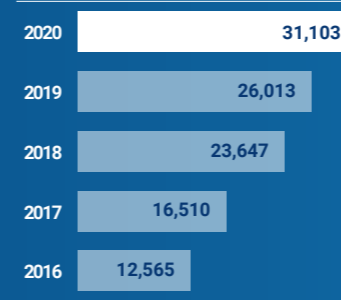


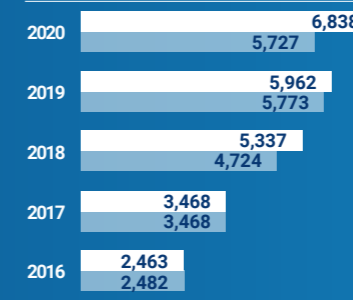
# Energy

As the leaders of the Turkish energy industry, Sabancı Energy Group companies demonstrated an impressive performance despite a highly challenging 2020.

## Combined Net Sales (TL Million)

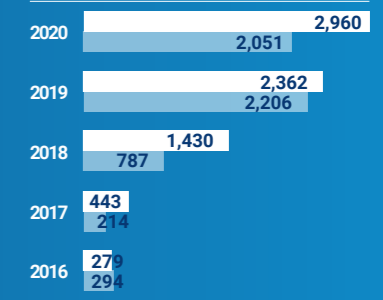


## Combined EBITDA (TL Million)



■ EBITDA ■ EBITDA<sup>(1)</sup>  
<sup>(1)</sup> Excluding one-off income/expenses.

## Combined Net Income (TL Million)



■ NET INCOME ■ NET INCOME<sup>(1)</sup>  
<sup>(1)</sup> Excluding one-off income/expenses.

## DEVELOPMENTS IN 2020



### Ongoing grid investments

Enerjisa Enerji created value for all its stakeholders with grid investment spending of approximately TL 1.8 billion in 2020.

### Uninterrupted service in all conditions

In the highly challenging year of 2020, Enerjisa Enerji set up a crisis committee even before the World Health Organization officially declared COVID-19 a pandemic. Providing uninterrupted service to its customers regardless of conditions in the field, Enerjisa Enerji took more than 1,000 preventative and precautionary actions in line with public health and medical guidance.

### Extensive E-Charge Network

With a 186 public station network featuring 320 sockets, of which 109 are fast charging, Eşarj boasts the first and fastest station e-charging network in Turkey.

## DEVELOPMENTS IN 2020



### Turkey's largest sustainability-linked loan deal

Enerjisa Üretim signed Turkey's largest sustainability-linked loan deal with seven banks - a credit facility worth EUR 650 million. With this major facility, Enerjisa Üretim reduced its total debt while also gaining strong support for its future renewable energy investments.

### Record electricity generation in a difficult Year

Enerjisa Üretim embraces operational excellence as a strategic priority. In 2020, the company reached the highest availability level in its power plant portfolio with five different technologies. As a result, Enerjisa Üretim reported record high energy generation in 2020.

### Advanced technology infrastructure development at full speed

Enerjisa Üretim is further developing its advanced technology infrastructure to add value in diverse areas including processing of sensor data collected from the field, performing trend analyses and especially, conducting predictive maintenance.

### Combining operational excellence and business capability

In 2020, price mobility and hydrology were above historic averages. In response to the market environment, Enerjisa Üretim combined its operational excellence and business capability to achieve record high revenue.

## Energy

Enerjisa Enerji and Enerjisa Üretim finished the year with a successful performance thanks to their focus on operational excellence. Both companies ensured an uninterrupted supply of electricity throughout 2020.

### Priorities in 2020

#### COVID-19 Pandemic and Measures Taken

The COVID-19 pandemic, quickly spreading across Turkey and the entire globe, once again demonstrated the critically important and essential work performed by energy sector employees. To ensure the continuity of electricity generation and distribution, which power the Turkish economy and everyday life, Enerjisa Enerji and Enerjisa Üretim worked tirelessly during this pandemic year.

