

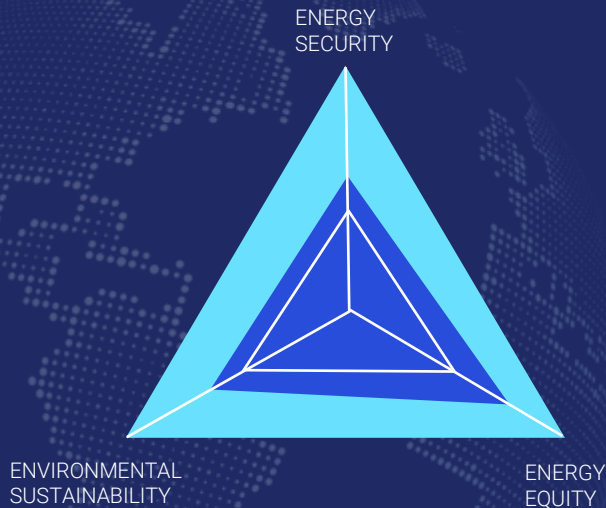


JULY, 2023

ENERGY SBU  
INVESTOR PRESENTATION



# Making the impossible “Energy Trilemma” possible through “Disruption”



**ENERGY TRILEMMA**  
WORLD ENERGY COUNCIL



Renewables & DER



Transmission & Distribution



Deep Drilling & Geothermal



IoT & Sensors



Artificial Intelligence



Digitalization



Electrification



CCUS



Peer-to-Peer Trading

H<sub>2</sub>

Hydrogen



Efficiency



Energy Storage



Smart Grids



Bioenergy



Automation



Smart Energy / Smart Home



EVs & Low-Carbon Mobility



Small Nuclear Reactors

## Strategic Direction from “Traditional” to “Disruptive”

We are committed to staying at the center of the technologies that will shape the future energy world.



We aim to benefit & develop our strong human capital and competencies to expand our operations abroad.



We position ourselves in the center of the global innovation ecosystem.



Sustainability is our guiding principle in each and every business decision we take.



# Expansion to new adjacencies & abroad by leveraging the pioneer position in Türkiye

**Growth & High Investment**  
2006-2013



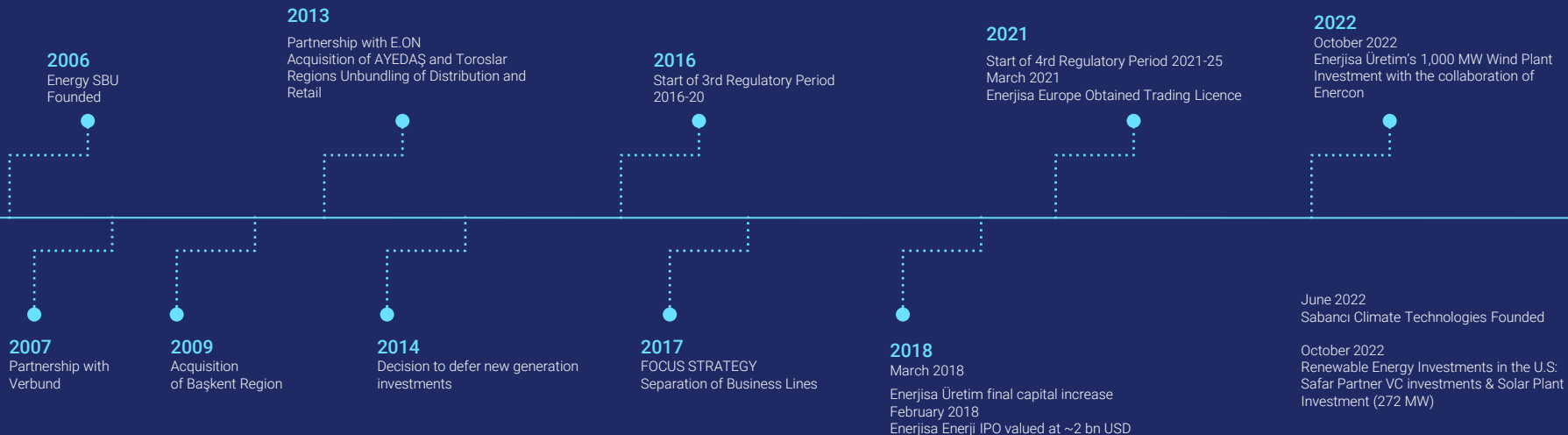
**Turnaround**  
2013-2017



**Capital Recycling**  
2017-2022



**Expansion to New Adjacencies & Abroad**  
2022 Onwards



## Diversified energy portfolio throughout the value chain

### ENERJİSA

Distribution & Retail

**14**

Cities

**6**

metropolises

**22 mn**

Population

**10.6 mn**

Customers

**320,805 km**

Network

**TL 29.4 bn**

RAB\*

**39.2 TWh**

Sales (2022)

