

AKSA DOĞALGAZ ANNUAL REPORT 2019

# TOWARDS RECORD

**aksa**  
DOĞALGAZ





## **ESTEEMED STAKEHOLDERS,**

The year 2019, may be remembered as the year in which the impact of global recession was perceived the most since 2008. The Turkish economy – despite its exposure to sudden currency fluctuations in the previous year and other seemingly disastrous scenarios – demonstrated resilience and readiness during this challenging time. I sincerely believe that our country, with its potential, will again accomplish growth stories that set precedents.

Within this turbulent period, Kazancı Holding closed 2019 by exceeding its targets, thanks to the Company's strong financial structure, prudent risk approach, innovative corporate culture and competitive and strategic investments.

Demonstrating throughout its corporate history the ability to withstand challenges, our Company has become a global player and a brand respected across geographies. To continue achieving sustainable success, we are taking bold new steps towards change and innovation as we move forward in our globalization journey. Our most important advantage in this process of change is our business culture, which enables us to renew our ways of doing business according to current trends and technologies without compromising on our values.

We have covered a great deal of ground in this transformation process, which started with our management structure and approach. As we make one investment after another in digitalization, we have reinforced our position as a pioneer, rather than a mere follower. This innovation process, built on digital transformation, will proceed by propagating even across our smallest operations in the upcoming period.

In the coming period, we will carry on progressing towards our global objectives, while remaining true to our defining values of productivity, creativity and innovation, in our transformation journey as well. With the financial results we attain, I am certain that we will create more value for the geographies in which we conduct business, especially in our country, and lead our society and stakeholders in sustainability. With this confidence and sentiment, I would like to express my gratitude to all our employees for their invaluable services and contributions.

Best regards,

**ALİ METİN KAZANCI**

Kazancı Holding  
Chairman





## ESTEEMED STAKEHOLDERS,

As Kazancı Holding, we continued to add value to all the lives that we touched in 2019, without deviating from our goals of sustainable development and stakeholder satisfaction. With our investments and numerous projects in the geographies where we honourably conduct business, we are proud to see that we continuously increase our contribution to Turkey's economy and reputation.

In the recent period, we have accelerated steps towards deepening our flexible and competitive perspective – a perspective that enables the Company to rapidly adapt to cyclical changes on a global and local scale with creativity, innovation and technology. In 2019, we achieved critical milestones along the journey of change and transformation initiated in 2014, a journey launched with the aim of becoming an international group of companies that achieves profitable sustainable growth and designs the future while managing the present efficiently and effectively.

Aksa Doğalgaz assumed substantial responsibility in this important transformation journey. Our Company maintains its position as a leading player defining the standards in the industry, with steps taken towards digitizing all its operations end-to-end. In addition to initiating the integration of SAP solutions into business processes, Aksa Doğalgaz makes life easier for its subscribers with additional digitalization activities, such as e-Government and online bank integration, e-Archive bill and electronic account statements.

As the natural gas distribution company serving the broadest geographical area in Turkey, Aksa Doğalgaz reached a network length of approximately 30 thousand kilometers, three times Turkey's border length. Spending TL 523 million solely on investments in 2019, the Company brought natural gas to five new districts and thousands of citizens in those areas, while increasing its number of subscribers to 3 million in July and 3.3 million as of the end of the year. This noteworthy success boosted the Company's ranking to 66, rising 10 places on the Fortune 500 list in terms of balance sheet.

Like all Kazancı Holding companies, Aksa Doğalgaz will continue to stay one step ahead in its area of activity, deploying its business models, along with innovative solutions that centralize technology and efficiency. With the commitment and dedication of our employees, as well as the support of our stakeholders, we will continue to create value for our country.

Best regards,

**ŞABAN CEMİL KAZANCI**

Kazancı Holding CEO and  
Vice Chairman

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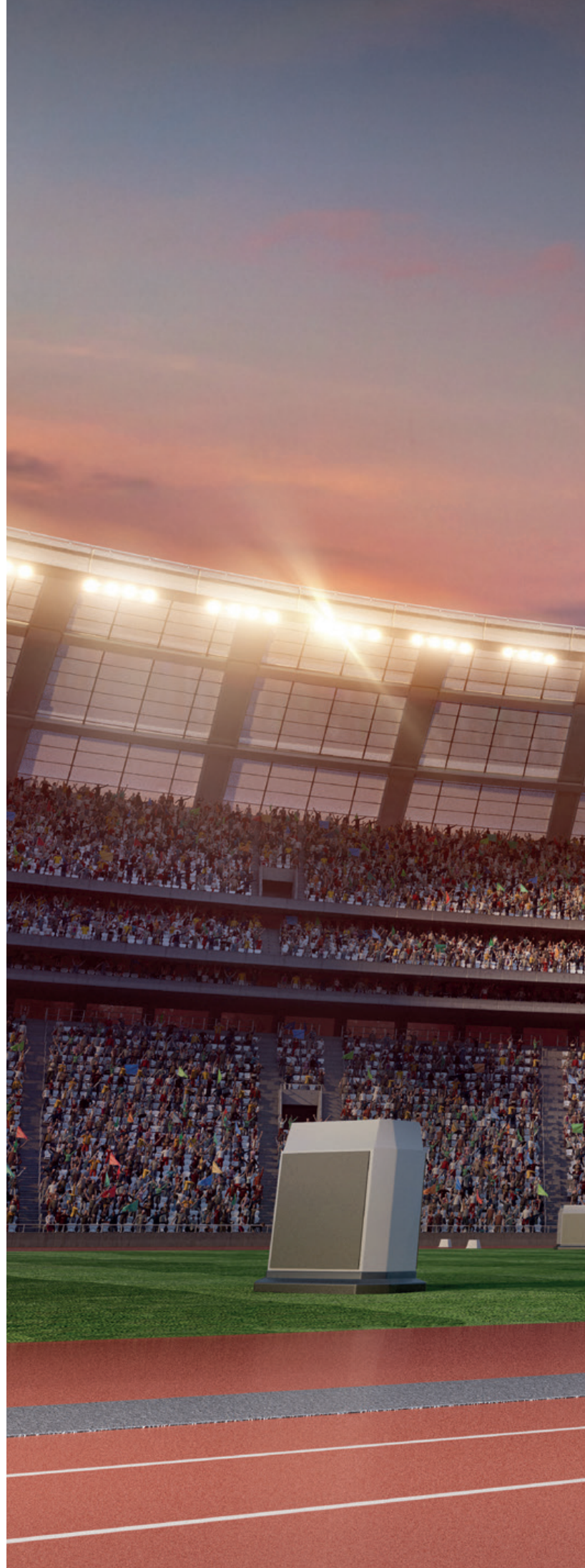
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Please scan the QR Code to view our corporate promotional video.





As Aksa Doğalgaz, we provide 15.7 million people with the comfort of natural gas. What we do takes a great deal of effort, strategy and conditioning. We maintain our form by carrying our activities even further and we continue to work towards successful achievements that will make a worldwide impression.

We aim to extend our network, which is currently three times the length of the border around Turkey, to a length that could encircle the earth. This will be global record for a Turkish company. We have full confidence, and so, we will keep on achieving towards our goal.









# EVEN FURTHER

As Aksa Doğalgaz, we have built the largest natural gas distribution network in Turkey. Initiated in 2002, our mission to “bring the comfort of natural gas to our customers safely and with high standards” continues with firm steps in 27 provinces and 181 districts and towns in Turkey, with our ever-expanding distribution network and environmentally-friendly subscribers who prefer natural gas.

27

NUMBER OF PROVINCES PROVIDED SERVICE

## MESSAGE FROM THE CHAIRMAN

As the natural gas distribution company serving the broadest geographical area in Turkey, we continued working throughout 2019 to bring natural gas – an environmentally friendly, comfortable and economical energy source – to more people.

TOTAL AMOUNT OF NATURAL GAS DISTRIBUTED

**7.9** BILLION M<sup>3</sup>

NET SALES

TL **5** BILLION





## Esteemed Stakeholders,

We left behind a year in which we felt the impact of downward risks in the global economy. While rising trade walls and political uncertainties in 2019 curbed production, investment and trade across the globe, a slowdown occurred in almost every global economy. Amplified signals of stagnation instigated a new period of monetary expansion by the central banks of developed countries, also pushing the US and China to moderate their negotiations, ongoing for more than a year.

While data in the first part of 2019 reflected vitality, the US economy began to lose momentum as of the second half of the year. The Brexit process, continuing to create uncertainty, increased pressure on the Eurozone, causing the slowdown to deepen.

In addition, risks surrounding markets – notably, contraction in global trade in 2019 – triggered fragility, particularly in developing economies. Strong capital outflows were observed in the first half of the year, during which global risk appetite remained low, especially in these economies. Entering a period of monetary expansion once again with the decisions of the central banks of developed countries, the growth outlook for developing countries started to recover in the second half of 2019.

Although moderation in trade wars and loosening monetary policies raised expectations for recovery in 2020, there is still concern that the slowdown in global economies may turn into a recession.

## **TURKEY IS AGAIN ON A GROWTH TRACK AS OF THE SECOND HALF OF THE YEAR**

Turkey experienced a challenging period following currency shocks in 2018. Starting to shrink in the final part of the previous year due to depreciation in the Turkish lira, global fluctuations and increasing regional geopolitical risks, the Turkish economy entered an upward trend as of the third quarter of 2019. After declining by 2.6% and 1.5% in 2019 compared to the first two quarters of the previous year, respectively, the GDP rose by 0.9% in the third quarter. The leading indicators regarding the final quarter of the year point to a continuation of favorable progress in the GDP.

While limited fluctuation in exchange rates, due to the Central Bank's interest rate cut of 12 points throughout the year, allowed the balancing process to continue according to plan, significant improvements were recorded in key macroeconomic indicators such as inflation and current account balance. The Consumer Price Index (CPI) fell to single digits for the first time since July 2017 and was 11.84% in September on an annual basis; the current balance started to show a surplus from June.

The principle focus of the 2019-2022 roadmap, announced by the economy management of our country per the New Economy Program (YEP), constitutes financial stability and sustainable growth within the framework of global risks and domestic developments. As Aksa Doğalgaz, we believe that implementation of the policies and measures recommended in the Program is highly important, for both increasing the investment appeal of our country and realizing its growth potential.

## **STEADY GROWTH IN THE TURKISH NATURAL GAS MARKET**

The natural gas distribution industry continues to build on nearly three decades of success with new achievements. Contributing to this success was the industry's energy liberalization process, initiated in 2002 and among its most impactful applications, as well as the potential that Turkey possesses due to its young population and growing economy. The model utilized for the generalization of natural gas distribution throughout our nation also sets an example for other countries.

Customer satisfaction is essential in the natural gas industry, and steady growth in the industry continued in 2019 as well. With 72 distribution companies bringing natural gas to 81 provinces and 550 settlements as of the end of 2019, the distribution sector, reaching 16.5 million subscribers, provides 55 million citizens with natural gas. Last year, the comfort and safety of natural gas was brought to 2 million people in 39 settlements. As of the end of the year, TL 52 billion was spent on investment throughout the industry. With the construction of 8 thousand kilometers of network, for which TL 1.1 billion was spent on investment within 2019, the total network length of Turkey exceeded 147.5 thousand kilometers.

At the same time, however, the transition to natural gas usage did not reach expected levels, due a lower number of installation companies in small settlements, despite the expansion investments in the last three years, and also due to higher conversion prices in smaller settlements compared to big cities. We believe it is crucial establish a financial support mechanism for the 11.5 million citizens who are not currently using natural gas due to interior installation costs.

However, in response to strong investments, a developing service network and a high number of new subscribers in 2019, the demand for natural gas in Turkey rose, despite a decrease in natural gas usage in energy generation; reductions in power plant consumption resulted in a decline from 44.0 billion m<sup>3</sup> to 40.4 billion m<sup>3</sup>.

More recently, Liquefied Natural Gas (LNG) infrastructure investments, also of great importance in our country, were put into operation. As a result of a rise in the share of LNG in natural gas demand, our country has become one of the largest LNG markets globally. With recent steps taken, Turkey has moved beyond being a regional power and transit country in the energy sector and has turned its direction towards larger goals. The realization of floating LNG storage and regasification terminal (FSRU) projects and the completion of the Trans Anatolian Natural Gas Pipeline Project (TANAP), which will carry Azeri natural gas to Europe through Turkey in the near future, were the most important steps taken by our nation towards becoming a trade center.

We consider the continuation of regulations in Turkey, designed to support the free market structure, as another important aspect of this target. Through the Continuous Trading Platform, EPIAŞ aims to create a transparent, predictable and reliable wholesale market that will bring our country closer to becoming a regional center. We wholeheartedly believe that our natural gas market, which has achieved nearly all of the objectives set for more than 30 years, will achieve this goal as well.

## MESSAGE FROM THE CHAIRMAN

WE CONTINUE LEADING OUR INDUSTRY  
IN EVERY ASPECT

As the natural gas distribution company serving the broadest geographical area in Turkey, we continued to invest in our nation conscious of our responsibilities, and to work continuously so that even more people have access to natural gas, an environmentally friendly, comfortable and economic energy source.

We produced an additional 2 thousand kilometers of network in 2019; our total network length is now 29,901 km. This is equal to three times the border length of Turkey and constitutes 20.3% of the network total in the country. Distributing 19.6% of the total natural gas distributed in Turkey, with 7.9 billion m<sup>3</sup> as of the end of the year, and operating in 21 of the country's 72 licensed regions, our Company expanded its number of subscribers to 3.3 million at the end of the year, exceeding the 3 million threshold. We aim to extend our network to 40 thousand kilometers in 2021 – around the same length as the equatorial circumference of the earth – and to reach 4 million subscribers, and increase the amount of natural gas we distribute to 10 billion m<sup>3</sup>.

In 2019, a year in which we experienced the negative impact of global uncertainties and exchange rate fluctuations of the previous year, we achieved an impressive financial performance. The Company's revenues increased 43% year-over-year to reach TL 6 billion, while our shareholders' equity totaled TL 684 million, up 87%. Our EBITDA stood at TL 718 million, and our net profit for the year amounted to TL 289 million. In 2018, Fortune 500 Turkey ranked Aksa Doğalgaz 66<sup>th</sup> in terms of balance sheet, 73<sup>rd</sup> in terms of EBITDA, and 24<sup>th</sup> in terms of return on equity. With TL 523 million in investments in 2019, our total investment from the day we commenced operations stands at TL 3.4 billion.

As a strong member of the Kazancı Family that sets even higher goals on a global scale, our top priorities include strengthening our competitive structure and boosting efficiency and growth. By combining our innovation competency with digitalization, we are the first in our industry to implement innovations. Our digitalization solutions aim to facilitate the lives of our subscribers and to maximize customer satisfaction.

Based on this vision, we continued to organically extend digitalization into all our processes through the digital transformation initiative begun in 2019. In this context, we broke new ground in terms of subscriber management during the previous period, a move that inspired the industry. The Horizon21 project, implemented with the aim to digitalize our operational processes end-to-end, will enable the Company to manage big data instantly, effectively and in real time, starting from the data collection stage. In addition, with a single-center management strategy, in which all our resources are interconnected end-to-end, we expect significant improvements in compliance, reliability and systemic auto control.

Our online bank integration and e-Archive bill and electronic account statement applications were among the many outstanding initiatives that we successfully completed within the scope of digitalization efforts in 2019. In the same year, we took our place in the e-Government portal, thereby providing our subscribers with the opportunity for faster and safer transactions.

For our Company, successful business results include leaving behind a more livable world and more breathable cities for the generations to come. As such, our holistic sustainability approach is core to every strategy. In line with the message, "Cities Breathe Fresh Air with Natural Gas," we enable our citizens to breathe cleaner air and strive to draw attention to the importance of using natural gas. As of 2019, we deliver meters to new subscribers inside reusable, recyclable non-woven bags rather than single-use plastic bags, contributing to social awareness on environmental issues under the slogan, "Let it Stay Natural." We were recognized for this initiative in 2019 with the Low Carbon Hero award, at the Istanbul Carbon Summit.

