Legal claims	Total
Opening balance as of 1 January 2019	107,296	228,030	335,326
Additional provisions recognized	-	82,903	82,903
Payments	(107,296)	-	(107,296)
Reversal of provisions	-	(63,097)	(63,097)
Closing balance as of 31 December 2019	-	247,836	247,836

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NOTE 15 - COMMITMENT AND CONTINGENCIES

31 December 2020	TL Equivalent	TL	USD	EUR
A. Total amount of Collateral Pledge Mortgage (CPM) given on behalf of the legal entity	8,131	8,131	-	-
- Collateral	8,131	8,131	-	-
B. Total amount of CPM given against the subsidiaries included in full consolidation	2,220,071	2,143,123	9,955	430
- Collateral	2,220,071	2,143,123	9,955	430
Total	2,228,202	2,151,254	9,955	430

31 December 2019	TL Equivalent	TL	USD	EUR
A. Total amount of Collateral Pledge Mortgage (CPM) given on behalf of the legal entity	7,993	7,714	-	42
- Collateral	7,993	7,714	-	42
B. Total amount of CPM given against the subsidiaries included in full consolidation	2,008,140	1,964,028	7,426	-
- Collateral	2,008,140	1,964,028	7,426	-
Total	2,016,133	1,971,742	7,426	42

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 ("ESA") 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 16 - EMPLOYMENT BENEFITS

Payables Related to Employee benefits	31 December 2020	31 December 2019
Social security premiums payable	25,226	30,543
Payable to personnel	32,713	21,815
	57,939	52,358

Short-term Provisions Related to Employee Benefits	31 December 2020	31 December 2019
Bonus provisions	46,423	41,190
	46,423	41,190

Long-term Provisions Related to Employee Benefits	31 December 2020	31 December 2019
Provisions for unused vacation	55,656	43,567
Provision for employment termination benefits	168,523	123,649
	224,179	167,216

The movement of bonus and unused vacation provisions are as follows:

	Bonus provisions	Unused vacation provision	Total
Opening balance as of 1 January 2020	41,190	43,567	84,757
Additional provisions recognized	41,994	12,361	54,355
Payments	(36,761)	(272)	(37,033)
Closing balance as of 31 December 2020	46,423	55,656	102,079

	Bonus provisions	Unused vacation provision	Total
Opening balance as of 1 January 2019	28,779	31,959	60,738
Additional provisions recognized	36,657	11,608	48,265
Payments	(24,246)	-	(24,246)
Closing balance as of 31 December 2019	41,190	43,567	84,757

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NOTE 16 - EMPLOYMENT BENEFITS (Continued))

Under Turkish Labor Law, the Group is required to pay termination benefits to each employee who has completed certain years of service and whose employment is terminated without due cause, who is called up for military service, dies or retires after completing 25 years of service and reaches the retirement age (58 for women and 60 for men).

The amount payable consists of one month's salary limited to a maximum of TL 7,117.17 (full digit) (31 December 2019: TL 6,379.86 (full digit)) for each period of service at 31 December 2020.

The provision has been calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of employees. IAS 19 *Employee Benefits* requires actuarial valuation methods to be developed to estimate the enterprise's obligation under defined benefit plans. Accordingly, the following actuarial assumptions were used in the calculation of the total liability.

The principal assumption is that the maximum liability for each year of service will increase parallel with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Consequently, in the accompanying consolidated financial statements as at 31 December 2019, the provision has been calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees. The provisions at the respective balance sheet dates have been calculated assuming an annual inflation rate of 9.50% and a discount rate of 13.60%, resulting in a real discount rate of approximately 3.74% (31 December 2019: inflation rate of 7.50% and a discount rate of 11.80%, resulting in a real discount rate of approximately 4.00%) Ceiling amount of TL 7,638.96 (full digit) which is in effect since 1 January 2021 is used in the calculation of Groups' provision for retirement pay liability (1 January 2020: TL 6,730.15 (full digit)).

Group management has assessed that the severance payment provisions of electricity distribution companies within the Group can be taken with the revenue requirement according to the changed tariff structure at third tariff period and has accounted accrued income for the severance payment provisions calculated for those companies as of 31 December 2020 and 31 December 2019.

The movement for retirement pay provisions is as follows:

	1 January - 31 December 2020	1 January - 31 December 2019
Opening balance	123,649	83,407
Service cost	39,868	42,867
Interest cost	16,386	9,313
Retirement payments	(11,380)	(11,938)
Closing balance	168,523	123,649

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NOTE 17 - OTHER ASSETS AND LIABILITIES

17.1 Other Current Assets

	31 December 2020	31 December 2019
Deferred VAT	6,298	-
Other	1,460	247
	7,758	247

17.2 Other Non-current Assets

	31 December 2020	31 December 2019
Deferred VAT	-	6,563
Other	390	-
	390	6,563

17.3 Other Current Liabilities

	31 December 2020	31 December 2019
Taxes and funds payable	324,471	303,272
Other	5,462	2,204
	329,933	305,476

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NOTE 18 - SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS

18.1 Share Capital

Shareholders	31 December 2020		31 December 2019	
	Share (%)	TL	Share (%)	TL
Hacı Ömer Sabancı Holding A.Ş.	40	472,427.6	40	472,427.6
DD Turkey Holdings S.A.R.L. (E.ON)	40	472,427.6	40	472,427.6
Other	20	236,213.8	20	236,213.8
	100	1,181,069	100	1,181,069
Adjustment to share capital (*)		2,416,412		2,626,532
Total share capital		3,597,481		3,807,601

(*) Adjustment to share capital, 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 (Note 1). This amount is classified as capital adjustment differences to comply with IFRS requirements.

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

In the statutory financials prepared in accordance with the tax procedure law, the loss for previous years in amount of TL 210,120 has been netted off with adjustments to share capital (31 December 2019:TL 158,223).

As at 31 December 2020, the capital of the Company comprising 118,106,897 thousand (31 December 2019: 118,106,897 thousand) registered ordinary shares of TL 0.01 each (31 December 2019: TL 0.01 each).

18.2 Earnings per share

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

	1 January - 31 December 2020	1 January - 31 December 2019
Profit for the period	1,087,683	1,033,622
Weighted average shares	118,106,896,712	118,106,896,712
Earnings per share (kr)	0.92	0.88

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NOTE 18 - SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS (Continued)

18.3 Restricted Profit Reserves

	31 December 2020	31 December 2019
Restricted Profit Reserves	485,378	251,545
	485,378	251,545

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.

