

# Aydem Renewables Investor Presentation Q3-2022





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## Sustainable Value-Creating Business Model



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# Sustainable Value-Creating Business Model

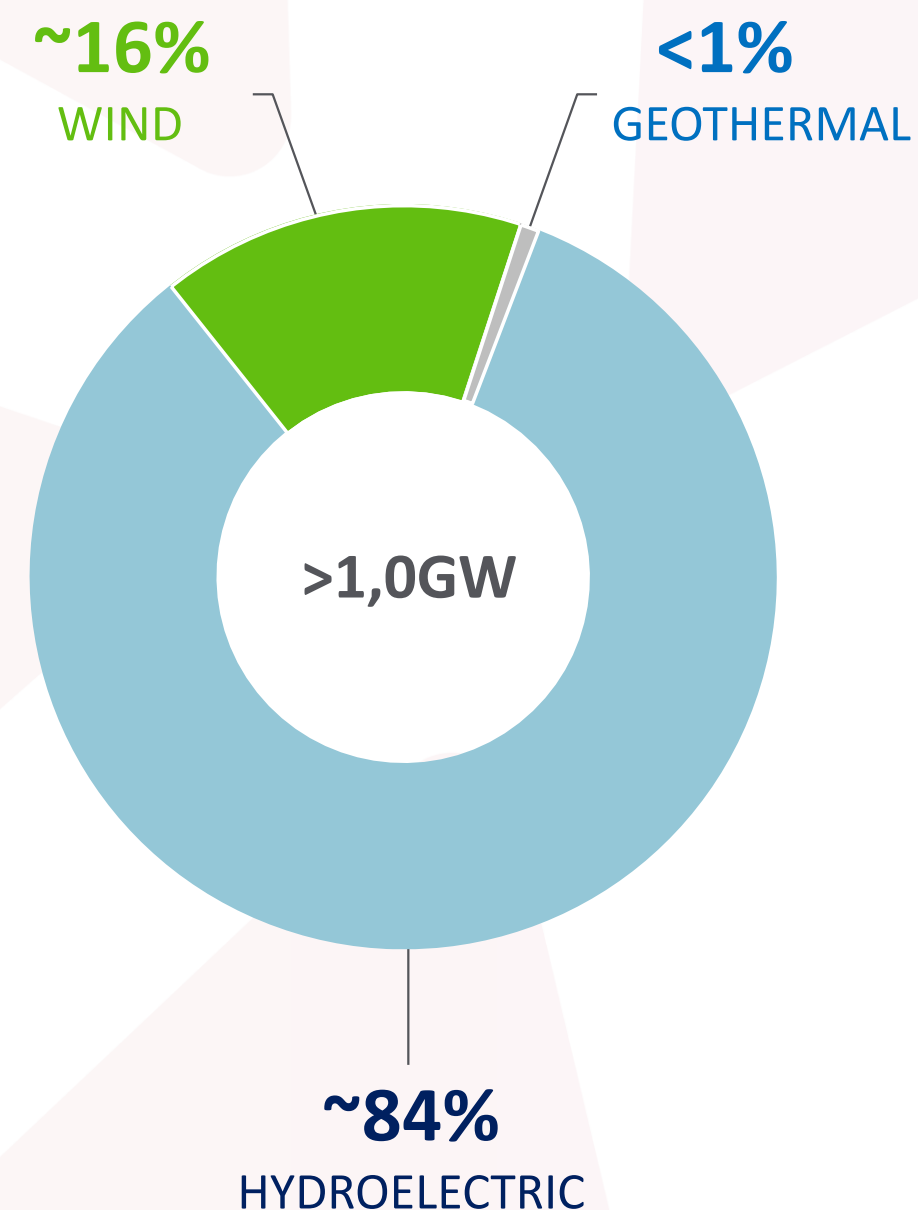




# Turkey's Biggest 100% Renewable Energy Company

Aydem Renewables meets Turkey's energy needs with renewable energy production with its hydroelectric, wind and geothermal power plants.

TURKEY'S LEADING RENEWABLE ENERGY COMPANY<sup>1</sup>



SOLID AND SUSTAINABLE BUSINESS MODEL

100% Green energy

79% Revenue in USD (FIT)  
(1 JANUARY - 30 SEPTEMBER 2022)

Geographical diversity advantage

New and modern facilities

STRONG FINANCIAL PERFORMANCE  
(1 JANUARY - 30 SEPTEMBER 2022)

