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SUBJECT : Summary of 1Q19 Earnings Teleconference

Aksa Energy closed the first quarter with successful financial results, increasing its net profit by 123% from TRY 48 million to TRY 108 million. In 1Q2019, the Company recorded TRY 1,155 billion of revenue and TRY 351 million of EBITDA; and increased its EBITDA margin by 9.1 percentage points from 21.3% to 30.4%. Hard currency denominated overseas contracts accounted for 70% of EBITDA.

The outline of "1Q2019 Overview Teleconference", which has been held today, is presented below to our stakeholders and the presentation in English is available at http://www.aksainvestorrelations.com/presentations/financial-presentations/ .

The Sector

The total installed capacity of Turkey increased by 3,045 MW YoY, reaching 89,114 in 1Q2019. Thus, the installed capacity of Turkey increased by 28% with the commissioning of 19,595 MW new capacity in the last 5 years. When new and decommissioned capacities are netted off, there is a YoY increase of 941 MW in hydro, 585 MW in coal & lignite and 489 MW in wind capacities in 1Q2019. The installed capacity of natural gas power plants, on the other hand, decreased by 851 MW. The most notable capacity increase is seen in unlicensed power plants, which rose from 4,175 MW in 1Q2018 to 5,643 MW in 1Q2019. Unlicensed solar power plants account for 1,332 MW of this 1,468 MW growth in unlicensed capacity.

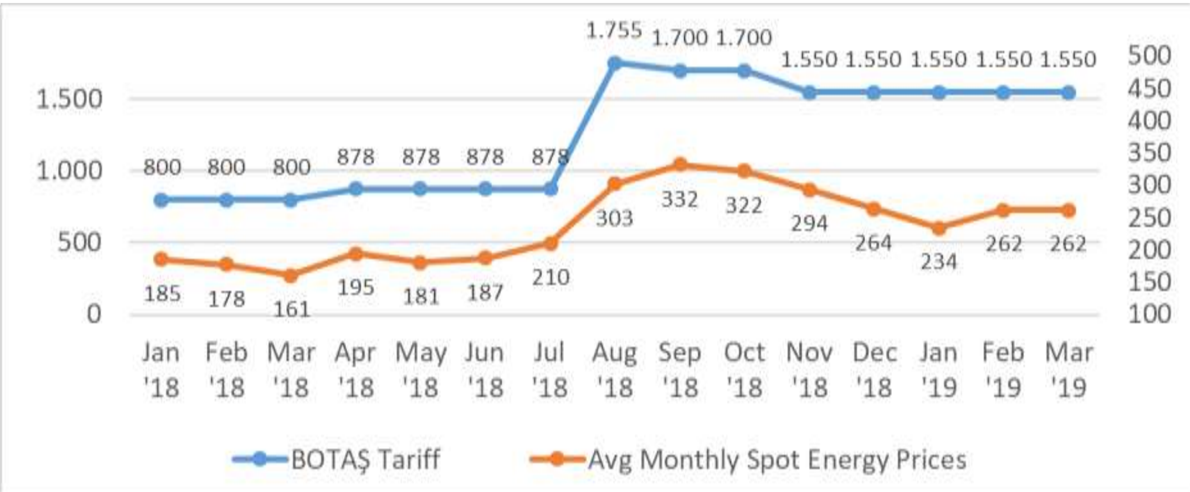
In 1Q2019, electricity generation and consumption throughout the country decreased by 1.4% and 1.5%, respectively. The share of generation via natural gas decreased from 32% in 1Q2018 to 19% in 1Q2019 mainly due to the increase in natural gas prices and the low spark spread. On the other hand, generation from hydro made up of this decrease with its share increasing to 31% from 20% in 1Q2019 due to heavy rainfall and lower cost of production.

Hydroelectric power plants have the largest share in the installed capacity with 32%, followed by natural gas with 29%, coal with 22%, wind with 8% and others with 9%. In terms of generation by fuel type, generation from coal was the highest with 36%, followed by hydroelectric with 31%, natural gas with %19, and wind with 9%. The remaining 5% was generated by other resources.

The cost of natural gas, which was TRY 800/thousand Sm^3 at the beginning of 2018, surged to TRY 1,755/thousand Sm^3 in July. With the loosening in Brent Oil prices and USD/TRY exchange rate, it closed the year 2018 at TRY 1,550 TRY/thousand Sm^3, corresponding to an increase of 94%, and remained at TRY 1,550 TRY/thousand Sm^3 also in the first quarter of 2019.

