



Integrated Annual
Report 2023

We Grow
With Our
Energy



CEZ GROUP

For 35 years, we have been producing energy to enlighten lives...

With our guiding role in the energy sector, we diversify our products and undertake pioneering projects in energy efficiency!

We operate natural gas combined cycle power plant, one wind power plant and seven hydroelectric power plants, with the principle of “high profitability and high efficiency”, and by doing so we continue to contribute power to our country.





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Company Information

Company Information

Trade Name	: Akenerji Elektrik Üretim A.Ş.
Old Trade Name	: Ak Enerji Elektrik Üretimi Otoprodüktör Grubu A.Ş.
Stock Exchange Traded	: BIST
Ticker Symbol	: AKENR
Headquarters Address	: Miralay Şefik Bey Sokak No:15 Akhan Kat:3-4 Gümüşsuyu / İstanbul-Türkiye
Website	: www.akenerji.com.tr
E-Mail	: info@akenerji.com.tr
Trade Registry Date	: 12.05.1989
Trade Registry Number	: 255005
Tax Office and Number	: Büyük Mükellefler Vergi Dairesi 0110031317
Phone No	: 0212 249 82 82
Fax No	: 0212 249 73 55
Mersis No	: 0011003131773412

Branches:

Uluabat Branch	: Akçalar Fadıllı Köyü Yolu 5. km, Nilüfer-Bursa
Bandırma Branch	: Edincik Beldesi Aldede ve Deliklitaş Mevkii, Bandırma-Balıkesir
Burç Branch	: Besni İlçesi Aşağı Ağzı Köyü, Burç Mahallesi-Adıyaman
Feke-I Branch	: Sülemişli Mah. Sülemişli Küme Evler, No:33 Feke-Adana
Feke-II Branch	: Kısacıklı Mah. Alıçlı Küme Evler No: 14, Feke-Adana
Gökkaya Branch	: Himmetli Mah. Kazaklı Küme Evler No:73, Saimbeyli-Adana
Himmetli Branch	: Kovuk Çınar Mah. Kiraz Küme Evler No:73, Feke-Adana
Bulam Branch	: Doğanlı Köyü Mevkii, Merkez-Adıyaman
Erzin Branch	: Aşağıburnaz Mah. 2202 Sok. No:7/20 İç Kapı No:1 Erzin-Hatay



The background features a gradient from purple to orange, overlaid with concentric dotted circles. On the right, a silhouette of a utility worker is shown working on a power line against a sunset sky.

ABOUT OUR REPORT



We present our third Integrated Activity Report to our stakeholders, showcasing our financial and sustainability performance and our journey to creating value in 2023.

In our integrated report, we detail our strategic approach and the value we create with our business model under the headings of ‘Economy, Employees, Society, Environment, and Corporate Governance,’ along with our short, medium, and long-term goals. This report is the sole document where we present our financial and sustainability (Corporate Social Responsibility, Environmental-Social-Governance) performance.

Our Integrated Annual Report has been issued in accordance with the provisions of Article 516 of the Turkish Commercial Code, the provisions of the “Regulation on Determining the Minimum Content of the Annual Report of the Companies” published in the Official Gazette dated 28.08.2012 and numbered 28395 of the Ministry of Customs and Trade, the provisions of the 8th article of the Communiqué on the Principles of Financial Reporting in the Capital Markets numbered (II-14.1) and in accordance with the provisions of the relevant article of the Corporate Governance Communiqué numbered (II-17.1). The report aims to evaluate the operating activities of our Company for the period 01.01.2023 - 31.12.2023 and to keep our investors informed.

Compliance with National and International Standards

Our third “Integrated Annual Report” covering the period from January 1, 2023 to December 31, 2023, was prepared in accordance with the GRI Standards. In addition, we present our 2023 summary sustainability performance in our report in accordance with the integrated value creation model proposed by the International Integrated Reporting Council (IIRC) Framework, which was consolidated under the IFRS Foundation in 2022. We include the results of the Climate Change-Related Risks and Opportunities Survey conducted by the TSRS S1 General Provisions for Disclosure of Sustainability-Related Financial Information and TSRS S2 Climate-Related Disclosures standards, which were published by the International Sustainability Standards Board affiliated with the IFRS Foundation in 2023 and became mandatory in our country under the name of Turkish Sustainability Reporting Standards (TSRS) as of January 1, 2024, in the **Strategy and Management** section of our report.

Akenerji is not included in the scope of the “OECD Multinational Companies Guide”, the implementation of which is voluntary.

Although Akenerji is not a signatory of the U.N. Principles for Responsible Investment (UNPRI), we consider the six principles of UNPRI in all our investment decisions.

UNPRI Principles

What Do We Do at Akenerji?

We integrate Environmental, Social, and Governance (ESG) issues into our investment analysis and decision-making processes.	We consider adherence to our Environmental, Social, and Governance (ESG) policy in our investment decisions.
We actively embrace this issue and integrate ESG issues into our ownership policies and practices.	We disclose long-term decisions related to Environmental, Social, and Governance (ESG) matters to shareholders through our public communication platforms and ensure effective communication.
We will require the organizations in which we invest to disclose their ESG practices appropriately.	We are a signatory of the U.N. Global Compact, and we ensure compliance with these principles in all our companies and facilities. We cover ESG issues in detail in our integrated activity reports.
We support the adoption and implementation of the principles in the investment sector.	We expect our service providers to meet our Environmental, Social, and Governance (ESG) expectations and are developing processes to review relationships with those who do not meet these expectations.



UNPRI Principles

We collaborate to enhance the effectiveness of implementing the principles.

Each of us reports on the progress in implementing activities and principles.

What Do We Do at Akenerji?

We participate in platforms like BIST Refinitiv to share tools, pool resources, and use investor reporting as a learning resource.

Using a 'Comply or Explain' approach, we report progress and/or achievements about the principles annually and use reporting to raise awareness of a wider group of stakeholders.

Our CMB Sustainability Compliance Report is included within both our integrated report and is also disclosed on the Public Disclosure Platform, accessible through the **"Sustainability Report"** tab located under the "Summary Information" section.

Scope

Our report, which we prepared within our one hundred percent (100%) financial control limits, includes Akenerji and its subsidiaries, nine electricity generation plants, and the Head Quarters. Akenerji carries out its electricity production activities in Türkiye. We include the relevant details under the heading 'Our Production Activities'. We also include our global commercial activities under the heading 'Our Commercial Activities' in our report. Unless otherwise stated, the report consists of the last three years of data for evaluations.

Akenerji Elektrik Üretim A.Ş.

- Ayyıldız WPP (Wind Power Plant)
- Uluabat HEPP (Hydroelectric Power Plant)
- Burç Bendi and HEPP (Hydroelectric Power Plant)
- Bulam HEPP (Hydroelectric Power Plant)
- Himmetli HEPP (Hydroelectric Power Plant)
- Gökkaya HEPP (Hydroelectric Power Plant)
- Feke I HEPP (Hydroelectric Power Plant)
- Feke II HEPP (Hydroelectric Power Plant)
- Erzin NGCCPP (Natural Gas Combined Cycle Power Plant)

Akenerji Elektrik Enerjisi İthalat İhracat ve Toptan Tic. A.Ş.

- Khabat Branch

Ak-EI Kemah Elektrik Üretim A.Ş.

Akenerji Doğalgaz İthalat İhracat ve Toptan Ticaret A.Ş.

Akel Sungurlu Elektrik Üretim A.Ş.

5er Enerji Tarım Hayvancılık A.Ş.

Aken Europe B.V.

Our Sustainability and Integrated Reports are available on the **Sustainability Reports** and **Integrated Annual Reports** pages on our website for stakeholders to review, as well as on the **Public Disclosure Platform**.

The information contained in the report is based on reliable, verifiable data. The content of the report cannot be copied, modified or distributed without the express written consent of Akenerji. You can send your questions, comments and suggestions about the report to info@akenerji.com.tr.



The background features a warm-toned photograph of a field with tall grass in the foreground and several wind turbines in the distance under a hazy sky. Overlaid on the right side is a large, dark blue circular graphic with a white dotted border. Inside the circle, the text 'OUR MESSAGES TO OUR STAKEHOLDERS' is written in white, bold, sans-serif capital letters. Three horizontal blue lines of varying lengths are positioned above the text.

OUR MESSAGES TO OUR STAKEHOLDERS



Message from the Chairperson

Özlem ATAÜNAL

Chairperson of the Board of Directors

Dear Stakeholders,

We started 2023 with deep sadness due to the earthquake disaster on February 6, affecting 11 provinces. On this occasion, we express our condolences to the families who lost their loved ones in the earthquake, praying for God's mercy and offering our heartfelt sympathies and patience to the grieving families. As Akenerji, we mobilized all our resources from the first day of the earthquake to assist the disaster-stricken area and meet their needs. We closely coordinated with AFAD, local authorities, and non-governmental organizations, planning meticulously to offer the most accurate solutions to the region's needs. Moving Forward, we will continue our support by maintaining close contact with the authorities in order to produce permanent solutions to the needs of the disaster region, which spreads over a very wide area.

2023 was a year marked by high inflation globally and in our country, with fluctuating commodity prices due to the slowdown in global economic growth.

According to the World Energy Outlook 2023 report by the International Energy Agency, geopolitical tensions, volatile markets, and ongoing conflicts, especially in Ukraine and the Middle East, contribute to the continued fragility of global energy markets.

Energy prices, which remained high in Europe in 2022, decreased in 2023 due to high occupancy rates in natural gas storages, low energy demand, and a mild winter period. In parallel, prices also decreased in Türkiye. However, despite this development, the number of transactions in the market stayed the same, and liquidity remained limited. As Akenerji, we focused on European markets because the activities in the Turkish market were at a different level from our expectations. We continued to actively trade on EEX (European Energy Exchange), although high volatility and margin requirements made trading difficult.

As of the end of 2022, we actively exported and imported electricity at the Türkiye-Greece and Türkiye-Bulgaria borders. We used the electricity export right we won through the capacity tenders we participated in throughout the year. Due to our export volume, the Electrical and Electronics Exporters Association deemed us worthy of the Türkiye 2022 Electrical-Electronics Sector Honor Award in 2023. As Akenerji, we closed 2023 with 23.7 billion TL turnover and 2.8 billion TL EBITDA with our 1,224 MW installed capacity, diversified portfolio, and proactive risk management approach. In addition, we reduced the dollar based consolidated debt situation and net debt/EBITDA ratio to the lowest levels in recent years by repaying the loan amounting to USD 35 million before maturity.

We cannot deny that the climate crisis is at our doorstep. To limit global temperature rise to 1.5 degrees, urgent solutions need to be developed worldwide. The current situation compels us to transition away from fossil fuels as much as possible and move towards a more sustainable global energy system based on renewable sources.

The share of electricity generated from renewable energy sources in the world is growing every day. To decarbonize energy by 2030, this share is expected to rise to 47%. According to the "Stated Policies Scenario" in the International Energy Agency's 2023 World Energy Outlook report, the renewable energy capacity, which was 3,630 GW at the end of 2022, is expected to double by 2030, with approximately 95% of this growth coming from solar and wind sources. The share of renewable energy in the installed capacity is increasing globally and in Türkiye annually. In 2023, Türkiye's total installed capacity reached 107,050 MW, with the share of renewable energy accounting for 54%. This ratio is expected to expand in 2024 and beyond.

As Akenerji, we prioritize solutions that will minimize environmental and social risks in our activities, considering the problems that threaten the world. We are aware of our responsibility to control climate change. We use our technology and technical expertise to minimize the possible risks that our activities pose to the environment and society.

As Akenerji, we have increased the share of our renewable sources in our total installed capacity to 26%, thanks to the gradual commissioning of seven hydroelectric and one wind power plant over the years. Leveraging our 35 years of experience in the energy sector, we continued to develop value-added renewable energy and energy efficiency projects in 2023.

In this context, we initiated hybrid solar investment projects for existing facilities in 2023. We completed the hybrid Solar Power Plant (0.325 MW) project for the Sungurlu Pyrolysis Plant and the hybrid Solar Power Plant (3.2 MW) project for the Konya Biomass Power Plant, for which we undertake construction management, operation, and maintenance services. We initiated the Environmental Impact Assessment (EIA) process to expand the capacity of our Ayyıldız Wind Power Plant. Upon completion, the plant's capacity, which is currently at 28.2 MW, will increase to 34.4 MW.

In addition, with our energy systems optimization and management services, we continue to develop new ideas and projects to augment the energy efficiency of our industrial and commercial customers. Following the Escosolar Model, we offer Solar Power Plant projects through the Build-Operate-Transfer model to help companies optimize their energy expenses and own their production facilities in unlicensed electricity generation.

The issue of "Carbon Markets," which will soon affect our sector, is an essential topic on our agenda. With the Carbon Border Adjustment Mechanism (CBAM), which was put into effect by the European Parliament and the transition process started in October 2023, an indirect "Carbon Tax" will be imposed on the exports of six main sectors, including the electricity sector, from countries outside the European Union (E.U.) to the EU. is targeted. This regulation imposes payment obligations as of 2026 and will affect exporting companies' competitiveness and operational profitability. It will be essential for them to turn to decarbonization activities and renewable energy. Within the scope of this international development, efforts are being carried out to establish an Emission Trading System (ETS) in Türkiye by the Ministry of Environment, Urbanization, and Climate Change to minimize the impact that companies will experience and to encourage the reduction of greenhouse gas emissions in a cost-effective and economically efficient.

As Akenerji, we prioritize solutions that will minimize environmental and social risks in our activities, considering the problems that threaten the world. We are aware of our responsibility to control climate change. We use our technology and technical expertise to minimize the possible risks that our activities pose to the environment and society. We are taking modern steps in sustainable energy with our future-oriented work, proactive approach, and decision-making mechanism based on international standards.

In 2023, we conducted a study reviewing climate-related risks and opportunities with the participation of all company employees. In our report, we explained strategic investment decisions for identified physical and transition risks."

We continued to add new links to our value chain in 2023 with our sustainability-oriented work in the social field and corporate social responsibility projects. We organize training programs within the scope of our "Women's Energy on Campus" project, in which we set out to increase female employment and the number of female leaders in the sector, raise awareness about gender equality and support female employees in their career journeys. We continue to develop projects that will underline our aim of "We produce energy to brighten lives," and we will continue to create value for society in the areas of women, children, and education that we have determined as our focus areas. With a holistic perspective that will set an example for all our stakeholders, our focus will be on the environment and people in 2024. As Türkiye's leading electricity company, we will continue our journey of making a difference in energy with our employment force of 350 people.

I would like to thank all our stakeholders, especially our valued employees, financiers, and investors, who contributed to strengthening Akenerji's brand value.

Sincerely,

Özlem ATAÜNAL

Chairperson of the Board of Directors



Message from the CEO

Serhan GENÇER
General Manager



Dear Stakeholders,

We feel the pain of the disaster that occurred on the morning of February 6, 2023, and shook our 11 provinces in our hearts as much as the first day. Once again, we wish God's mercy to those who lost their lives in the earthquake and our condolences and patience to their grieving families.

From the early hours of the earthquake, we mobilized all our resources to help the disaster-stricken area. In a short period, we sent equipment aid, including generators, containers, and tents, to the earthquake zone to meet the needs of the affected people, especially our employees and their families. In addition, we provided financial assistance to the best of our capabilities. Our ongoing support activities will continue until all the needs of the disaster area are fully met.

Concerns about energy supply security caused by the Russia-Ukraine crisis that started last year continue to determine the agenda in the world, and the effects of the global energy crisis are still valid. Geopolitical tensions and volatile markets lead to continued instability.

Despite all the turmoil in the global energy market, we have left behind a successful year both operationally and financially. As Akenerji, our operational priority is to operate all power plants most efficiently and in line with market conditions. In 2023, despite all the difficulties, we managed to keep our balance sheet and cash flow strong while achieving operational efficiency that enabled us to provide an uninterrupted energy supply to our country. Thanks to our balanced production portfolio based on resource diversity, our 35 years of experience, proactive, innovative approaches, and effective cost management, we completed the year with 23.7 billion TL in turnover and 2.8 billion TL in EBITDA.

In addition, thanks to our efficient production strategy's strong cash generation in 2023, we reduced our consolidated indebtedness to US\$ 461 million by making loan repayments of US\$35 million before maturity. Accordingly, we reduced our net debt / EBITDA ratio from almost 20 to 5.9 in the last five years.

In 2022, 30% of the world's electricity was generated from renewable sources, which is expected to reach 47% by 2030. A clean energy economy is emerging globally, led by solar, wind, and electric vehicles. Due to global developments, we are following a path that embraces the electricity sector's investment move towards clean energy. We prepare our growth strategy and investment plans in line with the predictions of international energy authorities and the National Energy Plan prepared by the Ministry of Energy and Natural Resources, which includes the 2035 vision.

We always favor a diversity that considers all sources of energy supply. This diversity is crucial for sectoral sustainability and creating value by evaluating seasonal cost advantages. We manage our activities within the perspective of this resource diversity.

Within the scope of the regulations related to hybrid facilities, we focused on the feasibility studies of hybrid projects that we can implement in our existing plant areas, mainly Erzin NGCC Power Plant, Burç Bendi, and HPP. We continue investment studies for suitable areas.

We completed and put into operation the Konya Biomass Power Plant, for which we undertook construction management and operation and maintenance services in 2023. Within the scope of the legislation published regarding hybrid facilities, we have completed the installation of the first phase with a capacity of 3.2 MW of the 8.1 MW Solar auxiliary resource capacity we purchased for the Konya Biomass Power Plant. We started the assembly process of the second phase with a capacity of 4.9 MW. We plan to commission the hybrid facility in 2024. We continued the Operation and Maintenance services of the 2.17 MW capacity Sungurlu Pyrolysis Power Plant in Çorum in 2023. We completed the investment of the 325 KW Solar auxiliary resource capacity we purchased for this power plant and put it into operation in 2023. We

As Akenerji, we integrate sustainability into all our business processes to create added environmental, social, and economic value with our 1,224 MW installed power and experience in the sector. For this purpose, we announced our long-term sustainability strategy and determined our focus areas. We are working to align all our business processes with the "United Nations 2030 Sustainable Development Goals" for a sustainable future.

undertook the operation and maintenance services of the Khabat Thermal Power Plant, located in Erbil, Iraq, with an installed capacity of 300 MW.

At the same time, within the scope of unlicensed electricity production, we prepare Solar Power Plant projects with the Build-Operate-Transfer model, aiming to enable our customers to optimize their energy costs and own their production facilities. We will continue to set an example in the electricity generation sector with the breakthroughs we make by effectively monitoring market conditions.

As Akenerji, we integrate sustainability into all our business processes to create added environmental, social, and economic value with our 1,224 MW installed power and experience in the sector. For this purpose, we announced our long-term sustainability strategy and determined our focus areas. We are working to align all our business processes with the "United Nations 2030 Sustainable Development Goals" for a sustainable future. In this context, we produce projects to provide permanent welfare in environmental, social, and economic terms.

Our rating on the Borsa Istanbul Sustainability Index is "B," and our CDP Water Security rating is scored as "B-Management."

We are in a period where new working models and communication styles are shaping globally. We believe that ensuring employee engagement is a journey that involves continuous, mutual communication and is implemented through specific strategies and planning.

With our qualified workforce, we have made significant progress in establishing our corporate culture by implementing activities directed towards our most crucial component, our human resources, to become an employer brand that is exemplary in the industry and preferred by everyone to be a part of. We have successfully secured a place on Türkiye's Best Employers list, according to the evaluation conducted by the independent survey organization "Great Place to Work."

Thanks to our workforce consisting of experts who embrace an innovative business culture and effectively utilize advanced technology, we continue to make a difference with the motto "Creating a Difference with Your Energy," ensuring that Akenerji is always at the forefront of advanced projects.

Establishing in-house start-up structures is one of the practices we have implemented at Akenerji to encourage innovation and creativity. We will continue to expand and sustain this practice every year.

We have completed our "Create a Difference with Your Future" internship program, which forms the first stage of a journey extending from short-term internships for university students to hiring new graduates. The program has been selected as one of the most popular internship programs on a widely used recruitment platform.

As an energy company with a 55 percent female employee rate in its headquarter staff, we attach importance to gender equality. In our company, where equal pay for equal work and promotion opportunities apply, we aim to raise women's employment at all levels and add new concrete steps towards gender equality. Our female employee rate is at a level that sets an example for the sector. To maintain this and support equal opportunities in business life, we continue our commitment to the "Women's Energy on Campus" project and our support to non-governmental organizations supporting women's advancement in business life. We attach importance to augmenting the rate of female employees in our sector.

Aligned with our goal of "We produce energy to enlighten the lives", in 2023, we worked to create value for society, focusing on various projects and collaborations with NGOs, targeting young talents, children, disadvantaged individuals, and women. We collaborate with the Children's Education Foundation to contribute to the education of our children. In 2024, we hope to touch the lives of even more children with our energy.

Despite all global and local developments in 2023, we demonstrated resilience and achieved successful results. In 2024, we will continue these successes, producing energy to enlighten lives with all our strength and experience. We express our gratitude to all our stakeholders for their trust.

Sincerely,

Serhan GENÇER
General Manager



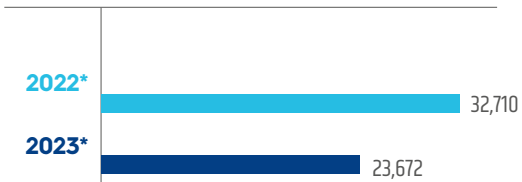
FINANCIAL HIGHLIGHTS

Financial Highlights

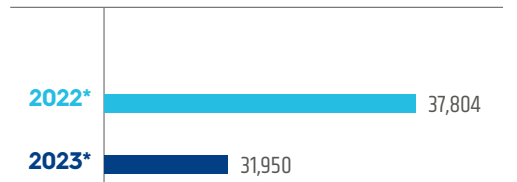
Consolidated Financial Indicators (TL million)	2022*	2023*
Net Sales	32,710	23,672
Operating Profit	2,398	1,338
Profit before Interest, Taxes, Depreciation and Amortization	3,804	2,782
Net Profit / (Loss)	2,105	5,040
Total Financial Liabilities	19,258	15,787
Total Shareholders' Equity	9,939	13,781
Cash and Cash Equivalents at the End of the Period	2,057	1,170
Market Capitalization at the end of the Period - BIST*	3,886	3,121
Number of Employees	291	319

* Details are given on page 151 of our report.

Net Sales (TL million)



Total Assets (TL million)







* Inflation adjustment was made while preparing the consolidated financial statements for December 31, 2023, and December 31, 2022, for the scope and implementation of the Turkish Accounting System (TAS) 29 dated November 23, 2023, of the Public Oversight Authority.



OUR VALUE CREATION BUSINESS MODEL

The Value We Create with Capital Items

Our commitment to produce energy to illuminate lives with all our strength and experience.	Capital Items	Our Priority Topics	Inputs	Value Creation Process	Akenerji Business Model Outputs	The Value We Create	2023 Outstanding Sustainability Achievements & Actions
	 Financial Capital	Economic Performance	31.9 billion TL Assets 13.8 billion TL Shareholders' Equity	Our Strong Partnership Structure Our Solid Shareholders' Equity Our Investments	Our Products and Services	1.34 billion TL Operating Profit	44% Operating Profit Decrease
	 Produced Capital	System Efficiency Energy Supply Security	1,224 MW Installed Capacity 7 HEPP 1 WPP 1 NGCCPP Energy Services Power Plant Construction, Management, Operation and Maintenance Services Power Plant Testing and Commissioning	Our High Production Capacity Operational Excellence Our Advanced Infrastructure		4,202,448.9 MWh Gross Electricity Production	2.5% Approximately Our Capacity to Meet Türkiye's Energy Need
	 Human Capital	Employment and Working Conditions Occupational Health and Safety	466 People Our Employees, Including Subcontractors 14,948 Hour Duration of Our General Trainings 4,854 Hour Duration of Our OHS Trainings	Our Qualified Human Resources Benefits We Offer Training and Development Programs Projects We Have Done to Increase the Number of Female Employees in the Sector	Our Solutions	22% Our Employment Turnover Rate 11.6% Our Volunteer Turnover Rate 2.3 million TL Our OHS Expenditures 53% Our Headquarters Female Employee Ratio	35% Electrical Energy 40% Natural Gas Average efficiency figures achieved by Akenerji Energy Services through the projects realized since 2015 Employee Ratio
	 Social Capital	Human Rights Audits Social Responsibility Disaster Preparedness and Response Economic Performance	18 Activities We Collaborate With Universities 12% The Ratio of Our Executives Employed from the Regions We Operate 738 Our Total Number of Suppliers	Activities We Organize at Universities Our Projects to Ensure Gender Equality Trainings We Provide in Schools Located in Power Plant Regions Internship Opportunity We Provide to Students Active Participation and Contribution to Sectoral Development Programs Our Corporate Memberships		Our Training and Development Solutions Competency Programs Our Energy Efficiency Solutions Our Circular Economy Solutions	100 Number of Students Benefiting from Our "Women Energy - On Campus" Project 66 Number of Students Benefiting from Internship Opportunity 39% Our Local Supplier Ratio
	 Intellectual Capital	Occupational Health and Safety Energy Management Information Security, Cyber Security and Privacy Protection System Efficiency	6 Number of Our Integrated Management Systems Certificates Our System Efficiency Technologies	Our Policies Our Performance Monitoring Systems Our Know-how	Our Waste	Effective Quality, Environment, Energy, Occupational Health and Safety and Information Security Management Effective Energy Efficiency and Emission Control	Our Sustainability Committee and Policy Memberships to UN Global Compact, ERTA Integrated Reporting Türkiye and Sustainability Academy
	 Natural Capital	Emission (Carbon) Management Water Management	26% Renewable Resource Ratio in Our Installed Capacity 201.5 person.hour Environmental Trainings 2 Ton Amount of Paper, Plastic, Glass and Metal Waste Recycled at 9 Facilities	Our Risk Management Approach Our Emission Reduction Studies Our Renewable Energy Production Investments Reduction of paper usage rate by 80% in the field and offices by 2025 Reduction of plastic waste at determined rates annually until 2025, with the goal of transitioning to zero plastic waste by 2030		127.1 Tons Total Waste 2,575,820 tCO ₂ e Total Greenhouse Gas Emissions (Scope 1-2-3)	99.99% Recycling Rate in Waste Management "C Awareness" Our CDP Climate Change Score "B- Management" Our Water Security Score



OUR CORPORATE PROFILE AND ACTIVITIES

Vision, Mission, Corporate Culture and Values



Vision

To maintain its leading position in the Turkish energy sector, and become one of the largest integrated companies that shape the industry.



Mission

To make reliable and long-term contributions to Türkiye's energy needs by operating with a quality-focused approach at every stage of the energy sector value chain.



Corporate Culture and Values

Corporate culture is a set of characteristics that hold the organization together, unite and integrate it and distinguish it from others. Common beliefs and values form the basis of this culture.



Leadership

Akenerji employees are inspired by the company's sectoral leadership, and each employee is given the authority to lead their own work and workflow. Akenerji employees adopt their position as "leaders" in a pioneering and leading company that guides its sector, ensuring that the culture of "leading" is kept alive within the institution. It encourages everyone to be a leader of their own business and encourages our colleagues in this regard. Akenerji employees:

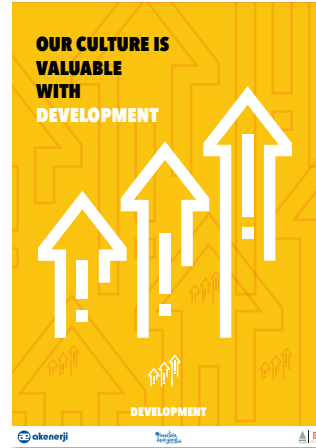
- First check their own work and make sure that they produce the best possible outcome.
- When necessary, they draw on the experience and expertise of others in order to produce the best result for the job.
- Always try to do their best, set realistic goals and manage their business in a measurable way.
- Have a high sense of self-awareness and are passionately attached to the journey of collective success, developing a drive that keeps their inner motivation high.



Development

Each new experience is a development opportunity for Akenerji employees. As a company that follows new generation applications for technology and management closely, Akenerji attaches importance to new ideas and development. Akenerji shapes its culture around a perspective where everyone develops with new experiences and improves their surroundings. Akenerji employees:

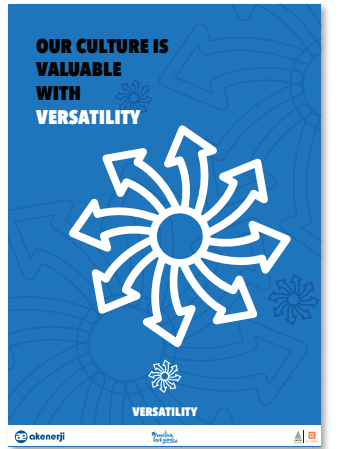
- Know that feedback is essential for their corporate development, receive feedback from all their stakeholders and provide feedback when necessary.
- Take responsibility for their professional development and look at every new experience as a development opportunity.
- Believe that learning has no place, age and time, and try to stay students for life.
- Push their limits, do not stop exploring and trying new ways to reach the best version of themselves.
- Share their success with each other and celebrate them all together. Make sure that all Akenerji employees' contributions at all levels are appreciated.



Versatility

At Akenerji, jobs are handled in a multitude of ways, employees are fed information from different sources and produce alternative results. Akenerji employees, who form a versatile company with expertise in different fields of energy, are inspired by this company-wide versatility and ensure that they integrate this versatility in their own work. Akenerji employees:

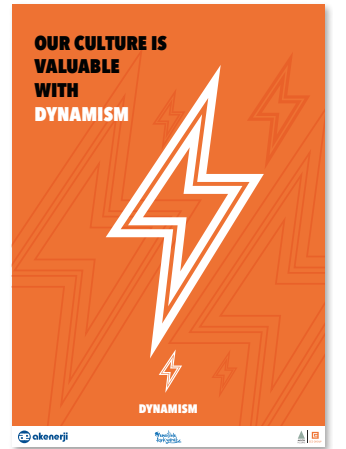
- While doing a job, use different sources as much as possible and consult different areas of expertise.
- Produce alternative outcomes while producing business results by considering market dynamics and all possible scenarios.
- Develop capabilities to provide fast and effective alternative solutions for each new situation.
- Adapt quickly to new situations, manage their processes in an agile way.
- Are not afraid of being different, diverting from traditional business practices, trying new ways to transform their business, or taking informed risks.



Dynamism

Employees at Akenerji act quickly and proactively while doing their jobs and are not averse to change. Akenerji is a solution-oriented, energetic company with a young, agile, dynamic team and management profile. Akenerji employees:

- Motivate colleagues for the better and take advantage of the power of solidarity.
- Follow the trends and the market closely with the objective of acting on foresight.
- Do not resist change and transformation, but rather embrace it. They design all systems and mechanisms with an established level of flexibility in mind that allows them to be transformed as the need arises.
- Try to keep the decision steps short, include all relevant stakeholders in the decision-making process and manage the business in an agile manner with quick and effective decisions.
- Explore proactive methods and strategies that will lead them to swift problem-solving.
- Create a working environment that elicits joy, together.



Sustainability

Akenerji employees evaluate every job on its impacts on humans, nature, society and the economy, while keeping business sustainability and the future at the forefront of the evaluation process. Akenerji is a company that attaches importance to the environment, the future and to staying at the forefront of sustainability in every field. Akenerji employees:

- As a company inspired by nature and generating energy with the power of nature, they sensitively weigh the impact of every action done on people, the environment, society and the economy, and develop practices that will inspire the industry.
- Try to continuously raise levels of productivity in order to create a sustainable work environment. Place special emphasis on planning the available resources in the most effective way, while taking into account quality and standards.
- Organize individual working areas and social environments with this perspective and implement all the necessary actions and decisions immediately.
- Develop strategies around new business areas that may be an opportunity for the future of Akenerji and the industry, while also keeping financial sustainability as a priority.





Our Corporate Milestones

1989

Akenerji was founded on May 16, 1989 as the first electricity generation auto producer group in Türkiye under Law No. 3096 on the "Assignment of Entities Other Than Turkish Electricity Authority (TEK) on Electricity Generation, Transmission, Distribution and Trading."

1993

Yalova Power Plant, which has an installed capacity of 59.5 MW, was gradually taken over from Aksa Akrikim Kimya Sanayi A.Ş.

Akenerji ranked 188th on the "Türkiye's Top 500 Industrial Enterprises (ISO 500)" list compiled by the Istanbul Chamber of Commerce (ISO).

1996

Çerkezköy Power Plant, with an installed capacity of 98 MW, progressively became operational.

Alaplı Power Plant, with an installed capacity of 6.3 MW, became operational.

1997

Bozüyük Power Plant, with an installed capacity of 132 MW, became operational.

2000

Twenty-five percent of the Company's shares were offered to the public. Akenerji shares began to trade on the ISE under the "AKENR" ticker symbol.

2001

Çorlu Power Plant (10.40 MW), Orhangazi Power Plant (5.08 MW), Denizli Power Plant (15.60 MW), Uşak Power Plant (15.24 MW), Yalova Akal Power Plant (10.40 MW) and two turbines of the Gürsu Power Plant (10.40 MW) became operational.

2002

The capacity of Gürsu Power Plant increased to 15.60 MW.

2003

İzmir-Batıçım Power Plant, with an installed capacity of 45 MW, became operational.

2005

Akenerji underwent a status change and started to operate under the trade name of Akenerji Elektrik Üretim A.Ş. as an independent power generation company.

Akenerji was granted the right to operate Uluabat Hydroelectric Power Plant (100 MW) and Akocak Hydroelectric Power Plant (81 MW) for a period of 49 years at the hydroelectric power plant auctions held by the Energy Market Regulatory Authority (EMRA).

İzmir Kemalpaşa Power Plant, with an installed capacity of 127 MW, became operational.

2006

Akenerji acquired Akkur Enerji Üretim Tic. ve San. A.Ş., which has the licenses of Burç Bendi (28 MW), Feke I (30 MW) and Feke II (70 MW) hydroelectric power plants.

2007

Operations at Orhangazi, Uşak, Gürsu, Çorlu and Denizli power plants were ceased and the respective licenses were cancelled due to developments in the market.

Mem Enerji Elektrik Üretim Sanayi T.A.Ş., which held the license application for the Yamanlı III (Himmetli - Gökkaya 57 MW) project and the license of the Bulam Regulator and Hydroelectric Power Plant (7 MW), was acquired.

2008

Batıçım Power Plant was sold to Batıçım Enerji Elektrik Üretim A.Ş. and the license was transferred accordingly.

The license of Alaplı Power Plant was terminated as a result of market developments.

Akenerji won the SEDAŞ tender with the AkCEZ consortium that was formed with the participation of the Akkök Group and Czech power company CEZ.

Akkök Holding and CEZ Group signed a 50/50 joint venture agreement in Akenerji.

2009

SEDAŞ's management passed on to the AKCEZ consortium with the handover ceremony held on February 11, 2009 in Ankara.

Akenerji acquired Egemer Elektrik Üretim A.Ş. on March 20, 2009. Egemer, having a natural gas power plant project with a capacity of the 904 MW in Erzin, Hatay, was the first investment of the Akkök-CEZ partnership and, at the same time, largest ever single investment decision made by Akenerji up to that date.

Ayyıldız Wind Power Plant with an installed capacity of 15 MW was activated in September.

2010

Çınarcık Dam and Uluabat Kuvvet Tüneli Hydroelectric Power Plant started operations with an installed capacity of 100 MW.

Akocak Regulators and Akocak Hydroelectric Power Plants became operational with an installed capacity of 81 MW.

Burç Bendi Hydroelectric Power Plant, with an installed capacity of 28 MW, became operational.

Bulam Hydroelectric Power Plant, with an installed capacity of 7 MW, became operational.

Feke II Hydroelectric Power Plant, with an installed capacity of 70 MW, became operational.

2012

The license of the Çerkezköy Natural Gas Power Plant was terminated on 31.12.2012, taking into account the current and expected market conditions.

Himmetli Hydroelectric Power Plant with an installed capacity of 27 MW commenced operations.

Feke I Regulator and Hydroelectric Power Plant with an installed capacity of 30 MW commenced operations.

Gökkaya Dam and Hydroelectric Power Plant with an installed capacity of 30 MW commenced operations.

2013

Akenerji carried out Türkiye's first options transaction for electricity capacity trade at SEPAŞ for 250 MW.

2014

Provisional acceptance by the Republic of Türkiye Ministry of Energy and Natural Resources of the 904 MW-installed capacity Erzin Natural Gas Combined Cycle Power Plant, has been completed in all units, and the plant started business operations at full capacity as of June 5, 2014.

The licenses for the Kemalpaşa and Bozüyük Natural Gas Combined Cycle Power Plants were terminated as of October 30, 2014 pursuant to the application made by the Company.

2015

İzmir-Batıçım Power Plant, with an installed capacity of 45 MW, became operational.

Akenerji's 100% subsidiary, Akkur Enerji Üretim Ticaret ve Sanayi A.Ş., was merged with Akenerji on July 31, 2015, with the decision taken by the Board of Directors.

Akenerji's 100% subsidiary, Mem Enerji Elektrik Üretim Sanayi ve Ticaret A.Ş., was merged with Akenerji on December 24, 2015, with the decision taken by the Board of Directors.

Within the framework of the restructuring process, it was aimed to combine the group companies under a single legal entity roof, to streamline the managerial and operational activities carried out separately, to obtain the opportunity to optimize expenditure by taking advantage of economies of scale in expenses and costs and to use resources optimally.

2016

Akenerji was the first company to apply virtual power plant tender in Türkiye.

Sale of Akocak Hydroelectric Power Plant and related equipment was completed as of 04.02.2016.

Akenerji won the first prize in the energy category of the ONE AWARDS, one of Türkiye's most prestigious corporate awards.

2017

An additional capacity of 13.2 MW was attained at the Ayyıldız Wind Power Plant and the total installed capacity of the plant reached 28.2 MW.

2018

Akenerji won the first prize in the energy category of the ONE AWARDS, one of Türkiye's most prestigious corporate awards.

Akenerji's 100% Subsidiary, Egemer Elektrik Üretim A.Ş., was merged and consolidated within Akenerji on December 31, 2018 with the decision taken by the Board of Directors. Within the framework of restructuring processes, it is aimed to unite the group companies under a single legal entity, to achieve simplicity in the administrative and operational activities carried out separately, to obtain savings by taking advantage of economies of scale in expenses and costs, and to optimize the use of resources.



Our Corporate Milestones

2019

At “The One Awards”, one of Türkiye’s most prestigious corporate awards for companies with outstanding reputations, Akenerji won the first place prize for the second time in two consecutive years, adding one star to its award.

Akenerji’s 100% subsidiary, Ak-El Yalova Elektrik Üretim A.Ş., was merged with Akenerji on December 12, 2019, by the decision taken by the Board of Directors. Within the framework of the restructuring process, it was aimed to combine the group companies under a single legal entity roof, to streamline the managerial and operational activities carried out separately, to obtain the opportunity to optimize expenditure by taking advantage of economies of scale in expenses and costs and to use resources optimally.

2021

Akenerji undertook the Construction Management and Operation Maintenance Services of the 217 MW Pıroliz Power Plant located in Çorum.

In 2021, Akenerji continued to be a member of the ISO 500 list, which identifies and gives recognition to the largest industrial enterprises of our country every year. The list is updated every year according to the net sales figures from the production of Türkiye’s leading companies. In the list, we were in the 136th position in 2020; and in 2021, we rose to the 132nd position.

By entering the Capital 500 list at the 201st place this year, we moved up by 24 positions.

In the Fortune 500, which includes Türkiye’s largest companies, we have raised our ranking by 12 places in 2021. We ranked 151st in the general list and 22nd among companies that have boosted their EBITDA the most.

2022

We won the “Bronze” award in the “Best Use of Blended Learning” category and the “Gold” award in the “Best Advancement in Leadership Development” category with our “Lead the Future Leadership Development Program”, which we participated in with K2C Consulting, within the scope of the Brandon Hall Excellence Awards.

We won the bronze award in the “Company of the Year” category in the “Energy” field at the Stevie Business Awards.

2023

In line with the decision by TEİAŞ (Turkish Electricity Transmission Corporation), Akenerji initiated the works for Erzin NGCCPP (Natural Gas Combined Cycle Power Plant) to add 7.7922 MWp auxiliary capacity. (Hybrid Solar Power Plants project is in the project stage)

Aken Europe B.V. was established in the Netherlands to carry out electrical energy trading activities in the electricity market in the European Union and surrounding countries.

The Corporate Governance Rating of our company was determined to be 9.56 out of 10. The subratings were determined as follows: Shareholders 95.28, Public Disclosure and Transparency 97.76, Stakeholders 97.43, and Board of Directors 93.45, all out of 100.

Akenerji also undertook the Construction Management and Operation Maintenance Services of the 16 M.W. capacity Biomass Power Plant in Konya.

Furthermore, the 217 MW capacity Pıroliz Power Plant in Çorum, for which Akenerji undertook the Construction Management and Operation Maintenance Services, had its 325 KW Renewable Energy Resources Zone auxiliary capacity investment completed in 2023 and was put into operation.





Our Sustainability Milestones

2010

Akenerji's first and most comprehensive Environmental, Health and Safety Annual Report was published and disclosed to all stakeholders.

2011

Akenerji joined CDP Türkiye and became one of the two energy companies that perform CDP reporting.

Akenerji became the first energy company in Türkiye that started to implement the EFET (European Federation of Energy Traders) agreement.

Akenerji participated in the Crossborder Transmission Capacity Tender held by TEİAŞ (Turkish Electricity Transmission Co.) and started its energy import and export activities.

Akenerji was awarded with the Energy Oscar, given for the first time in 2011 at the 17th International Energy and Environment Fair and Conference - ICCI. Having established the first cogeneration plant in Türkiye, the Company won the award in the category of "Best Leading Investor of the Year."

2012

Bozüyük Natural Gas Power Plant was selected the "The Cleanest Industrial Plant" and awarded with an "Environmental Certificate" within the scope of June 5th, World Environment Day.

2013

ISO 9001:2008 Quality, ISO 14001:2004 Environmental and OHSAS 18001:2007 Occupational Health and Safety Management Systems certification of the Head Office and Bozüyük, Kemalpaşa, Ayyıldız, Akocak, Uluabat, Burç Bendî, Bulam and Feke II power plants were renewed successfully.

At the Corporate Social Responsibility (Bronze) and Environment (Gold) Awards competition by the Aegean Region Chamber of Industry (EBSO), Akenerji received Second Prize in the Environment category and Third Prize in the Environmental Corporate Social Responsibility category.

The Carbon Management Project was launched.

Akenerji issued its Sustainability Report 2012 in line with Global Reporting Initiative principles and shared it with stakeholders.

2015

The 2014 Sustainability Report was published in accordance with GRI Standards.

Akenerji ranked as the first power company in Türkiye to be included in the CDP Water program on a voluntary basis in 2015.

2016

Akenerji's 2015 Sustainability Report received the Bronze Award in the League of American Communication Professionals (LACP).

Akenerji is the only electricity generation company participating in the CDP Türkiye 2016 Water Program, and raised its performance grade from C to B.

2017

Akenerji received an A-rating for its CDP Water Program and joined companies included in the Leadership category in Türkiye.

The Company was voluntarily assessed within the Borsa İstanbul (BIST) Sustainability Index, consisting of companies that have excellent corporate sustainability and are also traded on Borsa İstanbul.

Akenerji won the Golden Voltage Award in the Corporate Social Responsibility category at the 8th Turkish Energy Summit.

The greenhouse gas emissions of Erzin Natural Gas Combined Cycle Power Plant in 2015 and 2016 were verified for the first time within the scope of the Legislation on the Monitoring of Greenhouse Gas Emissions. In addition, for the first time, greenhouse gas emissions in 2016 were verified within the scope of ISO 14064 Greenhouse Gas Standard.

2018

Akenerji won once again the Golden Voltage Award in the Corporate Social Responsibility category at the 9th Turkish Energy Summit.

As in 2017, Akenerji took its place in the index, which includes companies traded on Borsa İstanbul with a high level of corporate sustainability performance.

The greenhouse gas emissions of the Erzin Natural Gas Combined Cycle Power Plant in 2017 were verified under the ISO 14064 Greenhouse Gas standard.

HEPP Awareness trainings are held at village schools in regions surrounding the hydroelectric power plants. In trainings performed in Adana, Adıyaman and Bursa, 1,721 students and 111 teachers were reached. A total of 7,880 students and 461 teachers have received awareness training since 2013.

2019

Within the scope of CDP Climate Change Disclosures our public report rating that we presented in 2019 was raised from C (Awareness) to "B Management", surpassing the average European score of C.

Our CDP Water reporting score is at the B- level, which is a score of global and European scale, as well as at sectorial scale.

Akenerji maintained its position in the index which includes companies that are traded on Borsa İstanbul and have high corporate sustainability performances.

ISO 50001: 2018 Energy Management System studies have been initiated in all our plants. Targets have been set to reduce consumption and make improvements by determining energy consumption and evaluating performance.

Akenerji restructured its loan amounting to USD 859 million in 2019, with a term of 13 years, the first 1 and a half years of which is the principal grace period. An important step was taken towards financial sustainability, thanks to the repayment plan designed in line with our Company's cashgenerating capacity.

Within the scope of the Legislation on the Monitoring of Greenhouse Gas Emissions, the greenhouse gas emissions of the Erzin Natural Gas Combined Cycle Power Plant in 2019 were verified by the authorized verifying body and submitted to the Ministry of Environment and Urbanization.

2020

Our CDP Climate Change report was scored at a "B- Management" level, above the global and European average score C. Our CDP Water report was scored at "B- Management" level.

As of the end of 2020, all our power plants have been awarded the Basic Level Zero Waste Certificate by the Ministry of Environment and Urbanization.

The greenhouse gas emissions of the Erzin Natural Gas Combined Cycle Power Plant for 2019 were verified by the verification body authorized under both the Regulation on Monitoring of Greenhouse Gas Emissions and the ISO 14064 Greenhouse Gas standard.

Akenerji made a contribution worth 550,000 trees to the environment with the 570,000 tons of emission reduction certificates it sold in 2020.

Akenerji became the first Turkish company to register on the "European Energy Exchange", the largest energy exchange in Europe.

The Environmental Permit Certificate of the Erzin Natural Gas Combined Cycle Power Plant has been renewed.

2021

We prepared our Corporate Sustainability Management handbook. We determined our sustainability performance indicators and strategies covering the years 2021-2025. We have established our goals in line with the United Nations Sustainable Development Goals.

Our Borsa İstanbul Sustainability Index score was determined as "B-".

As one of more than 13,000 companies responding to the CDP in 2021, our Climate Change and Water Security score was at the "B- Management" level.

The greenhouse gas emissions of the Erzin Natural Gas Combined Cycle Power Plant for the year 2020 have been verified by a professional organization authorized under both the Regulation on the Monitoring of Greenhouse Gas Emissions and the ISO 14064 Greenhouse Gas standard.

With the emission reduction certificates of 1,142,659 tons sold in 2021, Akenerji contributed to the environment the equivalent of the air that 1,102,565 trees would clean.



Our Sustainability Milestones

2022

Achieving above-average scores in the employee survey conducted by the Great Place to Work independent survey organization and in the evaluation made by the employees, Akenerji was awarded the “Great Place to Work” certificate.

Our Borsa Istanbul Sustainability Index score was determined as “B”.

Our CDP Climate Change and Water Security score was determined at the “B Management” level.

Membership to the Sustainability Academy and Integrated Reporting Türkiye Network (ERTA) has started.

Sustainability Policy has been published.

Akenerji has signed the United Nations Global Compact and became a member of the world’s largest sustainability initiative “UN Global Compact”. The UNGC is a United Nations initiative that provides companies with a reporting framework in human rights, working conditions, the environment, anti-corruption, and corporate governance.

ISO 9001:2015 Quality, ISO 14001:2015 Environment, ISO 45001:2018 Occupational Health and Safety, ISO 50001:2018 Energy and ISO 27001:2013 Information Security Management Systems audits were carried out successfully for all our power plants and headquarters.

The greenhouse gas emissions of Erzin NGCCPP for 2021 have been verified by the authorized specialist organization within the scope of both the Regulation on the Monitoring of Greenhouse Gas Emissions and the ISO 14064-1:2018 Greenhouse Gas Standard.

2023

In the Refinitiv evaluation for the 2022 operating year, Akenerji’s General Sustainability score was “B”.

Our active membership in the U.N. Global Compact continued.

The 2022 greenhouse gas emissions of the Erzin NGCCPP were verified by the expert organization authorized within the scope of the regulation on the Monitoring of Greenhouse Gas Emissions and the ISO 14064 Greenhouse Gas Standard.

We have completed internal audits by completing the ISO 9001:2015 Quality, ISO 14001:2015 Environment, ISO 45001:2018 Occupational Health and Safety, ISO 50001:2018 Energy Management Systems information and internal auditor training for our 9 power plants and headquarters.

The ISO 27001:2022 Information Security Management System version transition training and subsequent ISO 27001:2022 and ISO 27019:2020 internal audits were held in the Erzin NGCC Power Plant, Uluabat HPP and Head Quarters. The audits of the compliance processes with the Presidential Digital Transformation Office Information and Communication Security Audit Guide have been completed in accordance with the guide.

During the preparation of the EIA Report for the Ayyıldız Wind Power Plant Capacity increase (increasing from 28.2 MWm to 34.41 MWm) project, bird monitoring studies were carried out for ornithological purposes. We were listed in the Sustainability Research Companies List, conducted by Fortune Türkiye Magazine and CRIF Türkiye, among 88 companies selected from 500, with a shareable sufficient dataset to measure sustainability performance. In the evaluation, our sustainability performance scored at the “B-Good Level of Sustainability” level.

Our 2023 ESG performance will be evaluated by Refinitiv in the Borsa Istanbul Sustainability Index in 2024.



AKENERJİ IN BRIEF

Generation Capacity (By the end of 2023)

**1,224
MW**
Electricity

Operations

- Electricity Generation and Sale
- Electricity Import, Export and Wholesale
- Natural Gas Import, Export and Wholesale
- Energy Services
- Power Plant Construction, Management, Operation and Maintenance Services
- Power Plant Testing and Commissioning

Power Plants

904 MW
Erzin NGCCPP

100 MW
Uluabat HEPP

70 MW
Feke II HEPP

30 MW
Gökkaya HEPP

30 MW
Feke I HEPP

28 MW
Ayyıldız WPP

28 MW
Burç Bendi and HEPP

27 MW
Himmetli HEPP

7 MW
Bulam HEPP

Investments in Project Phase

198 MW
Kemah HEPP

6.21 MW
Ayyıldız WPP capacity increase

7.7922 MWp
Erzin DGKÇS Hybrid GES

Number of Average Employee*

319

*Board Members included

2023 Turnover

23,672

TR million



Akenerji in Brief

Akenerji is the first company from Türkiye to become a member of the European Energy Exchange.

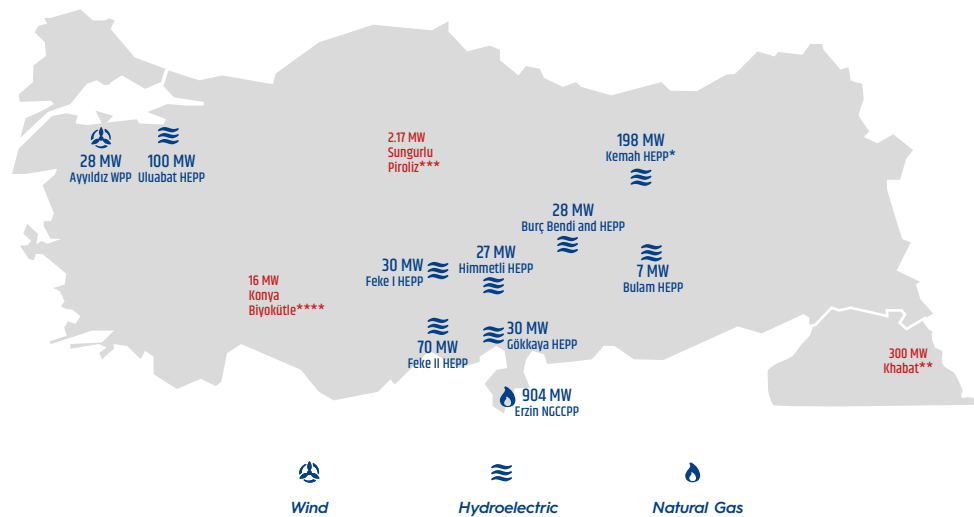
Akenerji, which started its activities as an autoproducer group in the Akkök Group of Companies in 1989, has been continuing its existence in the sector as a free electricity generation company since 2005.

The Company, which is a 50%-50% strategic partnership between Akkök Holding and the CEZ Group, has an installed capacity reaching 1,224 MW. It has the capacity to provide approximately 2.5% of Türkiye's energy needs. Setting an example in the sector with its 35 years of know-how and pioneering stance, the Company aims to maintain its balanced portfolio structure in order to maintain its strong position in the sector and to make electricity supply even more secure.

The leading company that sets the standards in the industry!

Akenerji, one of the most established companies in Türkiye with its 35 years of experience in the energy sector, continued the optimum operation of its existing power plants according to market prices and the development of new renewable energy projects that will create added value in 2023. As of the end of 2023, 26% of Akenerji's installed capacity consists of renewable energy sources, with 7 hydroelectric power plants and 1 wind power plant with a total capacity of 320 MW, put into operation one after another.

Operations Map



*Kemah is in the project phase.

Khabat - Operation and Maintenance Services

***Sungurlu - Construction Management, Operation, and Maintenance Services

****Konya - Construction Management, Operation, and Maintenance Services

Subsidiaries/ Period	Effective shareholding (%)		Ownership interest (%)	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Akenerji Toptan	100.00	100.00	100.00	100.00
Ak-El Kemah	100.00	100.00	100.00	100.00
Akenerji Doğalgaz	100.00	100.00	100.00	100.00
Akel Sungurlu*	-	-	100.00	100.00
5ER Enerji*	-	-	100.00	100.00
Akenerji Toptan Khabat**	-	-	100.00	100.00
Aken B.V.***	100.00	-	100.00	-

*Akel Sungurlu and 5ER Enerji Company's shares are consolidated in the financial statements through a full consolidation method due to the capacity lease agreements and usufruct agreements signed by Akenerji Toptan, which includes an option for Akenerji Toptan to acquire the shares of Akel Sungurlu and 5ER Enerji at no cost at any time, and the control power being with Akenerji Toptan.

**The subsidiary branch operating in a different country is separately specified.

***Established on July 31, 2023, and included in the consolidated financial statements through the entire consolidation method.

Akenerji Partnership Structure

37.36%

CEZ a.s.

25.28%

Free-float (The actual circulation rate 52.83%)

20.43%

Akkök Holding A.Ş.

16.93%

Akarsu Enerji Yatırımları Sanayi ve Ticaret A.Ş.

Akenerji is a private company with no partnership or shared ownership of any public legal entity with management control.

"Akenerji has accepted the registered capital system according to the provisions of Capital Board Law no.2499 and authorization dated 31.05.2000 with no.61/922, and has switched to the registered capital system. The maximum registered capital for the Company is TL 1.5 billion from 2021 to 2025 and the paid-in capital is TL 729,164,000. All shareholders have the same rights and no privileges have been granted to shareholders.



Akkök Holding in Brief

A beacon of established knowhow, financial strength and reliability...

Akkök Holding, the foundations of which were laid in 1952 by the late Raif Dinçkök, one of the most esteemed entrepreneurs of our country, is among the most established organizations in Türkiye with more than 70 years of experience. Operating in many different sectors, especially the chemical, real estate, energy and composite sectors, the holding has 24 operational companies and 22 production facilities, 4 of which are abroad. By closely following the trends in the world's markets and in its operating industries, Akkök Holding aims to catch up with the global competition, and achieve world-class standards together with all the companies under its roof.

World's giant companies from textile to chemistry

Aksa Akrilik Kimya Sanayi A.Ş. was founded in Yalova to meet the requirements for acrylic fiber in Türkiye in 1968, and started production in 1971 with an annual capacity of 5000 tons. Becoming the largest acrylic fiber producer in the world with its investments and innovations, Aksa is a world giant with approximately 400 customers in 50 cities on 5 continents. With 1.400 employees, a production area of 600,000 square meters, and annual capacity of 355,000 tons, it is the largest acrylic fiber producer in the world and the only producer in Türkiye. Thanks to its wide product range, Aksa supplies textile and technical textile raw materials to a wide range of fields, from carpet to upholstery, from sweater to socks, from yarn to hand knitting, from velvet to rugs, blankets, awnings and industrial filters. Aksa Akrilik, which has a 145MW capacity energy production license, meets the energy needs of itself and the companies located in the organized industrial zone in Yalova.

Türkiye's leading chemical manufacturer Akkim Kimya was established in Yalova in 1977. Akkim, which produces in 5 different locations with its more than a 1,300 personnel Including its subsidiaries, has a special place in the chemical industry with its product variety. Utilizing its presence and synergy in the basic chemicals such as chlorine-alkali, hydrogen peroxide, sodium percarbonate, methylamines, persulfates, sodium metabisulfite, carboxymethyl cellulose, and a wide range of performance chemicals including textiles, paper, construction, and plastic additives, the company exports to more than 70 countries across six continents. Being the market leader in many products in basic chemicals and performance chemicals, Akkim is the solution partner of the cleaning, hygiene, water treatment, textile, paper, construction, plastic, food, metal, energy, detergent, drilling, mining and chemical sectors. Akkim, has been selling some of its know-how and technologies to companies abroad since 2002 and offers many different services from engineering studies to turnkey commitments. Akkim, leveraging its position in the water treatment sector, entered the advanced technology treatment industry with an investment in ultrafiltration membrane modules at its facility in Yalova. With its modern factory, commissioned in 2016, it is the sole producer of this product in Türkiye. The company, with subsidiaries that include Akcoat and Dinox, has incorporated USK Kimya, one of the largest carboxymethyl cellulose producers of our country and the world, in the first months of 2021, in line with the importance it attaches to inorganic growth opportunities. In the last quarter of the year, the company established Akkim Silikon Kimya and started the production of silicone polymers, which are high-tech products, in its Yalova facilities. With Türkiye's first epoxy resin production facility, which has been approved for investment and will be commissioned at the beginning of 2024, the production of a

completely imported product with high strategic importance will also commence. Akkim Kimya, which signed the United Nations Global Compact in 2007, pioneering the spread of universal principles on the path of sustainable development, is one of the exemplary companies in the field of sustainability in the chemical industry.

Akcoat, which started its operations in 1979 with frit production continues its production in 5 main groups: enamel, ceramic, non-stick and decorative coatings, pigment and glass coatings. With its product groups and "advanced chemical coating material products", it is the solution partner of global brands, each of which is a leader in its field, in various sectors such as white goods, ceramic tiles, household and kitchenware, glass industry, digital printing inks. As a preferred brand in 6 continents and more than 65 countries, it has generation facilities in Türkiye and Spain. It also operates in the USA and China with its regional offices and subsidiaries. With its regularly rising international sales and production capacity, the company has succeeded in being among the export leaders of its sector for 15 consecutive years, adding a strategic added value to the Turkish economy. Akcoat takes solid steps to strengthen its leadership by focusing on R&D, digitalization and innovation, and realizes its new investments in this direction. It aims to achieve world leadership by doubling its exports and total turnover in 5 years.

Added value created by composite

DowAksa, the first and only carbon fiber producer in Türkiye and one of the few in the world, provides carbon fiber composite solutions to industrial sectors, especially energy, transportation, defense and infrastructure. The company was established as a 50 percent equal joint venture with Dow Chemical Company and Aksa Akrilik San. DowAksa has combined the knowledge, experience and power of Dow, a pioneer in materials science and Aksa, the world leader in acrylic fiber. The company is one of the few fully integrated solution manufacturers in the sector with its product range from precursor to carbon fiber, from carbon fiber to prepreg, engineering solutions and know-how.

Epsilon Composites, which joined Akkok Holding in 2021, manufactures and assembles high-tech composite components and parts for various sectors, especially aviation. The company, which produces products with a very high export value per kilogram, has international business partners as well as partnerships with domestic defense industry organizations. Akkök Holding aims to be a leader in the international market with Epsilon Composites, which generates 40% of its total sales through exports.

Real estate projects that add value to life

Akiş REIT, the real estate investment company operating under Akkök Holding, continues to develop projects that help improve quality of life in the regions where it operates. The company successfully carries out Akbatı and Akasya Shopping Center projects. Besides successfully managing the Akbatı and Akasya Shopping Mall projects, the company achieved a first among real estate investment partnership companies in Türkiye. It adopted an alternative approach to Shopping Mall investments by focusing on street retailing and, in 2021, opened Erenköy Apartmanı on Bağdat Avenue, leased to the Boyner brand. Akiş REIT made its first overseas investment in a housing project in England to diversify its portfolio. In addition to being a participant in the United Nations Global Compact, the world's largest corporate sustainability initiative, Akiş REIT has the highest Corporate Governance Rating among the companies listed on Borsa İstanbul in its sector. Akiş GYO has been included in the BIST Sustainability Index since January 2022, which features companies with high corporate sustainability performance. Akiş REIT also carries out cooperation and investment-oriented studies with startups in order to support innovation in retail and real estate, create synergy from the startup ecosystem and make the current business model sustainable.

Akyaşam Yönetim Hizmetleri A.Ş., a subsidiary of Akiş REIT, undertakes the management of the Akbatı project opened in 2011 and the Akasya project opened in 2014.



KidZania Istanbul was established in 2014 as the 16th of the world's KidZanias. KidZania, the Children's Country was established with the aim of providing a world where all children can learn while having fun and operates in 20 countries and 27 cities today. It serves all children between the ages of 1-14 in an area of 10,000 square meters in Akasya, Istanbul. It is a real city with more than 120 roles in 67 different activity areas with its bank, supermarket, fire department, hospital, earthquake simulation center, courier, stadium, streets and square. KidZania Istanbul, a success of social entrepreneurship, has hosted 2 million children in the city to date. While children have the opportunity to gain many skills such as teamwork, taking responsibility, creative and analytical thinking, and communication at KidZania Istanbul, they experience the real-life equivalent of the academic knowledge they have learned at school. KidZania Istanbul has been carrying out the corporate social responsibility project, "I have a big heart for a better world" since 2014 when it was opened. Within the scope of the project, children with no means are hosted at KidZania through non-governmental organizations, public institutions and universities. In this context, cooperation has been made with a total of 300 different NGOs, public institutions and universities in nine years, and 150,000 visitors have benefited from the free and highly entertaining learning experience. In addition, children and their parents are made aware of critical areas such as the environment, social and economic issues in the fields of Earthquake Simulation Center, Electricity Center, E-Waste Recycling and Waste Separation Center, Social Volunteering and University activities at KidZania Istanbul.

Akmerkez, on the other hand, has been both the address for pleasant experiences and one of the city's favorite meeting points, with its exclusive brands, shopping, entertainment and food and beverage areas, which have been within its structure since 1993. Adding dynamism to the social life of the city, Akmerkez continues to add value to the lives of its guests with its award-winning project "Agriculture on the Terrace", which proves that a sustainable life is possible in the city, and its services such as click & collect, shopping delivery, cloakroom, cargo and trust, which it has renewed according to current needs. Akmerkez, which was honored with the Best Shopping Center awards in Europe in 1995 and worldwide in 1996 by the International Council of Shopping Centers (ICSC), has set a precedent with its value-adding projects and continues to improve itself.

Innovative and Customer-Focused Contracting, Consulting Services

Akgirişim, a 100% subsidiary of Akkök Holding, has provided EPC (Engineering, Procurement, and Construction) contracting services since 2011.

With its innovative approach in the sector and a sustainable-focused vision targeting stakeholder satisfaction, Akgirişim operates in various areas such as the construction of shopping malls, residential projects, mixed-use real estate projects, turnkey process external industrial facilities, storage and production buildings, industrial/domestic wastewater treatment plants, and seawater reverse osmosis facilities, facility management and operation, business development and consulting, project management - consultancy.

With a high-quality service approach and an experienced team, Akgirişim not only offers its existing services to customers but also expands its customer portfolio with comprehensive solutions through EPC-F (Engineering, Procurement, Construction - Finance) contracting services.

Türkiye's Energy

Starting its activities as an auto-producer group in the Akkök Group of Companies in 1989, Akenerji has been operating as an independent power generation company since 2005. With the 50-50 strategic partnership of Akkök Holding and CEZ, the Company has a total installed power capacity of 1,224 MW.

Authorized by EMRA, Sepaş Enerji is the official electricity supplier of Bolu, Düzce, Kocaeli and Sakarya regions. In addition to being the supply company responsible for the region, Sepaş Enerji also provides power supply services to some 4 million people, as well as all major industrial, health care and the public sector organizations in the whole of Türkiye.

