



AKFEN YENİLENEBİLİR ENERJİ A.Ş.

Evaluation Report about the Assumptions used in Public Offering Price Determination

This Report has been prepared in accordance with Article 29/5 of the Capital Markets Board's Communiqué on Shares No. VII-128.1

24 March 2025

I. General Information

Akfen Yenilenebilir Enerji A.Ş. ("Akfen Renewable Energy" or "the Company") communication details and necessary registration details are as follows.

Title	:	Akfen Yenilenebilir Enerji A.Ş.
Tax Office	:	Ankara Kurumlar
Tax Number	:	023 030 1966
Trade Registry Number	:	231793
Industrial Registry number	:	10273
Headquarters Address	:	İlkbahar Mah. Galip Erdem Cad. No:3 Çankaya/Ankara
Telephone Number	:	0 312 408 14 00
Fax Number	:	0 312 442 48 24
E-Mail	:	info@akfenren.com.tr
Web Site	:	www.akfenren.com.tr

Field of Activity

The Company engages in the establishment of electricity generation facilities, generation of energy from all kinds of sources, commissioning and operation of established or acquired facilities, operation of electricity generation, sale of generated electricity and/or capacity to customers, and procurement of electricity from any desired location. It manages a renewable energy generation portfolio, which serves as an energy infrastructure platform, through subsidiary companies that operate licensed and unlicensed power plants in compliance with the regulations of the Energy Market Regulatory Authority.

II. Subject and Justification of Report

This report, which includes evaluations on whether the assumptions used in determining the public offering price of Akfen Yenilenebilir Enerji A.Ş., has been prepared by the Audit Committee in accordance with Article 29/5 of the Capital Markets Board's Communiqué on Shares No. VII-128.1.

The 5th paragraph of the 29th article of the Capital Markets Board's Communiqué on Shares numbered VII-128.1 states; "The company whose shares are offered to the public for the first time, within ten business days following the public disclosure of its financial statements for two years after the shares start to be traded in the stock market, it is obligatory to prepare a report containing the evaluations about whether the assumptions based on the determination of the IPO price have been realized, and if not, the related report must be published on the company's website and on the Public Disclosure Platform with the reasons. This obligation is fulfilled by the audit committee within the partnership. This obligation is fulfilled by the board of directors for partnerships that do not have the obligation to establish an audit committee". Pursuant to the provision of this CMB regulation, this report has been prepared and shared with the public.

III. Methods Used in Price Determination Report

In the Price Determination Report prepared by Garanti Yatırım Menkul Kıymetler A.Ş. ("Garanti Securities") on January 23, 2023, for the public offering of the company's shares, and published on the Public Disclosure Platform on March 3, 2023, the company's value and offering price were determined based on the following assumptions.

In the Price Determination Report, the value per share to be offered to the public was determined in accordance with International Valuation Standards, using the Market Approach/Guideline Public Company Method (Multiple Analysis) and Income Approach (Discounted Cash Flows/DCF) methods from the Valuation Approaches and Methods.

Market Approach: Peer Public Company Method (Multiple Analysis)

In order to determine the Enterprise Value ("EV") by comparing with other companies traded on the stock exchange and operating in similar fields as the Company, the Peer Public Company Method was used. Under this method, the appropriate market multiples of companies operating in similar fields to the Company were analyzed. In this regard, in consideration of the current conditions under the Market Approach, the Enterprise Value/EBITDA (EV/EBITDA) multiple, which is considered the most valid and appropriate method for this valuation, and in which there is a high level of confidence and reliability, was used.

Below is a summary of the results of the EV/EBITDA multiple analysis conducted by examining similar companies to determine the market value of Akfen Renewable Energy.

Selected Domestic Comparable Company Multiples Results

EV/EBITDA Multiple	(\$)
EBITDA 30.09.2022 LTM	116,899,087
Multiple (x)	9.85
Enterprise Value	1,150,972,835
Net Debt	(365,167,282)
Pre-discount Market Value	785,805,553

Selected International Comparable Company Multiples Results

EV/EBITDA Multiple	(\$)
EBITDA 30.09.2022 LTM	116,899,087
Multiple (x)	11.24
Enterprise Value	1,313,987,414
Net Debt	(365,167,282)
Pre-discount Market Value	948,820,132

Income Approach (Discounted Cash Flow Method)

Under the Discounted Cash Flow (DCF) method, cash flow projections for the Company have been made until 2070, taking into account the license durations of its power plants.

In the valuation study, the Company's current structure and potential, sectoral expectations, and macroeconomic forecasts have been considered. Generally, it is assumed that;

- there will be no changes in the Company's management and key personnel that could affect its operations, and
- that any potential risks encountered will not affect the Company's sustainability.

During the projection period, the enterprise value of the Company as of September 30, 2022, was calculated using the weighted average cost of capital ("WACC") and discounted cash flows. Then, the net financial debt amount was subtracted from the enterprise value to calculate the equity value of the firm as \$687,762,321 as of September 30, 2022. The equity value as of September 30, 2022, was translated into the equivalent value on January 23, 2023, which is the date of the price determination report and also the valuation date, using the 2022 Equity Cost. On January 23, 2023, the equity value of the Company was \$722,312,098, and the enterprise value was \$1,087,479,380.