**12.0 mn**

Connections

**553**

Stations in E-Şarj

**57**

Cities with Eşarj Stations

### ENERJİSA ÜRETİM

Generation & Trade

**23**

Power Plants

**5**

Technologies

**3.7 GW**

Installed Capacity (4.7 GW  
installed capacity in 2026)

**14.6 TWh**

Generation (2022)

**28.5 TWh**

Trading (2022)

**45.5%**

Renewables (57%  
renewables in 2026\*)

### SABANCI CLIMATE TECHNOLOGIES

Energy & Climate Tech.

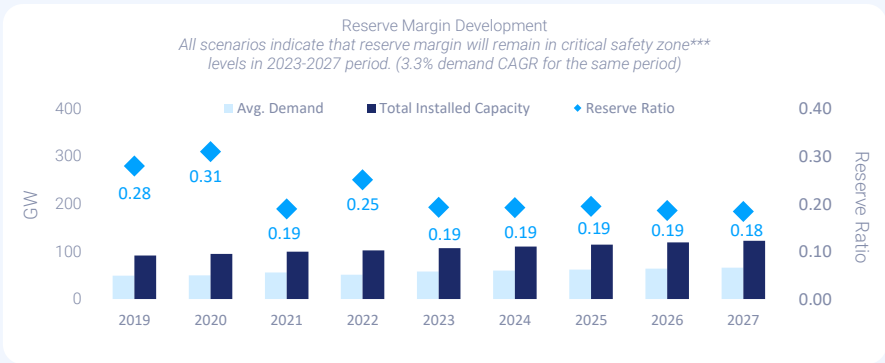
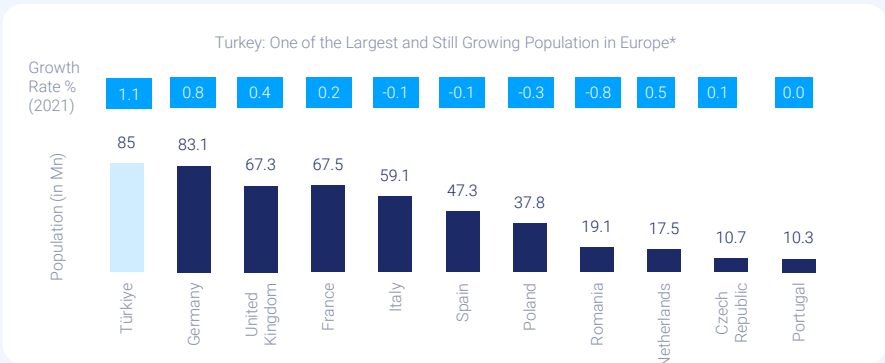
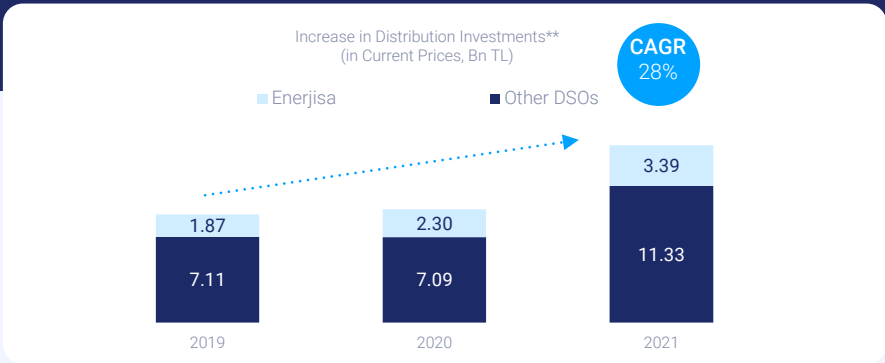
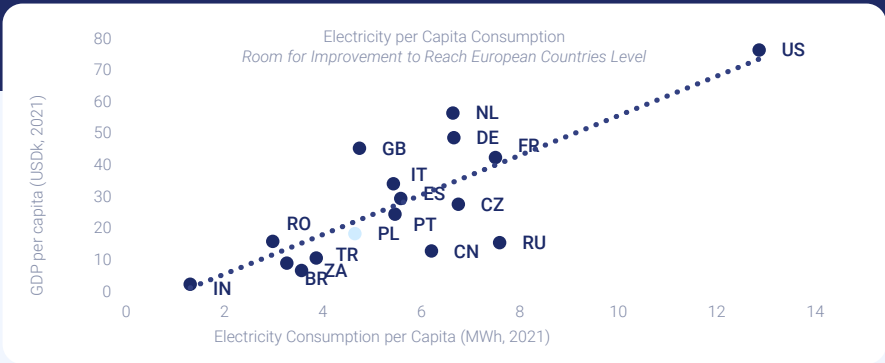