Sakarya Elektrik Dağıtım A.Ş. (SEDAŞ) provides energy distribution services to more than 2 million customers in 5 different regional directorates in Sakarya, Kocaeli, Bolu, Düzce and Gebze and a total of 21 operation centers affiliated to these regional directorates. As of the end of 2023, the total amount of electricity distributed in SEDAŞ's operating region covering East Marmara stands at 10.3 billion kWh.

Always With You in Your Technology Projects

Aktek Bilişim was established in 2007 to meet the information needs of Akkök Holding. Over time, it has realized hundreds of value-added projects with all its customers in the field of technology and has achieved many successes during this time. Aktek, striving to always be with its stakeholders, business partners, and customers, offers integrated and flexible solutions and services in a structured manner through its Corporate Information Systems, Data Science and Business Intelligence, IT Infrastructure, Database Management, Cybersecurity, Software Development, and Robotic Process Automation services.

With a strong and experienced team, Aktek has provided services for 16 years to advance companies in competition and continuously maintain their satisfaction without distinguishing between sectors. In 2023, Aktek again secured its position among Türkiye's top 10 IT companies in multiple categories on the "IT 500" list, including IT Consulting, Hosting, and Cybersecurity Services.

Privileged Insurance Service

Dinkal Insurance Agency Inc., established in 1976, is among the preferred companies in the insurance sector, successfully meeting the needs and expectations of insured individuals with its privileged service approach and strong, sustainable relationships. Providing services in all insurance branches, the company collaborates with more than 25 insurance companies in the sector, offering alternative solutions tailored to its customers' needs.

Dinkal, mainly specializing in the central business segments of the group, namely the chemical, energy, and real estate sectors, is able to create special studies on the risks, including the entire operation process from the project stage of large energy plants, with alternative proposals from both local and international sources.

Dinkal, operating under Akkök Holding, differentiates itself among Türkiye's reputable industry players by offering customer-specific services such as consulting, risk analysis and management, policy management, and claims management to both group companies and external stakeholders.

Export Leader

Ak-Pa was established in 1976 to carry out the overseas marketing and export activities of Akkök Holding companies. As one of Türkiye's strongest exporting companies, it has mediated exports of USD 10.2 billion to more than 90 countries in 6 continents since its establishment. Akkök Holding companies Aksa Akrilik, Akkim Kimya, Akcoat and DowAksa export acrylic fiber, chemical products, enamel and ceramic frit, carbon fiber products to the world's large and medium-sized industrial establishments. Ak-Pa, which has the status of a Foreign Trade Company, follows the world markets closely with the synergy it has established with its producer sister companies and creates value for its stakeholders with its sectoral experience, service quality and the power it receives from Akkök Holding.

Investing in Innovative Ventures

Established in 2023, Akkök Holding's venture capital company, Akkök Next, invests in innovative ventures in the deep technology market in Türkiye and worldwide. As one of the founders of 212 NexT, the first deep technology fund focused on material technologies, Akkök Next collaborates with 212 NexT to lead the transformation in global value chains, particularly in advanced materials and innovative deep technology ventures.



CEZ Group in Brief

With a vision to bring innovations to address energy needs and contribute to a higher quality of life, CEZ Group is a reputable energy group that ranks among the most significant economic entities in the Czech Republic and Central Europe. CEZ Group plays a significant role in developing the region's energy sector.

CEZ Group is a stable and integrated energy group that is one of the largest economic entities in the Czech Republic and Central Europe and contributes significantly to the development of the region's energy sector. CEZ Group, headquartered in the Czech Republic, operates in several Central and Southeastern European countries, including Türkiye. The Czech Republic, which owns approximately 70% of the capital of the parent company CEZ, is the company's most significant shareholder.

CEZ Group has been one of the largest taxpayers in the Czech Republic for a long time, thus playing a crucial role in the Czech economy. In the 30 years since its establishment, CEZ has paid more than CZK 800 billion to the Czech state in dividends, taxes, donations and payments for emission allowances. CEZ has paid more than CZK 368 billion in dividends to its shareholders throughout its existence, and its market value as of December 31, 2022 is CZK 413 billion.

CEZ shares are traded on the Prague and Warsaw stock exchanges, being part of the PX and WIG-CEE stock indices, respectively.

CEZ Group's long-term vision is to bring innovations to solve energy needs and contribute to a higher quality of life. The "Vision 2030 - Clean Energy for Tomorrow" strategy is focused on the dynamic transformation of the generation portfolio to a low-emission portfolio and achieving full climate neutrality by 2040. This includes a commitment to end coal-fired heat generation and to substantially reduce coal-fired electricity generation by 2030.

In its activities, CEZ Group emphasizes meeting global climate goals, decarbonization, and the impact of business on the environment in general. It focuses on the development of nuclear and renewable resources and on innovations in the energy sector to provide reliable and sustainable services to customers.

The core value is generated from the emission-free generation, distribution and sale of electricity and heat. Other significant activities include commodity trading, natural gas distribution and sales, mining and, most importantly, the provision of comprehensive energy and advanced technology services.

CEZ Group employs nearly 29,000 people and supplies energy and modern energy solutions to millions of customers in the Czech Republic, Germany, Poland and Slovakia. Outside Central Europe, it operates mainly in France, Italy, the Netherlands and Austria.

For more information you may visit CEZ Group website www.CEZ.cz/en.



Our Production Activities

As a company that focuses on power plant investments based on renewable resources in order to create resource diversity and cost advantage, we have raised the number of power plants with alternative energy sources over the years by carrying out many projects at the same time.

As Akenerji, we produced 4,202,448.9 MWh of gross electricity in 2023 with our balanced, sustainable, efficient and environmentally friendly portfolio. We continued to maintain our competitive position in 2023, with our 1,224 MW installed capacity achieved as a result of our investments, with the responsibility of the importance of renewable energy resources against climate change and Türkiye’s long-term energy policy, as well as our flexible portfolio structure that adapts quickly to market conditions.

As a company that focuses on power plant investments based on renewable resources in order to create resource diversity and cost advantage, we have raised the number of power plants with alternative energy sources over the years by carrying out many projects at the same time. At Akenerji, with 1 wind and 7 hydroelectric power plants, which we gradually commissioned between 2009 and 2012, we have ensured that renewable energy sources are brought into the country’s economy in a reliable, economical and high-quality manner.

After the work we have done at the Erzin NGCCPP in the last three years, we have greatly improved the power plant’s skills such as load bearing, load shedding, and working at low capacity. The power plant, for which we continue to work on improvement in this context in 2023, maintained its competitive position by responding in the strongest possible way to the flexibility needs, which are very important for the stability and security of the Turkish electricity grid.

Rising variable costs were countered with experience, operational excellence, digitalization and high efficiency. We are constantly revamping the maintenance and asset management strategies of the entire portfolio in order to achieve higher availability, improve our operational performance and reduce our production costs.

Power Plant Name	Transition to Business Date	2023 Gross Energy Generation (MWh)	Capacity Utilization Rate
Ayyıldız WPP	2009	86,427	35.01%
Bulam HEPP	2010	28,155	45.66%
Burç Bendi and HEPP	2010	74,864	31.25%
Uluabat HEPP	2010	306,796	34.90%
Feki II HEPP	2010	131,530	21.59%
Feki I HEPP	2012	96,206	37.34%
Gökkaya HEPP	2012	86,006	34.42%
Himmetli HEPP	2012	90,909	38.46%
Erzin NGCCPP	2014	3,301,555	41.76%
Total (MWh)		4,202,448	39.33%

Our Commercial Activities

As Akenerji, after the high success we achieved in import/export activities in 2023, in July 2023, we established Aken Europe BV., based in the Netherlands, with the intention to provide direct access to European spot markets.

Summary

2023 was a year in which volatility and inflation continued to be high in the world and in our country. The decline in commodity prices started at the end of 2022 and continued throughout 2023. Although the Russia-Ukraine war continues, there were no problems in natural gas with Europe’s growing LNG terminal investments and the mild winter of 2022. As a result, natural gas tariffs applied to power plants, which were 20,625 TL/km³ in December 2022, closed the year at 12,000 TL/km³ in December 2023, with a decrease of 42%. The decline in electricity demand in Türkiye in the second half of 2022 continued in the first half of 2023. In the second half of the year, demand intensified due to the recovery in industrial production and the base effect. Accordingly, electricity demand fell by 0.2% in 2023 compared to the previous year.

There were many developments that had a negative impact on the operational profitability of our power plants throughout the year. With the Resource-Based Support mechanism, the implementation of which started in April 2022, if the price formed in the free market (MCP) is more favorable than the Maximum Settlement Price (MSP) determined separately for each resource, the difference between the two prices was calculated as the Support Debt Fee on a Resource Basis with high production costs. This was then paid into a pool created to fund producers and Incumbent Supply Companies and to ensure the continuity of the subsidy in tariffs. The Resource-Based Support Mechanism continued to be implemented in the first 9 months of 2023 and ended as of October 2023. This decision, which under normal circumstances could be seen as a positive towards liberalization for all market participants, together with the 20% hike in natural gas tariffs in October and keeping the EPIAŞ Day Ahead Market ceiling price constant, brought with it adverse effects, especially for natural gas power plants, compared to the period when the mechanism continued.

As Akenerji, despite all the adverse developments we mentioned in 2023, we left behind a record year in terms of EBITDA and operational profitability with our balanced production portfolio, our experience in trading, and our proactive and innovative approaches. We continue to work with the same approach.



(MWh)	2022	2023	Change %
DAM (Day-ahead Market)	958,049	1,075,494	12%
Bilateral Agreements	2,241,995	2,662,170	19%
SFC (Secondary Frequency Control)	1,062,563	800,301	-25%
BPM (Balancing Power Market)	389,346	454,089	17%
IDM (Intra-day Market)	128,454	233,190	82%
Renewable Generation	746,944	900,893	21%
Natural Gas Generation	3,087,285	3,301,556	7%
Viop Volume	0	0	0%
International Transaction Volume	2,011,760	2,751,903	37%
OTSP Volume (sm³)	0	0	0%

(MWh)	Akenerji	Market	Share %
DAM (Day-ahead Market)	1,075,494	189,675,083	1%
SFC (Secondary Frequency Control)	800,301	8,172,543	10%
BPM (Balancing Power Market)	454,089	10,645,937	4%
IDM (Intra-day Market)	233,190	17,666,405	1%
Renewable Generation	900,893	113,996,992	1%
Natural Gas Generation	3,301,556	66,576,505	5%
OTSP Volume (sm³)	0	1,035,283	0%

Electricity Trading

In 2022, energy prices experienced a significant increase, but towards the end of the year and throughout 2023, they decreased to more normal levels. Despite ongoing volatility in domestic and international markets, it did not leave a lasting impact on prices. The 2024 electricity price in Germany fell below 90 EUR/MWh. Factors contributing to this situation in Europe include well-filled natural gas storages, low demand, and seasonal conditions.

In our country, electricity prices decreased in parallel with the developments in Europe, and the OTC 2024 electricity price reached 77 USD/MWh. However, the number of transactions carried out in the market remained low. Even removing the resource-based price ceiling could not increase the number of transactions in the market.

Due to the inadequate level of trading activities in the Turkish market, Akenerji shifted its focus towards European markets. Despite the challenges of high volatility and margin requirements, the company continued active trading on EEX.

Throughout 2023, Akenerji actively engaged in electricity exports and imports at the Türkiye-Greece and Türkiye-Bulgaria borders, utilizing the export rights acquired through capacity auctions at the end of 2022. The company achieved its goals by using these rights throughout the year.

As a result of the significant export volume, Akenerji was honored with the Türkiye 2022 Electrical-Electronics Sector Award by the Electrical and Electronics Exporters' Association.

In 2023, the company achieved a high trade volume, conducting trades for 3,347,463 MWh of electricity and 3,318,000 barrels of petroleum (LCO).

Following the success in import/export activities, in July 2023, Akenerji established Aken Europe BV in the Netherlands to access European spot markets directly, deciding to conduct all foreign activities within its own organization. Efforts are underway to apply for a spot market license in Greece.

Asset Management

With the effect of BOTAŞ's discounts on the gas tariffs of power plants for four consecutive months starting from January 2023, the natural gas supply price of the Erzin NGCC Power Plant decreased by a total of 51.5% throughout the period. In parallel with this situation, a downward movement was observed in EPIAŞ Day Ahead Market maximum prices during the year's first four months. In this process, which corresponds to the 2nd period of the Resource Support Mechanism (AUF mechanism), a partial reduction was observed in the unit profit margin from month to month due to the reduction of the production costs of the Erzin NGCC Power Plant, by the operation of the mechanism. Despite all this, Erzin NGCC Power Plant reached a considerable capacity utilization rate in the year's first quarter.

As Akenerji, with the advantage of our balanced production portfolio, we compensated for the production deficit at the Erzin NGCC Power Plant with the production we realized in renewable power plants, especially in the second quarter of the year, when market prices were at relatively low levels due to the low national demand and high hydrology.

As of October 2023, the Resource Based Support Mechanism has ended. In the same period, there was a 20% hike in the price of natural gas supply used by Erzin NGCC Power Plant. However, there was no increase in the maximum price of the EPIAŞ Day Ahead Market in the said period, and it can be said that the unit profit margin of natural gas power plants fell by half compared to the Resource Based Support Mechanism period. This situation hurt the operational profitability of the Erzin NGCC Power Plant in this period, corresponding to the last quarter of the year.

However, we maintained our strong position in these markets throughout the year by fulfilling Secondary Frequency Control (SFC) reserves and other instructions in the Ancillary Services Market, including Load Shedding (LS) instructions in the Balancing Power Market (BPM), and our real-time Day-Ahead Market commercial operations conducted 24/7. As Akenerji, we successfully upheld our strong position in these markets and had a highly successful year, creating additional value to uplift our operational profitability. In this context, we emerged in the first position among private sector companies in the LS instruction category in the BPM in several months, as reported in the monthly Electricity Market Sector Reports published by EMRA throughout the year.

In addition, at the beginning of 2023, a new program was implemented to algorithmically detect energy imbalances in the portfolio and dynamically process these imbalances in the Day-Ahead Market. This program conducts imbalance management, and speculative trading operations are carried out in the Day-Ahead Market.



Structured and Custom Products

As a company that meets the needs and requirements of the energy sector, where the level of competition is increasing day by day, we have made it our mission to fulfill the demands of our partners and stakeholders in 2023, as we have done in previous years, by designing both standard and specially tailored derivative products. In this regard, throughout the year, we created value by the win-win principle by offering unique products and services designed for the diverse expectations and needs of our stakeholders, including products such as Group Responsible for Balance, Unit Generation Income/Imbalance Cost Fixing models, and Power Plant Management Services.

Within the scope of the Group Responsible for Balance Activities, we continued our efficient collaboration initiated in 2019 with one of the leading companies in the sector in 2023. Through this collaboration, we generated additional synergy income in addition to the Group Responsible for Balance revenues obtained from the portfolio for which we already assumed the balance responsibility.

As it is known, the Energy Market Regulatory Authority (EMRA) implemented various regulations in the electricity market legislation in February 2023 due to the earthquakes centered in Kahramanmaraş. One of these regulations was the exemption granted to production facilities in the earthquake region from energy imbalance costs for a period of 3 months. Thus, within the group for which Akenerji assumed balance responsibility, including Akenerji, market participants benefiting from the relevant regulation minimized their imbalance costs. However, due to the decrease in the imbalance amounts in the group, synergy revenues also declined, and non-routine processes had to be followed in synergy calculation and distribution methods. As Akenerji, we conducted our operations throughout this period with open and transparent calculations and information, achieving complete consensus and mutual trust with all our stakeholders.

Within the scope of long-term Capacity Lease Agreements, we successfully continued the commercial management of the Sungurlu Pyrolysis Power Plant in 2023. We started to operate the commercial operations of the Konya Biomass Power Plant with a similar business model in the same year.

In 2023, we renewed contracts with all participants in the Group Responsible for Balance under our responsibility from the previous year, and a total of 4 new stakeholders, including two major industrial participants in our country, joined our Group Responsible for Balance. Thus, in 2023, the number of companies forming a collaboration model within the Structured Products framework grew by 31% compared to the previous year. With all the collaboration models created within the Structured Products framework throughout the year, there was an approximately 18% increase in operational profitability compared to the previous year, and we concluded another successful year. In 2024, we will continue our efforts with determination to enhance further the success we achieved in 2023 and design different products and services to meet the needs of our stakeholders.

Natural Gas Supply and Trade

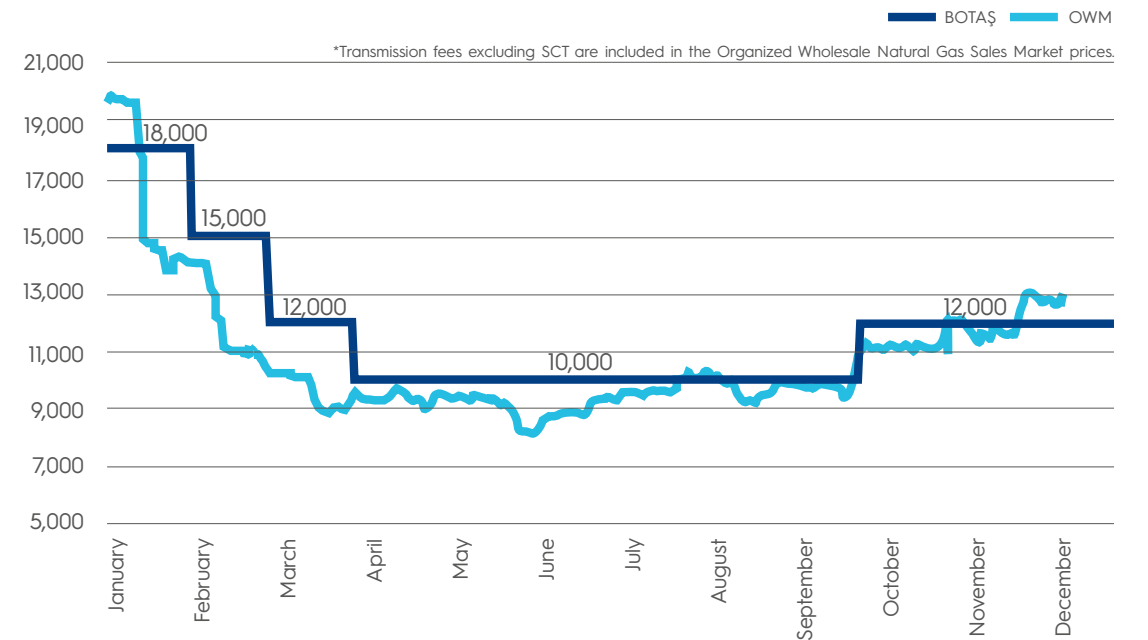
In our natural gas operations, we adopt an effective cost management approach to plan and manage the necessary natural gas agreements for the Erzin NGCC Power Plant accordingly. Through our Wholesale Sales and Spot Import License, we are able to enhance our daily effectiveness in the Turkish natural gas market and develop alternative operations to access natural gas under the most favorable conditions.

In 2019, 2020, and 2021, we evaluated alternative supply sources to Botaş by commissioning Akenerji Natural Gas Company at the rates we determined to reduce the natural gas costs of the Erzin NGCC Power Plant and benefit from advantageous market prices.

In 2022, due to the Russia-Ukraine war, Europe discontinued natural gas purchases from Russia, causing European natural gas prices to reach historic highs. The subsidy in our country's natural gas prices, which started in April 2021, continued until December 2022. While European natural gas prices traded at around 1,550 USD/kSm³ for the November-December 2022 period for 2023, the lack of supply constraints due to higher-than-expected temperatures resulted in prices averaging around 550 USD/kSm³.

The sharp decline in 2023 European gas prices also gradually led Botaş to reduce natural gas tariffs. Particularly for the first quarter of 2023, significant margins were created between spot prices and the Botaş Electricity Tariff. Despite negotiations with Botaş for changes in allocations in various months as of February 2023 to supply natural gas to the Erzin NGCC Power Plant, we did not receive a positive response from Botaş. Our obligation to Buy or Pay under the Botaş contract was completed as of November 2023.

Botaş Tariff - OWM (Organized Wholesale Market) Gas Prices 2023 (TL/kSm³)





Expectations for 2024 and Beyond

Türkiye's Reserve Margin is the ratio of the available capacity to the average demand, which is obtained by multiplying the total installed capacity with certain availability rates. A high Reserve Margin indicates that the investments made are idle. The Reserve Margin ratio, which was on an increasing trend between 2013 and 2020 and reached its peak in 2020 with the fall in demand due to the impact of COVID-19, entered a downward trend with the absence of new baseload power plants commissioned as of 2021 and the recovery in demand. This situation led to a hike in Türkiye's electricity prices between 2021 and 2023, with the effect of the rise in commodity prices and a positive impact on Akenerji's gross profit margins and operating profitability. A significant increase in electricity demand is not expected in 2024, so reserve margins are expected to rise.

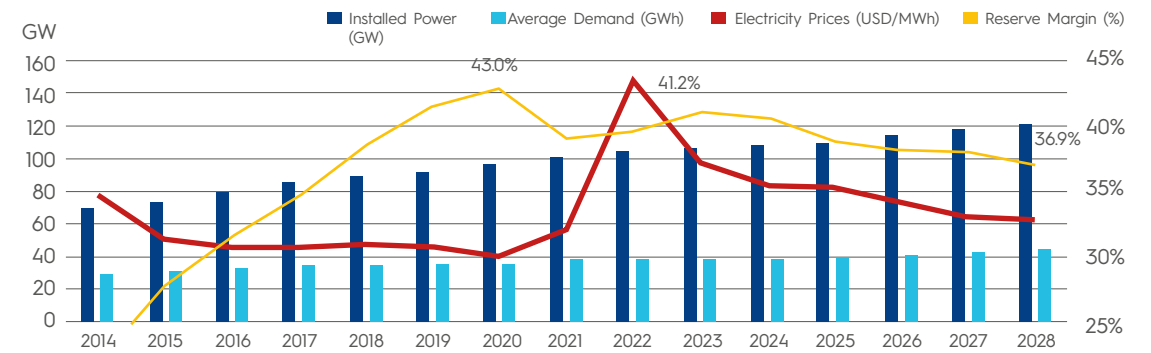
Another factor that will play an essential role in developing the reserve margin in the coming years will be the battery license applications made in 2023, reaching 260 GW. Despite the high amount of applications, considering that batteries do not yet have the desired financial feasibility, efficiency, and lifespan, and that Türkiye's wind power plant installed power reached 12 GW in 16 years after wind power plant applications reached 77 GW in 2007, We do not expect the wind and solar power plants to be established to create a significant change in the Reserve Margin.

In recent years, both foreign and domestic investors hesitate to invest in new base load power plants (natural gas, domestic coal and imported coal) due to the free-market ceiling price practices applied by the public in the Turkish Energy sector, sudden changes in regulations, unpredictable high rates of increase in system usage tariffs and subsidies. In addition, it becomes impossible for current market participants to make short and medium-term planning. Considering the financing costs and banks' lack of appetite for lending, we do not expect a significant increase in Renewable Power Plant investments. In this environment, we expect baseload power plants that have completed their investments to benefit from the falling Reserve Margins in the coming years, and we.

Another critical issue for Akenerji in the medium term will be on the Carbon Markets side. Carbon Border Adjustment Mechanism (CBAM) put into effect by the European Parliament in 2023 aims to impose an indirect Carbon Tax on the exports of 6 main sectors (Cement, Iron-Steel, Aluminium, Fertilizer, Hydrogen, and Electricity) from countries outside the EU to the EU. During the reporting period that will start in the last quarter of 2023, there will be no financial obligation for the relevant goods in the first period until the end of 2025, and as of 2026, EU-authorized declarants representing the imports of goods will be obliged to purchase Carbon Border Adjustment Mechanism (CBAM) certificates for the embodied emissions of the goods they import.

As of 2026, when the financial liability in the Carbon Border Adjustment Mechanism (CBAM) begins, it is expected that the global competitiveness and operational profitability of exporting companies across the country whose products contain greenhouse gas emissions will be negatively affected. An Emission Trading System (ETS) is planned to be established in Türkiye to minimize this negative impact and encourage the reduction of greenhouse gas emissions in a cost-effective and economically efficient manner. In this context, an organized carbon market to be operated by EPIAŞ regarding the distribution, buying, and selling of allowances is being designed, and the draft regulation regarding this was opened for comment by EMRA in the last quarter of 2023.

Turkish Electricity Market Installed Power, Demand and Reserve Margin Development





Our Investments

As Akenerji, we conducted capacity expansion studies in our existing power plants in 2023. We will continue our goal of creating added value with the operations maintenance and capacity rental activities we plan to offer to our potential customers and the activities we carry out in our own power plants.

In 2017, we completed the State Hydraulic Works final project approval procedures for the Kemah Hydroelectric Power Plant project, which is planned to be established in the province of Erzincan and is expected to produce an average of 560 GWh of electricity per year, with an installed capacity of 198 MW. In 2021, our studies on license follow-ups and investment costs continued. Ak-El Kemah Elektrik Üretim A.Ş. has the license of the Kemah Dam and Hydroelectric Power Plant project with the number of EU/2041-8/1453 and dated 01.04.2009. Completion of the permits of the project, continuation of the project design studies and protection of the project while waiting for the appropriate technical and financial conditions for the realization of the project are among the priority targets of our Company.

The Agreement on Water Usage Rights and Operating Principles of Kemah Dam and Hydroelectric Power Generation Plant, signed between our subsidiary, which is the owner of the project, and the General Directorate of State Hydraulic Works, has been concluded in accordance with the legislation and does not contain any elements contrary to the applicable legal regulations. Ak-El Kemah Elektrik Üretim A.Ş., with this belief, became involved in a lawsuit filed against the General Directorate of State Hydraulic Works upon the request for annulment of the signed Agreement with the General Directorate of State Hydraulic Works on the Water Usage Rights and Operating Principles of the Kemah Dam and Hydroelectric Power Plant ("WUR"). In the aforementioned case, it was decided to cancel the administrative act subject to the lawsuit, with the possibility of appeal. In line with the issues included in this court decision, we started to work towards signing a new water usage right agreement with the General Directorate of State Hydraulic Works.

In addition, in order to protect the rights we have under the license and to eliminate the negative impact of the delay caused by regional reasons on our license term, it has been decided to suspend the rights and obligations under the production license and to cease its activities. In addition, it was decided to give one year from the date of the Board decision to submit the new WUR for the project to the Energy Market Regulatory Authority.

Since the Kemah HEPP Project is still in the design phase and construction activities have yet to start on the site, the court and the Energy Market Regulatory Board's decisions do not negatively impact the project's handling. In line with the relevant decision of EMRA, the feasibility and additional feasibility report required to ensure that our license comes into force again by signing a water usage right agreement within one year has been approved by the General Directorate of State Hydraulic Works and We aim for the Water Usage Rights Agreement to be signed in 2024.

We completed the construction of the Biomass Power Plant in Konya in 2023. The power plant became operational, and subsequently, operation and maintenance services began. We obtained an additional 8.1 MWm solar auxiliary resource capacity by converting the license of the Biomass Power Plant into a Combined Renewable Energy power plant license. We have completed the installation works for the first phase of the relevant capacity with a capacity of 3.18 MWm. We started the installation process for the second phase with a capacity of 4.92 MWm in December 2023, which is planned to come into stream in March 2024.

In addition, at the beginning of 2021, we undertook the Construction Management and Operation Maintenance Services of the 2.17 MW capacity Sungurlu Pyrolysis Power Plant in Çorum and continued to carry out the related activities in 2023.

Furthermore, by converting the relevant power plant license into a Unified Renewable Energy Plant License, we obtained an additional capacity of 0.325 kWm for the auxiliary source and completed the assembly and commissioning stages in 2023.

As Akenerji, we started work on the 6.2 MW additional capacity increase of the Ayyıldız Wind Power Plant. When the project is completed, the total capacity of the power plant is planned to increase to 34.4 MW.

We are studying hybrid power plant installations, particularly at existing power plants such as at the Erzin NGCC Power Plant, Burç Bendi and Hydroelectric Power Plants.

As Akenerji, we will continue our goal of creating added value with the Operations Maintenance and capacity leasing activities that we plan to offer to our potential customers, in addition to the activities we carry out at our own power plants.

Our Services

In addition to energy production, our significant priorities include construction management, operation, and maintenance services, as well as testing and commissioning services.

We continue our market research regarding the inclusion of projects based on renewable resources, with a high-capacity utilization rate and profitability in the field of renewable energy, into our Company's portfolio. In addition to renewable energy, efficiency in energy production is among our priority issues at Akenerji. We continue our work on this subject under a broad umbrella, from integrating new and efficient technologies into existing power plants, to vocational training processes for employees.

In 2023, we undertook the construction management and subsequent operation and maintenance services of the Biomass Power Plant in Konya and at the Khabat Thermal Power Plant in Erbil, Iraq. In addition, we continue to offer our testing and commissioning services throughout Türkiye.



GLOBAL RISKS AND OUR SECTOR

The World Economic Forum's Global Risk Perception Report reveals that the most prominent risk in the world is extreme weather events. Efforts to adapt to climate change also accelerate the transformation process of the energy sector. According to the World Energy Outlook 2023 report, while the use of renewable resources in electricity generation in the world was 30%, this rate has reached 54% in Türkiye.



Global Risks

The WEF World Economic Forum 2024 Global Risk Perception Report reveals that the most prominent risks in the world today are extreme weather events caused by climate change and the resulting critical changes in earth systems.

This risk with the highest potential on a global scale in 2023 is followed by issues such as the cost-of-living crisis, rising inflation, food supply crisis, cyber-attacks and critical infrastructures. It is important for business continuity that companies manage their adaptation processes by evaluating these risks. Because the climate crisis and climate-based disasters that deepen this crisis significantly affect the continuity, sustainability and future of the business. In this process, companies need to have financial and operational flexibility and to prepare themselves in terms of infrastructure.

WEF Global Risks (10 years)		Türkiye Top 10 Risks in terms of Impact	
1	Extreme weather events	1	Natural disaster risk
2	Critical change to Earth systems	2	Brain drain risk and associated qualified personnel problems risk
3	Biodiversity loss and ecosystem collapse	3	Water crises risk
4	Natural resource shortages	4	Risk of regional conflicts and potential problems with neighbors
5	Misinformation and disinformation	5	Exchange rate risk
6	Adverse outcomes of AI technologies	6	Market risk
7	Involuntary migration	7	Deep or widespread poverty risk
8	Cyber insecurity	8	Risk of collapse of information technology infrastructures
9	Societal polarization	9	Risk of big data fraud
10	Pollution	10	Risk of deepening inequality
Source: WEF 2022-2023 Global Risk Perception Report		Source: GRC Management Türkiye Risk Report 2023	

Economic Environmental Geopolitical Social Technological

Our detailed explanations on the headings and mechanisms by which Akenerji manages risks and opportunities are available in the Corporate Governance Section of our report, under the heading, Risk Management and Internal Control.

Climate Crisis

2023 has been a year in which we felt the devastating effects of climate change worldwide. The issue of combating and adapting to climate change is becoming more prominent day by day in the focus of risk reports, global targets, multinational agreements, and regional agreements. For Türkiye, disaster risk was at the top with the earthquakes on February 6 and subsequent days. We had put the issue of ‘Disaster Preparedness and Response,’ including disasters caused by climate change, on our agenda a few months before the earthquakes occurred and included it in the priority group among our priority issues. The water crisis, which ranks third among the long-term risks faced by Türkiye, was among the risks that directly affected our business as Akenerji.

Paris Climate Agreement

The Paris Climate Agreement, which aims to keep the global temperature rise below 1.5°C, was also approved by Türkiye as of October 6, 2021. This development means that Türkiye is a legal member of a global movement to combat the climate crisis. With this process, updating the national contribution statement, which includes emission reduction targets in sectors such as energy, transportation and agriculture, will accelerate the transformation of sectors. In particular, the targets related to the energy and transportation sectors are of direct interest to our Company.

COP 28 Climate Conference

In 2023, Türkiye, not favoring the exit from fossil fuels, which was one of the key agenda items of COP 28, the Climate Summit held in Dubai, and requesting to be evaluated in the status of vulnerable countries, did not join the 118 countries that committed to working together to triple the world’s installed renewable energy production capacity to at least 11,000 GW by the year 2030, taking into account different starting points and national conditions.

European Green Deal

Türkiye’s ratification of the Paris Climate Agreement makes the European Green Deal much more a priority in terms of international trade. With the European Green Deal, the EU aims to reach the net zero target by 2050. Thanks to this target, it is predicted that the EU’s carbon emissions will fall by at least 55% by 2030 compared to 1990. Considering that the European Union constitutes the largest export market of our country, the Carbon Border Adjustment Mechanism (CBAM) prepared in this context makes the importance of the agreement much more evident for all energy-intensive sectors. In this context, it is critical to keep emissions under control with the use of renewable energy.

Akenerji’s Actions

As Akenerji, in addition to the explanations in our CDP (Carbon Disclosure Project) report, we also include the strategic investments we have made against risks arising from climate change and their details under the heading of Our Strategic Goals and Climate-Related Risks and Opportunities.

Akenerji’s actions on this issue are also included under the headlines of Security of Energy Supply and System Efficiency in the Economic Performance section and under the headings of Emissions (Carbon Management and Energy Management in the Environmental Performance section.



Global Energy Outlook

According to the International Energy Agency World Energy Outlook 2023 report, geopolitical tensions, volatile markets, and ongoing conflicts, especially in Ukraine and the Middle East, cause the effects of the global energy crisis and the fragile structure of global energy markets to continue.

In October 2023, the International Energy Agency (IEA) published the World Energy Outlook 2023 report, which comprehensively analyzes the current state of the global energy sector. According to the report, the effects of the global energy crisis, and the fragile structure of global energy markets continue. Geopolitical tensions, volatile markets, and ongoing conflicts, especially in Ukraine and the Middle East, cause this instability. This demonstrates the weaknesses of the fossil fuel era, the advantages of energy security, and the importance of moving to a more sustainable global energy system.

The World Energy Outlook report also covers various scenarios to determine future energy trends. Based on current global policies, the “Stated Policies Scenario” (STEPS) predicts that global demand for coal, oil, and natural gas will peak before 2030 and that the share of these resources in the global energy supply will decline from approximately 80% to 73% by 2030. The decline in fossil fuel assets is also evident. The growth rate of new fossil fuel-based energy sources has slowed down, and sales of internal combustion engine vehicles and coal/natural gas power plants have decreased. A total of 2.8 trillion dollars is expected to be invested in the energy sector in 2023, and 1 trillion dollars, corresponding to 36% of this investment, will be allocated to fossil fuel-based resources. The view that 29% of the total investment of 3.2 trillion dollars in 2030 will be on fossil resources shows that the investment focus is permanently shifting to clean energy resources.

The Stated Policies Scenario projects a peak in energy-related CO₂ emissions in the mid-2020s, with this level high enough to raise global average temperatures to approximately 2.4 °C by 2100. This makes severe effects of climate change, such as heat waves, droughts, and other disasters, inevitable and emphasizes the importance of reducing emissions. For the global energy sector, which has 37 billion tons of CO₂ emissions in 2023, to reduce its emissions to 35 billion tons in 2030, renewable energy capacity must be expanded, energy efficiency improvements must be made, the transition to electric vehicles must be accelerated, and methane emissions resulting from fossil fuel operations must be reduced.

Renewable sources provided 30% of the electricity produced worldwide in 2022, which is expected to grow to 47% in 2030. Hydroelectricity is the renewable resource with the largest capacity today. However, solar and wind-based sources are coming to the fore to decarbonize the energy supply. According to the Stated Policies Scenario, the renewable energy capacity, which is 3,630 GW at the end of 2022, is expected to soar 2.5 times by 2030, and approximately 95% of this growth will come from solar PV and wind.

A clean energy economy is developing under the leadership of solar energy, wind energy, and electric vehicles. The production capacity of key components such as solar PV modules and EV batteries is also expanding rapidly to support this economy. However, this transformation also causes a spike in the demand for critical minerals used in module and battery manufacturing. As the transition to clean energy accelerates, the focus will shift from the supply of traditional fuels to the supply of critical minerals.

Policies and technologies are available to align energy security and sustainability goals, accelerate change this decade, and limit global temperature rise to 1.5°C. Governments must adopt a rules-based international trading system and find ways to cooperate on energy and climate issues, as well as encourage innovation and technology transfer

Resource Diversity in World Electricity Generation (End of Year 2022)	
Coal	36%
Renewable	30%
Natural Gas	23%
Nuclear	9%
Fuel	2%

Source: World Energy Outlook 2023, IEA

Türkiye Energy Outlook

Türkiye’s total installed capacity reached a total of 107,050 MW, with an additional installed capacity of 3,045 MW commissioned in 2023.

37% of the total electricity production in 2023 was provided by coal and lignite power plants, 22% by renewable and other power plants, 21% by natural gas power plants, and 20% by hydroelectric power plants.

Renewable energy is increasing its share in the installed power portfolio every year in Türkiye, as in the rest of the world. In 2023, the share of renewable energy in the total installed capacity in Türkiye stood at 54%. Again, in parallel with the world energy sector, the share of solar energy is expected to continue to increase in Türkiye in 2024. The total installed power of solar power plants, which was 9,631 MW in 2022, increased by 21% to 11,691 MW in 2023.

The Renewable Energy Resources Support Mechanism (YEKDEM) remained important for producers in 2023 due to fluctuations in electricity sales prices and exchange rates. In 2023, 882 power plants with a total installed power of 19,993 MW benefited from the YEKDEM mechanism. 40.2% of these power plants are wind, 38.1% are hydroelectric, 11.1% are biomass, 8.2% are geothermal, and 2.4% are solar power plants. In 2024, 778 power plants with a total installed power of 17,624 MW will benefit from the Renewable Energy Resources Support Mechanism. 248 of these power plants will be hydroelectric (6,768 MW), 170 will be wind power (6,751 MW), 36 will be solar (469 MW), 51 will be geothermal (1,447 MW), and 273 will be biogas (2,189 MW).

Within the scope of the Renewable Energy Resource Areas (YEKA) model launched by the Ministry of Energy and Natural Resources in 2017, RERA WPP-3 tenders were completed on June 14, 2022, and connection capacity with a total installed power of 850 MW was allocated in 20 regions. RERA SPP-5 tenders are planned to be held in 2023.

Under the Capacity Mechanism Regulation, 52 power plants with a total capacity of 33,015 MW benefited from this in 2022, and 50 power plants with a total capacity of 32,675 MW in 2023. These power plants included 14 domestic coal-fired power plants, 9 imported and domestic coal-fired power plants, 15 imported natural gas-fired power plants, 2 imported and domestic natural gas-fired power plants, and 10 hydroelectric power plants. In 2024, 43 power plants will benefit from the Capacity Mechanism. 27 of these plants are coal-fired, and 16 of them are natural gas-fired.

One of the crucial developments in 2023 is the implementation of the Carbon Border Adjustment Mechanism (CBAM) in the European Union as of October 1, 2023. This mechanism will initially focus on process monitoring through reporting and will fully come into effect in 2026. CBAM also imposes reporting obligations on exporters outside the EU. The transitional provisions will apply between October 1, 2023, and December 31, 2025, during which importers must report embedded emissions and carbon prices.

Distribution of Installed Capacity by Energy Source in Türkiye (2023)		
Primary Source	Installed Capacity (MW)	Ratio
Natural Gas	25,369	23.70%
Hydro-Reservoir	23,650	22.09%
Wind	11,803	11.03%
Imported Coal	10,373	9.69%
Lignite	10,194	9.52%
Solar	11,691	10.92%
Hydro-Run of River	8,314	7.77%
Biomass	2,078	1.94%
Geothermal	1,691	1.58%
Coal	841	0.79%
Asphaltite Coal	405	0.38%
Waste Heat	372	0.35%
Fuel-Oil	260	0.24%
Other (LNG-Naphtha)	8	0.01%
Diesel	1	0.00%
Total	107,050	100.00%



By protecting natural life and preventing environmental pollution in all business processes at Akenerji facilities, we ensure that the highest amount of energy is produced with the least possible use of resources. While determining our strategic goals for 2023, we also evaluated the risks and opportunities related to climate change.

STRATEGY AND MANAGEMENT



Sustainability Management

We continued our work in 2023 in line with our 2021-2025 Sustainability Strategy targets, which we created in 2021 in line with the United Nations Sustainable Development Goals.

At Akenerji, one of Türkiye's most established power generation companies, we consider the problems that threaten the world by giving priority to solutions that will minimize environmental and social risks in all of our activities. Being aware of our responsibility in controlling climate change, we use our technology and technical expertise to minimize the possible risks our activities pose to the environment and society. We are taking contemporary steps in the field of sustainable energy with our future-oriented works, proactive approaches and decision mechanism based on international standards.

Considering the feasibility production capacities of our current renewable energy projects, it is possible to prevent approximately 1 million tons of greenhouse gas emissions per year: the equivalent of the clean air provided by approximately 1 million trees throughout their lifetime. With the motivation of this value that will be added to the environment, at Akenerji, we will continue to expand our renewable energy capacity and maintain our leading position in sustainability in the sector with our highly efficient production processes. Rising consumer awareness and new legal regulations reinforce our determination on the issue.

We are publishing the United Nations Global Compact (UNGC) Progress Report starting from 2022. By expanding the scope of this report, we prepared our first sustainability report for 2012 in line with the GRI Sustainability Reporting Principles. We started to publish it as an Integrated Report starting from the 2021 operating year. The processes for collecting data and information and developing the report content were carried out by the Sustainability Committee established within our company, with the support of external experts. Responsibility for our sustainability management rests with our Sustainability Committee, which operates under the leadership of our senior executives, who report to our Board of Directors. The scope and depth of the topics covered in the report reflect the results of the materiality analysis we conducted during the reporting process.

Sustainability Committee and Policy

Within the scope of the Capital Markets Board's Corporate Governance Communiqué and Sustainability Principles Compliance Framework, to carry out Environmental, Social and Corporate Governance (ESG) studies by our Board of Directors and to create and monitor relevant policies and documents; A Sustainability Committee has been established, consisting of managers from Sustainability, Occupational Health and Safety, Strategic Planning and Risk, Operation and Maintenance, Human Resources, Corporate Communications, Treasury and Finance, Trade Optimization, Asset Management and Special Products, Electricity Trade, Natural Gas Trade, and Purchasing departments. Our Company's [Sustainability Policy](#) has been approved by the senior management and disclosed to the public on the Public Disclosure Platform and our website, www.akenerji.com.tr.

The Chairman of the Sustainability Committee is the Deputy General Manager of Production and reports to the General Manager. The committee monitors sustainability issues throughout the year and tries to make performance indicators a part of sustainability management by including them in tracking systems. It reports the evaluations made at the meetings held regularly and takes action according to the emerging needs. It carries out studies to ensure that our targets are met and the sustainability approach is widespread throughout our Company. The committee also aims to improve the sustainability strategy and implementation tools by evaluating risks and opportunities, and to ensure that employees take an active part in sustainability studies through the trainings they receive. The committee held four meetings in 2023 to review climate-related risks and opportunities, assess current performance, plan actions, and set short-term goals.

Akenerji Sustainability Committee





Our Integrated Management Systems

- ISO 9001:2015 Quality Management System
- ISO 14001: 2015 Environmental Management System
- ISO 45001: 2018 Occupational Health and Safety Management System
- ISO 27001: 2013 Information Security Management System
- ISO 50001: 2018 Energy Management System
- ISO 27019:2020: Information Technology - Security Techniques - Energy Service Industry - Information Security Measures Management System was established in 2023 and we aim to carry out the first certification audit in 2024.

The administrative processes of our Company are monitored by management systems. The locations where management systems are applied:

Lokasyon / Standart	ISO 9001: 2015	ISO 14001: 2015	ISO 45001: 2018	ISO 50001: 2018	ISO 27001: 2013	ISO 14064-1: 2018
Headquarters	✓	✓	✓	✓	✓	N.A.**
Ayyıldız WPP	✓	✓	✓	✓	N.A.*	N.A.**
Uluabat HEPP	✓	✓	✓	✓	✓	N.A.**
Burç Bendi and HEPP	✓	✓	✓	✓	N.A.*	N.A.**
Bulam HEPP	✓	✓	✓	✓	N.A.*	N.A.**
Fek e I HEPP	✓	✓	✓	✓	N.A.*	N.A.**
Fek e II HEPP	✓	✓	✓	✓	N.A.*	N.A.**
Himmetli HEPP	✓	✓	✓	✓	N.A.*	N.A.**
Gökkaya HEPP	✓	✓	✓	✓	N.A.*	N.A.**
Erzin NGCCPP	✓	✓	✓	✓	✓	✓

N.A.: Not Available

*Since facilities with a capacity of over 100 MW are included in the scope of the regulation, ISO 27001 Management System is not available in these facilities with lower capacity.

**Only natural gas power plants are covered by the Greenhouse Gas Monitoring, Reporting and Verification legislation. Since calculations have already been made in this context, calculations have been made within the scope of ISO 14064 and the verification process has been carried out. It is a process that will be carried out independently of the regulations in our other facilities.

Our Policies

We announce our Company's Quality, Sustainability, Occupational Health and Safety, Information Security and Critical Infrastructures Cyber Security and Energy Management Policies, which our Company has within the scope of ISO Standards, to all our stakeholders on our corporate [website](#).



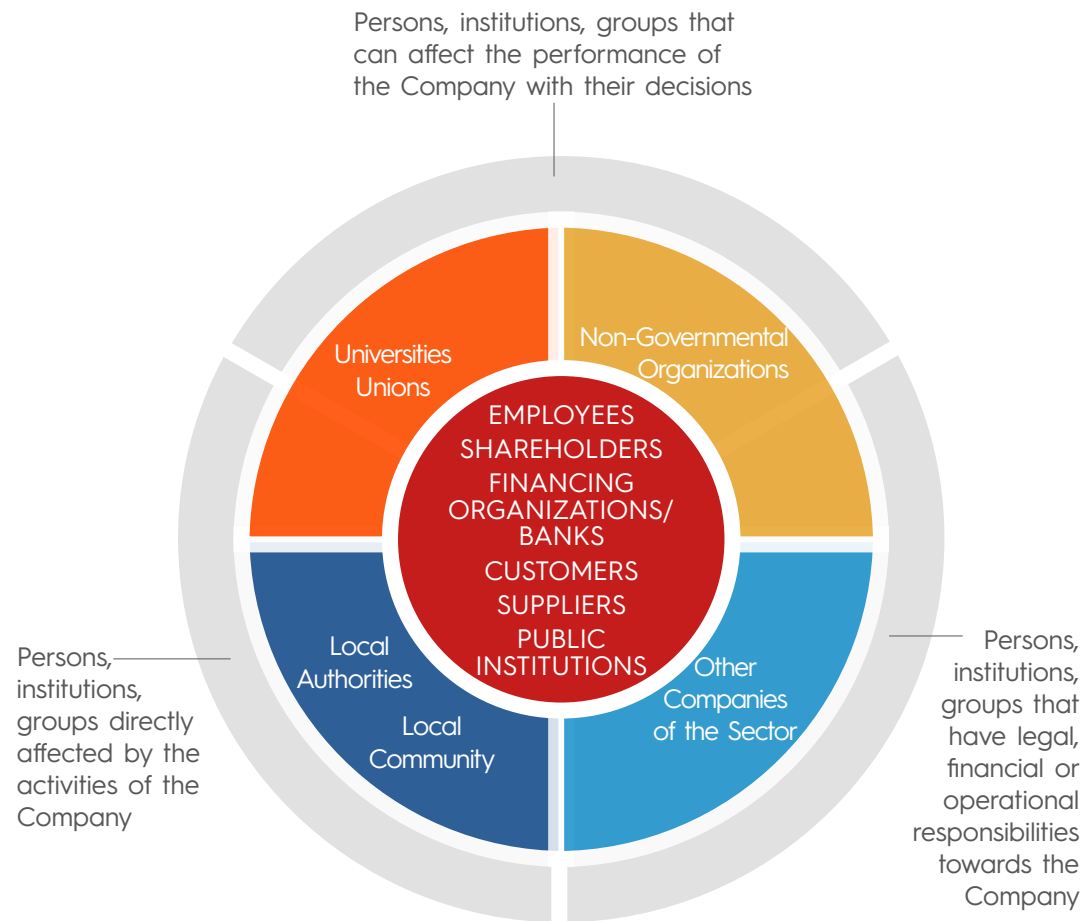


Sustainability Communication

Our Process to Identify Our Stakeholders

Our key stakeholders are the people and organizations that are affected by our activities, that may have an impact on the achievement of our Company's business goals, and that we cooperate with. Before the work of our integrated report in 2022, we examined our stakeholders with the survey we conducted with the participation of 62% of Akenerji managers and identified our key stakeholders as two groups. Starting in 2022, we aim to review our primary stakeholders every two years and improve our communication platforms accordingly.

Our Key Stakeholders



Stakeholder Engagement and Communication Platforms

Our Stakeholders	Communication Platform	Communication Frequency
Employees	E-mail Internal Communication Platform Social media Online and face-to-face events/meetings Office TV screens Employee Survey Sustainability Materiality Survey	Every day within the specified areas Every 2 years and continuously with subject-based instant survey application Every 2 years
Shareholders	One-on-one meetings General Assembly Website Phone, E-mail, Press conferences, Interviews, Press releases, TV Broadcast participation Social media	In the event of demand and need Minimum once a year 24/7 In the event of demand and need, If needed 1-2 per month 4-5 times a year, 4-5 times a year 4-5 times a week
Financing Institutions/ Banks (Investors)	Annual monitoring reports and scheduled site visits, Meetings, investor presentations and correspondence	In the numbers and times specified in the contracts and as needed.
Customers (Electricity Subscribers)	Visits, brochures and our monthly newsletters.	1-2 times a week
Suppliers	Supplier reviews, feedback	Every week
Public Institutions	Meetings, seminars and feedback	Every week
Local Authorities and Local Community	Informative brochures, Training and seminars, Visits, Social responsibility projects	1-2 times a year 1-2 times a year 1-2 times a year 4-5 continuous projects per year
Other Companies of the Sector (Sectoral Associations)	Meetings, seminars and feedback	5-6 times a year
Civil society organizations	Social media Online and face-to-face events	Once every two weeks



Platforms where Akenerji’s Sustainability Approach and Practices are Shared

Starting Year (Year of activity)	Platform / Report
2008	AKKÖK Holding UNGC Progress Report
2010	Environmental Social Progress Reports Submitted to Creditors
2010	CDP Türkiye Climate Change Program Report
2012	Akenerji Sustainability Report
2012	AKKÖK Holding Sustainability Report
2015	CDP Report of Türkiye Water Program
2016	BIST Sustainability Index
2016	CEZ Sustainability Report
2021	Integrated Annual Report
2022	Akenerji UNGC Progress Report

BIST Sustainability Index

As Akenerji, we have been included in the BIST Sustainability Index, which has been calculated since November 4, 2014, and includes companies traded on Borsa İstanbul with a high corporate sustainability performance since the 2016 operating year.

As of 2021 valuations, this platform, which guides companies in creating policies regarding the risks of the stock exchanges on environmental, social, and corporate governance issues and conveys information about companies’ sustainability policies to responsible investors, uses the valuation results of Refinitiv Information Limited Company (“Refinitiv”), an independent organization.

According to the result of the Refinitiv valuation made in 2023, Akenerji’s General Sustainability score stands at “B”. Refinitiv valuation for the 2023 operating year will be made in 2024.

Carbon Disclosure Project (CDP) Reports

At Akenerji, we are included in the Carbon Disclosure Project CDP, which is a worldwide voluntary initiative. CDP is a worldwide voluntary initiative to collect and share information that will enable companies, investors and governments to take action against climate change, water security and deforestation.

CDP Climate Change

Within the scope of CDP Climate Change, companies announce their climate change strategies and carbon emission amounts every year. Thus, each company provides the basis for the creation of its own country report. Data compiled from annual country reports are used to formulate strategies to combat climate change around the world. We have been reporting to the CDP under the heading

of Akenerji Climate Change since 2010, and we share our risks and opportunities in this context with transparency. As one of more than 23,000 companies responding to the CDP, our Climate Change Report score is at the “C Management” level.

Details on Combating Climate Change are included under the **Emissions (Carbon) Management** and **Energy Management** headings of our report. Our CDP Climate Change Report is available on our [website](#).

CDP Water Security

The CDP Water Program aims to mobilize the private sector on water resources. In line with our sustainability vision, we believe that the private sector should take responsibility for water management. We have been participating in the program since 2015, when the CDP Water Program was first implemented in Türkiye. At Akenerji, we set out with the goal of creating long-term value in 2021 and we created our sustainable water strategy by evaluating our risks and opportunities in this direction. As one of more than 23,000 companies responding to the CDP, our Water Safety score is at the “B - Management” level.

Details on Water Management can be found under the **Water Management** heading of our report. Our CDP Water Security Report is available on our [website](#).



Our Sustainability Priorities

When determining our sustainability priorities, which we review every two years at Akenerji, we focus on high-risk areas on a global and sectoral scale and consider the feedback from all our key stakeholders, especially our shareholders.

In 2022, we conducted a comprehensive online survey to prioritize our sustainability activities and provide them with a strategic direction. We reviewed our sustainability priorities based on feedback from 58% of our employees. During this process, we evaluated not only the company’s future strategies but also the senior management’s outlook on the company’s future, global sustainability trends, and the expectations of our shareholders and employees. After analyzing the survey results with the sustainability committee, we made the necessary adjustments and obtained the related approval from senior management.

We redesigned the flow and content of our report in line with these new priorities, making it more refined and focused. We did not receive feedback from our external stakeholders during this process. We examined the alignment of our company’s priorities with those of our main shareholders and included the outputs of this analysis on the following page.

Due to our decision to conduct the prioritization analysis every two years, we reviewed our priorities with the sustainability committee members and our consultant in 2023. There were no significant changes in this regard. The title “Information Security and Privacy” is updated as “Information Security, Cyber Security and Privacy Protection”.

External Resources	Internal Resources	Prioritization Processes
<ul style="list-style-type: none">World Economic Forum Global Risks Report 2022UN Sustainable Development GoalsRefinitiv ESG Rating System QuestionsEBRD and IFC’s Sustainability Principles in LendingGRI G4 Sector Supplements	<ul style="list-style-type: none">Akkök Holding UNGC Report 2021CEZ Group Sustainability Report 2021Akenerji Senior Management and Employee Priorities Survey <ol style="list-style-type: none">All Employees Participation Rate: 57.5%Headquarters Participation Rate: 59.6%Power Plants Participation Rate: 56.7%	<ul style="list-style-type: none">Evaluation of company strategyGlobal trend and risk analysisSectoral trend and risk analysis22 Key area detectionPrioritization survey and analysisExamination of shareholder expectationsClarification of company priorities within the framework of 12 material issues with the sustainability committee meetings attended by senior management representativesGetting approval from the Board of Directors

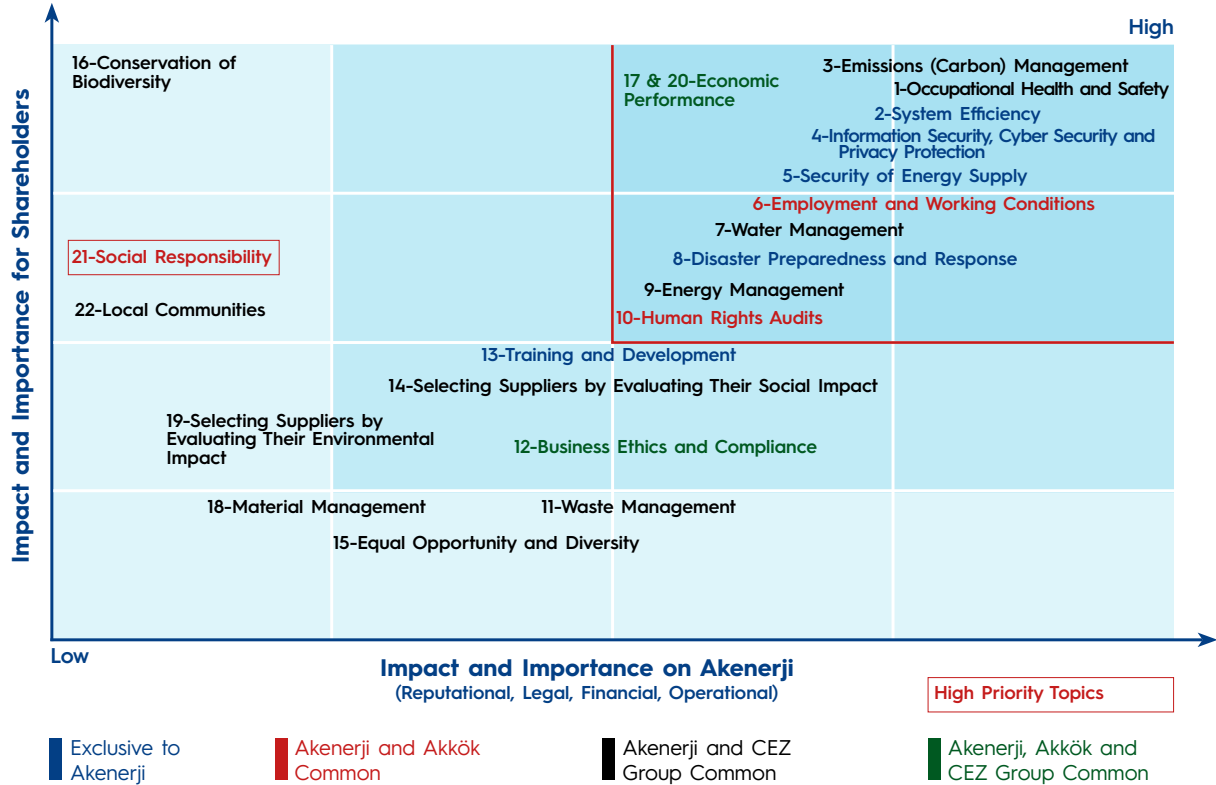
We clarified (defined) the company priorities within the framework of 12 priority topics through sustainability committee meetings attended by top management representatives. In addition to the top 10 topics listed in the Akenerji Sustainability Prioritization Matrix, the topics of Current Economic Performance and Future Economic Performance, which emerged as priorities 17th and 20th in the survey, are the highest priority issues for our company. Throughout the report, goals and performance data related to these topics have been shared. Despite being identified as of lesser priority by our internal stakeholders, due to this report being the most detailed presentation of our economic performance to our shareholders and investors, we decided to merge these two topics under the title ‘Economic Performance’ and placed them as the 11th important issue in the significant topics section of the matrix.

In addition, although Social Responsibility ranks 21st in prioritization, we recognized it as an area where we can share our ongoing activities within the framework of our company’s understanding of social responsibility since its establishment. Therefore, we included it as the 12th priority topic under our report’s main heading of Community.

In the matrix below, some of the medium priority and low priority issues, which are located after the first 10 numbered issues, except for 17, 20 and 21, are also linked to high priority issues, so they were included in the report under similar subheadings with brief explanations and key performance indicators. However, we did not include specific goals and actions for these topics due to prioritization.

In addition, although it is not yet mandatory, we conducted a Climate Change-Related Risks and Opportunities survey and analysis with the participation of all departments within the Company under the scope of the TSRS S2 (Türkiye Sustainability Reporting Standards) Climate-Related Disclosures Standard, announced by the Public Oversight, Accounting and Auditing Standards Authority at the end of 2023 and to become mandatory as of January 1, 2024. Relevant results are included in the [Our Strategic Goals and Climate-Related Risk and Opportunities](#) section of our report.

Akenerji Sustainability Prioritization Matrix





CEZ (SR 2022)	Its Equivalent in Akenerji (2023)	Akkök (UNGC 2022)	Its Equivalent in Akenerji (2023)
Environmental Protection	16- Conservation of Biodiversity	Environment	16- Conservation of Biodiversity
Emissions	3- Emissions (Carbon) Management	Environment	3- Emissions (Carbon) Management
Safe Operations	1- Occupational Health and Safety	Working Standards	1- Occupational Health and Safety
Clean Technologies and Energy Conversion	3- Emissions (Carbon) Management	Environment	3- Emissions (Carbon) Management
Responsible Employer	6- Employment and Working Conditions 13- Training and Development 10- Human Rights Audits	Working Standards Human Rights*	6- Employment and Working Conditions 13- Training and Development 10- Human Rights Audits
Sustainable Water Use	7- Water Management	Environment	7- Water Management
Energy Efficiency	9- Energy Management	Environment	9- Energy Management
Cooperation with Local Communities	22- Local Communities	Corporate Social Responsibility	21- Social Responsibility/ Investments
Supply Chain	14- Social Impact of Suppliers 19- Environmental Impacts of Suppliers	Human Rights Environment	14- Social Impact of Suppliers 19- Environmental Impacts of Suppliers
Ethics and Transparency	12- Business Ethics and Compliance	Anti-Corruption Governance	12- Business Ethics and Compliance
Circular Economy	11- Waste Management 18- Material Management	Environment	11- Waste Management 18- Material Management

*UNGC Priorities: Prevention of child and forced labor, prevention of discrimination in employment and workplace, occupational health and safety, working conditions (remuneration and working conditions)





Our Strategic Goals and Climate-Related Risk and Opportunities

We determined our strategic goals for 2024 and beyond with intensive workshops with high participation in the first half of 2023. All of management and upper management attended these workshops.

In these studies, we evaluated the threats and opportunities in the sector and analyzed the strengths and weaknesses of our Company. As the last stage of these studies, we organized a brainstorming session in which we discussed our common predictions for the future, which we used to shape our design of the future of our Company. In this context, we determined the main and sub-goals of our Company, the actions we need to take within the organization, and the projects that need to be done in the short, medium, and long term to achieve these goals.

All of these investment projects are approved by the Board of Directors.

New Projects Planned From 2024

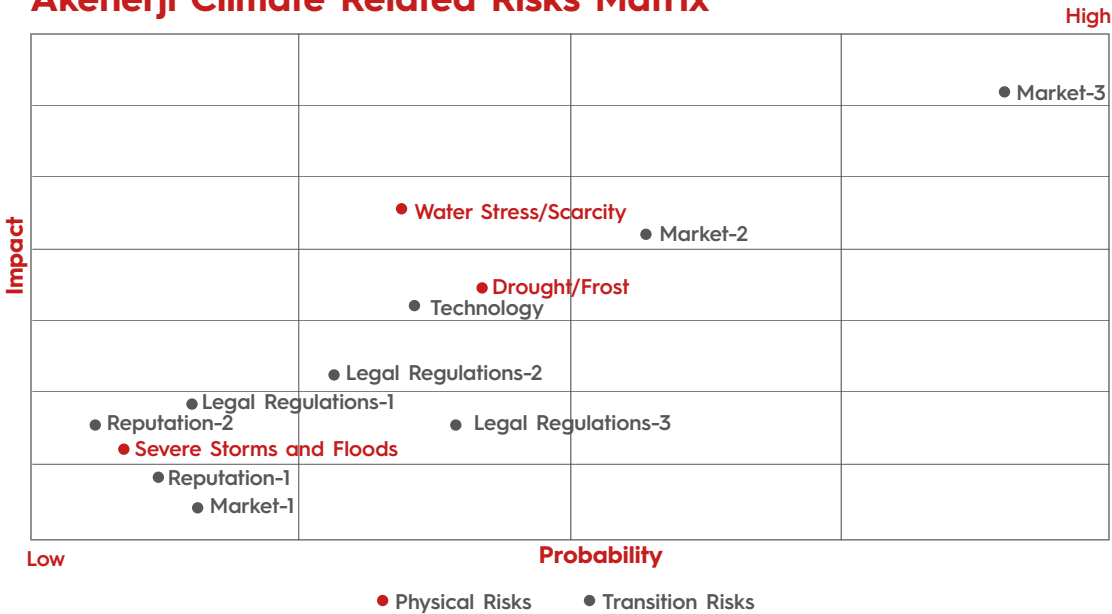
Hybrid Solar Investments for Existing Facilities	Other Investments	
<div><div>• Erzin GES (7 MW)</div><div>• Burç Bendi GES (20 MW)</div></div>	<div><div>• Ayyıldız WPP Capacity Increase (6.2 MW)</div><div>• Kemah HEPP (198 MW)</div><div>• Wind and Solar Investments with Storage</div><div>• Battery Investments for Existing Facilities</div></div>	<div><div>• Esco Solar Investments</div><div>• Domestic and Cross-Border Trade Activities</div><div>• Ancillary Services</div><div>• Natural Gas Trade</div><div>• Production-Operation and Maintenance Services Projects</div></div>

In the last quarter of 2023, a comprehensive risk and opportunities survey in parallel with the TCFD (Task Force on Climate Related Financial Disclosures) Framework and CDP (Carbon Disclosure Project) Climate Change Program reporting was prepared by our consultant and organized online with the heavy participation of senior and middle management representatives. 243 individuals, constituting 81% of our employees from all management levels, participated in the survey. The survey results were examined in three categories: 1-All participants consolidated, 2-Offices, 3-Facilities. Six of the 13 risks listed in the survey were in the high impact and likelihood area, common to all groups. In addition to providing feedback on risks, the employees who participated in the survey also shared their anticipated opportunities and other views on these issues. We included a portion of these views, representing the majority, in our report.

