



SABANCI HOLDING DIGITAL INVESTMENTS

April 29th, 2022

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Capital Allocation Criteria
& Digital Investments

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Cyber Security

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Digital Marketing



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Doubling CAPEX to accelerate both organic and inorganic growth

DOUBLING CAPEX | 25/75 SPLIT BETWEEN CORE & NEW INVESTMENTS

Grow and Protect the Core

- Strengthen our market leading positions
- Profitable growth driven by customer centricity

Maximize Shareholder Return

- Dividend Policy: 5%-20% of net income
- DPS (2017-2022): up by 3.75 times
- Share Buyback Program:
 - Up to 5% of paid-in capital: 102 mn shares
 - Total funds allocated: TL1.75bn
- Long-term Incentive Plan: NAV Growth & rTSR

Invest in New Platforms

- Increasing share of new economy: from 6% in 2021 to ~13% in midterm
- 75% of non-bank capex for transformation & adjacencies focusing on:
 - FX generation
 - Digital
 - Sustainability
- IRR > WACC + (1% to 3%)

Keep Healthy Balance Sheet

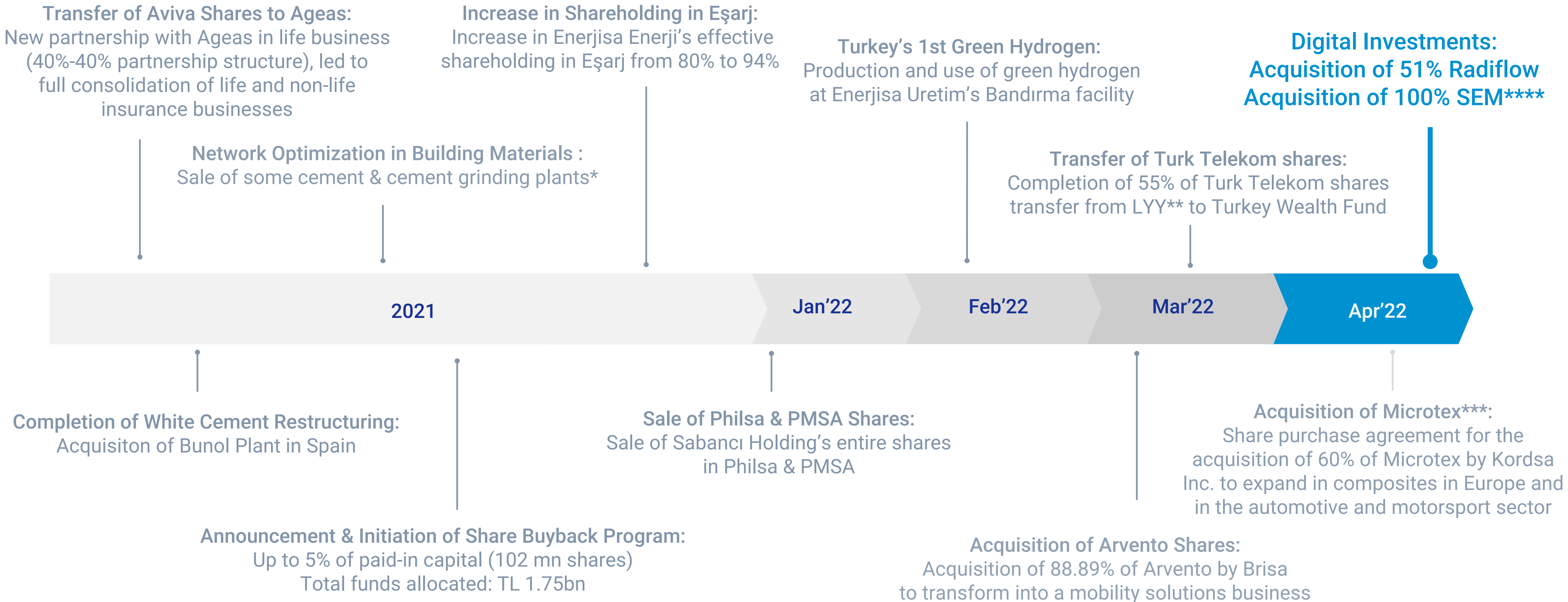
- Net debt to EBITDA \leq 2x
- Healthy use of capital & debt
- Managing B/S as if an investment grade company



Successful delivery on our strategic initiatives prevails



Dynamic Portfolio Management



*subject to Competition Board approval ** Akbank has 35.6% shares in LYY Telekomünikasyon A.Ş. ***Acquisition is expected to be finalized in Q2'22, subject to the fulfillment of closing conditions required for Italian Golden Power approval. ****SEM investment includes the acquisition of Liberdatum.



Cyber Security

Radiflow (a deal of USD45mn): Providing full package of solutions in Operational Technology (OT) Security market, one of the fastest growing market in Cyber Security domain with diversified global revenue streams and strong partnerships with global large tech-partners in a number of industries including power generation, energy distribution, utilities.

