

# Investor Presentation

December 2020



**aksa** ENERGY



## **Key Investment Highlights**

**Deep Expertise in Energy Sector**

**Geographically Diversified Portfolio**

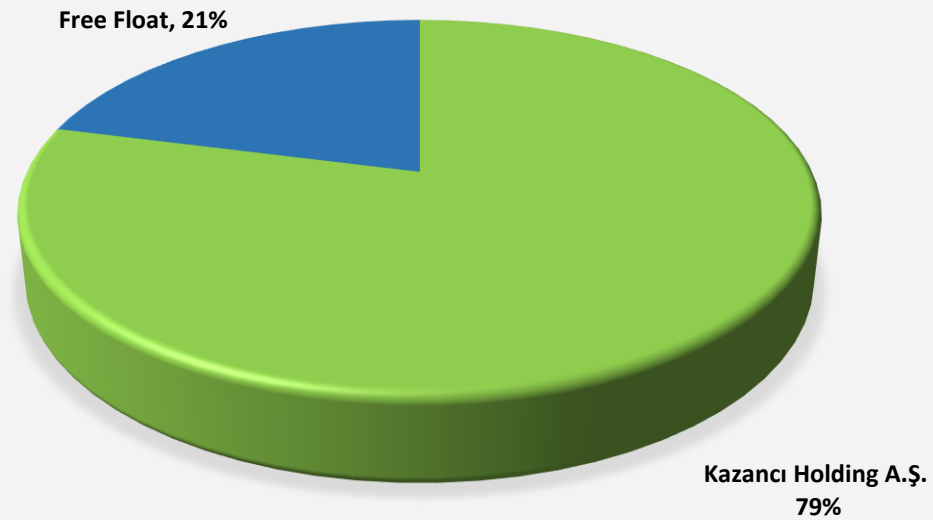
**Low Leverage**

**Sustainable Growth**

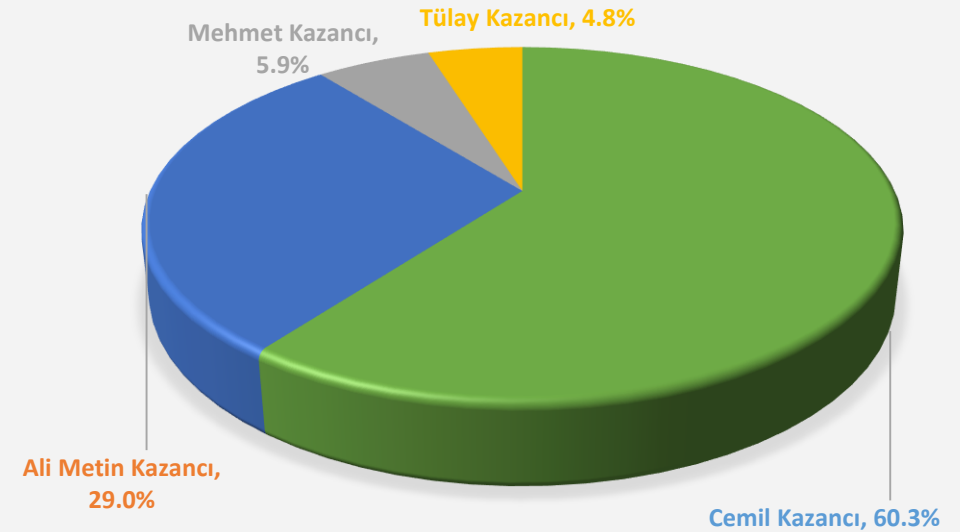
**Resilient Business Model**

## Shareholder Structure

SHAREHOLDING STRUCTURE OF AKSA ENERGY



SHAREHOLDING STRUCTURE OF KAZANCI HOLDİNG A.Ş.



BIST Ticker	Aksen
Bloomberg Ticker	AKSEN:TI
Reuters Ticker	AKSEN.IS
IPO Date	4.05.2010
Listed Exchanges	Borsa 100, BIST Star, BIST Electricity and BIST Sustainability



