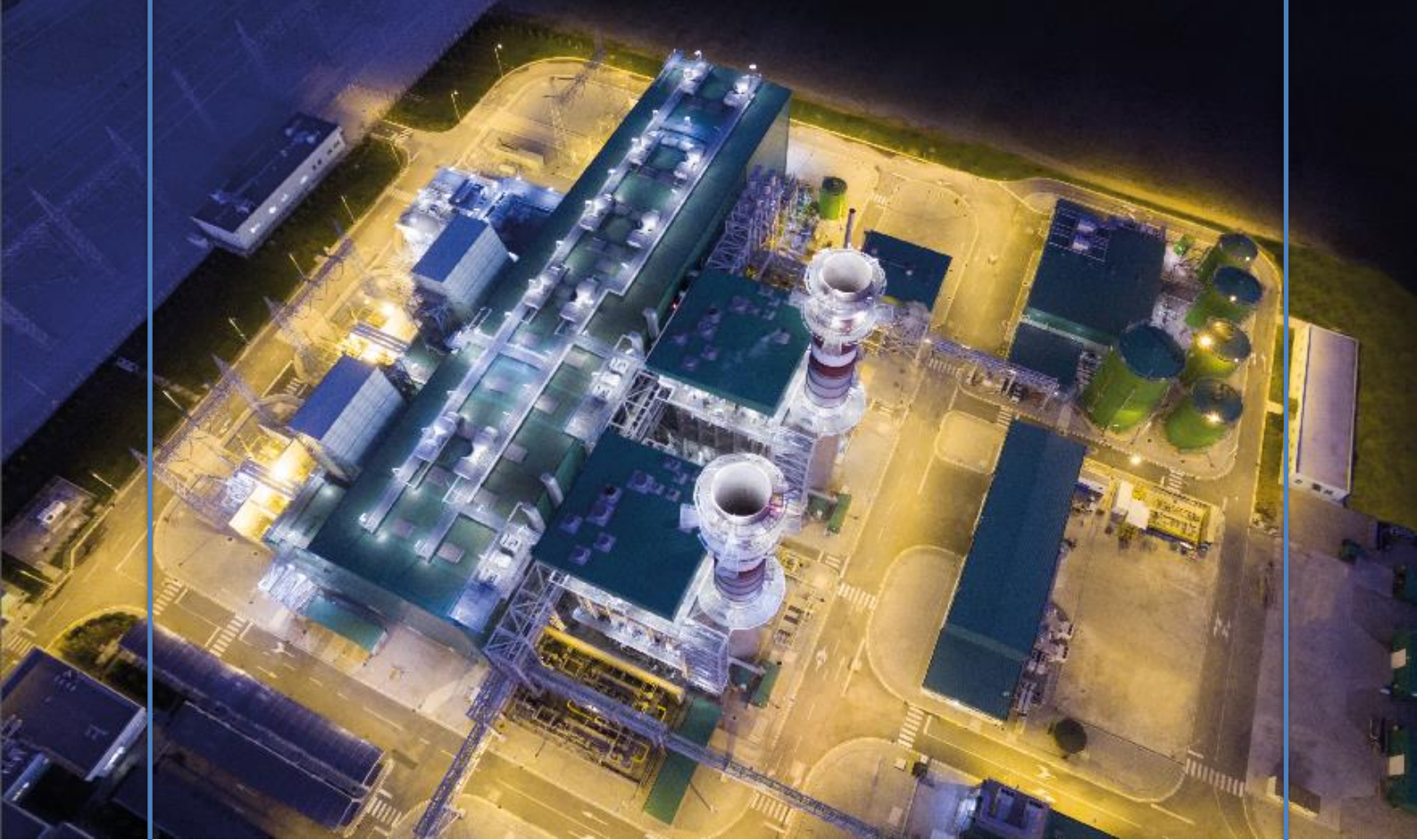




AKENERJİ ELEKTRİK ÜRETİM A.Ş.

