

The logo for AKSA Energy, featuring the word "aksa" in a bold, lowercase, sans-serif font, with "ENERGY" in a smaller, uppercase, sans-serif font to its right. The logo is set against a blue background with a green horizontal bar below it.

aksa ENERGY

Transforming into a Global Energy Player...

1Q 2017

Earnings Presentation

10 May 2017

A photograph of a large industrial building at night, illuminated by blue and white lights. The building has a complex structure with multiple levels and a prominent staircase. The AKSA logo and "ÜNİTE 21" are visible on the side of the building.

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ÜNİTE 21

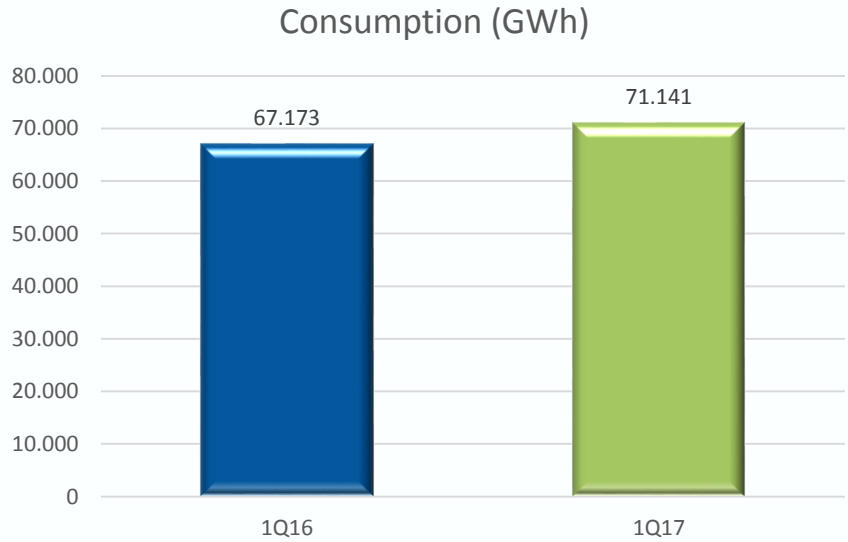
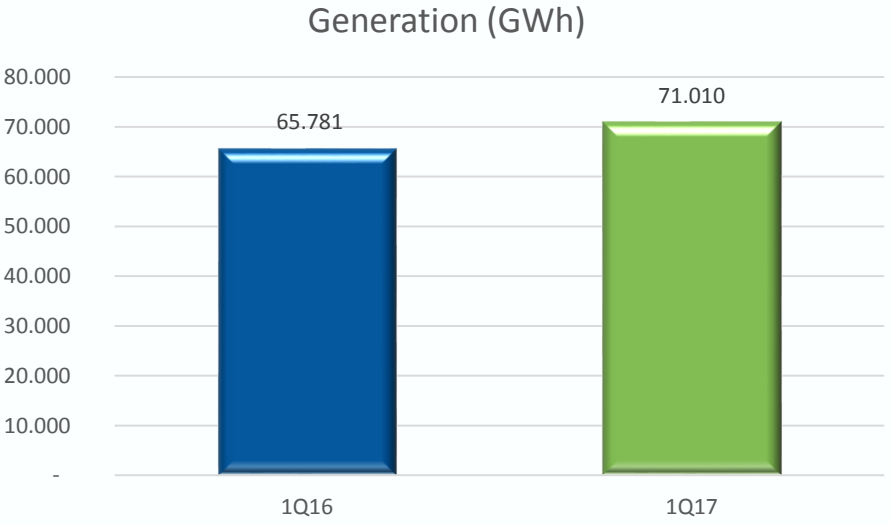
THE SECTOR



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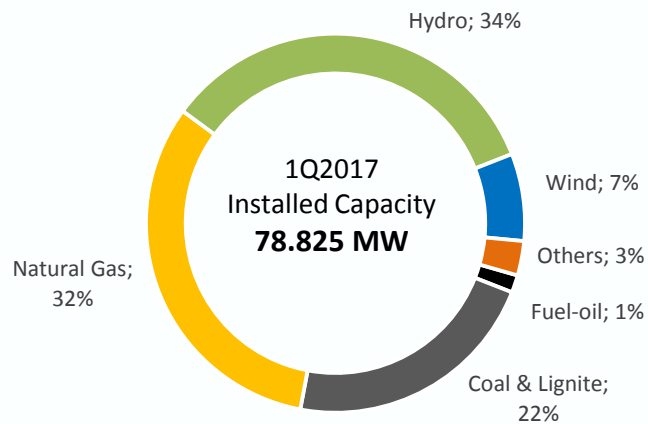
Market Highlights- Generation & Consumption

Electricity generation increased by %7.9 and consumption increased by 5.9% YoY in 1Q2017.

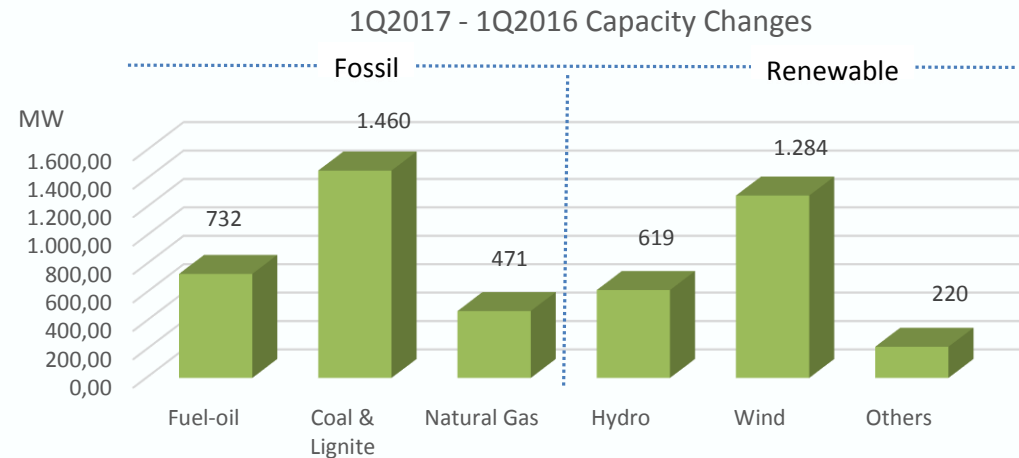


Market Highlights - Installed Capacity Changes

- Total installed capacity in Turkey has reached 78.825 MW in 1Q2017, an increase of 4.785 MW, indicating an 6% increase YoY.

