



TRANSFORMING INTO A GLOBAL ENERGY PLAYER...

EARNINGS PRESENTATION FY2018

26 MARCH 2019

P O W E R B E Y O N D B O R D E R S

The logo for Aksa Energy, featuring the word "aksa" in white lowercase letters on a blue background, with "ENERGY" in smaller white uppercase letters to its right. The logo is positioned in the upper left corner of the image.

aksa ENERGY

TURKISH MARKET

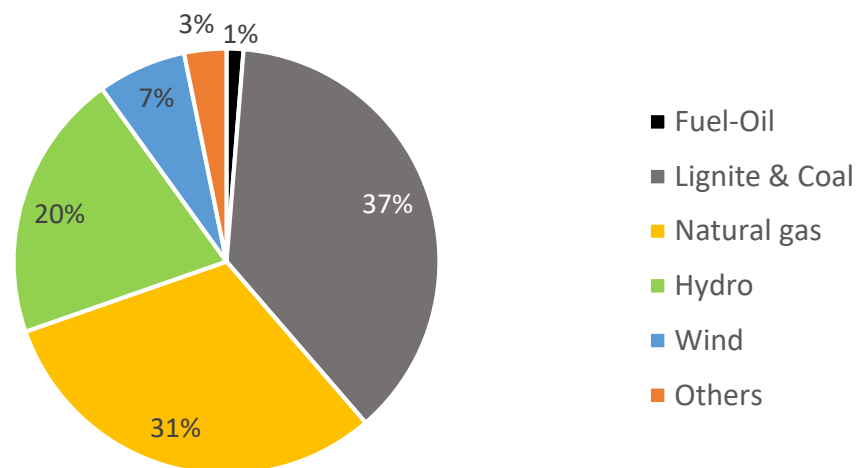
YE2018 – Key Figures

Generation via natural gas decreased by 18 pts YoY mostly due to the increase in natural gas prices and the low spark spread.

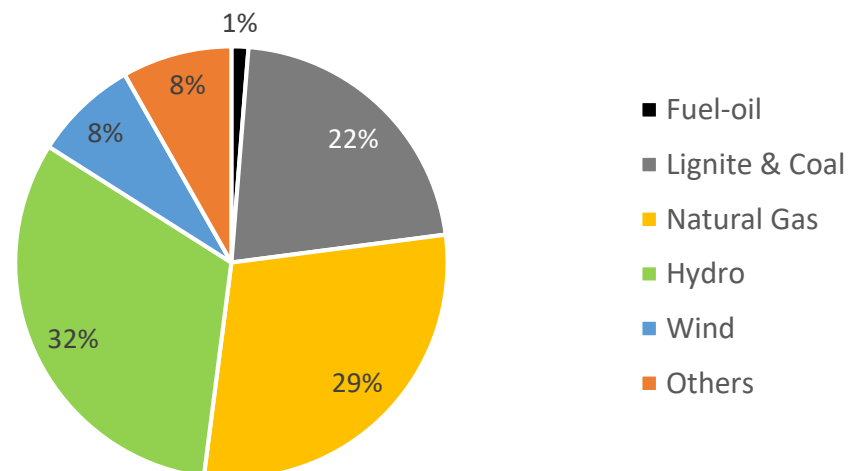
On the other hand, generation from coal & lignite made up for this decrease by increasing 17 pts YoY due to lower cost of production.

Total installed capacity in Turkey has reached 88,526 MW in YE2018, indicating an increase of 5,251 MW YoY (+6.3%).

GENERATION BY FUEL TYPE



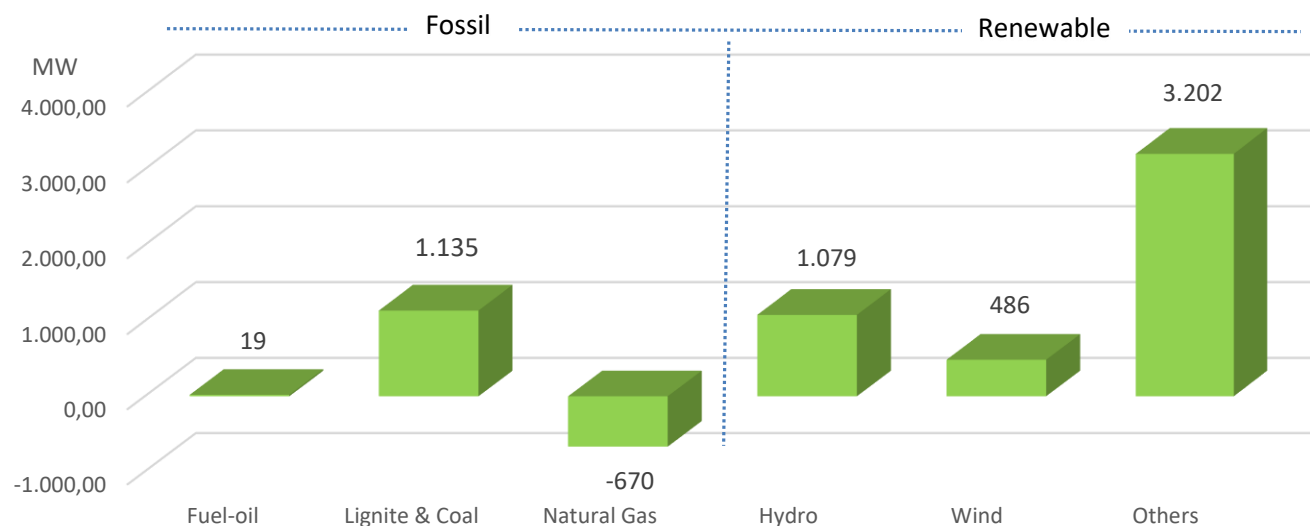
INSTALLED CAPACITY



Installed Capacity Changes by Fuel Type

When new and decommissioned capacities are netted off, there is an increase of 1,135 MW in coal & lignite, 1,079 MW in hydro, 486 MW in wind and 19 MW in fuel-oil and 670 MW decrease in natural gas capacities in YE2018 YoY.

YE2018 – YE2017 CAPACITY CHANGES



«Others» consist of unlicensed, solar, geothermal and biogas power plants, most of which is made up of unlicensed power plants.

Generation & Consumption

Electricity generation and consumption increased by 0.8% in 2018, way below the GDP growth of 2.6%.

