

## **AKSA ENERJİ ÜRETİM A.Ş.**

### **Q&A DURING 2023 ORDINARY GENERAL MEETING DATED 5 JUNE 2024**

**QUESTION 1:** Despite the electricity market in Turkey not performing well last year, the company seems to have maintained its profitability. When we look at the stock market, utility stocks did not have a good performance. Currently, there is an expectation of electricity price increase. What is your expectation for electricity prices in 2024?

**ANSWER 1:** Electricity prices are highly indexed to fuel costs. Global natural gas and coal prices significantly affect electricity prices. We expect fuel cost increases to be reflected in the spot electricity price market in the second half of the year. Although there are occasional fluctuations in electricity demand, there is a good demand for this year. Therefore, power plants have a positive outlook for the second half of 2024.

**QUESTION 2:** Can you share the commissioning dates for your international investments?

**ANSWER 2:** Currently, all four of our investments are ongoing. Firstly, we expect our 430MW facility in Talimerjan, Uzbekistan, to be fully operational in the early months of 2025 (by March at the latest). We plan to conduct test production in the last quarter of 2024. In Kyzylorda, Kazakhstan, the investment is continuing as planned, and we expect it to be commercially operational by the end of 2025. According to regulations, COD is planned to be at full cycle, not gradually. On the other hand, we plan to commission the first phase of the Kumasi investment in Ghana in the first quarter of 2025, and the combined cycle part by the end of 2025. Finally, we expect the Senegal investment to gradually become operational in 2026.

**QUESTION 3:** Can you share detailed information about Shymkent?

**ANSWER 3:** As you know, we signed a non-binding memorandum of understanding with the Shymkent Governorship in Kazakhstan. We are interested in potential projects throughout Central Asia, especially in Kazakhstan and Uzbekistan. We are evaluating projects in this region, our negotiations are ongoing, and we are interested in investments here. Any concrete developments will be shared with the public.

**QUESTION 4:** There is a liquidity problem at Aksa Energy shares. Are you considering a bonus or rights issue?

**ANSWER 4:** Decisions such as dividends or capital increases are evaluated by the main shareholder, Kazancı Holding A.Ş. At Aksa Energy level, it can be brought up and evaluated as before. It can be assessed based on developments after the publication of the 2024 first half financial results.

**QUESTION 5:** Can you share the useful life of the power plants?

**ANSWER 5:** The technical useful life of power plants is 30-35 years. Coal plants have a useful life of 35-40 years, and natural gas plants have useful life of 25-30 years. However, the useful life of power plants depends on upgrades, maintenance, and working regimes. Additionally, these durations can be extended with efficiency studies. If competition has increased, these plants can be relocated to less competitive areas. Additional rehabilitations can also extend these durations. There is no problem regarding this issue in our power plants.

**QUESTION 6: How much EBITDA contribution will the new investments provide to the company?**

**ANSWER 6:** Excluding Turkey, we expect the new international investments to double the current EBITDA.

**QUESTION 7: The company's trade receivables amount seems high. Are these receivables guaranteed or insured by the government?**

**ANSWER 7:** It would be more accurate to divide the trade receivables into three parts. The figure you see in the balance sheet includes receivables from TEİAŞ and EÜAŞ. These are with 30-day maturities, and approximately 1/3 of the receivables consist of 30-day maturities from TEİAŞ, EÜAŞ, and EPIAŞ in Turkey. Other receivables include some past due amounts. In Ghana, the maturity is 60 days, and in Uzbekistan, it is 30 days. In Cyprus, invoices are paid on time. In Mali and Madagascar, there are delays similar to previous ones. However, as company management, we are able to manage current receivables and create funding. Negotiations are ongoing for additional collections. As you can see in the audit report, there are currently no doubtful receivables, and none are expected to become doubtful in the future.

**QUESTION 8: Do you expect a decrease in electricity production from gas?**

**ANSWER 8:** We value diversification of sources as much as geographical diversification. We evaluate our portfolio with a long-term perspective accordingly. Gas is actually a widely available resource globally, the cleanest among fossil fuels in terms of emissions, and it balances renewable energy with its flexible production capacity from a production technology standpoint. Therefore, it is not a resource that can be easily abandoned. Besides nuclear, it is the only fuel that provides stable production. Natural gas is a balancing transitional fuel in the new energy world. Gas resources are diversifying and increasing, and generally, there will be a transition from thermal to renewable energy sources. However, we also expect a production increase in low-emission power plants.

**QUESTION 9: Are there regulatory uncertainties regarding storage power plant equipment? When do you expect the 831 MW storage power plants to be commissioned?**

**ANSWER 9:** The permit processes for our 831 MW wind and solar portfolio are ongoing. We are one of the companies with the largest portfolio in this area, and we are continuing negotiations and efforts to expand it. The permitting processes for these projects involve many steps. We plan to gradually commission them, especially the solar power plants, between 2025 and 2028. The incentive mechanism, which includes dollar-based purchase guarantees for storage power plants, is very attractive. This incentive mechanism is quite adequate for the internal feasibility of the projects.