Digital Marketing

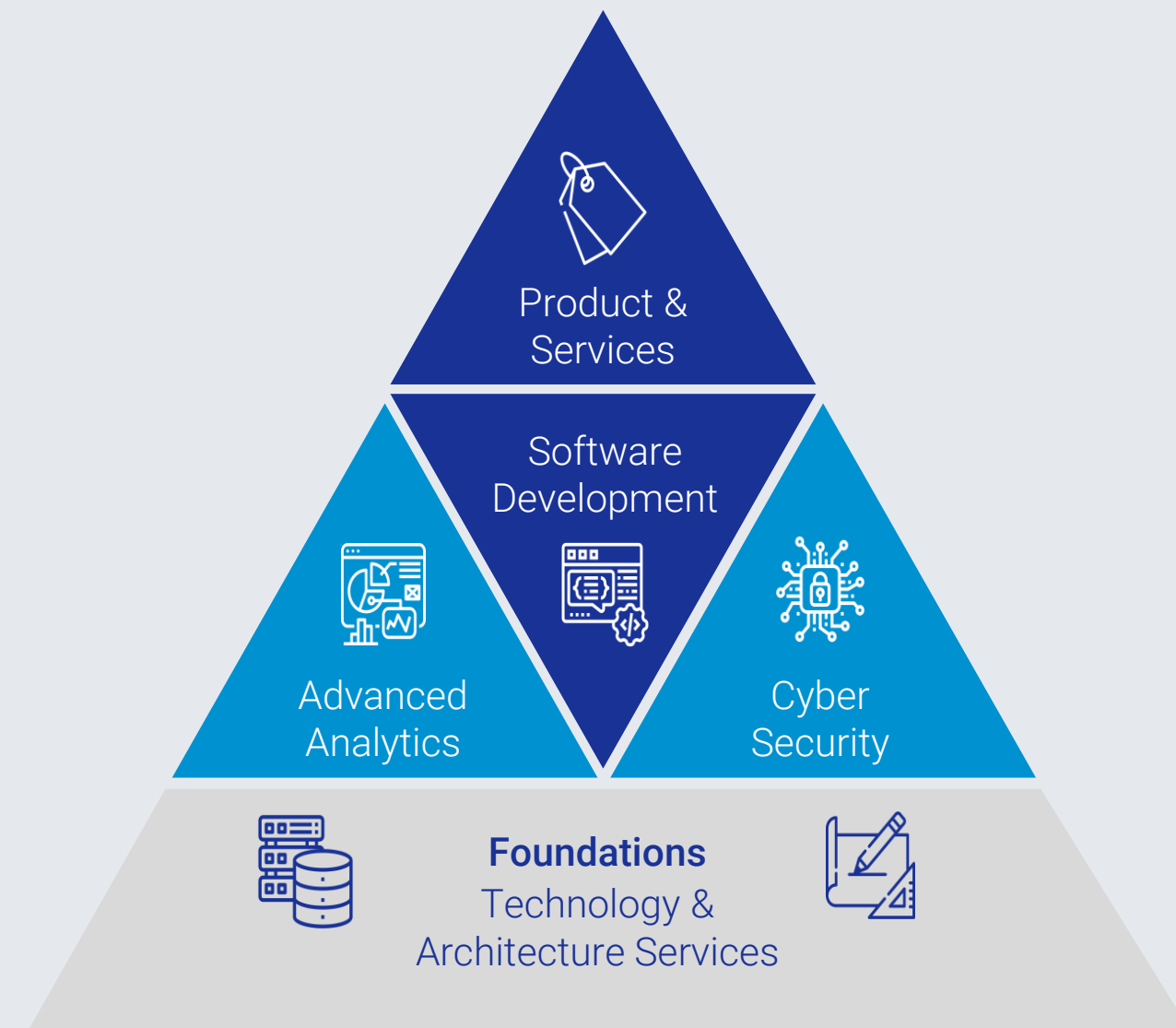
SEM* (a deal of USD13.5mn): Turkey's first search engine optimization agency and one of the two Turkish companies with Google Marketing Platform Reseller certificate to offer data-driven digital marketing services. SEM positions technology and building data driven strategies as the core of its business to offer strategic consulting to companies across various industries.

- Investments that are listed above will be carried out by **Dx Technology Services and Investment BV (DxBV)**, a company established in the Netherlands and fully owned by Sabancı Holding.
- Sabancı Holding is considering to increase DxBV's current share capital from USD10mn to USD120mn, in order to support its anticipated growth.

*SEM investment includes the acquisition of Liberdatum.

Before Transactions

SABANCI Dx



- Regional/ Local Focus
- Mainly Local Currency Revenues
- Multi Service/ Product Offerings

After Transactions

Sabancı Digital Business



- Global Growth Focus
- Increased Share of FX Revenues
- Focused Service/ Product Offerings
- Higher Than Market Growth
- New Markets and Revenue Streams
- Global Technology Partnerships
- Increasing Synergies in Sabancı Ecosystem
- Innovation Fueled With R&D & Academia