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NOTE 19 – REVENUE

	1 January - 31 December 2020	1 January - 31 December 2019
Revenue from electricity sales and services provided	19,660,061	17,472,567
<i>Retail sales revenue</i>	<i>13,972,087</i>	<i>12,490,388</i>
<i>Regulated revenue</i>	<i>10,228,984</i>	<i>11,026,825</i>
<i>Liberalised revenue</i>	<i>3,743,103</i>	<i>1,463,563</i>
<i>Retail service revenue</i>	<i>451,943</i>	<i>341,988</i>
<i>Distribution lighting sales revenue</i>	<i>321,686</i>	<i>290,441</i>
<i>Distribution service revenue</i>	<i>3,545,569</i>	<i>3,351,451</i>
<i>Transmission revenue</i>	<i>1,368,776</i>	<i>998,299</i>
Financial income from service concession arrangements (Note 10, 28)	2,069,123	1,959,219
Other revenue	28,019	21,299
	21,757,203	19,453,085

NOTE 20 - COST OF SALES

	1 January - 31 December 2020	1 January - 31 December 2019
Electricity purchases	(14,739,617)	(13,097,123)
<i>Retail energy purchases</i>	<i>(13,446,598)</i>	<i>(12,073,435)</i>
<i>Distribution related energy purchases (*)</i>	<i>(1,293,019)</i>	<i>(1,023,688)</i>
System usage fee (**)	(1,368,776)	(998,299)
Depreciation and amortization expenses (Note 12, 13)	(4,711)	(4,417)
Other	(4,727)	(8,775)
	(16,117,831)	(14,108,614)

(*) Includes theft/loss and lighting related electricity purchases.
(**) Includes system usage costs reflected as transmission revenue.

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NOTE 21 - GENERAL ADMINISTRATIVE EXPENSES

	1 January - 31 December 2020	1 January - 31 December 2019
General administrative expenses (-)	(2,543,194)	(2,170,485)
	(2,543,194)	(2,170,485)

Details of general administrative expenses are as follows:

	1 January - 31 December 2020	1 January - 31 December 2019
Payroll and employee benefit expenses	(1,190,912)	(1,043,008)
Depreciation and amortization expenses (Note 11, 12, 13)	(439,367)	(368,450)
Material expenses	(152,788)	(153,218)
Fleet management expenses	(118,782)	(124,807)
Repair and maintenance expenses	(93,305)	(46,654)
Outsourcing expenses	(71,659)	(57,990)
Legal and lawsuit provision expenses	(68,698)	(56,302)
Duties, taxes and levies	(63,634)	(44,452)
Rent expenses	(40,223)	(20,145)
Insurance expenses	(32,393)	(22,972)
Consulting expenses	(24,337)	(26,453)
Travel expenses	(8,130)	(23,571)
Other expenses	(238,966)	(182,463)
	(2,543,194)	(2,170,485)

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NOTE 22 - OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES

22.1 Other Income From Operating Activities

	1 January - 31 December 2020	1 January - 31 December 2019
Income from operational hedge transactions - net	249,696	-
Late payment interest income from electricity receivables	179,231	189,223
Power theft penalties	136,318	140,652
Interest income related to revenue cap regulation - net (Note 28)	29,918	185,915
Rent and advertisement income	17,121	25,727
Lawsuit income	16	80
Reversal of impairment provision on financial assets (Note 10)	-	4,744
Other income	33,802	5,959
	646,102	552,300

22.2 Other Expenses From Operating Activities

	1 January - 31 December 2020	1 January - 31 December 2019
Provision for doubtful receivables - net (Note 6, 10)	(676,562)	(424,119)
Valuation differences arising from deposits and guarantees (Note 28)	(161,909)	(114,390)
Customer penalty expenses	(49,632)	(37,789)
Foreign exchange losses from operating activities	(27,582)	(3,768)
Impairment provision on financial assets (Note 10) (*)	(388)	-
Penalty expenses	(14,482)	(58,235)
Losses from operational hedge transactions - net	-	(8,387)
Other expenses	(73,880)	(15,392)
	(1,004,435)	(662,080)

(*) As of 31 December 2020, the Group has been recorded additional impairment provision of TL (388) for its financial assets, which had been recorded as at 31 December 2019 in the amount of TL 492 in accordance with the amendments in IFRS 9 Financial Instruments Standard.

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NOTE 23 - FINANCE INCOME AND EXPENSES

23.1 Finance Income

	1 January - 31 December 2020	1 January - 31 December 2019
Interest income	64,091	135,554
Foreign exchange gains / (losses) - net	-	35,073
	64,091	170,627

23.2 Finance Expenses

	1 January - 31 December 2020	1 January - 31 December 2019
Interest expenses of borrowings	(1,235,014)	(1,693,215)
Foreign exchange gains / (losses) - net	(38,758)	-
Bank commission expenses	(115,458)	(150,262)
	(1,389,230)	(1,843,477)

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NOTE 24 - TAX ASSETS AND LIABILITIES

Current assets related with current taxes	31 December 2020	31 December 2019
Prepaid taxes and funds	14	60
	14	60
Current tax liability	31 December 2020	31 December 2019
Current corporate tax provision	537,986	492,099
Less: Prepaid taxes and funds	(364,911)	(412,366)
	173,075	79,733
Tax expense recognized in profit or loss	1 January - 31 December 2020	1 January - 31 December 2019
Current tax expense	(537,986)	(492,099)
Deferred tax income relating to the origination and reversal of temporary differences, net	212,963	134,365
Total tax expense	(325,023)	(357,734)

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).

Valid rate of corporate tax in 2020 is 22% (31 December 2019: 22%).

In Turkey, advance tax returns are filed on a quarterly basis. The advance corporate income tax rate is 20%. However, in accordance with the addition of temporary 10th article to the Corporate Tax Law, 22% corporate tax rate will be applied to the profits of the entities related to their 2018, 2019 and 2020 tax periods (for the entities with special accounting period, tax periods commenced in the related year) rather than 20%. The companies apply 22% tax rate over their quarterly profits 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 month 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.

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NOTE 24 - TAX ASSETS AND LIABILITIES (Continued)

Corporate tax (Continued)

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

Income withholding tax

In addition to corporate taxes, companies should also calculate income withholding taxes and funds surcharge on any dividends distributed, except for companies receiving dividends who are Turkish residents and Turkish branches of foreign companies. Income withholding tax applied is 15%. Undistributed dividends incorporated in share capital are not subject to income withholding tax.

Deferred tax

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

For calculation of deferred tax assets and liabilities as of 31 December 2020, the rate of 20% is used (2019: 22%).

As of 31 December 2020, 20% tax rate is used for the current differences expected/expected to be incurred after 2020 since the tax rate applicable for post-2020 corporations is 20%.