Renewable Energy  
Generation in U.S



Investments in climate technologies  
through Energy and Climate VC

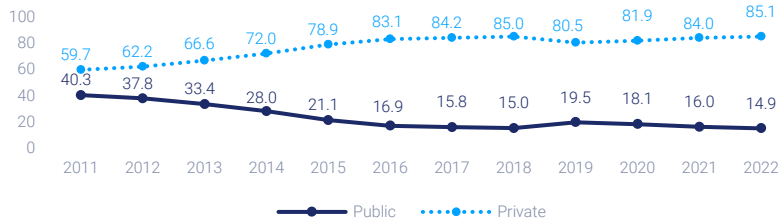
# Strong fundamentals for continued growth in Türkiye



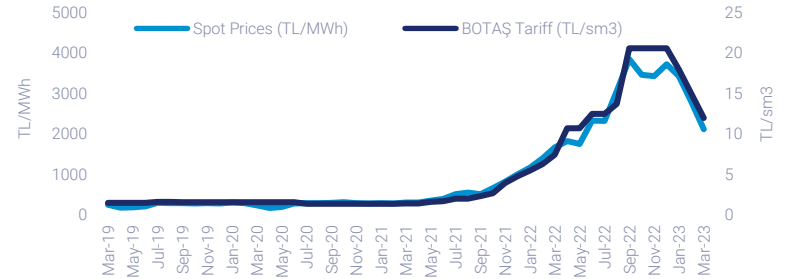
\* Sources: World Bank, Statista, \*\* ELDER Sector Report 2021, \*\*\* Safety zone is determined as 15% in PJM market. However, in Turkish market, due to nature of hydroelectric power plants and hydro volatility 20% to 25% is considered as safety zone.

# Liberalized market mechanism in Türkiye

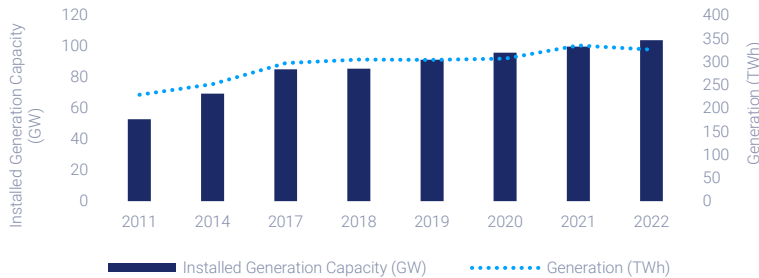
Change of Licensed Electricity Generation as Public-Private by Years\* (%)



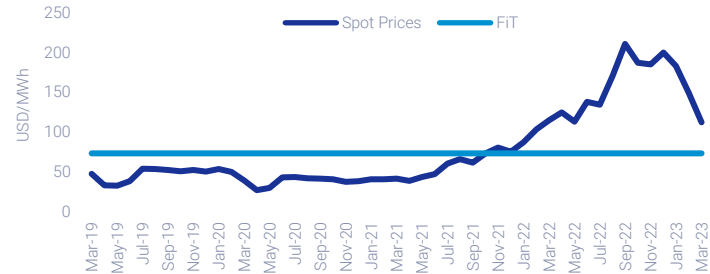
Spot Electricity Prices (TL/MWh, LHS) vs Natural Gas Prices(TL/sm3)\*\*



Development of Installed Generation Capacity & Generation\*



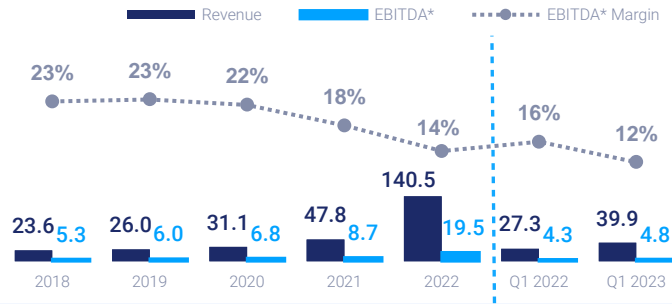
Spot prices vs Feed-in-tariff (USD/MWh)\*\*