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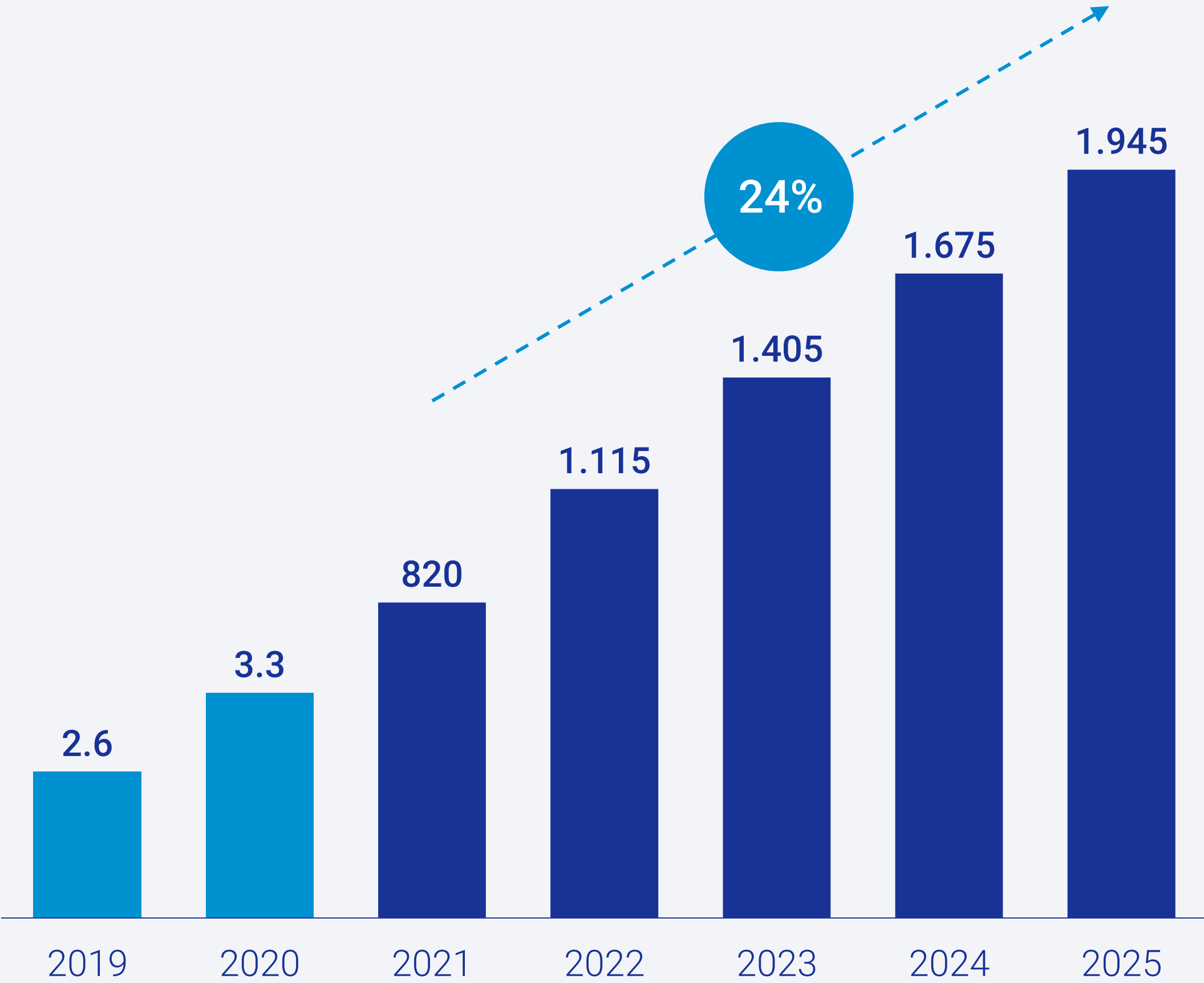


OT Security Market is one of the fastest growing segment in Cyber Security domain

Operational Technologies (OT) covers cyber physical critical infrastructure networks and operations & services



Global OT Security Market Forecast (USD Mn)



Radiflow

FX Revenues 100% Revenues in Hard Currency	Global Presence Operating in EU, US, MENA & APAC
Fast Growing Market OT Sec Market Growth is 24% (2021-2025 CAGR)	Product with Differentiator Features Breach and Attack Simulation

Cyber Security Company to Protect Critical Infrastructure to Ensure Resilience and Sustainability of Critical Operations

Strategic Fit

High Growth Business

OT security product & market fit

Expand Beyond Turkey

Already established client base and channels

FX Revenues

100% FX Revenues

Increasing Synergies

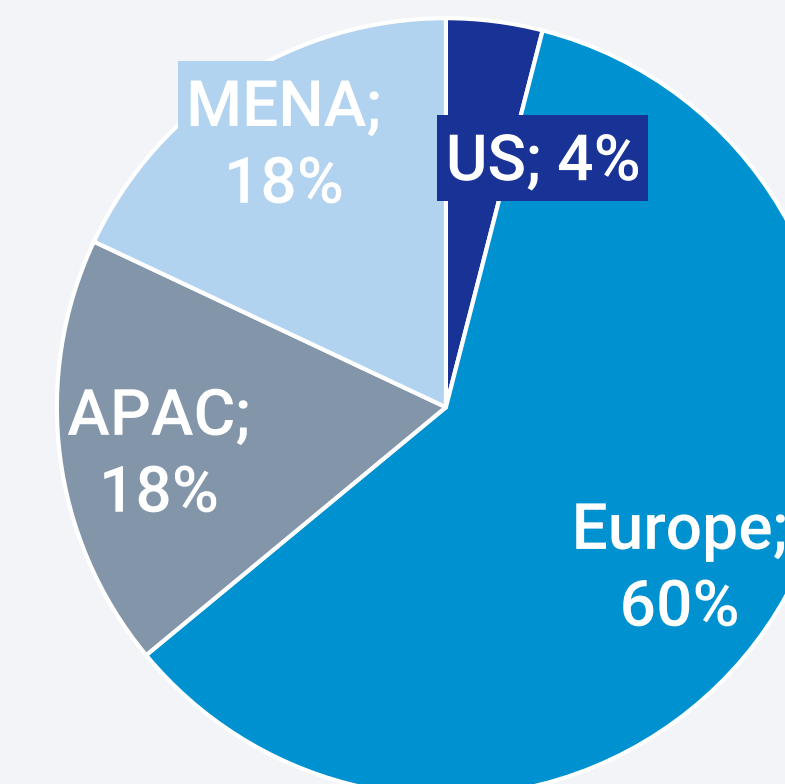
Increasing synergies within Sabanci ecosystem

