



Leading power distribution company in Türkiye

Investor Presentation

H1 2025



Agenda



- 1** GDZ at a Glance
- 2** Key Credit Highlights
- 3** Financial Performance



1 GDZ at a Glance

GDZ at a glance

Leading power distribution company in Türkiye



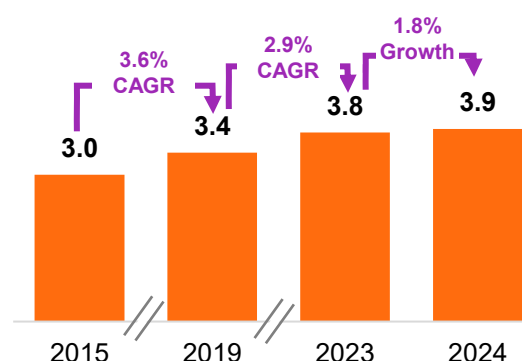
One of the largest electricity distribution companies in Türkiye	6mn people served across 2 key cities, Izmir and Manisa
Fully regulated concession networks business model	\$908mn ¹ financial assets as of 30-Jun-2025
High visibility of financials and cash flow generation	\$523mn ¹ EBITDA ³ + CAPEX reimbursement in LTM Jun 2025 ⁴

Geographical footprint

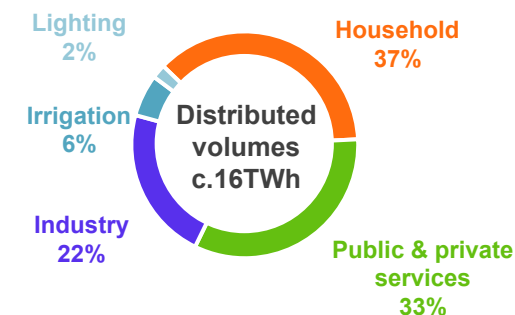


Growing and diversified customer base

Number of customers (mn)



Net distributed electricity volumes⁵ by customer (TWh and share %, average 2021-2024A)



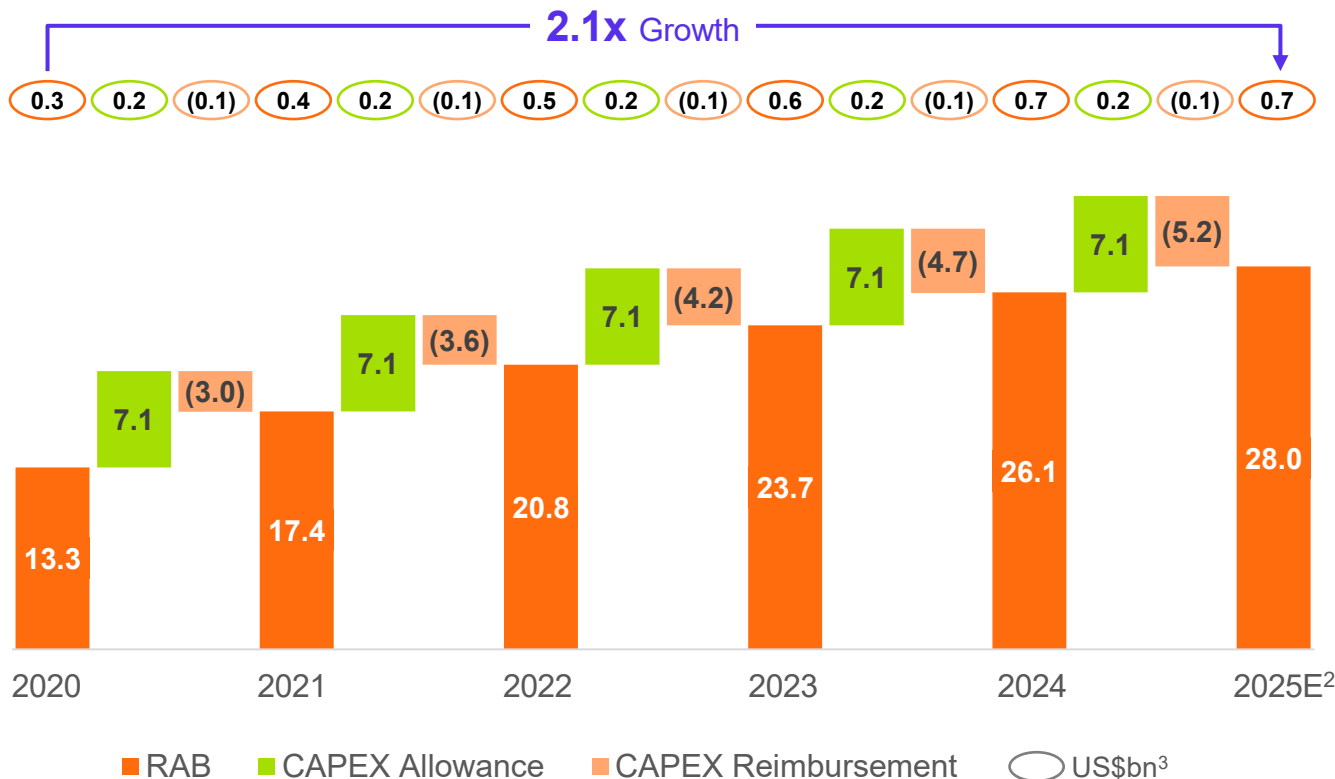
GDZ's incumbent position in a growing Turkish power sector underpins stable outlook

Sources: Company information, Energy Market Regulatory Authority (EMRA) 2023, TurkStat. ¹ Expressed in real terms of purchasing power of Turkish Lira at an TL / US\$ exchange rate of 39.74 as of 30.06.2025, unless otherwise indicated. ² Based on the June 2025 CPI Index, actual capital expenditure until 2020 and the 2021 to 2025 capital expenditure allowance, as announced by EMRA. ³ EBITDA defined as Operating Profit + D&A. ⁴ The financial information for the twelve months ended June 30, 2025 is expressed in terms of purchasing power of Turkish Lira as of June 30, 2025. ⁵ Invoiced.

Rapidly growing RAB with young and high-quality infrastructural backbone

Growing regulated asset base

(TLbn – real as of June 2025 prices)



12 Years

until concession expiry

\$704mn^{1,2}

regulated asset base
by the end of 2025

\$177mn³

annual CAPEX allowance

- RAB depends on **actual allowed CAPEX**
- CAPEX reimbursement is based on CAPEX allowance, both figures are calculated **in real terms**

The background of the slide is a photograph of high-voltage power lines and pylons stretching across a landscape under a dramatic, cloudy sky at sunset or sunrise. The sky has warm orange and yellow tones near the horizon, transitioning to cooler blue and teal tones higher up. The pylons are silhouetted against the sky.

2 Key Credit Highlights

Turkish electricity market overview

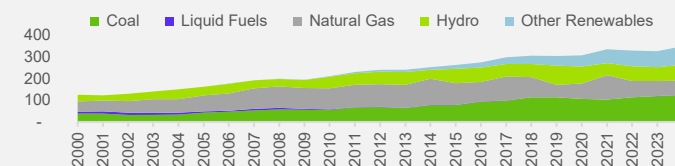
Generation

1



- Both state-owned and private sector entities **who hold generation licenses are permitted to generate electricity**. EUAS¹ owns and operates the state-owned power plants
- Generation licenses typically have a term of 49 years
- The total **installed capacity of Türkiye was 119.7 GW** as of Jun 2025

Electricity generation by source



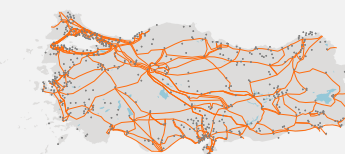
Transmission

2



- TEIAS² is **the state-owned monopoly** that owns and operates the electricity transmission sector in the country
- It is also **responsible for the operation of the balancing power market and the ancillary services market**

Transmission lines



Line length:
75,658 km³

Wholesale

3



- Private and state-owned companies are **responsible for wholesale activities**
- EUAS¹ (after its merger with TETAS⁴ in July 2018) is **the publicly-owned wholesale company responsible for selling electricity** to market players

