



**Çates Elektrik Üretim Anonim Şirketi**  
**Realization and Valuation Report Prepared by the Audit**  
**Committee Regarding the Assumptions Based on the**  
**Determination of the Public Offer Price**

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**It has been prepared in accordance with Article 29/5 of**  
**the Share Communiqué No. VII-128.1 of the Capital**  
**Markets Board.**  
**17 March 2025**

## 1. General Information

**Trade Title:** Çates Elektrik Üretim Anonim Şirketi

**Head Office Address:** Şahinler Mahallesi Şahinler (Küme Evler) Yatağan Termik Santrali Sitesi No: 259/1 Yatağan/Muğla

**Corporate Website:** [www.cates.com.tr](http://www.cates.com.tr)

### Field of Activity:

1. To establish, commission, take over, lease, operate, lease out all kinds of facilities in order to generate electrical energy, to provide engineering, consultancy, survey, planning, project and feasibility services related to these facilities.
2. To sign sale and transfer of operating rights agreements to take over completed or to be completed facilities, to operate the facilities taken over, to make or have made necessary rehabilitation and additional investments.
3. To sell the generated electrical energy and/or capacity within the framework of the relevant legislation.
4. To enter into an affiliate relationship with its established or to be established enterprises, without prejudice to the provisions of the Capital Markets Law on disguised profit transfer.

**Exchange on which it is traded:** Borsa İstanbul A.Ş

**Registered Capital Ceiling:** TRY 300,000,000

**Issued Capital:** TRY 165,200,000

**Trade Registry No:** 8907

**Tax Office** : Yatağan Tax Office - Muğla

**Tax No** : 1650297639

## 2. Subject and Rationale of the Report:

This report, which includes assessments regarding the realization of the assumptions taken as basis in determining the public offering price of Çates Elektrik Üretim Anonim Şirketi ("Çates" or "the Company"), has been prepared by the Audit Committee in accordance with Article 29/5 of the Capital Markets Board's Equity Communiqué No. VII-128.1.

## 3. Statements:

This report is prepared and shared with the public pursuant to the provision, "It is obligatory for the corporation, whose shares are offered to public for the first time, to prepare a report within ten business days following the public disclosure of its financial statements for two years following the commencement of trading of its shares on the stock exchange, including assessments on whether the assumptions taken as basis in determining the public offering price have been realized or not, and if not, the reason thereof, and to publish the said report on the corporation's website and PDP according to Article 29, Paragraph 5 of the Capital Markets Board's Communiqué on Shares No. VII-128.1. This obligation is fulfilled by the audit committee within the corporation. For partnerships that are not obliged to establish an audit committee, this obligation is fulfilled by the board of directors."

#### **4. Methods Used in Price Determination Report:**

It has been prepared in order to determine the value that will constitute the basis of the price in the public offering of the Company's shares in accordance with the International Valuation Standards in accordance with the Capital Markets Board's Communiqué No. III.62-1 "Communiqué on Valuation Standards in Capital Markets" within the scope of the public offering brokerage agreement signed on August 9, 2023 and revised on September 21, 2023 between İfo Yatırım Menkul Değerler A.Ş. (İfo Yatırım), the intermediary for the public offering of the Company's shares, and Çates Elektrik Üretim Anonim Şirketi (the Company) The valuation date of the price determination report published in KAP on 24 November 2023 is 6 September 2023 and the report date is 11 September 2023. The company value and the public offering price are determined as follows.

The following valuation methods have been examined in order to determine the value of Çates Elektrik Üretim Anonim Şirketi per share.

- Income Approach: Reduced Cash Flow Analysis
- Market Approach: Market Multipliers Analysis

##### **Reduced Cash Flow Analysis**

Discounted Cash Flows Analysis (INA) is a valuation method based on the reduction of the cash flows that companies are likely to generate during their operating period to the present day. The INA method focuses on finding the intrinsic value of companies' activities based on many assumptions, reflects their long-term potential, and includes company-specific risks within a certain framework. Although it seems to be a disadvantage that this method is sensitive to assumptions, it is more suitable for non-static business models.