**THE ACTIVITY REPORT OF THE BOARD OF DIRECTORS PREPARED
IN ACCORDANCE WITH THE COMMUNIQUE SERIAL II, No:14.1
PREPARED FOR THE PERIOD 1 JANUARY 2022 – 30 SEPTEMBER 2022**



ACTIVITY REPORT PREPARED FOR THE INTERIM PERIOD

CONTENTS	PAGE
I. COMPANY PROFILE	1-10
Company Information	
Akenerji in Brief	
Capital and Shareholding Structure	
Board of Directors and Committees	
II. ENERGY SECTOR IN BRIEF	10
III. SALES AND THE PERFORMANCE OF THE GROUP	10
IV. GENERATION AND THE CAPACITY INFORMATION	11
V. INVESTMENTS	12
VI. FINANCIAL SOURCES.....	12
VII. RISK MANAGEMENT POLICY AND INTERNAL AUDIT MECHANISM	13
VIII. MAIN FINANCIAL HIGHLIGHTS.....	13
IX. CHANGES IN THE ARTICLES OF ASSOCIATION IN THE PERIOD.....	14
X. SIGNIFICANT EVENTS REGARDING THE GROUP	14

I – COMPANY PROFILE

Company Information

Title of Partnership : AKENERJİ ELEKTRİK ÜRETİM ANONİM ŞİRKETİ

Stock Exchange : Istanbul Stock Exchange (“ISE”)

Addresses of our Offices :

AKENERJİ İSTANBUL Miralay Şefik Bey Sokak Akhan No:15 Kat:3-4 Taksim-İSTANBUL

AKENERJİ ANKARA Mustafa Kemal Mahallesi Dumlupınar Bulvarı Eskişehir Yolu 7. Km, No:266 Tepe Prime B Blok Kat :7 No:71 Çankaya/ANKARA

AYYILDIZ WEPP Aldede Deliktaş Mevkii Ayyıldız Tepe Edincik-Bandırma/BALIKESİR

ULUABAT HEPP Akçalar Fadıllı Köyü Yolu 5.km Nilüfer/BURSA

BURÇ HEPP Aşağı Ağızlı Köyü Burç Mah. Besni/ADIYAMAN

BULAM HEPP Doğanlı Köyü Mevkii Merkez/ADIYAMAN

FEKE I HEPP Sülemişli Mah. Sülemişli Küme Evleri No:1 Feke/ADANA

FEKE II HEPP Kısacıklı Köyü İçmeler Mevkii Feke/ADANA

GÖKKAYA HEPP Himmetli Köyü Suçatı Mah.No:102 Saimbeyli/ADANA

HİMMETLİ HEPP Himmetli Mah.Dravlı Sok. No:84 Saimbeyli/ADANA

ERZİN NGCCP Mahmutlu Mahallesi Burnaz Küme Evleri No.1 Erzin/HATAY

Web Site : www.akenerji.com.tr

E-mail address : info@akenerji.com.tr

Phone number : 00 90 (212) 249 82 82

Fax number : 00 90 (212) 249 73 55

Akenerji in Brief

Having commenced operations in 1989 as an autoproducer group under the umbrella of the Akk k Group of Companies, Akenerji Elektrik  retim A. . (“the Company”) has been operating as the first independent electricity generation company established as an autoproducer since 2005. Being one of the largest players with its experience of more than 33 years in energy sector of Turkey, Akenerji focused to become an integrated energy company by providing energy systems optimization and management services for industrial and commercial customers on energy efficiency services as well as its electricity generation and wholesale electricity trading operations.

Akenerji is a strategic partnership of joint venture between Akk k Holding, and Europe’s leading power company, the  EZ Group and has the sole capacity to meet 3% of Turkey’s power need, with its total installed power of 1.224 MW as of today. By putting the hydroelectric power plants and wind power plants into use in stages, Akenerji in total achieved a total renewable energy generation capacity of 320 MW and the Erzin natural gas combined cycle plant with a generation capacity of 904 MW has started its operations on July, 2014.

Project works for Kemah Hydroelectric Power Plant, with an installed capacity of 198 MW and a production capacity of 560 GWh, which is planned to be established in Erzincan, are continuing.

The nature of business and registered addresses of the subsidiaries of the Company (“Subsidiaries”) are provided below:

Subsidiary	Nature of business	Registered address
Akenerji Elektrik Enerjisi İthalat İhracat ve Toptan Ticaret A.�.	Electricity trading	G�m��ssuyu / İstanbul
Ak-El Kemah Elektrik �retim A.�.	Electricity production and trading	G�m��ssuyu / İstanbul
Akenerji Do�algaz İthalat İhracat ve Toptan Ticaret A.�.	Natural gas trading	G�m��ssuyu / İstanbul
Akel Sungurlu Elektrik �retim A.�.	Electricity production	G�m��ssuyu / İstanbul

Akenerji together with its subsidiaries will be referred as “the Group”.

