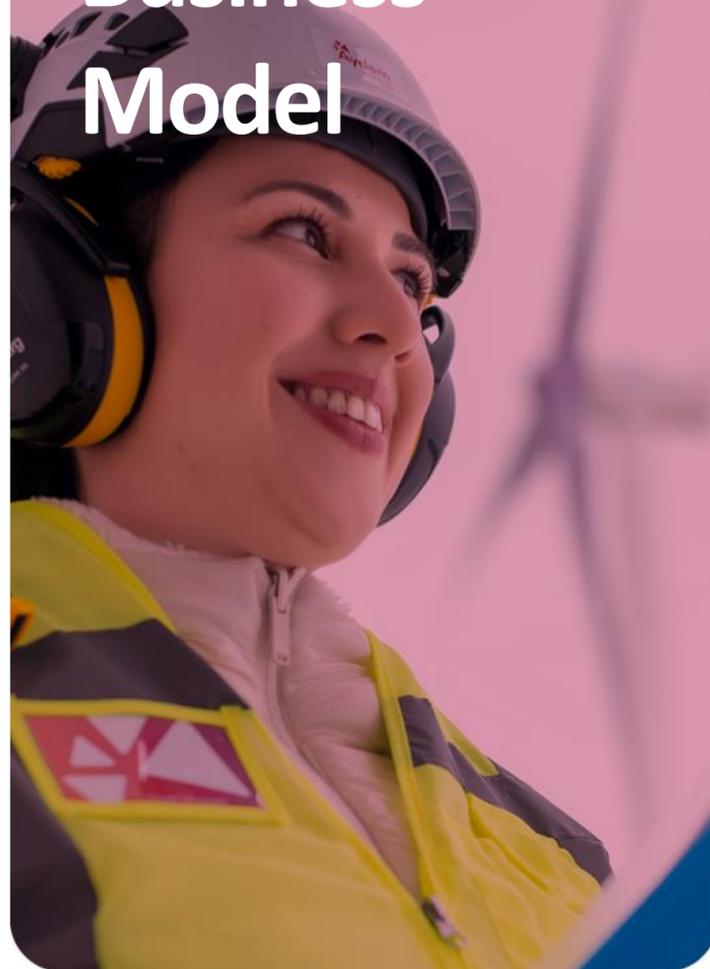


# Aydem Renewables Investor Presentation 2021/Q4



# Contents

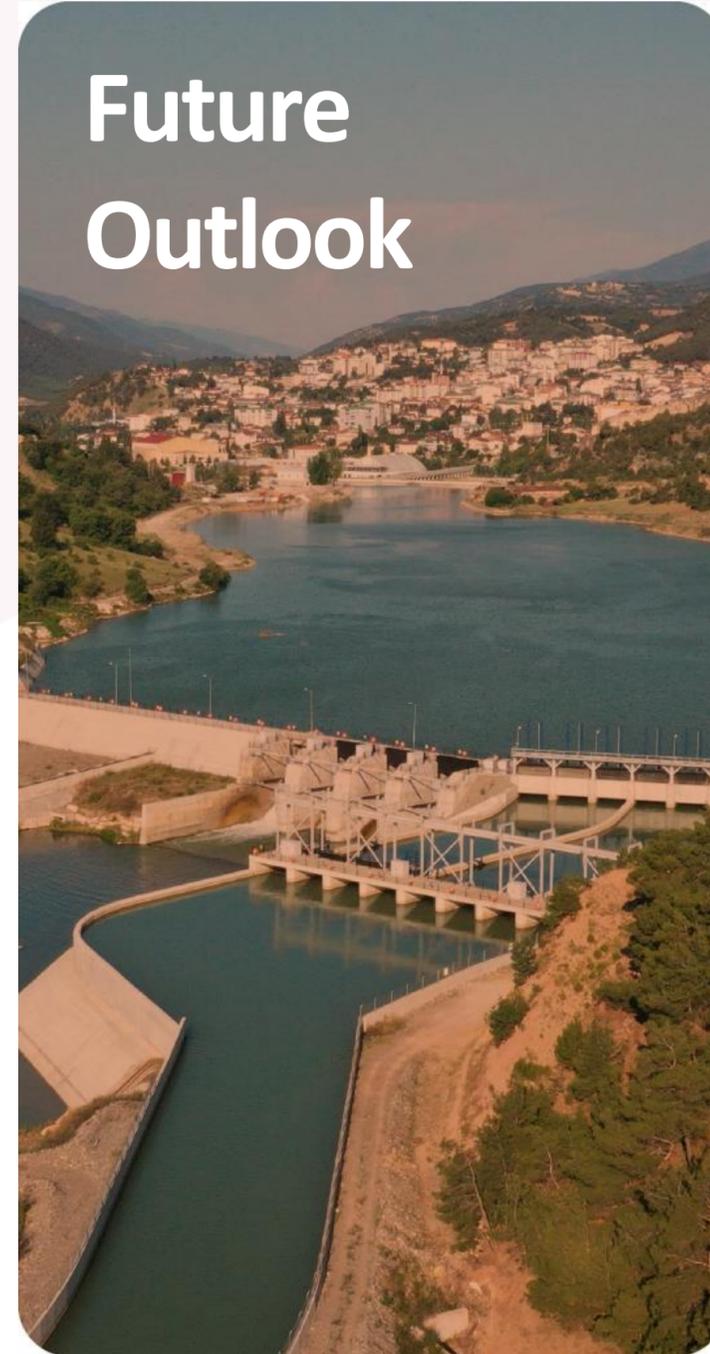
Sustainable  
Value-Creating  
Business  
Model