##### **Market Multipliers Analysis**

Market multipliers analysis is a valuation method based on comparing the current price levels at which similar companies traded on stock exchanges are traded with the proportions of certain data in the financial statements they disclose to the public. It is one of the most frequently used methods in valuation due to its easy application and relatively objective method. The disadvantages are that companies similar to the company subject to the valuation cannot always be found and that these companies only provide a basis for comparison of financial data in a certain period. In addition, since it is very sensitive to current market pricing, valuations show volatility depending on the changing market risk appetite in different periods. It is not easy to capture the future expectations of companies with market multipliers. In addition, reducing dynamic business models to a static multiplier involves risks.

In this valuation method, the Company Value/EBITDA (FD/EBITDA) multiplier, which is frequently used in the Company's sector, was used and the company's market value was calculated based on the EBITDA for the last 12 months (30.06.2022-30.06.2023).

## 5. Valuation Result

Market Multiplier Analysis is a reasonable method as it reflects the current market values of similar companies. One of the most important reasons for this is that the foreign currency-based debts of energy companies are at significant levels and the one-time financing income and expense arising from the exchange rate increase due to the exchange rate-protected deposit mechanism reaches significant levels. This prevents the normalization of profits and prevents the formation of healthy P/E factors. For these reasons, only the FD/EBITDA multiplier was used in the valuation. In the EBITDA calculation, foreign exchange income and expense arising from commercial activities are also taken into account and included in the EBITDA calculation. For this reason, EBITDAs, including exchange rate difference income and expense arising from commercial activities, were used when determining FD/EBITDA multipliers. Since Bloomberg gave the dollar-based multipliers in the sample while calculating the value from the overseas multipliers, the value was found with the Company's dollar-based data and the market value was determined at the USD/TL exchange rate on the valuation date.

### Valuation Methods Results

Since it is thought to better reflect the company dynamics in the final value, 60% weight is given to İna, while 40% weight is given to market multipliers to take into account the market behavior model in value. In addition to the foreign multipliers, a value was found from the Bell Thermal multiplier, which is exactly similar to the Company at home, and a certain weight was given to the multiplier value from the BIST-THERMIC sample, which the Company will be included in. While İNA received the most weight because it reflects the company dynamics most accurately, 0% weight was given to the Bell Thermal value, which is exactly similar to the Company, as it is the only sample. Due to the fact that they are subject to different country risks, 10% weight is given to foreign counterparts, while 30% weight is given to the BIST Thermal sample. 20% IPO discount was applied to the value obtained while determining the share value according to traditional valuation methodologies.

Valuation Summary	Value (m\$)	Weight	Price Per Share (TL)
<b>Methodologies</b>			
İNA	309,1	60,0%	59,02
Çan2	440	0,0%	84,01
Foreign Multiples	553,5	10,0%	105,69
BIST Thermal Power	444,4	30,0%	84,85
IPO Market Value	374,1	100%	71,44
<i>IPO Discount</i>	<i>-20%</i>		
<b>Terminal Value</b>	<b>299,3</b>		<b>57,15</b>
<b>Valuation Multiples</b>		<b>2023/6</b>	<b>2023 T</b>
EV/EBITDA		5,5	6,6
F/K		11,7	m.d
EV/Net Sales		1,9	m.d
PD/DD		2,1	m.d

## 6. Pre-Public Offering Discount Calculation

Public Offering Price (TL/Share)	57,15
Market Value Before IPO Prices (m USD)	374,1
Pre-Public Offering Market Value Calculated by Valuation Methods (m USD)	299,3
Pre-Public Offering Discount Rates	20%

The public offering price was determined as 57.15 TL by applying a 20% public offering discount to the value calculated by valuation methods.

## 7. Forecast and Realization Data

The estimated data for the year-end 2024 period in the price determination report and the data realized in the same period were calculated as follows.

