



**Aydem Yenilenebilir Enerji
Anonim Şirketi**

**Realization and Evaluation Report on the Assumptions
Based on the Determination of the Public Offering Price
Prepared by the Audit Committee**

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

22 November 2021

1. GENERAL INFORMATION

Commercial Title : Aydem Yenilenebilir Enerji Anonim Şirketi

Address : Adalet Mahallesi Hasan Gönüllü Bulvarı No:15/1 Merkezefendi/
Denizli

Website : www.aydemyenilenebilir.com.tr

Company's Field of Activity

- 1) To establish, commission, take over, lease, operate, rent out all kinds of electrical power plants in to generate electrical energy, and to provide engineering, consultancy survey, planning, project and fea-sibility services related to these facilities.
- 2) To sell the electricity and / or capacity so generated within the framework of the relevant legislation.
- 3) To enter into affiliate relations with or without distribution companies incorporated
- 4) To enter into an affiliate relationship with any electric power generation companies incorporated or to be incorporated.

Stock Exchange Traded in: Borsa İstanbul A.Ş.

Registered Capital Ceiling: 2,000,000,000 TL

Issued Capital : 705.000.000 TL

Trade Registry Number: 13798

Tax Office: Pamukkale Tax Office - Denizli

Tax Number : 16500037404

2. Subject and Justification of Report: This report, which includes evaluations on whether the assumptions used in determining the public offering price of Aydem 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.

3. Explanations: In the 5th paragraph of the 29th article of the Capital Markets Board's Communiqué on Shares numbered VII-128.1, "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 supply 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 report, this report has been prepared and shared with the public.

4. Methods Used in Price Determination Report:

Consortium Leaders and Aydem Yenilenen A.Ş. (“Company”) on April 1, 2021, the value that will be the basis for the price in the public offering of the Company shares, prepared in order to be determined in accordance with International Valuation Standards in accordance with the "Communiqué on Valuation Standards in the Capital Markets" of the Capital Markets Board No. III.62-1.

In order to determine the per share value of Aydem Renewable Energy, the following valuation methods have been examined.

- Book Value Method
- Market Multiplier Analysis

Book Value Method

The book value method is a valuation method calculated by using the method of subtracting the liability figures from the value of a company's assets in the financial position. The power plants owned by the Company are classified as "tangible assets" in the statement of financial position. As stated in Footnote 2.8 of the Independent Audit Report as of 31 December 2020, the Company applies the revaluation model, which is one of the application methods in IAS 16, as an accounting policy in order to present the power plants with their fair values. As stated in the related footnote, as of 31 December 2020 and 31 December 2019, the Company obtained a valuation report from an independent valuation company and recorded its power plants with their fair values. As of 31 December 2020 and 31 December 2019, the Company has reflected these assets in its interim consolidated financial statements by deducting depreciation over revalued values. The Group has applied the “Discounted Cash Flow (“DCF”) Analysis” in its valuation and impairment studies.” The main assumptions about the method in question are also included in the relevant footnote. Since the revaluation increases of the mentioned tangible assets are reflected in the equity, it is considered reasonable to use them in the valuation of the Group. From this point of view, the Company's most recent Equity Value of the Parent Company as of 31 December 2020 has been used in the valuation.

Market Multiplier Analysis

Market multiplier analysis is a valuation method based on the price levels of companies traded in the stock exchanges and the data in the financial statements they disclose to the public and certain ratios.

In this valuation method, the Firm Value / EBITDA (FD / EBITDA) and Firm Value / Total Installed Power (FD / Installed Capacity) multipliers of similar companies to be used on the basis of comparison were used and the Company's last 12 months ended on 31.12.2020 (01.01.2020 – 31.12.2020) and the amount of profit before interest, depreciation and tax (“EBITDA”) and the installed power value of the power plants as of 31.12.2020, the firm value is calculated with both multipliers. In the next step, the equity value of the Group was calculated by deducting the net debt as of 31.12.2020.