Deferred tax (assets) / liabilities	31 December 2020	31 December 2019
Differences arising from customer contracts and transfer of operational rights	859,651	901,383
Carrying amount differences of property, plant and equipment, intangible assets and concession arrangement difference	342,506	209,127
Carrying amount differences of right of use assets and lease liabilities	(4,147)	(4,282)
Provision for employment termination benefits	(2,712)	(2,558)
Provision for doubtful receivables	(36,720)	(29,157)
Provision for lawsuits	(56,544)	(51,560)
Provision for unused vacation	(10,918)	(9,257)
Effect of revenue cap adjustments	72,416	356,114
Late payment penalties	12,508	12,443
Carry forward tax losses	(212,906)	(185,827)
Other	41,819	37,402
	1,004,953	1,233,828

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NOT 24 – TAX ASSETS AND LIABILITIES (Continued)

Deferred tax (Continued)

	31 December 2020	31 December2019
Deferred tax (asset)	(362,026)	(244,040)
Deferred tax liability	1,366,979	1,477,868
Deferred tax (asset) / liability, net	1,004,953	1,233,828

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

	1 January - 31 December 2020	1 January - 31 December 2019
Opening balance	1,233,828	1,375,936
Charged to statement of profit or loss	(212,963)	(134,365)
Charged to other comprehensive income / expense	(15,912)	(7,743)
Closing balance	1,004,953	1,233,828

Tax Reconciliation:	1 January - 31 December 2020	1 January - 31 December 2019
Profit from operations before tax	1,412,706	1,391,356
	22%	22%
Tax at the domestic income tax rate of 22% (2019: 22%)	310,795	306,098
Tax effects of:		
- revenue that is exempt from taxation (*)	(4,050)	(2,192)
- expenses that are not deductible in determining taxable profit	12,397	6,532
- previously unrecognised and unused tax losses now recognised as deferred tax assets	(508)	(1,698)
- Other (*)	6,389	48,994
Income tax expense recognised in profit or loss	325,023	357,734

(*) TL 39,113 out of TL 48,994 represents utilisation of previous years' losses on which deferred tax asset was recognized in 2019.

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 and unused investment incentive.

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NOTE 24 - TAX ASSETS AND LIABILITIES (Continued)

Deferred tax (Continued)

At 31 December 2020, the Group recognized deferred tax assets amounting to TL 212,906 for unused carry forward tax losses amounting to TL 1,064,529 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 2019: TL 185,827 and TL 893,806 respectively).

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

	31 December 2020	31 December 2019
Expiring in 2020	-	270
Expiring in 2021	124	75,773
Expiring in 2022	2,207	275,366
Expiring in 2023	184,835	192,907
Expiring in 2024	357,564	349,490
Expiring in 2025	519,799	-
	1,064,529	893,806

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

	31 December 2020	31 December 2019
Expiring in 2020	-	77,323
Expiring in 2021	191,541	191,541
Expiring in 2022	-	-
Expiring in 2023	381,702	373,630
Expiring in 2024	186,989	192,664
	760,232	835,158

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NOTE 25 - FINANCIAL INSTRUMENTS

25.1 Financial Liabilities:

	31 December 2020	31 December 2019
Short-term borrowings	1,098,798	676,281
Short-term portion of long term lease liabilities	68,840	68,757
Short-term portion of long term bonds issued	857,501	23,978
Short-term portion of long-term borrowings	646,776	2,923,000
	2,671,915	3,692,016
Long-term borrowings	6,232,333	3,857,000
Long-term lease liabilities	94,432	96,906
Long-term bonds issued	763,620	1,424,556
	7,090,385	5,378,462
Total financial liabilities	9,762,300	9,070,478

The borrowings and bonds issued are repayable as follows:

	31 December 2020	31 December 2019
To be paid within 1 year	2,603,075	3,623,259
To be paid between 1-2 years	4,715,879	3,302,053
To be paid between 2-3 years	1,956,905	1,766,496
To be paid between 3-4 years	278,725	213,007
To be paid between 4-5 years	44,444	-
	9,599,028	8,904,815

As of 31 December 2020 and 31 December 2019, the Group has not given any collateral for the loans obtained.

As of 31 December 2020 and 31 December 2019 the movement of borrowings and bonds issued are as follows:

	Borrowings and Bonds issued
Opening balance as of 1 January 2020	8,904,815
Additions	14,075,458
Payments	(13,465,549)
Change in interest accruals	84,304
Closing balance as of 31 December 2020	9,599,028
	Borrowings and Bonds issued
Opening balance as of 1 January 2019	9,198,856
Additions	21,517,121
Payments	(21,508,040)
Change in interest accruals	(10,959)
Foreign exchange movements	(292,163)
Closing balance as of 31 December 2019	8,904,815

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NOTE 25 - FINANCIAL INSTRUMENTS (Continued)

25.1 Financial Liabilities (Continued)

As of 31 December 2020 and 31 December 2019, details of short and long term financial borrowings in terms of interest and currencies are as follows:

Currency	Weighted average effective interest rate	31 December 2020	
		Current	Non-current
TL		1,618,179	6,232,333
Fixed rate	9.22%	1,250,337	5,266,000
TLREF indexed	TLREF + 1.70%-2.00%	367,842	966,333
EUR (*)	2.89%	127,395	-
		1,745,574	6,232,333
Currency	Weighted average effective interest rate	31 December 2019	
		Current	Non-current
TL	15.55%	3,506,117	3,857,000
USD (**)	6.27%	36,022	-
EUR (**)	2.99%	57,142	-
		3,599,281	3,857,000

(*) The Group has invested on EUR government bond with the same maturity of EUR bank loan borrowed on the same date. There is no foreign currency risk related to this transaction.

(**) Foreign currency risks associated with the USD and EUR denominated borrowings of the Group are fully hedged through currency swap instruments.

As of 31 December 2020 and 31 December 2019, details of bonds issued are as follows:

Currency	Weighted average effective interest rate (*)	31 December 2020	
		Current	Non-current
TL	CPI + 4.8%-5.0%	857,501	763,620
		857,501	763,620
Currency	Weighted average effective interest rate (*)	31 December 2019	
		Current	Non-current
TL	CPI + 4.8%-5.0%	23,978	1,424,556
		23,978	1,424,556

(*) As of 31 December 2020, the interest is CPI-indexed variable interest and the annual real coupon rate varies from 4.8% to 5% (31 December 2019: 4.8% to 5.0%).

As of 31 December 2020, the principal valuation of bonds is TL 591,867 (31 December 2019: TL 422,556).