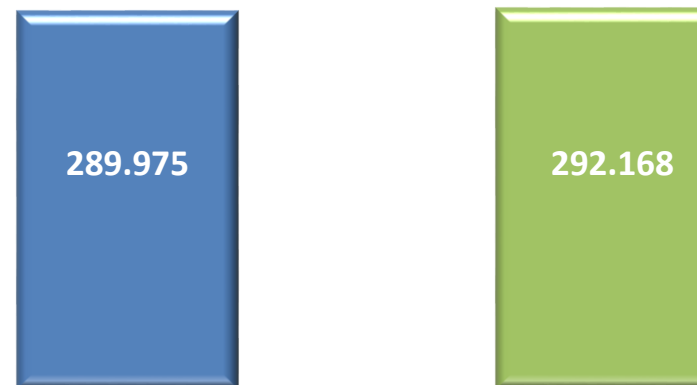
GENERATION (GWh)



2017

2018

CONSUMPTION (GWh)



2017

2018

Natural Gas Prices vs Spot Energy Prices

BOTAŞ increased its tariff in August reflecting devaluation in TRY by pegging the prices to USD for the remainder of the year.

YtD natural gas price increase in 2018 was 94%, while average spot energy price increase stood at 40%.

QoQ, the weighted average spot energy price changes are quite dramatic:

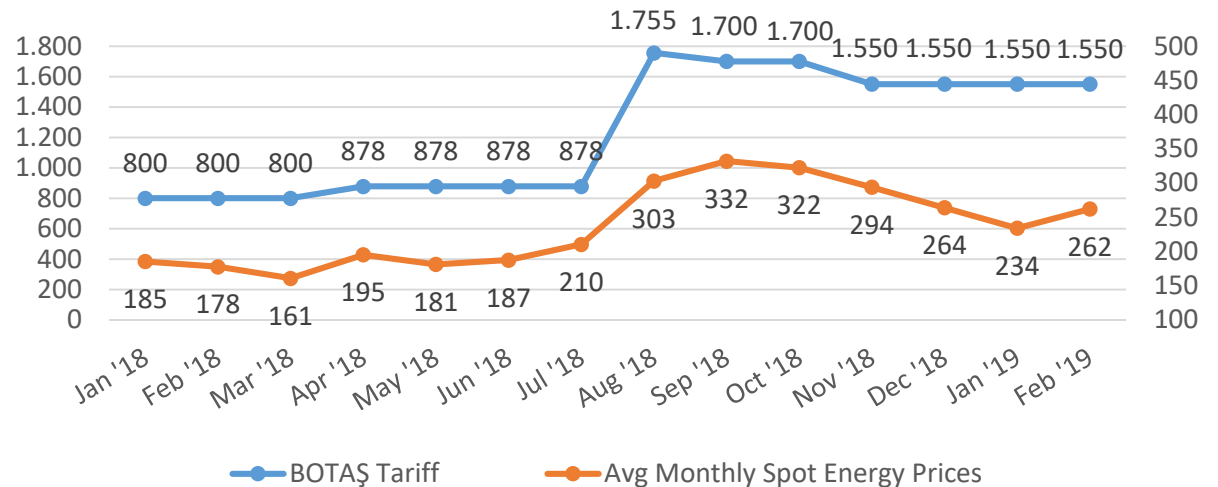
1Q17 vs 1Q18: +2%

2Q17 vs 2Q18: +24%

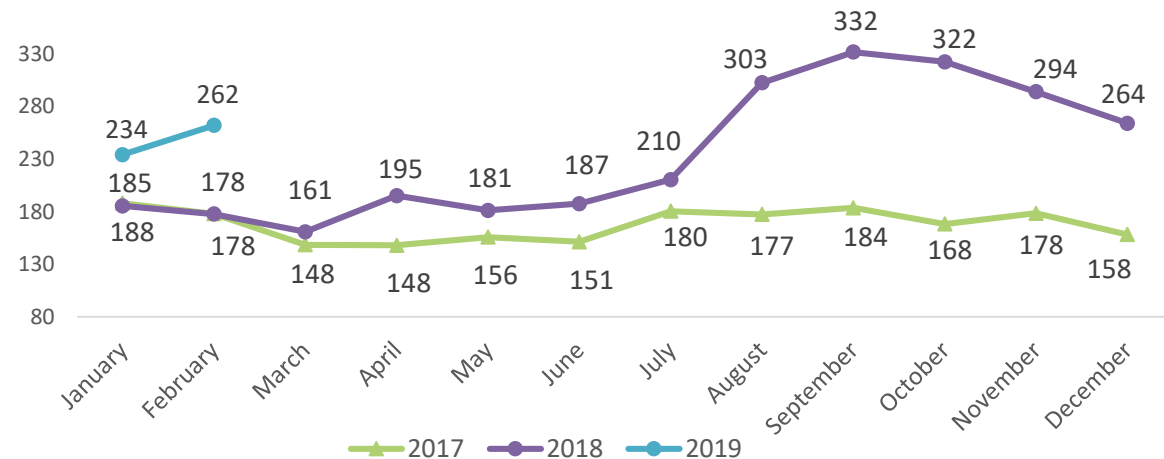
3Q17 vs 3Q18: +56%

4Q17 vs 4Q18: +74%

BOTAŞ NATURAL GAS TARIFF (TRY)



WEIGHTED AVERAGE ENERGY PRICE (TRY)



An aerial photograph of a large industrial facility, likely a refinery or chemical plant. In the foreground, there are several large, white, cylindrical storage tanks. Behind them is a complex network of pipes, walkways, and structural steel. Two prominent tall, silver, corrugated metal distillation columns stand out against the blue sky. The background shows a large blue industrial building and a hilly, arid landscape with some sparse vegetation and power lines.

aksa ENERGY

OPERATIONS

Turkish Operations

Narrowing margins of the natural gas power plants were compensated by the increasing margins of the local coal fired power plant.

- As spot market prices are highly correlated with the increase in natural gas prices, they corrected to TRY +300 levels in 3Q18, representing c. 75% increase on average before declining in 4Q, due to increased renewables production putting pressure on the spot prices.
- The spot price increase improved the profitability of our local coal fired power plant significantly. We sell about half of our production to the spot market, while the other half is sold to EÜAŞ. The EÜAŞ purchase price was revised from TRY 226 in 3Q to TRY 260 in 4Q, as prices are revised up with CPI/PPI each quarter. It should be noted that spot prices have even exceeded the EÜAŞ prices.
- Furthermore, Antalya CCGT and Bolu coal fired PP both received capacity charges in 2018.
- We have cancelled 250 MW of our 1,150 MW Antalya CCGT, reducing the installed capacity to 900 MW. Likewise, we have submitted an application to Energy Market Regulatory Authority to revoke the generation licence of Manisa NGCC. Both units can be relocated to another country if/when a natural gas contract is signed.
- We have hedged all our USD debt payment commitments due in 2018 and we have realised a profit of TRY 67 mn as a result of the settled amounts.