TL 2,794 Mn. (USD 178 M)  
EBITDA

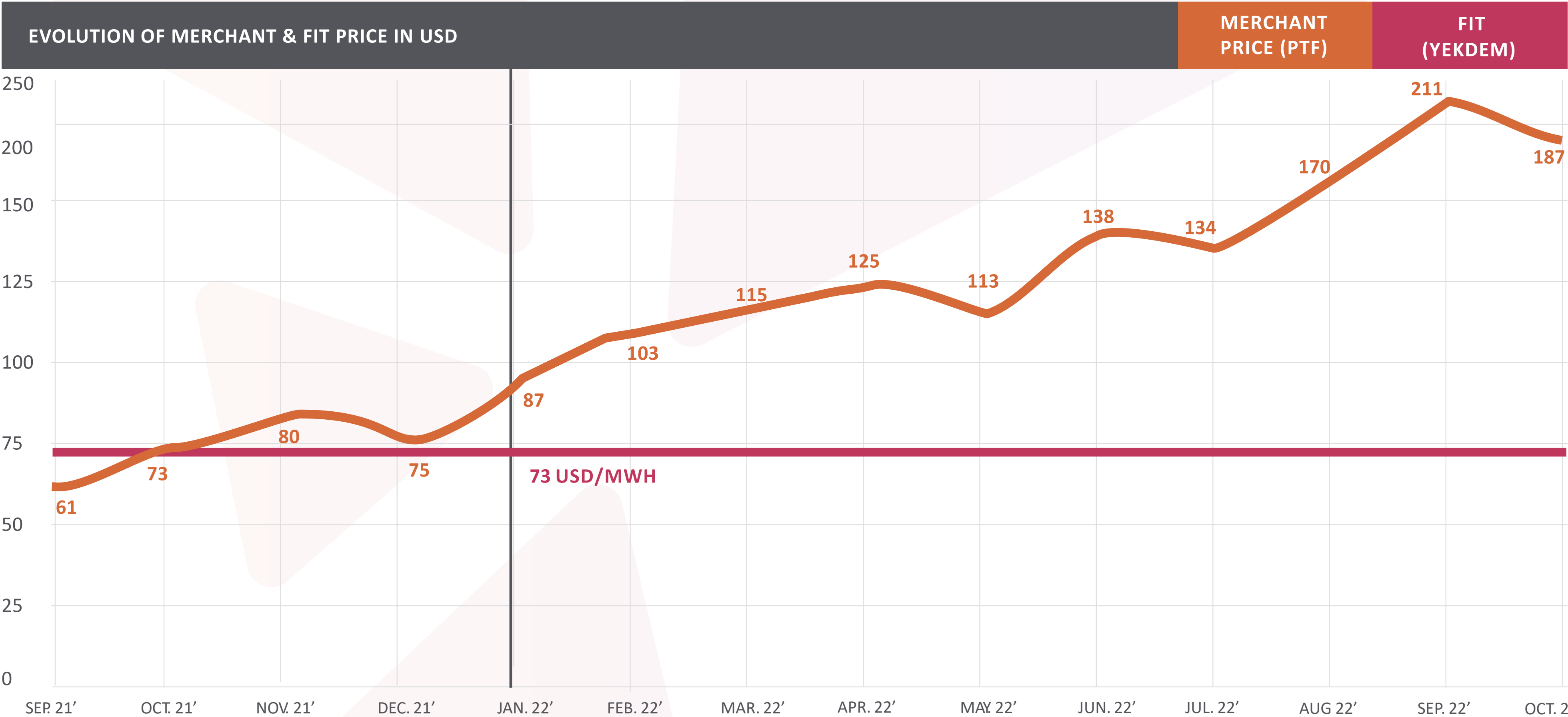
93%  
EBITDA Margin

TL 3,061 Mn. (USD 203 M)  
LTM<sup>2</sup> EBITDA

92%  
LTM<sup>2</sup> EBITDA Margin

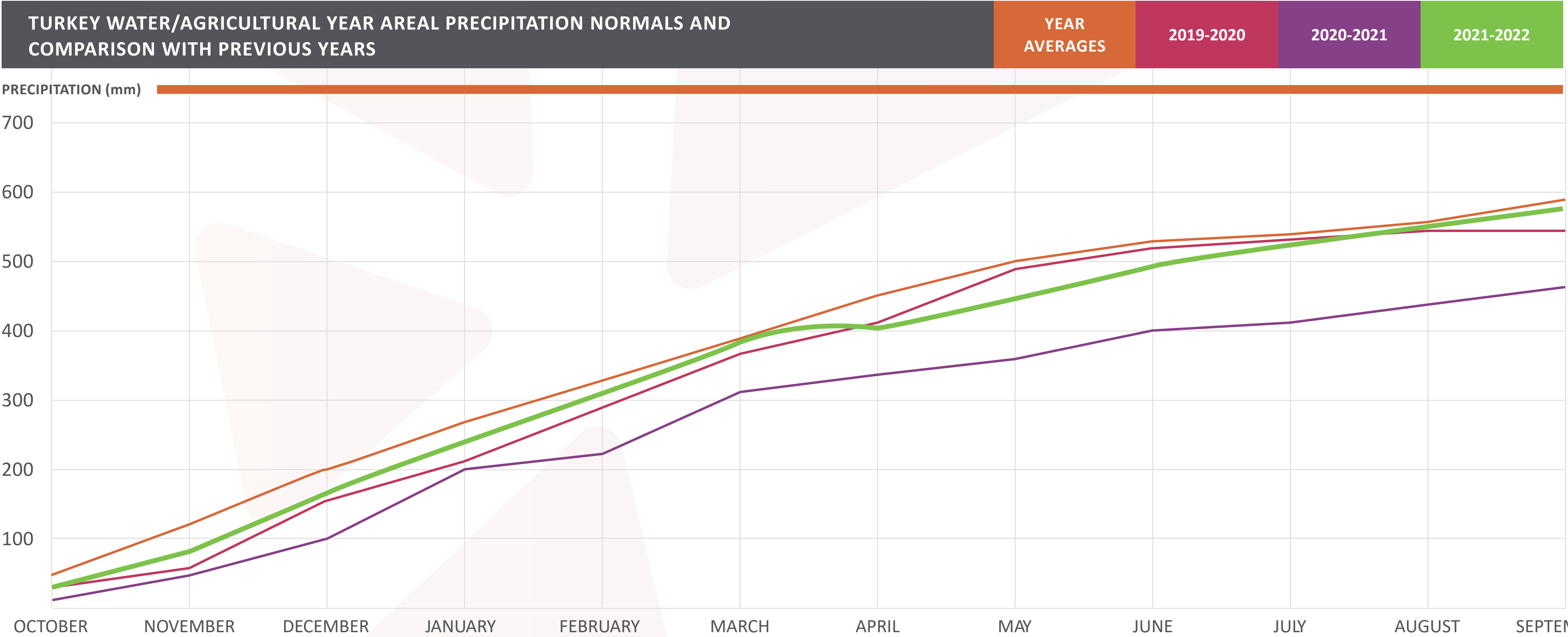


# Factors That Affect Generation

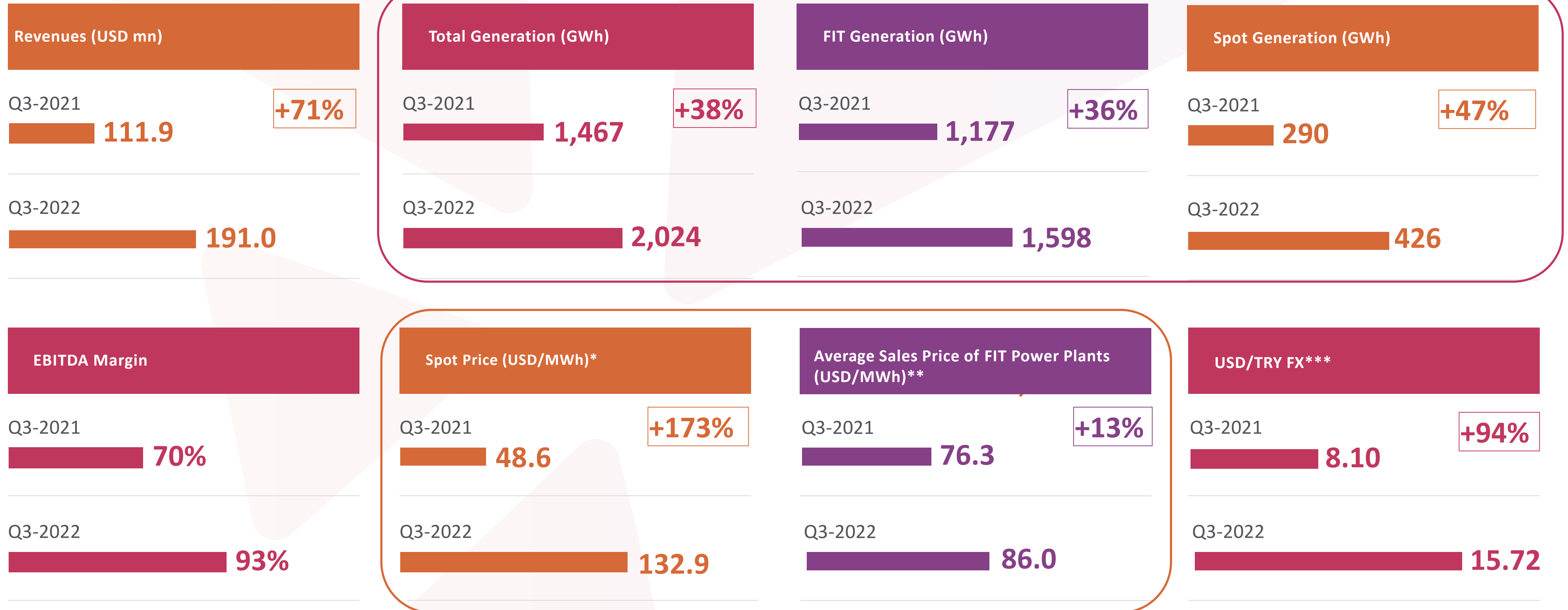




# Factors That Affect Generation



# Comparison (Q3-2022 vs. Q3-2021)\*





# Future Outlook



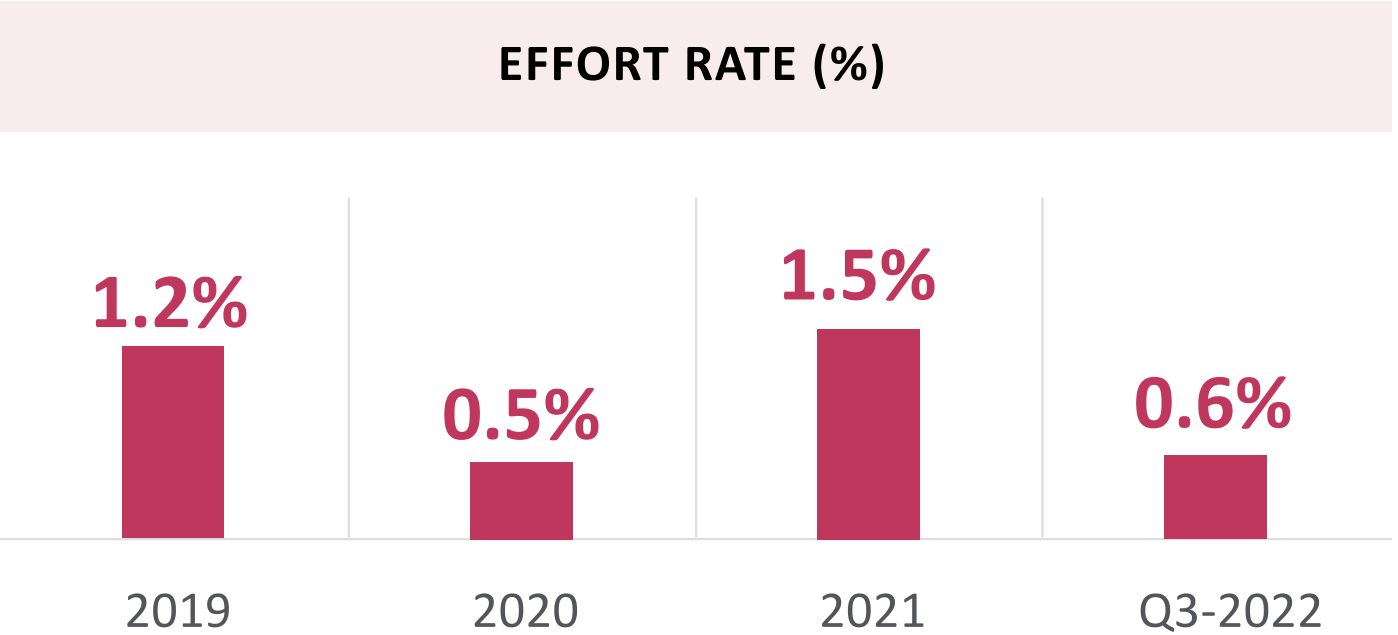
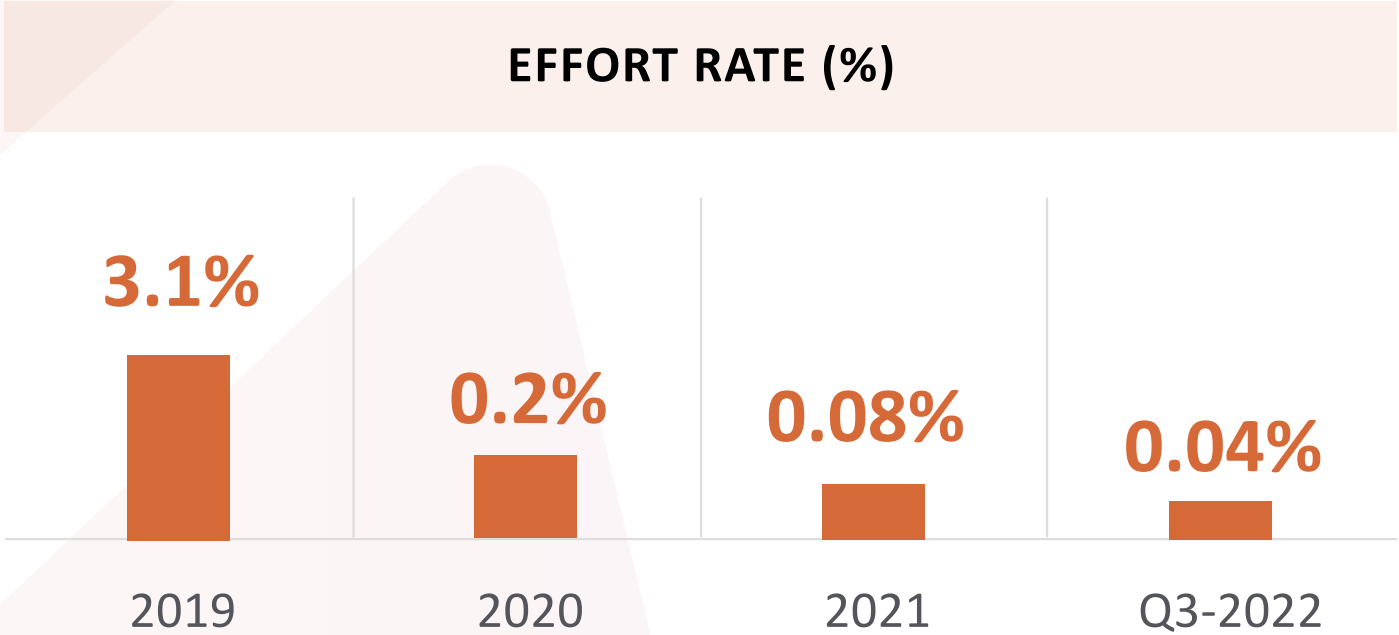
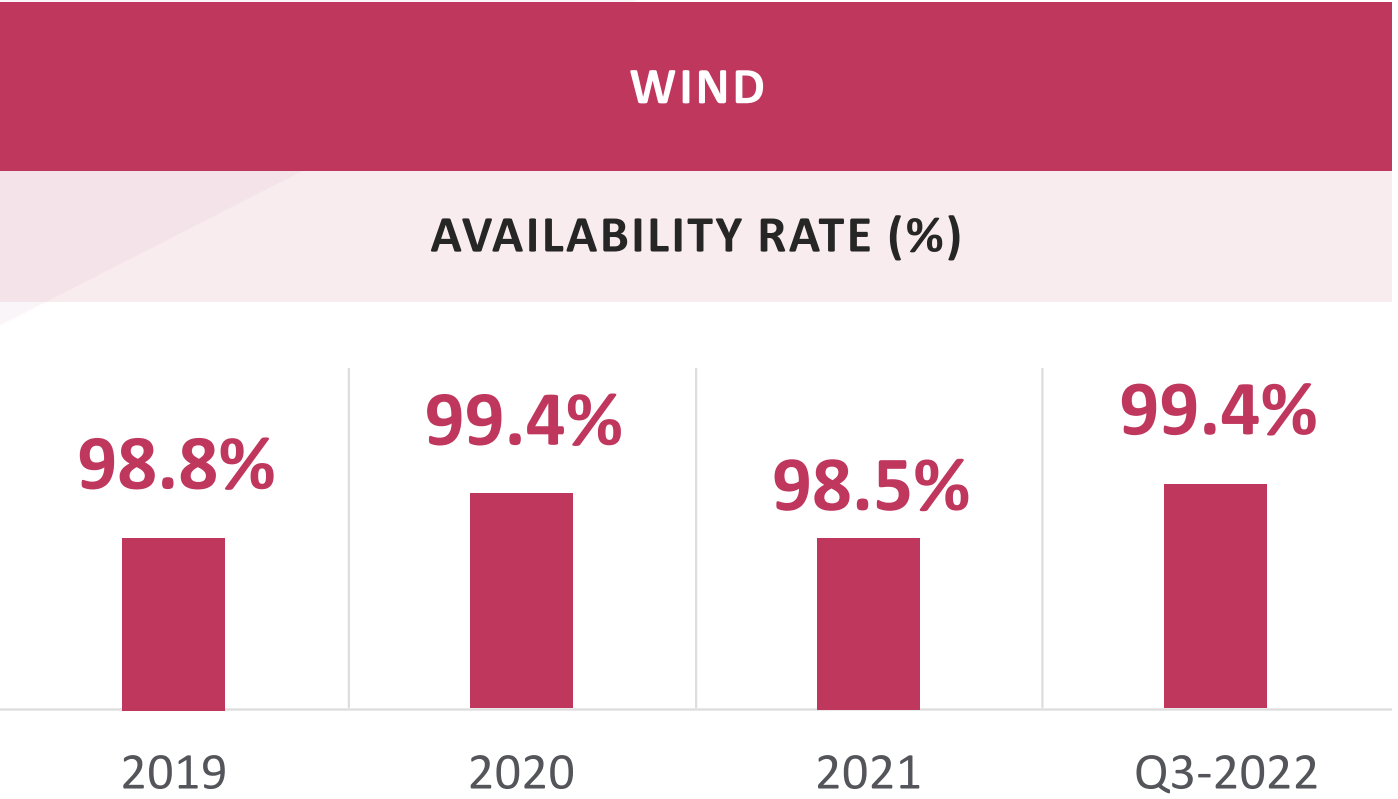
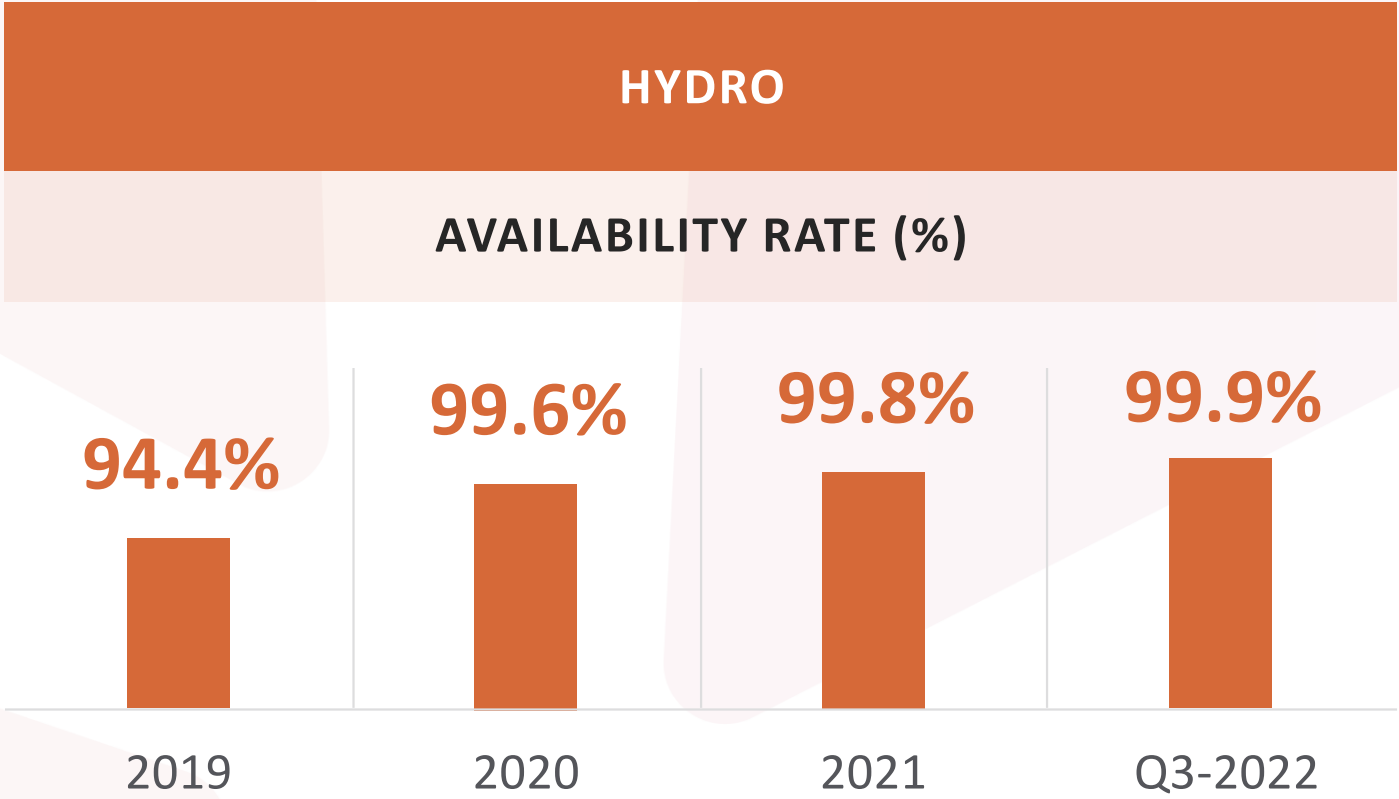




# High Performance, Modern and Young Assets

Sector-leading operational performance and availability

Nonstop work during the COVID-19 pandemic