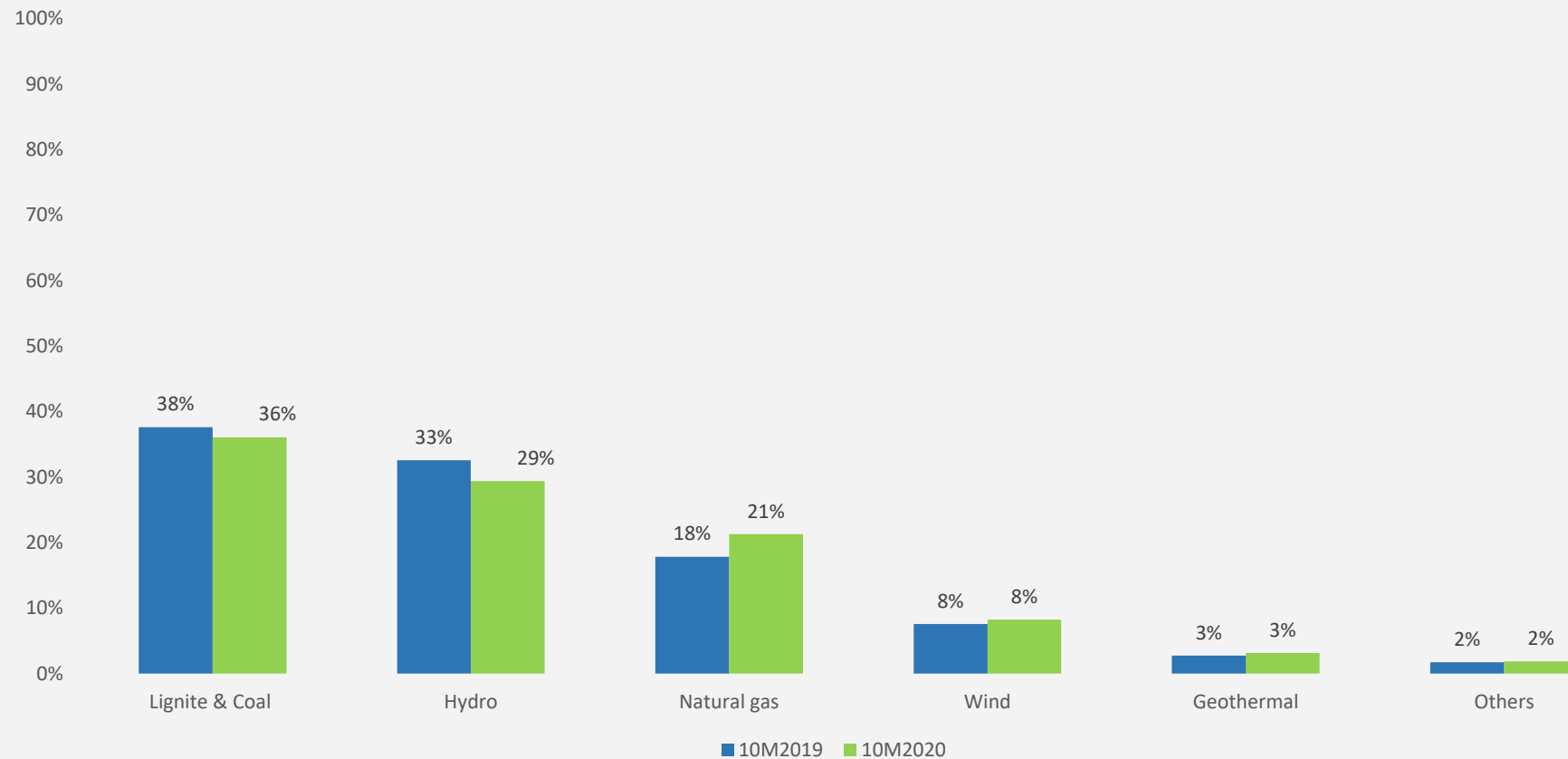


**SECTOR HIGHLIGHTS**



## 40% OF ELECTRICITY GENERATED FROM RENEWABLE SOURCES IN TURKEY

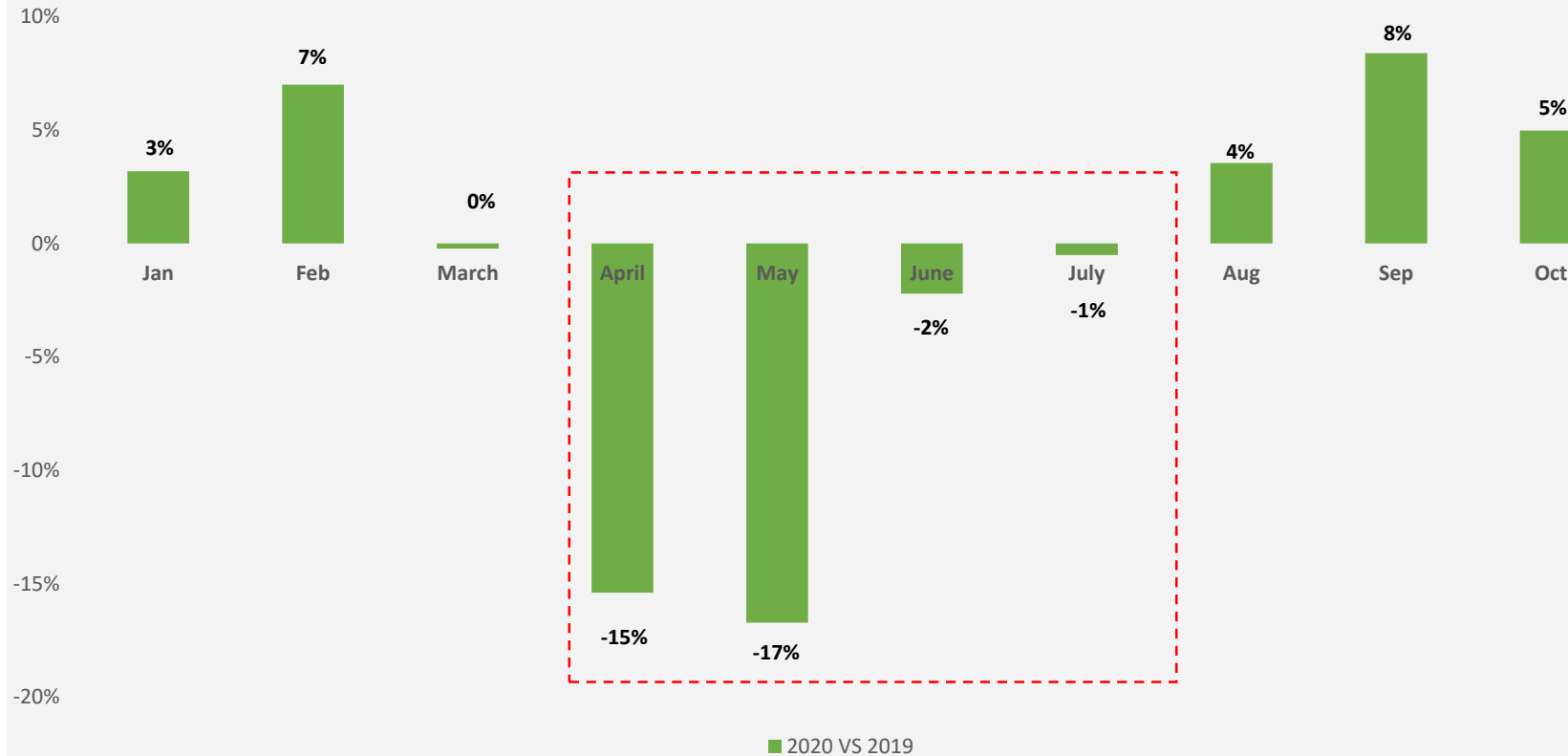
### Power Generation by Fuel Type



Source: TEİAŞ

## ECONOMIC RECOVERY REFLECTED IN POWER CONSUMPTION SINCE AUG'20

### Monthly Change in Power Consumption



Source: TEİAŞ





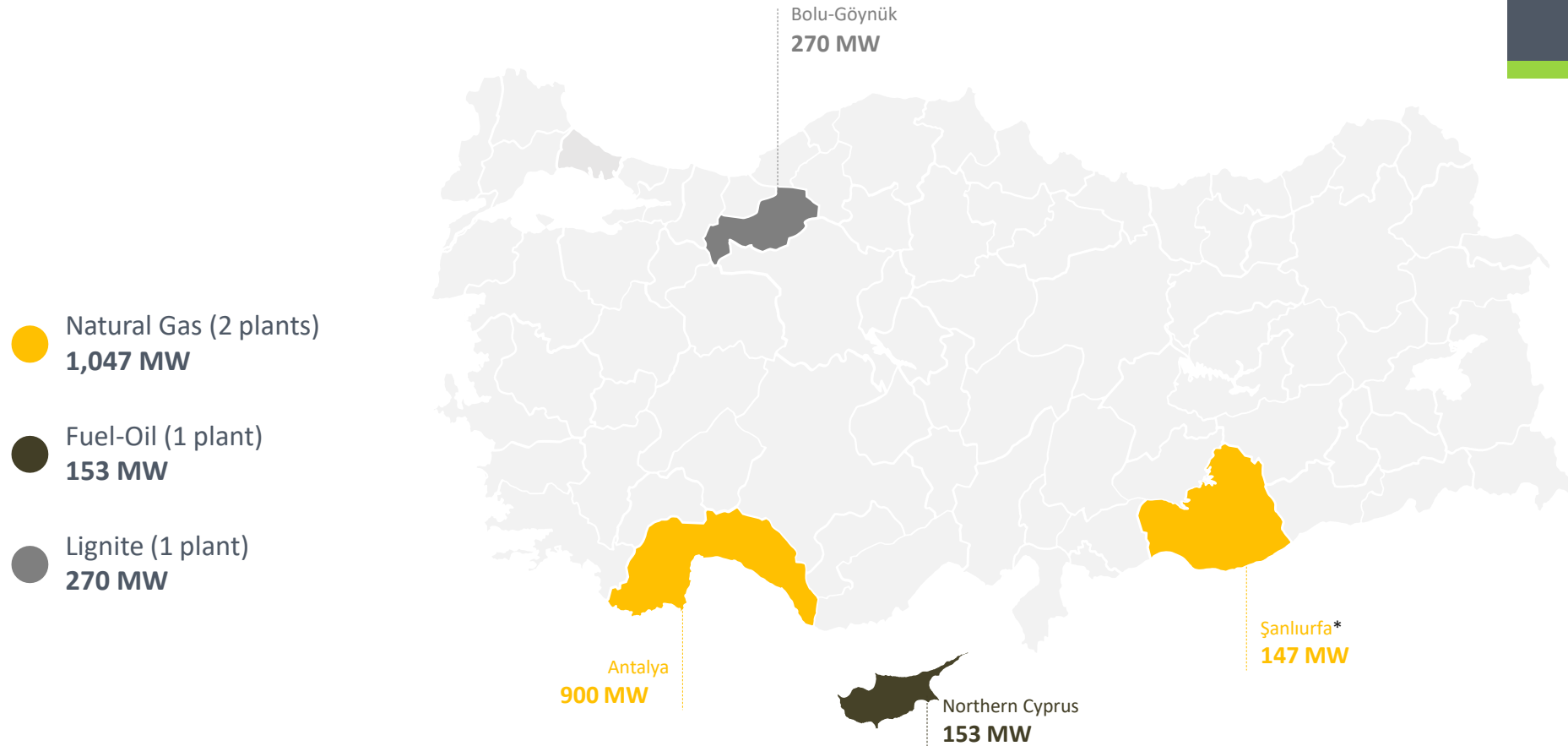
**DOMESTIC OPERATIONS**



## MAJORITY OF DOMESTIC INSTALLED CAPACITY BASED ON NATURAL GAS

### Domestic Operations at a Glance

DOMESTIC  
INSTALLED  
CAPACITY  
**1,470 MW**



\*The electricity generation operations have been suspended in Aug'20 due to high transmission costs