Turkish Operations – USD based visibility in coal fired PP in 2019

Hard currency denominated revenues of Bolu coal fired power plant, coupled with those of TRNC, Ghana, Mali and Madagascar, are expected to positively affect the foreign currency based EBITDA of Aksa Energy in 2019.

- The regulator amended the “Purchase of Electricity from Private Companies Operating Only Domestic Coal-Fired Power Plants” for 2019 and beyond.
- TRY denominated power purchases of EUAS are now partially pegged to USD, including an additional 3% incentive for the power plants that have acquired the necessary permits in accordance with the environmental legislation and completed their investments.
- For the remaining 6 years of the 7-year power purchase guarantee given to our coal fired PP, the purchase price for 1Q2019 is determined as 285 TRY/MWh, to be revised in accordance with a price index based on PPI, CPI, and USD in the following months. The price of TRY 285/MWh set for the first quarter of 2019 is 15% higher than the weighted average market clearing price of TRY 248 for Jan-Feb 2019 period.
- As our coal fired PP will sell about half of its generation via this scheme, a revenue of USD 58- 64 mn/year is anticipated for 2019-2024 period, if the purchase volumes and price ranges remain the same.
- In addition to the USD-denominated energy sales to EUAS, to our coal fired PP will continue to sell the remaining portion of the energy it generates in TRY in the spot market and/or via bilateral agreements.
- Furthermore, Antalya CCGT and Bolu coal fired PP both continue to receive capacity charges in 2019 as well.

Overseas Operations

Update on 2018 Developments - Ghana

90 MW extension is completed and the installed capacity rose to 370 MW.

Take-or-pay capacity increased from 223.5 MW to 332 MW.

- 223.5 MW guaranteed capacity has been working since August 2017. To provide this guaranteed capacity, 280 MW capacity was installed.
- Additional engines to take the capacity to 370 MW were commissioned in November 2018 and thus, the guaranteed capacity rose to 332 MW.
- Fuel price increase combined with liquidity issues resulted in distortion in regular payments but the invoices are collected with small delays. The standby Letter of Credit (SBLC) continues to provide payment guarantee in case needed. The SBLC confirmation by an A+ rated international bank is in place until the end of the current PPA.
- In 2018, Ghana raised \$2 bn via Eurobond issue in two tranches. In March 2019, a Eurobond issue of \$ 3 bn in three tranches with maturity of 7 years, 12 years and 31 years were completed. Following such successful issuances, the Government is planning to finalize and end a long lasting IMF standby deal in April 2019, which should improve public spending starting from 2H2019. This is expected to positively impact the public spending and the energy demand in the country.

Overseas Operations

Update on 2018 Developments - Madagascar & Mali

The rehabilitation of Madagascar's CTA-2 Power Plant is completed.

- Rehabilitation of a 24 MW power plant (CTA-2) in Madagascar was carried out on behalf of the country, and the power plant became operational with the commissioning of 12 MW on 6 December 2018 and the remaining 12 MW on 8 January 2019.
- The electricity generated at CTA-2 Power Plant is being sold to Jirama via guaranteed sales (take-or-pay) in US Dollars for a duration of 5 years. As the power plant is located next to our plant, Aksa Energy benefits from logistic and workforce advantages.

Mali negotiations to resume in the 2nd quarter of 2018.

- In Mali, negotiations to extend the duration and capacity have been suspended due to the changes in the top management of the Company and the office changes in the government of Mali following the general elections. Negotiations are expected to resume in the 2nd quarter of 2018.

The background of the slide is a blue-tinted collage. It features a bar chart with several vertical bars of varying heights, some labeled with numbers like +8.76, 65.32, -12.14, 47.98, 15.44, 55.01, and 11.08. To the right, there is a stack of coins, with a Visa logo visible on one of them. The AKSA Energy logo is positioned in the upper left corner.

aksa ENERGY

FINANCIAL & OPERATIONAL HIGHLIGHTS FY 2018

FY 2018 Results

Sales Breakdown (Turkey+N.Cyprus)

	1Q 2018		2Q 2018		3Q 2018		4Q 2018		FY 2018	
	MWh	TRY/MWh	MWh	TRY/MWh	MWh	TRY/MWh	MWh	TRY/MWh	MWh	TRY/MWh
Northern Cyprus	175.664	467	176.518	560	177.510	814	174.622	755	704.314	649
BSM (Spot Market)	2.387.525	184	2.147.836	201	2.734.496	273	1.811.500	283	9.081.357	235
Affiliated DisCo	248.400	168	229.560	174	132.480	233	-	-	610.440	184
OTC&Bilateral	966.502	146	672.414	237	1.023.814	187	1.072.841	174	3.735.571	182
Total Sales (Turkey+N.Cyprus)	3.778.091	187	3.226.328	226	4.068.300	273	3.058.963	433	14.131.682	247

FY 2018 Results

Sales Breakdown

	4Q 2017		1Q 2018		2Q 2018		3Q 2018		4Q 2018	
	MWh	TRY/MWh	MWh	TRY/MWh	MWh	TRY/MWh	MWh	TRY/MWh	MWh	TRY/MWh
TURKISH MARKET (Including N. Cyprus)	4,309,588	173	3,778,091	187	3,226,328	226	4,068,300	273	3,058,963	433
AFRICAN MARKET	371,980	757	432,987	732	255,902	1,125	152,419	1,994	170,104	1,669
TOTAL	4,681,567	219	4,211,078	243	3,482,230	292	4,220,719	337	3,229,066	450

* Sales volume in Africa only represents the variable part of our power purchase agreements, namely dispatched orders. The take-or-pay part of the contracts cannot be reflected to the above table as they do not correspond to a sales volume. The take-or-pay part of the tariff consists of the payments received to hold agreed upon installed capacities ready for production, regardless of any production dispatch.