# Increased Environmental, Social, & Governance (ESG) Performance with Updated ESG Rating

Aydem Renewables obtained the "A1 Advanced Level" rating with 65 ESG points.

## 1<sup>ST</sup> IN TURKEY

Aydem Renewables ranked as the 1st in Turkey by Moody's/Vigeo Eiris.

## 1<sup>ST</sup> IN GLOBAL EMERGING MARKETS

Aydem Renewables obtained the "A1 Advanced Level" rating with 65 ESG points in global emerging markets and emerging markets among 53 electricity and gas companies.

## A1 ADVANCED LEVEL

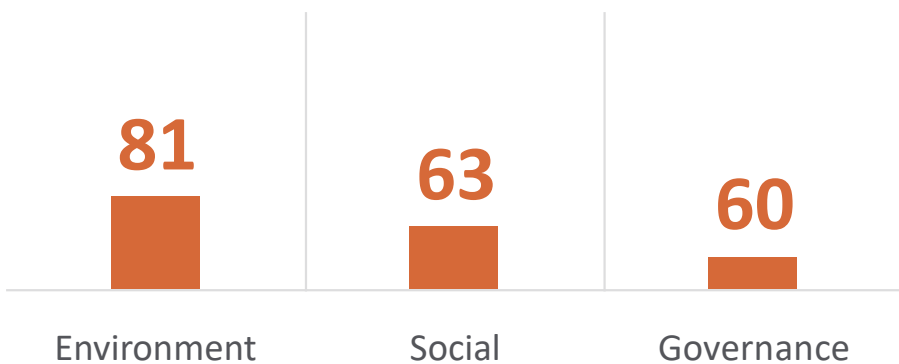
- Aydem Renewables obtained the "A1 Advanced Level" rating, the highest rate, by Moody's/Vigeo Eiris.
- (Highest A1+, lowest D3-)
- A1+ is only given to S&P500 companies.