Results and  
Developments



Future  
Outlook



# Sustainable Value-Creating Business Model

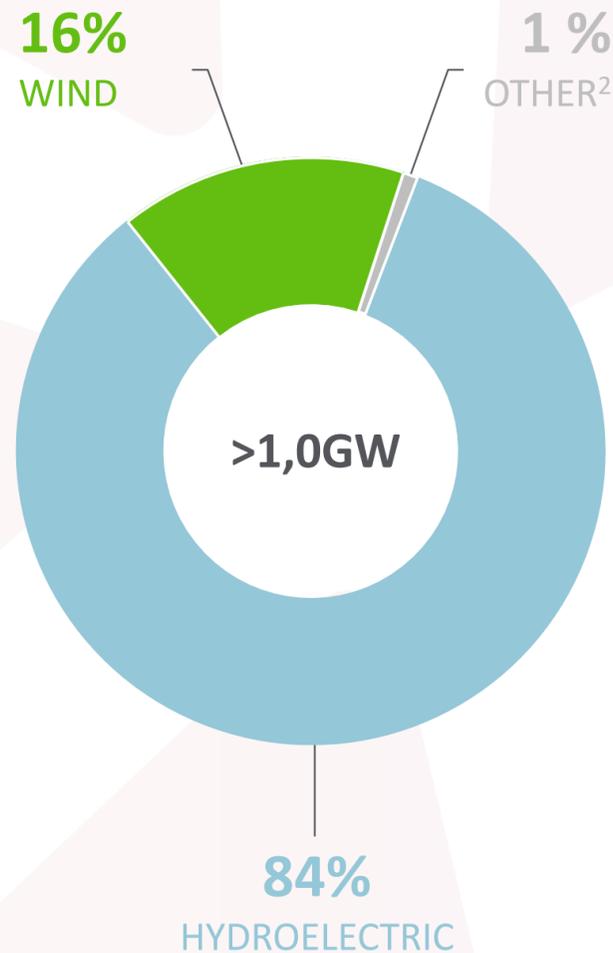




# Turkey's Biggest 100% Renewable Energy Company

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

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



SOLID AND SUSTAINABLE BUSINESS MODEL

100% Green energy

87% Revenue in USD

Geographical diversity advantage

New and modern facilities

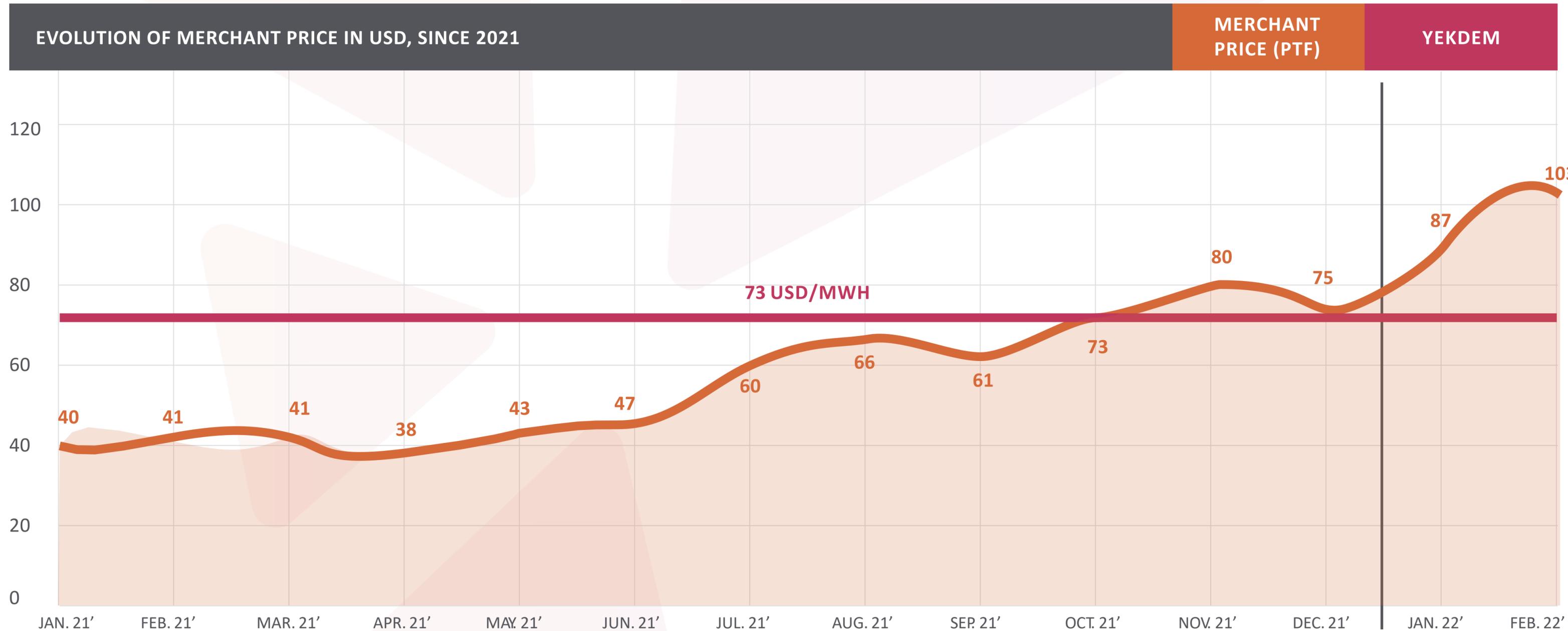
STRONG FINANCIAL PERFORMANCE (2021)

