akenerji

Integrated Annual Report 2022

We produce energy to enlighten the lives

AKKÖK HOLDING

CEZ GROUP

For 34 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 one natural gas combined cycle, one wind and seven hydroelectric power plants with the principle of "high profitability and high efficiency", and we continue to add strength to our country...

CONTENTS

04 Company Information
07 About Our Report

10 OUR MESSAGES TO OUR STAKEHOLDERS
12 Message from the Chairperson
14 Message from the CEO

16 FINANCIAL HIGHLIGHTS

18 OUR VALUE CREATION BUSINESS MODEL
18 The Value We Create with Capital Items

20 OUR CORPORATE PROFILE AND ACTIVITIES
20 Vision, Mission, Corporate Culture and Values
24 Our Corporate Milestones
26 Our Sustainability Milestones
28 Akenerji in Brief
32 Akkök Holding in Brief
37 CEZ Group in Brief
38 Our Production Activities
39 Our Commercial Activities
44 Our Investments
45 Our Services

47 GLOBAL RISKS AND OUR SECTOR
48 Global Risks
50 Global Energy Outlook
51 Local Energy Outlook

52 STRATEGY and MANAGEMENT
54 Sustainability Management
57 Sustainability Communication
60 Our Sustainability Priorities
62 Our Targets and Actions for 2025/2030
63 Our Contribution to the UN Sustainable Development Goals with Our Goals

65 ECONOMY
66 Economic Performance
67 System Efficiency
68 Security of Energy Supply

70 EMPLOYEES
72 Occupational Health and Safety
74 Employment and Working Conditions
80 Human Rights Audits

83 SOCIETY
84 Information Security and Privacy
86 Disaster Preparedness and Response
88 Social Responsibility

92 ENVIRONMENT
95 Emission Management
96 Water Management
97 Energy Management

101 CORPORATE GOVERNANCE
102 The Board of Directors
106 Management Organization
110 Independency Statement For Independent Board Members
112 The Board of Directors
116 Investor Relation
119 The General Assembly
124 Corporate Governance Principles Compliance Statement
125 Significant Developments During the Period
127 Other Statements
128 Risk Management and Internal Control Mechanism
129 Dividend Distribution Policy
130 Dividend Distribution Proposal of the Board of Directors
131 Statement of Responsibility
132 Corporate Governance Compliance Report
140 Corporate Governance Information Form
150 CMB Sustainability Report

154 APPENDICES
156 Social Performance Indicators
162 Environmental Performance Indicators
168 Corporate Memberships
170 Independent Auditor's Report
172 Consolidated Financial Statements as at 31 December 2022 and Independent Auditor's Report
238 GRI Content Index
242 Report Communication

COMPANY GENERAL INFORMATION

Company Information:

Company Information	: Akenerji Elektrik Üretim A.Ş.
Old Company Name	: Ak Enerji Elektrik Üretimi Otoprodüktör Grubu A.Ş.
Stock Exchange Traded	: BIST
Ticker Symbol	: AKENR
HQ 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:3 3 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 Mahallesi Kiraz Küme Evler No:73, Saimbeyli-Adana
Bulam Branch	: Doğanlı Köyü Mevkii, Merkez-Adıyaman
Erzin Branch	: Mahmutlu Mahallesi Burnaz Küme Evleri No:1 Erzin-Hatay

ABOUT OUR REPORT

We have been publishing our Sustainability Reports since 2012, and since 2021 we started to publish them as Integrated Annual Reports.

Our report, which we prepared within the scope of our financial control limits, includes Akenerji, its subsidiaries, nine power generation plants and the Head Office. Throughout the report, we include the last three years of data for evaluations, unless otherwise stated.

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 01.01.2022 - 31.12.2022 and to keep our investors informed.

Compliance with International Standards

Our second "Integrated Annual Report" covering the period from January 1, 2022 to December 31, 2022, was prepared in accordance with the "Essential" option of the GRI Standards. In addition, we present our 2022 summary sustainability performance in our report in accordance with the integrated value creation model proposed by the International Integrated Reporting Council (IIRC) Framework.

Scope

Our report, which we prepared within the scope of our financial control limits, includes Akenerji, its subsidiaries, nine power generation plants and the Head Office. Throughout the report, we include the last three years of data for evaluations, unless otherwise stated.

Akenerji Elektrik Üretim A.Ş.

- Ayyıldız WPP (Wind Power Plant)
- Uluabat HEPP (Hydroelectric Power Plant)
- Burç Bendi 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.

Ak-El 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.

Our Sustainability and Integrated Reports are available electronically, at https://www.akenerji.com.tr/akenerji-reports and on the Public Disclosure Platform for our stakeholders to review.

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.

GRI 2-2, 2-3

OUR MESSAGES TO OUR STAKEHOLDERS

MESSAGE FROM THE CHAIRPERSON

As one of Turkey's most established energy production companies, we prioritize solutions that will minimize environmental and social risks in all our activities and consider the problems that threaten the world. 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.

Dear Stakeholders,

2022 was shaped by the post-pandemic normalization and the effects of the Russia-Ukraine war. Due to these two formidable effects, we were faced with a rising inflation outlook in the global economy. To overcome the increasing liquidity and supply problems during the pandemic period, state support and loose monetary policies were introduced all over the world. As the effects of the pandemic subsided and with the rise in economic activity, an inflationary outlook emerged at the global level.

While the supportive financial practices and loose monetary policies implemented throughout the world in the fight against the pandemic were terminated, the central banks of developed countries decided to hike interest rates against the rising inflation risk. This naturally led to expectations of a global recession. The IMF revised the global economy's growth forecasts downwards for 2022 and 2023 compared to its April 2022 expectations. Accordingly, it reduced the growth projections by 0.4 percentage points to 3.2% for 2022 and by 0.9 percentage points to 2.7% for 2023. In Turkey, the Gross Domestic Product rose by 3.9% in the third quarter of 2022 compared to the same quarter of the previous year. The economy shrank by 0.1 percent compared to the previous quarter and the Turkish economy contracted on a quarterly basis for the first time after 9 quarters.

The Russia-Ukraine crisis that emerged at the beginning of 2022 led to sharp hikes in global food and energy prices with the effect of mutual sanctions. In the over-the-counter market, electricity prices in Germany in 2023 hit 1,000 EUR/MWh, reaching a historical level.

According to the World Energy Outlook Report published by the International Energy Agency (IEA), Russia's invasion of Ukraine is expected to lead to comprehensive and long-term changes in energy markets and energy policies not only for today but also for the coming period. The most notable impact of the global energy crisis triggered by the Russia-Ukraine war was felt in the natural gas, coal and electricity markets. With the ongoing geopolitical and economic concerns, the energy markets continue to remain fragile.

As a natural consequence of these developments in the global energy markets, Turkey's energy prices followed a high course in 2022. However, due to the extraordinary rise in commodity prices during the year and the continued subsidies in electricity tariffs, there was a significant cash flow problem in the electricity market, starting from distribution companies and spreading to transmission and generation companies.

Despite these developments, we managed to close 2022 with a turnover of TL 17 billion 47 million and an EBITDA of TL 2 billion 21 million, with our 34 years of experience in the sector and our installed capacity of 1,224 MW, our diversified portfolio, and our proactive risk management approach.

The global energy crisis in 2022 accelerated the steps in the field of renewable energy with the concern of resource diversification and reducing dependence on primary resources. In the last quarter of 2021, Turkey announced its goal of being carbon neutral by 2053 as a party to the Paris Agreement. Thus, our country has shown that it will play a role in the transition to a new global energy economy.

At Akenerji, we have increased the share of our renewable resources in our total installed capacity to 26%, with seven hydroelectric power plants and one wind power plant that we have gradually commissioned over the years. While we continue to generate projects, we are monitoring new investment opportunities in this field. We continued to generate value added new renewable energy and energy efficiency projects throughout In this context, we started working on expanding the installed capacity of our Ayyıldız Wind Power Plant. Once the additional turbine becomes operational in 2023, the installed capacity of power plant will reach 34.4 MW from 28.2MW.

We have achieved an average efficiency of 44% in electrical energy and 55% in natural gas, thanks to the projects carried out by our Energy Services since 2015. In addition, together with the support mechanisms provided in the Unlicensed Electricity Generation Regulation, we started to offer Escosolar to our stakeholders. This enables them to establish their own Solar Power Plants with the build-operate-transfer model.

We consider the problems that threaten the world by prioritizing solutions that will minimize environmental and social risks in all 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 approach and decision mechanism with international standards. For this purpose, we published our Sustainability Policy in 2022 within the scope of our 2021-2025 Sustainability Strategy, which we determined in line with the United Nations Sustainable Development Goals in 2021.

In 2022, we continued to add new links to our value chain with our sustainability-oriented works in the social field and corporate social responsibility projects. We reached a total of 110 students through the training program which we organized within the scope of our "Female Energy on Campus" project. The main target of this project is to increase female employment and the number of female leaders in the sector, to raise awareness around gender equality and to support female employees in their career journey. Students whose projects were selected after the training were entitled to internship and mentorship. We will continue to generate projects that will underline our goal of "We produce energy to light up lives", and to create value for society in the areas of focus on women, children and education.

In 2023, as Turkey's leading electricity company, we will continue to create value with a holistic perspective that will set an example, and to produce for our future with our management approach that puts the environment and people in the center of our focus.

I would like to thank all our stakeholders, especially our valuable employees, financiers and investors, who have always contributed to the rise in the brand value of Akenerji.

Sincerely,

Özlem ATAÜNAL
Chairperson of the Board of Directors

MESSAGE FROM THE CEO

We are working towards aligning all our business processes with the United Nations 2030 Sustainable Development Goals for a sustainable future. With this vision, we published our Sustainability Policy in 2022. In addition to our membership in the Integrated Reporting Association and the Sustainability Academy, we signed the United Nations Global Compact and became a member of the "UN Global Compact", the world's largest sustainability initiative.

Dear Stakeholders,

In 2022, inflation was high in the world and in our country, and accordingly, global recession expectations rose rapidly. The rise in commodity and energy prices, which started at the end of 2021, reached historical peaks due to the gas crisis in Europe after the start of the Russia-Ukraine war.

Despite the subsidies, the natural gas tariffs applied to power plants reached 20,625 TL/km3 in December 2022, a hike of 330% compared to the same month of 2021. During the first quarter of the year, a 40% cut was made in gas supply for electricity generation by BOTAŞ. As a result of the resource-based ceiling price application introduced as of April 2022 due to high costs and prices in the markets, fixed-price futures electricity transactions in the Turkish OTC market ceased. In addition to this picture, industrial production in Turkey, which started to rise rapidly after the pandemic, slowed down after the first quarter of 2022 and electricity demand fell by 0.9% in 2022 compared to the previous year.

While these developments were taking place in the domestic markets, we, at Akenerji, tended to boost our weight in the international markets. Thanks to our effective risk management strategy, we continued to trade actively on the European Energy Exchange EEX. We have achieved our goals in this area by continuing to export electricity at the Turkey-Greece and Turkey-Bulgaria borders throughout 2022. By starting the financial Brent oil trade, we raised diversity in the products and platforms we trade. We have reached a high trading volume with the trade of products consisting of electricity, carbon and oil.

At Akenerji, throughout 2022, we focused on operating our existing power plants optimally at market prices, as part of our core strategy. After the work we have done at our Erzin Natural Gas Combined Cycle Power Plant in the last three years, we have significantly improved the power plant's capabilities such as load taking, load shedding and working at low capacity.

With our efficient and environmentally friendly portfolio, we produced 3,904,596 MWh of gross electricity in 2022. We continued to maintain our competitive position in 2022 with our 1,224 MW installed capacity and our flexible portfolio structure that adapts quickly to market conditions.

Despite all the negative developments on a global and sectoral basis, with our balanced production portfolio, 34 years of experience, and proactive and innovative approaches. We reached TL 17 billion 47 million in turnover and TL 2 billion 21 million in EBITDA.

We see that the importance of energy transformation and renewable resources has risen, and a carbon neutral future has been shaped by the impact of technological developments. At Akenerji, we follow the opportunities for renewable energy investments that we can add to our portfolio and carry out the necessary works and investments. In this context, we started work within the scope of our plan to implement an additional capacity expansion of 6.2 MW, which will raise the capacity of Ayyıldız Wind Power Plant to 34.4 MW in 2023.

Our Energy Services have achieved an average of 44% efficiency in electrical energy and 55% in natural gas with the projects carried out since 2015. In addition to the pioneering projects we have realized in the field of "Energy Efficiency Without Investment", we have started to offer Escosolar, a Solar Power Plant installation project, with the build-operate-transfer model.

We are working towards aligning all our business processes with the United Nations 2030 Sustainable Development Goals for a sustainable future. In this context, we produce projects aimed at providing permanent welfare in terms of environmental, social and economic aspects.

With this vision, we published our Sustainability Policy in 2022. In addition to our membership in the Integrated Reporting Association and the Sustainability Academy, we signed the United Nations Global Compact and became a member of the "UN Global Compact", the world's largest sustainability initiative. We raised our Borsa İstanbul Sustainability Index score to "B+" and our CDP Climate Change and Water Safety score to "B Management".

We are in a period where new working models and forms of communication are taking shape all over the world. We believe that ensuring employee loyalty is a journey that requires uninterrupted, two-way communication and is implemented in line with certain strategies and plans.

We have come a long way in establishing our corporate culture with our human resources, which is our most important component, with the aim of becoming an employer brand that everyone prefers to be a member of and is taken as an example in the sector with our qualified workforce.

As a result of these activities, we received the "Bronze" award in the "Best Use of Blended Learning" category with our "Lead the Future - Leadership Development Program" within the scope of the Stevie Awards. In addition, we are happy and proud to receive the "Great Workplace to Work" certificate by achieving an above-average result in the employee survey conducted by the "Great Place to Work" independent survey agency.

As an energy company with 55% female employees at its head office, we value gender equality. We aim to boost female employment at all levels in our Company and to add new ones to our concrete steps on gender equality. Our female employee rate is at a level that will set an example for the sector. To protect this and support equality of opportunity in business life, we continue our commitment to the "Female Energy on Campus" project and our support to non-governmental organizations that encourage the promotion of women in business life. We attach importance to raising the rate of female employees in our sector.

In line with our goal of "We produce energy to light up lives", in 2022, we worked to create value for society, especially young talents, children, disadvantaged individuals and women, with various NGO collaborations and various projects we were involved in. We became one of the main supporters of the 12th Turkey Energy Summit, which has become traditional as the "Biggest Family Gathering" of the Turkish energy market and ISTRADE.

In 2022, we achieved successful results by showing resilience in the face of all kinds of global and local developments. We will continue these achievements in 2023 as well, and we will continue to produce energy to light up lives with all our strength and experience. We thank all our stakeholders for their trust in us.

Sincerely,

Serhan GENÇER
General Manager

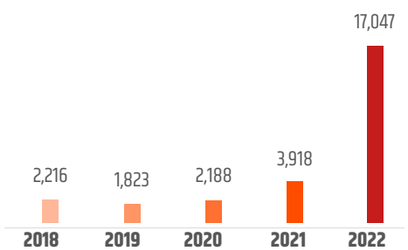
FINANCIAL HIGHLIGHTS

Consolidated Financial Indicators (TL million)

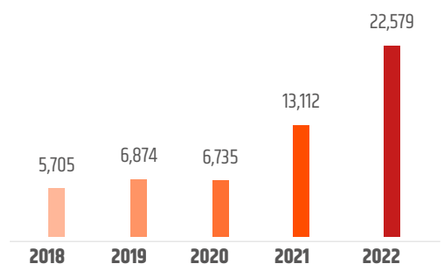
	2018	2019	2020	2021	2022
Net Sales	2,216	1,823	2,188	3,918	17,047
Gross Profit from Sales	58	178	198	601	1,534
Operating Profit	-45	89	116	530	1,508
Profit before Interest, Taxes, Depreciation and Amortization	213	346	409	795	2,021
Net Profit / (Loss)	-1,556	-741	-1,085	-2,530	-1,571
Total Current Assets	325	243	365	1,528	3,755
Short Term Liabilities	1,468	469	610	1,594	3,383
Working Capital	-140	-157	-126	-124	-79
Tangible and Intangible Assets	5,339	6,568	6,293	11,488	18,454
Total Financial Liabilities	4,512	5,099	6,082	9,244	11,690
Total Assets	5,705	6,874	6,735	13,112	22,579
Total Liabilities	5,244	5,913	6,863	11,534	16,851
Total Shareholders' Equity*	461	961	-129	1,578	5,727
Cash and Cash Equivalents at the End of the Period	19	88	214	681	1,249
Investment Expense	10	23	22	165	308
Market Capitalization at the end of the Period - BIST	459	795	1,611	1,327	3,886
Average Number of Employees	204	235	240	266	288

* With the Communique of Ministry of Commerce issued on the official gazette dated 15 September 2018 regarding the regulation on loss of capital and excess of liabilities over assets in relation to Article 376 of Turkish Commercial Code numbered 6102, it has been decided that, unrealized foreign exchange losses incurred from the foreign exchange based financial liabilities which are not yet fulfilled can be excluded on the calculation of loss of capital and excess of liabilities over assets. With the amendment made dated on 26 December 2020 in the provisional article 1 of the Communiqué on the Procedures and Principles regarding the implementation of Article 376 of the Turkish Commercial Code, until January 1, 2023, in calculations regarding capital loss or being insolvent, all of the exchange difference losses arising from foreign currency liabilities that have not yet been performed. It has been arranged that half of the total of the expenses, depreciation and personnel expenses incurred in 2020 and 2021 from leases may not be taken into account. In relation to this regulation, it is calculated that, unrealized foreign exchange losses recognised under retained earnings/(losses) amounting to TL 1.337.353.704 and recognised under consolidated statement of profit or loss amounting to TL 869.107.087, in total amounting to TL 2.206.460.791 will be excluded on the calculation of loss of capital and excess of liabilities over assets by adding back to the total equity. Accordingly, there is no either issue of loss of capital or excess of liabilities over assets for the Company. As of 31 December 2021, The Company revaluated of the fair values of its lands, land improvements, buildings, machinery and equipment belonging its power plants had a positive effect on its equity.

Net Sales (TL million)



Total Assets (TL million)



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	Inputs	Value Creation Process	Akenerji Business Model Outputs	The Value We Create	2022 Outstanding Sustainability Achievements & Actions
Financial Capital	**TL 22,579 billion** Assets **TL 5,727 billion** Shareholders' Equity	Our Strong Partnership Structure Our Solid Shareholders'Equity Our Investments	Our Products and Services **3,904,596.4 MWh** Gross Electricity Production	**TL 1.5 billion** Operating Profit	**185%** Operating Profit Increase
Produced Capital	**1,224 MW Installed Capacity** **7 HEPP** + **1 WPP** + **1 NGCCPP** + **Akenerji Energy Services**	Our High Production Capacity Operational Excellence Our Advanced Infrastructure		**2.5% appr.** Our Capacity to Meet Turkey's Energy Need	**44% Electrical Energy** **55% Natural Gas** Average efficiency figures achieved by Akenerji Energy Services through the projects realized since 2015
Human Capital	**440 People** Our Employees, Including Subcontractors **13,045 person.hour** Duration of Our General Trainings **2,702 person.hour** Duration of Our OHS Trainings	Our Qualified Human Resources Benefits We Offer Training and Development Programs	Our Solutions Our Diversity and Equal Opportunity Solutions	**14.8%** Our Employment Turnover Rate **10.8%** Our Volunteer Turnover Rate **TL 2 million** Our OHS Expenditures **55%** Our Headquarters Female Employee Ratio	**78%** Our Employee Satisfaction Score **Bronze Award** Our "Lead the Future" Program from the Stevie Awards, "Best Use of Blended Learning Category"
Social Capital	**10** Activities We Collaborate With Universities **83%** The Ratio of Our Executives Employed from the Regions We Operate **662** 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 Our Energy Efficiency Solutions Our Circular Economy Solutions	**110** Number of Students Benefiting from Our "Women Energy - On Campus" Project **40** Number of Students Benefiting from the STEAM Focused "From Nature to Design: A Science Journey Project" We Support **30%** Our Local Supplier Ratio	**650+** Students We Support with University Collaborations
Intellectual Capital	**6** Number of Our Integrated Management Systems Certificates Our System Efficiency Technologies	Our Policies Our Performance Monitoring Systems Our Knowledge	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	**26%** Renewable Resource Ratio in Our Installed Capacity **161 person.hour** Environmental Trainings **3.6 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	**137 Tons** Total Waste **2,448,429 CO_2e** Total Greenhouse Gas Emissions (Scope 1-2-3)	**27%** Our Greenhouse Gas Reduction Rate (Scope1 and 3) **25%** Our Water Consumption Reduction Rate	**97%** Recycling Rate in Waste Management **"B Management"** Our CDP Climate Change and Water Security Score

OUR CORPORATE PROFILE AND ACTIVITIES

Vision, Mission, Corporate Culture and Values

Vision

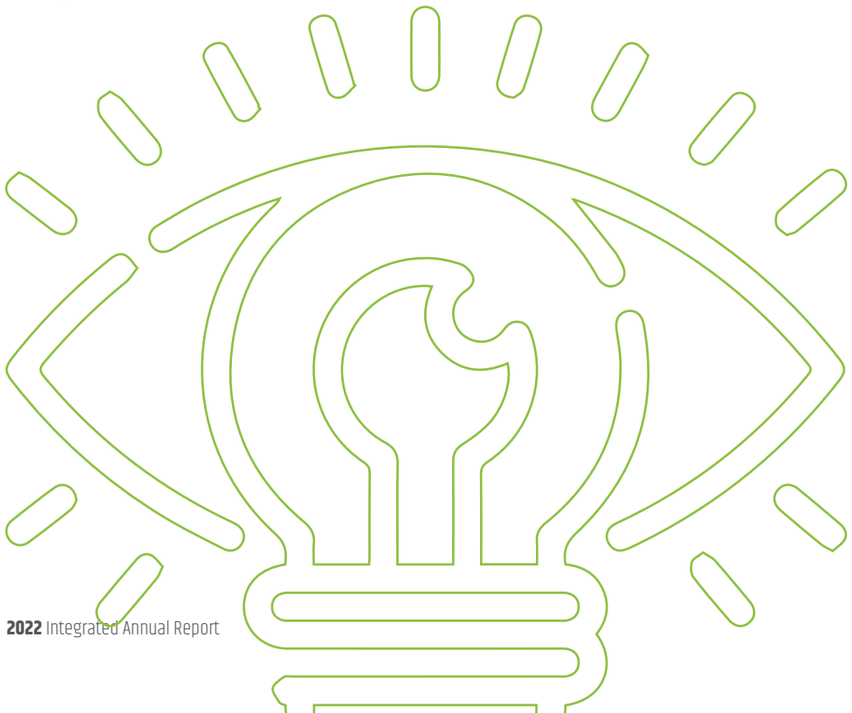
To maintain its leading position in the Turkish energy sector, and become one of the largest integrated companies that shape the industry.