Acquiring 51% with an initial USD31mn investment and ambition to reach 100%

Cash-out (USD mn)	2022	2023-2024
Initial Investment – 51%	31	-
Capital increase	-	14
Total Cash-out	31	14

Peers* (Cyber Security)	Country	Price to Book Ratio	P/E Ratio	EV / EBITDA	EV / Sales
Palo Alto Networks Inc	US	492.28	80.72	44.23	10.73
Fortinet Inc	US	63.96	62.32	40.67	11.17
Elastic NV	US	17.52	n/a	459.27	8.54
Fastly Inc	US	2.00	n/a	n/a	5.47
Varonis Systems Inc	US	7.95	270.61	102.68	8.85
Tenable Holdings Inc	US	28.49	313.58	106.90	9.43
Rapid7 Inc	US	n/a	889.64	172.15	9.46
PagerDuty Inc	US	9.75	n/a	n/a	6.55
Sumo Logic Inc	US	15.11	n/a	n/a	3.86
Wallix Group	France	4.28	n/a	n/a	2.51
SSH Communications	Finland	n/a	n/a	21.77	4.77
Kape Technologies PLC	UK	1.68	9.49	9.22	2.54
Median		12.43	175.66	73.45	7.55

Radiflow Revenue Breakdown



- 100% FX Revenue
- Above market growth in the last 3 years
- Targeting higher growths in next years
- Increased presence in Europe
- Focusing on expanding to US
- Penetrating into APAC region via strong partnerships

CLAROTY

CYBERX

BATTLE-TESTED INDUSTRIAL CYBERSECURITY

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Technology

SoftBank Co-Leads \$400 Million Investment in Cyber-Security Firm Claroty

By Yaacov Benmeleh
December 8, 2021, 6:48 PM GMT+3

Cyber security firm Claroty raised \$400 million from investors led by SoftBank Group to finance expansion.

The New-York based company, which protects devices connected to the Internet across a variety of industries, also agreed to buy Medigate, an Israeli firm that provides similar services to clients in the healthcare sector, according to a company [statement](#) on Wednesday.

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Business

Nozomi Networks Secures \$100 Million Investment from Global Ecosystem of Customers and Technology Partners

August 2, 2021, 1:00 PM GMT+3

Nozomi Networks Secures \$100 Million Investment from Global Ecosystem of Customers and Technology Partners

Pre-IP0 round led by growth investor Triangle Peak Partners; Includes investments from commercial partners Honeywell Ventures, Keysight Technologies, and Telefónica Ventures; as well as investments representing customers such as Dubai Electricity and Water Authority's Forward Investments; and investor Porsche Ventures

SAN FRANCISCO, Aug. 02, 2021 (GLOBE NEWSWIRE) -- Nozomi Networks Inc., the leader in OT and IoT security, today announced a \$100 million pre-IP0-funding round to help accelerate the company's growth phase and extend its market leadership. Led by Triangle Peak Partners, the Series-D round also includes investments from a large stable of equipment, security, service provider and go-to-market companies including:

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Business

Microsoft Acquires IoT/OT Security Leader CyberX to Enable Unified Security Across Converged IT and Industrial Networks

June 22, 2020, 4:00 PM GMT+3

Microsoft Acquires IoT/OT Security Leader CyberX to Enable Unified Security Across Converged IT and Industrial Networks

CyberX's IoT/OT-aware behavioral analytics platform integrates with Azure security to deliver end-to-end security across managed and unmanaged IoT devices

Business Wire
BOSTON -- June 22, 2020

CyberX, the IoT/OT security company, today announced that it is being acquired by Microsoft.

As enterprises implement digital transformation and Industry 4.0 for greater efficiency and productivity, boards and management teams are increasingly concerned about the financial and liability risk resulting from the deployment of massive numbers of connected IoT and OT devices. Adversaries targeting this expanded attack surface can cause substantial corporate impact including safety and environmental incidents, costly production downtime, and theft of sensitive intellectual property.