**TL 872 Million**  
EBITDA

**70%**  
EBITDA Margin

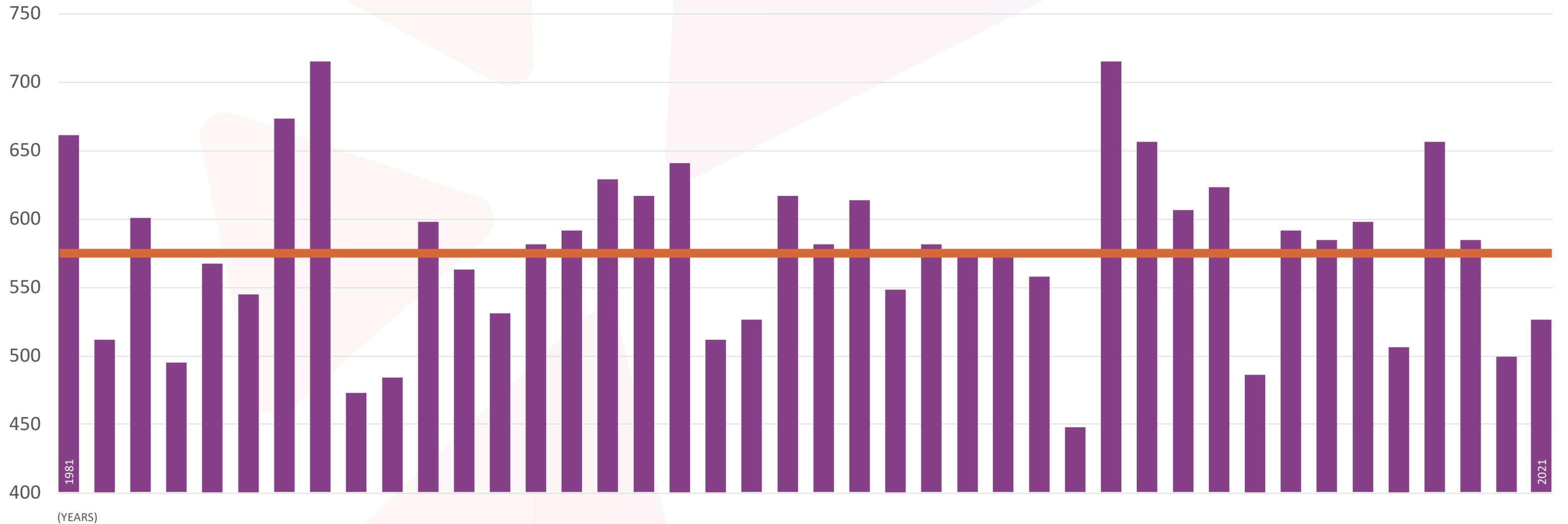


# Factors That Affect Generation



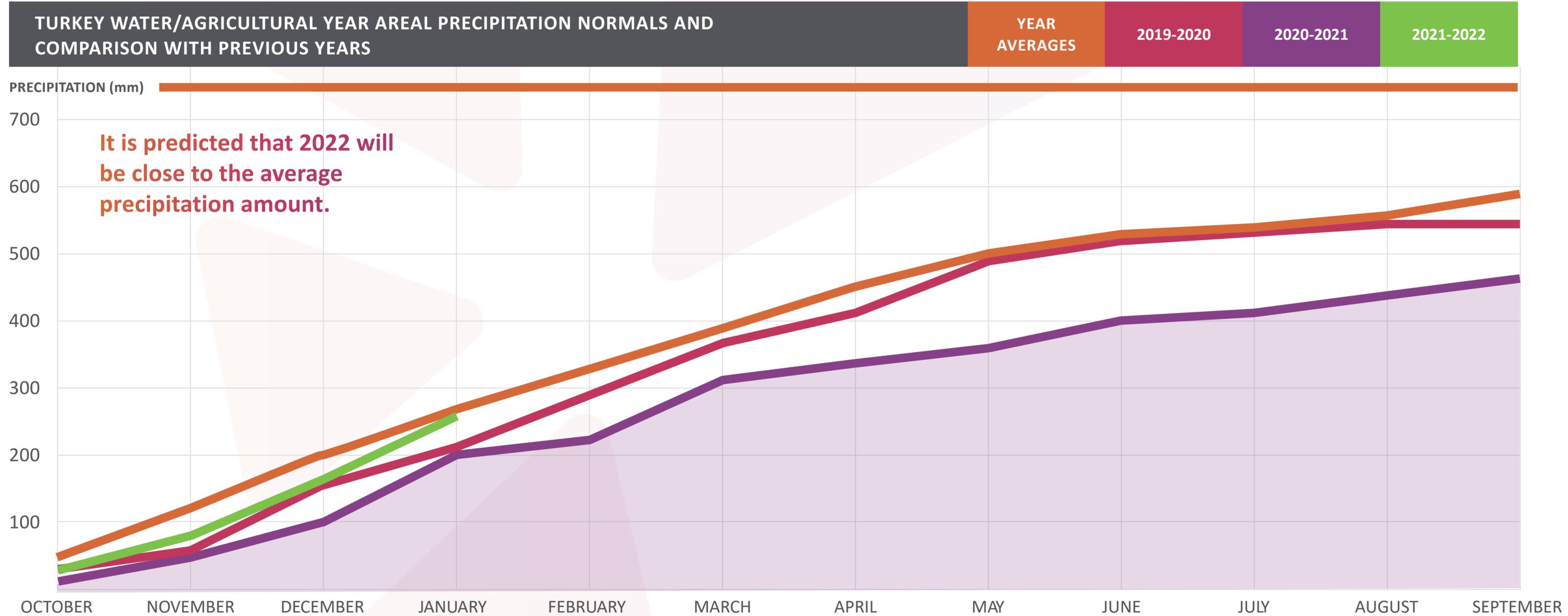
<sup>1</sup> According to the installed capacity of renewable energy generation only  
<sup>2</sup> Geothermal and biogas