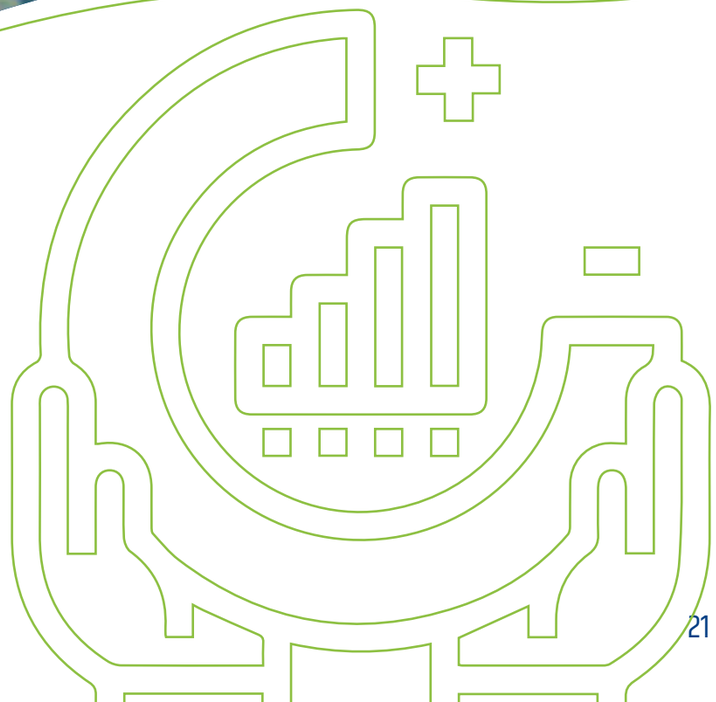
Mission

To make reliable and long-term contributions to Turkey'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.

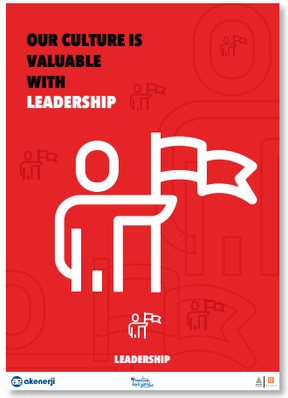




Leadership

Akenerji employees are inspired by the company's sectoral leadership, and each employee is the leader of their own business. Akenerji employees adopt the "leader" stance as a pioneering, experienced, strong and reliable company that guides its sector and ensures it is kept alive within the institution. It embraces everyone to be a leader of their own business and encourages our colleagues in this regard. Akenerji employees:

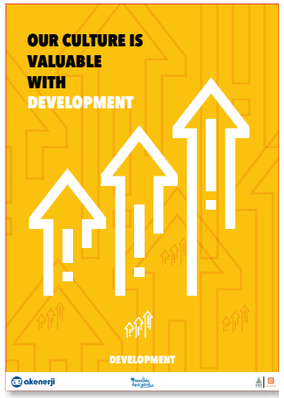
- First check their own work and make sure that they produce the best possible outcome.
- When necessary, they apply to the experience and expertise of others in order to produce the best result for the job.
- Always try to do their best, set realistic goals and manage their business in a measurable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



Development

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

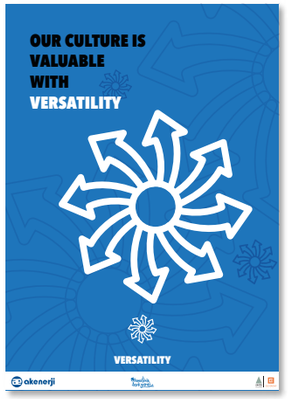
- Know that feedback is essential for their corporate development, receive feedback from all their stakeholders and provide feedback when necessary.
- Take responsibility for their professional development and look at every new experience as a development opportunity.
- Believe that learning has no place, 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 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 versatility of the company and care about displaying a versatile stance in their own business. Akenerji employees:

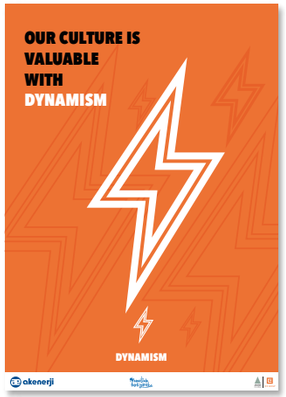
- While doing a job, use different sources as much as possible and consult different areas of expertise.
- Produce alternative outcomes while producing business results by considering market dynamics and all possible scenarios.
- Develop capabilities to provide fast and effective alternative solutions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



Dynamism

Employees at Akenerji act quickly and proactively while doing their jobs and are not averse to transformation. 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 being foresighted.
- Do not resist change and transformation, but rather embrace it. Design all the systems and mechanisms that they establish with a flexibility that can be transformed.
- Try to keep the decision steps short, include all relevant stakeholders in the decision process and manage the business in an agile manner with quick and effective decisions.
- Discover all the ways that will lead them to results in the shortest time with proactive solutions.
- Together, create a working environment that makes working a joy.



Sustainability

Akenerji employees evaluate every job with its impact on humans, nature, the society and the economy and with special attention to business sustainability. Akenerji is a company that attaches importance to the environment and to the future. The company is 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 work done on people, the environment, the society and the economy, and develop practices that will inspire the industry.
- Try to raise the level of productivity in order to keep things sustainable. Place special emphasis on planning the available resources in the most effective way, taking into account the quality and standards.
- Organize individual working areas and social environments with this perspective and implement all the necessary actions and decisions immediately.
- Develop their business around new business areas that may be an opportunity for the future of Akenerji and the industry, and make financial sustainability a priority.

OUR CORPORATE MILESTONES

1989

Akenerji was founded on May 16, 1989 as the first electricity generation auto producer group in Turkey 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 Akrilik Kimya Sanayi A.Ş.

Akenerji ranked 188th on the "Turkey'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 was activated.

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-Batıçim Power Plant was activated with an installed capacity of 45 MW.

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 was activated.

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

Batıçim Power Plant was sold to Batıçim 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 was activated.

Bulam Hydroelectric Power Plant with an installed capacity of 7 MW was activated.

Feke II Hydroelectric Power Plant with an installed capacity of 70 MW was activated.

2012

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 Turkey's first options transaction for electricity capacity trade at SEPAŞ for 250 MW.

2014

Provisional acceptance by the Republic of Turkey 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

EMRA's approval was obtained to expand Ayyıldız WPP's capacity from 15 MW to 28.2 MW.

2016

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

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 in which Turkey's most prestigious companies are awarded.

2017

The additional 13.2 MW capacity at the Ayyıldız Wind Power Plant was attained 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 in which Turkey's most prestigious companies are awarded.

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.

2019

At "The One Awards" given to companies that have built their reputation the most every year, Akenerji added one star to its award as the winner of the first prize for the second time in a row.

2021

This year as well, we have our name written on the ISO 500 list, which identifies and recognizes the largest industrial enterprises of our country every year. The list is created every year according to the net sales figures from the production of Turkey's leading companies. In the list we were in the 136th place in 2020 and we rose to the 132nd place in 2021.

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

In the Fortune 500, which includes Turkey'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.

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 the CDP Turkey and became one of the two energy companies that perform CDP reporting.

Akenerji became the first energy company in Turkey 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 Turkey, 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 Bendi, 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 Turkey to be included in the CDP Water program on a voluntary basis in 2015.

2016

Akenerji 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 Turkey 2016 Water Program, and raised its performance from C to B.

2017

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

The Company was voluntarily assessed within the Borsa İstanbul (BIST) Sustainability Index, consisting of companies with excellent corporate sustainability and 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.

HEPPs Awareness trainings in the village schools in the regions where the hydroelectric power plants are located. 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, our public report rating that we presented in 2019 was raised from C (Awareness) to "B Management", surpassing the European average 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 Istanbul 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 "B- Management" level above C, which is the European and Global Average. 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 nature 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 nature an equivalent of the air that 1,102,565 trees would clean.

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".

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.

AKENERJİ IN BRIEF

Generation Capacity
(By the end of 2022)

1,224 MW
Electricity

Operations

Electricity Generation and Sale
Electricity Import, Export and Wholesale
Electricity Retail Sale
Natural Gas Import, Export and Wholesale
Energy Services

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 HEPP

27 MW
Himmetli HEPP

7 MW
Bulam HEPP

Investments in Project Phase

198 MW
Kemah HEPP

Number of Average Employee*

288
*Board Members included

2022 Turnover

17,047
TR million

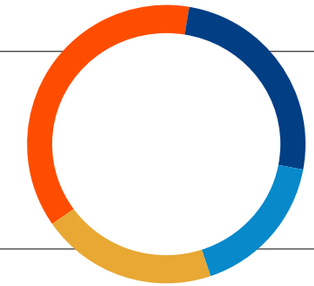
AKENERJİ IN BRIEF

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

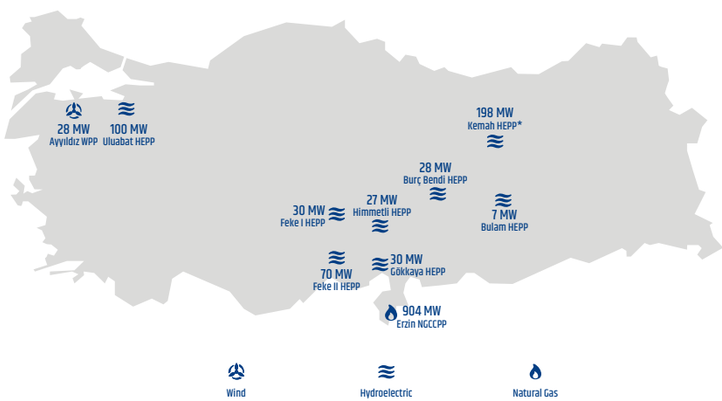
Akenerji, which started its activities as an autoproducer group in the Akkök Group of Companies in 1989, has been continuing its existence in the sector as a free electricity generation company since 2005.

The Company, which is a 50%-50% strategic partnership between Akkök Holding and the CEZ Group, with its installed capacity reaching 1,224 MW, it has the capacity to provide approximately 2.5% of Turkey's energy needs. Setting an example in the sector with its 34 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.

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.



Operations Map



*Kemah is in the project phase.

The leading company that sets the standards in the industry!

Akenerji, one of the most established companies in Turkey with its 34 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 2022. As of the end of 2022, 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.

	Effective shareholding (%)		Ownership interest (%)	
Subsidiaries	**December 31, 2022**	**December 31, 2021**	**December 31, 2022**	**December 31, 2021**
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	-

AKKÖK HOLDING IN BRIEF

With its seventy years of experience, Akkök Holding, which is among the most established companies in Turkey, aims to catch up with global competition conditions and reach world standards with all its companies.

Akkök Holding, whose foundations were laid in 1952 by the late Raif Dinçkök, one of the respected entrepreneurs of our country, is among the most well-established organizations in Turkey with its 70 years of experience. The Holding conducts operations in the fields of chemicals, energy and real estate, with 23 operational companies, four of which is overseas, and with 24 generation plants. 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 Turkey in 1968, and started generation 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 300 customers in 50 cities on 5 continents. With 1.300 employees, a generation area of 600,000 square meters, and annual capacity of 330,000 tons, it is the largest acrylic fiber producer in the world and the only producer in Turkey. 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.

Turkey's leading chemical manufacturer Akkim Kimya was established in Yalova in 1977. Akkim, which produces in 5 different locations with its more than a thousand personnel, has a special place in the chemical industry with its product variety. The company exports to more than 70 countries across 6 continents with its wide product range including chlor-alkali and derivatives, peroxides, methylamines, persulfates, bisulphites, textile auxiliaries, concrete additives and plastic additives. 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. The company 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. Using its presence and synergy in the water treatment sector, Akkim entered the high-tech treatment sector with its ultrafiltration membrane module investment in its Yalova facility. With its modern factory commissioned in 2016, it became the first and only manufacturer of this product in the region stretching from Europe to Asia. 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 Turkey'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 generation, continues its generation 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 Turkey 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 13 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 Turkey 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 resin, engineering solutions and know-how.

Epsilon Composites, which joined Akkök 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 domestic defense industry organizations. Akkök Holding aims to be a leader in the international race with Epsilon Composites, which generates 80% of its total sales through exports.

Real estate projects that add value to life

The company successfully carries out Akbatı and Akasya Shopping Center projects. Also, as an alternative to shopping center investments, it has street store projects on Bağdat Street. Akiş REIT made its first collaboration in street retailing with Beymen, opened in 2017 for Uşaklıgil Apartment, and the second with Boyner store, opened in 2021. 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 Istanbul in its sector. Akiş REIT took its place in the BIST Sustainability Index, which includes companies with high corporate sustainability performance. As of January 2022, it was the only real estate investment company in the index, which is updated every quarter. 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 1.7 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 130,000 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. KidZania Istanbul helps children feel responsible, ethical and curious about the world around them, in the hope that they will partake in improving the world they live in.

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. World award in 1996 presented by the International Council of Shopping Centers (ICSC), Akmerkez improves itself constantly with projects adding value to city life.

Turkey'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 installed power of 1,224 MW.

Sepaş Enerji is the official electricity supplier of Bolu, Düzce, Kocaeli and Sakarya regions. In addition to being the Supply Company in Charge, the Company 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 Turkey.

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 2022, the total amount of electricity distributed in SEDAŞ's operating region covering East Marmara stands at 10.6 billion kWh.

15 radiant years on the road to technology

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. Always trying to stand by and guide its stakeholders, business partners and customers, Aktek provides services from A to Z with its services consisting of Oracle ERP, Data Science and Business Intelligence, Infrastructure, Database Management, Network and Security, Software Development and Robotic Process Automation.

Serving the energy, chemical, production, real estate, retail, telecom and education sectors for 15 years, Aktek is recognized as one of the industry leaders with its national and international achievements.

Privileged insurance service

Since 1976, Dinkal Insurance (Dinkal Sigorta) successfully meets the needs and expectations of its customers and is among the preferred companies of the insurance industry with its privileged service approach. The company is among Turkey's respected industry players within the Akkök group.

Export leader

Ak-Pa was established in 1976 to carry out the overseas marketing and export activities of Akkök Holding companies. As one of Turkey's strongest exporting companies, it has mediated exports of USD 9.1 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.

CEZ GROUP IN BRIEF

CEZ Group is a stable 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 is a stable 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. Headquartered in the Czech Republic, CEZ Group is an established, integrated energy conglomerate with operations in a number of Central and Southeastern European countries and Turkey. The Czech Republic is the most significant shareholder of the parent company CEZ, with a share of almost 70% of the share capital. CEZ shares are traded on the Prague and Warsaw stock exchanges, where they are part of the PX and WIG-CEE stock indices. CEZ's market capitalization as of 31 December 2022 was CZK 413 billion, and during its existence, CEZ has paid more than CZK 368 billion in dividends to its shareholders. CEZ Group has long been one of the largest taxpayers in the Czech Republic and one of the main pillars of 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 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

At Akenerji, we continue our electricity generation activities and investments with our balanced, efficient and flexible generation portfolio and our business approach that focuses on operational excellence.

As Akenerji, we produced 3,904,596.4 MWh of gross electricity in 2022 with our balanced, sustainable, efficient and environmentally friendly portfolio. We continued to maintain our competitive position in 2022, 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 Turkey'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 taking, load shedding, and working at low capacity. The power plant, for which we continue to work on improvement in this context in 2022, 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.

We evacuated the tunnels and made the necessary checks for the structural observations of the energy tunnels of Gökkaya, Himmetli and Feke 1 Power Plants. This entire operation was completed as planned without loss of production and without any work accidents. In addition, we have raised the efficiency of the power plants by cleaning the material accumulated in the stream bed in the tail water section of Gökkaya, Himmetli and Feke 1 Power Plants.

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.

Name	Date	MW	Type	Gross Energy Generation (MWh)	Capacity Utilization Rate
Ayyıldız*	2009	28	WPP	82,981.837	33.56%
Bulam	2010	7	HEPP	22,892.25	37.26%
Burç Bendi	2010	28	HEPP	55,425.25	23.28%
Uluabat	2010	100	HEPP	185,107.00	21.16%
Feke II	2010	70	HEPP	133,253.94	21.94%
Feke I	2012	30	HEPP	94,666.58	36.87%
Gökkaya	2012	30	HEPP	88,467.62	35.45%
Himmetli	2012	27	HEPP	88,551.18	37.56%
Erzin	2014	904	NGCCPP	3,153,250.79	39.85%
TOTAL (MWh)		1,224		3,904,596.4	36.79%

*The approval procedures by the ministry for the additional capacity investment of 13.2 MW at the Ayyıldız Wind Power Plant were completed on 28.01.2017 and started operating. With this investment, Akenerji expanded its total installed capacity based on renewable energy sources to 320 MW.

OUR COMMERCIAL ACTIVITIES

There were many developments that had a negative impact on the operational profitability of our power plants throughout the year. The most significant of these is the Resource-Based Support Mechanism, which causes a serious loss of income, especially in our renewable power plants.

Summary

In 2022, volatility and inflation were high in the world and in our country, and global recession expectations peaked. As a result of the rise in commodity prices that started with the end of 2021, the start of the Russia-Ukraine war and the consequent gas crisis in Europe, LNG, European Gas Prices and coal prices saw historical peaks. As a result, natural gas tariffs applied to power plants, which were 4,800 TL/ksm^3 in December 2021, rose by 330% to 20,625 TL/ksm^3 in December 2022, despite the ongoing subsidies. In addition, during the first quarter of the year, a 40% cut was made by BOTAŞ in gas supply for electricity generation. On the demand side, industrial production in Turkey, which has been rising rapidly since the aftermath of the pandemic, slowed down after the first quarter of 2022 and started to decline as of the second half of the year. Accordingly, electricity demand declined by 0.9% in 2022 compared to the previous year. Again in 2022, as a result of the extraordinary hike in commodity prices and the ongoing subsidies in electricity tariffs, a significant cash flow problem was experienced in the electricity market, starting from the distribution companies and spreading to the transmission company and then to the generation companies.

There were many developments that had a negative impact on the operational profitability of our power plants throughout the year. The most significant of these is the Resource-Based Support Mechanism, which causes a serious loss of income, especially in our renewable power plants. With this mechanism, if the price formed in the free market (MCP) is greater than the Maximum Settlement Price (MSP) determined separately for each resource, the difference between the two prices was used to fund the producers with high production costs and the Incumbent Supply Companies as the Support Debt Fee on a Resource Basis. This then had to be paid to the pool created to ensure the continuity of the subsidy in the tariffs. The amount of support debt on the basis of resources that had to be paid deeply affected generation companies that were under high investment costs and led to large revenue losses throughout the year. (Akenerji paid a total of TL 522.6 million to the resource-based support mechanism during the April-December period). Then, in July, as a second step, cutbacks (of up to 85%) started to be experienced in advance payments made from EPİAŞ for DAM and IDM transactions. These payments were deferred to be made during the settlement period. Finally, as of June, TEİAŞ began to be unable to pay SFC and capacity payments.

With the effect of the maintenance carried out in the first half of the year and lasting approximately 100 days at Akenerji's Erzin power plant, there was a decrease in the total amount of electricity generation in 2022. Despite this and all the negative developments we mentioned, it left behind a record-breaking year in terms of EBITDA and operational profitability. This was achieved with its balanced production portfolio, experience in trade, proactive and innovative approaches. As a result, it managed to expand its EBITDA by 154% and operating profit by 185% in 2022 compared to 2021.

Aken Transactions (MWh)	2021	2022	Change %
DAM (Day-ahead Market)	1,622,677	979,013	-40%
Bilateral Agreements	3,528,642	2,756,185	-22%
SFC (Secondary Frequency Control)	1,234,157	1,064,749	-14%
BPM (Balancing Power Market)	356,796	415,282	16%
IDM (Intra-day Market)	194,954	129,491	-28%
Renewable Generation	761,781	751,346	-1%
Natural Gas Generation	4,359,017	3,153,251	-34%
Viop Volume	15,408	0	-100%
International Transaction Volume	5,375,207	2,354,830	-56%
OTSP Volume (Sm^3)	43,023,000	0	-100%

Aken Transactions (MWh)	Akenerji	Market	Share %
DAM (Day-ahead Market)	979,013	179,429,294	1%
SFC (Secondary Frequency Control)	1,064,749	8,708,580	12%
BPM (Balancing Power Market)	415,282	8,862,268	5%
IDM (Intra-day Market)	129,491	17,595,318	1%
Renewable Generation	751,346	138,817,964	1%
Natural Gas Generation	3,153,251	71,864,228	4%
OTSP Volume (Sm^3)	0	2,087,492,000	0%

Electricity Trading

Towards the end of 2021, inflation, the effect of demand and 2022 Euro-Russia tension caused serious volatility in energy prices (TTF, API 2, electricity). In the OTC market, electricity prices in Germany in 2023 broke a historical record by reaching 1000 EUR/MWh. During all these developments, many large electricity companies faced huge and unexpected difficulties.