FY 2018 Results

Snap Shot

	4Q 2017	1Q 2018	2Q 2018	3Q 2018	4Q 2018	QoQ Change	FY 2017	FY 2018	YoY Change
Installed Capacity	2,236 MW	2,221 MW	2,221 MW	2,221 MW	1,946 MW	-275 MW	2,236 MW	1,946 MW	-290 MW
Sales Volume (GWh)*	4.310	3.778	3.226	4.068	3.060	-24.8%	16.954	14.132	-16.6%
Net Sales (TRY mn)	1,034	1,022	1,036	1,428	1,183	-17.2%	3,599	4,669	29.7%
Gross Profit (TRY mn)	102	139	148	213	236	10.7%	315	736	133.7%
Operating Inc. (TRY mn)**	99	126	128	191	193	1%	268	639	138.7%
EBITDA (TRY mn)	161	217	233	306	277	-9.3%	493	1,033	109.7%
Net Income (TRY mn)	270	48	36	45	20	-54.8%	290	150	-48.1%
EBITDA Margin	15.6%	21.3%	22.5%	21.4%	23.4%	+2.0 pp	13.7%	22.1%	+8.4 pp
Operating Profit Margin	9.6%	12.4%	12.4%	13.4%	16.3%	+2.9 pp	7.4%	13.7%	+6.3 pp

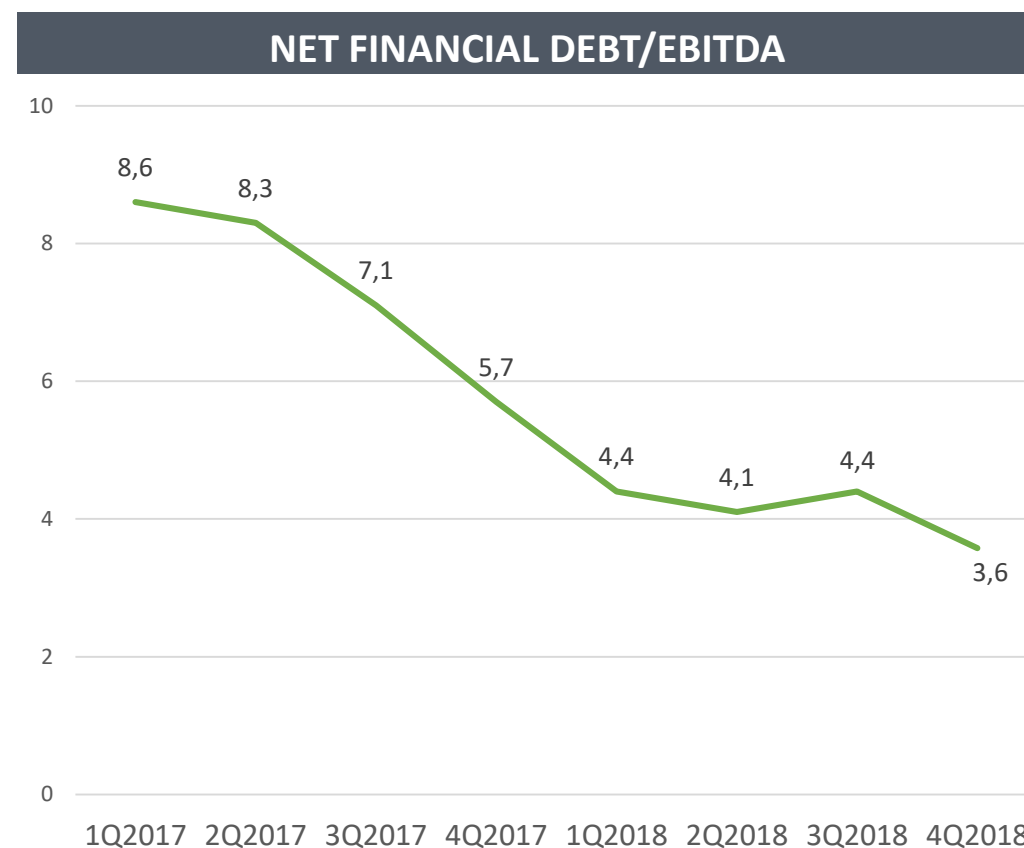
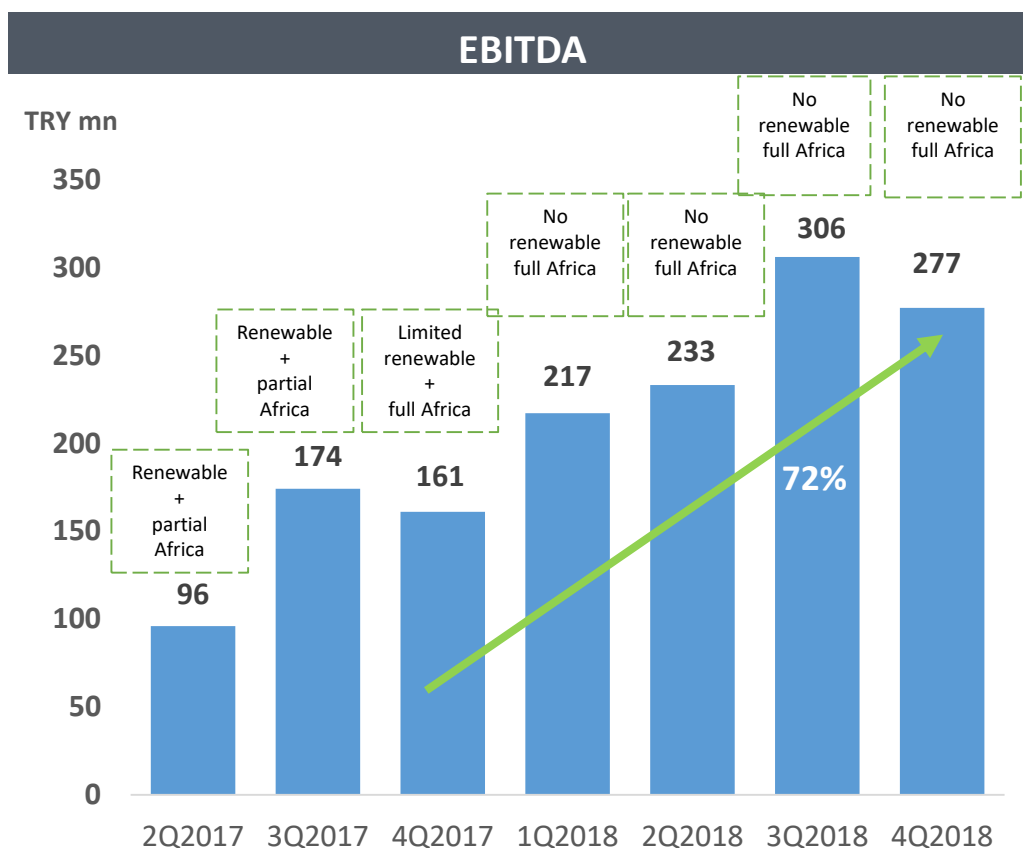
• Excludes sales volume from African power plants to enable comparability on a quarterly basis