As part of the ENERGY FOR TOMORROW program, initiated in collaboration with all Aksa companies under the Kazancı Energy Group during the year, we visited village schools throughout Turkey and provided energy trainings. Reaching more than 2 thousand primary school students at 22 village schools across 19 provinces, from March 2019 until the end of the year, a project team consisting of Aksa Doğalgaz employees provided training on energy sources, energy generation, energy efficiency, the efficient use of energy and the concept of clean energy, as well as on their own fields of activity.

Aligning our corporate vision with the philosophy instilled in the Life Companion project, we continue to support sports. We have supported Turkey's National Wheelchair Tennis Team since 2018; in 2019, our athletes once again made us proud with their exemplary achievements in international tournaments. Through projects that raise awareness, we continue to maintain our support for the participation of people with disabilities in all aspects of social life.

## TOTAL ASSETS

TL **5.9** BILLION

## EQUITY

TL **684** MILLION



*We will continue to invest in centralizing centralize technology, innovation and digitalization. These investments will assure our sustainable success while providing a long-term competitive edge.*

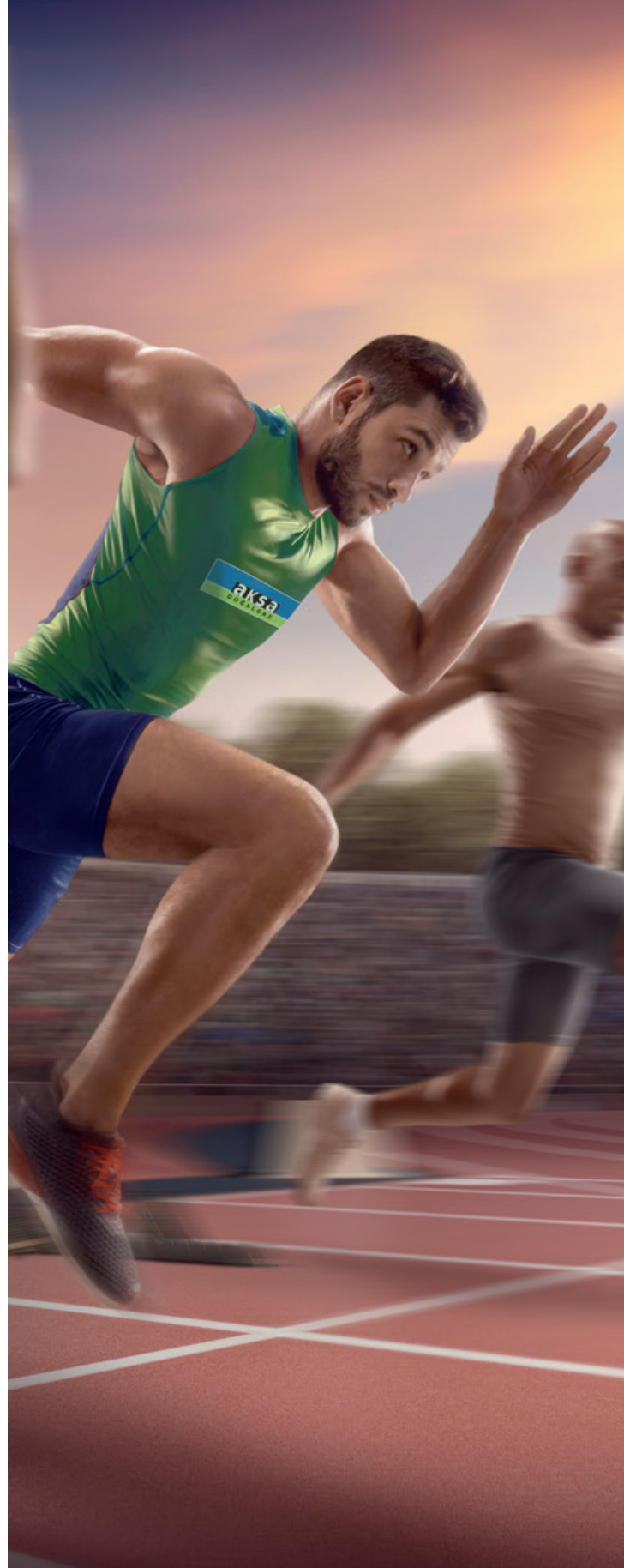
**IN 2020, WE WILL CONTINUE TO DEVELOP OUR COMPETENCIES, THE FOUNDATION OF OUR COMPETITIVE POWER**

In 2020, we will work even harder to be worthy of the trust placed in us by our subscribers, and to reach the goals we have set for 2021. We are aware that we can achieve these goals only through developing value creation-oriented business models and innovative solutions across all our business processes: For this reason, we will continue investments that centralize technology, innovation and digitalization, assuring our sustainable success while providing a long-term competitive edge.

I would like to thank all our stakeholders, especially our dedicated employees, who have contributed to the success of Aksa Doğalgaz in 2019. We hope to achieve even greater successes in the coming period.

Best regards,

**Yaşar ARSLAN**  
Chairman



# A GREAT LEAP

Even in the short time since our incorporation, we have made great leaps: Aksa Doğalgaz networks comprise 20.3% of the total length of the natural gas network in Turkey. In 2019, we distributed 7.9 billion m<sup>3</sup> natural gas and achieved a revenue of TL 6 billion.



TL BILLION REVENUES







# ABOUT KAZANCI HOLDING

*Kazancı Holding engages in production on four continents, employs over 8 thousand staff from 74 countries, conducts operations in 20 countries and exports products to over 160 countries around the world.*

With foundations dating back to the 1950s, Kazancı Holding ranks among the leading companies of the energy sector. The Holding conducts its activities with the mission of strengthening Turkey.

The Group ventured into the energy sector with genset manufacturing in the 1980s and went on to build an integrated structure in the energy industry. Thanks to its vertical and horizontal organization and service integration, Kazancı Group has attained a unique competitive position in the sector after establishing power plants and commencing electricity generation in the 1990s, setting up natural gas distribution operations in the 2000s, and starting electricity distribution in 2010.

Today, Kazancı Holding engages in production on four continents, employs over 8 thousand staff from 74 countries, conducts operations in 20 countries and exports products to over 160 countries around the world.

Kazancı Group differentiates itself from the competition with its business model, which places innovation, productivity and sustainability at the heart of the operations. The Group contributes to a sustainable future by leveraging its extensive experience and expertise in all the regions where it operates while creating foreign currency inflow into Turkey. In addition to energy, Kazancı Holding creates lasting added value for the Turkish economy through its investments in agriculture and tourism.

During its journey to success spanning over half a century, Kazancı Holding has always remained committed to the principles of customer satisfaction and trust. From the start, the Group's companies have figured among the pioneers of their sectors, regularly recording significant achievements in their respective business areas.

## KAZANCI HOLDING TOTAL ASSETS

**TL 17.4 BILLION**

Of companies operating under the Aksa brand,

Providing natural gas distribution services in 21 licensed distribution regions, 27 provincial centers and 181 towns and districts, Aksa Doğalgaz works to ensure a comfortable life for its subscribers while contributing to the economy, society and environmental protection.

Building and operating power plants in Turkey and abroad, Aksa Energy is Turkey's largest independent power producer listed on the stock exchange. Having made significant progress in recent years, Aksa Energy has transformed itself from a local energy company into a global energy corporation with facilities in TRNC and on the African continent.

Embracing customer-centricity and innovation, Aksa Electricity is a leading company in the Turkish electricity sector. Aksa Electricity supplies power to consumers across Turkey and in Çoruh and Fırat, its license regions. Serving 2.4 million subscribers and a population of about 4 million in 81 cities, the Company sold 11.2 TWh of electricity across Turkey in 2019.

Çoruh and Fırat electricity distribution companies are committed to continuously boosting customer satisfaction with an uninterrupted distribution approach without compromising quality standards. These companies meet the electricity needs of a population of 4 million located in the service regions by distributing 6.1 billion KWh of energy annually.

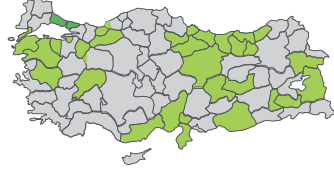
Aksa Power Generation, the leader of Turkey's power generator market and one of the largest exporters – shipping products to 170 countries – ranks among the top five manufacturers in its field with production facilities in Turkey, China, and the USA. Possessing a broad distribution network with 19 international sales points in 17 countries in Asia, Europe, Africa and Americas as well as 4 overseas representatives in 4 different countries, the Company exports more than 50% of its production.

Established in 2004, Aksa Agriculture has introduced a corporate approach to the agricultural industry, a strategically important sector for the sustainable development of our country. Aksa Agriculture engages in dairy farming, stockbreeding and arboriculture at EU standards in its two farms located in Samsun and Tekirdağ.

Aksa Tourism conducts summer and congress tourism operations at the 5-star Mirada Del Mar Hotel located in Göynük, Antalya, and runs winter tourism operations at the 4-star Mirada Del Lago Hotel and 3-star Mirada Del Monte Hotel, located on Erciyes Mountain.

## AKSA DOĞALGAZ

- 3.3 million subscribers
- 7.9 billion m<sup>3</sup> of natural gas distribution

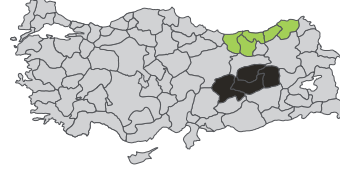


- Aksa Doğalgaz Head Office
- Aksa Doğalgaz Distribution Areas

[www.aksadogalgaz.com.tr](http://www.aksadogalgaz.com.tr)

## AKSA ELECTRICITY

- About 11.2 TWh of electricity sold across Turkey
- 6.1 billion KWh of electricity distributed to a population of 4 million through Çoruh and Fırat electricity distribution companies

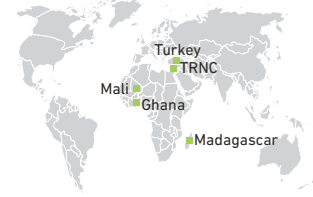


- Çoruh Electricity Distribution Regions/Çoruh Electricity Retail Sales Regions
- Fırat Electricity Distribution Regions/Fırat Electricity Retail Sales Regions
- Akselektirik Sales Regions

[www.aksaelektrik.com.tr](http://www.aksaelektrik.com.tr)

## AKSA ENERGY

- Energy generation on 2 continents and in 5 countries
- Turkey's largest independent power producer listed on the stock exchange

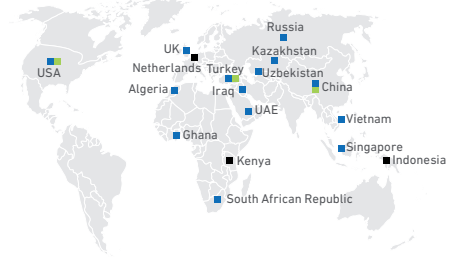


- Akse Enerji Generation Facilities

[www.aksasenerji.com.tr](http://www.aksasenerji.com.tr)

## AKSA POWER GENERATION

- One of the world's top 5 genset manufacturers
- More than 50% of production exported



- Akse Power Generation Sales Offices
- Representation Offices
- Akse Power Generation Production Facilities and Sales Offices

[www.aksa.com.tr](http://www.aksa.com.tr)

## AKSA AGRICULTURE

- 15,650 tons of milk production
- 21,812 tons of silage corn



- Tekirdağ - İnanlı Agricultural Enterprise
- Samsun - Gelemen Agricultural Enterprise

[www.aksatarim.com](http://www.aksatarim.com)

## AKSA TOURISM

- 687 room capacity
- 1,433 bed capacity

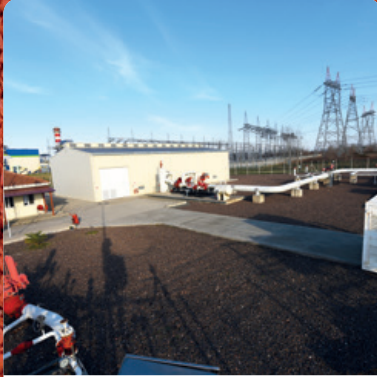


- Antalya - Mirada Del Mar Hotel
- Kayseri - Mirada Del Lago Hotel and Mirada Del Monte Hotel

[www.miradahotels.com](http://www.miradahotels.com)



## ABOUT KAZANCI HOLDING



## AKSA DOĞALGAZ

Natural Gas Distribution and Sales

Participation Rate

**99.96%**

Aksa Doğalgaz is the private natural gas distribution company serving the widest geographic area in Turkey with 21 distribution licenses and a market share of 19.6%, distributing 7.9 billion m<sup>3</sup> natural gas over a network length of 29,901 km. Aksa Doğalgaz provides service to a population of about 15.7 million and 5.4 million potential customers in 27 provincial centers and 181 towns and districts within its distribution regions.

**REVENUES**  
TL BILLION



## AKSA ELECTRICITY

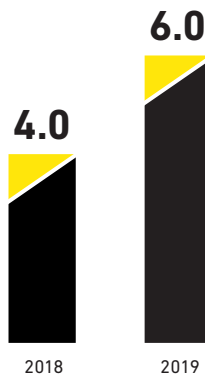
Electricity Sales and Distribution

Participation Rate

**100%**

Aksa Elektrik sold 11.2 TWh electricity throughout Turkey in 2019 through Aksa Elektrik Satış A.Ş., while distributing 6.1 billion KWh of energy on an annual basis through Çoruh and Fırat electricity distribution companies.

**REVENUES**  
TL BILLION



## AKSA ENERGY

Electricity Generation

Participation Rate

**78.60%**

Aksa Energy produces energy in 5 countries on 2 continents and is Turkey's largest independent power producer listed on the stock exchange. With 21.4% of its capital in free float, Aksa Energy's shares are traded on BIST 100 and BIST 50 indices under the ticker "AKSEN," and the Company is also included in the Sustainability Index.

**REVENUES**  
TL BILLION







## AKSA POWER GENERATION

Power Generator Production and Sale

Participation Rate

**99.98%**

Exporting more than 50% of its production, Akssa Power Generation is the sector leader in Turkey, with three manufacturing facilities in Turkey, China and the USA, 23 domestic APCs and 23 overseas sales offices comprised of 19 sales offices and 4 representation offices.

**REVENUES**  
TL BILLION



2018

2019



## AKSA AGRICULTURE

Agriculture and Livestock

Participation Rate

**100%**

Akssa Agriculture has leased İnanlı Agricultural Enterprise (Tekirdağ) and Gelemen Agricultural Enterprise (Samsun) for a period of 30 years. The Company is currently engaged in dairy and meat production on a land area totaling 24 thousand decares.

**MILK PRODUCTION**  
THOUSAND TONS



2018

2019



## AKSA TOURISM

Tourism

Participation Rate

**100%**

Akssa Tourism operates in summer and winter tourism with three hotels located in Antalya and Kayseri.

**ACCOMMODATION**  
THOUSAND GUESTS



2018

2019









# WITHOUT BARRIERS

We are the natural gas distribution company serving the broadest geographical area in Turkey. Our investments are complemented with determination, and we plan new investments undaunted by fluctuations in the economy or geographic challenges.

29,901

2019 NETWORK LENGTH (KM)



## AKSA DOĞALGAZ OPERATIONS MAP

Having taken over 21 natural gas distribution regions licensed by the Energy Market Regulatory Authority, Aksa Doğalgaz brought natural gas, the environment-friendly, safe and clean energy source to citizens in 5 new districts in 2019.

### INVESTMENTS

TL **523** MILLION

### EBITDA

TL **718** MILLION

Aksa Doğalgaz was established in 2002 as an umbrella company after the government committed to a national policy of spreading the use of natural gas, a safe and clean fuel, as an economically sound alternative for preventing air pollution caused by urbanization. Aksa Doğalgaz serves 3.3 million subscribers in 21 of the 72 license regions in Turkey.

Shaping its operations in line with the core principle of top quality service, Aksa Doğalgaz undertakes swift investments in every region where it is responsible for natural gas distribution. The Company completed most of the compulsory capital investments in its distribution areas prior to the legally prescribed deadlines, and swiftly delivered natural gas to its subscribers.