Our country was also exposed to high energy prices in parallel with the developments in Europe. As a result of the high costs and prices in the markets, EMRA introduced a resource-based ceiling price as of April 2022, preventing the revenues of electricity producers from exceeding certain price levels. With this development, fixed price futures electricity transactions stopped in the Turkish OTC market, only market clearing price indexed transactions continued.

As a result of the restriction of trade activities in the Turkish market, Akenerji gave more weight to the European markets. Akenerji continued to trade actively on the EEX even though it was difficult to trade due to high volatility and increased collateral requirements.

Akenerji actively exported electricity across the Turkey-Greece and Turkey-Bulgaria borders throughout 2022. It achieved its goals throughout the year by using the export rights it won through the capacity tenders it participated in, as of the end of 2021.

Akenerji continues to expand the range of products it trades and the number of platforms by starting financial Brent oil trade as of September 2022.

Akenerji reached a high trade volume in 2022 by trading 891,432 MWh of electricity, 1,550,000 tons of carbon (EU ETS), 20,000 tons of carbon options (EU ETS) and 192,000 barrels of oil (LCO).

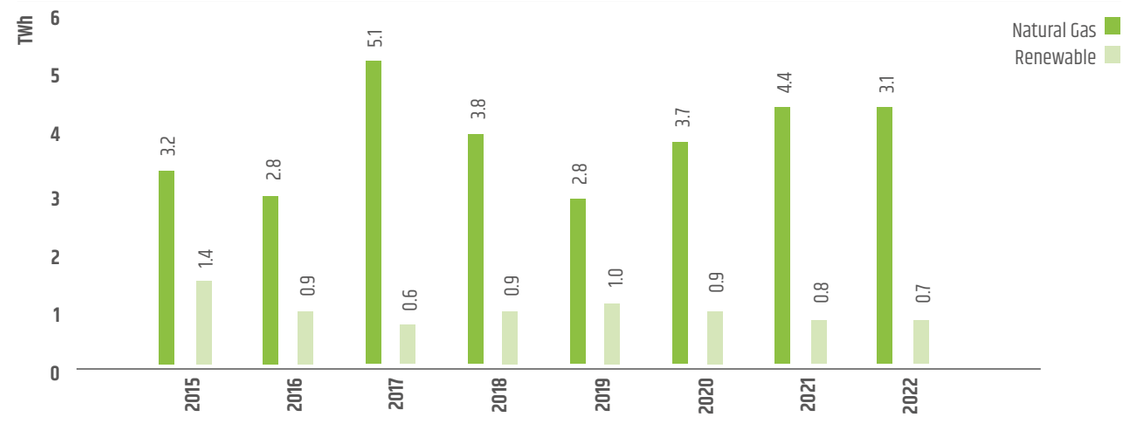
Asset Management

As we explained in detail in the summary section, in the shadow of the rising electricity production costs, in addition to the negative impact of the national electricity demand, which fell compared to the previous year due to various reasons and due to the maintenance activities carried out for a long period of time in the first half of the year, the electricity production of our Erzin Power Plant fell by about 29% in 2022, compared to 2021. The fall in operational profitability expected to be caused by the production loss in question, was compensated by Secondary Frequency Control (SFC) reserves in the Ancillary Services Market, loading orders in the Balancing Power Market (BPM) and real-time operations that we carry out 24/7 with Intraday Market trading operations, especially in the second half of the year. Thanks to Akenerji's dominant position in these markets throughout the year, it is possible to say that 2022 was completed more successfully than the previous year in terms of operational profitability.

In this context, the amount of SFC reserves received in 2022 was 1.062 GWh, and a market share of over 13% has been achieved in this area. Similarly, a total of 389 GWh Balancing Power Market (BPM) orders were received in 2022, most of which were for take load direction, providing a rise of over 9% compared to the previous year. A market share of over 3% was achieved in the entire market. Akenerji managed to be the first among private sector companies in the BPM loading order category in the Electricity Market Sector Reports published by the EMRA on a monthly basis throughout the year.

With the advantage of its balanced generation portfolio, Akenerji tried to compensate for the generation gap that occurred at the Erzin Power Plant, especially in the first half of the year, with the generation of renewable power plants. In 2022, with our Gökkaya, Himmetli and Feke 1 Hydroelectric power plants spending their last years at RERSM, Akenerji does not have any power plants within the scope of RERSM in its current generation portfolio.

Akenerji Power Generations by Year



Structured and Custom Products

Akenerji has made it its mission to meet the needs of the electricity sector, where regulations, commercial platforms, product diversity and operations are constantly changing in line with the expanding needs of electricity market stakeholders. In this direction, we implemented various business models throughout the year, with derivative products designed both as standard and specially. Added value was created throughout the year in line with the win-win principle, with special products and services designed for the different expectations and needs of stakeholders, primarily products of the Group Responsible for the Balance, Unit Production Revenue Fixing models and Power Plant Management Services.

Within the scope of the activities of the Group Responsible for the Balance, the fruitful cooperation started in 2019 with one of the leading companies in the sector and was continued in 2022 by renewing the contract. In this way, additional synergy revenues are obtained from the Balance Responsible Group revenues obtained through the currently managed balance portfolio.

Within the scope of the long-term Capacity Lease Agreement (PPA) signed with the 2.17 MW Sungurlu Pirolysis power plant, which was commissioned in 2021, the commercial management of the power plant continued to be successfully carried out by Akenerji in 2022.

However, in the last quarter of 2022, another stakeholder, who assumed the commercial management of a portfolio that has reached a considerable size in the market with power plants based mainly on renewable resources, was included in our Balanced Group, together with his entire portfolio. Thus, a collaboration model was established within the scope of Structured Products in 2022, and the number of individual companies rose by 30% compared to the previous year. With all the cooperation models we created within the scope of Structured Products throughout the year, our operational profitability rose by approximately 380% compared to the previous year, and we left behind a very successful year compared to 2021. In 2023, we will resolutely continue the necessary work in order to further this success we achieved in 2022 and to design different products and services that can meet the needs of our stakeholders.

Natural Gas Supply and Trade

Akenerji adopts effective cost management principles in its natural gas activities also and plans and manages the natural gas agreements required for the Erzin Power Plant within this scope. While raising its efficiency in the Turkish natural gas market day-by-day through its Wholesale and Spot Import License, it develops alternative operations to reach natural gas under the most favorable conditions.

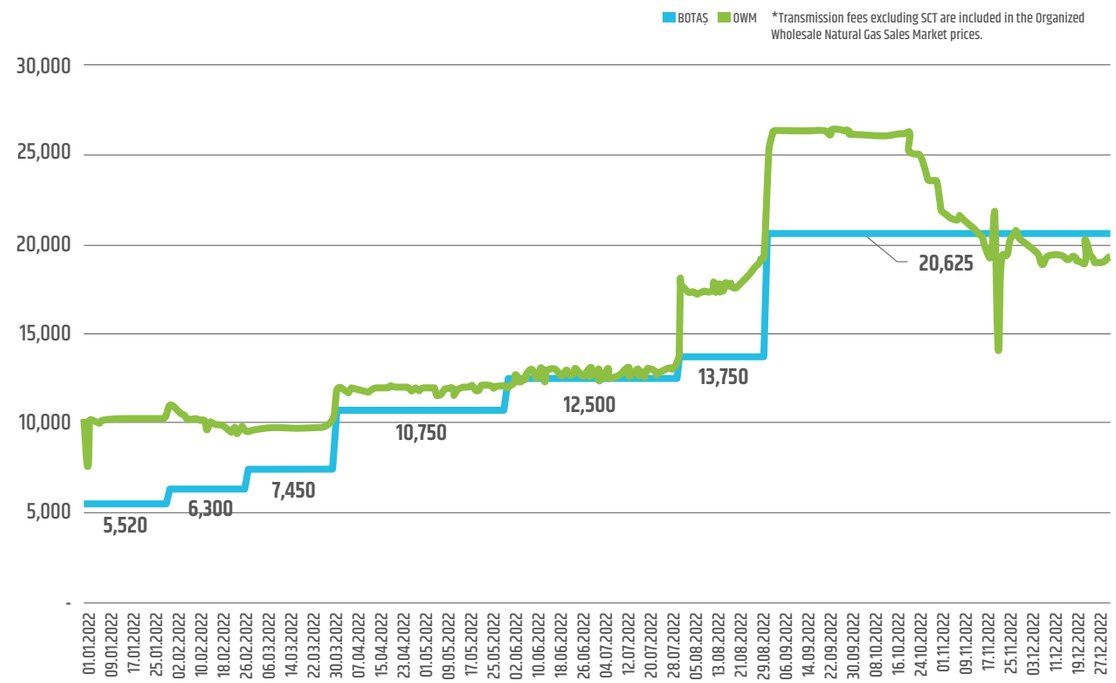
Akenerji evaluated alternative supply sources for Botaş by commissioning the Akenerji Natural Gas Company at the rates determined in order to reduce the natural gas costs of the Erzin Power Plant and to benefit from advantageous market prices in 2020 and 2021.

The Natural Gas Tariff applied to power plants, which was 4,800 TL/sm3 in December 2021, reached 20,625 TL/sm3 in December 2022 with a hike of 330% despite the ongoing subsidies. In addition, as of January 21, during the first quarter of the year, a 40% cut was made in gas supply for electricity generation by BOTAŞ.

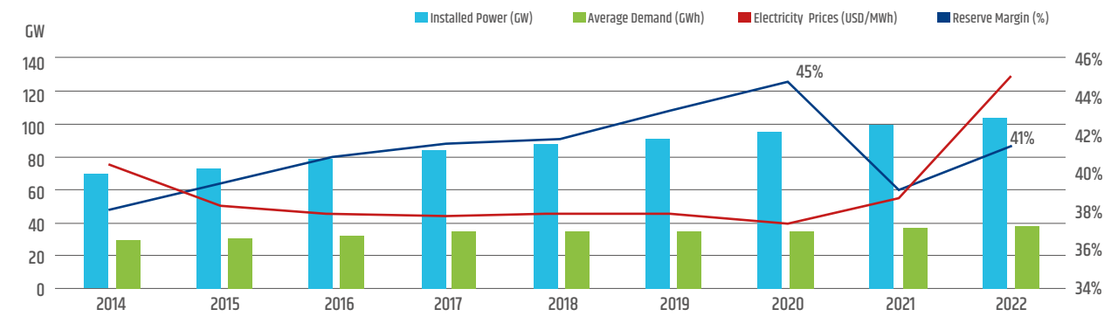
Based on the incentive offered by BOTAŞ, electricity was sold to the national tariff consumer portfolios of the Incumbent Supply Companies in February and March, resulting in significant reductions in natural gas bills.

With the additional investments made by the Ministry of Energy and BOTAŞ (Saros FSRU, Silivri Depot additional capacity investment) and Black Sea Gas Discovery in 2022, both supply sources were diversified and technical capacities were raised by contributing to supply security. For this reason, BOTAŞ is not expected to implement any cuts/reductions unless there is a significant supply interruption in a critical period in 2023.

Botaş Tariff - OWM (Organized Wholesale Market) Gas Prices 2022



Turkish Electricity Market Installed Power, Demand and Reserve Margin Development



Expectations for 2023 and Beyond

Turkey'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 in a rising trend between 2013-2020 and reached its peak level in 2020 with the fall in demand due to the effect of Covid-19, entered a downward trend with the absence of a new base-load power plant that was put into operation as of 2021 and the recovery in demand. This situation, together with the hike in commodity prices, raised the electricity prices in Turkey in 2021 and 2022, and Akenerji's gross profit margins and operating profitability were positively affected. With the global economic contraction for 2023 and the continuation of the decline in industrial electricity consumption in Turkey that started in the second half of 2022, it is expected that there will be a fall in electricity demand in 2023 and as a result reserve margins will rise in 2023. Due to the elections to be held in 2023, it is foreseen that the subsidy in tariffs and, accordingly, the resource-based support mechanism will continue.

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. In this environment, we expect base load power plants that have completed their investments for the coming years to benefit from the decreasing Reserve Margins. We foresee that the high profit margins we observed in 2021-2022 will continue in 2023.

OUR INVESTMENTS

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.

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 Kemah HEPP Project is still in the design phase and construction activity has not started on the site, the decisions of the court and Energy Market Regulatory Board do not have a negative impact on the handling of the project. In line with the relevant decision of EMRA, we are planning to carry out the necessary preparatory work for the relevant main equipment supply and construction works tenders in 2023, by signing a water usage right agreement within one year and ensuring that our license is put into effect again.

As Akenerji, we undertook the Construction Management and Operations Maintenance Services of a Biomass Power Plant with an installed capacity of 16.23 MW, which was established in Sakarya in 2019. As of 2021, our service period has been extended by 3 years. In addition to the ever-increasing production since 2019, this power plant has become one of the operating biomass power plants with the highest capacity utilization rate in Turkey with a capacity utilization rate of 68%.

In addition, we undertook the inspection activities during the construction of the Biomass Power Plant in Konya. With the commissioning of the relevant power plant in 2023, we will also perform Operational Maintenance Services.

In addition, at the beginning of 2021, we undertook the Construction Management and Operation Maintenance Services of the 2.17 MW capacity Pyrolysis Power Plant in Çorum and continued to carry out the related activities in 2022.

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.

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

We, at Akenerji, proved the added value and recognition we envisaged with the Energy Services, which we started as an innovative step in the energy sector as of 2015, thanks to the projects we realized. We have shown the sector the guarantee that we will move forward with fast, innovative and competitive steps in this field.

Energy 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. We continue to produce new ideas and projects that will boost the energy efficiency of industrial and commercial customers with energy systems optimization and management services. Akenerji Energy Services aims to raise the competitiveness of its customers by reducing their energy costs with many services it offers, from consultancy to asset management. At Akenerji, the breakthroughs we have made by effectively monitoring the market conditions will continue to set an example in the electricity generation sector.

We proved the added value and recognition we envisaged with the Energy Services services, which we started as an innovative step in the energy sector as of 2015, thanks to the projects we realized. We have shown the sector the guarantee that we will move forward with fast, innovative and competitive steps in this field. Our Energy Services offer productivity-enhancing project consultancy and turnkey application projects to industrial facilities. In addition, as a result of the free exploration and engineering studies carried out in the facilities, with the investment-free and guaranteed energy efficiency services offered to commercial buildings, it offers working models that are suitable for the structure of the business and that will provide maximum profit for both parties in a guaranteed way.

Detailed information on Akenerji Energy Services is available under the 'System Efficiency' heading of our report.

GLOBAL RISKS AND OUR SECTOR

The World Economic Forum's Global Risk Perception Report reveals that the most prominent risk in the world is the energy supply crisis. The transformation of the energy sector continues rapidly all over the world. According to the World Energy Outlook 2022 report, while the use of renewable resources in electricity generation in the world was 28%, this rate has reached 52% in Turkey.

GLOBAL RISKS

The World Economic Forum (WEF) Global Risk Perception 2022-2023 Report reveals that the most prominent risk in the world as of today is the energy supply crisis.

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 Long-Term Global Risks	Turkey Top 10 Risks in terms of Impact
1	Failure to mitigate climate change	Risk of deep or widespread poverty
2	Failure of climate-change adaptation	The risk of deepening inequality
3	Natural disasters and extreme weather events	Market risk
4	Biodiversity loss and ecosystem collapse	Exchange rate risk
5	Large-scale involuntary migration	Liquidity risk
6	Natural resource crises	Risk of regional conflicts and possible problems with neighbors
7	Erosion of social cohesion and societal polarization	Risk of water crises
8	Widespread cybercrime and cyber insecurity	Risk of big data fraud/theft or misuse of private/official data
9	Geoeconomic confrontation	Risk of brain drain and related qualified personnel problems
10	Large-scale environmental damage incidents	Risk of qualitative deficiencies in the workforce

Source: WEF 2022-2023 Global Risk Perception Report

Source: GRC Management Turkey Risk Report 2023

Akenerji's Actions

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

Towards the end of 2021, with the relative control of the effects of the Covid-19 pandemic, the social, economic and ecological structure began to take place on the agenda again with much more vigor, especially the climate crisis. The climate crisis is more prominent in the focus of all global targets and reports, multinational agreements and regional agreements. In addition to the economic risks for Turkey, the water crisis is among the top 10 risks. Despite the risks faced by Turkey such as a long-term economic recession, inadequacy in technology development and commercialization, and high unemployment, the potential for green transformation is quite high.

Paris Climate Agreement

The Paris Climate Agreement, which aims to keep the global temperature rise below 1.5°C, was also approved by Turkey as of October 6, 2021. This development means that Turkey 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.

European Green Deal

Turkey'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

Relevant details of Akenerji's actions in this regard are provided under the headings of Security of Energy Supply and System Efficiency in the Economic Performance section, and Emission Management and Energy Management in the Environmental Performance section.

GLOBAL ENERGY OUTLOOK

The biggest impact of the global energy crisis triggered by the Russia-Ukraine war was felt in the natural gas, coal and electricity markets. With the ongoing geopolitical and economic concerns, the energy markets continue to remain fragile.

The World Energy Outlook 2022 report was published by the International Energy Agency (IEA) in October 2022. According to the report, Russia's invasion of Ukraine led to comprehensive and long-term changes in energy markets and energy policies, not only for today, but also for the coming period. The biggest impact of the global energy crisis triggered by the Russia-Ukraine war was felt in the natural gas, coal and electricity markets. With the ongoing geopolitical and economic concerns, the energy markets continue to remain fragile. The World Energy Outlook Report states that the global energy crisis could be a historic turning point towards a cleaner and safer future.

According to the "Determined Policies Scenario" in the report, which is based on the latest policies announced worldwide, it is envisaged that global clean energy investments will exceed USD 2 trillion annually by 2030, with a rise of more than 50% compared to today, with the measures taken by countries against the energy crisis. In this scenario, the current rise in coal demand is expected to be temporary with the support of nuclear power in the markets rebalanced with clean energy investments. Global emissions are expected to reach their highest point in 2025, leading to a profound transformation in international energy markets.

According to the Determined Policies Scenario, the share of fossil fuels will decline from 80% to around 60% by 2050, while global CO_2 emissions fall from 37 billion tons per year to 32 billion tons. These developments bring about a 2.5-degree rise in global average temperatures by 2100, which is far from sufficient to avoid the serious effects of climate change. Full fulfillment of all climate commitments will move the world to a safer place. However, there is still a large gap between today's commitments and stabilizing the rise in global temperatures at around 1.5 degrees Celsius.

If sustained, today's growth rates for the deployment of solar, wind, electric vehicles and batteries will lead to a much faster transformation than anticipated in the Determined Policies Scenario. But this will require supportive policies around the world, not just in leading markets for these technologies.

According to the World Energy Outlook Report, stronger policies are becoming increasingly vital to spur the massive increase in energy investments necessary to mitigate future price increases and volatility risks. A major international effort is also urgently needed to narrow the gap in clean energy investment levels between developed and developing economies.

Resource Diversity in Electricity Generation (World)

Nuclear	10%
Renewable	28%
Natural Gas	24%
Coal	35%
Other	3%

Source: World Energy Outlook 2022, IEA

LOCAL ENERGY OUTLOOK

Turkey's total installed capacity reached a total of 103,809 MW, with an additional installed capacity of 3,990 MW commissioned in 2022.

Turkey's total installed capacity reached a total of 103,809 MW, with an additional installed capacity of 3,990 MW commissioned in 2022. In 2022, the share of private sector electricity generation companies in total generation reached 78.5%. While 35% of the total electricity production in 2022 was met by coal plants, 23% was met by renewable and other power plants, followed by natural gas power plants with 22% and hydroelectric power plants with 21%. Renewable energy is raising its share in the installed capacity portfolio every year in Turkey, as well as in the rest of the world. In 2022, the share of renewable energy in the total installed capacity in Turkey stood at 54%. Again, in parallel with the world energy sector, the share of solar energy is expected to continue to rise in Turkey in 2023 and beyond. The total installed capacity of solar power plants, which was 7,816 MW in 2021, expanded by 20.59% to 9,425 MW at the end of 2022.

The Renewable Energy Resources Support Mechanism (RERSM) continued to maintain its importance for independent producers due to the fluctuations in electricity sales prices and exchange rates experienced in recent years and continued throughout 2022. In 2023, 882 power plants with a total installed capacity of 19.993 MWe are entitled to benefit from the RERSM mechanism, which was utilized by 1,038 power plants with an installed capacity of 25,524 MW in 2022. Wind power plants make up 40.2% of these power plants, followed by hydroelectric power plants with 38.1%, biomass with 11.1%, geothermal power plants with 8.2% and finally solar power plants with 2.4%.

RERA (Renewable Energy Resource Areas) tenders, which started in 2017 with the aim of utilizing domestic resources, reducing foreign dependency in energy and establishing large-capacity renewable energy plants, continued in 2022. RERA WPP-3 competitions were completed on 14 June 2022 by the Ministry of Energy and Natural Resources. In the connection regions determined for the purpose of allocating a total installed capacity of 850 MW of connection capacity in 20 different regions, 31 different companies submitted bids and 9 different companies won capacity rights in the competition based on wind energy.

With the functioning of the organized wholesale natural gas sales market which was opened in 2018, and came into operation in 2019, the liberalization of Turkey's energy markets and Turkey's goals of becoming a regional energy trade center got one step closer.

Within the scope of the Capacity Mechanism Regulation, which was published and entered into force in January 2018, the Capacity Mechanism was implemented in order to create and maintain sufficient installed capacity to ensure supply security in the electricity market. A total of 56 power plants, 21 of which are natural gas, 16 domestic coal, 9 imported and domestic coal, and 10 hydroelectric power plants, benefited from this mechanism in 2022. In 2023, a total of 53 power plants will benefit from the support of the Capacity Mechanism.

We are faced with a transition to a new global energy economy, depending on Turkey becoming a party to the Paris Agreement and the announcement of Turkey's 2053 carbon neutral target in the last quarter of 2021.