5. Valuation Results

Market Multiplier Analysis is a reasonable method as it reflects the current market values of similar companies. On the other hand, the Book Value Method, which reflects the valuation of the Group's tangible assets using the DCF method, also reasonably reflects the value of the Company's current assets. Therefore, the two methods are weighted equally in the valuation study. Again, within the Market Multiplier Analysis, FD / EBITDA and FD / Installed Power multiplier analyzes are weighted equally.

Equity values found as a result of Book Value Method and FD / EBITDA and FD / Installed Power multiplier analyzes are given below:

Valuation Methods Results

Valuation Method	Calculated Equity Value (TL)	%	Equity Value (TL)
A. Market Multiplier Analysis			
- Similar Companies FD / EBITDA Multiplier Method	9.493.208.180 (*)	25%	2.373.302.045
- Similar Companies FD / Installed Power Multiplier Method	9.516.699.587 (*)	25%	2.379.174.897
B. Book Value Method	5.892.851.994 (**)	50%	2.946.425.997
Average Market Value			7.698.902.939

(*) Price Determination Report prepared by Yapı Kredi Yatırım Menkul Değerler A.Ş. regarding the public offering of Aydem Yenilenen Enerji A.Ş., published on the Public Disclosure Platform on 9 April 2021.

(**) Audited consolidated financial statements as of 31 December 2020.

With a weighting of 25% - 25% - 50%, the average pre-IPO market value of the Company is calculated as TL 7,698,902,939. The discount rates calculated from the minimum and ceiling prices before the public offering are calculated below:

6. Discount Calculation Before Public Offering

(TL	Results	
Nominal Capital Amount	700,000,000	700,000,000
IPO Price (Min – Ceiling)	8,5	9,9
Market Value before IPO	5,950,000,000	6,930,000,000
Market Value before IPO with Valuation Methods	7,698,902,939	7,698,902,939
Discount Rates befor IPO	23%	10%

Considering the pre-IPO market values calculated by valuation methods, the pre-IPO discount rate of 23% over the base public offering price is calculated as 8,50 TL, and the pre-IPO discount rate of 10% is calculated over the ceiling IPO price of 9.90 TL.

7. Forecast and Actual Data

Since there is no forecast for the first nine months of 2021 in the price determination report, the seasonality feature is ignored and 3/4 of the forecasts for 2021 is taken and the forecast and actual data for the first nine months of 2021 are calculated as follows:

(Million TL)	2021 Yearly Forecast	2021 Q3 Forecast	2021 Q3 Actual	Variance (%)
Total Revenue	1.632	1.225	906	% (26)
<i>Electricity Revenue</i>	<i>1.598</i>	<i>1.199</i>	<i>884</i>	<i>% (26)</i>
<i>Other Revenue</i>	<i>34</i>	<i>26</i>	<i>22</i>	<i>% (15)</i>
Cost of Sales + OPEX (*)	(325)	(244)	(268)	% 10
EBITDA	1.307	981	638	% (35)

(*) Calculated without depreciation and amortization expenses..

The valuation study was examined in line with the nine-month targets over the targeted generation amounts, revenues, investments and EBITDA amounts realized in 2021, and the nine-month deviation margins were evaluated.

The income and profitability figures that occur on a nine-month basis at the generation plants;

- Electricity purchase guarantee prices that change according to the exchange rate,
- Electricity purchase guarantee prices that change according to the inflation rate,
- Average electricity spot prices that vary periodically depending on seasonal

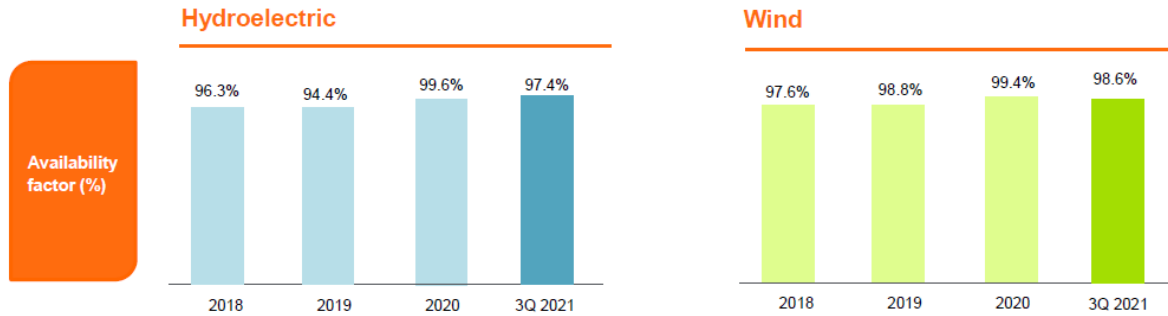
hydraulic conditions and other variables,