Among the physical risks, ‘Water Stress/Water Shortage’ and ‘Drought/Frost’ were identified as the most important physical risks by all groups. ‘Severe Storms and Floods’ were identified as the physical risk with the lowest probability and impact.

Among the transition risks, natural gas costs, referred to as ‘Market-3: Increase in raw material and input costs’, were identified as the most important risk by all groups, and ‘Market-2: Uncertainties in the market’ were identified as the second most important risk by all groups. Legal Regulations-2 (carbon pricing mechanisms) and Legal Regulations-3 (Increased emissions reporting obligations) were identified as other important transition risks by the headquarter staff.

Akenerji Climate Related Risks Matrix



Transition Risks Explanations

Legal Regulations-1: Obligations and regulations related to existing products and services or processes

Legal Regulations-2: Carbon pricing mechanisms

Legal Regulations-3: Increasing emission reporting obligations

Technology: Transition to lower emission technologies

Market-1: Adaptation to changes in customer preferences

Market-2: Market uncertainties

Market-3: Increase in raw material and input costs

Reputation-1: Negative perception within the industry

Reputation-2: Increased stakeholder concerns or exposure to negative stakeholder feedback

Internal Stakeholder Views (Opportunities and Recommendation Actions)

- Giving priority to wind turbine projects for diversity to prevent drought seasons.
- Increasing investments in solar and wind energy systems, especially in Central Anatolia, and their integration with existing systems.
- Providing training on the structure and installation of solar panels, one of the evolving technologies, to personnel and enabling Akenerji staff to install solar panels in power plant fields.
- Establishing a solar energy panel production facility.
- Establishing a hydrogen production facility.
- Partnering with battery production companies for electric vehicles and establishment of facilities for disposing or recycling these batteries.
- Supporting non-governmental organizations with projects related to climate change.
- Formation of partnerships in agricultural food supply due to the transition from traditional agriculture to soilless and more water-based agriculture globally.
- Establishing facilities to convert seawater into drinking water, starting from the present day, due to the inevitable water scarcity that will occur in future years due to climate change.
- Resilience through a well-prepared process for climate change risks will lead to strategic and financial opportunities naturally arising, which will also create opportunities for the Company’s growth in other areas.



Prominent Transition Risks and Actions Taken at Akenerji

Risk Title	Meaning for Akenerji	Actions Taken
Increase in raw material/ input costs	Continuous increase in the cost of natural gas Natural gas prices are affected by global price changes.	<ul style="list-style-type: none"> Ayyıldız WPP capacity increase (6.2 MW) EIA process continued in 2023; ornithology reports were prepared, bird observation studies were carried out, Kemah HEPP (198 MW) pre-feasibility studies continued. Our work focused on Domestic and Cross-Border Trade Activities, Ancillary Services, and Natural Gas Trade continued.
Uncertainties in the market	We have to constantly revise production plans due to changes in energy market legislation and difficulties in planning based on supply and demand.	<ul style="list-style-type: none"> We constantly monitor changes in the market to adapt quickly. We provided guidance and shared opinions on lobbying activities and unforeseen impact through sectoral associations.
Transition to lower emissions technology	To add new clean technologies to capacity 1. Hybrid solar investments in existing facilities 2. Storage renewable energy investments and 3. Battery investments in existing facilities	<ul style="list-style-type: none"> Trade, Strategic Planning, Risk and Sustainability Departments follow the developments. We participate in sectoral association meetings on the content There is currently no situation that requires us to take action regarding bilateral PPAs, we are following the developments.
Carbon pricing mechanisms And depending on Increased emissions reporting obligations	Reporting obligations will be available for companies exporting to European Union countries within the EU Carbon Border Adjustment Mechanism (CBAM) scope as of October 2023. Akenerji is ready to report when necessary. We may receive requests from companies with which we have a PPA-Power Purchase Agreement* or from companies that export and want to purchase their energy from us as renewable energy.	<ul style="list-style-type: none"> Trade, Strategic Planning, Risk, and Sustainability Departments keep up with the developments. We participate in sectoral association meetings on the subject. There is currently no situation that requires us to take action regarding bilateral PPAs, and we keep up with the developments.

A Power Purchase Agreement, or PPA, is a legal contract between the energy producer and the energy consumer. Similar to the purchase guarantee given by government institutions, an energy-consuming company gives a "purchase guarantee" to the project owner company, and in return, the installation owner signs a contract stating that it will sell the electricity produced to this company at a fixed price. It is a reliable element that provides convenience for renewable energy financing.

Prominent Transition Risks and Actions Taken at Akenerji

Risk Title	Meaning for Akenerji	Actions Taken
Water Stress/Water Scarcity and Drought and/or Frost	We use water not for consumption but for conversion purposes to produce energy in our HEPPs. The existence of water and its fluidity are the most essential elements for the continuity of production.	Our trade department regularly monitors and forecasts based on water levels, wind, weather conditions, and seasonal changes. Based on weekly water flow forecasts, the annual plan is revised according to changes during the year. There is a change from November-December to March. We also use the Water Risk Atlas Tool.





Our Targets and Actions for 2023/2025

Sustainability Priorities (2023 Survey)	Target Description	Performance Indicator	Base Year	Base Year Data/ Information	Actions Taken Towards these Goals in 2023	2023 Actual (Data)/ Information	2024 /2025 Target
Economic Performance	Increase EBITDA margin	EBITDA / Revenue (%)	2022	12%	Optimum cost management and revenue generating actions	12%	15%
Energy and Emission (Carbon) Management	Increasing renewable energy production	Renewable energy percentage in our total electricity production (%)	2023	21%	Ayyildiz Renewable Energy Power Plant capacity expansion works continued.	19%	Minimum 21%
	Reducing Scope 1 emissions	Emissions from fuel usage in company vehicles (CO ₂ t)	2021	226.14 tCO ₂ e	The use of hybrid vehicles in power plants continued.	117 tCO ₂ e	Maintaining the number of hybrid vehicles
	Reducing Scope 2 emissions	Emissions from electricity consumption from the grid (CO ₂ t)	2019	11.132 tCO ₂ e	ISO 50001 efforts continued	9.714 tCO ₂ e	Objectives within the scope of ISO 50001
Water Management	Reducing water consumption	Total water consumption (m³)	2021	2,725,734	Due to reasons such as maintenance and downtime, our Erzin power plant, which constitutes the majority of our total consumption, operated less in 2023 compared to previous years, resulting in a decrease in water consumption	1,304,026	2,453,160
Occupational health and Safety	Achieving the goal of zero work accidents	Number of fatal accidents	2021	0	To prevent workplace accidents, various activities were conducted such as Risk Assessment, Emergency Action Plan, Basic Occupational Health and Safety Training, Site Visit Report, Internal-External Audits, and Personnel Warning	0	0
		Number of high-priority accidents	2023	1		1	0
		Number of recorded accidents	2022	16		15	0
	Establishing an occupational diseases screening and monitoring system	Number of occupational disease cases	2021	0		0	0
Employment and Working Conditions	Ensuring that the employee turnover rate does not exceed a certain level	Employee turnover rate (%)	2021	12	All practices in the Employees section of our report	11.6	Maximum 12
Disaster Preparedness (Resilience) and Response	Conducting earthquake drills	Number of drills	2023	16	Regular drills were conducted	16	16
	Creating emergency action plans for disasters and unexpected situations and reviewing them annually	Review of emergency action plans	2023	12	Our employees received training on Disaster Management and Business Continuity Certification Program (Mini MBA) and Sustainability at Industrial Facilities. The 21st revision of our Emergency Action Plan took place on 11.08.2023.	12	12

Sustainability Priorities (2023 Survey)	Target Description	Performance Indicator	Base Year	Base Year Data/ Information	Actions Taken Towards these Goals in 2023	2023 Actual (Data)/ Information	2024 /2025 Target
Disaster Preparedness and Response	Conduct vulnerability and risk analyses for climate change in the fields and review risk reduction efforts.	Reviewing risk analyses.	2023	12	Efforts were made to identify hazards and risks in advance, aiming to eliminate or minimize them. Risk analyses for all power plants and the general directorate were revised.	12	12
Human Rights Audits	Preserve the situation of zero discrimination and/or human rights violation complaints.	Number of human rights violation complaints.	2022	0	HR policy was implemented.	0	Zero human rights violations
	Ensure that employees receive training on 'human rights', (including ethics, anti-bribery, and anti-corruption.)	Number of employees who received human rights training.	2022	34	Reminders were set up for training on the online system.	61	Provide training to 100% of employees
Energy Supply Security	Minimum EFFORT (%) (Reduction of mandatory downtime)	Ratio of unplanned downtime to planned maintenance (Unplanned downtime days / (365 days - Planned maintenance days)).	2023	1.75%	The operation of the power plants was conducted by experienced and equipped teams according to international standards and procedures. Maintenance of all equipment was regularly performed at specified frequencies in accordance with international maintenance standards.	1.18	1.50%
System Efficiency	Maximum oF (%) (Increase in operability)	Operability factor ((365 days - (Unplanned downtime days + Planned maintenance days)) / 365 days).	2023	92.14%	Efforts were made for the transition to ISO 27001:2022 version. The first certification audit is planned for 2024. Employees received training on KVKK (Personal Data Protection Law) and information security content	93.60%	93%
Information Security, Cybersecurity, and Privacy Protection	Complete the transition to ISO 27001:2022 version and obtain the certification.	Number of documents per facility.	2023	N.A.	Efforts were made for the transition to ISO 27001:2022 version.	The project team was established, training was received, documentation was prepared, and internal audits were completed.	Complete the certification of external audit and preserve the document
	Obtain the ISO 27019 certification	Obtaining documents for two of our facilities (Uluabat HEPP and Erzin NGCCPP)	2023	N.A.	The first certification audit is planned to be conducted in 2024.		
	Maintain the situation of zero data loss or privacy breach complaints.	Number of data loss or privacy breach incidents.	2020	0	Employees were provided with training on KVKK (Personal Data Protection Law) and information security.	1	0







N.A.: Not Available.



Our Contribution to the UN Sustainable Development Goals with Our Goals

At Akenerji, our sustainability priorities, determined through stakeholder engagement, support the sub-goals of nine of the United Nations Sustainable Development Goals.

We worked together with the Sustainability Committee in 2021 to create Akenerji's 2021-2025 sustainability strategies. In this study, we updated our primary focus areas by reviewing the needs and expectations of internal stakeholders. Our focus areas, which we determined with the strategy studies we renewed in 2022, taking into account global developments, evolving reporting standards, and shareholder expectations, serve the sub-goals of the 17 United Nations Sustainable Development Goals. We guide you to the sections where we have explanations regarding the goals with the table below.

SDG Emblem	SDG Related	SDG Sub-Goals We Support	Our Priority Topics
	SGD 1: No Poverty	1.4. By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance. 1.5. By 2030, build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters.	Employment and Working Conditions Disaster Preparedness and Response
	SGD 2: Zero Hunger	2.3. By 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment.	Employment and Working Conditions
	SGD 3: Good Health And Well-Being	3.8. Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all. 3.9. By 2030, substantially reduce the number of fatalities and illnesses from hazardous chemicals and air, water and soil pollution and contamination.	Occupational Health and Safety Employment and Working Conditions Emissions (Carbon) Management Waste Management
	SGD 4: Quality Education	4.3. By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university.	Employment and Working Conditions Social Responsibility
	SGD 5: Gender Equality	5.5. Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.	Human Rights Audits Employment and Working Conditions
	SGD 6: Clean Water and Sanitation	6.4. By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity.	Water Management

SDG Emblem	SDG Related	SDG Sub-Goals We Support	Our Priority Topics
	SGD 7: Affordable and Clean Energy	7.2. By 2030, increase substantially the share of renewable energy in the global energy mix.	Security of Energy Supply System Efficiency Energy Management
	SGD 8: Decent Work and Economic Growth	8.8. Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment. 8.2. Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high- value added and labour-intensive sectors.	Occupational Health and Safety Employment and Working Conditions Human Rights Audits Information Security, Cybersecurity, and Privacy Protection
	SGD 9: Industry, Innovation and Infrastructure	9.1. Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all. 9.4. By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.	Our Strategic Goals and Climate-Related Risks and Opportunities
	SGD 10: Reduced Inequalities	10.2. By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.	Disaster Preparedness and Response
	SGD 11: Sustainable Cities and Communities	11.3. By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries.	Our Strategic Goals and Climate-Related Risks and Opportunities
	SGD 12: Responsible Consumption and Production	12.2. By 2030, achieve the sustainable management and efficient use of natural resources. 12.5. By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.	Water Management Waste Management
	SGD 13: Climate Action	13.3. Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.	Emissions (Carbon) Management Energy Management Disaster Preparedness and Response
	SGD 14: Life Below Water	14.1. By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution.	Waste Management
	SGD 15: Life on Land	15.1. By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements. 15.5. Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species.	Our Environmental Management Approach
	SGD 16: Peace, Justice and Strong Institutions	16.6. Develop effective, accountable and transparent institutions at all levels.	Corporate Governance
	SGD 17: Partnerships for the Goals	17.17. Encourage and promote effective public, public- private and civil society partnerships, building on the experience and resourcing strategies of partnerships.	Employment and Working Conditions Social Responsibility



ECONOMY

We managed to maintain the profit optimization we achieved in 2023 with our 35 years of corporate knowledge, qualified human resources, innovative approach, and balanced production portfolio based on resource diversity.



Economic Performance

At Akenerji, operating our power plants in an optimum way according to market conditions is among our primary goals. All operation and maintenance activities of all power plants in our production portfolio are carried out carefully and effectively by our own teams. In addition, we constantly review our strategies in order to adapt to changing market conditions and strengthen our competitive edge. We determine the new steps we will take by conducting research for more efficient energy production.

Supplier Management

Due to the importance we attach to local development, it is among our priorities to purchase our products and services from local suppliers at the locations where our power plants are located. As of the end of the reporting period, 39% of the 738 domestic and international suppliers we work with for the supply of our materials and services consists of local suppliers.

With the systemic improvements we made in 2023, automated structures were put into operation to accelerate purchases and enable employees to focus on more value-added work.

Our Supplier Selection Criteria

In the supplier selection process, we consider the existence of Management Systems such as ISO 9001 Quality, ISO 14001 Environment, ISO 45001 OHS, ISO 50001 Energy, Product Responsibility, Diversity and Participation, and Human Rights criteria. We request corrective actions from our active suppliers who do not comply with fundamental environmental criteria. We terminate cooperation with suppliers that we have identified as having any negative environmental impact.

Supplier Evaluation

We evaluated our active suppliers in accordance with the Supplier Performance Evaluation according to the evaluation parameters of “Quality Score”, “Delivery Compliance Score” and “Delivery Score”. According to the results of the evaluation, we do not have any suppliers with the status of “Low Performance”, and we provided the necessary feedback to our suppliers in the “Suppliers Requiring Remedial Action” group.

We expect our suppliers to comply with the rules and regulations written in the general purchasing conditions, contracts, specifications, and other similar documents that regulate our business relations, as well as internationally applicable business ethics, human rights (child labor, forced labor, discrimination, inequality, absence of human rights violations, etc.), occupational health, working conditions, and safety.

We continued to raise awareness of the environmental, social, and governance factors with our suppliers to help them strengthen their business practices and integrate sustainability into their business processes. To determine and monitor these impacts of our suppliers, we implemented the “Sustainability Supplier Evaluation Survey” study in the 2023 operating period.

In the 2024 activity period, we will conduct our evaluations through physical external examinations and our survey application.

System Efficiency

System efficiency activities at Akenerji include efforts to avoid loss of production and to keep company profitability high. We follow our activities in this context with daily, weekly, monthly, and annual reports along with various optimization applications, production efficiency and unit cost calculations, and competitor and market analyses.

Results of Our System Efficiency Studies in 2023

Hydroelectric Power Plants	Natural Gas Comined Cycle Power Plant	Wind Power Plant
Availability: 98.14% Gross Production: 814,465,839 kWh Capacity Utilization Rate: 32.14%	Availability: 92% Gross Production: 3,301,555,642 kWh Capacity Utilization Rate: 41.76%	Availability: 98.52% Gross Production: 86,427,423 kWh Capacity Utilization Rate: 35.01%

As Akenerji, in addition to the services we offer in our power plants, we have installed a Solar Power Plant within the framework of the Escosolar Model. In light of the support mechanisms provided in the Unlicensed Electricity Production Regulation published on May 12, 2019, we can provide services to our stakeholders on Solar Power Plant Projects so that they are able to optimize their energy expenses and own their production facilities. We have presented our offers. We have installed solar power plants on the roof areas of Akasya and Aktılı Shopping Malls within the scope of the Solar Power Plant agreement we signed with Akiş Gayrimenkul in 2022, and we will carry out energy management within the framework of the Esco model. In this way, we will contribute to reducing energy costs and carbon footprints.



Security of Energy Supply

Ensuring security in the rising energy supply, which is among the critical issues for the world in 2023 and beyond, also means being able to continue our activities without interruption.

The technological updates we carry out regularly and the maintenance and repair works of our facilities are of critical importance in effectively managing this issue, which is vital for our economy, business, and society. Summary information and achievements pertaining to our technological and improvement projects completed in 2023 are listed below.

2023 Our Technology Investments

Project Name: Feke-2 SFK Capacity Increase	
Aim:	Increasing the commercial profit of the Company by obtaining maximum profit from TEİAŞ ancillary service agreements to augment its competitiveness in challenging market conditions.
Results and Benefits:	The test was completed successfully, and the reserve capacity was increased to 15 MW.
Project Name: Feke-2 Vibration Protection System Revision	
Aim:	To support the power plant's production continuity and make its availability safer.
Results and Benefits:	The revision work on the vibration protection system and integrating the newly installed system with PLC software and the SCADA system made daily operation management more efficient.
Project Name: Feke-2 SCADA Revision	
Aim:	To support the power plant's production continuity and make its availability safer.
Results and Benefits:	Daily operation management has become more efficient with the renewed system and the more stable operation of the communication infrastructure.





EMPLOYEES

At Akenerji, we manage our human resources with our modern Human Resources Policy that is based on equal opportunities and respects human rights, protects the health and safety of our employees, and supports them to become team members who develop themselves in multiple aspects and produce added value with our HR practices that focus on employee experience. Our goal is to be an employer brand that is taken as an example in the sector with our quality workforce and that everyone prefers to be a member of.



Occupational Health and Safety

One of our most important goals is to ensure that occupational health and safety, which is our top priority at Akenerji, becomes a culture that is adopted by all our employees and reaches the highest standards through continual improvement. In line with these targets, which we review every six months, we allocated a total budget of TL 2,300,000 for our Occupational Health and Safety activities in 2023.

Management Approach

We manage all our activities within the scope of occupational health and safety at our Head Office and all our power plants with the [ISO 45001:2018 Occupational Health and Safety Management System](#). In order to protect the health and safety of our employees with the goal of zero work accidents, we take all necessary precautions, including prevention of occupational risks, providing training and information, organizing events, providing tools and equipment, preparing the necessary procedures and instructions and keeping our employees informed of all developments). Our employee representatives meet quarterly at our OHS Board meetings held in the headquarters, to evaluate our performance in regards to Occupational Health and Safety.

Legal Compliance and Responsibilities

We make continuous improvements and developments to provide our employees with a safe working environment and conditions.

In this direction, the duties and authorities of the employee representatives appointed within the scope of the occupational health and safety legislation are as follows:

- Participating in the activities of Akenerji and Akhan Occupational Health and Safety Committees at the Head Office,
- To participate in the work related to Occupational Health and Safety, to monitor the work, to request measures, to make proposals and to be authorized to represent the employees on similar issues,
- To receive the suggestions and opinions of the employees, and
- To have the right to make suggestions to the employer and to ask the employer to take the necessary measures in order to eliminate the source of the hazard or reduce the risk arising from the hazard.

Policies and Procedures

At Akenerji, policies, procedures and instructions have been established in order to identify hazards and minimize risks for occupational health and safety. All Akenerji personnel can access all created documents through the internal document management system. You can reach our OHS policy on [our website](#).

OHS Risk Assessments

At Akenerji, risk assessments of the Headquarters and power plants are made on a departmental basis by the team formed in accordance with the issues specified within the scope of the Occupational Health and Safety Risk Assessment Regulation published with the Official Gazette Number: 28512 on 29.12.2012. The employees in the team have the qualifications to fulfill the requirements of the department they work in. (Mechanical maintenance technician, OHS specialist, workplace physician, employee representative, etc.). The revision requirements determined by the relevant regulation are followed, and revision studies are carried out according to the changes made in the system or in the settlement.

At Akenerji, we regard field inspections as one of the most important means of achieving our goal of zero occupational accidents. We constantly monitor our OHS performance with internal and external audits, field observation reports, work accident and near miss data, as well as personnel recommendations. Our company has an internal audit team made up of employees for the implementation, audit and evaluation of the OHS management system and other integrated management systems. This team carries out an internal audit and reports findings once a year.

It is the primary duty of all our employees to comply with OHS instructions, to report all kinds of work accidents, process accidents and near misses. Corrective action requests with options such as work accidents, near miss incidents, process accidents, traffic accidents, personnel warnings are created on the Easy document system for inappropriate situations detected by the employees. As a result of the transactions made over the system, the process starts with the approval of the top supervisors such as the relevant power plant manager, operation/maintenance engineer. When the improvement is performed, the Corrective Action Request (CAR), which is generated by taking a photographic record, is closed. Occupational accident and near miss reports are also made through the Easy document management system and all information related to OHS can be accessed through this system.

Access to Health Services

At Akenerji, occupational physician services are available for the employees of the Headquarters and power plants. Employees are examined by the workplace physician on their first day of work and are informed about their general health status and the services they can access. In addition, in the health training repeated every year, they are acquainted with many issues, such as biological and psycho-social risk factors, basic first aid knowledge, HIV/AIDS, and other infectious diseases.

Our employees working at the Headquarters can benefit from health services during working hours in the infirmary, while our plant employees can benefit from health services within the legal periods determined for the power plants (although it varies depending on the number of power plant employees and hazard class).

2023 OHS Performance and Activities

We regularly monitor OHS performance in lost days, work accidents, traffic accidents and planned maintenance periods. In order to improve our performance, we integrate the necessary measures into our business plans and put them into practice.

Among Akenerji employees, there were seven occupational accidents in total, including employees of the Headquarters and Power Plant, in 2023. One of these accidents was a lost-time accident, while three of them were not. As a result of accident investigations following these accidents, we determined and implemented actions to take necessary precautions.

The number and rate of vehicle accidents are a risk factor that should be monitored for hydroelectric power plant employees who, due to the nature of the job, have to drive in difficult terrain conditions. There was one traffic accident with material damage in 2023. The number of near misses from our fields declined by 22% in 2023 compared to 2022, and by 49% in 2022 compared to the previous year.

Occupational diseases in the energy sector such as noise-induced hearing loss, wind-induced asthma, musculoskeletal disorders and lung disorders can be seen. In 2023, there were no fatalities or registered occupational diseases among Akenerji employees or subcontractor employees due to an occupational disease. The accidents occurred in the form of hand, arm, foot and head injuries.

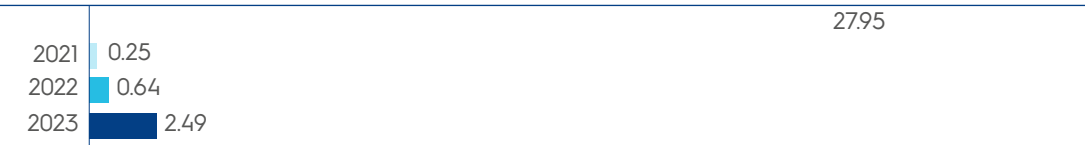


The increase in the frequency and severity of accidents is attributed to the steady increase in the number of employees over the years 2021-2022-2023 (265-289-308) and accidents occurring during the construction and commissioning of labour-intensive plants such as the Akel Sungurlu Pyrolysis Plant (2022) and the Konya 5ER Biomass Power Plants (2023).

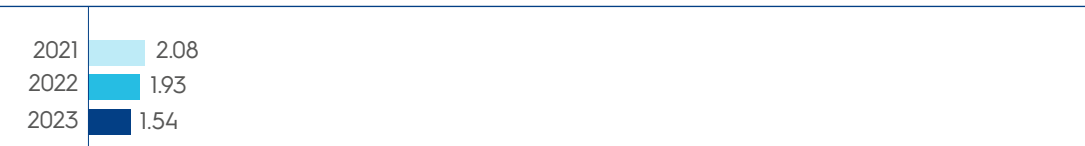
Accident Frequency Rates



Accident Severity Rates



Vehicle Accident Rate



**You can find our accident frequency and severity calculation methods on the Social Performance Indicators page of our report.*

OHS Trainings

In addition to the Basic OHS Training that we provide for eight hours every three years at the Akenerji Head Office and 16 hours once a year at the power plants, the Sustainability, and OHS Directorates provide training throughout the year to raise awareness of our employees on occupational health and safety, including the use of personal protective equipment, hand tools and safe training. They provide face-to-face and online training and on-the-job talks (toolboxes) on many subjects such as work, occupational safety in welding work, safe use of company vehicles, first aid, causes of occupational diseases, and emergencies.

In 2023, we provided our employees Job Orientation, Employee Representative Training, Refreshment Training after a Work Accident, Safe Working Method Notification, Search-Rescue and Evacuation Training, Technical Training (chemicals, PPE), Documentation Training, Safe Driving Training, Basic Disaster Awareness Training. A total of 4,854 people/hours of OHS training under the headings of Work at Height.

OHS Trainings	2021	2022	2023
Training Given to Employees on OHS topics (person.hour)	3,048	2,702	4,854
Number of Employees Receiving Training on OHS topics	271	298	681
Basic OHS Training Given to Subcontractors (person.hour)	569	394	3,086
Number of Subcontractors Receiving Basic OHS Training	70	28	239

Our OHS Targets

It is included in our report's Our Targets and Actions for 2023/2025 section.





Employment and Working Conditions

The basis of our **Akenerji Human Resources Policy** is to turn our employees, who have a direct impact on the company's performance and the efficiency of all other resources, to a team that is open to innovations, creative, dynamic, capable of managing change, producing added value and sensitive to the environment.

At Akenerji, we endeavor to recruit well-equipped and creative individuals who are able to take initiative. While managing our human resources;

- We give equal opportunity to everyone,
- We match the right job with the right employee,
- We pay fair wages as a result of job evaluation,
- We evaluate success with measured performance and demonstrated competencies,
- We raise the level of productivity by creating motivation and commitment,
- We recognize and appreciate each other's achievements in a timely manner,
- We work in cooperation by ensuring the continuity of work peace,
- We provide timely, accurate, clear and versatile information.

Talent Acquisition Applications

We meet with students and new graduates at many events throughout the year to seek and attract talent to our Company. We explain our Company and our work and aim to encourage young people to work in our Company through online and offline events such as giving elective courses, case studies, mock interviews, coffee chats, and career days at universities and on platforms frequently used by young professionals.

Internship Programs

We believe that students' school years determine the field where they will start working after graduation. For this reason, we design our internship programs in a way that is comprehensive, systematic and enables learning of business life from both practical and theoretical aspects.

The program, which we call the Make a Difference with Your Future Internship Program, is the first stage of a journey for university students, ranging from short-term internships to new graduate recruitment. Students who interned in this program during the summer months were both prepared for business life with personal development training and worked on department projects that would contribute to the future of Akenerji. Our interns, who learned about Akenerji's other business lines at the orientation meetings, completed their internship processes. Our interns evaluated the internship program with great appreciation in their feedback.

Make a Difference with Your Future Internship Program was also listed among the Most Popular Internship Programs on one of the most used recruitment platforms by university students. Apart from this program, a certain number of vocational high school students complete their compulsory high school internships at our power plants every year.

Students who do long-term internships at Akenerji also have the right to be considered a priority if there is a need for new graduate employees in their department or different units after graduation. Especially in the last 2 years, approximately 65% of assistant specialist roles were filled by recruitment from internships. This rate once again reveals the importance of the internship process for both the student and Akenerji.

Recruitment Practices

During recruitment we aim to serve the company's strategy and goals by selecting candidates who are in line with corporate culture and values, have the knowledge, skills, experience and competencies required by the job and position, and will move the company forward. We differentiate our recruitment practices into three categories: interns, new graduates and experienced candidates. We act with the principle of choosing the right employee for the right job by applying modern evaluation systems with an equal and fair approach for all candidates. With our system used throughout the Holding, we announce our job postings for positions above assistant specialists and share them to all employees via e-mail. All of our employees can apply for these positions, and they are evaluated meticulously as applied to an externally recruited candidate.

In addition to using the most used recruitment platforms in Türkiye and the world, we also include candidates that our employees refer to in our recruitment process with the Connector Candidate Recommendation System, and if they are recruited and evaluated positively at the end of the trial period, we reward our reference employee. In this way, we expand our recruitment channels.

We determine recruitment and working conditions in accordance with both Company policy and Personnel Regulation requirements. We implement the ISO 45001:2018 Occupational Health and Safety Management System. We manage both our own personnel and all subcontractors, suppliers and temporary workers in all our sites in line with these policies.

We create local employment opportunities in the facilities, contribute to the local economy, and positively impact reducing poverty and, therefore, hunger.

We respect human rights when recruiting and carrying out the process without discrimination. To maintain our objective and transparent attitude, we proceed by obtaining the opinions and approvals of different.

Performance Management

At Akenerji, we implement a performance management system that ensures that employees and managers are in constant feedback. Our Performance Management System is one of the most critical processes that aims to embrace corporate goals by all employees and strengthens the common corporate culture. We consider the outputs of this process in wage and bonus studies, training and development planning and talent management processes. All of our employees (100%) were subject to performance management evaluation in 2023.



Talent Management

Our talent management efforts at Akenerji aim to create a high-performance workforce with a structured talent management model and strategies that will improve business performance, be compatible with our strategic priorities and goals, and to ensure long-term sustainability.

In order to identify talents, we ensure that all employees with a certain seniority are evaluated using assessment tools and with external consultants. In this way, we support the process to be carried out objectively. Assessment tools consist of assessment practices used by both managers and employees to measure leadership potential and performance. For an employee, we consider both the evaluation of their managers and their own application results together and update the backup plans in light of this data.

Salary and Benefits Management

While creating the wage policy, we work with independent consultants to analyze the current data of both the sector and the market, and determine the wages of the level and position according to the job evaluations. We regularly review our wage and benefits systems every year and follow a fair and competitive policy.

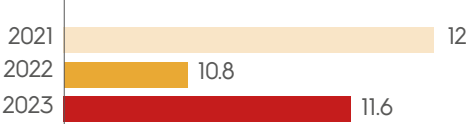
In line with our Human Resources Policy and Ethical Principles, as is the same with out other human resources processes, when determining wages and benefits, we make decisions free of discrimination, independent of issues such as race, language, religion, gender, ethnicity, and continue our work by only taking into account the value of the relevant position and level.

Social Rights

We provide our employees with private and supplementary health insurance, vehicles, telephones, GSM lines and other equipment that covers them and their families, depending on their positions. We provide personal accident insurance, which includes retirement and disability insurance, annual shopping checks that can be used in grocery shopping, and cash social benefits to our employees in all positions. Depending on their positions and both company and individual performance, we provide annual bonuses opportunities.

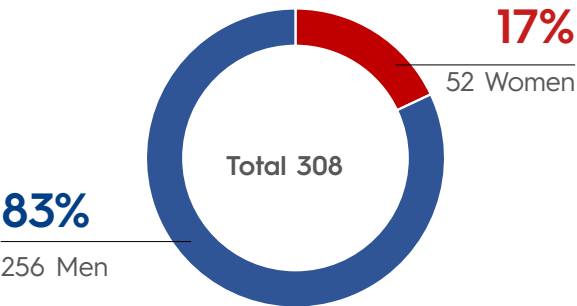
In line with new work models that have begun implementation in our country, especially after the pandemic, we have also implemented a hybrid model at Akenerji and have provided employees the opportunity to work from home.

Employee Turnover Rate (Consolidated-Voluntary)

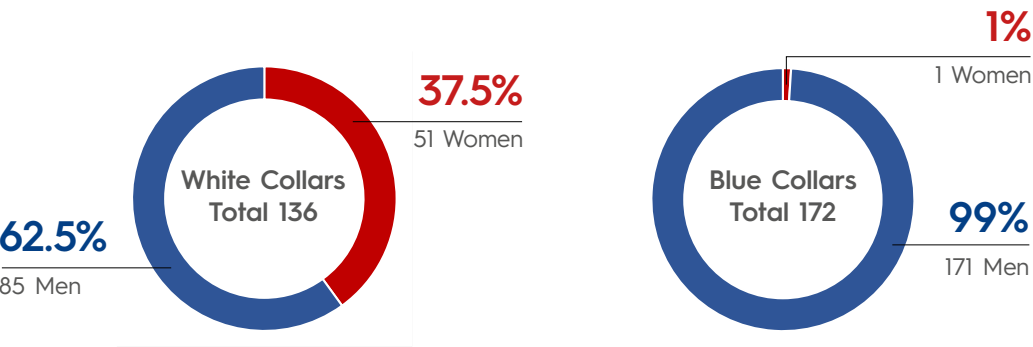


In 2023, there was a 7% increase in the employee turnover rate. However, this result remained within the upper target limit of 12%.

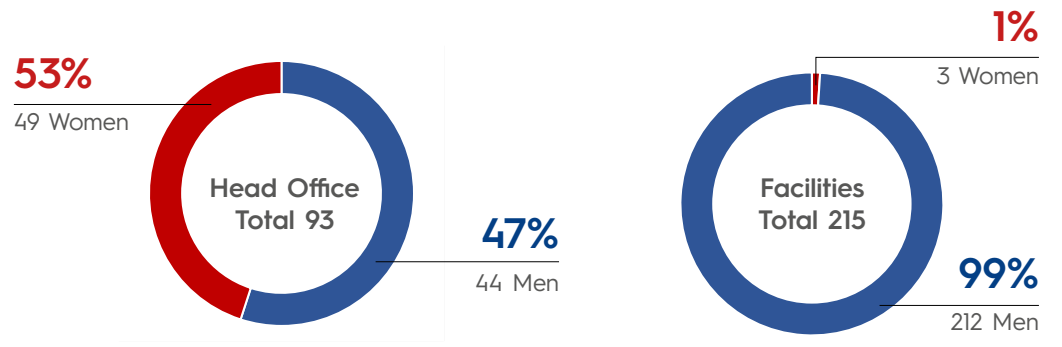
Our Employees by Gender



Our Employees by Employment Type and Gender



Our Employees by Location and Gender





Employer Value Proposition

Akenerji strives for a better world for future generations. "Make a Difference with Your Energy" for the Future.

Manifesto of the Employer Value Proposition

Energy means adding value to these lands. It is to be reliable with a pioneering stance, to benefit the society you are in, to constantly evolve with new ideas, to embrace diversity without hesitation for a moment. It is about feeding on versatility, taking risks when necessary, blending expertise with an agile culture, youth energy and dynamism, and hence opening the doors to a good future.

As a part of Akenerji's vision, mission and values studies, we have developed a roadmap that includes comprehensive training and practices in order to ensure that all employees adopt the Employer Value Proposition and values.

With Akenerji's Employer Value Proposition slogan, "Make a Difference with Your Energy", we organized many different online events, activities and trainings with both our employees and students. We reviewed and renewed our processes and practices in light of our employer brand.

We updated our strategy and action plans by seeing both our progress and development areas through various surveys and focus group studies. We will continue to improve our processes in line with these plans in 2024.

Training and Development

At Akenerji, we offer every employee an opportunity for personal and professional development through competency evaluation, talent management and performance evaluation processes. Our goal when planning development for employees is to support continuous learning and development and to ensure that the skills gained are reflected in the performance.

In 2023, we ensured the development of our own online education platform with rich content. We transformed all trainings that could be feasibly held online into online trainings. We have transformed education into lifelong learning with this flexible and user-friendly platform, which also offers new education options, suitable for the new age. 136 of our employees benefit from this platform.

In addition to leadership and mentoring practices, we also realized different programs that invest in the personal development of employees within the scope of talent management in 2023. We offered Lead the Future 3 Leadership Training, Networking Training, Project Management Training, Presentation Techniques Training, Advanced Excel Training, Operational Excellence Training, and Online English training to our employees.

In 2023, we provided 48 hours of training to all our employees. Our annual education expenditure was TL 3,068,922.

"Lead the Future 3" Project

A total of 75 individuals, consisting of our managers and our colleagues in the expert group, completed their training under the leadership of our trainers in our "Lead the Future 3" program, one of the leadership development trainings we organize regularly every year. Based on the blended education model and designed as a long journey with modules, these trainings provided leadership development in line with Akenerji's vision and mission, and embodying the Company's values. In the continuation of the training programs, follow-up meetings were held with the managers and the progress was followed closely.

Manager Development Program

In 2023 as well, 2 of our middle managers participated in the Manager Development Program, which is aimed at middle level managers of all Akkök Group companies and organized in cooperation with Sabancı University.

Mentoring Program Filarmoni

The Mentoring Program Filarmoni, which we launched in 2015 to support high-potential and high-performing employees in their self-development, continued in 2023, as it did last year. Mentors, all of whom are senior managers, and selected mentees received the necessary training on the functioning and roles of the program. Mentees continue to gain new information about business life and add value to the Company by having regular meetings with their mentors.

ANewLeader Professional Development Program

The 78-hour leadership development program, organized jointly by Yenibirlider (ANewLeader) Association and Boğaziçi University every year, enables participants to develop their existing competencies and discover their personal leadership skills. Within the program's scope, participants can receive mentoring from senior managers of international and national companies in the Mentoring and Coaching Modules, and are able to also benefit from coaching support in which they discover their personal competencies. The mentoring program consists of four meetings, and the coaching program consists of six meetings. 12 people from Akenerji participated in the program in 2023. In addition, our senior managers took part in the development program as mentors and contributed to the development of the participants.

Employee Engagement

At Akenerji, we carry out activities, applications and communication activities in order to ensure the loyalty of employees to the workplace and to raise their motivation and productivity, under the heading of employee engagement. In this context, we plan our activities and practices, including talent management, education and social issues, in line with our values and employer value proposition.

As communication with employees has become more vital, we have taken steps to ensure more regular and more transparent communication. In this context, we carried out the communication plan via our senior management coordination meetings. The monthly operations meetings attended by the managers, which we hold to strengthen the communication between departments, continue to contribute to the cooperation within the organization. In addition, the power plant visits made by the senior management during the year strengthen the communication with our power plant employees.

In addition, we continue to use the Internal Communication Platform mobile phone application to encourage and facilitate communication between employees. With this application, our employees can share and comment, celebrate their birthdays and years of seniority, and access all information about their fringe benefits and other services through a single channel.



Health and Well-being of Employees

We organize activities such as a wide range of sports activities, including sailing and rowing teams and a jogging team that promote social responsibility, the Avita Support Program and Studio Live application program. Our aim in hosting these activities is to cultivate a healthy life philosophy within our employees. Teams strengthen their communication by training regularly. By training regularly, teams strengthen their communication and can stay synchronized. We also contribute to a suitable living environment with our different sports activities.

In 2023, with the Avita Employee Support Line application, we provided our employees with information and consultancy opportunities to solve their personal problems with the support of experts in psychological, medical, financial and legal matters. We have defined online employee support programs with sports and healthy nutrition content, providing psychological support to our employees, and a hotline application for all our employees and their families where they are free to access information on areas such as psychology and healthy nutrition at any time. In addition, we implemented the Dietitian Application in the Office. We offered a dietitian service in the office on a selected day of the week, where our employees can directly consult on nutrition issues.

In addition, we made different development channels available to our employees, such as the Storytel audiobook application and the Neo Skola video training application.

Our Internal Communication Platforms

At Akenerji, we implement an open-door policy, and with this approach, we enable each employee to easily reach the General Manager and other top executives in all matters related to their job and Akenerji.

In addition to activities such as events and celebrations held within the scope of employee engagement, we have created platforms where employees can share their ideas.

- With the **Generator Intrapreneurship Program**, we enabled employees to share their new business ideas and receive investment support from the Company. With this program, we also aimed that different methods in project management are learned and that cooperation among employees be developed.
- **With the Make a Difference with Your Suggestion** individual suggestion system, employees are rewarded with the suggestions they make in many different areas, and they contribute to the Company with the realization of their suggestions.
- On the **Internal Communication Platform**, which we have developed to raise communication and team spirit within the organization, both up-to-date information about company practices are shared and employees create a social network with their sharing. In addition, we improve our processes by taking the opinions of employees on many different issues through the various surveys we organize here.
- All company employees come together at the **We Thrive with Our Energy** meetings held every year. All top managers inform all employees about the activities and future plans of their departments. We will continue these meetings, which we could not hold due to the earthquake disaster we experienced in our country in 2023, starting from 2024.
- In addition, all managers inform each other regularly at monthly operations meetings.
- In addition, employees are constantly informed about the company and its practices through the Internal Communication Platform and information e-mails.

Platform Name	Purpose / Subject	Communication Frequency	Who is getting together?	How many people attended in 2023
Training and seminars	Many trainings in the fields of technical, leadership, competence, compulsory, foreign language and personal development	Weekly	All employees	Around 310 people
Online English Platform	Developing a foreign language	At the desired time 119 hours of use	White collar employees	49 people
Arneca Akenerji Internal Communication Application	Enhancing internal communication	At the desired time Active usage 244 people 140 post sharing	All employees	271 people
Crossknowledge Online Education Platform	Many trainings in the fields of Online Technical, leadership, competence, compulsory, foreign language and personal development	In the desired time range 1,311 hours of use	White collar employees	Around 136 people
Neoskola Online Platform	Personal development platform	All year open system 34 hours	All employees	56 people
Storytel Online Platform	Audiobook platform	All year open system	All employees who request	70 people
Studio Live	Good life online platform	All year open system 42 hours	All employees who request	14 people
Avita Employee Support line	Good life online platform	All year open system 246 files opened	All employees	Around 310 people
Connector Candidate Recommendation System	The employee serves as a reference for the recruitment of another candidate	Year-round open system for every new position	HR and all employees	20 people



Generator: Akenerji Intrapreneurship Project

We carried out the project that we started with a consultant firm in order to support innovative ideas related to the energy sector and/or other business lines, to develop cooperation, to learn different and new methods of project management, to gain entrepreneurship and innovative idea generation perspective, and to raise awareness by the senior management. Since the program was made for the first time, we have prepared webinars and training programs with experts in order to explain the content correctly to the employees. In addition, we provided one-on-one support to our employees during the idea gathering stage. Since the BootCamp Program, the process of the program for the development of projects, will be quite intense, we informed the employees about the program in advance so that they would not have any difficulties in their agendas.

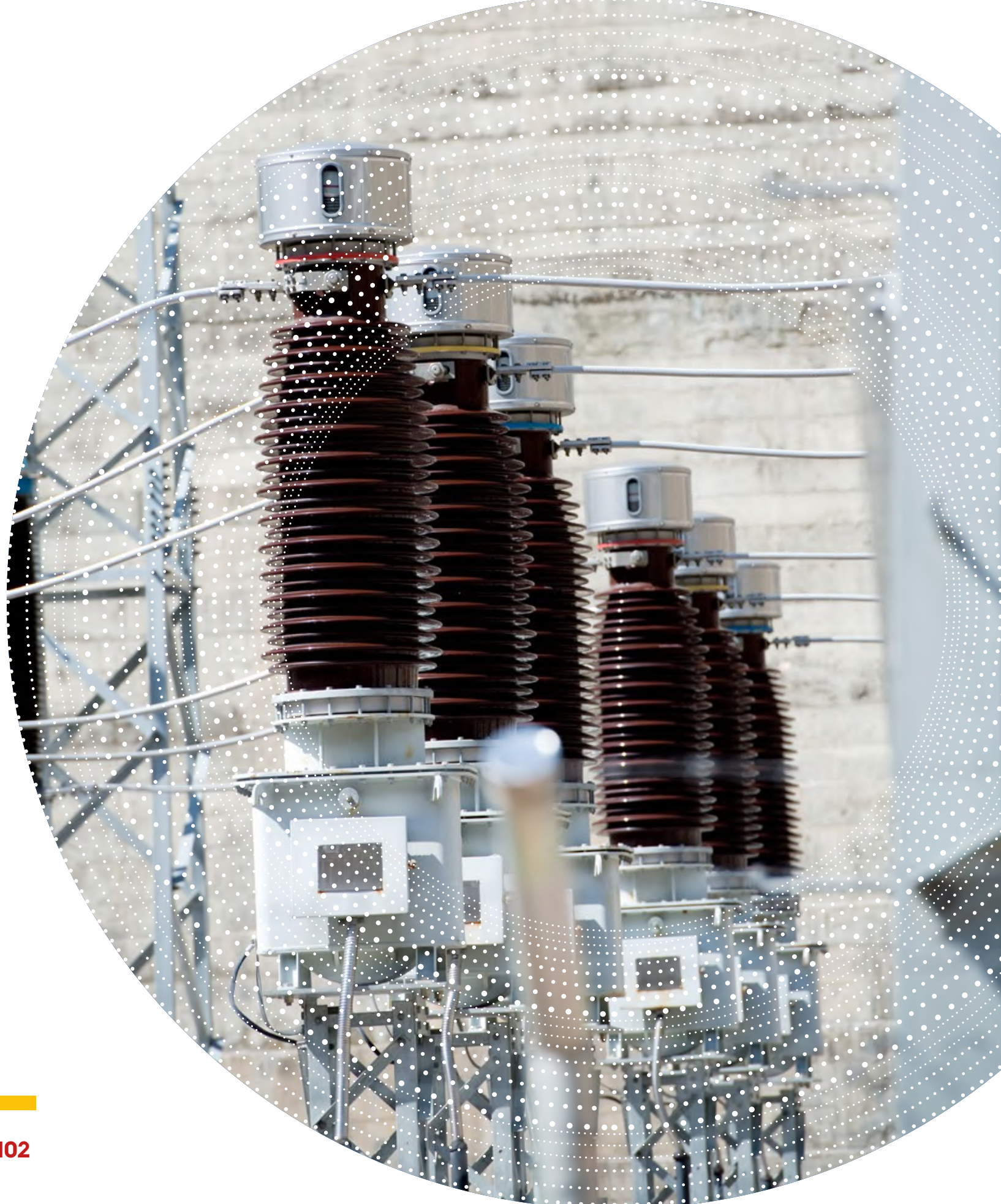
With the Generator Program, employees with innovative ideas in the energy sector and/or different business lines benefit from the Bootcamp process by presenting their projects to a jury consisting of senior management and consultants in order to implement their projects like an entrepreneur. The Bootcamp process is a program that includes training, fieldwork and mentoring processes and aims to gain perspectives on project management and start-up establishment with different methods. The In-House Entrepreneurship Project, which we realized with Makers Consulting, includes a training process in order to be more agile and more productive. It aims to contribute to the creation of brand-new values at Akenerji with the ideas of its employees.

We completed the project, which we started in June 2022, with the project presentations we made in May 2023. Five project teams, which passed the preliminary elimination and made it to the finals, presented their detailed work to the jury and three projects were awarded. The investor presentation of the first of these projects, the start-up idea, was held in December. In line with the decision of Akenerji management, the implementation phase of the project will begin in 2024.

Great Place To Work – We are on the list of Türkiye’s Best Employers!

In the development and transformation journey that we have been on with all our employees since 2019, we have also been working with Great Place To Work, one of the most prestigious independent research institutions in the world. As per our collaboration with Great Place To Work, we inform them of all the work done, our developed applications, and our reviewed and renewed processes. This allows us to see our place in the sector and market through a comprehensive analysis. We participated in Great Place To Work’s employee survey in 2022 and were entitled to receive GPTW certification with an average score of 78%. GPTW certification is important because it impartially examines the policies adopted by brands in areas such as corporate culture and employee satisfaction.

As Akenerji, in addition to the evaluation made by our employees, we shared our practices in detail with GPTW officials. As a result of all evaluations, Akenerji managed to be included in the list of Türkiye’s Best Employers in the category of companies with 250-499 employees.





Human Rights Audits

At Akenerji, we do not discriminate based on religion, language, race or gender in any process of our internal working life, including the selection and placement process, and we approach all employees in an equitable and fair manner. We take measures to prevent discrimination among employees and to protect employees against physical, mental and emotional ill-treatment within the Company.

In the recruitment process, if the qualifications of the candidates are suitable, they are included in the selection process regardless of their gender and proceed in the process. In 2023, we did not receive any complaints from our employees, especially regarding discrimination.

In addition, forced labor and child labor are prohibited in our Company in accordance with the law as well as the Human Resources Policy. Our Company does not have any employees under the collective bargaining agreement. On the other hand, there are no obstacles to freedom of association or the effective recognition of the right to collective bargaining.

All our female and male employees are entitled to maternity and paternity leave as of the first day of employment, and they use maternity leave within the framework of the Labor Law. In 2023, 2 female and 9 male employees used paternity and maternity leave.

Maternity/Paternity Leave	2021		2022		2023	
	Women	Men	Women	Men	Women	Men
Number of employees using maternity/paternity leave	2	15	2	14	2	19
Number of employees returning to work after maternity/paternity leave ends	2	15	2	14	1	19
Number of employees who worked 12 more months after returning from maternity/paternity leave	2	15	1	13	1	16
Ratio of employees who returned to work after taking maternity/paternity leave to total maternity/paternity leave users	100%	100%	100%	100%	100%	100%

As Akenerji, we want to be a part of the solution when it comes to the issues of gender equality and the lack of equality of opportunity in the world. In the energy sector, which is a male-dominated sector, we carry out projects across multiple institutions we work with in order to end gender-based discrimination in the workforce and raise awareness about the issue within our society.



Female Energy Project

In order to boost women's employment in the energy sector, to empower women socioeconomically and enable them to take a bigger role in the decision-making mechanisms of the energy sector, we have implemented the "Female Energy" project by working in partnership with Akkök Holding Energy Group companies, SEDAŞ and Sepaş Enerji. We determined the target audience of the project as middle school, high school and university students as well as women working in the energy sector. We aim to increase female employment and support female employees in their career journeys. Middle and high school girls of energy group employees, students studying at different universities, and all female employees working in energy group companies can benefit from the projects to be carried out simultaneously.

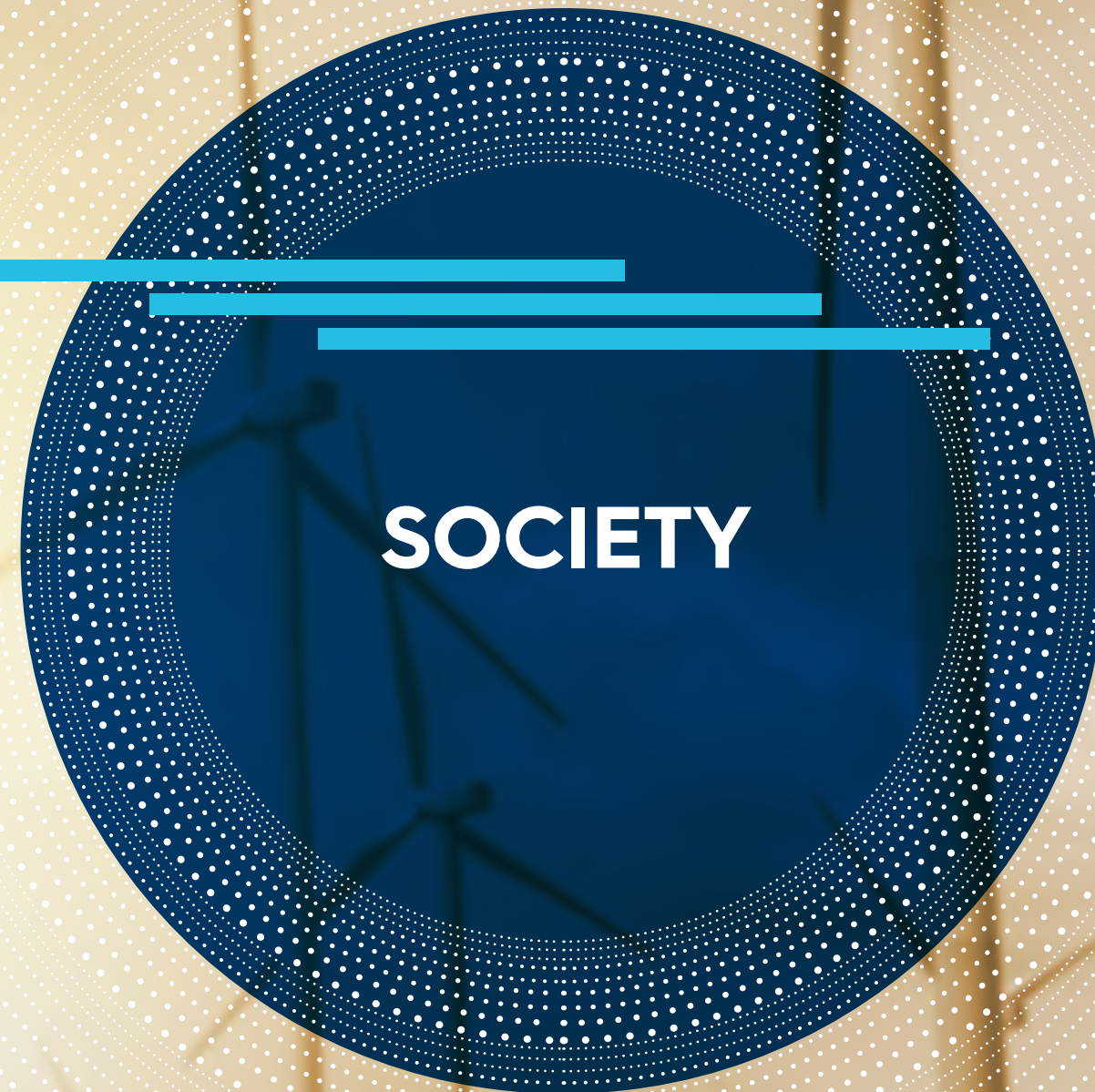
We aim to expand the "Female Energy" project, which we have designed to directly benefit 2,000 individuals by the end of 2023, throughout Türkiye with new collaborations as of 2024.



"Female Energy – On Campus"

We aim to boost the number of female leaders in the energy sector, as well as to raise awareness about gender equality, with this project we started in December 2021. For this purpose, in 2022, the Young Women Leaders Program, jointly carried out by the Confederation of Turkish Employers' Associations (TİSK) and Yenibirlider Association, will provide training in partnership with Bahçeşehir University and UNITAR (United Nations Training and Research Institute) International Training Center for Managers and Leaders - CIFAL Istanbul. We started the programs and directly reached 110 students.

With the project, we reached 100 new students in 2023, far exceeding our goal of reaching 100 students every three years. We provided trainings to all students participating in the program on many subjects such as on the energy sector, finance, law, human resources, career development, gender equality, networking, field trips, idea programs, project work, and presentations about the energy sector, and internship and mentoring opportunities to students who were successful with their presentations.



While creating our sustainability strategy at Akenerji, we prioritize our social responsibilities as information security, cyber security and privacy protection, which are among the global risks, preparedness and response to disasters that are directly linked to the climate crisis, and social responsibility projects that have been ingrained in our Company's DNA since its establishment.



Information Security, Cyber Security and Privacy Protection

Akenerji attaches the highest importance to information security and privacy, and we carry out our activities in this field by following the ISO 27001:2022 Information Security, Cyber Security and Privacy Protection - Information Security Management Systems and the ISO 27019:2020 Information Technology - Security Techniques - Information Security Controls for the Energy Utility Industry measures to ensure privacy, security and safety. These standards are in effect at our Head Office, Erzin NGCC Power Plant and Ulubat HEPP.

<p>Evaluation of information security risks and opportunities at Akenerji is fed by many sources, which are:</p> <ul style="list-style-type: none">• Internal and External Issues• Enterprise Risk Analysis• Internal audit• External Audit• Security Violation Incidents• Information Security Management Review / Observations• Information Security breach incidents• Suggestions from employees• Interested parties.	<p>In this context, we conduct risk analyzes in the event of changes in regulations, processes or at least once a year, and record the risks we identify in the threat list. Our Information Security Team selects the risks in the list, records them in the risk table, and determines the possible positive effects (opportunities) and evaluates and approves the measures to be taken and acceptable risks and opportunities.</p>
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Due to the nature of our business, we did not implement customer satisfaction surveys in the 2020-2023 period because end users are not our customers directly. In addition, there were no complaints regarding customer privacy and loss/theft of customer data.

In 2023, we carried out our work for the transition of the Standard to ISO 27001:2022 and completed our awareness raising and internal auditor training. The Cyber Security Competence Model Regulation in the Energy Sector was published in the Official Gazette No. 32213 dated June 6, 2023. We carried out our work in this context. We carried out our internal and external audits, as we do every year. We conducted power plant penetration tests, social engineering, security analysis and disaster recovery center tests. We conducted revision studies on critical processes and business continuity analyses, information security risk assessments, and asset inventories. We have completed the compliance and audit work with the Information and Communication Security Audit Guide of the Presidency Digital Transformation Office. We planned our third-party audits to be carried out in January 2024.

Our [ISO 27001 Information Security Management System Document](#) and the related Policy can be accessed on our website, under the Sustainability section, under our [Commitments](#).

Information Security Trainings

Our awareness trainings continue through Akenerji Academy. ISO 27001:2022 Information Security Awareness Training is a compulsory training given every three years. The hour-long training covers information definition, security and privacy, clean desk, clean screen, password creation and protection, portable media security, social engineering, phishing attack, responsibilities, and digital footprint.

42 of our employees benefited from the awareness-raising and internal audit training we carried out within the scope of our work for the transition of the Standard to ISO 27001:2022 in 2023.

Protection of Personal Data

At Akenerji, our primary principles are to protect the confidentiality and privacy of personal information, to protect fundamental rights and freedoms, to protect privacy regarding private life, to ensure and protect information security, and to respect ethical values.

We comply with the legislation and international standards on the protection of personal data. We take care in protecting the personal data of employees and candidates, customers and potential customers, company shareholders, company officials, visitors, employees, shareholders and officials of the institutions we cooperate with, and third parties within the scope of compliance with the Personal Data Protection Law, which we have been conducting since 2018. We implement this as a company policy. At Akenerji, we have completed Data Controllers Registry Information System (VERBIS) registrations within the framework of legal responsibilities and we fulfill our obligations in accordance with the legislation. All the policies and clarification texts we have created regarding the Protection of Personal Data Law can be accessed under the heading, Protection of Personal Data on the Akenerji website.

Protection of Personal Data Law (PPDL) training is mandatory within our Company. In 2023, we raised the awareness of our employees on this subject with the training programs we organized online, including the topics of what personal data is, the processing and conditions of personal data, the procedure for drawing up contracts, the rights of personal data owners, KVKK compliance principles, and data privacy and data processing at Akenerji.

PDPL Training	2021	2022	2023
People	173	55	75
Total Training Hours	327	55	75

Our Goals within the Scope of the Management System are included in our report's [Our Targets and Actions for 2023/2025](#) section.



Disaster Preparedness and Response

At Akenerji, we carry out our disaster preparedness and response activities, which we fulfill with the aim of quickly and safely implementing evacuation plans in the event of possible disasters, and to prevent possible loss of life and property, within the scope of ISO 45001:2018 Occupational Health and Safety Management System.

At Akenerji, we carry out our disaster preparedness and response activities within the framework of ISO 45001:2018 Occupational Health and Safety Management Systems, which we fulfill with the aim of quickly and safely implementing evacuation plans in the event of possible disasters and preventing possible loss of life and property. We monitor our performance with emergency drills, risk assessments, internal - external audits, emergency management plans, field reports, personnel warning, near-miss forms, instructions, procedures and control forms related to these items.

"Emergency Plans" prepared for Akenerji Headquarters and power plants address fire, flash and explosion, earthquake, dangerous chemical spill, work accident, flood, landslide, food poisoning, attack-sabotage, epidemic diseases and storm risks. Emergency Teams determined within the plans received the necessary training. In this context, Akenerji Head Office employees completed the basic disaster awareness training provided online by the consultant company.

After the earthquake we experienced in 2023, we installed a total of 12 containers within the borders of Burç Bendi and HEPP, with a capacity of approximately 60 people for the power plant personnel and their families, containing all the necessary items such as beds, cabinets, tables, refrigerators, air conditioners, water heaters, televisions, and we expanded the capacity of the existing guesthouse. During the stay in guesthouses and containers, in addition to financial support, we covered all essential needs such as food, beverages, and cleaning, as well as the school and shuttle expenses of our employees with school-going children. After the earthquake, we had a specialist company assess the damage to the buildings and provided the necessary assistance for our employees and their families, whose homes were suitable for use, to return to their homes. We also provided food, tents, blankets, heaters, sleeping bags, etc. to the earthquake victims in the surrounding villages of Burç Bendi and HEPP and Bulam HEPP.

At Erzin NGCC Power Plant, we created a container living space in the empty area next to the guesthouse, converted the study room, gym, laundry rooms, and game rooms, and opened them for use. In the post-earthquake period, we hosted a total of 132 people, including 32 employees and their families, at the power plant and provided all their needs such as food, shelter and cleaning. For the school-age children of our employees living in the living area, we made an agreement with a college in the Mersin Tarsus region, ensuring that all educational processes of a total of 26 students, including the supply of school needs such as stationery, service and meals, continued without interruption.

We carry out and record drills at the Headquarters and power plants at periods determined by the national legislation (every year/night or day). With these drills, we raise the awareness of all our employees in order to both reduce risks and be ready for a possible post-disaster response.

In 2023, we completed the emergency drills at the Headquarters and power plants and implemented the emergency evacuation durations quickly and completely. We do not receive any external stakeholder support in the drills. Risks related to disasters are included in our insurance policies.

We aimed to minimize damage in possible disaster situations and raise awareness in ensuring business continuity by completing the Disaster Management and Business Continuity Certificate Program in Industrial Facilities (Mini MBA) with the participation of the Occupational Safety Directorate and power plant engineers.

Community Volunteers Foundation and Akenerji Support Center

In order to heal the wounds of the earthquake victims that occurred on February 6, 2023, we established a Support Center for children and young people in Iskenderun in cooperation with the Community Volunteers Foundation. With our Support Center, we have initiated social and emotional support programs to ensure that children and young people who experience disasters overcome this psychological situation with the least harm. In this way, we aimed to strengthen their relationships with life, facilitate their recovery processes by meeting their post-disaster needs, and reduce the inequality here. The center, built on 360 square meters, has three workshop areas that children, young people and adults can use simultaneously, places where they can study, a library and playgrounds. Children regularly came together at the center, attended workshops with community volunteer experts, and were introduced to the healing power of playing. In addition to social improvement, trainings were organized for young people on topics such as career planning, 21st century competencies and vocational training. Young community volunteers and translators were employed at the center to establish proper communication with all those in need and to overcome the language barrier.





Social Responsibility

At Akenerji, we continued our social responsibility projects in 2023 with our social responsibility policy focusing on gender equality and opportunity, empowerment of women in society, and education of children and youth, fulfilling our promise to both our shareholders and society as “We produce energy to enlighten lives”.

We have developed projects focused on people, education and the environment on the issues of disadvantaged children, environmental sustainability and ensuring equality of opportunity in business life. We implemented these projects with the participation of our colleagues to both contribute more to society and improve corporate citizenship behaviors. In the upcoming period, we aim to continue to organize projects that make a meaningful difference in the lives of those we can directly impact and those we have impacted, in the areas of education, gender equality, youth opportunities and education.

In 2023, we donated TL 16,458,681 to university foundations, sectoral associations, and various non-governmental organizations supporting society and the environment, most of which included earthquake aid.

We Realized the “Female Energy Project”!

With the responsibility we feel for the society, we realized the “Female Energy” project in order to boost the visibility of women in the business world, especially in the energy sector, to support them when starting their careers from secondary education to university and afterwards, and to raise the number of female leaders. Details of the project are available under the [Human Rights Audits](#) heading of the Employees Section of our report.

We ran for the Community Volunteers Foundation in the 45th Istanbul Marathon!

We participated in a running and donation event to support the cooperation of Akkök Holding and Community Volunteers Foundation in the 45th Istanbul Marathon. We will continue to participate in the Istanbul Marathon in the coming years.

We Fulfilled the Dreams of CEA Children with the Wish Tree Project at the New Year!