Aksa Doğalgaz commenced natural gas distribution operations in the Balıkesir region, and currently operates via its subsidiaries in the 2019 regions for which it has acquired the necessary licenses from the Energy Market Regulatory Authority. In 2019, the Company began supplying natural gas to 5 new districts, introducing this eco-friendly, safe and clean fuel to residents.





NUMBER OF PROVINCES WE OPERATE

31

NUMBER OF SUBSCRIBERS

3.3 MILLION



#### HEADQUARTERS

Rüzgarlı Bahçe Mahallesi,  
Özalp Çıkmaı No: 10  
Kavacık Beykoz - İSTANBUL/TURKEY  
T: +90 216 681 00 00



Aksa Doğalgaz provides service to the widest geographic area in the sector in the 27 provincial centers and 181 districts and towns located within the 31 provinces covered by its license. With this vast scope of business activities, Aksa Doğalgaz is Turkey's largest private natural gas distribution company. The Company aims to deliver its top-quality service to other Turkish regions that have yet to receive natural gas services.



## PROVINCES AND DISTRICTS SERVED AS OF DECEMBER 31, 2019

### AKSA AFYON

#### DOĞALGAZ DAĞITIM A.Ş.

- Afyonkarahisar
- Bolvadin
- Çay
- Dinar
- Emirdağ
- Erkmén
- İscehisar
- Sandıklı
- Şuhut

### AKSA AĞRI

#### DOĞALGAZ DAĞITIM A.Ş.

- Ağrı
- Doğubayazıt

### AKSA BALIKESİR

#### DOĞALGAZ DAĞITIM A.Ş.

- Balıkesir
- Bigadiç
- Burhaniye
- Edremit
- Havran
- İvrindi
- Kepsut

### AKSA BANDIRMA

#### DOĞALGAZ DAĞITIM A.Ş.

- Bandırma
- Erdek

### AKSA BİLECİK

#### BOLU DOĞALGAZ DAĞITIM A.Ş.

- Bilecik
- Bolu
- Bayırköy
- Bozüyük
- Çukurhisar
- Dörtdivan
- Gölpaazarı
- İnönü
- Karacasu
- Osmaneli
- Pazaryeri
- Söğüt
- Vezirhan
- Yeniçağa

### AKSA ÇANAKKALE

#### DOĞALGAZ DAĞITIM A.Ş.

- Çanakkale
- Bayramiç
- Biga
- Çan
- Dardanos
- Ezine
- Gönen
- Gümüşçay
- Güzelyalı
- Kepez
- Lapseki
- Yenice

### AKSA ÇUKUROVA

#### DOĞALGAZ DAĞITIM A.Ş.

- Adana
- Mersin
- Osmaniye
- Antakya
- Arsuz
- Azganlık
- Bahçe
- Bekbele
- Belen
- Ceyhan
- Defne
- Denizciler
- Dörtöl
- Düziçi
- Erzin
- İmamoğlu
- İskenderun
- Kadirli
- Karayılan
- Kırıkhan
- Kozan
- Nardüzü
- Payas
- Sarıseki
- Tarsus
- Toprakkale
- Yumurtalık

### AKSA DÜZCE EREĞLİ

#### DOĞALGAZ DAĞITIM A.Ş.

- Düzce
- Akçakoca
- Alaplı
- Beyköy
- Boğaziçi
- Çilimli
- Cumayeri
- Gökaya
- Güllüç
- Gümüşova
- Karadeniz Ereğli
- Kaynaşlı
- Konuralp
- Yığılca

### AKSA ELAZIĞ

#### DOĞALGAZ DAĞITIM A.Ş.

- Elazığ
- Akçakiraz
- Hankendi
- Karakoçan
- Kovancılar
- Palu
- Sarıcan
- Yazıkonak
- Yurtbaşı

### AKSA GEMLİK

#### DOĞALGAZ DAĞITIM A.Ş.

- Bursa
- Gemlik

### AKSA GÜMÜŞHANE

#### BAYBURT DOĞALGAZ DAĞITIM A.Ş.

- Bayburt
- Gümüşhane
- Kelkit
- Şiran

### AKSA KARADENİZ

#### DOĞALGAZ DAĞITIM A.Ş.

- Rize
- Trabzon
- Akçaabat
- Araklı
- Ardeşen
- Arsin
- Beşikdüzü
- Çayeli
- Derepazarı
- Fındıklı
- Gündoğdu
- Güneysu
- Hayrat
- İyidere
- Maçka
- Of
- Ortahisar
- Pazar
- Sürmene
- Vakfıkebir
- Yomra

### AKSA MALATYA

#### DOĞALGAZ DAĞITIM A.Ş.

- Malatya
- Akçadağ
- Battalgazi
- Bostanbaşı
- Darende
- Dilek
- Doğanşehir
- Gündüzbey
- Hanımçiftliği
- Hasircılar
- Hatunsuyu
- Konak
- Orduzu
- Şahnahan
- Topsöğüt
- Yakınca
- Yeşilyurt

### AKSA MANİSA

#### DOĞALGAZ DAĞITIM A.Ş.

- Manisa
- Akhisar
- Ahmetli
- Alayehir
- Gölmarara
- Gördes
- Kırkağaç
- Kula
- Muradiye
- Salihli
- Saruhanlı
- Turgutlu

### AKSA MUSTAFAKEMALPAŞA

#### SUSURLUK KARACABEY

#### DOĞALGAZ DAĞITIM A.Ş.

- Karacabey
- Mustafakemalpaşa
- Ovaazatlı
- Susurluk
- Tatlıcaklı
- Yalıntaş

### AKSA ORDU GİRESUN

#### DOĞALGAZ DAĞITIM A.Ş.

- Giresun
- Ordu
- Bulancak
- Çarşamba
- Espiye
- Fatsa
- Keşap
- Terme
- Ünye

### AKSA SİİRT BATMAN

#### DOĞALGAZ DAĞITIM A.Ş.

- Batman
- Siirt
- Kurtalan
- Tillo

### AKSA SİVAS

#### DOĞALGAZ DAĞITIM A.Ş.

- Sivas
- Cemel
- Divriği
- Gemerek
- Gürçayır
- Gürün
- Kangal
- Şarkışla
- Suşehri
- Yıldızeli
- Zara

### AKSA ŞANLIURFA

#### DOĞALGAZ DAĞITIM A.Ş.

- Şanlıurfa
- Birecik
- Karaköprü
- Onbirsinan
- Siverek
- Suruç
- Viranşehir

### AKSA TOKAT AMASYA

#### DOĞALGAZ DAĞITIM A.Ş.

- Amasya
- Tokat
- Almus
- Başçiftlik
- Erbaa
- Gümüşhacıköy
- Merzifon
- Niksar
- Pazar
- Reşadiye
- Suluova
- Taşova
- Turhal
- Zile
- Ziyaret

### AKSA VAN

#### DOĞALGAZ DAĞITIM A.Ş.

- Van
- Çaldıran
- Edremit
- Erciş
- Muradiye



# AKSA DOĞALGAZ DISTRIBUTION

*Shaping its operations in line with the core principle of top quality service, Aksa Doğalgaz under-takes swift investments in every region where it is responsible for natural gas distribution.*

Aksa Doğalgaz was established in 2002 in light of the government's decision to support the distribution of natural gas by the private sector and to mitigate the air pollution caused by urbanization. Aksa Doğalgaz started its first natural gas distribution operation in the Balıkesir region. As of end-2017, the Company holds licenses from the Energy Market Regulatory Authority for 2019 regions across Turkey.

Aksa Doğalgaz commenced natural gas distribution operations in the 27 provinces, 167 districts with:

- 3.3 million subscribers,
- 7.9 bcm (billion cubic meter) of gas distributed,
- 29,901 km network,
- 19.6% market share

The Company serves 5.4 million potential subscribers and a population of 15.7 million in its license regions. As the number of subscribers of Aksa Doğalgaz, which was 1.2 million in 2012 exceeded 3.3 million as of the end of 2019, the company increased its total natural gas distribution from 5.2 bcm in 2012 to 7.9 bcm as of the end of the year.

Increasing its total investment amount to TL 3.4 billion with an additional investment of TL 523 million in the activity period, the total network size of the company, which was 11,769 km in 2012, reached 29,901 km as of the end of 2019.

## NETWORK LENGTH

**29,901 KM**

## NATURAL GAS DISTRIBUTION MARKET SHARE

**19.6%**

Shaping its operations in line with the core principle of top quality service, Aksa Doğalgaz under-takes swift investments in every region where it is responsible for natural gas distribution. The Company completed the obligatory investments in its distribution regions well before the statutory deadlines and provided the comfort and convenience of natural gas to its subscribers.

Aligning its activities with the mission to leave a more livable world for future generations by bringing environmentally-friendly natural gas to millions of people, Aksa Doğalgaz also contributes significantly to the development of the country by creating employment. In 2012, the Company had 911 employees. That number reached 2,365 as of the end of 2019.

Boasting the most specialized staff in the sector, Aksa Doğalgaz is committed to keeping customer satisfaction at the highest level and continuously improving its service quality. In line with this vision, the Company responds to subscribers' demands around the clock via its 187 Natural Gas Emergency Line and 444 4 187 Solution Center. The Aksa Solution Center is seen as a pioneer and model in the sector thanks to its internationally recognized advanced technology and software infrastructure, state-of-the-art physical environment and high quality service.

In 2019, 85% of the 670,323 calls made to the 444 4 187 Solution Center received responses within the first 15 seconds, with the average response time calculated as 16 seconds; 81% of these calls were resolved. There were 663,889 calls to the 187 Natural Gas Emergency Line; 92% were answered within the first 15 seconds. The line, serving with an average of four seconds per call answering time in 2019, resolved 81% of the total calls.

In 2019, Aksa Doğalgaz distributed a total of 7.9 bcm of natural gas in the regions where it operates, amassing revenues of TL 6 billion. In 2018, Aksa Doğalgaz ranked 66<sup>th</sup> in terms of balance sheet, 73<sup>rd</sup> in terms of EBITDA and 24<sup>th</sup> in terms of return on equity in Fortune 500's "Turkey's Top Companies" list. In 2020, the Company aims to deliver a total of 8.7 billion m<sup>3</sup> of natural gas with the completion of new production facilities and investments in its license areas.



## KEY INDICATORS OF DISTRIBUTION COMPANIES

Distribution Company	Number of Subscribers (BBS)	Number of Subscribers (Residential)	Net Sales (TL million)	Consumption	Number of Employees	Network Length (m)
Aksa Afyon Doğalgaz Dağıtım A.Ş.	115,396	97,309	189.57	125,632,831	112	1,317
Aksa Ağrı Doğalgaz Dağıtım A.Ş.	21,302	16,288	51.87	27,348,303	38	320
Aksa Çukurova Doğalgaz Dağıtım A.Ş.	521,772	434,678	1,061.96	2,203,795,848	369	5,676
Aksa Bandırma Doğalgaz Dağıtım A.Ş.	66,060	59,533	141.73	1,027,762,371	49	422
Aksa Balıkesir Doğalgaz Dağıtım A.Ş.	155,847	128,745	258.04	181,339,901	103	1,243
Aksa Bilecik Bolu Doğalgaz Dağıtım A.Ş.	172,657	143,214	904.83	763,676,054	170	1,786
Aksa Çanakkale Doğalgaz Dağıtım A.Ş.	168,683	142,892	185.04	228,790,848	121	1,210
Aksa Gümüşhane, Bayburt Doğalgaz Dağıtım A.Ş.	46,306	34,072	73.02	48,820,966	61	486
Aksa Düzce Ereğli Doğalgaz Dağıtım A.Ş.	164,114	149,154	415.48	649,726,542	112	2,405
Aksa Elazığ Doğalgaz Dağıtım A.Ş.	175,702	151,530	261.27	198,471,484	83	1,328
Aksa Ordu Giresun Doğalgaz Dağıtım A.Ş.	182,961	155,440	236.95	229,009,977	131	1,434
Aksa Gemlik Doğalgaz Dağıtım A.Ş.	42,863	38,810	124.36	214,785,324	39	300
Aksa Karadeniz Doğalgaz Dağıtım A.Ş.	188,853	152,351	230.71	203,023,461	147	1,224
Aksa Malatya Doğalgaz Dağıtım A.Ş.	219,355	177,846	342.98	273,393,459	109	1,638
Aksa Manisa Doğalgaz Dağıtım A.Ş.	189,096	166,573	232.68	524,374,237	142	1,520
Aksa Mustafakemalpaşa Susurluk Karacabey Doğalgaz Dağıtım A.Ş.	57,133	53,067	159.95	123,732,532	53	601
Aksa Siirt-Batman Doğalgaz Dağıtım A.Ş.	105,989	90,658	130.88	116,220,694	75	865
Aksa Sivas Doğalgaz Dağıtım A.Ş.	183,817	149,914	246.68	207,226,248	126	1,671
Aksa Tokat, Amasya Doğalgaz Dağıtım A.Ş.	222,872	188,658	316.58	247,012,051	156	2,227
Aksa Şanlıurfa Doğalgaz Dağıtım A.Ş.	152,480	115,876	221.82	187,304,320	101	1,084
Aksa Van Doğalgaz Dağıtım A.Ş.	124,212	95,011	192.01	134,095,984	68	1,144
<b>TOTAL</b>	<b>3,277,470</b>	<b>2,741,619</b>	<b>5,978</b>	<b>7,915,543,435</b>	<b>2,365</b>	<b>29,901</b>



# BOARD OF DIRECTORS



**YAŞAR ARSLAN**  
**CHAIRMAN**

Yaşar Arslan graduated from Istanbul Technical University Metallurgical Engineering Department and worked as Operations Manager at EMAŞ A.Ş. for three years between 1985-1987. Subsequently, he held managerial positions at Al-Fahd Company, Saudi Arabia, for five years and held various managerial positions at the Istanbul Natural Gas Project at İGDAŞ for five years. He began working as Project Manager at Vinsan in 1996 and then at Yapısal as Coordinator in 2003. Following these positions, he began working as General Coordinator and Vice Chairman at Aksa Doğalgaz in 2004 and was appointed as the Head of Aksa Doğalgaz Distribution and Trade Group in 2010. Mr. Arslan currently serves as Chairman of 21 natural gas distributors, two natural gas wholesalers, and CNG and LNG companies operating under the roof of Kazancı Holding. In addition, he is Vice Chairman of two electricity distribution companies. Mr. Arslan is a founder of the Natural Gas Distributors' Association of Turkey (GAZBİR), where he also served as Secretary General and as Chairman, each for three terms. As well, Mr. Arslan serves as Vice Chairman at the Turkish Union of Chambers and Stock Exchanges (TOBB) and the Natural Gas Assembly and Electricity Distribution Services Association (ELDER).



**NECATİ BAYKAL**  
**VICE CHAIRMAN**

Necati Baykal graduated from Istanbul Technical University, Department of Mechanical Engineering. He started his professional career in 1982 at WAT Electric Engine Factory as Production Planning Manager. In 1984, he joined Aksa Machine Industries as Imports Manager. After serving in various executive positions at Kazancı Holding companies, he became the Chairman of Aksa Power Generation. Currently, Mr. Baykal serves as Chairman at Aksa Power Generation, as Chairman at various Kazancı Holding electricity distribution companies, and as a Board Member at Aksa Doğalgaz.



**ÖMER MUZAFFER BAKTIR**  
**BOARD MEMBER**

Ömer Muzaffer Baktır graduated from Istanbul Technical University Mining Engineering Department in 1986 and began his career in Pamukbank as a manager in the banking sector. He has served as the Executive Vice President of Marketing at Halk Bank, CFO and also Executive Board Member of electricity distribution companies at Cengiz Holding, Deputy General Manager Responsible for Marketing and Transformation at Ziraat Bank and served in the Surveillance and Management boards of the various foreign companies of Ziraat Bank. Born in 1961/İstanbul, Mr. Baktır was appointed Vice Chairman of Kazancı Holding on February 5, 2018.



# OUR VISION, MISSION AND VALUES

## OUR VISION

- To maintain our leading position in the Turkish natural gas sector,
- To play an active role in formulating and executing national sector-specific strategies, and to support the development and advancement of the sector,
- To extend our sector know-how and experience to international projects.

