

AKSA ENERJİ ÜRETİM A.Ş.

Q&A DURING 2020 ORDINARY GENERAL MEETING DATED 28 MAY 2021

QUESTION 1: Revenue increase in 2020 is also driven by electricity trading transactions. Will we be able to see the contribution of this business segment in footnotes?

ANSWER 1: We are planning to explain the contribution of electricity trading segment in our footnotes this year.

QUESTION 2: Ghana Power Plant's contract will expire in around 2 years. Meanwhile, you have invested in conversion of power plant into dual fuel (fuel oil and natural gas). Why did you invest in this power plant under this uncertainty about contract extension?

ANSWER 2: Our Contract will expire in February 2024. We have completed the conversion of 7 machines out of 22 in the power plant to dual fuel. In this context, our investment is at a minimum level of 5 million US Dollar. As Government of Ghana's fuel costs are decreased with this investment, we will be able to get increased generation orders. Also, we believe that this situation will create competitive advantage for us.

QUESTION 3: In order to diversify your generation portfolio, you invested in solar energy and won a few small tenders. What is the cost of a 1 MW solar power plant? What is the return on this investment?

ANSWER 3: Renewable energy has a great importance both in Turkey and all over the world especially in terms of maintaining the climate balance. In this respect, there are many new technological improvements. As Aksa Energy, we evaluate new opportunities in this field. Within the recent YEKA-GES 3 tenders that we won, we calculate the annual rate of return on investment as 11-12%. We will own a 49- year generation license. After 15 years, we will sell our generation to the spot electricity market. We are also open to new opportunities about storage of electricity generated from solar power plants. We are also following the new legislation announced in this business segment. The cost of 1 MW solar power plant investment is around 400 thousand dollars; however, we are calculating the return of these projects on a long-term basis. We think that overall cost of solar power plants will be decreasing with a hybrid structure together with storage opportunities.

QUESTION 4: Tax expenses increased to 180 million TL this year compared to 147 million TL last year. What is the composition of tax expenses in terms of domestic / foreign power plants? Antalya power plant is profitable as it has completed its useful life. Bolu power plant is in loss due to high depreciation and financial expenses. Are you planning to realize tax optimization by merging those two companies?

ANSWER 4: All of the tax expenses are coming from foreign power plants. We are aiming to turn to profitability in Antalya power plant this year. Tax optimization is on our agenda for 2021. We will be taking the most appropriate action regarding this subject.

QUESTION 5: How often do you perform a revaluation of your assets?

ANSWER 5: According to our Company policy, we perform revaluation of our assets every two year. The most recent revaluation was performed at the end of 2019.

QUESTION 6: I think it's rationale that you don't distribute dividends as your investments are ongoing. On the other hand, you have financial sources for bonus capital increase. I kindly ask you to consider this option.

ANSWER 6: This subject is on our agenda. At the next stage, we will present it to the Board of Directors.

QUESTION 7: Idle machines and equipment located in Turkey will be utilized in our power plants at Uzbekistan. Apart from these equipments, what is your plan to complete missing equipments to reach 740 MW? Will the capacity at Antalya power plant be reduced?

ANSWER 7: 250 MW of Antalya power plant was dismantled and transported. With the remaining 900 MW, Antalya power plant will continue its generation activities in Turkey. Van and Manisa power plants will also be relocated. We are planning to supply the remaining equipments from the secondary market.

QUESTION 8: There are some news in the international press that your operations in Ghana will expand and new opportunities may arise in Kumasi. Accordingly, are your operations in Ghana likely to expand?

ANSWER 8: We are always looking for new opportunities. We are working to renew our contracts, not only to extend. In the current situation, there are no new mature developments that can be disclosed to the public.

QUESTION 9: Do you have any plans to make an IPO in abroad for your subsidiaries?

ANSWER 9: Our Board of Directors may decide on this subject in view of our current operations, investments and upcoming strategies. Even if a decision is made, this will be a long-term project.

QUESTION 10: Are the news about your energy export to Syria true?

ANSWER 10: No. We do not have any operations in Syria.

QUESTION 11: Are there any plans to increase the amount of energy export to Iraq?

ANSWER 11: Yes. We are working to increase the energy export capacity to over 150 MW.

QUESTION 12: Does your company also seek investments in other former Soviet Republics?

ANSWER 12: Our search for new markets in new countries always continues.

QUESTION 13: Will the Uzbekistan investment start operating ahead of schedule? What are your margin expectations?

ANSWER 13: We are planning to start operations at the Uzbekistan power plants by the end of 2021, as planned. In terms of margins, we evaluate that risks are lower than Uzbekistan compared to Africa. Our investment in Uzbekistan involve a long-term guaranteed electricity purchase agreement. Thus, margins and risks need to be evaluated together.

QUESTION 14: Is there a data like loyalty index that you evaluate internationally about the countries that you plan to invest?

ANSWER 14: We evaluate lots of data during our business deals. We monitor the credit ratings and debt payment performances of countries. However, there is no such loyalty index that you mentioned.

QUESTION 15: Are there any collection problems at your African power plants?

ANSWER 15: Although there are some delays in payments, we do not have a major collection problem. Due to currency impact, our trade receivables are increasing in Africa. On the other hand, for the last 2-3 years, collection rate was 115% on average. We are progressing at the level of 127% this year.