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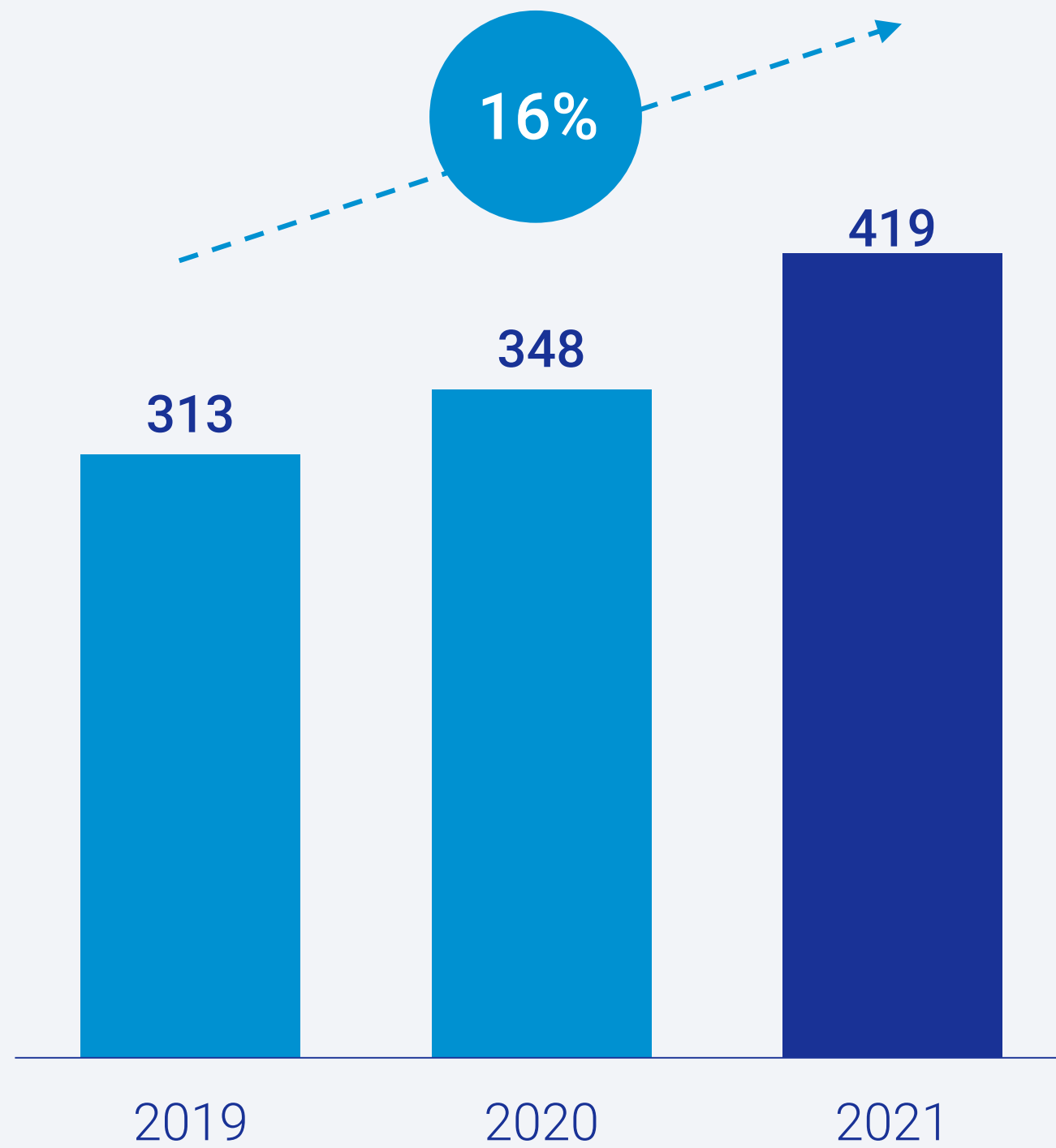
03 Digital Marketing