- Generation amounts that may change on a nine-month basis according to generation planning and periodic maintenance periods are directly affected.

Net Generation was lower than expected due to the works of the State Hydraulic Works (“DSİ”), the Electricity Generation Anonim Şirketi (“EÜAŞ”) generation program change, meteorological conditions (especially drought in the Seyhan Basin), maintenance and rehabilitation works. However, as explained in detail under the title of “The Company's Growth

Opportunities”, the Company's hybrid power plant investments aim to minimize the effects of drought that may occur in hydroelectric power plants.

The Company's expert team ensures that the Company's portfolio achieves a high level of availability at low cost, with the support of high-quality hardware and well-designed maintenance processes.

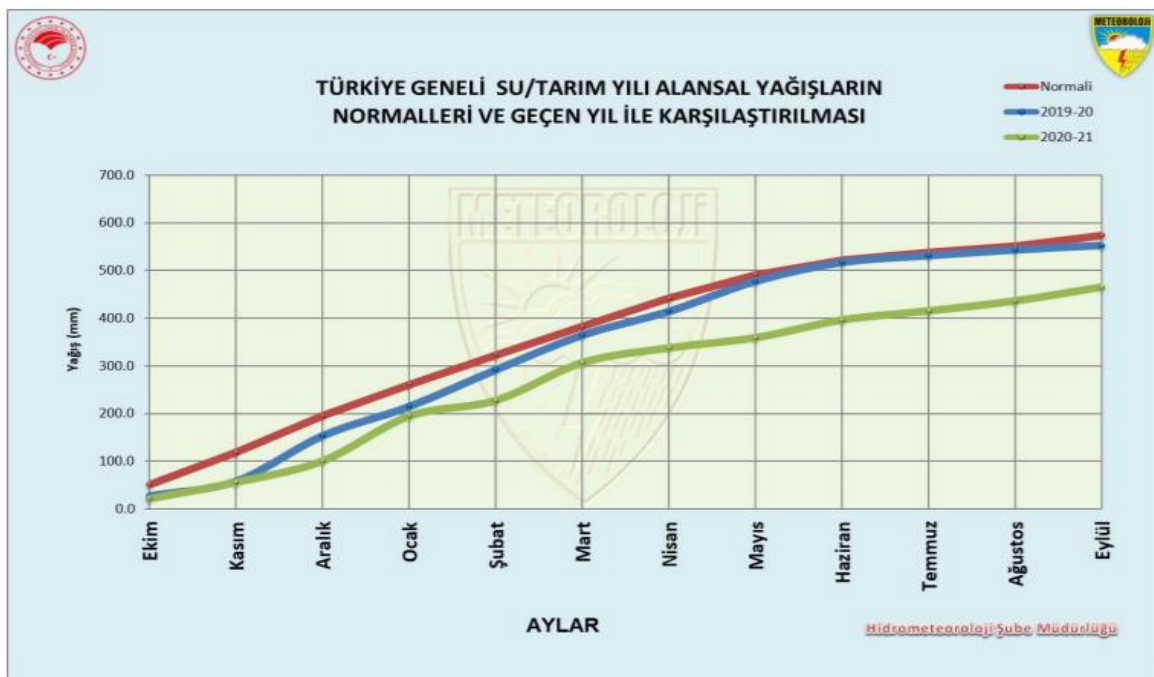


The reason for the margin decreases in the power plants is the decrease in generation due to drought in the regions;

- In 2021, precipitation throughout Turkey was at the lowest level of the last 20 years.
- In 2021, there is a decrease of 16% compared to 2020 precipitation.