## MEETING 1% OF TURKEY'S POWER DEMAND

# Bolu PP Key Highlights

**Energy Source:** Lignite Coal

**Installed Capacity:** 270 MW

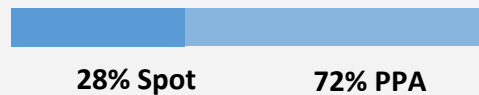
**Generation:** 1,413 GWh (9M20)

**CUR:** 80% (9M20)

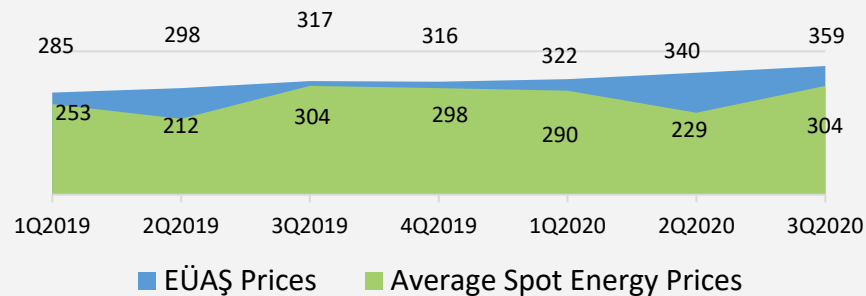
**Capacity Payment:** 44 MM TL (9M20)

**EÜAŞ Lignite PPA Price:** 359 TL/MWh (3Q20)

**Sales Composition:**



### EÜAŞ vs Spot Electricity Prices (TL/MWh)



Source: EPIAŞ for average spot prices

**Bolu Goynuk Thermal Power Plant**



- Bolu PP sold 72% of its generation to EÜAŞ (state-run power generator) via formula based price scheme dependant on quarterly changes in inflation and USD/TL
- On top of that, Bolu PP also enjoys 3% additional incentive thanks to compliance with environmental legislation
- On 24 September 2020, Bolu PP acquired COVID-19 Safe Production Certificate
- 4Q20 EÜAŞ price announced as 385 TL /MWh



## Antalya PP Key Highlights

**Energy Source:** Natural Gas

**Installed Capacity:** 900 MW

**Generation:** 1,980 GWh (9M20)

**Capacity Payment:** 56 MM TL (9M20)

**CUR:** 37% (9M20)

Ali Metin Kazancı Antalya  
Natural Gas Combined Cycle  
Power Plant



- Base load power plant with high efficiency ratio of 59%
- Power generation more than 10 x of 2Q20 generation during 3Q20
- 56 MM TL capacity payment received in 9M20
- 75% of gas supplied from BOTAŞ vs 25% from private sector ensuring optimisation