## IN THE FIRST 2 PERCENTILE

- Aydem Renewables is in the top 2% of companies rated by Moody's/Vigeo Eiris.
- (among ~5,000 companies)

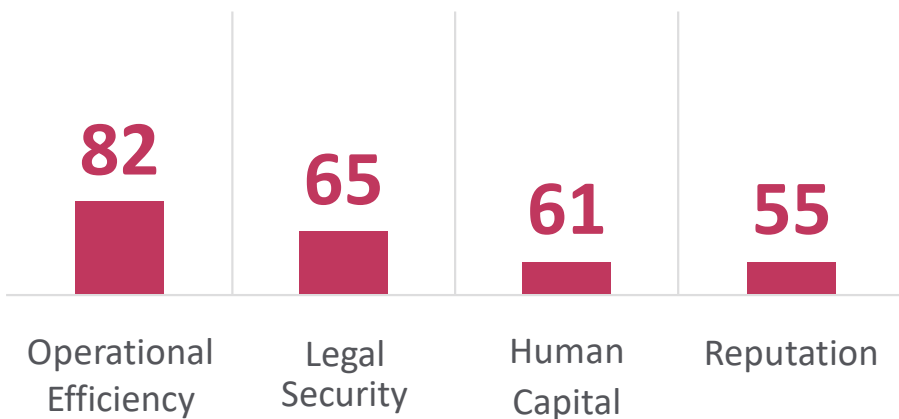
### OVERALL ESG RATING

ESG SCORE 65



### ESG RATING BY SUB-CATEGORY

ESG SCORE 65





# High Compliance Level of Capital Market Board (CMB) Corporate Governance Principles

Aydem Renewables was included in the **BIST Corporate Governance Index (XKURY)** with a score of **9.48 (CGR)** out of 10 full points.

## AYDEM in BIST Corporate Governance Index (XKURY)

Aydem Renewables was included in the **BIST Corporate Governance Index (XKURY)** with a score of **9.48 (CGR)** out of 10 full points.

## High Compliance Level of Corporate Governance Principles

Aydem Renewables has largely complied with the CMB's Corporate Governance Principles and has implemented all policies and measures.

### OVERALL CGR SCORE (SCORE: 0-10)

**CORPORATE  
GOVERNANCE  
RATING (CGR) SCORE  
9.48**

### CGR SCORE BY SUB-CATEGORY (SCORE: 0-100)





# Organic Growth Based On Flexible Cash Flow

Our goal is to become a renewable energy producer with a diversified production profile and a more flexible business model.



## Hybrid Generation

**196 MW** hybrid solar investments:

- **82 MW** of the capacity is planned to be commissioned in the second half of 2022.
- The remaining **114 MW** is planned to be commissioned in the first 6 months of 2023.



## Wind Energy Capacity Increase

**162 MW** additional wind capacity:

- **126 MW** (**102 MW** for Uşak WPP, **12 MW** for Yalova WPP, **12 MW** for Söke WPP) is planned to be commissioned in the first half of 2023.
- The remaining **36 MW** wind capacities is planned to be commissioned in the second half of 2023.

Aydem Renewables plans to commission all its investments with an installed capacity of 358 MW in 2023.

Therefore, Aydem will start to carry out its activities by benefiting from the power capacity increases of these investments starting from the third quarter of 2022.

These investments are planned to be funded completely via internal resources and cash flows obtained from these activities.



# Financial Results





# Low-Risk Financial Profile with Strong Cash Flow and USD-Based Income

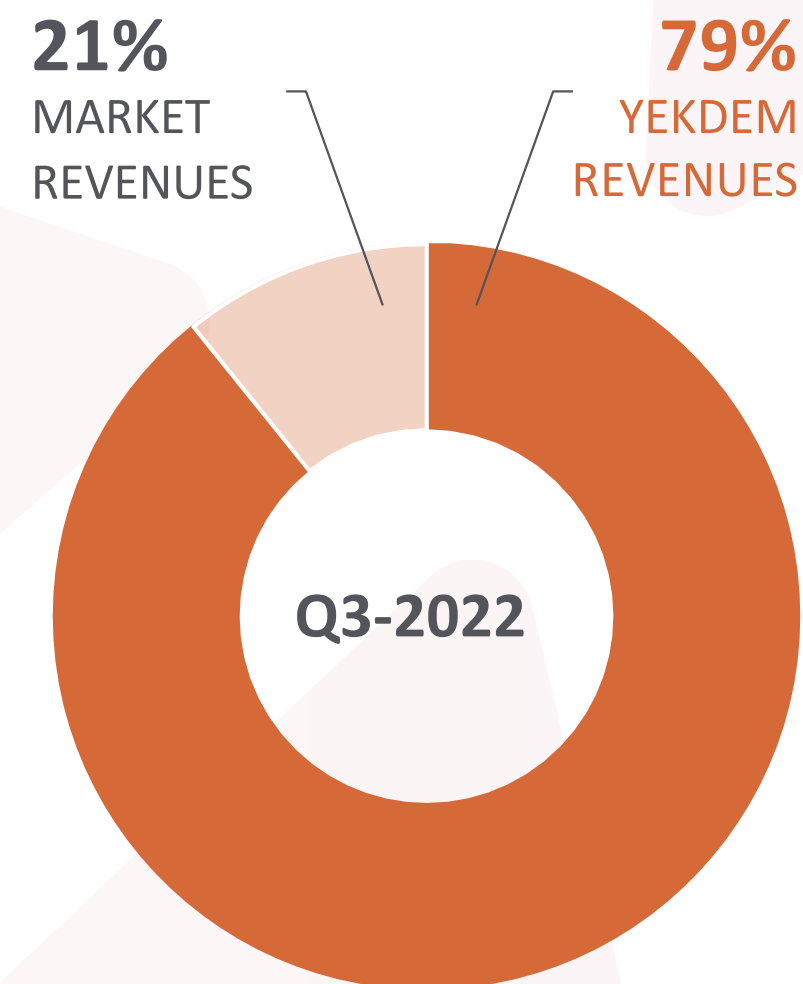
**75.9%** of the hydro installed capacity, of which **27.3% directly<sup>2</sup>** and **48.6% indirectly<sup>3</sup>** benefits from the reservoir. Therefore, peripheral service revenues and capacity payments are received in addition to electricity sales.

Furthermore, it is possible to sell above the spot sales price after the FIT period thanks to storage capability.

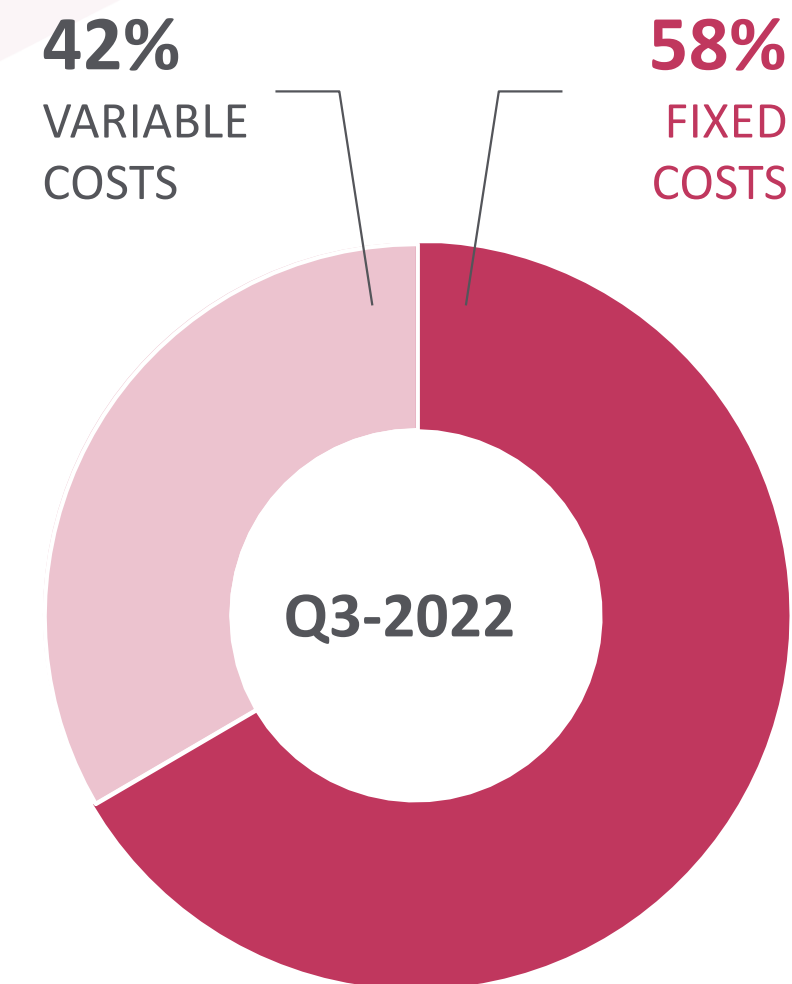
The remaining approx. **4-year** average **FIT** price<sup>2</sup> is **USD 73/MWh** for wind and hydropower plants.

Approximately **75%** of our cost is in **TL**.

