

EBRD is considering providing an up to US\$ 162.5 million senior secured A/B loan to Akcez Group consisting of three entities, Akcez Enerji Yatirimlari Sanayi ve Ticaret A.S. ("Akcez") which owns Sakarya Elektrik Dagitim A.S. ("SEDAS"), the electricity distribution company and Sakarya Elektrik Perakende Satis A. S. ("SEPAS"), the electricity retail company. The three companies will act as co-borrowers.

SEDAS was among the first electricity distribution companies to be privatised in Turkey and is one of the few electricity distribution companies in Turkey benefiting from the presence of a foreign sponsor, CEZ, a major energy sector player active in the region.

SEDAS holds exclusive rights for electricity distribution in its region in northwest Turkey. Retail and distribution activities were unbundled in 2013 and the retail activities were transferred to SEPAS.

Since its incorporation in January 2013, SEPAS provides consumer services as the retail supplier to customers subject to regulation (national tariff and last resource) in SEDAS region and eligible customers both in SEDAS region and other regions of Turkey by making bilateral agreements.

SEDAS and SEPAS are fully owned by Akcez which is owned 50% by CEZ a.s. ("CEZ"), and 50% by Akkok Sanayi Yatirim Ve Ulastirma A.S. ("Akkok").

The proposed EBRD loan of US\$ 162.5 million will be part of the US\$ 325 million financing package to be provided jointly with International Finance Corporation ("IFC").

Source: EBRD