## Şanlıurfa PP Key Highlights

**Energy Source:** Natural Gas

**Installed Capacity:** 147 MW

**Generation:** 96 GWh

**CUR:** 11%

Sanliurfa Natural Gas  
Combined Cycle Power Plant



- Şanlıurfa PP operations were suspended in Aug'20 due to high transmission costs
- 90% of transmission cost saving was achieved



## Northern Cyprus PP Key Highlights

**Energy Source:** Fuel Oil

**Installed Capacity:** 153 MW

**Generation:** 527 GWh

**CUR:** 52%

**PPA Price:** 733 TL/MWh (9M20)

**Contract Expiry:** 2027

Northern Cyprus Kalecik  
Heavy Fuel Oil Power Plant



- Northern Cyprus PP benefits from USD based guaranteed capacity charge for 120 MW out of 153 MW installed capacity



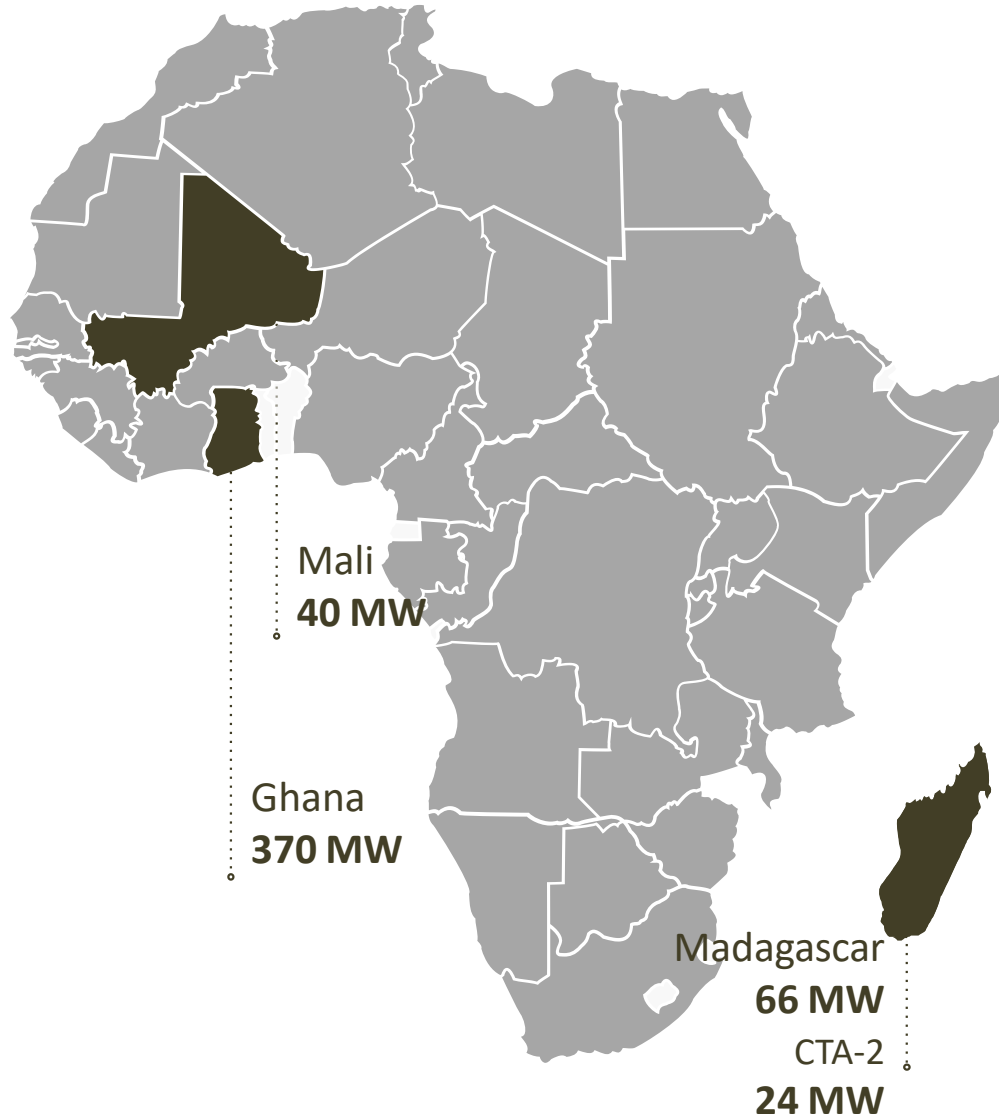


**FOREIGN OPERATIONS**



ACTIVE IN AFRICA SINCE 2017...