# Factors That Affect Generation

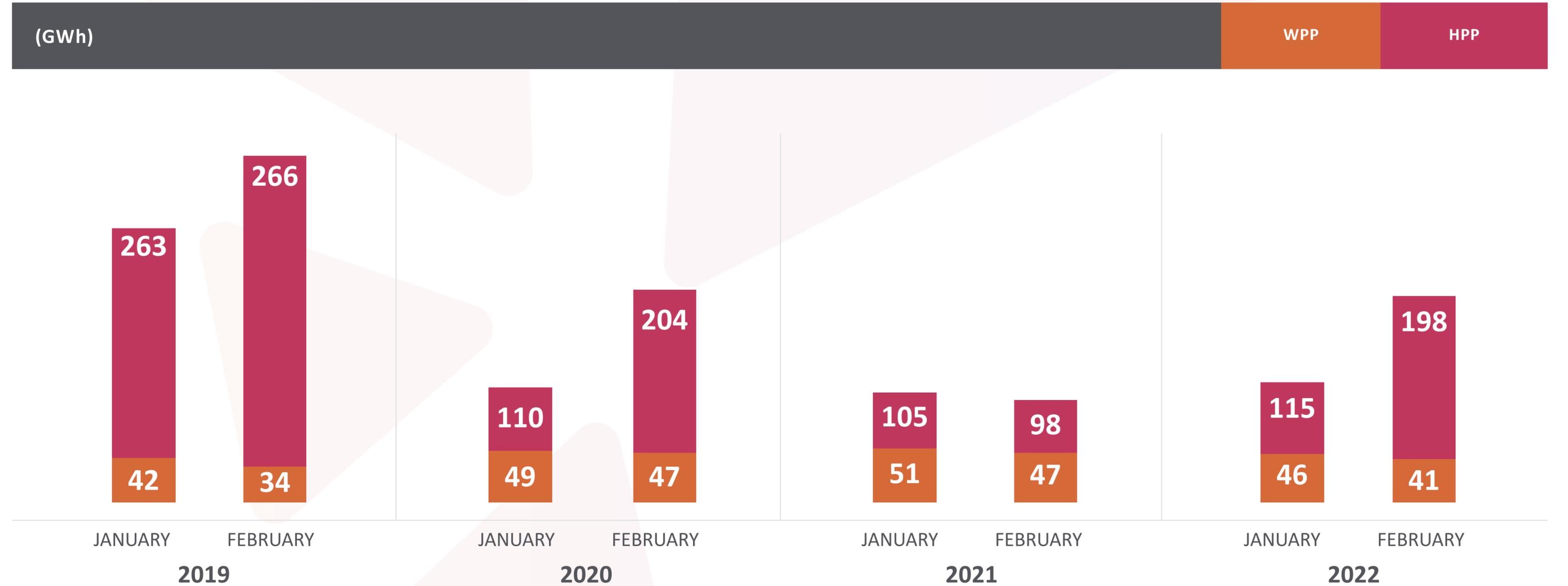




# Factors That Affect Generation



# Electricity Generation By Plant Type



# Future Outlook

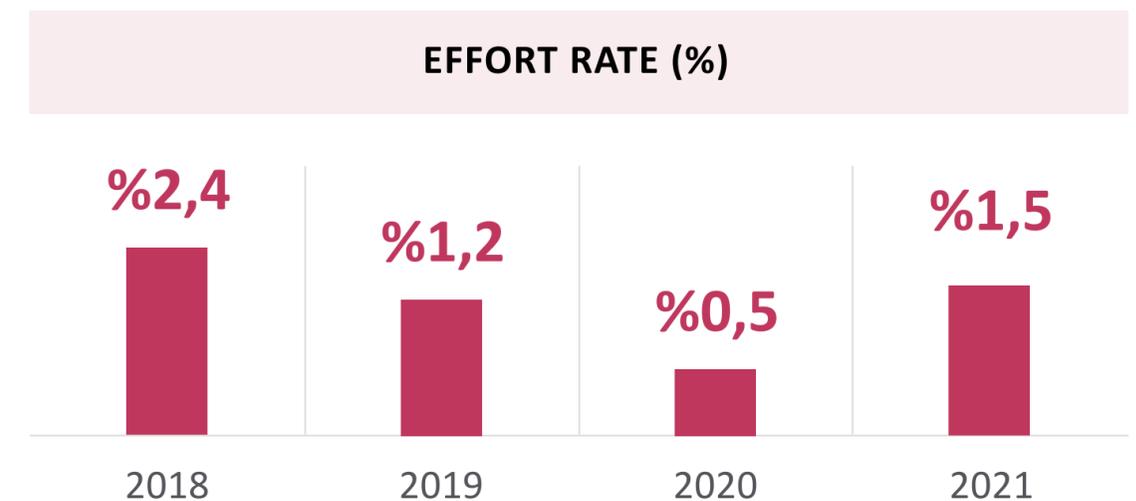
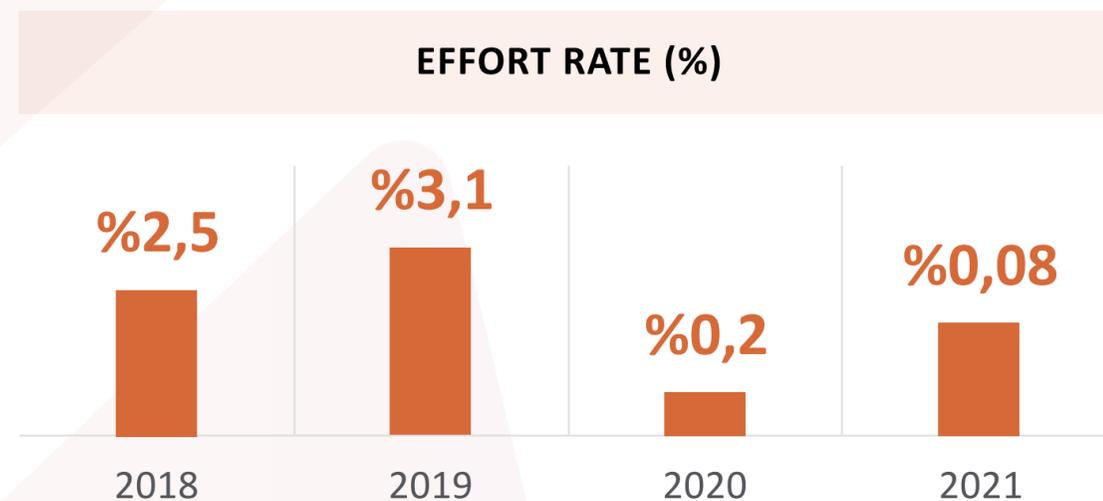
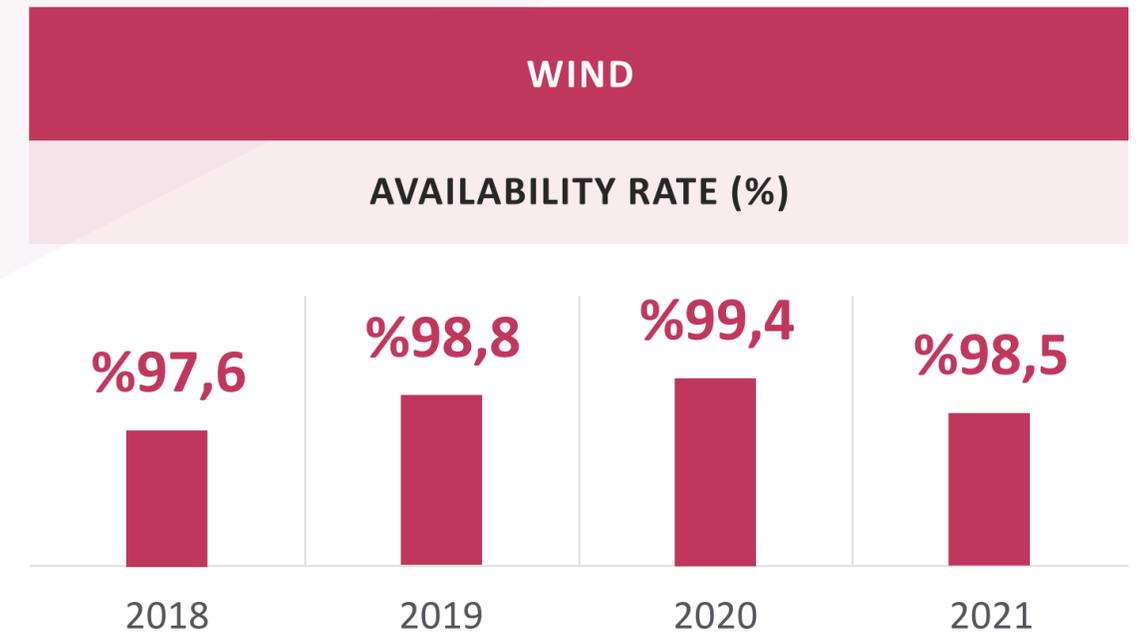




# High Performance, Modern and Young Assets

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

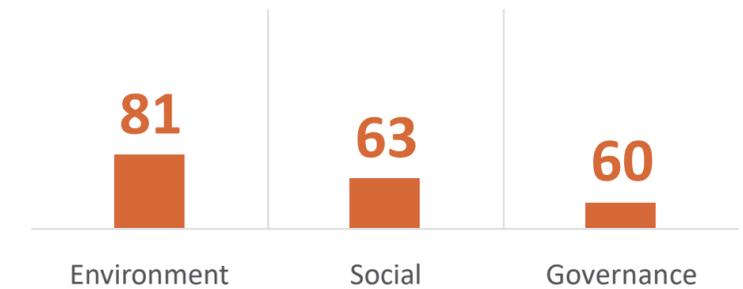
- Aydem Renewables obtained the "A1 Advanced Level" rating, the highest rate, by Moody's/Vigeo Eiris.
- (Highest A1+, lowest D3-)
- A1+ is only given to S&P500 companies.

## IN THE FIRST 2 PERCENTILE

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

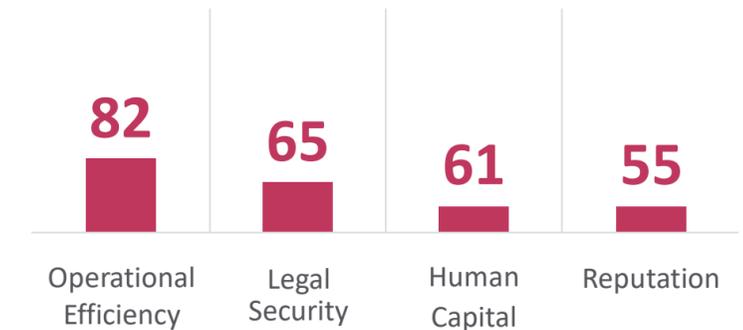
### OVERALL ESG RATING

ESG SCORE 65



### ESG RATING BY SUB-CATEGORY

ESG SCORE 65



# Flexible Cash Flow Generation and Organic Hybrid Growth

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



## Hybrid Generation Capacity Increase

~ 200 MW hybrid solar capabilities

Ability to increase capacity factor through auxiliary resource

102 MW of the capacity is expected to be commissioned in the first half of 2022, 35 MW of the capacity is expected to be commissioned in the second half of 2022. The remaining ~60 MW is planned to be commissioned in the first 6 months of 2023.



## Wind Energy Capacity Increase

120 MW additional wind capacity (106 MW for Uşak WPP, 6 MW for Yalova WPP, 6 MW for Söke WPP)

These capacities are planned to be commissioned by the end of 2022.

Additional 40 MW wind capacities is planned to be commissioned in the first half of 2023.

**Aydem Renewables plans to commission all its investments with an installed capacity of 356 MW at the end of 2023.**

Therefore, Aydem will start to carry out its activities by benefiting from the power capacity increases of these investments starting from the first 6 months of 2022.

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

## Developments in 2021

We held the largest IPO of the last 3 years with a volume of TL 1.3 billion.



In the Environmental, Social, & Governance (ESG) performance ranking held by the international independent rating agency Moody's/Vigeo Eiris, Aydem Renewables ranked 1st in its sector in Turkey this year. Aydem Renewables moved up from 2nd place to 1st place in the "Emerging Markets" world ranking.



We held the largest green bond issuance of Turkey with a volume of USD 750 million. With our first Eurobond issuance, we held the highest amount of bond issuance in Turkey at one time. Additionally, we carried out the largest transaction by a renewable energy company in the Central & Eastern Europe, Middle East, and Africa region.