** IFRS 9 provisions are included in the Operating Profit.

*** IFRS results

FY 2018 Results

Rapid improvement in Net Financial Debt/EBITDA ratio



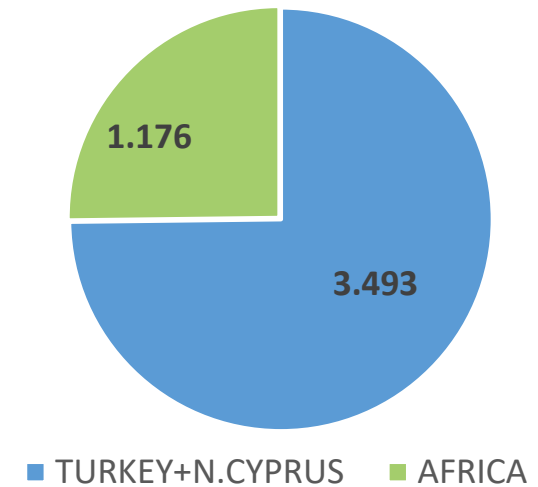
Since African operations started to fully contribute, 72% YoY EBITDA increase was achieved. Despite the increase of financial debt due to devaluation in TRY and increasing interest rates in revolvable portion of the loans, there is still a sharp decrease in Net Financial Debt/EBITDA ratio of 8.6x in 1Q17 to 3.6x in 4Q18.

FY 2018 Results

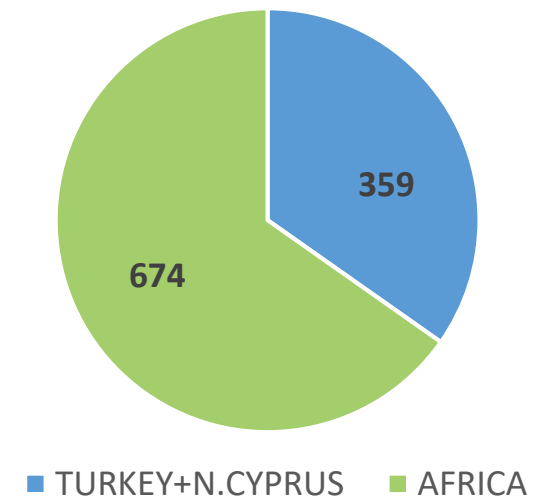
Regional EBITDA Breakdown

Although 75% of the revenues are generated from Turkey and TRNC, African power plants generated 65% of the EBITDA in FY2018 due to their high margin FX based sales.

REVENUES (TRY mn)



EBITDA (TRY mn)



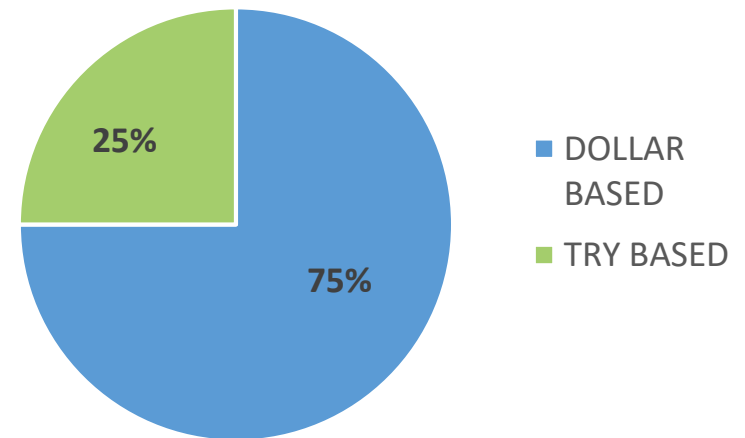
FY 2018 Results

EBITDA Breakdown by Currency & Fuel

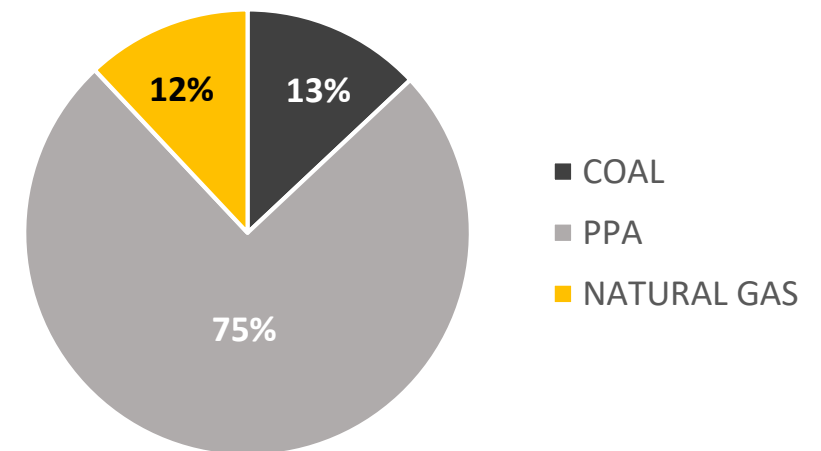
Hard currency portion of the EBITDA constitutes 75% of Aksa Energy's EBITDA in FY2018.

Due to the appreciation in Turkish Lira against US Dollar, the EBITDA of the overseas power plants has declined QoQ, decreasing the share of the hard currency EBITDA and thus increasing the contribution from Turkish coal and natural gas business.

EBITDA BY FX RATE



EBITDA BY FUEL TYPE



Revised Financials

We have revised 1Q18, 2Q18 and 3Q18 financials due to «unintentional» mistakes in the calculation of depreciation related to our African operations and the result of such revision is detailed in the comparison table below:

(TRY mn)	1Q18		2Q2018		3Q18	
	Previous	Revised	Previous	Revised	Previous*	Revised
Net Sales	1.022.120.075	1.022.120.075	1.036.169.391	1.036.169.391	1.428.214.991	1.428.214.991
COGS	857.107.135	883.103.228	853.612.354	888.568.766	1.287.248.980	-1.215.143.123
Operating Income	152.243.423	126.247.330	163.331.547	128.375.135	119.184.115	191.289.972
Depreciation	65.334.790	91.330.882	69.746.022	103.800.470	186.766.338	115.562.447
EBITDA	217.245.602	217.245.602	233.077.569	233.077.569	305.556.364	305.556.364
Net Income	68.213.102	48.309.727	65.116.962	36.391.493	-8.120.746	45.291.632