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NOTE 25 - FINANCIAL INSTRUMENTS (Continued)

25.1 Financial Liabilities (Continued)

As of 31 December 2020 and 31 December 2019, details of lease liabilities are as follows:

Short-term portion of long term lease liabilities	31 December 2020	31 December 2019
Buildings	18,537	14,200
Vehicles	50,303	54,557
	68,840	68,757
Long-term lease liabilities	31 December 2020	31 December 2019
Buildings	57,876	49,219
Vehicles	36,556	47,687
	94,432	96,906
	31 December 2020	31 December 2019
To be paid within 1 year	68,840	68,757
To be paid between 1-2 years	46,047	51,374
To be paid between 2-3 years	31,798	25,994
To be paid between 3-4 years	12,404	12,436
To be paid between 4-5 years	4,057	4,883
To be paid after 5 years and over	126	2,219
	163,272	165,663

As of 31 December 2020 and 31 December 2019, the movement of lease liabilities is as follows:

	Buildings	Vehicles	Total
Opening balance as of 1 January 2020	63,419	102,244	165,663
Additions	29,357	45,834	75,191
Interest expense	13,003	17,568	30,571
Variable lease payment adjustments	1,042	739	1,781
Payments	(30,408)	(80,025)	(110,433)
Foreign exchange movements	-	499	499
Closing balance as of 31 December 2020	76,413	86,859	163,272
	Buildings	Vehicles	Total
Opening balance as of 1 January 2019	55,320	76,867	132,187
Additions	15,404	66,084	81,488
Interest expense	12,556	22,092	34,648
Variable lease payment adjustments	4,686	-	4,686
Payments	(24,547)	(63,244)	(87,791)
Foreign exchange movements	-	445	445
Closing balance as of 31 December 2019	63,419	102,244	165,663

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NOTE 25 - FINANCIAL INSTRUMENTS (Continued))

25.2 Other Financial Liabilities

	31 December 2020	31 December 2019
Other current financial liabilities	68,743	51,184
Other non-current financial liabilities	340,383	302,714
	409,126	353,898

The other financial liabilities are repayable as follows:

	31 December 2020	31 December 2019
To be paid within 1 year	68,743	51,184
To be paid between 1-2 years	70,559	50,975
To be paid between 2-3 years	37,789	52,093
To be paid between 3-4 years	39,442	27,900
To be paid between 4-5 years	41,166	29,120
To be paid after 5 years and over	151,427	142,626
	409,126	353,898

As of 31 December 2020 and 31 December 2019, details of short and long term other financial liabilities in terms of currencies are as follows:

Currency	Weighted average effective interest rate	31 December 2020	
		Current	Non-current
EUR	4.70%	68,743	340,383
		68,743	340,383
Currency	Weighted average effective interest rate	31 December 2019	
		Current	Non-current
EUR	4.70%	51,184	302,714
		51,184	302,714

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 25 - FINANCIAL INSTRUMENTS (Continued)

25.2 Other Financial Liabilities (Continued)

As of 31 December 2020 and 31 December 2019, the movement of other financial liabilities is as follows:

	Other Financial Liabilities
Opening balance as of 1 January 2020	353,898
Payments	(54,312)
Foreign exchange movements	109,540
Closing balance as of 31 December 2020	409,126

	Other Financial Liabilities
Opening balance as of 1 January 2019	366,022
Payments	(46,558)
Foreign exchange movements	34,434
Closing balance as of 31 December 2019	353,898

NOTE 26 – 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 and foreign currency denominated other financial liabilities. Furthermore, in order to mitigate the foreign exchange risk arising from foreign currency denominated bank loans, the Group entered cross currency swaps transactions. The details and fair values. The details and fair values of the agreements as of 31 December 2020 and 31 December 2019 are as follows:

31 December 2020					
	Contract Amount (USD)	Contract Amount (EUR)	Contract Amount (TL)	Assets	Liabilities
Forward exchanges	253,282	55,099	2,355,543	36,129	(141,679)
	253,282	55,099	2,355,543	36,129	(141,679)

31 December 2019					
	Contract Amount (USD)	Contract Amount (EUR)	Contract Amount (TL)	Assets	Liabilities
Forward exchanges	276,871	59,600	2,041,045	8,789	(60,148)
Cross currency swap	6,000	8,500	92,171	-	(6,507)
	282,871	68,100	2,133,216	8,789	(66,655)

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NOTE 26 – DERIVATIVE INSTRUMENTS (Continued)

As of 31 December 2020 and 31 December 2019, movements of fair value of derivative financial instruments are as follows:

	1 January - 31 December 2020	1 January - 31 December 2019
Opening balance	(57,866)	301,724
Derivative financial (liabilities) / assets at fair value designated through income / expense	30,148	(63,137)
Derivative financial (liabilities) / assets at fair value designated through other comprehensive income / expense (*)	(77,832)	(296,453)
Total derivative financial (liabilities) / assets	(105,550)	(57,866)

(*) TL values of the Group's foreign currency denominated borrowings may increase or decrease as a result of exchange rates fluctuations, in return fair value of cross currency swaps are shown under derivative assets. Fair value differences amounting to TL (77,832) consist of fair value differences of forward exchange contracts in order to mitigate foreign exchange rate risk arising from FIT cost and USD denominated energy purchases amounting to TL (79,554) and fair value differences of cross currency swap transactions amounting to TL 1,722. This amount is accounted with foreign exchange gain amounting to TL 1,681 to other comprehensive income before tax as TL 76,151 (31 December 2019: TL 33,350).

NOTE 27 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

27.1 Capital risk management

The Group’s objectives when managing capital are to safeguard the Group’s ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Group consists of debt, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital and reserves.

The Group management considers the cost of capital and the risks associated with each class of capital. The management of the Group aims to balance its overall capital structure through new share issues, and by issue of new debt or the redemption of existing debt.

	31 December 2020	31 December 2019
Total borrowings (Note 25)	10,171,426	9,424,376
Less: cash and cash equivalents (Note 28)	(588,571)	(469,786)
Less: financial investments (Note 29)	(126,108)	-
Less: derivative instruments (Note 26)	105,550	57,866
Net debt	9,562,297	9,012,456
Total equity	7,153,306	6,834,503
Total capital	16,715,603	15,846,959
Net debt / Total capital ratio (%)	57	57

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NOTE 27 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

27.2 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.

27.2.1 Credit risk management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group’s credit risks mainly arise from trade receivables. The Group manages this risk by the guarantees received from customers. Trade receivables, are evaluated based on the Group’s policies and procedures and as a result presented net of doubtful provision in the consolidated financial statements. In accordance with the requirements of IFRS 9 introducing a new impairment model based on expected credit losses, the Group has modified impairment calculation method for trade receivables. The Group recognizes the impairment of trade receivables, weighting the lifetime expected credit losses by default (Probability of Default) for all trade receivables on each customer basis and including non-overdue receivables.