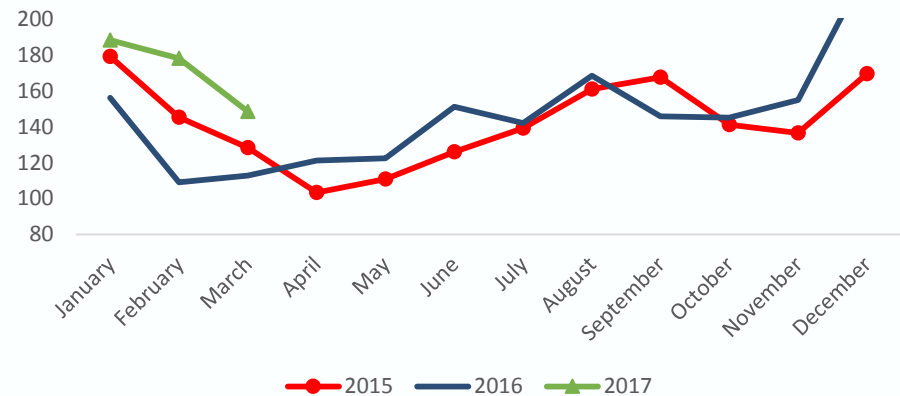
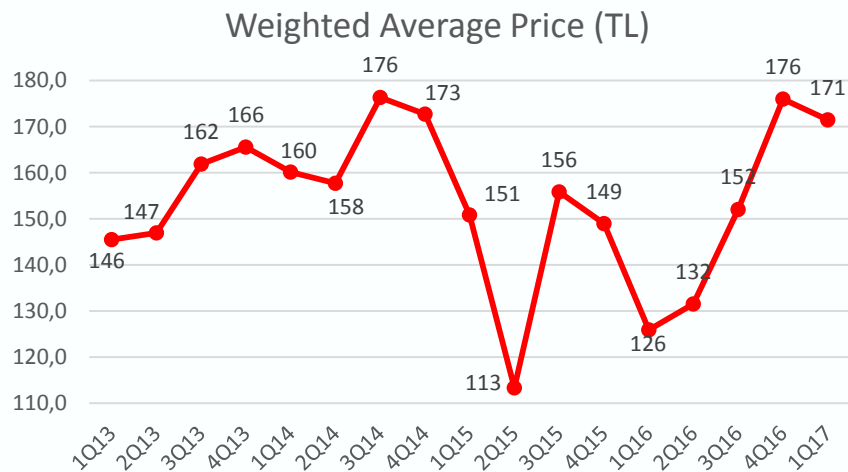


- When new and decommissioned capacities are netted off, there is an increase of 1.460 MW in coal & lignite, 619 MW in hydro, 1.284 MW in wind, 732 MW in fuel-oil and 471 MW in natural gas capacities in 1Q2017 YoY.



Market Highlights - Prices

- ❑ Weighted average spot price was at 171 TL in 1Q17.
- ❑ 1Q2017 weighted average price was 36% higher YoY due to:
 - 1Q16 setting a very low base (mild weather & very strong renewable production)
 - natural gas consumption limitations brought upon generation facilities and heavy weather conditions in 1Q17.



FINANCIAL & OPERATIONAL HIGHLIGHTS

1Q2017



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1Q 2017 Results - Snap Shot

	2013	2014	Adjusted 2015	2016	Adjusted 1Q15	1Q16	1Q17	YoY Change	4Q16	1Q17	QoQ Change
Installed Capacity (MW)*	2052 MW	2140 MW	2076 MW	2109 MW	2151 MW	2211 MW	2104 MW	-107 MW	2109 MW	2104 MW	-5 MW
Sales Volume (GWh)	9.109	9.814	14.018	18.028	3.013	4.178	4.676	12%	4.836	4.676	-3%
Net Sales (TL mn)	1.786	1.957	2.490	3.178	544	726	738	2%	966	738	-24%
Gross Profit (TL mn)	220	247	327	271	58	71	24	-67%	47	24	-50%
Operating Inc. (TL mn)	196	208	296	244	54	68	17	-76%	40	17	-58%
EBITDA (TL mn)	312	344	443	435	86	116	62	-47%	91	62	-32%
Net Income (TL mn)	-133	39	-221	-368	-97	8	-88	-1230%	-290	-88	-70%
EBITDA Margin	17,5%	17,6%	17,8%	13,7%	15,9%	15,9%	8,4%	-48%	9,4%	8,4%	-11%
Operating Profit Margin	11,0%	10,6%	11,9%	7,7%	9,9%	9,4%	2,3%	-76%	4,1%	2,3%	-45%

*As at 09 March 2017 for 2016 and 4Q16.

1Q 2017– Sales Breakdown

	1Q 2016		2Q 2016		3Q 2016		4Q 2016		1Q 2017	
	MWh	TL/MWh	MWh	TL/MWh	MWh	TL/MWh	MWh	TL/MWh	MWh	TL/MWh
Northern Cyprus	174.808	212,1	176.372	221,5	178.688	279,2	177.138	326,8	179.631	378,4
Renewable Market (YEKDEM)	231.572	214,8	142.760	223,4	227.180	232,1	188.858	274,6	192.332	266,4
BSM (Spot Market Sales)*	257.364	269,8	374.245	305,2	543.083	309,1	578.166	313,2	886.272	184,3
Affiliated DisCos	76.134	127,2	296.040	128,5	197.352	156,7	320.117	142,7	198.704	136,8
OTC & Bilateral **	3.020.631	157,6	2.896.816	150,6	3.980.873	152,4	3.989.600	153,6	3.218.886	126,0
TOTAL SALES	3.760.508	170,7	3.886.233	169,7	5.127.177	177,1	5.253.879	180,7	4.675.825	153,0

* BSM (Spot Market Sales) in 2016 are made up of orders (YAL: Take Load/Yük Al) from Turkish Electricity Transmission Company (TEİAŞ) that are used to smooth out the imbalances in the whole system. Therefore, 2016 figures are not comparable with 2015 figures.

** 475,080 MWh of financial contracts have been included in OTC&Bilateral volumes. As financial contract prices are netted off (strike price- spot price), total revenues are not reflected, while total MWh sales are reflected. If the financial contracts were not included in the physical sales amounts, OTC& Bilateral price would be 147,6 TL and total average sales price would be 170.17TL.