Capital and Shareholding Structure

Akenerji adopted the registered capital system applicable to the companies registered on the CMB and defined a limit to its registered capital for shares whose nominal value is TL1 (“one Turkish Lira”). As of 30 September 2022 and 31 December 2021 the share capital and the limit on registered share capital are as follows:

	30 September 2022	31 December 2021
Limit on registered share capital (historical)	1.500.000.000	1.500.000.000
Issued capital	729.164.000	729.164.000

The Company’s shareholders and shareholding structure as of 30 September 2022 and 31 December 2021 are as follows:

	Share (%)	30 September 2022	Share (%)	31 December 2021
CEZ a.s.	37,36	272.425.943	37,36	272.425.943
Akkök Holding A.Ş.	20,43	148.989.090	20,43	148.989.090
Akarsu Enerji Yatırımları San. ve Ticaret A.Ş.	16,93	123.436.852	16,93	123.436.852
Publicly held	25,28	184.312.115	25,28	184.312.115
	100,00	729.164.000	100,00	729.164.000

Adjustment to share capital	101.988.910	101.988.910
	831.152.910	831.152.910

The share capital of the Company consists of 72.916.400.000 shares with a nominal value of 1 Kr and no privilege rights are provided for any kind of shares.

Board of Directors and Committees

Board of Directors (“BoD”):

NAME - SURNAME	TITLE	TERM
SERHAN GENÇER	BoD Member / Chief Executive Officer	Assigned on 12 April 2022 for a three years period.
ÖZLEM ATAÜNAL	Chairperson of the BoD	Assigned on 12 April 2022 for a three years period.
TOMAS PLESKAC	Vice Chairperson of the BoD	Assigned on 12 April 2022 for a three years period.
JAROSLAV MACEK	BoD Member	Assigned on 12 April 2022 for a three years period.
PETR KALAS	Independent BoD Member	Assigned on 12 April 2022 for a three years period.
ONDREJ DVORAK	BoD Member / CFO	Assigned on 12 April 2022 for a three years period.
DEMET ÖZDEMİR	Independent BoD Member	Assigned on 12 April 2022 for a three years period.
MEHMET EMİN ÇİFTÇİ	BoD Member	Assigned on 12 April 2022 for a three years period.

Key Management Compensation:

	1 January - 30 September 2022	1 January - 30 September 2021	1 July - 30 September 2022	1 July - 30 September 2021
Salaries and benefits	7.115.426	4.419.992	2.817.549	1.381.906
Bonus payment	4.575.002	4.335.110	-	-
Attendance fee	918.549	647.816	380.539	247.676
	12.608.977	9.402.918	3.198.088	1.629.582

Jurisdictions of Board of Directors:

Board of Directors of Akenerji Elektrik Üretim A.Ş. (“Company”) have adopted the following resolution in accordance with the Article 390/4 of Turkish Commercial Code:

1. ÖZLEM ATAÜNAL to be assigned as the Chairperson of the Board of Directors
2. TOMAS PLESKAC to be assigned as Vice-Chairperson of Board of Directors,
3. The signatories authorized to represent and bind our Company and the signatory groups be determined as follows:

GROUP (A) SIGNATURES

ÖZLEM ATAÜNAL
Chairperson of Board of Directors

GROUP (B) SIGNATURES

TOMAS PLESKAC
Vice-Chairperson of Board of Directors

MEHMET EMİN ÇİFTÇİ
Member of Board of Directors

JAROSLAV MACEK
Member of Board of Directors

SERHAN GENÇER
Member of Board of Directors
/General Manager

ONDREJ DVORAK
Member of Board of Directors/CFO

GROUP (C) SIGNATURES

ÖZGE ÖZEN AKSOY
Deputy CFO

GROUP (D) SIGNATURES

-

CAN GÜLCAN
Energy Generation Assistant General Manager

GROUP (E) SIGNATURES

ORKUN EYİLİK
Commercial Director

YUSUF HÜSEYİN YÜCEBAŞ
Government Relations Coordinator

DUYGU ERZURUMLU CENGİZ
HR & Business Support Director

4. The representation of our Company shall be as follows:

- I. Our Company shall be represented and bound and be indebted and engaged in the broadest sense with JOINT SIGNATURES of a GROUP (A) signatory and a GROUP (B) signatory to be affixed under the corporate seal of the Company.
- II. Our Company shall be represented and bound with JOINT SIGNATURES of GROUP (A) signatory must be the Chairperson, ÖZLEM ATAÜNAL or the Member of Board of Directors/General Manager, SERHAN GENÇER and the GROUP (B) signatory must be the Vice-Chairperson, TOMAS PLESKAC or the Member of Board of Directors/CFO, ONDREJ DVORAK under the corporate seal of the Company on the issues stated in Article 5/ (I) of the Internal Regulation no. 08 approved by our Board of Directors on 12.04.2022.
- III. Our Company shall be represented and bound with JOINT SIGNATURES of a GROUP (A) signatory and a GROUP (B) signatory or GROUP (D) signatory under the corporate seal of the Company on the issues stated in Article 5/ (II) of the Internal Regulation no. 08 approved by our Board of Directors on 12.04.2022.
- IV. Our Company shall be represented and bound with JOINT SIGNATURES of a GROUP (A) signatory or a GROUP (C) signatory and a GROUP (B) signatory or GROUP (D) signatory under the corporate seal of the Company on the issues stated in Article 5/ (III) of the Internal Regulation no. 08 approved by our Board of Directors on 12.04.2022.
- V. Our Company shall be represented and bound (i) with JOINT SIGNATURE of any two signatories from the GROUPS (A), (B), (C) and (D) or (ii) with JOINT signature one from GROUP (E) signatory and the other from any signatory from the GROUPS (A), (B), (C) and (D) to be affixed under the corporate seal of the Company on the issues stated in Article 5/ (IV) of the Internal Regulation no. 08 approved by our Board of Directors on 12.04.2022.

Information on BoD Members:

Özlem Ataünal

Chairperson of the BoD

She graduated from Üsküdar American High School in 1985 and Uludağ University, Department of Business Administration in 1989. Starting her career at İktisat Bank, Ataünal held various positions from Branch Manager to Customer Relations Management at Körfezbank. She joined Akkök Group in 2000 as Budget and Finance Manager of Akenerji. In 2005, Ataünal was promoted to the position of CFO of Akkök Holding. In 2012, she was appointed as the Executive Committee Member in charge of Finance. In 2017, she became a member of the Board of Directors of Akkök Holding. She has assumed various responsibilities over the years and is currently the CFO of Akkök Holding, Executive Committee Member in charge of Strategy and Business Development and President of the Energy Group. In addition to being a member of the Board of Directors of Akkök Holding, Ataünal has been a member of the Board of Directors of Akenerji, Sepaş Enerji, AKCEZ and Akgirişim . Ms. Ataünal has been a member of TÜSİAD since 2013.

Tomáš Pleskač

Vice President of the BoD

Born in 1966, Tomáš Pleskač graduated from Mendel University of Agriculture and Forestry (Brno), Faculty of Business and Economics in 1989, and received his MBA from Prague University. In 1994, Mr. Pleskač started his career at ČEZ Group and served as senior executive at various positions within the Group. Since 2006, Mr. Pleskač serves as member of the Board of Directors (and Vice- Chairperson of the Board since September 26, 2017) at the ČEZ, a. s. He became a Division International Chief Officer in January 2008 and served as a Division International Chief Officer until December 2016 while between April 2012 and May 2014 he led Division Distribution and International Affairs. Following the transformation of ČEZ, a. s., Mr. Pleskač has served as the Chief Renewables and Distribution Officer since March 1, 2017. Mr. Pleskač is member of the Board of Directors at Akenerji since May 2009. Currently he holds a position of Deputy Chairperson of the Board of Directors at Akenerji.

