



**We are the
speakers
of nature's
language**

ENERJİSA ÜRETİM

2021 Annual Report

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We transform our learnings from the wind in a way that touches people's lives.

We transform the narratives of gurgling rivers into the production of the factories.

We transform the whispers of the underground into a bright life.

We pass on the stories of the sun to the next generations.

We turn energy into reality.

We generate.

CORPORATE PROFILE

PRIVATE SECTOR ELECTRICITY GENERATION LEADER OF TURKEY

As Enerjisa Üretim, we play a part in **electricity generation** and **trading** business lines in the electrical energy value chain. We pursue our operations in line with the **mission of generating energy for a better future** by WPPpecting life. We conduct our operations with a focus on operational excellence, based on an **efficient and flexible portfolio strategy**. We aim to create value for our partners, customers, employees, suppliers and community by making best use of the opportunities in the industry. We provide significant contributions to sustainability by means of our efficient and environmentally friendly power plants, carbon reduction advantage through renewable energy-based generation and our investments, which focus on technology and efficiency.

In addition to electricity generation, we pursue the **leadership of the energy trade** via our trading company. We optimize our diversified generation portfolio in the future markets, day-ahead, intraday and balancing power markets and continue to create value for our shareholders. We also empower our business partners with our **structured products** such as virtual power plant, capacity leasing and balancing services. Via Enerjisa Europe company, we convey energy trade business to Europe via Bulgaria, Romania, Serbia, Greece and Hungary.

Our Company, which operates in electricity generation, trade, and natural gas, is managed through the operational companies, namely Enerjisa Enerji Üretim A.Ş., Enerjisa Elektrik Enerjisi Toptan Satış A.Ş. and Enerjisa Natural Gas Toptan Satış A.Ş., under the roof of Enerjisa Üretim Santralleri A.Ş.

ENERJİSA ÜRETİM SANTRALLERİ A.Ş.

ENERJİSA
ENERJİ
ÜRETİM A.Ş.

ENERJİSA
ELEKTRİK ENERJİSİ
TOPTAN SATIŞ A.Ş.

ENERJİSA
Natural Gas
TOPTAN SATIŞ A.Ş.

ENERJİSA
EUROPE



MISSION

We generate energy for a better future by respecting life.

GOAL

To be an energy company that continuously develops knowhow, sets standards and leads the future of the industry.



PRINCIPLES

WE ARE IN PURSUIT OF EXCELLENCE

We do not allow mediocrity, and always work for the superior.

WE EMBRACE OUR MISSION

We take responsibilities and initiative.

OUR COMMITMENTS ARE VALUABLE

We stand behind our commitments and never commit what we cannot deliver.

WE ARE A TEAM

We win together and lose together.

ENERJISA ÜRETİM AT A GLANCE

As Enerjisa Üretim, we are the leading private sector electricity generation company with our **3,607 MW electricity generation portfolio** and high trade volume. The **share of domestic and renewable resources** in our portfolio, which includes diversified, balanced and efficient energy resources, is **56%**.

In addition to these, we aim to complete the construction of

the 65 MW Erciyes Wind Energy Project in Kayseri in 2022, we carry on the permit and development processes of the 500 MW wind project, which we won at the Wind YEKA tenders. Besides, we strive to increase the number and capacity of our hybrid power plants. With the commissioning of these in the coming years, we will further increase the share of renewable energy in our portfolio.

LEADING
PRIVATE SECTOR
ELECTRICITY
COMPANY

3,607 MW
generation portfolio

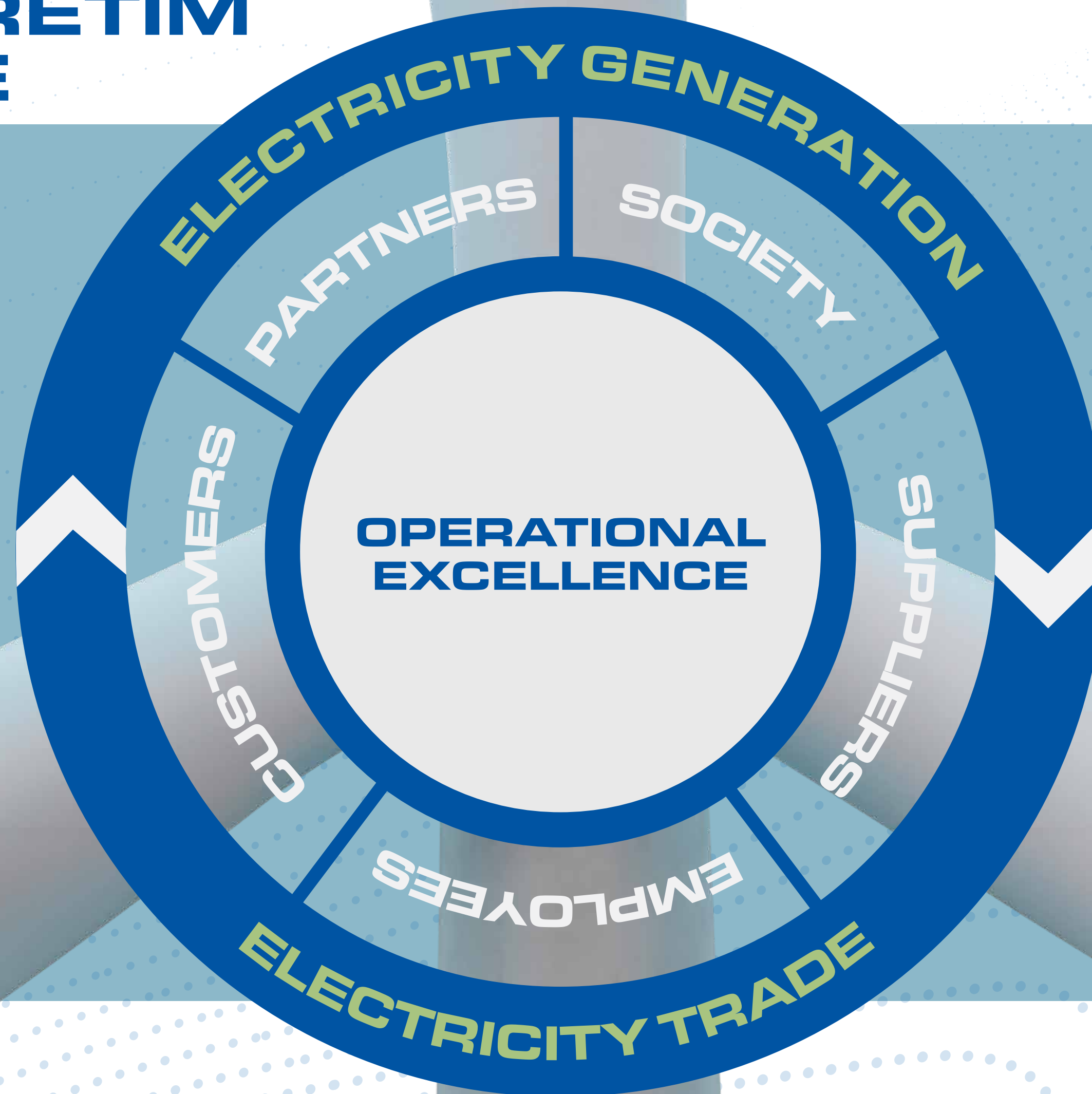
56%
domestic and renewable
resources

ENERJISA ÜRETİM AT A GLANCE

INTEGRATED VALUE CREATION

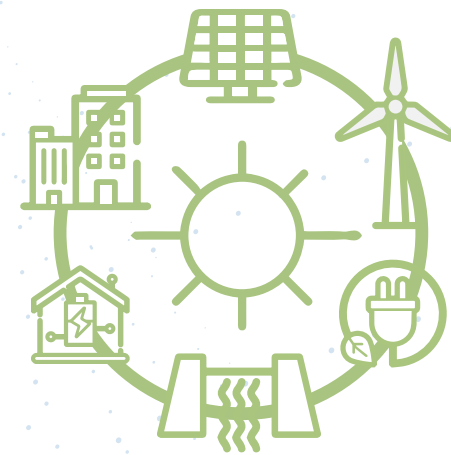
With our integrated
value creation
approach that focuses
on operational
excellence,

**WE
CONFIDENTLY
PROCEED
TOWARD
THE FUTURE.**



ENERJISA ÜRETİM AT A GLANCE

5



THE ONLY
COMPANY
GENERATING
ELECTRICITY
EMPLOYING
5 DIVERSE
TECHNOLOGIES

A portfolio
comprised of
diversified, balanced
and efficient energy
resources



EFFICIENT AND FLEXIBLE

portfolio
strategy



15.9 TWh

electricity generation
capacity

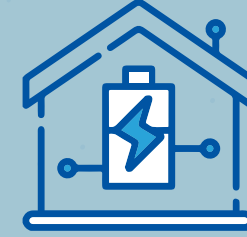
34 TWh

electricity wholesale
trade

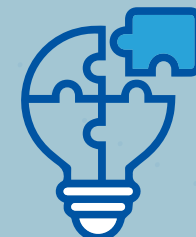
ENERJISA ÜRETİM AT A GLANCE



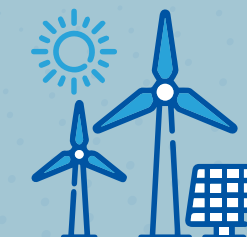
40%
share in total
trade volume



4%
share in total
installed capacity



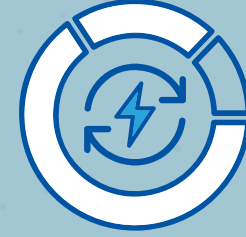
4.8%
share in total
generation volume



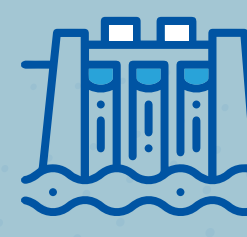
2.7%
share in total renewable
generation volume



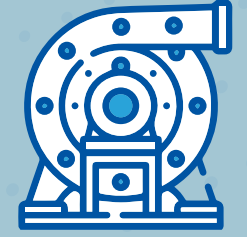
3,607 MW
the largest private sector
electricity generation
company of Turkey



LARGEST
Private sector player with
the largest renewable
energy capacity



1,353 MW
one of the largest
hydroelectric power
plant portfolios of Turkey



1,583 MW
one of the largest natural
gas combined cycle power
plant operators of Turkey

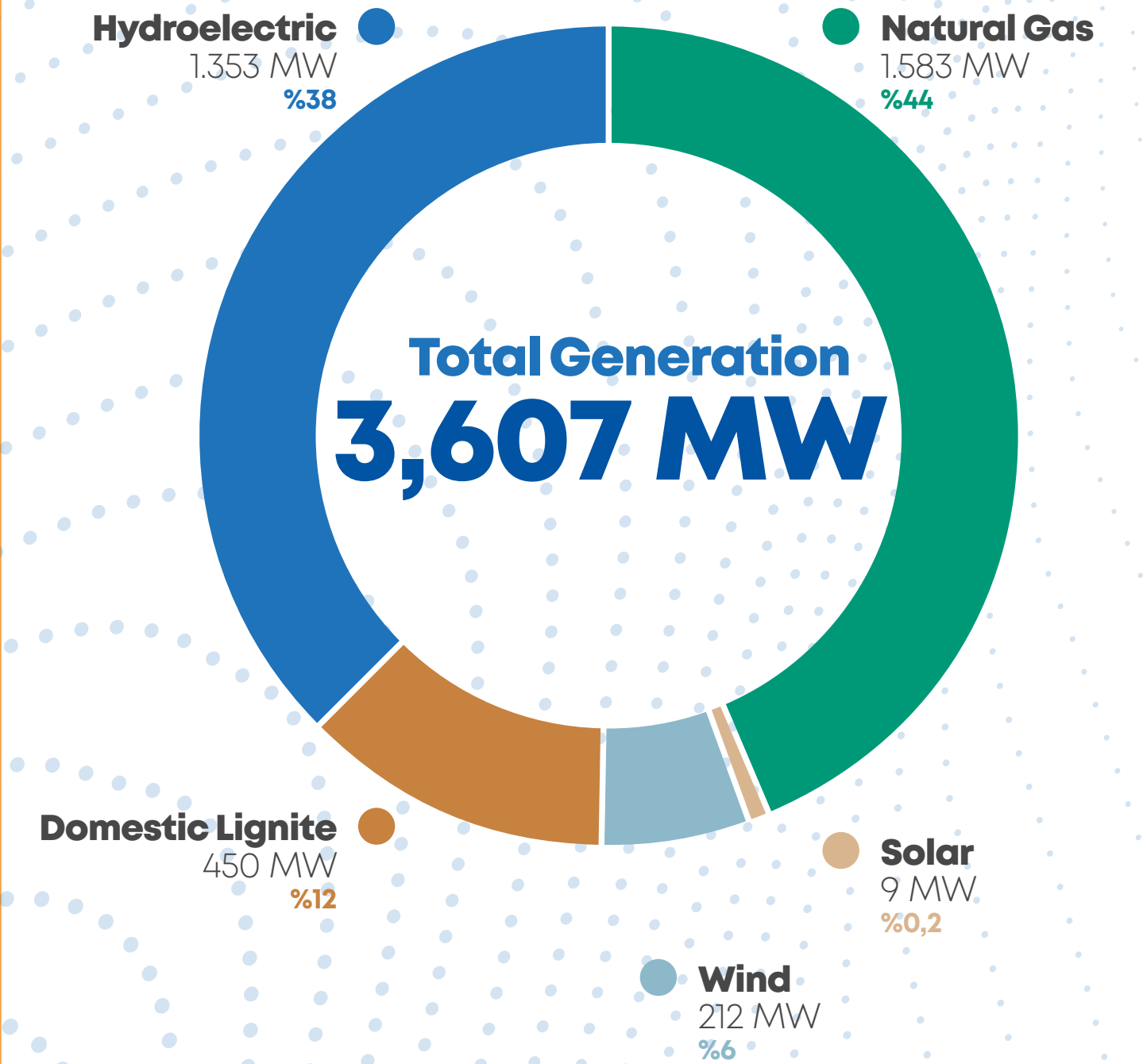


ENERJISA ÜRETİM

ENERJISA ÜRETİM FACILITIES



- Wind
- Solar
- Hydroelectric
- Natural Gas
- Domestic Lignite
- YEKA Project Areas (under proect process)
- Investments at construction stage



PARTNERSHIP STRUCTURE

Enerjisa Üretim carry out its operations with the strength it derives from **Sabancı Holding**, one of the leading companies of Turkey, and **E.ON**, one of the world's largest electricity and natural gas supply companies.

ENERJISA ÜRETİM

50% SABANCI HOLDING A.Ş.

Hacı Ömer Sabancı Holding A.Ş. is the parent company representing the affiliated companies of Sabancı Group, one of Turkey's largest conglomerates, and manages the companies affiliated to the Group with a strategic perspective. Sabancı Group's main business areas are banking, financial services, energy, industry, construction materials and retail, which are the rapidly growing sectors of Turkey. As well as Sabancı Holding's own shares, the shares of its 12 subsidiaries are traded on Borsa Istanbul (BIST). Among Sabancı Holding's international business partners are Agesa, Bridgestone, Carrefour, E.ON, Heidelberg Cement, Marubeni, which are the world's leading companies in their fields.



60,000+
EMPLOYEES



OPERATIONS
IN 14
COUNTRIES



9 GLOBAL
PARTNERSHIPS

50% E.ON SE

E.ON is an energy company based in Essen, Germany that focuses on two core businesses in Europe, management of distribution grids and customer solutions. Providing services to more than 51 million customers, the Company is one of the largest companies on DAX Stock Exchange.



30 BILLION+
EUROS
REGULATED
ASSET BASE



APPROX. 1 MILLION
KM OF ELECTRICITY
DISTRIBUTION GRID



ALMOST 78
THOUSAND
EMPLOYEES

AWARDS

KINCENTRIC
Best Employer

Kincentric Best Employer Awards
Turkey's Best Workplace Award
by Kincentric in 2021

PERYÖN ÖDÜL

13th Peryön Human Value Awards
Finalist in Creating Value in
Future Business Life and Learning
Organization and Learning Agility
categories

Grand Prize in the Employer Brand,
Loyalty and Corporate Culture
category

BrandonHall
GROUP

**Brandon Hall 2021 Human Capital
Management Excellence Awards**
8 awards in total
4 gold, 1 silver and 3 bronze

PRIDA

PRIDA Communication Awards
PRIDA Communication Award
in Change Management & Internal
Communication in the Pandemic
Period category



6th Felis Awards
Felis Award in the Corporate
Reports category under the
PR section in which 211 projects
competed



Istanbul Marketing Awards 2021
Gold Award
in the Employer Brand section of the
Corporate Communication main
category



2021 Galaxy Awards
European Silver Award
in the Annual Report Design: Non-
traditional Reports category at the
2021 Galaxy Awards, organized by
US-based Mercomm



iNova Awards 2021
Energy Industry Bronze Award
in the Online Annual Reports
category at the iNova Awards
2021, organized by Mercomm, a
US-based communication awards
organization



IDC CIO Awards 2021
Third Prizes
Third Prize in the Best Change
Management category with our
“Senkron” project, and in the Best
Future of Work Human Machine
Collaboration category with our
“Hololens 2 Implementation” and
our “Remote Support for Power
Plants” project



The Stevie Awards 2021
A total of 4 Awards
3 awards (Executive of the Year, IT
Best Technical Support Solution,
Success in Organizational
Development) at The International
Business Awards and 1 award
(Success in the Learning
Technology Implementation) at
Stevie for Great Employers



IDC Turkey Cloud Technologies
Grand Prize in the “Best Saas”
category with our application
“Predictor Second Prize
in the “Best Cloud Transition”
category with our application
“CM Report”



Turkey's Most Admired CEO
Golden Leader 2021 Award
for İhsan Bayçöl

**4th Turkey Energy
and Natural Resources Summit**
Our Energy is
Our Future Award

Sustainable Finance Category
Award

DnA Awards
Two Grand Prizes
in two different categories

The Project that Creates the
Highest Value with WACOG
Optimization Award

Highest Value Creation Company
Award among Sabancı Holding
companies



CHAIRMAN'S LETTER

Dear Partners,

2021 was a year in which economic and operational fluctuations and challenges were experienced in the energy industry, as in many other industries. Despite both the global and local economic crisis and natural disasters caused by climate change, Enerjisa Üretim, as Turkey's leading energy generation company, has made and will continue to make a great contribution to the country's energy supply security with its strong portfolio and to the development and deepening of the energy market with its trade operations. In order to ensure the uninterrupted continuity of electricity generation, Enerjisa Üretim teams altruistically kept pegging away at their operations with all their energy. I would like to take this opportunity to thank Enerjisa Üretim employees for their dedication.

Dr. Eric René C. Depluet, our Chairman of the Board of Directors, who has assumed various roles and responsibilities at E.ON for many years, handed over the Chairmanship of the Board to me as of January 1, 2022. I am very keen and glad about this journey we set off with Enerjisa Üretim, where I have been a Member of the Board of Directors.

In 2021, Enerjisa Üretim has sustained its generation portfolio advantage in terms of energy resources which is one of its important competitive advantages, with its diverse, flexible, dynamic and highly efficient installed capacity of 3,607 MW. Enerjisa Üretim, which pursues all its operations for secure and sustainable energy generation with a focus on operational excellence, has managed to maintain the availability of power

plants at high levels. Despite the imbalance in financial markets and large fluctuations in exchange rates, it created significant value in 2021 with its optimization operations in the electricity market and by taking advantage of the developing trade opportunities. Enerjisa Üretim started investing in the 65 MW Erciyes WPP project, which is one of the 100% renewable energy investments, and signed a 70 million dollar turbine investment contract with Nordex. It submitted the EIA applications for the 500 MW Renewable Energy Resources Zone (YEKA) project portfolio in Aydın and Çanakkale and succeeded in obtaining its preliminary licenses. It commissioned Tufanbeyli and Bares Hybrid Solar Power Plants, one of Turkey's first solar hybrid investments. Pursuing its operations for a sustainable future, it continues its new investments and projects with the same pace and success.

Enerjisa Üretim has taken significant steps in its digitalization journey as well and started to operate 12 Hydroelectric Power Plants and monitor all power plants via Senkron. Despite the fact that 2021 was a drought year, it made the best use of opportunities with its balanced portfolio, reaching its profitability target well above its budget. It paid its shareholders \$70 million as first dividends and made commitments for future dividend payments. In order to convert the company's experience in the terms of trade into value in foreign markets, Enerjisa Europe, for which electricity trade licenses were obtained in Hungary, Bulgaria, Romania and Serbia, made its first cross-border operation to Hungary.

LEADING
PRIVATE SECTOR
ELECTRICITY
COMPANY

In 2021, Enerjisa Üretim has sustained its generation portfolio advantage in terms of energy resources which is one of its important competitive advantages, with its diverse, flexible, dynamic and highly efficient installed capacity of 3,607 MW.