* Announced on 12 Nov 2018

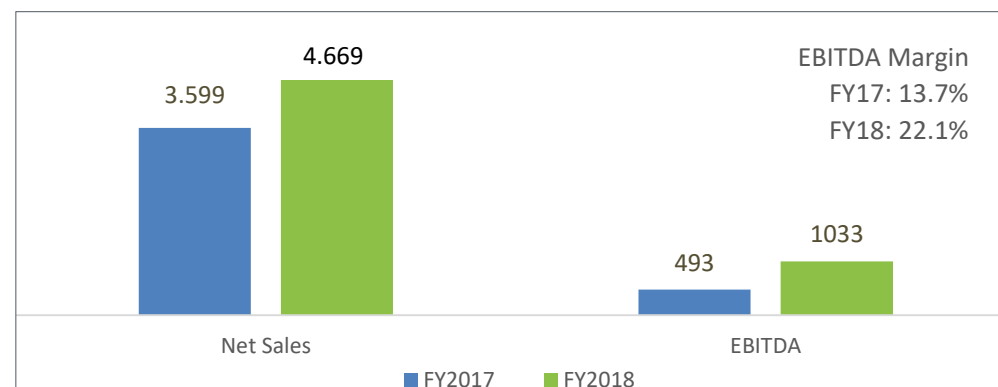
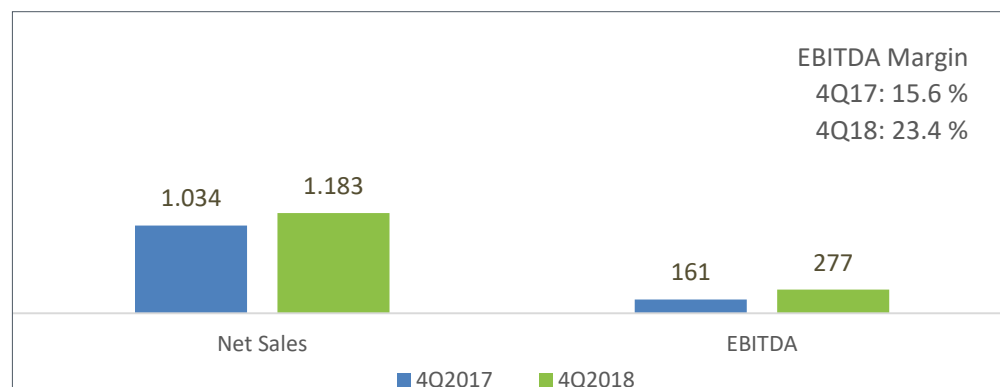
Depreciation calculation of the African assets is based on their individual contract durations, therefore, depreciation in our African power plants is higher than the depreciation of our Turkish assets, where depreciation is calculated based on economical value of the assets.

Depreciation of the African assets is USD denominated, and hence, subject to devaluation/revaluation against TRY.

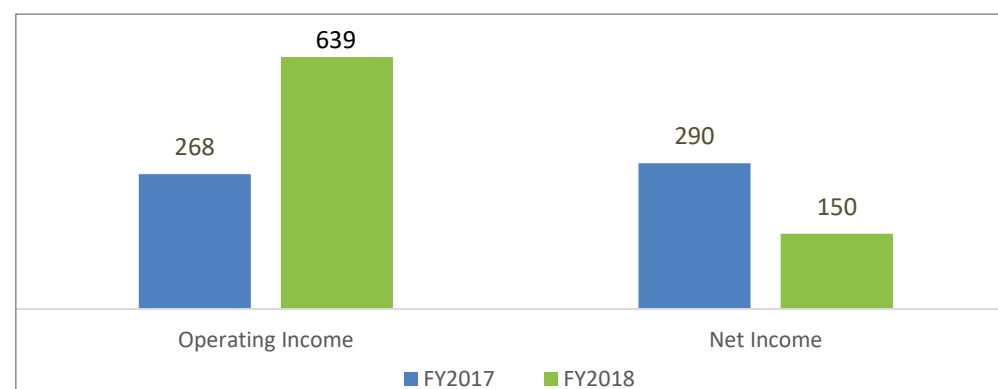
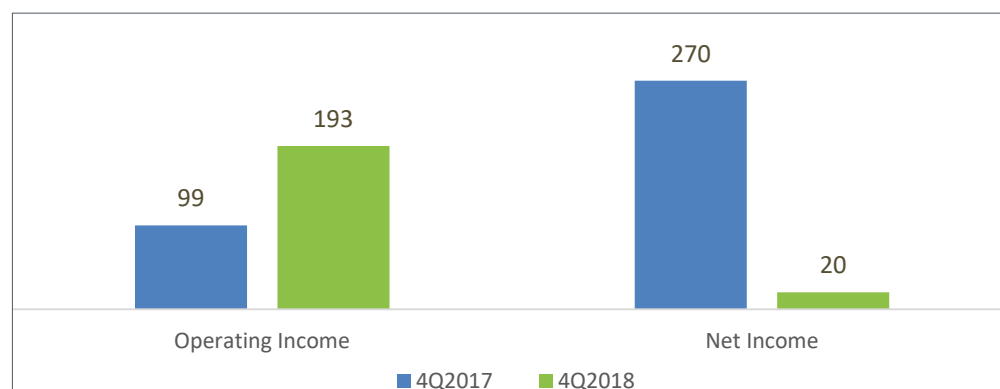
Financial Highlights FY 2018

Consolidated Income Statement

NET SALES & EBITDA (TRY MN)



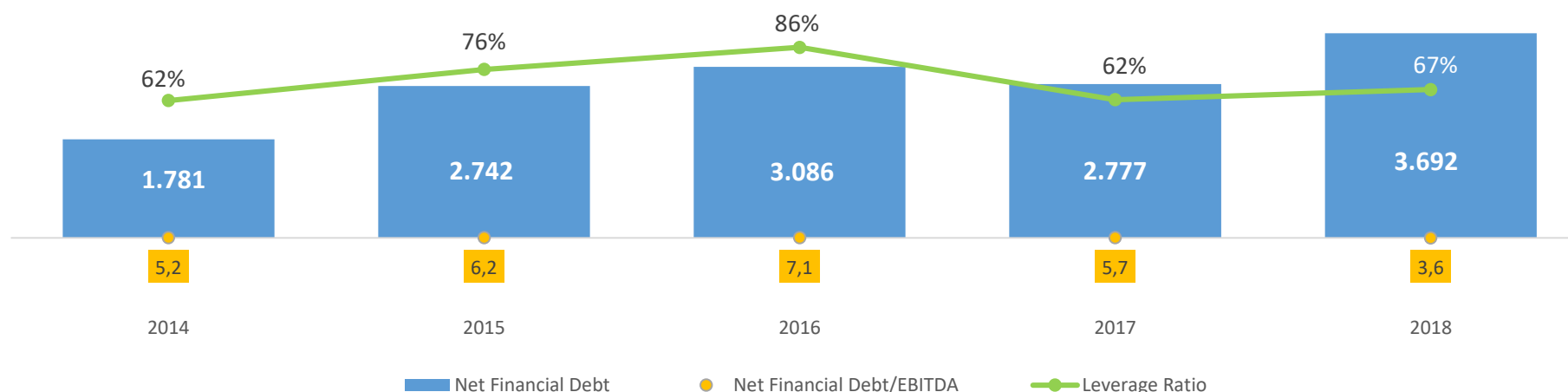
OPERATING INCOME & NET INCOME (TRY MN)