Ondřej DVORAK

BoD Member / CFO

After graduating from University of Economics in Prague, Ondřej obtained his executive MBA degree from Katz Business School, University of Pittsburgh. Ondřej started in CEZ Group in 2006 in Corporate Finance, between 2014 and 2016 he was CFO of CEZ ICTS and then served as Head of Group Performance Department before joining Akenerji. As of January 2018, Ondřej Dvořák is the head of CEZ Turkey Operations Department, while at the same time he assumes the role of Akenerji Financing and Financial Affairs Assistant General Manager. Since August 2020, he has been serving as a Board Member, Deputy Chairperson of the Executive Committee and Deputy Chairperson of the Investment Committee.

Serhan GENÇER
BoD Member / General Manager

Born in 1975 in Istanbul, Mr. Serhan Gençer graduated from the Department of Mechanical Engineering at Middle East Technical University. Started his professional career in 1998 at Unit Int. SA located in Belgium, where he worked in various countries in a variety of roles on several investment, business development projects, such as Project Manager and Project Development Manager, until December 2007. He worked as Project Director at Turcas Power & Gas Group from December 2007 to October 2009. Joined Akenerji as General Manager of Egemer Elektrik Üretim A.Ş. in October 2009, Gençer was appointed as Assistant General Manager of Akenerji responsible from generation at the beginning of 2013. In 2016, he appointed as the Vice General Manager of Akenerji responsible from trading by proxy in addition to his current duties and responsibilities. At the beginning of 2017, he was appointed as General Manager of Akenerji.

Jaroslav MACEK
BoD Member

Jaroslav Macek is currently responsible for the development of energy services in the CEZ Group companies outside the Czech Republic. He previously taken responsibility for the development and operation of the CEZ Group's foreign operations in and outside the Czech Republic. Jaroslav Macek also serves as Vice President or Member of the Audit Committee of various foreign companies belong to the CEZ Group. Jaroslav Macek speaks Russian on the basic level besides his fluent Czech and English. Before joining CEZ, he served as a member of the management team at Ukrsibbank (BNP Paribas group), and has been in charge of the Bank's Corporate Development Department, including preparation of the Bank's strategy and strategic developments. In addition, he worked at advisory department of PricewaterhouseCoopers responsible of performance improvement, financial and operational efficiency and development of practices.

Mehmet Emin Çiftçi
BoD Member

Mehmet Emin Çiftçi was born in Istanbul in 1987, and graduated from Istanbul Ticaret University Faculty of Business Administration. He started his professional life in the Department of Budget Planning and Reporting in Akkim Kimya Sanayi ve Ticaret A.Ş., and completed his Business Administration education in UCLA Extension (UCLA). Mr. Mehmet Emin Çiftçi completed the MBA program at the Institute of Business at Özyeğin University in 2018. Mr. Mehmet Emin Çiftçi is a Member of the Executive Board of Akkök Holding as of 2020, as well as Akkök Holding Board Member. He also serves on the Boards of various Akkök Holding Companies.

Petr KALAS
Independent BoD Member

Born in 1940, Petr KALAS had his master's degree in 1963 from Czech Technical University in Prague as Honor Student. He has worked as an international consultant in the management of numerous programs and projects, including UNIDO (United Nations Industrial Development Organization) in energy and industrial planning areas in 55 countries. After that; He joined the Swiss government in charge of development support of 24 countries in Asia, Africa and Latin America. Kalas, with the World Bank, has conducted the donor-funded "Environment for Europe" program since 1994. He then served as director of the World Bank / Swiss National Joint Implementation / Clean Development Mechanism Strategy Work Program. In September 2006, he was appointed as the Czech Government Minister of Environment as a non-political expert. Between 2007 and 2013, he served as advisor to several ministers, including three prime ministers and ministers of environment and agriculture. As a member of international organizations, including the World Energy Council, he is also vice-president of the Czech branch of the World Business Council for Sustainable Development. Since 2014, he has chaired the Sustainable Energy Committee at the Government Council of Sustainable Development under the auspices of the Prime Ministry.