## OUR MISSION

- Aksa Doğalgaz provides a safe, economical and uninterrupted supply of natural gas, which is an environmentally friendly, clean and convenient fuel, to its subscribers in the distribution areas where it holds a license.
- The Company builds confidence among customers by closely monitoring and adopting advanced technology developments in line with its high-quality service approach.
- Aksa Doğalgaz – Kazancı Holding's driving force – grows in parallel with the increasing pace of urbanization thanks to its experience as a pioneering, deeply-rooted company, while its profitability continues to rise through an efficient management approach.
- Shaping the sector with its know-how and experience, Aksa Doğalgaz invests in the development of its young, dynamic and creative employees who embrace the team spirit, and make them feel that they are a valuable part of the Company.
- The Company protects the environment and natural resources with its core business activities and social responsibility efforts, upholds ethical values, and contributes to social and economic development.

## OUR VALUES

### Passion for Quality

Under current market and competitive conditions, offering high quality services to boost customer satisfaction is the main motivation underlying our constant self-renewal, and ever-growing passion for quality.

### Scientific and People-Centered Expertise

Our expertise is based on closely monitoring every relevant technical and technological innovation, implementing improvements in response to our hardware and training requirements, and expanding these rapidly to all our departments. Our basic corporate policy is to embrace every advancement that is centered on science and people.

### Solutions Focused

Our approach is to serve the common good and formulate swift solutions for our customers, country and environment.

### Creativity

Even under unchangeable conditions, our corporate philosophy is to always aim for the best in line with our pioneering and creative approach, believe in the power of innovation, and translate change into development.

### Respect for People, Nature and Society

In all our business operations, we strive to strike an inclusive balance beginning from the moment the investment decision is made in order to create value that benefits the environment, people and all facets of society. We aim to contribute to production, employment, energy supply security, and the national economy through our investments. We always prioritize people and the environment while implementing our projects.



# SENIOR MANAGEMENT



**ALPER KONYALI**  
**VICE PRESIDENT**

## 1<sup>st</sup> Group

Alper Konyalı graduated from Istanbul Technical University, Faculty of Electrical and Electronic Engineering, Department of Energy. He started his professional career in 1986 at VM Engineering as Worksite Manager. In 1989, he joined İGDAŞ Istanbul Gas Distribution Company as Construction Control Manager, later serving as Head of Construction Control, and Advisor to the General Manager at the same company. At İGDAŞ, Mr. Konyalı's work focused mainly on improving and reorganizing investment processes, preparing corporate strategic plans, and establishing the materials management system. In 2007, Mr. Konyalı joined Aksa Doğalgaz as General Manager. He chaired the GAZBİR Occupational Standard Designation Commissions under the Occupational Proficiency Agency. Mr. Konyalı currently serves as Vice President at Aksa Doğalgaz, as well as Group General Manager and Board Member in charge of the 10 natural gas distribution companies that report to him.



**MUSTAFA DOĞAN**  
**VICE PRESIDENT**

## 2<sup>nd</sup> Group

Mustafa Doğan graduated from Hacettepe University, Zonguldak Engineering Faculty, Department of Mining Engineering. He started his professional career in 1993 as Field Engineer at Tekfen A.Ş. He worked at Yüksel İnşaat on the İGDAŞ Project in 1996 and on the İzmit Natural Gas Distribution Project between 1997-1998. Subsequently, he served as Site Manager and Project Manager at various companies' İGDAŞ investments between 1999-2004. In 2004, he joined Aksa Sivas Natural Gas as Plant Manager and later worked at Aksa Düzce Ereğli Natural Gas as Company Manager. As of February 2018, Mr. Doğan serves as Vice President at Aksa Doğalgaz, and as Group General Manager and Board Member in charge of the 10 natural gas distribution companies that report to him.



**YÜCEL YAZICI**  
**VICE PRESIDENT**

## Technical Services

Yücel Yazıcı graduated from Istanbul Technical University, Faculty of Mechanical Engineering and received his Master's degree in Energy from the same university. He started his professional career in 1990 at İGDAŞ as Worksite Manager. Later, he worked as Worksite Director at the İzmit Natural Gas Distribution project from 1996 to 2000, as Budget and Planning Officer at Alsimalarko from 2000 to 2002, and as Investments Manager at İZGAZ from 2002 to 2004. In 2004, Mr. Yazıcı joined Aksa Doğalgaz as General Manager. He currently serves as Vice President in charge of Centralized Service Units at Aksa Doğalgaz.



**ŞİNASI GÖLBAŞI****GAS TRANSPORT AND TRADE DIRECTOR**

Şinasi Gölbaşı graduated from Kocaeli University, Department of Chemical Engineering and obtained his Master's degree at Istanbul Technical University, Department of Chemical Engineering. Mr. Gölbaşı started his professional career in 2004 as Measurement Engineer at Aksa Doğalgaz, before becoming Gas Control Manager, Gas Control Director and, subsequently, Operations Director. In January 2016, he was appointed Gas Shipment and Trade Director. In addition to his role at Aksa Doğalgaz, Mr. Gölbaşı has been serving as President of Shipment Control and the EBT Commission at the Natural Gas Distributors' Association of Turkey (GAZBİR) since 2013.

**SEÇKİN ODABAŞI****DISTRIBUTION TARIFFS AND  
PLANNING DIRECTOR**

Seçkin Odabaşı graduated from Selçuk University, Department of Geodesy and Photogrammetry Engineering. He obtained his MBA from FMV Işık University. Mr. Odabaşı started his professional career at STFA Holding Energy Group's subsidiary, Enerya Gas Distribution, where he served as Project Specialist, Project Manager and Project Director, respectively. In 2010, he joined Aksa Doğalgaz Distribution as Distribution Tariffs and Planning Manager, and was later appointed Distribution Tariffs and Planning Director in 2016. Mr. Odabaşı has also been serving as President of Tariffs Commission at GAZBİR since 2014.

**BANU GÜREL****FINANCE DIRECTOR**

Banu Gürel graduated from Marmara University, Faculty of Economics and started her professional career in 1989 in the banking sector, working as Assistant Manager at Akbank Foreign Exchange Fund Management and, subsequently, at Tekfenbank Fund Management and Securities. In 1996, she transitioned from finance to the real economy, serving as Finance Director at Merko Food Industry and Trade. In 2004, she joined Aksa Doğalgaz as Finance Director.

# TOWARDS HIGHER GOALS

Through the creation of more than 5 thousand kilometers of new investments in the next two years, our network length will reach 40 thousand kilometers by the end of 2021. By 2021, the projected length of our network could encircle Turkey four times and circumnavigate the globe.

40,000

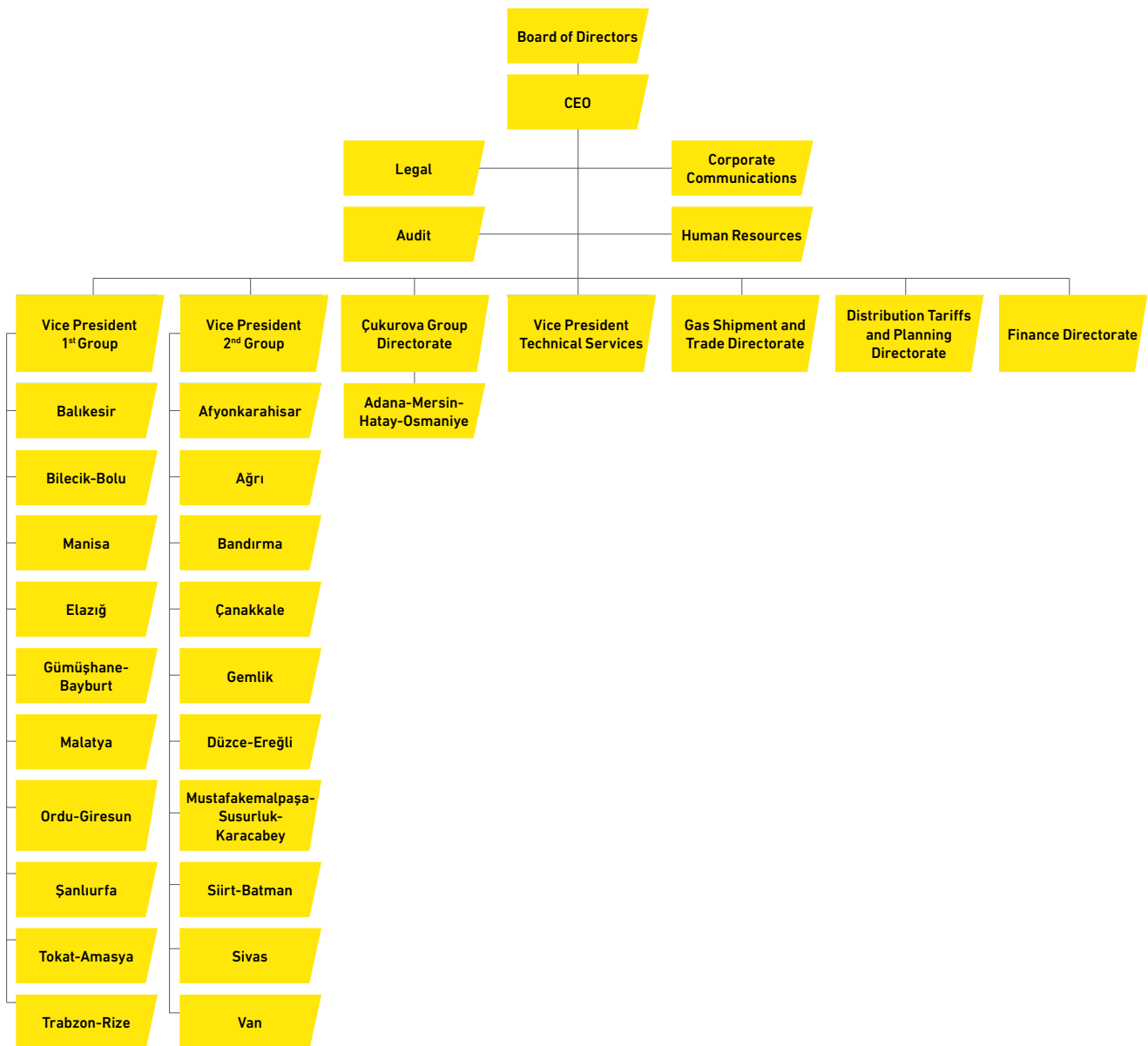
2021 NETWORK LENGTH (KM)







# ORGANIZATIONAL CHART







# COMPANY MANAGERS



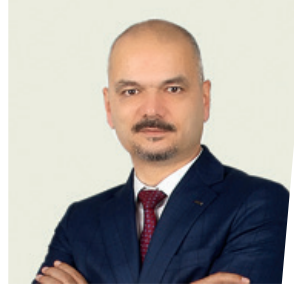
## ÇAĞDAŞ ADİBELİ

Aksa Çanakkale Doğalgaz Dağıtım A.Ş.  
Birthplace and Year: Gaziantep, 1983  
Commencement Date: 2014  
cagdas.adibelli@aksadogalgaz.com.tr



## DOĞAN GÜRLER

Aksa Ordu Giresun Doğalgaz Dağıtım A.Ş.  
Birthplace and Year: İstanbul, 1979  
Commencement Date: 2007  
dogan.gurler@aksadogalgaz.com.tr



## ENDER ONUR

Aksa Düzce Ereğli Doğalgaz Dağıtım A.Ş.  
Birthplace and Year: Karabük, 1972  
Commencement Date: 2005  
ender.onur@aksadogalgaz.com.tr



## EROL YAVUZ

Aksa Gümüşhane Bayburt Doğalgaz Dağıtım A.Ş.  
Birthplace and Year: Rize, 1977  
Commencement Date: 2007  
erol.yavuz@aksadogalgaz.com.tr



## EVREN KARYAĞDI

Aksa Ağrı Doğalgaz Dağıtım A.Ş.  
Birthplace and Year: Sivas, 1981  
Commencement Date: 2011  
evren.karyagdi@aksadogalgaz.com.tr



## FERHAT ÖZTÜRK

Aksa Balıkesir Doğalgaz Dağıtım A.Ş.  
Birthplace and Year: Ankara, 1973  
Commencement Date: 2004  
ferhat.ozturk@aksadogalgaz.com.tr



## GÜNGÖR ATEŞ

Aksa Malatya Doğalgaz Dağıtım A.Ş.  
Birthplace and Year: Trabzon, 1969  
Commencement Date: 2004  
gungor.ates@aksadogalgaz.com.tr



## HİKMET TURAN GÜLER

Aksa Van Doğalgaz Dağıtım A.Ş.  
Birthplace and Year: Sivas, 1969  
Commencement Date: 2018  
hikmeturan.guler@aksadogalgaz.com.tr



## HÜSEYİN İNAN YILDIRIM

Aksa Sivas Doğalgaz Dağıtım A.Ş.  
Birthplace and Year: Ankara, 1977  
Commencement Date: 2006  
inan.yildirim@aksadogalgaz.com.tr



## İBRAHİM BAŞARAN

Aksa Manisa Doğalgaz Dağıtım A.Ş.  
Birthplace and Year: Karabük, 1971  
Commencement Date: 2006  
ibrahim.basaran@aksadogalgaz.com.tr



## MEHMET SALİH AYAYDIN

Aksa Karadeniz Doğalgaz Dağıtım A.Ş.  
Birthplace and Year: Trabzon, 1970  
Commencement Date: 2006  
salih.ayaydin@aksadogalgaz.com.tr



## METİN CEYHAN

Aksa Bilecik Bolu Doğalgaz Dağıtım A.Ş.  
Birthplace and Year: Muş, 1968  
Commencement Date: 2005  
metin.ceyhan@aksadogalgaz.com.tr





**MUHAMMET NEZİH URAL**

Aksa Şanlıurfa Doğalgaz Dağıtım A.Ş.  
Birthplace and Year: Şanlıurfa, 1981  
Commencement Date: 2007  
muhammed.ural@aksadogalgaz.com.tr



**MUSTAFA KARABACAK**

Aksa Tokat Amasya Doğalgaz Dağıtım A.Ş.  
Birthplace and Year: Elazığ, 1965  
Commencement Date: 2004  
mustafa.karabacak@aksadogalgaz.com.tr



**YUSUF DEMİRTAŞ**

Aksa Siirt Batman Doğalgaz Dağıtım A.Ş.  
Birthplace and Year: Muş, 1976  
Commencement Date: 2020  
yusuf.demirtas@aksadogalgaz.com.tr



**RESUL KORKMAZ**

Aksa Elazığ Doğalgaz Dağıtım A.Ş.  
Birthplace and Year: Sivas, 1981  
Commencement Date: 2007  
resul.korkmaz@aksadogalgaz.com.tr



**SERDAR DELİBALTA**

Aksa Mustafakemalpaşa Susurluk  
Karacabey Doğalgaz Dağıtım A.Ş.  
Aksa Bandırma Doğalgaz Dağıtım A.Ş.  
Aksa Gemlik Doğalgaz Dağıtım A.Ş.  
Birthplace and Year: Şanlıurfa, 1972  
Commencement Date: 2004  
serdar.delibalta@aksadogalgaz.com.tr



**SERTAÇ URAZ**

Aksa Çukurova Doğalgaz Dağıtım A.Ş.  
Birthplace and Year: Malatya, 1981  
Commencement Date: 2010  
sertac.uraz@aksadogalgaz.com.tr



**TUNCAY GEZER**

Aksa Afyon Doğalgaz Dağıtım A.Ş.  
Birthplace and Year: Ankara, 1983  
Commencement Date: 2009  
tuncay.gezer@aksadogalgaz.com.tr

# HEAD OFFICE UNIT MANAGERS



**AYHAN ÇAKMAK**

Shipment Control and Measurements Manager  
Birthplace and Year: İstanbul, 1968  
Commencement Date: 2006  
ayhan.cakmak@aksadogalgaz.com.tr



**ÇAĞRI ATA**

Customer Operations Manager  
Birthplace and Year: Bandırma, 1980  
Commencement Date: 2005  
cagri@aksadogalgaz.com.tr