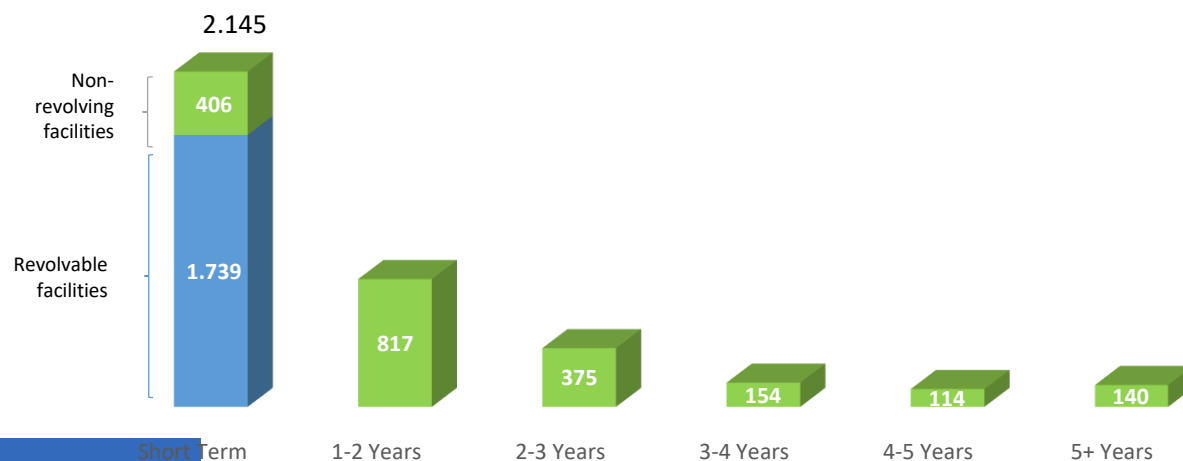
Financial Highlights FY 2018

Net Financial Debt & Repayment Schedule

NET FINANCIAL DEBT (TRY mn)



REPAYMENT SCHEDULE OF LOANS (TRY mn)



To prevent excessive exposure to FX, we have been significantly converting our FX debt to TRY over the years.

While 53% of the total loans were TRY denominated in YE2017, currently, 57% of our bank loans is in TRY. The FX portion of the loans are 41% USD and 2% EUR.

54% of Dolar based payments of 2019 are fully hedged.

We have hedged all our USD debt payment commitments due in 2018 and we have realised a profit of TRY 66.85 mn as a result of the settled hedges at YE2018.

Consolidated Income Statement

(TRY mn)	31.12.2017	31.12.2018	1Q2018	2Q2018	3Q2018	4Q2018
Net sales	3.599.311.868	4.669.249.102	1.022.120.075	1.036.169.391	1.428.214.991	1.182.744.645
Cost of sales	(3.283.982.668)	(3.933.709.353)	(883.103.228)	(888.568.766)	(1.215.143.123)	(946.894.236)
Gross profit	315.329.200	735.539.749	139.016.847	147.600.625	213.071.868	235.850.409
<i>Gross profit margin</i>	8,8%	15,8%	13,6%	14,2%	14,9%	19,9%
General & administrative costs	(55.047.968)	(68.239.611)	(11.109.027)	(14.782.437)	(16.152.677)	(26.195.470)
Sales and marketing costs	(1.258.384)	(1.370.976)	(209.160)	(266.361)	(596.310)	(299.145)
Research & development costs	-	-	-	-	-	-
Other operating income	24.725.041	18.257.699	715.611	1.001.927	6.891.413	9.648.748
Other operating expenses (-)	(15.995.087)	(45.081.385)	(2.166.941)	(5.178.619)	(11.924.322)	(25.811.503)
Operating income	267.752.802	639.105.476	126.247.330	128.375.135	191.289.972	193.193.039
<i>Operating income margin</i>	7,4%	13,7%	12,4%	12,4%	13,4%	16,3%
Gain from investing activities	525.275.061	2.640.864	2.596.878	12.297	38.119	(6.430)
Loss from investing activities	(36.858.228)	-	-	-	-	-
Financing income	88.925.423	424.894.229	32.246.414	152.301.917	308.962.131	(68.616.233)
Financing expense	(598.027.562)	(886.863.321)	(137.846.534)	(221.753.727)	(435.381.984)	(91.881.076)
Earnings before income tax	247.067.496	179.777.248	23.244.088	58.935.622	64.908.238	32.689.300
<i>EBT margin</i>	6,9%	3,9%	2,3%	5,7%	4,5%	2,8%
Tax	43.143.042	(29.298.814)	25.065.639	(22.544.129)	(19.616.606)	(12.203.718)
Net income	290.210.538	150.478.434	48.309.727	36.391.493	45.291.632	20.485.582
<i>Net income margin</i>	8,1%	3,2%	4,7%	3,5%	3,2%	1,7%
EBITDA	492.753.068	1.033.123.816	217.245.602	233.077.569	305.556.364	277.244.281
<i>EBITDA margin</i>	13,7%	22,1%	21,3%	22,5%	21,4%	23,4%