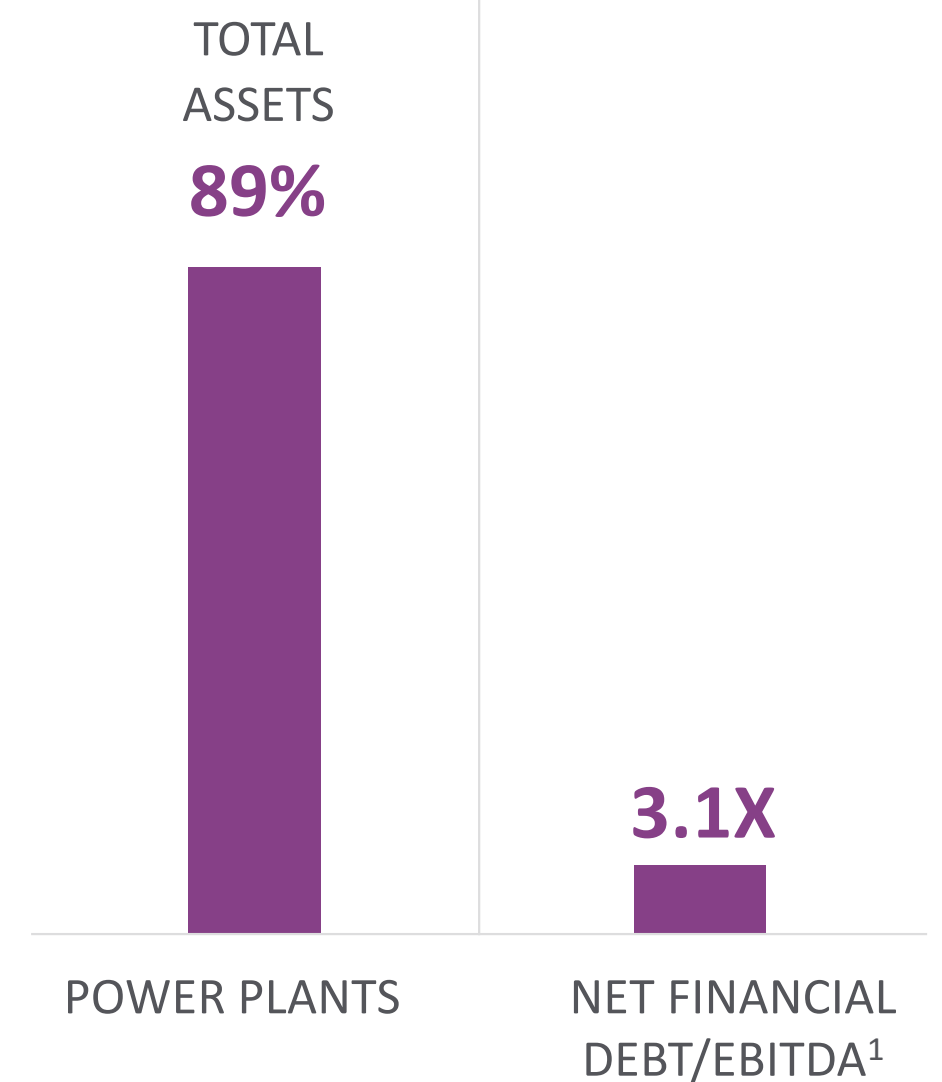
**79% OF THE REVENUES ARE OBTAINED FROM FIT CONTRACTS WITH PURCHASE GUARANTEE**



**LOW OPERATIONAL COST**



**STRONG BALANCE SHEET STRUCTURE (30 SEPTEMBER 2022)**



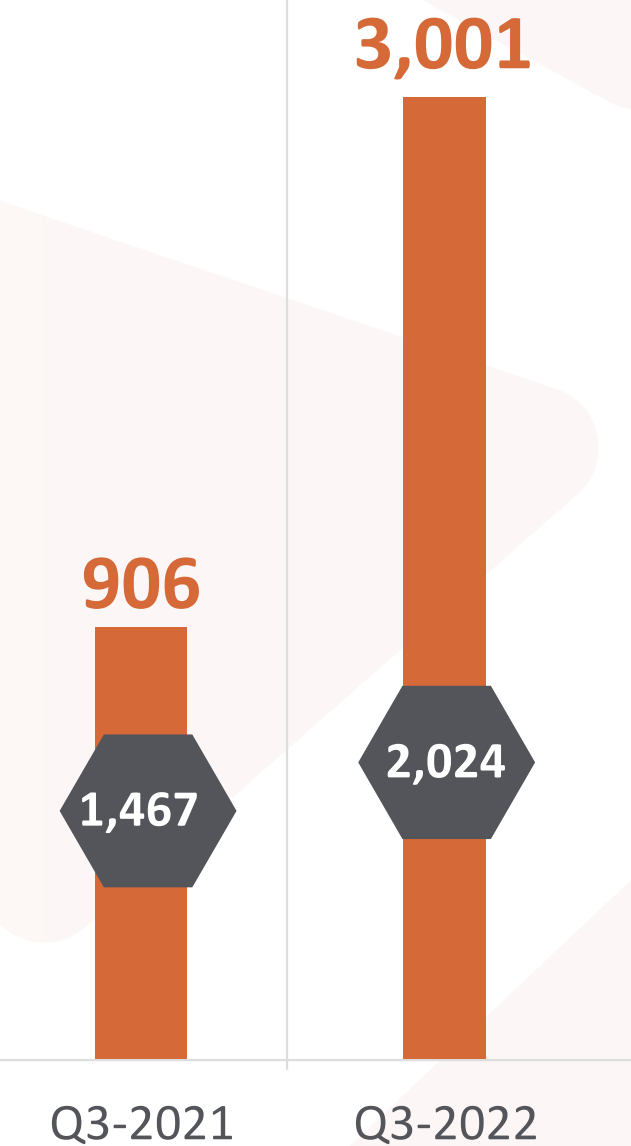




# Strong EBITDA Margin

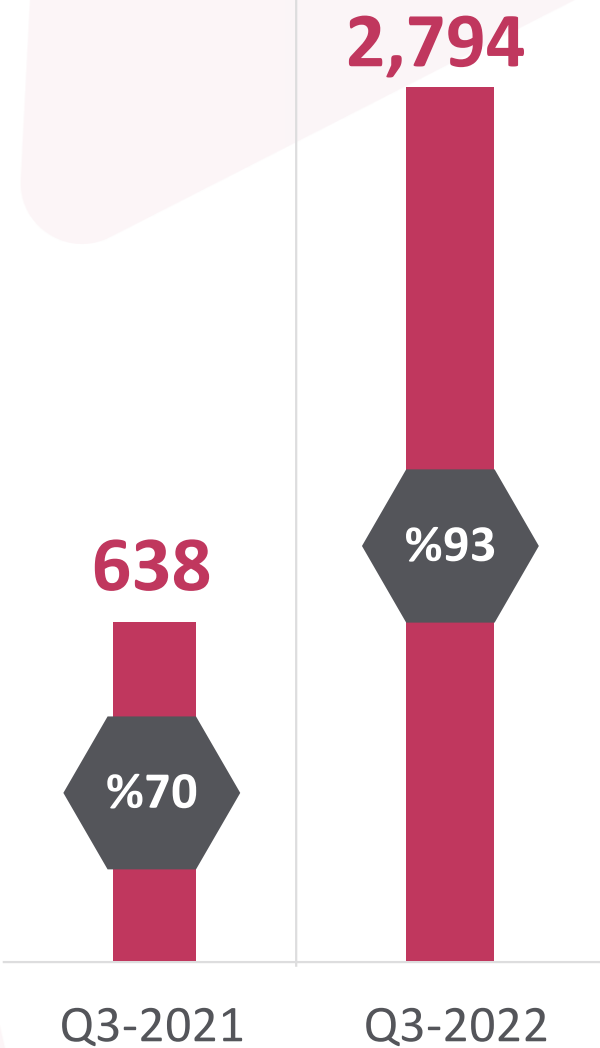
## REVENUES AND GENERATION

- REVENUE (TL mn.)
- GENERATION (GWh)