The spot market energy prices, on the other hand, increased by 45% from TRY 175 in 1Q2018 to TRY 253 in 1Q2019. The main factor for the price increase was the increase in the cost of natural gas. The spot energy prices remained particularly high between August and September 2018 due to the increasing natural gas prices before starting to fall as of October 2018, and decreased by 14% QoQ in the first quarter of 2019, reflecting the effect of the increase in low-cost hydropower generation due to heavy rainfall. The graph of natural gas costs and weighted average spot market energy prices is presented below.

BOTAŞ NATURAL GAS TARIFF (TRY)



Operations

Aksa Energy’s total installed capacity is 1,946 MW.

In 1Q2019, the revenue increased by 13% YoY to TRY 1,155 billion thanks to the increase in spot energy prices in Turkish market and the guaranteed sales of hard currency denominated contracts in the TRNC and African PPs.

The high profit margins of the Northern Cyprus and African PPs continued to effect EBITDA and the net profit positively, despite the negative impact of increased natural gas prices on the profit margins of domestic natural gas power plants. In 1Q2019, Aksa Energy recorded TRY 351 million of Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) and TRY 108 million of net profit.

In the first quarter of 2019, Aksa Energy recorded 3,259 GWh of energy sales, 2,813 GWh of which was generated by the power plants in Turkey and 446 GWh by the overseas PPs in Northern Cyprus, Ghana, Mali and Madagascar.

Domestic Sales

In 1Q2019, Aksa Energy's total electricity sales volume in Turkey decreased by 22% YoY from 3,602 GWh to 2,813 GWh. Nevertheless, the Company generated TRY 705.3 million of revenues from Turkish operations in the first quarter of 2019 thanks to the agile and effective management of the power plants in its portfolio.

Electricity prices in the spot market increased significantly, as the increase in natural gas prices due to the devaluation of Turkish Lira was reflected into the costs particularly as of August 2018. Although Aksa Energy's sales depended heavily on bilateral agreements in previous years due to the lower and fluctuating price environment in the spot market; the Company relatively reduced its bilateral sales in 1Q2019 in line with its risk management principles.

In the first quarter of 2019, Aksa Energy recorded a sales volume of 2,813 GWh in Turkey, a considerable portion of which was sold on the spot market. Pursuing a strategy focused on profitability rather than sales volume, the Company significantly aligned its power plant operations with the peak-price periods in the spot market. Accordingly, spot market sales constituted 69% of the total domestic sales, OTC and bilateral agreements 27%, and the remaining 4% was sold to the group companies.

Local power plants' production in 1Q19 was 22% lower YoY due to decreased volumes in natural gas power plants, as they were utilized at peak hours to maximize profitability rather than volume. On the coal side, the production of Bolu Göynük Thermal Power Plant was up 6% YoY.

The spot price increase has improved the profitability of the local coal-fired Bolu Göynük Thermal Power Plant. The increase in natural gas costs due to the increase in FX rates in the second half of 2018 led to a surge in spot energy prices, creating to a positive impact on our coal-fired power plant, which sells nearly half of its production on the spot market. The remaining portion of the Plant's production is sold to EÜAŞ as part of the tender for the "Purchase of Electricity from Private Companies Operating Only Domestic Coal-Fired Power Plants". Pursuant to the agreement, Turkish Lira-denominated power purchases are partially pegged to US Dollar including an additional 3% incentive for the power plants that have completed their investments and acquired the necessary permits in accordance with the environmental legislation. For the remaining 6 years of the 7-year power purchase guarantee given within the framework of the Cabinet Decree numbered 2017/11070, the purchase price for the first quarter of 2019 has been 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 set for the first quarter of 2019 is higher than the weighted average market clearing price of TRY 253 in 1Q19.

Furthermore, as part of the Regulation on the Electricity Market Capacity Mechanism issued by the Energy Market Regulatory Authority (EPDK), EÜAŞ makes a capacity payment within the scope of its annual budget to the licensed power plants which meet the determined efficiency and age criteria in order to establish and/or protect a sufficient installed power capacity, including the reserve capacity, for the assurance of security of supply in electricity market. Both Ali Metin Kazancı Antalya Natural Gas Combined Cycle Power Plant and Bolu Göynük Thermal Power Plant are deemed eligible to benefit from the capacity mechanism and receive capacity payments in 2019.