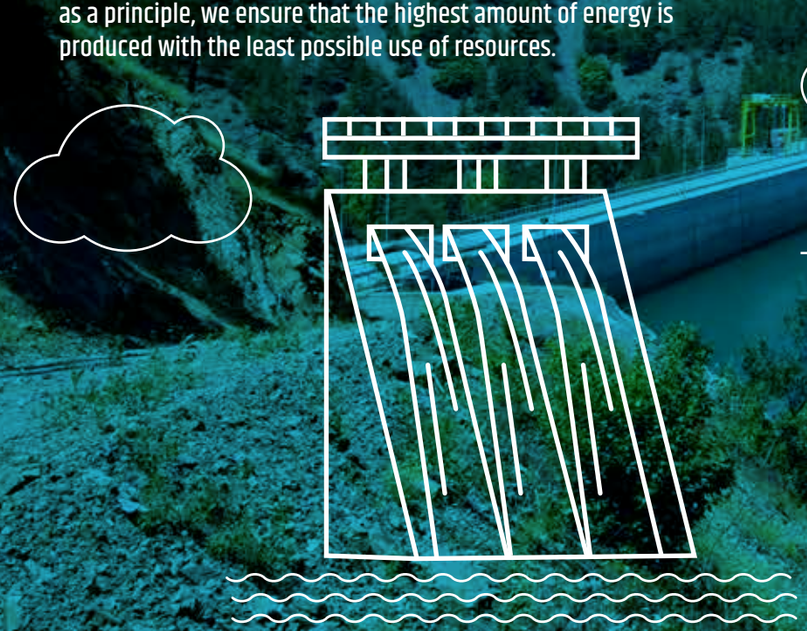
Resource Diversity in Electricity Generation (Turkey, 2022)

Primary Source	Installed Capacity (MW)	Ratio
Natural Gas	25,345.30	24.42%
Hydraulic	23,275.20	22.42%
Wind	11,396.20	10.98%
Imported Coal	10,373.80	9.99%
Lignite	10,191.50	9.82%
Solar	9,425.40	9.08%
Stream	8,296.30	7.99%
Biomass	1,921.30	1.85%
Geothermal	1,691.30	1.63%
Coal	840.80	0.81%
Asphaltite Coal	405.00	0.39%
Waste Heat	387.50	0.37%
Diesel	251.90	0.24%
Other (LNG-Naphtha)	7.70	0.01%
Total	**103,809.30**	**100.00%**

Source: TEİAŞ - Türkiye Elektrik Üretim A.Ş.

STRATEGY AND MANAGEMENT

We focus on protecting natural life and preventing environmental pollution in all business processes at Akenerji facilities. With advanced technology applications that adopt efficiency in production as a principle, we ensure that the highest amount of energy is produced with the least possible use of resources.



SUSTAINABILITY MANAGEMENT

In 2021, we determined our Sustainability Strategies for 2021-2025 in line with the United Nations Sustainable Development Goals and set our goals accordingly. We published our sustainability policy in 2022.

At Akenerji, one of Turkey'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. In this way, a benefit equivalent to the clean air provided by approximately 1 million trees during their lifetime is achieved. 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 have been publishing the United Nations Global Compact (UNGC) Progress Report since 2008. 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, the Sustainability Committee, consisting of the managers of the following departments, was established by our Board of Directors to carry out Environmental, Social and Corporate Governance (ESG) studies, to create and follow up the relevant policies and documents.

- Environment and Quality
- 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 Trading
- Natural Gas Trade
- Energy Services
- Procurement

Our Company's Sustainability Policy has been approved and disclosed to the public on the Public Disclosure Platform and on our website at www.akenerji.com.tr.

The Sustainability Committee monitors sustainability issues throughout the year and tries to make performance indicators a part of sustainability management by including them in the 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.

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

Our Policies

We announce our Company's Quality, Sustainability, Occupational Health and Safety, Information Security and Energy Management Policies within the scope of ISO Standards to all our stakeholders on our corporate website.

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

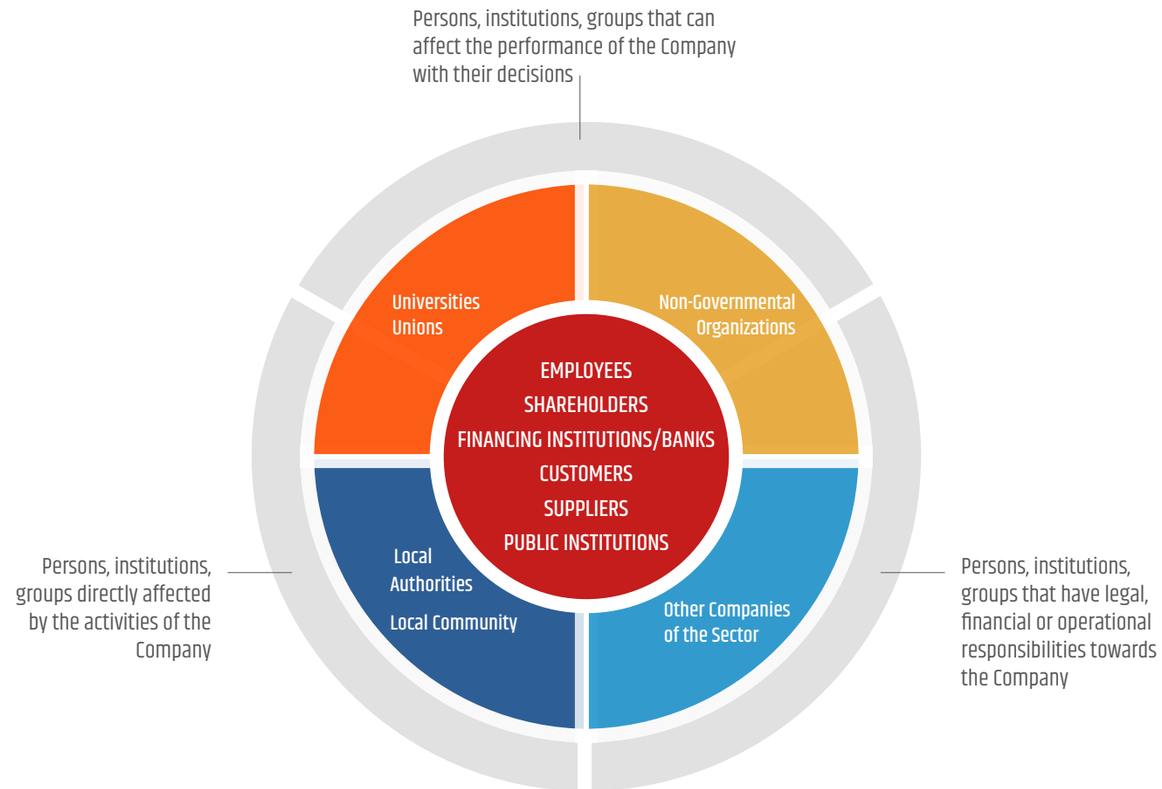
Location / Standard	ISO 9001: 2015	ISO 14001: 2015	ISO 45001: 2018	ISO 50001: 2018	ISO 27001: 2013	ISO 14064-1: 2018
Headquarters	✓	✓	✓		✓	
Ayyıldız WPP	✓	✓	✓	✓		
Uluabat HEPP	✓	✓	✓	✓	✓	
Burç Bendi HEPP	✓	✓	✓	✓		
Bulam HEPP	✓	✓	✓	✓		
Feke I HEPP	✓	✓	✓	✓		
Feke II HEPP	✓	✓	✓	✓		
Himmetli HEPP	✓	✓	✓	✓		
Gökkaya HEPP	✓	✓	✓	✓		
Erzin NGCCPP	✓	✓	✓	✓	✓	✓

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. As of this year, we aim to review our material issues every two years and to develop our communication platforms in this context.

Our Key Stakeholders



Communication Platforms with Our Stakeholders

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 Once a year 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 Turkey Climate Change Program Report
2012	Akenerji Sustainability Report
2012	AKKÖK Holding Sustainability Report
2015	CDP Report of Turkey Water Program
2016	BIST Sustainability Index
2016	CEZ Sustainability Report
2021	Integrated Annual Report

BIST Sustainability Index

At Akenerji, we have been included in the index which comprises of companies traded on Borsa Istanbul with a high level of corporate sustainability performance, since 2016.

Being included in the BIST Sustainability Index provides companies with both prestige and competitive advantage. It reveals how they approach sustainability-related issues such as global warming, depletion of natural resources, depletion of water resources, health, safety, employment, human rights, structure of the Board of Directors, and fight against bribery. It also enables an independent research organization to evaluate their activities and decisions made publicly.

The BIST Sustainability Index has been calculated since November 4, 2014, based on the idea that stock markets have a very important mission: to provide a platform that guides companies in their policy-making process regarding environmental, social and corporate governance risks and conveys information about companies' sustainability policies to responsible investors. As part of the agreement between Borsa İstanbul and Refinitiv Information Limited Şirketi ("Refinitiv"), the sustainability valuation results of Refinitiv are used, starting from the 2021 valuations, in determining the companies to be included in the BIST Sustainability Index. Only "publicly available" information is taken into account in valuations. According to the result of the Refinitiv valuation made in 2022, Akenerji's General Sustainability score stands at "B+".

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 13,000 companies responding to the CDP, our Climate Change Report score is at the "B Management" level.

Details on Combating Climate Change are included under the Emission Management and Energy Management headings of our report.

CDP Water Security

The CDP Water Program aims to mobilize the private sector on water resources. In line with our sustainability vision, 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 Turkey. 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 13,000 companies responding to the CDP, our Water Safety score is at the "B Management" level.

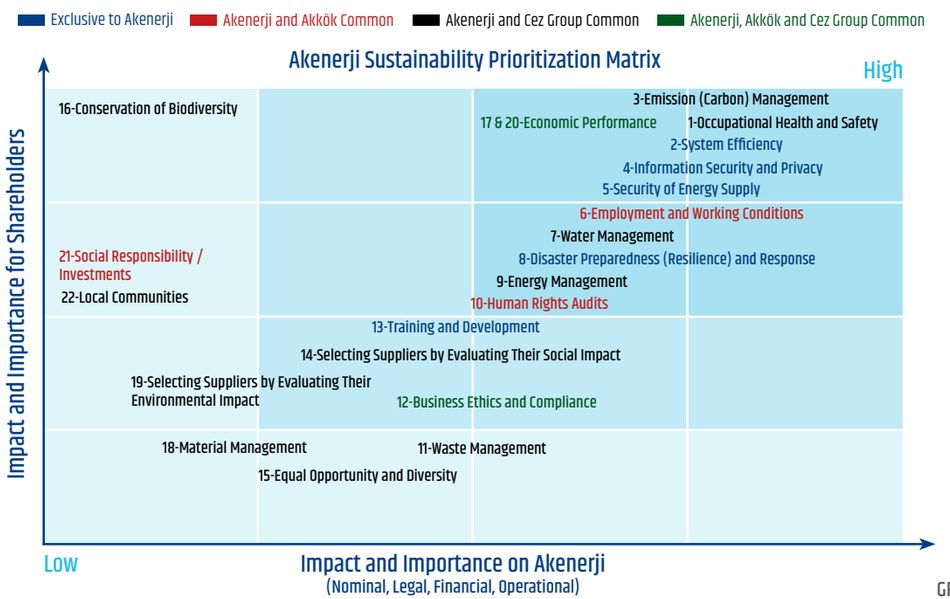
Details on Water Management can be found under the Water Management heading of our report.

OUR SUSTAINABILITY PRIORITIES

At Akenerji, we determine our sustainability priorities by focusing on high-risk areas on a global and sectoral scale, and we also take into account the feedback from our key stakeholders, especially our shareholders.

In order to give a strategic direction to our sustainability activities, we conducted a comprehensive prioritization study in 2022 and reviewed our sustainability priorities with a high level of internal stakeholder participation. While doing this study, we evaluated the future strategies of the company, the perspective of the top management on the future of the company, global sustainability trends, and the expectations of our shareholders and employees. We have redesigned the flow and content of our report within the scope of these new priorities, making it more refined and focused.

External Resources	Internal Resources	Prioritization Processes
• World Economic Forum Global Risks Report 2022 • UN Sustainable Development Goals • Refininitiv ESG Rating System Questions • EBRD and IFC's Sustainability Principles in Lending • GRI Topics for Sectors and Electric Utilities Sector Supplement	• Akkök Holding UNGC Report 2021 • CEZ Group Sustainability Report 2021 • Akenerji Senior Management and Employee Priorities Survey 1. All Employees Participation Rate: 57.5% 2. Headquarters Participation Rate: 59.6% 3. Power Plants Participation Rate: 56.7%	• Evaluation of company strategy • Global trend and risk analysis • Sectoral trend and risk analysis • 22 Key area detection • Prioritization survey and analysis • Examination of shareholder expectations • Clarification of company priorities within the framework of 11 material issues with the sustainability committee meetings attended by senior management representatives • Getting approval from the Board of Directors



GRI 3-1, 3-2

CEZ (SR 2021)	Its Equivalent in Akenerji (2022)	Akkök (UNGC 2021)	Its Equivalent in Akenerji (2022)
Environmental Protection	16-Conservation of Biodiversity Sustainability Materiality Survey	Environment	16-Conservation of Biodiversity
Emissions	3-Emission Management	Environment	3-Emission Management
Safe Operations	1-Occupational Health and Safety	Working Standards	1-Occupational Health and Safety
Energy Efficiency	9-Energy Management	Environment	9-Energy Management
Sustainable Water Use	7-Water Management	Environment	7-Water Management
Cooperation with Local Communities	22-Local Communities	Corporate Social Responsibility	21-Toplumsal Sorumluluk/ Yatırımlar
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	12-Business Ethics and Compliance
Circular Economy	11-Waste Management 18-Material Management	Environment	11-Waste Management 18-Material Management
Diversity and Equal Opportunity	15-Equal Opportunity and Diversity	Human Rights	15-Equal Opportunity and Diversity
-	-	Working Standards	6-Employment and Working Conditions 13-Training and Development
-	-	Human rights*	10-Human Rights Audits

* 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 TARGETS AND ACTIONS FOR 2025/2030

Our Priority Topics	Target / Action
ECONOMY	
Economic Performance	• To operate our power plants optimally according to market conditions
System Efficiency	• Not to lose production and keep company profitability high
Security of Energy Supply	• Uninterrupted production for our technology investments and other improvement projects
EMPLOYEES	
Occupational Health and Safety	• Reaching the zero occupational accident goal • Establishing an occupational diseases screening and monitoring system
Employment and Working Conditions	• Maintaining 50% female ratio in terms of the head office staff and keeping the female ratio above 40% in managers
Human Rights Audits	• Maintaining zero discrimination and/or human rights violation complaints status
SOCIETY	
Information Security and Privacy	• Maintaining zero data loss or privacy breach complaints status
Disaster Preparedness (Resilience) and Response	• Making emergency action plans for disasters and unexpected situations • Conducting climate change vulnerability and risk analysis at sites and reviewing risk reduction studies
Social Responsibility	• Participating in the Women's Power in Energy Program (Cooperating with PWN Association, BU, BM CIFAL Istanbul and UNITAR) • To ensure the continuity of the project of giving energy-oriented courses at universities and to expand this activity
ENVIRONMENT	
Emission (Carbon) Management	• Reducing Akenerji's greenhouse gas emission intensity (scope 1 and scope 2) by 50% in 2030, compared to 2017 levels • Prepare the commercial and technical framework of the border carbon regulation mechanism • To neutralize 1.5 million tons of CO_2 equivalent emissions by the end of 2025 with the emission reduction certificates we will obtain from renewable energy production. • To neutralize our carbon footprint in transportation-related greenhouse gas emissions by 2025
Water Management	• Verifying our water footprint at Erzin NGCCPP • To set a reduction target until 2025 by comparing the loss and theft rate with the determined rates. • Initiating social responsibility projects within the scope of collecting and reusing rainwater at our power plants/if possible in schools, depending on the production locations
Energy Management	• Achieving an average of 50% energy efficiency in electrical energy and natural gas by 2030 with the projects realized by Energy Services since 2015 and projects to be realized • As part of its goal of being a company operating with net zero emissions by 2050, offering a portfolio of carbon neutral products suitable for different uses to customers
Environment (Suppliers)	• Creating and implementing environmental compliance criteria for new suppliers • Analyzing the negative environmental effects of existing suppliers and making improvements in this regard • Reducing suppliers' greenhouse gas emissions by 2025 (Energy efficiency and greenhouse gas emissions)
Waste Management and Other Environmental Commitments	• To ensure the transition to zero plastic waste by 2030 by reducing plastic waste at the rates determined every year at our head offices and power plants until 2025. • Reducing paper use in the field and offices by 80% by 2025.

GOVERNANCE

Memberships	National/International Reporting	National/International Initiatives
Becoming a signatory of UN Global Compact (2022)	Continuing CDP Climate Change reporting	To support the Business World Plastics Initiative within Akkök Holding
Becoming a member of ERTA, Integrated Reporting Association	Continuing the CDP Water Security Reporting	Entering the Borsa Istanbul Climate Index
Becoming a member of the Sustainability Academy	To continue BIST Sustainability Index Reporting	Being a CEO Water Mandate signatory

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 with the Sustainability Committee in July-August 2021 in order to formulate Akenerji's 2021-2025 sustainability strategies. In this study, we updated the priority areas by reviewing the needs and expectations of internal stakeholders. As a result of the strategy studies that we renewed in 2022, taking into account global developments, developing reporting standards and shareholder expectations, the nine sustainable development goals that constitute Akenerji's focus area remained up-to-date.

Our Priority Topics	Goals (SDG) Emblem	Related SDG	SDG Sub-Goals We Support
Equal Opportunity and Diversity Social Investments	4 QUALITY EDUCATION	SGD 4: Quality Education	4.3. By 2030, ensuring that all women and men have equal access to accessible and quality technical education, vocational training and higher education, including university
Employee Rights Controls Equal Opportunity and Diversity	5 GENDER EQUALITY	SGD 5: Gender Equality	5.5. Ensuring women's full and effective participation in decision-making processes in political, economic and social life and equal opportunities for women to be leaders in decision-making at all levels
Water Management	6 CLEAN WATER AND SANITATION	SGD 6: Clean Water and Sanitation	6.4. By 2030, substantially raising water use efficiency across all sectors, ensuring a sustainable supply of fresh water to address water scarcity, and reducing significantly the number of people suffering from water scarcity
Security of Energy Supply System Efficiency Energy Management	7 AFFORDABLE AND CLEAN ENERGY	SGD 7: Affordable and Clean Energy	7.2. Raising significantly the share of renewable energy in global energy resources by 2030
Occupational Health and Safety Employment and Working Conditions Employee Rights Controls Information Security and Privacy	8 DECENT WORK AND ECONOMIC GROWTH	SGD 8: Decent Work and Economic Growth	8.8. Protecting the rights of employees and developing a safe working environment for all employees 8.2. Raising economic efficiency through diversification, technology development and innovation, focusing on high value-added and labor-intensive sectors
Water and Waste Water Management Waste Management	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	SGD 12: Responsible Consumption and Production	12.2. Ensuring the sustainable management and effective use of natural resources by 2030 12.5. By 2030, reducing significantly solid waste generation through prevention, reduction, recycling and reuse
Emissions Management Energy Management Disaster Preparedness (Resilience) and Response	13 CLIMATE ACTION	SGD 13: Climate Action	13.3. Developing training, awareness raising and human and institutional capacity on climate change mitigation, adaptation to climate change and early warning
Waste Management	14 LIFE BELOW WATER	SGD 14: Life Below Water	14.1. By 2025, preventing and significantly reducing all forms of marine pollution, particularly from land-based activities, including water pollution from the spillage of marine litter and food waste.
Equal Opportunity and Diversity Social Investments	17 PARTNERSHIPS FOR THE GOALS	SGD 17: Partnerships for the Goals	17.17. Promoting and supporting public, public-private and civil society partnerships based on the experience and resource strategies of partnerships

ECONOMY

In 2022 as well, we succeeded in maintaining the profit optimization we have achieved in our 34 years of corporate experience, qualified human resources, innovative approach and efficient production activities.

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, 30% of the 662 domestic and international suppliers we work with for the supply of our materials and services consists of local suppliers.

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.

In the supplier selection process, we consider criteria such as the presence of ISO 14001 Environmental Management System Certificate. We request corrective actions from our active suppliers whom we have determined not to have complied with basic environmental criteria. We terminate cooperation with suppliers that we have identified as having any negative environmental impact.

In the upcoming periods, we aim to monitor the environmental awareness of our suppliers through physical external audits and surveys we will prepare in order to determine and monitor their environmental and social impact.

SYSTEM EFFICIENCY

System efficiency activities at Akenerji include efforts to avoid loss of production and to keep company profitability high. We monitor our activities within this scope with SCADA, Oracle Discoverer, Maximo applications and daily-monthly activity reports.

Results of Our System Efficiency Studies in 2022

Hydroelectric Power Plants	Natural Gas Cycle Power Plant	Wind Power Plant
Availability: 99.02% Gross Production: 668,363,821 kWh Capacity Utilization Rate: 26.41%	Availability: 70.41% Gross Production: 3,153,250,790 kWh Capacity Utilization Rate: 39.82%	Availability: 96.14% Gross Production: 82,981,837 kWh Capacity Utilization Rate: 33.59%

Akenerji Energy Services

Akenerji Energy Services is the first and only company that has been operating since 2015, proving that efficiency can be achieved without investing and offering a guarantee in this field. It provides Survey and Reporting, Analysis and Consulting, Project Development, Financing, Maintenance, Facility Technical Operation, Verification services under one roof with integrated performance guarantee, and prepares the service package specifically for each facility that is planned to provide Energy Efficiency, according to the needs of the enterprises.

With our knowledge and experience in the field of Energy Optimization and Management, we offer productivity-enhancing project consultancy and turnkey application projects to industrial facilities. In addition, as a result of the free exploration and engineering studies we carry out at the facilities, with the investment-free and guaranteed energy efficiency services we offer to commercial buildings, we offer working models that are suitable for the structure of the business and will provide maximum profit for both parties in a guaranteed manner.