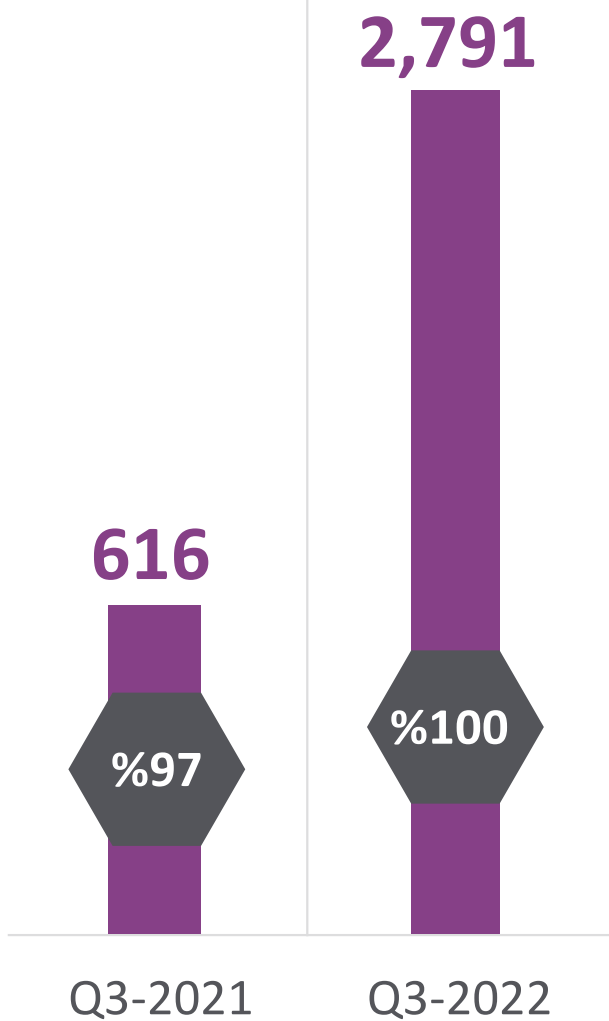
## EBITDA AND EBITDA MARGIN

- EBITDA (TL mn.)
- EBITDA MARGIN



## FREE CASH FLOW<sup>2</sup> (MN TL)

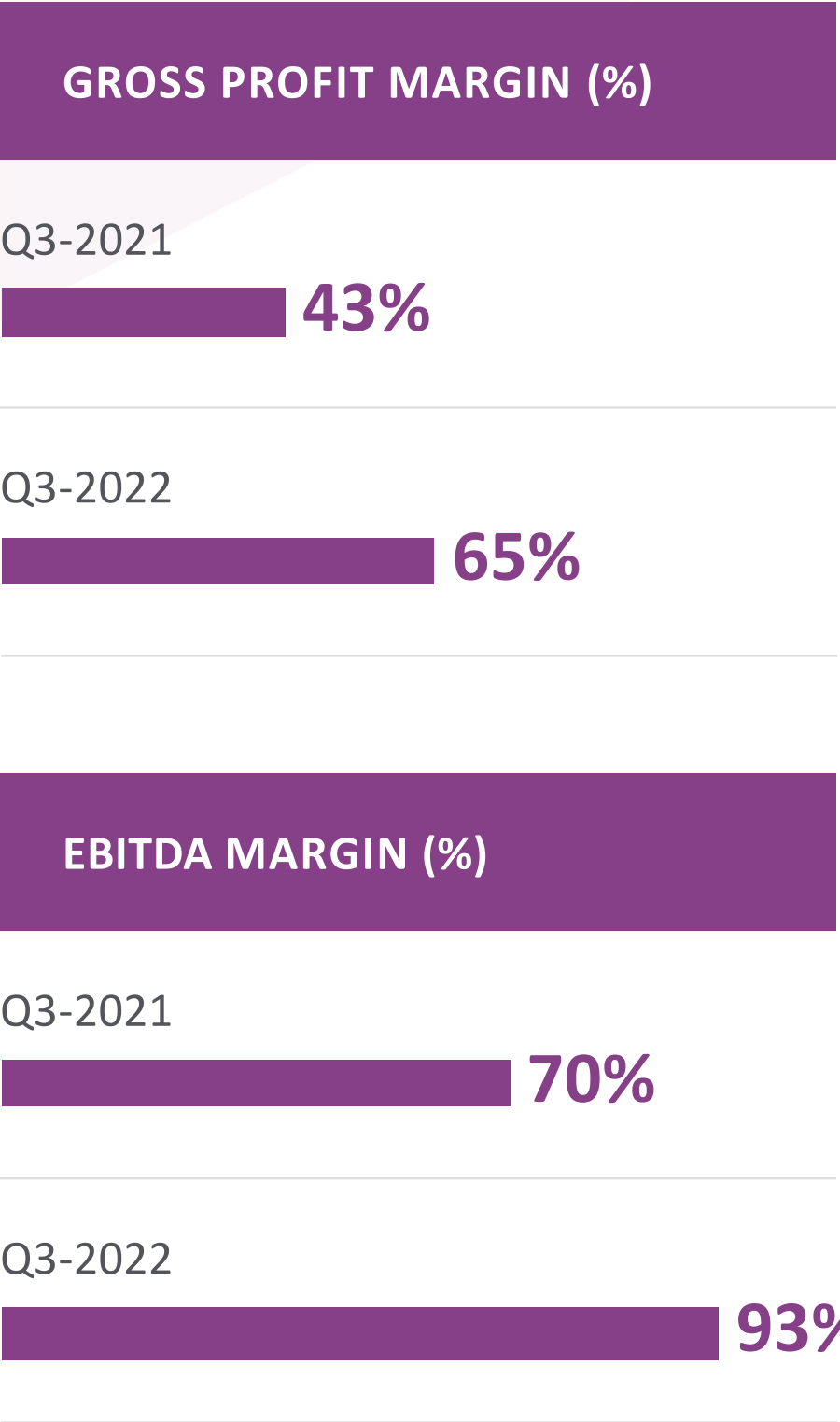
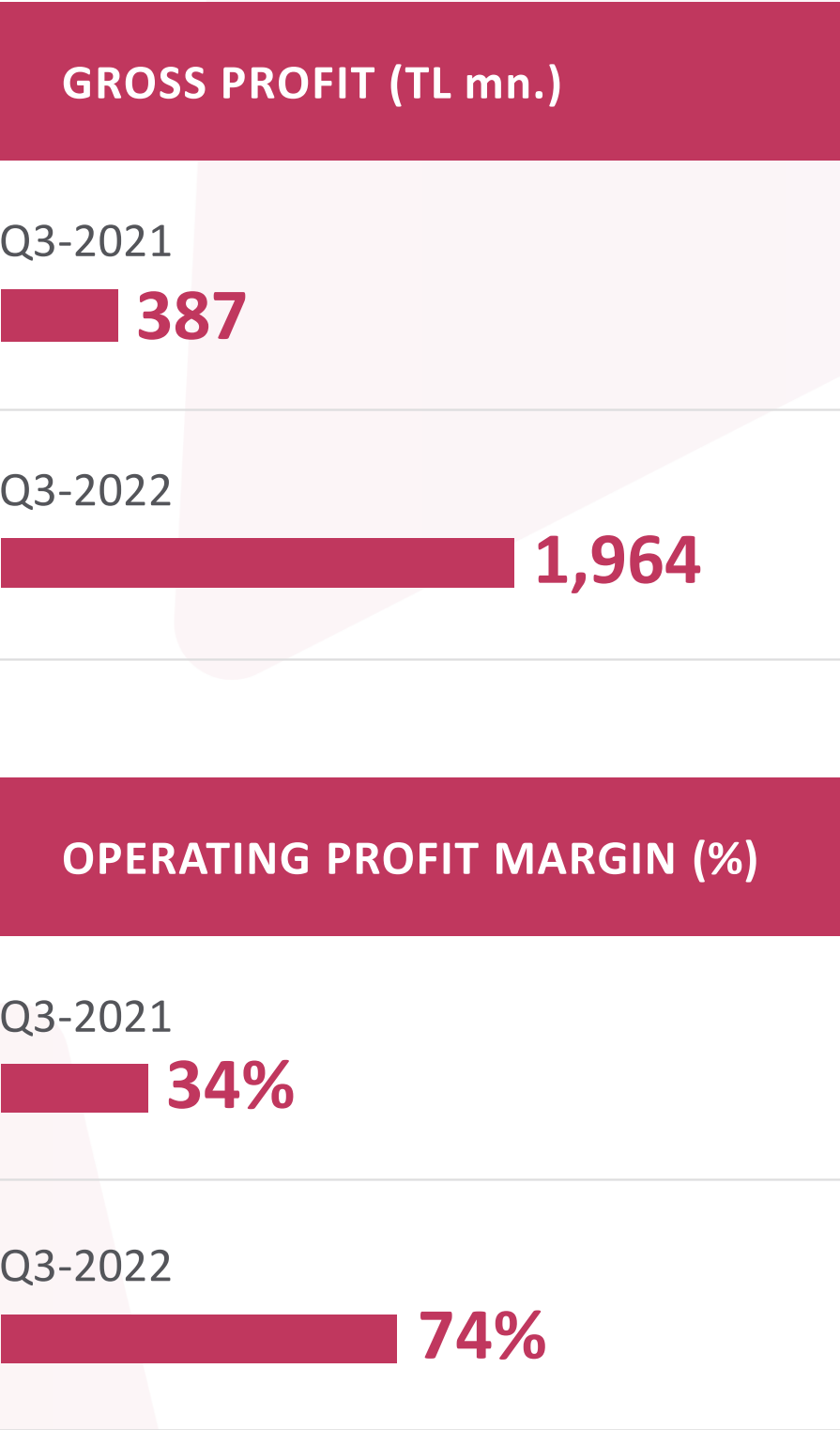
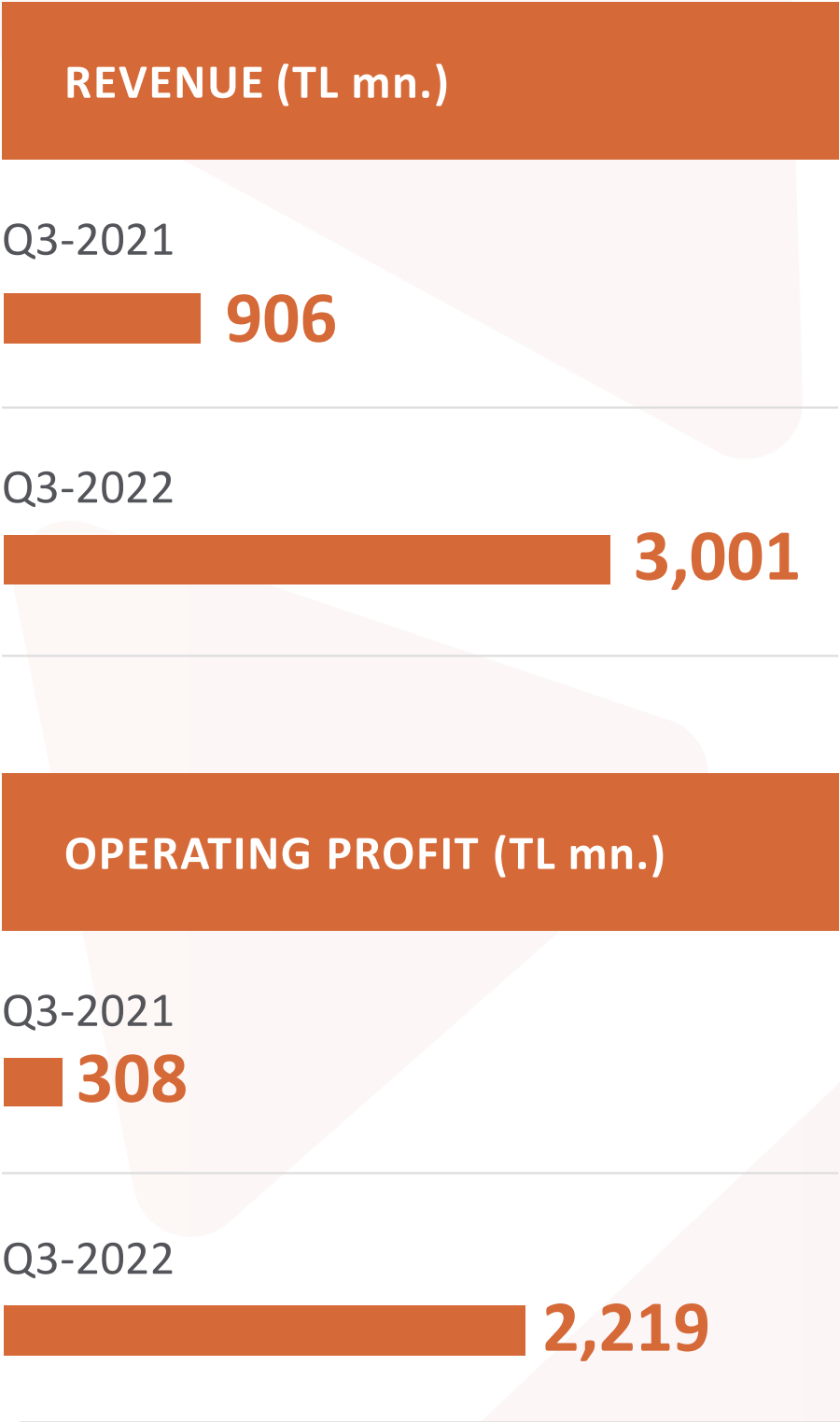
- CASH CYCLE<sup>1</sup>