Trade receivables consist of a large number of customers, spread across diverse industries within several different provinces. Credit risk of the financial instruments is as the follows:

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NOTE 27 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

27.2 Financial risk factors (Continued)

27.2.1 Credit risk management (Continued)

Credit risk exposure based on financial instrument categories

31 December 2020	Receivables				Bank deposits	Financial assets excluding cash	Derivatives	Financial investments
	Trade receivables		Other receivables					
	Related party	Other	Current	Non-current				
Other			Other					
Maximum net credit risk as of the balance sheet date (*)	17,796	2,925,872	588,922	933,739	588,571	11,469,960	36,129	126,108
The part of maximum risk under guarantee	-	2,892,816	-	-	-	-	-	-
A. Net book value of financial assets that are neither past due nor impaired (**)	17,796	2,189,458	588,922	933,739	588,571	11,469,960	36,129	126,108
B. Net book value of financial assets that are due but not impaired (**)	-	736,414	-	-	-	-	-	-
C. Net book value of impaired assets	-	-	-	-	-	-	-	-
- Past due (gross book value)	-	2,683,854	3,123	-	-	-	-	-
- Impairment (-)	-	(2,683,854)	(3,123)	-	-	-	-	-
- Not due (gross book value)	-	66,666	-	-	-	-	-	-
- Impairment (-)	-	(66,666)	-	-	-	-	-	-
D. Credit risk factors off balance sheet	-	-	-	-	-	-	-	-

Maturity of Expected Credit Loss

31 December 2020	Not due	Overdue Up to 1 months	Overdue 1-3 months	Overdue more than 3 months	Total
Balance at period end	2,273,920	455,603	300,991	2,663,674	5,694,188
Credit loss rate (%)	3%	10%	41%	94%	48%
Expected credit losses	(66,666)	(45,547)	(123,940)	(2,514,367)	(2,750,520)

(*) The factors such as collaterals received, that increase the credit reliability, have not been taken into consideration in determination of the amount.
(**) Amounts have been subjected to impairment in accordance with IFRS 9.

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NOTE 27 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

27.2 Financial risk factors (Continued)

27.2.1 Credit risk management (Continued)

Credit risk exposure based on financial instrument categories (Continued)

	Receivables				Bank deposits	Financial assets excluding cash	Derivatives	Financial investments
	Trade receivables		Other receivables					
	Related party	Other	Current	Non-current				
Other			Other					
31 December 2019								
Maximum net credit risk as of the balance sheet date (*)	17,679	2,991,776	1,022,446	737,736	469,786	10,543,836	8,789	-
The part of maximum risk under guarantee	-	2,880,533	-	-	-	-	-	-
A. Net book value of financial assets that are neither past due nor impaired (**)	17,679	2,147,022	1,022,446	737,736	469,786	10,543,836	8,789	-
B. Net book value of financial assets that are due but not impaired (**)	-	844,754	-	-	-	-	-	-
C. Net book value of impaired assets	-	-	-	-	-	-	-	-
- Past due (gross book value)	-	2,052,560	3,123	-	-	-	-	-
- Impairment (-)	-	(2,052,560)	(3,123)	-	-	-	-	-
- Not due (gross book value)	-	24,655	-	-	-	-	-	-
- Impairment (-)	-	(24,655)	-	-	-	-	-	-
D. Credit risk factors off balance sheet	-	-	-	-	-	-	-	-

Maturity of Expected Credit Loss

31 December 2019	Not due	Overdue Up to 1 months	Overdue 1-3 months	Overdue more than 3 months	Total
Balance at period end	2,189,356	457,454	268,359	2,171,501	5,086,670
Credit loss rate (%)	1%	4%	11%	92%	41%
Expected credit losses	(24,655)	(20,561)	(29,674)	(2,002,325)	(2,077,215)

(*) The factors such as collaterals received, that increase the credit reliability, have not been taken into consideration in determination of the amount.
(**) Amounts have been subject to impairment in accordance with IFRS 9.



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NOTE 27 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

27.2 Financial risk factors (Continued)

27.2.2 Liquidity risk management

The Group aims to maintain an appropriate liquidity risk management framework for the Group's short, medium and long-term funding and liquidity management requirements.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

The maturities of the financial liabilities determined with respect to the contracts including the expected interest payments as of 31 December 2020 and 31 December 2019 are as follows:

31 December 2020							
Maturity analysis of non-derivative financial liabilities	Carrying value	Total cash outflow according to contract (I+II+III+IV+V)	Payable on demand (I)	Less than 3 months (II)	3-12 months (III)	1-5 years (IV)	More than 5 years (V)
Non-derivative financial liabilities							
Financial liabilities	9,762,300	15,256,665	-	1,291,750	2,495,176	11,469,739	-
Trade payables	1,914,357	1,914,357	-	1,914,357	-	-	-
Other payables	2,579,077	2,579,077	2,085,433	493,644	-	-	-
Other financial liabilities	409,126	409,126	-	24,580	44,163	188,956	151,427
Total liabilities	14,664,860	20,159,225	2,085,433	3,724,331	2,539,339	11,658,695	151,427

31 December 2019							
Maturity analysis of non-derivative financial liabilities	Carrying value	Total cash outflow according to contract (I+II+III+IV+V)	Payable on demand (I)	Less than 3 months (II)	3-12 months (III)	1-5 years (IV)	More than 5 years (V)
Non-derivative financial liabilities							
Financial liabilities	9,070,478	12,229,906	-	2,353,504	2,225,384	7,651,018	-
Trade payables	2,611,620	2,611,620	-	2,611,620	-	-	-
Other payables	2,078,343	2,078,343	1,903,683	174,660	-	-	-
Other financial liabilities	353,898	353,898	-	17,915	33,269	160,088	142,626
Total liabilities	14,114,339	17,273,767	1,903,683	5,157,699	2,258,653	7,811,106	142,626

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NOTE 27 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

27.2 Financial risk factors (Continued)

27.2.3 Market risk management

27.2.3.1 Foreign currency risk management

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

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

	31 December 2020		
	Total TL equivalent	USD TL equivalent	EUR TL equivalent
Cash and cash equivalents	17,009	8,235	8,774
Trade receivables	4,684	3,207	1,477
Financial investments	126,108	-	126,108
Total assets	147,801	11,442	136,359
Financial liabilities (*)	(127,395)	-	(127,395)
Other financial liabilities	(409,126)	-	(409,126)
Trade payables	(282,751)	(241,693)	(41,058)
Total liabilities	(819,272)	(241,693)	(577,579)
Net foreign currency asset position of off-balance sheet derivative	929,787	433,461	496,326
Net foreign currency asset position	258,317	203,211	55,106
Cash flow hedging (**)	1,425,756	1,425,756	-
Net foreign currency position after cash flow hedging	1,684,072	1,628,966	55,106

(*) The Group has invested on EUR government bond with the same maturity of EUR bank loan borrowed on the same date. There is no foreign currency risk related to this transaction.
(**) Cash flow hedging includes forward exchange contracts in order to mitigate foreign exchange rate risk arising from FIT cost and USD denominated energy purchases which are highly probable in the future. Since it will arise with the realization of highly probable FIT 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 1,425,756 is included at cash flow hedging in the foreign currency position table.