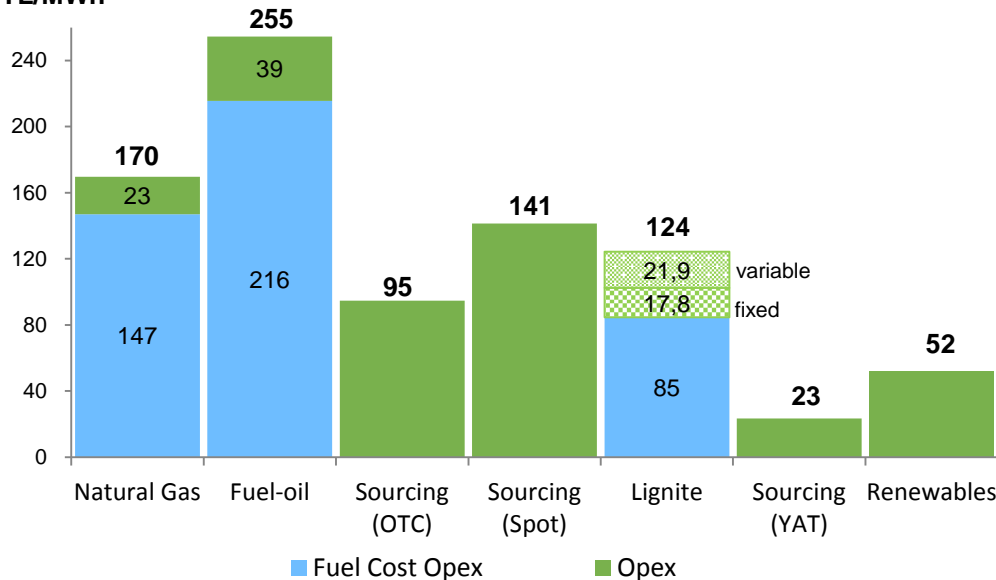
Cost vs Sales Price Against Spot Market Prices

Cost Structure vs. Sales Price (1Q17)

Weighted Avg. Cost

140

TL/MWh

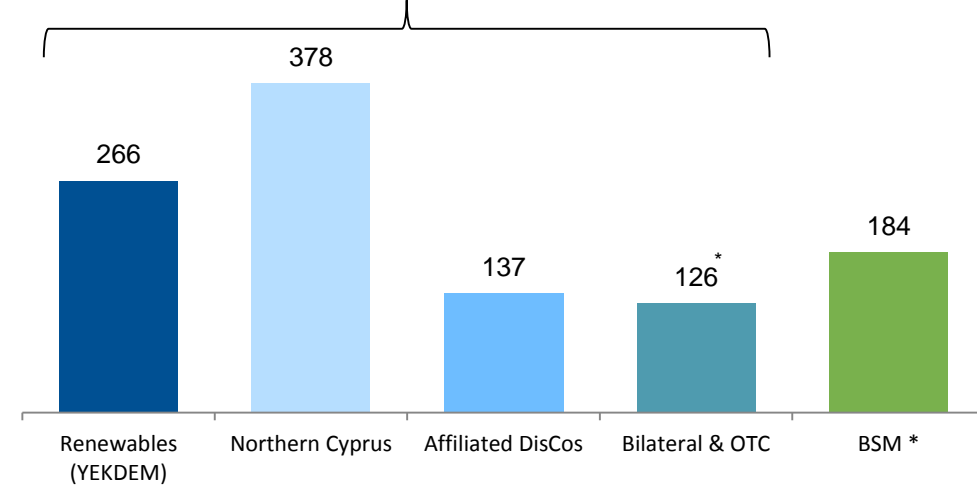


Average Sales Price (TL/MWh)

Weighted Avg. Sales Price

153*

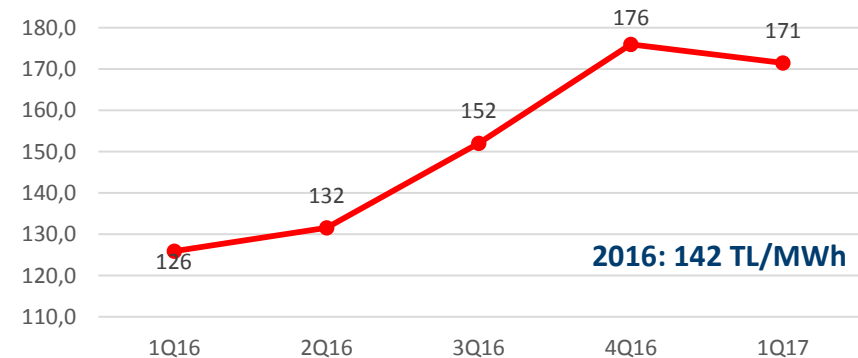
Total Contracted Average: 146*



- Blending of various generation sources along with procurement at off-peak periods provides us a better cost base.
- Going forward we expect the total cost of lignite production to stabilise at 120 TL.
- The weighted avg sales price was 153 TL/MWh as opposed to weighted average cost of 140 TL/MWh.
- Contracted sales provide visibility and consistency for the sales portfolio.

* 475,080 MWh of financial contracts have been included in OTC&Bilateral volumes. As financial contract prices are netted off (strike price- spot price), total revenues are not reflected, while total MWh sales are reflected. If the financial contracts were not included in the physical sales amounts, OTC& Bilateral price would be 147,6 TL and total average sales price would be 170.17TL.