Key players



Private
wholesalers

Over the
counter
market

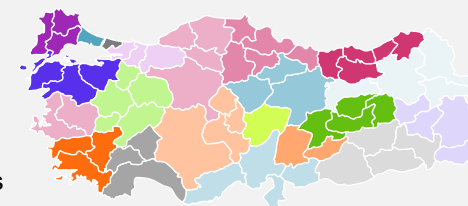
Distribution

4



- Distribution systems indicate the transport of electricity by lines of 36kV and below
- Since 2013 this segment has consisted of **21 privatised regional distribution companies**
- Operational rights contracts were signed between TEDAS⁵** and its distribution companies

Distribution regions



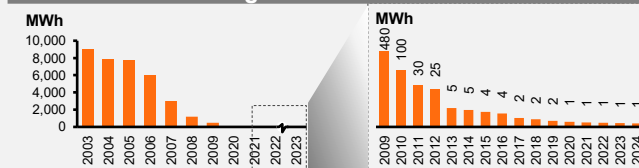
Retail

5



- Supplier license holder companies **can sell to users without distribution zone restrictions**
- Consumers with electricity consumption that **exceeds the annual eligible consumer limit** have the right to choose their suppliers (eligible consumer limit is 750 kWh per year, as of 2025)

Eligible consumer limit

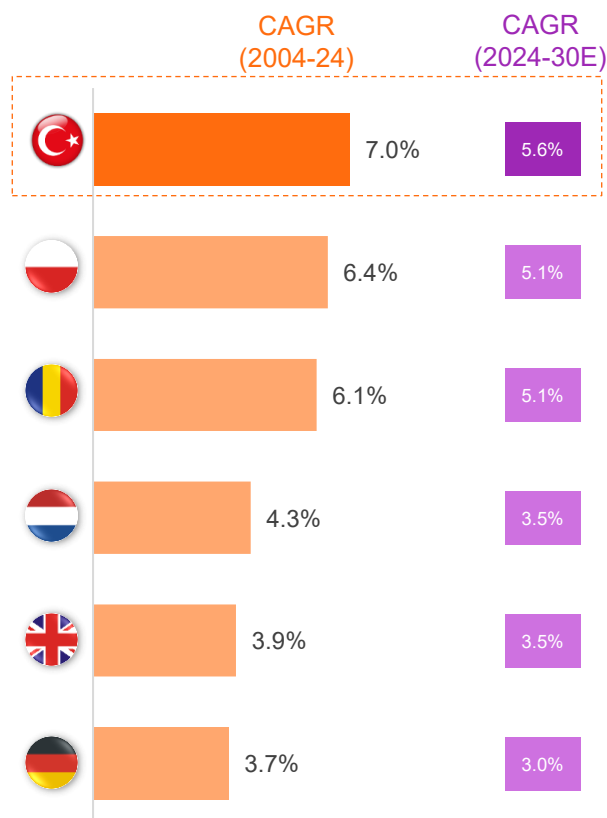


Strong electricity market fundamentals in Türkiye and GDZ's region

Turkish economy enjoys one of the fastest growth rates in Europe...

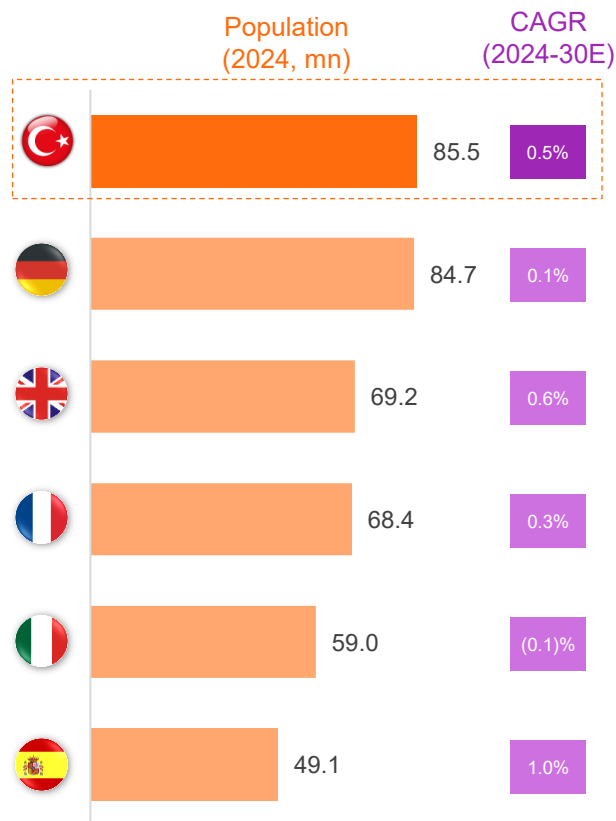
The fastest growing European economy¹

(Real GDP CAGR between 2004-2024 in %)

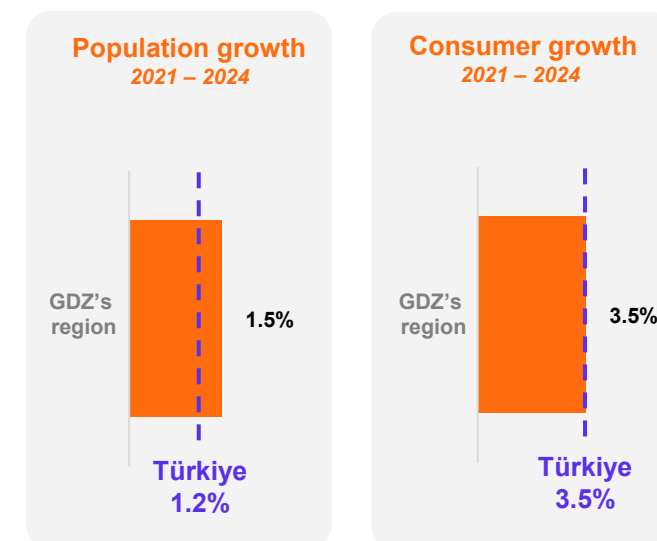


Among the largest European countries by population¹

(2024 population in mn)



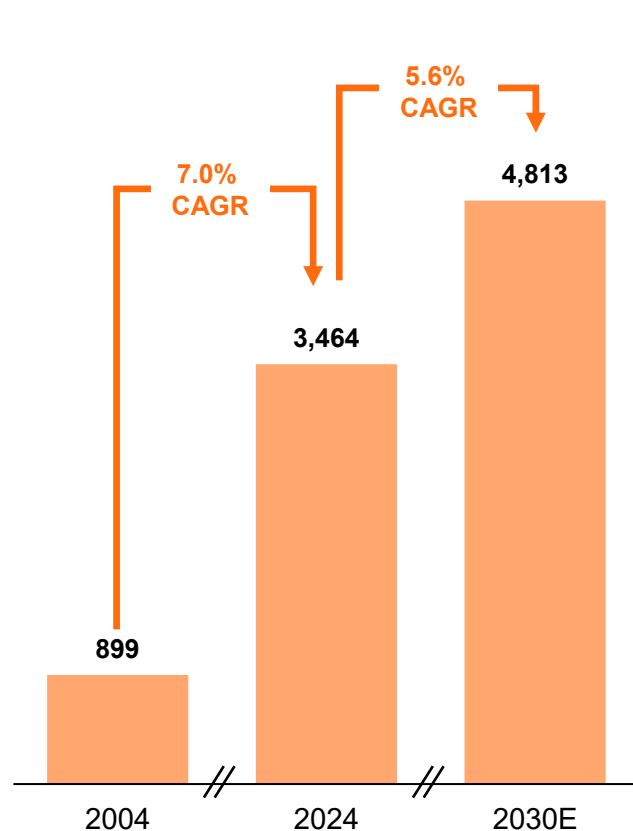
...with GDZ growing faster than Türkiye's average