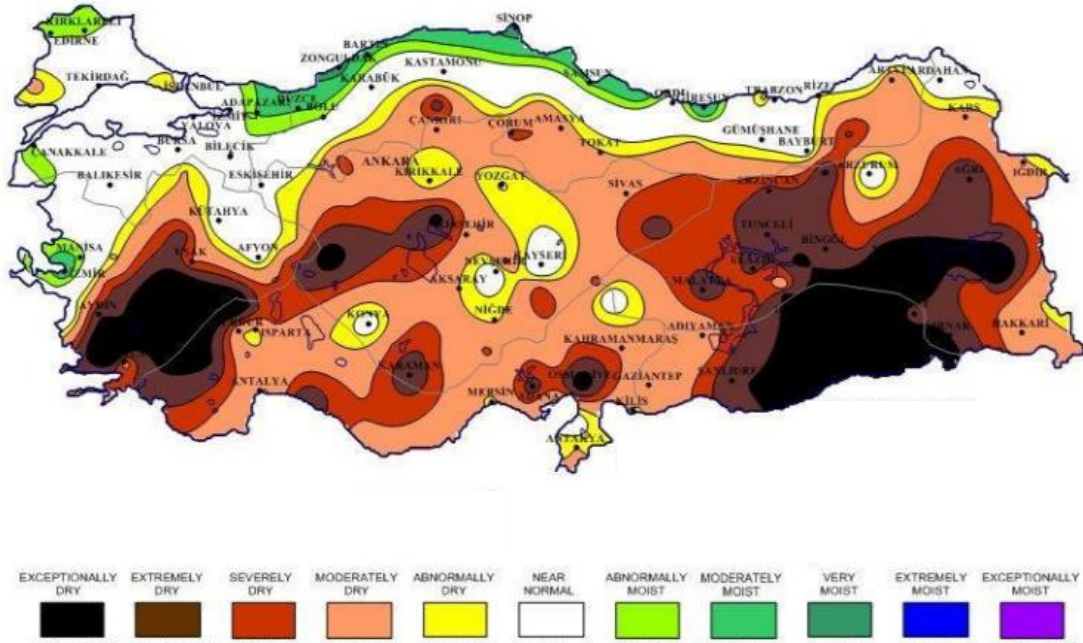
If the generation amount realized at the Company's power plants in the first 9 months of 2020 had been realized in the first 9 months of 2021, the contribution of the Company to the 9-month EBITDA amount for 2021 would have been 388 million TL.

Turkey-General Water/Agricultural Year Normals of Areal Precipitation and Comparison with Last Year



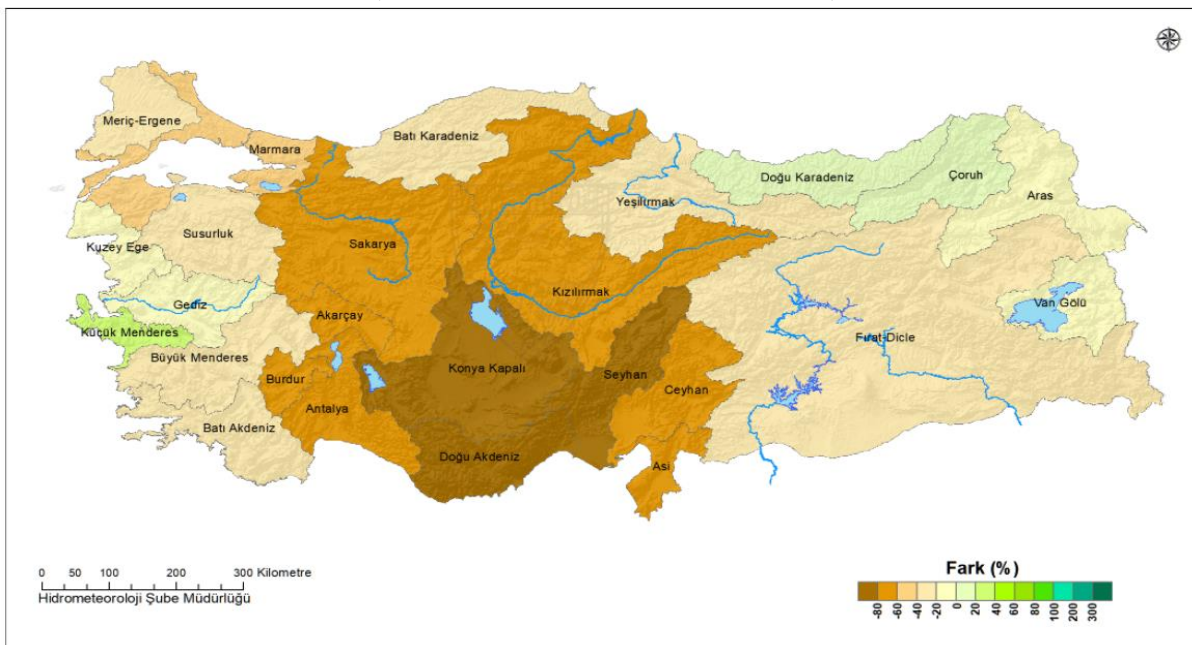
Blue color is between October 2019 and September 2020; The green color represents the period between October 2020 and September 2021. According to the table, 2021 is below the averages of 2020 and previous years.