Even before the pandemic, employee health has always been a top priority at Sabancı Holding. During this extremely challenging year, both Energy Group companies implemented a wide range of preventive and precautionary measures to combat COVID-19. Enerjisa Üretim obtained the TSE COVID-19 Safe Production Certificate for all its power plants and its headquarters office.

#### Increasing Network Investments

In 2020, Enerjisa Enerji recorded grid investment spending of TL 1 billion 790 million, up 26% y-o-y compared to the previous year. Thanks to these investments, customers were provided with sustainable solutions that make their lives easier. With the support of its strong balance sheet, Enerjisa Enerji plans additional grid investments to ensure an uninterrupted energy supply in the future.

Sustainability is a strategic priority at Enerjisa Enerji. Toward this end, the company focuses on conventional network and customer operations technologies such as SCADA, GIS, OSOS. Enerjisa Enerji capitalizes on a wide range of advanced technologies, including advanced data analytics, robotics and artificial intelligence.



Grid investments  
~ TL 1.8 billion

Even before the pandemic, employee health has always been a top priority at Sabancı Holding.



In 2020, Sabancı Energy Group moved forward with its comprehensive digitalization transformation with the technological support of Information Technologies.

In addition, Enerjisa Enerji invests in innovative solutions such as e-mobility, on-site generation with renewable resources and storage.

#### Preparing for the New Implementation Period (4<sup>th</sup> Tariff Period)

In 2020, Enerjisa Enerji commenced preparations for the new implementation period. This is when the income requirement parameters of the electricity distribution and sales industry, especially investment and operational expenses, for the next five years will be determined. Preparing for the new implementation period was one of the company's most important agenda items during the year.

Enerjisa Enerji completed preparations for the five-year master plan to provide customers with the highest quality service possible. The master plan covers key areas including expanding the grid, upgrading the existing grid, investing in technology and conducting R&D. In addition, Enerjisa Enerji was committed to prepare for this new period in the best possible way in collaboration with its stakeholders. The new tariff period commenced with the support of Enerjisa Enerji shareholders and in accordance with the company's strategic plans.

#### Operational Excellence

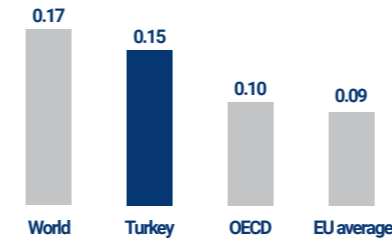
Enerjisa Enerji provides an indispensable service to about 22 million people in its operating region. At the onset of the

pandemic, the company quickly set its top priorities: safeguarding human health and ensuring an uninterrupted energy supply. In 2020, Enerjisa Üretim reached the highest availability level in its power plant portfolio with five different technologies. As a result, Enerjisa Üretim reported record high energy generation in 2020. Thanks to the successful efforts of crisis management teams at both companies, Enerjisa Enerji and Enerjisa Üretim exited this highly challenging year with performances well beyond expectations. Understanding that a crisis cannot be managed during the actual crisis, Enerjisa Enerji and Enerjisa Üretim closely monitored and implemented the precautionary measures announced by the Ministry of Health and the World Health Organization. Great effort was shown at both companies to ensure that their respective services are provided in an uninterrupted and sustainable way.

#### Turkey's Largest Sustainability-Linked Loan Deal

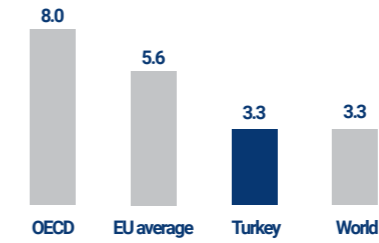
In 2020, Enerjisa Üretim further bolstered its energy portfolio with its sustainability-linked loan deal amounting to EUR 650 million. Seven banks participated in the transaction. With this major lending facility, Enerjisa Üretim reduced its total debt while providing support for future renewable energy investments that are planned to be commissioned in the near future. Thanks to its solid financial structure, Enerjisa Üretim has met the conditions necessary to distribute significant dividends to shareholders.