## Foreign Operations at a Glance



AFRICA  
TOTAL  
**476 MW\***

\* Does not include CTA-2

**VERY ATTRACTIVE REGION WITH STRONG GROWTH POTENTIAL...**

## Penetration in Africa

### Ghana



Population	<b>30.4 mn</b>
GDP	<b>\$ 67 bn</b>
GDP per capita	<b>\$ 2,202</b>
Installed Capacity	<b>5,043 MW</b>
Energy Consumption	<b>16.2 bn KWh</b>
Energy Consumption/Capita	<b>533 KWh</b>

### Madagascar



Population	<b>27.0 mn</b>
GDP	<b>\$ 14 bn</b>
GDP per capita	<b>\$ 522</b>
Installed Capacity	<b>844 MW</b>
Energy Consumption	<b>1.8 bn KWh</b>
Energy Consumption/Capita	<b>64,7 KWh</b>

### Mali



Population	<b>19.7 mn</b>
GDP	<b>\$ 18 bn</b>
GDP per capita	<b>\$ 891</b>
Installed Capacity	<b>630 MW</b>
Energy Consumption	<b>3.4 bn KWh</b>
Energy Consumption/Capita	<b>168 KWh</b>



## Ghana Key Highlights

- Ghana PP benefits from USD based guaranteed capacity charge for 332 MW out of 370 MW installed capacity based on a 6.5 year power purchase agreement (PPA) signed with Republic of Ghana on Aug'17
- On top of that, PP generates revenues from routine sales activity via spot market. **Capacity Utilization expected to increase in Nov'20 as wet season is about to end**
- Ghana engine conversion to dual fuel (heavy fuel oil/natural gas) expected to be completed in 2021
- Receivables from Republic of Ghana covered by a USD 75 MM letter of guarantee confirmed by an A+ rated bank (Abu Dhabi Commercial Bank)
- Cash CAPEX already recovered in June 2018 (less than 1 year)

COMPLETED IN 9.5 MONTHS



# Madagascar Key Highlights

- Madagascar PP benefits from USD based guaranteed capacity charge for 60 MW out of 66 MW installed capacity based on a 20 year Power Purchase Agreement (PPA) signed with the Republic of Madagascar with Jirama, the state-owned electricity and water services company, on Sep'17
- Madagascar CTA-2 PP (24 MW) is operated by Aksa Energy until Jan'24
- Fixed USD based monthly fee obtained from Jirama, owner of Madagascar CTA-2
- Land, fuel procurement, all licences and permits are provided by Jirama
- Cash CAPEX recovered in February 2018 (less than 1 year)





## Mali Key Highlights

- Mali PP benefits from EUR based guaranteed capacity charge for 30 MW out of 40 MW installed capacity based on a 3 year Power Purchase Agreement (PPA) signed with Énergie du Mali on Nov'17
- Contract with Mali government has been extended until the end of Dec'20. Renewal negotiations are ongoing
- Land, fuel supply, licenses and permits are provided by Énergie du Mali

COMPLETED IN 6 MONTHS



**Mali Heavy Fuel Oil  
Power Plant**

## NEW INVESTMENT IN UZBEKISTAN TO BE OPERATIONAL BY 2021 YE

### Uzbekistan Key Highlights

- 25 year power purchase agreement (PPA) including guaranteed capacity payment in USD terms signed with the Ministry of Energy of Uzbekistan on May'20 regarding 240 MW natural gas combined cycle (CCGT) power plant in Tashkent, the capital of Uzbekistan
- Power Plant Equipment to be relocated from Antalya CCGT.
  - ✓ The machinery had been disconnected from the transmission system following the partial license cancellation in 2018.
  - ✓ Low CAPEX
  - ✓ Use of idle equipment to increase revenues and overall production
- Natural gas to be provided by Uztransgaz, the natural gas supply company of Uzbekistan.
  - ✓ Lower commercial risk
  - ✓ No need for cash or bank line for procurement
  - ✓ No logistic need for transportation of natural gas
  - ✓ No need for storage
- Land allocation required for the construction of the power plant is completed by Tashkent Region Khokimiyat (Tashkent Region Municipality)

### TO BE COMPLETED IN 12 MONTHS







**FINANCIAL & OPERATIONAL  
HIGHLIGHTS  
9M2020**







## STRONG FINANCIAL RESULTS IN A CHALLENGING OPERATING ENVIRONMENT...




### Key Highlights – 9M20

TL million





#### Quarterly- 3Q20

		3Q20	3Q19	y/y
	Net Sales	1,801	1,487	21%
	EBITDA	381	366	4%
	Net Income	157	121	29%
	Net Financial Debt	2,857	3,142 <sup>(1)</sup>	-9%

#### Cumulative-9M20

		9M20	9M19	y/y
	Net Sales	5,268	3,800	39%
	EBITDA	1,089	1,103	-1%
	Net Income	448	350	28%