**ÇELİK KARLIBAHAR**

Financial Affairs Group Manager  
Birthplace and Year: Germany, 1980  
Commencement Date: 2009  
celikk@aksadogalgaz.com.tr



**ECE BİLİR SARIOĞLU**

Gas Trade and Operations Manager  
Birthplace and Year: İzmit, 1984  
Commencement Date: 2011  
ece.bilir@aksadogalgaz.com.tr



**EFDAL DOĞANTİMUR**

Interior Installation Manager  
Birthplace and Year: Adana, 1986  
Commencement Date: 2015  
efdal.dogantimur@aksadogalgaz.com.tr



**MEHMET SERKAN İLBAN**

Human Resources Manager  
Birthplace and Year: İstanbul, 1985  
Commencement Date: 2016  
serkan.ilban@aksadogalgaz.com.tr



**ÖMER GÜMÜŞ**

Supply Chain Manager  
Birthplace and Year: İstanbul, 1987  
Commencement Date: 2016  
omer.gumus@aksadogalgaz.com.tr



**ÖZGÜR ÖZKAN**

Marketing and Corporate Communications Manager  
Birthplace and Year: Eskişehir, 1977  
Commencement Date: 2007  
ozguro@aksadogalgaz.com.tr



**RIZA AKTEPE**

Technical Services Group Manager  
Birthplace and Year: Konakpınar, 1977  
Commencement Date: 2005  
rizaa@aksadogalgaz.com.tr

**SELAHATTİN ALİOĞLU**

Cartography and Expropriation Manager  
Birthplace and Year: Trabzon, 1967  
Commencement Date: 2004  
selahattina@aksadogalgaz.com.tr

**SİBEL KEKLİK**

Budget Reporting Manager  
Birthplace and Year: Ankara, 1984  
Commencement Date: 2015  
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**TAYLAN GÖK**

Integrated Management Systems and  
Business Process Manager  
Birthplace and Year: Kırşehir, 1979  
Commencement Date: 2018  
taylan.gok@aksadogalgaz.com.tr

**TEVFİK ALİBEY**

Maintenance Planning and Support Manager  
Birthplace and Year: İstanbul, 1980  
Commencement Date: 2005  
tevfika@aksadogalgaz.com.tr

**UFUK SAĞLAM**

Mechanical Installation Manager  
Birthplace and Year: Bursa, 1979  
Commencement Date: 2013  
ufuk.saglam@aksadogalgaz.com.tr







# **SPEED IN INVESTMENT**

We align our operations with the core principle of top-quality service and undertake swift investments in every region where we assume natural gas distribution. We bring the comfort of natural gas to our subscribers as quickly as possible.

**TOTAL INVESTMENTS**

**TL 523 MILLION**

## DEVELOPMENTS IN 2019

Ranking 66<sup>th</sup> in the “Turkey’s Fortune 500 Top Companies” list, Aksa Doğalgaz ranked 73<sup>rd</sup> in terms of EBITDA and 24<sup>th</sup> in terms of return on equity.

### SAVINGS PROVIDED TO THE NATIONAL ECONOMY AND OUR SUBSCRIBERS

TL 40 BILLION

### NATURAL GAS MARKET GENERATED WITH INVESTMENTS

TL 29.7 BILLION

- The natural gas distribution network of Aksa Doğalgaz, at 27,833 km at the end of the previous year, grew to 29,901 km by the end of 2019. In 2019, the Company distributed 7.9 billion m<sup>3</sup> of gas. The number of subscribers of Aksa Doğalgaz exceeded 3 million as of July 2019, reaching 3.3 million at the end of the year.
- Aksa Doğalgaz ranked 66<sup>th</sup> in terms of balance sheet in Turkey’s Fortune 500 Top Companies list. The Company ranked 73<sup>rd</sup> in terms of EBITDA and 24<sup>th</sup> in terms of return on equity.
- With its investments to date, Aksa Doğalgaz has created a natural gas conversion market worth TL 29.7 billion, of which approximately TL 20.4 billion has been realized.
- Since its founding, Aksa Doğalgaz has helped the domestic economy and its subscribers save TL 40 billion as of end-2019.
- Aksa Doğalgaz undertook an innovative project aimed at subscriber management in the natural gas distribution sector. Having integrated SAP’s energy distribution solutions (SAP S/4HANA, SAP CRM for Utilities, SAP IS - U and MCF) into all its business processes, Aksa Doğalgaz launched Horizon21, aimed at managing big data in a quick, effective and transparent manner, and unifying all its end-to-end operational processes, mainly the customer services in its wide distribution area, on a single system.

- Aksa Doğalgaz is now accessible via the e-Government portal therefore enabling subscribers to carry out transactions quickly and safely. Aksa Doğalgaz subscribers are now able to perform Subscription and Bill Query transactions via the e-Government portal.
- The transition to Online Bank Integration, allowing instant access to all account information for the Company at banks, has been completed in all companies under Aksa Doğalgaz, as has real-time tracking via automatic recognition on the SAP system.
- Launching the Electronic Account Statement in 2019, Aksa Doğalgaz ensured that accounting records are created online, and cash management is more efficient.
- By commencing the use of the e-Archive bill in 2019, Aksa Doğalgaz reduced both bill printing, shipping, archiving and labor costs as well as environmental effects.
- Revising all business processes in L2-L3-L4 phases, Aksa Doğalgaz reached 20 digital processes, eight integration and 1.7 million digital logs with PaperWork, a process and document management platform, as part of the digitization transformation efforts taken by the Company to manage these business processes on end-to-end digital platforms.
- Aksa Doğalgaz updated its Integrated Management System structure as per the revised ISO standards and, for each of its distribution companies operating across 27 provinces, successfully adopted the new ISO 10002:2018 Customer Satisfaction Management System. In addition, the Company holds ISO 9001:2015 Quality Management System and ISO 14001:2015 Environmental Management System certifications.
- Within the scope of the Life Companion project, developed by Aksa Doğalgaz in 2015 to ease processes for subscribers with disabilities, the number of registered subscribers rose to 3,918 as of the end of 2019. In 2019, 471 calls were answered, with an average response time of five seconds; solutions were provided for issues experienced by 59 disabled subscribers in collaboration with emergency teams. The Company once again demonstrated its commitment to eliminating barriers by contributing to the success of the National Wheelchair Tennis Team in 2019.





- In March 2019, Aksa Doğalgaz launched ENERGY FOR TOMORROW, a social responsibility project, in collaboration with all Aksa group companies under the Kazancı Energy Group. Traveling across 19 provinces to 22 village schools and covering more than 6,500 km in nine months, the project team provided energy training to more than 2 thousand primary school students.
- Replacing the plastic bags provided to subscribers with recyclable nonwoven bags that can be used more than 100 times, Aksa Doğalgaz was recognized with the Low Carbon Hero award at the 6<sup>th</sup> Istanbul Carbon Summit. The bag initiative canceled the need for production of more than a thousand tons of plastic bags, thereby contributing to the reduction of carbon emissions.

## R&D ACTIVITIES

After completing three R&D projects in the previous period, Aksa Doğalgaz initiated three new R&D projects in 2019: Renewable Gas Production; Remote Reading of Meters and the Manipulation Detection System; and the Formation of Natural Gas Technical Product/Material Technical Principles and Supply Management System.

Through the Renewable Gas Production project, the Company aims to produce natural gas via processes that achieve supply safety as well as energy efficiency. This involves the use of composite gas, obtained by blending the hydrogen obtained using renewable energy sources with natural gas, and thereby reducing dependence on imports as well as carbon emissions.

The implementation of a remote reading and control system is planned via the Remote Reading of Meters and Manipulation Detection System project. This system will host up-to-date technologic applications that allow the reading of indexes and sending remote commands using the same system, thus utilizing the existing manipulation detection module more efficiently and effectively.

Through the Formation of Natural Gas Technical Product/Material Technical Principles and Supply Management System project, products and materials used in natural gas infrastructure and operation are optimized with site applications, in line with relevant standards. The project aims to produce widescale industrial benefits by creating technical product/material technical principles and a supply management system.

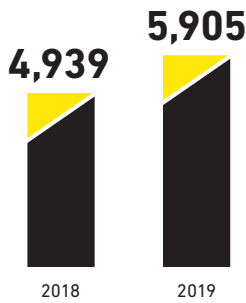
# FINANCIAL AND OPERATIONAL INDICATORS

Leaving a successful year behind in terms of finance and operations, Aksa Doğalgaz increased its net sales by 43% to TL 6 billion and its total assets to TL 5.9 billion with a growth of 19.5% as of the end of 2019.

## FINANCIAL INDICATORS

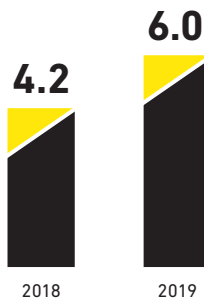
**TOTAL ASSETS**  
TL MILLION

**+19.5%**  
GROWTH



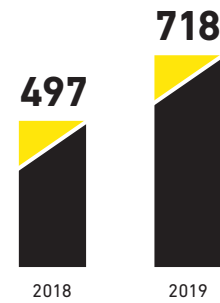
**NET SALES**  
TL BILLION

**+43.0%**  
GROWTH



**EBITDA**  
TL MILLION

**+44.5%**  
GROWTH



Financial Indicators (TL Million)	2018	2019	Change %
Net Sales	4,180	5,978	43.0%
Total Assets	4,939	5,905	19.5%
Total Shareholders' Equity	366	684	87.0%
Total Investments	681	523	-23.1%
Gross Profit for the Period	413	595	44.0%
Operating Costs	373	471	26.3%
EBITDA	497	718	44.5%
Net Profit for the Period	196	289	47.3%



Taking firm steps towards its target of 40,000 thousand km network length in 2021, Aksa Doğalgaz increased its network length by 7% to 29,901 km as of the end of 2019.

## OPERATIONAL INDICATORS

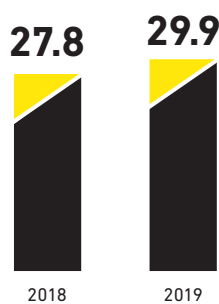
**TOTAL NUMBER OF SUBSCRIBERS**  
MILLION

**+13%**  
**GROWTH**



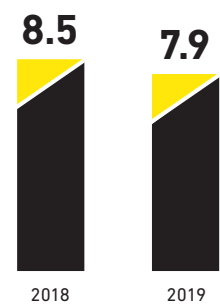
**NETWORK LENGTH**  
THOUSAND KM

**+7%**  
**GROWTH**



**TOTAL CONSUMPTION**  
BILLION SM<sup>3</sup>

**-6%**  
**DECREASE**



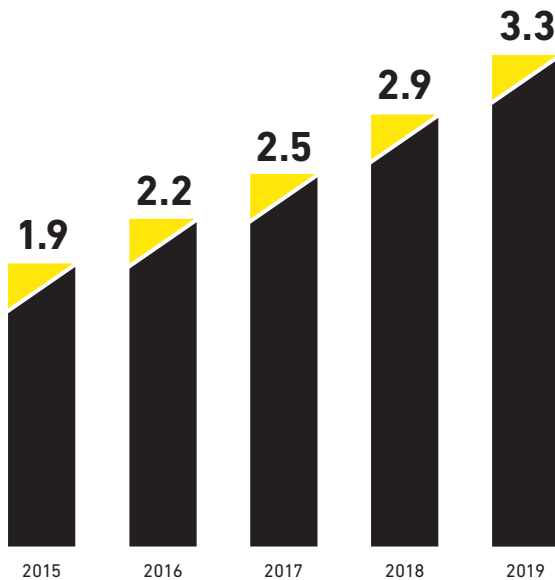
Operational Indicators	2018	2019	Change %
Natural Gas Distribution Licenses	21	21	0%
Total Number of Subscribers	2,894,164	3,277,470	13%
Total Number of Residential Subscribers	2,404,192	2,741,619	14%
Potential Residential Customers	4,734,010	5,362,320	13%
Network Length (Km)	27,833	29,901	7%
Total Consumption Volume (Sm³)	8,465,766,287	7,915,543,435	-6%

## FINANCIAL AND OPERATIONAL INDICATORS

Continuing to expand its natural gas distribution network every year, Aksa Doğalgaz managed to increase its number of subscribers to 3.3 million, achieving an increase of 13% as of the end of 2019.

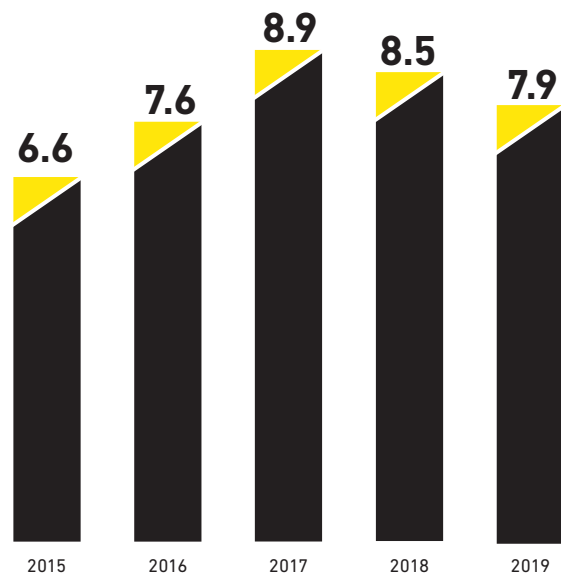
**NUMBER OF SUBSCRIBERS**  
(MILLION) CHANGE (2015->2019)

**+74%**  
GROWTH



**CONSUMPTION**  
(BILLION M<sup>3</sup>) CHANGE (2015->2019)

**+20%**  
GROWTH

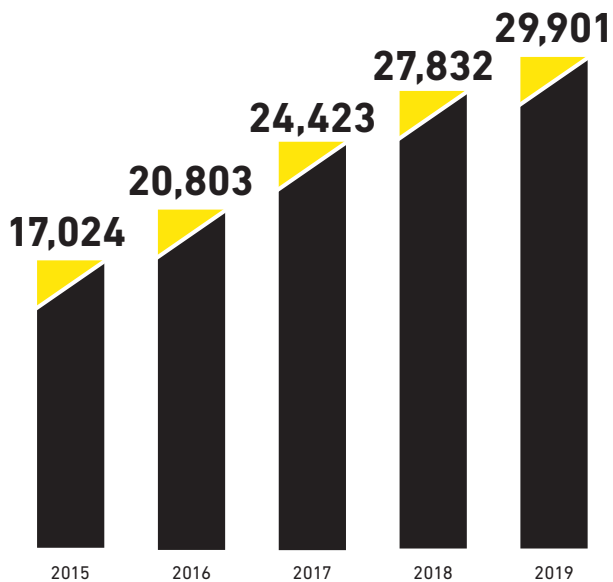




Contributing greatly to the development of the country with the employment it generates, Aksa Doğalgaz increased its number of employees to 2,365 in 2019 from 1,336 in 2015.