In order to support the Child Education Association (CEA), we realized our “New Year’s Wish Tree” project, which we have held every year since 2019, in 2023 as well. Within the scope of the project, Akenerji employees contributed to the happiness of hearing-impaired students by giving them their new year wishes and fulfilled the dreams of 80 children. With this project, we also supported our employees to fulfill their individual social responsibility awareness. We plan to continue the project in the coming years.

We Supported Children in Power Plant Areas

We gave trainings within the scope of OHS in schools located around our hydroelectric power plants. We made the students who attended the trainings happy with the gifts we gave and supported them to meet their clothing needs. We plan to continue these activities on a regular basis every year.

We Donated to TEMA Foundation!

At the end of the year, we donated to the Turkish Foundation for Combating Soil Erosion (TEMA) for each of our employees who were entitled to receive a “Seniority Plaque”, in the number of his/her years of seniority.

Our Activities at Universities

We continued our work with universities in 2023 as well. We, both, helped students prepare for business life and supported our employer identity by creating a talent pool, meeting students with the private sector, and realizing joint projects in the fields of education.

Name of the Activity	Starting Year	Content	Educational Institution Collaborate With	Number of Attendees to Date	Future Plans
“Akenerji Power Plant Operation and Management” Course	2019	The “Akenerji Power Plant Operation and Management” course, which was started as an elective course by Akenerji Production Assistant General Manager Mr. Can GÜLCAN, continued in 2023 as well. Among the successful students, there were students who were evaluated and recruited in our new graduate positions.	Bahçeşehir University	100 people + 30 people (2023)	We plan to continue the project and employ successful students in our new graduate positions.
“Female Energy on Campus” Project	2021	In the project we implemented in order to raise awareness in the field of gender and equality of opportunity in the society, the students, who received training from the senior managers of the Akkök Holding energy group, presented their projects related to the energy sector at the end of the program. The winning groups received internship and mentorship opportunities at Akkök Holding energy group companies.	Bahçeşehir University and the United Nations Education and Research Institute (UNITAR) International Training Center for Managers and Leaders (CIFAL Istanbul)	100 university students benefited from this project. 9 students gained the right to internship and mentorship.	We will continue to develop different collaborations focused on education and female employment.
Boğaziçi University Energy Summit	2023	At the summit held by Boğaziçi University Electro Technology Club, our Commercial Director Mr. Orkun Eyilik met with young people in the leadership session and talked about his career story and the energy sector	Boğaziçi University Electro Technology Club	100	Boğaziçi University Electro Technology Club
Boğaziçi University Case Study	2023	An Energy Trade Case Study was conducted with Boğaziçi University students. The winning groups were provided with internship opportunities.	Boğaziçi University Electro Technology Club	30	We will continue to conduct case studies with different universities.
Linkedin Support to Sabancı University Students	2022	We held one-on-one interviews with Sabancı University students to prepare their LinkedIn profiles and supported them to look more professional for business life.	Sabancı University	20 (2022) 16 (2023)	Every semester, we plan to meet with students through different activities.



Name of the Activity	Starting Year	Content	Educational Institution Collaborate With	Number of Attendees to Date	Future Plans
International Investors Association (YASED) Certificate Program	2021	We contributed to the development of students from different universities in Türkiye, by giving lectures in various fields in the online certificate training program organized by YASED's employment and working group, of which we are one of the members.	YASED International Investors Association	40 (2021) 20 (2022) 25 (2023)	Our participation will continue every year.
Istanbul Technical University Career Summit	2022	We met with Istanbul Technical University students at the career summit and shared Akenerji and its recruitment processes.	Istanbul Technical University	35 (2022) 100 (2023)	We will continue to meet in different activities.
Istanbul Technical University Case Study	2023	An Energy Trade Case Study was conducted with Istanbul Technical University students. The winning groups were provided with internship opportunities.	İstanbul Teknik University	15	We will continue to meet in different activities.
Sabancı University Mock Interviews	2022	We conducted mock interviews with Sabancı University students.	Sabancı University	15 (2022) 16 (2023)	We will continue to meet in different activities.
METU Interview Days	2022	We conducted interview simulations with METU students and answered their questions.	METU (Middle East Technical University)	20 (2022) 23 (2023)	We will continue to meet in different activities.
METU Power and Energy Summit	2023	Our Production GMY Can Gülcan met with METU students and discussed Akenerji and the energy sector.	METU (Middle East Technical University)	70	We will continue to take part in energy summits.
METU Case Study	2023	We conducted a case study on Energy Trade with students through METU Career Center and provided internship opportunities to the winning groups.	METU (Middle East Technical University)	28	We will continue to conduct case studies with different universities.
Bahçeşehir University Business Point Event	2022	During the event, we had one-on-one meetings with the students throughout the day.	Bahçeşehir University	15 (2022) 12 (2023)	We will continue to meet in different activities.
Koç University Interview Days on Campus	2023	We conducted mock interviews with Koç University students and answered the questions of the students who came to our stand.	Koç University	105	We will continue to meet in different activities.
Youthall Engineering Days	2023	We introduced the energy sector to engineering students and answered their questions.	Youthall	75	We will continue to meet in different activities.

Name of the Activity	Starting Year	Content	Educational Institution Collaborate With	Number of Attendees to Date	Future Plans
Özyeğin University Participation in class sessions	2023	We introduced the energy sector in this course, where leaders from different sectors made presentations about their areas.	Özyeğin University	50	We will continue to meet in different activities.
Bilkent University Interview Days	2023	We conducted mock interviews with Bilkent University students and answered their questions.	Bilkent University	15	We will continue to meet in different activities.
Istanbul University Chemical Engineering Tea Talk Event	2023	We explained the working areas of chemical engineers in the energy sector and gave career suggestions to Istanbul University Chemical Engineering students.	Istanbul University	40	We will continue to meet in different activities.
Galatasaray University Entrepreneurship Club - Entrepreneurship Days	2023	At the Entrepreneurship Days organized by Galatasaray University Entrepreneurship Club, we gave information about our in-house entrepreneurship project “Generator” and performed mock interviews.	Galatasaray University	50	We will continue to meet in different activities.



ENVIRONMENT

At Akenerji, the basis of our environmental protection strategy is our targets within the scope of climate action and water protection. We embrace sustainable natural resource management and continue our activities to reduce our carbon and water footprint. We closely follow innovative developments in the energy sector and work to achieve the 2030 zero waste target.



Our Environmental Management Approach

At Akenerji, we use the ISO 14001: 2015 Environmental Management System, which we have documented through external audits, in order to measure, reduce and manage our environmental impact at our Head Office and all our power plants. Thanks to the high-tech equipment we use, our investments in renewable energy, and our cautious approach to environmental risks, we achieve harmony with the environment.

We consider our water and wastewater management, air emissions and our impact on biodiversity within the framework of corporate risk management, and we review and evaluate our risks and opportunities regarding these issues every three months. We report and verify our greenhouse gas emissions at the Erzin NGCC Power Plant within the scope of ISO 14064-1:2018 Greenhouse Gas Calculation and Verification Standard and relevant local legislation on Monitoring, Reporting, and Verification of Greenhouse Gas Emissions. In 2023, we also verified our Erzin NGCC Power Plant greenhouse gas emissions by ISO 14064-1:2018 Greenhouse Gas Calculation and Verification Standard, and we are sharing the verification statement on our [website](#).

Environmental impact monitoring at all our power plants in operation begins with the EIA process of the investment and continues by legal requirements during the operation process. We confirmed that our activities did not hurt their habitats by monitoring Mediterranean sea turtles at the Erzin NGCC Power Plant. Again, during the construction phase of HEPPs, we built fish passages, which are a legal obligation and allow fish to migrate by eliminating obstacles to their migration. Within the scope of Ayyıldız WPP capacity increase, we carried out ornithological monitoring (bird observation) and bat monitoring for two (2) periods, autumn and spring. In this context, we fulfilled our responsibilities to prevent damage to the natural life underwater and terrestrial life.

In 2023, environmental impact monitoring at all our operating power plants continued in line with legal requirements. In the future, our ornithological monitoring (bird observation) studies will continue in our new SPP investments.

Our total environmental monitoring, measurement, and continuous improvement expenses within this scope amounted to TL 1,335,037. Our ecological training reached a total of 182.5 person-hours in 2023.

Breakdown of Our Environmental Expenditures (Total 1,335,037 TL)

Emissions (Carbon) Management*	43.23%
Waste Recycling	27.85%
Waste Disposal	0%
Consultancy	7.42%
Legislation Tracking**	21.5%

*Air and waste water emissions are included.

**ARES EIA report, Ornithological Monitoring, and Hydrogeological Report are included.

Our Environmental Trainings within the Scope of Management Systems

Training / Duration	Number of Persons Attending the Training
Environmental Awareness and Zero Waste - Waste Management Training (2 hours)	8 plants 146 man.hour
Environmental Awareness Training Programs on Online Platform (0.5 hours)	42.5 man.hour (9 plants ve 1 CEO)



Emissions (Carbon) Management

Our Carbon Disclosure Project (CDP) Climate Change 2023 report, which we have been involved in since 2010, was rated as “C Management” Level.

We are constantly reviewing our sustainability strategies in order to prevent our climate change risks arising from greenhouse gas emissions, adapt our business model to the energy transformation and maintain our leading position in the sector by seizing the opportunities brought by this transformation. In line with these strategies, we prioritize our targets regarding emission reduction and climate change. The border carbon tax practices, which will be implemented with developments such as the Paris Climate Agreement, including Türkiye, and the European Green Agreement, which we follow closely, raise the importance of our adaptation efforts in this direction and plays a key role in the energy sector in preventing climate change.

Almost all of the Scope 1 greenhouse gas emissions from our activities originate from the Erzin NGCC Power Plant, the only natural gas power plant in operation in 2023. Diesel and gasoline fuels consumed by vehicles rented for employees and emergency generators cause Scope 1 emissions, albeit in small quantities. Scope 2 greenhouse gas emissions, on the other hand, originate from electrical energy consumed in power plants and purchased from the outside. The details of Scope 3 greenhouse gas emission calculations are explained on the [Environmental Performance Indicators](#) page and under the relevant spreadsheet.

Emissions (Scope 1) (tCO ₂ e)	2021	2022	2023	Rate of change from 22 to 23
Hydroelectric Power Plants	54.26	49.47	99.39	101%
Ayyıldız Wind Power Plant	8.99	4.79	13.32	178%
Erzin NGCCPP	1,560,233.16	1,143,602.74	1,189,348.00	4%
Total	1,560,296.42	1,143,657.00	1,189,460.71	4%

Details of our Scope 1 emissions are available on the [Environmental Performance Indicators](#) page of our report.

Emissions (Scope 2) (tCO ₂ e)	2021	2022	2023	Rate of change from 22 to 23
Hydroelectric Power Plants	771.15	682.71	681.92	-0.1%
Ayyıldız Wind Power Plant	101.54	98.06	100.96	3.0%
Erzin NGCCPP	4,541.32	8,600.88	8,931.00	3.8%
Total	5,414.01	9,381.65	9,713.87	3.5%

Scope 2 includes electricity purchased at power plants. (In addition to the electricity we produce ourselves, we also use mains electricity.)

Emissions (Scope 3) (tCO ₂ e)	2021	2022	2023	Rate of change from 22 to 23
Erzin NGCCPP	*1,781,813.09	*1,295,350.33	1,376,646.00	6.3%

Details of our Scope3 emissions are available on the [Environmental Performance Indicators](#) page of our report.
**According to the ISO 14064:2018 standard, the scope 3 emissions of Erzin NGCCPP have been expanded.



Water Management

Our 2023 Water Security Program report, which we have been involved in since 2015, was rated as “B- Management” level by CDP.

At Akenerji, water is of critical importance as a performance indicator. Risks and vulnerabilities of water resources due to climate change are among our priority issues. The water resources we use at Akenerji are sea water, groundwater and network water. At Erzin NGCCPP, we use the water we draw from the sea with the reverse osmosis method, through the high-tech treatment plant, as high-pressure steam and as cooling water in the turbines in the process.

In our hydroelectric power plants, we discharge the water we receive from surface sources into a river or stream after using its energy. In our wind power plant, we use water for human needs. There is no use of recycled water in our facilities.

For the continuity of natural life underwater, we measure the amount of water, referred to as “life water,” left in our hydroelectric power plants within the scope of the legal legislation with our current observation stations (COS). Providing accurate data flow for these stations is vital for both underwater life and compliance with legal regulations. In this context, we clean the materials, such as rocks, forest wastes, stones, etc., accumulated around COS in our HEPPs; when necessary, we also make COS location changes under the leadership of the official institution.

We conduct tailwater screening for accumulated forest debris and waste in the tailwater after the spillway in our hydroelectric power plants. With this effort, we simultaneously enhance the efficiency of the power plant. In addition, we carry out cleaning and collection activities for debris that arrives after rainfall on the intake side of our hydroelectric power plants.

Wastewater Management

Within the scope of wastewater management, we fulfill all legal requirements. There is a remote wastewater monitoring station in our power plant. The discharged water is monitored simultaneously by the Ministry of the Environment, Urbanization and Climate Change. In addition to these, we inform the official administration by conducting internal wastewater and sea water monitoring in accordance with the legislation within the scope of the environmental permit on “Air Emission” and “Deep Sea Discharge”. We continued our monitoring activities in line with the Regulation Amending the Water Pollution Control Regulation published in the Official Gazette dated 17.12.2022 throughout 2023. In addition, in accordance with the environmental legislation, we conduct annual monitoring and reporting activities with divers to check for issues such as leakage and blockage in the deep-sea discharge line.

Water Withdrawal (m³)*	2021	2022	2023
Total	15,735,271.70	12,812,959.90	11,994,655.20

**Data of our 9 power plants in operation.*
As long as our power plants are in operation, we continue to comply with the water amounts specified in the Downstream Water Rights Reports, which were prepared within the scope of the Regulation on the Procedures and Principles for Signing a Water Usage Rights Agreement for Generating in the Electricity Market and approved for the hydroelectric power plants in operation in 2014.

Water Discharge (m³)*	2021	2022	2023
Total	13,009,538	10,778,639	10,690,628.90

**Data of our 9 power plants in operation.*

Water Consumption (m³)*	2021	2022	2023
Total	2,725,733.80	2,034,320.50	1,304,026.30

**Data of our 9 power plants in operation.*

In addition to our plant-based data on water withdrawal, water discharge and water consumption, detailed data on pollutants in wastewater generated at our plants are included in the [Environmental Performance Indicators](#) section of our report.





Energy Management

We manage energy efficiency, which is one of the crucial steps in the fight against climate change, in a systematic and planned manner. We follow our targets to reduce power plant electricity consumption and vehicle fuel consumption.

At Akenerji, we manage our energy management activities, which we approach with this perspective, in all our power plants with the ISO 50001:2018 Energy Management System in line with our commitments in our “Energy Management Policy”.

Within the scope of the SO 50001:2018 Energy Management system, we conducted preliminary studies at each power plant. In these studies, we examined the heating systems, cooling systems, ventilation systems, electric motors, lighting systems and all the equipment that consumes electricity in the electricity generation process of the buildings within the plant and identified the areas to focus on with respect to energy efficiency. Every year, we work to save energy according to the targets set, and we regularly measure these points with analyzers and other measurement methods and monitor the changes. Again, we carry out internal audits every year within the scope of ISO 50001:2018.

In this context, in the year 2023, we provided training on ISO 9001:2015 Quality Management System, ISO 14001:2015 Environmental Management System, ISO 45001:2018 Occupational Health and Safety Management System, and ISO 50001:2018 Energy Management System to the team consisting of employees from our central office and power plants. In addition, internal auditor training was also conducted.

In-house Energy Consumption

At Akenerji, the largest share of the energy we consume for our in-house needs (such as heating) and to generate electricity at the Erzin NGCCPP is natural gas. We evaluated our energy consumption data in two categories, non-renewable and renewable, in order to make a detailed analysis as in 2021.

The category of non-renewable sourced energy includes natural gas, diesel and gasoline, as well as electrical energy that we purchase from the outside and use for our own domestic consumption. Our renewable energy consumption amount includes the electrical energy produced in hydroelectric and wind power plants and used in our own domestic consumption.

In-house Energy Consumption (GJ)	2021	2022	2023
Non-Renewable Resource			
Natural Gas	664,619.86	599,364.94	630,553.70
Diesel (generator)	300.02	285.54	243.53
Diesel (vehicle)	1,951.44	2,251.00	2,152.40
Fuel (vehicle)	1,160.33	1,550.80	2,460.62
Total Fuel	668,031.65	603,452.28	635,410.25
Electricity (Electricity taken from the grid)	48,644.99	71,513.63	84,110.19

In-house Energy Consumption (GJ)	2021	2022	2023
Renewable Resource			
Electricity**	3,724.07	3,606.02	4,413.87
Total Energy Consumption	720,400.71	678,571.94	723,934.32

*Data of our 9 power plants in operation.
**Renewable energy sources are Akenerji power plants, excluding the Erzin NGCC Power Plant. (Burç Bendi and HEPP, Bulam, Fekeli, Fekeli II, Himmetli, Gökkaya, and Uluabat HEPP, Ayyıldız WPP)

Our Energy Management Targets, which we have set for 2023 in line with our Energy Management Policy, in Akenerji Elektrik Üretim A.Ş. power plants are as follows:

TARGET 1: Reducing power plant electricity consumption by the following amount with the improvement works we will do		TARGET 2: The maximum fuel consumption per kilometer is expected to be the same as the 2022 fuel consumption per kilometer shown below.	
Power Plants	Target (MWh)	Power Plants	Amount of Fuel Consumed per km in 2022 (L/km)
Ayyıldız WPP	0.30	Ayyıldız WPP	0.09
Burç Bendi and HEPP	1.5	Burç Bendi and HEPP	0.09
Bulam HEPP	0.60	Bulam HEPP*	0.09
Erzin NGCCPP	6.13	Erzin NGCCPP	0.07
Fekeli 1 HEPP	3.00	Fekeli 1 HEPP	0.07
Fekeli 2 HEPP	5.00	Fekeli 2 HEPP	0.09
Gökkaya HEPP	3.00	Gökkaya HEPP	0.11
Himmetli HEPP	5.00	Himmetli HEPP	0.09
Uluabat HEPP	The maximum electricity consumption for purposes other than production at the power plant should be the same as the maximum in 2022. (339,934 kWh)	Uluabat HEPP	0.08

*Due to the fuel station being far from the power plant, the vehicle has refueled at each center arrival. The fuel consumed does not cover the distance traveled because the vehicle's tank appears complete.

TARGET 3: To administer ISO 50001 awareness trainings once in every three-year period, or administered/renewed in the event of an employee beginning their job, changing their position within the company, or a standard/legislation change.

In line with these targets, we carried out the following activities at our facilities in 2023:

- Organizing trainings for our employees and subcontractors in order to raise awareness of the energy management system in all our power plants, with assessments through exams conducted after the training
- Sharing information about power plant energy use on notice boards
- Turning off unused ambient lighting and unnecessary energy sources
- Replacing existing fixtures with more efficient LED fixtures
- Establishing the infrastructure to benefit from solar energy and obtaining hot water from there
- Providing Economic Driving Techniques training
- Using the vehicles at the appropriate speed and revolution
- Reviewing and reducing diesel generator operating times to a minimum.



Waste Management

As Akenerji, we collect waste at its source in all our fields of activity in accordance with obligations and ensure its recycling/disposal. Within the scope of waste management, which we implement with a zero-waste target, we separate waste at its sources in order to protect natural resources and prevent pollution and ensure the least amount of waste generation.

Within the scope of the Basic Level Zero Waste Certificates we received in 2020 and owned by all our power plants, our waste management works continued in 2023 as well. In this way, we recovered and disposed of approximately 127.1 tons of waste, and our waste recycling rate was 99.9%. In 2023, we contributed to the circular economy by recycling approximately 2 tons of wastepaper, plastic, glass and metal packaging.

In line with Akkök Holding Business World Plastics Initiative Plastics Commitments, we will launch practical training modules for waste separation at the Head Office by 2025. We will keep track of the data on the annual amount of plastic purchased at the power plants and the amount of plastic waste sent for recycling. By the end of 2030, we will end the use of single-use plastics such as plastic cups, straws, and plastic bottles at power plants.

Waste Amount (tons/year)*	2021	2022	2023
Total	94.0	137.0	127.1

*Data of our 9 power plants in operation.

Waste Amount (127.1 tons)*	2023	Oran
Hazardous Wastes	96	76%
Non-Hazardous Wastes	31.1	24%

*Data of our 9 power plants in operation.

Detailed data on waste such as electronic waste generated in our facilities are included in the [Environmental Performance Indicators](#) section of our report.



The background is a blurred office scene. On the left, a white model of a wind turbine stands on a desk. In the foreground, a person's hand is visible, holding a pen and pointing at architectural blueprints spread across the desk. To the left of the blueprints, there is a small electronic device with a screen and some text, including "Light 45W".

CORPORATE GOVERNANCE



The Board of Directors



Özlem ATAÜNAL
Chairperson of the Board of Directors



Tomas PLESKAC
Vice Chairperson of the Board of Directors



Jaroslav MACEK
Member of the Board of Directors



Ondrej DVORAK
Member of the Board of Directors



Serhan GENÇER
Member of the Board of Directors/
General Manager



Mehmet KOCAOĞLU
Member of the Board of Directors



Demet ÖZDEMİR
Independent Member of the Board of Directors



Petr KALAS
Independent Member of the Board of Directors



The Board of Directors

As of 31.12.2023 The Board of Directors:

Özlem ATAÜNAL	Chairperson of the Board of Directors
Tomas PLESKAC	Vice Chairperson of the Board of Directors
Jaroslav MACEK	Member of the Board of Directors
Ondrej DVORAK	Member of the Board of Directors
Serhan GENÇER	Member of the Board of Directors / General Manager
Mehmet KOCAOĞLU	Member of the Board of Directors
Demet ÖZDEMİR	Independent Member of the Board of Directors
Petr KALAS	Independent Member of the Board of Directors

Our Board of Directors looks for opportunities to ensure gender and cultural diversity within the scope of our Company's diversity and inclusion policy as well as attaches importance to selecting its members regardless of age, race, ethnicity, geographical background, and gender.

Structure of the Board of Directors (2023)	Number	%
Number of Board Members	8	100%
Number of male members	6	75%
Number of female members	2	25%
Number of members under 30	0	0%
Number of members between 30-50 years old	4	50%
Number of members over 50	4	50%
Number of members from minority/vulnerable groups	0	0%
Number of executive members	1	12,5%
Number of independent members	2	25%
Number of members in terms of cultural diversity	4	50%

The Company's Board of Directors comprises people with sufficient knowledge, skills, and sectoral expertise to enable all members to fulfill their responsibilities entirely.

Board of Directors Competency Matrix	Number	%
Gender (Female)	2	25%
Term (15+ years)	0	0%
Audit Experience	6	75%
Financial Services Experience	6	75%
Non-Financial Real Industry Experience	4	50%
Risk Management Experience	6	75%
Environmental, Social and Corporate Governance Experience	5	63%
International Multigeographic Experience	8	100%
Research and Development Experience	3	38%
M&A Experience	8	100%
Production Experience	2	25%
Digital Technologies Experience	5	63%

Calculated considering the members of the Board of Directors as of 31.12.2023.

Özlem ATAÜNAL

Chairperson of the Board of Directors

She graduated from Üsküdar American High School in 1985 and from Uludağ University, Department of Business Administration in 1989. Ms. Ataünal, who started her career at İktisat Bank, held various positions at Körfezbank, from Branch Manager to Customer Relations Management Department Head. She joined the Akkök Group in 2000 as Akenerji's Budget and Finance Manager. While Ataünal served as CFO at Akkök Holding between 2005 and 2022, he was appointed Executive Board Member Responsible for Finance in 2012. In 2017, she became a Member of Akkök Holding's Board of Directors. Ataünal, who has undertaken various responsibilities over the years, currently works at Akkök Holding A.Ş. He serves as a Board Member and Energy Group President. In addition to these duties, he is the Chairman of the Boards of Directors of AKCEZ, Akenerji, Sepaş Energy, and Aktek Bilişim and serves as a Board Member in other group companies. Ms. Ataünal has been a member of Turkish Industrialists and Businesspersons Association (TÜSİAD) since 2013.

Tomáš PLESKAČ

Vice Chairperson of the Board of Directors

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.

Jaroslav MACEK

Member of the Board of Directors

Jaroslav is currently responsible for the development of energy services of CEZ Group in countries outside the Czech Republic. He's been previously working in CEZ Group inside and outside of the Czech Republic in various top management positions with the responsibility over the development and operations of CEZ Group foreign entities. He is also the Chairperson, vice-chairperson or member of several supervisory bodies of foreign companies owned by CEZ Group. Before joining CEZ, Jaroslav was a member of the Ukrsibbank (BNP Paribas group) management team and was responsible for Corporate Development Division of the Bank including preparation of Bank's strategy and implementation of strategic initiatives. He was also working in Advisory department of PricewaterhouseCoopers, where he was responsible for the development of the practice in the area of finance function effectiveness and operational effectiveness.

Ondrej DVORAK

Member of the Board of Directors

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 Türkiye 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

Member of the Board of Directors/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 Company, where he worked in various countries in a variety of roles, 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. Joining Akenerji as General Manager of Egemer Elektrik Üretim A.Ş. in October 2009, Gençer was appointed Assistant General Manager of Akenerji Generation at the beginning of 2013. In 2016, he served as the Akenerji Trade Assistant General Manager by proxy, and along with his current duties and responsibilities he was designated as General Manager of Akenerji in early 2017.

Mehmet KOCAOĞLU

Member of the Board of Directors

After graduating from Middle East Technical University, Department of Electrical and Electronics Engineering in 2007, Mehmet Kocaoğlu worked as a Project Manager, Business Development and Operations Director in various companies. Mehmet Kocaoğlu, who has 17 years of energy sector experience with a managerial and technical consultancy background, has worked as a consultant in multiple projects, especially purchasing, mergers, restructuring, and financing, during the privatization process of the energy distribution sector in Türkiye. He has undertaken various tasks 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). Mehmet Kocaoğlu, who has continued his career at MRC Türkiye (formerly AF Mercados EMI) since 2011, has worked at MRC Türkiye since 2017. As of 2022, he continues to serve as General Manager at GETA Energy. He is also the Chairman of the Board of Directors of MRC Türkiye and GETA Energy companies. He continues to serve as a Board Member at Akenerji, SEPAŞ and AKCEZ.

Demet ÖZDEMİR

Independent Member of the Board of Directors

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 Türkiye 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.

Petr KALAS

Independent Member of the Board of Directors

Born in 1940 in Prague, Mr. Kalas graduated with honors at the Czech Technical University in Prague (1963). Mr. Kalas has served as an international consultant in the management of numerous programs and projects, including the United Nations Industrial Development Organization (UNIDO) in the areas of energy and industrial planning in 55 countries. Later, he joined the Swiss administration in charge of the developing assistance in two dozens of countries in Asia, Africa and Latin America. With the World Bank since 1994, Mr. Kalas initially coordinated the donor supported program "Environment for Europe". Subsequently as the director of the World Bank/ Swiss "National JI/CDM Strategy Study program (NSS). As a non-political expert, Mr. Kalas was appointed in September 2006 as the Minister of the Environment in the Czech Government. During later 2007-2013, he had been acting as the advisor to three prime ministers, several ministers including environment and agriculture. As a member of the international organizations including the World Energy Council, he also acts as the vicepresident of the Czech branch of the World Business Council for Sustainable Development. Since 2014, Mr. Kalas chairs the Committee for Sustainable Energy within the Governmental Council for Sustainable development under auspices of the Prime Minister.



Management Organization



Özge ÖZEN AKSOY

Financing and Financial Affairs Assistant General Manager



Can GÜLCAN

Power Generation Assistant General Manager



Orkun EYİLİK

Commercial Director



Duygu ERZURUMLU CENGİZ

HR & Business Support Director

Executive Management

Özge ÖZEN AKSOY

Financing and Financial Affairs Assistant General Manager

Can GÜLCAN

Power Generation Assistant General Manager

Orkun EYİLİK

Commercial Director

Duygu ERZURUMLU CENGİZ

HR & Business Support Director

Özge ÖZEN AKSOY

Financing and Financial Affairs Assistant General Manager

Born in Muğla in 1975, Özge Özen, graduated from Boğaziçi University Department of Business Administration. Ms. Özge ÖZEN AKSOY started her professional life in 1998 in the Financial Analysis Department of the Turkish Industrial Development Bank. She served as Director of Corporate Finance at the same institution between 2004-2007 and was involved in the project finance, IPO and M&A consulting projects of several investments. Ms. Özge ÖZEN AKSOY joined Akenerji in May 2009, after serving as Corporate Finance Director at Orion Investment between 2007-2009. Özge ÖZEN AKSOY, who served as Akenerji Treasury and Finance Manager until 2016, has been the Financing and Financial Affairs Assistant General Manager since January 2016 and was appointed as Financing and Financial Affairs Assistant General Manager as of December 2023.

Can GÜLCAN

Power Generation Assistant General Manager

Mr. Can GÜLCAN is a graduate of Middle East Technical University, Department of Electrical and Electronics Engineering. He started his career in 2002 at ELTEM-TEK A.Ş. as a Commissioning Engineer. Between 2004-2006, he worked as the Sales and Technical Service Manager responsible for sales, marketing and after-sales support activities of Özyürek A.Ş. He started working at GAMA Güç Sistemleri Mühendislik ve Taahhüt A.Ş. in March 2006 as Engineer in charge of Tenders, and then went on to hold positions in Business Development and Manager in charge of Tenders, Purchasing and Logistics Director, respectively. In January 2015, he assumed the position of Sales Director at General Electric. Since January 2017, he has been the Deputy General Manager responsible for Operations and Maintenance, Investments, Sustainability, and Occupational Health and Safety departments at Akenerji. Mr. Can GÜLCAN completed the MBA program at Bahçeşehir University in 2022 and has been teaching Power Plants Operation and Maintenance at the same university since 2019.

Orkun EYİLİK

Commercial Director

Orkun Eyilik started his career at Tynagh Energy Ltd., Ireland, in 2005 as Energy Trade Analyst. Between 2007 and 2012, he worked at Gama Enerji A.Ş. as Trade and Business Development Analyst and Trade Manager, respectively, while also serving on the Board of Tynagh Energy Ltd. Between 2012 and 2015, he worked at OMV Enerji Ticaret A.Ş. as Energy Trade and Procurement Manager. In January 2015, he was appointed as Energy Trade Manager at Akenerji and in February 2018, he was appointed as Trade Director. Mr. Eyilik, who was born in 1983, in İzmir, is a graduate of the Department of Business Administration at the University of Miami.

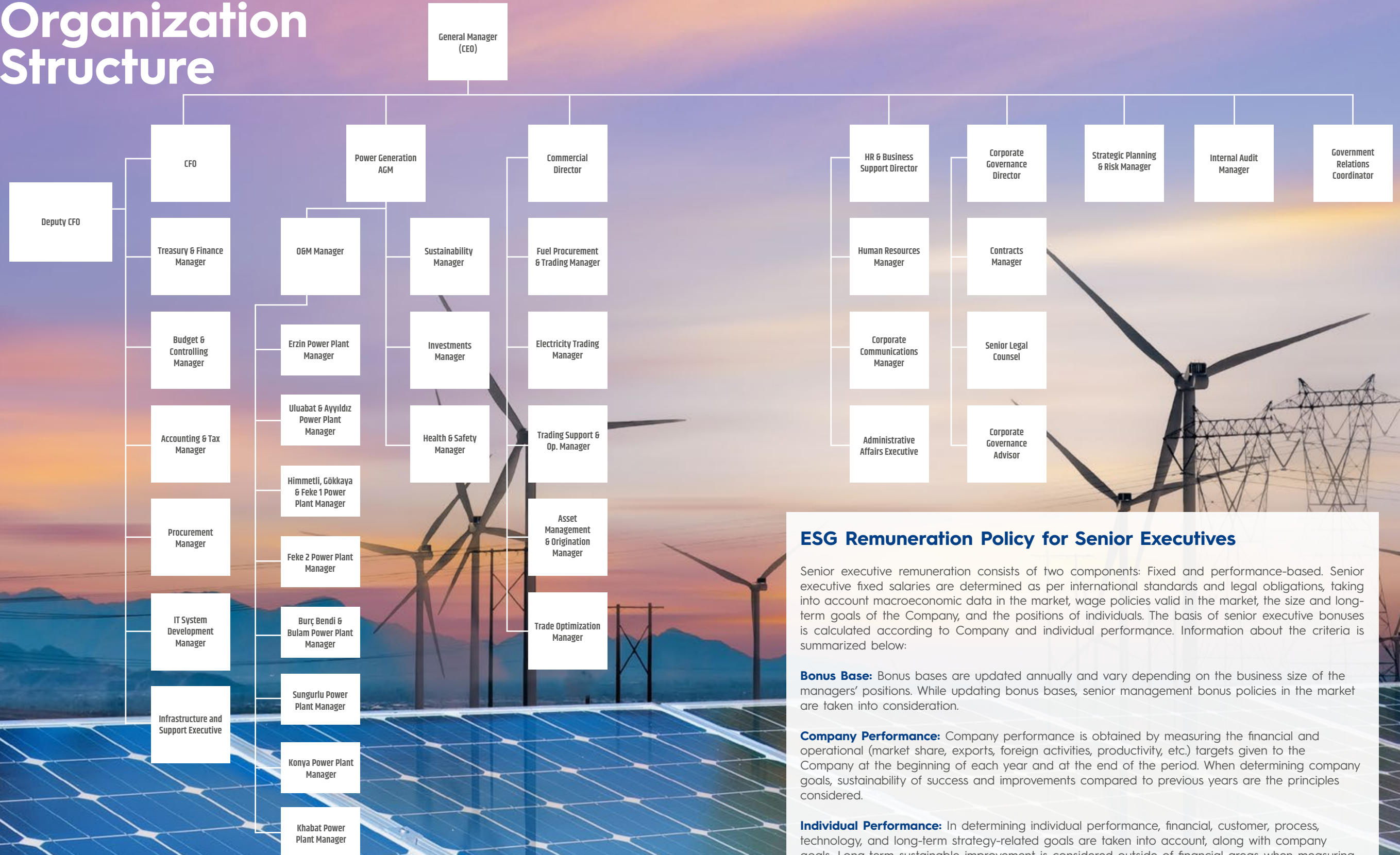
Duygu ERZURUMLU CENGİZ

HR & Business Support Director

Ms. Duygu Erzurumlu Cengiz, studied Business Administration at Ankara Gazi University between 1995-1999, and completed the MBA program at the University of Lincoln. Following her career in her student years, she joined Petrol Ofisi & Group Companies in the field of Human Resources in 2000. Ms. Duygu Erzurumlu Cengiz, who has held many different positions throughout her career, has served as Human Resources Organizational Development Manager, R&M Human Resources Manager, OMV Petrol Ofisi Human Resources Operations Manager and Petrol Ofisi Human Resources Operations Manager respectively. She has been working as Akenerji Human Resources and Shared Services Director since 2019, and as Akkök Holding Human Resources Director, in addition to her current position as of 2021.



Organization Structure



ESG Remuneration Policy for Senior Executives

Senior executive remuneration consists of two components: Fixed and performance-based. Senior executive fixed salaries are determined as per international standards and legal obligations, taking into account macroeconomic data in the market, wage policies valid in the market, the size and long-term goals of the Company, and the positions of individuals. The basis of senior executive bonuses is calculated according to Company and individual performance. Information about the criteria is summarized below:

Bonus Base: Bonus bases are updated annually and vary depending on the business size of the managers' positions. While updating bonus bases, senior management bonus policies in the market are taken into consideration.

Company Performance: Company performance is obtained by measuring the financial and operational (market share, exports, foreign activities, productivity, etc.) targets given to the Company at the beginning of each year and at the end of the period. When determining company goals, sustainability of success and improvements compared to previous years are the principles considered.

Individual Performance: In determining individual performance, financial, customer, process, technology, and long-term strategy-related goals are taken into account, along with company goals. Long-term sustainable improvement is considered outside of financial areas when measuring individual performance in parallel with company performance.



Independency Statement For Independent Board Members

AKENERJİ ELEKTRİK ÜRETİM A.Ş. BOARD OF DIRECTORS
CHAIRPERSONSHIP SUBJECT: Independency Statement

I declare that I am a candidate to assume the role of independent board member of AKENERJİ ELEKTRİK ÜRETİM ANONİM ŞİRKETİ ("Company"), within the scope of the criteria stipulated in the legislations, the Articles of Association, and the Capital Market Board's Communiqué on the Determination and Implementation of Corporate Governance Principles (Serial: II-17.1), accordingly:

- Within the last five years, no executive employment relationship granting important duties and responsibilities has been established between myself, my spouse, my second degree relatives by blood or by marriage and the Company, the partnerships in which the Company holds management control as per Turkish Financial Reporting Standards nr. 10, or the partnerships in which the Company holds significant influence as per Turkish Accounting Principles nr. 28, or the subsidiaries of the Company, or shareholders who control the management of the Company or who have significant influence in the Company, or juridical persons controlled by these shareholders; and that I neither possess more than 5% of any and all capital or voting rights or privileged shares, nor have significant commercial relations,
- Within the last five years, I have not worked as an executive manager holding important duties and responsibilities, nor have I been a member of the Board of Directors or been a shareholder (more than 5%), particularly in the companies that provide auditing, rating and consulting services for the Company (including tax audit, legal audit, internal audit), or in the companies from which the Company procures products and services or sells products and services to, within the framework of the agreements signed during the timeframe of selling/purchasing of the products and services,
- I do have the professional training, knowledge, and experience that will help me to properly carry out the tasks and duties I will assume as a result of my independent membership in the Board of Directors,
- In accordance with the legislation, I will not be working fulltime in public institutions or organizations except for any work as an academic at a university, after being elected as a member,
- I am considered a resident in Türkiye according to the Income Tax Law (n.193) dated 31.12.1960,
- I possess strong ethical standards, professional standing and experience that will help me positively contribute to the activities of the Company, and remain neutral in conflicts of interests between the company's shareholders, and that will help me make decisions freely by taking the rights of the stakeholders into consideration,
- I will be able to spare sufficient time for the business of the Company to an extent that will help me pursue the activities of the Company, and fulfill the requirements of my tasks and duties,
- I have not served as a board member on the Company's board for more than six years over the last decade,
- I have not been an independent member of the Board of Directors in more than three of the companies controlled by the Company, or by the shareholders who control the management of the Company, and in more than five publicly traded companies in total.

28.02.2022

Kind regards,
Demet ÖZDEMİR

Independency Statement For Independent Board Members

AKENERJİ ELEKTRİK ÜRETİM A.Ş. BOARD OF DIRECTORS
CHAIRPERSONSHIP SUBJECT: Independency Statement

I declare that I am a candidate to assume the role of independent board member of AKENERJİ ELEKTRİK ÜRETİM ANONİM ŞİRKETİ ("Company"), within the scope of the criteria stipulated in the legislations, the Articles of Association, and the Capital Market Board's Communiqué on the Determination and Implementation of Corporate Governance Principles (Serial: II-17.1), accordingly:

- Within the last five years, no executive employment relationship granting important duties and responsibilities has been established between myself, my spouse, my second degree relatives by blood or by marriage and the Company, the partnerships in which the Company holds management control as per Turkish Financial Reporting Standards nr. 10, or the partnerships in which the Company holds significant influence as per Turkish Accounting Principles nr. 28, or the subsidiaries of the Company, or shareholders who control the management of the Company or who have significant influence in the Company, or juridical persons controlled by these shareholders; and that I neither possess more than 5% of any and all capital or voting rights or privileged shares, nor have significant commercial relations,
- Within the last five years, I have not worked as an executive manager holding important duties and responsibilities, nor have I been a member of the Board of Directors or been a shareholder (more than 5%), particularly in the companies that provide auditing, rating and consulting services for the Company (including tax audit, legal audit, internal audit), or in the companies from which the Company procures products and services or sells products and services to, within the framework of the agreements signed during the timeframe of selling/purchasing of the products and services,
- I do have the professional training, knowledge, and experience that will help me to properly carry out the tasks and duties I will assume as a result of my independent membership in the Board of Directors,
- In accordance with the legislation, I will not be working fulltime in public institutions or organizations except for any work as an academic at a university, after being elected as a member,
- I am considered a resident in Türkiye according to the Income Tax Law (n.193) dated 31.12.1960,
- I possess strong ethical standards, professional standing and experience that will help me positively contribute to the activities of the Company, and remain neutral in conflicts of interests between the company's shareholders, and that will help me make decisions freely by taking the rights of the stakeholders into consideration,
- I will be able to spare sufficient time for the business of the Company to an extent that will help me pursue the activities of the Company, and fulfill the requirements of my tasks and duties,
- I have not served as a board member on the Company's board for more than six years over the last decade,
- I have not been an independent member of the Board of Directors in more than three of the companies controlled by the Company, or by the shareholders who control the management of the Company, and in more than five publicly traded companies in total.

11.03.2022

Kind regards,
Petr KALAS



The Board of Directors

Structure and Formation of Board of Directors

The Board of Directors consists of 2 (two) independent, 1 (one) executive, and five (5) directors, as determined by the General Assembly within the scope of Article 11 entitled “Board of Directors” of the Company’s Articles of Association and in accordance with the principles stipulated in the Corporate Governance Communiqué (II-17.1). It consists of a total of 8 (eight) members, 5 (five) being non-executive.

The General Assembly appoints members of the Board of Directors for 3 (three) years. The General Assembly has the power to amend the board members at any time. If any membership is available within the scope of Article 363 of the Turkish Commercial Code, the remaining Board of Directors’ members appoint a new member. The new member or members elected in this manner serve until the first General Assembly meeting. The member’s appointment as principal is subject to the approval of the first General Assembly. If the General Assembly does not approve the member appointed by the Board of Directors, a new election is held for the vacant membership by the General Assembly.

The CVs (Curriculum Vitae) of the members of the Board of Directors are presented in the Company’s annual report. As of 31.12.2023 the Company’s Board Members are as follows;

Name Surname	Title	Date of Appointment	Time
Özlem ATAÜNAL	Chairperson of the Board (Non-Executive)	12.04.2022	3 Year
Mehmet KOCAOĞLU*	Board Member (Non-Executive)	01.06.2023	3 Year*
Tomas PLESKAC	Vice Chairperson of the Board (Non-Executive)	12.04.2022	3 Year
Ondrej DVORAK	Board Member (Non-Executive)	12.04.2022	3 Year
Serhan GENÇER	Board Member / General Manager (Executive)	12.04.2022	3 Year
Jaroslav MACEK	Board Member (Non-Executive)	12.04.2022	3 Year
Demet ÖZDEMİR	Independent Board Member	12.04.2022	3 Year
Petr KALAS	Independent Board Member	12.04.2022	3 Year

* He was elected on 12.04.2022 to complete the term of office of her predecessor, who was elected for 3 years.

In the Board of Directors, there are executive and non-executive members. A non - executive member of the Board of Directors is the person who - except his/her Board of Directors’ membership - is not in charge of any other administrative task in the Company and who is not involved in the daily work flow and in the ordinary activities of the Company. The majority of the members of the Board of Directors is composed of the non-executive members.

Although the Chairperson of the Board of Directors and the General Manager are different persons, the General Manager is also a member of the Board of Directors. Members of the Board of Directors allocate sufficient time for Company affairs. In the event that a member of the Board of Directors serves as a manager or a member of the Board of Directors in another company, the aforementioned situation doesn’t lead to a conflict of interest or hinder the responsibility of the member in the Company. Therefore, serving of the Members of the Board of Directors of some other duty or duties outside the Company is not regulated or restricted by certain rules. Duties fulfilled by the Members of the Board of Directors outside the Company are submitted for the information of the shareholders on the “Company General Information Form” page through the PDP, on the Company website, and in their CVs under the Corporate Governance section of the Annual Report. The members of the Board of Directors were elected to serve for a period of 3 years at the Ordinary General Assembly meeting held on 12.04.2022. With the resignation of Board Member Mehmet Emin ÇİFTÇİ, Mehmet KOCAOĞLU has been appointed as a Board Member in accordance with Article 363 of the Turkish Commercial Code, effective from June 1, 2023. This appointment is subject to approval at the first General Assembly meeting.

Among the members of the Board of Directors, there are independent members who have the capability of performing their duties without being influenced under any circumstances. Ms. Demet ÖZDEMİR and Mr. Petr KALAS were submitted for the approval of the Board of Directors as candidates for the post of independent Board of Directors following reports prepared respectively on 17.03.2022 by The Corporate Governance Committee, which fulfills the duties of the Nomination Committee, after taking into consideration the independence criteria.

The Independency Statements of our independent members of the Board of Directors are included in the Annual Report. In 2023, there was no condition terminating the independency of the Independent Members. Independent members have not served on the Company’s Board of Directors for more than six years in the last ten years, in line with the principles stipulated in the Corporate Governance Communiqué (II-17.1).

Female members constitute 25% of our Board of Directors, and the two female members of our Board of Directors are our Chairperson of the Board, Ms. Özlem ATAÜNAL and Independent Board Member, Ms. Demet ÖZDEMİR. It is one of our Company’s aims to have at least 25% female representation on the Board of Directors and to raise this representation even further. Progress made with respect to this aim is monitored by our Board of Directors.

Working Principles of the Board of Directors

The Board of Directors is responsible for the Company’s achievements, operational and financial performance objectives as determined and disclosed to the public. The Board of Directors carries out its activities in a transparent, accountable, just and responsible manner.

The Chairperson and Deputy Chairperson were appointed from among the Board Members, and duties were allocated accordingly.

Considering the opinions of related board committees, the Board of Directors establishes the internal control system in such a way as to include risk management and information systems and processes, which will minimize the effects of the risks impacting the Company’s stakeholders, mainly the shareholders.

The Board of Directors reviews the efficiency of risk management and internal control systems at least once a year.

Although not included in the Articles of Association, the authorities of the Chairperson of the Board of Directors and the General Manager are clearly defined and separated in the Company’s organizational chart. No one in the company is entrusted with unlimited authority to decide on an individual basis.

The Board of Directors plays a part in the preservation of effective communication between shareholders and the company, and in settling and resolving any disputes that may arise among them. In this respect, the Board of Directors is in constant contact with the Corporate Governance Committee and the Investor Relations Department.

The potential faults of the Board members during their duties and the potential damages they may cause to the Company have been insured by our Company in accordance with the Corporate Governance Principles stated in the Capital Markets Board’s Corporate Governance Communiqué II-17.1, Article 4.2.8. The insurance covers an amount exceeding 25% of our Company’s capital and has been disclosed to the public through our special disclosure statement dated November 10, 2023, on the Public Disclosure Platform.

The Chairperson of the Board of Directors, getting in touch with the other members of the Board of Directors and the General Manager, determines the agenda of the Board of Directors’ meetings. On the other hand, other members may suggest changing the meeting agenda. In order to ensure equal information flow, information and documents related with the agenda items of the Board of Directors’ meeting are submitted to the review of the members of the Board of Directors, prior to the meeting. The members pay special attention to attend every meeting and to state their opinions, by reviewing the related information and documents of the meeting agenda items and by making



necessary preparations. The Board meetings can be held through remote access opportunities such as video conferencing, teleconferencing and the internet. The views of members who couldn't attend the meeting but communicated their views in writing to the Board of Directors, are submitted for the information of other members.

Pursuant to the Articles of Association of the Company, the Board of Directors convenes at least four times a year and at all times as required by the Company business.

In 2023, the Board of Directors convened 5 times. The majority of the members of the Board of Directors participated in all of these meetings and the attendance rate of the meetings was 92.5% on average. Decisions at the meetings were taken unanimously by the members attending the meeting. Members of the Board of Directors pass reasonable and detailed justifications for dissenting votes on the issues they disagree with in the minutes of the meeting. None of the members of the Board of Directors voted against any decision in the 2023 meetings. In 2023, the total number of decisions taken by the Board of Directors stood at 25.

In the Board of Directors, each member has one right to vote. In accordance with the Company's Articles of Association, at least 1 (one) more than half of the total number of Board Members must be present at the Board meetings. Likewise, the decisions of the Board of Directors are taken with the affirmative votes of at least 1 (one) more than half of the total number of Board Members. Each member of the Board of Directors has the right to one vote but does not have the right to cast a vote determining the Chairman of the Board of Directors. The General Assembly convenes with the presence of shareholders representing at least 69% of the Company's capital, subject to the provisions of the Turkish Commercial Code and the Capital Markets Law specifying higher thresholds. Decisions are made with the affirmative votes of shareholders representing at least 69% of the Company's capital. This rule also applies to board member elections.

The provisions of the Company's Articles of Association and relevant legislation are applied regarding how the meetings of the Board of Directors and calls will be made.

In the meetings of the Board of Directors, the issues on the agenda are discussed clearly and in all respects. The Chairperson of the Board of Directors makes the best effort to ensure the effective participation of non-executive members in the meetings of the Board of Directors.

Weighted voting right or negative veto right was not granted to the Board Members.

Strategic Goals of the Company

The Board of Directors administrates and represents the Company by keeping the risk, growth and return balance of the Company at the most appropriate level with its strategic decisions to be made and protecting the long term interests of the Company primarily with its rational and prudent risk management approach.

The Board of Directors defines the strategic goals of the Company, determines the human and financial resources to be needed by the Company and audits performance of the management. The Board of Directors supervises compliance of the Company operations with the legislation, the Articles of Association, the internal regulations and the established policies.

The Company's short and long-term performances and strategic objectives are evaluated, and the necessary action plans are carried out according to the results obtained in the meetings held on a regular basis, and headed by the General Manager. The Board of Directors is responsible for achieving the Company's determined targets. The Board of Directors reviews the degree to which the Company achieves its objectives, its activities and its past performance. The Board of Directors believe and partake in self-criticism and performance evaluations for both Board Members and executives with administrative responsibility. In this context, the Board of Directors evaluated that the Company has achieved its operational and financial performance targets in 2023. The Company does not have a target that it failed to reach within the activity period and there is no General Assembly decision it has not fulfilled.

Financial Rights

Remuneration principles for the members of the Board of Directors and senior executives are recorded in writing, and the shareholders were given the opportunity to express their opinions by submitting this for their information as an individual article on the Ordinary General Assembly agenda.

The Remuneration Policy for the Board of Directors and Executive Managers prepared for this purpose is published on the Company website. The Remuneration Policy for the Board of Directors and Senior Managers is presented to the General Assembly.

According to the relevant article of the Corporate Governance Communiqué (II-17.1) Annex-1 Capital Markets Board Corporate Governance Principles, dividends, share options, or payment plans based on the Company's performance are not taken into account in the remuneration of the Independent Board Members. The wages of the independent members of the Board of Directors were determined at a level that ensured their independence at the General Assembly.

The Company does not extend loans or credit to any member of the Board of Directors, or to senior executives, and does not give assurances such as warranty in favor of them.

Wages and all other benefits provided to the Members of the Board of Directors and senior executives are disclosed to the public entirely through the annual report, and Note 29 to the financial statements, under the subheading of "Payments to the executive managers of the Group". These statements are not made on an individual basis, and includes Members of the Board of Directors and the senior executives.

Evaluation of the Board of Directors on Working Principles and Effectiveness of Board Committees

The Company's Board of Directors revises the structure and activities of the existing committees within the framework of provisions set under the Capital Markets Board's Corporate Governance Communiqué. Hence, the Audit Committee, Early Detection of Risk Committee and Corporate Governance Committee have been established. The duties and responsibilities of the Nomination Committee and the Remuneration Committee are fulfilled by the Corporate Governance Committee. With the decisions of the Board of Directors following the election of the Chairperson and Members made in accordance with Corporate Governance Principles;

DMs. Demet ÖZDEMİR, an independent member of the Board of Directors was appointed as Head of the Audit Committee and another independent member of the Board of Directors, Mr. Petr KALAS, was appointed as member of the Audit Committee. Mr. Petr KALAS, independent Board Member, was appointed as Head of the Corporate Governance Committee and Board Member Ms. Demet ÖZDEMİR and senior managers Mr. Ondrej DVORAK and Ms. Özge ÖZEN AKSOY were appointed as members of the Corporate Governance Committee. Independent Board Member Ms. Demet ÖZDEMİR was appointed as the Head of the Early Detection of Risk Committee and Board Member Mr. Petr KALAS was appointed as a member of the committee.

All members of the Audit Committee and the Early Detection of Risk Committee and the Chairperson of the Corporate Governance Committee were elected among the Independent Members of the Board of Directors. Ms. Demet ÖZDEMİR, member of the Corporate Governance Committee, is an independent Board member. Mr. Ondrej DVORAK is a Board Member. Ms. Özge ÖZEN AKSOY who is not a member of the Board of Directors, is an expert in her field, meanwhile, serves as a member of the Corporate Governance Committee as an Investor Relations Manager, equipped with licences required by the legislation. The General Manager is not assigned to any committee. Although we do not allow a member of the Board of Directors to take part in more than one committee, independent members of the Board are appointed in other committees as well, given their knowledge and experience. The Audit Committee and the Early Detection of Risk Committee are composed of two independent members, one Chairperson and one member. The Chairperson of the Audit Committee is also the Chairperson of the Early Detection of Risk Committee and the Corporate Governance Committee. The Chairperson of the Corporate Governance Committee is also a member of the Audit Committee and the Early Risk Detection Committee. The Board of Directors provides all the necessary resources and support required by the committees to perform their duties. The committees may invite the manager, who they deem necessary, to their meetings in order to seek their opinions.

The Board of Directors and affiliated committees benefit from opinions of independent specialists/ consultant in subjects that they need regarding their activities. Costs of the consultancy services needed by the committees are covered by the Company. No such service was obtained in 2023. The committees keep written records of all activities carried out by them. The committees convene in a frequency, deemed necessary for the effectiveness of their activities and set forth in the working principles. They submit reports containing information regarding their activities and meeting results to the Board of Directors.



The duties and working principles of the aforementioned committees were determined by the Board of Directors and were made available to the public via the Company’s website and the Public Disclosure Platform. In 2023, all Board of Directors’ Committees fulfilled the duties and responsibilities they had to perform effectively and in accordance with the Corporate Governance Principles and duties as well as working principles.

(As of 31.12.2023)

Committee in Charge of Audit

Name Surname	Title
Demet ÖZDEMİR Petr KALAS	Chairperson of the committee (Independent Board Member) Member of the committee (Independent Board Member)

Corporate Governance Committee

Name Surname	Title
Petr KALAS	Chairperson of the committee (Independent Board Member)
Demet ÖZDEMİR	Member of the committee (Independent Board Member)
Ondrej DVORAK	Member of the committee
Özge ÖZEN AKSOY	Member of the committee

Early Risk Detection Committee

Name Surname	Title
Demet ÖZDEMİR Petr KALAS	Chairperson of the committee (Independent Board Member) Member of the committee (Independent Board Member)

Committee in Charge of Audit

The Audit Committee is responsible for taking all necessary measures to ensure that all internal and independent audits are conducted in an adequate and transparent manner and for effectively implementing the internal control system. In this context, the Committee has forwarded its suggestions to the Board of Directors on the issues that it is responsible for, including conveying its opinions and suggestions regarding the internal audit and internal control system.

The actions taken by the Board of Directors on the following issues are taken based on these reports:

- Selection of an independent audit firm,
- Determining the scope of service to be received from the independent audit firm,
- Examination of financial reports before they are submitted to the Board of Directors,
- Preparation of the Internal Audit plan, follow-up of audit reports, findings and corrective actions,

The company has fulfilled its obligation to monitor the operation and effectiveness of the internal control system. Among the members of the Audit Committee within the Company, there are members who have experience in the fields of accounting / auditing and finance. The committee oversees the Company’s accounting system, public disclosure of financial information, and independent audit, as well as the functioning and effectiveness of the Company’s internal control and internal audit systems. The selection of an independent auditing firm, identification of the services to be received from this firm, preparation of independent audit contracts, initiation of the independent audit process, and the works of the independent auditing firm at every stage, are all carried out under the supervision of the audit committee.The independent auditing firm that will provide services to the Company, and the services to be received from this firm, are determined by the Audit Committee and then submitted to

the Board of Directors for approval. The examination and conclusion of the complaints received by the Company regarding the Company’s accounting, internal control system and independent audit are carried out by the Committee in Charge of Audit. The Audit Committee reports its evaluations concerning the truthfulness and accuracy of the annual and interim financial statements to be disclosed to the public, according to the accounting principles followed by the Company, together with the evaluations of the Company’s respective executives and independent auditors, to the Board of Directors in written form. The Audit Committee immediately notifies the Board of Directors in writing about its findings that fall under the Committee’s duties and responsibilities, as well as its evaluations and recommendations in respect thereof. The Audit Committee convened 4 times in 2023 and the results of the meetings were recorded in the minutes of the said meetings and submitted to the Board of Directors. 7 reports were submitted by the Audit Committee to the Board of Directors during the 2023 accounting period. The participation rate in these meetings was 100%.

Corporate Governance Committee

The Corporate Governance Committee has been established to monitor the Company’s compliance with the Corporate Governance Principles, to carry out improvement activities in this regard and to submit proposals to the Board of Directors. The committee is responsible for determining whether the Corporate Governance Principles are applied in the Company or not, and if not, the reasons behind it and conflicts of interest arising from not following them. Carrying out its work in this context in 2023, the Committee also observed the work of the Investor Relations Department.

The Corporate Governance Committee serves as the Nomination Committee and the Remuneration Committee as well. It is responsible for the following duties; Establishing a transparent system for identifying, evaluating and training appropriate candidates for the Board of Directors and managerial positions with administrative responsibility, and determining policies and strategies in this regard, To make regular evaluations regarding the structure and efficiency of the Board of Directors and to present to the Board of Directors the recommendations regarding the amendments to these issues, Expressing its opinions on establishing the remuneration principles by taking the recommendations of the members of the Board of Directors and senior executives, while at the same time by taking into consideration the long-term objectives of the Company. It also carries out the duties of determining the criteria that can be used in remuneration in connection with the performance of the Company and the members of the Board of Directors. The Corporate Governance Committee convened 1 times one of which was as the Nomination Committee- in 2023. The participation rate in these meetings was 100%.

Early Risk Detection Committee

Due to the alignment with article 378 of the Turkish Commercial Code, which was enacted in July 2012, the Early Detection of Risk Committee was established under the supervision of the Akenerji Board of Directors. The Committee ensures early detection of risk, taking the necessary precautions related to the risks identified, and management of the risk. To fulfill its duties and responsibilities, the Committee presents reports to the Board of Directors, every two months.

The Committee for the Early Detection of Risk was established by the Board of Directors on 24.09.2013 in accordance with the provisions of the relevant legislation.

The Committee makes recommendations and suggestions to the Board of Directors on early detection, evaluation and assessment of the impact and probabilities of any type of risks that may affect the Company, be it strategic, financial or operational. The committee also makes proposals on the management of these risks in accordance with the corporate risk-taking profile of the Company, reporting, implementation of necessary measures related to identified risks, taking into consideration in decisionmaking mechanisms and establishment and integration of effective internal control systems. The effectiveness of the Company’s risk management and internal control systems is reviewed at least once a year by the Early Risk Detection Committee.

The Committee for the Early Detection of Risk convened 4 times in 2023 and submitted 6 reports to the Board of Directors pertaining to their activities and the results of the meetings held during the year. The participation rate in these meetings was 100%.



Investor Relations

Shareholders

Investor Relations Department

The Investor Relations Department (“Department”), serves under the Assistant General Manager of Accounting and Finance, and plays an active role in protecting and facilitating the use of shareholder rights, especially the right to obtain and evaluate information.

Information regarding the employees responsible for the Company’s Investor Relations Department is provided below.

Özge ÖZEN AKSOY

Investor Relations Department Manager, Financing and Financial Affairs Assistant General Manager

Phone: 0212 249 82 82/21109

e-mail: oozen@akenerji.com.tr

Nilüfer AYDOĞAN

Budget and Control Manager

Phone: 0212 249 82 82/21130

e-mail: naltintasi@akenerji.com.tr

Ms. Özge ÖZEN AKSOY, Investor Relations Department Manager and Financing and Financial Affairs Assistant General Manager of the Company, holds the Capital Market Activities Advanced Level (License No: 202048) and the Corporate Governance Rating Expertise (License No: 700538) licenses. She works as a full-time manager Financing and Financial Affairs Assistant General Manager. At the same time, she continues to be a member of the Corporate Governance Committee.

Furthermore, in order to demonstrate an effective approach in relations with shareholders, the Investor Relations Department communicates the messages of the Board, and the management strategies pertaining to the Company, to shareholders, in

parallel with public disclosures and material disclosures, through meetings held in the presence of intermediaries.

The Investor Relations Department operates to provide accurate, timely and consistent information to current and potential investors, analysts and 3rd parties on request, to enhance the Company’s recognition and credibility, to reduce the Company’s cost of capital through the implementation of Corporate Governance principles, and to ensure communications between the Board of Directors and participants of the capital market.

In parallel with this objective, the Company places great emphasis on communication with shareholders and investors and maintains an active investor relations program. The Company has established an accessible and transparent communication platform with all its shareholders. In this context, in addition to the various briefings held periodically, it also answers questions through meetings or e-mails upon request. Requests from brokerage houses, institutional investors and individual investors are met in quarterly, periodic and interim periods by meetings and/or through e-mails upon request. Verbal and written information requests of shareholders, potential shareholders, analysts, academicians and students conducting research about the Company or the sector, are met as soon as possible by meetings, phone calls or e-mails. In 2023, 85 requests were submitted to the department by

individual investors of which 50 were answered via e-mail and 35 by phone. In addition, one-on-one meetings were held with 7 investor companies. In addition, conference calls were held following the announcement of quarterly financial results.

The report dated 29 January 2024 concerning the activities carried out in 2023 which was prepared by the Investor Relations Department, pursuant to Article 11 of the Capital Markets Board’s (CMB) Corporate Governance Communiqué Serial: 11-17.1, was submitted to the Company’s Board of Directors on 1 March 2024.

Respectfully,

Nilüfer AYDOĞAN

Budget and Control Manager

Investor Relations Department Officer

Özge ÖZEN AKSOY

Financing and Financial Affairs Assistant General Manager

Investor Relations Department Manager

Investor Relations Department Annual Report

The fundamental duty of the Akenerji Elektrik Üretim A.Ş. Investor Relations Department is a management approach model that is compliant with the legal regulation, and is transparent, accountable, fair and responsible. To attain this target, Akenerji uses and manages the investor relations organ in order to give stakeholders comprehensive and precise information about the course of its stocks.

Included among the basic working principles of the Investor Relations Department are the accessibility of information and its immediate return to shareholders, as well as transparency, consistency and promptness of the said information. For this purpose, it is essential to keep the existing information on the Company’s website up-to-date. Accordingly, the Investor Relations Department aims to closely follow-up and fully analyze the Company’s activities, and have a good grasp of the Company’s strategies and create difference by communicating these strategies through the most efficient methods.

Major Developments in 2023

In 2023, the Investor Relations Department took an active role in the General Assembly and Integrated Annual report processes. The aim was to answer, fully and accurately, the questions from the Capital Markets Board, immediately deliver the documents and information requested, and ensure accurate and efficient communication with the Board: The Investor Relations Department’s activities were conducted in this scope during 2023.

Moreover, all shareholders received appropriate responses for investors’ questions by providing the same information, and preserving the principle of equal treatment. The questions received from investors during 2023 can be categorized as follows; new developments in the energy market, fluctuations in market prices, measures taken against foreign exchange risk, and cash management, plant performance, new investments and share certificate performance. It was ensured that the disclosures made to the public via the Public Disclosure Platform are on time, accurate, complete, comprehensible and interpretable, and care was taken to inform all shareholders about developments in an equitable and simultaneous manner.



