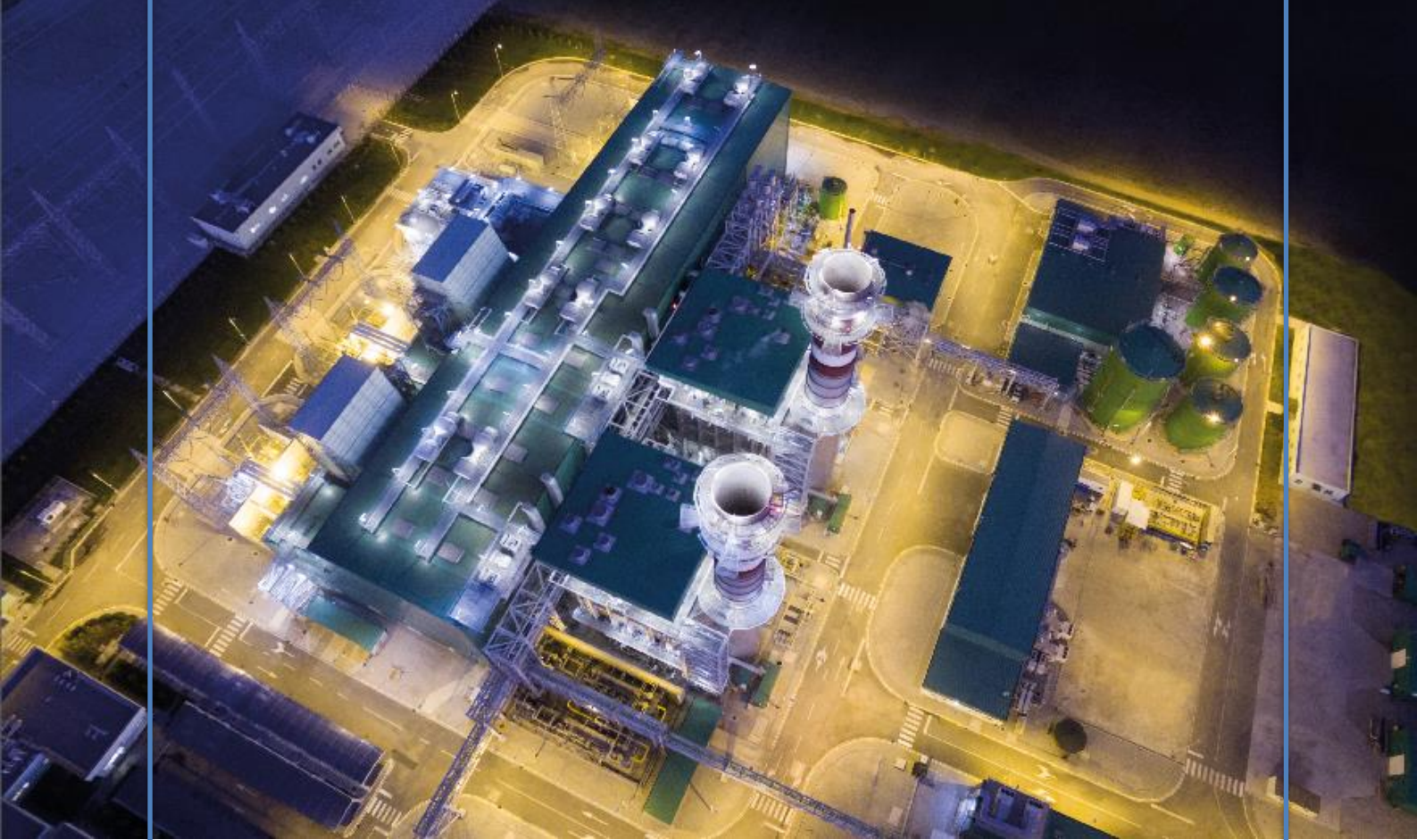




AKENERJİ ELEKTRİK ÜRETİM A.Ş.

**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 2024 – 31 MARCH 2024**



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 35 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.