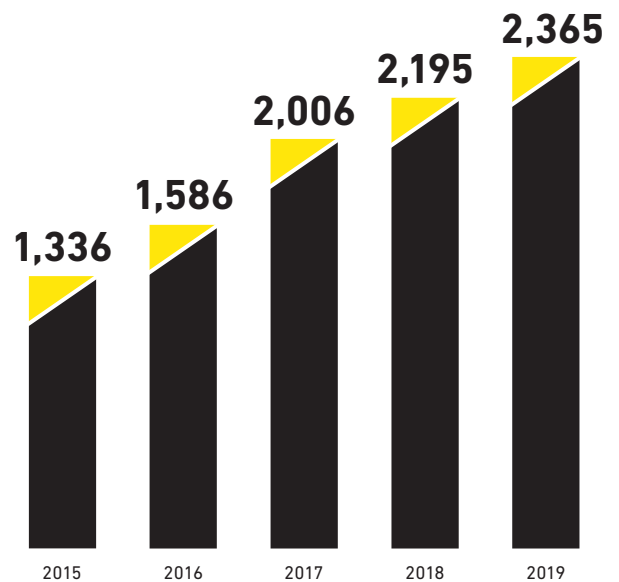
**NETWORK LENGTH (KM)**  
CHANGE (2015->2019)

**+76%**  
**GROWTH**



**HEADCOUNT (PEOPLE)**  
CHANGE (2015->2019)

**+77%**  
**GROWTH**



# CAPITAL AND SHAREHOLDING STRUCTURE

Number	Commercial Title	Capital	KAZANCI HOLDİNG A.Ş.	AKSA DOĞALGAZ DAĞITIM A.Ş.	MUNICIPALITIES	KAZANCI FAMILY AND OTHERS
1	AKSA DOĞALGAZ DAĞITIM A.Ş.	186,524,750	99.9571%			0.0429%
2	AKSA AFYON DOĞAL GAZ DAĞITIM A.Ş.	45,000,000		86.97%	10.00%	3.03%
3	AKSA AĞRI DOĞALGAZ DAĞITIM A.Ş.	1,000,000		100.00%		0.00%
4	AKSA BALIKESİR DOĞAL GAZ DAĞITIM A.Ş.	21,000,000		89.20%	10.00%	0.80%
5	AKSA BANDIRMA DOĞALGAZ DAĞ. A.Ş.	1,000,000		86.97%	10.00%	3.03%
6	AKSA BİLECİK BOLU DOĞALGAZ DAĞITIM A.Ş.	18,000,000		89.20%	10.00%	0.80%
7	AKSA ÇANAKKALE DOĞALGAZ DAĞITIM A.Ş.	21,000,000		89.20%	10.00%	0.80%
8	AKSA ÇUKUROVA DOĞALGAZ DAĞITIM A.Ş.	160,000,000		89.44%	9.91%	0.65%
9	AKSA DÜZCE EREĞLİ DOĞALGAZ DAĞITIM A.Ş.	26,000,000		89.20%	10.00%	0.80%
10	AKSA ELAZIĞ DOĞALGAZ DAĞITIM A.Ş.	5,000,000		94.70%	2.00%	3.30%
11	AKSA GEMLİK DOĞALGAZ DAĞITIM A.Ş.	1,000,000		86.97%	10.00%	3.03%
12	AKSA GÜMÜŞHANE BAYBURT DOĞALGAZ DAĞITIM A.Ş.	1,000,000		96.97%		3.03%
13	AKSA KARADENİZ DOĞALGAZ DAĞITIM A.Ş.	1,000,000		91.55%	7.65%	0.80%
14	AKSA M.KEMALPAŞA SUS. KAR. DOĞAL GAZ DAĞITIM A.Ş.	2,000,000		86.97%	10.00%	3.03%
15	AKSA MALATYA DOĞALGAZ DAĞITIM A.Ş.	1,000,000		89.78%	10.00%	0.22%
16	AKSA MANİSA DOĞALGAZ DAĞITIM A.Ş.	15,000,000		89.20%	10.00%	0.80%
17	AKSA ORDU GİRESUN DOĞAL GAZ DAĞITIM A.Ş.	1,000,000		89.20%	10.00%	0.80%
18	AKSA SİİRT BATMAN DOĞAL GAZ DAĞITIM A.Ş.	1,000,000		97.00%		3.00%
19	AKSA SİVAS DOĞALGAZ DAĞITIM A.Ş.	1,000,000		86.97%	10.00%	3.03%
20	AKSA ŞANLIURFA DOĞAL GAZ DAĞITIM A.Ş.	5,000,000		75.00%	10.00%	15.00%
21	AKSA TOKAT AMASYA DOĞALGAZ DAĞITIM A.Ş.	1,000,000		86.97%	10.00%	3.03%
22	AKSA VAN DOĞALGAZ DAĞITIM A.Ş.	1,000,000		89.20%	10.00%	0.80%
23	AKSA DOĞALGAZ TOPTAN SATIŞ A.Ş.	7,700,000	99.2000%			0.80%
24	AKSA CNG SIKILAŞTIRILMIŞ DOĞALGAZ DAĞITIM A.Ş.	650,000	98.7692%			1.23%
25	ANADOLU DOĞALGAZ TOPTAN SATIŞ A.Ş.	2,700,000	99.9889%			0.01%





# REACHING THE TOP

Our outstanding performance is reflected in our rankings on prestigious lists. We continued to rise in the “Turkey’s Fortune 500 Top Companies” list in 2018, advancing by 10 places compared to the previous year.



RANKED

55<sup>TH</sup>

ON THE FORTUNE 500 LIST





## DEVELOPMENTS BETWEEN THE END OF THE REPORTING PERIOD AND THE PUBLICATION OF THE REPORT

The Horizon21 project was launched in September 2019 to renew the Company's subscriber management system and to provide high-quality services to its customers. In line with this initiative, Aksa Doğalgaz began enhancing its office, site and web applications, as well as increasing the points of integration.

NUMBER OF DISTRICTS AND TOWNS  
TARGETED FOR SERVICE PROVISION

**191**

NUMBER OF POTENTIAL SUBSCRIBERS TARGETED

**5.6** MILLION

Renewing its subscriber management system to provide higher quality services to its customers, Aksa Doğalgaz launched the Horizon21 project in September 2019. Within the scope of the project, the Company started to change its office, site and web applications and to increase the points of integration.

In Horizon21, the conceptual design stage of the corporate resource planning component S/4 HANA system was reached; this facilitates saving, classifying, summarizing, analyzing and reporting the data of 21 natural gas distribution and three commercial companies under Aksa Doğalgaz as of 2020. Intensive efforts commenced to improve customer services, financial affairs, logistics, and operational processes. After the completion of the project, solutions at global standards will be achieved in terms of data entry, data processing, reporting and analysis.

In keeping with these planned expansion efforts, Aksa Doğalgaz aims to deliver natural gas to 27 provinces and 191 districts and neighborhoods within the boundaries of 31 provinces in 2020, with its 21 natural gas distribution licenses. This expansion enables Aksa Doğalgaz to extend its potential customer reach to 5.6 million. The new regions where natural gas will be supplied during the 2017-2021 period are shown in bold in the table on the opposite page.

Aksa Doğalgaz  
Broadens Horizon  
in service quality with  
**HORIZON 21**





**AKSA AFYON DOĞALGAZ DAĞITIM A.Ş.**

Afyonkarahisar, Bolvadin, Çay, Dinar, Emirdağ, Şuhut, Sandıklı, Erkmən, İscehisar

**AKSA AĞRI DOĞALGAZ DAĞITIM A.Ş.**

Ağrı, Doğubayazıt, Taşlıçay

**AKSA BALIKESİR DOĞALGAZ DAĞITIM A.Ş.**

Balıkesir, Edremit, İvrindi, Havran, Burhaniye, Kepsut, Bigadiç

**AKSA BANDIRMA DOĞALGAZ DAĞITIM A.Ş.**

Bandırma, Erdek

**AKSA BİLECİK BOLU DOĞALGAZ DAĞITIM A.Ş.**

Bilecik, Bolu, Bozüyük, Söğüt, Pazaryeri, İnönü, Çukurhisar, Osmaneli, Vezirhan, Bayırköy, Yeniçağa, Dörtdivan, Karacasu, Gölpazarı

**AKSA ÇANAKKALE DOĞALGAZ DAĞITIM A.Ş.**

Çanakkale, Biga, Çan, Kepez, Gönen, Ezine, Bayramiç, Lapseki, Dardanos, Güzelyalı, Gümüşçay, Yenice

**AKSA ÇUKUROVA DOĞALGAZ DAĞITIM A.Ş.**

Adana, Mersin, Osmaniye, Hatay, Antakya, İskenderun, Tarsus, Ceyhan, Dörtöl, Toprakkale, Payas, Karayılan, Sariseki, Denizciler, Bekbele, Nardüzü, Azganlık, Belen, Kadirli, Yumurtalık, Defne, Kırkhan, Bahçe, Erzin, İmamoğlu, Kozan, Arsuz, Düziçi, **Reyhanlı, Hassa, Erdemli, Silifke, Mut, Anamur**

**AKSA DÜZCE EREĞLİ DOĞALGAZ DAĞITIM A.Ş.**

Düzce, Karadeniz Ereğli, Güllüç, Kaynaşlı, Konuralp, Alaplı, Cumayeri, Gümüşova, Beyköy, Çilimli, Akçakoca, Gölyaka, Boğaziçi, Yığılca

**AKSA ELAZIĞ DOĞALGAZ DAĞITIM A.Ş.**

Elazığ, Yazıkonak, Yurtbaşı, Hankendi, Karakoçan, Sarıcan, Akçakiraz, Kovancılar, Palu

**AKSA GEMLİK DOĞALGAZ DAĞITIM A.Ş.**

Gemlik

**AKSA GÜMÜŞHANE BAYBURT DOĞALGAZ DAĞITIM A.Ş.**

Gümüşhane, Bayburt, Kelkit, Şiran

**AKSA KARADENİZ DOĞALGAZ DAĞITIM A.Ş.**

Trabzon, Rize, Akçaabat, Of, Gündoğdu, Ortahisar, Güneysu, Ardeşen, Çayeli, Fındıklı, Pazar, Araklı, Arsin, Hayrat, Maçka, Sürmene, Vakfıkebir, Yomra, Beşikdüzü, Derapazarı, İyidere, Kalkandere

**AKSA MALATYA DOĞALGAZ DAĞITIM A.Ş.**

Malatya, Konak, Gündüzbey, Yeşilyurt, Bostanbaşı, Yakınca, Topsöğüt, Şahnahan, Dilek, Hatunsuyu, Hanımçiftliği, Orduzu, Battalgazi, Hasırcılar, Doğanşehir, Akçadağ, Darende

**AKSA MANİSA DOĞALGAZ DAĞITIM A.Ş.**

Manisa, Turgutlu, Akhisar, Muradiye, Gölarmara, Gördes, Alaşehir, Kula, Salihli, Ahmetli, Kırkağaç, Saruhanlı

**AKSA MUSTAFAKEMALPAŞA SUSURLUK KARACABEY DOĞALGAZ DAĞITIM A.Ş.**

Karacabey, Mustafakemalpaşa, Susurluk, Ovaazatlı, Yalıntaş, Tatkavaklı

**AKSA ORDU GİRESUN DOĞALGAZ DAĞITIM A.Ş.**

Ordu, Giresun, Çarşamba, Ünye, Fatsa, Terme, Espiye, Bulancak, Keşap, Piraziz

**AKSA SİİRT BATMAN DOĞALGAZ DAĞITIM A.Ş.**

Siirt, Batman, Tillo, Kurtalan, **Kozluk**

**AKSA SİVAS DOĞALGAZ DAĞITIM A.Ş.**

Sivas, Şarkışla, Suşehri, Cemel, Divriği, Kangal, Zara, Gemerek, Gürçayır, Gürün, Yıldızeli

**AKSA ŞANLIURFA DOĞALGAZ DAĞITIM A.Ş.**

Şanlıurfa, Siverek, Suruç, Karaköprü, Onbırnisan, Birecik, Viranşehir, **Hilvan**

**AKSA TOKAT AMASYA DOĞALGAZ DAĞITIM A.Ş.**

Amasya, Tokat, Merzifon, Suluova, Turhal, Niksar, Erbaa, Zile, Ziyaret, Taşova, Gümüşhacıköy, Reşadiye, Başçiftlik, Pazar, Almus

**AKSA VAN DOĞALGAZ DAĞITIM A.Ş.**

Van, Edremit, Erciş, Çaldıran, Muradiye

In addition to these districts, the Company plans to deliver natural gas to 10 more districts demanding natural gas, when the prescribed technical and legal conditions are met.

## NATURAL GAS WHOLESALE

*Aksa Doğalgaz Toptan Satış A.Ş. plays an active role in all market-related activities in order to help create and develop a free market in natural gas.*



NATURAL GAS TRADE VOLUME IN 2020

**TL 500 MILLION**

Aksa Doğalgaz Toptan Satış A.Ş. was established on October 19, 2006 following the enactment of Law No. 4646 on the Natural Gas Market. The Law was passed to grant an unfettered and transparent structure to the natural gas market, in order to deliver high quality, continuous and economical natural gas to consumers in line with the principles of free competition and environmental protection. The Company engages in wholesale operations in the natural gas sector.

By winning the tender held on January 12, 2007 by Turkish Petroleum (Türkiye Petrolleri Anonim Ortaklığı – TPAO), the Company obtained the right to sell the natural gas produced at the Akçakoca-Çayağzı Natural Gas production facilities from Turkey's own resources for a three-year period. On May 23, 2007, with the commissioning of the TPAO Akçakoca Çayağzı production facility, Aksa Doğalgaz Toptan Satış A.Ş. became the first Turkish company to engage in wholesale natural gas activities in Turkey. Aksa Doğalgaz Toptan Satış A.Ş. has diversified its supply sources over time as a result of its proactive and market-oriented strategies. In 2019, the Company received import (spot) license.

Aksa Doğalgaz Toptan Satış A.Ş. engaged in supply and resource planning efforts and signed agreements for medium-term natural gas procurement from various sources and at flexible terms. The Company performed close-of-day transactions whenever needed, as well as day-ahead and intra-day transactions under the right conditions via the Continuous Trading Platform, which became operational on September 1 under Enerji Piyasaları İşletme A.Ş. (EPIAŞ). In 2019, as a result of the disproportion between supply costs and market prices, a limited amount of transactions could have been made as in the entire sector. Necessary agreements were concluded for supply planning for industrial facilities and electric production plants for 2020.

Aksa Doğalgaz Toptan Satış A.Ş. plays an active role in all market-related activities in order to help create and develop a free market in natural gas. The Company has obtained a stake in the Energy Exchange İstanbul (EPIAŞ), which was established to this end. The Company will continue its efforts as an active player of the continuous trade platform which will also host free market transactions. The company aims to source inexpensive natural gas from overseas and supply it to domestic customers, in the event a competitive market is created and natural gas imports are liberalized.



# TECHNOLOGY MANAGEMENT AND INVESTMENTS

Completing the transition to “Online Bank Integration,” Aksa Doğalgaz provided instant access to all account information at the banks, and real-time tracking via automatic recognition on SAP system for all companies under itself.



Placing a special focus on identifying technological needs and formulating accurate solutions, Aksa Doğalgaz is committed to operating all systems in an integrated manner at the product selection and design stage and maintaining information security. In order to improve processes and diversify services provided to subscribers, the Company determines its needs by using advanced technology products based on cost-benefit optimization results.

Aksa Doğalgaz employs SAP in its basic enterprise resource planning (ERP) systems, which include accounting, finance, maintenance, stock management and procurement. The FIORI project, which was launched a year ago, enables the Company to conduct maintenance management and reporting in a more efficient manner, allowing senior management to analyze and manage the field with a continuous data flow. After the launch of the software, Aksa Doğalgaz established a uniform procedure for the maintenance and repair activities of all distribution companies. Real-time follow-up of planned maintenance activities, breakdown records and material consumption helps keep maintenance and warehouse stocks up-to-date. In addition, this approach creates a productive, reportable and transparent work follow-up scheme which optimizes service quality and security. Moreover, it contributes to the Company's Paper-free Office efforts with a view to reducing paper consumption.

The e-Government Integration of the Subscriber Information System was completed in 2019, following the finalization of the processes to be integrated and establishment of the legal framework. After the integration, Aksa Doğalgaz subscribers are now able to receive Subscription and Bill Query, Customer Contract Application and Contract Termination services via e-Government platform. Subscribers can easily perform their transactions after logging into the system by using their ID numbers and e-government passwords.

In 2019, all companies of Aksa Doğalgaz transitioned to the “Online Bank Integration.” The system provided online access to the Company's all account information with banks, automatic recognition on SAP, and instant monitoring of transactions.

The Company acquired and began using the IBM Cognos TM1 software to analyze budget and planning processes according to new scenarios, and enhance predictability and reliability for consolidation of the Group, which has a large number of distribution companies. Thus, Aksa Doğalgaz distribution companies are now able to enter their budget forecasts into the system, calculate financial data automatically and plan their budgets easily. The distribution companies can report budget and actualized figures in any format and detail through the same system and publish the reports instantly on the internal web portal.

