

# Investment opportunity

## Non-performing loan

### - Yunus Emre Power Plant, Turkey



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Czech Export Bank (CEB) contemplates to sell its non-performing loan receivable towards Adularya Enerji Elektrik Uretimi ve Medencilik A.S. ("Receivable") that owns Yunus Emre lignite-fired power plant, a mine and all required licenses needed for the operations. The loan Receivable is fully secured by all assets of the debtor comprising lignite-fired power plant, a lignite mine, commercial enterprise including licenses and shares.

Receivable Size

€433M

Seniority

Senior secured

Collateral

Assets, enterprise,  
corporate guarantee

Governing Law

English

### Power plant location



### Key parameters

Installed capacity	2x145 MW
Annual operation	7,500-8,000 hours
Gross generation efficiency	39.3%
Net generation efficiency	35.0%
Net electricity generation	Over 1,700 GWh p.a.
Guaranteed purchase	943 GWh p.a. (55%)
Fuel	Lignite
Fuel consumption	2.0M tonnes p.a.
Already invested amount	€700M

### Investment rationale



Sole secured creditor with  
pledge over all assets and shares  
of the debtor



Mine already in operation  
Location next to the power plant



State-of-the-art lignite power  
plant close to commissioning



Low marginal costs of the  
electricity production

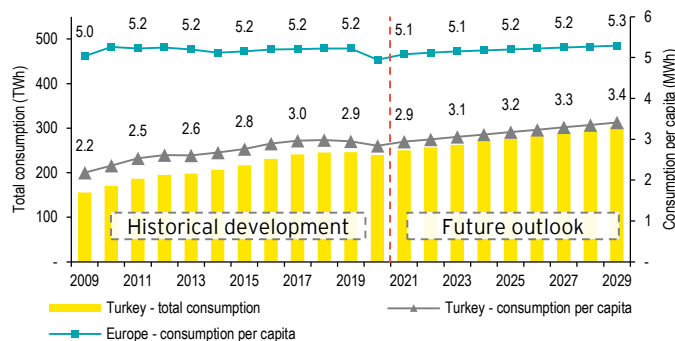


# Market Positioning

- ▶ Increasing electricity demand in Turkey.
- ▶ Continued state support of local energy sources - subsidy scheme for lignite-fired power plants guaranteeing above market purchase price (292.75 TRY/MWh in 3Q2020).
- ▶ Lignite power plants built next to lignite mines have lower marginal costs compared to other thermal power plants and are better positioned in the merit order.
- ▶ Well located power plant close to main grid network connecting Istanbul with Ankara and industrial centres of Izmir and Bursa.

## Electricity consumption per capita in Turkey and Europe

Source: BMI



## Secured Assets



### Power Plant

- ▶ The power plant consists of two units with generating capacity of 145MW each, equipped with lignite-fired double-circuit drum boilers with circulating fluidized bed, condensing steam turbines, desulphurisation and other comprehensive equipment for operation.
- ▶ The power plant is equipped with the most advanced German and Czech technology fully compliant with both Turkish and EU environmental regulations.
- ▶ The Unit A has been already operating in a test phase in 2016 and the Unit B is close to technical completion and testing.
- ▶ Power plant and mine comply with Turkish and EU environmental and safety requirements
- ▶ Adularya holds the license required for operating a power plant and selling electricity in the market.
- ▶ Fully functioning CHPP (Coal Handling and Preparation Plant) next to the power plant.

