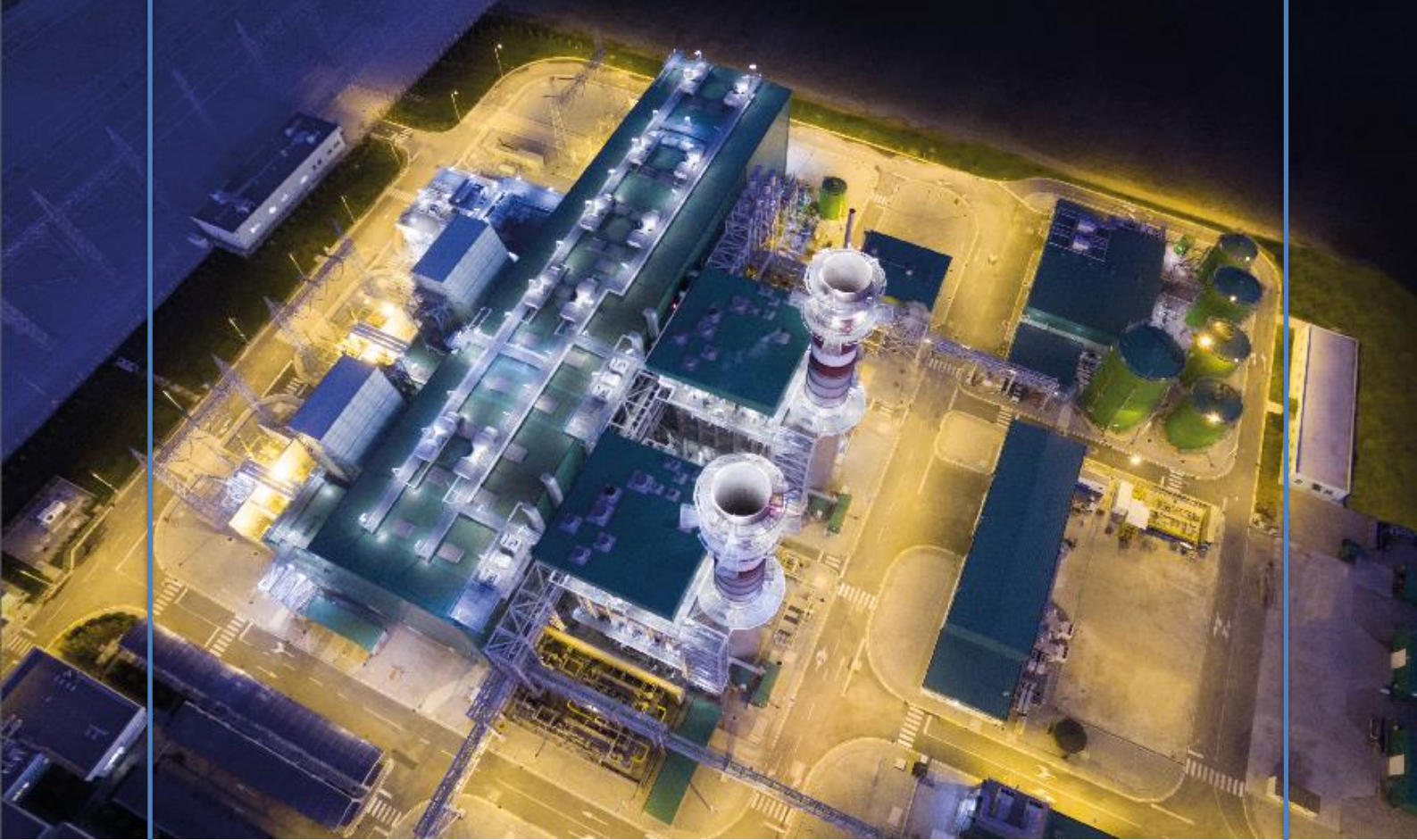




AKENERJİ ELEKTRİK ÜRETİM A.Ş.

**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 2023 – 31 MARCH 2023**



ACTIVITY REPORT PREPARED FOR THE INTERIM PERIOD

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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 Edincik Beldesi Aldede ve Deliklitaş Mevkii, Bandırma/BALIKESİR