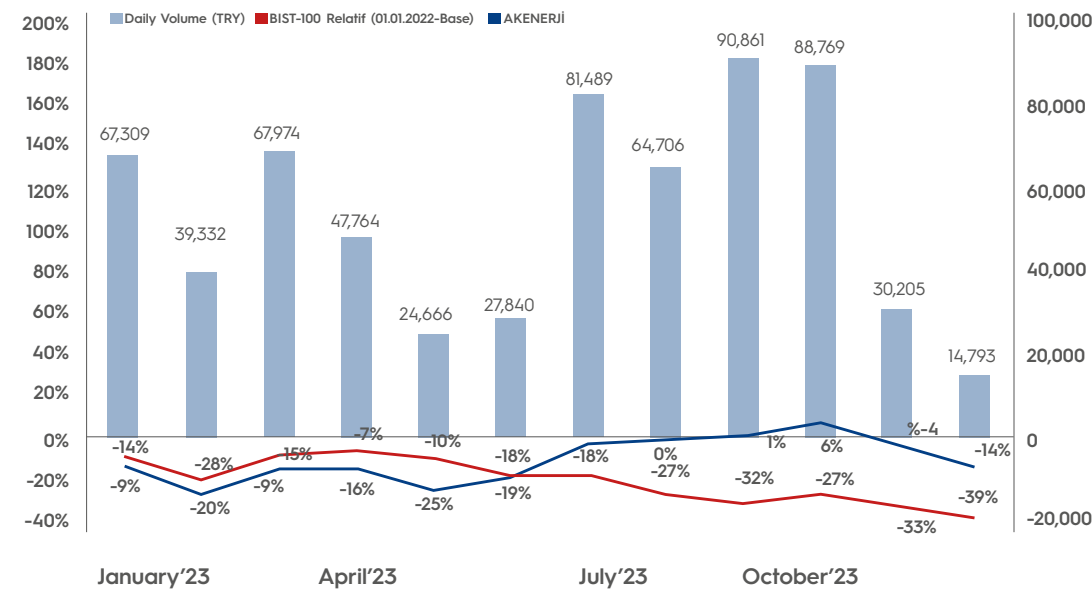
Other activities that the Investor Relations Department conducted within the year are summarized below:

- Twenty two (22) material disclosures on the Public
- Sponsoring promotional activities of the Czech Republic in Türkiye, Sponsorship of Türkiye Energy Summit Panel, participation in the forms of a speaker and a sponsorship in various digital organization.
- 3 press releases,
- 9 files of news work
- Two TV appearances as guest or participant in interviews.
- In 2023, a total of 1,128 news was published about Akenerji. Out of these, 81 were in the written press, 1,047 were on the digital media.

Share Performance

Our company shares are traded in the following indices on the Borsa İstanbul (BİST) Stock Market, and our share performance is presented in the graph below:

- BIST Istanbul
- BIST Services
- BIST 500
- BIST All
- BIST Main
- BIST All-100
- BIST Corporate Governance
- BIST Electricity
- BIST Sustainability



2023	Daily Volume	Bist-100 Relative (01.01.2022 = Base)	AKENERJİ
January	67.309	-9%	-14%
February	39.332	-20%	-28%
March	67.974	-9%	-15%
April	47.764	-7%	-16%
May	24.666	-10%	-25%
June	27.840	-18%	-19%
July	81.489	-18%	-3%
August	64.706	-27%	0%
September	90.861	-32%	1%
October	88.769	-27%	6%
November	30.205	-33%	-4%
December	14.793	-39%	-14%

Company shares have been traded on BIST since 2000. The last 5 (five) year performance of the shares is summarized in the table below:

Share Information	2019	2020	2021	2022	2023
Lowest Price (TRY)	0.44	0.61	1.21	1.35	3.52
Highest Price (TRY)	1.14	2.78	2.52	7.07	7.18
Year-end price (TRY)	1.09	2.21	1.82	5.33	4.28
Paid-in Capital (x1000 TRY)	729,164	729,164	729,164	729,164	729,164
Market Value (x1000 TRY)	794,789	1,611,452	1,327,078	3,886,444	3,120,822

Investor Relations Department Contact

Phone : +90 212 249 82 82
Fax : +90 212 249 73 55
E-mail : info@akenerji.com.tr
Address : Miralay Şefik Bey Sok. No:15 Akhan Beyoğlu / İstanbul



The General Assembly

Exercise of Shareholder's Right to Obtain Information

All shareholders have the right to obtain and analyze any kind of information that is not classified as a trade secret, within the framework of the regulations in effect. The right to obtain and analyze information has neither been removed nor restricted by the Articles of Association, or else by a decision of any corporate body. All shareholders, including minority and foreign shareholders, are treated equally.

Any type of information and explanation that may affect the use of the shareholder rights are regularly presented on the website (www.akenerji.com.tr) of the Company for the use of the shareholders. Further to the Capital Markets Board's related regulation provisions and the provisions of the Turkish Commercial Code, the Information Policy published on the Company's website determines Akenerji's public disclosure methods and means, as well as practices and principles regarding Akenerji's communication with capital markets participants.

Company information to be disclosed to the public is presented on the "Public Disclosure Platform" (www.kap.gov.tr) and on the Company's website in a timely, accurate, complete, understandable and easily accessible manner, and in a cost effective way, and so as to assist persons and establishments that may benefit from the disclosure to decide. Additionally, the "e-GOVERNANCE: Corporate Governance and Investor Relations Portal" is used for direct and effective informing of the Company's shareholders.

Principles regarding the public disclosure of information related to future issues are included in the information policy. When forward-looking information, assumptions, and data based on assumptions are disclosed, particular attention is paid such that these statements do not include baseless, exaggerated forecasts, and that they are not misleading. Attention is also shown such that these assumptions are in compliance with the financial status and operational results of the Company.

In the event that estimates and the grounds regarding the forward-looking information disclosed to the public do not come to fruition, or when it is understood that they shall not come to pass, the information is updated.

The Company refrains from making transactions which complicate the conduct of private audits. No additional provisions have been included on the right to request the appointment of a private auditor in the Articles of Association. There has been no request for the appointment of a special auditor in 2023.

General Assembly Meetings

The announcement of our Company's Ordinary General Assembly Meeting for 2022, held on April 26, 2023, was made in a way to reach as many shareholders as possible in addition to the procedures stipulated by the legislation. The announcement was made at least three weeks in advance excluding the announcement and meeting days, via the Company's corporate website at www.akenerji.com.tr, the Public Disclosure Platform "KAP" and the electronic general assembly system, and was published in the Turkish Trade Registry Gazette. The documents to be submitted for inspection by the shareholders in accordance with Article 437 of the Turkish Commercial Code No. 6102 were made available at the Company's headquarters and branch offices. Additionally, the "General Assembly Information Documents", which have been drawn up to include issues contained in Article 1.3.1 of the Capital Markets Board's (CMB) Corporate Governance Communiqué Serial: II-17.1, are published on the Company's website and Public Disclosure Platform (PDP) prior to the General Assembly, as well as the notice for the meeting and all notifications and explanations that should be made by the Company pursuant to the legislation.

Each proposal was presented explicitly and under a separate title on the General Assembly agenda. There were no subjects regarding the agenda of the Company's 2022 Ordinary General Assembly meeting dated April 26, 2023 communicated in writing by the shareholders to the Company's Investor Relations Department to be included in the agenda.

In 2023, the Company held one Ordinary General Assembly meeting. In order to expand and facilitate the attendance of shareholders to the General Assembly, particular attention was paid to hold the meeting in a central location in Istanbul that would not create inequality among the shareholders, and that would enable the shareholders to attend the meetings at the lowest possible cost. The meeting location was selected based on the estimated number of attendees. No members of the media participated in the meeting.

Our Shareholders were able to participate in the actual General Assembly meetings or do so electronically in the electronic environment. At the Ordinary General Assembly meeting held on April 26 2023, 54,585,713,489.5, (74.860%) out of 72,916,400,000 total outstanding shares forming the capital of the Company were represented. The minutes and attendees list of the General Assembly meeting were published on our corporate website www.akenerji.com.tr and on the Public Disclosure Platform (KAP).

Members of the Board of Directors in charge of the agenda items, other related persons, executives who were responsible for preparing the financial statements, and auditors were present at the Company's 2021 Ordinary General Assembly meeting in order to provide the necessary information and to answer questions.

No transactions came into question for which the affirmative vote of a majority of the independent members of the Board of Directors was sought for a resolution in the Board, nor was the relevant resolution left to the General Assembly due to negative votes.

All donations and aids made by the Company were briefed to the shareholders as a separate agenda item during the 2022 Ordinary General Assembly meeting, and information regarding the donations and aids made during the year was included in the annual report.

Although there are no provisions pertaining to this matter in the Articles of Association, General Assembly meetings are held open to the public, as stated in the Company's Internal Guidelines on Working Principles and Procedures of the General Assembly.

The shareholders who held management control in 2022, the members of the Board of Directors, the executive managers, and their first and second degree relatives by blood or by marriage, haven't carried out any significant transactions that may result in conflicts of interest, either with the Company or its subsidiaries. Furthermore, they haven't carried out any transactions in the same line of business as the Company or its subsidiaries, by themselves or on behalf of others, and haven't become partners without limits of liability in a company that is engaged in the same line of business. Likewise, there are no transactions carried out by people who also have access to Company information other than the aforesaid persons, on behalf of themselves, within the scope of the Company's line of business.

No person or organization is privileged to access the Company's information.

No Extraordinary General Assembly meeting was held during the period of 2023.



Voting Rights and Minority Rights

The Company avoids implementations that hinder the exercise of voting rights. It offers the opportunity to each shareholder, including those of foreign nationality, to exercise voting rights in the most convenient and suitable manner. There is one voting right for each share in the Company, and there is no privilege in the Company's Articles of Association for voting rights.

There is no representative of minority rights on the Board. The minority rights in the Company are subject to the Turkish Commercial Code, the Capital Markets Law, and relevant legislations, and haven't been determined to be less than one-twentieth of the share capital.

Dividend Rights

The Company's Dividend Distribution Policy, reorganized by our Board of Directors in line with provisions and principles stated in Dividend Notification article (no. II-19.1) of the Corporate Governance Notification of the Capital Markets Board, was presented to the General Assembly at the 2016 General Assembly Meeting, and approved by the shareholders. This was publicly announced on the Company's website and included in the annual report.

The Company's Dividend Distribution Policy contains clear and minimal information enabling investors to foresee the distribution procedures and principles of the profit to be gained by the Company in future periods. A policy maintaining the balance between the benefits of shareholders and the benefit of the Company is being followed in dividend distribution, as detailed in the Company's Dividend Distribution Policy.

The Company's Dividend Distribution Policy is included in the Annual Report.

There are no privileges for participation in the profit of the Company.

During the 2022 Ordinary General Assembly meeting, it was resolved:

1. Our consolidated financial statements for 2022 were prepared in accordance with the Tax Procedure Law ('VUK') and the Capital Markets Board's Communiqué Serial: II, No: 14.1 on the Principles of Financial Reporting in the Capital Markets. Since there is a loss in our consolidated financial statements for 2021, there was no dividend distribution.

2. To reserve the net period loss in the legal records of the Company, prepared according to the provisions of the Tax Procedure Law (TPL), and the net period loss in the financial statements, prepared pursuant to the CMB's Communiqué Serial: II-14.1, in the consolidated financial statements of the Company.

Transfer of Shares

Article 8 of the Articles of Association pertaining to the transfer of shares is as follows:

Within the pre-license period and until the generation license is obtained, except for the exceptions specified in the Electricity Market Licensing Regulation, direct or indirect changes in the partnership structure of the Company, the transfer of shares or transactions that will result in the transfer cannot be carried out. The aforementioned provision does not apply to share transfer transactions carried out on the stock exchange.

For the acquisition of the shares representing five percent or more of the Company's capital directly or indirectly by a natural or legal person after the generation license is obtained, and the transfer of shares or share certificates that result in a change in the control of the Company's shareholding

structure, regardless of the capital share changes mentioned above, it is obligatory to obtain the approval of the Energy Market Regulatory Authority each time for such transactions before the transaction is carried out. If the share transfer is not completed within six months from the date of approval, the given approval becomes invalid. The aforementioned provision does not apply to share transfer transactions carried out on the stock exchange.

In the context of irrevocable project financing, if banks and / or financial institutions have control over the Company and / or have an affiliate relationship with the Company, as required by the loan agreement, such as the default of the Company and these banks have exceeded the market share limits as envisaged by the regulations, such breach will be eliminated by the banks and / or financial institutions within the time given by the Energy Market and Regulatory Authority.

Regulations of the Capital Markets Board shall apply to transfers of registered shares that are traded.

Transfer of the registered shares of the Company shall be subject to the relevant provisions of the Turkish Commercial Code, the Capital Markets Law and the Electric Market Law.

Control of Company Management

According to the regulations in Article 26 of the Capital Markets Law, ownership, either individually or collectively with others, of more than fifty percent of the voting rights of the company, directly or indirectly, and having privileged shares that grant the right to elect or nominate a majority of the board members or to propose candidates for the specified number of memberships in the General Assembly is considered as obtaining management control. Turkish law outlines various procedural mechanisms pertaining to the acquisition of management control over the company.

According to Article 11 of the Tender Offer Communiqué II-26.1, published by the Capital Markets Board, in the event of acquiring shares or voting rights that provide management control over the company, individuals gaining management control must make a public call to other shareholders to purchase their shares. For privileged shares, as per Article 12 of the Tender Offer Communiqué II-26.1, in the case of acquiring privileged shares that grant the right to elect a majority of the board members or propose candidates for the specified number of memberships in the General Assembly for public joint-stock companies, the obligation to make a public call arises regardless of whether 50% of the share capital and voting rights of the public joint-stock company have been acquired.

Our company operates in compliance with the regulations, and as the public disclosure rate of our company is 25.28%, we do not have a structure that poses a risk of acquiring management control. In addition, there are no privileged shares in our company.

Public Disclosure And Transparency

Corporate Website and Content

The Company's www.akenerji.com.tr website is actively used for public disclosures. The address of the website is included in the Company letterhead.

The Company's website is designed and updated in accordance with Article 2.1 of the Capital Markets Board's (CMB) Corporate Governance Communiqué Serial: II-17.1, the Turkish commercial Code, and relevant secondary legislation. Any stakeholders who wish to obtain more information on the Company can access Company officers through the e-mail address, info@akenerji.com.tr.

The Company's shareholding structure is disclosed and updated on the Company's corporate website in such a way as to show shareholder's names, share amounts and rates. Basic information contained on the website is also prepared in English for the use of international investors. In addition, international investors who require further information on the Company can access company officers via the info@akenerji.com.tr e-mail address. ulaşabilirler.



Annual Report

The Board of Directors of the Company has drawn up the annual report on the basis of the Turkish Commercial Code and Capital Markets Board regulations, providing sufficient detail for the public to acquire complete and accurate information on the Company’s operations. The annual report contains all information regulated under Corporate Governance Principles.

Ethical Principles of Akenerji

The Company stakeholders are persons, institutions and interest groups that are associated with the Company in terms of achieving its goals, or else related to its activities, such as employees, creditors, customers, suppliers, and various non-governmental organizations. The activities of the Company are carried out within the frame of the ethical principles announced to the public via the website of the Company. The ethical principles of the Company guarantee the rights of stakeholders that are regulated by legislations and mutual agreements. Stakeholders are informed within the frame of the policy the Company has developed in line with the prevailing legislation and ethical principles. In addition, the company aims to inform all stakeholders through press releases, the Annual Report, the corporate website and transparencybased disclosure practices. Intranet and printed documents are used actively for employees and an Akenerji e-Bulletin is published. In performing their duties, the employees of the Company are expected to fulfill their obligations by keeping the interests of the Company above the interests of themselves, family and relatives. Employees are expected to refrain from any initiative which may amount to taking advantage for themselves or their relatives. Foreseeable situations of conflict of interest and such situations as defined by the Company management are shared with the employees and the necessary measures are taken by the management of the Company. The ethical values of the Company have been established and these values have been announced to the public on the Company’s corporate website. Moreover, the Company stakeholders are informed about any issues concerning them, either through meetings or by e-mails and phone calls.

Akenerji’s Ethical Principles and the related complaint and resolution mechanism are important in creating a workplace where all key stakeholders, including our employees, business partners, and suppliers, feel physically and psychologically safe. They serve the sub-goals under Sustainable Development Goal 16, which include Peace, Justice and Strong Institutions.

In cases where the rights of stakeholders stipulated in legislation and contracts are expressly violated by the Company within the framework of legislation and contracts, recourse to indemnification is provided by the Company. The Company ensures the convenience necessary for the utilization of mechanisms such as indemnification provided for stakeholders in legislation or contract. The Company does not have a particular indemnification policy regarding its employees, and such employee rights are protected within the scope of relevant legislation.

The stakeholders may communicate any transactions of the Company that are contrary to legislation or ethically inappropriate to the Corporate Governance Committee, or to the Ethics Representative, by e-mailing to etik@akenerji.com.tr. No such notification was made by stakeholders in 2023.

While the rights of employees who report their concerns about behavior contrary to legislation or ethical rules to the Company in good faith are protected, the Company takes the Necessary Action in the face of false accusations.

In case of conflicts of interest among the stakeholders or if a stakeholder is included in more than one interest group, we follow a balanced policy in terms of protecting the rights owned and aim to protect each right independently of each other.

The Company attaches importance to customer satisfaction in the sale of products and services, and takes the necessary measures pertaining to this.

The Company takes the required measures, reviews and updates its processes in order to establish and maintain relationships, which are in accordance with the laws and the provisions of the established agreement with the customers and suppliers, to which it provides goods and services, and to protect the international and sector standards in provision of goods and services.

Information pertaining to suppliers and customers is deemed within the scope of trade secrets, and attention is paid to its confidentiality.

It is essential that demands of the customer in respect of the goods or services purchased by the customer are immediately fulfilled, if any, in accordance with the agreement provisions, otherwise in accordance with the legislation provisions, and customers are informed regarding the delays without waiting for the deadline.

The Company selects its suppliers in accordance with the Supplier Selection and Evaluation Procedure and evaluates their performance on an annual basis. During the evaluation, quality, compliance with delivery time, payment terms and complaints are evaluated on the Oracle e-business management system. As a result of this evaluation, the Approved Supplier List is created at the end of the year.

The Company is sensitive to its social responsibilities. It complies with the regulations and ethical rules regarding the environment, consumers and public health. The Company supports and respects internationally recognized human rights.

The Company takes measures against all kinds of corruption, including bribery and extortion. The necessary awareness raising and control activities are coordinated by the Human Resources Department.

Business Ethics	2022	2023
Number of notifications received on the ethics line	0	0
Number of notifications received on the ethics line and resolved during the year	0	0
Number of discrimination notifications received on the ethics line	0	0
Number of nuisance / harassment notifications received on the ethics line	0	0
Number of child labor / forced labor notifications received on the ethics line	0	0
Number of information security notifications received on the ethics line	0	0
Total training (hours) on ethics (including human rights)	17 hours	30.5 hours
Number of employees who received ethics training	34 individuals	61 individuals
Ethics training per person (hours)	30 minutes	30 minutes
	Headquarters: 3.38%	Headquarters: 49%
Employee coverage ratio of trainings on ethics	Facilities: 8.13%	Facilities: 7%
What topics are included in ethics trainings?		
(Bribe/Corruption/Fraud/Discrimination/Mobbing/Harassment/Human Rights)	All	All

Anti-Bribery and Corruption	2022	2023
Number of detected bribery/corruption cases	0	0
Number of disciplinary penalties given to employees for bribery/corruption	0	0
Termination of employment due to a bribery/corruption case	0	0
Number of public lawsuits filed against the company regarding bribery/corruption	0	0
Number of suppliers who were found to be involved in bribery/corruption related cases and whose business relationship was terminated	0	0

Legal Compliance at Akenerji

In 2023, there was no legislative change that would significantly change the operations of our Company.

in 2023;

- There are no finalized non-compliance penalties against the company.
- There are no lawsuits filed and/or concluded against environmental, social and corporate governance issues.
- There were no cases of corruption or bribery or any human rights violations, discrimination and/ or mobbing cases within the scope of the company’s activities.



Corporate Governance Principles Compliance Statement

Akenerji Elektrik Üretim Anonim Şirketi ("Akenerji", or "the Company"), targeting continuous creation of value for its customers, employees and shareholders, is well aware that in the current period of high competition and rapid change, the quality of corporate governance practices and financial performance are of equal importance. Corporate governance of a high standard brings about low cost of capital, increases funding opportunities and liquidity, and as a result, enhances competitiveness. In this context, all mandatory corporate governance principles stipulated in the Corporate Governance Communiqué of the Capital Markets Board (II-17.1) are complied with. Utmost care is taken to implement discretionary principles and raise compliance.

Pursuant to Article 6 of the Capital Markets Board's Corporate Governance Communiqué numbered (II-17.1), the principle that Akenerji is exempt from is defined below:

Within the scope of clause one of the said article, which reads, 'The criteria stated under principle numbered (4.3.4.) regarding the number of independent board members shall not be applied for third group corporations and joint ventures, except for banks, formed of two real persons or legal entities who do not have a capital, management or auditing relationship with respect to a minimum 51% of each other's capital, independent of each other and sharing the management control of the partnership equally with an agreement requiring positive votes by both parties for significant decisions with regard to the corporations, provided that any application made in relation thereto should be accepted by two Independent Board members, shall be sufficient in these corporations.', Akenerji's **board includes two independent members**, which is also approved by the Capital Markets Board's decision dated 17.04.2012 and numbered B.02.6.SP.K.013.199-1121, as Akenerji is a joint venture, formed of two legal entities that do not have a capital, management or auditing relationship with respect to a minimum 51% of each other's capital, independent of each other and sharing the management control of the partnership equally with an agreement requiring positive votes by both parties for significant decisions with regard to the corporation.

The reason for not applying the non-obligatory principles that are stipulated under Corporate Governance Communiqué numbered (II-17.1) of the Capital Markets Board are provided below:

- Referring to "Corporate Governance Communiqué" No. 1.3.11, although there are no provisions in this regard in the Articles of Association, General Assembly meetings are held open to the public, as stated in the Company's Internal Guidelines of the General Assembly.
- Referring to "Corporate Governance Communiqué" No. 1.5.2, utmost care is given to the utilization of minority rights, but there is no representative of minority rights on the Board. In addition, minority rights are not recognized for persons possessing less than one-twentieth of the share capital.
- Referring to "Corporate Governance Communiqué" No. 3.1.2, a compensation policy hasn't been created for the Company's employees. The compensation rights of the employees are protected under the relevant legislation.
- Corporate Governance Communiqué Principle numbered 3.2.1: There is no model or mechanism created pertaining to the issue of participation of stakeholders in the management. However, the independent members in the Board of Directors ensure that not only the Company and shareholders, but also all stakeholders are represented in the management. The Company takes into account the opinions and recommendations of employees, suppliers, various NGOs and all other stakeholders, as well as customer satisfaction questionnaires.
- Referring to "Corporate Governance Communiqué" No. 4.2.5, although there are no provisions in

this regard in the Articles of Association, the Company's Chairperson of the Board of Directors and General Manager are different persons. The duties and authorities of the Chairperson of the Board of Directors and the General Manager have been apportioned by the Company, and therefore no single official is able to approve decisions with unlimited authority.

- Referring to "Corporate Governance Communiqué" No. 4.2.8, any possible damages in the Company caused by members of the Board of Directors due to their negligence during the fulfillment of their duties are not insured directly by the Company. However, the liability insurance for any possible damages in the Company caused by members of the Board of Directors due to their negligence during the fulfillment of their duties was underwritten by our main partners, Akkök Holding A.Ş. and CEZ a.s., covering the relevant executives of the Company. No Material Disclosures have been made in this regard.
- Referring to "Corporate Governance Communiqué" No. 4.4.5, since the format of the Board of Directors' meetings has already been delineated in detail in the Company's Articles of Association, this format hasn't been put in writing with the Company's internal regulations.
- Referring to "Corporate Governance Communiqué" No. 4.4.7, Members of the Board of Directors spend sufficient time on their responsibilities in the Company. In the event that a member of the Board of Directors serves as a manager or a member of the Board of Directors in another company, the aforementioned situation doesn't lead to a conflict of interest and hinder the responsibility of the member in the Company. Therefore, serving of the Members of the Board of Directors in some other duty or duties outside the Company is not regulated and restricted by certain rules. Duties fulfilled by Member of the Board of Directors outside the Company are recorded in the "Company General Information Form" through the PDP, and the curriculum vitae of the Board members to be elected are shared through the "General Assembly information document" on PDP and the Company website prior to the General Assembly for election.
- Referring to "Corporate Governance Communiqué" No. 4.6.5, wages paid and all other benefits provided to the Members of the Board of Directors and the senior executives are disclosed to the public through the annual report. These statements are not made on an individual basis, and includes Members of the Board of Directors and the senior executives. This issue will be revised in the coming periods.

There is no conflict of interest arising from the foregoing non-obligatory principles governed under the Capital Markets Board's Corporate Governance Communiqué numbered (II-17.1). In the future period, the necessary works will be conducted in consideration of the developments and practices in the regulation towards alignment with Corporate Governance Principles.

On the 166-183. pages of our integrated report; "In accordance with the Decree No. 2/49 of the Capital Markets Board dated 10.01.2019 and the Corporate Governance Communiqué numbered II-17.1; the Corporate Governance Principles Compliance Report (URF) and the Corporate Governance Information Form are disclosed in the Public Disclosure Platform. The Corporate Governance Principles Compliance Report can be accessed under the "Summary Information" section of <https://www.kap.org.tr/tr/sistem-bilgileri/ozet/834-akenerji-elektrik-uretim-a-s> and the Corporate Governance Information Form is available at <https://www.kap.org.tr/en/cgif/4028e4a14184e9cf01419bfffce0b5a69> under the Corporate Governance section.



Significant Developments During the Period

General Assembly

The Ordinary General Assembly Meeting of the Company for the 2022 accounting period was held on April 26, 2023. Shareholders representing 74.860% of the total capital were represented at the meeting. Shareholders have exercised their right to ask questions and have not made any proposal other than the items on the agenda. There were no questions by the shareholders that needed to be answered in writing after the meeting in the event of not being answered during the meeting as stipulated by the Corporate Governance Communiqué no. II-17.1 of the Capital Markets Board.

Election of an Independent Auditor

According to the Turkish Commercial Code, to the amended Capital Markets Board Communiqué Serial: X, No: 28, on Independent Auditing Standards in Capital Markets and to the relevant provisions of the Energy Market Regulatory Authority dated 03.03.2015 and no. 5507 that require an independent audit for real persons and legal entities engaged in the energy market by independent audit institutions, our Company elected PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi, in line with the report of the Audit Committee, for the audit of our financial statements and reports for 2023, in the Ordinary General Assembly Meeting held on April 26, 2023.

Other Significant Developments

Our Company has completed the ‘Corporate Governance Rating Report,’ carried out by SAHA Corporate Governance and Credit Rating Services Inc., an authorized rating agency with permission to conduct evaluations by the Capital Markets Board (SPK) Corporate Governance Principles in Türkiye. The Corporate Governance Rating for our Company has been determined as 9.56 out of 10, with sub-scores as follows: Shareholders 95.28, Public Disclosure and Transparency 97.76, Stakeholders 97.43, and Board of Directors 93.45, all on a scale of 100.

To expand its electricity trading activities in the electricity market through its subsidiaries and, transfer its projects in this field to the European Union and neighboring countries, and conduct activities in these countries, our Company has established a new company named Aken Europe B.V. in the Netherlands with a capital of 150,000 Euros, fully owned by our wholly-owned subsidiary Akenerji Elektrik Enerjisi İthalat İhracat ve Toptan Ticaret A.Ş. (Akenerji Electric Energy Import Export and Wholesale Trade Inc.), with its entire capital on 31.07.2023.

By Article 4.2.8 of the Corporate Governance Principles included in the Capital Markets Board’s Corporate Governance Communiqué numbered II-17.1, The Executive Liability Insurance policy, with a total liability limit of USD 7,500,000 for an amount exceeding 25% of our Company’s capital, was signed to be valid for one year. This issue was announced on the Public Disclosure Platform with our special event statement dated 10.11.2023.

Other Statements

Information on cross shareholdings where the capital participation rate exceeds 5%
The Company does not have a subsidiary with which it has a cross shareholding relationship.

Information on the Company’s acquisition of its own shares
The Company hasn’t acquired any of its own shares.

Information on the private and public audits conducted during the accounting period
During the 2023 accounting period, independent audit was conducted in the Company as required by the legislation and internal audits performed in accordance with internal rules of the Company.

Information on any material lawsuits filed against the Company, which might have material impact on the Company’s financial status and activities, and the possible outcomes of such lawsuits, and explanations about administrative or judicial sanctions imposed on the Company and the members of the governing body due to practices in violation of applicable legislation
There are no material lawsuits filed in 2023 against the Company, which might have material impact on the Company’s financial status and activities, or administrative or judicial sanctions imposed on the Company and the members of the governing body due to practices in violation of the applicable legislation.

Information on any legislative changes which might have material impact on the Company’s activities
There were no legislative changes that might have material impact on the Company’s activities in 2023.

Information on any conflicts of interest between the Company and institutions which provide services in areas such as investment consultancy and rating, and the measures taken by the Company to prevent these conflicts of interest
There were no conflicts of interest between the Company and institutions that provide services in areas such as investment consultancy and rating in 2023.

Research and development activities of the Company
Akenerji does not conduct any R & D activities. Market research and other necessary analyses are carried out by means of organizations providing professional consulting services.

Determination on whether the Company has any unredeemed capital, or the Company is in a debt-choked status, and the evaluations of the management body
The Company has no unredeemed capital, and the Company is not in a debt-choked status.

Information regarding the related party transactions and balances required to be submitted to the partners in accordance with the legislation, and the benefits provided to the Board of Directors and senior executives
Information regarding the related party transactions and balances required to be submitted to the partners in accordance with the legislation, and the benefits provided to the Board of Directors and senior executives is provided in footnote No. 29, named Related Party Disclosures, in the Financial Statements section.

Information regarding the Company’s financial resources, and the nature and amount of the capital market instruments issued, if any
Information regarding the Company’s financial resources is provided in footnote No. 6, named “Financial Borrowings”, in the Financial Statements section. There are no capital market instruments issued during the year or still active.

After 2023

After the end of the operational year, within the framework of the memorandum submitted to the Presidency of the Energy Market Regulatory Authority by the Electricity Market Department on 16.01.2024, regarding the 202.15 MWm / 197.90 MWe installed capacity Kemah Dam HPP project planned to be established in the Kemah district of Erzincan province, and the production license dated 01.04.2009 with the number EÜ/2041-8/1453 granted to Ak-El Kemah Elektrik Üretim A.Ş.; due to the submission of the new (Water Usage Rights Agreement) (WURA), signed between Ak-El Kemah Elektrik Üretim A.Ş. and the General Directorate of State Hydraulic Works (SHW) on 05.01.2024, to the Energy Market Regulatory Authority (EPDK), the decision dated 18.01.2023 with the number 12354-5, made by the Energy Market Regulatory Board, to lift the suspension of Ak-El Kemah Elektrik Üretim A.Ş.’s obligations, as stated in the resolution dated 07.09.2023 with the number 12055-12, has been decided to be effective from 18.01.2024.

Other than that, there are no significant events of special importance that occurred in the Company after the end of the fiscal year that could affect the rights of shareholders, creditors, and other relevant individuals and organizations.



Risk Management and Internal Control

The Board of Directors establishes internal control systems, including risk management and information systems and processes, which may affect the Company's stakeholders and in particular the shareholders, by taking into consideration the opinions of the relevant committees of the Board.

Within the scope of Risk Management, the necessary systems are established, actions taken and monitored in order to ensure that risks and opportunities that may affect the Company's targets are defined, evaluated and managed within the framework of the policies determined by the Board of Directors. The Corporate Risk Management (CRM) project, which was launched in 2012, was completed in June 2013. A risk inventory was established across the Corporation and the roles and responsibilities in the CRM process were defined and regular reporting and monitoring activities were initiated. The risk inventory is one of the most critical monitoring tools used by Akenerji in its risk management efforts. Risk inventory includes the Company's operational, financial, reputation, compliance and strategic risks. Risks with a high risk score are monitored at the Board of Directors level, detailed action plans are created and a risk owner is assigned for each risk. The risk owner is responsible for managing the related risk within the framework of the agreed action plan. Thus, the philosophy of risk management has become a permanent item in the routine business agenda of Akenerji executives. This philosophy, which has been updated in line with sectoral and corporate developments, has become an integral part of the Company's practices. The Company's Risk Appetite Declaration, approved by the Board of Directors and updated in line with sectoral and corporate developments, is used by all business units as a guide in the implementation of risk mitigation activities.

Due to the alignment with article 378 of the Turkish Commercial Code, which was enacted in July 2012, the Early Detection of Risk Committee was established under the supervision of the Akenerji Board of Directors. The Committee ensures early detection of risk, taking the necessary precautions related to the risks identified, and management of the risk. The Akenerji independent member of the Board of Directors Demet ÖZDEMİR was appointed president of the Committee and Akenerji independent member of the Board of Directors Petr KALAS was appointed member of the Committee. To fulfill its duties and responsibilities, the Committee presents reports to the Board of Directors, every two months.

The Akenerji Strategic Planning and Risk Management Department determines and evaluates the risks in accordance with Company risk procedure and limits, and in coordination with the Unit Risk Responsible persons assigned for each unit. The Management prioritizes reports, and monitors the risks in line with the Risk Appetite

While the risks are managed within the framework of Corporate Risk Management, the Risk Management Committee was established in March 2015 to take quicker decisions and take immediate actions due to the changing market conditions (more liquid and competitive). The Committee members are composed of the General Manager, Assistant General Managers, Directors, and Strategic Planning and Risk Manager. The Committee convenes on a monthly basis, and it is ensured that the necessary actions are taken by discussing the risks that the company incurs/may incur in the changing market conditions.

Risks in Akenerji are assessed and followed up under 5 main headings:ana başlık altında değerlendirilir ve takip edilir:

- Reputational risks
- Compliance risks
- Strategic risks
- Operational risks
- Financial Risks

The year 2023 has been marked by significant changes in global and local economic dynamics, with prominent inflationary pressures and fluctuations in exchange rates.

In this context, in the year 2023, Akenerji has prioritized the risks associated with inflation and exchange rates, taking relevant actions. In this period of ongoing global economic uncertainties, the Company has focused on effective risk management and a proactive approach to mitigate risks, ensuring sustainable growth. Our company's risk management approach aims to enhance flexibility and resilience in this dynamic environment. Akenerji will continue to monitor economy-oriented risks in the context of risk management processes, with the anticipation that the global economic turmoil may continue in the coming period, and to report and monitor the risk inventory established enterprise-wide, on a regular basis.

The current internal control system, in particular the issues pertaining to raising the levels of effectiveness and efficiency in the operations of the Company, ensuring reliability in financial reporting and compliance with laws and regulations, is audited within the framework of the annual internal audit plan. This is carried out by Akenerji Internal Audit Department in coordination with the internal audit groups within our main shareholders, Akkök Holding A.Ş. and CEZ a.s. and the results of the audit are reported to the Audit Committee. The Audit Committee reporting to the Board of Directors supervises the internal audit function and internal audit program and reviews its effectiveness.

Where necessary, the Committee also received the views of the internal auditor, external auditor, or other Company executives.

Dividend Distribution Policy

Our Company makes dividend distribution in accordance with the Turkish Commercial Code, Capital Market Legislation, Tax Legislation and other applicable legislation and as per provision of Article 27 of our Company's Articles of Association regarding dividend distribution.

As a principle, our Company, in the event that it decides according to the following procedure to distribute dividend, shall make dividend distribution to shareholders and other people participating in the profit at least with a ratio of 30% of the yearly distributable net profit. Dividend distribution is subject to the decision to be adopted at the General Assembly pursuant to the proposal made by the Board of Directors each year in accordance with the regulations stipulated by Capital Market Legislation and Article 27 of our Company's Articles of Association and considering capital requirements, investment and financing policies, profitability and cash positions of our Company, its subsidiaries and affiliates and sector-specific and economic conditions.

In accordance with the profit distribution proposal of the Board of Directors, the dividend to be distributed depending on the decision to be taken at the General Assembly may be determined as all cash or all bonus shares, or as partly cash and partly bonus shares. There are no privileged dividends according to the Company's Articles of Association. In line with our dividend distribution policies, the dividends are distributed equally for all current shares of the Company on the day of dividend distribution, without considering the issuance and acquisition of the shares.

The General Assembly shall decide about the timing of the dividend payment in line with the Board of Directors proposal regarding dividend payment provided that it shall be started at latest as of the end of accounting period in which the General Assembly is held.

Interim dividends may be given to shareholders in line with the Turkish Commercial Code and the legislation of the Capital Market Board and the provisions of Article 27 of our Company's Articles of Association.

This dividend payment policy of our Company may be reviewed every year by the Board of Directors taking aforementioned subjects and conditions into consideration and submitted for approval of the General Assembly in case of an amendment proposal by the Board of Directors.



Dividend Distribution Proposal of the Board of Directors

Dear Shareholders,

The dividend distribution proposal of the Board of Directors is as follows;

Our Company's financial statements of 2023 which have been prepared according to the Communiqué on Principals Regarding Financial Reporting in Capital Markets Serial: II, No:14.1 of Capital Market Board ("CMB") reflects net period profit amounting to 5,039,858,378 TL and our Company's financial statements of 2023 which have been prepared in accordance with the Tax Procedure Law reflects net period loss amounting to 1,801,817,118.22 TL.

1. Not to distribute any dividend since there is a loss in our consolidated financial statements of 2023 prepared within the framework of the provisions of the Tax Procedure Law (TPL) and the Capital Markets Board's (CMB) Communiqué Serial: II-14.1 on "Principles Regarding Financial Reporting in Capital Markets",
2. To submit the abovementioned proposal of the Board of Directors for approval of our shareholders at the Ordinary General Assembly meeting for the year of 2023.

Sincerely,

Board of Directors

Statement of Responsibility

STATEMENT OF RESPONSIBILITY AS PER ARTICLE 9 OF THE CAPITAL MARKETS BOARD COMMUNIQUE SERIAL: II- 14.1 ON PRINCIPLES REGARDING FINANCIAL REPORTING IN CAPITAL MARKETS

The 2023 Integrated Annual Report which was prepared pursuant to the provisions of the Capital Markets Board's (CMB) Communiqué Serial: II-14.1 on "Principles Regarding Financial Reporting in Capital Markets" ("Communiqué"), and in compliance with the format and content specified by the CMB and the Corporate Governance Compliance Report, disclosed in accordance with the Corporate Governance Communiqué of the CMB, dated 10.01.2019 and decision number 2/49 II-17.1, together with the Corporate Governance Information Form; The Sustainability Compliance Report prepared within the scope of the CMB's Sustainability Principles Harmonization Framework;

Was examined by our side;

- Did not include any explanation contrary to the facts with respect to important matters, or any gaps that could be misleading as of the date when the explanation was made, to the extent of the information we have as per our duty and responsibility within the Company;
- To the extent of the information we have as per our duty and responsibility within the Company, the Integrated Annual Report, the Corporate Governance Compliance Report and the Corporate Governance Information Form and Sustainability Report reflect a true and fair view about the development and performance of the business, the financial status of the Company along with those under consolidation and together with the significant risks and uncertainties encountered. We hereby declare that we are responsible for the disclosure.

Yours Faithfully,

AKENERJİ ELEKTRİK ÜRETİM A.Ş.



CORPORATE GOVERNANCE COMPLIANCE REPORT

	STATUS OF COMPLIANCE					EXPLANATION
	Yes	Partially	No	Exempted	Irrelevant	
1.1. FACILITATING THE EXERCISE OF SHAREHOLDER RIGHTS						
1.1.2 - Up-to-date information and disclosures which may affect the exercise of shareholder rights are available to investors at the corporate website.	X					
1.2. RIGHT TO OBTAIN AND REVIEW INFORMATION						
1.2.1 - Management did not enter into any transaction that would complicate the conduct of special audit.	X					
1.3. GENERAL ASSEMBLY						
1.3.2 - The company ensures the clarity of the General Assembly agenda, and that an item on the agenda does not cover multiple topics.	X					
1.3.7 - Insiders with privileged information have informed the board of directors about transactions conducted on their behalf within the scope of the company's activities in order for these transactions to be presented at the General Shareholders' Meeting.					X	No person or organization is privileged to access the Company's information
1.3.8 - Members of the board of directors who are concerned with specific agenda items, auditors, and other related persons, as well as the officers who are responsible for the preparation of the financial statements were present at the General Shareholders' Meeting.	X					
1.3.10 - The agenda of the General Shareholders' Meeting included a The agenda of the General Shareholders' Meeting included a donations and contributions.	X					
1.3.11 - The General Shareholders' Meeting was held open to the public, including the stakeholders, without having the right to speak.	X					
1.4. VOTING RIGHTS						
1.4.1 - There is no restriction preventing shareholders from exercising their shareholder rights.	X					
1.4.2 - The company does not have shares that carry privileged voting rights.	X					
1.4.3 - The company withholds from exercising its voting rights at the General Shareholders' Meeting of any company with which it has cross ownership, in case such cross ownership provides management control.					X	None of the Company's partnerships has a cross shareholding.

CORPORATE GOVERNANCE COMPLIANCE REPORT

	STATUS OF COMPLIANCE					EXPLANATION
	Yes	Partially	No	Exempted	Irrelevant	
1.5. MINORITY RIGHTS						
1.5.1 - The company pays maximum diligence to the exercise of minority rights.	X					
1.5.2 - The Articles of Association extend the use of minority rights to those who own less than one twentieth of the outstanding shares, and expand the scope of the minority rights.			X			The ultimate attention is shown for the exercise of the minority rights. The minority rights in the Company are subject to the Turkish Commercial Code, the Capital Markets Law and relevant legislations, and haven't been determined to be less than one-twentieth of the share capital.
1.6. DIVIDEND RIGHT						
1.6.1 - The dividend policy approved by the General Shareholders' Meeting is posted on the company website.	X					
1.6.2 - The dividend distribution policy comprises the minimum information to ensure that the shareholders can have an opinion on the procedure and principles of dividend distributions in the future.	X					
1.6.3 - The reasons for retaining earnings, and their allocations, are stated in the relevant agenda item.					X	During the 2022 Ordinary General Assembly meeting, it was resolved not to distribute any dividend since there is a loss in our consolidated financial statements of 2022, prepared within the framework of the provisions of the Tax Procedure Law (TPL) and the Capital Markets Board's (CMB) Communiqué Serial: II-14.1 on "Principles Regarding Financial Reporting in Capital Markets", and to reserve the net period loss in the legal records of the Company, prepared according to the provisions of the Tax Procedure Law (TPL), and the net period loss in the financial statements, prepared pursuant to the CMB's Communiqué Serial: II-14.1, in the consolidated financial statements of the Company.
1.6.4 - The board reviewed whether the dividend policy balances the benefits of the shareholders and those of the company.	X					
1.7. TRANSFER OF SHARES						
1.7.1 - There are no restrictions preventing shares from being transferred.	X					



CORPORATE GOVERNANCE COMPLIANCE REPORT

	STATUS OF COMPLIANCE					EXPLANATION
	Yes	Partially	No	Exempted	Irrelevant	
2.1. CORPORATE WEBSITE						
2.1.1. - The company website includes all elements listed in Corporate Governance Principle 2.1.1.	X					
2.1.2 - The shareholding structure (names, privileges, number and ratio of shares, and beneficial owners of more than 5% of the issued share capital) is updated on the website at least every 6 months.	X					
2.1.4 - The company website is prepared in other selected foreign languages, in a way to present exactly the same information with the Turkish content.		X				Basic information contained on the website is also prepared in English for the use of international investors. In addition, international investors who require further information on the Company can access company officers via the info@akenerji.com.tr e-mail address.
2.2. ANNUAL REPORT						
2.2.1 - The board of directors ensures that the annual report represents a true and complete view of the company's activities.	X					
2.2.2 - The annual report includes all elements listed in Corporate Governance Principle 2.2.2.	X					
3.1. CORPORATION'S POLICY ON STAKEHOLDERS						
3.1.1 - The rights of the stakeholders are protected pursuant to the relevant regulations, contracts and within the framework of bona fides principles.	X					
3.1.3 - Policies or procedures addressing stakeholders' rights are published on the company's website.		X				Stakeholders right are guaranteed by the Company's code of ethics , legislation and mutual agreements. The Company's code of ethics is announced to the public on the corporate website.
3.1.4 - A whistleblowing programme is in place for reporting legal and ethical issues.	X					The stakeholders may communicate any transactions of the Company that are contrary to legislation or ethically inappropriate to the Corporate Governance Committee, or to the Ethics Representative, by e-mailing to etik@akenerji.com.tr.
3.1.5 - The company addresses conflicts of interest among stakeholders in a balanced manner.	X					

CORPORATE GOVERNANCE COMPLIANCE REPORT

	STATUS OF COMPLIANCE					EXPLANATION
	Yes	Partially	No	Exempted	Irrelevant	
3.2. SUPPORTING THE PARTICIPATION OF THE STAKEHOLDERS IN THE CORPORATION'S MANAGEMENT						
3.2.1 - The Articles of Association, or the internal regulations (terms of reference/ manuals), regulate the participation of employees in management.	X					
3.2.2 - Surveys/other research techniques, consultation, interviews, observation method etc. were conducted to obtain opinions from stakeholders on decisions that significantly affect them.	X					
3.3. HUMAN RESOURCES POLICY						
3.3.1 - The company has adopted an employment policy ensuring equal opportunities, and a succession plan for all key managerial positions.	X					
3.3.2 - Recruitment criteria are documented.	X					
3.3.3 - The company has a policy on human resources development, and organises trainings for employees.	X					
3.3.4 - Meetings have been organised to inform employees on the financial status of the company, remuneration, career planning, education and health.	X					
3.3.5 - Employees, or their representatives, were notified of decisions impacting them. The opinion of the related trade unions was also taken.		X				The employees and their supervisors are notified regarding the decisions may affect them. The Company and the employees of the Company doesn't have any union membership.
3.3.6 - Job descriptions and performance criteria have been prepared for all employees, announced to them and taken into account to determine employee remuneration.	X					
3.3.7 - Measures (procedures, trainings, raising awareness, goals, monitoring, complaint mechanisms) have been taken to prevent discrimination, and to protect employees against any physical, mental, and emotional mistreatment.	X					
3.3.8 - The company ensures freedom of association and supports the right for collective bargaining.	X					Even though the Company does not constitute any hindrance against the effective recognition of the freedom of association and the collective bargaining right, the Company does not have a collective labor agreement in the current situation.
3.3.9 - A safe working environment for employees is maintained.	X					



CORPORATE GOVERNANCE COMPLIANCE REPORT

	STATUS OF COMPLIANCE					EXPLANATION
	Yes	Partially	No	Exempted	Irrelevant	
3.4. RELATIONS WITH CUSTOMERS AND SUPPLIERS						
3.4.1 - The company measured its customer satisfaction, and operated to ensure full customer satisfaction.	X					
3.4.2 - Customers are notified of any delays inhandling their requests.	X					
3.4.3 - The company complied with the quality standards with respect to its products and services.	X					
3.4.4 - The company has in place adequate controls to protect the confidentiality of sensitive information and business secrets of its customers and suppliers.	X					
3.5. ETHICAL RULES AND SOCIAL RESPONSIBILITY						
3.5.1 - The board of the corporation has adopted a code of ethics, disclosed on the corporate website.	X					
3.5.2 - The company has been mindful of its social responsibility and has adopted measures to prevent corruption and bribery.	X					
4.1. ROLE OF THE BOARD OF DIRECTORS						
4.1.1 - The board of directors has ensured strategy and risks do not threaten the longterm interests of the company, and that effective risk management is in place.	X					
4.1.2 - The agenda and minutes of board meetings indicate that the board of directors discussed and approved strategy, ensured resources were adequately allocated, and monitored company and management performance.	X					
4.2. ACTIVITIES OF THE BOARD OF DIRECTORS						
4.2.1 - The board of directors documented its meetings and reported its activities to the shareholders.	X					
4.2.2 - Duties and authorities of the members of the board of directors are disclosed in the annual report.	X					

CORPORATE GOVERNANCE COMPLIANCE REPORT

	STATUS OF COMPLIANCE					EXPLANATION
	Yes	Partially	No	Exempted	Irrelevant	
4.2.3 - The board has ensured the company has an internal control framework adequate for its activities, size and complexity.	X					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 audited by Akenerji Internal Audit Department coordinately with the Audit Groups established within our main shareholders, Akkök Holding A.Ş. and ČEZ a.s., within the annual internal audit plan and audit results are reported to the Audit Committee.
4.2.4 - Information on the functioning and effectiveness of the internal control system is provided in the annual report.	X					
4.2.5 - The roles of the Chairman and Chief Executive Officer are separated and defined.	X					
4.2.7 - The board of directors ensures that the Investor Relations department and the corporate governance committee work effectively. The board works closely with them when communicating and settling disputes with shareholders.	X					
4.2.8 - The company has subscribed to a Directors and Officers liability insurance covering more than 25% of the capital.		X				
4.3. STRUCTURE OF THE BOARD OF DIRECTORS						
4.3.9 - The board of directors has approved the policy on its own composition, setting a minimal target of 25% for female directors. The board annually evaluates its composition and nominates directors so as to be compliant with the policy.	X					The ratio of female members in the Board of Directors is 25% (twenty-five percent), and the two female members of the our Board of Directors are Ms. Özlem Ataünal, the Chairperson of the Board of Directors, and Demet Özdemir, Independent Board Member. The Company aims to include at least 25% (twenty-five percent) female members on the Board and to increase this ratio, and although the progress to be achieved in the continuity of this target is followed-up by the Board of Directors, no policy has been established to achieve this aim.
4.3.10 - Denetimden sorumlu komitenin üyelerinden en az birinin denetim/muhasebe ve finans konusunda 5 yıllık tecrübesi vardır.	X					



CORPORATE GOVERNANCE COMPLIANCE REPORT

	STATUS OF COMPLIANCE					EXPLANATION
	Yes	Partially	No	Exempted	Irrelevant	
4.4. BOARD MEETING PROCEDURES						
4.4.1 - Each board member attended the majority of the board meetings in person.	X					The attendance rate of the meetings was 92.5% on average.
4.4.2 - The board has formally approved a minimum time by which information and documents relevant to the agenda items should be supplied to all board members.	X					
4.4.3 - The opinions of board members that could not attend the meeting, but did submit their opinion in written format, were presented to other members.					X	There was no member who expressed his/her views in writing to the Board of Directors although he/she did not attend the meeting.
4.4.4 - Each member of the board has one vote.	X					
4.4.5 - The board has a charter/written internal rules defining the meeting procedures of the board.	X					The meeting rules of the Board of Directors is stipulated under Article 16 titled "Meetings of the Board of Directors and Quorum" of Articles of Association of the Company.
4.4.6 - Board minutes document that all items on the agenda are discussed, and board resolutions include director's dissenting opinions if any.	X					
4.4.7 - There are limits to external commitments of board members. Shareholders are informed of board members' external commitments at the General Shareholders' Meeting.		X				Members of the Board of Directors spend sufficient time on their responsibilities in the Company. In the event that a member of the Board of Directors serves as a manager or a member of the Board of Directors in another company, the aforementioned situation doesn't lead to a conflict of interest and hinder the responsibility of the member in the Company. Therefore, serving of the Members of the Board of Directors in some other duty or duties outside the Company is not regulated and restricted by certain rules. Duties fulfilled by Members of the Board of Directors outside the Company are recorded in the "Company General Information Form" through the PDP, and the curriculum vitae of the Board members to be elected are shared through the "General Assembly information document" on KAP and the Company website prior to the General Assembly in case there is an board election in the General Assembly's agenda.

CORPORATE GOVERNANCE COMPLIANCE REPORT

	STATUS OF COMPLIANCE					EXPLANATION
	Yes	Partially	No	Exempted	Irrelevant	
4.5. BOARD COMMITTEES						
4.5.5 - Board members serve in only one of the Board's committees.			X			Special attention is paid not to assign the members of the Board of Directors for more than one committee however considering the knowledge and experience of the independent board members, the independent board members who are assigned in one committee are also assigned to the other committees. Notwithstanding, the Committee in Charge of Audit and the Early Risk Detection Committee are composed of two independent members: one Chairperson and one member. The Chairperson of the Committee in Charge of Audit is, at the same time, the Chairperson of the Early Risk Detection Committee and a member of the Corporate Governance Committee. Moreover, the Chairperson of the Corporate Governance Committee is, at the same time, the member of the Committee in Charge of Audit and the Early Risk Detection Committee.
4.5.6 - Committees have invited persons to the meetings as deemed necessary to obtain their views.	X					
4.5.7 - If external consultancy services are used, the independence of the provider is stated in the annual report.					X	No such service was obtained in 2023.
4.5.8 - Minutes of all committee meetings are kept and reported to board members.	X					
4.6. FINANCIAL RIGHTS PROVIDED TO MEMBERS OF THE BOARD OF DIRECTORS AND MANAGERS WITH ADMINISTRATIVE RESPONSIBILITIES						
4.6.1 - The board of directors has conducted a board performance evaluation to review whether it has discharged all its responsibilities effectively.	X					
4.6.4 - The company did not extend any loans to its board directors or executives, nor extended their lending period or enhanced the amount of those loans, or improve conditions thereon, and did not extend loans under a personal credit title by third parties or provided guarantees such as surety in favour of them.	X					
4.6.5 - The individual remuneration of board members and executives is disclosed in the annual report.			X			Wages and all other benefits provided to the Members of the Board of Directors and senior executives are disclosed to the public entirely through the annual report, and footnote no. 29 of the financial statements, under the subheading of "Key management compensation". These statements are not made on an individual basis, and includes Members of the Board of Directors and the senior executives.



CORPORATE GOVERNANCE INFORMATION FORM

1. SHAREHOLDERS

1.1. Facilitating the Exercise of Shareholders Rights	
The number of investor meetings (conference, seminar/etc.) organised by the company during the year	Throughout the year, meetings were held one-on-one with seven investors in line with investor demands. In addition, conference meetings were organized with eight investors following the announcement of the financial results in June 2023 and five investors following the announcement of the financial results in September 2023.
1.2. Right to Obtain and Examine Information	
The number of special audit request(s)	0
The number of special audit requests that were accepted at the General Shareholders' Meeting	0
1.3. General AssemblyI	
Link to the PDP announcement that demonstrates the information requested by Principle 1.3.1. (a-d)	https://www.kap.org.tr/tr/Bildirim/1130027
Whether the company provides materials for the General Shareholders' Meeting in English and Turkish at the same time	From the documents related to the General Assembly meeting, the financial statements and the annual report were prepared in English and disclosed to the public on the Company's corporate website.
The links to the PDP announcements associated with the transactions that are not approved by the majority of independent directors or by unanimous votes of present board members in the context of Principle 1.3.9	There is no such transaction
The links to the PDP announcements associated with related party transactions in the context of Article 9 of the Communiqué on Corporate Governance (II-17.1)	There is no such transaction
The links to the PDP announcements associated with common and continuous transactions in the context of Article 10 of the Communiqué on Corporate Governance (II-17.1)	https://www.kap.org.tr/tr/Bildirim/1198165
The name of the section on the corporate website that demonstrates the donation policy of the company	Investor Relations/Investor Policies/Policy on Donations and Aids
The relevant link to the PDP with minute of the General Shareholders' Meeting where the donation policy has been approved	https://www.kap.org.tr/tr/Bildirim/433929
The number of the provisions of the articles of association that discuss the participation of stakeholders to the General Shareholders' Meeting	Participation in the General Assembly meetings is regulated in Article 20 of our Articles of Association. Although there is no provision in the Articles of Association, the General Assembly meetings are open to the public as set forth in the Internal Directive on the Working Principles and Procedures of the General Assembly.
Identified stakeholder groups that participated in the General Shareholders' Meeting, if any	No member of the media attended the Ordinary General Assembly meeting for 2022, which was held on 26.04.2023. Nevertheless, Company employees attended as guests.
1.4. Voting Rights	
Whether the shares of the company have differential voting rights	There is no privilege for voting.
Oyda imtiyaz bulunuyorsa, imtiyazlı pay sahipleri ve oy oranları	
En büyük pay sahibinin ortaklık oranı	

CORPORATE GOVERNANCE INFORMATION FORM

1.5. Minority Rights	
Whether the scope of minority rights enlarged (in terms of content or the ratio) in the articles of the association	Minority rights are not expanded (in terms of content or proportion) in the Company's Articles of Association.
If yes, specify the relevant provision of the articles of association	
1.6. Dividend Right	
The name of the section on the corporate website that describes the dividend distribution policy	Investor Relations/Investor Policies/Dividend Distribution Policy
Minutes of the relevant agenda item in case the board of directors proposed to the general assembly not to distribute dividends, the reason for such proposal and information as to use of the dividend	At the Ordinary General Assembly meeting of 2022 it was decided that, 1. Since there is a loss in our consolidated financial statements for 2022, which have been prepared in accordance with the Tax Procedure Law ("TPL") and the Capital Markets Board's Communiqué Serial: II, no: 14.1 on the Principles of Financial Reporting in the Capital Markets, there is no dividend distribution. 2. The net period loss in our legal book records in accordance with the provisions of the TPL and the net period loss in our financial statements prepared in accordance with the CMB's Communiqué Serial: II, no: 14.1, be retained in our consolidated financial statements.
PDP link to the related general shareholder meeting minutes in case the board of directors proposed to the general assembly not to distribute dividends	https://www.kap.org.tr/tr/Bildirim/1141169

GENERAL ASSEMBLY MEETINGS

General Meeting Date	26.04.2023
The number of information requests received by the company regarding the clarification of the agenda of the General Shareholders' Meeting	0
Shareholder participation rate to the General Shareholders' Meeting	74.860%
Percentage of shares directly present at the GSM	0.1374%
Percentage of shares represented by proxy	74.723%
Specify the name of the page of the corporate website that contains the General Shareholders' Meeting minutes, and also indicates for each resolution the voting levels for or against	Investor Relations/General Assembly
The number of the relevant item or paragraph of General Shareholders' Meeting minutes in relation to related party transactions	Investor Relations/General Assembly
The number of declarations by insiders received by the board of directors	9
The number of people with privileged access to partnership information who notify the Board of Directors (Insider list)	15
The link to the related PDP general shareholder meeting notification	https://www.kap.org.tr/tr/Bildirim/1130027



CORPORATE GOVERNANCE INFORMATION FORM

2. DISCLOSURE AND TRANSPARENCY

2.1. Corporate Website	
Specify the name of the sections of the website providing the information requested by the Principle 2.1.1.	It is located under the Corporate and Investor Relations Section.
If applicable, specify the name of the sections of the website providing the list of shareholders (ultimate beneficiaries) who directly or indirectly own more than 5% of the shares.	There is no real person shareholder who owns more than 5% of the shares.
List of languages for which the website is available	Turkish and English
2.2. Annual Report 2.2.2. The page numbers and/or name of the sections in the Annual Report that demonstrate the information requested by principle	
a) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the duties of the members of the board of directors and executives conducted out of the company and declarations on independence of board members	130, 131, 132, 133, 134, 135, 136, 137, 140, 141
b) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on committees formed within the board structure	145, 146, 147
c) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the number of board meetings in a year and the attendance of the members to these meetings	144
ç) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on amendments in the legislation which may significantly affect the activities of the corporation	161
d) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on significant lawsuits filed against the corporation and the possible results thereof	161
e) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the conflicts of interest of the corporation among the institutions that it purchases services on matters such as investment consulting and rating and the measures taken by the corporation in order to avoid from these conflicts of interest	161
f) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the cross ownership subsidiaries that the direct contribution to the capital exceeds 5%	161
g) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on social rights and professional training of the employees and activities of corporate social responsibility in respect of the corporate activities that arises social and environmental results	94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126

CORPORATE GOVERNANCE INFORMATION FORM

3. STAKEHOLDERS

3.1. Corporation's Policy on Stakeholders	
The name of the section on the corporate website that demonstrates the employee remedy or severance policy	A company policy regarding the protection of the rights of stakeholders has not been established. The rights of stakeholders are protected in accordance with company ethical rules, legislation, and mutual agreements.
The number of definitive convictions the company was subject to in relation to breach of employee rights	In 2023, three judicial decisions that became final against the Company were filed by our Company's employees and the employees of the contractor company for which our Company is jointly and severally liable as the principal employer.
The position of the person responsible for the alert mechanism (i.e. whistleblowing mechanism)	HR & Business Support Director
The contact detail of the company alert mechanism	Stakeholders can convey the Company's transactions that are contrary to the legislation and unethical, if any, to the Corporate Governance Committee or to the Ethics Representative via e-mail, etik@akenerji.com.tr.
3.2. Supporting the Participation of the Stakeholders in the Corporation's Management	
Name of the section on the corporate website that demonstrates the internal regulation addressing the participation of employees on management bodies	Meetings of Akenerji Occupational Health and Safety Board, Akkök Occupational Health and Safety Committee and Meal and Service Quality Improvement and Menu Selection
Corporate bodies where employees are actually represented	
3.3. Human Resources Policy	
The role of the board on developing and ensuring that the company has a succession plan for the key management positions	Our Company, prepares a succession plan for white collar employees within the scope of Talent Management carried out, determines key positions, review short, mid and long term substitutes for these positions periodically with the top management and HR department managers by the delegation of the board of directors for this issue.
The name of the section on the corporate website that demonstrates the human resource policy covering equal opportunities and hiring principles. Also provide a summary of relevant parts of the human resource policy.	Human Resources / Human Resources Policy
Whether the company provides an employee stock ownership programme	Not available.
The name of the section on the corporate website that demonstrates the human resource policy covering discrimination and mistreatments and the measures to prevent them. Also provide a summary of relevant parts of the human resource policy.	Human Resources / Human Resources Policy
The number of definitive convictions the company is subject to in relation to health and safety measures	There is one judicial decision that became final against the Company in 2023.
3.5. Ethical Rules and Social Responsibility	
The name of the section on the corporate website that demonstrates the code of ethics	Investor Relations/Investor Policies/Ethical Principles
The name of the section on the company website that demonstrates the corporate social responsibility report. If such a report does not exist, provide the information about any measures taken on environmental, social and corporate governance issues.	Sustainability
Any measures combating any kind of corruption including embezzlement and bribery	The Company established Ethical Principles against all kinds of corruption, including bribery and extortion. The necessary awareness raising and control activities are coordinated by the Human Resources Department.



CORPORATE GOVERNANCE INFORMATION FORM

4. BOARD OF DIRECTORS - I

4.2. Activity of the Board of Directors	
Date of the last board evaluation conducted	13.12.2023
Whether the board evaluation was externally facilitated	Independent experts were not used.
Whether all board members released from their duties at the GSM	At the Ordinary General Assembly Meeting for 2022 held on 26.04.2023, all members of the Board of Directors were released separately for their activities in 2022.
Name(s) of the board member(s) with specific delegated duties and authorities, and descriptions of such duties	Among the members of the Board of Directors, Ms. Özlem ATAÜNAL was appointed as the Chairperson of the Board of Directors and Mr. Tomas PLESKAC as the Deputy Chairperson of the Board of Directors, and the distribution of duties was made.
Number of reports presented by internal auditors to the audit committee or any relevant committee to the board	In 2023, Company's internal control activities were carried out by Akenerji Internal Audit Department based on the audit and evaluations made within the annual internal audit plan. Four audit reports were submitted to the audit committee within this scope.
Specify the name of the section or page number of the annual report that provides the summary of the review of the effectiveness of internal controls	162
Name of the Chairman	Özlem ATAÜNAL
Name of the CEO	Serhan GENÇER
If the CEO and Chair functions are combined: provide the link to the relevant PDP announcement providing the rationale for such combined roles	Even though The General Manager of the Company is a board member , the General Manager and the Chairperson of the Board of Directors are different persons.
Link to the PDP notification stating that any damage that may be caused by the members of the Board of Directors during the discharge of their duties is insured for an amount exceeding 25% of the company's capital	https://www.kap.org.tr/tr/Bildirim/1216999
The name of the section on the corporate website that demonstrates current diversity policy targeting women directors	Female members constitute 25% of our Board of Directors, and the two female members of our Board of Directors are our Chairperson of the Board, Ms. Özlem ATAÜNAL and Independent Board Member, Ms. Demet Özdemir. It is one of our Company's aims to have at least 25% female representation on the Board of Directors and to raise this representation even further. Progress made with respect to this aim is monitored by our Board of Directors.
The number and ratio of female directors within the Board of Directors	The number of female members is 2. The rate is 25%.

CORPORATE GOVERNANCE INFORMATION FORM

STRUCTURE OF BOARD OF DIRECTORS

Name, Surname of Board Member	Whether Executive Director or Not	Whether Independent Director or Not	The First Election Date to Board	Link to PDP Notification that Includes the Independency Declaration	Whether the Independent Director Considered by the Nomination Committee	Whether She/He is the Director Who Ceased to Satisfy the Independence or Not	Whether the Director Has at Least 5 Years' Experience on Audit, Accounting And/or Finance or Not
Mehmet KOCAOĞLU	Non-executive	Not independent Member	01/06/2023				
Tomas PLESKAC	Non-executive	Not independent Member	13/05/2009				
Özlem ATAÜNAL	Non-executive	Not independent Member	05/04/2017				
Ondrej DVORAK	Non-executive	Not independent Member	17/08/2020				
Serhan GENÇER	Executive	Not independent Member	04/01/2018				
Jaroslav MACEK	Non-executive	Not independent Member	01/01/2018				
Demet ÖZDEMİR	Non-executive	Independent Member	12/04/2022	https://www.kap.org.tr/tr/Bildirim/1011045	It has been evaluated by the Independent Member Nomination Committee.	She has not lost her independence.	She has at least 5 years of experience in auditing, accounting and/ or finance.
Petr KALAS	Non-executive	Independent Member	26/03/2018	https://www.kap.org.tr/tr/Bildirim/1011045	It has been evaluated by the Independent Member Nomination Committee.	She has not lost her independence.	She has at least 5 years of experience in auditing, accounting and/ or finance.