#### KPIs-9M20

		9M20	9M19	y/y
	Gross Margin	17%	21%	-3 pp
	EBITDA Margin	21%	29%	-8 pp
	Net Fin. Debt / EBITDA	2.0x	2.5x	
	Net Fin. Debt / Equity	60%	155%	-95 pp

(1) As of YE19









## FOREIGN OPERATIONS' CONTRIBUTION TO EBITDA AT A HIGH 67%

### Regional Breakdown






TL million

Quarterly- 3Q20

		Domestic	Foreign	Share of Foreign
	Net Sales	1,464	337	19% 
	EBITDA	133	248	65% 
	Profit Before Tax	22	164	88% 

TL million





Cumulative-9M20

		Domestic	Foreign	Share of Foreign
	Net Sales	4,203	1,065	20% 
	EBITDA	364	725	67% 
	Profit Before Tax	-17	518	

Note: Foreign operations include Africa operations only. Northern Cyprus is included in domestic operations

## FX BASED PRICE TARIFFS IN AFRICA AND NORTHERN CYPRUS SUPPORTIVE OF OPERATIONS

### Regional Breakdown

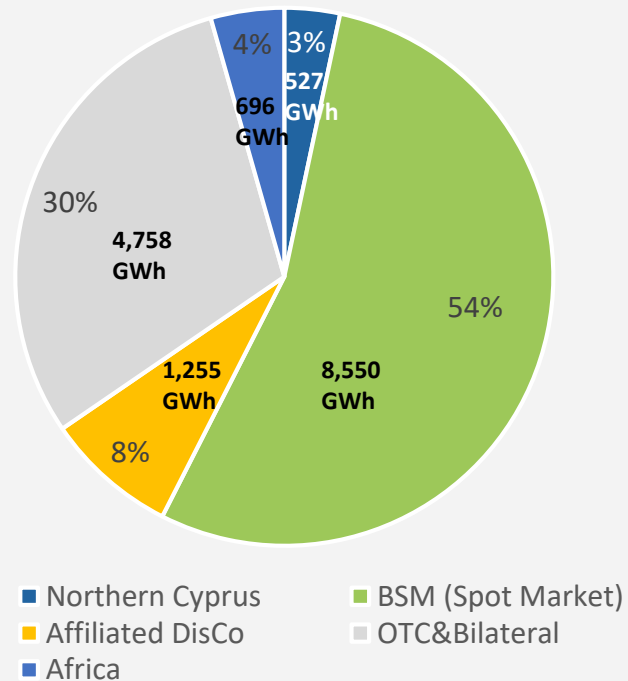
		Domestic	Foreign	Total	
Quarterly- 3Q20		Sales Volume (GWh)	4,919	187	5,106
		Sales Price (TL/MWh)	340	1,891	397
		Domestic	Foreign	Total	
Cumulative-9M20		Sales Volume (GWh)	15,090	696	15,786
		Sales Price (TL/MWh)	316	1,616	373

Note: Company internal data. Excludes intercompany eliminations applied in CMB financials

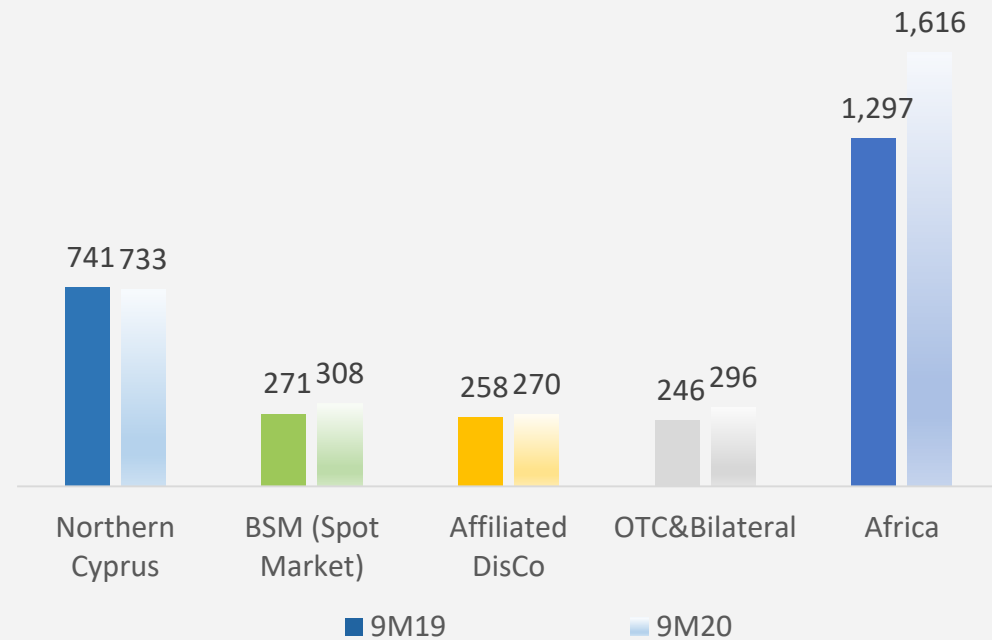


## Sales Channel Breakdown

Sales Volume by Channel (9M20)