Turkish electricity demand is expected to experience years of strong growth

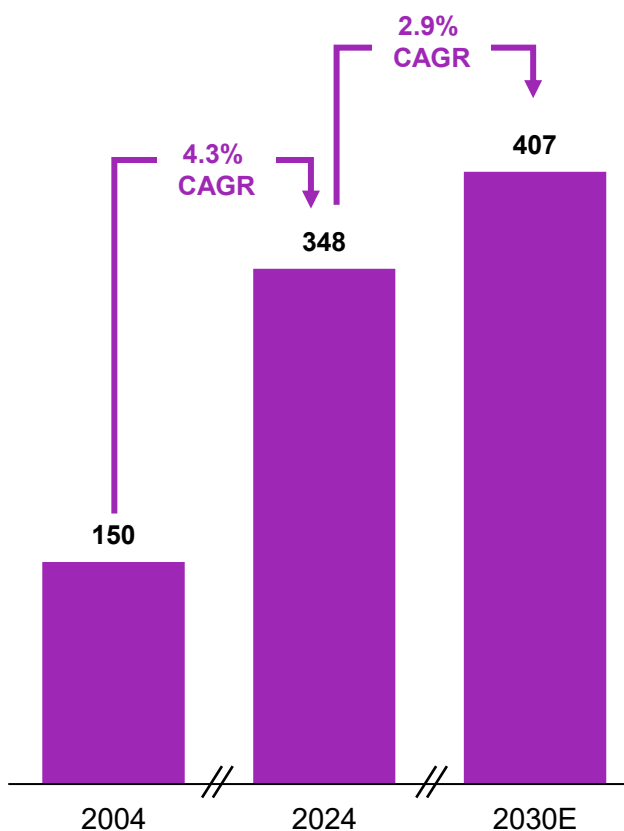
Turkish high GDP growth rates...

Real GDP
(US\$bn)¹



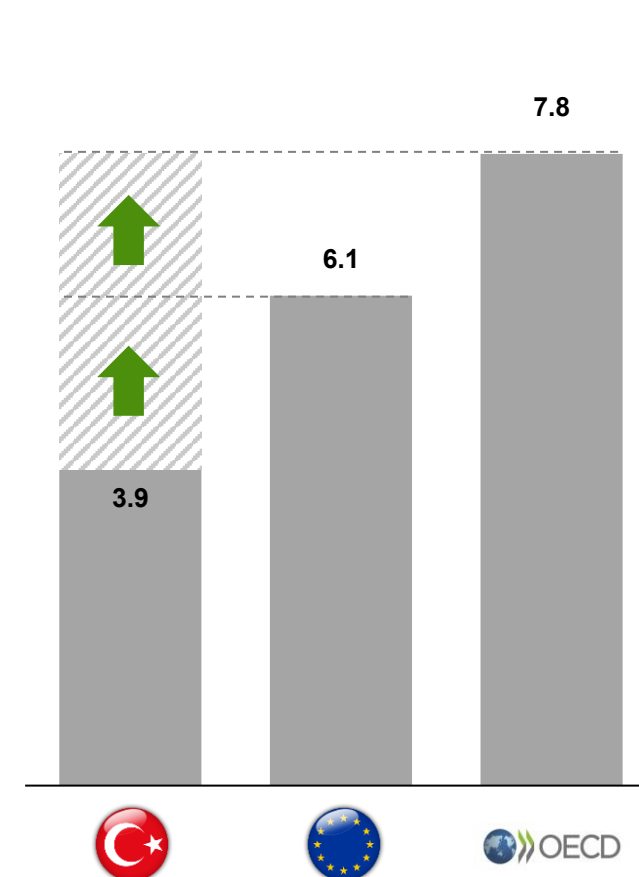
...drive electricity demand...

Electricity demand
(TWh)²



...with material further upside

Electricity consumption per capita
(2023, MWh / year)



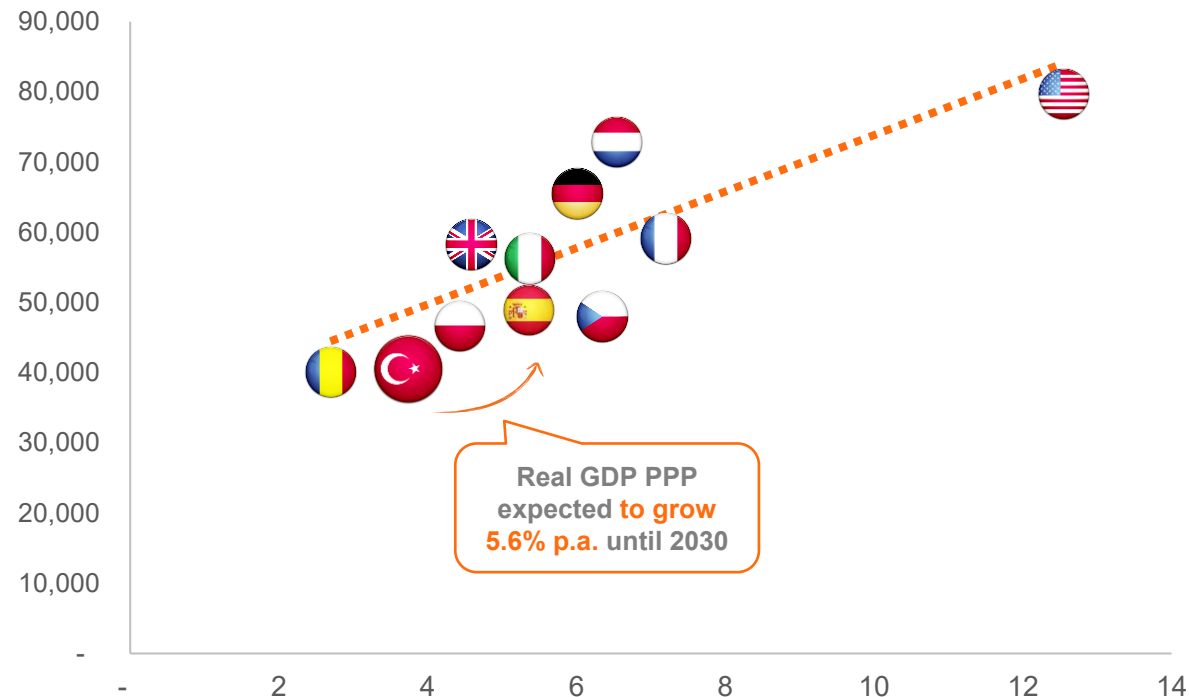
Source: IMF, TEIAS, Turkish Statistical Institute, IEA.

¹ 2003-2023 actuals, 2029 forecast both based on IMF purchasing power parity methodology (forecasts as of April 2024). ² 2003-2023 actuals as per latest TEIAS and 2029 forecast based on recent TEIAS base scenario demand forecasts (March 2023).

Growing economy leads to higher electricity consumption which implies room for further increase in Türkiye

GDP per Capita vs. Electricity Consumption per Capita

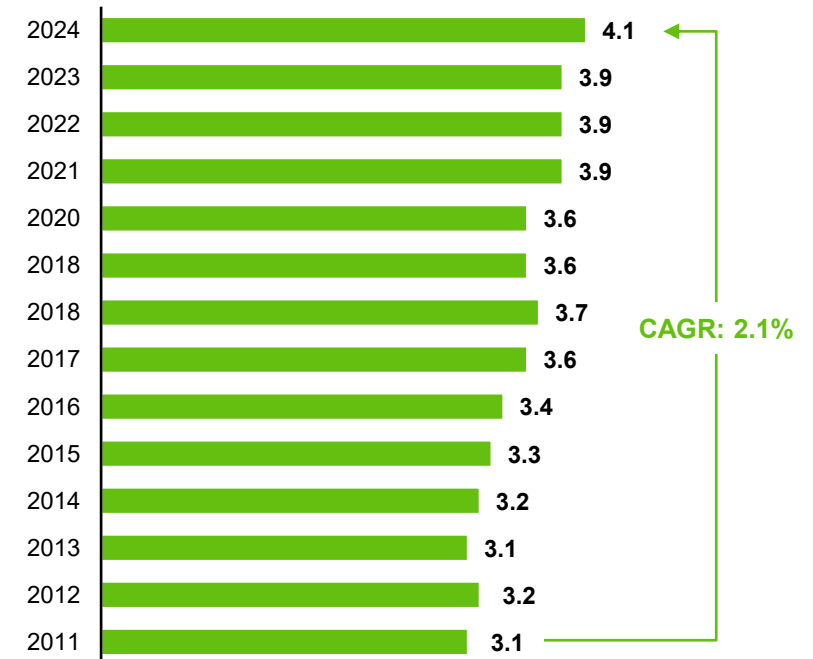
(2024, PPP, USD)