United Nations  
Global Compact

After becoming a signatory to the United Nations Global Compact (UNGC) in 2020, we became a participant of the UNGC in 2021.

# Developments in 2021

**Great  
Place  
To  
Work®**

In line with our goal of becoming the number 1 employer brand in the energy sector, we were ranked as the 4th among the 100 companies in the “Best Employers of Turkey” survey, organized by the Great Place To Work Institute®.



We achieved another important success as a result of the improvement and innovation investments we made in production processes in line with our goal of being carbon neutral. We took our place among the leaders of the Electricity Services Category in Turkey with the “B Management Level” degree we achieved in the CDP 2021 Climate Change and Water Security Program, in which 13 thousand companies around the world participated; We have become the company with the highest SER score in its sector in Turkey by raising it to ‘A-Leadership Level’ in the Supplier Loyalty Rating (SER).



After earning 2 awards with the project to change the colors of turbine blades to prevent bird deaths and the LFG power plant project that produces energy from methane gas, Aydem Renewables was deemed worthy of the Low Carbon Hero Award for the 3rd time by the Sustainable Production and Consumption Association with Akıncı HPP, our power plant that prevents more than 230 thousand tons of carbon dioxide emissions on an annual basis.



In order to raise awareness about domestic violence and establish a system in which Aydem Renewables employees who are victims can speak up freely and get assistance, we have published our Procedure for Combating Domestic Violence.

# Results and Developments





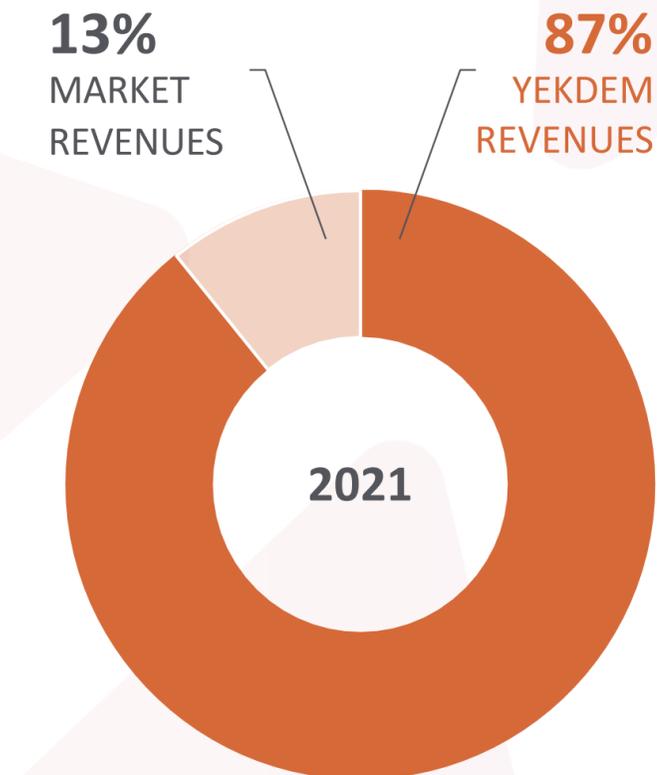
# Low-Risk Financial Profile with Strong Cash Flow and USD-Based Income

75.9% of the hydro installed capacity, of which 27.3% directly and 48.6% indirectly 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 YEKDEM period thanks to storage capability.

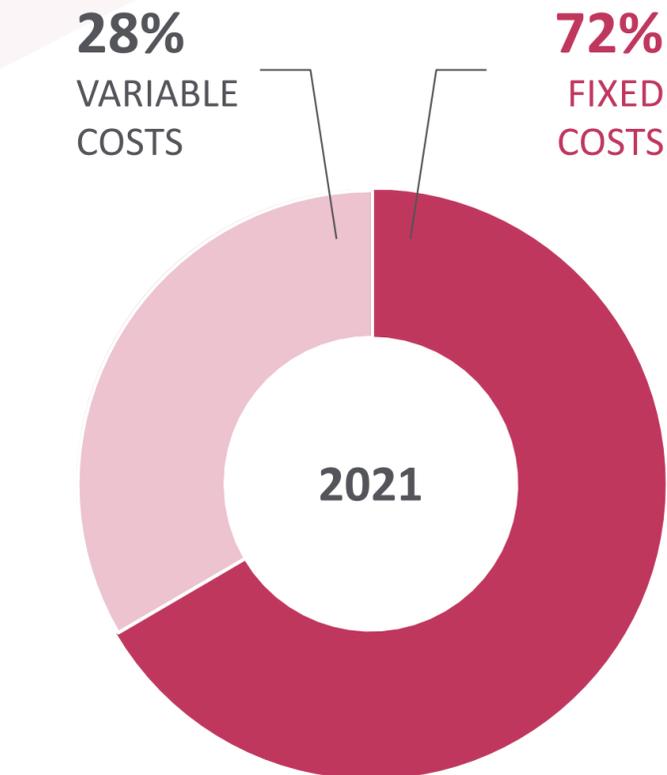
The remaining 4-year average YEKDEM price<sup>2</sup> is USD 73/MWh for wind and hydropower plants.

Approximately 75% of our cost is in TL.

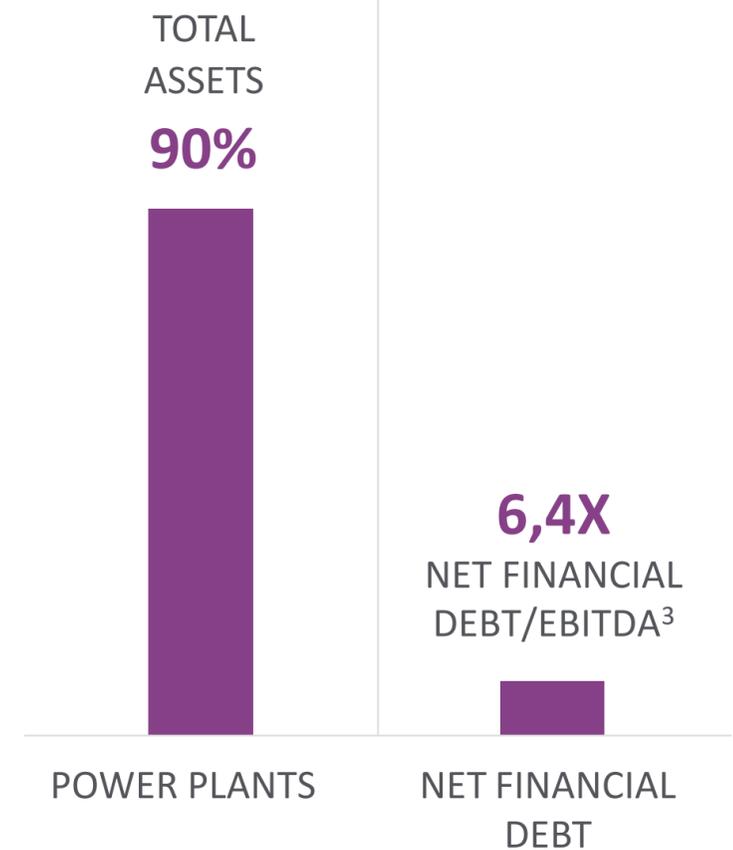
87% OF THE REVENUES ARE OBTAINED FROM YEKDEM<sup>1</sup> CONTRACTS WITH PURCHASE GUARANTEE



LOW OPERATIONAL COST



STRONG BALANCE SHEET STRUCTURE  
DECEMBER 31, 2021



Note: <sup>1</sup> Price guarantee of USD 73/MWh for hydro and wind, USD 105/MWh for geothermal, USD 105/MWh for biogas, and additional increase over the use of domestic goods in power plants; <sup>2</sup> As of 2021; <sup>3</sup> 6.4x indebtedness was calculated in USD <sup>4</sup> Gökteş I, Adıgüzel, and Kemer power plants benefit directly from the reservoir <sup>5</sup> Gökteş II, Dalaman I-V, Bereket I-II, Feslek, Koyulhisar, Mentaş, and Akıncı power plants benefit indirectly from the reservoir.