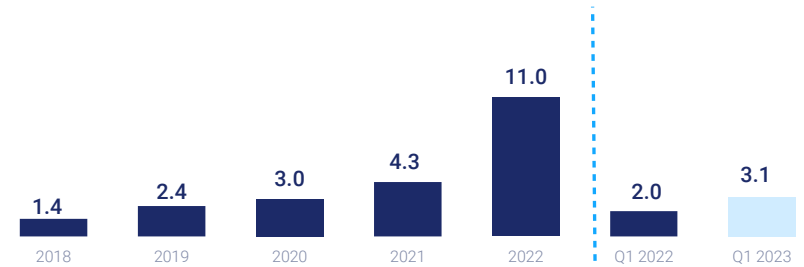
\* Source: TEIAS  
 \*\* EPIAS, BOTAS

# Exceptionally strong performance driven by stronger returns in Türkiye

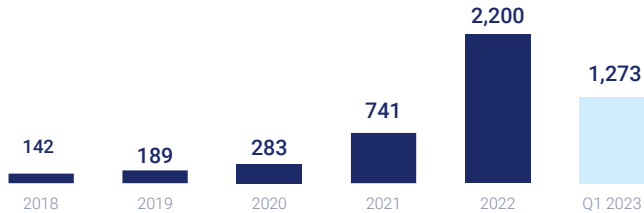
Combined Revenue & EBITDA (Bn TL)



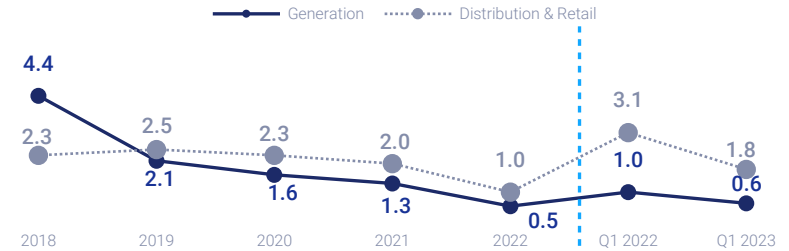
Combined Net Income\* (Bn TL)



Dividends Paid to Sabancı Holding (Mn TL)



Net Debt / EBITDA\* Ratio

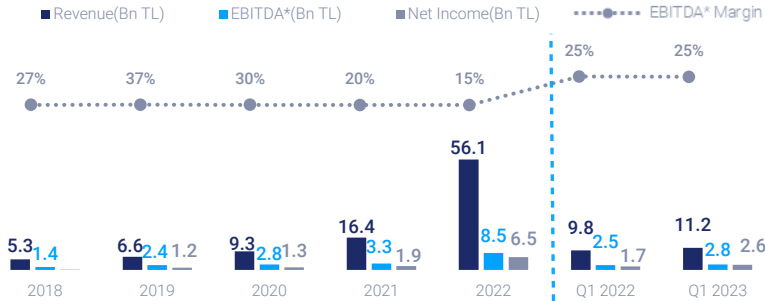


\*Excludes non-operational and non-recurring one off items

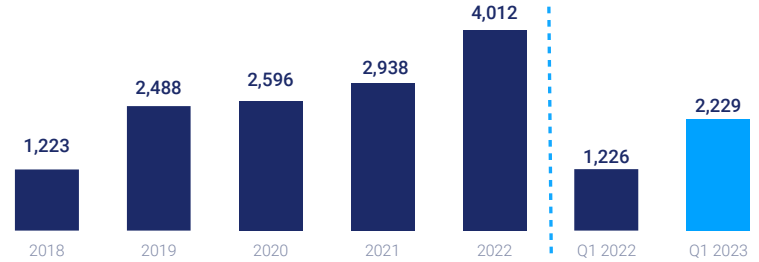


# Solid balance sheet structure & strong financial performance

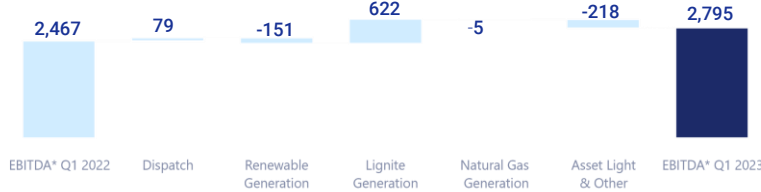
Key Financials



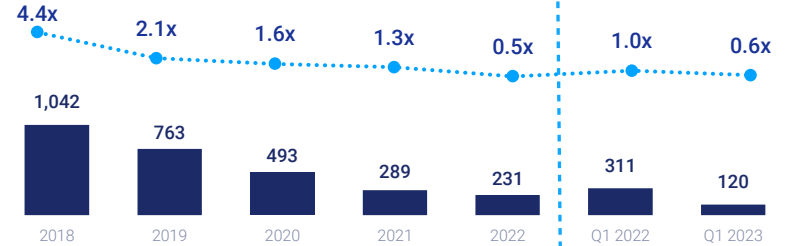
Free Cash Flow Generation (Mn TL)



YTD EBITDA\* Bridge (Mn TL)