Electricity Consumption per Capita 2024 (MWh)

Electricity Consumption per Capita in Türkiye

(MWh per capita)



- ✓ Growth in economy leads to growth in energy consumption
- ✓ With a high expected GDP growth in Türkiye, electricity consumption is likely to grow accordingly, increasing the demand for network investments

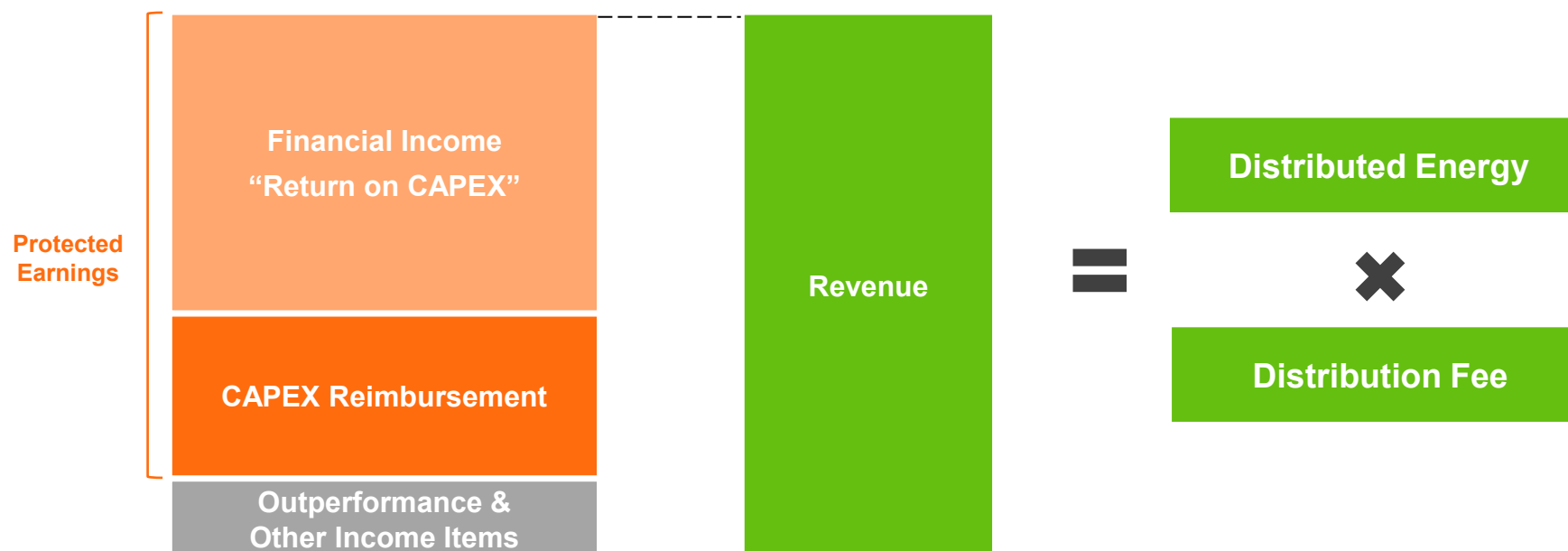
Stable and guaranteed returns underpinned by a transparent regulatory framework

Fully regulated business model

- Volume-protected, with inflation-linked tariff
- Transparent regulatory framework
- High predictability of revenues, earnings and cash flows









Customers pay for tariff on utility bills

- Revenue generation by distributing energy
- Revenue collected through monthly utility bills from customers
- Regulator's role is to guarantee the tariff by adjusting the distribution fee



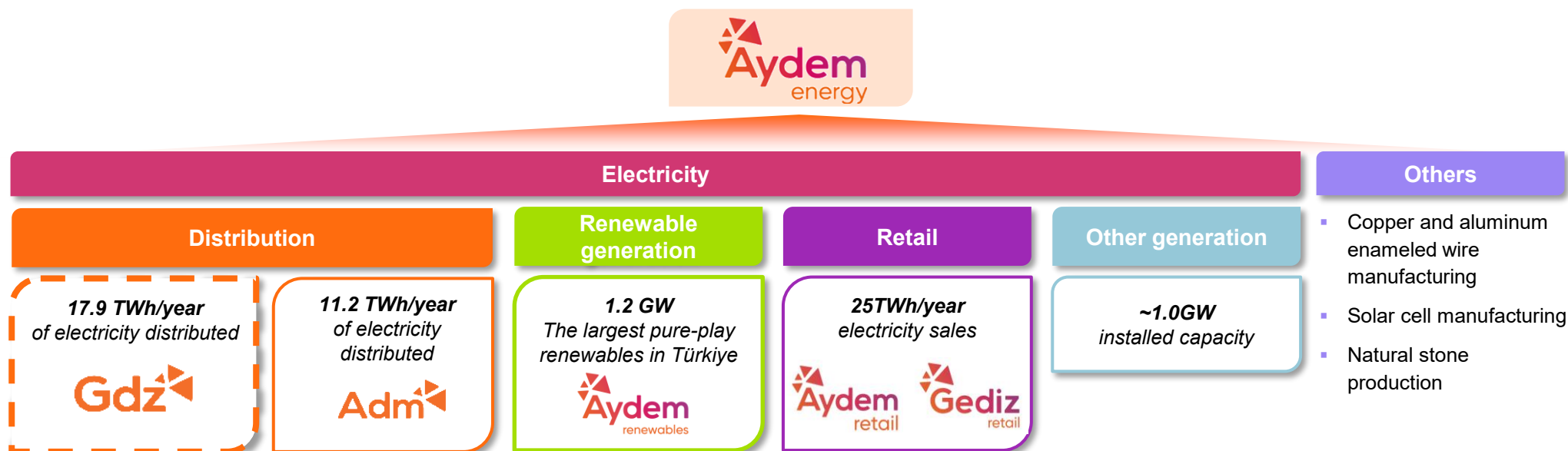
GDZ's goal: stable investment at the lowest cost and minimization of OPEX and T&L

Turkish distribution framework is similar to Western European peers, but offer higher return and low reimbursement period

Regulation		Western Europe	Türkiye ¹
	Regulatory Tariff Period	4-8 years	5 years
	RAB-based Tariff		
	Returns on RAB		
	Inflation Protection	Nominal or Real	Real (inflation protected)
	CAPEX Reimbursement Period	30-45 years	10 years
	Outperformance Incentives		
		 Low	 High





Best in class corporate governance applications...