Meteorological Drought Map



Source: General Directorate of Meteorology, 12 Monthly (October 2020-September 2021) data were used. (The black one represents the extraordinary droughty)

Water /Agricultural Year Comparison of Areal Precipitation by Basin with Normals (1 October 2020- 31 October 2021)



Source: <https://www.mgm.gov.tr/veridegerlendirme/havzalar-gore-yagis.aspx?y=k>

Accordingly, the total revenues for 2021/first nine months were 26% below the 2021 semi-annual estimated turnover due to the low generation due to drought, and accordingly, 35% below the EBITDA. In addition to the Company's electricity revenues, it also generates revenue from carbon sales. The company forecasts 600,000 tons of carbon assets per year and conservatively predicts an average carbon price of US\$2/tonne. With these assumptions, Aydem Renewable's portfolio has an annual revenue potential of US\$1,200,000. These revenues are expected to rise due to the increased demand with the Paris Agreement and the expected increase in the carbon unit price.

Another additional income potential for the Aydem Renewable portfolio comes from the International Green Energy Certificate (IREC). The annual potential yield is TL1 million with an average unit price of TL1.5/MWh. As the demand for certificate increases, the unit price is expected to increase. In addition, the expansion of the portfolio will increase the revenues that can be obtained from it.

8. Company's Growth Opportunities

The company has several opportunities for both short-term and long-term growth. Our near-term opportunities include additional capacity via hybrid generation at existing power plants, “shovel-ready” projects that we already have licenses for, and wind capacity expansion.

The Company plans to take advantage of the opportunity introduced by EMRA to generate electricity through ancillary sources at our power plants. As we would only need pay for the cost of plant construction and can use existing land and grid connections at our power plants, our capital expenditure per MW of electricity generated at hybrid power plants will be lower than for greenfield projects. For instance, we expect that building solar power capacity at one of our existing power plants would result in total capital expenditure savings of 40% to 50% when compared to the capital expenditure required for a similarly-sized typical standalone SPP. In addition, we expect that our operating expenses for these projects would be only 5% of revenue, compared to operating expenses of 13% to 15% of revenue for our new standalone projects, and there would be no related increase in the system usage fee. Multiple sources of electricity (such as water, wind and solar power) can be used to produce electricity at the same power plant using the same network infrastructure. This opportunity will allow us to increase our total capacity factor, increase our efficiency and diversify our generation profile.

300 MW hybrid capacity investment plan, which is stated in the prospectus, has increased to approximately 600 MW with the opportunity to expand the power plant areas for hybrid investment within the scope of the relevant legislation changes. It is expected that the capacities will be announced in order to clarify the investment opportunities. It will expected to determined the additional capacities.