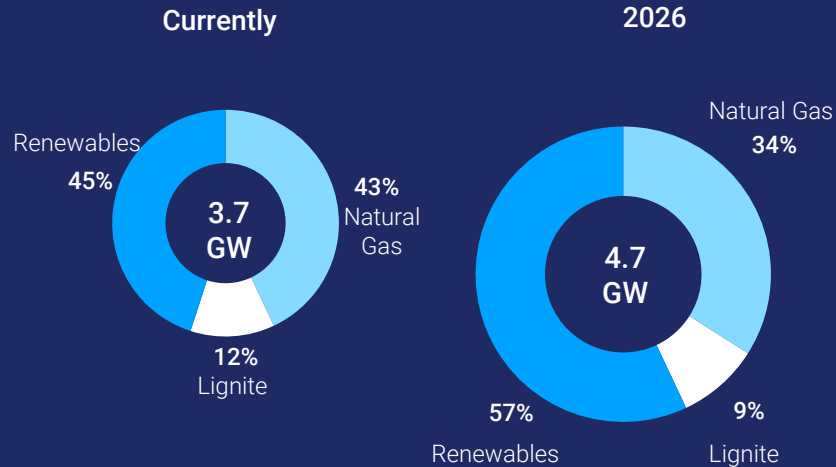
Net Debt (Mn EUR Equivalent) & Net Debt/EBITDA



\*Excludes non-operational and non-recurring one off items

# Initiating a major expansion project in the renewable energy market in Türkiye

Installed **Generation** Capacity Mix\*



1000 MW **YEKA-2** Wind Power Plant Investment (USD 1.2 bn)

ÇANAKKALE  
250 MW

BALIKESİR  
250 MW

AYDIN  
250 MW

MUĞLA  
250 MW



01

FX guaranteed revenue stream for 15 years

02

Licenses acquired

03

COD\*\*: gradually from 2024 to 2026/Q1

04

Turbine contracts signed

# Exploring next generation capabilities in power generation & trading

## ASSET LIGHT GROWTH



Gold Standard YEK-G THE INTERNATIONAL REC STANDARD Verified Carbon Standard

### Trading Globally

- ▶ Reached more than 100 international trader/broker counterparties from 30 countries
- ▶ Developing and trading 3rd parties' carbon and green power certificates from our own assets

### Energy & Digital Services

- ▶ Commercializing technological know-how and digital services with low market entry cost while sustaining the competitive advantage
- ▶ Introduction of digital energy services to provide plant management and green energy solutions, data services, and energy training.



## GREEN HYDROGEN



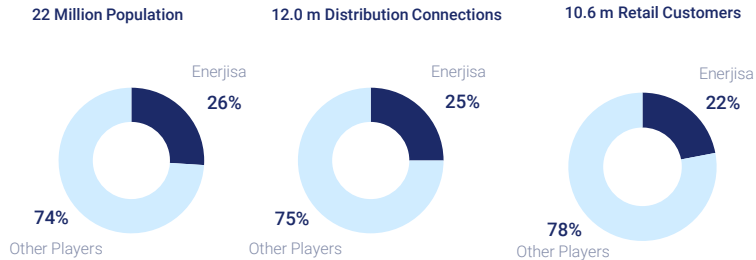
- ▶ Signed a protocol with TÜBİTAK MAM, ASPİLSAN, Eti Maden, and GMKA to collaborate on green hydrogen production and storage.
- ▶ Started to produce & store green hydrogen in the pilot project to use in generator cooling – as the first private sector player in Türkiye
- ▶ Planned to install electrolyzers, in line with the expected domestic and international demand

# Strong position in distribution & retail and an inflation-linked business with real return

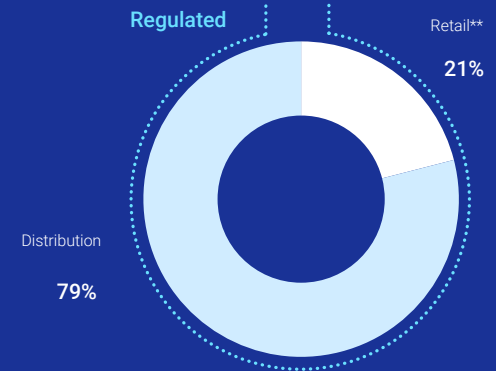
## Competitive Advantages

- ▶ Türkiye's leading electricity distribution and retail company – economies of scale
- ▶ TL and inflation linked long-term borrowing to match revenue stream – access to competitive financing with Sabancı brand
- ▶ Fundamental growth from incumbent regions (Başkent, Ayedaş and Toroslar)
- ▶ Large retail customer base of more than 10 million (representing 22% market share) with high proportion of regulated sales
- ▶ Premium sponsors and superior governance (Sabancı & E.ON)
- ▶ Well positioned to capture growth & attractive dividend pay-out