As of today, Akenerji's total installed capacity is 1.224 MW, which is a 50%-50% strategic partnership between Akkök Holding and the Czech energy company ČEZ Group, one of the leading energy companies in Europe, and it can meet approximately 2,5% of Turkey's energy needs on its own. has production capacity. Akenerji has reached a total generation capacity of 320 MW based on renewable energy sources with the hydroelectric and wind power plants that it has gradually commissioned, and the Erzin Natural Gas Combined Cycle Power Plant with an installed capacity of 904 MW became operational as of 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/Iraq
Aken Europe B.V. (“Aken B.V.”)	Electricity trading	Amsterdam/Netherlands

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 2024, and 31 December 2023 the share capital and the limit on registered share capital are as follows:

	31 March 2024	31 December 2023
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 2024 and 31 December 2023 are as follows:

	Share (%)	31 March 2024	Share (%)	31 December 2023
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		9.655.720.212	9.655.720.212	
		10.384.884.212	10.384.884.212	

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.
LIBOR KUDLACEK	Independent BoD Member	Assigned on 26 March 2024, following the resignation of PETR KALAS to complete his predecessor’s term of office.
ONDREJ DVORAK	BoD Member	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 KOCAOĞLU	BoD Member	Assigned on 1 June 2023, following the resignation of MEHMET EMİN ÇİFTÇİ to complete his predecessor’s term of office.

Key Management Compensation:

	1 January - 31 March 2024	1 January - 31 March 2023
Salaries and benefits	8.646.294	14.310.446
Bonus payment	8.146.493	9.892.540
Attendance fee	720.715	605.305
	17.513.502	24.808.291

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

MEHMET KOCAOĞLU

Member of Board of Directors

SERHAN GENÇER

Member of Board of Directors
/General Manager

GROUP (B) SIGNATURES

TOMAS PLESKAC

Vice-Chairperson of Board of Directors

JAROSLAV MACEK

Member of Board of Directors

ONDREJ DVORAK

Member of Board of Directors

ÖZGE ÖZEN AKSOY

CFO

GROUP (C) SIGNATURES

CAN GÜLCAN

Energy Generation Assistant General
Manager

ORKUN EYİLİK

Commercial Director

DUYGU ERZURUMLU CENGİZ

HR & Business Support Director

GROUP (D) SIGNATURES

-

GROUP (E) SIGNATURES

YUSUF HÜSEYİN YÜCEBAŞ

Government Relations Coordinator

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. However, the Board of Directors is authorized to implement the issues stated in Article 5/ (I) of the Internal Regulation no. 09 approved by our Board of Directors on 13.12.2023. Before these issues are implemented, a decision of the Board of Directors is required.
- III. Our Company shall be represented and bound with JOINT SIGNATURES of a GROUP (A) signatory and a GROUP (D) signatory under the corporate seal of the Company on the issues stated in Article 5/ (II) of the Internal Regulation no. 09 approved by our Board of Directors on 13.12.2023.
- IV. Our Company shall be represented and bound with JOINT SIGNATURES of a GROUP (B) signatory and a GROUP (C) signatory or GROUP (B) signatory and GROUP (D) signatory under the corporate seal of the Company on the issues stated in Article 5/ (III) of the Internal Regulation no. 09 approved by our Board of Directors on 13.12.2023.
- 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. 09 approved by our Board of Directors on 13.12.2023.

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. To approve the resignation of Mehmet Emin Çiftçi, member of our Board of Directors from the membership of the Board of Directors as of 31.05.2023.
2. To assign Mehmet Kocaoğlu as a member of the Board of Directors of our Company with effectiveness of 01.06.2023 to be presented for the approval of the next General Assembly as per the Article 363 of the Turkish Commercial Code to fill in the vacancy created as a result of the resignation of Mehmet Emin Çiftçi.

Information on BoD Members:

Özlem Ataüenal

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, Ataüenal 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, Ataüenal 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, Ataüenal has been a member of the Board of Directors of Akenerji, Sepaş Enerji, AKCEZ and Akgirişim . Ms. Ataüenal 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 January 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**

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. At the same time, he assumed the role of Akenerji Financing and Financial Affairs Assistant General Manager between January 2018 and April 2023. 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 Kocaoğlu
BoD Member

Mehmet Kocaoğlu graduated from Middle East Technical University, Department of Electrical and Electronics Engineering in 2007. After his graduation, he worked as Project Manager, Business Development and Operations Manager in various companies. Mehmet Kocaoğlu, who has 15 years of experience in the energy sector with a background in management and technical consultancy, has worked as a consultant in various projects during the privatization process of the energy distribution sector in Turkey and has undertaken various roles in projects funded by international financial institutions such as the World Bank, the European Bank for Reconstruction and Development (EBRD) and the United States Agency for International Development (USAID). Since 2011, Mehmet Kocaoğlu continued his career at MRC Turkey (formerly AF Mercados EMI) and has been the General Manager of MRC Turkey since 2017 and GETA Energy since 2022. He is also the Chairman of the Board of Directors at MRC Turkey and GETA Energy, and a Board Member at Akenerji, SEPAŞ and AKCEZ.