Demet Özdemir
Independent BoD Member

During her 30 year career at EY (Ernst&Young), which started with Arthur Andersen and spent the last 15 years as a Corporate Finance Senior Partner, Demet Özdemir worked with nearly 1000 domestic and international companies through mergers, acquisitions, public offerings, restructuring and restructurings. Provided financial advisory services. As Private Equity Sector Leader and Corporate Finance Partnerin EY Turkey and Central and South East Europe region, Özdemir has led important projects in finance, energy and infrastructure, retail, consumer products and service sectors. She also assumed the role of Growth Markets Leader in the EMEA (Europe, Middle East, India and Africa) region at EY, becoming the first Turkish executive appointed to the region all leadership position in this vast geography comprising of 98 countries, employing 150,000 people. During this role, which she carried out for three years, she worked in fields such as entrepreneurship, start-up, venture capital, family companies and contributed to fast-growing companies. Demet Özdemir, who has been actively working on gender equality and women's empowerment in businesslife, has been a member of the EY Global Businesswomen Advisory Board, a member of the EY Women Fast Forward and Women3 Forum Management Committee, and the EMEA Leader who launched the EY Entrepreneurial Women Leaders (EWW) Program. In2015, shecochaired the sessionon "Empowering Women Entrepreneurs" at the W20 Summit, which was held for the firsttime under the G20 in Istanbul. Here signed from her partnership at EY as of 2021. Currently, she is acting as the non executive director at Inveo Investment Holding and Osmanlı Yatırım Menkul Değerler A.Ş. and the British Turkish Chamber of Commerceboards. She also sits on the boards of Women on Board Turkey and Junior Academy. A graduate of METU Business Administration, Özdemir has a graduate degree in International Finance from the London School of Economics. Özdemir, a former national skier who won the Turkish championship between1987-1991, is married and has a son.

Corporate Governance Committee:

NAME-SURNAME	TITLE
Petr KALAS	Chairperson
Demet ÖZDEMİR	Member
Ondrej DVORAK	Member
Özge ÖZEN AKSOY	Member

Audit Committee:

NAME-SURNAME	TITLE
Demet ÖZDEMİR	Chairperson
Petr KALAS	Member

Early Detection of Risk Committee:

NAME-SURNAME	TITLE
Demet ÖZDEMİR	Chairperson
Petr KALAS	Member

II – ENERGY SECTOR IN BRIEF

According to TEİAŞ data, total electricity consumption was 251 TWh in the first nine months of 2022, increasing by 1.4% compared to 247,5 TWh in the first nine months of 2021.

Total installed capacity of Turkey as of the end of September 2022 is announced as 102.280 MW (including unlicensed power plants). Private sector has the largest share in the installed capacity with a share of 68,1%, followed by EÜAŞ with a share of 20,5% followed by unlicensed power plants with a share of 8,0% and followed by operating rights transferred plants with a share of 3,2% and followed by built-operate and built-operate-transfer plants with a share of 0.11%. Renewable sourced power plants hold a share of 53,7% in total installed capacity.

The average market price of the electricity in the first nine months of 2022, in nominal terms, realized as TL 2.159,39 which is 444,79% higher compared to the average market price of electricity in the first nine months of 2021.

YEKA RES-3 competitions, developed by the Ministry of Energy and Natural Resources within the scope of the Renewable Energy Resource Zones (YEKA) model, has been completed 31 different companies on 14 June 2022. In 20 different regions, wind energy-based competitions have been held in the connection zones determined for the purpose of allocating a total capacity of 850 MW. 31 companies submitted bids and 9 different utility firms won capacity rights in the competition.

III – SALES AND THE PERFORMANCE OF THE COMPANY

Details of the electricity sales quantities of the Group in MWh terms are as below:

	1 January - 30 September 2022	1 January - 30 September 2021
BILATERAL AGREEMENTS	1.863.044	2.365.036
DAY AHEAD MARKET (*)	1.124.405	1.480.977
AUXILIARY SERVICES	658.045	857.195
RENEWABLE ENERGY RESOURCES SUPPORT MECHANISM	229.690	567.735
TOTAL	3.875.184	5.270.943

* Includes Renewable Energy Resources Support Mechanism sales.

IV – GENERATION AND CAPACITY INFORMATION

- Generation type of our Erzin Plant is Thermal-Combined Cycle and its total electricity generation was 2.059.841.082 kWh and its steam generation was 2.074.693 tons in the first nine months of 2022. Capacity utilization rate, according to actual generation, is 34,88%. Generation scope of our plant is Electricity and Steam generation. 34,06% decrease occurred in electricity generation compared to the first nine months of the last year.