Aydem Renewable Energy Inc. In the first phase of the hybrid power plant investments planned to be made by our company, for 4 solar power plant projects with a total power of 236 MWp;

- Regarding the Akıncı HEPP Auxiliary Source Solar Power Plant Project (74.5 MWp) planned in the districts of Tokat, Reşadiye and Niksar; The EIA Application File was uploaded to the e-EIA system of the Ministry of Environment and Urbanization on 27.05.2021, and the EIA process was started after approved in accordance with Article 8 of the EIA Regulation.

- Regarding the Koyulhisar HEPP Auxiliary Source Solar Power Plant Project (56.4 MWp), planned in Sivas Province, Koyulhisar district; The EIA Application File was uploaded to the e-EIA system of the Ministry of Environment and Urbanization on 19.05.2021, and the EIA process was initiated after approved in accordance with Article 8 of the EIA Regulation.

- The Ministry of Environment and Urbanization has taken the "EIA Positive" decision on the capacity increase project to be realized in our Uşak Wind Power Plant. The license amendment procedures will be carried out accordingly. Uşak Wind Power Plant (WPP) facility has completed the 52.8 MW electrical capacity increase obligations required by EMRA; and has been entitled to amend the license power as 114.30 MWe/114.30 MWm. The EIA Report submitted to the Ministry of Environment and Urbanization regarding such Capacity Increase (from 41 Turbines 61.5 MWm/MWe to 52 Turbines 114.30 MWm/114.30 MWe) was examined and evaluated by the Investigation and Evaluation Commission. The 'Environmental Impact Assessment Positive' Decision was taken by the Ministry of Environment and Urbanization regarding the project by taking the work of the Commission and the opinions of the public into consideration in accordance with Article 14 of the EIA Regulation. Necessary permissions will be obtained from the relevant institutions/organizations in accordance with the applicable legislation by complying with the matters stated in the Final EIA Report and its appendices, and the relevant provisions of the regulations enacted pursuant to Environmental Law No. 2872.

- Regarding Mentaş HEPP Auxiliary Source Solar Power Plant Project (49.4 MWp), planned in Adana Province, İmamoğlu district; The EIA Application File preparation works have been completed, and the EIA application process will be completed by uploading it to the e-EIA system of the Ministry of Environment and Urbanization in a short time.

Hybrid power plants, which enable the generation of electrical energy from more than one source in a single generation facility, enable more efficient use of generation facilities and produce more electricity within their electricity generation capacity. In hybrid power plants, the effect of seasonal conditions can be minimized by producing from SPP (Solar Power Plant) when the precipitation is low and from HEPP (Hydroelectric Power Plant) when the sun light is low.

The prominent advantages of hybrid power plant investments are that the investment and operational costs are lower, and the electrical energy produced from auxiliary sources is evaluated within the scope of Feed in Tariff if the main source is within the scope of Feed in Tariff.

Hybrid opportunities will allow us to increase our total capacity factor, increase our efficiency and diversify our generation profile. The license amendment application process continues to install approximately 592 MW of additional capacity at the existing power plant sites. In this context, EMRA approval was obtained for the SÖKE WPP Auxiliary Source Solar Power Plant Project (45 MWp). The approval processes of our other power plants are continuing. Official approvals are expected in the last quarter of 2021 for the capacities and planned commissioned in the first half of 2022. These hybrid opportunities are intended to be financed through proceeds from the issuance of green bonds and cash flows from operations or these hybrid generation activities.

The sales and issuance of green bond abroad, with a nominal value of USD 750 million and a maturity of 5.5 years, was completed on 2 August 2021. With the amount obtained through the bond issuance, the entire loans of the Company to the banks has been repaid, and the remaining amount will be used in the next 3 years in line with the target of doubling the installed power of the Company. Hybrid investment opportunities are intended to be financed with the proceeds from the green bond issuance and cash flows from other activities of the Company.

The Government has also recently introduced a capacity expansion opportunity for WPPs, and we intend to take advantage of this opportunity for our Uşak WPP. Once completed, this project would provide 102.6 MW of additional generation capacity. We have obtained the required permissions and approvals for 52.6 MW of this capacity, and the approval letter for the licensing process was completed by EMRA on 8 October 2021. The letter of consent regarding the licensing process has been notified to the Company by EMRA. After the completion of this capacity increase, the Company will apply to TEİAŞ for 50 MW additional capacity.