Among Türkiye's largest integrated energy groups in the electricity generation, distribution and retail sectors



With its roots back in 1980, Aydem Group is bringing years of knowhow from the full electricity value chain

Türkiye's first:

-  Integrated energy group (generation, distribution and retail)
-  Private hydro power generation company, established in 1995
-  Private electricity distribution company
-  Private electricity retail company

USD3.6bn annual revenue¹

More than 12,000 employees¹

Financially and managerially independent group companies supported by ring-fence financing arrangements

... with solid ESG credentials

GDZ Elektrik Dağıtım has received a ESG score of 62 out of 100¹

A1
rating



- GDZ Elektrik Dağıtım has **received an A1 rating by Moody's** on a scale between A1+ to D3-

1st
in Türkiye¹



- GDZ Elektrik Dağıtım is **ranked 1st among electricity and gas utilities in Türkiye**

3rd
in emerging markets



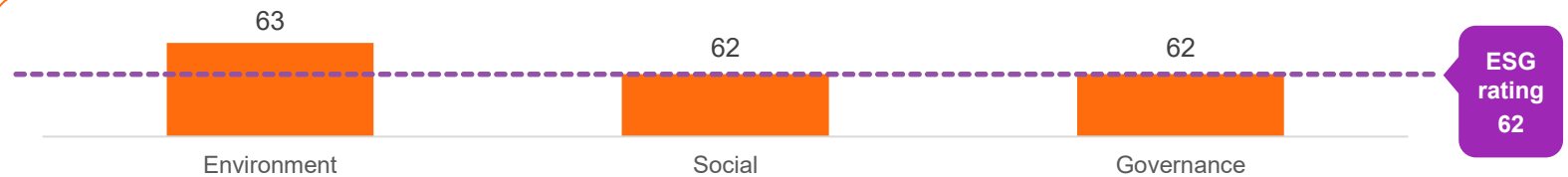
- With GDZ Elektrik Dağıtım's ESG score of 62, the company is **ranked 3rd among 54 electricity and gas utilities in global emerging markets**

Top 3%

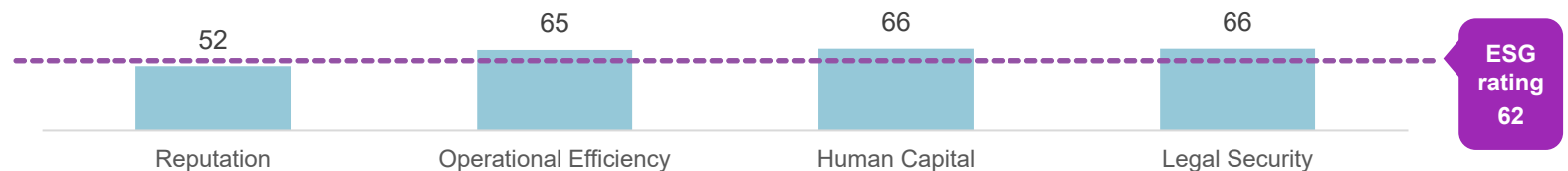


- GDZ Elektrik Dağıtım is **ranked top 3% of all companies reviewed** by Moody's (~5,000 companies in total)

**Overall
ESG rating²**



**ESG rating
by sub-category¹**



Source: July 2022 Moody's.

¹ All rankings include solicited and unsolicited ratings from Moody's.

² Sector average rating for Environment, Social and Governance sections are 37,39 and 39, respectively from Moody's.

A nighttime photograph of a cityscape, likely Lima, Peru. The foreground shows a body of water reflecting the city lights. In the middle ground, there are several modern buildings and a large, brightly lit area that appears to be a sports field or a large plaza. In the background, a hillside is covered in dense, glowing lights, suggesting a large residential or commercial area. The overall scene is vibrant and illuminated by city lights.

3 Financial Performance

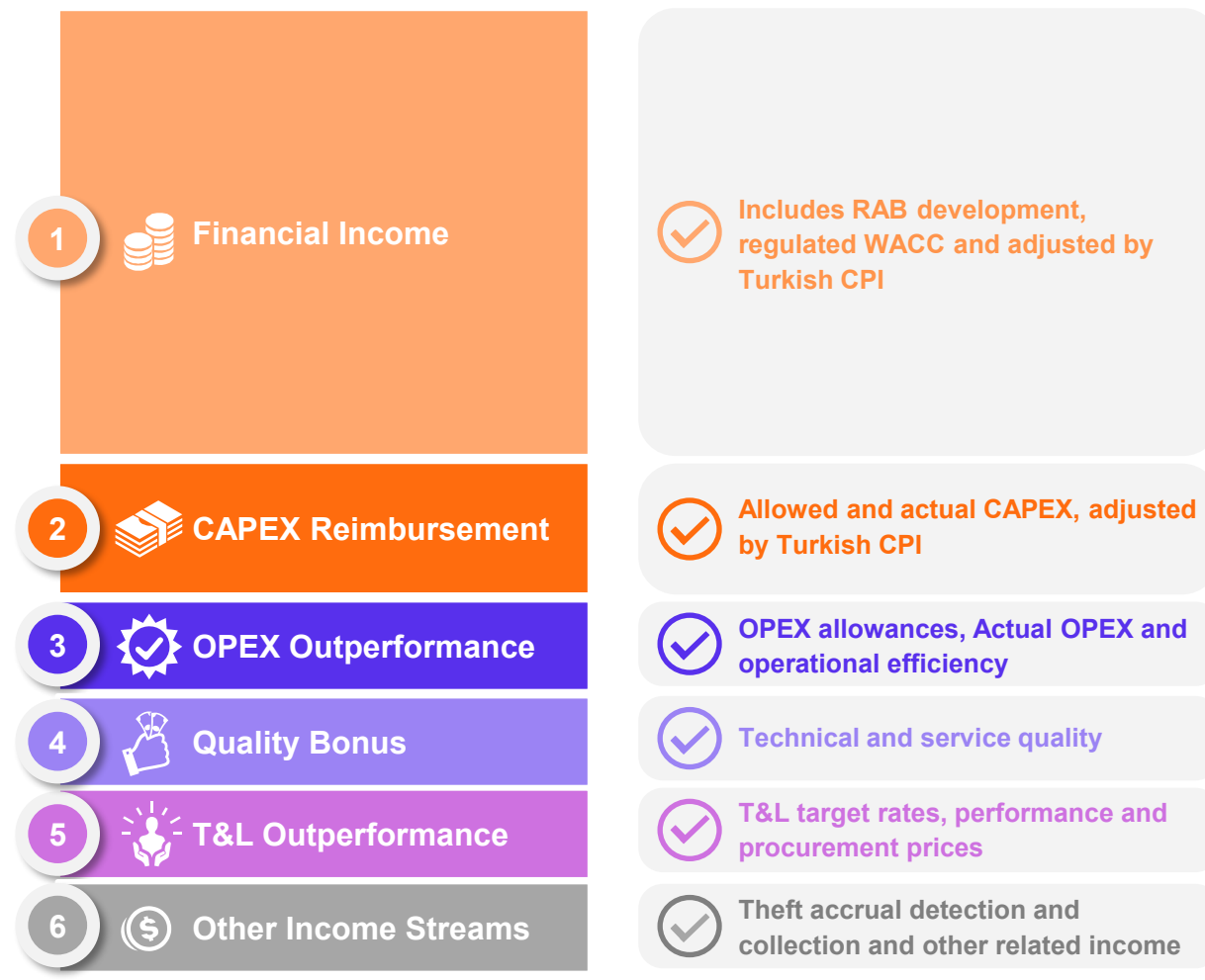
Key financial concepts for a Turkish distribution company

Operational earnings

Measured by **EBITDA + CAPEX reimbursements** in order to:

- Capture both guaranteed income components of our distribution business and CAPEX reimbursements
- Ensure comparability to peers outside of Türkiye

EBITDA + CAPEX reimbursement breakdown



Financial asset

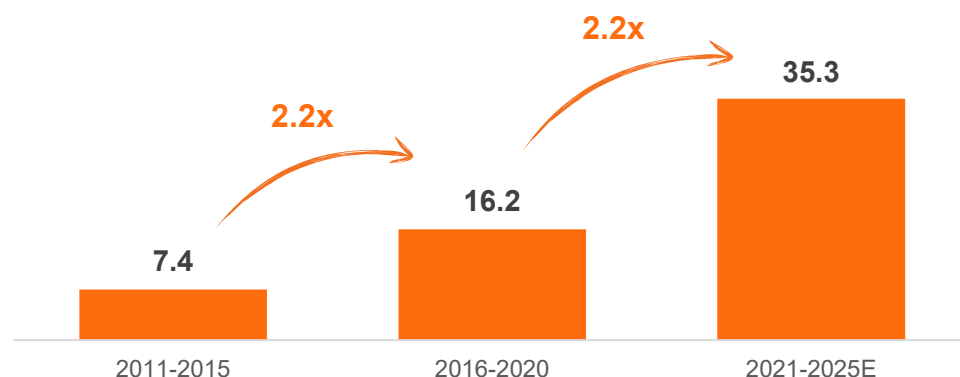
- Distribution networks are recognized as financial asset in TFRS
- As a result amortized cost value accounting applies
- IFRIC-12 accounting