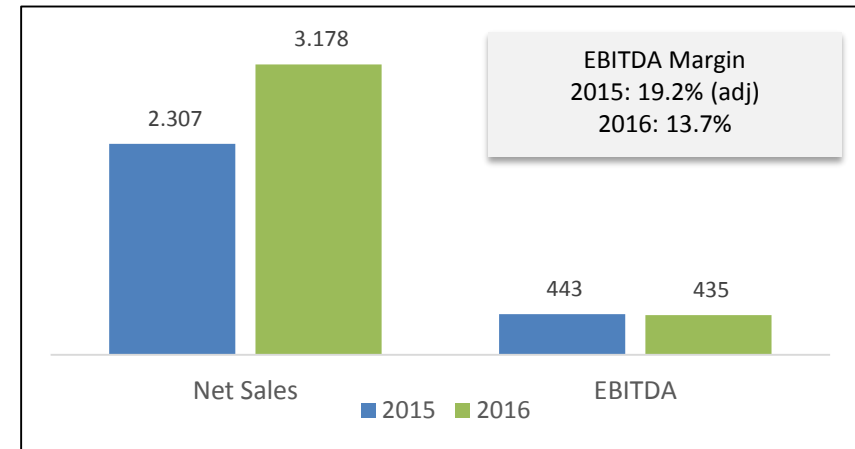
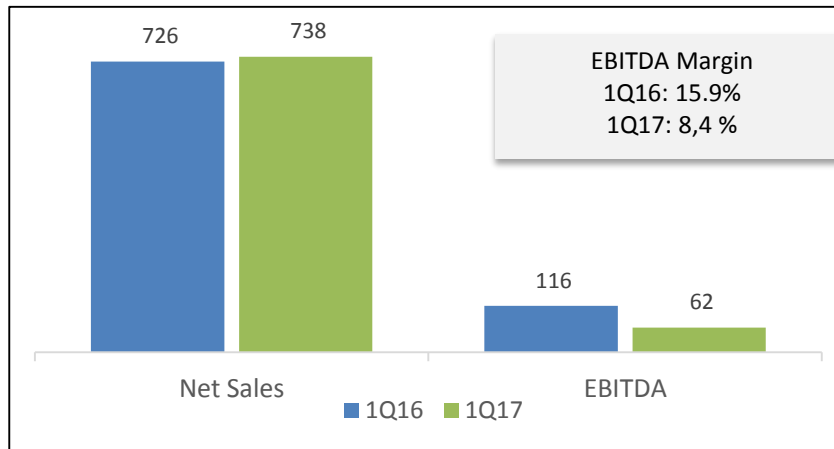
Spot Market Electricity Prices



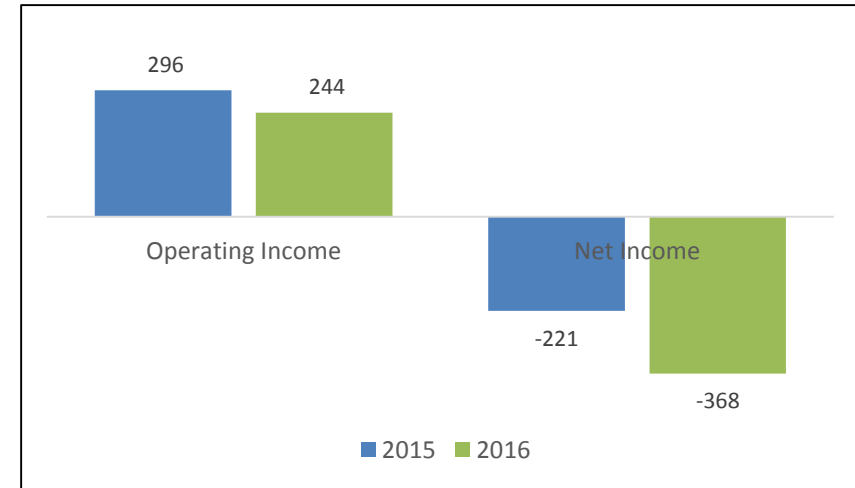
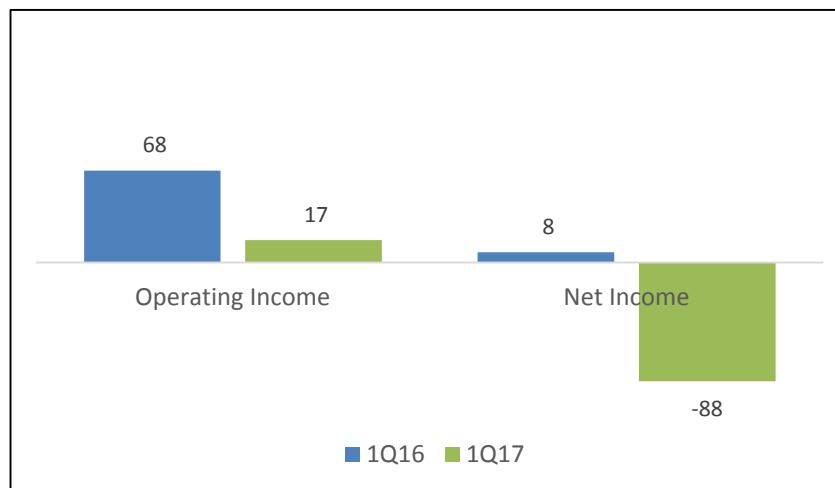
Financial highlights 1Q 2017

Consolidated income statement

Net sales & EBITDA (TL mn)



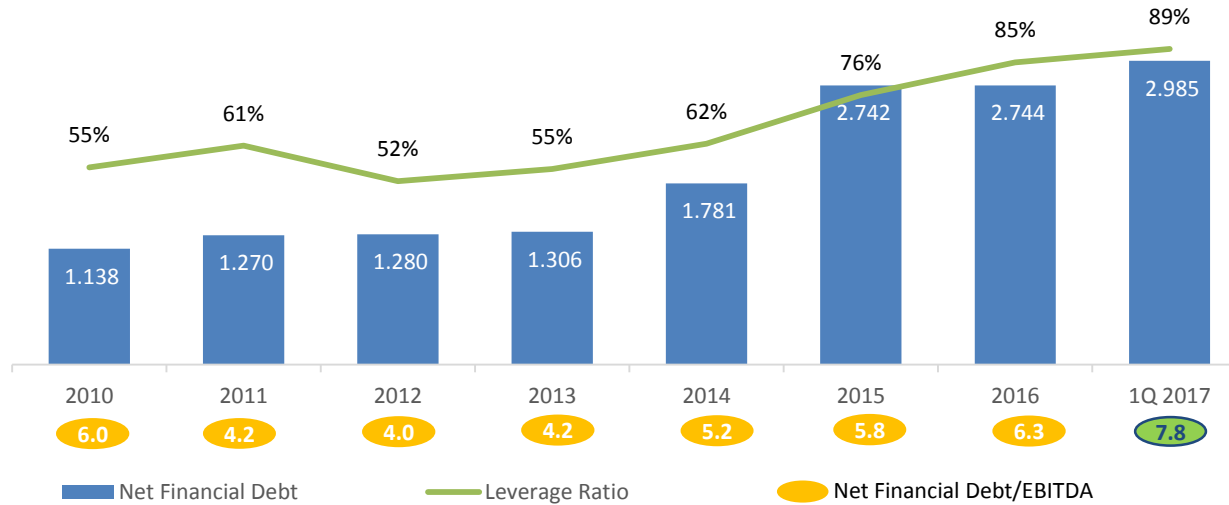
Operating income & Net income (TL mn)