Akenerji Energy Services has achieved an average efficiency of 44% in electrical energy and 55% in natural gas, with the projects it has carried out since 2015 without making any additional investments in the enterprises.

Within the framework of the actions taken on energy efficiency and alternative energy resources, Akenerji Energy Services, thanks to the special solutions it offers for various sectors and structures, on the one hand, protects our country's own resources, provides added value to its stakeholders, and on the other hand, it contributes to positive environmental impact by reducing carbon emissions.

2022 Activities

Within the scope of the energy management and optimization contract we signed with Vadistanbul Shopping Mall in 2021, we continued to carry out efficiency activities in 2022 as well. In addition to the efficiency values we created in the common areas of the shopping mall, we expanded the scope of our contract with Vadistanbul AVM in 2022. With the heat pump maintenance service for the stores inside, we have also brought the comfort standards of the enterprises to the optimum level. We added value to the facilities in which we operate by reducing operating maintenance costs and extending device life.

In addition to the projects we have realized in 2022, we aim to install Solar Energy and Hybrid Power Plants with a capacity of approximately 50 MW as of 2023 in our existing power plants, especially at Akenerji Erzin NGCCPP, Ayyıldız WPP and Burç HEPP. In this context, we obtained a hybrid capacity of 7.8 MW for the Erzin NGCCPP in 2022. The licensing process is still in progress. In addition, we have obtained 0.3 MW hybrid capacity for the Akel Sungurlu Pirolysis power plant, for which we are continuing the construction management and operation maintenance services.

In addition to its pioneering projects in the field of "Energy Efficiency Without Investment", Akenerji Energy Services signed a contract for the installation of a Solar Power Plant with the build-operate-transfer model.

Furthermore, Akenerji Energy Services will provide services to its stakeholders on Solar Power Plant Projects so that they can optimize their energy costs and have their own generation facilities, in light of the support mechanisms provided in the Unlicensed Electricity Generation Regulation published on May 12, 2019. By presenting project proposals with the Escosolar model, which will include a total capacity of approximately 150 MWp, it signed a Solar Power Plant agreement with Akiş REIT, to be established on the roof areas of Akasya and Akbatı shopping malls. Within the scope of the project, which will be realized with the build-operate-transfer model, at Akenerji, we will perform the installation and energy management of the power plants with the Esco model. Thanks to the cooperation between Akenerji and Akiş REIT, some of the energy consumption of Akasya and Akbatı shopping malls will be met from the Solar Power Plant. The project will contribute to the reduction of energy costs and carbon footprints.

SECURITY OF ENERGY SUPPLY

Ensuring security in energy supply, which is seen as the most important risk threatening the world in 2023 and beyond, also means being able to continue our activities uninterruptedly.

Our regular technological updates and maintenance and repair works of our facilities are of critical importance in the effective management of this issue, which is of vital importance for both our economy, our business and our society. Summary information and achievements regarding our technological and other improvement projects, which started in 2021 and continued in 2022, are provided below.

Our Technology Investments

Project Name:	Himmetli, Feke 1, Burç HEPPs SCADA System Renovation Project
Start Date / Duration:	2021-2022
Aim:	At Himmetli, Feke 1, Burç HEPP Power Plants, we provided data flow to PLC and Scada with ABB RTU, one of the equipment that had problems, in order to minimize the communication problems between the equipment in old systems and to spread the efficient and stable working systems in the power plants.
Results and Benefits	With the renewed system, we solved the problems caused by the old system. Our daily operations management has become more efficient and we have prevented long-term problems. We will carry out similar works in other power plants in the coming period.

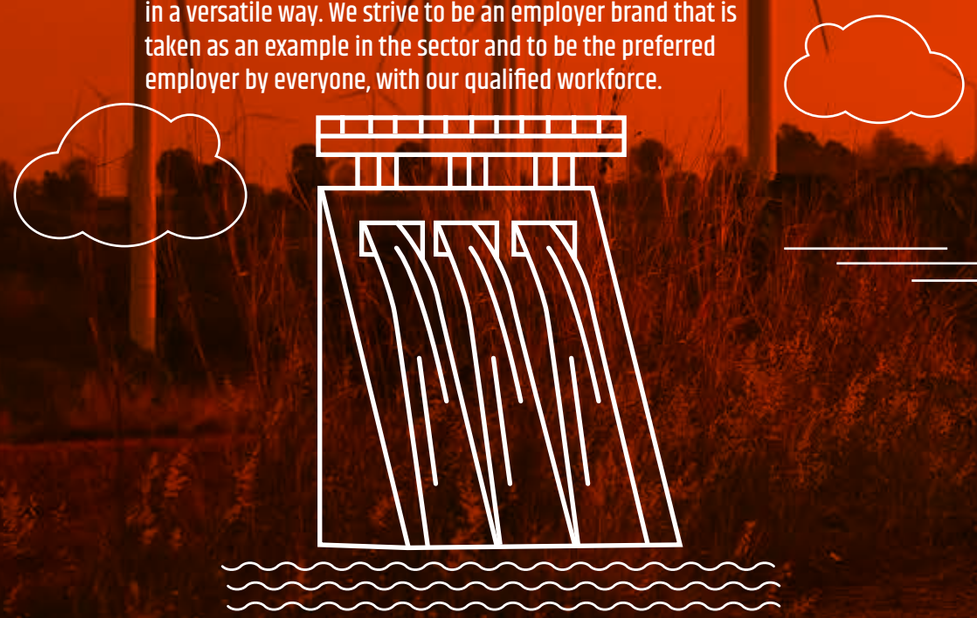
Project Name:	Sungurlu Power Plant SCADA Project
Start Date / Duration:	2022
Aim:	We aimed to raise the availability of the power plant, the production amount and, as a result, the profitability of the plant. We thus started this project in order to eliminate the deficiencies in process and performance monitoring and to raise the plant efficiency and occupational safety measures.
Results and Benefits	With the project, we raised the efficiency of the plant by providing process and performance monitoring. We gained experience within the company on the maintenance and assembly side. At the same time, we continued to provide employment to the surrounding area.

Our Maintenance Works

Project Name:	Erosion Damage Repair on V90 Turbine Blades
Start Date / Duration:	2022
Aim:	We cooperated with Vestas Rüzgâr Enerji Sistemleri Sanayi ve Ticaret Limited Şirketi in order to prevent production loss as a result of the wear and damage detected on the blades of V90 turbines. We repaired the damage with a deficated effort inspite of the cold weather.
Results and Benefits	We prevented further damage to the blades and renewable energy production continued to rise.

EMPLOYEES

At Akenerji, we manage our human resources with our forward-looking Human Resources Policy, which is based on equal opportunities and with respect to human rights. We protect the health and safety of our employees, support them to be team members who can develop, improve and revitalize themselves in a versatile way. We strive to be an employer brand that is taken as an example in the sector and to be the preferred employer by everyone, with our qualified workforce.



OCCUPATIONAL HEALTH AND SAFETY

Our primary goal is to ensure that occupational health and safety, which is one of the important elements at Akenerji, becomes a culture and is embraced by all our employees, and to continuously raise our performance in this field and reach the highest standards.

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). The OHS Board is where employee representatives represent employees, meets quarterly at the Headquarters and makes evaluations.

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 Easy 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 competence 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 service is available for the employees of the Headquarters and power plants. 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).

Our OHS Targets for 2022:

- 90% closure rate of Corrective Action Request (CAR) filed in internal audits, OHS site visits and environmental internal audits as of the end of the year
- Conducting on-the-job safety interviews (safety tool box meetings) up to 85% of the number of annual maintenance days planned by the team managers among our power plant employees during the annual planned maintenance
- To organize a total of 7 seminars (face-to-face or online within the scope of Covid-19 measures) in each HEPP to raise awareness of students and teachers about possible dangers and warnings about HEPPs in schools.
- To organize one Local Public Awareness Seminar (face-to-face or online as part of Covid-19 measures) in Adana, Adıyaman and Bursa within the scope of the State Hydraulic Works (SHW) Environmental Protection and Security Measures
- Realizing the targets of "Zero Occupational Accident" and "Zero Occupational Disease"
- To carry out OHS trainings in all power plants with the target of 16 person.hour/year.

In line with these targets, which we review every 6 months, we have allocated a total budget of TL 2,000,000 for our Occupational Health and Safety activities in 2022.

2022 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.

During the year, we replaced the work clothing used in our power plants with clothing that are technically more advanced (non-flammable, antistatic). We have set up an interim tracking system for the land vehicles used in our power plants, provided personalized buttons to our employees who will drive the vehicle, and provided certificate of professional competence (SRC) and psychotechnical trainings to these employees.

Among Akenerji employees, there were seven occupational accidents in total, including employees of the Headquarters and Power Plant, in 2022. One of these accidents was time-loss accident, six of them were without time-loss. 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. The number of near misses from our fields declined by 15% in 2021 compared to 2020, 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 2022, there were no deaths or registered occupational diseases among Akenerji employees or subcontractor employees due to an occupational disease. The accidents occurred in the form of hand, foot and head injuries.

Occupational Accident Frequency, Severity and Vehicle Accident Rates*	2020	2021	2022
Accident Frequency Rates	0	8.2	18.56
Accident Severity Rates	0	0.247	0.64
Vehicle Accident Rates	6.65	2.08	1.93

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

OHS Trainings

We provide Basic OHS Trainings at Akenerji Head Office for eight hours once every three years and for 16 hours once a year at power plants. In addition, our quality-environment and OHS departments provide face-to-face and online trainings throughout the year on many subjects and make toolboxes. These are carried out in order to raise awareness of our employees about occupational health and safety, such as the use of personal protective equipment, safe working with hand tools, occupational safety in welding works, safe use of company vehicles, first aid, causes of occupational diseases, etc.

In 2022, we provided our employees a total of 2,702 person.hour of OHS training on Recruitment Orientation, Employee Representative Training, Post-Work Accident Renewal Training, Safe Working Method Statement, Search-Rescue and Evacuation Training, Technical Trainings (chemicals, PPE), Documentation Training, Safe Driving Training, Basic Disaster Awareness Training.

OHS Trainings	2020	2021	2022
Training Given to Employees on OHS topics (person.hour)	5,508	3,048	2,702
Number of Employees Receiving Training on OHS topics	166	271	298
Basic OHS Training Given to Subcontractors (person.hour)	1,448	569	394
Number of Subcontractors Receiving Basic OHS Training	131	70	28

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.

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 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.

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.

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 2022.

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.

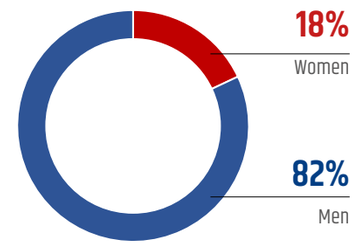
Social Rights

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 and also hybrid working opportunities.

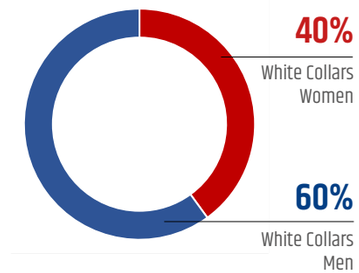
Internship Programs

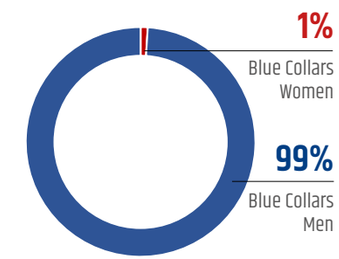
We believe that the school term of the students is the path that determines the field in which they will start work after graduation. For this reason, we design our internship programs in a way that is comprehensive, systematic and enables learning of business life from both practical and theoretical aspects. For this purpose, in 2022, we implemented our program as a hybrid in line with the way we work. In the program which continued throughout the summer months, students both prepared for business life with personal development trainings and worked on projects that will contribute to the future of Akenerji with departmental projects. Our interns also learned about Akenerji's other business lines at the online orientation meetings and successfully completed their internship processes.

Our Employees by Gender

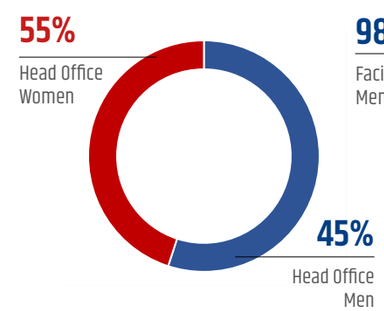


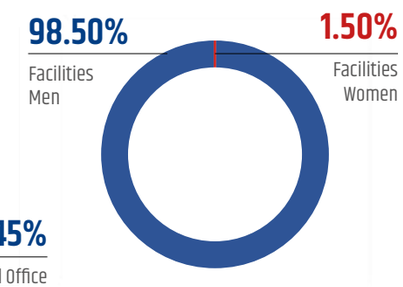
Our Employees by Employment Type and Gender





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.

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 2022, we ensured the development of our own online education platform with rich content. We have transformed all possible training into online training. 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. 124 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 2022. We have offered many different trainings such as change management, presentation techniques training, networking training, project management and financial trainings to our employees through the online platform.

In 2022, we provided a total of 13.045 person.hour of training to all our employees. Our annual education expenditure was TL 3,085,853.

"Lead the Future 1" Project

Our "Lead the Future 1" leadership program won the bronze award in the "Best Use of Blended Learning" category from the Stevie Awards.

"Lead the Future 2" Project

A total of 118 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 2" 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. In addition, one-on-one feedback sessions were organized between managers and employees.

Akenerji Case Study Program

Akenerji Case Study Program with The Harvard Business School started in 2021 and continued in 2022. This program is an interactively designed training program in which the experience and decision-making problems of the leading institutions of the business world, which are the subject of Harvard Business School cases, are examined. This program, which examines global and local cases, includes academic methods and teamwork, and attended by 20 expert employees, was completed in June 2022 with the graduation ceremony at Boğaziçi University.

Manager Development Program

In 2022 as well, 6 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 2022, 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.

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 renewed 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 with the 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 launched the Internal Communication Platform mobile phone application to raise 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.

We organize activities such as Avita Support Program, Studio Live application, sports activities such as sailing and rowing teams, as well as a jogging team, which also includes social responsibility, in order to contribute to the employees' living with a good life philosophy. Teams strengthen their communication by training regularly. We also contribute to a good living space with sports where it is important to be in sync. Our rowing team, which participated in the Corporate Rowing Race in October, ranked 3rd.

In 2022, 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 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.
- 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 mailings.

Platform Name	Purpose / Subject	Communication Frequency	Who is getting together?	How many people attended in 2022?
Training and seminars	Many trainings in the fields of technical, leadership, competence, compulsory, foreign language and personal development	Weekly	All employees	Average 280 people
Online English Platform	Developing a foreign language	At the desired time 119 hours of use	White collar employees	39 people
Arneca Akenerji Internal Communication Application	Enhancing internal communication	At the desired time Active usage 244 people 140 post sharing	All employees	Average 280 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 1311 hours of use	White collar employees	Average 118 people
Neoskola Online Platform	Personal development platform	All year open system 34 hours	All employees	Average 280 people
Storytel Online Platform	Audiobook platform	All year open system	All employees who request	40 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	Average 280 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 aim to complete the project, which we started in June 2022, in March 2023, and to reward at least 3 projects at the end of the program. We believe that the project will have a positive impact on our employer branding process, as it is a project that young candidates attach great importance to.

Akenerji is a Great Workplace!

We participated in the Great Place To Work employee survey, which is one of the most prestigious and independent research institutions in the world, in order to present all the studies, developed applications and reviewed and renewed processes to the evaluation of our colleagues in the development and transformation journey we have embarked on with all our employees since 2019, and to be able to understand our place in the sector and the market by making a comprehensive analysis. GPTW certification is important because it impartially examines the policies adopted by brands in areas such as corporate culture and employee satisfaction.

In the Confidence Index consisting of 60 questions, Akenerji received a high satisfaction rate from its employees. In this year's survey with 93% participation, the percentage of our employees who think Akenerji is a Great Place To Work was 75%, and our Confidence Index score, which is the average of all questions, was 78%. In addition to these figures, we scored above the energy industry averages in many focus areas of the survey. Our colleagues said, "We love this energy!".

In addition, the majority of our employees expressed that they think Akenerji is a Great Workplace. Thus, we were entitled to be among the companies with Great Place To Work certificate, and we celebrated this success by getting together with all our employees working at the headquarters and power plants.

Again, we conducted another employee survey with GPTW (Great Place to Work) to evaluate our EVP – Employee Value Proposition studies that we have been conducting since 2019. We started working with our consultant to determine the next EVP actions with the detailed analysis of this survey. We will implement our action plans on this issue in 2023.

Great Place To Work Survey	2022
Rate/score	78%
Number of Employees Participating	253
Participating Employee Rate	93%

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 2022, 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 2022, 2 female and 14 male employees used paternity and maternity leave.

Maternity Leave	2020		2021		2022	
	Women	Men	Women	Men	Women	Men
Number of employees using maternity leave	1	11	2	15	2	14
Number of employees returning to work after maternity leave ends	1	11	2	15	2	14
Number of employees who worked 12 more months after returning from maternity leave	1	11	2	15	1	13
Ratio of employees who returned to work after taking maternity leave to total maternity leave users	100%	100%	100%	100%	100%	100%

As Akenerji, we want to be a part of the search for an answer to the obvious problem of the lack of gender equality and the lack of equality of opportunity in the world. In the energy sector, which is one of the sectors where the male-dominated understanding is most common, we carry out projects simultaneously with the institutions we cooperate with the aim of ending the gender discrimination and establishing a future where there will be no stereotypes such as women's work and men's work, and to raise awareness about the issue in the whole society. With these projects, we contribute to the Gender Equality article of the United Nations Sustainable Development Goals.

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 1,100 individuals by the end of 2022, throughout Turkey with new collaborations as of 2023.

"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, we started training programs in partnership with the Young Women Leaders Program run by the Turkish Confederation of Employers' Unions and Yenibirlider Association, and the International Training Center for Managers and Leaders - CIFAL Istanbul, of Bahçeşehir University and UNITAR (United Nations Education and Research Institute). In addition to the face-to-face meetings we held in Istanbul, we also met with students from all over Turkey through online meetings. At the end of the trainings that approximately 110 university students benefited from, the students presented their projects related to the energy sector to the senior management of Akkök Holding Energy Group companies in two separate face-to-face events. While 30 successful students were entitled to internship and mentorship, 12 of these students completed the internship process. One female student who participated in the trainings started to work as an engineer at Erzin NGCCPP. The program continues with mentoring sessions.

With the project, we aim to reach 100 students every three years.

SOCIETY

In the strategy studies we carried out in 2022 at Akenerji, we determined our priorities regarding our social responsibilities. These are information security and privacy, which are among the global risks, disaster preparedness and response that are directly related to the climate crisis, and social responsibility projects that have been ingrained in the DNA of our Company since its establishment.

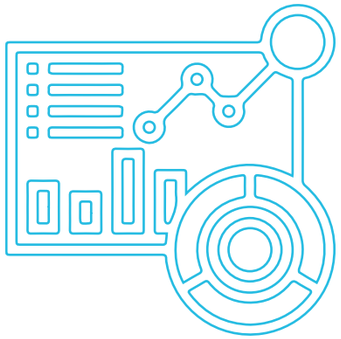
INFORMATION SECURITY AND PRIVACY

At Akenerji, we attach the utmost importance to information security and privacy. We carry out our activities in this area with the ISO 27001:2013 Information Security Management System, which is valid at the Head Office and Erzin NGCCPP and Uluabat HEPP.

Evaluation of information security risks and opportunities at Akenerji is fed by many sources, which are:

- 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.

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.



Due to the nature of our business, we have not received any complaints regarding customer privacy and loss/theft of customer data in the 2020-2022 period, as end users are not our one-on-one customers.

Our Goals within the Scope of the Management System:

- To fulfill the standard requirements 100%,
- To comply with the Information and Communication Security Guide of the Presidency Digital Transformation Office,
- Complying 100% with legal regulations and contractual obligations,
- Taking action on all high risks by evaluating risks and opportunities,
- To follow the ISO 27001:2013 Information security awareness trainings, which are given in three-year periods and which should be taken/renewed at the beginning of the job, job change and standard/legislation changes, and to provide training according to these conditions,
- To ensure that the effectiveness of the trainings is 90%,
- Ensuring that at least 90% of the Corrective Action Requests opened in internal audits are closed,
- To keep the UpTime targets of Information Technologies/Aktek's System Servers at the determined levels.

In 2022, 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.

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 27001:2013 Information Security Awareness Training is a compulsory training given every two 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. A total of 174 employees benefited from this training in 2021 and 2022.

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 2022, we provided 55 hours of training to 55 of our employees with online trainings on what is personal data, the processing and conditions of personal data, the procedure for issuing contracts, the rights of personal data owners, PPDL compliance principles, and data privacy and data processing at Akenerji. We have raised their awareness. Thus, we provided 382 person.hour of PPDL training to a total of 228 employees in 2021 and 2022.

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

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 were determined within the plans and necessary trainings were given to them. In this context, employees of Akenerji Headquarters completed the basic disaster awareness training conducted online by the consultant firm.

Emergency Plans created by the Headquarters and power plant employees are updated at regular intervals as determined by the national legislation. In addition, Emergency Teams and Emergency Plans are also hung on the OHS panel of each power plant.

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 2022, 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.

SOCIAL RESPONSIBILITY

At Akenerji, we continued our social responsibility projects in 2022 with our social responsibility policy focusing on gender equality and opportunity, empowerment of women in society, and education of children and youth, keeping our promise to the society and our stakeholders, "We produce energy to enlighten the 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. In the upcoming period, we aim to continue to produce projects that make a meaningful difference in the lives of those we touch and we can directly touch on society, education, the place of women in society, children.

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 working life, 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 44th Istanbul Marathon!

We participated in a running and donation event to support the cooperation of Akkök Holding and Community Volunteers Foundation in the 44th 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 2022 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 180 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 Supported Awareness Studies on the Natural Assets of Our Power Plant Areas!