# Strong EBITDA Margin

## 2021 HIGHLIGHTS

### DRIEST YEAR IN TURKEY IN THE LAST 60 YEARS

The precipitation rate in Turkey hit a 60-year low in 2021.<sup>1</sup>

In 2021, rainfall decreased 16% compared to 2020.<sup>1</sup>

### COVID-19 PANDEMIC

The pandemic in 2020 and 2021 had a limited impact on Aydem.

All facilities continued their activities.

Due to the YEKDEM protection against price volatility and the relatively stable demand, electricity prices fell less compared to Europe.

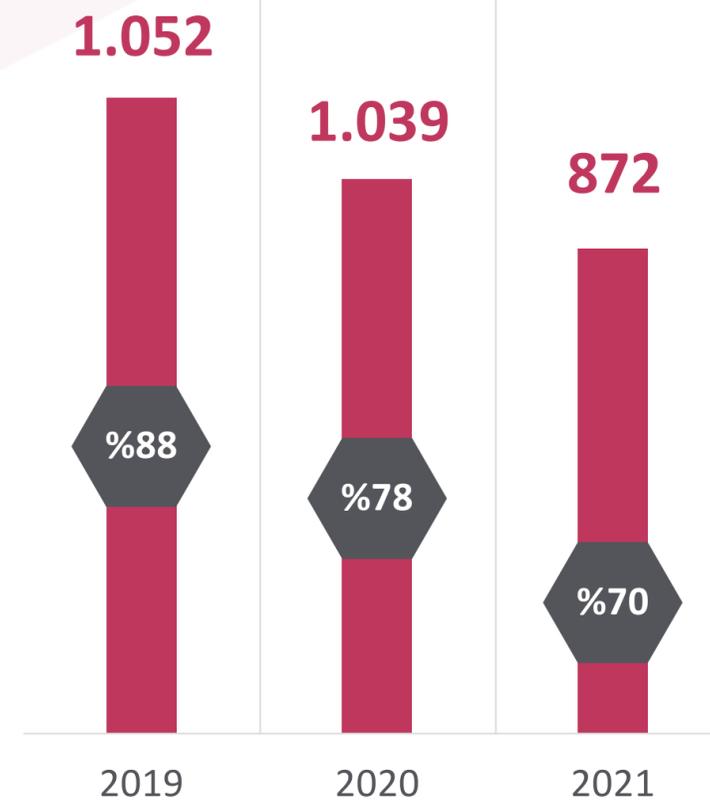
## REVENUES AND GENERATION

■ REVENUE (TL MILLION)  
 ◆ GENERATION (TWH)



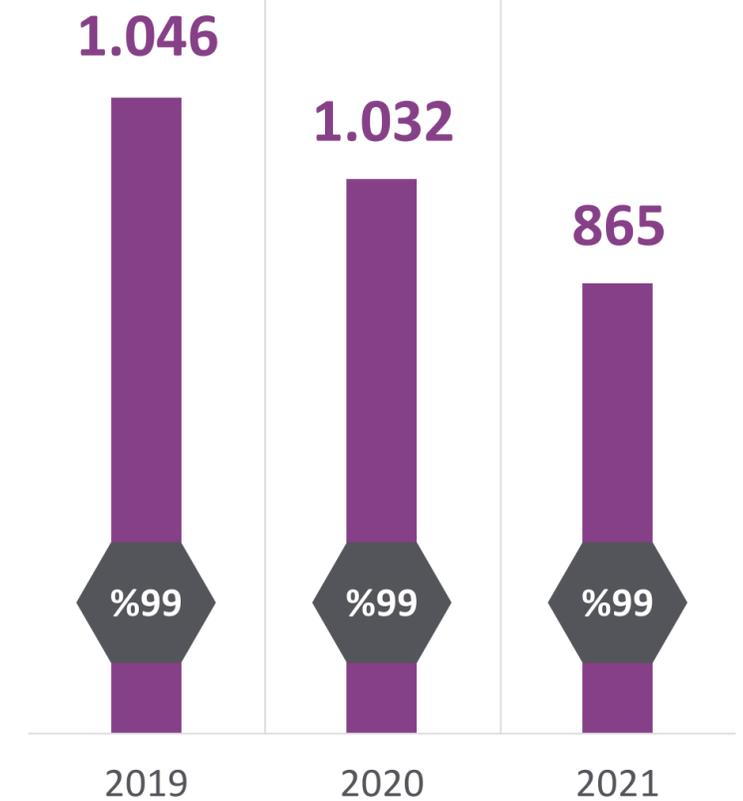
## EBITDA AND EBITDA MARGIN

■ EBITDA (TL MILLION)  
 ◆ EBITDA MARGIN



## FREE CASH FLOW<sup>3</sup> (TL MILLION)

◆ CASH CYCLE<sup>2</sup>



# Key Indicators

## HIGHLIGHTS

**THE REASON FOR THE MARGIN DECREASES IN THE POWER PLANTS IS THE DECREASE IN PRODUCTION DUE TO DROUGHT IN THE REGIONS.**

The precipitation rate in Turkey hit a 60-year low in 2021.<sup>1</sup>

In 2021, rainfall decreased 16% compared to 2020.<sup>1</sup>

## TURNOVER (TL MILLION)

2020  
1.340

2021  
1.241

## GROSS PROFIT (TL MILLION)

2020  
767

2021  
515

## GROSS PROFIT MARGIN (%)

2020  
%57

2021  
%41

## OPERATING PROFIT (TL MILLION)

2020  
683

2021  
417

## OPERATING PROFIT MARGIN (%)

2020  
%51

2021  
%34

## EBITDA MARGIN (%)

2020  
%78

2021  
%70

# Key Indicators

## HIGHLIGHTS

**THE TOTAL NUMBER OF EMPLOYEES REACHED 537 WITH 43 NEW RECRUITS.**

On August 2, 2021, a fixed-interest Eurobond with a nominal value of USD 750 million was issued to be traded on Dublin Euronext.

The increase in cash and cash equivalents occurred because the balance remaining after closing the loans as a result of the Eurobond issuance is kept as a time deposit and the positive effect of the increase in the FX rate.

The total number of employees is 537, including 43 new recruits.