(Million TL)	Price Determination Report 2024 Estimated	Actual- Excluding TAS 29	Realization Rate (%) - Excluding TAS 29	Actual- TAS 29 Included	Realization Rate (%) - TAS 29 Included
<b>Total Revenues</b>	<b>6.063</b>	<b>4.695</b>	<b>77%</b>	<b>5.398</b>	<b>89%</b>
<i>Electricity Sales Revenues</i>	<i>6.030</i>	<i>4.640</i>	<i>77%</i>	<i>5.334</i>	<i>88%</i>
<i>Other Income</i>	<i>33</i>	<i>55</i>	<i>166%</i>	<i>64</i>	<i>195%</i>
<b>Cost of Sales + Operational Expenses (*)</b>	<b>(3.964)</b>	<b>(3.804)</b>	<b>96%</b>	<b>(4.406)</b>	<b>111%</b>
<b>EBITDA</b>	<b>2.099</b>	<b>891</b>	<b>42%</b>	<b>991</b>	<b>47%</b>

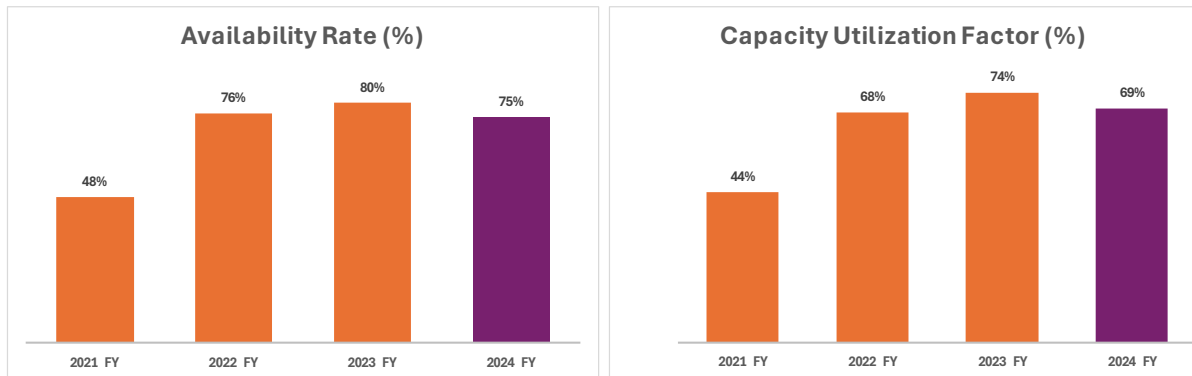
(\*) Other income and expenses from main operations are calculated net of depreciation and amortization expenses and net exchange difference income related to commercial transactions.

The production quantities, production revenues, and the generated EBITDA figures targeted for the end of 2024 have been reviewed based on annual targets, and the annual variance percentages have been evaluated.

Income and profitability figures to be generated on an annual basis in production plants;

- Electricity purchase guarantee prices varying according to the exchange rate
- Electricity purchase guarantee prices varying according to inflation rate
- Bilateral agreement and maximum settlement price
- Capacity mechanism revenues showing different distribution by months
- Average electricity spot prices, which differ periodically depending on seasonal hydrological conditions, electricity supply and demand, as well as many variables
- Production volumes, which may vary on an annual basis according to production planning and periodic maintenance periods, directly affect production volumes.

The Company's expert team ensures that the Company's portfolio achieves a low-cost, high availability and capacity ratio with the support of high-quality equipment and well-structured maintenance processes.



## 8. Conclusion and Evaluation

As of the period between 01.01.2024-31.12.2024, according to the tables containing the calculations made after the application of TAS 29 inflation accounting, the Company could not achieve the income statement projection stated in the Price Determination Report and outlined during the public offering due to sectoral and macroeconomic developments in 2024 and partially met the expectations in the estimates according to the tables containing the calculations made with the TAS 29 inflation accounting not applied. In 2024, electricity sales prices were realized below the forecasts. The difference between the price determination report and actual EBITDA is mainly due to the electricity selling price. In the first half of 2024, due to low electricity prices, annual mandatory maintenance plans were tried to be completed especially in this period. Realized production in the first half of 2024, when electricity prices were low, remained at a low level as a result of maintenance plans. The plant's production performance in the second half year and higher electricity prices in the second half year compared to the first half year had a positive impact on 2024 EBITDA.

Sincerely yours,

### AUDIT COMMITTEE

Ayben KOY  
Chairperson  
(There are signatures on the originals.)

Kemal USLU  
Member  
(There are signatures on the originals.)