We supported the activities benefiting the local people in our power plant areas. We became one of the supporters of the 31st International Bandırma Bird Paradise Culture and Tourism Festival, which has been held since 1987 in order to draw attention to the promotion, development and preservation of the natural beauty of Bandırma Bird Paradise National Park, which has the honor of being the oldest national park in the world. We will continue to support similar events.

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.

We took our place as Premium Sponsor at Istrade Energy Trade and Supply Summit!

We became the premium sponsor of the Istrade Energy Trade and Supply Summit, which brings together the professionals of the energy sector every year in order to follow current developments in the energy sector, to seek alternative solutions to current problems and to discuss future expectations.

We Organized a Mentoring Program with Yenibirlider Association!

Akenerji senior executives mentored talents from different sectors within the scope of the Mentorship program that we carried out jointly with the Onenewleader (Yenibirlider) Association, which started in 2019.

We carried out YBL Professional training with Yenibirlider Association, whose aim is to identify young professionals who are candidates for leadership who continue their careers in Turkey's leading institutions, to make them meet each other and to support them to rise faster within their institutions. 11 individuals participated in this program. After the Academic Program, which was the first step of the education, Mentoring, Coaching and Business World Meetings continued. We plan to maintain the external mentoring process with Yenibirlider, which continues in 2022, as well as in 2023.

We became one of the main supporters of the 12th Turkey Energy Summit!

We became one of the main supporters of the 12th Turkey Energy Summit, which has become traditional as the "Biggest Family Gathering" of the Turkish energy market. Akenerji General Manager Mr. Serhan GENÇER spoke at the opening of the summit, which brought together public and private sector representatives.

We Supported the 5th Turkey Energy and Natural Resources Summit!

This year, we became one of the sponsors of the 5th Turkey Energy and Natural Resources Summit, organized under the auspices of the Ministry of Energy and Natural Resources, with the theme of "Transformation 2.0". At the summit, answers to the questions of how we can achieve green transformation and digitalization were sought.

We provided sponsorship support to the "From Nature to Design: A Science Journey Project"!

We provided sponsorship support to the **"From Nature to Design: A Science Journey Project"** in which the students of Şişli Science and Art Center participated within the framework of the "Tübitak 4004 Nature Education and Science Schools Support Program". A total of 40 students benefited from the project.

From Nature to Design: A Science Journey project includes activities based on science, technology, mathematics, painting, music, engineering in the context of biomimicry (bioimitation) and "STEAM" activities arising from their collaboration. Project activities include biomimicry and STEAM focused nature activities, laboratory applications, design and technology applications. As Akenerji, we supported education, the design processes of gifted children inspired by nature, and the training of future engineers by contributing to this project, which includes activities prepared by instructors who are experts in their fields. In the upcoming period, we will continue to contribute to educational projects aimed at supporting children in the field of education.

We supported the Interconservatory Song Dialogue Project!

At Akenerji, we supported the efforts of the Zehra Yıldız Culture and Arts Foundation, which operates to provide financial and moral opportunities for the training of our future artists, to promote advanced musical appreciation, to support young talents in their international career development, and to create a new environment of communication and inspiration sharing among artists. We supported the **Interconservatory Song Dialogue** project with the aim of being a partner for these purposes.

As part of the project, we held two events, "Interconservatory Song Dialogue Training and Gala Night" in Adana and "25 Years Concert after Zehra" in Istanbul. In the upcoming period, we will continue to support different culture-arts and education projects that support young talents.

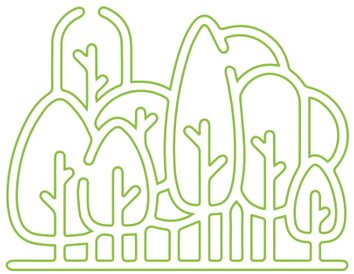
Our Activities at Universities

We continued our work with universities in 2022 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 2022 as well. Among the successful students, there were students who were evaluated and recruited in our new graduate positions.	Bahçeşehir University	75 people + 25 people (2022)	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)	110 university students benefited from this project. 30 students gained the right to internship and mentorship.	We will continue to develop different collaborations focused on education and female employment.
Boğaziçi University Engineering Club - MSE Leadership	2022	At the event held by Boğaziçi University Engineering 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 Engineering Club	400	Every semester, we plan to meet with students through different activities.
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	We plan to meet with students through different activities every semester.
International Investors Association (YASED) Certificate Program	2022	We contributed to the development of students by giving lectures in vari-ous fields in the online certificate training pro-gram organized by YASED's employment and working group, of which we are one of the mem-bers, for students from different universities in Turkey.	YASED International Investors Association	40 (2021) 20 (2022)	Our participation will continue every year.
Bahçeşehir University Career Camp	2022	As part of the Bahçeşehir University Career Camp event, our top managers came together with the preparatory students and shared their experiences.	Bahçeşehir University	20	We will continue to meet in differ-ent activities.
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	We will continue to meet in different activities.
Sabancı University Interview Simulations	2022	We conducted interview simulations with Sabancı University students.	Sabancı University	15	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	We will continue to meet in different activities.
Bahçeşehir Üniversitesi Business Point Etkinliği	2022	During the event, we had one-on-one meetings with the students throughout the day.	Bahçeşehir University	15	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 resolutely continue our current efforts to reduce our carbon and water footprint. By closely following the innovative developments in the energy sector, we aim to develop these improvements in a way to reach the zero-waste target of 2030.



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. At Erzin NGCCPP, we report our greenhouse gas emissions within the scope of ISO 14064-1:2018 Greenhouse Gas Calculation and Verification Management Standard and Regulation on Monitoring of Greenhouse Gas Emissions. In 2022 also, environmental impact monitoring continued in all our operational power plants in accordance with legal requirements. Our total environmental monitoring, measurement and continuous improvement expenditure within this scope amounted to TL 631,858. Our environmental trainings reached a total of 161 person.hour in 2022.

Breakdown of Our Environmental Expenditures (Total TL 631,858)

Emissions Management*	80.7%
Waste Recycling	13.3%
Waste Disposal	0.4%
Consultancy	5.3%
Legislation Follow-up	0.3%

*Air and waste water emissions are included.

Our Environmental Trainings within the Scope of Management Systems

Training / Duration	Number of Persons Attending the Training
Environmental Accident and Complaint Reporting Training (1 hour)	70 person.hour in 8 plants
Environmental Awareness and Zero Waste - Waste Management Training (0.5 hours)	90.5 person.hour in 9 plants
Environmental Impact and Dimension Analysis (0.5 hours)	0.5 person.hour in 1 plant

EMISSION MANAGEMENT

Our Carbon Disclosure Project (CDP) Climate Change 2022 report, which we have been involved in since 2010, was rated as "B 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 Turkey, 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.

The largest part of the Scope 1 greenhouse gas emissions from our operations originates from the natural gas burned at the Erzin NGCCPP. 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.

As can be seen from the calculations, almost all of the Scope 1 greenhouse gas emissions originate from Erzin NGCCPP, which is the only natural gas power plant in operation in 2022. The data below covers the greenhouse gas emissions of the power plants located in Adana, Adıyaman, Bursa, Hatay and Balıkesir.

EMISSIONS (Scope 1) (tCO_2e)	2020	2021	2022	Rate of change from 21 to 22
Hydroelectric Power Plants	91.11	54.26	49.47	-8.83%
Ayyıldız Wind Power Plant	12.27	8.99	4.79	-46.72%
Erzin NGCCPP	1,383,893.89	1,560,233.16	1,143,593.60	-26.70%
Total	**1,383,497.27**	**1,560,296.41**	**1,143,647.86**	**-26.69%**

Details of our Scope 1 emissions are available on the Environmental Performance Indicators page of our report.

EMISSIONS (Scope 2) (tCO_2e)	2020	2021	2022	Rate of change from 21 to 22
Hydroelectric Power Plants	689.91	771.15	682.71	-11%
Ayyıldız Wind Power Plant	115.14	101.54	98.06	-3%
Erzin NGCCPP	7,706.47	4,541.32	8,600.88	89%
Total	**8,511.52**	**5,414.01**	**9,381.65**	**73%**

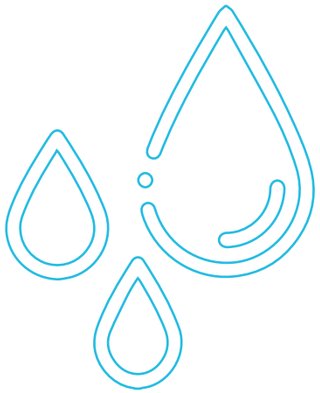
Scope 2 includes electricity purchased at power plants. (In addition to the electricity we produce ourselves, we also use mains electricity.)
The rise in Scope 2 emissions is due to the rise in the amount of electricity purchased in 2022 due to lower production at the Erzin NGCCPP compared to last year.

EMISSIONS (Scope 3) (tCO_2e)	2020	2021	2022	Rate of change from 21 to 22
Erzin NGCCPP	*319	**1,781,813.09	**1,295,350.33	-27.30%

Details of our Scope3 emissions are available on the Environmental Performance Indicators page of our report.
*In 2020, only the greenhouse gas emissions arising from the natural gas used in the combi boilers and burners in the gas heating unit at the RMS station during the natural gas supply of Erzin NGCCPP are included in Scope 3.
**According to the ISO 14064:2018 standard, the scope 3 emissions of Erzin NGCCPP have been expanded.

WATER MANAGEMENT

Our 2022 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.

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 monitoring in accordance with the legislation within the scope of the environmental permit on "Air Emission" and "Deep Sea Discharge".

In 2022, we continued the internal monitoring of wastewater and seawater, which we have been carrying out in this context since 2017. We will continue to monitor according to the changes made within the scope of the regulation on the Water Pollution Control Regulation published in the Official Gazette dated 17.12.2022. We carry out monitoring and reporting activities with divers every year within the scope of checking whether there is a problem such as leakage or congestion in the deep-sea discharge line according to environmental legislation.

Water Withdrawal (m^3)*	2020	2021	2022
Total	14,046,245.90	15,735,271.70	12,812,959.90

*Data of 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 (m^3)*	2020	2021	2022
Total	11,826,240	13,009,538	10,778,639

*Data of 9 power plants in operation.

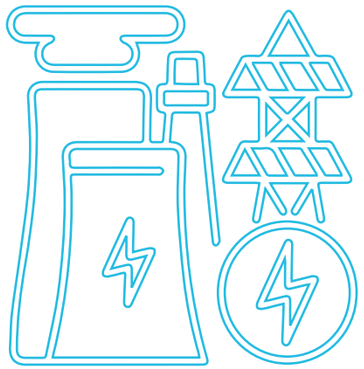
Water Consumption (m^3)*	2020	2021	2022
Total	2,220,006.40	2,725,733.80	2,034,320.50

*Data of 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-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)	2020	2021	2022
Non-Renewable Resource			
Natural Gas	594,376.04	664,619.86	599,364.94
Diesel (generator)	621.12	300.02	285.54
Diesel (vehicle)	2,086.26	1,951.44	2,251.00
Fuel (vehicle)	345.91	1,160.33	1,550.80
Total Fuel	597,429.34	668,031.65	603,452.28
Electricity	71,634.05	48,644.99	71,513.63
Renewable Resource			
Electricity	4,139.63	3,724.07	3,606.02
Total Energy Consumption	673,203.02	720,400.71	678,571.94

*Data of 9 power plants in operation.

Our Energy Management Targets, which we have set for 2022 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

Power Plants	Target (MWh)
Ayyıldız WPP	0.50
Burç Bendi HEPP	1.00
Bulam HEPP	0.60
Erzin NGCCPP	9.19
Feke 1 HEPP	5.00
Feke 2 HEPP	5.18
Gökkaya HEPP	2.50
Himmetli HEPP	3.00
Uluabat HEPP	10.65

TARGET 2: The amount of fuel consumed per km should be as much as the amount of fuel consumed per km in 2021.

Power Plants	Amount of Fuel Consumed per km in 2021
Ayyıldız WPP	0.104
Burç Bendi HEPP	0.104
Bulam HEPP	0.096
Erzin NGCCPP	0.065
Feke 1 HEPP	0.035
Feke 2 HEPP	0.091
Gökkaya HEPP	0.091
Himmetli HEPP	0.049
Uluabat HEPP	0.072

TARGET 3: To follow the ISO 50001 awareness trainings, which we give in three-year periods and which should be taken/renewed in the beginning, job change and standard/legislation changes and to give them according to these conditions

TARGET 4: To ensure the continuity and diversification of the project on giving energy-oriented courses at universities.

In line with these targets, we carried out the following activities at our facilities in 2022:

- Organizing trainings for our employees and subcontractors in order to raise awareness of the energy management system in all our power plants.
- 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 2022 as well. In this way, we recovered and disposed of approximately 137 tons of waste, and our waste recycling rate was 97%.

In 2022, we contributed to the circular economy by recycling approximately 3.6 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 until 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)*	2020	2021	2022
Total	78.3	94.0	137.0

*Data of 9 power plants in operation.

Waste Amount (137 tons)*	2022	Rate
Hazardous Wastes	101.0	74%
Non-Hazardous Wastes	36.0	26%

*Data of 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.

CORPORATE GOVERNANCE

THE BOARD OF DIRECTORS

As of 31.12.2022

Özlem ATAÜNAL
Chairperson of the Board of Directors

Tomas PLESKAC
Vice Chairperson of the Board of Directors

Serhan GENÇER
Member of the Board of Directors/ General Manager

Mehmet Emin ÇİFTÇİ
Member of the Board of Directors

Jaroslav MACEK
Member of the Board of Directors

Ondrej DVORAK
Member of the Board of Directors/ CFO

Demet ÖZDEMİR
Independent Member of the Board of Directors

Petr KALAS
Independent Member of the Board of Directors

THE BOARD OF DIRECTORS

Structure of the Board of Directors (2022)	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	2	25%
Number of independent members	2	25%

Board of Directors Competency Matrix	Number	%
Gender (Female)	2	25%
Term (15+ years)	0	0%
Audit Experience	6	75%
Financial Services Experience	7	88%
Non-Financial Real Industry Experience	4	50%
Risk Management Experience	6	75%
Environmental, Social and Corporate Governance Experience	6	75%
International Multigeographic Experience	7	88%
Research and Development Experience	2	25%
M&A Experience	7	88%
Production Experience	2	25%
Digital Technologies Experience	5	63%

Calculated considering the members of the Board of Directors as of 31.12.2022.

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. Ms. Ataünal was promoted to the CFO of Akkök Holding in 2005. In 2012, she was appointed as a Member of the Executive Board in Charge of Finance. In 2017, she became a Member of Akkök Holding's Board of Directors. Ms. Ataünal, who has taken on different responsibilities over the years, still serves as Akkök Holding Executive Board Member in Charge of Finance, Strategy and Energy. In addition to these duties, she is the Chairperson of the Board of Akenerji, Sepaş Enerji, AKCEZ and Akgirişim, and works as the Deputy Chairperson of the Board of Directors and Member of the Board of Directors 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/CFO

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

Serhan GENÇER
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 Emin ÇİFTÇİ
Member of the Board of Directors

Born in Istanbul in 1987, Mehmet Emin Çiftçi graduated from Istanbul Commerce University, Faculty of Communication. Starting his career at the Department of Budget Planning and Reporting at Akkim Kimya Sanayi ve Ticaret A.Ş., Mr. Çiftçi completed his Business Administration education at UCLA Extension (UCLA), and then the Business Administration Graduate Program at Özyeğin University Graduate School of Business in 2018. Mr. Mehmet Emin Çiftçi is a member of Akkök Holding Executive Board as of 2020, in addition to being a Member of Akkök Holding's Board of Directors. He also serves on the Boards of Directors of various Akkök Holding Companies.

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 Turkey and Central and Southeast Europe region, Ms. Özdemir assumed the role of Emerging Markets Leader in EMEIA (Europe, Middle East, India and Africa). Ms. Özdemir, who has been actively working on gender equality and women's empowerment in business life, has been a member of the EY Global Businesswomen Advisory Board, a member of the Management Committee of the EY WomenFast Forward and Women 3 Forum, and the EMEIA Leader who implemented the EY Entrepreneurial Women Leaders (EWW) Program. In 2015, she co-chaired the session on "Empowering Women Entrepreneurs" at the W20 Summit, which was held for the first time within the scope of the G20 in Istanbul. Currently, she is the member of the Board of Directors of Inveo Investment Holding and Osmanlı Yatırım Menkul Değerler A.Ş. and the British Turkish Chamber of Commerce. She is a Board Member of the Women's Association and Young Success Foundation, of which she is one of the founders. Ms. Özdemir is a Board Member of the Young Achievement Education Foundation and Women's Association, of which she is one of the founders. A graduate of METU Business Administration, Ms. Özdemir has a graduate degree in International Finance from the London School of Economics. Ms. Özdemir, a former national skier who won Turkish championships between 1987-1991, is married and has a son.

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 auspicies of the Prime Minister.

MANAGEMENT ORGANIZATION

Executive Management

Can GÜLCAN	Power Generation Assistant General Manager
Duygu ERZURUMLU CENGİZ	HR & Business Support Director
Orkun EYİLİK	Commercial Director
Özge ÖZEN AKSOY	Deputy CFO

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. He has been working as the Deputy General Manager responsible for the Production, Investments and Energy Services departments at Akenerji since January 2017. 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.

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.

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.

Özge ÖZEN AKSOY
Deputy CFO

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. Ms. Özge ÖZEN AKSOY, who worked as Akenerji Treasury and Finance Manager until 2016, has been serving as Deputy Assistant General Manager of Finance and Financial Affairs since January 2016.

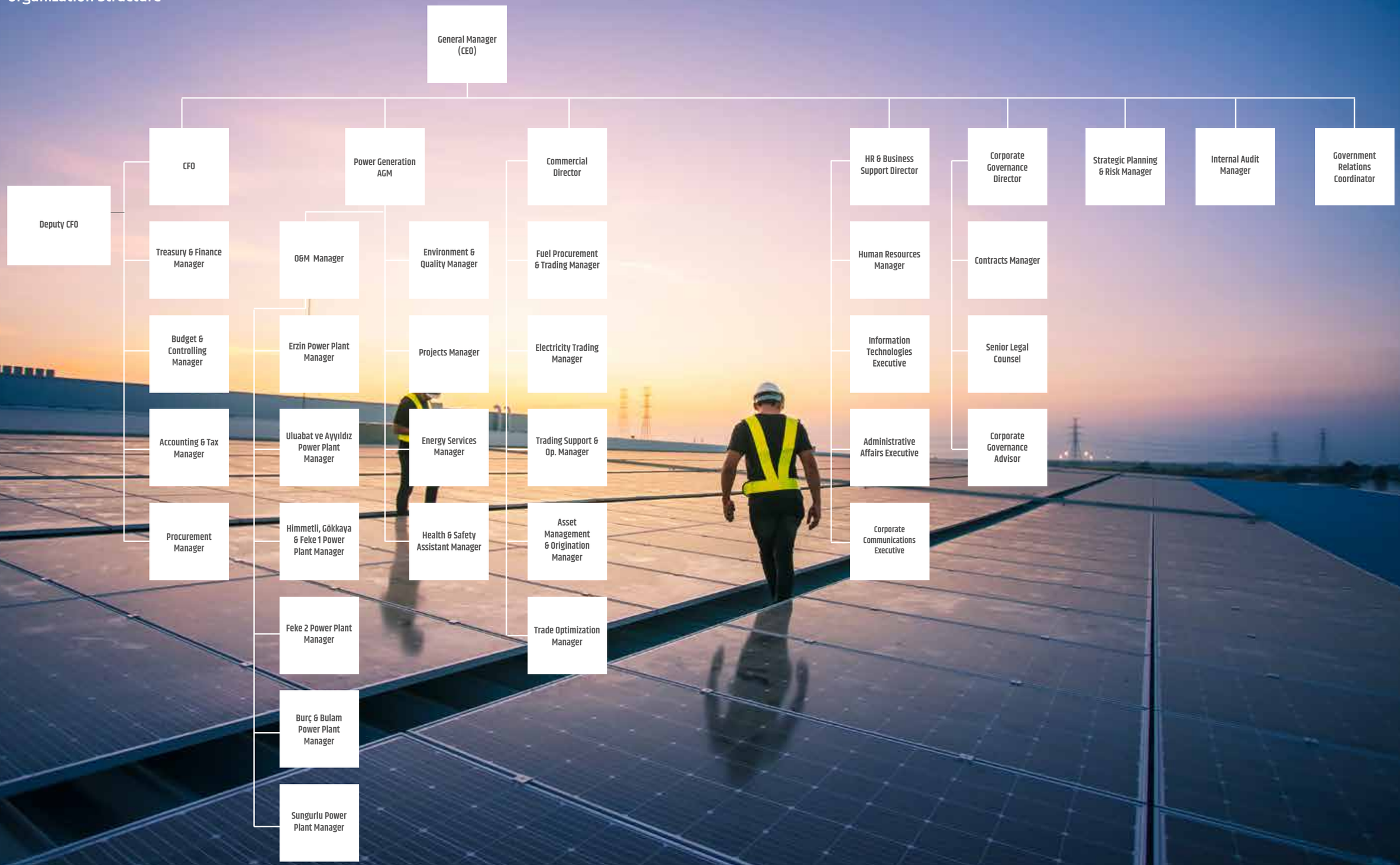
Can GÜLCAN
Power Generation Assistant General Manager

Duygu ERZURUMLU CENGİZ
HR & Business Support Director

Orkun EYİLİK
Commercial Director

Özge ÖZEN AKSOY
Deputy CFO

Organization Structure



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 Turkey 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

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 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 is composed of a total of 8 members, including 2 (two) independent, 2 (two) executive and 4 (four) nonexecutive members. The CVs (Curriculum Vitae) of the members of the Board of Directors are presented in the Company's annual report. As of 31.12.2022 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 Emin ÇİFTÇİ	Board Member (Non-Executive)	12.04.2022	3 Year
Tomas PLESKAC	Vice Chairperson of the Board (Non-Executive)	12.04.2022	3 Year
Ondrej DVORAK	Board Member / CFO (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

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.