### ENERGY INTENSITY (TON OF OIL EQUIVALENT/USD 2010)



Turkey's energy intensity is higher than the OECD average.

### ELECTRICITY CONSUMPTION PER CAPITA (MWh/PERSON)



Source: International Energy Agency, EU statistics, National Energy Efficiency Action Plan.

### A Growing Generation Portfolio Focused on Sustainability

Enerjisa Üretim aims to further expand, enrich and diversify its operations in the future with the following activities:

- Expanding its renewable portfolio with YEKA projects.
- Establishing Enerjisa Europe to take its commercial activities in the European market to the next level.
- Transforming its trading experience to create value in foreign markets by obtaining electricity trading licenses in Bulgaria, Romania and Serbia under Enerjisa Europe.
- Introducing a new business model with the commissioning of SENKRON, a control room capable of controlling power plants with different electricity generation technologies at the same time – a first in Turkey. SENKRON currently controls all 12 hydroelectric power plants in Enerjisa Üretim's portfolio. SENKRON also features a control infrastructure that enables access to the control and monitoring systems of thermal, wind and solar power plants in Enerjisa Üretim's portfolio and those owned by other companies. Thanks to this network, SENKRON conducts performance and status monitoring of power plants with an analysis infrastructure where thousands of pieces of data are monitored online.



### Performance in 2020

#### Digitalization, Technology and Investments

In 2020, Sabancı Energy Group moved forward with its comprehensive digitalization transformation with the technological support of Information Technologies. No workforce loss occurred during the pandemic thanks to infrastructure modernization and upgrades that support operation independent of location.

Enerjisa Üretim further developed its advanced technology infrastructure to add value in diverse areas including processing of sensor data collected from the field, performing trend analyses and especially, conducting predictive maintenance. Efforts to replicate key applications in trade and

power plant management to be compatible with cloud environments are nearly complete. Sabancı Energy Group has started to enjoy the flexible, manageable and stable platform advantages of cloud technology. Thanks to investments in augmented reality, Energy Group ensured that operations between power plants and external suppliers are performed remotely and without any loss of functionality and labor. In 2020, Sabancı Energy Group operations continued without interruption despite pandemic travel/visit restrictions thanks to technology solutions. In addition to IT digitalization roadmaps, Energy Group started to develop Digital Journey Maps in line with the needs of each business unit. Over 70 applications were developed and implemented using these maps. Numerous applications that differentiate Enerjisa Üretim in the market were also developed during the year.

## Energy

Energy Group companies finished the year with success in line with Sabancı Holding's vision of "sharing what we have obtained from this land with its people."

Beyond conventional investments, the new emerging energy world prioritizes innovations such as distributed generation, storage, e-mobility and digital customer solutions. Enerjisa Enerji consolidated its technology and sustainability-oriented customer solutions under the banner of "Energy of My Business." Eşarj provides environmentally friendly solutions such as SPP, LED lighting, certified green energy, solar and cogeneration to its customers. Regarding its product offerings, Eşarj set its sights on 2030 in the short term and 2050 in the long-term.

Enerjisa Enerji sees significant value in leveraging external agile and entrepreneurial structures from the entrepreneurship ecosystem and a complement to internal corporate resources. To this end, Enerjisa Enerji adopted an entrepreneurship ecosystem that will inject dynamism into the company. This ecosystem is supported with "Nar," its in-house entrepreneurship program, and "İvme (Acceleration)," a program commissioned this year.

The fast-growing electric vehicles market will play a major role in the future of transportation around the globe. Currently, there are 2.5 million hybrid and electric vehicles on the world's roads. This figure is projected to rise to 50 million by 2030. Today, Enerjisa Enerji is planning investments that respond to the expected higher demand on the grid and expand its charging station network. Moving forward with this vision, Enerjisa Enerji acquired a majority stake in Eşarj in 2018. Eşarj continues to grow steadily every year. With a 186 public station network featuring 320 sockets, of which 109 are fast charging,

**i** Eşarj's target for 2030  
**2.5** million tons of carbon reduction



Eşarj boasts the first and fastest station e-charging network in Turkey. Thanks to its electric vehicle charging stations, Eşarj is expected to help reduce carbon emissions by 2.5 million tons by 2030 due to the decrease in conventional cars on the roads.