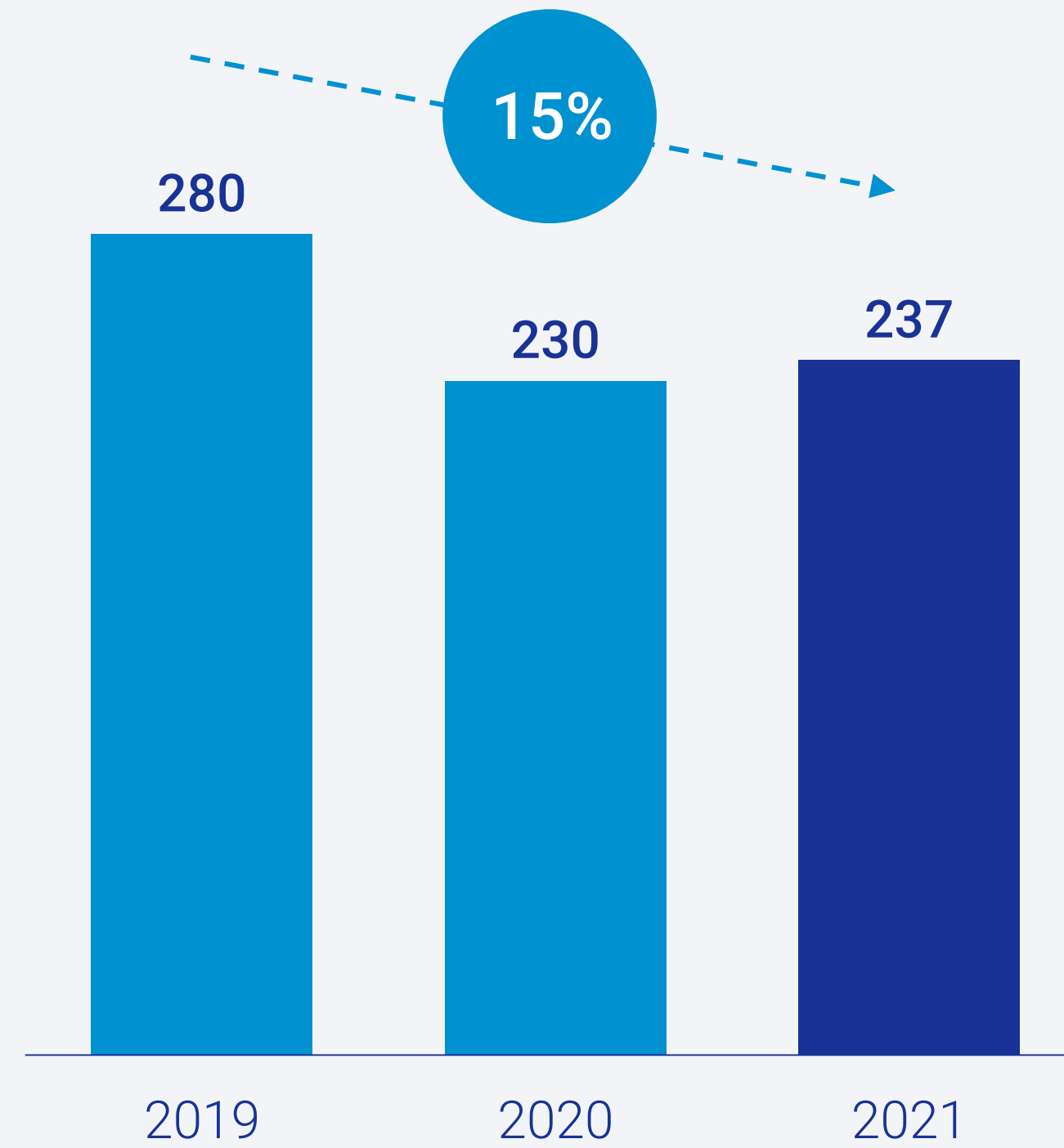
The shift of conventional marketing to digital offers an attractive investment opportunity