CHAIRMAN'S LETTER

Domestic and renewable energy sources have a share of approximately 56% in the total installed capacity of Enerjisa Üretim. This significant percentage highly contributes to the goals related to the competitiveness of the portfolio of Enerjisa Üretim, as well as the energy supply security in Turkey and improvement of current account balance. As the pioneering and leading player in the developing and deepening energy trade in Turkey, Enerjisa Üretim facilitated the effective optimization of the largest generation portfolio operated by the private sector in Turkey in futures market, days-ahead, intraday and balancing power markets, and created value for its stakeholders. Hence, electricity and natural gas products are successfully traded with futures and option contracts in Turkey and with neighboring countries, particularly with Eastern European countries.

2021 was a record-setting year for Enerjisa Üretim. Tufanbeyli, Bandırma I, Bandırma II and Dağpazarı Power Plants completed 2021 by setting the records in terms of generation. Tufanbeyli Power Plant set another record with a generation of 3,450 GWh; Bandırma I Power Plant generated record electricity of 5,719 GWh and Bandırma II Power Plant 4,241 GWh, increasing

their availability to 91.51% and 98.03%, respectively. Dağpazarı WPP set its annual generation record with a net generation of 120 GWh in 2021, accomplishing its highest generation so far.

Enerjisa Üretim will undoubtedly sustain its successful performance in 2022 and continue to add value to its stakeholders. In this direction, operational excellence and digitalization, creating value with cross-border and innovative products in trade, utilizing new opportunities that may arise in renewable energy resources, and dynamic portfolio management are the main priorities of the company in 2022. Financial sustainability and effective cash flow management is an essential part of the strategy.

Hereby, we would like to express our deepest gratitude to particularly our CEO and all our managers and employees for their successful performances despite the challenging conditions we endured.

JOHAN MÖRNSTAM
CHAIRMAN OF THE BOARD

56%
share of domestic and
renewable generation

5.9 TWh
domestic and renewable
generation

RECORDS
generation records in
4 different power plants

BOARD OF DIRECTORS



JOHAN MAGNUS MÖRNSTAM
Chairman

Johan Moernstam 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. Moernstam 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. Moernstam held the role as CEO of E.ON Energidistribution AB, one of Sweden's largest power and gas distribution companies. Since 2020, Mr. Moernstam serves as the Senior Vice President of Energy NetworksEurope, responsible within the E.ON Group, for power and gas distribution in Sweden, Poland, Slovakia, Czech, Hungary, Romania, Croatia and Turkey.



KIVANÇ ZAIMLER
Vicechairman

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. 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 Chairman at ELDER, Turkish Vice President at World Energy Council; Chairman at TÜSİAD Energy Working Group; Member of the Board of Directors at 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 and Ageda.



NUSRET ORHUN KÖSTEM
Board Member

Orhun Köstem received his bachelor's degree from Middle East Technical University Mechanical Engineering Department in 1991 and completed his MBA Program at the same university. He also has a master's degree in Finance and Corporate Law from Bilgi University. Mr. Köstem joined Anadolu Group in 1994 and held various management positions until 2008. In 2008, he was appointed as the CFO of Efes Breweries International and in 2009 continued his career as Corporate Finance Coordinator of Anadolu Group. Mr. Orhun Köstem pursued his career in Coca-Cola İçecek where he worked from 2010 to 2016 as the CFO and from 2017 to 2018 as the Regional Director responsible for Middle East and Pakistan. Mr. Köstem served as the CFO of Anadolu Efes between 2019 and 2021. Mr. Köstem has been in charge of Group CFO of Sabancı Holding since 1 July 2021. He is also the Chairman and Member of the Board of Directors of Carrefoursa and Kordsa, respectively. Mr. Köstem is a member of CFO Network of the World Business Council for Sustainable Development (WBCSD).



HAKAN TIMUR
Board Member

Hakan Timur has BA degree in "Economics" from Istanbul University and received his Master's degree in "Energy and Technology Management" from the Sabancı University. He started his professional career in 1997 at Marsa-Kraft Foods International and pursued his career from Human Resources Specialist to Human Resources Manager level in here until 2006. After that, he held various roles in Sabancı Group containing different industries, different companies and international responsibilities. He has been working as Sabancı Group HR & Sustainability Group President since February 1st, 2018. In addition to his duty of Human Capital & Sustainability Group President, Hakan Timur also serves as the Executive Committee Member at Sabancı Holding, Chairman at Teknosa and holding roles of Board Member / Vice Chairman in companies; Çimsa, Afyon Çimento, Enerjisa Enerji, Enerjisa Üretim and SabancıDx. He is also Member/ Board Member in several NGOs such as Özel Sektör Gönüllüleri Derneği-ÖŞGD, Yönetim Kurulu Üyeleri Derneği- YÜD, Sürdürülebilir Kalkınma Derneği Türkiye-SKDT and the World Business Council for Sustainable Development (WBCSD). Timur also serves as the Chairman of TÜSİAD's Employment and Social Security Working Group.



THORSTEN LOTT
Board Member

Thorsten Lott received his degree in business administration at the Georg-August-University in Göttingen. He joined the VEBA-group in 1999 as a business controller for the sales and trading activities in Hanover. After the merger of VEBA and VIAG, he moved to the newly founded E.ON Energie AG in Munich where he held different financial leadership positions in the areas of Risk-Management, Controlling and Derivative Accounting. In 2007, Thorsten Lott joined E.ON Kernkraft in order to facilitate the development of international nuclear new built projects. After holding different financial leadership positions within the nuclear area, he took over the controlling responsibility for nuclear activities within the E.ON group (Germany and Sweden) within the newly founded E.ON Generation. In addition, he accounted for the controlling activities of all hydro generation activities of the E.ON group (Sweden, Germany, Italy and Spain). In 2015, he took over the head of finance position for all nuclear activities. In 2017, Thorsten Lott was appointed as a member of the board (CFO) of PreussenElektra which is responsible for the management of all remaining nuclear activities within the E.ON group.



DR. EVA-MARIA VERENA
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.

CEO'S LETTER

Dear Stakeholders,

There is a well-known Chinese proverb; "May you live in interesting times!". This phrase may sound blessing at first sight, but the Chinese use it as a curse. It would not be an exaggeration to claim that we are living in "interesting times" when we consider what has happened in 2021 both in the world and in our country. 2021 has been a year in which the impacts of the economic challenges that came along with COVID-19 continued in a widespread manner. Occasionally, global economic fluctuations were recorded. The effects of inflationary pressure were experienced in many countries. Commodity prices broke records, causing the energy crisis and driving electricity prices upwards.

2021 has been a year, which was challenging, didactic and at the same time full of opportunities for the energy industry

In 2021, we felt the impacts of this worldwide adverse trend in various forms in our country as well. Within the same year, we experienced drought, fires, floods and mucilage, which is also an environmental issue.

As in many other sectors, the energy sector encountered economic and operational challenges as well. High commodity prices and drought were the two major factors shaping the energy market in Turkey. In the summer period, demand increased due to industrial growth, while supply shortages due to drought brought along supply-demand matching difficulties. Record-breaking price formations in commodity prices increased costs. The fact that the

power plants, which postponed their maintenance and failed to perform their maintenance, were offline during the pandemic period, fueled the supply shortage. Whereas the wholesale price of electricity had hardly reached the maximum market limit before 2021, it remained at the maximum limit, especially in the second half of 2021. The burden of subsidies on electricity and gas on the state has increased.

Despite such a challenging year and all difficulties, we look to the future with more confidence in the light of the positive developments we observe. The fact that hybrid power plant investments have started to gain momentum in Turkey is a situation that we follow with pleasure in terms of sustainable energy. We also find it pleasing that the Paris Climate Agreement has been approved by the Turkish Grand National Assembly and that the emission targets for 2030, 2040 and 2050 have begun to be shared by large companies.

A year of achievements and records for Enerjisa Üretim

Occupational Health and Safety has always been the most critical priority for Enerjisa Üretim. We employ eco-friendly and efficient energy technologies in our power plants. Green energy comes first in our energy generation plans. In terms of Occupational Health and Safety, we operate in line with our "OHS at All Times" perspective. As a result of these approaches, 2021 was a year full of records, in which we, as Enerjisa Üretim, sustained our achievements. In line with our mission of generating energy for a better future, we continued our energy journey without compromising our principles and without losing pace. As in previous years, we achieved outstanding results in 2021 with the advantages we provided with flexible, competitive,

efficient, balanced and eco-friendly power plants and the measures we have taken on time. As a company having celebrated the 25th year in the industry last year, we have accomplished our operations and projects worthy of our 25th anniversary.

Although 2021 was a dry year for hydroelectric power plants, we delivered a successful picture with the measures we took on a timely basis. We set generation records at 4 power plants in total, namely Tufanbeyli, Bandırma I, Bandırma II and Dağpazarı Power Plants. We contributed to the security of supply of our country by means of both high availability rates and our diversified and strong portfolio. We have made a great contribution to the development and deepening of the energy market through our trade operations.

We developed hedge strategies against sudden fluctuations in the exchange rates. By the virtue of our strong data analytics and optimization capabilities, we have become a player that makes a difference in the energy industry by managing volatility in the best possible way.

We have met the short-term operational and profitability targets of our shareholders, and successfully managed their long-term growth expectations in a balanced way. By means of our strong financial performance, we maintained our growth strategy and provided a sustainable dividend flow to our shareholders. As a result of all these achievements, we made our first dividend payment of 70 million USD in 2021.



CEO'S LETTER

Continue with sustainable energy investments without losing pace

As a company with 56 percent of its portfolio consisting of domestic and renewable resources, we started a new phase in renewable energy investments in 2021. Our 10 final projects in Aydın and Çanakkale Regions were published in the Official Gazette and announced as YEKA sites. We started to obtain the preliminary licenses for our 500 MW project portfolio. We commissioned our Tufanbeyli and Bares hybrid solar power plants, which are among Turkey's first solar hybrid investments. Starting the construction of the 65 MW Erciyes Wind Energy Project in Kayseri, we started to fly our flag at a new site. We signed the turbine supply and maintenance contract with Nordex for Erciyes WPP. There, we will use the largest rotor diameter turbines of Turkey. We are preparing to commission our Y Power Plant by the end of 2022. With the realization of our project, we will increase our overall installed capacity to 3,672 MW. Thus, we will continue to maintain our position as an electricity generator with Turkey's leading renewable portfolio with our increased capacity. For the next 5 years, we are going to make all our investments on wind and solar energy.

Leadership not only in generation but also in all spheres

As Enerjisa Üretim, we operate with the awareness of leadership for the development of the industry. As well as expanding and diversifying our own capacity, we develop solutions and collaborations that will increase the operational capabilities of small-scale players for sectoral development, provide consultancy, and offer structured commercial products. As a market maker, we ensure that the system remains stable so that

small-scale players can continue their business. We share our knowledge and experience with the entire industry in line with our collaboration culture.

We completed the year well above the profit targets in gas and electricity trade, reaching a total sales and trade volume of 34 TWh. In the energy markets, we recorded a significant rate with 40% trade volume. We continued to shape the industry as Turkey's leading energy trading company via our electricity and natural gas trading companies.

Our expansion abroad gains ground

Enerjisa Europe, which we established to carry out electricity and natural gas trading operations in Eastern Europe, performed its initial trade transaction in the Hungarian market on September 24, 2021. Having completed its licensing procedures in all Eastern European countries despite the pandemic conditions, Enerjisa Europe will expand its trade network in 2022. In addition to its electricity and natural gas trade operations, it will also accomplish trade transactions among countries.

Our digital journey is under way

In order to fulfill our Enerjisa Generation vision, we pursued our operations with a lean, flexible and dynamic working model free from hierarchy. We have actuated the information technology business partnership structure that will accompany business units throughout their digital journey. We have created a mentoring structure to provide support on issues that require coordination and guidance in multidisciplinary structures.

Senkron is one of the best practices of the realization of our goals of digitalization and pursuit of excellence. We carry out the remote operation of our 12 hydroelectric power plants, and monitor the processes of our wind, solar and thermal power plants through the Central Operations Room Senkron established in Istanbul Ataşehir Head Office. In a short period of time, we will also operate all our wind power plants from Senkron. By the virtue of Senkron, we have achieved a first in Turkey by combining our entire portfolio spread all over Turkey under one roof. We make a difference and ensure the development of the sector by managing power plants that are not directly within our structure, under this roof as well.

Our strength is our people and our culture

Our company derives its utmost strength from the people on the way to be a successful and sustainable company. We consider everyone who contributes to company performance and corporate culture, as a value. We are committed to increase employee satisfaction and engagement, and to increase the employer brand value, so as to become one of the best employers preferred by talents.

Enerjisa Üretim's "WE GENERATE" philosophy is not limited to generating energy only. For Enerjisa Üretim employees, "Generating" also means generating knowledge and culture, but more importantly, sharing this knowledge and inspiring. In this context, we participated in the "Leading Corporate Transformation in a Post-Covid World" event held by "WHU - Otto Beisheim School Of Management", which is the best business school in Germany and one of the most important ones in the world, and we explained the

ambitious transformation process of Enerjisa Üretim following the split-off of Enerjisa in 2017.

With this presentation, which told the story of our 4-year transformation process, our teams pursuing excellence, and the path covered, we demonstrated our difference at a global event attended by outstanding brands. At this point, I would like to congratulate the entire Enerjisa Üretim team who contributed to the transformation.

We focus on our employees and create opportunities for their development, attach importance to the continuous development of them, and we consider our company as a school that raises long-term trained, experienced and visionary teammates for the industry. In addition to several trainings we have organized, we launched the Power MBA program in cooperation with Sabancı University EDU in 2021. The Power MBA Program was kicked off in October 2021 with its first-term participants. Among 25 participants, there were Enerjisa Enerji, Akbank, Garanti Bank, Sabancı DX and Nordex employees as well as Enerjisa Üretim employees. We aim the Power MBA program to be a development program that guides the energy industry. In line with this aim, we will continue to open this program every semester with new participants from public and private sector players in Turkey and other geographies where we operate.

We organized Turkey's first Physical Asset Management Conference on 9-10 December at Tufanbeyli Spektrum Academy. More than 150 physical and 2,000+ online attendance from 18 different organizations was recorded in the conference, which was organized with the participation of leading energy companies from the industry, technology and consultancy companies, certification bodies and academicians.

CEO'S LETTER

We generate with respect to life through our social responsibility and sustainability strategies

Social responsibility and sustainability are positioned at the center of our way of doing business. We structure our environment, social and governance understanding on the axis of sustainability principles, integrating an inclusive approach ranging from gender equality to biodiversity.

Furthermore, we carry out many social responsibility projects and activities. To honor our 25th anniversary, we have planted 250,000 saplings and committed to plant 10 thousand times our institutional age each year. In line with this perspective, we define sustainability as a holistic approach that should be integrated into all our decision-making processes and way of doing business. We have obtained the ISO 55001 asset management certificate as a first in Turkey. Our CDP score was registered as "B".

We support local development and prioritize local resources in employment and procurement practices. We encourage our employees to volunteer in social responsibility activities. With the documentary "Saimbeyli Mavisı", which we sponsored and shot in collaboration with Coşkun Aral and Habitat TV in August, we created awareness for Saimbeyli, which is located in the vicinity of our Tufanbeyli Power Plant and Yamanlı II Hydroelectric Power Plant. We aim to turn Saimbeyli District, which is among the 10 important butterfly areas in Turkey and which has approximately 40% of Turkey's butterfly biodiversity, into a niche tourism center, to enhance the level of income in the district via eco-tourism and to protect biological diversity.

We have developed carbon certificates of our own assets and are actively trading them.

Enerjisa Üretim is preparing for a new transformation with "Üretim Next"

The years 2017-2021 have been the Transformation Period for our company. During this period, we carried out significant infrastructure tasks and established a structure that will prepare ourselves for the future. Now we are starting a new transformation, that is, the period we call "Üretim Next". In the new period, we will transform Enerjisa Üretim into a company, which

- makes the best use of data in the world,
- places people at the center of its business,
- is a benchmark with its digital competencies,
- expands its trade operations in Europe exponentially,
- has taken its sustainable success to different continents with the awareness of generating with respect for life.
- has initiated brand new operations.

To serve this journey, we keep our organizational structure, staff, outsourcing preferences, managerial structure and practices more agile and dynamic, and shape them in line with the conditions and requirements of our age.

Up until today, we have taken significant steps towards becoming a digital electricity generation and trading company. In order to realize our dreams in our "Üretim Next" journey, we need to be a team that:

- possesses high digital capability,
- adopts the agile approach,

- acts in accordance with the conditions and requirements of the new world,
- is forward-looking,
- is curious,
- retains the courage to forget what they know and re-learn when necessary,
- does not refrain from trial-and-error,

and we continue to implement our plans so as to create an environment that will enable all these.

Our agenda for 2022

In order to achieve outstanding results in a constantly changing, dynamic and challenging agenda, we closely follow developments and create proactive strategies. Accordingly, our key priorities in 2022 will again be:

- Operational excellence and digitalization,
- Creating value with cross-border and innovative products in trade,
- Growth in non-capital intensive areas,
- Making best use of new opportunities that may arise in terms of renewable energy sources,
- Sustaining hybrid power plant investments
- Dynamic portfolio management

In 2022, the increase in energy generation costs due to the global political and macroeconomic crises may expose Turkey to geopolitical and economic risks. Potential market fluctuations and deterioration of the supply-demand balance may open the door to regulatory interventions. As Enerjisa Üretim, we have made our arrangements. By the virtue of our diversified portfolio, strong financial structure and competent human resources, we aim to maintain our position as the industry leader in the upcoming period as well.

As Turkey's leading electricity generator in renewable energy, we pursue our investments in hybrid power plants. Our target is to gradually add a total of 150 MW solar hybrid power plants to our portfolio within three years. In this context, we took the first step for an investment of 30 MW, which we will commission in 2022, and made supply agreements. We will be commissioning Erciyes WPP in 2022. We generate the first green hydrogen at the power plant and follow M&A and investment opportunities in renewable energy. Enerjisa Europe will also carry on expanding its business areas. Continuing to pay dividends in a sustainable manner will be among our priorities.

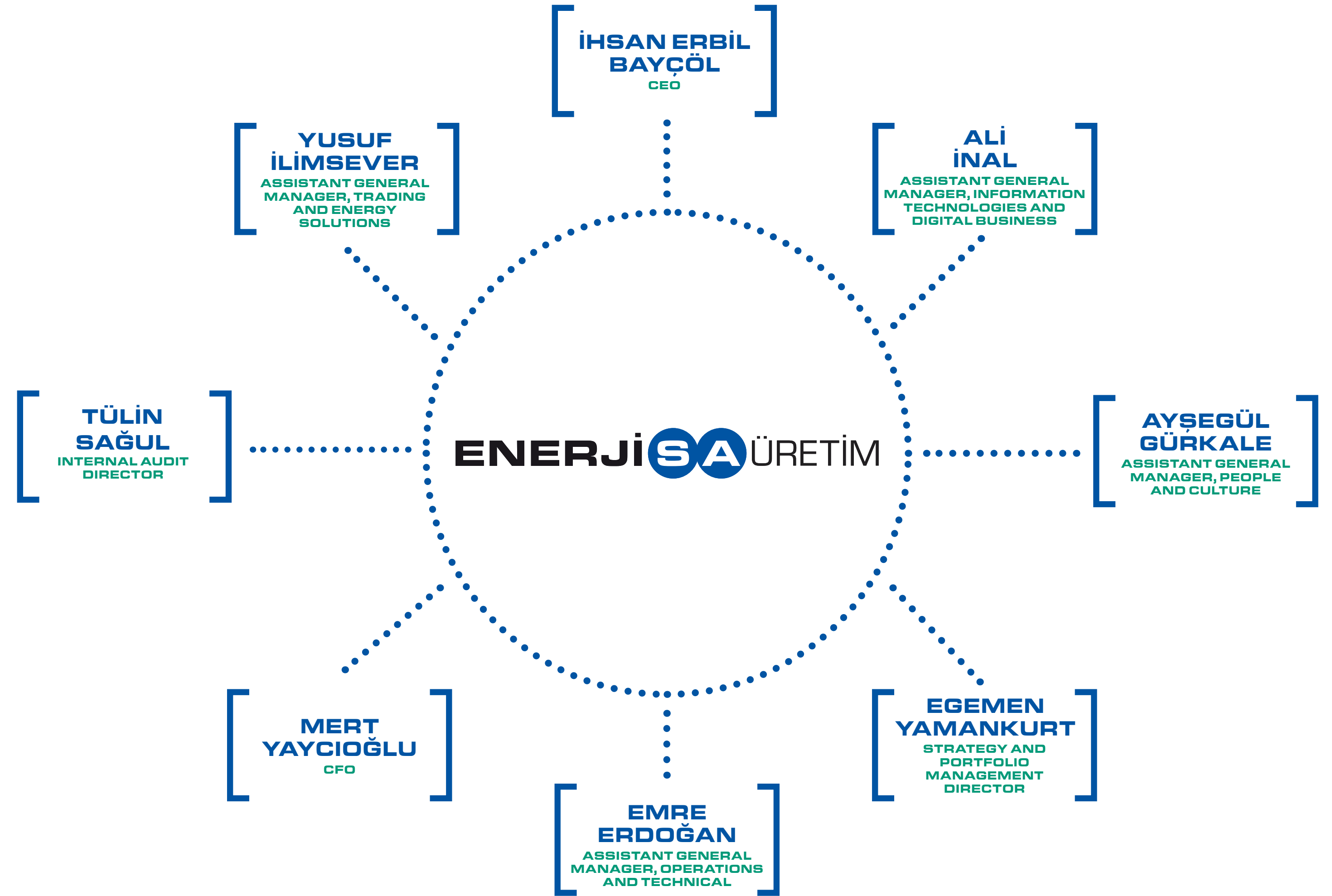
We proceed taking significant steps in terms of gender equality and we design projects where we will provide several developments within the scope of diversity and equality. We are planning to implement the "Training program for 500 women students", which will be launched in 2022, in partnership with imeceLAB, and we aim to contribute to the increase in the rate of women employees in the sector.