Overseas Sales

Aksa Energy boasts four power plants in TRNC, Ghana, Madagascar and Mali. Additionally, the rehabilitation of a 24 MW power plant (CTA-2) in Madagascar was carried out on behalf of the country, which 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.

The sales tariffs of Aksa Energy's overseas power plants, including the one in TRNC and CTA-2 Power Plant, which is operated on behalf of Madagascar, consist of two components:

The first component is the guaranteed purchase tariff (take-or-pay) that yields a fixed income on the basis of a guaranteed capacity held at disposal for electricity generation on behalf of the country. This component, called capacity payment, yields a fixed income through guaranteed payments received based on the contracts of individual power plants, regardless of their actual energy production or the country's current energy needs. The guaranteed (take-or-pay) capacity is 332 MW out of 370 MW in Ghana, 60 MW out of 66 MW in Madagascar, 30 MW out of 40 MW in Mali and 120 MW out of 153 MW in TRNC. Guaranteed capacity payments of CTA-2 HFO Power Plant, which is operated by Aksa Energy for five years until January 2024, are not collected on capacity basis but at a fixed monthly amount set forth in the contract.

The second component of the tariff is set up in the same way in all overseas power plants, including TRNC and CTA-2. This component encompasses the sale of electricity generated at a hard currency denominated price set in the contracts signed with each country. Production dispatch sent to the power plants varies according to the energy needs of the countries, seasonality or electricity generation of their renewable power plants. Therefore, this component of the tariff generates a variable income.

Despite potential negative impact of the changing energy demands, seasonality and electricity generation by renewable power plants, the contribution of the overseas power plants to Aksa Energy's profitability continues to be high, as the guaranteed (take-or-pay) purchases constitute the larger portion in Aksa Energy's sales tariffs.

Having recorded a sales volume of 432,987 MWh in 1Q18, the African power plants posted 271.364 MWh of sales in 1Q19. The main reason for the decrease in sales volume is the increase in low-cost electricity generation by hydroelectric power plants due to heavy rainfall. In these periods of low sales volume, African PPs continued to generate revenue from guaranteed take-or-pay sales, however, these are not included in the sales volume as they cannot be expressed in MWh. Therefore, due to lower sales volume, the average sales price surged from TRY 732 to TRY 1,571 in the first quarter of 2019 YoY, on the back of the increased share of guaranteed capacity payments in total revenues and the rise in exchange rates.

Summary on the Developments in Overseas Contracts

Ghana: The installed capacity of Ghana HFO Power Plant rose from 280 MW to 370 MW, while the guaranteed capacity rose from 223.5 MW to 332 MW thanks to the 90 MW extension. As of the date of capacity increase (19 November 2018), capacity fees are charged on 332 MW. Negotiations are ongoing to extend the guaranteed purchase agreement.

Increase in fuel prices combined with liquidity issues resulted in distortion in regular payments but the invoices are being collected with some delays. The standby Letter of Credit (SBLC) continues to provide payment guarantee in case needed. The SBLC confirmation is confirmed with Abu Dhabi Commercial Bank until the end of the current PPA.

In 2018, Ghana raised USD 2 billion after the issuance of 10y and 30y Eurobonds, with 7.62% and 8.62% interest rates respectively. In March 2019, the country issued USD 3 billion Eurobond in three tranches with maturity of 7 years, 12 years and 31 years. Following such successful issuances, the Government finalized and ended the long lasting IMF standby deal in April 2019. This is expected to positively impact the public spending and the energy demand in the country.

Mali: Mali HFO Power Plant has been up and running with 40 MW installed capacity since September 2017. Negotiations to extend the duration and capacity have been suspended due to the changes in the top management of Aksa Energy and the office changes in Mali following the general elections. Negotiations are expected to resume at the end of 2Q2019.

Madagascar: Madagascar HFO Power Plant has been up and running with 66 MW installed capacity since August 2017. We do not foresee any developments before 2021 concerning the Government's plan to build transmission lines for the installation of 54 MW capacity as part of the second phase of our agreement.

Installed Capacity Changes/Portfolio Efficiency

Manisa Natural Gas Combined Cycle Power Plant - Aksa Energy submitted an application to Energy Market Regulatory Authority (EMRA) to revoke the generation license of Manisa Combined Cycle Natural Gas Power Plant, which has an installed capacity of 115 MW. The license was canceled on April 30, 2019.