### CASH AND CASH EQUIVALENTS (TL MILLION)

2020


**146**

2021


**1.528**

### NET FINANCIAL LIABILITIES / SHAREHOLDERS' EQUITY (TL MILLION)

2020


**%81**

2021


**%87**

### NUMBER OF PERSONNEL

2020


**519**

2021


**537**

### NET FINANCIAL LIABILITIES/EBITDA (IN USD)\*

2020


**4,3X**

2021


**6,4X**

### NET PROFIT/LOSS FOR THE YEAR (TL MILLION)

2020


**(557)**

2021


**(120)**

### EARNINGS/(LOSS) PER SHARE

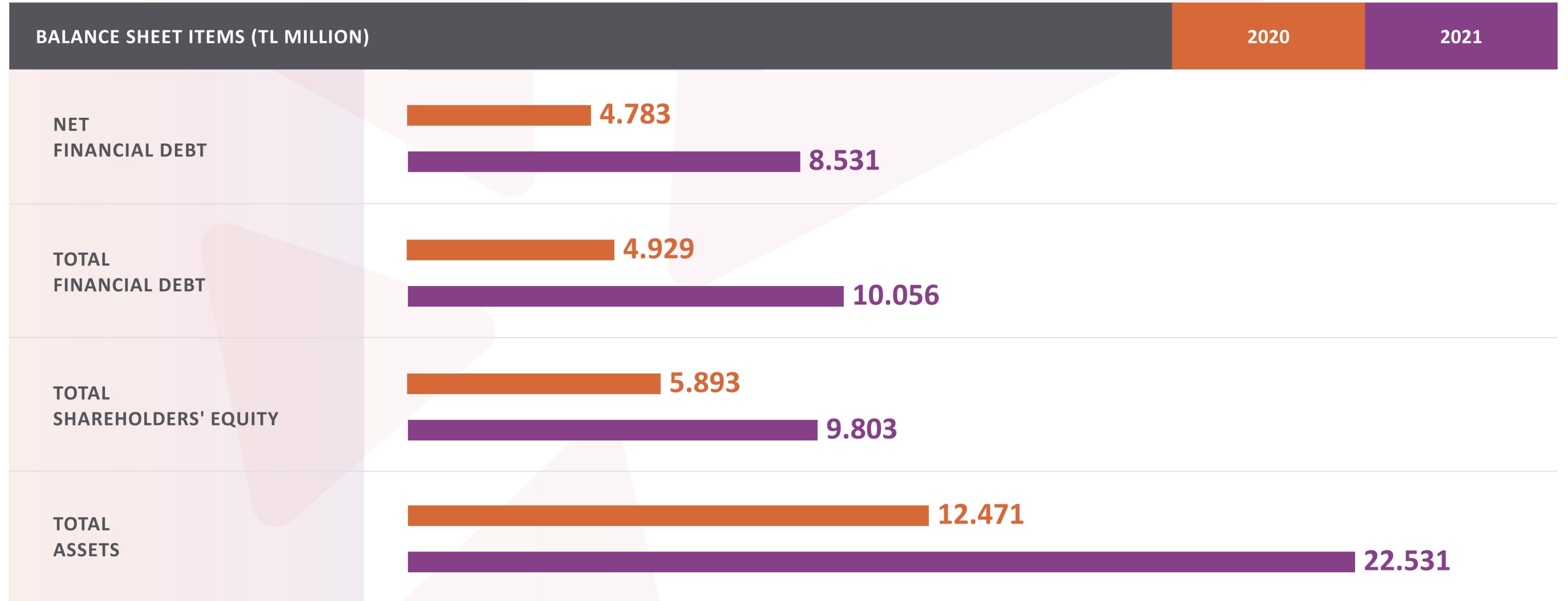
2020


**(0,80)**

2021


**(0,17)**

# Key Indicators



# Subsequent Events

## HYBRID WPP APPROVALS

According to the Board decision of EMRA dated 30/12/2021 on 7 January 2022, the installation of an SPP with an installed power of 82.15 MWm was approved as an auxiliary resource within the scope of amending UŞAK WPP's license in line with the transformation of the Uşak WPP Project into a multi-resource electricity generation facility.

According to the Board decision of EMRA dated 23/12/2021 on 7 January 2022, the installation of an SPP with an installed power of 18.8765 MWm was approved as an auxiliary resource within the scope of amending YALOVA WPP's license in line with the transformation of the Yalova WPP Project into a multi-resource electricity generation facility.

## CANCELLATION OF AKKOPRU HEPP TENDER

In accordance with the President's Decision dated January 19, 2022, the Competition Board canceled the tender, which was initially approved on November 9, 2021, for the privatization of the Akköprü Hydroelectric Power Plant owned by Elektrik Üretim A.Ş. and the immovables used by this power plant through "Granting Operating Rights" on January 24, 2022.

## STARTING SHARE PURCHASE OPERATIONS

In line with Article 22 of the Capital Markets Law, the Communiqué on Buy-Backed Shares of the CMB, and the announcements dated 21.07.2016, 25.07.2016, and 23.03.2016 of the CMB, it was considered that the share price of the Company does not reflect the actual performance of the Company's activities, and it was decided to perform a share buy-back transaction on February 14, 2022, for 20 million shares amounting to TL 20 million to protect the shareholders and contribute to the stable and consistent formation of the share price.

## FITCH RATINGS (CREDIT RATING)

On February 16, 2022, International Rating Agency Fitch Ratings affirmed Aydem Renewables' long-term IDR at "B+" and revised the outlook on the LT IDR of Aydem Renewables from "Stable" to "Negative".

## CORPORATE GOVERNANCE RATING SERVICE PROCUREMENT

Effective from February 10, 2022, Aydem Renewables signed a Corporate Governance Compliance Rating Service Agreement with "SAHA Kurumsal Yönetim ve Kredi Derecelendirme Hizmetleri A.Ş."

# Annexes

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

**ANNEX 2** Total Installed Capacity and Breakdown

**ANNEX 3** Generation By Plants



# Summary Consolidated Tables (IFRS)

SUMMARY STATEMENT OF FINANCIAL POSITION (THOUSAND TL)	2021	2020
Current Assets	1.740.479	325.317
Non-Current Assets	20.790.878	12.145.381
<b>Total Assets</b>	<b>22.531.537</b>	<b>12.470.698</b>
Current Liabilities	876.633	907.467
Non-Current Liabilities	11.851.464	5.670.379
Equity	9.803.260	5.892.852
<b>Total Liabilities</b>	<b>22.531.357</b>	<b>12.470.698</b>

SUMMARY OF PROFIT OR LOSS STATEMENT (THOUSAND TL)	2021	2020
<b>Revenue</b>	<b>1.240.753</b>	<b>1.340.375</b>
Cost of Sales (-)	(725.768)	(573.533)
<b>Gross Profit</b>	<b>514.985</b>	<b>766.842</b>
General Administrative Expenses (-)	(100.008)	(115.166)
Marketing Expenses (-)	-	(85)
Other Operating Income/(Expense) Net	2.444	31.651
<b>Operating Profit</b>	<b>417.421</b>	<b>683.242</b>
<b>Depreciation and amortization expenses</b>	<b>454.697</b>	<b>355.963</b>
<b>EBITDA</b>	<b>872.118</b>	<b>1.039.205</b>
<b>EBITDA Margin</b>	<b>%70</b>	<b>%78</b>
Net Investing Activity Gain	4.793	2.699
Net Finance Expense	(436.547)	(1.392.062)
<b>(Loss) / Gain Before Tax</b>	<b>(14.333)</b>	<b>(706.121)</b>
Tax (Expense) / Income	(105.959)	148.690
<b>Net Loss for the Year</b>	<b>(120.292)</b>	<b>(557.431)</b>

# Total Installed Capacity and Breakdown

PROJECT	INSTALLED CAPACITY (MWE)	ANNUAL GENERATION (GWH)	LOCATION	LICENSE EX. DATE	YEKDEM 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
Kumkısık LFG	0,64	5,1	Denizli / Kumkısık	19.06.2022	31.12.2022
Kızıldere GPP	6,85	38,0	Denizli / Sarayköy	17.07.2052	