Global marketing spend, USD Bn

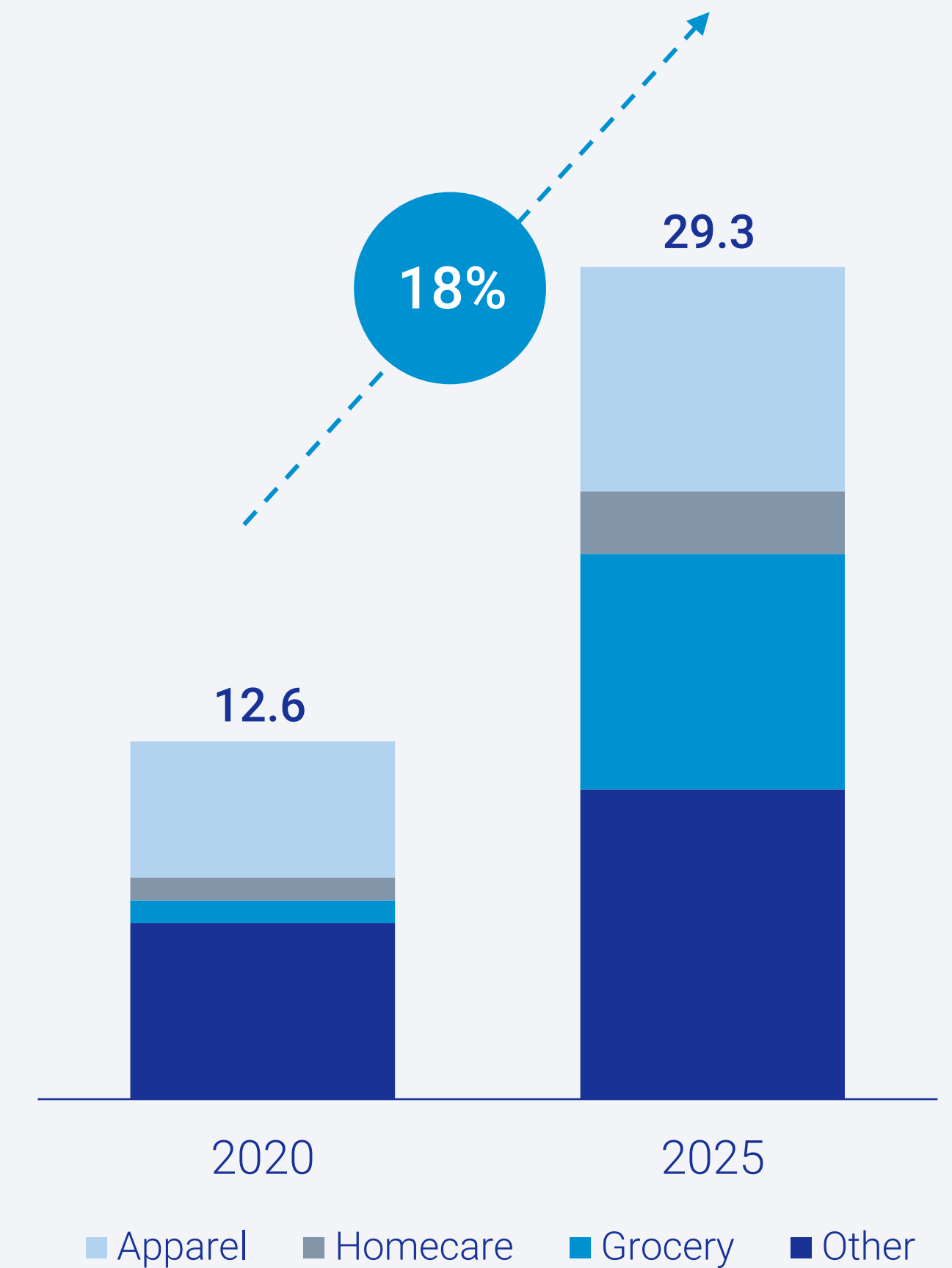
Digital Marketing



Traditional Marketing

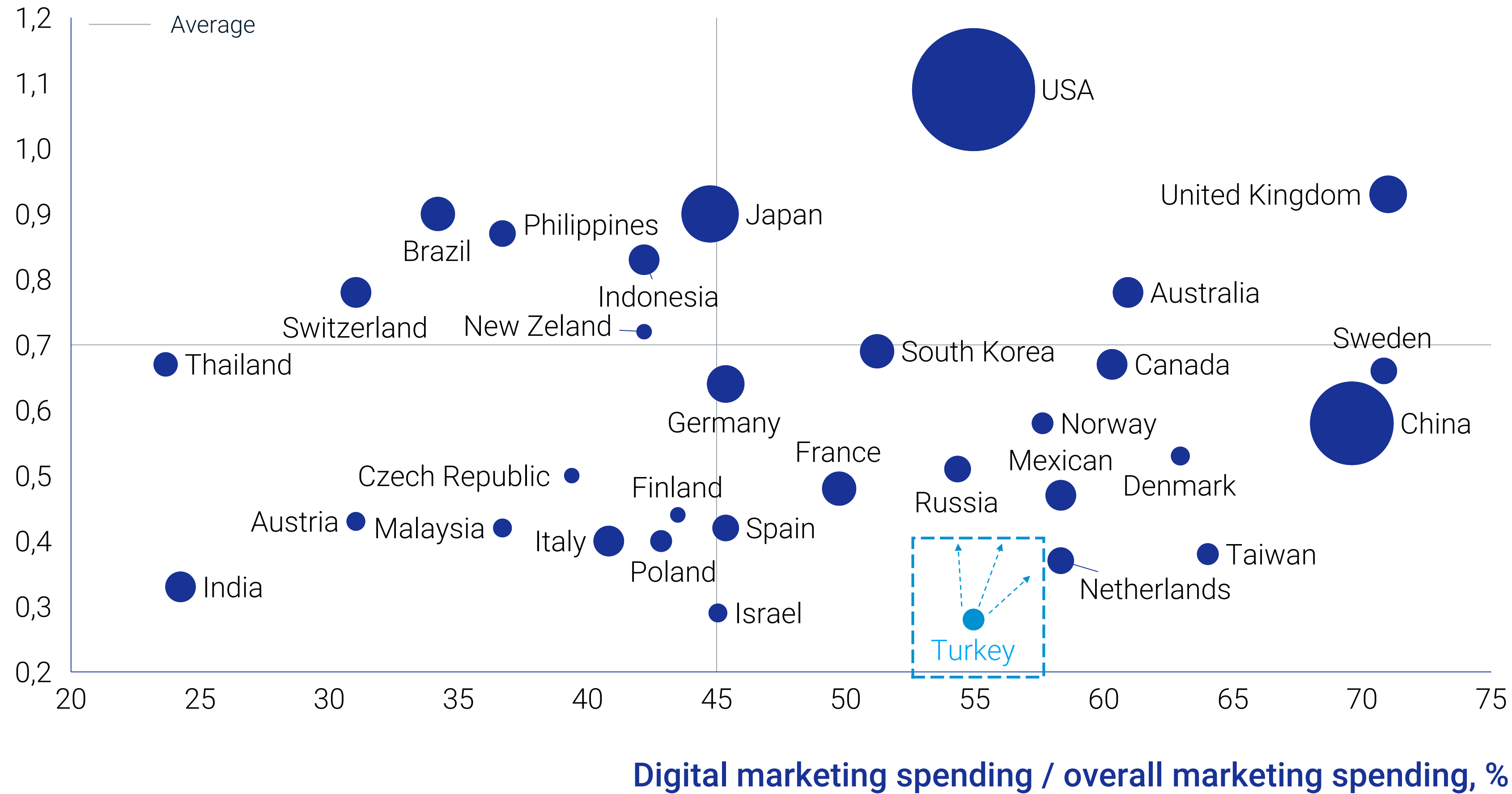


Online market sizes in Turkey, USD Bn



Turkey is far below world average in marketing spending over GDP, indicating room for growth

Overall marketing spending / GDP, %



Overall Turkish marketing spending per GDP is expected to reach developed country levels, creating **opportunity for growth in digital marketing**

Leveraging consumer analytics in digital marketing will **significantly benefit from the growing market**

Size of the circles indicate the volume of media investments in 2020, size is calculated based on local currencies

SEM: To explore and monetize untapped potential in Turkey with an ambition to create global opportunities in new marketing technologies