Finally, I would like to express my pleasure to be a part of such a dynamic and visionary company. On my way to office every day, I feel that it is a great opportunity for me to work with a team that I am proud working with, that I know I can trust in challenging times, and that makes Enerjisa Generation the largest electricity generation company of Turkey. These achievements belong to all of us as a team. Let's keep up the good work together!

With Best Regards,

İHSAN ERBİL BAYÇÖL
CEO

ORGANIZATION CHART



LEADERSHIP TEAM



İHSAN ERBİL BAYÇÖL
CEO



After graduating from Boğaziçi University Civil Engineering Department in 2000, he completed his

MBA at Sabancı University. He successfully completed the Advanced Management program at WHU Otto Beisheim School of Management. He started his career as a Project Control Engineer at Bechtel-Enka Joint Venture and joined Enerjisa in 2008. He has been serving as the CEO of Enerjisa Üretim since January 2020. Cycling is his greatest passion, team games and basketball are also among his hobbies. He is married and has two children.



MERT YAYCIOĞLU
CFO



Since 2012, Mert has held the positions of Enerjisa Üretim Finance Director, Enerjisa Group Control and Risk

Management Director, Enerjisa Distribution Companies Finance and Purchasing Director, in chronological order, and as of 2020, he has been working as Enerjisa Enerji Group Purchasing and Business Unit Finance Department Head. Mert, who started taking part in Enerjisa Üretim team in 2022, is married and has one child. Among his hobbies are playing tennis and gastronomic cultures.



AYŞEGÜL GÜRKALE
ASSISTANT GENERAL MANAGER,
PEOPLE AND CULTURE



Ayşegül joined Garanti Pension and Life A.Ş as of 2003, where she worked in Product Development,

Strategic Planning, and Regions Performance Tracking departments, respectively. She worked as the Regional Manager between 2008-2013 and finally as the Human Resources, Organization, Purchasing and Administrative Affairs Director between 2013-2017. Joining Aksigorta as Assistant General Manager of Human Resources as of 2017, Ayşegül took charge of Human Resources, Purchasing and Administrative Affairs, Agile Office, Sustainability, Corporate Communications, and started to take place in Enerjisa Üretim team in 2022.



EMRE ERDOĞAN
ASSISTANT GENERAL MANAGER,
OPERATIONS AND TECHNICAL



After graduating from Boğaziçi University Civil Engineering Department in 2001, he completed his

MBA at Koç University. He started his career as a Planning Engineer at the Bechtel-Enka Joint Venture, and has almost 20 years of work experience. He joined Enerjisa Üretim in 2018 as Assistant General Manager, Operations and Technical. His hobbies are sailing and motor sports. He is married and has two children.



YUSUF İLİMSEVER
ASSISTANT GENERAL MANAGER,
TRADING AND ENERGY SOLUTIONS



After graduating from Middle East Technical University, Department of Industrial Engineering,

he received his International Business degree from Kingston University in 2009. He started his career at JJ Food Service company and worked there between 2010-2011. Having returned to Turkey in 2011, he joined Enerjisa in the same year and held expert and managerial positions in Energy Trade and Risk Management. With nearly 12 years of work experience, he has been working as the Energy Markets Director at Enerjisa Üretim since July 2019. His hobbies are football, history and travelling. He is married and has one child.



ALİ İNAL
ASSISTANT GENERAL MANAGER,
INFORMATION TECHNOLOGIES AND
DIGITAL BUSINESS



After graduating from Doğuş University, Department of Industrial Engineering, he completed

his master's degree in IT Business Solutions at Austrian Alpen-Adria University. He also completed the Gold for Business Leaders program for senior executives at the HEC Business School in France. He started his career at Advancity Internet Solutions company in 2001, and has nearly 21 years of work experience. He joined Enerjisa Üretim in July 2019 as Information Technologies Director. Among his hobbies are technology, music, amateur astronomy and whiskey culture. He is married and has three children.



EGEMEN YAMANKURT
STRATEGY AND PORTFOLIO MANAGEMENT
DIRECTOR



He graduated from Anadolu University Civil Engineering and Environmental Engineering departments

in 2008. Afterwards, he had his postgraduate study in Hydrology and Water Resources, and completed the MBA program at Sabancı University Faculty of Management. After starting his career as a Field Engineer at Eskişehir Wastewater Treatment Plant Project in 2008, he worked as a Hydraulic Engineer at DHI Slovakia in 2009. After completing his project as a Project Assistant at Anadolu University, he started working at Enerjisa as a Dispatch and Real-Time Optimization Specialist in 2011. Among his hobbies are traveling, swimming and movies. He is married and has a daughter.

PEOPLE & CULTURE

We transform energy into value.

Our most valuable asset is our human resources. We offer a happy and successful work environment to our experienced, expert and hardworking employees. We grow together with the training and career opportunities we provide.



PEOPLE & CULTURE PRACTICES

As Enerjisa Üretim, we work in line with our vision of adding value to the sector and Turkey. We consider everyone who contributes to the company performance and corporate culture as a value. We focus on our employees and create opportunities for their development.

PEOPLE

WE FOCUS ON OUR EMPLOYEES AND CREATE OPPORTUNITIES FOR THEIR DEVELOPMENT.

LOCAL

WE SUPPORT LOCAL DEVELOPMENT AND PRIORITIZE LOCAL RESOURCES IN EMPLOYMENT AND PURCHASING PROCESSES.



PEOPLE & CULTURE PRACTICES

Prioritizes flexibility, transparency and speed.



Adapts systems and organizational structure around agility and simplicity principles.



Aims to maximize the efficiency throughout the organization. Supports both managerial competency development and technical expertise.

Supports team spirit and cooperation development among employees via feedback and performance culture.



Attaches importance to work & life balance of employees and their well-being.



Encourages employees to volunteer in social responsibility activities.

PEOPLE & CULTURE PRACTICES

CAREER

In line with the Career & Development Programs, Enerjisa Üretim offers two paths: individual contributor path and manager career path.

Individual contributor path: Employees aim to have theoretical or conceptual expertise gained through experience or rare knowledge of a specific topic or field.

Managerial path: Employees achieve business goals through the teams they work with. The most important difference from the individual path is that even if the managers take part in the operation of the work, all or most of the work is done by the team.

Data-Driven Workplace Analysis

As Enerjisa Üretim, we enrich our journey of employee experience through various initiatives. We assess our business habits with data-based analysis and target an organizational development with a proactive approach. As a result of the analyzes, we design our short-medium-long-term initiatives by setting actions that are in line with our company and People and Culture strategies.

Young Ideas

We encourage generations to work together and learn from each other so that different generations better understand distinct perspectives. Young employees under the age of 30 share their ideas with the management team through the Young Ideas program, which is conducted for this particular purpose.

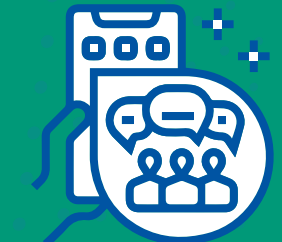


FIELD PRACTICES

Career Talks



University Events



University Collaborations



Organizational Success Plan

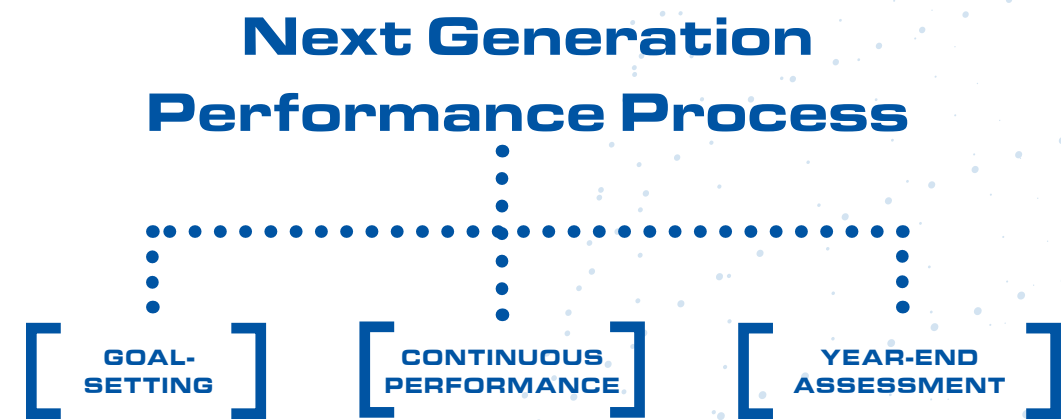


PEOPLE & CULTURE PRACTICES

FEEDBACK CULTURE

The Continuous Feedback Performance Management System

We deploy the Next Generation Performance Process to support performance culture, which is one of our strategic priorities. The process consists of three steps:



360° Principles Assessment

Employee Participation in Management

Employee Committee

856

number of employees

36

average age of our team

We support the career journey of our employees on the way to success. We know the importance of data in this journey and we continue our digitalization operations in the People and Culture Department.



PEOPLE & CULTURE PRACTICES

TRAINING & DEVELOPMENT

We design learning and development products to enhance our behavioral, professional and leadership competencies in line with the strategic goals and the needs of the employees. In addition to the training, we also benefit from tools such as coaching/mentoring opportunities, foreign language training, professional development and experiential learning methods. As well as face-to-face options, our online training platform, E-Development portal, provide innovative and rich content including the following topics:

- E-Orientation
- Technical
- Information Technologies
- Mandatory
- Managerial Competency

In case of need, we design combined experiences from in-class, digital and individual learning methods and offer options that enrich the learning journey.

Enerjisa Üretim Academy

In 2021, Spektrum continued its activities for all Enerjisa Üretim employees under the titles “Learn”, “Share”, “Try”, “Read”, “Discover”, “Enjoy”, “Lab”, “Fun”, which constitute its foundation philosophy, in classrooms organized in accordance with pandemic conditions. It became a sector-leading training institution with 935 different training contents and 99 hours of training per employee per year. The number of trainings on

the e-Development platform increased by 197%, with original training contents designed by in-house trainers who are experts in their fields.

We planned, budgeted and carried out the training of employees in the head office and power plants according to the training competency matrix according to the positions held.

In accordance with the Spektrum Philosophy, beyond technical training, we organized coding and English speaking trainings not only for employees but also for stakeholders and their families and children. With contents such as breast cancer awareness, photography, planting trees, we provided content that participants can benefit from and improve themselves while having fun.



PEOPLE & CULTURE PRACTICES

TRAINING & DEVELOPMENT

Orion Experience and Development Program

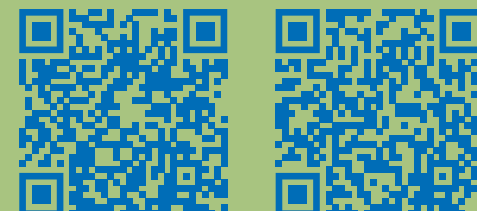
Orion is an experience and development program designed for 4th year university students and recent graduates. The training aims to equip the candidates selected within the scope of the departments determined in each phase, with the technical competencies of the relevant department. It is designed as a 6-month development school that will prepare new graduates for business life through various workshops, group works, 1-1 mentoring on the career path, power plant trips, vocational and behavioral competency training, seminars, guest speakers and the project to be prepared at the end of the program. Almost nine thousand people applied to the two-term program.



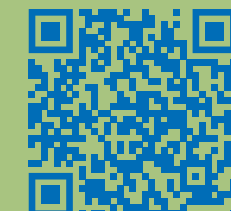
WE ARE HAPPY!

We received more than 5000 applications and we got together with our young teammates.

Orion Introductory Videos



Orion Career Talks



2021 Trainings

Total Statistics	In-House (Hour)	Out-sourced (Hour)	Grand Total (Hours)	Training Per Employee (Hours)
OHS Technical Trainings Behavioral Competence Trainings Legal Trainings (E-Development +HR-WEB)	46,023	37,518	83,541	99

Technical Training

We identify the technical training needs in the light of the competency and training matrices created for the positions in the departments. We design technical training as a journey specific to each department and position, and include experts working in both power plants and central functions. We organize the training online and face-to-face and involve external speakers who are experts in their fields or the internal experts. The number of courses in our technical training catalog is approximately 500. We announce the annual training programs to the employees and plan them together.

In 2021, we provided a total of 35.797 hours of technical training, and 28.483 hours of this total was face-to-face and 7,314 hours over E-Development.

Master & Doctorate Study Support

In 2021, we provided support to all our employees who applied to the Master and Doctorate Study Support program, as we did in 2020.



935
training content

99 hours
annual training per employee

%197
increase in the number of trainings on e-development platform

[35,797] [28,483 hours remote]
hours [7,314 hours face-to-face]
total technical training

PEOPLE & CULTURE PRACTICES

TRAINING & DEVELOPMENT

Power MBA Professional Development Program

We conduct Power MBA, which is a Professional Development Program, in cooperation with Enerjisa Üretim and Sabancı University EDU. At Power MBA Program, participants acquire a robust perspective on the integrity of the energy industry. With the scientific infrastructure of the program, they have the opportunity to be obtain comprehensive information on energy markets, generation technologies, financial dimensions in energy business, and the strategic depth of energy and its future. Participants are provided training in 4 different modules on the following subjects in the program, which lasts for a total of 7 months.

- Fundamentals of Energy
- Energy Business
- The Future of the Energy Industry
- Operations and Technical Info

They reinforce the theoretical training they receive in the courses through observation on site at the field trips to the power plants. Within the frame of the program, guest speakers from inside and outside the sector are invited to share their experiences and knowledge from their own perspectives. In the last module of the program, our experienced team members from Enerjisa Üretim are involved as trainers and they share their knowledge and experience.



Power MBA



In creating this program, we were inspired by two quotes:

First, we reviewed Socrates' advice to teachers: "Don't teach your students anything, make them think. Because if they start to think, they will learn by their own efforts. And the knowledge learned as a result of effort becomes the most enduring knowledge. It never wipes."

Secondly, the American writer and futurist Alvin Toffler's quote, "Are you ready to learn, unlearn, and relearn?"

The Power MBA Program was launched in October 2021 with the first-term participants. Among our 25 participants, there are Enerjisa Enerji, Akbank, Garanti Bank, Sabancı DX and Nordex employees as well as Enerjisa Üretim employees. Our goal for the Power MBA program is to be a development program that provides guidance to the energy sector. In line with this goal, we will sustain the program with new participants from public and private sector players from Turkey and other geographies where we operate.

PEOPLE & CULTURE PRACTICES

WELL-BEING PRACTICES

Flexible Benefits

By means of the “Just For You” program, our employees attain the opportunity to arrange their existing fringe benefits according to their individual needs.



BİLBOT

BİLBOT is a chatbot application where employees can get 24/7 support by asking questions about People and Culture processes (Payroll, Leaves, Private Pension, Performance System, Overtime notification etc.) and Purchasing processes (procedure, application and status of purchase requests).



Hobby Clubs

By hobby club activities, we aim to:

- facilitate the development of hobbies for employees,
- enable employees to spend time together outside of work,
- enhance the communication between employees working in different departments.

Bless Your Energy

We aim to create opportunities and awareness for employees to lead a better quality of life via “Enerjine Sağlık” Program, which we practice in 21 different locations. We improve the physical health of our employees through on-site practices and exercises under the supervision of sports instructors, and we ensure that they acquire the right eating habits with dietitian visits. We aim to eliminate work stress with massage applications.

Glad to Have You

We have implemented “Glad to Have You” as a digital recognition-rewards system that supports company strategies, loyalty, goals and objectives. We aim to contribute to the formation, functioning and positive development of the corporate culture and way of doing business. We have made the system design based on transparency and in a way that all appreciation, likes and comments can be seen by everyone. Employees appreciate each other by sending badges in the system. The expendable badges earned from the system can be used on the shopping portal of more than 900 suppliers and brands.

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OCCUPATIONAL HEALTH & SAFETY

OHS TRAINING, DEVELOPMENT AND CULTURE

Instead of defining Occupational Health and Safety as a priority, we consider it as an indispensable part of our corporate culture adopting the slogan “OHS At All Times”. We review our activities every year, revise the processes when necessary, and raise our standards to a higher level. All of our employees, who define themselves as OHS volunteers, play an important role in creating and maintaining safer and healthier conditions and attitudes. We reveal our sensitivity on OHS issues with our OHS Policy.

OHS Training

We adopt a culture of continuous learning and development. In OHS management, we attach importance to training that inform employees about safe working conditions and enable them to adopt the OHS culture.

At Enerjisa Üretim, we regularly monitor all OHS-related investments and studies based on the following indicators:

Proactive Indicators

Our aim is to continuously improve the aspects of Occupational Health and Safety that are open to development. Accordingly, we work with our stakeholders and regularly practice the SIP (Safety Improvement Plan).

At the beginning of 2021, we carried out activities with the participation of 134 employees under the following headings:

- Leadership
- Employee Engagement
- Process Safety (Fire Fighting, Chemical Management, Incident Notification and Research)
- Traffic Management
- Labor Relations
- Pandemic Management

With a performance 166% above the target, we achieved the following outcomes:

Reactive Indicators

Total Recordable Incident Frequency Rate (TRIF) is calculated by taking the ratio of the number of incidents with no loss of working days but resulting in medical intervention, incidents with lost working days and fatal incidents to total working hours, and by multiplying this figure by a coefficient of 1,000,000.

Lost Time Injury Severity Rate (LTISR) is calculated by taking the ratio of lost working days resulting from injuries leading to lost working days to working hours and multiplied by a coefficient of 1,000,000.

When the data of the last 4 years are examined, a decrease of 49% in TRIF and 48% in LTISR was recorded. Moreover, incident-free operation has been ensured in Hydroelectric and Wind and Solar Power Plants.

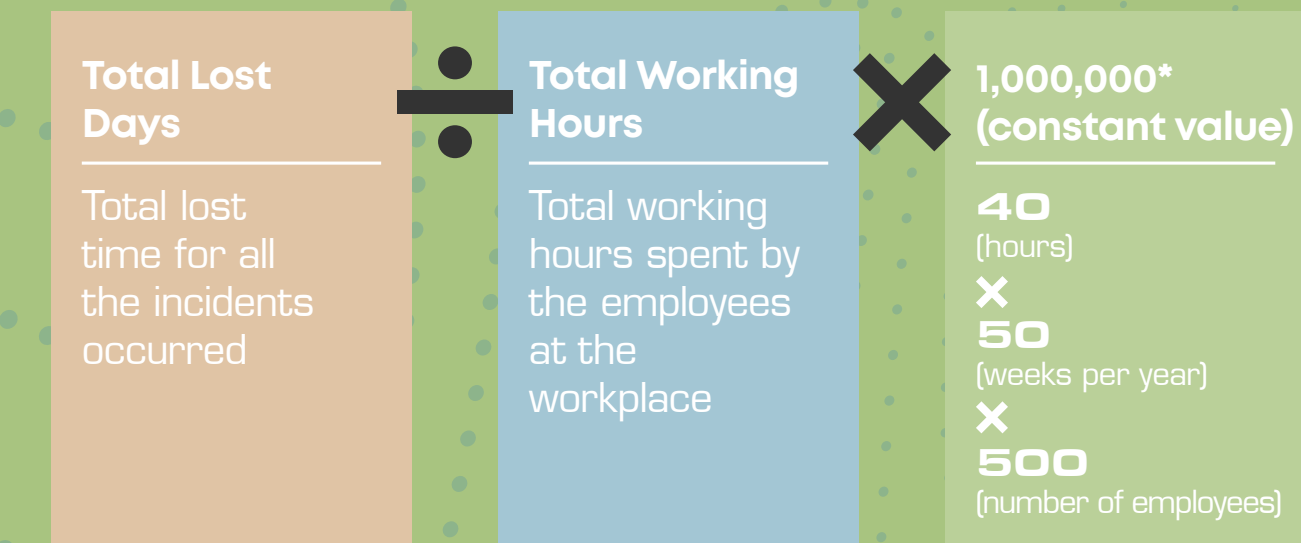
2021 reactive indicators	2018		2019		2020		2021	
	TRIF	LTISR	TRIF	LTISR	TRIF	LTISR	TRIF	LTISR
Enerjisa Üretim	6.1	84.5	2.4	34.2	2.9	9.7	3.1	44

TRIF



* Ratio of the number of accidents in total working time to one million man-hours

LTISR



* Ratio of the number of accidents in total working time to one million man-hours

OCCUPATIONAL HEALTH & SAFETY

TECHNOLOGY-DRIVEN INNOVATIVE PRACTICES

2022'de ise yine İSG birinci önceliğimiz olarak In 2022, we will focus on sustainability and sustainable supply chain as we continue to follow the most up-to-date international practices, further digitalize and improve our processes as our first priority at OHS.