■ HYDROELECTRICITY ■ WIND ■ BIOGAS ■ GEOTHERMAL

# Generation By Plants

## ANNUAL GENERATION FIGURES IN GWh

NAME OF THE POWER PLANT	2019 ACTUAL TOTAL	2020 ACTUAL TOTAL	2021 ACTUAL TOTAL
Bereket I-II HPP	11	10	8
Feslek HPP	12	9	8
Dalaman HPP	105	75	66
Gökyar HPP	30	20	19
Mentaş HPP	133	101	77
Koyulhisar HPP	183	177	101
Toros HPP	241	231	94
Kumkısıık LFG	4	3	1
Aksu HPP	89	82	96
Kemer HPP	92	57	35
Adıgüzel HPP	52	29	4
Çırakdamı HPP	119	100	78
Dereli HPP	119	99	76
Söke WPP	151	157	177
Uşak WPP	120	131	154
Yalova WPP	137	150	152
Kızıldere GPP	-	-	-
Akıncı HPP	449	362	177
Göktaş 1 HPP	756	363	201
Göktaş 2 HPP	-	481	270
<b>Total</b>	<b>2.803</b>	<b>2.638</b>	<b>1.796</b>

## COMPARISON OF GENERATION FIGURES IN JAN. & FEB. 2022 WITH THE LAST YEARS. (GWh)

NAME OF THE POWER PLANT	2019 ACTUAL	2020 ACTUAL	2021 ACTUAL	2022 ACTUAL	2019 ACTUAL	2020 ACTUAL	2021 ACTUAL	2022 ACTUAL
	JANUARY	JANUARY	JANUARY	JANUARY	FEBRUARY	FEBRUARY	FEBRUARY	FEBRUARY
Bereket I-II HPP	2	2	1	1	2	1	1	1
Feslek HPP	2	2	1	1	2	2	1	2
Dalaman HPP	22	4	1	3	17	9	10	15
Gökyar HPP	6	3	3	3	5	4	3	5
Mentaş HPP	21	8	8	11	19	16	7	11
Koyulhisar HPP	22	-	10	11	25	-	1	19
Toros HPP	31	22	8	14	30	27	9	27
Kumkısıık LFG	0	0	0	0	0	0	0	0
Aksu HPP	6	5	3	12	9	11	5	10
Kemer HPP	-	0	-	-	11	-	-	-
Adıgüzel HPP	-	-	-	-	-	-	-	-
Çırakdamı HPP	9	3	1	3	7	8	2	6
Dereli HPP	7	3	1	2	6	6	1	5
Söke WPP	17	16	17	19	13	17	15	16
Uşak WPP	12	19	14	13	11	15	17	12
Yalova WPP	13	14	19	14	10	15	14	13
Kızıldere GPP	0	0	0	0	0	0	0	0
Akıncı HPP	46	23	17	16	39	30	10	37
Göktaş 1 HPP	37	15	21	15	40	40	20	25
Göktaş 2 HPP	52	23	28	21	55	51	27	35
<b>Total</b>	<b>306</b>	<b>159</b>	<b>156</b>	<b>161</b>	<b>300</b>	<b>252</b>	<b>145</b>	<b>240</b>

# Contact

## INVESTOR RELATIONS

**Mehmet Yusuf Güngör**

Investor Relations Manager

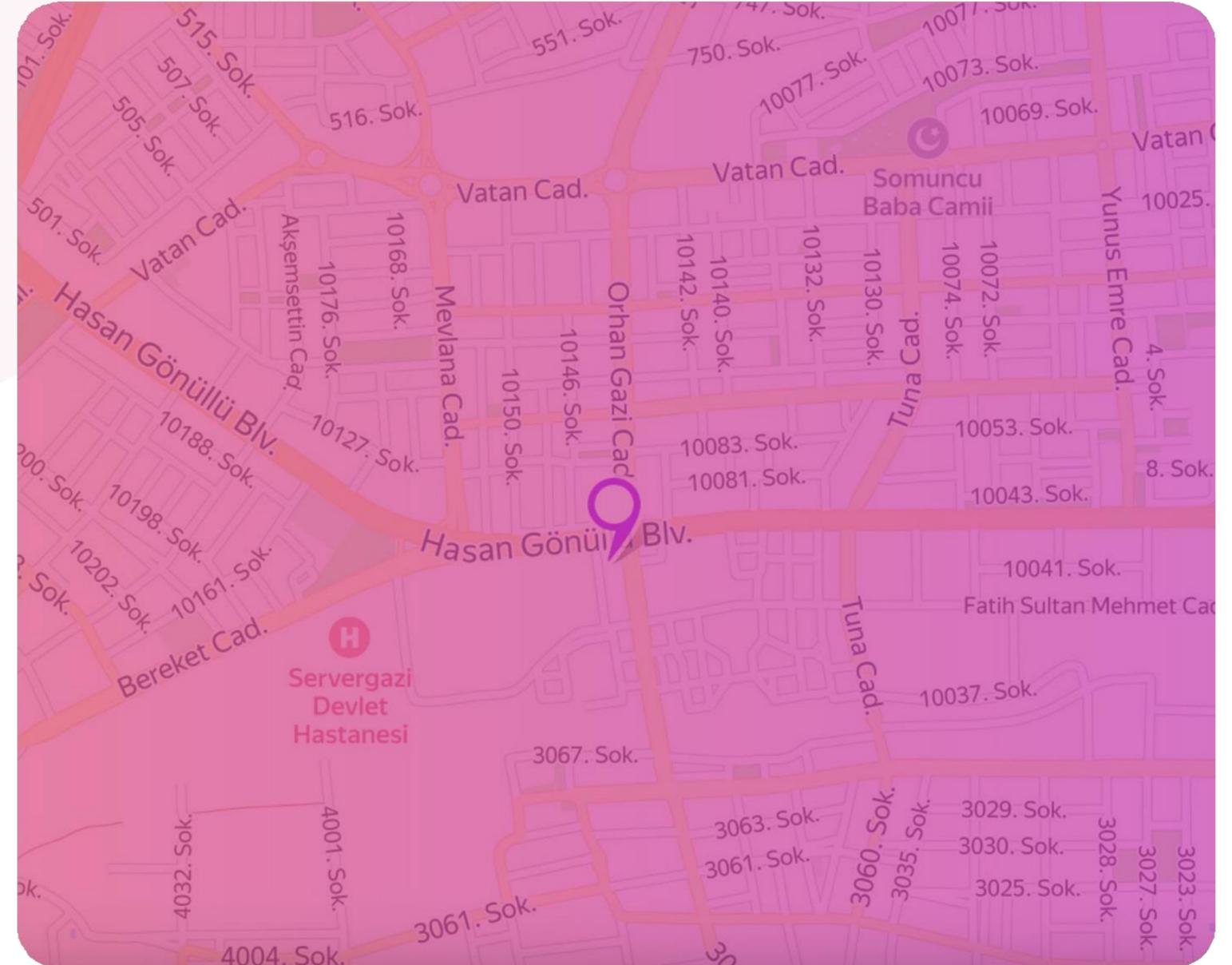
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All of the information and data in this presentation were prepared only to provide information and contain forward-looking statements that reflect the current views of the Company management regarding certain future events. Expectations and predictions 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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