CORPORATE GOVERNANCE INFORMATION FORM

4. BOARD OF DIRECTORS-II

4.4. Meeting Procedures of the Board of Directors	
Number of physical board meetings in the reporting period (meetings in person)	In 2023, a total of five Board of Directors meetings were held; three of them through video conferencing and two through physical gatherings. Out of the two physically conducted Board of Directors meetings, in one of them, one Board member connected via video conferencing.
Director average attendance rate at board meetings	The average participation rate in 5 Board Meetings held in 2023 was 92.5%.
Whether the board uses an electronic portal to support its work or not	Since 4 of the 8 members of the Board of Directors live abroad, the video conferencing system can be used during the meetings.
Number of minimum days ahead of the board meeting to provide information to directors, as per the board charter	The information and documents of the 5 Board Meetings held in 2023 were sent to the Board Members on average 7 days before the meetings.
The name of the section on the corporate website that demonstrates information about the board charter	Corporate/Articles of Association
Number of maximum external commitments for board members as per the policy covering the number of external duties held by directors	There is no policy restricting the members of the Board of Directors from taking on other duties outside the Company.
4.5. Board Committees	
Page numbers or section names of the annual report where information about the board committees are presented.	145, 146, 147
Link(s) to the PDP announcement(s) with the board committee charters	https://www.kap.org.tr/tr/Bildirim/311241 https://www.kap.org.tr/tr/Bildirim/1088750

CORPORATE GOVERNANCE INFORMATION FORM

STRUCTURE OF BOARD OF DIRECTORS

Names of the Board Committees	Name-Surname of Committee Members	Whether Committee Chair or Not	Whether Board Member or Not
Committee in Charge of Audit	Demet ÖZDEMİR	Chairperson of the committee	Board Member
Committee in Charge of Audit	Petr KALAS	Member of the committee	Board Member
Early Risk Detection Committee	Demet ÖZDEMİR	Chairperson of the committee	Board Member
Early Risk Detection Committee	Petr KALAS	Member of the committee	Board Member
Corporate Governance Committee	Petr KALAS	Chairperson of the committee	Board Member
Corporate Governance Committee	Demet ÖZDEMİR	Member of the committee	Board Member
Corporate Governance Committee	Ondrej DVORAK	Member of the committee	Board Member
Corporate Governance Committee	Özge ÖZEN AKSOY	Member of the committee	Not a Board Member



CORPORATE GOVERNANCE INFORMATION FORM

4. BOARD OF DIRECTORS-III

4.5. Board Committees-II	
Specify where the activities of the audit committee are presented in your annual report or website (Page number or section name in the annual report/website)	146, 147
Specify where the activities of the corporate governance committee are presented in your annual report or website (Page number or section name in the annual report/website)	147
Specify where the activities of the nomination committee are presented in your annual report or website (Page number or section name in the annual report/website)	147
Specify where the activities of the early detection of risk committee are presented in your annual report or website (Page number or section name in the annual report/website)	147
Specify where the activities of the remuneration committee are presented in your annual report or website (Page number or section name in the annual report/website)	147
4.6. Members of the Board of Directors and Executives with Administrative Responsibility Provided Financial Rights	
Specify where the operational and financial targets and their achievement are presented in your annual report (Page number or section name in the annual report)	144
Specify the section of website where remuneration policy for executive and non-executive directors are presented.	Investor Relations/Investor Policies/Remuneration Policy for Board of Directors and Senior Executives
Specify where the individual remuneration for board members and senior executives are presented in your annual report (Page number or section name in the annual report)	144, 145

CORPORATE GOVERNANCE INFORMATION FORM

COMMITTEES OF THE BOARD OF DIRECTORS-II

		The Percentage of Independent Directors in the Committee	The Number of Meetings Held in Person	The Number of Reports on its Activities Submitted to the Board
Names of the Board Committees	The Percentage of Non-executive Directors			
Committee in Charge of Audit	100%	100%	4	7
Early Risk Detection Committee	100%	100%	4	6
Corporate Governance Committee	75%	50%	1	1



CMB SUSTAINABILITY REPORT

		STATUS OF COMPLIANCE				EXPLANATION AND RELATED LINKS
		Yes	Partially	No	Irrelevant	(The headings in the explanation section are the headings in our Integrated Activity Report.)
A. General Principles						
A1. Strategy, Policy and Goals						
Priority environmental, social and corporate governance (ESG) issues, risks and opportunities have been determined by the partnership's board of directors.		X				Our Sustainability Priorities
A1.1	ESG policies (e.g., Environmental Policy, Energy Policy, Human Rights and Employee Policy etc.) have been created and disclosed to the public by the board of directors of the partnership.	X				Our Commitments Akenerji Sustainability Policy
A1.2	Short and long-term goals set within the scope of ESG policies were disclosed to the public.	X				Our Targets and Actions for 2023/2025 All material issues throughout the report
A2. Implementation/Monitoring						
A2.1	The committees and/or units responsible for the implementation of ESG policies and the highest-level officials in the partnership related to ESG issues and their duties have been identified and disclosed to the public.	X				Sustainability Management
Activities carried out within the scope of policies by the responsible committee and/or unit were reported to the Board of Directors at least once a year.		X				Sustainability Management
A2.2	In line with the ESG targets, implementation and action plans were created and disclosed to the public.	X				Our Targets and Actions for 2023/2025
A2.3	The ESG Key Performance Indicators (KPI) and the level of reaching these indicators on a yearly basis were disclosed to the public.	X				Performance Indicators Tables
A2.4	Activities to improve the sustainability performance of business processes or products and services have been disclosed to the public.	X				Security of Energy Supply
A3. Reporting						
A3.1	In the annual reports, information regarding the sustainability performance, goals and actions of the partnership is given in an understandable, accurate and sufficient manner.	X				Sustainability Management
A3.2	Information on which of its activities are related to the United Nations (UN) 2030 Sustainable Development Goals has been disclosed to the public by the partnership.	X				Our Contribution to the UN Sustainable Development Goals With Our Goals
A3.3	Lawsuits filed and/or concluded against ESG issues, which are important in terms of ESG policies and/or will significantly affect activities, have been disclosed to the public.	X				Legal Compliance at Akenerji
A4. Verification						
A4.1	The Partnership's ESG Key Performance metrics have been verified and publicly disclosed by an independent third party.		X			Environmental Performance Indicators- Emission (Carbon) Management Data

CMB SUSTAINABILITY REPORT

		STATUS OF COMPLIANCE				EXPLANATION AND RELATED LINKS
		Yes	Partially	No	Irrelevant	(The headings in the explanation section are the headings in our Integrated Activity Report.)
B. Environmental Principles						
B1	The partnership has made public its policies and practices, action plans, environmental management systems (known by the ISO 14001 standard) and programs in the field of environmental management.	X				Our Environmental Management Approach Our Integrated Management Systems
B2	The scope of the report, the reporting period, the reporting date, and the limitations regarding the reporting conditions were disclosed to the public regarding the environmental reports prepared in providing information on environmental management.	X				About Our Report
B3	It is given in A2.1.					
B4	Environmental targets included in the rewarding criteria within the scope of performance incentive systems based on stakeholders (such as members of the Board of Directors, managers and employees) have been disclosed to the public.	X				Our Targets and Actions for 2023/2025 CDP Climate Change Report
B5	How priority environmental issues are integrated into business objectives and strategies have been disclosed to the public.	X				Environment Our Environmental Management Approach
B6	It is given in A2.4.					
B7	It has been publicly disclosed how environmental issues are managed and integrated into business objectives and strategies throughout the partnership value chain, including the operational process, suppliers and customers.			X		
B8	Whether relevant organizations and non-governmental organizations on the environment are involved in the policy-making processes and the collaborations with these institutions and organizations were disclosed to the public.	X				This announcement was included in the corporate social accounts and press releases of the Company.
B9	Environmental indicators (Greenhouse gas emissions (Scope-1 (Direct), Scope-2 (Energy indirect), Scope-3 (Other indirect), air quality, energy management, water and wastewater management, waste management, biodiversity impacts) Information about the impact of the company is disclosed to the public on a comparable basis periodically.	X				Emissions (Carbon) Management Water Management Energy Management Waste Management
B10	Details of the standard, protocol, methodology, and base year used to collect and calculate data have been made public.	X				Our Environmental Management Approach Environmental Performance Indicators
B11	Compared to previous years, the rise or decline of environmental indicators for the reporting year has been disclosed to the public.	X				Environmental Performance Indicators
B12	Short and long-term targets have been determined to reduce environmental impact, and the progress of these targets and the targets determined in previous years has been disclosed to the public.	X				Our Targets and Actions for 2023/2025
B13	A strategy to combat the climate crisis has been created and the planned actions have been publicly announced.	X				Akenerji Sustainability Policy
B14	Programs or procedures have been established and disclosed to the public to prevent or minimize the potential negative impact of products and/or services on the environment.	X				Akenerji Sustainability Policy
	Actions have been taken to reduce greenhouse gas emissions of third parties (eg suppliers, subcontractors, dealers, etc.) and these actions have been disclosed to the public.			X		
B15	The environmental benefits/gains and cost savings of initiatives and projects aimed at reducing environmental impact have been disclosed to the public.		X			Energy Management



CMB SUSTAINABILITY REPORT

		STATUS OF COMPLIANCE				EXPLANATION AND RELATED LINKS
		Yes	Partially	No	Irrelevant	(The headings in the explanation section are the headings in our Integrated Activity Report.)
B. Environmental Principles (Continued)						
B16	Energy consumption (natural gas, diesel, gasoline, LPG, coal, electricity, heating, cooling, etc.) data are publicly disclosed as Scope-1 and Scope-2.	X				Environmental Performance Indicators
B17	Public disclosure was made about the electricity, heat, steam and cooling produced in the reporting year.	X				Environmental Performance Indicators
B18	Studies on raising the use of renewable energy and the transition to zero or low carbon electricity have been made and publicly announced.	X				Our Messages to Our Stakeholders Our Investments
B19	Renewable energy production and usage data is publicly disclosed.	X				Akenerji in Brief Environmental Performance Indicators
B20	Energy efficiency projects have been carried out and the amount of energy consumption and emission reduction achieved through energy efficiency projects have been disclosed to the public.	X				Energy Management Emissions (Carbon) Management
B21	Water consumption, if any, amounts of water drawn, recycled and discharged from underground or above ground, its sources and procedures have been disclosed to the public.	X				Water Management Environmental Performance Indicators
B22	It has been publicly disclosed whether its operations or activities are included in any carbon pricing system (Emissions Trading System, Cap & Trade or Carbon Tax).			X		Akenerji is not included in any carbon pricing system.
B23	Information on carbon credits accumulated or purchased during the reporting period has been disclosed to the public.			X		There are no carbon credits accumulated or purchased during the reporting period.
B24	If carbon pricing is implemented within the partnership, the details are disclosed to the public.			X		Carbon pricing is not implemented within the partnership.
B25	The platforms where the partnership discloses its environmental information are publicly disclosed.	X				Sustainability Communication
C. Social Principles						
C1. Human Rights and Employee Rights						
C1.1	A Corporate Human Rights and Employee Rights Policy has been established to cover the Universal Declaration of Human Rights, ILO Conventions ratified by Türkiye and other relevant legislation. Those responsible for the implementation of the policy have been identified and those responsible for the policy have been disclosed to the public.	X				Employment and Working Conditions Our Human Resources Policy
C1.2	Fair workforce considering the effects of supply and value chain, improvement of labor standards, women's employment and inclusion issues (such as nondiscrimination on gender, race, religion, language, marital status, ethnic identity, sexual orientation, gender identity, family responsibilities, union activities, political opinion, disability, social and cultural differences) are included in its policy on employee rights.	X				Employment and Working Conditions Human Rights Audits Our Human Resources Policy
C1.3	Measures taken along the value chain regarding the observance of segments sensitive to certain economic, environmental, social factors (low-income groups, women, etc.) or minority rights/equality of opportunity have been publicly disclosed.	X				Social Responsibility

CMB SUSTAINABILITY REPORT

		STATUS OF COMPLIANCE				EXPLANATION AND RELATED LINKS
		Yes	Partially	No	Irrelevant	(The headings in the explanation section are the headings in our Integrated Activity Report.)
C. Social Principles (Continued)						
C1. Human Rights and Employee Rights						
C1.4	Developments regarding preventive and corrective practices against discrimination, inequality, human rights violations, forced and child labor were disclosed to the public.	X				Employment and Working Conditions Human Rights Audits
C1.5	Investment in employees (education, development policies), compensation, fringe benefits, right to unionize, work/life balance solutions and talent management are included in the employee rights policy.	X				Employment and Working Conditions Training and Development
	Dispute resolution processes have been determined by establishing mechanisms for employee complaints and resolution of disputes.	X				Employment and Working Conditions Ethical Principles of Akenerji
	Activities carried out within the reported period to ensure employee satisfaction were disclosed to the public.	X				Employment and Working Conditions
C1.6	Occupational health and safety policies have been established and disclosed to the public.	X				Occupational Health and Safety
	Measures taken to prevent occupational accidents and protect health and accident statistics have been disclosed to the public.	X				Occupational Health and Safety
C1.7	Personal data protection and data security policies have been established and disclosed to the public.	X				Information Security, Cyber Security and Privacy Protection Information Security and Critical Infrastructures Cyber Security Policy Personal Data Processing Policy
C1.8	Ethics policy has been established and disclosed to the public.	X				Akenerji Ethical Principles
C1.9	Discloses its work on social investment, social responsibility, financial inclusion and access to finance.	X				Social Responsibility
C1.10	Information meetings and training programs were organized for employees on ESG policies and practices.	X				Occupational Health and Safety Our Environmental Management Approach
C2. Stakeholders, International Standards and Initiatives						
C2.1	The customer satisfaction policy regarding the management and resolution of customer complaints have been prepared and disclosed to the public.				X	Our direct customer is the public
C2.2	Information about the communication with stakeholders (which stakeholder, subject and frequency) is publicly disclosed.	X				Sustainability Communication
C2.3	International reporting standards adopted in reporting are disclosed.	X				About Our Report
C2.4	Principles adopted, signatory or member international organizations, committees and principles regarding sustainability have been disclosed to the public.	X				Sustainability Communication
C2.5	Improvements have been made and studies have been carried out to be included in the sustainability indices of Borsa Istanbul and/or international index providers.	X				Sustainability Communication
D. Corporate Governance Principles						
D1	Opinions of stakeholders were sought in the determination of measures and strategies in the field of sustainability.	X				Our Sustainability Priorities
D2	Social responsibility projects, awareness activities and training have been carried out to raise awareness about the issue of sustainability and its importance.	X				Our Messages to Our Stakeholders Training and Development Social Responsibility



APPENDICES



Social Performance Indicators

Our Employees

By Gender	2021	2022	2023	2023 Rate
Women	47	51	52	17%
Men	218	238	256	83%
Total	265	289	308	100%

By Employment Type and Gender	2021	2022	2023	2023 Rate
White Collar - Women	46	50	51	37.5%
White Collar - Men	67	74	85	62.5%
White Collar - Total	113	124	136	100%
Blue Collar - Women	1	1	1	1%
Blue Collar - Men	151	164	171	99%
Blue Collar - Total	152	165	172	100%
Grand Total	265	289	308	100%

By Contract Type and Gender	2021	2022	2023	2023 Rate
Permanent - Women	47	50	52	17%
Permanent - Men	218	238	256	83%
Permanent - Total	265	288	308	100%
Temporary - Women	0	1	0	-
Temporary - Men	0	0	0	-
Temporary - Total	0	1	0	-
Grand total	265	289	308	100%

By Location and Gender	2021	2022	2023	2023 Rate
Head Office - Women	45	48	49	53%
Head Office - Men	41	40	44	47%
Head Office - Total	86	88	93	100%
Facilities - Women	2	3	3	1%
Facilities - Men	177	198	212	99%
Facilities- Total	179	201	215	100%
Grand Total	265	289	308	100%

By Age Group and Gender	2021	2022	2023	2023 Oran
30 Years and Under - Women	8	13	16	20%
30 Years and Under - Men	35	48	66	80%
30 Years and Under - Total	43	61	82	100%
Between 30-50 Years - Women	39	38	36	18%
Between 30-50 Years - Men	166	168	165	82%
Between 30-50 Years - Total	205	206	201	100%
Over 50 - Women	0	0	0	0%
Over 50 - Men	17	22	25	100%
Over 50 - Total	17	22	25	100%
Grand Total	265	289	308	100%

By Management Level and Gender	2021	2022	2023	2023 Oran
Senior Management - Women	2	2	2	40%
Senior Management - Men	4	4	3	60%
Senior Management - Total	6	6	5	100%
Middle Level Management - Women	9	9	8	27%
Middle Level Management - Men	14	16	22	73%
Middle Level Management - Total	23	25	30	100%
First Level Management - Women	10	10	11	52%
First Level Management - Men	12	11	10	48%
First Level Management - Total	22	21	21	100%
Non-Management - Women	26	30	31	12%
Non-Management - Men	188	207	221	88%
Non-Management - Total	214	237	252	100%
Grand Total	265	289	308	100%

Other Groups	2021	2022	2023	2023 Oran
Expat - Women	0	0	0	-
Expat - Men	1	1	0	-
Disabled - Women	2	2	3	-
Disabled - Men	0	0	2	-
Ethnic Minority (Employees)	0	0	0	-
Ethnic Minority (Managers)	0	0	0	-

Management Structure

Senior Management (6 individuals)	2021	2022	2023	2023 Oran
Women	2	2	2	40%
30 Years and Under	0	0	0	0%
Between 30-50 Years	6	6	5	100%
Over 50	0	0	0	0%
Expat	1	1	0	0%
Disabled	0	0	0	0%



Board of Directors (8 individuals)	2021	2022	2023	2023 Rate
Women	1	2	2	25%
30 Years and Under	0	0	0	0%
Between 30-50 Years	3	4	4	50%
Over 50	5	4	4	50%
Expat	4	4	4	50%
Disabled	0	0	0	0%

Subcontractor Employees	2021	2022	2023	2023 Rate
Women	9	9	9	6%
Men	144	142	149	94%
Subcontractor Total	153	151	158	100%

Local Employment	2021	2022	2023	2023 Rate
Senior Managers - Local*	5	5	5	100%
Senior Managers - Other	1	1	0	0%
Total Number of Senior Managers (Excluding the Board of Directors)	6	6	5	100%

*Locally living senior executives in all locations; that is, except for those who moved due to duty.

Breakdown of staff by gender	2022		2023	
	Women	Men	Women	Men
Head Office	55%	45%	53%	47%
Managers	40%	60%	37%	63%
White Collar	40%	60%	38%	63%
Blue Collar	1%	99%	1%	99%
General Average	18%	82%	17%	83%

Disabled Employees	2021	2022	2023
Number of Disabled Employees	2	2	5
Number of Disabled Employees Legally Required to be Employed	2	2	4

Breakdown of Employees in terms of Education Level	2022	2023
Primary education	4%	1%
High school	6%	7%
Vocational High School	19%	21%
Associate Degree	31%	30%
Undergraduate	32%	33%
Master's and Above	9%	8%

Hired Employees

By Employment Type	2021	2022	2023
White Collar	16	30	38
Blue Collar	47	33	46
Hired Total	63	63	84

By Gender	2021	2022	2023
Women	5	10	14
Men	58	53	70
Hired Total	63	63	84

Employees Leaving	2021	2022	2023
Women	2	7	14
Men	36	34	52
Total	38	41	66

Maternity Leave	2021		2022		2023	
	Women	Men	Women	Men	Women	Men
Number of Employees Entitled to Maternity/Paternity Leave			All Employees			
Number of employees using maternity/paternity leave	2	15	2	14	2	19
Number of employees returning to work after maternity/paternity leave ends	2	15	2	14	1	19
Number of employees who worked for 12 more months after returning from maternity/paternity leave	2	15	1	13	1	16
Ratio of employees who returned to work after taking maternity/paternity leave to total maternity/paternity leave users	100%	100%	100%	100%	100%	100%

Employee Turnover Rate*	2021	2022	2023
Headquarters - Total	9.4	20.7	24.9
Headquarters - Volunteer	4.7	17.2	19.5
Facilities- Total	17.9	12.1	20.7
Facilities - Volunteer	15.5	7.9	8.2
Consolidated - Total	15.1	14.8	22
Consolidated - Volunteer	12.0	10.8	11.6

* Calculation formula: Number of employees left / average number of employees (1 January + 31 December) / 2)



Average Length of Service (Years)	2021	2022	2023
All Employees	6.5	6.3	6.2
Average Length of Service by Employment Type (Years)	2021	2022	2023
White Collar	6.9	6.6	6.6
Blue Collar	6.2	6.1	5.9
Average Length of Service by Gender (Years)	2021	2022	2023
Women	7.4	7.1	7.2
Men	6.3	6.1	6
Average Length of Service by Location (Years)	2021	2022	2023
Headquarters	7.3	6.8	6.7
Facilities	6,1	6,2	5,9

Occupational Health and Safety Expenditure (TL)	2021	2022	2023
OHS Budget	950,000	2,000,000	2,300,000

Number of Near Misses	2021	2022	2023
Uluabat HEPP	5	3	0
Ayyıldız WPP	0	3	0
Burç Bendi and HEPP	1	2	0
Bulam HEPP	2	0	2
Feke I HEPP	1	1	1
Feke II HEPP	4	1	2
Himmetli HEPP	2	2	2
Gökkaya HEPP	6	2	3
Erzin NGCCPP	12	3	4
Total	33	17	15

Necessary precautions have been taken for all near misses and the closure rate is 100%.

Occupational Health and Safety (Headquarters and Power Plants Consolidated)			
Accidents	2021	2022	2023
Number of Accidents	8	7	13
Number of Fatalities Due to Accident	0	0	0
Work-Related Fatal Accident Rate	0	0	0
Accident Frequency Rate (High severity but excluding fatalities)	8.2	18.56	27.95
Accident Frequency Rate (Registered)	8.2	18.56	27.95
Accident Severity Rates	0.247	0.64	2.49
Number of Vehicle Accidents	1	1	1
Vehicle Accident Rate	2.08	1.93	1.54
Diseases	2021	2022	2023
Number of Fatalities Caused by Occupational Disease	0	0	0
Number of Registered Cases of Occupational Disease	0	0	0
Lost Days	2021	2022	2023
Number of Lost Days of Employees	173	30	145

Occupational Health and Safety (Subcontractor Employees)			
Accidents	2021	2022	2023
Number of Accidents	3	3	3
Number of Fatalities Due to Accident	0	0	0
Work-Related Fatal Accident Rate	0	0	0
Accident Frequency Rate (High severity but excluding fatalities)	5.39	7.43	6.88
Accident Frequency Rate (Registered)	5.39	7.43	6.88
Number of Vehicle Accidents	0	0	0
Vehicle Accident Rate	0	0	0

Diseases	2021	2022	2023
Number of Fatalities Caused by Occupational Disease	0	0	0
Number of Registered Cases of Occupational Disease	0	0	0

Lost Days	2021	2022	2023
Number of Lost Days of Subcontractor	18	0	0

Occupational Health and Safety (BIST statement)			
Accidents	2021	2022	2023
Lost Time Accident Rate - Total	-	15.5	17.76
Lost Time Accident Rate - Subcontractor Employees	-	7.43	6.88
Lost Time accident Rate - Employees	-	18.56	27.95

Fatality Rate Due to Work Accident:

(Number of fatalities due to work accident / hours worked) x 100,000

Major Occupational Accident Rate (excluding fatal accidents):

Number of significant work accidents (excluding fatal accidents) / Hours worked) x 100,000

Registered Occupational Accident Rate:

(Number of registered occupational accidents / Hours worked) x 100,000

Accident Frequency and Severity Rates Calculation Method:

Accident Frequency Rate = (Number of accidents with lost days / Total Hours Worked) x 1,000,000

Accident Severity Rate = (Number of days lost due to work accident / Total Hours Worked) x 1,000

Vehicle Accident Rate Calculation Method:

Vehicle Accident Rate = (Number of Vehicle Accidents / Annual Distance Traveled (km) x 1,000,000 km

OHS Trainings	2021	2022	2023
Training Given to Employees on OHS Issues (man.hour)	3,048	2,702	4,854
Number of Employees Receiving Training on OHS Issues	271	298	681
Basic OHS Training Given to Subcontractors (man.hour)	569	394	3,086
Number of Subcontractors Receiving Basic OHS Training	70	28	239



Environmental Performance Indicators

Emissions (Carbon) Management Data

Years	Amount of Emissions Per Unit Electricity Production (ton CO ₂ e/MWh)
2021	0.358
2022	0.295
2023	0.283

Greenhouse gas emissions originating from Erzin NGCCPP, which is the only natural gas power plant operating in 2023 and constitutes almost all of Scope 1 emissions.

Emissions (Scope 1) (tCO ₂ e)	2021	2022	2023	Rate of change from 22 to 23
Hydroelectric Power Plants	54.26	49.47	99.39	101%
Ayyıldız WPP	8.99	4.79	13.32	178%
Erzin NGCCPP	*1,560,233.16	*1,143,602.74	**1,189,348.00	4%
Total	1,560,296.42	1,143,657.00	1,189,460.71	4%

Scope 1 details are as follows:
*The 2021 and 2022 greenhouse gas emissions of Erzin NGCCPP are data verified within the scope of ISO 14064-1 standard.
** Erzin NGCCPP greenhouse gas emissions for the 2023 operating year have been verified on 15.01.2024 within the scope of the Regulation on the Monitoring of Greenhouse Gas Emissions and will also be verified until February 2024 within the scope of ISO 14064-1:2018 standard.
Hydroelectric Power Plants Scope 1: Diesel Generator + Rental Vehicles
Ayyıldız WPP Scope 1: Diesel Generator + Rental Vehicles
Erzin NGCCPP Scope 1: Natural Gas + Diesel Generator + Rental Vehicles + Air Conditioning + Fire Extinguisher + Other gases such as Gas Detector

Emissions (Scope 2) (tCO ₂ e)	2021	2022	2023	Rate of change from 22 to 23
Hydroelectric Power Plants	771.15	682.71	681.92	-0.1%
Ayyıldız WPP	101.54	98.06	100.96	3.0%
Erzin NGCCPP	4,541.32	8,600.88	8,931.00	3.8%
Total	5,414.01	9,381.65	9,713.87	3.5%

Scope 2, Includes purchased electricity.

Emissions (Scope 3) (tCO ₂ e)	2021	2022	2023	Rate of change from 22 to 23
Erzin NGCCPP	1,781,813.09	1,100,787.59	1,376,646.00	6.3%

Scope 3 details are as follows:
According to the ISO 14064-1:2018 standard, the scope 3 emissions of Erzin NGCCPP have been calculated for Scope 3 in the following details as of 2021:

- Indirect emissions from Employee commute
- Incoming customers and visitors
- Indirect emissions from the transport of waste
- Work travel

- Raw material supply and transport emissions
- Waste indirect emissions
- Use of sold electricity
- Electricity distribution and transmission

Waste Management Data

Waste Amount (ton/year)*	2021	2022	2023
Hazardous Wastes	83.8	101.0	96.0
Non-Hazardous Wastes	10.2	36.0	31.1
Total	94.0	137.0	127.1

*Data of 9 power plants in operation.

Waste Disposal and Recovery*	2021	2022	2023
Recovery (ton/year)	94.0	132.9	127.1
Disposal (ton/year)	0.05	**4.1	0.02
Waste Recovery Rate (%)	99.95	97	99.99

*Data of 9 power plants in operation.

**Until 2022, only waste batteries were disposed of from the power plants. In 2022, there is an additional 4 tons of disposal besides waste batteries.

Recovery*	2021	2022	2023
Wastepaper, plastic, glass and metal packaging (tons)	4.7	3.6	2
Scrap metal (tons)	0	28.3	28.66

*Data of 9 power plants in operation.

Material Consumption	2021	2022	2023
Paper Consumption (kg)*	538	650	750

*Paper consumption data represents the amount of paper rolls used (ordered) in power plants.

Environmental Spills

Power Plant	2021	2022	2023	Approximate Spill Volume in 2023 (lt)
Ayyıldız WPP	1	0	0	0
Bulam HEPP	0	1	0	0
Burç Bendi and HEPP	0	0	0	0
Erzin HEPP	0	0	0	0
Fek e I HEPP	1	1	0	0
Fek e II HEPP	0	0	0	0
Gökkaya HEPP	0	1	1	3
Himmetli HEPP	0	2	0	0
Uluabat HEPP	0	0	0	0

Throughout the year, 1 spills, approximately 3 liters in total, occurred at all our power plants. A single spillage occurred during the annual mechanical maintenance, which was promptly cleaned up and had no lasting adverse effects on the environment.



Water Management Data

Water Withdrawal (m³)	Source	2021	2022	2023
Erzin NGCCPP	Sea water	15,727,930.00	12,803,672.00	11,984,154.00
Ayyıldız WPP	Well water	104.00	91.10	90.10
Hydroelectric Power Plants				
Uluabat HEPP	Well water	2,394.00	2,837.50	2,248.00
Feke I HEPP	Ankara Water Authority	562.00	615.00	643.00
Feke II HEPP	Well water	300.50	264.00	272.00
Himmetli HEPP	Ankara Water Authority	2,843.00	4,214.50	6,289.00
Gökkaya HEPP	Ankara Water Authority	848.00	1,008.00	489.00
Burç Bendi and HEPP	Well water	204.90	168.40	378.40
Bulam HEPP	Spring water	85.30	89.40	91.70
HEPP Total		7,237.70	9,196.80	10,411.10
Total		15,735,271.70	12,812,959.90	11,994,655.20

Water Discharge (m³)	Discharge Place	2021	2022	2023
Erzin NGCCPP	Mediterranean	13,008,703.00	10,777,703.00	10,689,969.00
Ayyıldız WPP	Septic tank	46.00	44.00	30.50
Hydroelectric Power Plants				
Uluabat HEPP	Septic tank	90.00	127.50	120.00
Feke I HEPP	Septic tank	226.00	195.00	117.00
Feke II HEPP	Septic tank	99.50	65.00	65.00
Himmetli HEPP	Septic tank	273.00	373.50	189.00
Gökkaya HEPP	Septic tank	84.00	117.00	124.00
Burç Bendi and HEPP	Septic tank	10.90	8.40	8.40
Bulam HEPP	Septic tank	5.50	6.00	6.00
HEPP Total		788.90	892.40	629.40
Total		13,009,537.90	10,778,639.40	10,690,628.90

Water Consumption (m³)	Source	2021	2022	2023
Erzin NGCCPP	Sea water	2,719,227.00	2,025,969.00	1,294,185.00
Ayyıldız WPP	Well water	58.00	47.10	59.60
Hydroelectric Power Plants				
Uluabat HEPP	Well water	2,304.00	2,710.00	2,128.00
Feke I HEPP	Ankara Water Authority	336.00	420.00	526.00
Feke II HEPP	Well water	201.00	199.00	207.00
Himmetli HEPP	Ankara Water Authority	2,570.00	3,841.00	6,100.00
Gökkaya HEPP	Ankara Water Authority	764.00	891.00	365.00
Burç Bendi and HEPP	Well water	194.00	160.00	370.00
Bulam HEPP	Spring water	79.80	83.40	85.70
HEPP Total		6,448.80	8,304.40	9,781.70
Total		2,725,733.80	2,034,320.50	1,304,026.30

Total (m³)	2021	2022	2023
Fresh Water Extraction	7,341.70	9,287.90	10,501.20
Recycled Water	0	0	0

We continue to comply with the water amounts specified in the Downstream Water Rights Reports, which were prepared within the scope of the Regulation on the Procedures and Principles for Signing a Water Usage Rights Agreement (SKKY) for Generating in the Electricity Market and approved for the hydroelectric power plants in operation in 2014, as long as our power plants are in operation.

Energy Management Data

In-house Energy Consumption (GJ)*	2021	2022	2023
Non-renewable Source			
Natural gas	664,619.86	599,364.94	630,553.70
Diesel (generator)	300.02	285.54	243.53
Diesel (vehicle)	1,951.44	2,251.00	2,152.40
Gasoline (vehicle)	1,160.33	1,550.80	2,460.62
Fuel Total	668,031.65	603,452.28	635,410.25
Electric (Electricity taken from the grid)	48,644.99	71,513.63	84,110.19
Renewably Sourced			
Electric**	3,724.07	3,606.02	4,413.87
Total Energy Consumption	720,400.71	678,571.93	723,934.32

*Data of 9 power plants in operation.

** Renewable energy sources are Akenerji power plants except the Erzin NGCCPP. (Burç Bendi and HEPP, Bulam, Feke I, Feke II, Himmetli, Gökkaya and Uluabat HEPP, Ayyıldız RES)

Energy Data	Unit	2022	2023
Energy Use Total	GJ	678,571.90	723,934.32
Energy Purchased Direct	GJ	674,965.90	719,520.44
Energy Produced Direct	GJ	14,056,547	15,128,816
Electricity Purchased	GJ	71,514	84,110
Electricity Produced	GJ	14,056,547	15,128,816
Renewable Energy Purchased	GJ	0	0
Renewable Energy Produced	GJ	2,704,844	3,243,216
Total Renewable Energy	GJ	2,704,844	3.243,216



Additional Environmental Data

Environmental Penalties (All Facilities)

Year	Unit	Erzin NGCCPP	Ayyıldız (WPP)	Uluabat HEPP	Feke II HEPP	Gökkaya HEPP	FEKE I HEPP	Burç Bendi and HEPP	Himmetli HEPP	Bulam HEPP
2023	TL	none	none	none	none	none	none	none	none	none
2022	TL	none	none	none	none	none	none	none	none	none
2021	TL	none	none	none	none	none	none	none	none	none

Emission Measurements within the Scope of the Industrial Air Pollution Control Regulation

Parameter (mg/Nm³) (Erzin NGCCPP)

2022	C0	NO ₂	SO ₂	Dust	FL	CL
Emission Source (ERZİN)	Avg	Limit Value	Limit Value	Limit Value	Limit Value	Limit Value
Waste Heat Boiler-1	0	100	35.504	50	0	11.7
Waste Heat Boiler-2	0	100	33.141	50	0	11.7
Auxiliary Boiler	0	100	132.13	800	0	100

2020	C0	NO ₂	SO ₂	Dust	FL	CL
Emission Source (ERZİN)	Avg	Limit Value	Limit Value	Limit Value	Limit Value	Limit Value
Waste Heat Boiler-1	0	100	34.6	75	0	11.7
Waste Heat Boiler-2	0	100	22.469	75	0	11.7
Auxiliary Boiler	0	100	134.6	800	0.9	100

High efficiency and low emission targets have been adopted in our power plants. In order to achieve the highest possible operational efficiency, modern and environmentally friendly technologies are preferred. At Erzin NGCCPP, electrical energy is produced by burning natural gas using the “Dry Low NOx” technology, which produces low-emission NOx. Flue gas emissions are monitored with a continuous emission measurement system and can be monitored instantly with the remote monitoring system of the Ministry of Environment, Urbanization and Climate Change.

Emission confirmation measurements are conducted every two years. Since the last measurement was carried out in 2022, the next measurement will occur in 2024. The measurement values from 2022 remain valid in 2023.

E-Waste (All Facilities)

	Year	Erzin Unit NGCCPP	Ayyıldız (WPP)	Uluabat HEPP	Feke II HEPP	Gökkaya HEPP	FEKE I HEPP	Burç Bendi and HEPP	Himmetli HEPP	Bulam HEPP
Separation of electronic waste	2023	Yes/No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	2022	Yes/No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	2021	Yes/No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Recycling of electronic waste	2023	Yes/No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	2022	Yes/No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	2021	Yes/No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Amount of Electronic waste	2023	kg	0	0	0	143	300	62	0	0
	2022	kg	300	10	0	400	70	45	200	5
	2021	kg	0	40	0	60	20	20	200	40

Wastewater Pollutants

Wastewater Taken from the SAİS Cabin Exit Point on 20.12.2023

Parameter	Unit	SAİS Cabin Values	Analysis Result
pH	-	7.88	8.14
Electrical Conductivity	ms/cm	70.35	63.2
Dissolved Oxygen	mg/l	5.92	5.3
Heat	°C	20.2	19.1

Wastewater Received in 2 HOURS According to the Regulation on the SKKY table 9.3 On 20.12.2023 From AKM DISCHARGE OUTPUT

Parameter	Unit	SKKY Table 21.1 (2 Hour Limit Value)	SKKY Table 21.1 (24 Hour Limit Value)	Analysis Result
pH	-	6--9	6--9	8.26
Heat	°C	-	35	18.4
Oil and Grease	mg/l	20	10	<10
Total Phosphorus	mg/l	8	-	0.982
Total Cyanide	mg/l	-	0.5	<0.005
Suspended Solid Matter	mg/l	150	100	<10
Chemical Oxygen Demand	mg/l	60	30	<30

Wastewater Received in 2 HOURS According to the Regulation on the SKKY table 9.3 On 20.12.2023 from NEUTRALIZATION OUTPUT

Parameter	Unit	SKKY Table 21.1 (2 Hour Limit Value)	SKKY Table 21.1 (24 Hour Limit Value)	Analysis Result
pH	-	6--9	6--9	7.25
Heat	°C	-	35	17.7
Oil and Grease	mg/l	20	10	<10
Total Phosphorus	mg/l	8	-	0.462
Total Cyanide	mg/l	-	0.5	<0.005
Suspended Solid Matter	mg/l	150	100	36.10
Chemical Oxygen Demand	mg/l	60	30	38.61

Wastewater pollution measurement is carried out only at the Erzin power plant. At Erzin NGCCPP, wastewater can be monitored instantly both with samples taken at certain periods and with the remote continuous wastewater monitoring system (SAİS) of the Ministry of Environment, Urbanization and Climate Change.



Corporate Memberships

Institutions to Which We Are a Member

DEK -TMK - World Energy Council Turkish National Committee
DEİK - Foreign Economic Relations Board
ERTA - Integrated Reporting Türkiye Network
EÜD - Electricity Producers Association
ETD - Energy Traders Association
HESİAD - Hydroelectric Power Plants Industry and Business Association
Global Compact Signatories Association
PERYÖN - People Management Association of Türkiye
PETFORM - Petroleum Platform Association
PWN- Professional Women's Network
RESSİAD - Wind Power and Hydropower Plants Businessmen's Association
Sustainability Academy
TESAB - Association of Turkish Electricity Industry
TOBB - Union of Chambers and Commodity Exchanges of Türkiye
TÜREB - Turkish Wind Energy Association
TÜSİAD - Turkish Industrialists and Businessmen Association
TÜYİD - Investor Relations Association
YASED - International Investors Association

Institutional Memberships Due to Legislation

Adana Chamber of Industry
Adıyaman Chamber of Commerce and Industry
Bandırma Chamber of Commerce
Bursa Chamber of Commerce and Industry
Çumra Chamber of Commerce and Industry
Erzin Chamber of Commerce and Industry
İMMİB - İstanbul Mineral and Metals Exporters Association
İstanbul Chamber of Commerce
Kozan Chamber of Commerce
Central Registry Agency
Sungurlu Chamber of Commerce and Industry

Akenerji's Mission

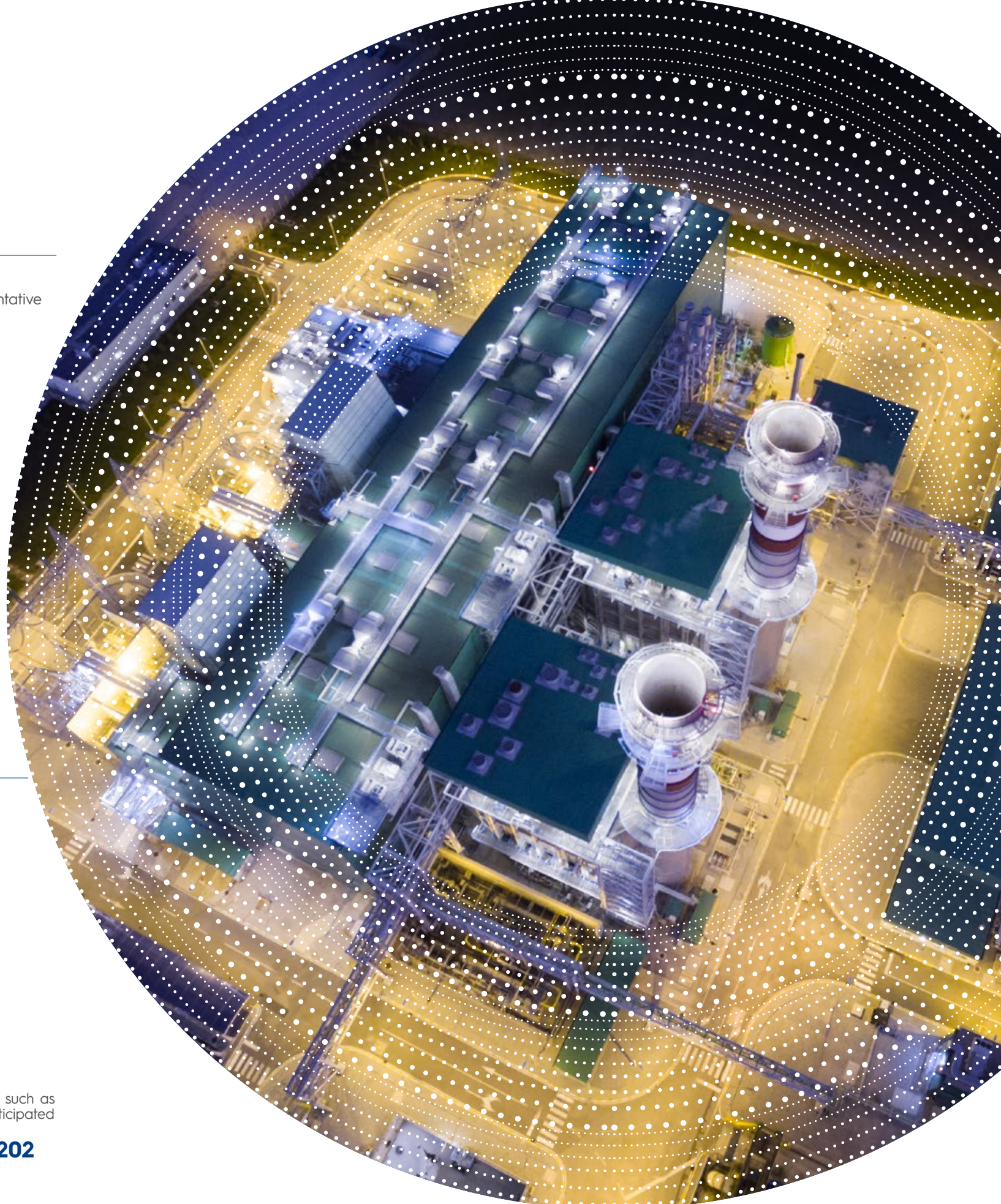
Member
Czech Business Council Representative
Member
Member of the Audit Board
Representative
Board Member
Member
Member
Member of the Audit Board
Event Committee Chairmanship

Member
Member
Board Member
Energy Council Member
Member
Working Groups Memberships
Member
Working Groups Memberships

Akenerji's Mission

Member
Member
Member
Member
Member
Member
Member
Member
Member
Member
Member

We have provided feedback on legislative changes related to sustainability in all our institutional memberships, such as YASED International Investors Association and TÜSİAD Turkish Industry and Business Association. We have participated in meetings and expressed our opinions on legislative amendments.





**CONVENIENCE TRANSLATION INTO ENGLISH OF
INDEPENDENT AUDITOR'S REPORT
ON THE BOARD OF DIRECTORS' ANNUAL REPORT
ORIGINALLY ISSUED IN TURKISH**

To the General Assembly of Akenerji Elektrik Üretim A.Ş.

1. Opinion

We have audited the annual report of Akenerji Elektrik Üretim A.Ş. (the “Company”) and its subsidiaries (collectively referred to as the “Group”) for the 1 January - 31 December 2023 period.

In our opinion, the financial information and the analysis made by the Board of Directors by using the information included in the audited financial statements regarding the Group's position in the Board of Directors' Annual Report are consistent and presented fairly, in all material respects, with the audited full set consolidated financial statements and with the information obtained in the course of independent audit.

2. Basis for Opinion

Our independent audit was conducted in accordance with the Independent Standards on Auditing that are part of the Turkish Standards on Auditing (the “TSA”) adopted within the framework of the regulations of the Capital Markets Board and issued by the Public Oversight Accounting and Auditing Standards Authority (“POA”). Our responsibilities under those standards are further described in the Auditor's Responsibilities in the Audit of the Board of Directors' Annual Report section of our report. We hereby declare that we are independent of the Group in accordance with the Ethical Rules for Independent Auditors (including Independence Standards) (the “Ethical Rules”) and the ethical requirements regarding independent audit in regulations issued by POA and the regulations of the Capital Markets Board and other relevant legislation that are relevant to our audit of the financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our opinion.

3. Our Audit Opinion on the Full Set Consolidated Financial Statements

We expressed an unqualified opinion in the auditor's report dated 15 March 2024 on the full set consolidated financial statements for the 1 January - 31 December 2023 period.

4. Board of Director's Responsibility for the Annual Report

Group management's responsibilities related to the annual report according to Articles 514 and 516 of Turkish Commercial Code (“TCC”) No. 6102 and Capital Markets Board's (“CMB”) Communiqué Serial II, No:14.1, “Principles of Financial Reporting in Capital Markets” (the “Communiqué”) are as follows:

- a) to prepare the annual report within the first three months following the balance sheet date and present it to the general assembly;

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Kılıçlı Paşa Mah. Meclis-i Mebusan Cad. No:8 İç Kapı No:301 Beyoğlu/İstanbul
T: +90 212 326 6060, F: +90 212 326 6050, www.pwc.com.tr Mersis Numaramız: 0-1460-0224-0500015



- b) to prepare the annual report to reflect the Group's operations in that year and the financial position in a true, complete, straightforward, fair and proper manner in all respects. In this report financial position is assessed in accordance with the financial statements. Also in the report, developments and possible risks which the Group may encounter are clearly indicated. The assessments of the Board of Directors in regard to these matters are also included in the report.
- c) to include the matters below in the annual report:
- events of particular importance that occurred in the Company after the operating year,
 - the Group's research and development activities,
 - financial benefits such as salaries, bonuses, premiums and allowances, travel, accommodation and representation expenses, benefits in cash and in kind, insurance and similar guarantees paid to members of the Board of Directors and senior management.

When preparing the annual report, the Board of Directors considers secondary legislation arrangements enacted by the Ministry of Trade and other relevant institutions.

5. Independent Auditor's Responsibility in the Audit of the Annual Report

Our aim is to express an opinion and issue a report comprising our opinion within the framework of TCC and Communiqué provisions regarding whether or not the financial information and the analysis made by the Board of Directors by using the information included in the audited financial statements in the annual report are consistent and presented fairly with the audited consolidated financial statements of the Group and with the information we obtained in the course of independent audit.

Our audit was conducted in accordance with the TSAs. These standards require that ethical requirements are complied with and that the independent audit is planned and performed in a way to obtain reasonable assurance of whether or not the financial information and the analysis made by the Board of Directors by using the information included in the audited financial statements in the annual report are consistent and presented fairly with the audited[consolidated] financial statements and with the information obtained in the course of audit.

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Çağlar Sürücü, SMMM
Independent Auditor

Istanbul, 19 March 2024



AKENERJİ ELEKTRİK ÜRETİM A.Ş.

CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023 AND INDEPENDENT AUDITOR'S REPORT

(CONVENIENCE TRANSLATION OF THE
INDEPENDENT AUDITOR'S REPORT AND
THE CONSOLIDATED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH)



CONVENIENCE TRANSLATION INTO ENGLISH OF
INDEPENDENT AUDITOR'S REPORT
ORIGINALLY ISSUED IN TURKISH

INDEPENDENT AUDITOR'S REPORT

To the General Assembly of Akenerji Elektrik Üretim A.Ş.

A. Audit of the consolidated financial statements

1. Our opinion

We have audited the accompanying consolidated financial statements of Akenerji Elektrik Üretim A.Ş. (the "Company") and its subsidiaries (collectively referred to as the "Group") which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements comprising a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with Turkish Financial Reporting Standards ("TFRS").

2. Basis for opinion

Our audit was conducted in accordance with the Standards on Independent Auditing (the "SIA") that are part of Turkish Standards on Auditing adopted within the framework of the regulations of the Capital Markets Board and issued by the Public Oversight Accounting and Auditing Standards Authority (the "POA"). Our responsibilities under these standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We hereby declare that we are independent of the Group in accordance with the Ethical Rules for Independent Auditors (including Independence Standards) (the "Ethical Rules") the ethical requirements regarding independent audit in regulations issued by the POA; the regulations of the Capital Markets Board; and other relevant legislation are relevant to our audit of the financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our opinion.

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Kılıçlı Paşa Mah. Meclis-i Mebusan Cad. No:8 İç Kapı No:301 Beyoğlu/İstanbul
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3. Emphasis of matter - Plans for the fulfillment of the short-term portion of the long-term bank loans

We would like to draw your attention to Note 2.8 in the accompanying consolidated financial statements, where the Group's plans are disclosed for the fulfillment of the short-term portion of the long-term bank loans with a maturity date in 2024, amounting to 6,752 million TL. Our opinion is not modified in respect of this matter.

4. Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. Key audit matters were addressed in the context of our independent audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How the key audit matter was addressed in the audit
Application of TAS 29, "Financial Reporting in Hyperinflationary Economies"	
TAS 29 "Financial reporting in hyperinflationary economies" ("TAS 29") is effective for the consolidated financial statements of the Group as at 31 December 2023.	We performed the following auditing procedures in relation to the application of TAS 29:
TAS 29 requires financial statements to be restated into the current purchasing power at the end of the reporting period. Therefore, transactions in 2023 and non-monetary balances at the end of the period were restated to reflect a price index that is current at the balance sheet date as of 31 December 2023. The application of TAS 29 has a pervasive and material impact on the consolidated financial statements. Considering the risk of inaccurate or incomplete data used in the application of TAS 29 and the additional audit effort expended, the application of TAS 29 has been identified as a key audit matter by us.	<ul style="list-style-type: none"> Understanding and evaluating the process related to the implementation of IAS 29 designed and implemented by management, Verifying whether the segregation of monetary and non-monetary items made by the management is in accordance with TAS 29, Obtaining detailed lists of non-monetary items and testing the original entry dates and amounts on a sample basis, Evaluating the calculation methods used by management and verifying whether they are consistently used consistently in all periods, Verifying the general price index rates used in calculations with the coefficients obtained from the Consumer Price Index in Turkey published by the Turkish Statistical Institute, Testing the mathematical accuracy of non-monetary items, income statement, and cash flow statement adjusted for inflation effects, Evaluating the adequacy of disclosures related to the application of TAS 29 in the notes to the consolidated financial statements in accordance with TFRS.
Explanations regarding the application of TAS 29 are provided in Note 2.1.	



Key Audit Matters	How the key audit matter was addressed in the audit
Accounting for the revaluation of property, plant and equipment	
<p>The Group has adopted the revaluation method under TAS 16 “Property, plant and equipment” with respect to measurement of the operating power plants. As disclosed in Note 2.7, the Group has recognized revaluation increase and revaluation decrease in the consolidated financial statements with respect to revaluation studies performed as at 31 December 2023.</p> <p>We focused on this matter in our audit due to the following reasons:</p> <ul style="list-style-type: none"> - Revaluation increase and revaluation decrease recognized is material to the Group’s consolidated financial statements as at 31 December 2023, - In the valuation studies, there are significant management estimates and assumptions (prospective electricity price expectations, spark spreads, electricity production volume expectations, capacity utilization rates and discount rate) in cash flow projections, - Estimates and assumptions used in valuation studies may be affected by future industrial and economic changes, - The necessity of the use of valuation experts to review the valuation studies due to complex structure of inputs and calculations used. 	<p>We performed the following audit procedures in the accounting for the revaluation of property, plant and equipment:</p> <ul style="list-style-type: none"> - The competence and objectivity of the valuation company that performed the valuation studies and consultancy firm that provided service in determining prospective electricity price expectations and spark spreads have been evaluated. - The valuation methods and technical data used in the valuation of property, plant and equipment were evaluated with the Group management and other management experts with the support of our valuation specialists. - The reasonableness of significant estimates (prospective electricity price expectations, spark spreads, electricity production volume expectations, capacity utilization rates and discount rate) used in the discounted cash flow studies of management were evaluated with the support of our valuation experts. - The electricity production volume and capacity utilization rates used in the projections were compared with the previous period performances of the Group. - Revaluation surplus determined based on the revaluation studies has been reconciled with the consolidated financial statements. - Compliance of the related disclosures on the accounting for the revaluation of property, plant and equipment with TFRS were evaluated.



5. Responsibilities of management and those charged with governance for the consolidated financial statements

The Group management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with TFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group’s financial reporting process.

6. Auditor’s responsibilities for the audit of the consolidated financial statements

Responsibilities of independent auditors in an independent audit are as follows:

Our aim is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent auditor’s report that includes our opinion. Reasonable assurance expressed as a result of an independent audit conducted in accordance with SIA is a high level of assurance but does not guarantee that a material misstatement will always be detected. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an independent audit conducted in accordance with SIA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Assess the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence. We also communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



B. Other responsibilities arising from regulatory requirements

1. No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code ("TCC") No. 6102 and that causes us to believe that the Company's bookkeeping activities concerning the period from 1 January to 31 December 2023 period are not in compliance with the TCC and provisions of the Company's articles of association related to financial reporting.
2. In accordance with subparagraph 4 of Article 402 of the TCC, the Board of Directors submitted the necessary explanations to us and provided the documents required within the context of our audit.
3. In accordance with subparagraph 4 of Article 398 of the TCC, the auditor's report on the early risk identification system and committee was submitted to the Company's Board of Directors on 15 March 2024.

PwC Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.



Çağlar Sürücü, SMMM
Independent Auditor

Istanbul, 15 March 2024



Akenerji Elektrik Üretim A.Ş.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 31 DECEMBER 2023
(Amounts expressed Turkish Lira ("TL") based on the purchasing power of TL as of 31.12.2023 unless otherwise indicated.)

		Current period	Prior period
		Audited	Audited
	Notes	31 December 2023	31 December 2022
ASSETS			
Current assets			
Cash and cash equivalents	4	1,170,389,431	2,057,447,580
Financial investment	5	130,100,427	133,144,745
Derivative instruments	18	3,461,719	-
Trade receivables			
- Due from related parties	7,29	125,479,979	936,247,000
- Due from third parties	7	691,054,071	2,714,544,534
Other receivables			
- Due from third parties	8	15,336,860	10,524,892
Inventories	12	129,375,674	74,356,195
Prepaid expenses	11	151,886,937	207,668,405
Current income tax assets	21	3,227,781	3,309,397
Other current assets	13	106,695,313	63,741,299
Total current assets		2,527,008,192	6,200,984,047
Non - current assets			
Other receivables			
- Due from third parties	8	23,907,330	51,526,306
Financial investments	5	750,444	750,443
Inventories	12	40,677,822	78,018,791
Property, plant and equipment	14	28,242,488,469	30,444,255,517
Right of use assets	16	212,486,022	157,880,013
Intangible assets	15	412,765,062	404,921,825
Prepaid expenses	11	252,353,096	254,862,179
Deferred tax assets	21	10,565,709	9,579,365
Other non-current assets	13	226,664,224	201,498,167
Total non - current assets		29,422,658,178	31,603,292,606
TOTAL ASSETS		31,949,666,370	37,804,276,653

Akenerji Elektrik Üretim A.Ş.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED
31 DECEMBER 2023
(Amounts expressed Turkish Lira ("TL") based on the purchasing power of TL as of 31.12.2023 unless otherwise indicated.)

		Current period	Prior period
		Audited	Audited
	Notes	31 December 2023	31 December 2022
LIABILITIES			
Current liabilities			
Short - term portion of long - term borrowings			
- Bank loans	6	6.751.848.138	1.108.756.368
- Lease payables	6	50.892.841	47.525.450
Trade payables			
- Due to related parties	9, 29	178.750.127	364.103.724
- Due to third parties	9	825.411.127	3.477.589.079
Employee benefit obligations	19	11.801.104	8.358.662
Other payables			
- Other payables to third parties	10	251.311.912	343.113.591
Derivative instruments	18	37.958.448	34.155.704
Current income tax liabilities	21	720.896	2.651.834
Deferred income		57.213	35.700.684
Short term provisions			
- Provisions for employee benefits	19	29.786.073	32.964.323
- Other short - term provisions	17	84.955.518	117.866.522
Total current liabilities		8.223.493.397	5.572.785.941
Non - current liabilities			
Long - term borrowings			
- Bank loans	6	8.741.163.981	17.837.624.392
- Lease payables	6	243.142.913	263.980.446
Other payables			
- Due to third parties	10	534.092.073	708.936.280
Derivative instruments	18	-	2.692.368
Long term provisions			
- Provisions for employee benefits	19	34.083.386	57.019.340
Deferred tax liabilities	21	392.472.722	3.422.365.843
Total non - current liabilities		9.944.955.075	22.292.618.669
EQUITY			
Share capital	20	729.164.000	729.164.000
Adjustments to share capital	20	8.296.176.858	8.296.176.858
Share premiums		811.504.170	811.504.170
Other comprehensive income/(expense) not to be reclassified to profit/loss			
Gains/(losses) on revaluation and remeasurement			
- Gains/(losses) on revaluation of property, plant and equipment	14	2.140.221.324	3.435.169.874
- Gains/(losses) on re-measurement of defined benefit plans		(32.386.059)	(30.553.061)
Other comprehensive income/(expense) to be reclassified to profit/loss			
Losses on hedges			
- Losses on cash flow hedging		-	(3.211.918)
Restricted reserves			
- Legal reserves	20	175.627.307	175.627.307
- Other reserves		(11.698.002)	(11.698.002)
Accumulated losses		(3.367.250.078)	(5.568.297.630)
Net profit for the period		5.039.858.378	2.104.990.445
Total equity		13.781.217.898	9.938.872.043
TOTAL LIABILITIES AND EQUITY		31.949.666.370	37.804.276.653



Akenerji Elektrik Üretim A.Ş.
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in Turkish Lira ("TL") based on the purchasing power of TL as of 31.12.2023 unless otherwise indicated.)

	Notes	Current period	Prior period
		Audited	Audited
		1 January - 31 December 2023	1 January - 31 December 2022
Revenue	22	23.672.315.031	32.710.184.429
Cost of sales (-)	22	(22.167.119.255)	(30.241.437.818)
Gross profit		1.505.195.776	2.468.746.611
General administrative expenses (-)	23	(375.059.850)	(281.884.866)
Other operating income	25	626.102.092	1.253.706.822
Other operating expenses (-)	25	(418.476.381)	(1.042.253.514)
Operating profit		1.337.761.637	2.398.315.053
Income from investing activities	26	59.315.936	20.990.462
Expenses from investing activities (-)	26	(66.034.615)	(4.020.951.482)
Operating profit before financial income/(expense)		1.331.042.958	(1.601.645.967)
Financial income	27	804.017.149	759.559.712
Financial expenses (-)	27	(8.087.026.122)	(6.982.778.831)
Monetary gain/(loss)		8.098.018.756	9.819.313.922
Profit before tax		2.146.052.741	1.994.448.836
Tax income/(expense)			
- Current income tax expense (-)	21	(23.736.677)	(6.608.189)
- Deferred tax income/(expense)	21	2.917.542.314	117.149.798
Net profit for the period		5.039.858.378	2.104.990.445
Net profit attributable to:			
Equity holders of the parent		5.039.858.378	2.104.990.445
Earnings profits per share (1.000 shares)	28	6,912	2,887

Akenerji Elektrik Üretim A.Ş.
CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed Turkish Lira ("TL") based on the purchasing power of TL as of 31.12.2023 unless otherwise indicated.)

	Notes	Current period	Prior period
		Audited	Audited
		1 January - 31 December 2023	1 January - 31 December 2022
Net profit for the period		5.039.858.378	2.104.990.445
Other comprehensive income/(expense)			
To be reclassified to profit or loss			
Gains/(losses) on cash flow hedging		3.699.338	9.809.011
Deferred tax income/(expense)	21	(487.420)	(1.022.979)
Not to be reclassified to profit or loss			
Increase/decrease on revaluation of property, plant and equipment	14	(1.312.257.766)	4.293.962.342
Deferred tax income/(expense)	21	113.366.323	(858.792.468)
Actuarial gains/(losses) arising from defined benefit plans	19	(2.291.248)	(25.383.268)
Deferred tax income/(expense)	21	458.250	5.076.654
Other comprehensive income/(expense)		(1.197.512.523)	3.423.649.292
Total comprehensive income		3.842.345.855	5.528.639.737



Akenerji Elektrik Üretim A.Ş.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed Turkish Lira ("TL") based on the purchasing power of TL as of 31.12.2023 unless otherwise indicated)

													Restricted reserves		
													Other comprehensive income/(expenses) not to be reclassified to profit or loss	Other comprehensive income/(expenses) to be reclassified to profit or loss	
	Share capital	Adjustments to share capital	Share premiums	Increase on revaluation of property plant and equipment ⁽¹⁾	Gains/(losses) on re-measurement of defined benefit plans	Gains/(losses) on cash flow hedging	Other reserves	Legal reserves	Retained earnings/(accumulated losses)	Net loss for the period	Total equity				
1 January 2022	729,164,000	8,296,176,858	811,504,170	-	(10,246,447)	(11,997,950)	(11,698,002)	175,627,307	(5,568,297,630)	-	4,410,232,306				
Total comprehensive income	-	-	-	3,435,169,874	(20,306,614)	8,786,032	-	-	-	2,104,990,445	5,528,639,737				
Other adjustments	-	-	-	-	-	-	-	-	-	-	-				
31 December 2022	729,164,000	8,296,176,858	811,504,170	3,435,169,874	(30,553,061)	(3,211,918)	(11,698,002)	175,627,307	(5,568,297,630)	2,104,990,445	9,938,872,043				
1 January 2023	729,164,000	8,296,176,858	811,504,170	3,435,169,874	(30,553,061)	(3,211,918)	(11,698,002)	175,627,307	(5,568,297,630)	2,104,990,445	9,938,872,043				
Transfers	-	-	-	-	-	-	-	-	2,104,990,445	(2,104,990,445)	-				
Total comprehensive income	-	-	-	(1,198,891,443)	(1,832,998)	3,211,918	-	-	-	5,039,858,378	3,842,345,855				
Other adjustments ⁽²⁾	-	-	-	(96,057,107)	-	-	-	-	96,057,107	-	-				
31 December 2023	729,164,000	8,296,176,858	811,504,170	2,140,221,324	(32,386,059)	-	(11,698,002)	175,627,307	(3,367,250,078)	5,039,858,378	13,781,217,898				

⁽¹⁾As of 31 December 2023, the depreciation difference between the acquisition cost and the carrying values of the assets subject to revaluation method after tax amounting to TL 960,571,07 (31 December 2022: Revaluation fund balance of 1 January 2022 is reclassified under accumulated losses due to hyperinflation), were reclassified to accumulated losses from revaluation fund of property, plant and equipment

The accompanying notes form an integral part of these consolidated financial statements.

Akenerji Elektrik Üretim A.Ş.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed Turkish Lira ("TL") based on the purchasing power of TL as of 31.12.2023 unless otherwise indicated.)