Sales Price by Channel (TL/MWh)







**APPENDIX**



# Consolidated Summary Income Statement

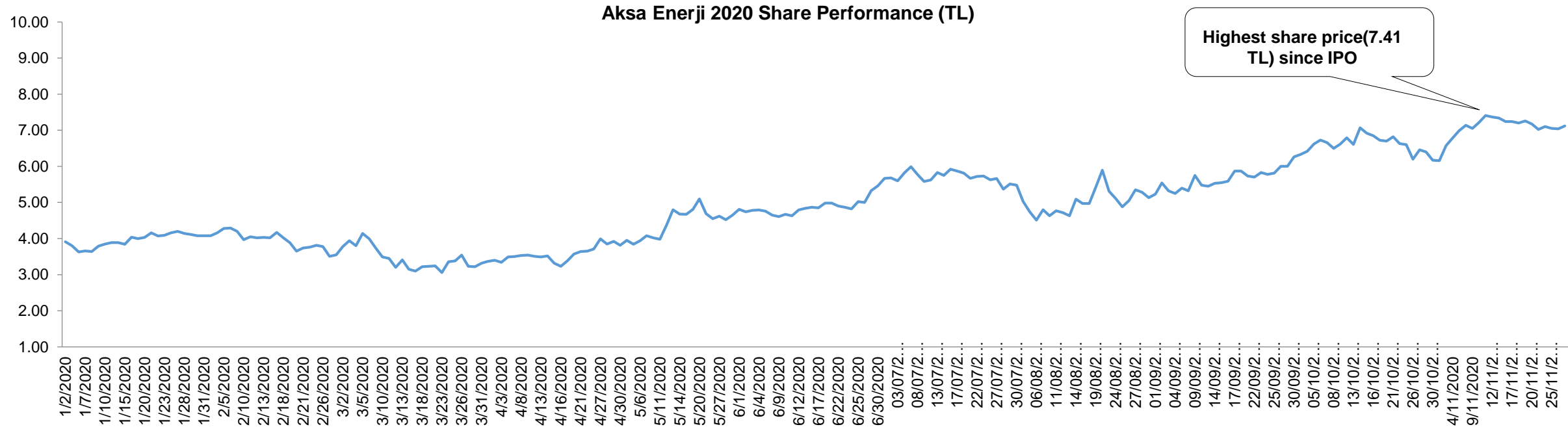
	9M2019	9M2020	y/y
<b>MM TL</b>			
Net sales	3,800	5,268	39%
Cost of sales	(2,996)	(4,383)	46%
<b>Gross Profit</b>	804	885	10%
General & administrative costs	(75)	(84)	12%
Marketing expenses	(1)	(4)	n.m.
Other operating income	28	6	-78%
Other operating expenses	(8)	(36)	n.m.
<b>Operating Income</b>	748	769	3%
Expected revaluation losses	(3)	(21)	n.m.
Financing income	301	363	21%
Financing expense	(663)	(610)	-8%
<b>Earnings Before Income Tax</b>	384	501	31%
Tax	(34)	(53)	56%
<b>Net Income</b>	350	448	28%
Net income after minority interest	175	355	104%

## Consolidated Summary Balance Sheet

	2019	9M2020	ytd
<b>MM TL</b>			
Cash and cash equivalents	122	307	153%
Trade receivables	1,933	2,770	43%
Inventories	284	131	-54%
<b>Total Current Assets</b>	<b>2,684</b>	<b>3,488</b>	<b>30%</b>
PP&E	5,499	5,846	6%
Intangibles	99	122	23%
<b>Total Non-current Assets</b>	<b>5,817</b>	<b>6,123</b>	<b>5%</b>
<b>Total Assets</b>	<b>8,501</b>	<b>9,612</b>	<b>13%</b>
<b>Total Current Liabilities</b>	<b>2,944</b>	<b>3,313</b>	<b>13%</b>
<b>Total Non-current Liabilities</b>	<b>1,738</b>	<b>1,525</b>	<b>-12%</b>
Paid in capital	613	613	0%
Shareholder's equity	3,819	4,775	25%
<b>Total Liabilities and Shareholder's Equity</b>	<b>8,501</b>	<b>9,612</b>	<b>13%</b>



## 2020 Share Performance



Aksa Enerji shares increased by around 90% year-to-date and reached 7.12 TL (mcap: 4.4 bln TL)

# Contact- Investor Relations

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