Libor Kudláček
Independent Board Member

Born in 1957 in the Czech Republic, Mr. Libor Kudláček graduated from the Department of Economics and Regional Geography, Faculty of Natural Sciences, Charles University in Prague in 1981 and completed his PhD in 1983. Libor Kudláček started his professional career in 1982 at the Stavoprojekt Center for Urban Planning as a Project Manager on Town Planning, where he worked as Senior Project Manager until 1990. Between 1989 and 1992, he was a member of the Economic Committee and Budget Committee of the Federal Assembly of the Czech and Slovak Republic.

From 1992 to 1996, he served as a Ministerial Advisor at the Ministry of National Real Estate Administration and Privatization of the Czech Republic and from 1996 to 1998 as a Ministerial Advisor at the Ministry of Environment of the Czech Republic, and from 1996 to 1998 as a Deputy Chairman of the Committee on Constitutional and Legal Affairs at the Chamber of Deputies of the Czech Republic Parliament. Since 1998, Mr. Kudláček has been working at Eurooffice Praha - Brussel a.s. as a Senior Project Manager on various projects. He is currently the owner of Eurooffice Praha - Brussel a.s., a Member of the Board of Directors, and a Consultant.

Mr. Kudláček is an independent board member of Akenerji in accordance with the CMB Corporate Governance Principles. The duties he has undertaken in the last ten years are explained above and he has no relationship with Akenerji Elektrik Üretim A.Ş. and its related parties

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
Libor KUDLACEK	Chairperson
Demet ÖZDEMİR	Member
Ondrej DVORAK	Member
Özge ÖZEN AKSOY	Member

Audit Committee:

NAME-SURNAME	TITLE
Demet ÖZDEMİR	Chairperson
Libor KUDLACEK	Member

Early Detection of Risk Committee:

NAME-SURNAME	TITLE
Demet ÖZDEMİR	Chairperson
Libor KUDLACEK	Member

II – ENERGY SECTOR IN BRIEF

According to TEİAŞ data, the total electricity consumption in the first three months of 2024 was 82,9 TWh, showing a 6.7% increase compared to the 77,7 TWh in first three months of 2023.

Total installed capacity of Turkey as of the end of March 2024 is announced as 107.971 MW (including unlicensed power plants). Private sector has the largest share in the installed capacity with a share of 66,2%, followed by EÜAŞ with a share of 19,8% followed by unlicensed power plants with a share of 10,9% and followed by operating rights transferred plants, built-operate and built-operate-transfer plants with a share of 3,0%. Renewable sourced power plants hold a share of 56,1% in total installed capacity.

The Botaş natural gas tariff, which was 10,000 TL/kSm³ in September 2023, increased to 12,000 TL/kSm³ in December 2023 and remained at 12,000 TL/kSm³ through March 2024. The average market electricity price, which was 2,013 TL/MWh at the end of March 2023, reached 2,190 TL/MWh in March 2024.

The price cap mechanism, which came into effect on April 1, 2022, initially implemented by the Energy Market Regulatory Authority (EMRA) for six months, was extended until October 2023 and subsequently terminated. According to regulations published in the Official Gazette on December 31, 2023, power plants receiving loading and deloading instructions in the balancing power market will not receive capacity payments. Additionally, under the new regulation, hydroelectric power plants will also be excluded from the capacity mechanism. The methods for calculating capacity payments have been updated, with additional payments provided for the use of domestic coal or natural gas. As of 2024, a total of 43 power plants will benefit from the capacity mechanism.

The Renewable Energy Resource Areas (YEKA) RES-3 auctions, developed by the Ministry of Energy and Natural Resources under the YEKA model, were completed on June 14, 2022. The YEKA GES-5 auction, initially planned for 2023, is expected to take place in 2024.

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 2024	1 January - 31 March 2023
BILATERAL AGREEMENTS	238.462	561.542
STABILIZATION AND RECONCILIATION MARKET (*)	645.062	560.306
ANCILLARY SERVICES (SFC)	169.866	186.714
CROSS BORDER ELECTRICITY TRADE	14.297	24.493
TOTAL	1.067.687	1.333.055

*Includes 8.642,4 MWh Renewable Energy Resources Support Mechanism sales (31 March 2023: 1.289,3 MWh).