#### People and Sustainability

Energy Group companies exited the year with success in line with Sabancı Holding's vision of "Sharing what we have obtained from this land with its people." Enerjisa Enerji and Enerjisa Üretim conduct their business activities while closely monitoring global trends and pursuing sustainability. Sabancı Energy Group companies have

set 17 individual goals under the UN Sustainable Development Plan as targets in line with their environmental, social and governance (ESG) performance.

Enerjisa Enerji's vision is to become a leading company in the energy sector with its environmental, social and governance (ESG) performance. The company's vision was developed in a way that integrates sustainability strategies with these metrics. To boost its performance, Enerjisa Enerji places great importance on conducting socially responsible activities and creating social value. These efforts support affordable and clean energy (Goal 7), sustainable provinces and communities (Goal 11) and climate action (Goal 13).

A signatory to the United Nations Global Compact, the world's largest voluntary corporate sustainability initiative, Enerjisa Enerji is also listed in the BIST Sustainability Index and the BIST Corporate Governance Index.

**i** Sabancı Energy Group develops new and forward-looking OHS approaches in line with its zero occupational accident target.

A signatory to both the United Nations Global Compact, the world's largest voluntary corporate sustainability initiative, and the Women's Empowerment Principles, Enerjisa Enerji was also included in the BIST Sustainability Index and BIST Corporate Governance Index in 2019.

Enerjisa Üretim aims to grow its generation portfolio with renewable power plants. Under the WPP YEKA-2 project in Aydın and Çanakkale with a capacity of 500 MW awarded to Enerjisa Üretim in 2019, the YEKA Usage Rights Agreement was signed with the Ministry of Energy and Natural Resources (MENR) in March 2020. In relation to Erciyes WPP in Kayseri with a capacity of 65 MW awarded in 2017 with the wind power capacity allocation tender, the pre-license process is ongoing. Growth opportunities are also being sought in renewable energy in accordance with new hybrid facilities legislation enacted in 2020.

Sabancı Energy Group embraces occupational health and safety as a top priority. The Energy Group aims to lead the industry by developing new and forward-looking OHS approaches in line with its zero occupational accident target.



In 2020, Enerjisa Üretim continued its wildlife conservation and biodiversity efforts, launched the prior year, despite the adverse conditions due to the pandemic.

The Stevie Awards, a global competition that recognizes the world's best employers and excellence in human resources,

evaluated 700 entrants this year. Enerjisa Enerji won the Gold award in the "Employer of the Year - Energy" category and the Bronze award in the "Achievements in Human Resources Administration" category with its Bonus and Rewarding project.

## Energy

## Sabancı Energy Group executes its operational excellence strategy to achieve sustainability.

In 2020, Enerjisa Enerji was also presented with the following awards:

- Best Employer of Turkey award at Kincentric Best Employer 2019,
- Silver award in the "Best Benefits, Wellness and Well-being Program" category for its Enerjine Sağlık program, and Bronze award in the "Best Advance in Benefit Strategy and Administration" category for its Bonus and Rewarding project at the Brandon Hall Group Excellence Awards,
- Employee Health and Safety award in the "Value Creating Practices" category at the Peryön Human Value Awards.