## TECHNOLOGY MANAGEMENT AND INVESTMENTS

*Aksa Doğalgaz brings together the integrity and management of all operational processes on digital data collection and evaluation platforms.*



The Customer Relations Management (CRM) system in place is Microsoft Dynamics.

Aksa Doğalgaz is consolidating and managing all operational processes in digital data collection and evaluation platforms. The Company also started to create and manage process-based documentation design and applications related to the Integrated Management Systems on the same platform.

All system revisions carried out by the Integrated Management Systems and Business Process Department are aimed at managing the business processes digitally by the year 2020. Taking solid steps towards achieving this goal, Aksa Doğalgaz began using PaperWork, an efficient platform for process and document management. All measurable processes are designed, implemented and managed simultaneously by the head office and 21 distribution companies. Output obtained from the processes is monitored in real time via the business intelligence tool Microsoft Power BI, which enables the Company to take action rapidly.

The Shipment Control Center completed its transition to new software, and the new system Iconics Genesis 64 has been employed. The SCADA project is also a crucial component of the Company's digital transformation process. The 3D-supported drawing platform – the first of its kind in the

sector – coupled with IoT support, data analysis, advanced report structure, effective alarm status management, trend support for practical data visualization, and other such developable additional modules have allowed for the creation of a robust systems infrastructure. These advanced technology efforts also drew significant interest in the international arena in previous years, and were highly appreciated at the Microsoft Technology Summit and at an automation workshop in Boston where they were showcased. They were once again presented as success stories and will be evaluated via voting.

Mobile platforms top the agenda of the Shipment Control Center upgrade project. With the launch of the new software, the Company started using customizable applications which run on all types of mobile devices and that can be easily configured according to one's needs.

Aksa Doğalgaz has reached an agreement with Turkcell related to the disaster recovery center which will ensure the system's continuity in case of a disaster. The Company also completed work on satellite communication solutions to ensure communication back-up in regions that lack terrestrial lines.

The Company has installed special illegal gas usage detection devices on four monitoring vehicles that run along the steel and PE natural gas distribution lines and at all A, B, and C-type pressure reduction and measurement stations of



Aksa Doğalgaz's 21 natural gas distribution companies. The Company also uses handheld detection devices employing optic sensor technology to check for unauthorized gas use. These efforts cover a total distance of 100 thousand km, twice a year, to check for any illegal gas usage. All findings are reported in detail.

## DEVELOPMENTS IN 2019

Accelerating digital transformation efforts across all processes, Aksa Doğalgaz successfully completed an innovative project on subscriber management. Commencing in September 2019, the Horizon21 project segment – Customer Service, Invoicing and Site Workforce Management Application – features a new set of systems, to be deployed in place of the ATOS ABYS system, as the Subscriber Management System. Aksa Doğalgaz launched the Horizon21 project, which is aimed at managing big data in a quick, effective and transparent manner, and unifying all its end-to-end operational processes – mainly customer services in its wide distribution area – on a single system.

Within this scope, S/4 HANA will be transitioned from the current SAP ERP. The conceptual design stage of the corporate resource planning component S/4 HANA system was reached; this facilitates saving, classifying, summarizing, analyzing and reporting the data of 21 natural gas distribution and 3 commercial companies under Aksa Doğalgaz. Intensive efforts have been commenced to improve customer services, financial affairs, logistics, and operational processes. The project is expected to be finalized in 2020, achieving the best solutions in line with global standards in terms of data entry, data processing, reporting and analysis.

Aksa Doğalgaz also launched the e-Archive bill application within its digitalization efforts. The application is projected to create a major cost advantage in terms of printing, sending and archiving bills, as well reducing the labor involved. Initiated in 2019, the application was implemented as of January 1, 2020. Along with digitalization, more effective controls were integrated into the invoicing process; as well, paper consumption has been significantly reduced, thus contributing to nature conservation.

In 2019, the transition to the Electronic Account Statement (EHO) was completed and the application went live. With EHO, approximately 1,300 bank accounts under 20 banks are able to be tracked on a real-time basis. Accounting records started to be created online, thus making cash management processes more effective. The EHO generates a bank query every five minutes and an accounting record every 15 minutes, permitting Aksa Doğalgaz subscribers to view their current balances on a real-time basis. At the same time, automatic control of transfers from collection accounts to usage accounts is ensured. In addition, the system enhances customer satisfaction by enabling real-time monitoring for assurance fee refunds – frequently requested by customers – as well as providing refunds to customers with the transfer receipt received from the SAP system. The transfer of bank account transactions to the SAP system enables department-specific authorization; the customer services, interior installation, measurement and accrual units can then monitor the bank accounts related to their respective departments.

Within the scope of this project, implementation of the SAP-CRM, SAP-ISU in the first distribution company, and the generalization of the application across all Aksa Doğalgaz Companies, is targeted for the first half of 2021. Activities related to the project are carried out by a dedicated team of more than 100 employees, formed by the Company's Head Office and Region Employees and including project technical consultants. The project will also utilize the SAP transparency, traceability, data security, KVKK compliance and training solutions.

Aksa Doğalgaz updated its Integrated Management System structure as per the revised ISO standards and, for each of its distribution companies operating across 27 provinces, successfully adopted the new ISO 10002:2018 Customer Satisfaction Management System. In addition, the Company holds ISO 9001:2015 Quality Management System and ISO 14001:2015 Environmental Management System certifications.

Aksa Doğalgaz carries out some of Turkey's most extensive GIS projects in terms of scale, setting an example for many other countries. Through the CBS project developed with ESRI and Geonix products, the entire network of the Company is more easily monitored and updated through ArcGIS desktop applications and the web. By raising the Company's data quality in 2019, network analysis has also started to be carried out: thus, in the event of natural gas supply interruptions, subscribers who are affected by the interruption can be notified, and the specific gas valves can be accessed and closed.

Through granular data fields under CBS, including province, district, neighborhood, avenue, street and building fields, address updates are tracked dynamically and the data is provided to peripheral applications via CBS.

In 2019, the progress payment report application went live, shortening the progress payment preparation process; the application allows the receipt of the as-built data subject to the progress payment entered to the CBS system in a template suitable for an Excel file.

Developments in the WEB (MVYS) system, verbal, locational and statistical data query features based on map selection, as well as free building search tools (i.e. Google) were included.

Map support is provided for the Fiori application, for leakage search activities, and the screened line details regarding leakage search screening are shared within the scope of integration. This development allows the viewing of scanned lines, the call periods and the regions in which a leakage search was conducted.

Developments made to the desktop system make it possible to obtain the information of the equipment on the line from the line they are on in an orderly fashion; some equipment is now automatically removed by the system according to line construction and the type of the line. Furthermore, the lines without gas supply and service box components, determined with network analysis, can now be displayed via WEB and Mobile with the model.





# BALANCED PROGRESS

Between 2020-2021,  
we aim to bring natural gas to  
tens of thousands of households  
by continuing our investments  
throughout Turkey in the coming  
period.

NUMBER OF NEW DISTRICTS TARGETED FOR  
DISTRIBUTION WITHIN 2 YEARS

18

# HUMAN RESOURCES

*Keen to evaluate employee performance in the most accurate manner and maintain staff happiness at the highest level, Aksa Doğalgaz strives to reach its corporate objectives driven by a strong sense of team spirit.*



## HUMAN RESOURCES POLICY OF AKSA DOĞALGAZ

Aksa Doğalgaz sees its workforce as its greatest asset, and bases its Human Resources Policy on the values of Kazancı Group.

In order to deliver high quality services to its customers, the Company continuously provides its employees with opportunities to improve their professional, intellectual and behavioral skills, thus boosting their productivity. The Company strives to add to the Aksa family those team members in harmony with its corporate culture, who possess the competence, knowledge and development potential to carry the Company forward into the future.

Keen to evaluate employee performance in the most accurate manner and maintain staff happiness at the highest level, Aksa Doğalgaz strives to reach its corporate objectives driven by a strong sense of team spirit based on the power of solidarity, thanks to dedicated staff, and the importance it places on employees' families.

The main axis of the Company's Human Resources Policy is to build the organizational structure of all the companies under Aksa Doğalgaz Group with teamwork-oriented, open-minded,

productive individuals. The Company focuses on those persons who uphold its corporate values, helping them to constantly develop themselves in line with the culture of excellence. The objective is to become a company that inspires pride in all employees.

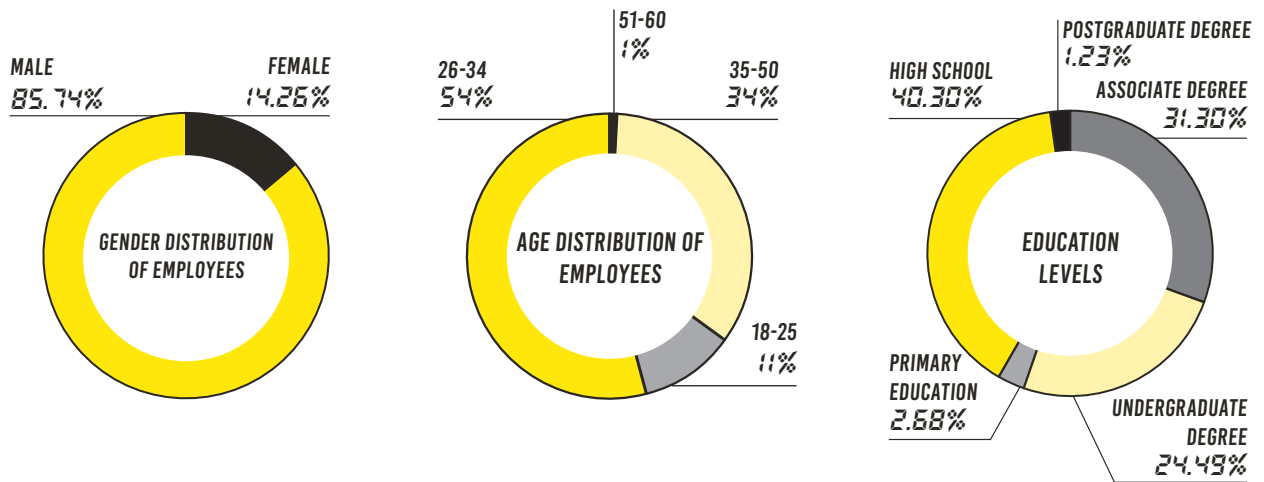
Aksa Doğalgaz strives to create a work environment based on amiability, respect, diversity and equal opportunity. The Company believes that success will be achieved once these principles are implemented in a transparent and equitable manner.

## SELECTION AND PLACEMENT

Aksa Doğalgaz aims to attract those candidates needed to achieve the Company's strategic planning objectives and long-term targets. The Company conducts the selection process in line with the principles of equal opportunity and non-discrimination. Aksa Doğalgaz recruits those individuals who possess the experience and competence demanded by the position. In addition, the Company develops and manages the staff in a systematic fashion.

Employment applications received are assessed by the Human Resources Department based on candidate competence. First, the Department makes a preliminary assessment of the candidates. In the second stage, the relevant unit managers





evaluate their technical proficiency. Selection is made from among those candidates who are customer focused; open to learning and change, adaptable to multicultural environments, in step with technology and innovations, and who embrace teamwork. After these assessments, outstanding candidates are asked whether they remain interested in the relevant position, provided preliminary information about the job, made an offer, and recruited if they accept.

## TRAINING AND DEVELOPMENT

As required by its corporate vision, Aksa Doğalgaz competently equips its personnel with the knowledge and experience required by the times, aims them to acquire an infrastructure already prepared for the future by creating values that go beyond the current age; and accordingly, supports its employees with training programs designed to help them adapt proactively to change and developments so as to contribute both to their own personal development as well as to their companies. Aksa Doğalgaz aims to continuously improve its organization, and ensure that everyone embraces the culture of learning. To these ends, the Company provides the staff with various training and development opportunities in keeping with their professional and personal development needs.

Aksa Doğalgaz supports each employee with planned and continuous work from the first day. The training process starts with an Orientation program, so that employees can adapt to the Company and their job, and receive all the information they need.

Under this program, employees receive basic information on:

- The Company's various policies, visions, missions and values,
- Human resources practices,
- The relevant function, position and department.

Throughout their tenure at the Company, employees are offered training programs to help them develop the individual competence demanded by their post in line with their overall career plans. As part of employee career planning, priority is given to those personnel who have been promoted to a higher position or who have assumed new tasks after shifting to a new position at the Company, so that they can work in a more productive manner.

Aksa Doğalgaz's training programs include:

- On-the-job Training,
- In-house Career Training,
- Training Outside the Company,
- Online Training.

These programs help employees translate the potential they possess into maximum occupational performance.

## PERFORMANCE MANAGEMENT

To ensure that all Aksa Doğalgaz companies achieve the corporate strategies and high quality standards, both corporate and individual efforts and success are monitored and measured with the "Performance Management" system. Performance assessments are conducted on an annual basis. Each year, high scoring staff members are rewarded.

## REMUNERATION POLICY

In shaping its remuneration policy, Aksa Doğalgaz Group takes into account the national economic conditions, striving to be fair within the Group and competitive within the sector. The Human Resources Department's market surveys, performance assessment results and business analysis methodology are used to determine the salary scale and pay rises. Employees are rewarded according to their performance to keep their motivation at a high level.

MEDIAN AGE

32.3

# OCCUPATIONAL HEALTH AND SAFETY

Occupational health and safety efforts, which figure among the Aksa Doğalgaz's most important core activities, are based on the "AKSAoHS Software" specially designed for the Company in response to specific corporate requirements.

## OCCUPATIONAL HEALTH AND SAFETY TRAINING PROVIDED IN 2019

**45.3 HOURS**

## DECREASE IN ACCIDENT SEVERITY RATE

**13%**

In every province and district where it holds a license, Aksa Doğalgaz aims to deliver uninterrupted natural gas distribution. In accordance with Law No. 6331 on Occupational Health and Safety, the Company fully meets all occupational health and safety requirements related to its employees and stakeholders.

To ensure that employees return home safe and sound every night, Aksa Doğalgaz is committed to fostering an OHS culture and ensuring that occupational safety awareness is shared by every staff member. To this end, the Company attaches great importance on the "OHSAS 18001:2007 Occupational Health and Safety Management System." With a view to establishing the continuity of the Occupational Health and Safety Management System, the Company launched a central Occupational Health and Safety project in March 2015 across Turkey, featuring the country's top doctors and specialists.

Occupational health and safety efforts, which are among the Company's most important core activities, are based on the "AKSAoHS Software" specially designed for Aksa Doğalgaz in response to specific corporate requirements. Programmed in accordance with the Law No. 6331 on Occupational Health and Safety and the OHSAS 18001:2007 management system, AKSAoHS software dynamically monitors and checks all activities carried out by 2,186 employees at the 21 distribution companies. AKSAoHS centrally controls and reports all occupational health and safety activities related to an employee from the moment of recruitment onwards. The software also measures the occupational health and safety performance of the 21 distribution companies. Aksa Doğalgaz continues preparations for an upgrade to the new version of ISO 45001:2018 Occupational Health and Safety Management System, which constitutes a key element of organizational change management and continuous improvement. The transition of 21 distribution companies has come to the final stage as of the end of 2019.

To identify and prevent any external hazard, annual risk assessments are conducted in all distribution companies; the findings of these studies are eradicated in the most expeditious manner with the participation of employees. Disabled, pregnant or breastfeeding staff is given priority in risk assessments.

In 2019, Aksa Doğalgaz collaborated with 21 distribution companies to develop an Emergency Plan against natural disasters such as earthquake, flood, landslide, explosion and fire as well as risk factors such as electricity, line faults, sabotage. The Emergency Plan has been launched. The Plan covers all emergency response instructions to ensure the safety of subscribers, the public, and Company employees.





At Aksa Doğalgaz, all required activities falling under Law No. 6331 on Occupational Health and Safety were conscientiously carried out during the year. Some 46,030 hours of occupational safety training were delivered (2,816 person\*hours). Annual study and annual evaluation reports were prepared, and throughout the year;

- Employee representative meetings,
- Professional Competence training programs,
- Planned OHS training programs,
- OHS training for new hires,
- Planned health screenings,
- Health examinations for new hires,
- Field OHS audits,
- Maintenance and checking of equipment that requires periodic controls,
- Grounding measurements, electrical installation checks,
- Work hygiene measurements at newly opened locations,
- Lightning rod measurements and checks,
- Emergency team training,
- Emergency evacuation drills,
- First aid training.