Türkiye's  
**no.1**  
electricity  
distribution and  
retail company



## Supportive and Transparent Regulatory Framework Operational Earnings (Q1 2023)

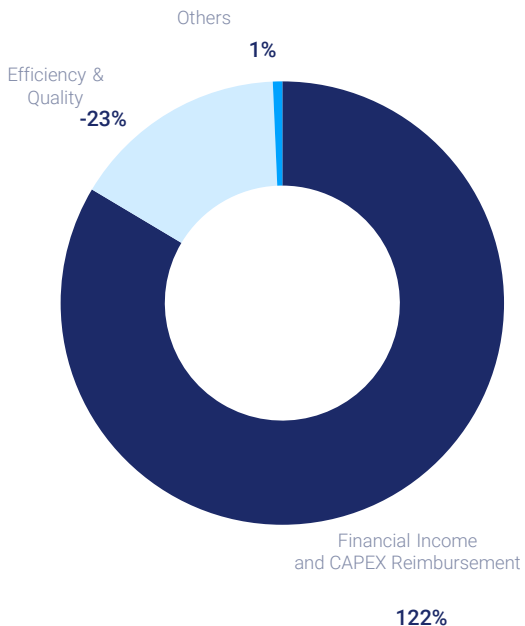


- ▶ Regulated Investment Returns with a supportive WACC (12.3%)
- ▶ Regulated Efficiency & Quality Parameters
- ▶ Regulated Retail Margin (2.38% on reference procurement price + retail service revenues resulting in 6.7% gross margin in Q1 2023)

\*\*2/3 of retail sales volume is regulated.

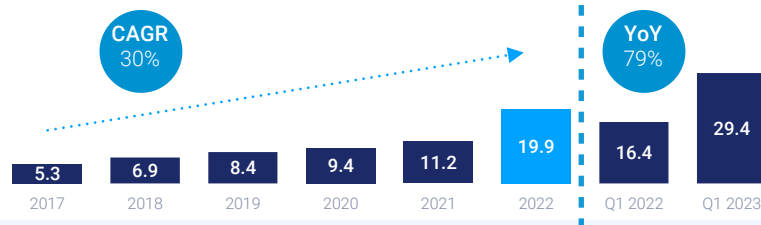
# Heavily concentrated on network investments but also an important efficiency game

Distribution Operational Earnings\*  
Breakdown (Q1 2023)



Strong Historical Growth and Untapped Potential

Regulated Asset Base (TL bn)



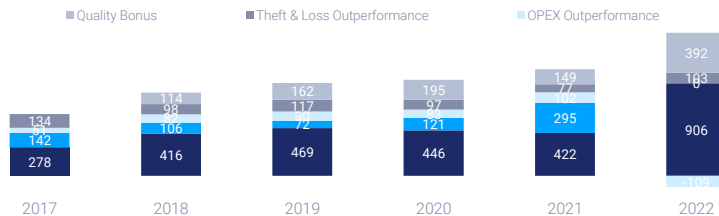
Regulation Incentivizes Investments -

Regulated WACC (real)



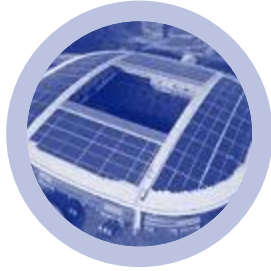
High Support for Efficiency Improvements

Efficiency & Quality Split (TL mn)



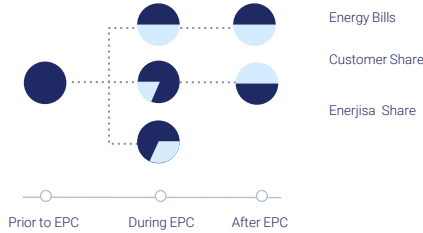
\*Operational Earnings include Capex Reimbursement

# Acting as a solution partner with technological competencies by leveraging extensive customer network



## Distributed Generation / Solar

- Creating a sustainable and service-based business model through Energy Performance Contracts (EPCs)
- Offering our customers environmentally-friendly energy solutions with a focus on distributed generation, decarbonization, and efficiency.
- Developing & executing sizeable-scale projects such as Ali Sami Yen Sports Complex (Solar – 4.2 MW) and Brisa’s Aksaray Factory (Solar – 4.2 MW)