ENSAFE (Occupational Health and Safety and Legal Compliance Tracking Software)

ENSAFE is the software developed by Enerjisa Üretim teams and used by our employees, and it enables the analysis and assessment of the dangers and risks within the scope of our operations, minimizing them, keeping the records of the events that create (or potential) negative situations under the following headings, determining the causes and defining the required actions.

- Non-availability of the power plant,
- Environmental, social, security
- Process safety

YES (Integrated System for Contractors)

It is the system we have developed to involve contractors in Enerjisa Üretim's OHS processes & raise awareness.

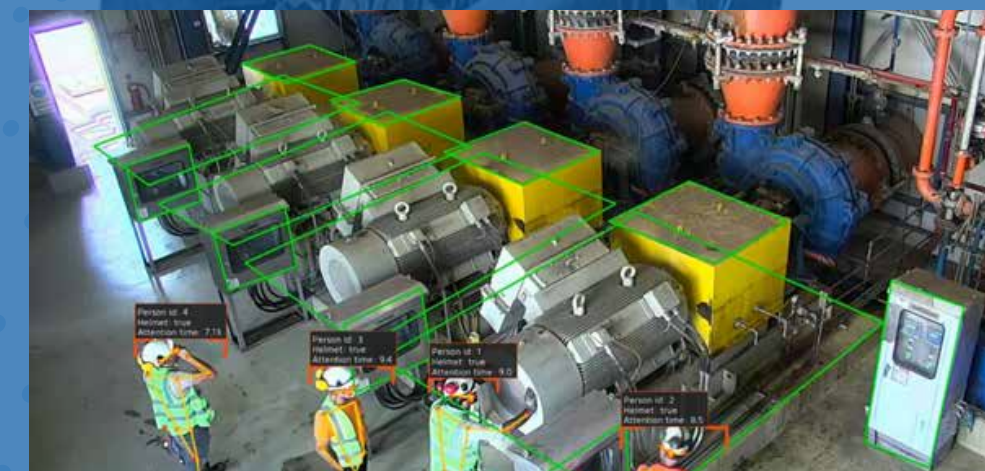
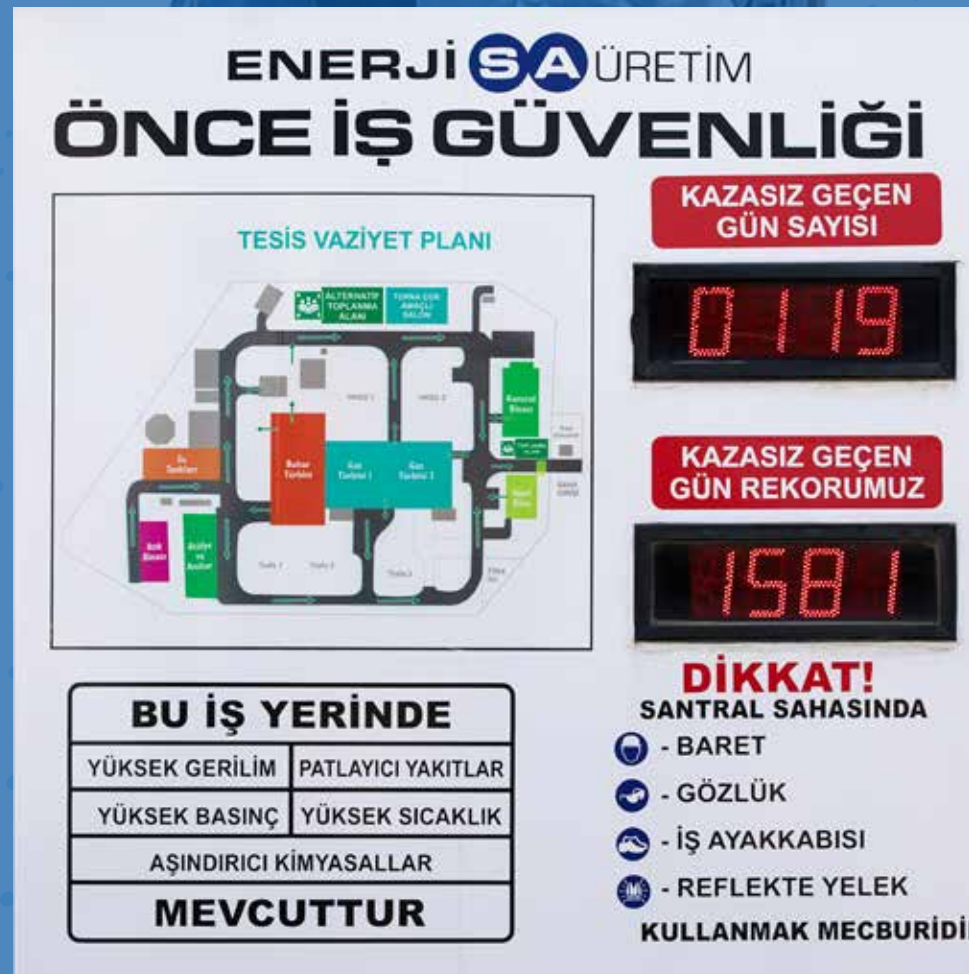
Fark@ (Mobile OHS Software)

It is the software we use ensuring that company and contractor employees can record the dangerous situations they observe and the near miss events they experience and create quick solutions before more serious incidents occur. Actions can be monitored and assessed on mobile phones.

Safety Vision

With this project, we are the first company in Turkey as well as being among the leading companies in the world in occupational health and safety. The project utilizes the existing cameras of the power plants, and by artificial intelligence technology, processes and reports the following processes in real time with over 90% accuracy.

- Employee & Equipment Check
- PPE Analysis
- Zone Violation Detection
- Detection of Anomalies
- Temperature Maps Analysis
- Pedestrian & Vehicle Road Violation Detection
- Safety Checks
- Physical Distance Analysis



In this process, which started as a start-up project, Safety Vision received 4 M USD seed funding.

40,040 hours

Total OHS training time in 2021
(including contractor)

47 hours

OHS training time per person

49%

TRIF decrease

48%

LTISR decrease

2 years

accident-free operation at wind
and solar power plants

PURCHASING DEPARTMENT

TARGET-ORIENTED AND SUSTAINABILITY-FOCUSED PURCHASING APPROACH

We conduct our purchasing operations in line with the Company's targets and sustainability principles. We establish long-term strategic relationship and collaborations with our suppliers. In these collaborations, we act with our motto "We win together". In this context, we have prevented our business partners and our operations from the effects of the crisis with the support we provide to them during the economic fluctuations we experienced along with the pandemic period and particularly in the last term of 2021. On the other hand, we expect all our suppliers to carry out their activities in compliance with national and international laws and regulations, and we conduct supplier audits accordingly.

We dealt with 1,158 suppliers in 2021. On a total item basis, we created 13,000 orders worth of 1.3 billion TL. We worked with 42 local suppliers in the regions where we operate, and placed orders of 100 MTL with these suppliers.

1,158
number of suppliers we worked with

13,000
units order

1.3 billion TL
worth of order

100 MTL
worth of local orders



OPERATIONS & TECHNICAL

We transform energy into power.

As Turkey's largest private sector electricity generator, we attach importance to resource diversity in order to ensure supply security. We guarantee our future with investments in sustainable energy.



CAPACITY

In terms of renewable energy, we generate energy with 3 wind, 2 solar and 12 hydroelectric power plants. 45% of our installed capacity consists of renewable power plants. We continue with our new investments with the 1 MW Hybrid SPP project, which

we energized in 2020 by further increasing the share of renewable energy in our generation portfolio. We are planning to increase the share of renewable resources to 54% with our 565 MW WPP ve 150 MW Hybrid SPP investments.

3

wind power plants

2

solar power plants

12

hydroelectric power plants


CAPACITY

WIND POWER PLANTS

All of our wind power plants have the “Carbon Gold” certification granted by The Gold Standard Foundation.

[Plants]

BALIKESİR WPP



INSTALLED CAPACITY	NUMBER OF TURBINES	YEAR OF COMMISSIONING	MAIN EQUIPMENT	LOCATION
143 MW	52	2013	General Electric	Balıkesir

DAĞPAZARI WPP



INSTALLED CAPACITY	NUMBER OF TURBINES	YEAR OF COMMISSIONING	MAIN EQUIPMENT	LOCATION
39 MW	13	2012	Siemens	Mersin

ÇANAKKALE WPP



INSTALLED CAPACITY	NUMBER OF TURBINES	YEAR OF COMMISSIONING	MAIN EQUIPMENT	LOCATION
30 MW	13	2011	Siemens	Çanakkale

CAPACITY

SOLAR POWER PLANTS


We use PV thin film technology solar panels in our solar power plants.

[Plants]



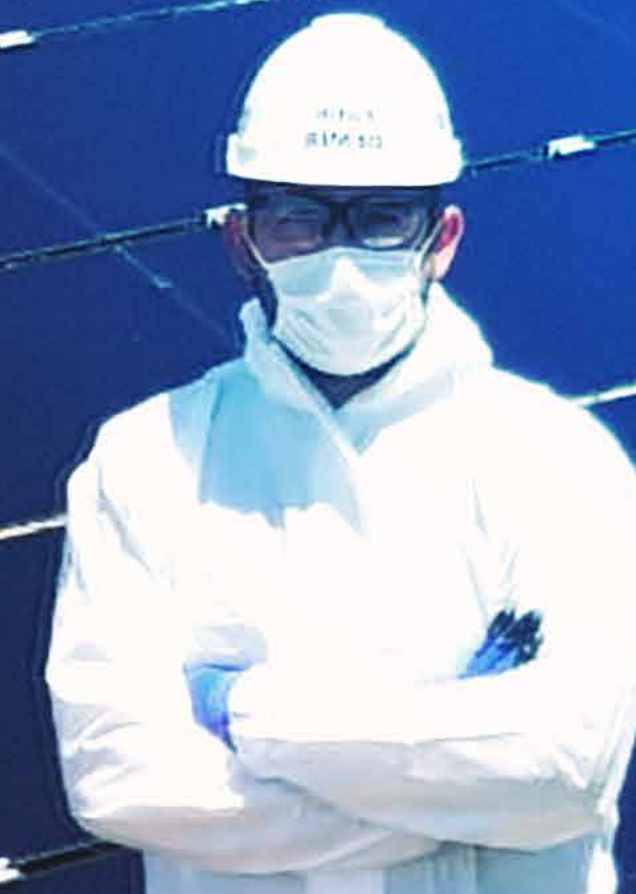
KARABÜK SPP

INSTALLED CAPACITY 7 MW	YEAR OF COMMISSIONING 2017	LOCATION Karabük
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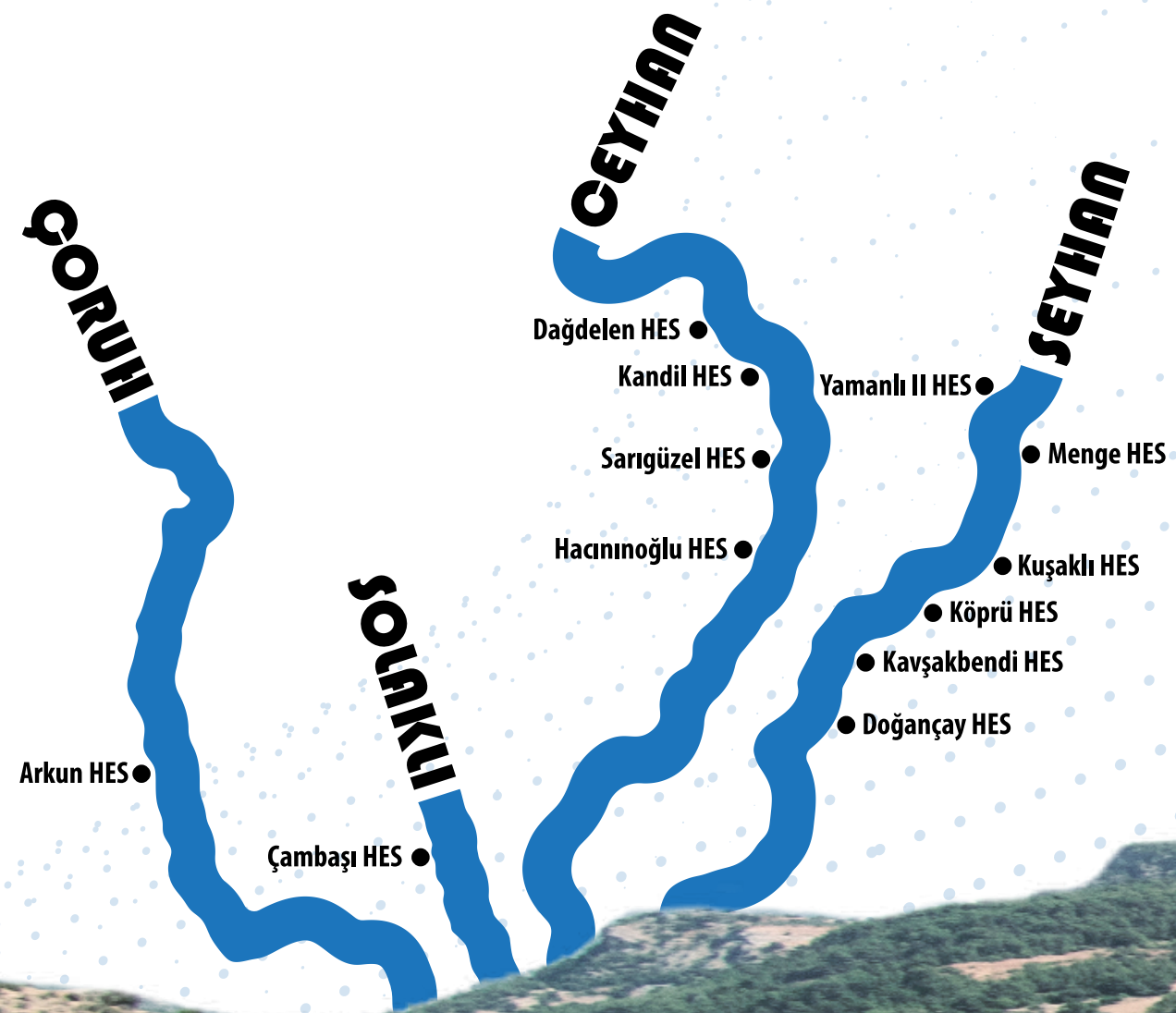
BANDIRMA SPP

INSTALLED CAPACITY 2 MW	YEAR OF COMMISSIONING 2017	LOCATION Balıkesir
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CAPACITY

HYDROELECTRIC POWER PLANTS



Plants Seyhan Basin Adana



INSTALLED CAPACITY	SIZE OF RESERVOIR	YEAR OF COMMISSIONING	TYPE OF TURBINE	MAIN EQUIPMENT
191 MW	30 hm ³	2014	Francis	Alstom



INSTALLED CAPACITY	SIZE OF RESERVOIR	YEAR OF COMMISSIONING	TYPE OF TURBINE	MAIN EQUIPMENT
150 MW	93 hm ³	2013	Francis	Alstom



INSTALLED CAPACITY	SIZE OF RESERVOIR	YEAR OF COMMISSIONING	TYPE OF TURBINE	MAIN EQUIPMENT
51 MW	51 hm ³	2012	Francis	Alstom



INSTALLED CAPACITY	SIZE OF RESERVOIR	YEAR OF COMMISSIONING	TYPE OF TURBINE	MAIN EQUIPMENT
82 MW	2 hm ³	2015	Francis	Yunhe



INSTALLED CAPACITY	SIZE OF RESERVOIR	YEAR OF COMMISSIONING	TYPE OF TURBINE	MAIN EQUIPMENT
62 MW	Regulator	2017	Kaplan	Orient



INSTALLED CAPACITY	SIZE OF RESERVOIR	YEAR OF COMMISSIONING	TYPE OF TURBINE	MAIN EQUIPMENT
51 MW	Regulator	2013	Kaplan	Orient



CAPACITY

HYDROELECTRIC POWER PLANTS

As a first in the electricity generation sector, we have successfully accomplished ISO 55001 Asset Management System certification for all our hydroelectric power plants.

Plants Ceyhan Basin Kahramanmaraş



KANDİL BARAJI and HEPP

INSTALLED CAPACITY	SIZE OF RESERVOIR	YEAR OF COMMISSIONING	TYPE OF TURBINE	MAIN EQUIPMENT
208 MW	439 hm ³	2014	Francis	Andritz



HACININOĞLU HEPP

INSTALLED CAPACITY	SIZE OF RESERVOIR	YEAR OF COMMISSIONING	TYPE OF TURBINE	MAIN EQUIPMENT
142 MW	Regulator	2011	Francis	Andritz



SARIGÜZEL BARAJI and HEPP

INSTALLED CAPACITY	SIZE OF RESERVOIR	YEAR OF COMMISSIONING	TYPE OF TURBINE	MAIN EQUIPMENT
102 MW	59 hm ³	2013	Francis	Andritz



DAĞDELEN HEPP

INSTALLED CAPACITY	SIZE OF RESERVOIR	YEAR OF COMMISSIONING	TYPE OF TURBINE	MAIN EQUIPMENT
8 MW	Regulator	2011	Kaplan	Orient

CAPACITY

HYDROELECTRIC POWER PLANTS

We use environmentally friendly and efficient energy technologies in our power plants.

[Plant] Coruh Basin Artvin



**ARKUN
BARAJI and
HEPP**

INSTALLED CAPACITY	SIZE OF RESERVOIR	YEAR OF COMMISSIONING	TYPE OF TURBINE	MAIN EQUIPMENT
245 MW	283 hm ³	2014	Francis	Alstom

[Plant] Solaklı Basin Trabzon



**ÇAMBAŞI
HEPP**

INSTALLED CAPACITY	SIZE OF RESERVOIR	YEAR OF COMMISSIONING	TYPE OF TURBINE	MAIN EQUIPMENT
44 MW	Regulator	2013	Pelton	Voith



CAPACITY

BANDIRMA ENERGY BASE

By the virtue of our Bandırma I and Bandırma II Natural Gas Power Plants, we respond quickly to transmission system needs, balancing the supply gap within minutes and serving grid security.

The efficiency and location of Bandırma Power Plants play a crucial role in the security of our national electricity supply and are an active part of the balancing power market. These plants have a major role in balancing the variance of energy generation during wet seasons on the east-west axis. With the size of the Secondary and Primary Frequency Control reserve capacities, it takes an active part in eliminating the instantaneous imbalances in the region.

Micro Generation Trials



Plants Bandırma Energy Base Balıkesir

**BANDIRMA 1
NATURAL GAS
COMBINED CYCLE
POWER PLANT**

INSTALLED CAPACITY 936 MW	YEAR OF COMMISSIONING 2010
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**BANDIRMA 2
NATURAL GAS
COMBINED CYCLE
POWER PLANT**

INSTALLED CAPACITY 607 MW	YEAR OF COMMISSIONING 2016
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**1 HYBRID
HYDROELECTRIC
POWER PLANT**

INSTALLED CAPACITY 3.5 MW	YEAR OF COMMISSIONING 2014
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**1 SOLAR
POWER PLANT**

INSTALLED CAPACITY 2 MW	YEAR OF COMMISSIONING 2017
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- EFFICIENT
- +
- FLEXIBLE
- +
- ECO-FRIENDLY
- +
- EXPERIENCED STAFF

1,543 MW
INSTALLED CAPACITY

TURKEY'S FIRST AND PIONEERING ENERGY BASE

with micro generation technologies practices and R&D studies, featuring 2 Natural Gas Power Plants, 1 Solar Power Plant, 1 Hybrid Hydroelectric Power Plant.

CAPACITY

OTHER FACILITIES

[Facility] **Kentsa**
Kocaeli

[Facility] **Tufanbeyli**
Adana

Kentsa

We have established Kentsa Natural Gas Power Plant in Kocaeli, Izmit in 1997 within Kentsa facilities. The power plant has an electricity generation capacity of 40 MW. It continues to transmit electricity to the factories in the Kentsa Campus via the 154 kV transmission system.



NATURAL GAS

INSTALLED CAPACITY 40 MW	YEAR OF COMMISSIONING 1998	MAIN EQUIPMENT General Electric
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Tufanbeyli

We designed the power plant with a installed capacity of 450 MW, operating with fluidized bed technology and consisting of 3 units, to be operated with minimum water consumption. We use a dry type cooling system within the scope of the project. We operate limestone quarries and limestone processing systems to supply limestone to the CFB boilers and flue gas desulphurisation (FGD) system. The plant also has a flue gas treatment system that allows the addition of limestone to the boiler and the wet FGD system.