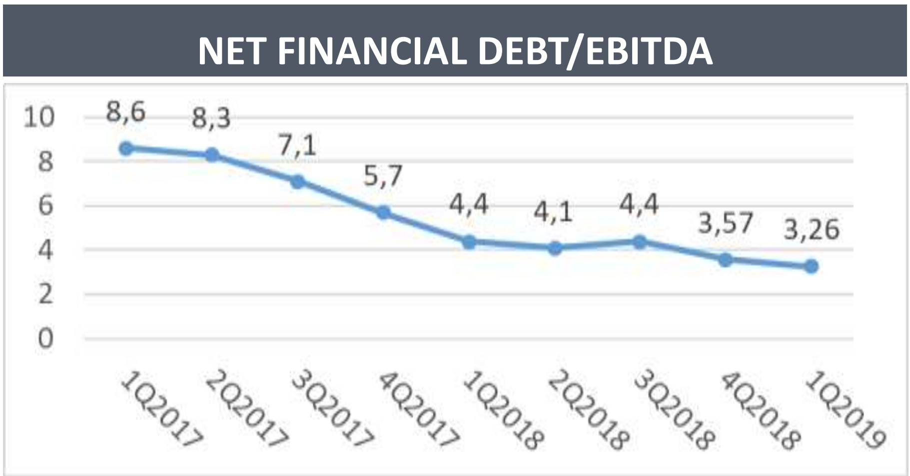
Financial Statements for 31.03.2019

The positive effect of power plants in Africa on Aksa Energy's profitability is better reflected in 1Q2019 financials. The revenue of Aksa Energy increased by 13% to TRY 1,155 million, while EBITDA rose by %62 to TRY 351 million YoY. In addition, gross profit and operating income increased by 1.9x YoY. Aksa Energy recorded TRY 108 million of net profit in 1Q19 compared to TRY 48 million in 1Q18, indicating a 123% increase. The EBITDA margin rose from 21.3% to 30.4% year-on-year, up by 9.1 percentage points.

In the first quarter of 2019, Turkey and Northern Cyprus accounted for 70% of our sales revenue, while the operations in Africa accounted for 67% of EBITDA. Moreover, since our power plant in Northern Cyprus sells electricity on a guaranteed basis at a fixed tariff denominated in US Dollars, the sales revenue of the power plants in both Northern Cyprus and Africa is realized in US Dollars. Therefore, 70% of our EBITDA was USD-based while 30% is TRY-based.

"Trade Receivables Due From Unrelated Parties", which include receivables from Africa, rose from TRY 1.3 billion at year-end 2018 to TRY 1.5 billion in 1Q19. The rise in foreign exchange rates accounts for 7% of this 21% increase while the remaining portion stems from increase in the amounts invoiced, as there is a60% QoQ production increase in African PPs.

Another positive development is seen in the Net Financial Debt/EBITDA ratio, driven by decreased FX-based liabilities through renewable asset sales and increased FX-based EBITDA with the commissioning of African PPs. Thus, the ratio decreased from 8.6x in 1Q2017 to 3.26x in 1Q2019, thanks to the strong contribution of African sales. The net financial debt/EBITDA graph showing the quarterly evolution is presented below.



As of 1Q19, 63% of our bank loans is denominated in TRY, 33% in USD and 4% in EUR.

Developments in 1Q2019

Bolu and Antalya - As per the "Purchase of Electricity from Private Companies Operating Only Domestic Coal-Fired Power Plants", for the remaining 6 years of the 7-year power purchase guarantee, the purchase price for the first quarter of 2019 has been 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 set for the first quarter of 2019 is 13% higher than the weighted average market clearing price of TRY 253 for the first quarter of 2019.

In addition to the USD-denominated energy sales to EÜAŞ, Bolu Göynük Thermal Power Plant will continue to sell the remaining portion of the energy it generates in Turkish Lira via spot market operations and/or bilateral agreements, while generating additional revenues within the framework of capacity mechanism together with Ali Metin Kazancı Antalya Natural Gas Combined Cycle Power Plant. In 1Q2019, both plants received TRY 22 million of capacity payments combined.

CTA-2 Madagascar – The rehabilitation of CTA-2 Power Plant was carried out on behalf of the Government of Madagascar 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.

Respectfully announced to the public and our esteemed investors.

We declare that the above disclosures are in accordance with the principles set out in the Communiqué Serial: VIII, No: 54 of the Capital Markets Board and fully reflect the information we have received on this matter; the information is consistent with our books, records and documents; and that we have shown all the necessary efforts to obtain accurate and complete information on the subject matter and we are responsible for these statements.