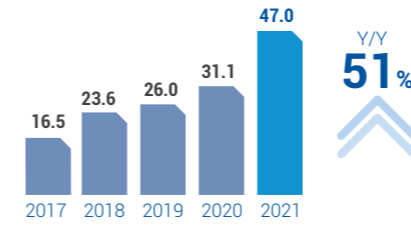
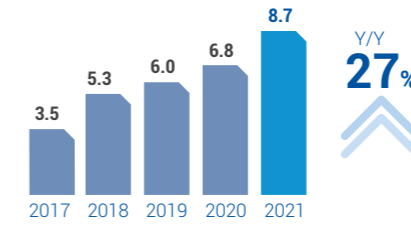


During the volatile and difficult market conditions of 2021, Sabancı Group energy companies focused internalizing **sustainability and technology, to provide strong support to ensure Turkey's energy supply with an uninterrupted manner.**

Combined Revenue (TL Billion)

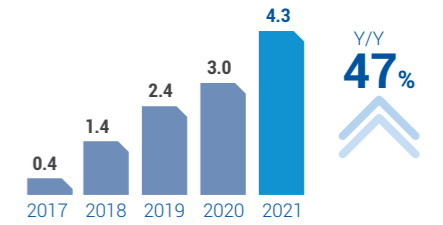


Combined EBITDA* (TL Billion)



*Excluding one-off income/expenses

Combined Net Income* (TL Billion)



*Excluding one-off income/expenses



Energy



Enerjisa Üretim Balıkesir Wind Power Plant

Energy



3,607

Our power plant portfolio structure consists of five different technologies and a total installed capacity of 3,607 MW.

Our largest non-bank business unit

In 2021, Sabancı Group's energy business unit continued to be the main contributor of Group's non-bank revenue and EBITDA growth, achieving 51% revenue and 27% EBITDA growth.

The most diversified and largest generation portfolio in Turkey

Our energy companies, which are striding towards the future by maintaining their strong market presence, delivered the energy they generated to approximately 22 million users in 2021 with a generation portfolio of 3,607 MW structured by 5 different technologies.

A strong presence in a dynamic market

We maintain our presence in the electricity sector with our energy production, energy distribution and retail companies in Turkey, which has positive demographic characteristics such as young population, rapidly

increasing urbanization and low but rapidly increasing electricity consumption per capita compared to Europe.

Despite challenging market conditions driven by lower precipitation levels and the commodity crisis in 2021, we maintained strong operating performance and profitability in both of our energy companies.

The high efficient and eco-friendly power plant portfolio structure consists of five different technologies and a total installed capacity of 3,607 MW. This unique formation positions the company as the operator of the country's most diversified and largest private generation fleet.

Our portfolio management strategy in the generation business is designed to maximize the value, which will be created by our portfolio in forward markets, the day-ahead market, the intraday market, the balancing power

market and the ancillary services market to obtain the highest economic value from the company's 3,607 MW capacity power plant portfolio. This strategy also encompasses our medium and long-term electricity sales and fuel supply strategies.

Our generation business was able to protect its profitability in 2021 by combining operational excellence with commercial capabilities. Our generation plants completed the year with an availability well above the sector average. The fleet's high rate of availability combined with its diversified make-up of generation technologies enables it to take advantage of all the opportunities in the market.

A new chapter for renewable energy investments

In line with our sustainability-focused growth strategy in the energy business, another important item on the Sabancı Group's agenda in 2021 was the

opening a new chapter in renewable investments.

Our generation company commissioned hybrid solar projects in early 2021 and started the construction of a 65 MW Wind Power Project in Kayseri. In addition to these investments, company's striking portfolio of 500 MW in Renewable Energy Resource Zone (YEKA) projects announced by the Ministry and the Company started to receive pre-licenses for these projects in 2021.

The largest player in the distribution sector

Our energy distribution and retail company is the largest player in the sector, providing electricity distribution and sales services to a population of 22 million – that is one out of every 4 people in Turkey - in three regions and 14 cities, six of which are metropolitan. This means we serve a population larger than many European countries.

2021 has been an important year for the distribution sector, as the regulatory framework for the 4th regulatory tariff period of 2021-2025 has been announced. Our electricity distribution and retail company has been instrumental in the formation of the new tariff period, which continues to support investments and encourages quality improvements in service levels and better corporate governance. The combined investment ceiling of our distribution business is highest in the sector and grid investments continued in 2021 with an aim to provide uninterrupted energy to customers and increase network quality. Our realized distribution CAPEX increased by more than 56% in 2021 when compared to the previous year.

2021 was overall shaped by the tightened oil and natural gas prices markets reflecting to electricity prices. Our retail sales business demonstrated an operational earnings growth of 13.5% year on year in 2021 despite many challenges throughout the year. In addition, the operational performance also succeeded in fulfilling its customer commitments in electricity sales.

A first in Europe: The Galatasaray Stadium

When it comes to investing in new growth platforms, the total installed capacity has tripled with a total of 10 MWP commissioned projects in the second half of 2021, including the Galatasaray Stadium reference project, a first of its kind in Europe. The stadium generates its own electricity with the solar power plant established using the Energy Performance Model. The entire investment of the facility, which was established on a total area of 40,000 m², will be carried out by our distribution and retail company, and the Galatasaray Football Club will pay over the amount of electricity generated during the contract period.