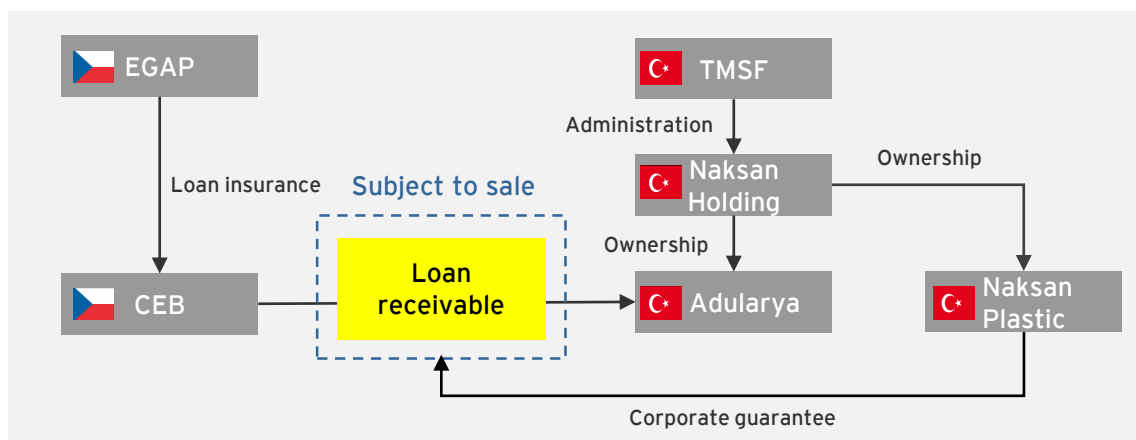


### Lignite Mine

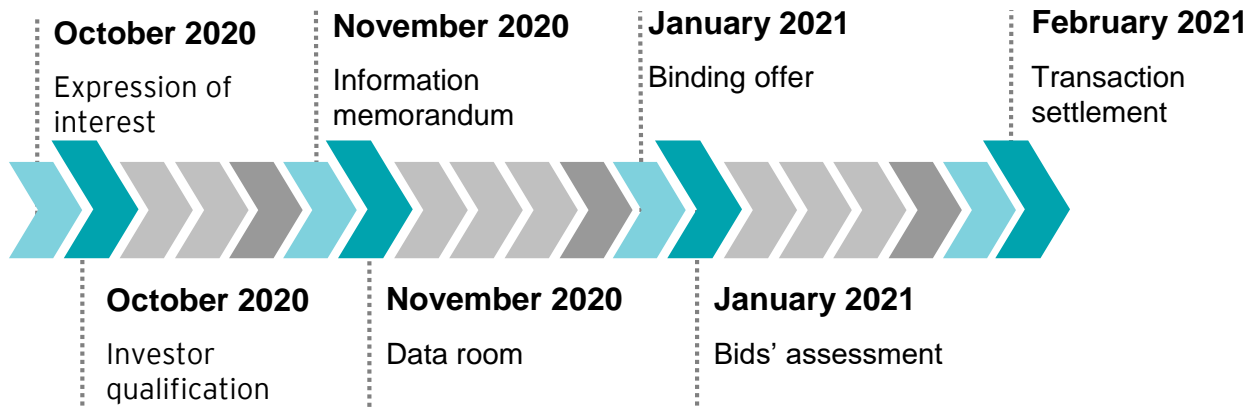
- ▶ The lignite mine has proven reserves sufficient for the whole lifetime of the power plant. Moreover, additional reserves are expected outside of the explored fields as well.
- ▶ The field A is fully operational and equipped with modern US and German machinery and equipment. The mine complies with Turkish and international safety regulations.
- ▶ Adularya has currently a mining license for both (i) lignite usage in the power plant and (ii) lignite sale.

## Ownership structure and investment loan information

The project Yunus Emre is currently owned by Adularya Energy, belonging to Naksan Holding, which was formed for the purpose of project development in 2007. Over EUR 700m has been invested into the project, which has been partially financed by a loan provided by CEB and insured by EGAP (ECA). Since the second half of 2016, Naksan Holding is under administration of TMSF (Savings Deposit Insurance Fund of Turkey). The guarantee provided by EGAP will not be part of the transaction.



## Expected Transaction Timing



### Transaction Considerations

- ▶ Sales process will be organized and coordinated by CEB and EGAP through the tender process.
- ▶ This teaser is provided in coordination with CEB and EGAP.
- ▶ The investor will receive more detailed information upon the signature of a confidentiality agreement.

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