<sup>1</sup> Calculated as cash flows from operations/EBITDA; <sup>2</sup> Calculated as EBITDA - Maintenance & repair expenses.



# Key Indicators (01.01-30.09)





# Key Indicators (01.01-30.09)

## HIGHLIGHTS

As of February 2, 2022 and August 2, 2022, in order to be transferred into the related investors' accounts, **USD 57.3 mn** has been paid as the **payments of coupons** with regard to our Company's USD 750 million 5.5 year maturity bonds.

Within the scope of our Board of Directors' **buy-back** decision on May 11, 2022 our company purchased **Eurobonds** (XS2368781477) with a nominal value of **USD 39,187,000** between May 11, 2022 and September 30, 2022.

Within the scope of **share buy-back** transactions initiated with the resolution of Board of Directors dated 14.02.2022; between the dates of February 14, 2022 and September 30, 2022, a total of **5,733,502 shares** were bought back.

## CASH AND CASH EQUIVALENTS (TL mn.)

2021


**1,528**

Q3-2022


**1,366**

## NUMBER OF PERSONNEL

2021


**537**

Q3-2022


**539**

## NET PROFIT FOR THE PERIOD (TL mn.)

Q3-2021


**8**

Q3-2022


**906**

## NET FINANCIAL LIABILITIES/EBITDA (USD)

2021


**6.4X**

Q3-2022


**3.1X**

## EARNINGS/(LOSS) PER SHARE (TL)

Q3-2021


**0.01**

Q3-2022


**1.29**



# Annexes

**ANNEX 1** Summary Consolidated Tables (TFRS)

**ANNEX 2** Total Installed Capacity and Breakdown

**ANNEX 3** Generation By Plants

**ANNEX 4** Developments





# Summary Consolidated Tables (TFRS)

| SUMMARY STATEMENT OF FINANCIAL POSITION (TL MN) | Q3-2022       | 2021          |
|---|---------------|---------------|
| Current Assets                                  | 2,700         | 1,740         |
| Non-Current Assets                              | 21,473        | 20,791        |
| <b>Total Assets</b>                             | <b>24,173</b> | <b>22,531</b> |
| Current Liabilities                             | 1,445         | 877           |
| Non-Current Liabilities                         | 14,347        | 11,851        |
| Equity  | 8,381         | 9,803         |
| <b>Total Liabilities</b>                        | <b>24,173</b> | <b>22,531</b> |

| SUMMARY OF PROFIT OR LOSS STATEMENT (TL MN)   | Q3-2022      | Q3-2021    |
|---|--------------|------------|
| <b>Revenue</b>                                | <b>3,001</b> | <b>906</b> |
| Cost of Sales (-)                             | (1,038)      | (520)      |
| <b>Gross Profit</b>                           | <b>1,964</b> | <b>387</b> |
| General Administrative Expenses (-)           | (110)        | (71)       |
| Marketing Expenses (-)                        | -            | -          |
| Other Operating Income/(Expense) Net          | 365          | (8)        |
| <b>Operating Profit</b>                       | <b>2,219</b> | <b>308</b> |
| <b>Depreciation and amortization expenses</b> | <b>575</b>   | <b>330</b> |
| <b>EBITDA</b>                                 | <b>2,794</b> | <b>638</b> |
| <b>EBITDA Margin</b>                          | <b>93%</b>   | <b>70%</b> |
| Net Finance Expense (-)                       | (973)        | (282)      |
| <b>(Loss) / Gain Before Tax</b>               | <b>1,251</b> | <b>28</b>  |
| Tax Expense (-)                               | (345)        | (20)       |
| <b>Net Profit for the Period</b>              | <b>906</b>   | <b>8</b>   |



# Total Installed Capacity and Breakdown

| PROJECT               | INSTALLED CAPACITY (MWe) | ANNUAL GENERATION CAPACITY (GWh) | LOCATION              | LICENSE EX. DATE | FIT EX. DATE |
|-----------------------|--------------------------|----------------------------------|-----------------------|------------------|--------------|
| Bereket 1-2 HPP       | 3.15                     | 12.0                             | Denizli / Honaz       | 18.11.2036       |              |
| Dalaman HPP 1-2-3-4-5 | 37.50                    | 179.0                            | Muğla / Dalaman       | 18.11.2039       |              |
| Feslek HPP            | 8.84                     | 41.2                             | Aydın / Kurtuluş      | 18.11.2044       |              |
| Mentaş HPP            | 49.60                    | 178.7                            | Adana / İmamoğlu      | 18.11.2053       |              |
| Gökyar HPP            | 10.95                    | 43.3                             | Muğla / Dalaman       | 14.12.2044       |              |
| Koyulhisar HPP        | 63.00                    | 337.3                            | Sivas / Koyulhisar    | 10.02.2045       |              |
| Düzce Aksu HPP        | 46.20                    | 141.4                            | Düzce / Gölyaka       | 21.09.2055       | 31.12.2024   |
| Adıgüzel HPP          | 62.00                    | 280.0                            | Denizli / Güney       | 05.05.2066       |              |
| Kemer HPP             | 48.00                    | 62.0                             | Aydın / Bozdoğan      | 05.05.2066       |              |
| Akıncı HPP            | 99.00                    | 448.2                            | Tokat / Reşadiye      | 12.04.2056       | 31.12.2028   |
| Toros HPP             | 49.99                    | 208.6                            | Adana / Karaisalı     | 18.01.2056       | 31.12.2023   |
| Göktaş 1-2 HPP        | 275.60                   | 1,117.7                          | Adana / Kozan, Aladağ | 14.12.2055       | 31.12.2025   |
| Çırakdamı HPP         | 49.10                    | 140.0                            | Giresun / Dereli      | 14.09.2053       | 31.12.2023   |
| Dereli HPP            | 49.20                    | 157.5                            | Giresun / Dereli      | 06.12.2053       | 31.12.2024   |
| Uşak WPP              | 61.50                    | 215.3                            | Uşak / Banaz          | 08.07.2057       | 31.12.2024   |
| Yalova WPP            | 54.00                    | 155.0                            | Yalova / Armutlu      | 08.07.2057       | 31.12.2026   |
| Söke WPP              | 45.00                    | 175.0                            | Aydın / Söke          | 04.01.2061       | 31.12.2026   |
| Kızıldere GPP         | 6.85                     | 38.0                             | Denizli / Sarayköy    | 17.07.2052       |              |