Discounted Cash Flow Summary Table

DCF Company Value (\$)	1,052,929,603
Cash and Cash Equivalents	92,908,051
Total Financial Debt (-)	(446,481,956)
Other Liabilities to Related Parties	(11,593,377)
Net Financial Debt Amount (-)	(365,167,282)
DCF Equity Value	687,762,321
Valuation Date Valuation Factor	1.05
Valuation Date Equity Value	722,312,098
Valuation Date Enterprise Value	1,087,479,380

Result of the Valuation

The company valuation includes both the EV/EBITDA Multiple Analysis and DCF valuation methods. In the Multiple Analysis Method, Domestic Comparable Companies are given a weight of 50%, while International Comparable Companies are given a weight of 50%. Additionally, both the Multiple Analysis method and the Discounted Cash Flow method are equally weighted when calculating the final Enterprise Value. The market value of Akfen Renewable Energy has been calculated as follows.

Discounted IPO Price (TL)

Domestic Multiples (Weight 50%)	
Domestic Comparable Company EV/EBITDA Multiple	9.85x
30 September 2022 LTM EBITDA (\$)	116,899,087
Enterprise Value (\$)	1,150,972,835
International Multiples (Weight %50)	
Intl. Comparable Company EV/EBITDA Multiple	11.24x
30 September 2022 LTM EBITDA (\$)	116,899,087
Enterprise Value (\$)	1,313,987,414
Weighted Enterprise Value - Multiples (Weight %50)	1,232,480,125
Enterprise Value - DCF (Weight %50)	1,087,479,380
Weighted Average Enterprise Value - Multiples and DCF	1,159,979,752
Net Debt (\$)	(365,167,282)
Market Value (\$)	794,812,470
Number of Shares	1,016,031,947
Price per Share (\$)	0.78
CBRT 23.01.2023 dated Forex Buying Rate	18.7844
Price per Share (TL)	14.69
IPO Price (TL)	9.80
Discount Rate	33.31%

According to the Price Determination Report dated January 23, 2023, following the valuation studies, the determined public offering sale price of 9.80 TL is at a discount of 33.31% compared to the calculated price per share of 14.69 TL.

IV. Forecasts and Actual Data

Generation, Revenues and EBITDA

The forecasts for 2024 in the Price Determination Report, and the actual data are compared in the table below.

	2024 Forecasts	2024 Actual	Realisation (%)
Total Electricity generation (GWh)	1,794	1,600	89%
HEPP	584	445	76%
SPP	198	197	99%
WPP	1,012	959	95%
Total Revenues (USDmn)*	168	145	86%
EBITDA (USDmn)*	121	82	68%

* The actual income statement items for 2024 shown in the table above are derived from our Company's TAS-29 compliant (adjusted for inflation effect) consolidated financial statements for 2024.

V. Results

Electricity generation from renewable energy sources largely depends on favorable meteorological conditions. The amount of electricity produced in hydroelectric power plants (HEPP), solar power plants (SPP), and wind power plants (WPP) is influenced by hydrology, radiation, and wind conditions that may vary beyond the Company's control. Any of

these factors can cause variability in generation levels, reducing the productivity of plants and leading to fluctuations in profitability.

The winter precipitation in 2023 was below normal levels. In the last quarter of 2023, precipitation began to increase, and this trend continued into the first quarter of 2024. On the other hand, summer precipitation in 2024 was below both the normal levels and the previous year's precipitation across the country. According to the Meteorological General Directorate's Precipitation Report, in the first quarter of the 2025 water year (covering the period from October 1, 2024, to December 31, 2024), precipitation remained below both normal levels and the previous year's precipitation. Throughout the region, water year precipitation was below normal in all regions except the Black Sea Region, and compared to the previous year, a decrease was observed in all regions. In 2024, our company's total electricity generation amounted to 1,600 GWh, which was 11% below the forecast in the price determination report.

The company's revenues and EBITDA in 2024 were approximately 14% and 32% below the projections in the report, respectively. The reasons for this are briefly summarized below:

- In 2024, the average electricity sales price in the spot market (68.1 USD/MWh) decreased by 29.5% compared to the previous year and fell below the expected average electricity price for 2024 (108.5 USD/MWh) used in the price determination report. Approximately 18% of the Company's generation was sold in the spot market due to the expiration of the FiT (Feed-in Tariff) support for mainly hydroelectric plants. Consequently, the decrease in the average electricity sales price in the spot market contributed to the revenues and operating profitability falling below projections in 2024.
- Another reason for the revenues and operating profitability falling below the projections in the report is that although the Company has a USD-based revenue structure (sales under FiT), its expenses and cost structure are primarily TL-based and indexed to inflation. For this reason, while the Company's TL-reported revenues were significantly impacted by changes in the USD/TRY exchange rate during the period, its EBITDA was also affected by TL-based inflation. Consequently, during this period, when inflation significantly exceeded the increase in the USD/TRY exchange rate, operational profitability was adversely affected.

In 2024, our company continued to generate cash flow from its operations, thanks to the balanced and diversified production structure of its power plant portfolio and high availability rates. In the coming period, with the contribution of newly commissioned and upcoming investments, our company is expected to maintain its cash generation capacity from operations in alignment with its targets.

As part of its growth strategy, our company initiated the first-phase investment program in 2024. The turnkey construction tenders for 86 MW hybrid solar power plants were launched in April 2024, while all contracts, including turbine supply, for our 102 MW wind power capacity expansion projects were signed in August 2024. Upon completion of our first-phase investments, which are currently under construction, our company's installed capacity is expected to reach approximately 887 MW by the last quarter of 2025.

Regards,

AUDIT COMMITTEE

Hasan Köktaş
Chairman

Yusuf Tülek
Member