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

BURÇ HEPP Besni İlçesi Aşağı Ağzı Köyü, Burç Mahallesi/ADIYAMAN

BULAM HEPP Doğanlı Köyü Mevkii Merkez/ADIYAMAN

FEKE I HEPP Sülemişli Mah. Sülemişli Küme Evler No:33 Feke/ADANA

FEKE II HEPP Kısacıklı Mah. Alıçlı Küme Evler No:14 Feke/ADANA

GÖKKAYA HEPP Himmetli Mah. Kazaklı Küme Evler No:73 Saimbeyli/ADANA

HİMMETLİ HEPP Kovuk Çınar Mahallesi Kiraz Küme Evler No:73 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 Akkök Group of Companies, Akenerji Elektrik Üretim A.Ş. (“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 34 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 Akkök Holding, and Europe’s leading power company, the ČEZ Group and has the sole capacity to meet 2,5% 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.Ş.	Electricity trading	Gümüşsuyu / İstanbul
Ak-El Kemah Elektrik Üretim A.Ş.	Electricity production and trading	Gümüşsuyu / İstanbul
Akenerji Doğalgaz İthalat İhracat ve Toptan Ticaret A.Ş.	Natural gas trading	Gümüşsuyu / İstanbul
Akel Sungurlu Elektrik Üretim A.Ş.	Electricity production	Gümüşsuyu / İstanbul
5ER Enerji Tarım Hayvancılık A.Ş. (“5ER Enerji”)	Electricity production	Gümüşsuyu/İstanbul
Akenerji Company For Electric Energy Import And Export and Wholesale Trading/Contribution Branch (“Akenerji Toptan Khabat”)	Electricity trading	Erbil/Irak

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. As of 31 March 2023 and 31 December 2022 the share capital and the limit on registered share capital are as follows:

	31 March 2023	31 December 2022
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 31 March 2023 and 31 December 2022 are as follows:

	Share (%)	31 March 2023	Share (%)	31 December 2022
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 - 31 March 2023	1 January - 31 March 2022
Bonus payment	8.082.535	4.575.002
Salaries and benefits	5.587.303	2.024.129
Attendance fee	341.876	219.513
	14.011.714	6.818.644

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

Vice Chairperson of the Board of Directors 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 CEZ Group and served as senior executive at various positions within the Group. Since 2006, Mr. Pleskač has served as member of the Board of Directors at CEZ, 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 CEZ, a.s., Mr. Pleskač has served as the Chief Renewables and Distribution Officer since March 1, 2016. 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

Ms. Demet Özdemir started her career at Arthur Andersen. During her nearly 30-year career, where she spent the last 15 years as a Corporate Finance Senior Partner at EY (Ernst & Young), she provided merger, acquisition, public offering, restructuring and financial advisory services to nearly 1000 local and international companies. As Private Equity Sector Leader and Corporate Finance Partner at EY Turkey and Central and Southeast Europe region, Ms. Özdemir assumed the role of Emerging Markets Leader in EMEIA (Europe, Middle East, India and Africa). Ms. Özdemir, who has been actively working on gender equality and women's empowerment in business life, has been a member of the EY Global Businesswomen Advisory Board, a member of the Management Committee of the EY WomenFast Forward and Women 3 Forum, and the EMEIA Leader who implemented the EY Entrepreneurial Women Leaders (EWW) Program. In 2015, she co-chaired the session on "Empowering Women Entrepreneurs" at the W20 Summit, which was held for the first time within the scope of the G20 in Istanbul. Currently, she is the member of the Board of Directors of Inveo Investment Holding and Osmanlı Yatırım Menkul Değerler A.Ş. and the British Turkish Chamber of Commerce. She is a Board Member of the Women's Association and Young Success Foundation, of which she is one of the founders. Ms. Özdemir is a Board Member of the Young Achievement Education Foundation and Women's Association, of which she is one of the founders. A graduate of METU Business Administration, Ms. Özdemir has a graduate degree in International Finance from the London School of Economics. Ms. Özdemir, a former national skier who won Turkish championships between 1987-1991, 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 79,5 TWh in the first three months of 2023, increasing by 4,50% compared to 83,2 TWh in the first three months of 2022.

Total installed capacity of Turkey as of the end of March 2023 is announced as 104.376 MW (including unlicensed power plants). Private sector has the largest share in the installed capacity with a share of 68,0%, followed by EÜAŞ with a share of 20,1% followed by unlicensed power plants with a share of 8,7% and followed by operating rights transferred plants, built-operate and built-operate-transfer plants with a share of 3,2%. Renewable sourced power plants hold a share of 50,6% in total installed capacity.

Botaş natural gas tariff, which was 20.625 TL/kSm³ in December 2022, decreased to 12.000 TL/kSm³ in March 2023. Parallel to the decreasing gas costs, the market electricity price, which was 3.724 TL/MWh at the end of December 2022, was realized as 2.126 TL/MWh in March 2023. It was decreased by 43% comparing to December 2022. Similarly, when the first quarter of 2022 is compared with the first quarter of 2023, it is observed that electricity prices in the free market increased by 97% from 1.417 TL/MWh to 2.786 TL/MWh due to the increase in natural gas prices.

Price CAP Mechanism has been introduced by the Energy Market Regulatory Authority (EMRA), which will be valid for 6 months as of April 1, 2022. With this application, it is aimed to fund high production cost producers and Incumbent Supply Companies and to ensure the continuity of the subsidy in the tariffs. The price cap mechanism has been extended until October 2023. The application, which was put into use as of April 2022, continued in 2023 and caused a loss of income especially in renewable generation power plants.

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 - 31 March 2023	1 January - 31 March 2022
BILATERAL AGREEMENTS	561.295	790.616
STABILIZATION AND RECONCILIATION MARKET (*)	560.306	286.925
ANCILLARY SERVICES (SFC)	189.491	152.773
CROSS BORDER ELECTRICITY TRADE	24.493	32.419
TOTAL	1.335.584	1.262.733

*Includes 1.274 MWh Renewable Energy Resources Support Mechanism sales (31 March 2022 MWh 91.526).