		Current period		Prior period
		Audited		Audited
	Notes	1 January - 31 December 2023	1 January - 31 December 2022	
A. Cash flows from operating activities		2,744,924,180	3,633,672,376	
Net loss for the period		5,039,858,378	2,104,990,445	
Adjustments to reconcile net loss for the year		(2,149,243,110)	2,005,076,418	
Adjustments for depreciation and amortization expenses	24	1,443,984,475	1,405,703,645	
Adjustments for provisions				
- Adjustment for provisions for employee benefits	19	55,176,921	33,316,211	
- Adjustments for litigation provisions	17	1,258,101	21,174,852	
- Adjustments for other provisions	17	(2,372,582)	86,827	
Adjustments for interest income		(251,708,121)	(216,214,685)	
Adjustments for interest expense		1,864,467,669	2,029,612,635	
Adjustments for unrealized foreign exchange differences		6,164,608,615	5,101,038,862	
Fair value adjustments				
- Adjustments for fair value of derivative financial instruments		(438,838)	79,752,726	
- Adjustments for fair value of derivative financial investments	26	(51,227,961)	(20,690,811)	
Adjustments for tax (income)/expense	21	2,893,805,637	110,541,609	
Adjustments for (gain)/loss on sale of property, plant and equipment and impairment	26	65,091,408	4,017,973,296	
Monetary gain/loss		(14,331,889,234)	(10,557,218,749)	
Changes in working capital		(145,722,538)	(487,033,836)	
(Increase)/decrease in trade receivables from related parties		578,771,629	(638,613,291)	
(Increase)/decrease in trade receivables from third parties		1,250,012,516	(2,905,368,402)	
(Increase)/decrease in other receivables from related parties		-	6,060,800	
(Increase)/decrease in other receivables from third parties		(2,062,212)	(63,775,235)	
(Increase)/decrease in inventories		(113,093,677)	(64,793,198)	
(Increase)/decrease in prepaid expenses		168,741,965	(177,481,982)	
Increase/decrease in other assets		(225,258,472)	(219,459,398)	
Increase/(decrease) in trade payables to related parties		(55,242,375)	288,794,406	
Increase/(decrease) in trade payables to third parties		(1,680,158,937)	3,215,938,469	
Increase/(decrease) in derivative financial instruments		16,425,852	(95,840,894)	
Increase/(decrease) in deferred income		(28,248,228)	43,223,030	
Increase/(decrease) in employee benefit obligations		8,792,170	6,925,949	
Increase/(decrease) in other payables		(64,402,769)	117,355,910	
Cash flows from operating activities		2,744,891,930	3,623,033,027	
Payments related to provisions for employee benefits		26,275,812	17,905,101	
Tax receipts/(payments)		(26,243,562)	(7,265,752)	
B. Cash flows from investing activities		(596,384,964)	(568,265,124)	
Cash inflows/outflows due to sale of property, plant and equipment		190,862	93,260	
Cash inflows/outflows due to purchase of property, plant and equipment		(28,644,182)	(83,446,349)	
Cash inflows/outflows due to purchase of intangible assets	15	(570,478,952)	(347,797,555)	
Other cash inflows/outflows	5	2,547,308	(137,114,480)	
C. Cash flows from financing activities		(2,128,065,419)	(1,922,157,798)	
Cash inflows/outflows due to repayment of borrowings	6	(1,481,364,031)	(1,054,746,687)	
Cash outflows due to repayment of lease payable	6	(59,385,954)	(54,395,744)	
Interest paid		(919,049,799)	(1,032,340,543)	
Interest received		251,708,121	216,214,685	
Other cash inflows/(outflows) ⁽³⁾		80,026,244	3,110,491	
Net increase in cash and cash equivalents		20,473,797	1,143,249,454	
Monetary gain/loss through cash and cash equivalents		(832,013,048)	(859,873,726)	
Cash and cash equivalents at the beginning of the period ⁽³⁾	4	1,955,618,710	1,672,242,982	
Cash and cash equivalents at the end of the year ⁽³⁾	4	1,144,079,459	1,955,618,710	

⁽³⁾ Cash and cash equivalents at the beginning of the period and at the end of the period does not include interest accruals and restricted deposits, and the changes in restricted deposits are provided in "Other cash inflows/(outflows)".



Akenerji Elektrik Üretim A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed Turkish Lira ("TL") based on the purchasing power of TL as of 31.12.2023 unless otherwise indicated.)

NOTE 1 – ORGANISATION OF GROUP AND NATURE OF OPERATIONS

The Company was established by Akkök Sanayi Yatırım ve Geliştirme A.Ş. in 1989 (Akkök Sanayi Yatırım ve Geliştirme A.Ş. is registered as Akkök Holding A.Ş. on 13 May 2014). Akenerji Elektrik Üretim A.Ş. ("the Company" or "Akenerji") is engaged in establishing, renting and operating facilities of electrical energy production plant, producing electricity and trading electricity to the customers. Since 14 May 2009, the Company has become a joint venture between Akkök Holding A.Ş. and CEZ a.s.

The Company is registered in Türkiye and its registered address is as follows:

Miralay Şefik Bey Sokak No:15 Akhan Kat: 3 - 4 Gümüşsuyu/İstanbul - Türkiye.

The Company is registered to the Capital Markets Board ("CMB"), and its shares are publicly traded in Istanbul Stock Exchange ("ISE"). As of 31 December 2023, 25,28% the publicly listed shares are 25,28% of total shares (31 December 2022: 25,28%).

As of 31 December 2023, the number of employees employed Akenerji and its subsidiaries (Akenerji and its subsidiaries will be referred as the "Group") is 319 (31 December 2022: 291).

These consolidated financial statements for the year ended 31 December 2023 have been approved for the issue by the Board of Directors at 15 March 2024.

The nature of business and registered addresses of the entities included in the consolidation ("Subsidiaries") are presented below:

Subsidiaries and branches	Nature of business	Registered address
Akenerji Elektrik Enerjisi İthalat - İhracat ve Toptan Ticaret A.Ş. ("Akenerji Toptan")	Electricity trading	Gümüşsuyu/İstanbul
Akel Kemah Elektrik Üretim ve Ticaret A.Ş. ("Akel Kemah")	Electricity production and trading	Gümüşsuyu/İstanbul
Akenerji Doğalgaz İthalat İhracat ve Toptan Ticaret A.Ş. ("Akenerji Doğalgaz")	Natural gas trading	Gümüşsuyu/İstanbul
Akel Sungurlu Elektrik Üretim A.Ş. ("Akel Sungurlu")	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

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of presentation

Financial reporting standards

The accompanying consolidated financial statement are prepared in accordance with the requirements of Capital Markets Board ("CMB") Communiqué Serial II, no: 14.1 "Basis of Financial Reporting in Capital Markets", which was published in the Official Gazette No: 28676 on 13 June 2013. According to Article 5 of the Communiqué, consolidated financial statements are prepared in accordance with the Turkish Accounting Standards / Turkish Financial Reporting Standards ("TAS"/"TFRS") issued by Public Oversight Accounting and Auditing Standards Authority of Türkiye ("POA").

Akenerji Elektrik Üretim A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed Turkish Lira ("TL") based on the purchasing power of TL as of 31.12.2023 unless otherwise indicated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The condensed consolidated financial statements are presented in accordance with "Announcement regarding with TAS/TFRS Taxonomy" which was published on 4 October 2022 by POA and the format and mandatory information recommended by CMB.

The Group and its subsidiaries, associates and joint ventures maintain their books of accounts and prepare their statutory financial statements in accordance with the Turkish Commercial Code ("TCC"), tax legislation, the Uniform Chart of Accounts issued by the Ministry of Finance and principles issued by POA. The consolidated financial statements are based on the statutory records, which are maintained under historical cost conventions except for the derivative financial instruments, financial investments and revaluated property, plant and equipment presented a fair value, with the required adjustments and reclassifications reflected for the purpose of fair presentation in accordance with TAS.

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Turkish Lira, which is the functional currency of Akenerji and the presentation currency of the Group.

Offsetting

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

Adjustment of consolidated financial statements in hyperinflation periods

It has been decided that institutions registered in CMB and import companies obligated to apply financial statement adjustments stated in TAS/TFRS are required to apply hyperinflation accounting by implementing TAS 29 to financial statements for the year ended 31 December 2023, according to the rule number 81/1820 declared by CMB dated in 28 December 2023.

A statement has been made by POA at 23 November 2023 regarding the scope and implementation of TAS 29. POA stated that corporations implementing TAS/TFRS are required to present their financial statements for the year 31 December 2023 and forward adjusted to the inflation impact according to the accounting principles stated in TAS 29.

TAS 29 is implemented to any financial statements of a company whose functional currency is the currency of a hyperinflation economy, including consolidated financial statements. If an economy experiences hyperinflation, then according to TAS 29, a company whose functional currency is the currency of a hyperinflation economy needs to present its financial statements in terms of unit of measurement effective at the end of period.

Under these circumstances, inflation adjustments are made according to TAS 29 upon consolidated financial statements for the years 31 December 2023, 31 December 2022 & 31 December 2021.

Financial statements and figures of previous years are restated in line with purchasing power of the functional currency and as a result, financial statements and figures of previous years are presented in terms of unit of measurement effective at the end of period according to TAS 29.

Because of cumulative change of purchasing power for the last three years in relation to Consumer Price Index (CPI) is more than 100% as of current period, corporations operating in Türkiye are obligated to implement TAS 29 for the year ended 31 December 2023 and forward.



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Inflation rates of each year calculated according to CPIs published by Turkish Statistical Institute (TSI) are given in the table below:

Date	Index	Adjustment correlation	3-year cumulative inflation ratios
31.12.2023	1.859,38	1.000	268%
31.12.2022	1.128,45	1.647	156%
31.12.2021	686,95	2.706	74%

Procedure of TAS 29 is presented below:

- All accounts, excluding accounts that are presented with current purchasing power at the current period, are restated with their related price index correlation. Same method is applied for previous years.
- Monetary balance sheet accounts are not restated because these accounts are presented with current purchasing power at the current period. Monetary accounts are accounts that are either received or paid in cash.
- Fixed assets, subsidiaries and similar assets are restated through their historic cost, in a way not exceeding their market value. Same method is applied to depreciation and amortization accounts. Equity balances are restated with price correlations according to the dates these balances.
- All income statement accounts, excluding income statement accounts that are counterparty to non-monetary accounts of balance sheet, are restated based on the price correlations of the date they entered financial statements.
- Net monetary profit or loss resulting from inflation is the difference of adjustments made to non-monetary balance sheet accounts, equity accounts and income statement accounts. Net monetary profit or loss is then included in net profit or loss.

Impact of TAS 29 is summarized below:

i. Restatement of Financial Statements

Accounts that are not presented in terms of unit of measurement effective at the end of period within financial statements are restated. In relation to this, monetary accounts are not restated because they are presented in terms of unit of measurement effective at the end of period. Non-monetary accounts are required to be restated unless they are presented by their current value at the end of reporting period.

Net monetary profit or loss resulting from restatement of non-monetary accounts are included in income statement and they are also presented in other comprehensive income statement.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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(Amounts expressed Turkish Lira ("TL") based on the purchasing power of TL as of 31.12.2023 unless otherwise indicated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

ii. Restatement of Income Statement

All accounts of income statement are presented by the unit of measurement at the end period. Therefore, all accounts are restated by applying monthly price index changes.

Cost of sales is restated with adjusted inventory balances.

Depreciation and amortization expenses are restated with adjusted balances of fixed assets and right of use assets.

iii. Restatement of Cash Flow

All accounts of income statement are presented by the unit of measurement at the end period.

iv. Consolidated Financial Statements

A subsidiary's financial statements whose functional currency is a currency of a hyperinflation economy need to be restated before integrated into parent company's consolidated financial statements based on price correlations. If the subsidiary is based in a foreign economy, restatement is made by closing foreign exchange (FX) rates.

v. Comparative Balances

Balances of previous periods are restated with price correlations in order to present them in terms of unit of measurement effective at the end of period.

vi. Comparative Information and Restatement of Previous Periods' Consolidated Financial Statements

Group's financial statements are prepared comparatively to previous periods in order to detect financial position and performance trends. If necessary, comparative information is restated and material differences are explained in order to establish compliance with the presentation of current period consolidated financial statements.

2.2 Basis of consolidation

- The consolidated financial statements include the accounts of the parent company, Akenerji, and its Subsidiaries on the basis set out in sections (b) to (c) below. The financial statements of the companies included in the scope of consolidation have been prepared at the date of the consolidated financial statements and have been prepared in accordance with TAS/TFRS by applying uniform accounting policies and presentation. The results of operations of Subsidiaries are included or excluded from their effective dates of acquisition or disposal respectively.
- Subsidiaries are companies in which Akenerji has the power to control the financial and operating policies for the benefit of itself, either through the power to exercise more than 50% of voting rights related to shares in the companies as a result of shares owned directly and/or indirectly by itself.



Akenerji Elektrik Üretim A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed Turkish Lira ("TL") based on the purchasing power of TL as of 31.12.2023 unless otherwise indicated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The table below sets out all subsidiaries and demonstrates the proportion of ownership interest and effective interest rate of the Group over the subsidiary as of 31 December 2023 and 2022:

Subsidiaries and branches	Effective shareholding (%)		Ownership interest (%)	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Akenerji Toptan	100,00	100,00	100,00	100,00
Ak-el Kemah	100,00	100,00	100,00	100,00
Akenerji Doğalgaz	100,00	100,00	100,00	100,00
Akel Sungurlu ^(*)	-	-	100,00	100,00
5ER Enerji ^(*)	-	-	100,00	-
Akenerji Toptan Khabat ^(**)	-	-	100,00	-
Aken B.V. ^(***)	100,00	-	100,00	-

^(*)As of 31 December 2022, Akenerji Toptan has a free purchase options of Akel Sungurlu and 5ER Enerji's shares at any time and Akenerji Toptan has the controlling power within the scope of the capacity lease agreement and usufruct right agreement, so Akel Sungurlu and 5ER Enerji has been consolidated in the financial statements using the full consolidation method.

^(**)Branch of the Subsidiary, which operate in a different country, are separately presented.

^(***)It was established on July 31, 2023, and has been incorporated into the consolidated financial statements using the full consolidation method.

Subsidiaries are consolidated from the date on which the control is transferred to the Group and are deconsolidated from the date that the control ceases. Where necessary, accounting policies for subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

Carrying values of the Subsidiaries' shares held by the Company are eliminated against the related equity of subsidiaries. Intercompany transactions and balances between Akenerji and its subsidiaries are eliminated on consolidation. Dividends arising from shares held by the Company in its subsidiaries are eliminated from income for the period and equity, respectively.

- c. The minority shareholders' share in the net assets and results of subsidiaries for the period are separately classified as non-controlling interest in the consolidated statement of financial position and statements of comprehensive income. There are no minority shares in subsidiaries of the Company.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed Turkish Lira ("TL") based on the purchasing power of TL as of 31.12.2023 unless otherwise indicated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.3 The new standards, amendments and interpretations

The accounting policies adopted in preparation of the consolidated financial statements as at 31 December 2023 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and Türkiye Financial Reporting Interpretations Committee's ("TFRIC") interpretations effective as of 1 January 2023.

i) The new standards, amendments and interpretations which are effective as at 31 December 2023 are as follows

- **Narrow scope amendments to IAS 1, Practice Statement 2 and IAS 8;** effective from annual periods beginning on or after 1 January 2023. The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.
- **Amendment to IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction;** effective from annual periods beginning on or after 1 January 2023. These amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.
- **IFRS 17, 'Insurance Contracts';** effective from annual periods beginning on or after 1 January 2023. This standard replaces IFRS 4, which permitted a wide variety of practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts.
- **Amendment to IAS 12 – International tax reform;** The temporary exception is effective for December 2023 year ends and the disclosure requirements are effective for accounting periods beginning on or after 1 January 2023, with early application permitted. These amendments give companies temporary relief from accounting for deferred taxes arising from the Minimum Tax Implementation Handbook international tax reform. The amendments also introduce targeted disclosure requirements for affected companies.

The amendments did not have a significant impact on the financial position or performance of the Group.

ii) Standards, amendments and improvements issued but not yet effective and not early adopted as at 31 December 2022

Standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of issuance of the interim condensed consolidated financial statements are as follows. The Group will make the necessary changes if not indicated otherwise, which will be affecting the consolidated financial statements and disclosures, when the new standards and interpretations become effective.



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed Turkish Lira ("TL") based on the purchasing power of TL as of 31.12.2023 unless otherwise indicated)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

- **Amendment to IAS 1 – Non-current liabilities with covenants;** effective from annual periods beginning on or after 1 January 2024. These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.
- **Amendment to IFRS 16 – Leases on sale and leaseback;** effective from annual periods beginning on or after 1 January 2024. These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.
- **Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements;** effective from annual periods beginning on or after 1 January 2024. These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.
- **Amendments to IAS 21 - Lack of Exchangeability;** effective from annual periods beginning on or after 1 January 2025. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.
- **IFRS S1, 'General requirements for disclosure of sustainability-related financial information;** effective from annual periods beginning on or after 1 January 2024. This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain
- **IFRS S2, 'Climate-related disclosures';** effective from annual periods beginning on or after 1 January 2024. This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.

The Group is in the process of assessing the impact of the standard on financial position or performance of the Group.

2.4 Restatement and errors in the accounting policies and estimates

Any change in the accounting policies resulted from the first time adoption of a new standard is made either retrospectively or prospectively in accordance with the transition requirements. Changes without any transition requirement, material changes in accounting policies or material errors are corrected, retrospectively by restating the prior period consolidated financial statements. If changes in accounting estimates are related to only one period, they are recognized in the period when changes are applied; if changes in estimates are related to future periods, they are recognized both in the period where the change is applied and future periods prospectively.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.5 Summary of significant accounting policies

Significant accounting policies adopted in the preparation of consolidated financial statements are summarized below:

Financial assets

Classification and measurement:

Group classified its financial assets in three categories as financial assets carried at amortized cost, financial assets carried at fair value through profit or loss, financial assets carried at fair value through other comprehensive income. Classification is performed in accordance with the business model determined based on the purpose of benefits from financial assets and expected cash flows. Management performs the classification of financial assets at the acquisition date.

(a) Financial assets carried at amortized cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, whose payments are fixed or predetermined, which are not actively traded and which are not derivative instruments are measured at amortized cost. They are included in current assets, except for maturities more than 12 months after the balance sheet date. Those with maturities more than 12 months are classified as non - current assets. Financial assets of the Group carried at amortized cost comprised of "trade receivables", "other receivables" and "cash and cash equivalents" in the statement of financial position.

i. Trade and other receivables

Trade and other receivables that are created by the Group by way of providing goods or services directly to a debtor are carried at amortized cost. Receivables with short - term maturities which have no predefined interest rate is measured at the original invoice amount unless the effect of imputed interest is significant.

ii. Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short - term highly liquid investments with original maturities of 3 months or less. For the purpose of consolidated statements of cash flows, cash and cash equivalents includes cash and cash equivalents with original maturities less than 3 months, excluding the interest accruals. If any provision provided to the cash and cash equivalents as a result of a specific events, Group measures expected credit loss from these cash and cash equivalents by the life - time expected credit loss. The calculation of expected credit loss is performed based on the past experience of the Group and its expectations for the future indications.

Impairment

Group has applied simplified approach and used impairment matrix for the calculation of impairment on its receivables carried at amortized cost on its consolidated financial statements. In accordance with this method, if any provision provided to the trade receivables as a result of a specific events, the Group measures expected credit loss from these receivables by the life - time expected credit loss. The calculation of expected credit loss is performed based on the past experience of the Group and its expectation based on the macroeconomic indications.



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed Turkish Lira ("TL") based on the purchasing power of TL as of 31.12.2023 unless otherwise indicated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(b) Financial assets carried at fair value

Assets that are held by the management for collection of contractual cash flows and for selling the financial assets are measured at their fair value. If the management do not plan to dispose these assets in 12 months after the balance sheet date, they are classified as non - current assets. The Group make a choice for the equity instruments during the initial recognition and elect profit or loss or other comprehensive income for the presentation of fair value gain and loss:

i) Financial assets carried at fair value through profit or loss

Financial assets carried at fair value through profit or loss comprise of "derivative financial instruments" and "short-term financial investments" in the statement of financial position. Group's financial instruments at fair value through profit or loss consist of interest rate swap contracts, forward contracts and forward term electricity purchase and sale contracts, and short term financial investments consist of currency protected time deposits.

- Derivatives held for trading

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period.

The fair value of forward contracts calculated by calculating forward exchange rate, for remainder of agreement related foreign currency's prevailed market interest rate, and comparing it to reporting date forward exchange rate.

Forward exchange contracts are recorded as assets or liabilities in the balance sheet, respectively, depends on whether their fair values are positive or negative. Gains and losses arising from changes in the fair value of forward exchange contracts are recognized as income and expense in the income statement.

ii) Financial investments

The Group maintains a foreign currency protected time deposit account for hedging against interest rate and currency risk. The currency protected TL time deposit account is a deposit product that offers foreign currency protection in the event that the USD and EUR exchange rate in TL increase more than the interest rate at maturity. Currency protected time deposit products are measured at their fair value. Gains and losses arising from changes in fair values are recognized as income and expense in the consolidated statement of profit or losses.

Akenerji Elektrik Üretim A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed Turkish Lira ("TL") based on the purchasing power of TL as of 31.12.2023 unless otherwise indicated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Financial liabilities

Non - derivative financial liabilities of the Group comprised of "borrowings", "trade payables" and "other payables" in the statement of financial position.

i. Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are derecognized from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired.

In the case of a financial liability modification, any costs or fees occurred regarding these liabilities is deducted from the carrying amount of the liability and amortized during the terms of the modified loan agreement by being.

If financing costs arising from the loans are associated with acquisition or construction of qualifying assets, they are included in cost value of qualifying assets. Qualifying assets refer to assets which require a long time to be available for use or sales as intended. Other borrowing costs are accounted in statement of profit or loss in the period they occur.

ii. Trade and other payables

Trade and other payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

Recognition and de - recognition of financial instruments

All purchases and sales of financial assets are recognized on the trade date i.e. the date that the Group commits to purchase or to sell the asset. These purchases or sales are the purchases or sales generally require delivery of assets within the time frame generally established by regulation or convention in the market place.

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized where:

- The rights to receive cash flows from the asset have expired
- The Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass - through" arrangement; or
- The Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the assets.

Where the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the consolidated financial statements.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.



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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Revenue recognition

Group recognizes revenue when the goods or services is transferred to the customer and when performance obligation is fulfilled. Goods is counted to be transferred when the control belongs to the customer.

Group recognizes revenue based on the following 5 main principles:

- Identification of customer contracts
- Identification of performance obligations
- Determination of transaction price in the contract
- Allocation of price to performance obligations
- Recognition of revenue when the performance obligations are fulfilled

Group recognizes revenue from its customers only when all of the following criteria are met:

- The parties to the contract have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations,
- Group can identify each party's rights regarding the goods or services to be transferred,
- Group can identify the payment terms for the goods or services to be transferred;
- The contract has commercial substance,
- It is probable that Group will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer. In evaluating whether collectability of an amount of consideration is probable, an entity shall consider only the customer's ability and intention to pay that amount of consideration when it is due.

At the contract inception date, the Group evaluates the goods and services committed to be provided to the customer based on the contract and identifies each commitment as a separate performance obligation. In addition to that, the Group determines whether it satisfies the performance obligation over time or satisfies the performance obligation at a point in time.

When another party is involved in providing goods or services to a customer, the group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself or to arrange for the other party to provide those goods or services. The group is a principal if it controls a promised good or service before the group transfers the good or service to a customer. When a group that is a principal satisfies a performance obligation, it recognizes as revenue the gross amount of consideration which it expects to be entitled to in exchange for those goods or services. The group is an agent if its performance obligation is to arrange for the provision of goods or services by another party and in such a position, the Group does not recognize the revenue of the consideration at gross amount.

The Group determines the transaction price in accordance with contract terms and customs of trade. Transaction price is the amount of consideration which is expected to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

The performance obligations of the Group in accordance with TFRS 15 "Revenue from Contracts with Customers" consists of electricity sales and electricity sales related ancillary services provided. The electricity sold is transferred to the customer by the electricity transmission lines. The customer consumes the economic benefit of the performance obligation of the Group at the same time it is transferred. Revenue of the electricity sold and electricity sales related side services provided are recognized at the time of the delivery.

Electricity sales revenues

Electricity sales revenues consist of invoiced amounts on an accrual basis, in the event of electricity delivery.

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Sharing of instability

As the Group Responsible for Balance, it consists of savings sharing revenues arising from minimizing the positive or negative imbalance costs that the companies will be exposed to.

Loading instruction revenues

It is the income generated when a balancing power plant sells electricity to the system by increasing the generation of the power plant in line with the instructions given by the National Load Dispatch Center (MYTM).

Secondary frequency control revenues

Secondary Frequency Control (SFC) Revenues, in other words, automatic generation control, consist of the revenues paid to the power plants that won the SFC tender by Türkiye Elektrik Üretim İletim A.Ş. (TEİAŞ), arising from the management of the load distribution between the available power plants in operation.

Capacity mechanism revenues

It consists of the revenues paid by TEİAŞ, for the establishment and/or continuance of sufficient capacity, including the reserve capacity required to ensure supply security in the electricity market.

Foreign currency transactions

Transactions in foreign currencies during the period have been translated at the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies have been translated into TL at the exchange rates prevailing at the balance sheet dates. Exchange gain or losses arising from the settlement and translation of foreign currency items have been included under financial income/expenses and other operating income/expenses in the consolidated statements of profit or loss.

Inventories

Inventories are valued at the lower of cost or net realizable value less costs to sell. Cost of inventories is comprised of the purchase cost and the cost of bringing inventories into their present location and condition. Inventories comprise of spare parts, lubricants and chemical materials required for the maintenance of the machines and equipment, and expensed as they are used. The cost of inventories is determined using the moving weighted average method.

Related parties

If one of the below listed criteria exists the party is regarded as related with the Group:

- Directly, or indirectly through one or more intermediaries, the party:
 - Controls, is controlled by, or is under common control with, the Group (this includes parents, subsidiaries and fellow subsidiaries),
 - Has an interest in the Group that gives it significant influence over the Group, or
 - Has joint control over the Group,
- The party is an associate of the Group,
- The party is a joint venture in which the Group is a venture,
- The party is member of the key management personnel of the Group or its parent,
- The party is a close member of the family of any individual referred to in (a) or (d),
- The party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e), or
- The party has a post - employment benefit plan for the benefit of employees of the Group, or of an entity that is a related party of the Group.



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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Related party transactions are transfer of resources or obligations between related parties, regardless of whether a price is charged. A number of transactions are entered into with related parties in the normal course of business.

Property, plant and equipment

The Group, has chosen the revaluation method among application methods mentioned under IAS 16 for lands, land improvements, buildings, machinery and equipment belonging its power plants commencing from 30 September 2015. As at 31 December 2023, the Group used as a base fair value determined an independent valuation company licensed by CMB for lands, land improvements, buildings, machinery and equipment. Motor vehicles, furniture and fixtures, and leasehold improvements are presented on consolidated financial statements at their carrying amounts. Fair value of land, land improvements, buildings, machinery and equipment are subjected to valuation is determined by using "Income Approach - discounted cash flow analysis".

Increase in property, plant and equipment due to the revaluation are credited after netting of the deferred tax effect in "increase on revaluation of property, plant and equipment" account under shareholders' equity in the balance sheet. The difference between amortization (reflected in income statement) calculated by the carried amounts of revalued assets and amortization calculated by the acquisition costs of these assets is transferred to "retained earnings/(losses) account from the "increase on revaluation of property, plant and equipment" account after netting of the deferred tax effect on a yearly basis. The same method is also applicable for disposals of property, plant and equipment.

The frequency of revaluations depends upon the changes in fair values of the items of property, plant and equipment being revalued. When the fair value of a revalued asset differs materially from its carrying amount, a further revaluation is performed.

Land is not depreciated as it is deemed to have an indefinite useful life. Depreciation is provided on restated costs of property, plant and equipment using the straight - line method based on the estimated useful lives of the assets. The useful lives of assets are presented below:

	Years
Buildings	30 - 50
Land improvements	2 - 46
Machinery and equipment	2 - 40
Motor vehicles	2 - 10
Furniture and fixtures	2 - 50
Leasehold improvements	4 - 37

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Expenses for the repair of property, plant and equipment are normally charged as expense. They are, however, capitalized if they result in an enlargement or substantial improvement of the respective assets.

Gains or losses on disposals of property, plant and equipment which are calculated as the difference between net carrying value and the collections made are included in the related income and expense accounts, as appropriate.

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Intangible assets

Intangible assets are carried at cost less accumulated depreciation and impairment losses. Intangible assets comprise licenses and computer software.

Commercial business licenses

Commercial business licenses which obtained separately are recorded as cost values. Licenses are amortized on a straight - line basis over their estimated useful lives of 13 - 49 years. Commercial business licenses have a limited useful life and are followed up with their future values accumulated amortization from cost is deducted from the time the license term start to be use d

Computer software

Computer software are recorded at acquisition cost and amortized on a straight-line basis over their estimated useful lives of 3 - 15 years. Where an indication of impairment exists, the carrying amount of any intangible assets is assessed and written down immediately to its recoverable amount.

Leases

The Group – as a lessee

At inception of a contract, the Group assesses whether a contract is, or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, The Group assess whether:

- a. The contract involved the use of an identified asset – this may be specified explicitly or implicitly,
- b. The asset should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, the asset is not identified,
- c. The Group has the right to obtain substantially all of the economic benefits from the use of an asset throughout the period of use,
- d. The Group has the right to direct use of the asset. The Group concludes to have the right of use, when it is predetermined how and for what purpose the Group will use the asset. The Group has the right to direct use of asset if either:
 - i. The Group has the right to operate (or to have the right to direct others to operate) the asset over its useful life and the lessor does not have the rights to change the terms to operate or;
 - ii. The Group designed the asset (or the specific features) in a way that predetermines how and for what purpose it is used.

At inception of a contract that contains a lease, the Group recognizes a right of use asset and a lease liability in its financial statements.



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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Right of use asset

The right of use asset is initially recognized at cost comprising of:

- Amount of the initial measurement of the lease liability,
- Any lease payments made at or before the commencement date, less any lease incentives received,
- Any initial direct costs incurred by the Group,
- An estimate of costs to be incurred by the lessee for restoring the underlying asset to the condition required by the terms and conditions of the lease (unless those costs are incurred to produce inventories).

The Group re - measure the right of use asset:

- After netting - off depreciation and reducing impairment losses from right of use asset,
- Adjusted for certain re - measurements of the lease liability recognized at the present value.

The Group depreciates right-of-use assets using the straight-line method based on their useful life. The usage periods of the Group's right-of-use assets vary between 3 and 38 years.

The Group applies TAS 36 Impairment of Assets Standard to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. Lease liabilities are discounted to present value by using the interest rate implicit in the lease if readily determined or with the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in - substance fixed payments,
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as the commencement date,
- The exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewable period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain to terminate early.

After initial recognition, the lease liability is measured:

- Increasing the carrying amount to reflect interest on lease liability,
- Reducing the carrying amount to reflect the lease payments made,
- Remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in - substance fixed lease payments. The Group adjusts the right of use asset in accordance with the reassessment of the lease liability.

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Extension and termination options

In determining the lease liability, the Group considers the extension and termination options. The majority of extension and termination options held are exercisable both by the group and by the respective lessor. Extension options are included in the lease term if the lease is reasonably certain to be extended. The group remeasures the lease term, if a significant event or a significant change in circumstances occurs which affects the initial assessment.

Exemptions and simplifications

Short - term lease payments with a lease term below 12 months and payments for leases of low - value assets like IT equipment (mainly printers, laptops and mobile phones etc.) are not included in the measurement of the lease liabilities in the scope of exemptions provided in TFRS 16 "Leases". Lease payments of these contracts are continued to be recognized in profit or loss in the related period. The Group applied a single discount rate to a portfolio of leases which have similar characteristics (asset classes which have similar remaining rent periods in a similar economic environment).

The Group - as a lessor

The Group does not have significant operations as a lessor.

Impairment of non - financial assets

All assets are reviewed for impairment losses including property, plant and equipment and intangible assets whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of an asset's net selling price and value in use. Impairment losses are recognized in the statement of comprehensive income.

Impairment losses on assets can be reversed, to the extent of previously recorded impairment losses, in cases where increases in the recoverable value of the asset can be associated with events that occur subsequent to the period when the impairment loss was recorded.

Provisions, contingent liabilities and assets

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

Possible assets or obligations that arise from past events and whose existence will be confirmed only by the occurrence or non - occurrence of one or more uncertain future events not wholly within the control of the Group are not included in financial tables and are treated as contingent assets or liabilities.

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the entity. Contingent assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

A contingent asset is disclosed where an inflow of economic benefit is probable. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the financial statements of the period in which the change occurs.



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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Provisions for employee benefits

Employment termination benefits

Employment termination benefits, as required by the Turkish Labour Law and the laws applicable in the countries where the subsidiaries operate, represent the estimated present value of the total reserve of the future probable obligation of the Company arising in case of the retirement of the employees, termination of employment without due cause, call for military service, be retired or death upon the completion of a minimum one-year service. Provision which is allocated by using defined benefit pension's current value is calculated by using prescribed liability method. Actuarial gains and losses are recognized as other comprehensive income or loss in shareholders' equity in the period in which they arise.

Provision for unused vacation rights

The Group is required to pay to the employee, whose employment is terminated due to any reasons, or to its inheritors, the wage of the deserved and unused vacation rights over the prevailing wage at the date the contract is terminated. Accordingly, the Group recognizes a provision for unused vacation days as a long term employee benefits. Provision for unused vacation days is measured on an undiscounted basis and are expensed as the related service is provided.

Current and deferred taxes

The tax expense for the year comprises current and deferred tax. Tax is recognized in the statement of profit or loss, except to the extent that it relates to items recognized directly in equity. In such case, the tax is also recognized in shareholders' equity.

The current income tax charge is calculated in accordance with the tax laws enacted or substantively enacted at the balance sheet date and includes adjustments related to previous years' tax liabilities.

Deferred income tax is provided, using the liability method, for temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Tax bases of assets and liabilities comprise of the amounts that will impact taxable income in future periods based on the tax legislation. Currently enacted tax rates, which are expected to be effective during the periods when the deferred income tax assets will be utilized or deferred income tax liabilities will be settled, are used to determine deferred income tax.

Deferred income tax assets and liabilities are recognized to the extent that they will impact taxes to be paid in the periods that temporary differences will disappear. Deferred income tax liabilities are recognized for all taxable temporary differences, where deferred income tax assets resulting from deductible temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized.

Carrying value of deferred income tax assets are decreased to the extent necessary, if future taxable profits are not expected to be available to utilize deferred income tax assets partially or fully.

Deferred income tax assets and deferred income tax liabilities related to income taxes levied by the same taxation authority are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities.

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Deferred tax relating to items recognized directly in equity is recognized in equity.

Dividends

Dividends receivable are recognized as income in the period when they are declared. Dividends payable are recognized as an appropriation of profit in the period in which they are declared.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds

Share premium

Share premium represents differences resulting from the sale of the Company's Subsidiaries' shares at a price exceeding the face value of those shares or differences between the face value and the fair value of shares issued for acquired companies.

Reporting of cash flows

In the consolidated statement of cash flows, cash flows during the period are classified under operating, investing or financing activities.

Cash flows from operating activities indicate cash flows due to the Group's operations.

Cash flows from investing activities indicate the Group cash flows that are used for and obtained from investments (investments in property, plant and equipment and financial investments).

Cash flows from financing activities indicate the cash obtained from financial arrangements and used in their repayment.

Subsequent events

Subsequent events consist of all events between balance sheet date and date of authorization for validity, even if they have been existed after public explanation of an announcement about profit or other financial information. In the case that events requiring an adjustment to the financial statements occur subsequent to the balance sheet date, the Group makes the necessary corrections on the financial statements.

Earnings/(losses) per share

Earnings per share are determined by dividing net gain by the weighted average number of shares that have been outstanding during the related year concerned. In Türkiye, companies can increase their share capital by making a pro - rata distributionn of shares ("bonus shares") to existing shareholders from retained earnings and allowable reserves. For the purpose of earnings per share computations, the weighted average number of shares outstanding during the year has been adjusted in respect of bonus shares issues without a corresponding change in resources, by giving them retroactive effect for the year in which they were issued and each earlier year.

2.6 Comparatives and restatement of prior year financial statements

The Group prepares comparative consolidated financial statements, to enable readers to determine financial position and performance trends. For the purposes of effective comparison, comparative financial statements can be reclassified when deemed necessary by the Group, where descriptions on significant differences are disclosed.



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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7 Critical accounting estimates and judgments

The preparation of consolidated financial statements requires estimates and assumptions to be made regarding the amounts for the assets and liabilities at the balance sheet date, and explanations for the contingent assets and liabilities as well as the amounts of income and expenses realized in the reporting period. Although, the estimates and assumptions are based on the best of knowledge of events and transactions of the Group management, those may not be equal to the related actual results.

The estimates and assumptions that may cause a material adjustment to the carrying amounts of assets and liabilities are addressed below:

Deferred tax assets for the carry forward tax losses

Deferred tax assets are accounted for only where it is likely that related temporary differences and accumulated losses will be recovered through expected future profits or will be offsetted from the deferred tax liabilities incurred on the temporary differences will be recovered at the same date.

As a result of the studies performed, the Group recognized no deferred tax assets on carry forward tax losses (31 December 2022: None) as of 31 December 2023. Carry forward tax losses amounting to TL 3.304.267.270 (31 December 2022: TL 1.950.728.268) (Note 21) (balances are presented in their historic cost). As of 31 December 2023, the deferred tax asset has not been calculated by considering the foreseeable future profit expectations prepared by the Group and the deferred tax liabilities in the relevant periods.

According to General Statement of Tax Procedure Law regarding hyperinflation (#555), published on Official Gazette #32415 in 30 December 2023; limited to adjustments made to 2023 year end statement of financial position, costs of assets which their useful life remain and depreciation not calculated from financial costs deducted from purchase price, are allowed to written as costs for the year 2024 and following 5 years and in equal installments. Within that regard, the Group does not calculate deferred taxes but has TL 7.077.405.440 financial costs that did not depreciated (Note 21).

Explanations for revaluation method and fair value measurement

The Group has chosen revaluation method instead of historical cost model as an accounting policy among application methods mentioned under TAS 16 for lands, land improvements, buildings, machinery and equipment belonging its power plants commencing from 30 September 2015.

An independent valuation firm has been authorized for revaluation because using of long-term price expectation, electricity generation expectation, discount rate, profit margin between electricity and natural gas prices ("spark spread"), and capacity utilization rate forecasts which are sensitive to sectoral and economic variables and also complexity of inputs and calculations. As of 31 December 2023, the fair value which is determined with valuation study by an independent valuation company which has CMB license, is used for lands, land improvements, buildings, machinery and equipment. In the aforementioned valuation and impairment studies, "income reduction method - discounted cash flow analysis" was applied.

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Income Approach, discounted cash flow analysis (Level 3) is used by the valuation company for valuation reports of 31 December 2023 aims to determine fair value of lands, land improvements, buildings, machineries and equipment of Ulubat hydroelectric power plant (HPP), Ayyıldız wind farm power plant (WFPP), Burç HPP, Feke I HPP, Feke II HPP, Bulam HPP, Gökkaya HPP, Sungurlu biomass power plant (BPP), Himmetli HPP and Erzin Natural Gas Combined Cycle Power Plant (NGCCPP) which are belong to Akenerji assets.

Since long term electricity prices and spark spreads are the most important inputs of "Income Approach - discounted cash flow analysis", an independent consultancy and technology firm, which operates in energy market, has been hired. The most important inputs of model determine long term electricity prices are; long term electricity demand, entrance of new plants, exit of old plant, renewable total capacity, evolution of capacity factor, carbon market expectations, natural gas and coal prices, evolution of electricity import - export, and development in the efficiency of thermal plants.

Change in the spark spreads used in model affect the generation for Erzin natural gas combined cycle power plant. For generation, feasibility studies, which is calculated with 50-year hydrology information and historical data used for hydros, Sungurlu and Ayyıldız. The discount rate used in valuation models prepared on the basis of USD has been determined as reel 10,31% which is in line with the current macroeconomic market conditions. The increase in the discount rate has a negative effect on the fair value of the power plants. Valuation decrease portion of fair value is represented in consolidated statement of profit & loss and the rest of the value is accounted in consolidate statement of other comprehensive income (and in relation to that, in equity). Valuation report is prepared by an independent valuation firm which has the required CMBT license and professional know-how. The revaluation fund movement as of 31 December 2023 is disclosed in Note 14.

Within the frame of these valuations, the following basic assumptions has been used:

Valuation assumptions			
Valuated power plant type	Weighted capital cost rate (%)	Installed capacity (MW)	Capacity utilization rate (%)
Uluabat HES	10,31	100	35,00
Feke II HES	10,31	70	23,00
Gökkaya HES	10,31	30	34,00
Feke I HES	10,31	30	35,30
Burç Bendi HES	10,31	28	31,00
Himmetli HES	10,31	27	36,40
Bulam HES	10,31	7	37,20
Ayyıldız RES	10,31	28	34,00
Sungurlu BES	10,31	2,17	82,20
Valuated power plant type	Weighted capital cost rate (%)	Installed capacity (MW)	Capacity utilization rate (%)
Erzin DGKÇS	10,31	904	52



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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The electricity sales prices used are 75-90 USD/MWh for HEPPs and WPP. In case the electricity prices used in the valuation models prepared for HEPPs and WPP increased or decreased by 10% and if all other variables are held constant, property, plant and equipment amount for HEPPs, WPP and BES recognized in consolidated financial statements would have been increased by TL 1.979 million or decreased by TL 2.043 million. In case the sales volume increased or decreased by 10%, if all other variables are held constant, property, plant and equipment amount for HEPPs and WPP recognized in consolidated financial statements would have been increased by TL 1.935 million or decreased by TL 1.995 million. In case the weighted capital cost ratio increased or decreased by 100 basis point, if all other variables are held constant, property, plant and equipment amount for HEPPs, WPP and BES recognized in consolidated financial statements would have been decreased by TL 1.107 million or increased by TL 1.282 million.

The spark spread used in the Erzin NGCCPP is 2-28 USD/MWh. In case the forward-looking spark spread estimates used in the valuation model of Erzin NGCCPP increased or decreased by 10% during the operating hours, and if all other variables are held constant, property, plant and equipment amount for Erzin NGCCPP recognized in consolidated financial statements would have been increased by TL 699 million or decreased by TL 693 million. In case the weighted capital cost ratio increased or decreased by 100 basis point, and if all other variables are held constant, property, plant and equipment amount for Erzin NGCCPP recognized in consolidated financial statements would have been decreased by TL 746 million or increased by TL 859 million.

2.8 Going concern

The Group prepares its consolidated financial statements on a going concern basis in a foreseeable future.

In 2023, the Group maintained its successful performance from 2022, leveraging its balanced, efficient, and flexible production portfolio, as well as its extensive trading experience in domestic and international markets. As of 31 December 2023, the Group's earnings before interest, taxes, depreciation, and amortization (EBITDA) reached TL 2.781.746.112 (31 December 2022: TL 3.804.018.699) and the cash flows generated from its operations amounted to TL 2.744.924.180 (31 December 2022: TL 3.633.672.375). The Group has met all its obligations to banks for the year 2023 using the cash flows generated from its operations. In addition, the Group has reduced its future financial obligations by paying off 35 million USD of its debt early using its cash surplus. Despite revenue losses caused by the "Support Mechanism Based on Resources" introduced in April 2022, the Group has managed to significantly increase its consolidated gross profit through the high level of operational efficiency achieved in providing ancillary services (Secondary Frequency Control, 0-1 coded instructions, Capacity Mechanism, etc.). Support Mechanism Based on Resources is terminated as of October 2023.

On the other hand, the Group continued and focused its commercial activities on international physical electric export and financial electric products transactions in 2023 and raised its foreign currency revenue significantly.

Natural gas purchases have an important place in the production costs due to the production activities of the Group's Erzin Combined Cycle Power Plant. Due to high natural gas import costs and rising exchange rate, Botaş remains as natural gas supplier as of 2023. On the other hand, falling gas import prices because of the temperature being higher than expected, failure of gas demand increase at Europe and Asia and high depo fulfillment rates are monitored closely. Efforts for identifying opportunities to decrease monthly gas prices are ongoing.

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The Group holds a loan of TL and USD taken at 11 November 2019 which signed with Yapı ve Kredi Bankası A.Ş. as the implementation of "Financial Restructuring" and has decreased its USD 859 million loan to USD 461 million (accrued interest excluded) by debt service payments and early capital payments made before their maturity. The repayment schedule for 3rd and 4th portions of the loan which was restructured in 2019, was arranged through installments until 2032 according to the estimated cash-generating capacity of the Group. This has been a factor that reduced the pressure on the cash flow, thereby positively affecting the financial sustainability and competitive strength of the Group. In addition, decreasing the tranches of USD liabilities within total bank loans from 87% to 55% has also significantly reduced the foreign currency risk the Group is exposed to.

As of 31 December 2023, Group's current liabilities exceed its current assets by TL 5.696 million. The main reason behind this excess is the 2024 portions of long-term loans, worth TL 6.752 million (Not 6). Group is expecting to cover a significant portion of this loan with cash generated from operations alongside its existing cash. Group assesses every opportunity to benefit itself and provide a positive effect on cash flow continuously with finance institutions. Group approaches to debt coverage proactively and considering its short- and long-term liabilities. Considering the high limits of working capital Group has, liquidity risk is minimized.

As a result of action taken in order to increase both operating profit and cash flows from operating activities, Group prepares its consolidated financial statements on a going concern basis in a foreseeable future.

2.9 Seasonality of Group's operations

Business volume shows seasonal changes according to the structure of the industry in which the Group operates. In the hydroelectric power plants, business volumes are higher in the second quarters and for the wind power plant, business volume are higher in the first quarters of the year. Seasonality does not have a significant impact on the remaining business volume of the Group.



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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NOTE 3 - SEGMENT REPORTING

The Group does not have reportable segments activities. The activity of the Group consists only of electricity production and trade.

NOTE 4 - CASH AND CASH EQUIVALENTS

The details of the cash and cash equivalents of the Group as of 31 December 2023 and 2022 are as follows:

	31 December 2023	31 December 2022
Cash	-	10.403
Banks		
- Demand deposits	214.692.993	1.756.834.197
- Time deposits	955.696.438	300.602.980
	1.170.389.431	2.057.447.580
Restricted cash	(25.729.326)	(101.684.338)
Interest accrual	(580.646)	(144.532)
Cash and cash equivalents provided in statement of cash flows	1.144.079.459	1.955.618.710

As of 31 December 2023, TL 1.114.065.239 of the Group's demand deposits, time deposits and Eurobond funds are in foreign currency and details of the original currency is stated in Note 30.

As of 31 December 2023, the average effective interest rate for TL and Euro time deposits is 39,42% (2022: 16,78%) and 3,32% (31 December 2022: None) respectively.

The remaining day to maturity of time deposits as of 31 December 2023 is shorter than one month.

As of 31 December 2023, the Group's restricted cash at Takasbank amounting to TL 25.729.326 (2022: TL 101.684.338) is related with the electricity and natural gas sales operations, trading and debt reserve account of the Group.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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NOTE 5 - FINANCIAL INVESTMENTS

a) Short-term financial investments

	31 December 2023	31 December 2022
Exchange rate protected TL time deposits ⁽¹⁾	130.100.427	133.144.745
	130.100.427	133.144.745

⁽¹⁾Exchange rate-protected TL time deposit is a deposit product that provides foreign exchange hedging in case the USD and EUR exchange rates against TL are increased more than the interest rate at the end of the term. Exchange rate-protected TL time deposits are accounted as financial assets at fair value through profit or loss.

As of 31 December 2023, the nominal and fair value amounts of exchange rate-protected TL time deposit accounts:

	31 December 2023	
Currency	Nominal amount (Original currency)	Fair value (TL Equivalent)
TL	135.927.955	130.100.427

b) Long-term financial investments

	31 December 2023	31 December 2022
Long - term securities	100.000	100.000
Monetary gain/loss	650.444	650.443
Total	750.444	750.443

Akenerji Toptan, a subsidiary of the Group, has participated to Enerji Piyasaları İşletme Anonim Şirketi ("EPIAŞ") who is established with a share capital TL 61.572.770, by 0,16% with 100.000 C Type shares. (31 December 2022: TL 100.000).

NOTE 6 - BORROWINGS

The details of borrowings of the Group as of 31 December 2023 and 31 December 2022 are as follows:

	31 December 2023	31 December 2022
Short-term portion of long term borrowings		
- Bank loans	6.751.848.138	1.108.756.368
- Lease liabilities	50.892.841	47.525.450
Total short-term portion of long term borrowings	6.802.740.979	1.156.281.818
Long term borrowings		
- Bank loans	8.741.163.981	17.837.624.392
- Lease liabilities	243.142.913	263.980.446
Total long term borrowings	8.984.306.894	18.101.604.838
Total short term and long term borrowings	15.787.047.873	19.257.886.656



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FOR THE YEAR ENDED 31 DECEMBER 2023

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NOTE 6 - BORROWINGS (Continued)

Letters of guarantee given, pledges and mortgages related to financial liabilities are disclosed in Note 17.

As of 31 December 2023 and 2022, the original currencies and weighted average interest rates for short and long-term financial liabilities are as follows:

31 December 2023				
	Currency	Effective Interest rate %	Original Amount	Amount in TL
Short - term portion of long - term bank loans	USD	7,75	107.306.258	3.158.903.099
Short - term portion of long - term bank loans	TL	12,28	3.592.945.039	3.592.945.039
Short - term portion of long - term lease liabilities	EUR	5,56	1.602.697	52.206.077
Interest cost of short - term portion of long - term lease liabilities (-)	EUR	5,56	(332.529)	(10.831.760)
Short - term portion of long - term lease liabilities	TL	18,76	9.518.524	9.518.524
Total short - term borrowings				6.802.740.979
Long - term bank loans	USD	7,75	296.932.692	8.741.163.981
Long - term bank loans	TL	12,28	-	-
Long - term lease liabilities	EUR	5,56	6.530.108	212.711.079
Interest cost of long - term lease liabilities (-)	EUR	5,56	(1.599.486)	(52.101.504)
Long - term lease liabilities	TL	18,76	82.533.338	82.533.338
Total long - term borrowings				8.984.306.894

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FOR THE YEAR ENDED 31 DECEMBER 2023

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NOTE 6 - BORROWINGS (Continued)

31 December 2022				
	Currency	Effective Interest rate %	Original Amount	Amount in TL
Short - term portion of long - term bank loans	USD	7,92	35.994.565	1.108.756.368
Short - term portion of long - term lease liabilities	EUR	3,4	1.420.291	46.643.221
Interest cost of short - term portion of long - term lease liabilities (-)	EUR	3,4	(232.741)	(7.643.346)
Short - term portion of long - term lease liabilities	TL	18,45	8.525.575	8.525.575
Total short - term borrowings				1.156.281.818
Long - term bank loans	USD	7,92	407.946.823	12.566.164.701
Long - term bank loans	TL	12,28	5.271.459.691	5.271.459.691
Long - term lease liabilities	EUR	3,4	7.225.092	237.276.374
Interest cost of long - term lease liabilities (-)	EUR	3,4	(1.180.309)	(38.762.052)
Long - term lease liabilities	TL	18,45	65.466.124	65.466.124
Total long - term borrowings				18.101.604.838

As of 31 December 2023, all of the Euro finance lease liabilities of the Group are subject to floating interest rate of Euribor + 3,4% (31 December 2022: All of the Euro finance lease liabilities of the Group are subject to floating interest rate of Euribor + 3,4%).

The details of redemption schedule of the long-term bank borrowings as of 31 December 2023 and 2022 are as follows:

	31 December 2023	31 December 2022
Up to 1 - 2 years	1.176.069.742	9.408.425.703
Up to 2 - 3 years	1.277.380.879	1.134.096.735
Up to 3 - 4 years	1.337.878.175	1.231.792.157
Up to 4 - 5 years	1.169.340.584	1.290.130.351
More than 5 years	3.780.494.601	4.773.179.446
	8.741.163.981	17.837.624.392



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FOR THE YEAR ENDED 31 DECEMBER 2023

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NOTE 6 - BORROWINGS (Continued)

The principal repayment schedule of the Group's long - term finance lease obligations as at 31 December 2023 and 2022 is as follows:

	31 December 2023	31 December 2022
Up to 1 - 2 years	40.985.947	42.853.944
Up to 2 - 3 years	40.879.686	41.840.900
Up to 3 - 4 years	38.928.538	39.900.146
Up to 4 - 5 years	42.153.129	39.576.018
Up to 5 - 6 years	3.344.268	42.329.003
Up to 6 - 7 years	2.158.463	1.582.923
Up to 7 - 8 years	773.732	701.491
Up to 8 - 9 years	870.490	571.767
Up to 9 - 10 years	811.454	643.269
More than 10 years	72.237.206	53.980.985
	243.142.913	263.980.446

Compliance with the financial covenants

According to the Loan Agreement signed at 11 November 2019, under the terms of the loan agreement, the Group is required to comply with the financial covenant included of having a debt service cover ratio greater than 1,05 until end of the term of the contract. As of 31 December 2023, the Group is compliant with the financial covenant.

As of 31 December 2023, and 2022, the movements of borrowings are as follows:

	2023	2022
1 January	19.257.886.656	15.229.290.290
Cash flow impact	(2.459.799.784)	(2.141.482.974)
Change in unrealized foreign exchange differences	6.164.533.280	8.379.456.006
Change in interest accruals and amortization commission	1.578.830.869	3.161.279.491
Changes in lease liabilities	71.186.703	46.068.171
Monetary gain	(8.825.589.851)	(5.416.724.328)
31 December	15.787.047.873	19.257.886.656

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NOTE 7 - TRADE RECEIVABLES

a) Short term trade receivables

	31 December 2023	31 December 2022
- Trade receivables from related parties (Note 29)	125.479.979	936.247.000
- Trade receivables from third parties	710.484.538	2.746.904.931
	835.964.517	3.683.151.931
Provision for doubtful receivables	(19.430.467)	(32.360.397)
	816.534.050	3.650.791.534

As of 31 December 2023, trade receivable maturities which less than 1 months and unearned finance income from credit sales does not exist (31 December 2022: Trade receivable maturities which less than 1 months and unearned finance income from credit sales does not exist).

The movements for provision for doubtful receivables are as follows:

	2023	2022
1 January	32.360.397	53.164.950
No longer subject to provision	(278.299)	(6.024)
Monetary gain/loss	(12.651.631)	(20.798.529)
31 December	19.430.467	32.360.397

As of 31 December 2023, the amount of receivables which are overdue and impaired is TL 19.430.467 (31 December 2022: TL 32.360.397). The aging list of these receivables as of 31 December 2023 and 2022 is as follows:

	31 December 2023	31 December 2022
More than 12 months	19.430.467	32.360.397
	19.430.467	32.360.397

The Group recognizes the impairment of trade receivables, weighting the lifetime expected credit losses by default (Probability of Default) for all trade receivables on each customer basis and including non-overdue receivables.

The amount of trade receivables that are past due but not impaired is TL 212.240.186 as of 31 December 2023 (31 December 2022: TL 895.193.392). The aging list of these receivables as of 31 December 2023 and 2022 is as follows:

	31 December 2023	31 December 2022
1 to 3 months	208.998.186	889.852.176
3 to 12 months and over	3.242.000	5.341.215
	212.240.186	895.193.392



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NOTE 8 - OTHER RECEIVABLES

a) Short - term other receivables

	31 December 2023	31 December 2022
- Other receivables from third parties	15.336.860	10.524.892
	15.336.860	10.524.892

As of 31 December 2023 and 2022, the details of short - term receivables of the Group from third parties are as follows:

	31 December 2023	31 December 2022
Receivables from tax office	15.002.486	9.051.118
Receivables from various public institutions	236.914	78.566
Deposits and guarantees given	18.500	30.477
Short - term other receivables	78.960	1.364.731
	15.336.860	10.524.892

b) Long - term other receivables

	31 December 2023	31 December 2022
- Other receivables from related parties	23.907.330	51.526.306
	23.907.330	51.526.306

As of 31 December 2023 and 2022, the details of long - term receivables of the Group from third parties are as follows:

	31 December 2023	31 December 2022
Deposits and guarantees given	23.907.330	51.526.306
	23.907.330	51.526.306

NOTE 9 - TRADE PAYABLES

a) Short - term trade payables

	31 December 2023	31 December 2022
- Trade payables to third parties	825.411.127	3.477.589.079
- Trade payables to related parties (Note 29)	178.750.127	364.103.724
	1.004.161.254	3.841.692.803

As of 31 December 2023, the average maturity of trade payables is 30 days.

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(Amounts expressed Turkish Lira ("TL") based on the purchasing power of TL as of 31.12.2023 unless otherwise indicated.)

NOTE 10 - OTHER PAYABLES

a) Short - term other payables

	31 December 2023	31 December 2022
- Other payables to third parties	251.311.912	343.113.591
	251.311.912	343.113.591

As of 31 December 2023, and 2022, details of short - term other payables of the Group are as follows:

	31 December 2023	31 December 2022
Payables to DSI ^(*)	161.863.716	183.413.404
Taxes and funds payable	57.353.715	138.577.731
Deposit and guarantees taken	30.912	50.924
Other payables	32.063.569	21.071.532
	251.311.912	343.113.591

b) Long - term other payables

	31 December 2023	31 December 2022
- Other payables to third parties	534.092.073	708.936.280
	534.092.073	708.936.280

The details of long - term other payables of the Group as of 31 December 2023 and 2022 are as follows:

	31 December 2023	31 December 2022
Payables to DSI ^(*)	469.104.877	643.004.280
Other long - term trade payables	64.987.196	65.932.000
	534.092.073	708.936.280

^(*)The Group signed an agreement with the General Directorate of State Hydraulic Works (DSI) Department of Investigation and Planning for the Water Usage of Uluabat Power Tunnel and Hydroelectric Energy Power Plant within the scope of the Emef - Orhaneli Çınarcık Dam Project on 6 June 2005. In accordance with the agreement, the liabilities relating to the Energy Share Contribution Fee to be paid for the project are incurred at the commissioning date, and the payments will start after 5 years and with 10 equal installments, where these liabilities are subject to indexation with the Producer Price Index (PPI). Based on the letter received from DSI on October 8, 2019, the number of common facility installments that have been published in the Official Gazette has been revised as 15 installments. As of the balance sheet date, 7 installments reported by DSI have been paid and the remaining installments are indexed by PPI and the amount reclassified as short - term other payables to third parties amounting to TL 161.863.716 (31 December 2022: TL 183.413.404) and long - term other payables to third parties amounting to TL 469.104.877 (31 December 2022: TL 643.004.280).



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NOTE 11 - PREPAID EXPENSES

Prepaid expenses as of 31 December 2023 and 2022 are as follows:

a) Short - term prepaid expenses

	31 December 2023	31 December 2022
Prepaid expenses for following months	133.781.199	150.359.918
Advances given for purchases	18.105.738	57.308.487
	151.886.937	207.668.405

b) Long - term prepaid expenses

	31 December 2023	31 December 2022
Advances given for fixed asset purchases	248.497.349	254.519.037
Prepaid expenses for following years	3.855.747	343.142
	252.353.096	254.862.179

NOTE 12 - INVENTORIES

a) Short - term inventories

	31 December 2023	31 December 2022
Raw materials	109.253.607	50.974.285
Spare parts	12.640.620	18.137.041
Work in progress	4.299.011	2.431.623
Other raw materials	3.182.436	2.813.246
	129.375.674	74.356.195

b) Long - term inventories

	31 December 2023	31 December 2022
Spare parts ^(*)	40.677.822	78.018.791
	40.677.822	78.018.791

^(*)TL 40.677.822 (31 December 2022: TL 78.018.791) of spare parts classified in long - term inventories with an amount of TL 27.794.065 (31 December 2022: TL 53.225.411) are related to the Erzin combined natural gas cycle power plant held within the scope of long - term maintenance contracts and remaining spare parts amounting to TL 12.883.757 (31 December 2022: TL 24.793.380) belongs to the other power plants of the Group are held for the purpose of repair and maintenance necessities. Such spare parts are reclassified under long term inventories by considering their estimated usage period interval. The Group manages the level of its spare parts by considering the planned maintenance schedule and the ability of intervening the incidents immediately.

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NOTE 13 - OTHER ASSETS

a) Other current assets

	31 December 2023	31 December 2022
Deferred VAT	104.658.023	62.082.060
Personnel advances	1.326.756	1.210.896
Job advances	710.534	448.343
	106.695.313	63.741.299

b) Other non-current assets

	31 December 2023	31 December 2022
Deferred VAT	226.664.224	201.498.167
	226.664.224	201.498.167



NOTE 14 - PROPERTY, PLANT AND EQUIPMENT

	1 January 2023	Additions	Transfers	Disposals	Revaluation increase/decrease	Impairment	31 December 2023
Cost							
Lands	1.706.496	-	-	-	252.135		1.958.631
Land improvements ^(*)	18.920.424.040	20.889.282	16.905.382	-	(2.136.235.653)	(12.715.048)	16.809.268.004
Buildings	3.604.948.392	19.182.977	99.874.557	-	110.045.776	(10.556.142)	3.823.495.560
Machinery and equipment ^(**)	13.367.075.023	36.031.637	584.182.390	-	713.658.965	(41.820.218)	14.659.127.797
Motor vehicles	18.095.529	126.103	2.931.192	-	-	-	21.152.824
Furnitures and fixtures	137.858.742	12.175.623	5.348.988	-	-	-	155.383.353
Leasehold improvements	37.425.415	64.548.759	-	-	-	-	101.974.173
Construction in progress	600.024.181	417.524.571	(709.242.511)	-	-	-	308.306.241
	36.687.557.818	570.478.952	(2)	-	(1.312.278.778)	(65.091.407)	35.880.666.584
Accumulated depreciation							
Land improvements	(2.288.041.902)	(618.121.824)	-	-	-	-	(2.906.163.726)
Buildings	(438.624.384)	(104.749.704)	-	-	-	-	(543.374.088)
Machinery and equipment	(3.385.412.607)	(658.500.308)	-	-	-	-	(4.043.912.915)
Motor vehicles	(11142.122)	(2.876.719)	-	-	-	-	(14.018.841)
Furnitures and fixtures	(107149469)	(7.839.261)	-	-	-	-	(114.988.730)
Leasehold improvements	(12.931.817)	(2.787.998)	-	-	-	-	(15.719.815)
	(6.243.302.301)	(1.394.875.814)	-	-	-	-	(7.638.178.115)
Net book value	30.444.255.517						28.242.488.469

^(*)Within the capacity increase project of Ayıldız wind power plant, the cost of land improvement acquired through finance lease on 27 January 2017 is amounting to TL 3.073.644. As of 31 December 2023, the total amount of accumulated depreciation of related land improvement is TL 566.198.

^(**)Within the capacity increase project of Ayıldız wind power plant, the cost of machinery and equipment acquired through finance lease on 27 January 2017 is amounting to TL 305.325.992. As of 31 December 2023, the total amount of accumulated depreciation of the related machinery and equipment is TL 213.728.194.

Current period depreciation expense amounting to TL 1.389.172.968 has been included in cost of sales and TL 5.702.846 has been included in general administrative expenses.

NOTE 14 - PROPERTY, PLANT AND EQUIPMENT (Continued)

	1 January 2022	Additions	Transfers	Disposals	Revaluation increase/decrease	Impairment	31 December 2022
Cost							
Lands		1.291.131	-	-	415.365	-	1.706.496
Land improvements ^(*)	15.766.298.607	27.614.373	27.614.373	-	3.485.066.554	(358.555.494)	18.920.424.040
Buildings	4.104.164.648	8.471.994	8.471.994	-	274.325.491	(782.013.740)	3.604.948.392
Machinery and equipment ^(**)	15.562.288.158	147.620.629	147.620.629	-	534.570.297	(2.877.404.062)	13.367.075.023
Motor vehicles	15.196.467	2.899.061	2.899.061	-	-	-	18.095.529
Furnitures and fixtures	132.430.126	5.561.651	5.561.651	(133.035)	-	-	137.858.742
Leasehold improvements	26.461.034	10.964.382	10.964.382	-	-	-	37.425.415
Construction in progress	455.358.716	144.665.465	144.665.465	-	-	-	600.024.181
	36.063.488.887	347.797.555	(133.035)	(133.035)	4,294.377.707	(4,017.973.296)	36.687.557.818
Accumulated depreciation							
Land improvements	(1.770.659.061)	(517.382.841)	(517.382.841)	-	-	-	(2.288.041.902)
Buildings	(321.111.932)	(117.512.452)	(117.512.452)	-	-	-	(438.624.384)
Machinery and equipment	(2.660.974.812)	(724.437.795)	(724.437.795)	-	-	-	(3.385.412.607)
Motor vehicles	(8.161.144)	(2.980.978)	(2.980.978)	-	-	-	(11.142.122)
Furnitures and fixtures	(100.925.241)	(6.231.621)	(6.231.621)	7.393	-	-	(107.149.469)
Leasehold improvements	(11.816.110)	(1.115.706)	(1.115.706)	-	-	-	(12.931.817)
	(4.873.648.301)	(1.369.661.393)	(1.369.661.393)	7.393	-	-	(6.243.302.301)
Net book value	31.189.840.586						30.444.255.517

^(*)Within the capacity increase project of Ayıldız wind power plant, the cost of land improvement acquired through finance lease on 27 January 2017 is amounting to TL 1.865.382. As of 31 December 2022, the total amount of accumulated depreciation of related land improvement is TL 294.534.