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NOTE 27 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

27.2 Financial risk factors (Continued)

27.2.3 Market risk management (Continued)

27.2.3.1 Foreign currency risk management (Continued)

	31 December 2019		
	Total TL equivalent	USD TL equivalent	EUR TL equivalent
Cash and cash equivalents	257,526	215,184	42,342
Trade receivables	1,395	238	1,157
Total assets	258,921	215,422	43,499
Financial liabilities (*)	(93,164)	(36,022)	(57,142)
Other financial liabilities	(353,898)	-	(353,898)
Trade payables	(198,256)	(176,103)	(22,153)
Total liabilities	(645,318)	(212,125)	(433,193)
Net foreign currency asset position of off-balance sheet derivative	2,041,045	1,644,669	396,376
Net foreign currency (liability) position	1,654,648	1,647,966	6,682
Cash flow hedging	92,171	35,641	56,530
Net foreign currency position after cash flow hedging	1,746,819	1,683,607	63,212

(*) Foreign currency risks associated with the USD and EUR denominated loans of the Group are fully hedged through cross currency swap instruments.

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

NOTE 27 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

27.2 Financial risk factors (Continued)

27.2.3 Market risk management (Continued)

27.2.3.1 Foreign currency risk management (Continued)

	1 January - 31 December 2020	
	Profit / Loss	
	Appreciation of foreign currency	Depreciation of foreign currency
Change in USD against TL by 10%		
USD net assets / liabilities	(23,025)	23,025
Hedged items (-)	185,922	(185,922)
USD net effect	162,897	(162,897)
Change in EUR against TL by 10%		
EUR net assets / liabilities	(44,122)	44,122
Hedged items (-)	49,633	(49,633)
EUR net effect	5,511	(5,511)

	1 January - 31 December 2019	
	Profit / Loss	
	Appreciation of foreign currency	Depreciation of foreign currency
Change in USD against TL by 10%		
USD net assets / liabilities	330	(330)
Hedged items (-)	168,031	(168,031)
USD net effect	168,361	(168,361)
Change in EUR against TL by 10%		
EUR net assets / liabilities	(38,969)	38,969
Hedged items (-)	45,291	(45,291)
EUR net effect	6,322	(6,322)

ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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

NOTE 27 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

27.2 Financial risk factors (Continued)

27.2.3 Market risk management (Continued)

27.2.3.2 Interest rate risk management

As of 31 December 2020 and 31 December 2019, the Group has no floating interest rate risk although the Group has CPI indexed bond obligation since the revenues under the concession agreement are also indexed to CPI.

As of 31 December 2020, the Group has TLREF indexed loans 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 amortized cost of financial liabilities with fixed interest rate are considered to approximate their carrying values. 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.

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

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

ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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

NOTE 27 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

27.2 Financial risk factors (Continued)

27.2.3 Market risk management (Continued)

27.2.3.2 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.

Table with 7 columns: Financial assets / (Financial liabilities), Fair value / revalued amount (31 December 2020, 31 December 2019), Fair value hierarchy, Valuation technique and key input, Significant unobservable input(s), Relationship of unobservable inputs to fair value.

Table with 7 columns: Financial assets / (Financial liabilities), Fair value / revalued amount (31 December 2020, 31 December 2019), Fair value hierarchy, Valuation technique and key input, Significant unobservable input(s), Relationship of unobservable inputs to fair value.

ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

(Amounts expressed in thousands of Turkish Lira ("TL"), unless otherwise indicated.
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NOTE 28 - EXPLANATORY NOTES TO THE STATEMENT OF CASH FLOWS

Table with 3 columns: , 31 December 2020, 31 December 2019. Rows include Cash at banks, Demand deposits, Time deposits, and totals.

As at 31 December 2020, TL 126,729 of the Group’s demand deposits are blocked at different banks (31 December 2019: TL 142,721). These blocked deposits are related to the collections made through bank branches which are made available for use by banks 1 or 2 days after the collection depending on the agreements with related banks.

As at 31 December 2020 time deposits consist of short term TL 410,551, EUR 700 balances (31 December 2019: TL 59,652, EUR 7,050 and USD 35,901) with maturities between 4-7 days (31 December 2019: 2-8 days). The weighted average effective interest rates of TL, EUR and USD time deposits are 18.65%, 0.10% as at 31 December 2020 (31 December 2019: weighted average effective interest rate 10.14%, 0.50% and 1.00% respectively).

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

Table with 3 columns: , 1 January - 31 December 2020, 1 January - 31 December 2019. Rows include Adjustments related to interest (income) / expense based on revenue cap regulation (Note 22), Adjustments related to financial income from service concession arrangements (Note 10, 19), Adjustments related to revaluation differences arising from deposits (Note 22), and totals.

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

Table with 3 columns: , 1 January - 31 December 2020, 1 January - 31 December 2019. Rows include Net collections from financial assets related to service concession arrangements, Capital expenditures reimbursements (Note 10), WACC reimbursements (Note 10), Collections from doubtful trade receivable (Note 6), and totals.

ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

(Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated.
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NOTE 28 - EXPLANATORY NOTES TO THE STATEMENT OF CASH FLOWS (Continued)

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

	1 January - 31 December 2020	1 January - 31 December 2019
Capital expenditures related to service concession arrangements	(1,845,241)	(1,369,436)
	(1,845,241)	(1,369,436)

NOTE 29 - FINANCIAL INVESTMENTS

As of 31 December 2020, details of financial investments at amortised cost held to maturity as follows:

	31 December 2020	31 December 2019
Government bond	126,108	-
	126,108	-

As of 31 December 2020, movements of financial assets as follows:

	31 December 2020	31 December 2019
Opening balance as of 1 January 2020	-	-
Additions	121,455	-
Foreign exchange differences	4,653	-
Closing balance as of 31 December 2020	126,108	-

As of 31 December 2020, the average effective interest rate of EUR bonds is 3.10%.