DOMESTIC LIGNITE

INSTALLED CAPACITY 450 MW	YEAR OF COMMISSIONING 2016	MAIN EQUIPMENT Siemens
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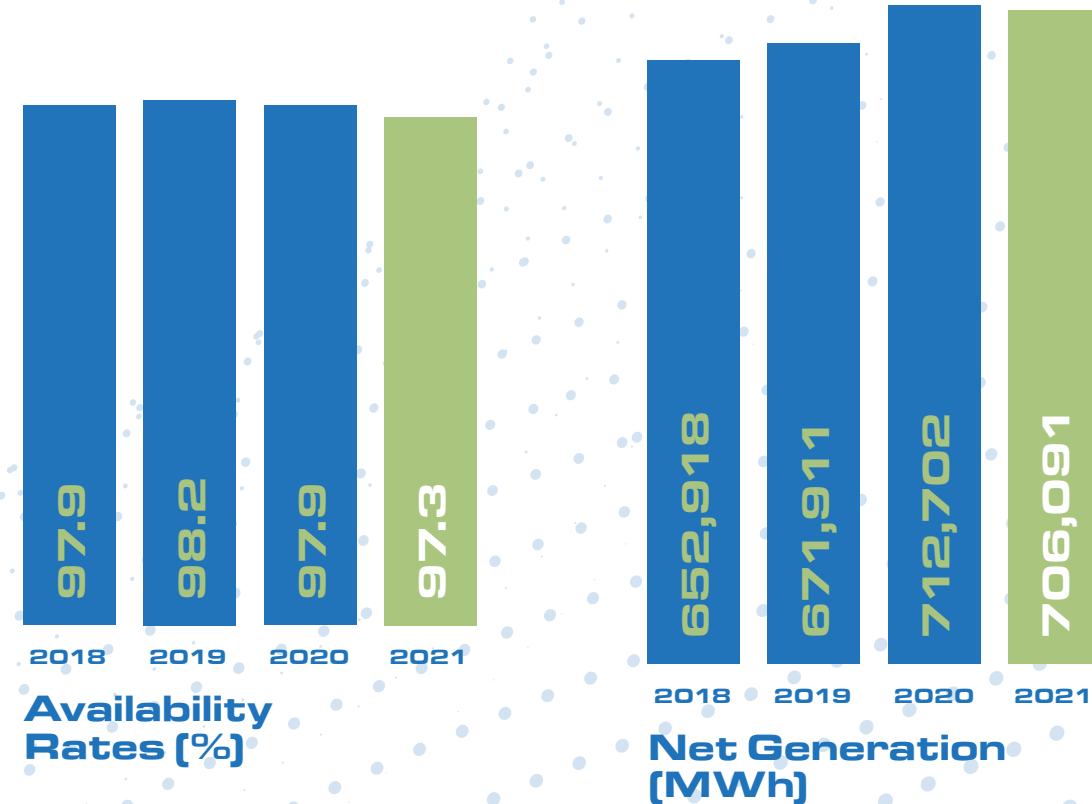


2021 DEVELOPMENTS

WIND POWER PLANTS

A total of 3 wind power plants with an installed capacity of 212 MW in operation in Çanakkale, Mersin and Balıkesir

By increasing the load of energy we supply to the grid, together with the retrofit works we have carried out in our wind power plants since the date of commissioning, we have reached an annual gross electrical energy level of 721.230 MWh. The high availability of our existing power plants and the amount of electricity generated are among our priorities. In this context, we developed a tool that performs performance control and anomaly detection operating on machine learning and artificial intelligence algorithms to monitor the efficiency of turbines. With the subject software, we started the performance monitoring and predictive maintenance activities of the turbines.

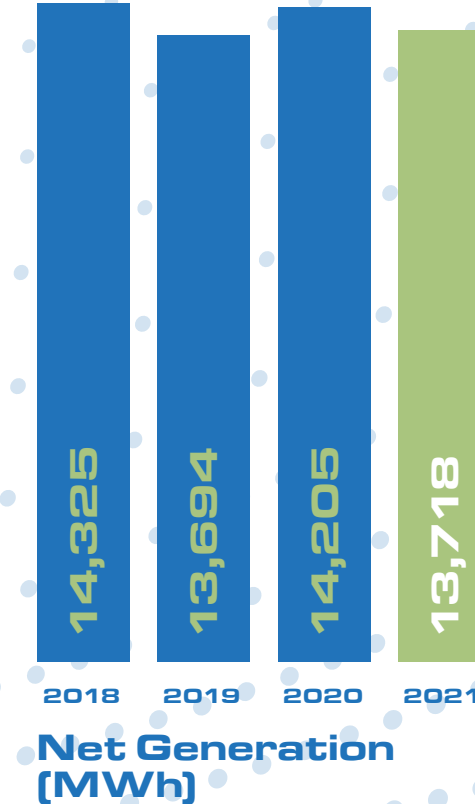


SOLAR POWER PLANTS

A total of 2 solar power plants with an installed capacity of 9 MW in operation in Bandırma and Karabük

We used Tier-1 (A quality) products in the design and installation of our solar power plants.

With 395 kWp at Balıkesir WPP and 573 kWp at Tufanbeyli Power Plant, and with approximately 1 MW hybrid solar power plants, we further increased our solar energy generation in 2021.



2021 DEVELOPMENTS

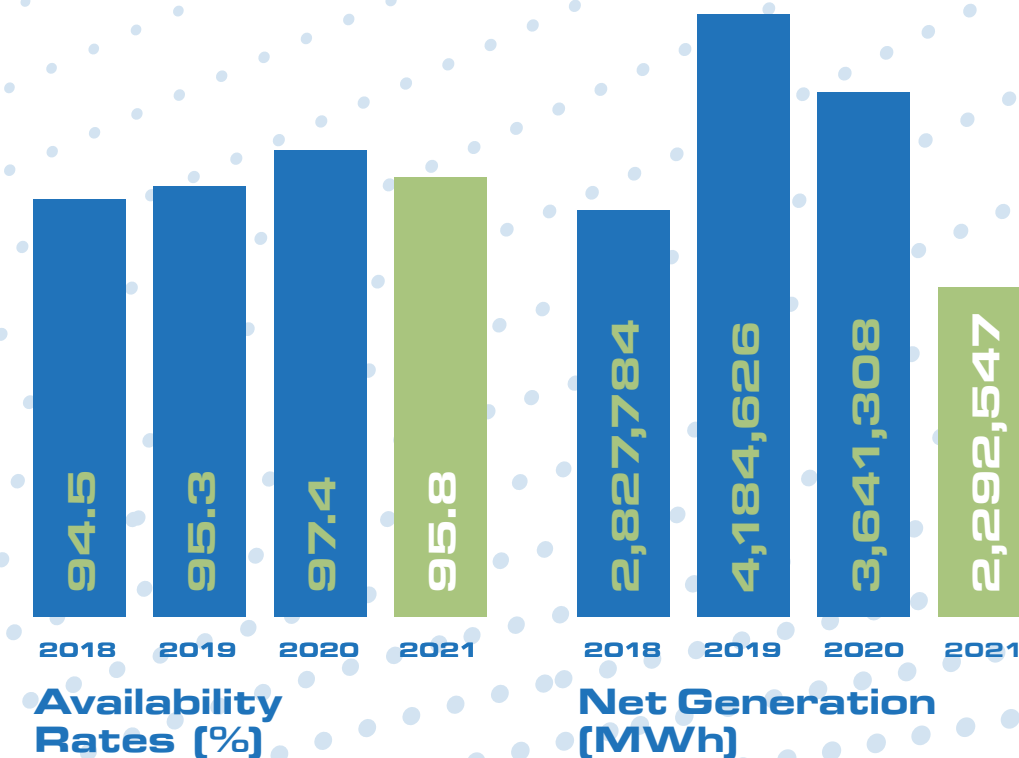
HYDROELECTRIC POWER PLANTS

12 hydroelectric power plants with an installed capacity of 1,353 MW in Adana, Kahramanmaraş, Erzurum, Artvin and Trabzon

As a first in the electricity generation sector, we have successfully completed ISO 55001 Asset Management System certification studies for all hydroelectric power plants within our organization. We carried out revisions of fire systems in power plants. We can also monitor the fire systems of remote power plants from central power stations.

- We continued to try new methods to increase the availability of power plants and to invest in improvement guided by detailed root analysis.
- By installing vibration monitoring systems in environmental flow power plants, we have made it possible to monitor online without any malfunctions.
- We have upgraded the Scada Systems in our power plants and prevented cyber security gaps that may occur in the future by renewing the products whose software support will be ceased.
- We pursued our road safety improvement works in coordination with the municipalities for the access roads that are critical for our power plants.

- In all 3 basins, we have built a guest house where our head office and power plant employees can stay, and social facilities, including game rooms, where they can engage in social activities. We made renovations in the dining hall and office rooms.
- We continued steel barrier and meshing works in order to reduce the consequences of possible slope slips and landslides due to the difficult locations where our power plants are located.
- At Dağdelen HEPP, we have successfully completed the major maintenance work of the “Major Overhaul”, which we have carried out for the first time throughout our hydroelectric power plants.
- We have established a debris barrier in the upstream of the regulator in order to prevent the accumulation of sediment, which may adversely affect the availability of Çambaşı HEPP.



2021 DEVELOPMENTS

OTHER FACILITIES

Bandırma Energy Base

Bandırma I and Bandırma II Natural Gas Power Plants

- At Bandırma I and II Power Plants, we pursued our digitalization projects that will increase efficiency in all processes and speed up access to information. By means of data-based monitoring and assessment studies, we carried out the required improvement and maintenance works on time.
- As a result of the improvements we have realized, we continued to save a significant amount of natural gas. We have achieved a reduction of approximately 1,000 tons of carbon footprints for 2021.
- Thanks to the Predictive Maintenance Approach and the digitalization projects developed, we reduced the failure maintenance rate from 28% to 20%, and achieve of our power plants and increasing the power plant capacity factor and availability ratios with a data-based and risk-based maintenance approach.
- We carried out Bandırma I CI Maintenance in October 2021.

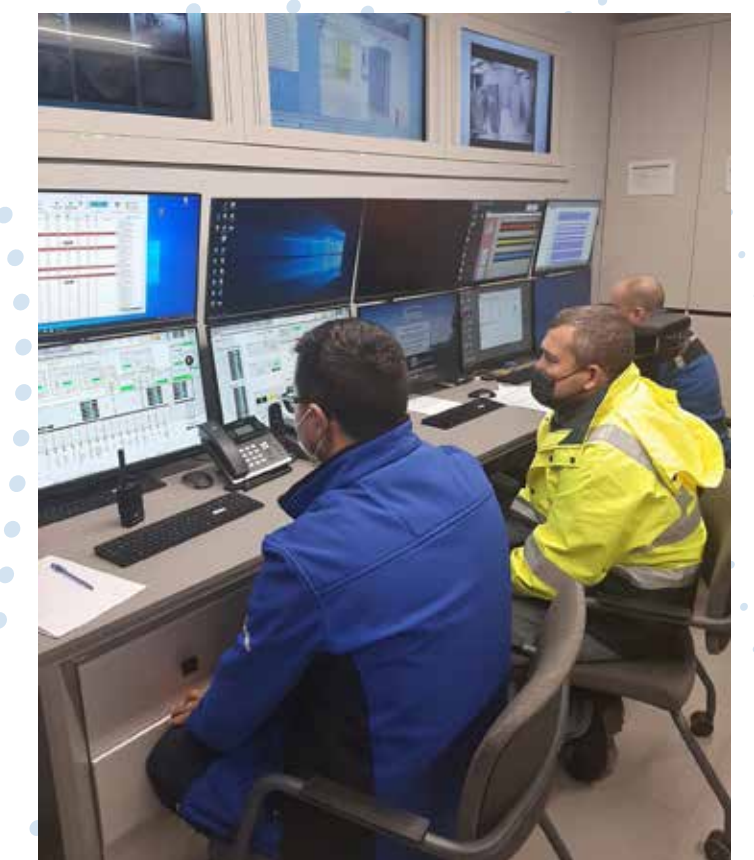
We technically assess the problems and improvements by holding periodic meetings with other natural gas power plants in the country and

abroad. Within the scope of Bandırma Energy Base operations, we have started innovative project studies in order to follow the advancing technologies and to ensure that appropriate technologies are implemented in our power plants within the framework of sustainability. In this context, our goal is to continue investigating hydrogen technologies, establishing a pilot electrolysis facility, making use of EU funds, and conducting feasibility studies with local universities in 2022. We aim to complete the Hydrogen Production Project at Bandırma II Power Plant in 2022.

Kentsa

40 MW Kentsa Natural Gas Power Plant

- We carried out improvement works in order to ensure the continuity of electricity supply to the factories located on the Kentsa Campus.
- We accomplished the necessary revisions in the gas turbine, switchyard and chimney emission measurement platform.



2021 DEVELOPMENTS

OTHER FACILITIES

Tufanbeyli Power Plant

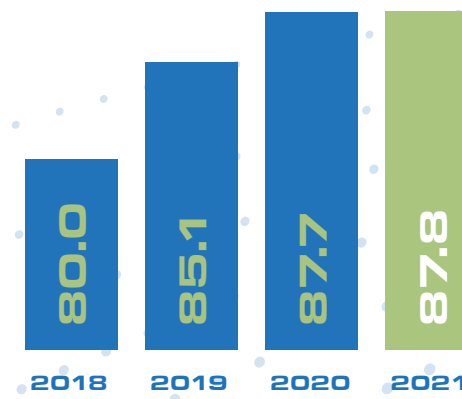
Turkey's largest domestic lignite power plant, built by the private sector, with an installed capacity of 450 MW, located in the Tufanbeyli district of Adana province.

We have completed the major maintenance of Unit-2 steam turbine. We achieved an efficiency increase of 0.4% in turbine, 0.8% increase in unit net efficiency and 8% increase in gross generation.

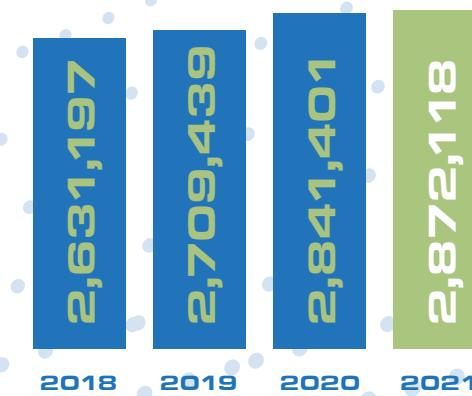
- We increased the amount of Unit-1 PFC (Primary Frequency Control) Reserve from 7.5 MWh to 12 MWh.
- We have implemented 40 projects worth of 67 MTL for improvements in Efficiency, Reliability, Availability, Environment, Employee Health and Safety.
- We reduced costs by reducing liquid fuel (Start-up Fuel) consumption by 4%.
- We hosted the "Physical Asset Management Conference in the Energy Industry", which was a first in terms of Asset Management in our industry.
- We started Lean 6 Sigma projects in our power plant within the scope of continuous improvement perspective. We have reached the final phase in 10 projects.
- We have created a ring system on the Tufanbeyli overhead line to ensure the continuity of mining operations and energy supply continuity.
- We started the OHS Volunteer practice in a way that all teams would participate.

In 2021, 6.2 million tons of domestic lignite was consumed for power plant generation. During the year, the stripping rate was 0.8 m³/ton. Thanks to these features, the Tufanbeyli Domestic Lignite site has become one of the most economical sites of the mining industry.

Monitoring probable mass movements that may be encountered at mining excavations-filling slopes has a critical importance in terms of OHS and process safety for mine safety and generation sustainability. Therefore, "IBIS SAR Georadar" system was established that enables measurement of mobility at the mine field slopes with 360 degree live monitoring and millimetric accuracy and monitoring activities were started.



Availability Rates (%)



Net Generation (MWh)



SENKRON CENTRAL OPERATION ROOM

DIGITALIZATION AND BEING IN PURSUIT OF EXCELLENCE

Senkron Central Operation Room, which we established in Istanbul Ataşehir Head Office, has been continuing the remote operation process of 12 hydroelectric power plants within Enerjisa Üretim since 2020. Senkron performs process and performance monitoring of Thermal, Hydroelectric, Wind and Solar power plants using advanced data analytics and machine learning algorithms. It is one of the best examples of our goal on digitalization and pursuit of excellence. With the process and infrastructure specifications we designed with the aim of achieving excellence, Senkron was granted the ISO 55001 Asset Management Certificate.

Some of the prominent features of the center, which hosts the most advanced capabilities of technology and industry practices, are as follows:

- We increase the performance of power plants via our multi-site management and ensure the sustainability of energy generation with maximum efficiency. We provide better integration and communication throughout the value chain.
- We monitor the plant data from a single source with joint reporting, and provide fast action to generations that may create imbalances, thanks

to close communication with the Dispatch and Optimization teams.

- There are more than 70,000 signals mapped for our hydroelectric power plants. By simplifying these signals with lean transformation and providing the inputs of their analysis, a common alarm page was created. With this system, which can observe our power plants on a status basis and alarm in any negative situation, we have reached the ability to monitor and intervene all data from a single screen.
- With common reporting tools, internal software and

monitoring screens, we more effectively follow the Balancing Power Market instructions and ancillary services that we are responsible for.

- We perform process monitoring and performance assessment of natural gas and lignite power plants with an installed capacity of 2100 MW, and we can monitor maintenance and improvement works instantly.
- Thousands of signals are analyzed simultaneously by conveying SCADA signals to online analysis software. Following these analyzes, instant, daily, weekly, monthly and quarterly performance reports are generated.



2021 INVESTMENTS

RENEWABLE ENERGY POWER PLANT INVESTMENTS

We set out to further increase the share of renewable energy in our generation portfolio. In line with this goal, we increase the share of renewable energy in the total installed capacity in Turkey with the investments we make.

In the RES YEKA-2 tenders held by the Ministry of Energy and Natural Resources, we quoted \$4.56 per kWh in Aydın and \$3.67 per kWh in Çanakkale, and we achieved a total capacity of 500 MW, 250 MW in each tender session. In this context, the projects developed in both regions were published in the Official Gazette as YEKA projects by the Ministry of Energy and Natural Resources in 2021. The Environmental Impact Assessment (EIA) processes of the projects whose pre-license applications have been submitted have been initiated. 1/1.000 and 1/5.000 maps, which will form the basis for the development plans of these projects, were created and approved by the Ministry of Environment and Urbanization. We will be able to sell the electricity we generate at the wind power plants that we will develop and invest in these regions, at the prices offered in the tender for a period of 15 years from the date of signing the contract.

In the new investment process, 2021 has been a critical year in which we met with the people of the region, contacted local stakeholders in their spheres of influence, and started to create social management plans, both through sociological field studies and public information meetings held during the EIA process, in regions we have not been to before. In the

next period, we will fulfill our obligations stated in all legislation and contracts regarding these projects for which pre-licenses have been obtained. In order to bring these investments to the country, we will pursue the technical project and infrastructure works with precision.

Another important development in 2021 was our decision to invest in Erciyes WPP, whose project development operations have been ongoing since 2017. Right after this decision process, we immediately started the construction works. We have completed the road and platform constructions to a large extent. After competitive tenders, we signed contractor agreements for turbine supply and electrical works. With our operations to be held in 2022, we aim to commission this 65 MW project by the end of the year.

We continued our implementation operations for hydrogen technology and micro wind turbines at Bandırma Energy Base in order to seize opportunities in R&D and new technologies.

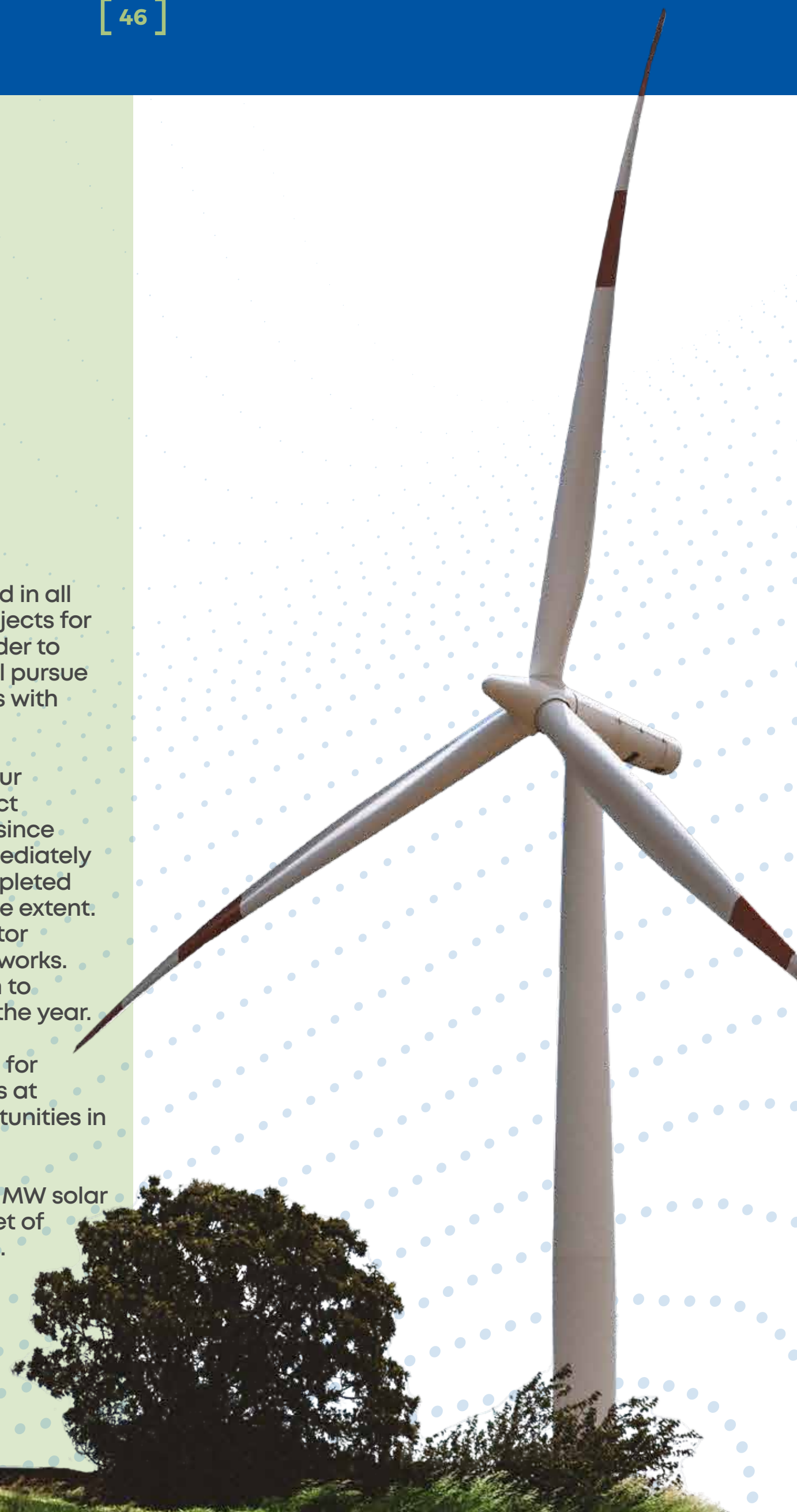
Following the construction of approximately 1 MW solar power plant completed in 2020, we set a target of 150 MW hybrid solar energy investment in 2021. Accordingly, we started project development activities. For the first 30 MW hybrid projects, we determined the project areas, started the permit processes and completed the purchasing tenders. Our vision is to turn Tufanbeyli into a huge solar field in years.