Stable and guaranteed returns underpinned by a transparent regulatory framework

CAPEX Allowance by regulatory period

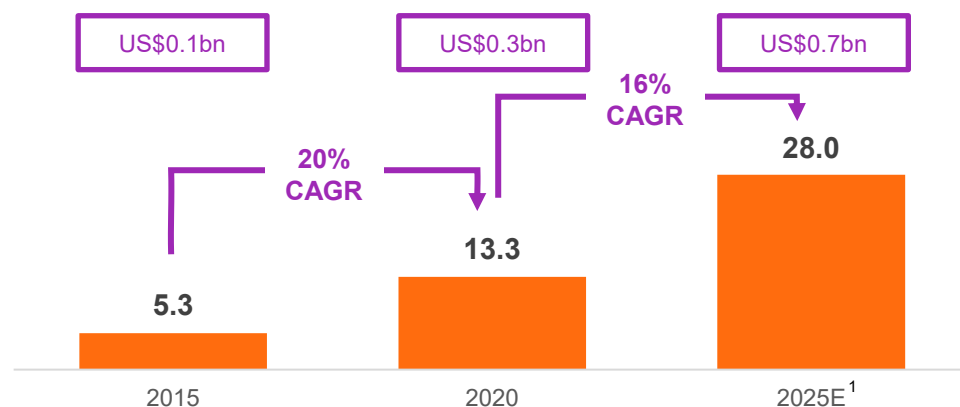
(TLbn – real at Jun 2025 prices)

Total real investment budget: c. TL50.5bn over the 3 regulatory periods



Regulated Asset Base (RAB) – end of period

(TLbn, real at Jun 2025 prices)



Key drivers

- 4x increase in CAPEX Allowance from 2011 to 2025

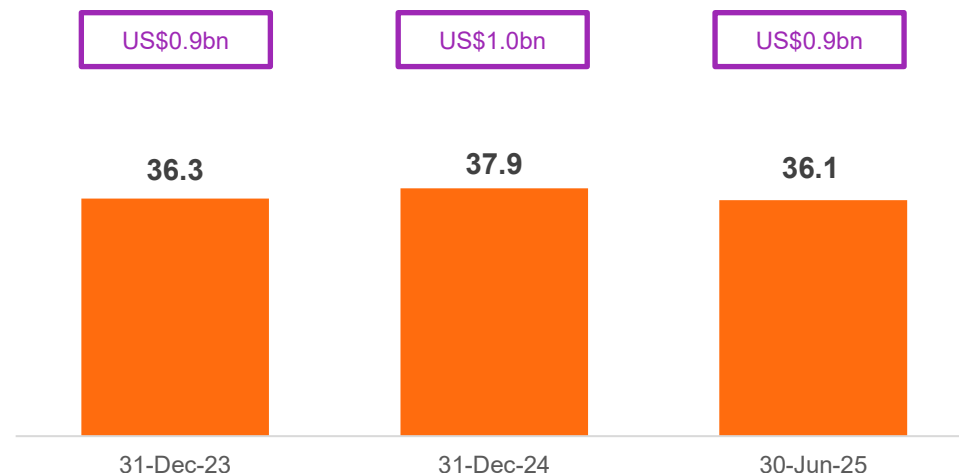
- 4 times increase in CAPEX Allowance
- Fast growing RAB in real terms – thanks to the doubling CAPEX Allowances for the last 2 tariff periods

Attractive combination of strong profitability and solid financial assets



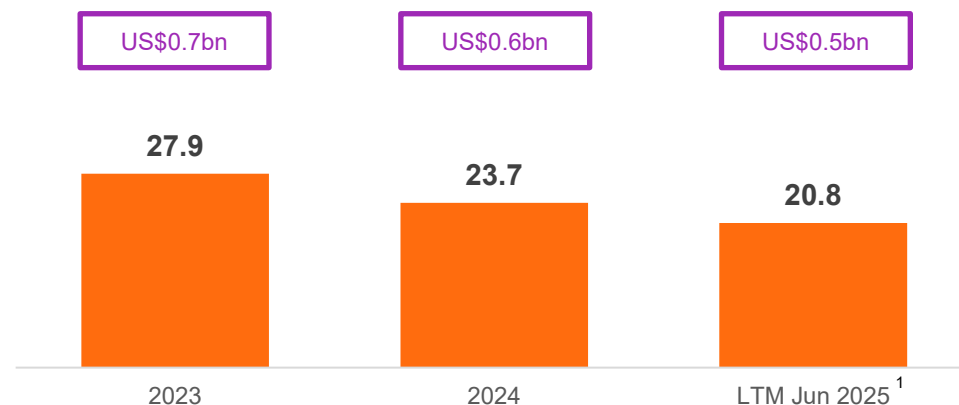
TFRS Financial Assets

(TLbn – real at Jun 2025 prices)



EBITDA + CAPEX Reimbursement

(TLbn, real at Jun 2025 prices)



Key drivers

- Financial assets, represent the fair value of the RAB
- Strong and stable** financial assets for the last 3 years

- Consistent historical increases** in profitability driven by strong operational and regulatory performance
- Stable high** EBITDA + CAPEX reimbursement driven by **strong financial income** performance, as a result of accumulated CAPEX base
- Regulatory income and CAPEX reimbursements have also increased because of **CAPEX base accumulation**

Strong free cash flow development and robust balance sheet



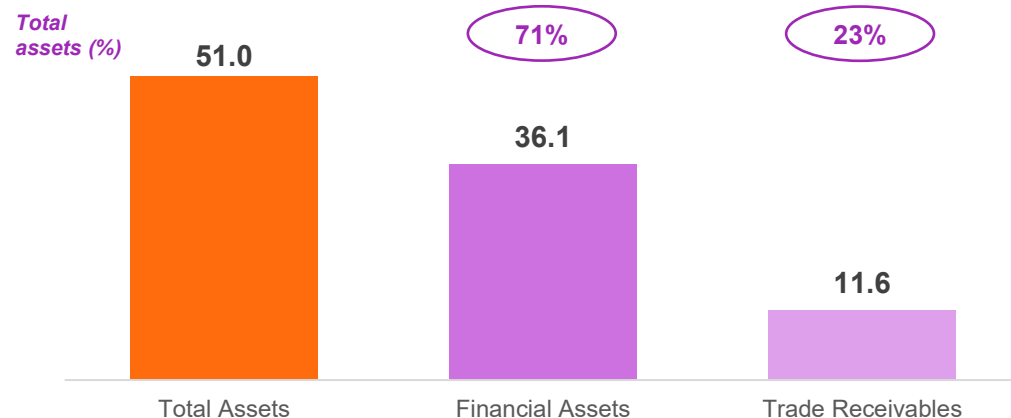
Cash Flow from Operations

(TLbn – real at Jun 2025 prices)

	2023	2024	LTM June 2025
EBITDA + CAPEX Reim.	27.85	23.66	20.78
Financial Income (-)	(23.82)	(18.95)	(17.53)
WACC Collection	2.74	3.06	3.32
Regulatory EBITDA per IFRS	6.77	7.77	6.57
Change in WC	(6.90)	(3.79)	(5.61)
Other Adjustments	5.31	(0.05)	(2.24)
CF From Operations (IFRS)	5.19	3.93	(1.27)
CF From Operations (IFRS) - USDbn	0.13	0.10	(0.03)

Total Assets

(TLbn, as of 30 Jun 2025, real at Jun 2025 prices)