Consolidated Balance Sheet

Assets (TRY mn)	31.12.2017	31.12.2018	31.03.2018	30.06.2018	30.09.2018
Cash and cash equivalents	59.577.791	36.898.264	18.972.149	24.475.183	53.026.362
Trade receivables net	759.563.092	989.145.792	1.212.602.744	1.671.280.832	1.403.203.217
Due from related parties and shareholders	41.374.904	29.201.562	130.420.107	599.191.163	406.262.617
Inventory	403.860.710	500.028.439	426.089.790	464.340.690	369.140.605
Derivative financial instruments	2.576.770	12.407.616	26.266.956	553.004	413.737
Other current assets	160.579.509	152.070.284	142.710.504	183.300.964	198.725.453
Assets held for sale	46.013.293	0	0	0	0
Total current assets	1.473.546.069	1.719.751.957	1.957.062.250	2.943.141.836	2.430.771.991
Trade receivables	15.662.583	3.249.990	4.285.603	2.946.113	1.545.269
Investments	412.408	412.408	412.408	412.408	412.408
PP&E	3.635.797.549	3.598.709.222	3.674.463.367	3.964.600.165	3.774.056.402
Goodwill	0	3.349.356	3.349.356	3.349.356	3.349.356
Intangibles	72.616.102	75.253.123	81.547.942	96.273.556	91.845.092
Other non-current assets	4.135.958	2.366.103	1.350.088	1.349.802	14.234.496
Deferred tax assets	0	0	0	0	125.276.334
Total non-current assets	3.728.624.600	3.683.340.202	3.765.408.764	4.068.931.400	4.010.719.357
Total assets	5.202.170.669	5.403.092.159	5.722.471.014	7.012.073.236	6.441.491.348
Liabilities (TRY mn)	31.12.2017	31.12.2018	31.03.2018	30.06.2018	30.09.2018
Financial liabilities	1.541.598.878	1.520.924.456	1.900.054.246	2.231.496.357	2.144.810.801
Trade payables net	428.163.954	451.591.971	323.884.316	504.321.689	336.331.469
Due to related parties and shareholders	85.276.884	173.884.821	125.487.746	230.418.674	239.348.509
Taxation payable on income	2.732.752	10.591.613	27.619.156	41.093.935	71.354.527
Other payables and accrued liabilities	82.992.898	25.088.422	27.845.704	23.980.904	27.377.100
Derivative financial instruments	3.052.466	4.362.776	0	0	8.293.208
Liabilities held for sale	0	0	0	0	0
Total current liabilities	2.143.817.832	2.186.444.059	2.404.891.168	3.031.311.559	2.827.515.614
Long-term financial liabilities	1.294.905.332	1.375.234.450	1.369.423.855	1.788.384.264	1.600.687.790
Retirement pay provision	0	0	0	0	0
Other liabilities	3.000.204	2.850.729	3.478.286	3.760.183	4.350.528
Deferred tax liability	99.520.213	69.787.840	69.209.380	79.397.192	184.734.615
Long term liabilities	1.397.425.749	1.447.873.019	1.442.111.521	1.871.541.639	1.789.772.933
Paid in capital	613.169.118	615.157.050	615.157.050	615.157.050	615.157.050
General reserves	135.475.129	225.047.610	329.598.586	563.077.157	274.054.555
Share premium	247.403.635	247.403.635	247.403.635	247.403.635	247.403.635
Cash flow hedge reserve	2.060.997	3.322.529	1.548.575	2.955.842	-3.518.526
Gains on revaluation of property, plant,	-219.568.647	-186.210.367	-159.790.579	-144.323.022	-130.738.260
Net profit for the year	882.386.856	864.054.624	841.551.058	824.949.376	821.844.347
Shareholder's equity	1.660.927.088	1.768.775.081	1.875.468.325	2.109.220.038	1.824.202.801
Total liabilities and equity	5.202.170.669	5.403.092.159	5.722.471.014	7.012.073.236	6.441.491.348

Consolidated Statement of Cash Flow

(TRY mn)	31.03.2018	30.06.2018	30.09.2018	31.12.2018	31.12.2017
Net income (loss) before tax	48.309.727	84.701.220	129.992.852	150.478.434	290.120.538
Depreciation and amortisation	90.998.271	194.798.741	309.967.098	394.018.340	225.000.265
Other adjustments	68.017.410	328.621.487	775.700.204	591.075.108	-232.624.401
Change in working capital	-285.427.878	-855.799.212	-1.703.472.147	-1.380.410.542	-54.123.244
Operating cash flows	-78.102.470	-247.677.764	-487.811.993	-244.838.660	228.373.158
Purchased and Disposal of PP&E	-10.748.943	46.354.228	40.211.566	44.813.488	-324.359.904
Purchase and disposal of equity investments	2.967.022	-33.948.245	-84.798.441	-186.326.662	566.742.986
Other investing activities	0	0	0	0	0
Investing cash flows	-7.781.921	12.405.983	-44.586.875	-141.513.174	242.383.082
Financing cash flows	63.204.865	194.666.138	497.327.580	379.800.405	-452.818.197
Net cash flows	-22.679.526	-40.605.643	-35.071.288	-6.551.429	17.938.043



aksa ENERGY

APPENDIX



Operational Assets

Power Plant	License Owner	Fuel Type	Installed Capacity (MW)	%
Northern Cyprus	Aksa Cyprus	Fuel-oil	153	
Ghana	Aksa Energy	Fuel-oil	370	
Mali	Aksa Energy	Fuel-oil	40	
Madagascar	Aksa Energy	Fuel-oil	66	
Total Fuel-Oil Fired Power Plants			629	32%
Antalya NGCC	Aksa Energy	Natural Gas	900	
Şanlıurfa	Rasa Energy	Natural Gas	147	
Total Natural Gas Fired Power Plants			1,047	54%
Bolu Göynük	Aksa Göynük	Lignite	270	
Total Lignite Fired Power Plants			270	14%
Total Installed Capacity			1,946	

African power plants are utilising mostly existing equipments from Şırnak, Hakkari, Mardin 1, Mardin 2, Samsun, Van and Siirt power plants.

O&M Contract	License Owner	Fuel Type	Installed Capacity (MW)	%
Madagascar CTA-2	Jirama- Madagascar	Fuel-oil	24	N/A
Total Operated Capacity			24	

Pipeline

Power Plant	Investment	License Owner	Fuel Type	Capacity (MW)	Completion Year
Madagascar	Greenfield	Aksaf Power	HFO	54	2021 onwards
Total				54	

Contact

Investor Relations

Özlem McCann

Director

Head of Investor Relations and Corporate Communications

Ozlem.McCann@aksa.com.tr

+90 216 681 1053

Rüzgarlıbahçe Mah. Özalp Çıkmaı No:10 Kavacık / Beykoz, İstanbul

Disclaimer

Aksa Energy has prepared this presentation for the sole purpose of providing information, which contains forward-looking statements that reflect the Company management's current views with respect to certain future events. Although it is believed that the expectations reflected in these statements are reasonable, they may be affected by a variety of variables and changes in underlying assumptions that could cause actual results to differ materially.

No representation or guarantee is made by Aksa Energy for the accuracy or completeness of the Information contained herein. The Information is subject to change without any notice. Neither the presentation nor the information can construe any investment advise, or an offer to buy or sell Aksa Energy shares/bonds. This presentation and/or the information cannot be copied, disclosed or distributed. Aksa Energy expressly disclaims any and all liability for any statements including any forward looking projections and statements, expressed, implied, contained herein, or for any omissions from information or any other written or oral communication transmitted or made available. Neither Aksa Energy nor any of its directors, managers, employees nor any other person shall have any liability whatsoever for any loss arising from use of this presentation.