ENERGY EFFICIENCY

In our power plants, it is our priority to choose environmentally friendly and efficient energy technologies and to operate them efficiently. In this context, Bandırma I and Bandırma II Power Plants operate as high-efficiency natural gas power plants with an efficiency of approximately 60%. In 2021, we implemented energy efficiency projects that will meet the electricity consumption of approximately 50,000 households with the maintenance and improvement works we carried out at the Tufanbeyli Power Plant. With these projects and previous improvement works, we have made Tufanbeyli Power Plant one of the most efficient power plants in Turkey in its field. In addition, we further expanded our vision in the solar hybrid power plants project at the Tufanbeyli Power Plant, and we aim to completely transform our Tufanbeyli Power Plant into a solar power plant with a 100 MW hybrid power plant by the end of 2035.

GREENHOUSE GAS MONITORING AND GREEN CERTIFICATES

Our greenhouse gas emission calculations are made in line with the monitoring plans designed in accordance with the Regulation on the Monitoring of Greenhouse Gas Emissions of the Ministry of Environment, Urbanization and Climate Change. Our calculations since 2015 have been verified by accredited institutions authorized by the Ministry. Our 3 power plants (Kavşak Bendi HEPP, Menge HEPP, Kandil HEPP) successfully completed the Verified Carbon Standard (VCS) update audits in 2021.



FINANCIAL POWER

We transform energy into trust.

We immediately adapt to the changing dynamics of the markets. We provide more efficient outputs by approaching all requests from our internal and external stakeholders in a flexible, innovative, collaborative and visionary manner.



2021 ACTIVITIES

After a successful transformation and capital restructuring process, we made our **first dividend payment of TL 574,000,000.00** to our shareholders. In addition, in the last quarter of

2021, we decided to distribute a dividend of 925,232,120,00 TL. We plan to make this payment in the first half of 2022.

TL (Billion)

Total Assets	18.5
Net Sales	16.4
EBITDA	3.2
Net Profit for the Year	1,7
Free Cash Flow	2.9
Net Debt/ EBITDA	1.3

2021 ACTIVITIES

FINANCIAL RISKS & ACTION PLANS

We established the Asset/Liability Committee with the participation of the senior management to assess financial risks and plan actions. Our committee meets at regular intervals and

- Reviews the company's current and prospective deposit and loan positions,
- income and expenses in different currencies,
- currency and interest risks, and
- determines the positions to be taken and the risk management actions.

Our committee also provides input for the Financial Risk Management Policy. It determines the Financial Risk Management Policy, the basic principles of financial operations, authorization and limits, approval procedures, by means of metrics and risk management practices monitored.

We use two separate models to better manage risks in cash flow and net profit/loss levels:

Cash flow model

The cash flow model anticipates all income and expenses on current deposits on a daily basis and determines the future cash flows in different currencies day by day. This way, it becomes possible to see deposit and liquidity forecasts on the model, to identify cash risks with different currency scenarios and to take action in advance. With the cash flow model, we can predict deposit movements up to a maturity of 5 years ahead.

Profit/Loss model

The Profit/Loss model, on the other hand, assesses all commercial activities, deposits and loans with thousands of statistically generated different currency

and interest scenarios, and calculates the distribution of how much EBITDA and profit/loss were affected in each scenario. In this way, it becomes possible to predict the effects of exchange rate and interest rate changes on both cash flow and profit/loss. Within the different exchange rate scenarios, not only the value changes of the Turkish Lira, but also the value changes (parity) between the Euro and the US Dollar are reviewed. The parity value is followed closely, particularly due to the difference in our debt and income structures.

The high volatility in exchange rates in 2021, particularly in the last quarter of the year, has become one of the most critical risks to be managed for all energy market players, which are highly indexed to foreign currency in terms of costs, income and financing. We use advanced risk management tools and techniques

in order not to be negatively affected by currency fluctuations.

Our currency risks arising from our receivables, debts and purchase guarantees in different currencies constitute a significant part of our financial risks. In addition, interest risks and tax risks arising from deposits, loans and/or term loans and receivables are also included in the scope of financial risks. In order to manage these risks more effectively, we assigned the Financial Risk Management unit under the Risk Culture department. In 2021, we created our compliance rules and implemented the corporate compliance process. We made a strong and confident start to 2022 by evaluating the cash we generated in different currencies and various financial instruments.



2021 ACTIVITIES

DIGITALIZATION & PROJECT MANAGEMENT

Within the framework of the lean and agile business model that we have focused on, we continued our journey of change with the organizational changes we carried out in the CFO function in 2021. With an agile organizational structure, we aimed to focus on added value, reduce approval mechanisms and take initiative, and design and implement best practices within finance functions. By means of our new structure, we immediately adapt to the changing dynamics of the markets. We provide more efficient outputs by approaching all requests from our internal and external stakeholders in a flexible, innovative, collaborative and visionary manner.

Our agenda for 2021, which we created in line with our digitalization vision, was to accelerate the adaptation to the global/local differentiated sector dynamics in accordance with the new trends developing in the world. In line with the targets, the CFO teams worked on many macro / micro improvement / development projects. The focus of all projects was the consolidation of real-time data fed from multiple sources and making them ready for analysis with user-friendly dynamic tables, dashboards and graphics.

The following projects stood out in 2021:

- Redesigning the cash flow tracking process and enabling automation by commissioning the SAP LP (Liquidity Planner) module,
- Revision of bank accounts accounting registration process,
- Automatic recording of manually executed bank account records with webservice integration, by the virtue of the improvements made on the SAP TRM module,
- End-to-end redesign of the budget process over the IBM TM1 system, feeding it with data entry by many stakeholders with a parametric structure, and accomplishing conceptual practices in order to access the base / scenario financial statement outputs with one click.



TRADE

We transform energy into solution.

We analyze the needs of our stakeholders accurately by reading the market dynamics well. We manage risks with the tools we have developed. We create value for our business partners and stakeholders in every link of the trade value chain with our structured commercial products.



2021 ACTIVITIES

With our electricity and natural gas trading companies, we are Turkey's leading energy trade player in the industry. We optimize our diversified power generation portfolio of 3.6 GW in over-the-counter and organized markets. We create value for our shareholders and business partners with structured products such as

price fixation, capacity leasing, and balancing services. With our Enerjisa Europe company, we aim to be among the leading energy trading companies in the European energy market. We continue to carry out our trade activities, which we started in 2021 in the Eastern European energy markets, effectively.

ENERJISA EUROPE

29 TWh
trade volume

2021 ACTIVITIES

TRADING WITH STRUCTURED COMMERCIAL PRODUCTS

Through our electricity and natural gas trading companies, we create value for our business partners and stakeholders in every link of the trade value chain with structured commercial products such as:

- Implementation of energy trading strategies (prop trading) independent of the generation of power plants,
- International energy trade and optimization,
- Natural gas trade,
- Virtual Switchboard (VPP) solutions,
- Fixed price purchase guarantees for RES, GES and HEPPs,
- Balancing services,
- Market access services to spot and futures markets,
- Carbon trading,
- Customized energy solutions for large end users and integrated electricity and natural gas supply/storage solutions for sophisticated customers.

We create value for our internal and external stakeholders by reading market dynamics well, analyzing the needs of our stakeholders accurately, and managing risks with the tools we have developed. We never compromise on contract reliability while managing processes.

EXPERTISE IN MARKET ANALYSIS

Climatic and seasonal effects, regulatory changes, macroeconomic and political indicators and the relationship between them are the main factors that designate the market. By supporting these factors with mathematical models, our market analysis team offers forecasts about the future and supports the relevant departments in creating their commercial strategies. These models are fed from fundamental data, enabling the Company to formulate a strategy against unexpected situations that may occur in the market under many scenarios, and to be in an advantageous position in the market. Our market analysis stand out in the industry with our expert staff, our digitalization steps, our sophisticated models developed in-house, and our diversified portfolio.

2021 has been a productive year for Enerjisa Üretim in terms of market analysis. We carried out important studies on data analytics. We have made significant progress in preparing for the future with database creation, data processing and data automation.



INTERNATIONAL MARKET PLAYER

Enerjisa Europe is an international market player with the financial and legal infrastructure required for trade activities in 4 countries, its trained human resources and its vision.



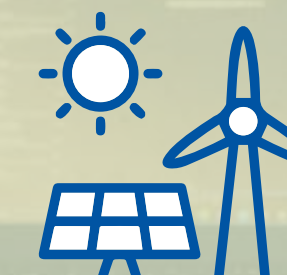
LEADER MARKET PLAYER

Leader in OTC and VIOP markets with trade and sales volume exceeding 24,2 TWh.



MARKET PIONEER

Pioneer in structured products such as power plant risk management, options trading, virtual exchanges, balancing group.



SUSTAINABILITY SUPPORTER

Sustainability supporter with innovative and green customer processes, carbon neutralization and green energy.

2021 ACTIVITIES

OUR TRADE VOLUME IN 2021

Trade teams can set strategies and take positions in the energy markets, within certain risk limits, according to energy price forecasts, and independent from generation operations. These strategies are mostly guided by market dynamics, forecasts and market analysis.

The following were the main topics that stood out in terms of structured products in trade and energy:

- Development and implementation of commercial strategies independent of power plants
- Cross-border electricity trade
- Natural gas trade
- Balancing services
- Customized solutions for renewable power plants in the market
- Customer solutions for the end consumer

Our 2021 trade volume increased by 65% compared to 2020, with 59 TWh, despite all the negativities experienced in the global energy markets in 2021. According to the Energy Trade Association reports, we have consolidated our position as a buyer or seller in most of the transactions in OTC markets. In addition to OTC, we made great efforts to increase the liquidity of the futures electricity markets by making continuous purchase and sale offers for products traded in organized electricity markets such as VIOP and VEP. In 2021, we started commercial gas activities in addition to electricity trading (and other than gas purchases for 2 power plants) and traded 740 mcm of gas. While our 2021 consolidated turnover is 16 billion TL, it is 12 billion TL for Tradeco legal entity.

NATURAL GAS TRADE

Analyzing the gas market dynamics in Turkey and globally, we aim to provide incremental profitability with standard and non-standard trading operations, contribute to the growth strategy and prevent / reduce / transform existing risks. In addition, we strive to make the power plants competitive in the market by managing structural gas purchase agreements for the needs of our natural gas power plants and to capture the forecasted value from these assets.

In line with our vision, we carried out the following tasks in terms of trade in 2021:

- We achieved 40% share in all electricity trade volume traded in various markets.
- We have become one of the companies with the largest volume in this field in Turkey with a free consumer portfolio of approximately 6 TWh.
- We realized our first financial and physical transactions in the Eastern European energy markets with Enerjisa Europe.
- We carried out long and short term transactions in VEP (Future Electricity Market) commissioned by EPIAŞ in 2021.
- We have actively started carbon trading (international, national).
- We closely followed the developments in the market for liquefied natural gas and cross-border gas trade.
- In line with the target of increasing gas trade operations, we increased the number of market stakeholders we touch.
- We managed the risks created by the effect of oil prices on gas prices in line with the hedge strategy.
- We provided support to associations such as EÜD and TÜSİAD to manage important changes for the Turkish gas market, such as the Futures Gas Market, end-consumer flexibility and import/export requirements.
- We successfully managed the uncertainty in the natural gas end-consumer portfolio due to the COVID -19 pandemic.

2021 ACTIVITIES

BALANCING SERVICES

We can define the purpose of balancing services as reducing the loss due to imbalance by matching the energy imbalances of power plants and consumer portfolios. In 2021, we created value for both our power plants and our stakeholders in our balancing services by reducing their costs.

CUSTOMIZED SOLUTIONS FOR RENEWABLE POWER PLANTS

The fixed-price purchase guarantee mechanism (YEKDEM), designed by the government for the expansion of renewable energy generation plants in Turkey, has been successful. The share of renewable resources in installed capacity has exceeded 50%. We think that the power plants, which will be excluded from the incentive mechanism for 2022 and beyond, will be faced with constantly changing spot prices in the free market. With the expertise and knowledge of Enerjisa Üretim's trade team, we offer the solutions that these power plants will need against variable price and imbalance risks. We strive to ensure the continuity of the profitability of the power plants following the incentives as well. Our plan is to become a leader in this field with the investments we have made in our IT infrastructure. As of 2021, we signed fixed price purchase and power plant management agreements and started the commercial management of power plants that are not owned by themselves.



2021 ACTIVITIES

FLEXIBLE AND WIDE PRODUCT RANGE ORIENTED CUSTOMER SOLUTIONS

The supply needs of end users can differ significantly from each other. The population served includes many consumers. An industrial institution whose daily average consumption does not change, consumption points that change periodically or depending on the dynamics in its own sector, and consumers who have high consumption or do not want to be exposed to energy risk by hedging are some of the different groups. With our product diversity, strong financial structure and pricing flexibility, we are able to provide products according to the needs of all market players. We treat these consumers with different needs as a customized trade channel. We meet the expectations of our customers not only with alternative pricing options, but also by sharing our experience in infrastructure, legislation and practice in the sector. The Customer Solutions Unit works to supply the energy generated at our power plants or obtained from the spot market to consumers whose consumption is above a certain amount, or to reduce their costs with different solutions. It also carries out projects creating alternatives with the support of in-house optimization/structured products team. Within the frame of this activity in 2021, we realized approximately 6 TWh of trade and created an incremental turnover of 3.8 billion TL. In 2022, we aim to be one of the industry leaders in these fields of activity.

ENERJISA ACCESS WILL CARRY CUSTOMERS TO THE DIGITAL WORLD

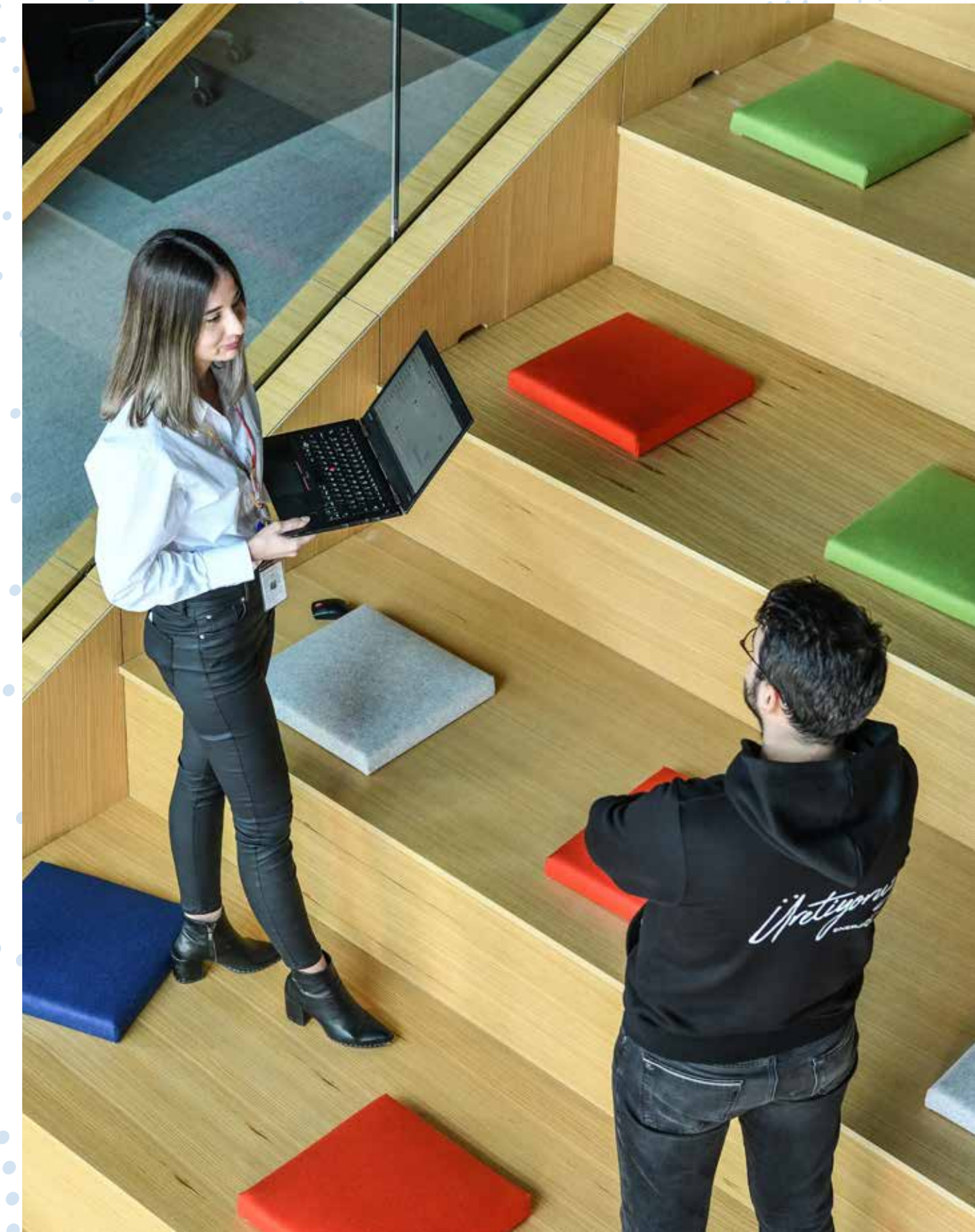
The concept of digitalization increases its significance concerning the relationship between energy supplier and consumer, as it is in all spheres. Together with the “Final Source Supply Tariff”, where dynamic pricing is at stake, “Energy Literacy” plays an even more vital role for customers. Concepts such as “Ptf”, “Yekdem”, “Imbalance”, “Financial Cost”, “Consumption Forecast” start to take part in the lives of customers. Regarding digitalization, which has become even more critical during the pandemic period, we offer digital solutions that can reach customers directly.

The “Enerjisa Access” service that we have implemented is positioned as an essential tool that can answer all the questions of the customers. By the virtue of Enerjisa Access, customers can monitor their entire performance and make instant cost calculations. This way, the monthly periodic invoicing is no longer a surprise for customers and turns out to be an area they can control. With Enerjisa Access, consumers can create their energy purchasing and usage strategies by means of the analysis screens that include not only the control and monitoring mechanism, but also the forecasts for the future period.

RENEWABLE ENERGY CONSUMPTION AND CERTIFICATION

The increasing emphasis on “green” solutions in the international arena and particularly in the European region is leading renewable energy to be an emerging business line. Industrialists are increasingly emphasizing the need for voluntary carbon balancing in order to carry out exports to developed economies. At this point, our major goal is to develop the decarbonization certification projects of our assets and to set up the offset or trade mechanism in the best possible way. Secondly, we aim to position ourselves as a recognized market player in the voluntary carbon market. We target not only large segment customers, but also organizations that export and need this document abroad.

We consider the decarbonization certification project as a win-win situation for all parties. In 2020, we started our efforts to increase the green market literacy of large/medium segment consumers and low-scale renewable energy generators who do not have sufficient knowledge and resources to develop and market their carbon. In 2021, the number of consumers for whom green-certified energy bills were issued increased significantly. We work with different source types and different energy certificates in order to cater to the different preferences of companies and the countries they export to. All of these certificates are internationally recognized from Africa to America, from China to India, and they provide benefits to customers at different export points. Since we have different types of clean energy sources and different certificates (Gold Standard, Verra VCS, IREC), we provide flexibility to consumers in their preferences.