Key drivers

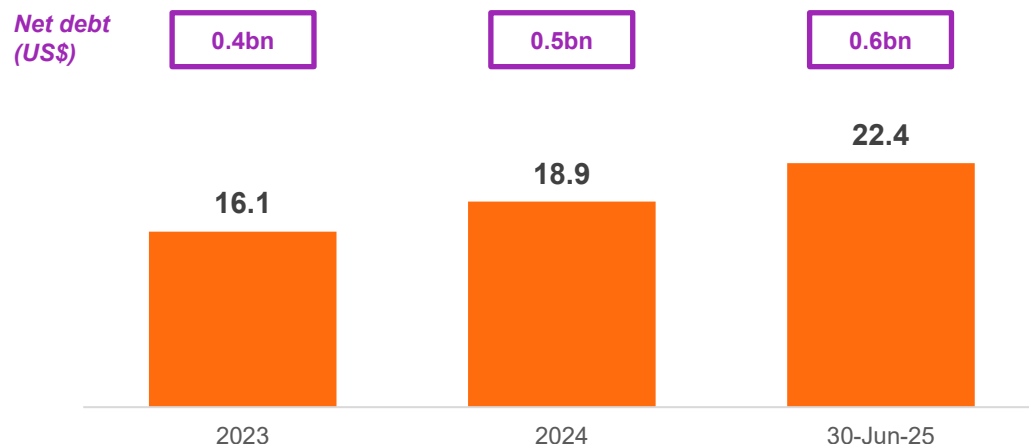
- **FCF generation** mostly driven by **EBITDA** and **CAPEX** evolution over time
- 2022 saw a decline driven by **CAPEX outflows**
- **Significant increase in free cash flow in 2023 and 2024** driven by lower CAPEX and higher EBITDA + CR
- **Robust balance sheet size**, with **94%** of total assets composed of financial assets (TL36.1bn - c. 71%) and trade receivables (TL11.6bn - c.23%)

Robust capital structure with leverage <1x EBITDA



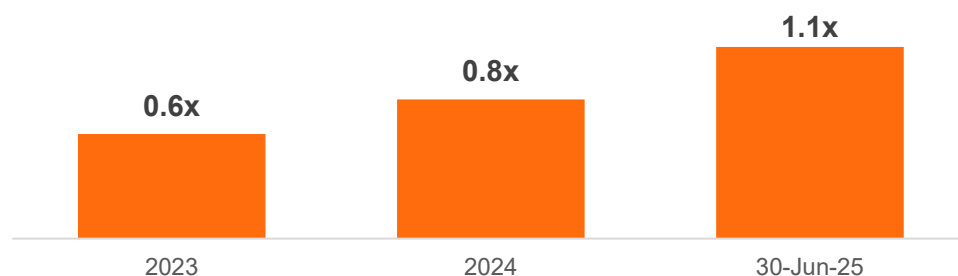
Net Debt¹ Development

(TLbn, real at Jun 2025 prices)



Net Debt / EBITDA + CAPEX Reimbursement

(x, real at Jun 2025 prices)



Key drivers

- GDZ has been able to deleverage significantly since 2021 through strong cash flow generation and disciplined capital management, despite the weakening TL currency over time
- Decline in net debt over time in both TL and US\$ terms
- Decrease in leverage ratio driven by an increase in EBITDA + CAPEX reimbursement
- As of June 2025, 100% of GDZ's debt was denominated in hard currency (US\$/EUR)
- 2025 debt mainly consists of the \$519mn Eurobond and the remaining portion of the bank debt
- After the refinancing of existing debt, there is only ~\$40mn remaining (pari-passu with the bond)

Capital structure and leverage

- GDZ's management and shareholders are committed to maintaining a conservative capital structure
- Target is to keep leverage below 1.5x

Dividends

- GDZ has not paid any dividends for FY 2021-24
- The level of dividend payments in future will be subject to the Company's financial and operational performance, liquidity and investment needs, as well as available retained earnings

FX risk

- GDZ continues to closely monitor FX mismatch between cash flows in TL and debt denominated in US\$/EUR
- Inflation-protected tariff provides a protection from FX mismatch
- GDZ's EBITDA in US\$ terms has remained stable over the years
- Conservative capital structure provides headroom to accommodate any potential adverse movements in FX
- Hedging might be considered insofar as hedging instruments are affordable and advantageous



Appendix

Incentive-based regulatory framework of Turkish distribution market

	1 st regulatory period (2006-2011)	2 nd regulatory period (2011-2015)	3 rd regulatory period (2016-2020)	4 th regulatory period (2021-2025)	
Approach	Uniform regulation for all Distribution System Operators in Türkiye				
Method	RAB based framework with incentives for outperformance & quality				
Revenue Components And Incentives	Regulated revenue cap <ul style="list-style-type: none">▪ WACC Return: RAB x WACC▪ CAPEX Reimbursement▪ OPEX Allowance▪ No volume and inflation risk		Incentives <ul style="list-style-type: none">▪ OPEX Outperformance▪ Theft & Loss Ratio Improvement▪ Service Quality▪ Other Revenue▪ CAPEX Outperformance (cash-based item)		
CAPEX Reimbursement	5 years	10 years			
WACC (real, pre-tax)	9.35%	9.97%	11.91%	13.61%	12.30%
Evolution	<ul style="list-style-type: none">▪ RAB based tariff calculation methodology introduced with RAB set to 0 in 2006▪ “Transition” period designed to provide a smooth shift to a cost-based tariff structure post 2010▪ Private operator model (TOR) established for privatizations	<ul style="list-style-type: none">▪ WACC revised up▪ Privatization of all distribution companies has been completed▪ Unbundling between distribution and retail operations WACC revised up	<ul style="list-style-type: none">▪ WACC revised up twice▪ T&L methodology revised▪ Significant increases in OPEX and CAPEX allowances▪ Enhancement of Quality and Efficiency incentives	<ul style="list-style-type: none">▪ Significant increases in CAPEX allowances▪ Quality incentives revised▪ Risk mitigation measures against macroeconomic conditions in OPEX & CAPEX components	

✓ **Stable regulatory environment** with long-standing **track record**

✓ **Similar building blocks** to various Western European countries

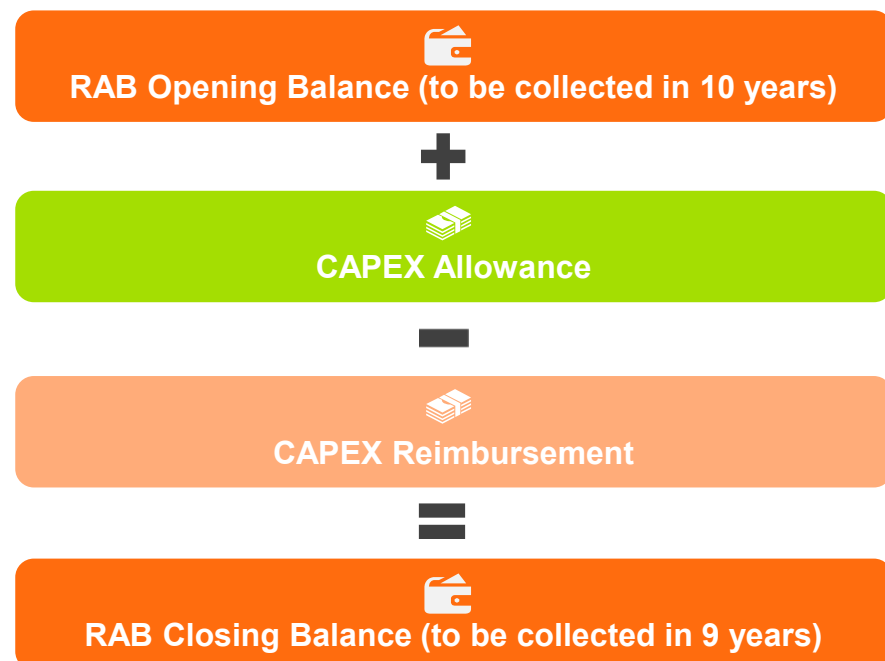
✓ **RAB-based framework** with regulatory WACC and quick capex reimbursement period

✓ **Continuous incentives** for efficiency, quality and outperformance across regulatory periods