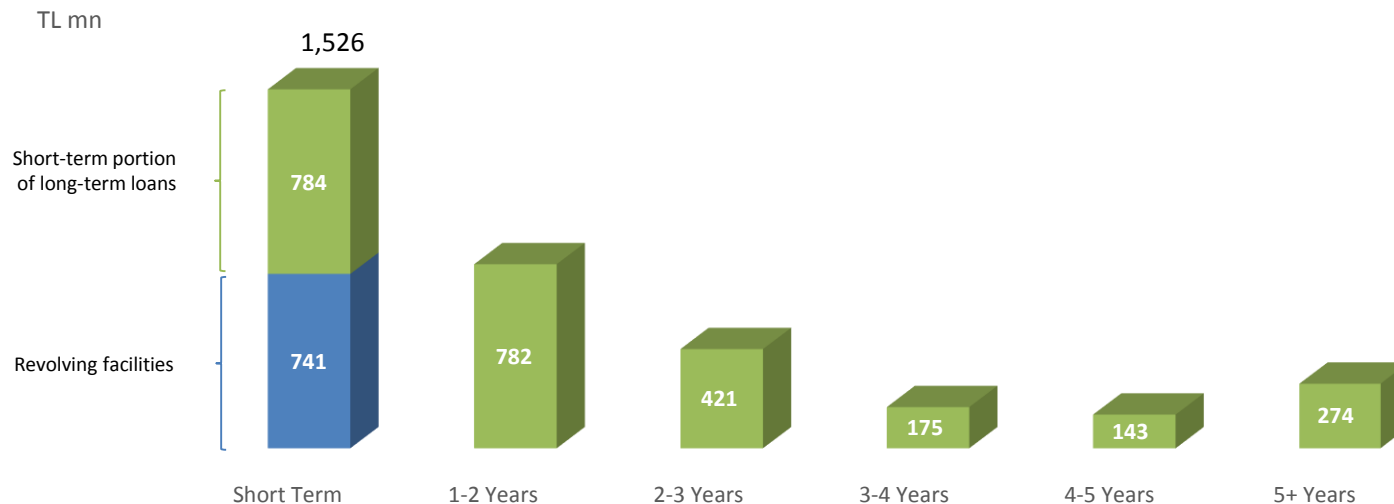
Financial highlights 1Q 2017

Net financial debt and repayment schedule

Net financial debt (TL mn)



Repayment schedule of short and long term notes (TL mn)



44% of our bank loans is in TL, 46% is in USD and 10% in EUR.

POWER PLANTS & INTERNATIONAL PROJECTS



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GHANA – Fast Track USD Based Cash Generation

- ❑ Became operational at the end of March with 192.5MW
- ❑ Minimum 320 MW installed capacity by YE2017
- ❑ Option to go up to 370 MW by YE2018
- ❑ 15% of consumption in the country in 2018 onward to be provided by Aksa Energy
- ❑ 2017E production: 1.45 TWh
- ❑ 2018E production: 2.5 TWh

MADAGASCAR

- ❑ Advance payment (\$3mn) and 3 months operational revenue guarantee (\$9 mn) to be received
- ❑ Guaranteed sales of 900,000 MWh/year when fully operational with 120MW.
- ❑ 66 MW to be commissioned by the end of August 2017
- ❑ 54 MW (phase 2) to be aligned with construction of transmission lines
- ❑ 2017E production: 0.2 TWh
- ❑ 2018E production: 0,5 TWh
- ❑ 17% of consumption in the country to be provided by Aksa Energy



MALI

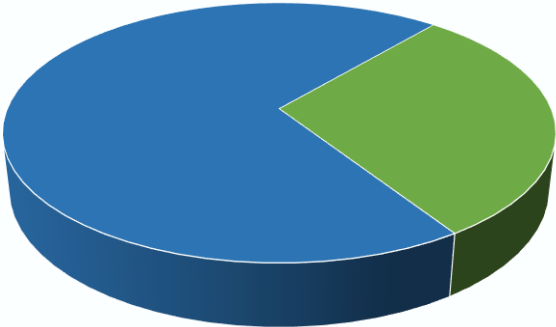
- ❑ Land, fuel supply, licenses and permits are provided by Énergie du Mali
- ❑ Projected generation: up to 240 million KWh per year
- ❑ €4mn mobilisation fee is received
- ❑ €1.6mn payment guarantee is received
- ❑ Full commissioning in July- August
- ❑ 2017E production: 0,1 TWh
- ❑ 2018E production: 0,24 TWh
- ❑ 13% of consumption in the country to be provided by Aksa Energy



TURKEY & AFRICA

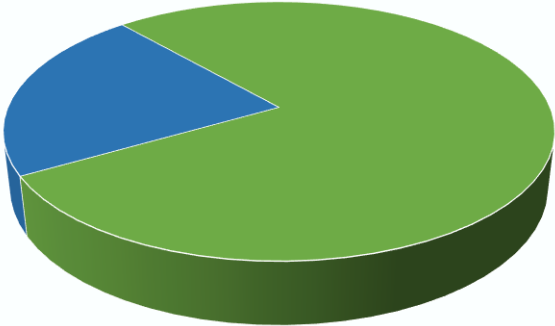
- In 2017, African revenues are expected to make up 29% of consolidated revenues, bearing in mind that African PPs will only be fully contributing to consolidated figures in 4Q17.
- However, African PPs will be making up 75% of EBITDA in 2017.