IV – GENERATION AND CAPACITY INFORMATION

- Generation type of our Erzin Plant is Thermal-Combined Cycle and its total electricity generation was 1.022.482.454 kWh and its steam generation was 979.863 tons in the first three months of 2023. Capacity utilization rate, according to actual generation, is 52,36%. Generation scope of our plant is Electricity and Steam generation. 54,09% increase occurred in electricity generation compared to the first three 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 21.076.584 kWh in the first three months of 2023. Capacity utilization rate, according to actual generation, is 34,6%. Generation scope of our plant is Electricity generation. 5,3% increase occurred in electricity generation compared to the first three 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 5.511.419 kWh in the first three months of 2023. Capacity utilization rate, according to actual generation, is 36,3%. Generation scope of our plant is Electricity generation. 24,18% decrease occurred in electricity generation compared to the first three 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 23.162.000 kWh in the first three months of 2023. Capacity utilization rate, according to actual generation, is 10,72%. Generation scope of our plant is Electricity generation. 75,67% decrease occurred in electricity generation compared to the first three 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 20.731.990 kWh in the first three months of 2023. Capacity utilization rate, according to actual generation, is 35,12%. Generation scope of our plant is Electricity generation. 21,32% decrease occurred in electricity generation compared to the first three 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 28.353.860 kWh in the first three months of 2023. Capacity utilization rate, according to actual generation, is 18,87%. Generation scope of our plant is Electricity generation. 51,24% decrease occurred in electricity generation compared to the first three months of the last year.

IV – GENERATION AND CAPACITY INFORMATION (Continued)

-Generation type of our Himmetli HEPP Plant is electricity generation based on Reservoir Hydraulic energy and its total electricity generation was 20.220.670 kWh in the first three months of 2023. Capacity utilization rate, according to actual generation, is 34,70%. Generation scope of our plant is Electricity generation. 32,55% decrease occurred in electricity generation compared to the first three months of the last year.

-Generation type of our Feke I HEPP Plant is electricity generation based on Channel-type hydraulic energy and its total electricity generation was 21.375.980 kWh in the first three months of 2023. Capacity utilization rate, according to actual generation, is 33,66%. Generation scope of our plant is Electricity generation. 34,96% decrease occurred in electricity generation compared to the first three months of the last year.

-Generation type of our Gökkaya HEPP Plant is electricity generation based on Reservoir Hydraulic energy and its total electricity generation was 19.319.650 kWh in the first three months of 2023. Capacity utilization rate, according to actual generation, is 31,34%. Generation scope of our plant is Electricity generation. 35,94% decrease occurred in electricity generation compared to the first three 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.

As of 2023, it is aimed to install Solar Energy and Hybrid Power Plants with a capacity of approximately 50 MW at existing power plants, especially Akenerji Erzin Natural Gas, Ayyıldız RES, Burç HEPP. In this context, licensing of 7,8 MW hybrid capacity for the Erzin power plant purchased in 2022 continues.

In the Solar Power Plant Project to be established on the roof areas signed between Akiş Gayrimenkul and Akasya and Akbatı AVMs in 2022, Akenerji will carry out the installation and energy management of the power plants with the Esco model. Thanks to the cooperation between Akenerji and Akiş, some of the energy consumption of Akasya and Akbatı AVM will be met from the Solar Power Plant. The project will contribute to the reduction of energy costs and carbon footprints.

The Group, undertook the audit activities during the construction of the Biomass Power Plant in Konya. With the commissioning of the relevant power plant in 2023, Company will also perform Operational Maintenance Services.

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 31 March 2023, the Group has;

- USD 36,7 million short-term borrowings and EUR 1,1 million and TL 6,2 million short-term leasing liabilities, and
- TL 3,3 billion and USD 410,6 million long-term borrowings and EUR 5,5 million and TL 73,3 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	$\frac{\text{SHORT-TERM LIABILITIES \& LONG-TERM LIABILITIES}}{\text{TOTAL LIABILITIES}}$	74%
Debt / Equity Ratio	$\frac{\text{SHORT-TERM LIABILITIES \& LONG-TERM LIABILITIES}}{\text{TOTAL EQUITY}}$	285%
Gross Profit Margin (%)	$\frac{\text{GROSS PROFIT / (LOSS)}}{\text{NET SALES}}$	5%
Net Profit Margin (%)	$\frac{\text{NET PROFIT / (LOSS) FOR THE PERIOD}}{\text{NET SALES}}$	-2%

IX – CHANGES IN THE ARTICLES OF ASSOCIATION IN THE PERIOD

No changes were made to the Articles of Association in the period.

X – SIGNIFICANT EVENTS REGARDING THE GROUP

The Ordinary General Assembly Meeting of the Company for the year 2022 was held on 26 April 2023. Shareholders representing 74,86% 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 2022 held on 26 April 2023, it was decided to elect PwC Bağimsız 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 2023, 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