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 2022, there was no condition terminating the independency of the Independent Members.

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.

Any possible damages in the Company caused by the 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 the 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.

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 2022, 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 97.5% 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 2022 meetings. In 2022, the total number of decisions taken by the Board of Directors stood at 24.

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.

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 t 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 2022. 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.

In the remuneration of the independent members of the Board of Directors, stock options or payment plans based on the Company's performance are not used. 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 committees benefit from opinions of independent specialists 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 2022. 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 2022, 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 31.12.2022
Committee in Charge of Audit

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

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

- Making arrangements related to independent external audit activities,
- Selection of an independent audit firm,
- Audit and determining the scope of consultancy services to be requested,
- Examination of financial reports before they are submitted to the Board of Directors,
- Follow-up of the findings of the statutory audits,

Monitoring 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 2022 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 2022 accounting period.

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 2021, 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 2 times one of which was as the Nomination Committee- in 2022.

Early Risk Determination 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 2022 and submitted 6 reports to the Board of Directors pertaining to their activities and the results of the meetings held during the year.

INVESTOR RELATIONS

Shareholders

Investor Relation 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 and Deputy General Manager of Finance and Financial Affairs
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e-mail: oozen@akenerji.com.tr

Nilüfer AYDOĞAN

Budget and Control Manager
Phone: 0212 249 82 82/21130
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Ms. Özge ÖZEN AKSOY, Investor Relations Department Manager and Deputy General Manager of Finance and Financial Affairs 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 reporting to Ondrej DVORAK, Deputy General Manager of Finance and Financial Affairs. 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 2022, 143 requests were submitted to the department by individual investors of which 65 were answered via e-mail and 78 by phone. In addition, one-on-one meetings were held with 2 investor companies.

The report concerning the activities carried out in 2022, which was prepared by the Investor Relations Department, pursuant to Article 11 of the Capital Markets Board's (CMB) Corporate Governance Communiqué Serial: II-17.1, was submitted to the Company's Board of Directors on 27.02.2023.

30.01.2023

To the Board of Directors of Akenerji Elektrik Üretim A.Ş. We hereby submit our annual report, which has been prepared as per Article 11 (II-17.1) of the Corporate Governance Communiqué published by the Capital Markets Board.

Respectfully,
Nilüfer AYDOĞAN
Budget and Control Manager
Investor Relations Department Officer

Özge ÖZEN AKSOY
Deputy General Manager of Finance and Financial Affairs
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 2022

In 2022, the Investor Relations Department took an active role in the General Assembly and 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 2022.

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 2022 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.

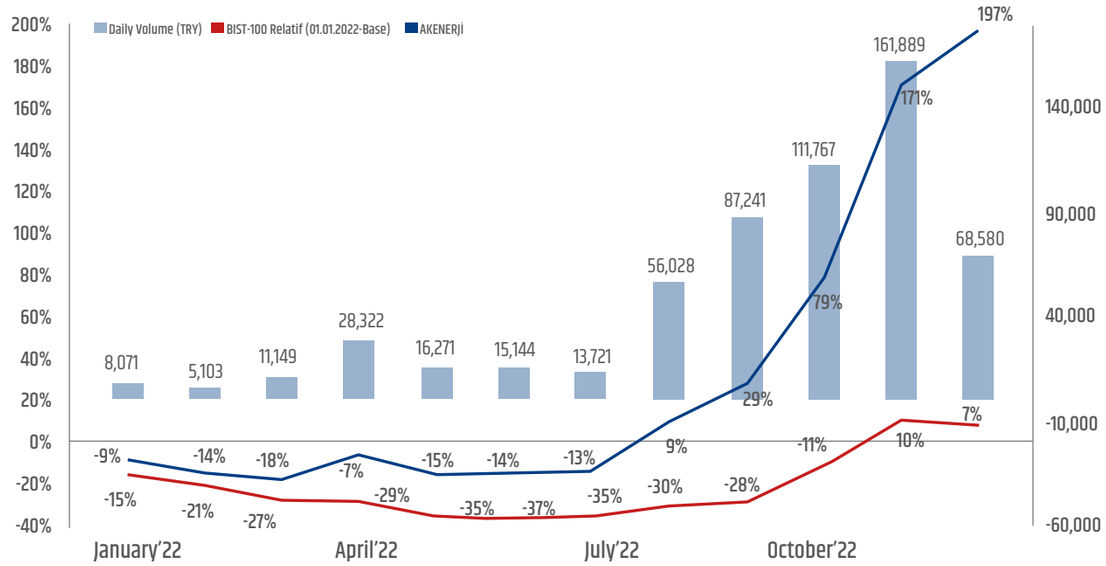
Other activities that the Investor Relations Department conducted within the year are summarized below:

- Twenty seven (27) material disclosures on the Public
- Sponsoring promotional activities of the Czech Republic in Turkey, Sponsorship of Turkey Energy Summit ISTRADE, participation in the forms of a speaker and a sponsorship in various digital organization.
- 5 press releases,
- 10 files of news work
- Three TV appearances as guest or participant in interviews.
- In 2022, a total of 3,665 news was published about Akenerji. Out of these, 502 were in the written press, 3,163 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 All
- BIST Electricity
- BIST Services
- BIST Sustainability Index
- BIST All-100
- BIST Stars
- BIST Istanbul



2022	Daily Volume	Bist-100 Relative (01.01.2022 = Base)	AKENERJİ
January	8,071	-15%	-9%
February	5,103	-21%	-14%
March	11,149	-27%	-18%
April	28,322	-29%	-7%
May	16,271	-35%	-15%
June	15,144	-37%	-14%
July	13,721	-35%	-13%
August	56,028	-30%	9%
September	87,241	-28%	29%
October	11,767	-11%	79%
November	161,889	10%	171%
December	68,580	7%	197%

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	2018	2019	2020	2021	2022
Lowest Price (TRY)	0.54	0.44	0.61	1.21	1.35
Highest Price (TRY)	1.06	1.14	2.78	2.52	7.07
Year-end price (TRY)	0.63	1.09	2.21	1.82	5.33
Paid-in Capital (x1000 TRY)	729,164	729,164	729,164	729,164	729,164
Market Value (x1000 TRY)	459,373	794,789	1,611,452	1,327,078	3,886,444

Investor Relations Department Contact

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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 2022.

General Assembly Meetings

The announcement of our Company's Ordinary General Assembly Meeting for 2021, held on April 12, 2022, 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 2021 Ordinary General Assembly meeting dated April 12, 2022 communicated in writing by the shareholders to the Company's Investor Relations Department to be included in the agenda.

In 2022, 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 12 2022, 54,485,751.123, 4994 (74.723%) 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 2021 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 2022.

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 2021 Ordinary General Assembly meeting, it was resolved:

1. Our consolidated financial statements for 2021 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.

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.

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.

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 2022.

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

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

Legal Compliance at Akenerji

In 2022, there was no legislative change that would significantly change the operations of our Company.

in 2022;

- 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.SPK.0.13.199-1121, 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 132-149. 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-uretima-s and the Corporate Governance Information Form is available at https://www.kap.org.tr/en/cgif/4028e4a14184e9cf01419bffce0b5a69 under the Corporate Governance section.

SIGNIFICANT DEVELOPMENTS DURING THE PERIOD

The Ordinary General Assembly Meeting of the Company for the 2021 accounting period was held on April 12, 2022. Shareholders representing 74.723% 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 2022, in the Ordinary General Assembly Meeting held on April 12, 2022.

Amendment of the Articles of Association

The amendment text of the Article 14 of the Company's Articles of Association entitled, "Duties and Powers of the Board of Directors" was approved by the letter of the Capital Markets Board dated 24.01.2022 and numbered E-29833736-110.03.03-16331, the letter of the Ministry of Commerce dated 11.02.2022 and numbered E-50035491 -431.02-00071829931 and the Energy Market Regulatory Authority's letter dated 31.01.2022 and numbered E-77386926-110.01.01.01-354905, and was registered on 05.05.2022.

The thresholds in Article 14 of the Articles of Association are calculated over 5% of the Company's net assets in the previous text. As the net assets of the company turned negative, this situation caused all specific transactions listed in the article to require the approval of the Board of Directors. Therefore, the Company's Articles of Association has been amended and the Company's total assets have been taken as a basis for the threshold value.

Old Version

ARTICLE 14- DUTIES AND AUTHORITIES OF THE BOARD OF DIRECTORS

The Board of Directors is authorized to take decisions on all types of business and transactions necessary for the realization of the Company's business, except those under the authority of the General Assembly in accordance with the Turkish Commercial Code and this Articles of Association.

The Board of Directors, can delegate some or all its duties, responsibilities and powers, by issuing an internal directive, (i) to the Executive Committee, (ii) to 2 (two) fully divisible Board members on the condition that they act jointly, or (iii), to third parties whose numbers are divisible by 2 (two) on condition that they act jointly, in a way that clearly states the terms and limits. The Board of Directors will always be authorized to use its duties, responsibilities and powers delegated to the Executive Committee, members of the Board of Directors or third parties from time to time at its own discretion.

Regardless of the right of the Board of Directors to delegate some of its duties, responsibilities and authorities, the following actions in any case require a decision of the Board of Directors for this purpose:

a. Buying and selling real estate in amounts exceeding 5% (five percent) of the Company's total net assets in a single or a series of transactions;

b. Establishing all kinds of restrictions on the Company's movables and fixed property and real estates in a single transaction or in a series of transactions exceeding 5% (five percent) of the Company's total net assets;

c. Acquisition, sale or other transfer of shares or rights in other companies;

d. Signing, amending or renewing loan agreements in amounts exceeding 5% (five percent) of the Company's total net assets in a single or a series of transactions;

e. Acquiring new assets or selling the Company's assets in a single transaction or in a series of transactions exceeding 5% (five percent) of the Company's total net assets;

f. Approving or amending the annual business plan and/or budget;

g. Appointment or dismissal of members of the Executive Committee or the conclusion, amendment or termination of their employment contracts;

h. Making donations and aid within the scope of Article 4 of this Articles of Association.

Relevant committees are formed within the body of the Company within the framework of the Capital Markets Legislation, the Turkish Commercial Code and other relevant legislation. It is obligatory to establish a committee for the early detection of risk. The number of committees and the qualifications of committee members are determined in accordance with the mandatory corporate governance regulations of the Capital Markets Board and the provisions of the Turkish Commercial Code.

New Version

ARTICLE 14- DUTIES AND AUTHORITIES OF THE BOARD OF DIRECTORS

The Board of Directors is authorized to take decisions on all types of business and transactions necessary for the realization of the Company's business, except those under the authority of the General Assembly in accordance with the Turkish Commercial Code and this Articles of Association.

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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 2022 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 2022 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 2022.

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 2022.

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. 28, 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 2022

No other issues arose at the Company that may impact the rights of shareholders, creditors or other related individuals and institutions.

RISK MANAGEMENT AND INTERNAL CONTROL MECHANISM

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 ÖZDEMIR 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

In 2022, after the uncertainty created by the Covid-19 environment, supply security concerns came to the fore due to the Russia-Ukraine war, energy prices hiked, the search for alternative sources rose, and renewable energy sources and energy efficiency became more important. In parallel with the global markets, the Turkish economy started to recover after the epidemic, with normalization and a rise in pent up demand. But then it faced the risk of high inflation and the energy crisis that came with the Russia-Ukraine war that emerged at the beginning of 2022.

In this context, Akenerj prioritized the risks related to natural gas supply and prices and took the relevant actions in 2022. In addition to the natural gas market, inflation and exchange rate risks were closely monitored within the scope of macroeconomic developments, and the payments and cash balance were successfully managed with timely actions.

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 effectiveness of the internal audit activities was reviewed by the Audit Committee during the year. 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;

1. VergiNot 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",

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,

3. 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 2022.

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 2022 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 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	Parcially	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	Parcially	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 twenthieth 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 2021 Ordinary General Assembly meeting, it was resolved not to distribute any dividend since there is a loss in our consolidated financial statements of 2021, 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	Parcially	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				The Company's code of ethics announced to the public on the Company's corporate website guarantees the rights of stakeholders regulated by legislation and mutual agreements.
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	Parcially	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	Parcially	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 long-term 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	Parcially	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				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 ČEZ a.s., covering the relevant executives of the Company.
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 the progress to be achieved in the continuity of this target is followed-up by the Board of Directors.
4.3.10 - At least one member of the audit committee has 5 years of experience in audit/ accounting and finance.	X					

CORPORATE GOVERNANCE COMPLIANCE REPORT

4.4. BOARD MEETING PROCEDURES	STATUS OF COMPLIANCE: Yes	Parcially	No	Exempted	Irrelevant	EXPLANATION
4.4.1 - Each board member attended the majority of the board meetings in person.	X					The attendance rate of the meetings was 97.5% 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

4.5. BOARD COMMITTEES	STATUS OF COMPLIANCE: Yes	Parcially	No	Exempted	Irrelevant	EXPLANATION
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 experiance 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 Determination 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 Determination 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 Determination 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 2022.
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	There are no investor conferences and meetings organized by the Company throughout the year. However, in line with the demands of 2 investors, these investors were interviewed by holding one-to-one meetings.
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
3. General Assembly	
Link to the PDP announcement that demonstrates the information requested by Principle 1.3.1. (a-d)	https://www.kap.org.tr/tr/Bildirim/1011050
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 Communique 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 Communique on Corporate Governance (II-17.1)	https://www.kap.org.tr/tr/Bildirim/1030865
The name of the section on the corporate website that demonstrates the donation policy of the company	Corporate/Investor Relations/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 2021, which was held on 12.04.2022. 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.
In case that there are voting privileges, indicate the owner and percentage of the voting majority of shares.	
The percentage of ownership of the largest shareholder	37.36%

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	Corporate/Investor Relations/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 2021 it was decided that, 1. Since there is a loss in our consolidated financial statements for 2021, 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/1019665

GENERAL ASSEMBLY MEETINGS

General Meeting Date	12.04.2022
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	74.723%
Percentage of shares directly present at the GSM	0.0003%
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	Corporate/Investor Relations/General Assembly
The number of the relevant item or paragraph of General Shareholders' Meeting minutes in relation to related party transactions	Corporate/Investor Relations/General Assembly
The number of declarations by insiders received by the board of directors	10
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/1011050

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.	Corporate/Investor Relations and Corporate/Corporate Governance
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	102,103,104,105, 110, 111
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	114, 115
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	113
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	127
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	127
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	127
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%	127
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	74,75,76,77,78,79,80,81,88,89,90,91,94, 95, 96, 97, 98, 99

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 the stakeholders are protected in accordance with the legislation.
The number of definitive convictions the company was subject to in relation to breach of employee rights	There is no final judgment against the Company in 2022.
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	-
Corporate bodies where employees are actually represented	Meetings of Akenerji Occupational Health and Safety Board, Akkök Occupational Health and Safety Committee and Meal and Service Quality Improvement and Menu Selection
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 no final judgment against the Company in 2022.
3.5. Ethical Rules and Social Responsibility	
The name of the section on the corporate website that demonstrates the code of ethics	Corporate/Investor Relations/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	01.03.2022
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 2021 held on 12.04.2022, all members of the Board of Directors were released separately for their activities in 2021.
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 2022, 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	128-129
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	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 ČEZ a.s., covering the relevant executives of the Company. Therefore, there is no PDP announcement on this issue.
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 Emin ÇİFTÇİ	Non-executive	Not independent Member	12/04/2022				
Tomas PLESKAC	Non-executive	Not independent Member	13/05/2009				
Özlem ATAÜNAL	Non-executive	Not independent Member	05/04/2017				
Ondrej DVORAK	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.	He has not lost his independence.	He 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)	A total of 5 Board Meetings were held in 2022, 2 of which were held via video conferencing, and 1 was held by the physical gathering of 7 Board Members at a single location. One of them was realized by gathering 2 Board Members physically at a single location and connecting 6 Board Members via video conference. One of them was realized by gathering 7 Members of the Board of Directors at a single location and connecting 1 member of the Board of Directors via video conference.
Director average attendance rate at board meetings	The average participation rate in 5 Board Meetings held in 2022 was 97.5%.
Whether the board uses an electronic portal to support its work or not	Since 3 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 2022 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/Corporate Governance/Company 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.	114-115
Link(s) to the PDP announcement(s) with the board committee charters	https://www.kap.org.tr/tr/Bildirim/220024 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 Determination Committee	Demet ÖZDEMİR	Chairperson of the committee	Board Member
Early Risk Determination 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)	115
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)	115
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)	115
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)	115
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)	115
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)	113
Specify the section of website where remuneration policy for executive and non-executive directors are presented.	Corporate/Investor Relations/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)	113

CORPORATE GOVERNANCE INFORMATION FORM

COMMITTEES OF THE BOARD OF DIRECTORS-II

Names of the Board Committees	The Percentage of Non-executive Directors	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
Committee in Charge of Audit	100%	100%	4	7
Early Risk Determination Committee	100%	100%	4	6
Corporate Governance Committee	50%	50%	It convened twice, one of which was as the Nomination Committee.	2

CMB SUSTAINABILITY REPORT

		STATUS OF COMPLIANCE				EXPLANATION AND RELATED LINKS
		Yes	No	Parcially	Irrelevant	(The headings in the explanation section are the headings in our Integrated Activity Report.)
	A. General Principles					
	A1. Strategy, Policy and Goals					
A1.1	Priority environmental, social and corporate governance (ESG) issues, risks and opportunities have been determined by the partnership's board of directors.	X				Risk Management and Internal Control
	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 2025/2030 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				Sustainability Management All material issues throughout the report
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 System Efficiency Energy Management
	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 Your 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

CMB SUSTAINABILITY REPORT

		STATUS OF COMPLIANCE				EXPLANATION AND RELATED LINKS
		Yes	No	Parcially	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				Environment Our Environmental Management Approach **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		Environment Our Environmental Management Approach
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 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
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 2025/2030
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			

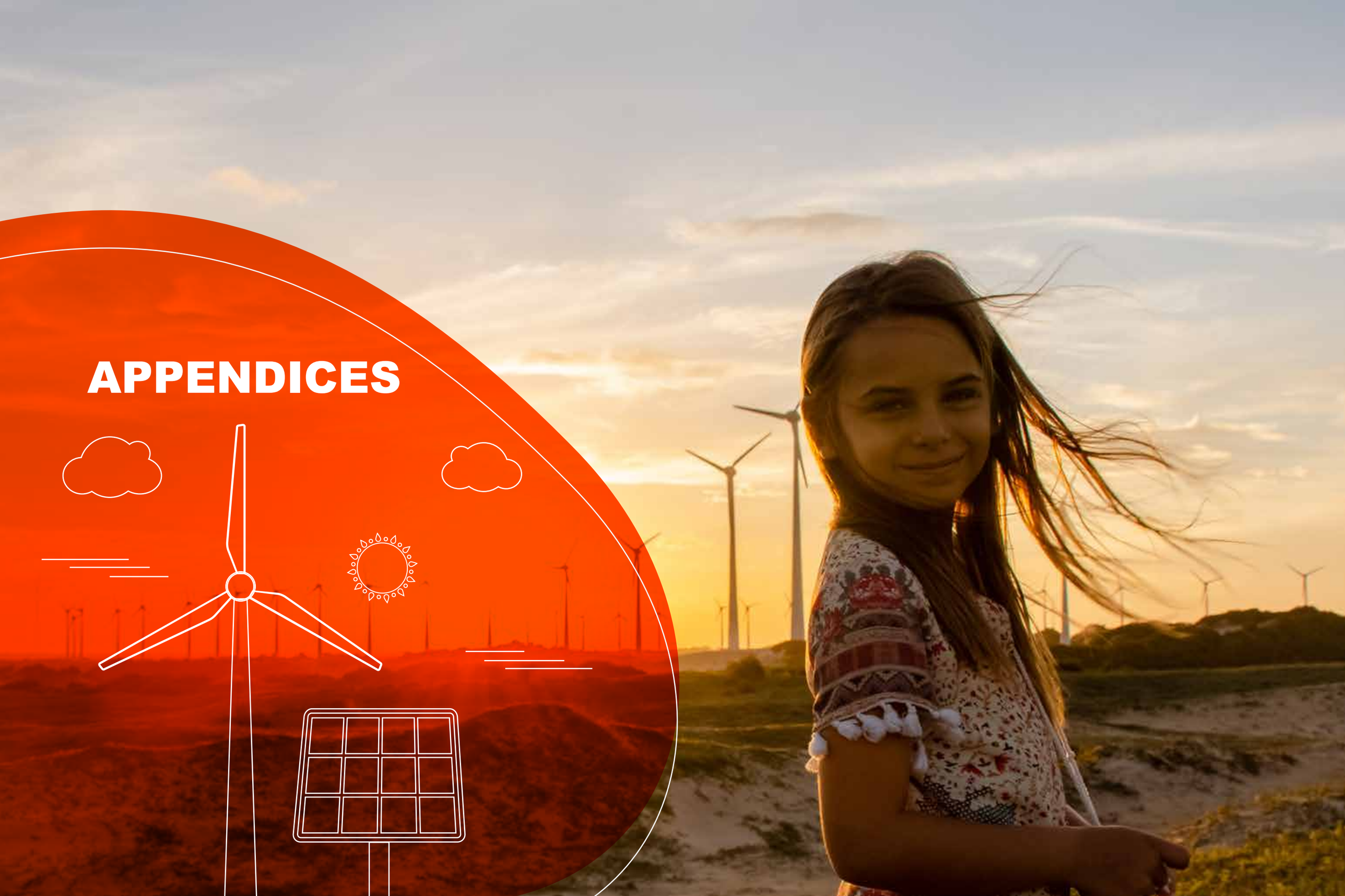
CMB SUSTAINABILITY REPORT

	STATUS OF COMPLIANCE				EXPLANATION AND RELATED LINKS
	Yes	No	Parcially	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				Our Environmental Performance Indicators
B17 Public disclosure was made about the electricity, heat, steam and cooling produced in the reporting year.	X				Our 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 Akenerji in Brief
B19 Renewable energy production and usage data is publicly disclosed.	X				Akenerji in Brief Our 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 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 Our 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 Turkey 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 non-discrimination 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
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	No	Parcially	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 and Privacy **Information Security Policy** **Personal Data Processing Policy**
C1.8 Ethics policy has been established and disclosed to the public.	X				**Akenerji Ethical Principles**
C1.9					
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				Our Targets and Actions for 2025/2030 (Sustainability Academy UN Global Compact)
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				Corporate Governance Principles Compliance Report
D2 Social responsibility projects, awareness activities and training have been carried out to raise awareness about the issue of sustainability and its importance.	X				Training and Development Social Responsibility