- Generation type of our Balıkesir Ayyıldız WEPP Plant is electricity generation based on wind energy and its total electricity generation was 58.674.761 kWh in the first nine months of 2022. Capacity utilization rate, according to actual generation, is 31,73%. Generation scope of our plant is Electricity generation. 1,3% decrease occurred in electricity generation compared to the first nine months of the last year.

-Generation type of our Bulam HEPP Plant is electricity generation based on Channel-type hydraulic energy and its total electricity generation was 19.879.399 kWh in the first nine months of 2022. Capacity utilization rate, according to actual generation, is 43,20%. Generation scope of our plant is Electricity generation. 22,30% increase occurred in electricity generation compared to the first nine months of the last year.

-Generation type of our Uluabat HEPP Plant is electricity generation based on Reservoir Hydraulic energy and its total electricity generation was 157.666.000 kWh in the first nine months of 2022. Capacity utilization rate, according to actual generation, is 24,07%. Generation scope of our plant is Electricity generation. 31,69% decrease occurred in electricity generation compared to the first six months of the last year.

-Generation type of our Burç HEPP Plant is electricity generation based on River type HEPP energy and its total electricity generation was 49.465.820 kWh in the first nine months of 2022. Capacity utilization rate, according to actual generation, is 27,74%. Generation scope of our plant is Electricity generation. 9,44% increase occurred in electricity generation compared to the first nine months of the last year.

-Generation type of our Fekke II HEPP Plant is electricity generation based on Reservoir Hydraulic energy and its total electricity generation was 117.961.530 kWh in the first nine months of 2022. Capacity utilization rate, according to actual generation, is 25,93%. Generation scope of our plant is Electricity generation. 25,19% increase occurred in electricity generation compared to the first nine months of the last year.

-Generation type of our Himmetli HEPP Plant is electricity generation based on Reservoir Hydraulic energy and its total electricity generation was 75.710.310 kWh in the first nine months of 2022. Capacity utilization rate, according to actual generation, is 42,89%. Generation scope of our plant is Electricity generation. 10,94% increase occurred in electricity generation compared to the first nine months of the last year.

-Generation type of our Fekke I HEPP Plant is electricity generation based on Channel-type hydraulic energy and its total electricity generation was 81.619.390 kWh in the first nine months of 2022. Capacity utilization rate, according to actual generation, is 42,46%. Generation scope of our plant is Electricity generation. 12,99% increase occurred in electricity generation compared to the first nine months of the last year.

-Generation type of our Gökçaya HEPP Plant is electricity generation based on Reservoir Hydraulic energy and its total electricity generation was 75.986.810 kWh in the first nine months of 2022. Capacity utilization rate, according to actual generation, is 40,67%. Generation scope of our plant is Electricity generation. 14,58% increase occurred in electricity generation compared to the first nine months of the last year.

V – INVESTMENTS

As a result of the completed investments, taking into consideration of the long-term energy policy of Turkey, Akenerji sustained its competitive position with an installed power of 1.224 MW and a flexible portfolio that can adapt to rapidly changing market conditions. In addition to its current operational portfolio, the project works for Kemah Hydroelectric Power Plant, with 198 MW, which is planned to be established in Erzincan, are on-going.

The fundamental strategy of Akenerji is to operate its existing power plants to the optimum level in line with market prices. The operations and maintenance works of all power plants of Akenerji, included in its portfolio, are performed by its own personnel in an attentive and effective way. Additionally, to comply with the changing market conditions and to strengthen its competitive position, Akenerji constantly reviews the strategies and takes necessary steps to achieve a more efficient and innovative way of generation.

VI – FINANCIAL SOURCES

The main financial sources of our Company are comprised of the cash created from the operations, the funds derived from the financial institutions and the share capital.

As of 30 September 2022, the Group has;

- USD 37,3 million short-term borrowings and EUR 1,1 million and TL 4,1 million short-term leasing liabilities, and
- TL 3,1 billion and USD 417,4 million long-term borrowings and EUR 6 million and TL 39,5 million long-term leasing liabilities.

Akenerji aims to focus on the unpredictability of financial markets including the changes in foreign exchange rates and interest rates and seeks to minimize potential adverse effects on the Group's financial performance.

The total share capital of Akenerji is TL 729.164.000 and 25,28% shares of its shares is traded in Istanbul Stock Exchange.