Cash-out (USD mn)	2022
Acquisition of 100%	13.5
Total Cash-out	13.5

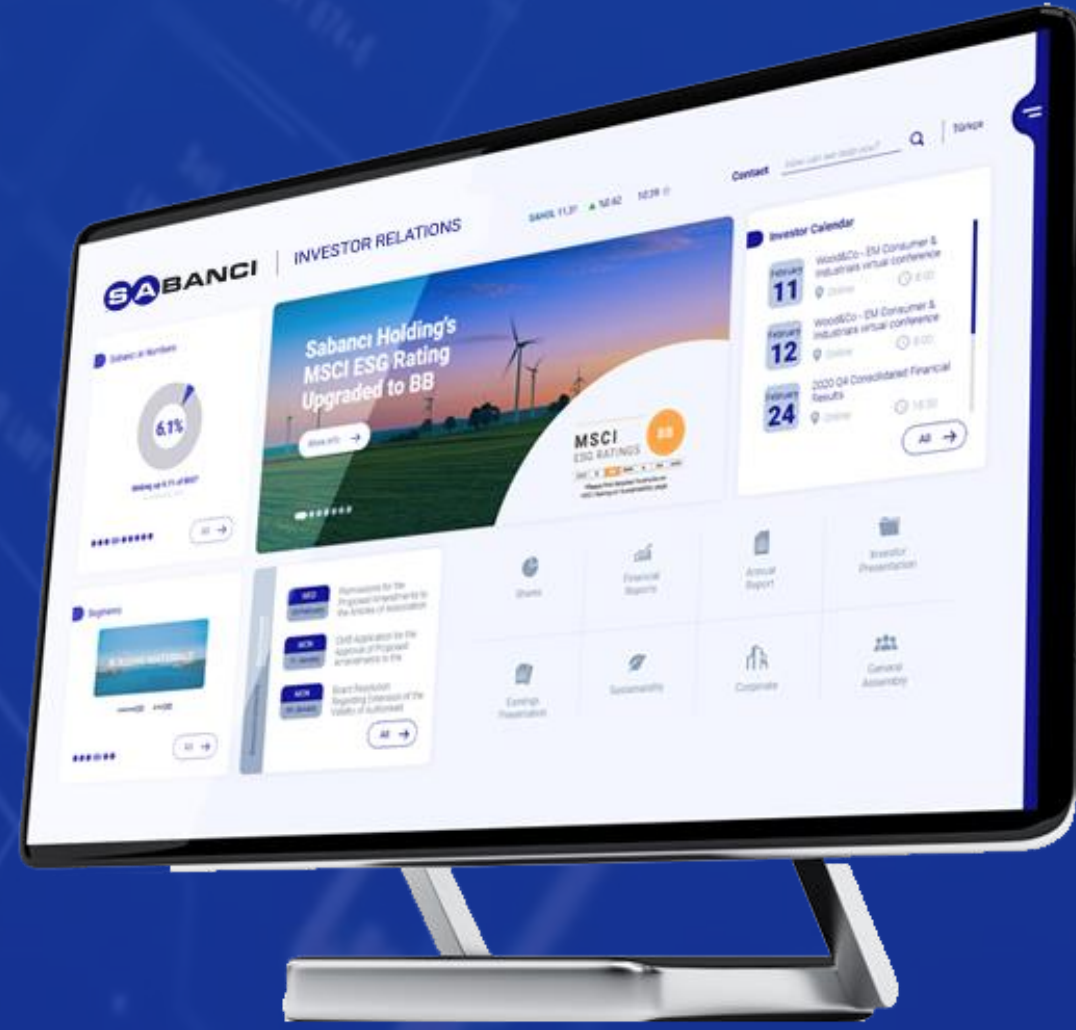
Peers* (Digital Marketing)	Country	Price to Book Ratio	P/E Ratio	EV / EBITDA	EV / Sales
Brightcom Group Limited	India	2.72	n/a	n/a	n/a
M&C Saatchi PLC	UK	4.13	21.57	6.63	0.95
Full Speed Inc	Japan	1.72	n/a	n/a	n/a
AmidA Holdings Co Ltd	Japan	1.09	7.31	n/a	0.18
Enero Group Ltd	Australia	2.22	12.05	4.65	1.47
Avidly Plc	Finland	1.96	14.11	9.94	0.62
Cheil Worldwide Inc	South Korea	2.32	14.23	7.31	0.67
Clever Group Corp	Vietnam	3.66	n/a	n/a	n/a
Creative Realities Inc	US	0.94	n/a	n/a	n/a
Fluent Inc	US	0.50	12.86	5.45	0.33
Median		2.09	13.48	6.63	0.64

- One of the two agencies in Turkey with Google Marketing Platform Reseller certificate, the highest level of partnership with Google and considerably hard to qualify for.
- Variety of end-to-end product/service mix
- Long term established client base
- Already built partnerships with Google & Facebook
- Human capital with digital marketing skill set

*SEM investment includes the acquisition of Liberdatum. Source: Bloomberg. Multiples are as of 28/04/2022.

For Further Details

ir.sabanci.com



INVESTOR RELATIONS CONTACTS

Kerem TEZCAN
Investor Relations Director

Şule GENÇTÜRK KARDIÇALIOĞLU
Investor Relations Manager

Hamza SÜMER
Investor Relations Specialist

Arda KAYMAZ
Investor Relations Specialist

investor.relations@sabanci.com