ENERJISA EUROPE

CROSS-BORDER TRADE
AND EASTERN EUROPEAN
ENERGY MARKETS

ENERJISA EUROPE

In 2021, we delivered **391 GWh of cross-border trade (exports)**. We created the highest possible value for all stakeholders by implementing various optimization techniques keeping up with the variation of electricity prices among Bulgaria, Greece, Serbia, Hungary and Turkey. In 2021, we pursued trading opportunities in Bulgaria, Romania, Serbia and Hungary markets through our Enerjisa Europe Kft. company. We realized electricity trading operations with financial settlement over EEX (European Energy Exchange) and physical

settlement over IBEX (Independent Bulgarian Energy Exchange). In this context, we obtained 23 MW of annual electricity transfer capacity at the Turkey-Bulgaria border for 2022 and optimized this capacity with a trade volume of **500 GWh**. With the experience we have gained, we plan to increase our transaction volume in the Eastern European energy markets in 2022. We expect the ongoing electricity trade license process for Greece to be completed in 2022.



DIGITAL

We transform energy into technology.

We keep up pace with the technology to utilize the opportunities in the energy industry effectively and ensure efficiency of efforts. We put technology at the heart of our business and use it efficaciously in all our operations.



IT & DIGITALIZATION

We have created a natural and regularly updated link between our Üretim IT and business units so as to designate the digital journeys of business units, to assess the effects of technological changes on processes, and to provide

training and development in areas where needed, in order to mainstream agile structuring and increase digital capability.

ÜRETİMİT

IT & DIGITALIZATION

EFFECTIVE USAGE OF DATA ANALYTICS

Institutions that use data analytics effectively and make data-driven decisions differ from others. The most efficient method for this is to collect as much data as possible from many sources and interpret them, and for this IoT (Internet of Things), and especially industrial-specific I-IoT (Industrial Internet of Things) solutions are utilized. We included the “Data Democratization” strategy, which is defined as the ability to conduct data analysis without the need for IT support, among our priorities and enhanced our technical infrastructure and data governance processes in line with “data as a corporate asset” perspective. We have deployed our cloud-based big data platform, and with our I-IoT solution, we have been able to access the data required to manage any power plant quickly and at low cost.

We have extended the use of low-code platforms to our employees. Our employees can easily access the data they need, perform the necessary analyzes on this data, and create their own reports and applications.

DEVELOPMENTS IN THE END-USER EXPERIENCE

We monitor our IT infrastructure 360 degrees and ensure the continuity of the systems via instant alerts. Using OneDrive, we regularly synchronize personal computers, provide online and mobile access and redundancy.

With the Central Storage system, we enhance the redundancy of company documentation against vulnerability.

DEVELOPMENTS IN DATA STRATEGY AND APPLICATIONS

Based on the energy market data we receive, we ensure that the prospective prices in the markets are estimated via artificial intelligence-based models. We ensure profit maximization by making accurate planning.

With the data visualization tool Power BI, we ensure that financial processes, plant management and monitoring can be carried out more effectively through the reports created by business units.

We ensure that our data, which is read from more than 20,000 points, can be monitored and analyzed instantly through PI Integrator and PI Vision systems. With the analyzes made, we can detect the anomalies in the systems in advance and create alarm mechanisms.

DATA SQUAD

We have positioned the data team that will work on managing our data analytics process in Üretim IT. We deployed our big data platform on the cloud in order to use our entire data in data analytics and reporting. With this platform, the data we produce and the data produced outside are collected on a single platform and serve analytical purposes without risking operational systems in terms of technical and information security.

IT & DIGITALIZATION

DEVELOPMENTS ON IIOT & CLOUD

With the Cloud IIoT project, we have enabled the access to the required data to track the power plants that are not within our structure, without the need for upfront investment.

Thus, we have designed an infrastructure that allows other power plants operating in the sector to manage their commercial activities in a data-oriented manner. We have created a cloud-based data lake.

START-UP COLLABORATIONS

By establishing start-up collaborations, we enable companies to enrich their IT competencies and infrastructure security by benefiting from our knowledge. We support them in adopting a new business model and vision. In this context, we organized a 2-day demoday with Cube Incubation Hub within Teknopark Istanbul and met with 20 different start-ups. We implemented the Personal Data Protection Law data inventory project led by our legal team together with Omreon, which we met at Demoday.

DEVELOPMENTS IN CORPORATE SYSTEMS AND SECURITY

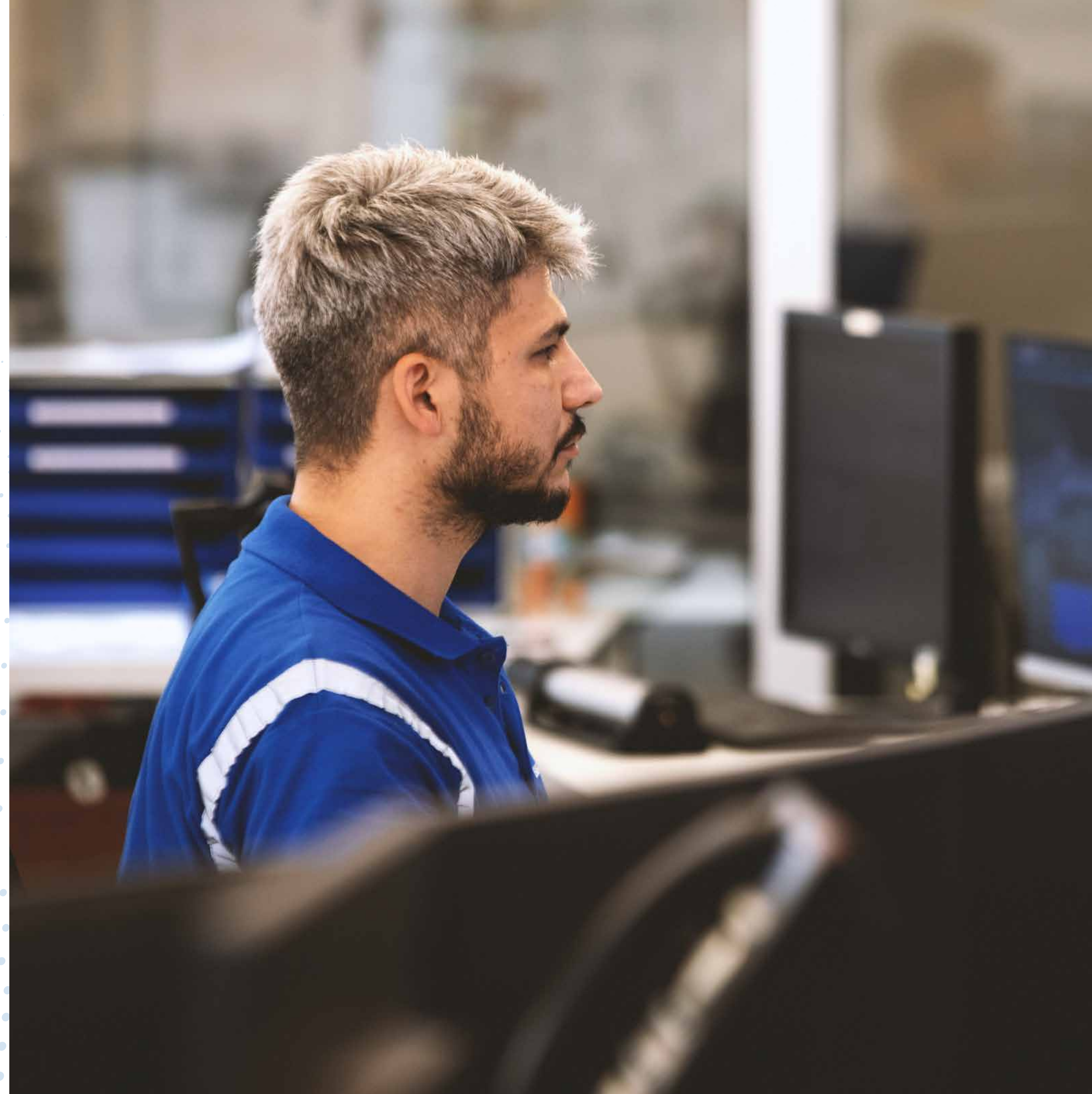
- With our efforts to protect our mailboxes, we follow worldwide security software, use the most effective solutions, and take faster action against threats.
- We have activated the multi-factor authentication (MFA) system for high-level security.
- We realized VPN backup for our employees to work uninterruptedly in a hybrid work environment.

DEVELOPMENTS IN CORPORATE APPLICATIONS AND PROCESSES

We developed the CM Report to observe our activity in spot electricity markets and ancillary services.

With our generation optimization product, PERA, we are able to analyze the financial impacts of changing conditions.

- We launched our BilBOT (in-house chatbot) application.
- With the improvements on the PPM (power plant management) application, we ensured the instant follow-up of the instructions from the system operator (TEİAŞ) and prevented possible penalties.
- We have finalized the first module development of Vega, our energy trading and risk management product.
- In our financial digital transformation journey, we accomplished our SAP-LP (Liquidity Planner) Integration and CoA Account Simplification projects.



STRATEGY & PORTFOLIO

We transform energy into the future.

We aim to gain maximum economic value from our power plants. We are structuring the portfolio in a way that will develop and implement short, medium and long term electricity sales and fuel supply strategies and maximize the value created in the spot markets.



STRATEGY & PORTFOLIO MANAGEMENT

As Turkey's leading electricity generation company, we generate electricity in 5 diverse technologies, including hydroelectric, wind, solar, natural gas combined cycle power plant and lignite power plant, with an operational diversified generation portfolio of 3,607 MW.

In order to carry out a successful portfolio management, both to maximize the operational performance of the current period and to manage future growth correctly, we have positioned seven main operational competencies to manage them in maximum harmony.

SUCCESSFUL
portfolio management in
5
diverse technologies

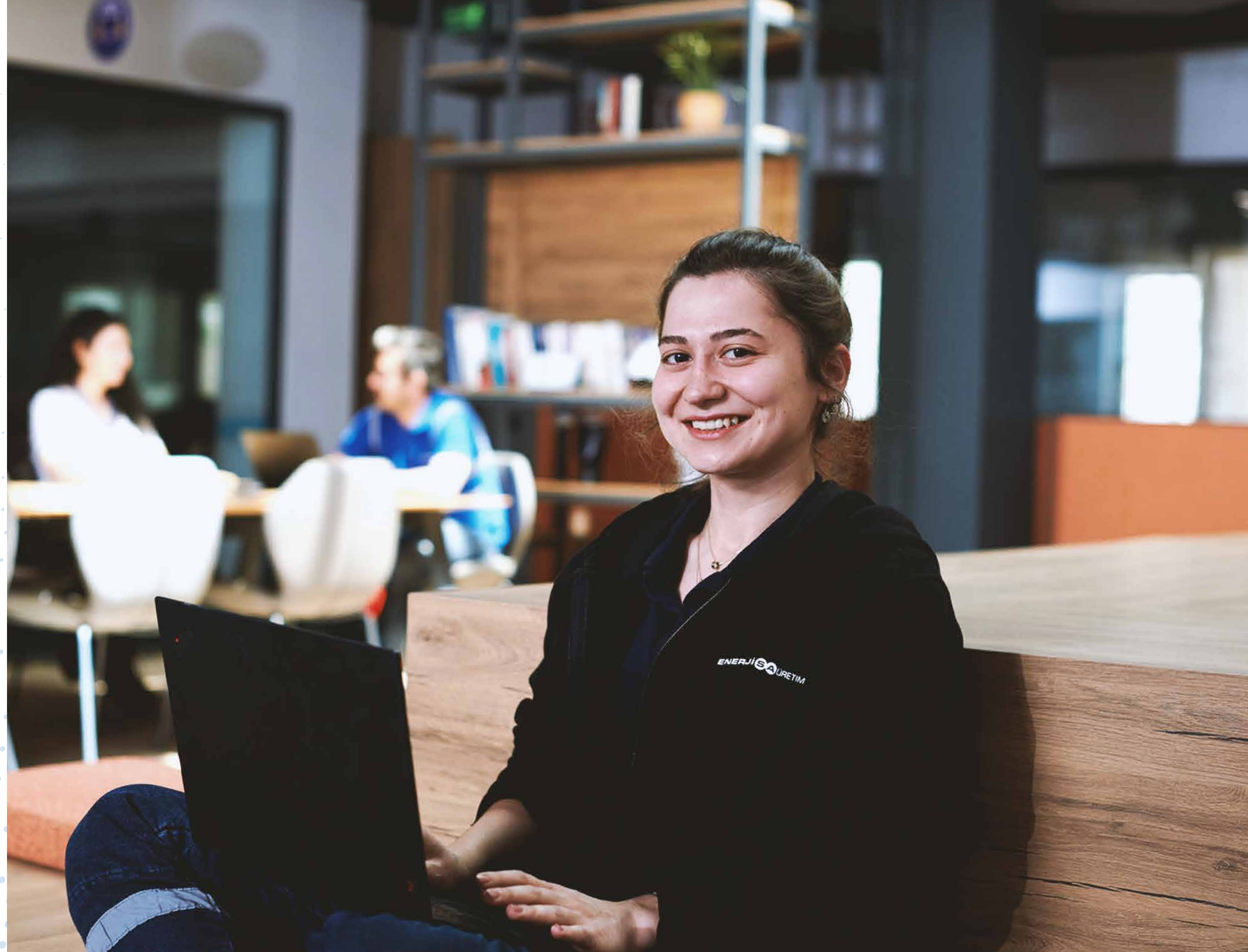
STRATEGY & PORTFOLIO MANAGEMENT

MEDIUM AND LONG TERM ELECTRICITY SALES AND FUEL SUPPLY STRATEGIES

We aim to gain the maximum economic value from our power plants with an installed capacity of 3,607 MW. We structure the portfolio in a way that will develop and implement short, medium and long term electricity sales and fuel supply strategies and maximize the value created in the spot markets (Day Ahead Market, Intraday Market, Balancing Power Market and Ancillary Services Markets).

With the Portfolio Management Function, we aim:

- To maximize the value of each MW in the relevant markets,
- To minimize the commercial risks that have an impact on the asset value,
- To assess the priorities of the market and our power plants quickly and profitably,
- To create maximum value in spot markets with our flexible and strong generation capability,
- To widespread the knowledge of our company and to use it for the benefit of the Company in the most accurate way.



STRATEGY & PORTFOLIO MANAGEMENT

OUR STRATEGIC PRIORITIES

01 OPERATIONAL EXCELLENCE

- Targeting excellence at every point where value is created
- Utilizing strategies and maintenance plans that will provide greater availability and increase efficiency for the entire portfolio
- Managing power plants from a centralized remote control room (SENKRON)
- Discovering, trying and following new technologies; collaborating with local and foreign universities and start-ups

02 PORTFOLIO OPTIMIZATION

- Making wind and hybrid solar investments
- Utilizing merger and acquisition opportunities

03 COMMERCIAL OPTIMIZATION

- Maximizing kWh profitability
- Optimizing resources, getting the most value from our power plants
- Managing risks that may affect asset values

04 GROWTH IN TRADE

- Maintaining the leadership in electricity trade
- Being a regional gas and electricity trading company in South East Europe
- Providing B2B green customer solutions on energy and carbon

05 CAPITAL OPTIMIZATION

- Optimum capital structure
- Optimal financial leverage
- Dynamic cash management

06 DIGITALIZATION

- Digital Capability
- Business unit digitalization with the appropriate balance of technology
- Advanced digital workplace applications via mobile experience
- Increasing usage of cloud and edge processing for advanced data analytics and high-performance data processing

07 PEOPLE & CULTURE

- People-oriented organization; utilizing every opportunity to protect, reskill and develop our workforce
- Continuous learning with Spektrum
- Increasing the level of expertise in each department
- Improvement of feedback quality
- Work-life balance
- Social consciousness

2021 DEVELOPMENTS

Pursuing our operations on seven main competencies, we are the leader among private sector electricity generators with our 3,607 MW installed capacity. We maintained our privileged position in the Turkish electricity and energy markets in 2021 with our diversified generation portfolio, strong balance sheet structure, predictable profitability and dividend potential, and purchase-guaranteed revenues in foreign currency terms that ensure growth.

In terms of operational excellence, we had a year in which the availability and capacity utilization figures at the power plants reached record levels. We created high value with the right energy sales and fuel supply strategies, effective reservoir management strategies

and efficient operations in the Intraday Market - Day-Ahead Market and ancillary services markets. In addition to optimizing current assets, we have also created value through our non-asset-based energy and gas trading activities, energy supply solutions for sophisticated customers, and our origination activities. Enerjisa Europe, our trading branch in South East Europe, became fully operational in 2021. It started to gain value in trade markets in the region (Hungary, Bulgaria, Romania, Serbia, Greece). We have ensured that the profitability and cash generated from operations are effectively managed against the risks due to financial fluctuations. We sustained the digital transformation, which is one of the most basic elements of effective commercial management, without slowing down throughout the year. With the contribution of the developments in this field, we converted the high operational performance in 2021 into a net profit of 1,710 million TL. Despite the fluctuations in the macroeconomic level, we managed to complete the year with a solid balance sheet structure.

1,7
billion TL net profit

2021 DEVELOPMENTS

INVESTMENTS

In 2021, we turned a new page for investments in renewables. At the beginning of the year, we commissioned hybrid solar projects. We started the construction of the 65 MW Erciyes Wind Energy Project in Kayseri. We obtained the pre-license for 500 MW mega YEKA Wind Power Plants, which will be located in Çanakkale and Aydın, for which we acquired the connection rights in 2019. We have taken firm steps towards a sustainable future with these renewables investments, which are in line with our growth strategies. Enerjisa Üretim, has shared the value it created in 2020 with its investors for the first time, and will also distribute dividends from the value it generated in 2021. We aim to make this flow sustainable in the coming years.

In our medium-term plans, we aim to grow in renewable energy with the accurate capital and cash management strategies by commercially maximizing the value created by the current 3,607 MW generation portfolio.

TURKEY ELECTRICITY GENERATION INDUSTRY

2021 has been a year of huge fluctuations in macroeconomic terms. Turkey's electricity demand, which has declined due to the effects of the pandemic, has started to recover. Postponed maintenance was carried out. Major unplanned situations occurred as a result of the delays in maintenance process. There were energy crises on a global scale, and commodity prices increased. Due to the drought, generation at hydroelectric power plants remained below normal.

The electricity installed capacity of our country increased by 4% compared to 2020 and reached 99.4 GW. In 2021, with the increase in the capacity of wind and solar power plants, the share of renewable resources in the total electricity installed capacity increased up to 52%.

Turkey's electricity demand, which decreased due to the epidemic in the previous year, grew by 8.2% per year and amounted to 327 TWh, despite the Pandemic restrictions applied in the first 6 months of the year. Vaccination, gradual normalization and industrial growth had impacts on this development. Due to below-normal precipitation, low snow potential and low soil moisture, less streamflow reached the power plants throughout the year. Capacity utilization rates of hydroelectric power plants remained low throughout the year. In order to compensate for this deficiency on the supply side due to the drought and to meet the high electricity demand in Turkey, a record amount of generation was made at natural gas power plants.

Commodity prices, which fell in 2020 with the effect of the pandemic, reached historical peaks as of the second half of 2021, with the recovery in global demand. Due to the rise in commodities and supply problems, there were energy crises on a global scale. Coal prices increased. From time to time, the

generation costs of imported coal-based power plants exceeded the generation costs of natural gas power plants. It caused two types of technology to swap places in the supply curve that formed the price in the Day-Ahead Market.

The drought experienced in 2021 negatively affected our hydroelectric power plant portfolio as it did with entire hydroelectric power plants across the country. We have successfully managed this adverse condition with effective reservoir usage, accurate maintenance planning and record level of availability. By means of our diversified portfolio, we made up for this negative impact with the strength of our competencies in other technologies. Thus, in 2021, we gained a revenue higher than we had planned.

2021 was also an outstanding year for our wind and solar power plants. We have minimized the potential revenue loss by scheduling the maintenance plans at the wind farms at the periods when the wind intensity was low.

Our Bandırma I and Bandırma II natural gas combined cycle power plants made a great contribution to Turkey's supply security, as in previous years. Tufanbeyli Lignite Power Plant is capable of generating electricity at low cost by the virtue of its high efficiency and advanced technology. We sold most of the electricity generated by the power plant in 2021 through bilateral agreements and EÜAŞ (Elektrik Üretim A.Ş.) purchase agreement. We have ensured that availability, which is the most critical issue for Tufanbeyli Power Plant, has achieved a value above the previous years. Moreover, non-asset-based energy and gas trading operations, energy supply solutions for sophisticated customers, and structured commercial product operations also highly contributed to our profitability throughout the year.

THIRD PARTY TRADING ASSET OPERATIONS

In 2021, we enhanced our leading position in the industry by undertaking all commercial operations of power plants of other companies, with the strength we derive from the knowledge, experience and operational competencies we have accumulated over the years.