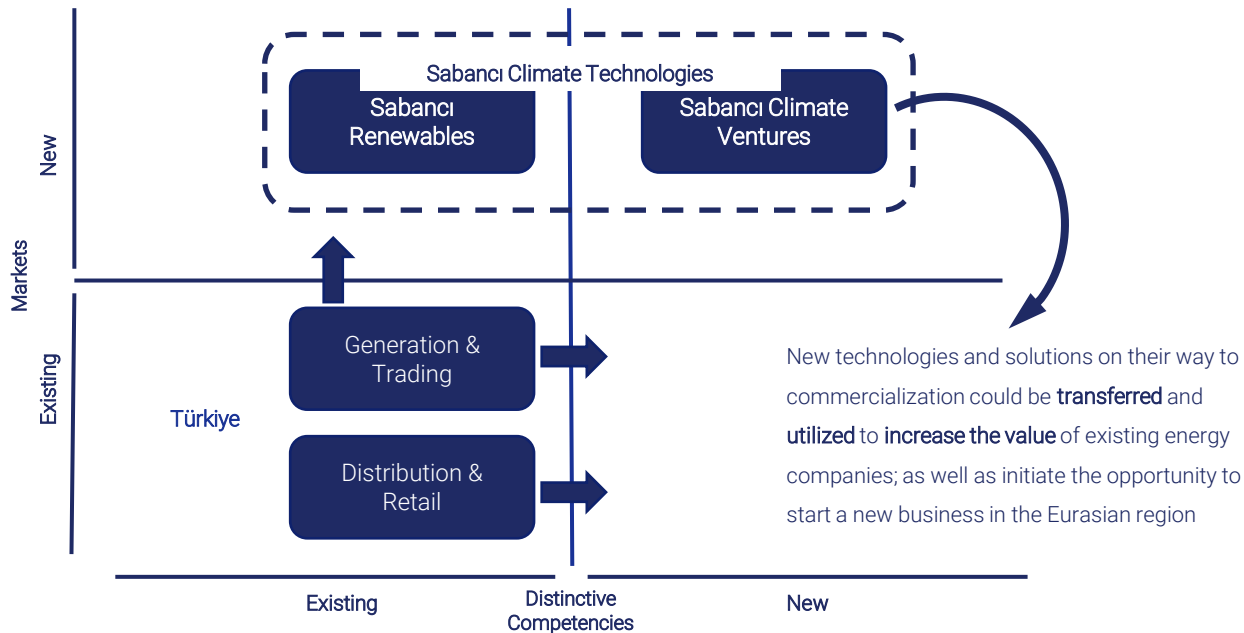
## Energy Efficiency & Decarbonization



## E-mobility / E-charging Platform

As of the end of March	After Türkiye’s National DC Charger Tender Program	As of 2023 YE
<b>553</b> Stations in	<b>495</b> New Stations in	<b>1,000</b> Stations in
<b>57</b> Cities	<b>53</b> Cities	<b>81</b> Cities
<b>164</b> AC Stations	<b>181</b> AC Stations in total	
<b>389</b> DC Stations	<b>644</b> DC Stations in total	

# Transforming the energy business to pursue opportunities in “disruption & expansion abroad”



# Leveraging core capabilities & expand the business to create higher value for stakeholders

We lead energy and climate transition by bridging the gap between emerging and developed markets



## SABANCI CLIMATE TECHNOLOGIES

*Create sustainable base return while investing in 'revolutionary ideas'*

### Sabancı Renewables

#### Focus Investment Areas

- ▶ On-shore wind
- ▶ Utility scale solar

#### Focus Geographies

- ▶ Selected US states

#### Distinctive Competency

- ▶ Execution and digital asset management capabilities in renewables

### Sabancı Climate Ventures

#### Focus Investment Areas

- ▶ Early-stage Energy and Climate solutions

#### Focus Geographies

- ▶ Predominantly the USA, and Europe as peripheral location

#### Distinctive Competency

- ▶ Early market penetration of startups in emerging markets



## Expanding Energy SBU investments beyond Türkiye

Sabancı Climate Technologies, wholly owned subsidiary of Sabancı Holding, will undertake renewable energy power plant investments and strategic investments in various venture capital funds and start-ups, primarily in the USA and Europe.