REVENUE



■ TURKEY ■ AFRICA

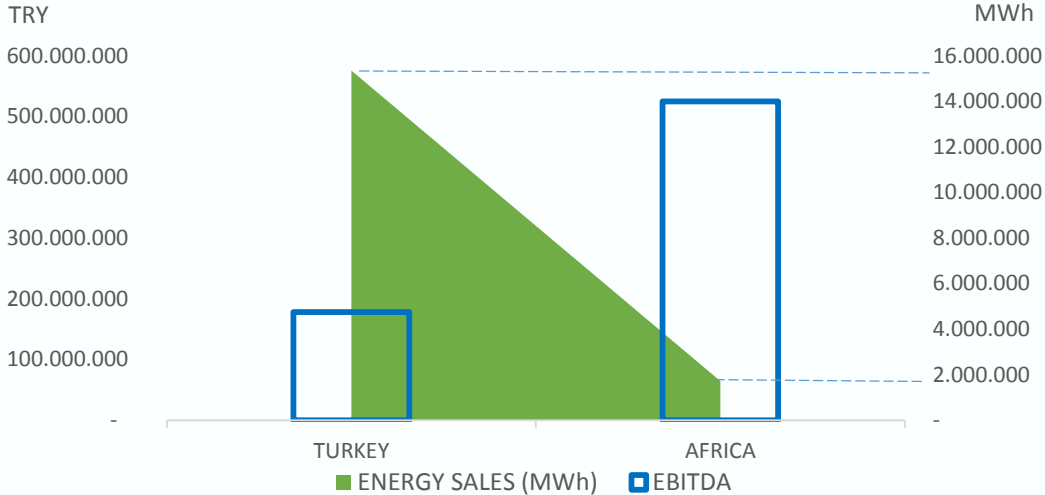
EBITDA



■ TURKEY ■ AFRICA

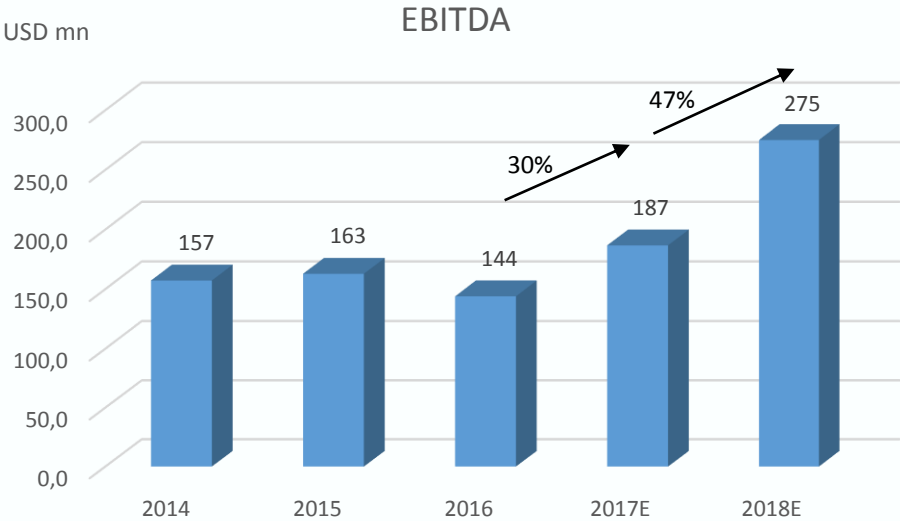
TURKEY & AFRICA

- Energy sales volumes in Turkey in 2017 constitute 90% of total sales with 15.3 TWh.
- However, EBITDA created from Turkey only represents 25% of total EBITDA as African PPs' margins are significantly higher.



TURKEY & AFRICA- Solid Growth in Consolidated EBITDA

- EBITDA will see a sharp increase YoY in USD terms in two consecutive years due to high margin sales from African PPs.
- 2018 EBITDA will see further solid growth due to full contribution from African PPs.



ASSET SALE



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313 MW Asset Sale – USD 348 mn

81 MW HES
Kozbükü
(completed in 4Q 2016)

USD 89 mn

USD 55 mn bank loans to be paid off

232 MW RES
Sebenoba, Karakurt, Şamlı, Ayvacık,
Kapıdağ, Belen/Atik

USD 259 mn

USD 120 mn bank loans to be paid off

Out of 232 MW, two RES' sale have been completed, reaching USD 35.5mn proceeds, USD 10.77 mn loans paid off and 23 MW sold.

A total of +TRY200mn net profit expected.

The sales process of each asset will be completed after the approvals of EPDK (Energy Market Regulatory Authority), Competition Authority and Ministry of Economy.

The cash proceeds will be used for decreasing the short term liabilities.