As of 31 December 2020, the remaining time to maturity in the contract as follows:

	31 December 2020	31 December 2019
Up to 3 Months	126,108	-
	126,108	-

ENERJİSA ENERJİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

(Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated.
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NOTE 30 - EVENTS AFTER THE REPORTING DATE

Applicable starting from 1 January 2021, EMRA has announced that single-time retail sales tariff reflected to the end user according to customer groups in national tariff has been increased between 1.3% - 3.4% and distribution tariff has been increased by 16.0%. The final tariff reflected to the end user has been increased by 6.0%.

CONTACT

İLKAY DEMİRDAĞ
HEAD OF INVESTOR RELATIONS

+90 216 579 09 32
investorrelations@enerjisa.com

BURAK ŞİMŞEK
INVESTOR RELATIONS SPECIALIST

+90 216 579 09 31
investorrelations@enerjisa.com

DELAL ALVER
INVESTOR RELATIONS SPECIALIST

+90 216 579 09 31
investorrelations@enerjisa.com

ÖZDE ÜNSAL
INVESTOR RELATIONS SPECIALIST

+90 216 579 09 31
investorrelations@enerjisa.com

TRADE REGISTRY INFORMATION

TRADE REGISTRY NUMBER	REGISTERED PAID IN CAPITAL
800865	4,000,000,000.00
TRADE NAME	TRADE REGISTRY DATE
ENERJİSA ENERJİ ANONİM ŞİRKETİ	21/12/2011
ADDRESS	MERSIS NO
Barboros Mahallesi, Begonya Sok. Nida Kule, Ataşehir Batı Sitesi, No: 1/1, Ataşehir 34748 İstanbul	0335042909900015
PAID IN CAPITAL	
1,181,068,967.12 TL	

GLOSSARY

Actual Capex	The sum of the actual Capex is calculated by adding the regulated Capex and the additional Capex exceeding this upper limit.	CBA	The Collective Bargaining Agreement
AGED	Waste Paper and Recyclers Association	CBRT	Central Bank of the Republic of Turkey
A.Ş.	Incorporated Company	CCHP	Trigeneration Solutions
AYEDAŞ	İstanbul Anadolu Yakası Elektrik Dağıtım A.Ş. (Anadolu Yakası Electricity Distribution Inc.)	CEO	Chief Executive Officer
AYEDAŞ Region	The region where Ayedaş carries out activities covering İstanbul's districts; Kadıköy, Üsküdar, Beykoz, Ümraniye, Çekmeköy, Ataşehir, Maltepe, Kartal, Pendik, Tuzla, Sultanbeyli, Sancaktepe, Şile and Adalar	CFO	Chief Financial Officer
AYESAŞ	Enerjisa İstanbul Anadolu Yakası Elektrik Perakende Satış A.Ş.	Chatbot	Artificial Intelligence Assisted Virtual Assistant App
Başkent EDAŞ	Başkent Elektrik Dağıtım A.Ş. (Başkent Electricity Distribution Inc.)	CHP	Cogeneration Solution
Başkent EPSAŞ	Enerjisa Başkent Elektrik Perakende Satış A.Ş. (Enerjisa Başkent Electricity Retail Sales IncCo.)	CMB	Capital Markets Board
Başkent Region	The region where Başkent EDAŞ carries out activities covering the cities; Ankara, Bartın, Çankırı, Karabük, Kastamonu, Kırıkkale and Zonguldak.	Corporate Customer	Customers consuming 400 MWh or more electricity per year
BERN	Conservation of European Wildlife and Natural Habitats	Corporate Restructuring	The restructuring process – carried out in order to increase Enerjisa's operational and management efficiency and Enerjisa's IPO– of dividing Enerjisa into two companies by separating the customer oriented distribution and retail sales activities from the conventional electricity production and wholesale activities carried out by Sabancı Holding and E.ON.
BIST / Borsa	Borsa İstanbul A.Ş.	CO ₂	Carbon dioxide
CAGR	Compound Annual Growth Rate	COVID-19	Coronavirus
Capex	Capital Expenditures – made in order to carry out Electricity distribution activities – subject to regulations of the Energy Market Regulatory Authority	CPI	Consumer Price Index
Capex Efficiency	(Capex outperformance) An indicator describing the saving made in the Capex items at unit prices set by the Energy Market Regulatory Authority. If, at the end of a tariff year, the distribution companies of the Company accrue a cost lower – per Capex item with compulsory unit price – than the unit prices set by the Energy Market Regulatory Authority, the positive difference will be included in the revenue obtained by means of tariffs, and will remain within the distribution companies of the Company. Therefore, the Capex efficiency is the ratio of the “unit price based regulated Capex” to the difference between the “unit price based actual Capex” and the “unit price based regulated Capex”.	CRM	Customer Relations Management
Capex Reimbursements	One of the components of the regulated revenue obtained by the Company from the distribution segment. Not shown in the consolidated income statement, but shown under the item “Other Cash Inflows Related To Cash Flows From Operating Activities” in the cash flow statement within the scope of the Company's financial statements.	CSC	Customer Service Centers
		DD Turkey	DD Turkey Holdings S.à.r.l.
		Distribution Tariff	The sums to be charged for using distribution systems and procedures and principles regarding the implementation of tariffs
		DEİK	Foreign Economic Relations Board
		EBITDA	Earnings Before Interest, Taxes, Depreciation, And Amortization; means the net profit for the period before financial income/expense, tax expense and amortization expenses.
		EBRD	European Bank of Reconstruction and Development
		EDAŞ	Elektrik Dağıtım A.Ş. (Electricity Distribution Inc.)
		EDVARS	Electricity Distribution Data Warehouse and Reporting System
		EEDAŞ	Enerjisa Elektrik Dağıtım A.Ş. (Enerjisa Electricity Distribution Inc.)
		EFM	Electricity Futures Market
		ELDER	Electricity Distribution Services Association
		Eligible Consumer	Real person or juridical customers who consume more than the electricity level stipulated by the Energy Market Regulatory Authority or who have the freedom to choose their supplier because of their direct connection to the power transmission system