■ HYDROELECTRICITY ■ WIND ■ GEOTHERMAL



# Generation By Plants

## COMPARISON OF GENERATION FIGURES IN Q3 (GWh)

| NAME OF THE POWER PLANT | Q3-2019<br>ACTUAL<br>TOTAL | Q3-2020<br>ACTUAL<br>TOTAL | Q3-2021<br>ACTUAL<br>TOTAL | Q3-2022<br>ACTUAL<br>TOTAL |
|-------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Bereket 1-2 HPP         | 8                          | 8                          | 6                          | 6                          |
| Feslek HPP              | 9                          | 7                          | 7                          | 5                          |
| Dalaman 1-2-3-4-5 HPP   | 101                        | 72                         | 63                         | 83                         |
| Gökyar HPP              | 25                         | 16                         | 14                         | 20                         |
| Mentaş HPP              | 113                        | 87                         | 66                         | 78                         |
| Koyulhisar HPP          | 183                        | 132                        | 95                         | 143                        |
| Toros HPP               | 227                        | 217                        | 81                         | 196                        |
| Aksu HPP                | 82                         | 81                         | 73                         | 90                         |
| Kemer HPP               | 91                         | 57                         | 35                         | 92                         |
| Adıgüzel HPP            | 52                         | 29                         | 4                          | -                          |
| Çırakdamı HPP           | 112                        | 96                         | 62                         | 99                         |
| Dereli HPP              | 111                        | 97                         | 61                         | 96                         |
| Söke WPP                | 122                        | 124                        | 136                        | 137                        |
| Uşak WPP                | 96                         | 102                        | 111                        | 110                        |
| Yalova WPP              | 107                        | 115                        | 108                        | 103                        |
| Kızıldere GPP           | -                          | -                          | -                          | -                          |
| Akıncı HPP              | 349                        | 288                        | 165                        | 238                        |
| Göktaş 1-2 HPP          | 615                        | 733                        | 379                        | 526                        |
| <b>Total</b>            | <b>2,403</b>               | <b>2,261</b>               | <b>1,467</b>               | <b>2,024</b>               |



## Developments\*

The 'Environmental Impact Assessment Positive' decision was taken by the Ministry of Environment, Urbanization and Climate Change for the Uşak WPP hybrid project with an installed capacity of 82.15 MWm, which was approved by EMRA on 30/12/2021.

As of 11.04.2022, a 102 MW turbine purchase agreement (17x6 MW) and a 10-year operating maintenance agreement for the Uşak WPP capacity increase project have been signed between our Company and Goldwind International Renewable Energy Limited.

Within the scope of our Board of Directors' buy-back decision on May 11, 2022 our company purchased Eurobonds (XS2368781477) with a nominal value of USD 39,187,000 between May 11, 2022 and September 30, 2022.

As of April, 20th, 2022, Corporate Governance Rating Score of our Company has been identified as 9,48 (out of 10) by SAHA Kurumsal Yönetim ve Kredi Derecelendirme Hizmetleri A.Ş., following initial performance appraisal measuring compliance with Corporate Governance Principles published by Capital Markets Board.

As of July 18th, 2022, our company (Aydem Yenilenebilir Enerji A.Ş.) has been evaluated by JCR Eurasia Rating A.Ş. Our Long-Term National Issuer Credit Rating has been affirmed as "BBB+ (tr)", Short-Term National Issuer Credit Rating as "J2 (tr)" and outlook as "Stable" in the investment-level category.

As of 13.06.2022, the application of Investment Incentive Certificate has been approved within the scope of the general-expansion investment project to be realized in electricity generation, transmission and distribution in our WPP project with a wind installed power of 114.30 MW in Uşak-Banaz by Republic Of Turkey Ministry of Industry and Technology. In this context, Investment Incentive Document No. 535676 was issued on our behalf of the investment project amounting to TL 615,623,306 to be realized with domestic capital.

As specified in the resolution of the Board of Directors of our company dated 15.06.2022, the contract regarding the lease of the landfill gas (LFG) generated at the Kumkısıık Solid Waste Disposal Facility, signed by and between Denizli Metropolitan Municipality (Denizli Büyükşehir Belediye Başkanlığı) and our Company, the lease term is expired by 16.06.2022. As of 16.06.2022, our Company will not produce electricity at the LFG Power Plant due to the expiration of the lease term and the generation license.

In line with the Board Decision of the Energy Market Regulatory Authority (EMRA) dated 12 May 2022 and numbered 10971, the installed power capacity of SÖKE WPP was increased by 15% to 51.75 MWe, valid until 30 September 2022.

Within the scope of share buy-back transactions initiated with the resolution of Board of Directors dated 14.02.2022; between the dates of February 14, 2022 and September 30, 2022, a total of 5,733,502 shares were bought back.



## Developments\*

As of August 7, 2022, the application of **Investment Incentive Certificate** has been approved within the scope of the general-expansion investment project to be realized by our company in the field of electricity generation, transmission and distribution based on the solar power plant (SPP), to which 82.15 MW of mechanical (DC) power - 71.73 MW of electrical (AC) power will be added as an auxiliary source to the 114.30 MW wind power plant (WPP) in Uşak-Banaz by Republic Of Turkey Ministry of Industry and Technology. In this context, Investment Incentive Document No. 537066 was issued on our behalf of the investment project amounting to TL 651,161,675 to be realized with domestic capital.

As of July 18, 2022, International Credit Rating Agency Fitch Ratings has revised our Company's long term (LTR) rating as "B" which was previously "B+" to reflect its decision to downgrade Türkiye's sovereign rating announced on July 8, 2022. The outlook of our Company has been affirmed as "Negative".

On July 28, 2022, International credit rating agency S&P Global Ratings has affirmed Aydem Renewables' long term (LT IDR) rating at "B" and the outlook of our Company has been affirmed as "Stable".

As of February 2, 2022 and August 2, 2022, in order to be transferred into the related investors' accounts, USD 57,323,650.00 has been paid as the payments of first and second coupons with regard to our Company's USD 750 million 5.5 year maturity bonds.

# Developments – Subsequent Events\*

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Within the scope of our Board of Directors' buy-back decision on May 11, 2022 our company purchased Eurobonds (XS2368781477) with a nominal value of **USD 6,602,000** between October 1, 2022 and November 7, 2022.



# Contact

## INVESTOR RELATIONS

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Investor Relations Manager

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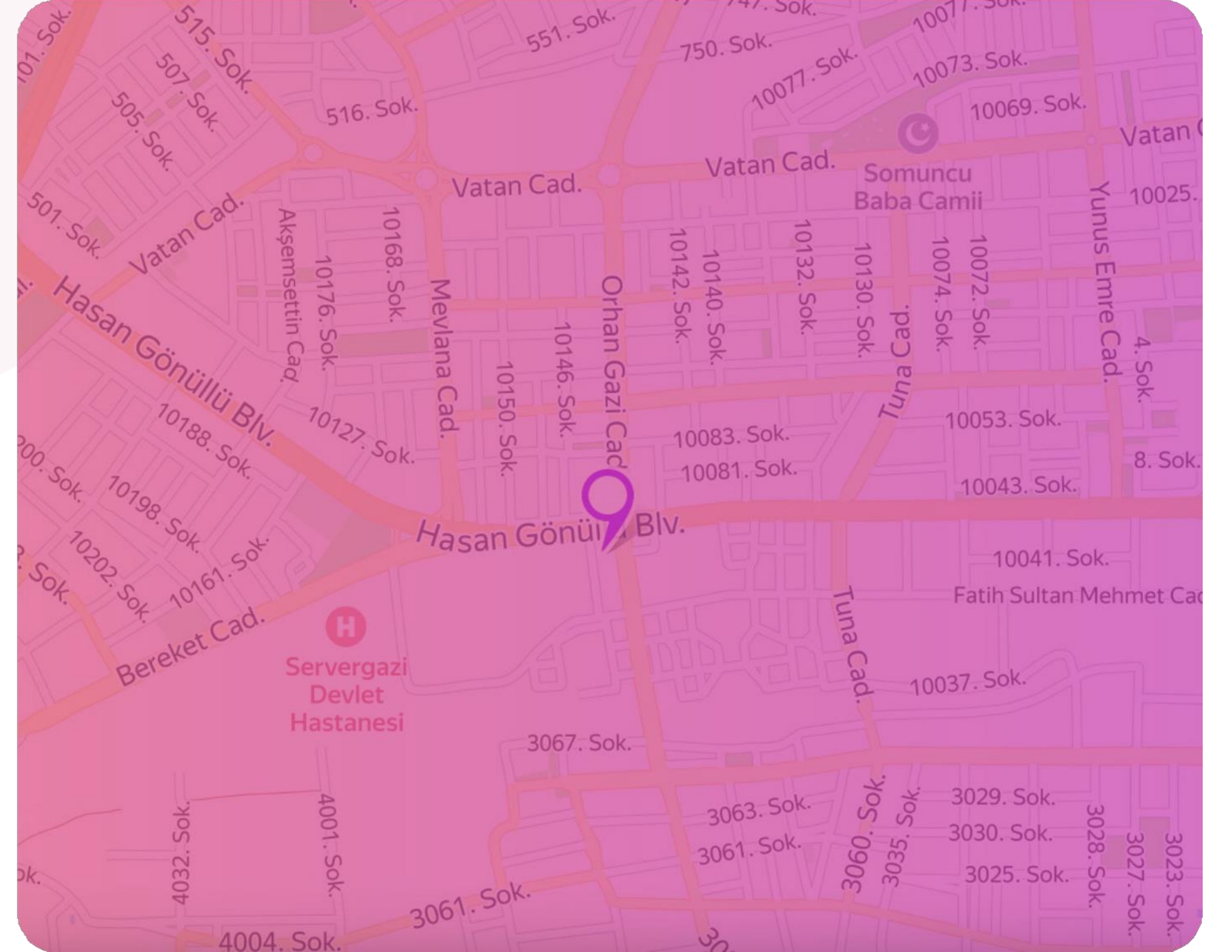
[investorrelations@aydemenerji.com.tr](mailto:investorrelations@aydemenerji.com.tr)

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## HEADQUARTERS

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# Disclosure Note

All of the information and data in this presentation were prepared only to provide information and contain forward-looking statements that reflect the current views of the Company management regarding certain future events. Expectations and predictions in these statements are believed to be reasonable but are based on a number of assumptions. Various changes and variables that may occur in line with these assumptions may cause significantly different actual results compared to those predicted.

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