^(**)Within the capacity increase project of Ayıldız wind power plant, the cost of machinery and equipment acquired through finance lease on 27 January 2017 is amounting to TL 185.301.077. As of 31 December 2022, the total amount of accumulated depreciation of the related machinery and equipment is TL 111.180.646.

Current period depreciation expense amounting to TL 1.367.415.708 has been included in cost of sales and TL 2.245.686 has been included in general administrative expenses.



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NOTE 14 - PROPERTY, PLANT AND EQUIPMENT (Continued)

There are no capitalized borrowing costs on construction in progress for the year ended 31 December 2023 (31 December 2022: None).

Details of the guarantees, pledges and mortgages on property, plant and equipment as of 31 December 2023 and 2022 are explained in Note 17.

NOTE 15 - INTANGIBLE ASSETS

	1 January 2023	Additions	31 December 2023
Cost			
Rights	718.989.957	28.588.748	747.578.705
Licenses	5.701.522	55.434	5.756.957
	724.691.479	28.644.182	753.335.662
Accumulated amortization			
Rights	(314.280.014)	(20.783.950)	(335.063.965)
Licenses	(5.489.640)	(16.995)	(5.506.635)
	(319.769.654)	(20.800.945)	(340.570.600)
Net book value	404.921.825		412.765.062

	1 January 2022	Additions	31 December 2022
Cost			
Rights	635.692.922	83.297.035	718.989.957
Licenses	5.552.209	149.313	5.701.522
	641.245.131	83.446.348	724.691.479
Accumulated amortization			
Rights	(296.979.282)	(17.300.732)	(314.280.014)
Licenses	(5.456.275)	(33.366)	(5.489.640)
	(302.435.557)	(17.334.098)	(319.769.654)
Net book value	338.809.574		404.921.825

Current period amortization expense amounting to TL 20.650.426 (31 December 2022: TL 14.392.491) has been included in cost of sales and remaining TL 150.519 (31 December 2022: TL 2.941.607) has been included in general administrative expenses.

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NOTE 16 - RIGHT OF USE ASSETS

	1 January 2023	Additions	Disposals	31 December 2023
Cost				
Land ^(*)	136.535.551	62.160.364	-	198.695.915
Buildings	33.580.166	4.198.655	-	37.788.821
Motor vehicles	34.511.962	16.554.706	-	51.066.668
	204.627.679	82.913.725	-	287.541.404
Accumulated depreciation				
Land	(12.587.818)	(5.750.327)	-	(18.338.145)
Buildings	(18.030.756)	(10.713.616)	-	(28.744.372)
Motor vehicles	(16.129.092)	(11.843.773)	-	(27.972.865)
	(46.747.666)	(28.307.716)	-	(75.055.382)
Net book value	157.880.013			212.486.022

^(*)Comprised of land rent and forest permit.

	1 January 2022	Additions	Disposals	31 December 2022
Cost				
Land ^(*)	116.927.598	19.607.953	-	136.535.551
Buildings	27.661.539	5.918.626	-	33.580.166
Motor vehicles	31.868.868	9.982.716	(7.339.621)	34.511.962
	176.458.005	35.509.295	(7.339.621)	204.627.679
Accumulated depreciation				
Land	(8.814.602)	(3.773.216)	-	(12.587.818)
Buildings	(9.829.134)	(8.201.622)	-	(18.030.756)
Motor vehicles	(15.043.357)	(6.733.316)	5.647.581	(16.129.092)
	(33.687.093)	(18.708.154)	5.647.581	(46.747.666)
Net book value	142.770.912			157.880.013

^(*)Comprised of land rent and forest permit.

Current period depreciation expense of amounting to TL 17.290.917 (31 December 2022: TL 12.055.568) has been included in cost of sales and TL 11.016.799 (31 December 2022: TL 6.652.586) has been included in general administrative expenses.



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NOTE 17 - PROVISIONS, COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES

a) Other short - term provisions

As of 31 December 2023, there are various lawsuits against or in favor of the Group. The Group management estimates the outcomes of these lawsuits and the financial effects thereof, and the required provisions are accounted for based on these estimates. The amount of provisions for the lawsuits as of 31 December 2023 is TL 49.448.917 (31 December 2022: TL 79.987.339).

	31 December 2023	31 December 2022
Litigation provision	49.448.917	79.987.339
Periodical maintenance provisions	35.506.601	37.879.183
	84.955.518	117.866.522

The movements of litigation provision are as follows:

	2023	2022
1 January	79.987.339	104.659.061
Current period provision (Note 25)	1.125.006	22.574.555
Interest charges of litigation provision	783.515	223.250
Released provisions (Note 25)	(650.420)	5.391.176
Monetary gain	(31.796.523)	(45.846.574)
31 December	49.448.917	79.987.339

b) Contingent liabilities

- Guarantees given

The commitments and contingent liabilities of the Group those are not expected to be resulted in a significant loss or liability to the Group are summarized below:

		31 December 2023		31 December 2022	
	Original currency	Original Amount	TL equivalent	Original Amount	TL Equivalent
Letters of guarantees given	TL	153.951.738	153.951.738	303.341.184	303.341.184
	USD	2.693.232	79.283.902	624.456	19.235.392
	EUR	4.343.122	141.472.428	4.200.000	137.930.535
		374.708.068		460.507.111	

Guarantees given, in general, are comprised of the letters of guarantees given to the several institutions and organizations within the operations of the Group (to EMRA, vendors whom electricity purchased and electricity transmission and distribution related government authorities) and to the judicial authorities for some of the on - going lawsuits.

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NOTE 17 - PROVISIONS, COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES (Continued)

Guarantees, pledges, mortgages ("GPM") given by the Group as of 31 December 2023 and 2022 are as follows:

		31 December 2023		31 December 2022	
	Original currency	Original Amount	TL equivalent	Original Amount	TL Equivalent
GPMs given by the Group					
A. GPMs given for companies' own legal entity					
	TL	6.572.412.581	6.572.412.581	10.877.065.061	10.877.065.061
	USD	920.208.832	27.089.291.638	918.140.056	28.281.870.362
	EUR	4.343.122	141.472.422	4.200.000	137.930.535
B. Total amount of GPM given for the subsidiaries and associates in the scope of consolidation					
		-	-	-	-
C. Total amount of GPM given for the purpose of maintaining operating activities					
		-	-	-	-
D. Total other GPMs given					
i) Total amount of CPMB's given on behalf of the majority shareholder		-	-	-	-
ii) Total amount of CPMB's given to on behalf of other which are not in scope of B and C.		-	-	-	-
iii) Total amount of CPMB's given on behalf of third parties which are not in scope of C.		-	-	-	-
		33.803.176.641		39.296.865.958	

Details of the guarantees given by Akenerji for its own legal entity as of 31 December 2023 are as follows:

As of 11 November 2019, within the scope of financial restructuring between our company Akenerji ("Borrower") and Yapı ve Kredi Bankası A.Ş., a total of USD 859 million refinancing loan agreement for the maturity of 13 years has been concluded, in order to provide refinancing and maturity extension of all existing debts of our company. In addition to the related loan agreement, Akenerji signed agreements for the Transfer of Receivables, Transfer of Epiaş Receivables, Real Estate and Supreme Rights to constitute the collateral of the refinancing loans amounting to USD 465 million and TL 2.271.037.258. In accordance with the Movable Pledge Agreements signed between Akenerji and the Bank, a movable pledge with a total value of TL 6.418.460.843 and a second order of USD 917.515.600 has been established, creating an upper limit for Akenerji. In addition, Yapı ve Kredi Bankası A.Ş. has been determined as a pledge creditor in the insurance policies of power plants as a crew.

As of 31 December 2023, GPMs given by the Group to equity ratio is 245% (31 December 2022: 395%).



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NOTE 17 - PROVISIONS, COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES (Continued)

- Sales and purchase commitments

Electricity sales and purchase commitments:

Within the scope of electricity energy sales agreements made with energy companies, the Group has committed to sell 2.748.385 MWh of energy physically in 2023, and within the scope of the related commitment, 2.748.385 MWh of energy has been sold as of 31 December 2023.

The Group has committed to purchase 261.479 MWh of physical electricity energy within the scope of electricity energy purchase agreements with energy companies in 2023 and as of 31 December 2023, 261.479 MWh of the electricity energy was committed to be purchased is completed.

As of 31 December 2023, there are no purchase or sales commitment for 2024 and further periods.

Natural gas purchase commitments

The Group has completed its take or pay commitment of 550 mcm for 2023 period.

Other matters

Kemah Hydroelectric Power Plant project in the Group, which is 198 MW of installed power higher, reservoir capacity, and also with Türkiye's leading locations of hydropower projects. The State Hydraulic Works Final Project approval process of the project, which is planned to be established in Erzincan and expected to generate an average of 560 GWh of electricity per year, was completed in 2017, the license was modified in 2020 and the pre - construction period was extended. The Project is still in process as of 31 December 2023 and it is among top priority projects of Akenerji Elektrik Üretim A.Ş. The currently working Kemah HPP passes through the lake area will be under water (inundated) after the completion of the project. The relocation of this line will be made by the state as a public investment, and it will be included in the upcoming investment plan by Türkiye Republic State Railways and the Ministry of Transport. The Group plans to make the necessary preparatory work for the project after mentioned relocation plan realized. Due to the aforementioned economic analysis and alternative assessments and ongoing relocation plans, construction of Kemah project hasn't begun as of 31 December 2023, thus the project is not presented in financial statements.

c) Contingent Assets

Guarantees received

		31 December 2023		31 December 2022	
	Currency	Original Currency	TL Equivalent	Original currency	TL Equivalent
Letters of guarantees received	TL	374.445.291	374.445.291	832.389.924	832.389.924
	EURO	318.532	10.375.833	17.750	582.920
	USD	1.729.000	50.898.648	5.194.000	159.993.057
Notes of guarantees received	TL	16.958.725	16.958.725	2.886.943	2.886.943
	USD	745.824	21.955.716	590.544	18.190.786
	EURO	33.800	1.100.998	33.800	1.110.013
Cheques of guarantees received	GBP	5.675	212.482	5.675	210.250
	TL	106.000	106.000	174.624	174.624
	USD	16.650	490.146	16.650	311.327
Mortgages received	TL	3.242.000	3.242.000	5.340.846	5.340.846
		479.785.839		1.021.190.690	

Letters of guarantees received, in general, comprised of the letters of guarantees received from the customers in relation to the Group's electricity sales operations.

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NOTE 18 - DERIVATIVE INSTRUMENTS

		31 December 2023		31 December 2022	
		Contract amount	Fair value	Contract amount	Fair value
Forward contracts					
- Short - term		20.197.144	3.461.719	-	-
Derivative financial assets			3.461.719		-
Interest rate swaps					
- Short - term		-	-	1.270.672.624	12.090.464
Forward contracts					
- Short - term		1.781.011.100	37.958.448	449.948.971	22.065.240
- Long - term		-	-	21.133.814	2.692.368
Derivative financial liabilities			37.958.448		36.848.072

Movement of derivative instruments during the period is as follows:

	2023	2022
1 January	36.848.072	58.642.440
To be reclassified to profit or loss		
- Financial expense/(income)	12.129.216	1.855.109
- Other operating income	-	(453.930)
Monetary gain	(14.480.559)	(23.195.547)
31 December	34.496.729	36.848.072

NOTE 19 - EMPLOYEE BENEFITS

a) Employee benefit obligations

	31 December 2023	31 December 2022
Social security payment	11.325.219	7.950.530
Due to personnel	475.885	408.132
	11.801.104	8.358.662



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NOTE 19 - EMPLOYEE BENEFITS (Continued)

b) Short - term provisions for employee benefits

	31 December 2023	31 December 2022
Bonus provision	29.786.073	32.964.323
	29.786.073	32.964.323

The movements of bonus provision are as follows:

	2023	2022
1 January	32.964.323	24.931.640
Current year charges	39.052.676	40.193.222
Payments during the year	(26.275.812)	(17.905.101)
Provisions no longer required	-	(600.464)
Monetary gain	(15.955.114)	(13.654.974)
31 December	29.786.073	32.964.323

c) Long - term provisions for employee benefits

	31 December 2023	31 December 2022
Provisions for employee termination benefits	27.003.425	49.612.574
Provisions for unused vacation rights	7.079.961	7.406.766
	34.083.386	57.019.340

Under the Turkish Labor Law, companies are required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, is called up for military service, dies or who retires after completing 25 years of service and achieves the retirement age (58 for women and 60 for men).

The amount payable consists of one month's salary limited to a maximum of TL 23.489,82 for each year of service as of 31 December 2023 (31 December 2022: TL 15.371,40).

Termination benefits liability is not dependent on any funding legally and any funding requirement does not exist.

The provision has been calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of employees.

In accordance with Turkish Labor Code, employment termination benefit is the present value of the total estimated provision for the liabilities of the personnel who may retire in the future, the provision made for present value of determined social relief is calculated by the prescribed liability method. All actuarial gains and losses are accounted in equity as other comprehensive income or loss.

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NOTE 19 - EMPLOYEE BENEFITS (Continued)

TFRS require actuarial valuation methods to be developed to estimate the enterprise's obligation under defined benefit plans, The Group makes a calculation for the employment termination benefit by applying the prescribed liability method, by the experiences and by considering the personnel who become eligible for pension, this provision is calculated by expecting the present value of the future liability which will be paid for the retired personnel.

Accordingly, the following actuarial assumptions were used in the calculation of the total liability:

	2023	2022
Discount rate (%)	3,65	0,5
Turnover rate related the probability of retirement (%)	94,05	93,58

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. As the maximum liability is revised semi - annually, the maximum amount of full TL 35.058,58 (1 January 2023: full TL 32.919,56) which is effective from 1 January 2024 has been taken into consideration in calculating the reserve for employment termination benefits of the Group.

The movements of provisions for employment termination benefits are as follows:

	2023	2022
1 January	49.612.574	27.318.949
Interest cost	(8.106.599)	2.153.476
Service cost	5.547.310	2.746.230
Actuarial losses	2.291.248	25.383.268
Payments during the year	(21.953.786)	(4.014.333)
Monetary gain/loss	(387.322)	(3.975.016)
31 December	27.003.425	49.612.574

The movements of provisions for unused vacation rights are as follows:

	2023	2022
1 January	7.406.766	5.723.368
Current year provision	-	2.052.557
Monetary gain/loss	(326.805)	(369.159)
31 December	7.079.961	7.406.766



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NOTE 20 - EQUITY

Share capital

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 December 2023 and 2022 the share capital held is as follows:

	31 December 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 December 2023 and 2022 are as follows:

	31 December 2023		31 December 2022	
	Share (%)	Amount	Share (%)	Amount
CEZ a.s.	37,36	272.415.670	37,36	272.415.670
Akkök Holding A.Ş.	20,43	148.968.205	20,43	148.968.205
Akarsu Enerji Yatırımları San. ve Ticaret A.Ş. ("Akarsu")	16,93	123.447.465	16,93	123.447.465
Publicly held	25,28	184.332.660	25,28	184.332.660
		729.164.000		729.164.000
Adjustment to share capital ^(*)		8.296.176.858		8.296.176.858
Total paid - in capital		9.025.340.858		9.025.340.858

^(*) "Adjustment to share capital" represents the restatement effect of cash and cash equivalent contributions to share capital measured in accordance with the TAS/TFRS promulgated by the POA. "Adjustment to share capital" has no use other than being transferred to paid-in share capital.

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

Hyperinflation adjustments made on equity according to TAS 29, published by CMB on 7 March 2024, are presented below:

Equity	PPE indexed accounting entries	CPE indexed accounting entries	Differences classified in retained earnings
Adjustments to share capital	10.991.346.435	9.025.340.858	(1.966.005.577)
Share premiums	1.251.474.269	811.504.170	(439.970.099)
Restricted reserves	274.401.333	175.627.307	(98.774.026)

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NOTE 20 - EQUITY (Continued)

Retained Earnings:

Hyperinflation adjustments made on retained earnings according to TAS 29, published by CMB on 7 March 2024, are presented below:

Retained Earnings	Balances before hyperinflation accounting	Balances after hyperinflation accounting
31 December 2022	(6.473.542.581)	(5.568.297.630)
01 January 2022	(4.270.074.525)	(5.568.297.630)

Share premium

Share premiums presented in the consolidated financial statements represent the proceeds from the excess of the amount of shares compared to their nominal values.

Legal reserves

Turkish Commercial Code stipulates that the legal reserve is appropriated out of statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Group’s paid - in share capital. Other legal reserve is appropriated out of 10% of the distributable income after 5% dividend is paid to shareholders. Under the TCC, legal reserves can only be used for compensating losses, continuing operations in severe conditions or preventing unemployment and taking actions for relieving its effects in case general legal reserves does not exceed half of paid - in capital or issued capital.

Dividend distribution

Dividends are distributed according to Communiqué Serial: IV, No: 27 on “Principles Regarding Distribution of Interim Dividends for quoted entities subject to Capital Market Board Law”, principles on corporate articles and dividend distribution policy which is declared by Companies.

In addition to the CMB, it is stipulated that companies which have the obligation to prepare consolidated financial statements, calculate the net distributable profit amount by taking into account the net profits for the period in ntanthe consolidated financial statements that will be prepared and announced to the public in accordance with the Communiqué II - 14,1 that sufficient reserves exist in the stand alone statutory books.

The remaining current year income and the reserves of the Group that can be subject to the dividend distribution does not exist (31 December 2022i: None).



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NOTE 21 - TAX ASSETS AND LIABILITIES

	31 December 2023	31 December 2022
Current income tax expenses	23.736.677	6.608.189
Prepaid taxes	(26.243.562)	(7.265.752)
Current income tax liabilities/ (Current income tax assets), net	(2.506.885)	(657.563)

Corporation tax

The Group is subject to corporate tax in Türkiye. Necessary provisions have been made in the financial statements for the estimated tax liabilities of the Group related to the current period activity results.

The corporate tax rate in Türkiye is 25%. However, in accordance with the provisional article 10 added to the Corporate Tax Law, the corporate tax rate of 20% will be applied as 25% for the corporate earnings for the 2023 taxation period and 23% within the corporate income for the 2022 taxation period. Corporation tax rate is applied to net income of the companies after adjusting for certain disallowable expenses, exempt income and allowances. Losses can be carried forward for offset against future taxable income for up to 5 years. However, the resulting losses cannot be deducted retrospectively from the profits of previous years.

In Türkiye, there is no practice to reconcile with the tax authority on taxes payable. The corporate tax return is submitted until the evening of the 30th day of the fourth month following the end of the accounting period and is paid until the end of the month.

Companies in Türkiye calculate temporary tax at the rate of 25% over their quarterly financial profits (23% for the taxation period of 2022, 20% for the following years) and declared until the 17th day of the second month following that period. pay by the evening of the seventeenth day. The temporary tax paid during the year belongs to that year and is deducted from the corporate tax to be calculated over the corporate tax return to be submitted in the following year. Despite the deduction, if there is an amount of advance tax paid, this amount can be refunded or deducted in cash.

The financial statements dated as of 31 December 2023 are prepared in accordance with tax legislation and have been adjusted for inflation in accordance with Temporary Article 33 added to the Tax Procedure Law by the Law Amending the Tax Procedure Law and Corporate Tax Law published in the Official Gazette dated 29 January 2022 and numbered 31734. The group has applied this change in the financial statements as of 31 December 2023. Any profit or losses arising from the inflation adjustment should be disclosed in the retained earnings and are not subject to taxation.

As of 31 December 2023, the financial statements prepared in accordance with the tax legislation, which were subject to the inflation adjustment mentioned above, have been used as the tax base in the deferred tax calculation. Since the tax revaluation made from a tax perspective is unrelated to the revaluation made from a commercial accounting perspective, the adjustment made at the tax base in accordance with IAS 12 "Income Taxes" has been accounted for in the deferred tax income in the statement of profit or loss.

Tax Advantages Obtained Under the Investment Incentive System

Earnings of the Group that are derived from investments linked to an investment incentive certificate are subject to corporate tax at discounted rates for a certain period, which starts when the investment starts to partly or fully operate, and ends when the maximum investment contribution amount is reached. Within this scope, the Group has accounted for TL 181.696.483 (December 31, 2022: TL 166.034.821) of tax advantages as deferred tax assets and recognized it in the consolidated financial statements for 2023.

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NOTE 21 - TAX ASSETS AND LIABILITIES (Continued)

Deferred tax assets are recognized for deductible temporary differences, carry forward tax losses and indefinite-life investment incentives which allows payment of corporate tax at discounted rates, as long as it is probable that sufficient taxable income will be generated in the future. In this context, the Group recognizes deferred tax assets from investment incentives based on long-term plans, including taxable profit projections derived from business models, which are re-evaluated at each balance sheet date to assess recoverability of such deferred tax assets. The Group expects to recover such deferred tax assets within 5- 7 years from the balance sheet date.

Income tax withholding

Limited taxpayer that earn income through by a permanent establishment or permanent representative and paid to companies (dividends) resident in Türkiye not subject to withholding tax. Dividend payments made to persons other than these are subject to 15% withholding tax. The profit included to the capital is not a profit distribution.

The details of tax income/(expense) for the year ended 31 December 2023 and 2022 are as follows:

	1 January - 31 December 2023	1 January - 31 December 2022
Deferred tax income	2.917.542.314	117.149.798
Current income tax expense (-)	(23.736.677)	(6.608.189)
	2.893.805.637	110.541.609

As of 31 December 2023 and 2022 the reconciliation of tax income stated in consolidated profit or loss statement is as follows:

	2023	2022
Loss before tax	2.146.052.741	1.994.448.837
Tax rate (%)	25	23
Tax income calculated at domestic tax rate	(536.513.185)	(458.723.232)
Tax exemptions	23.085.792	1.946.045
Expenses not deductible for tax purposes	(177.810.188)	(131.105.758)
Temporary differences not subject to deferred tax calculation	(465.520.667)	(123.432.030)
Effect of different tax rate	(612.174.481)	174.920.696
Investment incentives	(25.885.791)	102.773.514
Other	-	-
Tax procedure law inflation impact	4.055.355.067	-
Monetary gain/loss	633.269.091	544.162.374
Current year tax income	2.893.805.637	110.541.609



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NOTE 21 - TAX ASSETS AND LIABILITIES (Continued)

Deferred taxes

	31 December 2023	31 December 2022
Deferred tax assets	10.565.709	9.579.365
Deferred tax liabilities	(392.472.722)	(3.422.365.843)
Deferred tax liabilities, net	(381.907.013)	(3.412.786.478)

The Group recognizes deferred tax assets and liabilities based upon temporary differences arising from its financial statements prepared in compliance with TAS and its statutory tax financial statements. The temporary differences usually result from the recognition of revenue and expenses in different reporting periods according to TAS and Tax Laws.

The tax rate used in the calculation of deferred tax assets and liabilities is 25% for temporary differences expected to close in the following years.

The breakdown of cumulative temporary differences and the resulting deferred tax assets/liabilities provided using principal tax rates is as follows:

	Total temporary differences		Deferred tax assets/(liabilities)	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Investment incentives ^(*)	(726.785.930)	(830.174.104)	181.696.483	166.034.821
Provisions for lawsuits	(49.448.917)	(873.447)	12.362.229	174.689
Derivative financial instruments	(34.496.730)	-	8.624.183	-
Provision for employment termination benefit	(27.003.425)	(39.003.121)	6.750.856	7.800.622
Provision for unused vacation rights	(7.079.961)	-	1.769.991	-
Property, plant and equipment	2.368.950.064	17.346.513.948	(592.237.515)	(3.567.088.721)
Borrowings	210.919.718	57.208.180	(52.729.930)	(11.441.607)
Other	(207.426.774)	(35.380.828)	51.856.690	(8.266.284)
Deferred tax assets/(liabilities), net		(381.907.013)		(3.412.786.480)

^(*)Within the scope of former Article 19 of Income Taxation Law, the related amount of investment incentive is mainly due to investment expenditures of Uluabat HEPP.

The movements of deferred tax assets and liabilities for the year ended 31 December 2023 and 2022 are as follows:

	2023	2022
1 January	(3.412.786.479)	(2.675.197.481)
Recognized in statement of profit or loss	2.917.542.314	117.149.798
Recognized in other comprehensive income	113.337.153	(854.738.794)
31 December	(381.907.013)	(3.412.786.479)

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NOTE 21 - TAX ASSETS AND LIABILITIES (Continued)

Details of tax losses on which deferred taxes are not recognized, along with the year it is incurred and the maximum year it can be utilized, are provided below (balances are presented in their historic cost):

Year incurred	Year can be used	31 December 2023	31 December 2022
2018	2023	-	148.406.201
2019	2024	133.261.859	133.261.859
2020	2025	262.766.427	262.766.427
2021	2026	1.181.821.985	1.181.821.985
2022	2027	224.471.796	224.471.796
2023	2028	1.501.945.203	-
		3.304.267.270	1.950.728.268

According to General Statement of Tax Procedure Law regarding hyperinflation (#555), published on Official Gazette #32415 in 30 December 2023; limited to adjustments made to 2023 year end statement of financial position, costs of assets which their useful life remain and depreciation not calculated from financial costs deducted from purchase price, are allowed to written as costs for the year 2024 and following 5 years and in equal installments. Within that regard, the Group does not calculate deferred taxes but has TL 7.077.405.440 financial costs that did not depreciated.

NOTE 22 - REVENUE AND COST OF SALES

a) Revenue

	1 January - 31 December 2023	1 January - 31 December 2022
Electricity sales revenue	13.103.047.867	20.161.896.013
Revenue on sharing of instability	7.657.262.803	7.767.008.393
Revenue on secondary frequency control	1.568.719.597	2.186.802.077
Revenue on loading orders	838.095.769	2.271.598.911
Revenue on capacity mechanism	200.922.368	231.570.364
Other revenues	304.266.627	91.308.671
	23.672.315.031	32.710.184.429

b) Cost of sales

	1 January - 31 December 2023	1 January - 31 December 2022
Direct raw materials consumed and cost of electricity purchased ^(*)	19.452.547.940	28.046.140.991
Depreciation and amortization expenses	1.427.114.311	1.393.863.767
Maintenance and repair expenses	510.875.743	235.705.254
Personnel expenses	376.393.757	279.822.065
Other materials and spare parts consumed	141.753.787	55.497.543
Insurance expenses	120.182.393	52.197.508
Other expenses	138.251.324	178.210.690
	22.167.119.255	30.241.437.818

^(*)Direct raw materials consumed comprised of cost of natural gas purchased, cost of energy purchased, imbalance sharing costs, system usage costs, and etc.



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NOTE 23 - GENERAL ADMINISTRATIVE EXPENSES

	1 January - 31 December 2023	1 January - 31 December 2022
Personnel expenses	188.528.145	139.948.686
Taxes and duties	27.739.886	27.037.670
IT expenses	27.444.018	21.559.537
Consultancy expenses	25.383.696	18.611.726
Depreciation and amortization expenses	16.870.164	11.839.879
Office expenses	14.474.208	13.773.262
Legal and notary expenses	14.257.995	5.494.082
Travel expenses	12.859.001	6.015.122
Vehicle expenses	12.611.224	10.303.558
Advertising and sponsorship expenses	3.226.131	2.158.751
Insurance expenses	1.919.272	2.377.497
Other expenses	29.746.110	22.765.096
	375.059.850	281.884.866

NOTE 24 - EXPENSES BY NATURE

	1 January - 31 December 2023	1 January - 31 December 2022
Direct raw materials consumed and cost of electricity purchased	19.452.547.940	28.046.140.991
Depreciation and amortization expenses ^(*)	1.443.984.475	1.405.703.646
Personnel expenses ^(**)	699.403.888	375.653.940
Maintenance and repair expenses	376.393.757	279.822.065
Other materials and spare parts consumed	141.753.787	55.497.542
Insurance expenses ^(***)	122.101.665	54.575.005
Taxes and duties	27.739.886	27.037.670
IT expenses	27.444.018	21.559.537
Consultancy expenses	25.383.696	18.611.726
Office expenses	14.474.208	13.773.262
Legal and notary expenses	14.257.995	5.494.082
Travel expenses	12.859.001	6.015.122
Vehicle expenses	12.611.224	10.303.558
Advertising and sponsorship expenses	3.226.131	2.158.751
Other expenses	167.997.434	200.975.786
	22.542.179.105	30.523.322.684

^(*)Depreciation and amortization expenses amounting to TL 1.427.114.311 (31 December 2022: TL 1.393.863.766) is classified in cost of sales, TL 16.870.164 (31 December 2022: TL 11.839.879) of amortization and depreciation expenses is classified in general administrative expenses.

^(**)Personnel expenses amounting to TL 510.875.743 (31 December 2022: TL 235.705.254) is classified in cost of sales, TL 188.528.145 (31 December 2022: TL 139.948.686) is classified in general and administrative expenses.

^(***)Insurance expenses amounting to TL 120.182.393 (31 December 2022: TL 52.197.508) is classified in cost of sales, TL 1.919.272 (31 December 2022: TL 2.377.497) is classified in general and administrative expenses.

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NOTE 24 - EXPENSES BY NATURE (Continued)

Fees for Services Received from Independent Auditor / Independent Audit Firms

The Group's explanation regarding the fees for the services received from the independent audit firms, which is based on the letter POA dated August 19, 2021, the preparation principles of which are based on the Board Decision published in the Official Gazette on March 30, 2021, are as follows:

	1 January - 31 December 2023 ^(*)	1 January - 31 December 2022 ^(*)
Audit and assurance fee	3.145.900	1.800.340
Other assurance services fee	43.555	77.280
	3.189.455	1.877.620

^(*)The fees above have been determined through including the legal audit and other related service fees of all subsidiaries.

NOTE 25 - OTHER OPERATING INCOME AND EXPENSES

a) Other operating income

	1 January - 31 December 2023	1 January - 31 December 2022
Gain on futures and options markets	173.252.384	20.347.965
Income from insurance compensation	146.301.622	61.322.156
Foreign exchange gains from trading activities	130.598.182	158.679.794
Delay interests charged ^(*)	115.180.991	111.950.912
Other income	37.341.648	21.630.230
Provisions no longer required ^(**)	18.138.680	-
Income from compensation	1.963.479	6.312.801
Gains on energy systems	1.867.184	2.837.434
Gain on risk sharing contracts	1.457.922	870.625.530
	626.102.092	1.253.706.822

^(*)Comprised of delay interests charges for trade receivables which are not collected at their due dates. As of 31 December 2023, the applied interest rate is 3,50% per month, unless there is a different interest rate agreed by the parties.

^(**)As of 31 December 2023, TL 650.420 (31 December 2022: TL 5.391.176) of the provisions no longer required comprised of released provisions of litigation provisions. As of 31 December 2023, there is no premium provisions (31 December 2022: TL 711.418). As of December 2023, doubtful receivables collections amounts to 242.084 (31 December 2022: None). And as of 31 December 2023, TL 1.070.075 of other provisions (31 December 2021: TL 210.207) constitute provisions no longer required.

b) Other operating expenses

	1 January - 31 December 2023	1 January - 31 December 2022
Foreign exchange losses from trading activities	224.092.689	82.211.901
Losses on futures and options market	115.883.056	21.909.395
Other expenses	76.381.821	41.400.125
Provisions for litigations	1.125.006	22.574.555
Losses on energy systems	993.809	2.108.465
Doubtful trade receivables profitability	-	872.049.073
	418.476.381	1.042.253.514



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NOTE 26 - INCOME AND EXPENSES FROM INVESTING ACTIVITIES

a) Income from investing activities

	1 January - 31 December 2023	1 January - 31 December 2022
Fair value difference gain on exchange rate protected deposit accounts	59.263.880	20.954.033
Profit on sale of property, plant and equipment	52.056	-
Dividend income	-	36.429
	59.315.936	20.990.462

b) Expenses from investing activities

	1 January - 31 December 2023	1 January - 31 December 2022
Loss on property, plant and equipment valuation	65.091.408	4.017.973.296
Loss on sale of property, plant and equipment	943.207	-
Fair value difference losses on exchangerate protected deposit accounts	-	2.978.187
	66.034.615	4.020.951.483

NOTE 27 - FINANCIAL INCOME AND EXPENSES

a) Financial income

	1 January - 31 December 2023	1 January - 31 December 2022
Foreign exchange gains	584.900.806	525.957.954
Interest income	136.527.130	104.263.772
Gain on derivative instruments	82.589.213	129.337.986
	804.017.149	759.559.712

b) Financial expenses

	1 January - 31 December 2023	1 January - 31 December 2022
Foreign exchange losses	6.153.661.760	4.834.674.331
Interest and commission expenses	1.864.467.669	2.029.612.635
Losses on derivative instruments	52.715.744	105.664.914
Other financial expenses	16.180.949	12.826.952
	8.087.026.122	6.982.778.832

NOTE 28 - PROFIT PER SHARE

	31 December 2023	31 December 2022
Weighted average number of issued shares	72.916.400.000	72.916.400.000
Net profit for the period	5.039.858.378	2.104.990.445
Profit per share - TL (1.000 shares)	6.912	2,887

Nominal value of each of the issued share as of 31 December 2023 and 2022 is 1 Kr.

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NOTE 29 - RELATED PARTY DISCLOSURE

a) Transaction with related parties

- Purchases from related parties

	1 January - 31 December 2023	1 January - 31 December 2022
Sakarya Elektrik Perakende Satış A.Ş. ("Sepaş") ^{(1) (****)}	671.018.029	568.894.928
Dinkal Sigorta Acenteliği A.Ş. ("Dinkal") ^{(2) (**) (}	156.830.975	85.859.878
Aksa Akrilik Kimya Sanayi A.Ş. ("Aksa") ^{(3) (**) (}	29.684.596	26.148.885
Aktek Bilgi İletişim Tek. San. ve Tic. A.Ş. ("Aktek") ^{(4) (**) (}	26.955.545	13.415.736
CEZ a.s. ^{(5) (')}	24.753.593	463.835.612
Ak-Han Bak. Yön. Serv. Hiz. Güv. Malz. A.Ş. ("Ak-Han") ^{(6) (**) (}	17.610.405	9.083.746
Akgirişim Müteahhitlik Müş. ve Çevre Tekn. San. ve Tic. A.Ş. ^{(7) (**) (}	16.244.332	-
Akkök Holding A.Ş. ("Akkök") ^{(8) (')}	3.298.087	1.021.262
CEZ a.s. Türkiye Daimi Tem.	771.679	-
Other	23.378	-
	947.190.619	1.168.260.047

(1) Comprised of purchase of electricity and sharing of instability.

(2) Comprised of insurances purchased from insurance companies by the intermediary of Dinkal.

(3) Comprised of sharing of instability.

(4) Comprised of IT services and equipment received.

(5) Comprised of purchase of electricity and risk sharing.

(6) Comprised of office maintenance and management service received.

(7) Comprised of investment services received.

(8) Comprised of rent service received.

- Sales to related parties

	1 January - 31 December 2023	1 January - 31 December 2022
Sepaş ^{(1) (****)}	5.848.942.731	6.386.805.498
Aksa ^{(2) (**) (}	46.528.646	41.099.647
CEZ a.s. ^{(3) (')}	37.389.048	729.380.980
Akkök Holding A.Ş. ("Akkök") ^{(4) (')}	9.320.720	491.150
CEZ a.s. Türkiye Daimi Tem. ^{(5) (**) (}	130.908	84.248
Akcez Enerji Yat. San. ve Tic. A.Ş. ("Akcez") ^{(6) (****)}	127.008	127.610
Akgirişim Müteahhitlik Müş. ve Çevre Tekn. San. ve Tic. A.Ş. ^{(7) (**) (}	56.727	-
Aktek Bilgi İletişim Tek. San. ve Tic. A.Ş. ("Aktek") ^{(8) (**) (}	48.949	6.113
	5.942.544.737	7.157.995.246

(1) Comprised of sales of electricity and sharing of instability.

(2) Comprised of sharing of instability.

(3) Comprised of sales of electricity and risk sharing contracts.

(4) Comprised of service and car rent provided and earthquake relief provided.

(5) Comprised of rent services provided.

(6) Comprised of consultancy services provided.

(7) Comprised of stamp tax provided.

(8) Comprised of premiums.

(*)Shareholder.

(**)Akkök Holding group company.

(***)CEZ a.s. group company.

(****)Akkök Holding and CEZ a.s. group company.



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NOTE 29 - RELATED PARTY DISCLOSURES (Continued)

b) Balances with related parties

- Short - term trade receivables from related parties

	31 December 2023	31 December 2022
Sepaş ^{(1) (****)}	120.035.218	836.140.384
Aksa ^{(2) (**)}	3.389.537	6.272.107
CEZ a.s. ^{(3) (*)}	2.025.297	93.639.271
CEZ a.s. Türkiye Daimi Tem. ^{(4) (***)}	17.226	17.857
Akcez ^{(5) (****)}	12.701	20.574
Other	-	156.807
	125.479.979	936.247.000

- (1) Comprised of receivables from sales of electricity and sharing of instability.
(2) Comprised of receivables from sharing of instability.
(3) Comprised of receivables from sales of electricity and risk sharing.
(4) Comprised of receivables from sales of rental income.
(5) Comprised of receivables from comprised of consultancy services provided.

The average maturity days of trade receivables from related parties is 20 days.

- Short - term trade payables to related parties

	31 December 2023	31 December 2022
Dinkal ^{(1) (**)}	139.370.869	133.605.069
Sepaş ^{(2) (****)}	14.430.212	132.680.785
CEZ a.s. ^{(3) (*)}	6.302.845	77.390.988
Aktek ^{(4) (**)}	6.065.583	4.047.630
CEZ a.s. Türkiye Daimi Tem. ^{(5) (***)}	4.924.692	6.916.057
Aksa ^{(6) (**)}	2.566.300	4.895.571
Ak-Han ^{(7) (**)}	2.345.692	1.623.258
Akkök ^{(8) (*)}	2.309.772	2.944.366
Akgirişim Mühendislik Müşavirlik ve Çevre Teknolojileri San. ve Tic. A.Ş. ^{(9) (**)}	434.162	-
	178.750.127	364.103.724

- (1) Comprised of payables to Dinkal for the insurances purchased from insurance companies by the intermediary of Dinkal.
(2) Comprised of the payables related to electricity and sharing of instability.
(3) Comprised of payables on risk sharing.
(4) Comprised of the payables related to IT services and equipment purchased.
(5) Comprised of the payables related to consultancy services received.
(6) Comprised of the payables related to electricity and sharing of instability.
(7) Comprised of the payables related to office maintenance and management services received.
(8) Comprised of the payables related to consultancy and rent services received.
(9) Comprised of the payables related to aviation services received.

(*)Shareholder.
(**)Akkök Holding group company.
(***)CEZ a.s. group company.
(****)Akkök Holding and CEZ a.s. group company.

The average maturity days of trade payables from related parties is 30 days.

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NOTE 29 - RELATED PARTY DISCLOSURES (Continued)

c) Key management compensation

For the purpose of these consolidated financial statements, key management compensation consists of the payments made to Group shareholders and top management (General Manager and Vice General Managers and directors).

	1 January - 31 December 2023	1 January - 31 December 2022
Salaries and benefits	26.538.218	19.952.023
Bonus	10.563.873	9.189.649
Attendance fee	3.215.786	2.638.714
	40.317.877	31.780.386

NOTE 30 - FINANCIAL RISK MANAGEMENT

Financial risk management

Financial risk factors

The Group's activities expose it to a variety of financial risks. These risks are liquidity risk, market risk (foreign exchange risk, interest risk), credit risk and funding risks.

Management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The Group uses financial instruments to hedge certain risk exposures.

Risk management is carried out by Finance and Financial Affairs Deputy General Manager where policies are approved by the Board of Directors, Finance and Financial Affairs Deputy General Manager identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units.



NOTE 30 – FINANCIAL RISK MANAGEMENT (Continued)

a) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, the availability of funding from an adequate amount of committed credit facilities and the ability to close out market positions, due to the dynamic nature of business, the group aims to maintain flexibility in funding by keeping committed credit lines available. The Group, as aware of all of its short term and long term liabilities, has been taking the necessary actions and has been benefiting from all opportunities by communication with the financial institutions to maintain its operations in a healthy financial structure, to adjust the maturities of its liabilities in accordance with its cash flows and to provide a positive effect on its cash flows within the framework its proactive approach. In 2019, with the restructuring of loans within the scope of Financial Restructuring, the short - term liabilities of the Group decreased significantly and spread over the long term.

The following tables detail the Group's contractual maturities for its non - derivative financial liabilities as of 31 December 2023 and 2022. The tables have been prepared based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group could be required to pay. The table includes both interest and principal amounts. These amounts are contractual undiscounted cash flows. Balances with maturities less than 3 months are equal to their carrying values due to the negligible discounting effect.

31 December 2023	Carrying value	Total contractual cash outflow (I-II-III-IV)	Demand or up to 3 months (I)	3 months - 1 year (II)	1 - 5 years (III)	5 years and over (IV)
Maturities in accordance with contract						
Non - derivative financial liabilities						
	15,787,047,873	20,890,776,780	32,791,521	7,353,706,021	6,652,046,593	6,852,232,645
	1,004,161,254	1,004,161,254	1,004,161,254	-	-	-
	785,403,985	785,403,985	99,290,581	152,021,331	403,454,257	130,637,816
Derivative financial liabilities						
	379,584,448	379,584,448	14,670,631	23,287,817	-	-
	17,614,571,560	22,718,300,447	1,150,913,987	7,529,015,169	7,055,500,850	6,982,870,461
31 December 2022	Carrying value	Total contractual cash outflow (I-II-III-IV)	Demand or up to 3 months (I)	3 months - 1 year (II)	1 - 5 years (III)	5 years and over (IV)
Maturities in accordance with contract						
Non - derivative financial liabilities						
	19,257,886,656	26,581,029,831	28,088,883	1,194,851,560	16,378,024,964	8,980,064,424
	3,841,692,803	3,841,692,803	3,841,692,803	-	-	-
	1,052,049,871	1,052,049,871	172,503,607	170,609,984	453,926,236	255,010,044
Derivative financial liabilities						
	36,848,072	36,848,072	2,628,176	31,527,528	2,692,368	-
	24,188,477,402	31,511,620,577	4,044,913,469	1,396,989,072	16,834,643,568	9,235,074,468

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NOTE 30 - FINANCIAL RISK MANAGEMENT (Continued)

b) Market risk

- Interest rate risk

The Group is exposed to interest rate risk through the impact of rate changes on interest bearing assets and liabilities. The Group manages interest rate risk by using fixed or floating interest bearing assets and liabilities by considering the borrowing market conditions and expectations. In order to minimize the interest rate risk, the Group utilize borrowings with the most favorable conditions in line with the analysis of fixed and floating interest rates. The Group has converted all of its loans into fixed interest rates thanks to the refinancing it has made within the scope of Financial Restructuring on 11 November 2019, thereby significantly reducing the interest rate risk. Interest rate risk arising from assets and liabilities exposed to floating interest rate are managed through interest rate swap agreements. The Group invests, cash and cash equivalents which are not used, in time deposits.

The table of the interest position of the Group as of 31 December 2023 and 2022 is as follows:

	31 December 2023	31 December 2022
Financial instruments with fixed interest rates		
Borrowings	15,507,797,487	18,958,269,435
Trade payables	1,004,161,254	3,841,692,803
Cash and cash equivalents	955,696,438	300,602,980
Trade receivables	816,534,050	3,650,791,533
Other receivables	148,855,242	219,340,510
Other debts	39,244,190	62,051,198
Financial instruments with floating interest rates		
Other payables	636,548,842	832,709,362
Financial liabilities	279,250,387	299,617,220

The Group has analyzed various scenarios including refinancing the existing situation alternative financing options and to avoid the hedging risk. According to these scenarios, if annual interests of floating interest rated loans were 100 basis point high/low with all the other parameters are constant, current year income before tax have been TL 828.135 lower/higher as a result of interest expense of floating interest rated loans and swap transactions (2022: TL 642.788).

- Foreign exchange risk

The Group is exposed to foreign exchange risk through the impact of rate changes in the translation of foreign currency denominated assets and liabilities to local currency. Foreign exchange risk arises from future obligations as well as foreign currency denominated assets and liabilities. These risks are monitored and limited by the monitoring of the foreign currency position. In order to manage this risk, foreign exchange purchases are made from spot markets and derivative instruments are used. The management limits the foreign currency position of the Group through analyzing it. The Group has reduced its exposure to currency risk by converting a significant portion of its USD denominated loans into TL with the refinancing it has made within the scope of Financial Restructuring on 11 November 2019. In addition to these, the Group has reduced its exposure to currency risk by creating a natural hedge mechanism from USD based revenues obtained within the scope of Turkish Renewable Energy Resources Support Mechanism.

The details of the foreign currency assets and liabilities as of 31 December 2023 and 2022 are as follows:

	31 December 2023	31 December 2022
Assets	1,277,116,987	1,813,845,346
Liabilities	(12,497,240,797)	(14,311,133,806)
Net financial position	(11,220,123,810)	(12,497,288,460)
Net position of derivative instruments	(1,760,813,956)	(471,082,787)
Foreign currency position (net)	(12,980,937,766)	(12,968,371,247)



NOTE 30 – FINANCIAL RISK MANAGEMENT (Continued)

Assets and liabilities denominated in foreign currency held by the Group at 31 December 2023 and 2022 and their TL equivalent are as follows:

	31 December 2023				31 December 2022			
	TL Equivalent	USD	Euro	Other	TL Equivalent	USD	Euro	Other
Trade receivables	139,431,273	4,232,250	455,624	-	114,038,577	613,713	2,896,844	-
Monetary financial assets	1,114,065,239	34,884,922	2,674,325	73	1,648,726,494	48,182,833	5,009,945	(1)
Current assets	1,253,496,512	39,117,172	3,129,949	73	1,762,765,071	48,796,546	7,906,789	(1)
Monetary financial assets	23,620,475	-	725,135	-	51,080,274	-	1,555,400	-
Non-current assets	23,620,475	-	725,135	-	51,080,274	-	1,555,400	-
Total assets	1,277,116,987	39,117,172	3,855,084	73	1,813,845,346	48,796,546	9,462,189	(1)
Trade payables	298,141,351	9,430,298	630,270	-	311,792,585	6,914,230	3,008,787	4
Financial liabilities	3,200,277,417	107,306,258	1,270,168	-	1,147,756,242	35,994,565	1,187,550	-
Other monetary liabilities	32,061,291	1,089,105	-	-	20,973,968	680,897	-	-
Short-term liabilities	3,530,480,059	117,825,661	1,900,438	-	1,480,522,796	43,589,692	4,196,337	4
Financial liabilities	8,901,773,556	296,932,692	4,930,622	-	12,764,679,024	40,794,6823	6,044,783	-
Other monetary liabilities	6,498,7182	2,207,580	-	-	65,931,986	214,0410	-	-
Long-term liabilities	8,966,760,738	299,140,272	4,930,622	-	12,830,611,010	410,087,233	6,044,783	-
Total liabilities	12,497,240,797	416,965,933	6,831,060	-	14,311,133,806	453,676,925	10,241,120	4
Net Asset /(Liability) Position of Statement of Financial Position Derivative Instruments	(1,760,813,956)	(59,813,914)	-	-	(471,082,787)	(15,293,189)	-	-
Off statement of financial position foreign currency derivative assets	20,197,144	686,086	-	-	-	-	-	-
Off statement of financial position foreign currency derivative liabilities	(1,781,011,100)	(60,500,000)	-	-	(471,082,787)	(15,293,189)	-	-
Net foreign currency asset/(liability) position	(12,980,937,766)	(437,662,675)	(2,975,976)	73	(12,968,371,247)	(420,173,568)	(778,931)	(5)
Net foreign currency asset/(liability) position of monetary items	(11,220,123,810)	(377,848,761)	(2,975,976)	73	(12,497,288,460)	(404,880,379)	(778,931)	(5)
Total fair value of financial instruments used for foreign currency hedging	34,496,730	1,171,836	-	-	(281,004,802)	(15,028,361)	-	-
Export	1,050,329,500	17,029,604	24,833,311	-	732,489,403	71,215	32,507,029	-
Import	670,070,605	20,783,882	7,592,492	7,228	500,311,080	2,791,485	20,043,889	1,123

NOTE 30 – FINANCIAL RISK MANAGEMENT (Continued)

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the USD and EURO. As of 31 December 2023 and 31 December 2022, the following table details of Group's sensitivity to a 10% increase and decrease in the TL against relevant foreign currencies, all other variables held constant. The sensitivity analysis includes only monetary items in open foreign currency at the end of the year, and the positive effect of Turkish Renewable Energy Resources Support Mechanism revenues in foreign currency on operating profit is not taken into account in this calculation.

31 December 2023				
	Appreciation of foreign currency	Profit /Loss		Equity
		Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
+/- 10% fluctuation of USD rate				
1- USD net asset/liability	(1,112.318.740)	1,112.318.740	(1,112.318.740)	1,112.318.740
2- Part of hedged from USD risk (-)	-	-	-	-
3- USD net effect (1+2)	(1,112.318.740)	1,112.318.740	(1,112.318.740)	1,112.318.740
+/- 10% fluctuation of EUR rate				
4- EUR net asset/liability	(9,693.914)	9,693.914	(9,693.914)	9,693.914
5- Part of hedged from EUR risk (-)	-	-	-	-
6- EUR net effect (4+5)	(9,693.914)	9,693.914	(9,693.914)	9,693.914
+/- 10% fluctuation of other currencies rate against to TL				
7- Other currencies net asset/liability	273	(273)	273	(273)
8- Part of hedged from other currencies risk (-)	-	-	-	-
9- Other currencies net effect (7+8)	273	(273)	273	(273)
Total (3+6+9)	(1,122,012,381)	1,122,012,381	(1,122,012,381)	1,122,012,381

31 December 2022				
	Appreciation of foreign currency	Profit /Loss		Equity
		Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
+/- 10% fluctuation of USD rate				
1- USD net asset/liability	(1,247,170,768)	1,247,170,768	(1,247,170,768)	1,247,170,768
2- Part of hedged from USD risk (-)	-	-	-	-
3- USD net effect (1+2)	(1,247,170,768)	1,247,170,768	(1,247,170,768)	1,247,170,768
+/- 10% fluctuation of EUR rate				
4- EUR net asset/liability	(2,558,056)	2,558,056	(2,558,056)	2,558,056
5- Part of hedged from EUR risk (-)	-	-	-	-
6- EUR net effect (4+5)	(2,558,056)	2,558,056	(2,558,056)	2,558,056
+/- 10% fluctuation of other currencies rate against to TL				
7- Other currencies net asset/liability	(18)	18	(18)	18
8- Part of hedged from other currencies risk (-)	-	-	-	-
9- Other currencies net effect (7+8)	(18)	18	(18)	18
Total (3+6+9)	(1,249,729,843)	1,249,729,843	(1,249,729,843)	1,249,729,843



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed Turkish Lira ("TL") based on the purchasing power of TL as of 31.12.2023 unless otherwise indicated.)

NOTE 30 - FINANCIAL RISK MANAGEMENT (Continued)

c) Funding risk

The funding risk of the current and future debt requirements is managed through rendering the availability of the qualified lenders. The Group's bank loans are provided by financially strong financial institutions.

d) Capital risk management

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The Group monitors capital on the basis of the ratio of net debt to total equity. Net debt is calculated as total borrowings (including borrowings and trade and other payables, as shown in the consolidated balance sheet) less cash and cash equivalents. Total equity is calculated as the difference between assets and liabilities. Additionally, the Group calculates the total equity/total assets ratio. Group's construction in progress is financed by miscellaneous potential financial institutions as mentioned in the funding risk. Completion periods and cash outflows of investments are assessed and valorized within capital risk management by the Group. The periods after the completion of investments expect a significant reduction in the ratio of net debt/total capital.

Net debt/total equity ratio as of 31 December 2023 and 2022 are as follows:

	31 December 2023	31 December 2022
Total borrowings	15.787.047.873	19.257.886.656
Trade payables to related parties and third parties	1.004.161.254	3.841.692.803
Other payables	785.403.984	1.052.049.871
Total debt	17.576.613.111	24.151.629.329
Less: Cash and Cash Equivalents (Note 4)	(1.170.389.431)	(2.057.447.580)
Net debt	16.406.223.680	22.094.181.749
Total equity	13.781.217.898	9.938.872.043
Net debt/total equity ratio	%119	%222

e) Credit risk

Credit risk consists of cash and cash equivalents, deposits held in banks and customers exposed to credit risk, which includes uncollected receivables.

The Group is exposed to credit risks due to its open receivable position with future collection dates and time deposits. If counterparties fail on the fulfillment of the agreement, the Group is exposed to the risk upon holding the financial instruments. Management covers the risk by limiting the average risk of counterparties (except for related parties) on agreements and by obtaining guarantees if necessary.

The Group has internal credit procedures, the credit rating system and internal policies for credit risk management related with the trade receivables from its customers. According to these procedures, the Group separately approves, increase or decrease the credit limits for customers with significant balances. The credit limits are determined in accordance with the historical payment performances, financial strengths, commercial relations, commercial growth potential, and management styles. Credit limits are reviewed every year and the group use bank guarantees, marketable securities and other guarantees for the customers which considered as high risk.

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FOR THE YEAR ENDED 31 DECEMBER 2023

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NOTE 30 - FINANCIAL RISK MANAGEMENT (Continued)

The exposure of the Group to credit risk as of 31 December 2022 and 2021 based on types of financial instruments is as follows:

	Trade receivables		Other receivables		Cash at banks	Derivative financial instruments
31 December 2023	Related parties	Third parties	Related parties	Third parties		
Maximum exposure to credit risk as of reporting date ^(*) (A+B+C+D+E)	125.479.979	691.054.071	-	39.244.190	1.170.389.431	3.461.719
- Secured with guarantees	-	41.421.082	-	-	-	-
A. Net book value of neither past due nor impaired financial assets ^(**)	125.479.979	478.813.885	-	39.244.190	1.170.389.431	3.461.719
- Secured with guarantees	-	41.421.082	-	-	-	-
B. Net book value of restructured financial assets	-	-	-	-	-	-
- Secured with guarantees	-	-	-	-	-	-
C. Net book value of past due but not impaired financial assets	-	212.240.186	-	-	-	-
- Secured with guarantees	-	-	-	-	-	-
D. Net book value of impaired assets						
- Past due (gross net book value)	-	19.430.467	-	-	-	-
- Impairment (-)	-	(19.430.467)	-	-	-	-
- Secured with guarantees	-	-	-	-	-	-
- Not past due (gross net book value)	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-
- Secured with guarantees	-	-	-	-	-	-
E. Collective provision for impairment (-)	-	-	-	-	-	-

^(*)In determining the amount, the increase in credit reliability such as guarantees received are not taken into account.

^(**)As of 31 December 2023, trade receivables from third parties categorized on neither past due nor impaired financial assets amounting to TL 263.467.936 are comprised of receivables from EPIAŞ and TEİAŞ within the scope of electricity trading operations with a due date less than 1 month.

Maturity of expected credit loss

31 December 2023	Not due	Overdue up to 1 months	Overdue 1-3 months	Overdue 3-12 months	Overdue more than 1 year	Total
Closing balance	604.293.864	-	-	212.240.186	19.430.467	835.964.517
Expected credit losses	-	-	-	-	(19.430.467)	(19.430.467)



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed Turkish Lira ("TL") based on the purchasing power of TL as of 31.12.2023 unless otherwise indicated.)

NOTE 30 - FINANCIAL RISK MANAGEMENT (Continued)

31 December 2022	Trade receivables		Other receivables		Cash at banks	Derivative financial instruments
	Related parties	Third parties	Related parties	Third parties		
Maximum exposure to credit risk as of reporting date ^(*) (A+B+C+D+E)	936.247.000	2.714.544.534	-	62.051.198	2.057.437.177	-
- Secured with guarantees	-	599.336.590	-	-	-	-
A. Net book value of neither past due nor impaired financial assets ^(**)	936.247.000	1.819.351.142	-	62.051.198	2.057.437.177	-
- Secured with guarantees	-	540.874.710	-	-	-	-
B. Net book value of restructured financial assets	-	-	-	-	-	-
- Secured with guarantees	-	-	-	-	-	-
C. Net book value of past due but not impaired financial assets	-	895.193.392	-	-	-	-
- Secured with guarantees	-	58.461.880	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-	-
- Past due (gross net book value)	-	32.360.397	-	-	-	-
- Impairment (-)	-	(32.360.397)	-	-	-	-
- Secured with guarantees	-	-	-	-	-	-
- Not past due (gross net book value)	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-
- Secured with guarantees	-	-	-	-	-	-
E. Collective provision for impairment (-)	-	-	-	-	-	-

^(*)In determining the amount, the increase in credit reliability such as guarantees received are not taken into account.

^(**)As of 31 December 2022, trade receivables from third parties categorized on neither past due nor impaired financial assets amounting to TL 1.260.074.670 are comprised of receivables from EPIAŞ and TEİAŞ within the scope of electricity trading operations.

Maturity of expected credit loss

31 December 2022	Not due	Overdue up to 1 months	Overdue 1-3 months	Overdue 3-12 months	Overdue more than 1 year	Total
Closing balance	2.755.598.142	-	-	895.193.392	32.360.397	3.683.151.931
Expected credit losses	-	-	-	-	(32.360.397)	(32.360.397)

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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NOTE 31 - FAIR VALUE DISCLOSURES OF FINANCIAL INSTRUMENTS

Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The estimated fair values of financial instruments have been determined by the Group, using available market information and appropriate valuation methodologies. However, judgment is necessarily required to interpret market data to estimate the fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Group could realize in a current market exchange.

Following methods and assumptions were used to estimate the fair value of the financial instruments for which is practicable to estimate fair value:

Financial assets

The carrying values of financial assets including cash and cash equivalents which are accounted with their costs are estimated to be their fair values since they are short term.

The carrying values of trade receivables along with the related allowances for uncollectability are estimated to be their fair values.

Financial liabilities

The fair values of short-term bank borrowings and other monetary liabilities are considered to approximate to their respective carrying values. The carrying values of the long-term bank loans of the Group reflect their fair values due to the repricing of the loans within the scope of the Financial Restructuring made on 11 November 2019.

Fair value hierarchy table

The Group classifies the fair value measurement of each class of financial instruments according to the source, using the three - level hierarchy, as follows:

Level 1: Market price valuation techniques for the determined financial instruments traded in markets (unadjusted)

Level 2: Other valuation techniques includes direct or indirect observable inputs

Level 3: Valuation techniques does not contain observable market inputs

As of 31 December 2023, the Group has short - term derivative financial instruments amounting to TL 37.958.448 (31 December 2022: TL 34.155.704). As of 31 December 2023, the Group does not have long-term derivative financial instruments (31 December 2022: TL 2.692.368). As of 31 December 2023, the Group has assets from derivative financial instruments amounting to TL 3.461.719 (31 December 2022: None).

Fair value of the lands, land improvements, buildings, machinery and equipment of the Group's power plants were measured by a professional independent valuation company on 31 December 2023 through other valuation techniques involving direct and indirect observable inputs (Level 3) (Note 2.7).

NOTE 32 - SUBSEQUENT EVENTS

None.

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	PAGE NO	OMISSION			GRI SECTOR STANDART REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
General disclosures						
GRI 2: General Disclosures 2021	2-1	Organizational details	4	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.		
	2-2	Entities included in the organization's sustainability reporting	10			
	2-3	Reporting period, frequency and contact point	9, 10 and 285			
	2-4	Restatements of information	No restatements.			
	2-5	External assurance	204-213			
	2-6	Activities, value chain and other business relationships	36, 37			
	2-7	Employees	88, 105, 190-195			
	2-8	Workers who are not employees	192			
	2-9	Governance structure and composition	130, 139, 142-147			
	2-10	Nomination and selection of the highest governance body	142			
	2-11	Chair of the highest governance body	142			
	2-12	Role of the highest governance body in overseeing the management of impacts	142-147			
	2-13	Delegation of responsibility for managing impacts	62, 63, 138-139			
	2-14	Role of the highest governance body in sustainability reporting	62, 63			
	2-15	Conflicts of interest	142, 156			
	2-16	Communication of critical concerns	156-157			
	2-17	Collective knowledge of the highest governance body	132-135			
	2-18	Evaluation of the performance of the highest governance body	132			
	2-19	Remuneration policies	96, 139			
	2-20	Process to determine remuneration	96, 139			
	2-21	Annual total compensation ratio	158-159			
	2-22	Statement on sustainable development strategy	14-17, 62-63			
	2-23	Policy commitments	64			
	2-24	Embedding policy commitments	90, 94, 108, 124			
	2-25	Processes to remediate negative impacts	78, 81			
	2-26	Mechanisms for seeking advice and raising concerns	67			
	2-27	Compliance with laws and regulations	157			
	2-28	Membership associations	202			
	2-29	Approach to stakeholder engagement	66-67, 70			
	2-30	Collective bargaining agreements	104			

GRI STANDARD/ OTHER SOURCE	DISCLOSURE		PAGE NO	OMISSION			GRI SECTOR STANDART REF. NO.
				REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Material Topics							
GRI 3: Material Topics 2021	3-1	Process to determine material topics	70	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.			
	3-2	List of material topics	71				
Economic Performance							
GRI 3: Material Topics 2021	3-3	Management of material topics	84				
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	19-21				
	201-2	Financial implications and other risks and opportunities due to climate change	74-75, 56-59				
	201-3	Defined benefit plan obligations and other retirement plans	96				
Energy (Energy Management)							
GRI 3: Material Topics 2021	3-3	Management of material topics	124				
GRI 302: Energy 2016	302-1	Energy consumption within the organization	124, 199				
	302-4	Reduction of energy consumption	125				
Water and Effluents (Water Management)							
GRI 3: Material Topics 2021	3-3	Management of material topics	122				
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	122				
	302-2	Management of water discharge-related impacts	122				
	303-3	Water withdrawal	122, 198				
	303-4	Water discharge	123, 198				
	303-5	Water consumption	123, 198				
Emissions (Emissions-Carbon-Management)							
GRI 3: Material Topics 2021	3-3	Management of material topics	120				
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	120, 196				
	305-2	Energy indirect (Scope 2) GHG emissions	120, 196				
	305-3	Other indirect (Scope 3) GHG emissions	120, 196				
	305-5	Reduction of GHG emissions	120				
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	200				



GRI STANDARD/ OTHER SOURCE	DISCLOSURE	PAGE NO	OMISSION			GRI SECTOR STANDART REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Employement (Employment and Working Conditions)						
GRI 3: Material Topics 2021	3-3 Management of material topics	94-96				
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	193				
	401-2 Benefits provided to full-time employees	96				
	401-3 Parental leave	104, 193				
Occupational Health and Safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	90-92				
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	90				
	403-2 Hazard identification, risk assessment, and incident investigation	91				
	403-3 Occupational health services	91				
	403-4 Employee participation, consultation, and communication on occupational health and safety	90-92				
	403-5 Worker training on occupational health and safety	92				
	403-7 Prevention and reduction of occupational health and safety impacts directly related to business relationships	90-92				
	403-8 Employees within the scope of occupational health and safety management system	90				
	403-9 Work-related injuries	194-195				
	403-10 Work-related ill health	194-195				
Akenerji's Priority Issue – Information Security, Cyber Security and Privacy Protection						
GRI 3: Material Topics 2021	3-3 Management of material topics	108				
Akenerji's Priority Issue – Security of Energy Supply						
GRI 3: Material Topics 2021	3-3 Management of material topics	86				
Akenerji's Priority Issue – Disaster Preparedness and Response						
GRI 3: Material Topics 2021	3-3 Management of material topics	110				
Akenerji's Priority Issue – System Efficiency						
GRI 3: Material Topics 2021	3-3 Management of material topics	85				
Akenerji's Priority Issue – Human Rights Audits						
GRI 3: Material Topics 2021	3-3 Management of material topics	104				
Akenerji's Priority Issue – Social Responsibility						
GRI 3: Material Topics 2021	3-3 Management of material topics	112				

Report Communication

Akenerji Elektrik Üretim A.Ş.
Miralay Şefik Bey Sok. Akhan No:15 Kat:4
34437 Gümüşsuyu/İstanbul

Report Communication
Sevgi ULUGÖL (Sustainability Manager)
Tolgahan ÖZKAN (Corporate Communications Manager)

info@akenerji.com.tr



Sustainability and Reporting Consultant

info@sercomconsulting.com



Design

info@dmturkey.com

DESIGN Management

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Integrated Annual
Report 2023

Akenerji Elektrik Üretim A.Ş.

Miralay Şefik Bey Sok. Akhan No: 15
Gümüşsuyu 34437 İstanbul-Türkiye

T. +90 212 249 82 82

F. +90 212 249 73 55

info@akenerji.com.tr