The nature, installed power information, geographical distribution and information about the Company's power plant investments under construction are as follows:

NAME OF POWER PLANT	TRADE NAME	INSTALLED CAPACITY	LOCATION
Yağmur Hydro	Ey-tur Enerji Elektrik Üretim ve Ticaret A.Ş.	23,95 MWe	Kars/Kağızman
Armağan Hydro	Başat Elektrik Üretim ve Ticaret A.Ş.	34,10 MWe	Erzincan/Üzümlü

As of 30 September 2021, 30,354,753 TL for Yağmur HPP and 19,499,726 TL for Armağan HPP have been spent, and the related investments have already been stopped. The Company continues to evaluate within the scope of the new Feed-in-Tariff (“FiT”) in order to continue its investments.

The company, have the growth opportunity including privatization tenders with more than 600 MW of additional capacity, as well as other renewable assets. We intend to take an opportunity-based approach to these potential acquisitions, based on our investment criteria and internal

acquisition capabilities. As two of the plants in our portfolio, totaling 110 MW of installed capacity, were acquired through privatization tenders, we have proven our ability to complete mergers and acquisitions and expand through inorganic growth, and we will continue to seek out opportunities in the market.

The company won the privatization tender of Akköprü HPP with a capacity of 115 MWe, which was held on 23 September 2021, by submitting the highest bid. With the transfer of Akköprü HPP in firm's portfolio and after the approval of the Privatization Administration, Company's installed power will increase from 1020MW to 1135MW, growing by 11%. Since the Company has purchased two power plants with a total installed capacity of 225 MWh to date, through privatization tenders, the Company has proven its skills in mergers and acquisitions and integration in terms of inorganic growth opportunities and continues to seek new opportunities in the market.

9. Results & Assessment

Hydrology-based generation increase is expected in the remaining months of the year, and it is expected that FiT revenues will increase with the dollar exchange rate effect. In addition, after the bond issuance on 2 August 2021 and the closure of domestic bank loans, with the remaining funds and cash obtained from the Company's operations will be used directly in hybrid investments. The Company is going to pay its principals for the bonds after 3.5 years and this is going to be benefit for the Company in order to funds to hybrid investments. Since the cash obtained by the Company from its operations will primarily be used for the Akköprü HEPP (with the incorporation of Akköprü HEPP into the Company, higher efficiency will be achieved from the company power plants located on the Dalaman Basin) and hybrid investments, the installed power of the Company is expected to increase 115 MW in 2021, depending on the completion of the transfer of Akköprü HEPP, 223 MW (120 MW hybrid investment and 103 MW Uşak WPP capacity increase) in 2022 and 400 MW with hybrid investments in 2023, while significantly increasing its revenues and EBITDA figures. The company plans to take advantage of the opportunities offered by EMRA to generate electricity in power plants through hybrid power plants. For this, the investment expenditure will be less compared to the investment expenditure required for a typical SPP of similar size, since it is possible to use the existing infrastructure connections at the power plants. In addition, since the operational expenses of hybrid power plants will be lower, the contribution of income from hybrid power plants to EBITDA will be higher compared to other power plants. As a result of all these investments, fair values of each power plant that started operating is going to be reflected to the consolidated financial statements, a significant increase is expected in the Company's asset size and equity size. In addition; The power plant valuation, which is the basis for the Company's equity calculation, is dated 31 December 2020, and the positive effects of the exchange rate increases and the increase in the market clearing price since this date on the power plant values will be reflected in the Company's equity as an increase in value.

In the light of all this information, we believe that the Company's year-end targets will be achieved with its strong financial structure, investments in line with the targets, and revenues secured by FiT, which makes up 85% of total revenues.

Regards,

AUDIT COMMITTEE

Ersin AKYÜZ
President
(The original copy has been signed.)

Mehmet Hayati ÖZTÜRK
Member
(The original copy has been signed.)

Serpil DEMİREL
Member
(The original copy has been signed.)

Fatma Dilek BİL
Member
(The original copy has been signed.)