Enerjisa Üretim developed and implemented the following initiatives as part of its social responsibility efforts:

- Gender Equality: Equal Energy
- Children: Smiling Eyes
- Afforestation: Greening the Future
- Stray Animals: A Bowl of Energy

### 2021 Priorities and Industry Strategy

Sabancı Energy Group executes its operational excellence strategy to achieve sustainability. In the coming year, the negative effects of the COVID-19 pandemic are expected to subside with rollout of mass vaccination campaigns. As a result, energy industry demand and dynamics are projected to normalize. With this forecast recovery, the Turkish energy sector is expected to grow in parallel with the country's GDP growth. Sabancı Group remains committed to integrating sustainability into all its business operations and monitors global developments in this arena. Energy Group companies are also working to integrate sustainability into their operations,



Expecting a more stable investment environment in 2021, Enerjisa Enerji and Enerjisa Üretim plan to maintain their appetite for growth in line with market developments.



systems and processes. That same synergy is expected in Sabancı Energy Group's partnership with E-ON, one of Europe's biggest energy players, for a successful year focused on growth opportunities.

Enerjisa Enerji and Enerjisa Üretim anticipate further liberalization for Turkey's energy industry. Expecting a more stable investment environment in 2021, Enerjisa Enerji and Enerjisa Üretim plan to maintain their appetite for growth in line with market developments.

Enerjisa Enerji and Enerjisa Üretim aim to commission the Future of Work initiative and develop a roadmap on the efforts and modifications to be made going forward.

Enerjisa Üretim plans to implement state-of-the-art solutions for price prediction, predictive maintenance and optimization models in data analytics. Enerjisa Europe's active trade volume will be maximized in accordance with market conditions. As long as the market environment permits, Enerjisa Üretim aims to engage in efforts to boost natural gas sales and expand the portfolio volume in terms of electricity last resource supply. Other objectives include developing customer-oriented solutions that will maximize national benefits during the transition to a green economy by closely monitoring international green and carbon markets. To meet the changing needs of customers, efforts are ongoing to include comprehensive internally recognized emission and clean energy certificates in Enerjisa Üretim's growth journey.

## Sabancı Energy Group companies plan to maintain market leadership where they operate while pioneering the industry's development in terms of growth, productivity and competitiveness.

A new implementation period encompassing the years 2021-2025 will start in the Enerjisa Enerji distribution business. Investments in the grid, technology and customer satisfaction are scheduled to continue according to the new master plan. Investment spending is expected to increase in 2021 compared to the previous year.

Enerjisa Enerji's sales business aims to expand service diversity in both physical and online channels. During the pandemic, online channels in particular rose in importance. Enerjisa Enerji also plans to further develop user experience in the sales segment. By launching next generation products - distributed generation, productivity and e-mobility - under the brand "Energy of My Business," Enerjisa Enerji aims to raise its profile as customer solution partner in these emerging areas.

Sabancı Energy Group companies plan to maintain market leadership where they operate while pioneering the industry's development in terms of growth, productivity, competitiveness and corporate identity.



**Area of activity**  
Electricity distribution and sales

**Market share and position**  
Leader with 23% market share (depending on the amount of energy distributed)

**Countries of activity**  
Turkey

**Number of provinces**  
14

**People served**  
21.6 million

**Distribution connection point**  
11.4 million

**Retail sales volume**  
34 TWh

**Number of customers**  
10.1 million

**Number of employees**  
10 thousand+

**Sabancı Holding share**  
40.0%

**Website**  
www.enerjisa.com.tr

According to data as of 31.12.2020..



**Area of activity**  
Electric generation and trade

**Market share and position**  
Turkey's largest private-sector electricity generator with 5%<sup>(\*)</sup> market share considering Turkey's total electricity generation ratio

**Countries of activity**  
Turkey, Bulgaria, Serbia, Romania and Hungary

**Installed capacity**  
3,607 MW (Natural gas 44%, hydro 37%, lignite 12%, wind 6%, solar 1%)

**Generation portfolio**  
12 Hydroelectric power plants, 3 wind power plants, 3 natural gas power plants, 2 solar power plants, 1 domestic lignite power plant

**Total generation**  
15.6 TWh

**Number of employees**  
800+

**Sabancı Holding share**  
50.0%

**Website**  
www.enerjisauretim.com.tr

<sup>(\*)</sup> According to the EPIAŞ Transparency Platform data. According to data as of 31.12.2020.