IV – GENERATION AND CAPACITY INFORMATION

- Generation type of our Erzin Plant is Thermal-Combined Cycle and its total electricity generation was 572.467.712 kWh and its steam generation were 585.023 tons in the first three months of 2024. Capacity utilization rate, according to actual generation, is 28,99%. Generation scope of our plant is Electricity and Steam generation. 44,01% decrease 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 20.974.647 kWh in the first three months of 2024. Capacity utilization rate, according to actual generation, is 34,00%. Generation scope of our plant is Electricity generation. 0,48% decrease 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 10.212.439 kWh in the first three months of 2024. Capacity utilization rate, according to actual generation, is 66,66%. Generation scope of our plant is Electricity generation. 85,30% increase 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 90.340.000 kWh in the first three months of 2024. Capacity utilization rate, according to actual generation, is 42,05%. Generation scope of our plant is Electricity generation. 290,04% increase 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 32.264.030 kWh in the first three months of 2024. Capacity utilization rate, according to actual generation, is 54,34%. Generation scope of our plant is Electricity generation. 55,62% increase 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 36.000.570 kWh in the first three months of 2024. Capacity utilization rate, according to actual generation, is 23,68%. Generation scope of our plant is Electricity generation. 26,97% increase occurred in electricity generation compared to the first three 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 27.662.270 kWh in the first three months of 2024. Capacity utilization rate, according to actual generation, is 46,96%. Generation scope of our plant is Electricity generation. 36,80% increase occurred in electricity generation compared to the first three 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 30.821.880 kWh in the first three months of 2024. Capacity utilization rate, according to actual generation, is 48,01%. Generation scope of our plant is Electricity generation. 44,19% increase 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 26.775.560 kWh in the first three months of 2024. Capacity utilization rate, according to actual generation, is 42,99%. Generation scope of our plant is Electricity generation. 38,59% increase occurred in electricity generation compared to the first three months of the last year.

V – INVESTMENTS

Considering Turkey's long-term energy policies, Akenerji has rapidly adapted to market conditions with an installed capacity of 1,224 MW. The company continues to maintain its competitive position with a flexible portfolio structure. In addition to its active portfolio, Akenerji is progressing with the project phase of the planned 198 MW capacity Kemah Hydroelectric Power Plant in Erzincan.

Operating Akenerji's existing plants optimally according to market conditions remains a primary objective. The operation and maintenance activities of all plants within the production portfolio are meticulously and effectively carried out by Akenerji's own teams. Strategies are continuously reviewed to adapt to changing market conditions and strengthen the competitive position, while taking necessary steps to achieve a more efficient energy production.

Akenerji aims to establish Hybrid Solar Power Plants at existing plants, including Erzin Natural Gas, and Burç Hydroelectric Power Plant. Licensing processes for hybrid capacity at the Erzin Natural Gas Power plant are ongoing.

Licensing and investment planning processes are ongoing for the additional 6.2 MW capacity for the Ayyıldız Wind Power Plant.

The Roof -top Solar Power Plant projects, signed with Akiş Gayrimenkul for the rooftop areas of Akasya and Akbatı shopping centers, were commissioned and official acceptance procedures were completed in the first quarter of 2024. Energy management of these plants is conducted under the Esco model. These projects contribute to reducing energy costs and the carbon footprint.

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 2024, the Group has;

- TL 3,6 billion, USD 109 million short-term borrowings and EUR 1,2 million and TL 8,8 million short-term leasing liabilities, and
- USD 303 million long-term borrowings and EUR 4,3 million and TL 121,5 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 Akenerji 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	$\frac{\text{SHORT-TERM LIABILITIES \& LONG-TERM LIABILITIES}}{\text{TOTAL LIABILITIES}}$	55%
Debt / Equity Ratio	$\frac{\text{SHORT-TERM LIABILITIES \& LONG-TERM LIABILITIES}}{\text{TOTAL EQUITY}}$	124%
Gross Profit Margin (%)	$\frac{\text{GROSS PROFIT / (LOSS)}}{\text{NET SALES}}$	(0.01) %
Net Profit Margin (%)	$\frac{\text{NET PROFIT / (LOSS) FOR THE PERIOD}}{\text{NET SALES}}$	3%

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 2023 was held on 3 May 2023. Shareholders representing 74,87% 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 2023 held on 3 May 2024, 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 2024, 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
Bod Member

Serhan GENÇER
Chief Executive Officer