GLOSSARY

Eligible Customers	Eligible customers who prefer to purchase electricity from Enerjisa in accordance with the liberal market conditions
EMI	Electricity Market Index
EMRA	Energy Market Regulatory Authority
End Consumer	Consumers who are connected to distribution grids
Enerjisa/Enerjisa Enerji	Enerjisa Enerji A.Ş.
Enerjisa Üretim	Enerjisa Üretim Santralleri A.Ş.
ENETİK	Enerjisa Code of Conduct
E.ON	E.ON SE
EPIAŞ	Enerji Piyasaları İşletme A.Ş. (Energy Markets Enterprises Inc.)
EPS	Enerjisa Başkent Elektrik Perakende Satış A.Ş. (Enerjisa Başkent Electricity Retail Sales Inc.)
EPSAŞ	Elektrik Perakende Satış A.Ş. (Electricity Retail Sales Inc.)
ESG	Environmental, Social & Governance EUREKA: EUREKA is a publicly-funded, intergovernmental network, involving over 40 countries. EUREKA's aim is to enhance European competitiveness by fostering innovation-driven entrepreneurship in Europe, between small and large industry, research institutes and universities.
E-şarj	Elektrikli Araçlar Şarj Sistemleri A.Ş.
ETC	Enerjisa Transaction System
ETRM	Energy Trade and Risk Management
Euro	Currency of the European Union
EUROGIA2020	EUROGIA2020 is a EUREKA Cluster focusing on low-carbon energy technologies.
EÜAŞ	Elektrik Üretim A.Ş. (Electricity Generation Inc.)
Fitch	Fitch Ratings
FTSE	Financial Times Stock Exchange
GDP	Gross Domestic Product
GIS	Geographic Information Center
GW	Gigawatt
HVAC	Heating, Ventilation and Air Conditioning
IFRIC	International Financial Reporting Interpretations Committee
IFRS	International Financial Reporting Standards

Incumbent Retail Company	Retail sales company established due to legal unbundling of distribution and retail sales activities or authorized as end-user supplier by EMRA
IREC	International Renewable Energy Certificate
IRR	internal Rate of Return
ISO	International Standards Organization
ITU	İstanbul Technical University
IVR	Interactive Voice Response
KAP	Public Disclosure Platform
km	Kilometer
km²	Square Kilometer
KRITA	Critical Infrastructure Management In Smart Cities Project
KVKK	Law on Personal Data Protection
KW	Kilowatt
kWh	Kilowatt Hour
LEAP	Leadership Acceleration Program
MBA	Master of Business Administration
MCP	Market Clearing Price
METU	Middle East Technical University
MSCI	Morgan Stanley Capital International Index
MTPOD	Maximum Tolerable Period of Disruption
Müşteri Çözümleri A.Ş.	Enerjisa Müşteri Çözümleri A.Ş. (Enerjisa Customer Solutions Inc.)
MWh	Megawatt Hour
National Tariffs	The tariff determined for each quarter by the Energy Market Regulatory Authority covering the Distribution Tariff and Retail Sales Tariff
Non-Eligible Customers	Real person or juridical customers who can purchase electricity only from the licensed retail companies in their regions
NPS	Net Promoter Score
OHS	Occupational Health & Safety
OHS-E	Occupational Health, Safety and Environment
OMS	Outage Management System

Operating Expenses Efficiency	The ratio of the “regulated operating expenses” to the difference between the “actual operating expenses” and the “regulated operating expenses”
OPEX	Operating Expense
OSC	Online Service Center
OSOS	Automatic Meter Reading System (Otomatik Sayaç Okuma Sistemi)
PDP	Public Disclosure Platform
PEAKAPP	Personal Energy Administration Kiosk App
RAB	Regulatory Asset Base: According to the Communiqué On Regulating The Distribution System Revenue, Regulated Asset Base is the sum for each tariff year (as the beginning and end of the year) calculated according to the unamortized portion of the relevant capital expenditures. The Regulatory Asset Base can be briefly described as, the unamortized investment the Company has made. This sum reflected into the tariffs as the sum payable in the first implementation, is updated as a closing value with accrued CAPEX at the end of the tariff period, and transferred to the next period. (The RAB opening value in 2006 is “0”.)
RAMSAR	Convention on Protection of Wetlands
Regulated Customers	Non-eligible customers and eligible customers who prefer to purchase electricity from Enerjisa at the Retail Sales Tariff
REM	Registered Electronic Mail
RERSM (YEKDEM)	Renewable Energy Resources Support Mechanism
Residential/Commercial	Customers consuming up to 400 MWh electricity per year
Retail Sales Tariff	The retail sales tariff arranged for electricity energy and/or capacity sales made by the incumbent retail companies to the non-eligible customers, eligible customers who have not chosen their supplier, and customers within the scope of final supply
RPA	Robotic Process Automation
RTO	Recovery Time Objective
RPO	Recovery Point Objective
R&D	Research and Development
Sabancı Holding	Hacı Ömer Sabancı Holding A.Ş.
SAHA	SAHA Corporate Governance and Credit Rating Services Inc.
SAIDI	System Average Interruption Duration Index
SAIFI	System Average Interruption Frequency Index
SAP	System Analysis and Program Development
SAP CRM	SAP Customer Relations Management
SCADA	Supervisory Control and Data Acquisition
SPP	Solar Power Plant

SME	Small and Medium Scale Enterprises
SMS	Short Message Service
TBB	The Banks Association of Turkey
TCC	Turkish Code of Commerce
TEDAŞ	Türkiye Elektrik Dağıtım A.Ş. (Turkish Electricity Distribution Inc.)
TEİAŞ	Türkiye Elektrik İletim A.Ş. (Turkish Electricity Transmission Inc.)
TEİD	Turkey Ethic and Reputation Association
TES-İŞ	Turkey Energy, Water and Gas Workers' Union
TETAŞ	Türkiye Elektrik Ticaret ve Taahhüt A.Ş. (Turkish Electricity Trade & Contracting Inc.)
TFRS	Turkish Financial Reporting Standards
TİM	Turkish Exporters Assembly
TL	Turkish Lira
TLREF	Turkish Lira Overnight Reference Rate
TMS	Turkish Accounting Standards
TOBB	The Union of Chambers and Commodity Exchanges of Turkey
TOGG	Turkey's Automobile Joint Venture Group Inc.
TOR	Transfer of Operating Rights
Toroslar EDAŞ	Toroslar Elektrik Dağıtım A.Ş. (Toroslar Electricity Retail Sales Inc.)
Toroslar EPSAŞ	Enerjisa Toroslar Elektrik Perakende Satış A.Ş. (Enerjisa Toroslar Electricity Retail Sales Inc.)
Toroslar Region	The region where Toroslar carries out activities covering the provinces of; Adana, Osmaniye, Gaziantep, Mersin, Kilis and Hatay
T.R.	Republic of Turkey
TRT	Turkish Radio Television Corporation
TURKSTAT	Turkish Statistical Institute
TÜSİAD	Turkish Industry & Business Association
TWh	Terawatt Hour
UN	United Nations
USD	Currency of the United States of America
YEK-G	Renewable Energy Resources Guarantee Certificate
VAT	Value Added Tax
Verbund	Verbund International GmbH
WACC	Weighted Average Cost of Capital
WEPs	United Nations Women’s Empowerment Principles
YASED	Foreign Investors Association
YEK-G	Renewable Energy Resources Guarantee Certificate