Turkey's first and fastest electric vehicle station network

As we enter the world of electrification, developments such as electric vehicles, distributed energy, hydrogen and storage need to be built on solid foundations in all countries and strategies must be created within the framework of appropriate and supportive legislation. With the aim of strengthening our innovative and pioneering position in the field of e-mobility and offering solutions that will contribute to the decarbonization of transportation, our distribution

Growth in renewables

Our generation company commissioned hybrid solar projects in early 2021, started the construction of a 65 MW wind power project in Kayseri and continues the project development processes of the 500 MW YEKA wind projects at full speed.

Eşarj

In 2021, Eşarj became the first e-mobility company to reach 150,000 recharges.



and retail company via its subsidiary, Enerjisa Müşteri Çözümleri A.Ş., increased its stake in Eşarj, Turkey's first and fastest electric vehicle station network, from 80% to 94%. Eşarj increased its number of charging points by ~60% compared to the previous year to 433, with charging points available at 200 public locations as of the end of November 2021. Also, in 2021, Eşarj became the first e-mobility company to reach 150,000 recharges.

The potential to grow with its own resources

Maintaining a healthy balance sheet is our primary focus at the Sabancı Group, and our energy strategic business unit, which boasts the strongest balance sheet and lowest debt ratio in the sector, offers a major potential to grow both with its own resources and to provide a strong and regular financial contribution.

An exemplary performance in sustainability

Our energy companies, focusing on sustainability, set an example for the sector in terms of operational quality, health and safety metrics and, in particular, in digital applications. While they have the most competent human resources in the industry, they use digital applications at a rate above the European level.

At our energy generation company, we have launched a gradual and large-scale integration of hybrid solar power capacity into the current fleet. Presciently, Enerjisa Üretim brought Turkey's first hybrid solar power plant into operation in 2020. The construction of an additional 100 MW of new hybrid solar power plants will be completed by 2025.

Our distribution and retail company continued to increase its ESG performance in ratings and CDP climate change and CDP water. The company also completed the Green Finance and signed a new "Inclusive and Green-focused" loan agreement with the EBRD in November in Turkish lira, equivalent to USD 110 million.

In accordance with the strategic roadmap determined by Sabancı Holding, the companies have continued their sustainability-oriented operations successfully. The companies have also successfully managed the long-term growth expectations in a balanced manner.

Going forward

In our energy business unit, our generation company aims to transform our generation portfolio in line with our goal of net zero emissions by 2050. In the energy distribution and retail unit, our first goal is set to press ahead with

our investments in line with the fourth tariff implementation period targets.

Contractor and supplier management is of tremendous importance in overcoming obstacles arising from the global surge in raw material costs and the COVID-related logistical problems. In order to ensure the sustainability of our business in these volatile times, reaching the right financing options is another key factor in this tariff period.

Net zero emissions goal by 2050

Around the world, the energy sector is focused on the energy transformation. On a global scale, countries and companies have set out their emission targets. Increasing solar and wind capacity and improving energy efficiency are at the forefront of the 2050 zero emission roadmap set out by the International Energy Agency. Investments in technology and strengthening and modernizing network investments to support this approach will be on the agenda going forward.

Increasing electrification, developments such as electric vehicles, distributed energy, hydrogen and storage are the other areas of focus which need to be built on solid foundations in all countries and strategies in the coming years.

In our energy business unit, our generation company will adopt the following 4-pillar approach while transforming our generation portfolio in line with our net zero emissions goal by 2050:

- Commitment to 100% renewable technologies in new power plant investments: We are committed to the growth in the wind and

solar energy segments. An early manifestation of this pledge will be the development of new wind farms, which will become operational before 2025 with a total capacity of 565 MW.

- Transforming the existing fleet into hybrid solar energy hubs. We have launched a gradual and large-scale integration of hybrid solar power capacity into our current fleet with a goal over 100 MW within the next 3 years.
- Use of Nature-based solutions & offsetting technologies: We operate an innovation hub where nature-based solutions and sustainable energy innovation programs are developed. We will continue to seek credible offsetting solutions and technologies which can be used to offset residual emissions.
- Hydrogen strategy: We are intensifying our efforts in our hydrogen generation and power storage projects, with the ultimate aim to replacing some of the natural gas with green hydrogen in combined cycle gas turbines (CCGT) moving forward.

Strong potential: energy efficiency and electric vehicles

Energy efficiency is critical for the continuity of new projects such as electrification, demand management and micro-grid solutions.

Energy efficiency, which has yet to reach the targeted levels as seen in Scandinavian countries, is a key field in Turkey, especially in the industrial sector.

The near doubling in the electric vehicles and charging station markets in the last year in Turkey will gain further pace together with the entry into the TOGG market and the Paris agreement.

The number of electric vehicles on the roads is expected to multiply from 6,000 to 75,000 by the end of 2023, and reach 1 million by 2030, while the number of charging stations is expected to quadruple to 12,000.*

In parallel with these growth projections, the Energy Market Regulatory Authority (EMRA) plans to draft legislation on charging services in the first half of 2022 and regulate charging services accordingly. In the market, where we think that domestic production and digital infrastructure will be the key success factors, we are in close contact with all of our stakeholders to promote our company, Eşarj, in leading the sector. In parallel with these growth projections, EMRA plans to complete the legislation on charging services in the first half of 2022 and to regulate charging services accordingly.

*Source: EMRA