To proactively reduce any possible damage from work accidents and occupational diseases, special occupational health and safety funds have been allocated within the budgets of distribution companies. Positive results have been obtained in the root cause analyses of the occupational accidents monitored since 2016. Accident Frequency Rates (AFR) and Accident Incident Rates (AIR) referenced by ILO dropped 5% as of the end of 2019, while the Accident Severity Rate fell by 13% at the Company. The target for 2020 has been determined as 15% reduction.

Via continuous education and awareness raising efforts, Aksa Doğalgaz is committed to the Company's ultimate goal of "zero work accident" and its slogan "People First." Under the leadership and guidance of its management and the participation of its employees, Aksa Doğalgaz continuously moves toward becoming the "most reliable corporation" in the industry in terms of occupational health and safety.

# ENVIRONMENT

Aksa Doğalgaz sees protection of nature as critical to achieving sustainable growth. The Company shapes its business operations around minimizing its environmental footprint and contributes to preserving the natural environment.

REDUCTION IN CARBON EMISSIONS IN  
HOUSEHOLDS WITH NATURAL GAS USAGE

50%

ANNUAL NUMBER OF PLASTIC BAGS THAT ARE NOT  
PRODUCED WITH "LET IT STAY NATURAL" PROJECT

3,830 KG

## ENVIRONMENTAL POLICY OF AKSA DOĞALGAZ

Aksa Doğalgaz sees protection of nature as critical to achieving sustainable growth. The Company shapes its business operations around minimizing its environmental footprint and contributes to preserving the natural environment. With this vision, Aksa Doğalgaz has formulated an Environmental Policy based on the following principles:

- Safely minimizing the environmental footprint of the Company's operations in harmony with all its stakeholders and leaving a healthy environment for future generations,
- Adding value to the environment and quality of life by ensuring continuous improvement in compliance with applicable environmental legislation, under the scope of ISO 14001:2015 Environment and OHSAS 18001:2007 Occupational Health and Safety Management Systems,
- Using natural resources in an efficient manner to minimize waste and prevent pollution at the source,
- Keeping under control the possible environmental impact of subcontracted companies,
- Supporting all stakeholders deemed relevant in terms of environmental training and practices, and ensuring sustainability.

## ENVIRONMENTAL PRACTICES OF AKSA DOĞALGAZ

All operations executed by Aksa Doğalgaz are designed to fulfill strict environmental regulatory requirements. To ensure the sustainability of the Company's operations, environmental impact and components are identified in a conscientious manner, with input and output flows of every work process kept up-to-date.

At every natural gas distribution company under the umbrella of Aksa Doğalgaz, the environmental risks defined by the Environmental Committee are revised each year and taken under control through a proactive approach.

Methods used to keep the identified risks under control include the following, from high to low priority:

- Striving to eliminate risks at the source,
- Replacing high hazards with lesser ones,
- Implementing engineering measures,
- Making use of ergonomic approaches.

The 2015 revision made to Aksa Doğalgaz's long-running ISO 14001 Environmental Management System has helped align the Company's strategic approach with its environmental management system, while improving the organization's environmental performance. The continuity of the system is confirmed with annual audits performed by accredited firms.

Understanding that the biggest threat facing natural resources today is uncontrolled consumption, all distribution companies are committed to efficient use of natural resources. Under the Zero Waste project launched by the Presidency of the Republic of Turkey in 2019 and supervised by the Ministry of Environment and Urbanization, Aksa Doğalgaz commenced efforts at 21 of its Regional Directorates. This effort has played a major role in sustainable resource management and preservation of natural resources at the Company. Natural resource consumption levels are checked monthly and duly minimized. As part of the paper-free office project, people-dependent applications were transferred onto digital platforms; the business processes were rendered swift and measurable; paper, energy and cartridge consumption was reduced.





Waste management and environmental permits are key components of the environmental management approach at Aksa Doğalgaz. To reduce the amount of waste produced by distribution companies, methods such as reuse, recycling and elimination are used, with all legal and regulatory requirements fully met.

Different types of waste are classified accurately and kept in storage areas under appropriate conditions. Waste is prevented from contaminating the soil and water during storage. All waste is then delivered to disposal firms that are licensed by the Ministry of Environment and Urbanization. With this method, more than 50 tons of hazardous and non-hazardous wastes were disposed of in 2019.

Waste management training for Company personnel, especially waste management teams, are completed on an annual basis. The division of labor is determined for everyone and employee awareness is raised as regards collection of waste by category.

Aksa Doğalgaz continues its environmentally responsible operations by eliminating the use of plastic bags. Under the new project "Let It Stay Natural" launched in January 2019, the Company began delivering the meters to its subscribers inside nonwoven bags. By using this environmentally friendly alternative instead of single use plastic bags – which decompose in 500-1,000 years on average when left in nature and the vast majority of which are never recycled – Akxa Doğalgaz avoided production of 3,830 kilograms of plastic bags annually.

Aksa Doğalgaz will continue working toward the goal of leaving a healthy environment for future generations while abiding by all legal and regulatory requirements.

#### **Cities Breathe Fresh Air with Natural Gas**

Using clean energy resources with the smallest environmental footprint has become not simply a choice but an obligation for the future of our country and the world. Natural gas stands out as a highly important and widely available source of energy that is high quality, safe and clean, since it provides

advantages in sustainable energy policies and carbon economy management. Natural gas accessibility reached all of Turkey's 81 provinces in 2018 thanks to various distribution expansion efforts. During 2019, over 16 million residential subscribers consumed 14.5 billion m<sup>3</sup> of natural gas in Turkey. According to calculations assuming that households without access to natural gas actually utilize coal and other fuels, use of natural gas in households prevented 33 million tons of carbon emissions in 2019. The average carbon emission of a household using natural gas in 2019 is two tons. With the use of natural gas instead of coal, carbon emissions per household were cut by 50%.

#### **15.7 Million People and 280 Million Trees Breathe Easier with Akxa Doğalgaz**

During its 17 years of activity in the natural gas distribution sector, Akxa Doğalgaz introduced a growing number of people to the comfort and convenience of natural gas by extending its license regions and expanding its subscriber base. Moreover, the Company monitors its environmental footprint in order to leave a more habitable planet for future generations. Continuously expending efforts to expand the use of natural gas in Turkey and to raise citizens' awareness about the environmental impact of carbon-intensive fuels such as coal, Akxa Doğalgaz plays an effective role in reducing air pollution in the cities where it operates. In the Company's distribution regions, which encompasses 27 provinces and 181 districts and towns, carbon emissions decreased by 6.5 million tons with the use of natural gas instead of coal in just one year. This volume is equivalent to the amount that as many as 280 million mature trees in a forest of 4 thousand km<sup>2</sup> would be needed to process. Given that in Turkey alone 42 thousand persons die prematurely each year due to environmental pollution and 30 thousand persons meet an early death from the effects of air pollution, the Company considers that it creates a considerable social benefit by slashing air pollution.

# CORPORATE COMMUNICATION ACTIVITIES

Aksa Doğalgaz shapes its business operations in awareness of the Company's immense responsibility to society, which is the true source of its power, and strives to ensure that its social responsibility activities make a concrete, ongoing contribution to society at large.

NUMBER OF PERSONS WITH DISABILITIES REACHED  
IN 2019 THROUGH THE LIFE COMPANION PROJECT

3,918

Corporate communication efforts play a major role in the Company's sustainable success, adhering to the principle that communication with stakeholders, particularly subscribers, should be uninterrupted.

Improving and renewing its website and social media accounts in 2017, and consolidating communication lines with its subscribers in 2018, Aksa Doğalgaz finalized integration with the e-Government portal in 2019. Through the e-Government platform, the Company offers

- Subscription Query
- Bill Query
- Customer Contract Application
- Contract Termination

services to its subscribers. Aksa Doğalgaz subscribers can easily perform their transactions, after logging into the system with their ID numbers and e-Government passwords. The Company plans to introduce new services via the e-Government website, offering additional convenience to subscribers.

## CORPORATE SOCIAL RESPONSIBILITY

Aksa Doğalgaz shapes its business operations in full awareness of the Company's immense responsibility to society, which is the true source of its power, and strives to ensure that its social responsibility activities deliver a concrete, ongoing contribution to society at large.

Since its inception, the Company has monitored the social and environmental impacts of its activities in the regions where it operates, while guided by the social and environmental values of the Kazancı Group. In addition, Aksa Doğalgaz works to resolve local problems and raise the living standards of local residents. To become an integral member of each community where it operates, the Company engages in open dialogue with the resident population. Similarly, the Company invites all its stakeholders to share the core values of its corporate culture.

Aksa Doğalgaz strives to ensure that its social responsibility activities deliver concrete, ongoing contributions to society at large. Rather than investing in short-term projects, the Company works to execute long-term projects designed to become self-sustaining over time.

### ENERGY FOR TOMORROW

In March 2019, Aksa Doğalgaz joined forces with other group companies Aksa Electric, Aksa Energy and Aksa Power Generation under Kazancı Holding for the "ENERGY FOR TOMORROW" project. Under the project, selected employees from Group companies have traveled across Turkey to provide trainings on energy in the villages' primary schools.

Formed by corporate communication personnel across the Group's companies, the team traveled more than 6,500 km and provided energy training to more than 2 thousand elementary school students in 22 village schools in 19 provinces, from the start of the project until the end of the year. In 2019, the team visited schools in Van, Ağrı, Elazığ, Malatya, Balıkesir, Çanakkale, Trabzon, Rize, Amasya, Tokat, Ordu, Giresun, Zonguldak, Düzce, Bolu, İzmir, Manisa, Bursa and Bilecik in just nine months, providing comprehensive trainings on energy to students in grades five through eight.

ENERGY FOR THE FUTURE team covered every aspect of energy during the trainings, including energy resources, energy efficiency, efficient use of energy, energy literacy, the concept of clean energy, and energy generation. As well, the team explained the Group's energy operations.





In addition to energy trainings, the project included follow-up support, along with various experiments and an energy-themed math game developed specifically for the project. At the conclusion of each event, students were presented with an Energy Encyclopedia, various stationery items and backpacks. In 2020, the "ENERGY FOR TOMORROW" team continues to travel around Turkey and provide energy courses at village schools.

#### **Sponsorship for the National Wheelchair Tennis Team**

Aksa Doğalgaz is committed to supporting sports in its operating regions. The Company unites its corporate vision with this support via the Life Companion project. Within this scope, Aksa Doğalgaz has sponsored the athletes on the National Wheelchair Tennis Team since 2018. Supported by Aksa Doğalgaz, Emirhan Toper and Yunus Emre Arslan, the Team is fully supplied with equipment and resources, as well as opportunities for regular trainings and tournament participation. As a result, athletes in junior teams ranked third worldwide, breaking new ground in Turkish tennis history.

#### **"Let It Stay Natural"**

Each year, Aksa Doğalgaz introduces more than 350 thousand families across Turkey to the comfort and convenience of natural gas. In early 2019, the Company began delivering gas meters to its subscribers in recyclable multi-use nonwoven bags, rather than single-use plastic bags. Aksa Doğalgaz stopped using plastic bags in all of its distribution regions, thereby helping to reduce the production of plastic bags by more than one thousand tons.

Aksa Doğalgaz aims to help end the production of plastic bags, which amount to more than one ton each year. In line with this target, the Company ceased production of 3,830 kilograms of single-use plastic bags, providing new subscribers with reusable nonwoven bags instead. Plastic bags are non-recyclable and can take between 500-1,000 years to decompose. The new nonwoven bags for meters, an eco-friendly alternative to plastic bags, can be reused more than 100 times, for shopping or other needs. "Let It Stay Natural" is printed on the bags, drawing awareness to climate and environmental issues. Aksa Doğalgaz continues the use of recyclable bags in 2020, in accordance with the Company's commitment to leaving behind a greener world.

#### **Life Companion**

Providing uninterrupted and safe natural gas to nearly 3.3 million subscribers in 27 provinces and 181 towns and districts in Turkey, Aksa Doğalgaz believes that equal opportunities across every segment of society can help ensure the economic and social development of our country. In this spirit, the Company closely monitors the challenges experienced daily by more than 8 million disabled citizens in Turkey. Aksa Doğalgaz developed the Life Companion project in 2015 to address these issues and make life safer for its disabled subscribers by delivering rapid services under emergency situations.

Number of Incoming Calls	844
Number of Tickets for which Work Orders are Created	108
Average Connection Time through 187 Hotline	4 sec
Average Connection Time through 4444187 Hotline	16 sec
Average Connection Time through 187 and 4444187 Hotlines	10 sec

## CORPORATE COMMUNICATION ACTIVITIES

In March 2019, Aksa Doğalgaz joined forces with other group companies Aksa Electric, Aksa Energy and Aksa Power Generation under Kazancı Holding for the “ENERGY FOR TOMORROW” project.

### DISTANCES TRAVELED WITHIN THE ENERGY FOR TOMORROW PROJECT

6,500 KM

Through the project, when subscribers with disabilities who are registered in Aksa Doğalgaz’s subscription system call the Natural Gas Emergency Line 187 or the 444 4 187 Solution Center, they are connected to an agent within five seconds on average. As well, emergency teams are dispatched immediately to the location of the disabled subscriber, without the need for the subscriber to explain the situation in detail. Aksa Doğalgaz aims to make the lives of subscribers with disabilities easier by delivering emergency services to such subscribers who are alone in a hazardous situation. The Company also gives priority to subscribers with disabilities when they connect to an agent and responds to their queries immediately. With 3,918 disabled customers registered in the Life Companion system, the Company has provided necessary support to approximately 471 calls received to date. In addition, rapid-response emergency teams were dispatched to 59 customers to address difficulties.

Citizens with disabilities may register with the Life Companion service by completing the Disability Form and presenting their documents at the Company’s offices or via the Online Procedures menu on aksadogalgaz.com.tr.

### Other Social Responsibility Activities

Book, stationery and clothing donations to students: Aksa Doğalgaz employees regularly visit the schools in their areas of operation, and provide students in financial need with school supplies, stationery and clothing. Within the scope of these efforts, a robotic coding class was opened at Düzce Fatih Primary School in 2019. Aksa Doğalgaz provided TL 120 thousand worth of equipment for the establishment of the class, including 16 computers, one 3D printer, 16 robotic coding sets, one large desk, 16 computer desks and 32 chairs.

**Visits to Retirement Homes and Child Protection Centers on Special Days:** Aksa Doğalgaz personnel visit retirement homes and child protection society centers on special days, to support the individuals living in these facilities.

**Blood Donations to Kızılay:** At events held periodically under the coordination of Aksa Doğalgaz, employees donate blood to Kızılay (Turkish Red Crescent).

## INTERNAL COMMUNICATION ACTIVITIES

Aksa Doğalgaz ranks among the most youthful companies in the industry, with an average employee age of 32. The Company believes in the importance of establishing solid relations with the younger generation as they enter the workforce. Aksa Doğalgaz works to provide a peaceful and pleasant working environment for its staff and develops its in-house communication efforts accordingly. The Company organizes various events during the year and holds celebrations to mark special occasions. Its internal communication efforts position the Company as the “employer of choice” in the sector for both current and also potential employees.



# ENERGY FOR TOMORROW

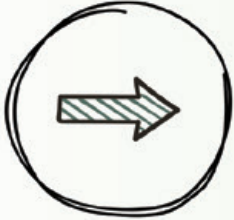
As all group companies of Aksa, we have toured Turkey and told the children about energy in detail exceeding the number of students that we targeted for the first 9 months. We continue our journey with all of our energy for the children who are waiting for us.



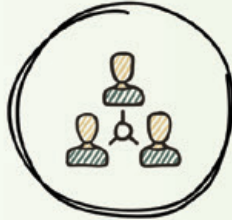
**9**  
months



**22**  
village schools



**19**  
cities



**2,000+**  
students

**6,500**  
km road



**aksa**

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