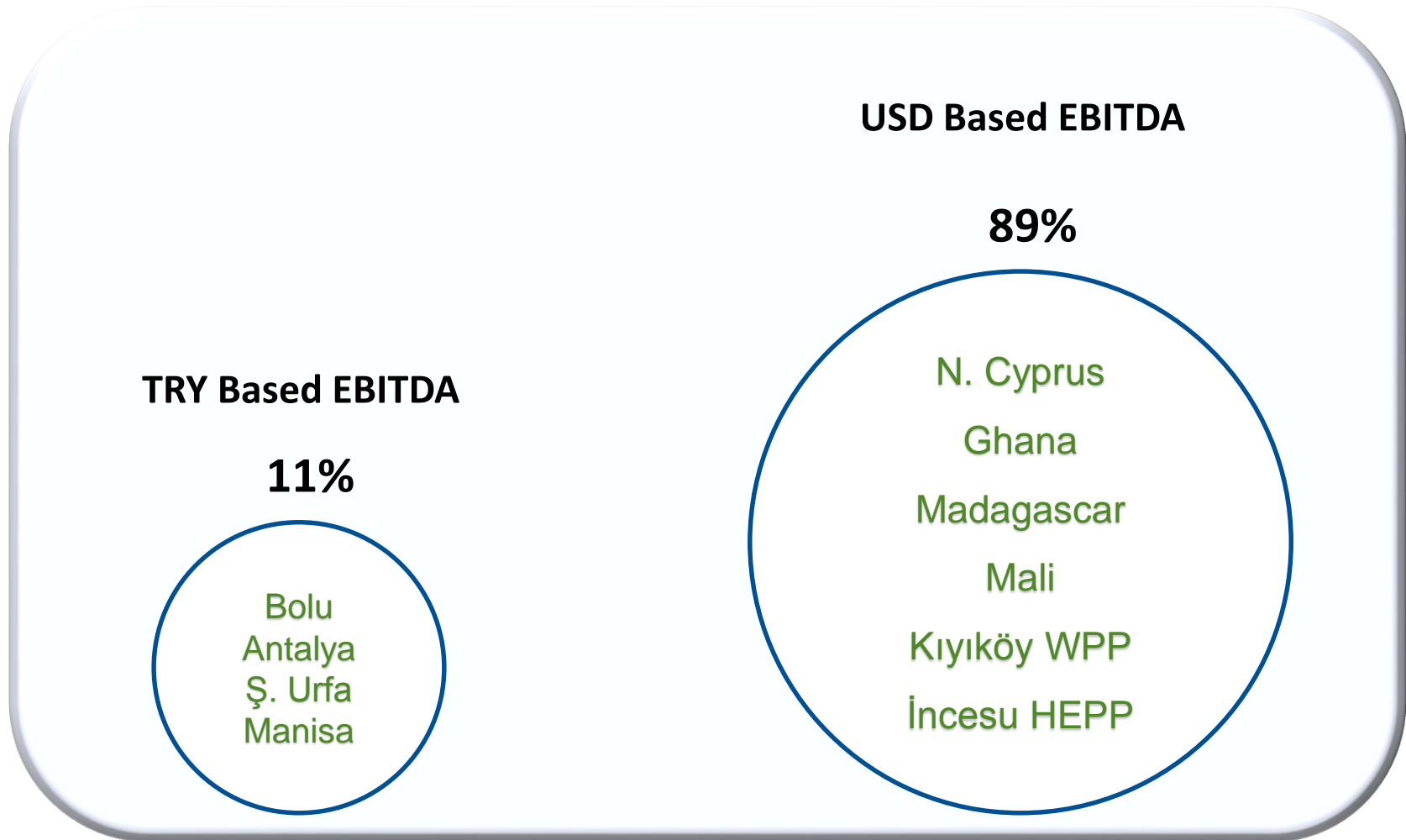
2017 GUIDANCE



2017 GUIDANCE

- ❑ Sales: 17 TWh
- ❑ Revenues: TRY 3.36 bn (\$893 mn)
- ❑ Average Aksa Price: TRY 197 (vs expected average market price of TRY 155)
- ❑ CAPEX: TRY 293 mn (\$78 mn)
- ❑ EBITDA: TRY 702 mn (\$187 mn)

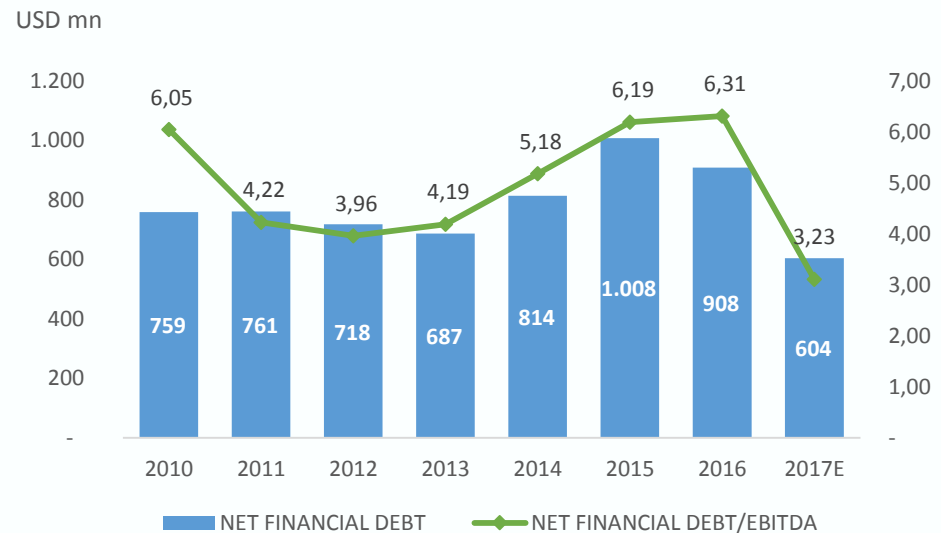
2017 Guidance – Switch to USD Based Cash Generation



2017 Guidance – Sharp Improvement in Debt Ratio

Solid EBITDA growth achieved via African PPs along with financial debt reduction via asset sale results in:

- Sharp decline in net financial debt by YE2017
- Sharp decline in net financial debt to EBITDA ratio from 6,3x in YE2016 to 3,23x in YE2017.



APPENDIX



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Consolidated income statement

<i>(TRY mn)</i>	<u>2014</u>	<u>2015*</u>	<u>2016</u>	<u>1Q 2014</u>	<u>1Q 2015</u>	<u>1Q 2016*</u>	<u>1Q 2017</u>
Net sales	1.957	2.307	3.178	472	353	726	738
Cost of sales	-1.711	-1.979	-2.907	-424	-295	-654	-715
Gross profit	247	327	271	49	59	72	24
<i>Gross profit margin</i>	13%	14%	9%	10%	17%	10%	3%
General & administrative costs	-22	-23	-30	-5	-4	-8	-13
Sales and marketing costs	-2	-1	-1	0	0	0	0
Research & development costs	0	0	0	0	0	0	0
Other operating income	4	3	13	3	2	-2	13
Other operating expenses (-)	-19	-11	-9	-2	-2	7	-6
Operating income	208	296	244	44	54	69	17
<i>Operating income margin</i>	11%	13%	8%	9%	15%	10%	2%
Gain from investing activities	1	29	4	0	0	0	19
Loss from investing activities	0	-1	-90	0	0	0	0
Financing income	200	219	51	67	67	56	111
Financing expense	-382	-769	-636	-124	-234	-118	-250
Earnings before income tax	27	-225	-427	-14	-112	8	-104
<i>EBT margin</i>	1%	-10%	-13%	-3%	-32%	1%	-14%
Tax	13	4	59	4	16	1	15
Net income	39	-221	-368	-10	-96	9	-88
<i>Net income margin</i>	2%	-10%	-12%	-2%	-27%	1%	-12%
EBITDA	344	443	435	73	86	116	62
<i>EBITDA margin</i>	17,6%	19,2%	13,7%	15,5%	24,5%	15,9%	8,4%