VII – RISK MANAGEMENT POLICY AND INTERNAL AUDIT MECHANISM

The Board of Directors establishes internal control systems, including risk management and information systems and processes that aim at minimizing the effects of risks that would affect the stakeholders of the Company, particularly the shareholders, by obtaining the suggestions of the related committees of the Board of Directors.

The Company's risk inventory is one of the most important follow-up tools used in Akenerji's risk management activities. The risk inventory includes the operational, financial, reputational and strategic risks of the Company. Risks with high or very high level risk scores are monitored at the level of the Board of Directors. Detailed action plans are created for such risks, and a risk owner is assigned for each of these risks. The risk owner is responsible for managing the related risk within the framework of the agreed action plan. Thus, the risk management philosophy grew into a permanent item on the agenda of routine business of Akenerji executives. Updated in line with sectoral and institutional developments, this philosophy has become an integral part of the Company's applications.

The current internal control system, particularly enhancing the efficiency and productivity of Company operations, ensuring reliability in financial reporting, and compliance with applicable law and legislation, is being audited by the Akenerj Internal Audit Department in coordination with the Internal Audit Departments in Akkök Holding A.Ş. and ČEZ a.s., in accordance with the annual internal audit plan. The outcome of the audit is reported to the Audit Committee. The effectiveness of internal auditing operations has been reviewed during the year by Audit Committee. Opinions of the internal auditor, external auditor, or other Company executives have also been obtained when required.

VIII – MAIN FINANCIAL HIGHLIGHTS

Current Period Ratios

Debt / Liability Ratio	$\frac{\text{SHORT-TERM LIABILITIES \& LONG-TERM LIABILITIES}}{\text{TOTAL LIABILITIES}}$	101%
Debt / Equity Ratio	$\frac{\text{SHORT-TERM LIABILITIES \& LONG-TERM LIABILITIES}}{\text{TOTAL EQUITY}}$	-11.710%
Gross Profit Margin (%)	$\frac{\text{GROSS PROFIT / (LOSS)}}{\text{NET SALES}}$	11%
Net Profit Margin (%)	$\frac{\text{NET PROFIT / (LOSS) FOR THE PERIOD}}{\text{NET SALES}}$	-18%

IX – CHANGES IN THE ARTICLES OF ASSOCIATION IN THE PERIOD

The amendment text related to the Article 14 of the Company's Articles of Association titled “Powers and Duties of Board of Directors” was approved by the letter of the Capital Markets Board dated 24.01.2022 no. E-29833736-110.03.03-16331, by the letter of the Ministry of Trade dated 11.02.2022 no. E-50035491-431.02-00071829931 and by the letter of the energy Market Regulatory Authority dated 31.01.2022 no. E-77386926-110.01.01.01-354905. The amendment text related to the Article 14 of the Company's Articles of Association titled “Powers and Duties of Board of Directors” was submitted to the approval of shareholders of the Company and approved at the Ordinary General Assembly held on 12 April 2022.

X – SIGNIFICANT EVENTS REGARDING THE GROUP

The Ordinary General Assembly Meeting of the Company for the year 2021 was held on 12 April 2022. Shareholders representing 74,723% of the Company's capital attended the meeting. Shareholders used their right to ask questions and no motion with the exception of the agenda was presented. There were no questions from shareholders answered in writing after the General Assembly in line with principle 1.3.5 of Corporate Governance Notification no. II-17.1 of the Board of Directors that could not be responded to during the meeting.

At the Ordinary General Assembly Meeting of the Company for the year 2021 held on 12 April 2022, it was decided to elect PwC Bağımsız Denetim Ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi as the independent auditor of our Company for auditing financial statements and reports of our Company for the year of 2022, in line with the report of the Audit Committee and as per the resolution of the Board of Directors, in accordance with the relevant provisions of Turkish Commercial Code, “Communique on Independent Auditing Standards in Capital Markets” Serial:X, No:28 of Capital Markets Board and the Decision of Energy Market Regulatory Authority on Auditing of Real Persons and Legal Entities Displaying Activity in Energy Market” dated 03.03.2015 and numbered 5507.

Best Regards,

Ondrej DVORAK
Chief Financial Officer

Serhan GENÇER
Chief Executive Officer