✓ **Concession expiry** in 2036, with potential extension

Regulated asset base vs. TFRS financial asset

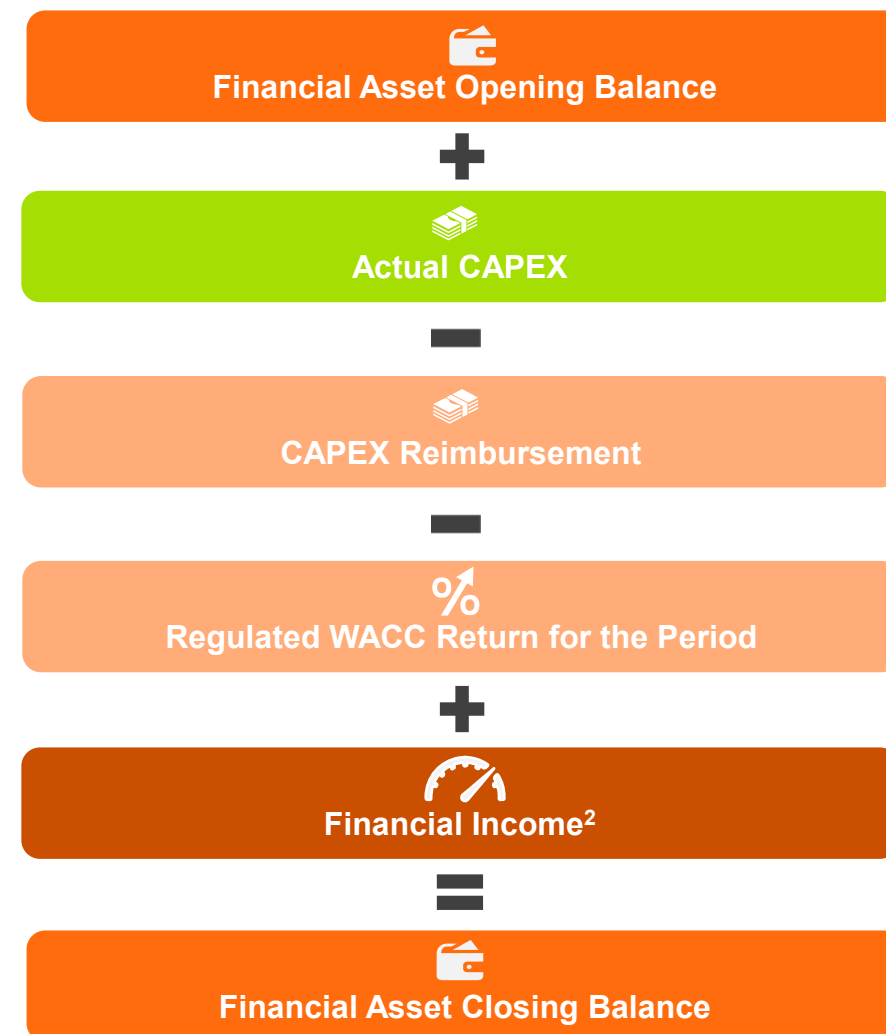
Regulated asset base ("RAB")



Additional Consideration:

- Regulated WACC Return for the Period¹

TFRS financial asset



TFRS income statement



Summary income statement

TLmn <i>(real at Jun 2025 prices, except if stated otherwise)</i>	2023	2024	LTM Jun 2025¹
Revenue	42,666	37,914	32,886
Cost of sales	(14,551)	(16,047)	(14,588)
Gross Profit	28,115	21,867	18,298
Operating Profit	23,525	18,713	15,523
Finance income	733	598	1,089
Finance expense	(10,966)	(9,647)	(10,112)
Monetary gain / (loss)	(6,421)	(6,404)	(6,334)
Income before Tax	6,870	3,260	167
Tax income / (expense)	4,042	(1,403)	(536)
Net Profit (Loss) for the Period	10,912	1,857	(369)
Items that will not be reclassified to profit or loss	8	10	9
Total Comprehensive Income / (Expenses)	10,920	1,867	(360)
Earnings / (Losses) per Share (TL / share)	21.4	3.6	(0.7)

Source: Company information. TFRS financials, subject to restatement due to inclusion of inflation adjustments. Expressed in real terms of purchasing power of Turkish Lira as of 30.06.2025, unless otherwise indicated. ¹ The financial information for the twelve months ended June 30, 2025 is expressed in terms of purchasing power of Turkish Lira as of June 30, 2025.

TFRS balance sheet statement



Summary balance sheet

TLmn (real at Jun 2024 prices, except if stated otherwise)	31-Dec-23	31-Dec-24	30-Jun-25
Cash and cash equivalents	54	1,083	1,083
Trade receivables	8,272	7,258	11,604
Financial assets related to concession arrangements	12,712	13,199	10,000
Other current assets	1,747	1,627	1,307
Current Assets	22,785	23,167	23,994
Other receivables	147	214	210
Financial assets related to concession arrangements	23,630	24,704	26,100
Right of use assets	152	468	461
Deferred tax assets	1,405	-	-
Other non-current assets	520	211	241
Non-current Assets	25,855	25,598	27,013
Total Assets	48,639	48,764	51,007
Short term portion of long-term borrowings	3,083	2,235	2,734
Other financial liabilities	144	115	125
Trade payables	8,954	6,795	2,441
Deferred income	2,168	178	742
Other short-term liabilities	973	817	1,354
Current Liabilities	15,323	10,140	7,398
Long term-borrowings	12,533	17,364	20,428
Other financial liabilities	403	214	176
Other payables	133	67	69
Deferred income	1,840	510	1,335
Long-term provisions	186	202	220
Deferred tax liabilities	-	0	454
Non-Current Liabilities	15,095	18,356	22,681
Total Liabilities	30,418	28,496	30,079
Equity	18,222	20,268	20,928
Total Equity and Liabilities	48,639	48,764	51,007

Source: Company information. TFRS financials, subject to restatement due to inclusion of inflation adjustments. Expressed in real terms of purchasing power of Turkish Lira as of 30.06.2025, unless otherwise indicated.

TFRS cash flow statement



Summary cash flow statement

TLmn (real at Jun 2024 prices, except if stated otherwise)	2023	2024	H1 2025
A. CASH FLOWS FROM OPERATING ACTIVITIES	5,186	3,925	(2,861)
Profit / (loss) for the period	10,912	1,857	563
Adjustment to reconcile net income for the period	(5,842)	(2,006)	(1,348)
Changes in working capital	(6,895)	(3,789)	(6,233)
Adjustments related to (increase) / decrease in trade receivables	(6,000)	(1,576)	(8,597)
Adjustments related to (increase) / decrease in other receivables	276	(210)	119
Adjustments related to (increase) / decrease in inventories	(378)	402	(16)
Adjustments related to (increase) / decrease in prepaid expenses and deferred income	(787)	(3,171)	1,301
Adjustments related to (increase) / decrease in payables for employee benefits	7	(4)	74
Adjustments related to (increase) / decrease in other assets and liabilities	(15)	771	886
Cash generated from operating activities	(1,826)	(3,937)	(7,017)
Payments related with provisions for employee benefits	(79)	(95)	(129)
Tax payments	(52)	10	(6)
Collections from doubtful receivable	247	185	55
Other cash in-flows	6,895	7,763	4,235
B. CASH FLOWS FROM INVESTING ACTIVITIES	(3,141)	(4,264)	(754)
Cash used for purchase of tangible and intangible assets	(0)	-	(0)
Capital expenditures	(3,141)	(4,264)	(754)
C. CASH FLOWS FROM FINANCING ACTIVITIES	(2,154)	1,384	3,460
Cash in-flows from borrowings	-	15,963	4,297
Capital increase	240	180	95
Cash out-flows for borrowings	(636)	(11,029)	(574)
Repayment of of lease liabilities	(63)	(228)	(151)
Interest received	412	598	868
Interest paid	(2,131)	(4,093)	(1,079)
Other cash in-flows / (out-flows)	25	(7)	6
D. INFLATION EFFECT ON CASH AND CASH EQUIVALENTS	(70)	(17)	155
INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)	(180)	1,029	(0)
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	234	54	1,083
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E)	54	1,083	1,083

Source: Company information. TFRS financials, subject to restatement due to inclusion of inflation adjustments. Expressed in real terms of purchasing power of Turkish Lira as of 30.06.2025, unless otherwise indicated.

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