With the first step taken in this area, which is one of our growth targets, we undertook all commercial operations of Akocak and Çanakçı hydroelectric power plants with a total installed capacity of 92MW. In this context, we have successfully completed all the operations of our new stakeholder in the following processes, which we also carry out for our own power plants:

- Power Plant Optimization - Reservoir Management/ Operation
- Meteorological and Hydrological Forecasts
- Day-ahead and Intraday Market Transactions
- Management of Imbalances
- Risk management
- Maintenance Planning

POWER PLANTS

RENEWABLE ENERGY POWER PLANTS

Hydroelectric power plants have the largest share in Enerjisa Üretim's renewable energy portfolio with 1,353 MW. As a result of below-normal precipitation, our hydroelectric power plants started 2021 with a lower capacity utilization rate. Due to below-normal precipitation, low snow potential and low soil moisture, our power plants received low streamflow throughout the year. The capacity utilization rates of our hydroelectric power plants remained low throughout the year. Despite the drought encountered in 2021, we benefited from hydroelectric power plants at the maximum level by means of the enviable predictions of our teams and effective reservoir management.

2021 was a very productive year for wind power plants. We achieved a high capacity utilization rate. We generated a total of 707 GWh in Bares, Dağpazarı Çanakkale Wind Power Plants.

In 2021, which was a challenging year due to the pandemic, we carried out periodic maintenance of hydroelectric power plants. With effective and efficient maintenance planning, we scaled down the maintenance plans of some power plants in line with the requirements and Pandemic constraints. We have shifted the maintenance of some power plants to periods when conditions were more favorable. With successful maintenance planning, we have realized the high-availability of hydroelectric power plants. We accelerated and pursued our data management and advanced data analytics and management operations in 2021. We have set certain project goals for real-time monitoring and management of data and we have attained them successfully.

ECMWF (European Center for Medium-Range Weather Forecasts) and GFS (The Global Forecast System) products, which are among the mostly used

meteorological forecasting resources in the world, are used in short-term flow forecasting operations. We also prepare basin-based precipitation and temperature forecast data through these products. We use the prepared precipitation temperature data as an early warning system against meteorological and hydrological risks that may occur during real-time power plant operation. Based on these data, we take precautions against possible risks. We make flow forecasts using precipitation and temperature data and other data such as snow-covered area, soil moisture and snow-water equivalent obtained through different satellite images, and the Delft-FEWS (Flow Forecasting System) model. PERA optimization model is an advanced data analytics application developed by our own resources, which simultaneously assesses Delft FEWS Flow forecasting model outputs, plant technical specifications, upstream and downstream constraints and market conditions. With the PERA optimization model, it is planned to obtain maximum energy from a unit of water in the most accurate and economically valuable time frame. In 2021, we created solutions for the PERA optimization model to work more efficiently and in a short time.

Similar to 2020, 2021 was a productive year for our hydroelectric power plants, with the contribution of electricity generation optimization efforts realized with successful follow-up and decisions, high availability and commercial operations. Similar to 2020, 2021 was a productive year for our hydroelectric power plants, with the contribution of electricity generation optimization studies made with successful follow-up and decisions, high availability and commercial operations. As a response to successful optimization strategies, we used the limited water resource coming to our power plants in the most efficient way.

NATURAL GAS COMBINED CYCLE POWER PLANTS

As a result of below-normal precipitation, hydroelectric power plants started 2021 with a lower capacity utilization rate. This important development on the supply side enabled natural gas power plants to start the year with high capacity utilization rates. In order to meet Turkey's electricity demand, a record amount of generation was made at natural gas power plants.

In 2021, an increase was recorded in almost all commodities globally. Natural gas prices were also affected by this increase in commodity prices. The increase in the natural gas tariff (for electricity generation) by BOTAŞ, which is in a dominant position in the Turkish gas market, caused a serious increase in the generation costs of the power plants.

As a result of all these, there were significant increases in electricity prices in 2021, especially in the second half of the year. Despite increasing natural gas costs, we managed to protect our asset value against these turmoil with our forward-term electricity sales strategies (hedges) and effective fuel supply strategies. We significantly increased the profitability of our natural gas power plants.

TUFANBEYLİ POWER PLANT

In 2021, we started to reap the harvest of investments and improvements made after the challenges experienced in previous years, both in mining and power plant operations. As a result of the investments and improvements on operational activities, we achieved a high availability rate and broke the generation record. We supported our successful performance in 2021 in terms of availability with forward-term electricity sales strategies, particularly sales made to Elektrik Üretim Anonim Şirketi (EÜAŞ), hedge operations, and efficient fuel supply strategies.

RISK MANAGEMENT

MEASUREMENT, ASSESSMENT AND RISK REDUCTION

With our risk management perspective, we aim to identify all risks and opportunities that may affect our operational, strategic and financial plans, to measure and assess them utilizing various methodologies, and to reduce risks.

Two departments in charge of risk management carry out risk management activities in their respective fields. The Technical Risk Management department focuses on managing technical risks. We changed the title of the Corporate Risk Management department, which focuses on the management of commercial and financial risks, as Risk Culture in line with our strategic goals. We restructured the organization of the department in order to implement risk management practices in all decision processes and to widespread the risk management approach throughout the organization.

OVERALL RISK ASSESSMENT FOR 2021

The high volatility in exchange rates in 2021, particularly in the last quarter of the year, has become one of the most critical risks to be managed for all energy market players, which are highly indexed to foreign currency in terms of costs, income and financing. The USD rate, which started the year with 7.42 TL according to the CBRT USD Buying day closing data, made the lowest day close of the year with 6.92 TL on February 17, 2021, and the highest day closing with 17.47 TL on December 21, 2021, and closed 2021 with a value of 12.98 TL. The 2.5-fold difference between the lowest and highest values during the year, reveals the fact that currency risks should be closely monitored.

2021 was a year of high volatility and record prices in terms of global energy markets as well. Price records were broken in the European natural gas and electricity markets. In the Dutch TTF market, which is one of the most important liquid natural gas trading centers in the world, the natural gas spot price, which fell to the level of 3.9 EUR/MWh in 2020, increased to a record 137 EUR/MWh in 2021 and closed the year with 70 EUR/MWh. Whereas the electricity price in the German day-ahead market was 53 EUR/MWh on average in January, it increased to an average of 223 EUR/MWh in December. Although not as dramatic as European markets, increasing coal and natural gas costs in Turkey's energy markets were reflected in electricity prices. The electricity market clearing price (MCP), which was an average of 298 TL/MWh in January 2021, became 1009 TL/MWh in December 2021 with increasing natural gas, coal prices and exchange rates. This unprecedented increase in the markets showed that commercial and generation operations can suffer seriously if the appropriate risk management is not ensured. As Enerjisa Üretim, we closely monitor all market risks using both asset optimization and advanced risk management tools and techniques that we have developed and used for many years in our commercial operations. We continue our commercial operations with clear risk capital and risk limit structures. We use advanced risk management tools and techniques in order not to be negatively affected by currency fluctuations.

MANAGEMENT OF TRADING AND OPTIMIZATION RISKS

Trading and optimization risks include the changes in the prices and additional costs of the electrical energy we generate or trade and the commodities such as natural gas, petroleum products, lignite that we will consume or trade, in free and regulated markets, and the effects of this situation on profitability. We have designed a trading and optimization risk policy to manage risks. We carry out our trading and optimization risk management operations in cooperation with the Trading Risk Management team under the Risk Culture department and the teams that carry out all commercial and optimization activities. We periodically report the profitability and risks of each trading and optimization operation. We monitor and report most of the risks on daily basis. We maintain a risk capital allocated for trading operations. We set the trade limits in line with this risk capital and current risk appetite, and monitor them on daily basis. We use advanced Value at Risk (VaR) models to measure business risks.

We established the Trading and Optimization Risk Management Committee to direct and supervise risk management activities. Committee members consist of the CFO, the Assistant General Manager of Portfolio Management, and the Energy Markets Director. This committee meets at regular intervals and determines the risk appetite, the level of authorization, limits and trading principles in line with our current risk-bearing capacity. It questions the adequacy of existing systems and decides on areas to be developed. It identifies risky situations at the trading operations level and decides on action plans to eliminate the risk.

MANAGEMENT OF FINANCIAL RISKS

Our receivables and debts in different currencies, and currency risks arising from purchase guarantees constitute a significant part of our financial risks. In addition, interest risks and tax risks arising from deposits, credits and/or future liabilities and receivables are also included in the scope of financial risks. We assigned the Financial Risk Management Department under the Risk Culture Department in order to manage these risks more effectively. The basic principles, authorization and limits of financial operations, approval procedures, monitored metrics and risk management practices are determined by the Financial Risk Management Policy.

We established the Asset/Liability Committee with the participation of senior management to assess financial risks and plan actions. This committee meets on regular basis to assess our current and prospective deposit and loan positions, our income and expenses in different currencies, and our currency and interest risks. It determines the positions to be taken and risk management actions. The committee also provides input for the Financial Risk Management Policy.

RISK MANAGEMENT

CORPORATE RISK MANAGEMENT AND REPORTING

It includes the consolidation of risks in different departments and units, the creation of business continuity documents and the reporting of risks. It is of strategic importance that risk management provides input to decision mechanisms. Therefore, in the budget, annual and interim plans, risks are defined, calculated, consolidated and presented in a way that is consistent with the main assumptions before the decision stage. Annual plans, targets and strategies are prepared by considering this risk and opportunity universe.

TECHNICAL RISK MANAGEMENT

Within the scope of Technical Risk Management, we aim to identify and eliminate risks that may harm people and the environment, create legal non-compliance and reduce the availability value of power plants, or to identify and implement opportunities that may create value. We assess the effects of technical risks and opportunities in terms of Occupational Health and Safety, Environment, Reputation and Financial.

We carry out our Technical Risk Management activities under the leadership of the Operations Technical Assistant General Manager, through the power plant officials. The process is coordinated by the Asset Management and Sustainability Department.

Risk detection consists of two main processes, internal and external. The internal audit process is planned and carried out by our Enerjisa Üretim functions for methodical and systematic risk detection. In this context, hazard detection methods (HAZOP, FMEA, etc.) recommended in international standards are applied in all locations with the involvement of people from various expertises such as manufacturer experts, risk analysis experts etc. according to the particular technical needs. Externally managed risk detection processes are Credit Provider reviews, Insurance supervision, Internal Audit process and audits within the scope of ISO Management Systems.

With the 6 HAZOP (Hazard and Operability Analysis) practices we carried out in 2021, we reviewed the processes in the sites and identified improvement actions.

For the Solar Power Plants that are planned to be established at the sites within the scope of the hybrid electricity generation facility, we carried out risk determination studies with Bow-tie analysis. We have classified the situations that may be encountered during the process, in 12 separate sub-processes and in 38 categories. In a workshop where legal issues, project management and technical issues were examined in detail, we created a documentation and working systematic that can guide the hybrid power plant projects that we are closely interested in.

The mucilage formation in the Marmara Sea in the summer of 2021 had the potential to adversely affect availability, efficiency and reputation of the organization at Bandırma I plant, which uses seawater as part of the cooling cycle. We held a 2-day workshop in which plant employees, Asset and Risk Management experts, Environment and Sustainability experts participated. By examining 38 sub-headings in 4 main categories, 19 actions were defined. We identified risks and opportunities. Collaborating with public institutions, we voluntarily eliminated 12 tons of mucilage with a specific system prepared by using the facilities of the plant.

We prepared the Technical Risk Management Training, which includes instances from daily life and from the power plant, and provided it to the power plant employees and all units working closely with the power plants. With this comprehensive training, we raised awareness about how we define and generate risk.

At the Asset Management Excellence Awards 2021, organized annually by the London-based Institute of Asset Management, one of the world's leading Asset Management communities, we applied to the Risk Management category with our Technical Risk Management initiative. In the assessment, in which organizational practices and achievements were taken into account, our Technical Risk Management initiative was among the top 3 and qualified to be a finalist.

In order to reduce the risks of uncontrolled release of energy, mass and matter during the life cycle of our power plants, we implemented the Process Safety Management Procedure, which defines general principles and methods, beyond legal obligations, with our vision of strategy setting leadership in the sector. With 12 principles and 68 requirements, we laid the foundations of the mechanism where good practices of power plants, which are our physical assets, are proactively mainstreamed, and improvement is achieved with learnings. In this context, we determined the actions that can be taken in the short term by conducting an extensive current situation analysis with the participation of plant managers and employees who are experienced in business and technical fields. With the participation of representatives from all technologies, we ensured the integration of Process Safety incidents into the existing incident reporting and investigation process. We have designed scenario-based process safety-based response instructions for process safety incidents that may arise in different technologies.

INTERNAL AUDIT ACTIVITIES

AUDIT ACTIVITIES, CONSULTING SERVICES AND ETHICAL REVIEW

The Audit Committee's role is primarily to assist the Board of Directors by providing advices and recommendations on the accuracy and integrity of the financial statements and internal control system, the effectiveness of the company internal audit processes and function, the independence, qualifications and performance of external auditors, compliance with applicable laws and regulations, and potential for improvement in business processes.

Activities for the efficiency and competence of the internal control system at Enerjisa Üretim and all of our subsidiaries are carried out by the Internal Audit Department. The Internal Audit Department reports directly to the Audit Committee, which consists of two independent members of the Board of Directors.

The Internal Audit team fulfills three main tasks: conducting audit activities, consultancy services and ethical review studies within our company.

CONDUCTING AUDIT ACTIVITIES

With the internal audit activities carried out, the Board of Directors is provided reasonable assurance regarding the effectiveness and competence of internal controls in internal processes through the Audit Committee.

Auditable processes are identified by the audit universe created by the department. Risk assessment studies regarding processes are carried out on a regular basis every year. The annual internal audit plan prepared is approved by the Audit Committee and the Board of Directors. In the audits carried out within the framework of this plan, it is aimed to contribute to the realization of the following objectives:

- Complying with legal regulations, contracts, authorization plan, policy and internal procedures,
- Preventing mistakes and misconducts,
- Establishing an effective internal control system for ERP systems, other databases and business practices,
- Protection of assets,

- Ensuring the effectiveness and efficiency of operations, the accuracy and integrity of financial and operational information,
- Compliance with corporate governance principles,
- Compliance with ethical values,
- Ensuring effectiveness in performance and risk management,
- Identifying improvement opportunities and mainstreaming good practices.

Detections and recommendations regarding the audits carried out are discussed with the audited function managers, and action plans are drawn up. The auditor's opinion on the effectiveness of the internal control system is presented in the audit report, and the results are reported to the Audit Committee. Follow-up studies regarding the implementation of action plans are also carried out by the Internal Audit Team. The Audit Committee is informed about the developments.

INTERNAL AUDIT ACTIVITIES

PERFORMANCE REVIEW AND CONTINUOUS DEVELOPMENT

The Internal Audit Department carries out its activities in compliance with International Internal Audit Standards and Code of Conduct. This compliance is certified and approved by an independent Quality Assurance Review (QAR) carried out every 5 years as per the standards, which was last performed in 2018. The team members within the department are members of the Internal Audit Institute of Turkey in order to improve and share their professional knowledge and experience.

CONSULTANCY SERVICES

Internal Audit Department also provides consultancy service regarding business processes within the scope of specific requests from the Board of Directors, Audit Committee or senior management.

ETHICAL REVIEW PRACTICES

Company employees or all stakeholders can report any potential ethical, legal or company policy violations by calling the Ethics Line at '0216 512 4242' or by contacting the Internal Audit Department via the e-mail address of "enetik_uretim@enerjisauretim.com". Internal Audit Department is the sole authority to access these notifications and investigate violations. The results of the investigations and recommendations are discussed and resolved by the Workplace Behavior Assessment Board. In addition, in case of any non-compliance notification to the Compliance Board on ethical issues, the relevant issue is conveyed to the Internal Audit Director by the General Counsel. If the Internal Audit Director deems it necessary, he/she starts an investigation about the subject report and implements the pertinent policies and procedures.

OUR CODE OF CONDUCT

We consider respectability, reliability and responsible behavior as primary values in all our business processes. At every step, we reveal a culture that fulfills the requirements of these behaviors. Our Code of Conduct (EnEtik) serves as a compass for us to practice this culture in a sustainable manner.

Code of Conduct consists of various aspects such as complying with business ethics in the internal and external relations of the company, securing all kinds of company assets and information, preventing conflicts of interest, and fighting against bribery and corruption. In addition to our statutory liabilities, it determines our responsibilities towards our customers, employees, shareholders, suppliers and business partners, competitors, society and employees. We share our company's code of conducts booklet publicly on our corporate website.

Our employees refresh their knowledge by completing the training on business ethics rules and principles assigned to them via the e-learning platform, and update their compliance with these rules with the "Code of Conduct Compliance Statement". The Ethics Committee Consultant, who chairs the Workplace Behavior Assessment Board within the company, is announced to the entire organization as the contact person regarding ethical issues.

ENERJISA ÜRETİM

LIFE

We transform energy into life.

We endeavor to manage our sustainability vision with an inclusive approach ranging from gender equality to biodiversity.



SUSTAINABILITY STRATEGY

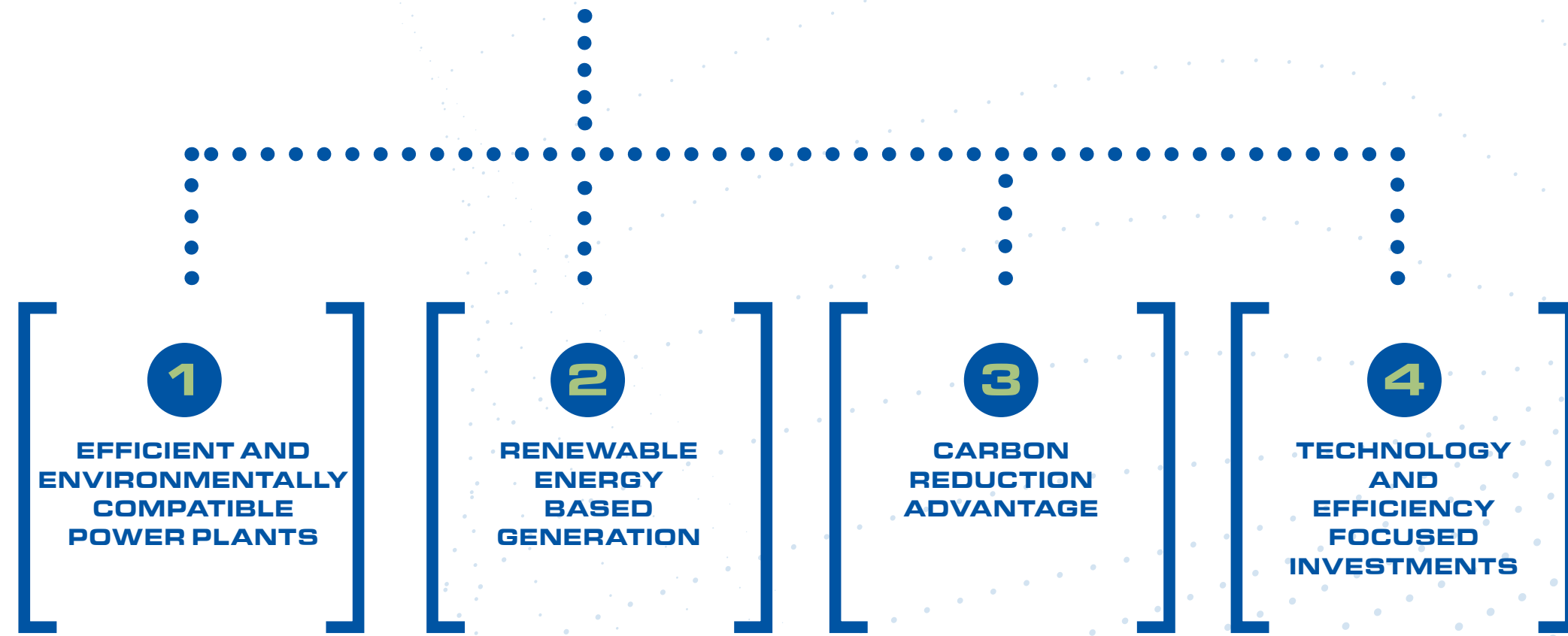
As Enerjisa Üretim, we embrace the change and invest in **people-oriented ecosystems** and regenerative business models for a better future. Through our sustainability approach, we concentrate on making our current investments more sustainable by means of our environmental, social and governance practices in our operating regions and spheres of influence. We set our priorities on the solution of global problems and the **continuity of our business models**. Accordingly, while contributing to the supply security in energy, we have set people and the environment as our priority. We manage all these operations on a **common mind basis**, collaborating with our internal and external stakeholders. We strive to be one of the leading companies in our industry and business world in the short, medium

and long terms within the framework of our sustainability vision and best practices we have practiced in these areas.

We consider **climate change and biodiversity as critical areas** in our environmental priorities and we are working to improve them. We manage our renewable energy investments, process safety, digitalization and innovation processes in order to ensure supply security. We continue our work in the fields of occupational health and safety, employee loyalty, ethics and talent management by putting people at the forefront in all processes. We endeavor to manage our sustainability vision with an **inclusive approach** ranging from gender equality to biodiversity.



SUSTAINABILITY STRATEGY



Our perception of sustainability takes place at the heart of our business style.



ENERJİSA ÜRETİM

ENERJİSA ENERJİ ÜRETİM A.Ş.

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