Source: IFRS financial statements

* Restated

Consolidated balance sheet

Assets (TRY mn)	2014	2015*	2016	1Q 2014	1Q 2015	1Q 2016*	1Q 2017
Cash and cash equivalents	34,2	48,5	219,4	127,6	79,1	252,8	6,0
Trade receivables net	88,7	119,8	219,7	115,0	23,8	297,8	262,9
Due from related parties and shareholders	4,4	67,3	59,9	0,0	0,0	0,0	61,1
Inventory	269,2	339,8	416,4	223,9	292,7	322,4	420,8
Derivative Financial Instruments	2,7	0,0	6,5	1,8	4,6	0,0	8,4
Other current assets	116,6	164,8	104,8	71,9	150,2	140,7	124,9
Assets Held For Sale	0,0	0,0	448,9	0,0	0,0	0,0	453,8
Total current assets	515,8	740,2	1475,7	540,2	550,5	1013,6	1337,9
Trade receivables	0,0	2,5	20,2	0,1	0,0	0,0	12,1
Investments	1,9	0,4	0,4	1,5	1,9	0,4	0,4
PP&E	2730,0	3236,0	2546,7	2301,8	2835,8	3159,3	2626,7
Goodwill	7,1	6,8	6,8	7,1	7,1	6,8	3,3
Intangibles	1,9	3,4	61,0	1,9	1,9	3,6	63,0
Other non-current assets	80,6	99,9	1,5	99,0	82,3	72,1	1,4
Deferred tax assets	56,2	63,2	143,1	39,1	94,7	89,1	166,2
Total non-current assets	2877,7	3412,2	2779,8	2450,5	3023,7	3331,4	2873,3
Total assets	3393,5	4152,4	4255,4	2990,7	3574,1	4345,1	4211,2
Liabilities (TL mn)	2014	2015*	2016	1Q 2014	1Q 2015	1Q 2016*	1Q 2017
Financial liabilities	439,6	938,0	1345,3	306,1	501,5	973,3	1451,6
Trade payables, net	431,8	280,4	294,4	323,1	547,9	271,1	321,1
Due to Related Parties and Shareholders	0,0	132,8	64,7	0,1	7,1	470,5	78,3
Taxation payable on income	9,6	6,8	8,7	3,8	1,5	2,5	6,0
Other payables and accrued liabilities	15,8	4,8	9,4	21,4	17,9	24,5	14,0
Derivative Financial Instruments	1,5	7,2	0,0	0,0	4,4	6,2	0,0
Liabilities held for sale	0,0	0,0	369,5	0,0	0,0	0,0	358,1
Total current liabilities	898,3	1370,0	2092,0	654,5	1080,2	1748,2	2229,1
Long-term financial liabilities	1375,8	1852,4	1618,1	1271,9	1451,2	1718,8	1538,9
Retirement pay provision	5,2	0,0	0,0	3,2	5,6	4,6	0,0
Other liabilities	0,0	4,4	2,9	0,1	0,0	0,0	3,8
Deferred tax liability	4,8	44,6	52,2	0,1	25,2	64,5	56,3
Long Term Liabilities	1385,8	1901,3	1673,1	1275,4	1482,0	1787,8	1599,0
Paid in capital	615,2	615,2	615,2	615,2	615,2	613,2	615,2
General reserves	206,5	99,1	71,7	206,5	245,8	38,1	53,7
Share premium	247,4	247,4	247,4	247,4	247,4	247,4	247,4
Cash Flow Hedge Reserve	1,0	-5,8	1,1	1,4	0,2	-6,1	1,5
Net profit for the year	39,4	-74,8	-445,0	-9,6	-96,6	-83,5	-534,6
Shareholder's equity	1109,4	881,1	490,3	1060,8	1011,9	809,0	383,1
Total liabilities and equity	3393,5	4152,4	4255,4	2990,7	3574,1	4345,1	4211,2

Consolidated statement of cash flows

<i>(TRY mn)</i>	2014	2015*	2016	1Q 2014	1Q 2015	1Q 2016*	1Q 2017
Net income (loss) before tax	26,6	-221,1	-367,6	-13,9	-105,9	8,7	-88,4
Depreciation and amortisation	121,5	146,6	191,2	29,3	31,7	46,7	44,9
Other adjustments	82,0	195,1	623,9	27,2	117,7	111,9	90,0
Change in working capital	123,6	-246,9	-481,8	69,6	115,1	239,9	67,0
Operating cash flows	353,8	-126,3	-34,4	112,3	158,6	407,2	113,5
Purchased of PP&E	-676,7	-555,0	-66,8	-221,3	-145,1	-74,7	-123,5
Purchase and disposal of equity invest	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Other investing activities	-0,4	0,0	23,6	0,0	0,0	0,0	33,5
Investing cash flows	-677,1	-555,0	-43,2	-221,3	-145,1	-74,7	-89,9
Financing cash flows	335,3	720,7	171,9	214,3	31,3	-110,7	-41,6
Net cash flows	11,9	39,5	94,3	105,3	44,8	221,7	-18,1

Source: IFRS financial statements

* Restated

Licence Portfolio (Operational)

Power Plant	License Owner	Fuel Type	Installed Capacity (MW)	%
Northern Cyprus	Aksa Cyprus	Fuel-oil	153	
Ghana	Aksa Energy	Fuel-oil	193	
Total Fuel-Oil fired power plants			346	15%
Antalya NGCC	Aksa Energy	Natural Gas	1.150	
Manisa NGCC	Aksa Energy	Natural Gas	115	
Şanlı Urfa	Rasa Energy	Natural Gas	147	
Total Natural Gas fired power plants			1.412	62%
Balıkesir Şamlı	Baki	Wind	114	
Hatay Sebenoba	Deniz	Wind	60	
Manisa Karakurt	Deniz	Wind	11	
Kapıdağ	Kapıdağ	Wind	24	
Kıyıköy	Alenka	Wind	27	
Total Wind power plants			236	10%
Çorum İncesu	Aksa Energy	Hydro	15	
Total Hydro power plants			15	1%
Bolu Göynük	Aksa Göynük	Lignite	270	
Total Lignite fired power plants			270	12%
Total Power Plants			2.279	

Ongoing Investments

Under Construction

<u>Power Plant</u>	<u>Investment</u>	<u>License Owner</u>	<u>Fuel Type</u>	<u>Capacity (MW)</u>	<u>Completion Year</u>
Ghana	Greenfield	Aksa-Ghana	HFO	177,5*	2017
Madagascar	Greenfield	Aksaf Power	HFO	120**	2017-2019
Mali	Greenfield	Aksa	HFO	40	2017
				530	
Total				530	

- The above projects will be utilising mostly existing equipments from Şırnak, Hakkari, Mardin 1, Mardin 2, Samsun, Van, and Siirt power plants.

* 192.5 MW of Ghana HFO Power Plant became operational at the end of March.

** 60 MW of Madagascar project will be operational after the transmission lines in the region are completed by the World Bank. Expected time frame for the completion of the transmission lines are 2018. Completion year is stated as 2019 to factor in any possible delays in the construction of transmission lines.

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