### Start-up Investments

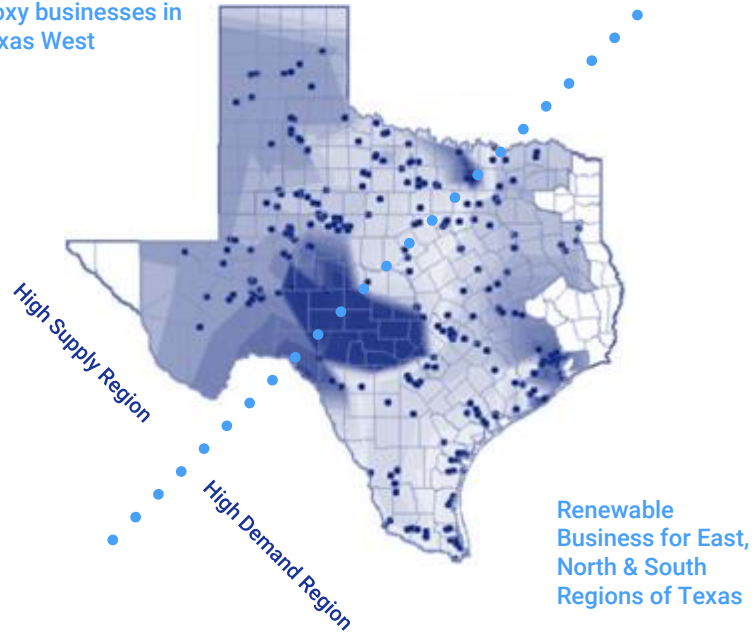
- ✓ A long-term strategic partnership between Sabancı Climate Technologies and Safar Partners, one of the leading venture capital fund management companies in the US
- ✓ First investments in start-ups that are part of Safar Partners' network:
- ✓ Commonwealth Fusion Systems; an initiative that is capable of bringing fusion technology to life
- ✓ Quaise Energy; a company developing deep geothermal energy technologies

### Sabancı Renewables

- ✓ Sabancı Renewables, fully owned subsidiary of Sabancı Climate Technologies and indirectly owned by Sabancı Holding, was established in Delaware, to create a renewable energy portfolio in the USA
- ✓ Sabancı Renewables has completed its first acquisition of a project license for the establishment of a 272 MW solar power plant in the USA
- ✓ The project is expected to be completed in Q2 2024

# Following extensive study and analysis, initiating the first solar project with prospects for future growth

Market potential for proxy businesses in Texas West



## 272 MW Solar Power Plant Project

- ✓ Region close to Houston - high demand
- ✓ Shovel-ready project with low execution risk; developed by an experienced and reputable Project Firm

## Solid Business Model for the Execution

- ✓ EPC contract with a pioneer company
- ✓ Highly credible PPA contracts
- ✓ Financing partnerships with global banks
- ✓ Tax equity partnership as incentive model of the USA

## Creating an extended innovation ecosystem & enabling early access to disruptive technologies via fund & start-up investments



- ✓ Invested in a venture fund with a portfolio of start-ups from seed to growth stage
- ✓ Portfolio with a focus on innovative energy and climate technologies, advanced material technologies, artificial intelligence and robotics technologies
- ✓ Deal flow of start-ups originated from within and around MIT, Harvard, and Rochester University



- ✓ Coming out of MIT's Plasma Science and Fusion Center and reached a valuation of \$5 billion in September 2021
- ✓ Having the potential to enable clean nuclear energy production in the future to remove the limits on energy
- ✓ Breakthrough Energy, founded by Bill Gates, is among the major investors of the company



- ✓ Coming out of MIT and reached a valuation of over 100 million USD in June 2022
- ✓ Planning to provide access to deep geothermal energy resources economically with its revolutionary drilling technology
- ✓ Especially important for Türkiye as the 1st country in Europe to the geothermal potential
- ✓ Initiating a joint task force to search for cooperation opportunities in Tufanbeyli PP

# While contributing to Türkiye's green energy transition, we stay committed to sound management of ESG risks and investing in communities that we operate in



## Key Player in Energy Security

- ✓ Providing uninterrupted, continuous, accessible energy to one out of every 4 people in Türkiye
- ✓ A Leading player in the industry with 3,727 MW with the most diverse generation composition



## Largest contributor to electrification

- ✓ One of the largest investors in grid expansion, upgrading, and modernization
- ✓ Pioneer in the Digitization of all processes in the electricity value chain
- ✓ Operating the largest, fastest, and green Charging Station Network in Türkiye



## Commitment to 100% Low Carbon Generation

- ✓ 1 out of every 3 solar and wind power plants will be realized by Enerjisa Üretim in the next 5 years
- ✓ %15 decrease in GHG intensity in 3 years with the ultimate aim to reach net zero before 2050



## Shaping the New Energy World

- ✓ Türkiye's first green hydrogen manufacturing plant in a bid to address energy security and green energy transition simultaneously
- ✓ With a potential of green hydrogen export capacity to Europe



## Helping Customers to Decarbonize

- ✓ Improving the efficiency of customers and helping them to decarbonize through our innovative and sustainable products under the umbrella of The Energy of My Business
- ✓ Trading 3rd parties' carbon and green power certificates
- ✓ 30% share in Sabancı Group's SDG-linked net sales revenues

## Disclaimer

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Investor Relations Specialist

Meet SirA, Sabancı Holding's digital  
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Turkey's First Investor Relations  
Dedicated Assistant !

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