APPENDICES



SOCIAL PERFORMANCE INDICATORS

Our Employees

By Gender	2020	2021	2022	2022 Rate
Women	44	47	51	18%
Men	196	218	238	82%
Total	**240**	**265**	**289**	**100%**

By Employment Type and Gender	2020	2021	2022	2022 Rate
White Collar - Women	43	46	50	40%
White Collar - Men	68	67	74	60%
White Collar - Total	**111**	**113**	**124**	**100%**
Blue Collar - Women	1	1	1	1%
Blue Collar - Men	128	151	164	99%
Blue Collar - Total	**129**	**152**	**165**	**100%**
Grand Total	**240**	**265**	**289**	**100%**

By Contract Type and Gender	2020	2021	2022	2022 Rate
Permanent - Women	44	47	50	17%
Permanent - Men	196	218	238	83%
Permanent - Total	**240**	**265**	**288**	**100%**
Temporary - Women	0	0	1	100%
Temporary - Men	0	0	0	0%
Temporary - Total	**0**	**0**	**1**	**100%**
Grand total	**240**	**265**	**289**	**100%**

By Location and Gender	2020	2021	2022	2022 Rate
Head Office - Women	42	45	48	55%
Head Office - Men	43	41	40	45%
Head Office - Total	**85**	**86**	**88**	**100%**
Facilities - Women	2	2	3	1.49%
Facilities - Men	153	177	198	98.51%
Facilities- Total	**155**	**179**	**201**	**100%**
Grand Total	**240**	**265**	**289**	

By Age Group and Gender	2020	2021	2022	2022 Rate
30 Years and Under - Women	8	8	13	21%
30 Years and Under - Men	28	35	48	79%
30 Years and Under - Total	**36**	**43**	**61**	**100%**
Between 30-50 Years - Women	36	39	38	18%
Between 30-50 Years - Men	153	166	168	82%
Between 30-50 Years - Total	**189**	**205**	**206**	**100%**
Over 50 - Women	0	0	0	0%
Over 50 - Men	15	17	22	100%
Over 50 - Total	**15**	**17**	**22**	**100%**
Grand Total	**240**	**265**	**289**	

By Management Level and Gender	2020	2021	2022	2022 Rate
Senior Management - Women	2	2	2	33%
Senior Management - Men	5	4	4	67%
Senior Management - Total	**7**	**6**	**6**	**100%**
Middle Level Management - Women	8	9	9	36%
Middle Level Management - Men	9	14	16	64%
Middle Level Management - Total	**17**	**23**	**25**	**100%**
First Level Management - Women	10	10	10	48%
First Level Management - Men	16	12	11	52%
First Level Management - Total	**26**	**22**	**21**	**100%**
Non-Management - Women	24	26	30	13%
Non-Management - Men	166	188	207	87%
Non-Management - Total	**190**	**214**	**237**	**100%**
Grand Total	**240**	**265**	**289**	

Other Groups	2020	2021	2022	2022 Rate
Expat - Women	0	0	0	-
Expat - Men	1	1	1	-
Disabled - Women	2	2	2	-
Disabled - Men	0	0	0	-

Management Structure

Senior Management (6 individuals)	2020	2021	2022	2022 Rate
Women	2	2	2	33%
30 Years and Under	0	0	0	0%
Between 30-50 Years	7	6	6	100%
Over 50	0	0	0	0%
Foreigner	1	1	1	17%
Disabled	0	0	0	0%

Board of Directors (8 individuals)	2020	2021	2022	2022 Rate
Women	1	1	2	25%
30 Years and Under	0	0	0	0%
Between 30-50 Years	3	3	4	50%
Over 50	5	5	4	50%
Foreigner	4	4	4	50%
Disabled	0	0	0	0%

Subcontractor Employees	2020	2021	2022	2022 Rate
Women	9	9	9	6%
Men	143	144	142	94%
Subcontractor Total	**152**	**153**	**151**	**100%**

Local Employment	2020	2021	2022	2022 Rate
Senior Managers - Local*	6	5	5	83%
Senior Managers - Other	1	1	1	17%
Total Number of Senior Managers (Excluding the Board of Directors)	**7**	**6**	**6**	**100%**

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

Breakdown of staff by gender	Women	Men
Head Office	55%	45%
Managers	40%	60%
White Collar	40%	60%
Blue Collar	1%	99%
General Average	**18%**	**82%**

Disabled Employees	2020	2021	2022
Number of Disabled Employees	2	2	2
Number of Disabled Employees Legally Required to be Employed	2	2	2

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

Hired Employees By Employment Type	2020	2021	2022
White Collar	18	16	30
Blue Collar	8	47	33
Hired Total	**26**	**63**	**63**

By Gender	2020	2021	2022
Women	7	5	10
Men	17	58	53
Hired Total	**24**	**63**	**63**

Employees Leaving	2020	2021	2022
Women	3	2	7
Men	17	36	34
Total	**20**	**38**	**41**

Maternity Leave	2020		2021		2022	
	Women	Men	Women	Men	Women	Men
Number of employees using maternity leave	1	11	2	15	2	14
Number of employees returning to work after maternity leave ends	1	11	2	15	2	14
Number of employees who worked for 12 more months after returning from maternity leave	1	11	2	15	1	13
Ratio of employees who returned to work after taking maternity leave to total maternity leave users	100%	100%	100%	100%	100%	100%

Employee Turnover Rate*	2020	2021	2022
Headquarters - Total	15.2	9.4	20.7
Headquarters - Volunteer	14.0	4.7	17.2
Facilities- Total	4.6	17.9	12.1
Facilities - Volunteer	2.6	15.5	7.9
Consolidated - Total	8.4	15.1	14.8
Consolidated - Volunteer	6.7	12.0	10.8

* Calculation formula: Number of employees left / average number of employees (1 January + 31 December) / 2)

Average Length of Service (Years)	2020	2021	2022
All Employees	6.7	6.5	6.3

Average Length of Service by Employment Type (Years Employment Type (Years)	2020	2021	2022
White Collar	6.7	6.9	6.6
Blue Collar	6.7	6.2	6.1

Average Length of Service by Gender (Years)	2020	2021	2022
Women	7	7.4	6.8
Men	6.7	6.3	6.2

Average Length of Service by Location (Years)	2020	2021	2022
Headquarters	7	7.3	7.1
Facilities	6.5	6.1	6.2

Occupational Health and Safety Expenditure (TL)	2020	2021	2022
OHS Budget	500,000	950,000	2,000,000

Number of Near Misses	2020	2021	2022
Uluabat HEPP	0	5	3
Ayyıldız WPP	2	0	3
Burç HEPP	3	1	2
Bulam HEPP	0	2	0
Feke I HEPP	5	1	1
Feke II HEPP	13	4	1
Himmetli HEPP	2	2	2
Gökkaya HEPP	7	6	2
Erzin NGCCPP	7	12	3
Total	**39**	**33**	**17**

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	2020	2021	2022
Number of Accidents	7	8	7
Number of Deaths Due to Accident	0	0	0
Work-Related Fatal Accident Rate	0	0	0
Accident Frequency Rate (High severity but excluding fatalities)	0	8.2	18.56
Accident Frequency Rate (Registered)	0	8.2	18.56
Accident Severity Rates	0	0.247	0.64
Number of Vehicle Accidents	3	1	1
Vehicle Accident Rate	6.65	2.08	1.93

Diseases	2020	2021	2022
Number of Deaths Caused by Occupational Disease	0	0	0
Number of Registered Cases of Occupational Disease	0	0	0

Lost Days	2020	2021	2022
Number of Lost Days of Employees	0	173	30

Occupational Health and Safety (Subcontractor Employees)

Accidents	2020	2021	2022
Number of Accidents	3	3	3
Number of Deaths Due to Accident	0	0	0
Work-Related Fatal Accident Rate	0	0	0
Accident Frequency Rate (High severity but excluding fatalities)	4.07	5.39	7.43
Accident Frequency Rate (Registered)	4.07	5.39	7.43
Number of Vehicle Accidents	0	0	0
Vehicle Accident Rate	0	0	0

Diseases	2020	2021	2022
Number of Deaths Caused by Occupational Disease	0	0	0
Number of Registered Cases of Occupational Disease	0	0	0

Lost Days	2020	2021	2022
Number of Lost Days of Employees	60	18	0

Death Rate Due to Work Accident:

(Number of deaths 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	2020	2021	2022
Training Given to Employees on OHS Issues (man-hour)	5,508	3,048	2,702
Number of Employees Receiving Training on OHS Issues	166	271	298
Basic OHS Training Given to Subcontractors (man-hour)	1,448	569	394
Number of Subcontractors Receiving Basic OHS Training	131	70	28

ENVIRONMENTAL PERFORMANCE INDICATORS

Emissions Management Data

Years	Amount of Emissions Per Unit Electricity Production (ton CO_2e/MWh)
2020	0.362
2021	0.358
2022	0.295

Greenhouse gas emissions originating from Erzin NGCCPP, which is the only natural gas power plant operating in 2022 and constitutes almost all of Scope 1 emissions.

EMISSIONS (Scope 1) (tCO_2e)	2020	2021	2022	Rate of change from 21 to 22
Hydroelectric Power Plants	91.11	54.26	49.47	-8.83%
Ayyıldız WPP	12.27	8.99	4.79	-46.72%
Erzin NGCCPP	*1,383,893.89	*1,560,233.16	**1,143,593.60	-26.70%
Total	**1,383,997.27**	**1,560,296.42**	**1,143,647.86**	**-26.70%**

Scope 1: details are as follows.
*The 2020 and 2021 greenhouse gas emissions of Erzin NGCCPP are data verified within the scope of ISO 14064-1 standard.
** Erzin NGCCPP greenhouse gas emissions for the 2022 operating year have been verified on 12.01.2023 within the scope of the Regulation on the Monitoring of Greenhouse Gas Emissions and will also be verified until June 2023 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_2e)	2020	2021	2022	Rate of change from 21 to 22
Hydroelectric Power Plants	689.91	771.15	682.71	-11%
Ayyıldız WPP	115.14	101.54	98.06	-3%
Erzin NGCCPP	7,706.47	4,541.32	8,600.88	89%
Total	**8,511.52**	**5,414.01**	**9,381.65**	**73%**

Scope 2: Includes purchased electricity.

EMISSIONS (Scope 3) (tCO_2e)	2020	2021	2022	Rate of change from 21 to 22
Erzin NGCCPP	*319	**1,781,813.09	**1,295,350.33	-27.30

Scope 3: details are as follows.
*In 2020, only the greenhouse gas emissions originating from the natural gas used in the combi boilers and burners in the gas heating unit in the RMS station during the natural gas supply of Erzin NGCCPP are included in Scope 3.
**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) *	2020	2021	2022
Hazardous Wastes	40.9	83.8	101.0
Non-Hazardous Wastes	37.4	10.2	36.0
Total	**78.3**	**94.0**	**137.0**

*Data of 9 power plants in operation.

Waste disposal and Recovery *	2020	2021	2022
Recovery (ton/year)	78.3	94.0	132.9
Disposal (ton/year)	0.02	0.05	**4.1
Waste Recovery Rate (%)	99.97	99.95	97

*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*	2020	2021	2022
Wastepaper, plastic, glass and metal packaging (tons)	4.4	4.7	3.6

*Data of 9 power plants in operation.

Material Consumption	2020	2021	2022
Paper Consumption (kg)*	688	538	650
Scrap metal (tons)	33	0	28.3

*Paper consumption data represents the amount of paper rolls used (ordered) in power plants.

Environmental Spills

Power Plant	2020	2021	2022	Approximate Spill Volume in 2022 (lt)
Ayyıldız	0	1	0	0
Bulam	1	0	1	0.01
Burç Bendi	1	0	0	0
Erzin	0	0	0	0
Feke I	0	1	1	0.75
Feke II	1	0	0	0
Gökkaya	1	0	1	0.5
Himmetli	1	0	2	1.5
Ulubat	2	0	0	0

Throughout the year, 5 spills, approximately 3 liters in total, occurred at all our power plants. No large environmental spills occurred in terms of volume. All spills were on a very small scale, were cleaned up immediately and had no lasting negative effects on the environment.

Water Management Data

Water Withdrawal (m³)	Source	2020	2021	2022
Erzin NGCCPP	Sea water	14,035,139.00	15,727,930.00	12,803,672.00
Ayyıldız WPP	Well water	107.10	104.00	91.10
Hydroelectric Power Plants				
Uluabat HEPP	Well water	3,303.00	2,394.00	2,837.50
Feke I HEPP	Ankara Water Authority	812.00	562.00	615.00
Feke II HEPP	Well water	511.00	300.50	264.00
Himmetli HEPP	Ankara Water Authority	4,943.00	2,843.00	4,214.50
Gökkaya HEPP	Ankara Water Authority	985.00	848.00	1,008.00
Burç HEPP	Well water	345.00	204.90	168.40
Bulam HEPP	Spring water	100.80	85.30	89.40
HEPP Total		**10,999.80**	**7,237.70**	**9,196.80**
Total		**14,046,245.90**	**15,735,271.70**	**12,812,959.90**

Water Discharge (m³)	Discharge Place	2020	2021	2022
Erzin NGCCPP	Mediterrenian	11,824,781	13,008,703	**10,777,703**
Ayyıldız WPP	Septic tank	46	46	**44.0**
Hydroelectric Power Plants				
Uluabat HEPP	Septic tank	143	90	127.5
Feke I HEPP	Septic tank	440	226	195.0
Feke II HEPP	Septic tank	114	99.5	65.0
Himmetli HEPP	Septic tank	543	273	373.5
Gökkaya HEPP	Septic tank	126	84	117.0
Burç HEPP	Septic tank	40	10.9	8.4
Bulam HEPP	Septic tank	6.5	5.5	6.0
HEPP Total		**1,412.50**	**788.90**	**892.40**
Total		**11,826,240**	**13,009,538**	**10,778,639**

Water Consumption (m³)	Source	2020	2021	2022
Erzin NGCCPP	Sea water	2,210,358.00	2,719,227.00	2,025,969.00
Ayyıldız WPP	Well water	61.1	58	47.1
Hydroelectric Power Plants				
Uluabat HEPP	Well water	3,160.00	2,304.00	2,710.00
Feke I HEPP	Ankara Water Authority	372	336	420.0
Feke II HEPP	Well water	397	201	199.0
Himmetli HEPP	Ankara Water Authority	*4,400.00	2,570.00	3,841.00
Gökkaya HEPP	Ankara Water Authority	859	764	891.0
Burç HEPP	Well water	305	194	160.0
Bulam HEPP	Spring water	94.3	79.8	83.4
HEPP Total		**9,587.30**	**6,448.80**	**8,304.40**
Total		**2,220,006.40**	**2,725,733.80**	**2,034,320.50**

*Due to the meter failure, the amount of water from August 2020 until the end of the year is estimated on a monthly basis.

Total (m³)	2020	2021	2022
Fresh Water Extraction	11,106.9	7,341.7	9,287.9
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)	2020	2021	2022
Non-renewable Source			
Natural gas	594,376.04	664,619.86	599,364.94
Diesel (generator)	621.12	300.02	285.54
Diesel (vehicle)	2,086.26	1,951.44	2,251.00
Gasoline (vehicle)	345.91	1,160.33	1,550.80
Fuel Total	**597,429.34**	**668,031.65**	**603,452.28**
Electric	71,634.05	48,644.99	71,513.63
Renewably Sourced			
Electric	**4,139.63**	**3,724.07**	**3,606.02**
Total Energy Consumption	**673,203.02**	**720,400.71**	**678,571.94**

*Data of 9 power plants in operation.

Energy Data

Energy Data	Unit	2022
Energy Use Total	GJ	678,571.9
Energy Purchased Direct	GJ	674,965.9
Energy Produced Direct	GJ	14,056,547
Electricity Purchased	GJ	71,514
Electricity Produced	GJ	14,056,547
Renewable Energy Purchased	GJ	0
Renewable Energy Produced	GJ	2,704,844
Total Renewable Energy	GJ	2,704,844

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 HEPP	Himmetli HEPP	Bulam HEPP
2021	TL	none	none	none	none	none	none	none	none	none
2022	TL	none	none	none	none	none	none	none	none	none

Emission Measurements within the Scope of the Industrial Air Pollution Control Regulation

Parameter (mg/Nm^3) (Erzin NGCCPP)

2022	CO		NO_2		SO_2		Dust		FL		CL	
Emission Source (ERZİN)	Avg	Limit Value	Avg	Limit Value	Avg	Limit Value	Avg	Limit Value	Avg	Limit Value	Avg	Limit Value
Waste Heat Boiler-1	0	100	35.504	50	0	11.7	0.33	-	0.001	15	0.18	100
Waste Heat Boiler-2	0	100	33.141	50	0	11.7	0.7	-	0.0011	15	0.24	100
Auxiliary Boiler	0	100	132.13	800	0	100	0.26	10	0.26	10	0.26	10

2020	CO		NO_2		SO_2		Dust		FL		CL	
Emission Source (ERZİN)	Avg	Limit Value	Avg	Limit Value	Avg	Limit Value	Avg	Limit Value	Avg	Limit Value	Avg	Limit Value
Waste Heat Boiler-1	0	100	34.6	75	0	11.7	0.13	-	0.068	15	0.024	100
Waste Heat Boiler-2	0	100	22.469	75	0	11.7	0.14	-	0.069	15	0.045	100
Auxiliary Boiler	0	100	134.6	800	0.9	100	0.2	10	-	-	-	-

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.

E-Waste (All Facilities)

	Year	Unit	Erzin NGCCPP	Ayyıldız (WPP)	Uluabat HEPP	Feke II HEPP	Gökkaya HEPP	FEKE I HEPP	Burç Bendi HEPP	Himmetli HEPP	Bulam HEPP
Separation of	2021	Yes/No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
electronic waste	2022	Yes/No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Recycling of	2021	Yes/No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
electronic waste	2022	Yes/No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Amount of	2021	kg	0	40	0	60	20	20	200	40	200
Electronic waste	2022	kg	300	10	0	400	70	45	200	5	300

Wastewater Pollutants

Wastewater Received in 2 HOURS According to the Regulation on the SKKY table 21.1 On 15.09.2022 From DOMESTIC WASTEWATER TREATMENT

Parameter	Unit	SKKY Table 21.1 (2 Hour Limit Value)	SKKY Table 21.1 (24 Hour Limit Value)	Analysis Result
Biological Oxygen Demand	mg/l	50	-	24.95
Chemical Oxygen Demand	mg/l	180	-	63.3
Suspended Solid Matter	mg/l	70	-	12.22
pH	-	6--9	-	8.7

Wastewater Received in 2 HOURS According to the Regulation on the SKKY table 9.3 On 15.09.2022 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	-	7.47
Heat	^{0}C	-	-	30.3
Oil and Grease	mg/l	20	-	<10
Total phosphorus	mg/l	8	-	<0.1
Total Cyanide	mg/l	-	-	<0.02
Suspended Solid Matter	mg/l	150	-	25.02
Chemical Oxygen Demand	mg/l	60	-	48

Wastewater Received in 2 HOURS According to the Regulation on the SKKY table 9.3 On 15.09.2022 from NEUTRALIZATION OUTPUT on 15.09.2022.

Parameter	Unit	SKKY Table 21.1 (2 Hour Limit Value)	SKKY Table 21.1 (24 Hour Limit Value)	Analysis Result
pH	-	6--9	-	7.52
Heat	^{0}C	-	-	33.3
Oil and Grease	mg/l	20	-	<10
Total phosphorus	mg/l	8	-	<0.1
Total Cyanide	mg/l	-	-	<0.02
Suspended Solid Matter	mg/l	150	-	<2
Chemical Oxygen Demand	mg/l	60	-	50.26

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

Institution to which we are a member	Akenerji's Mission
DEK -TMK - World Energy Council Turkish National Committee	Member
DEİK - Foreign Economic Relations Board	Czech Business Council Representative
ERTA - Integrated Reporting Türkiye Network	Member
EÜD - Electricity Producers Association	Member of the Audit Board
ETD - Energy Traders Association	Representative
HESİAD - Hydroelectric Power Plants Industry and Business Association	Board Member
İMMİB - Istanbul Minerals and Metals Exporters' Association	Member
PERYÖN - People Management Association of Türkiye	Member
PETFORM - Petroleum Platform Association	Member of the Audit Board
PWN- Professional Women's Network	Event Committee Chairmanship
RESSİAD - Wind Power and Hydropower Plants Businessmen's Association	Member
Sustainability Academy	Member
TESAB - Association of Turkish Electricity Industry	Board Member
TOBB - Union of Chambers and Commodity Exchanges of Türkiye	Energy Council Member
TÜREB - Turkish Wind Energy Association	Member
TÜSİAD - Turkish Industrialists and Businessmen Association	Working Groups Memberships
TÜYİD - Investor Relations Association	Member
UN Global Compact Türkiye	Member
YASED - International Investors Association	Working Groups Memberships

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 2022 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") 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 International Independence Standards) (the "Ethical Rules") and the ethical requirements regarding independent audit in regulations issued by POA 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 6 March 2023 on the full set consolidated financial statements for the 1 January - 31 December 2022 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.

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.

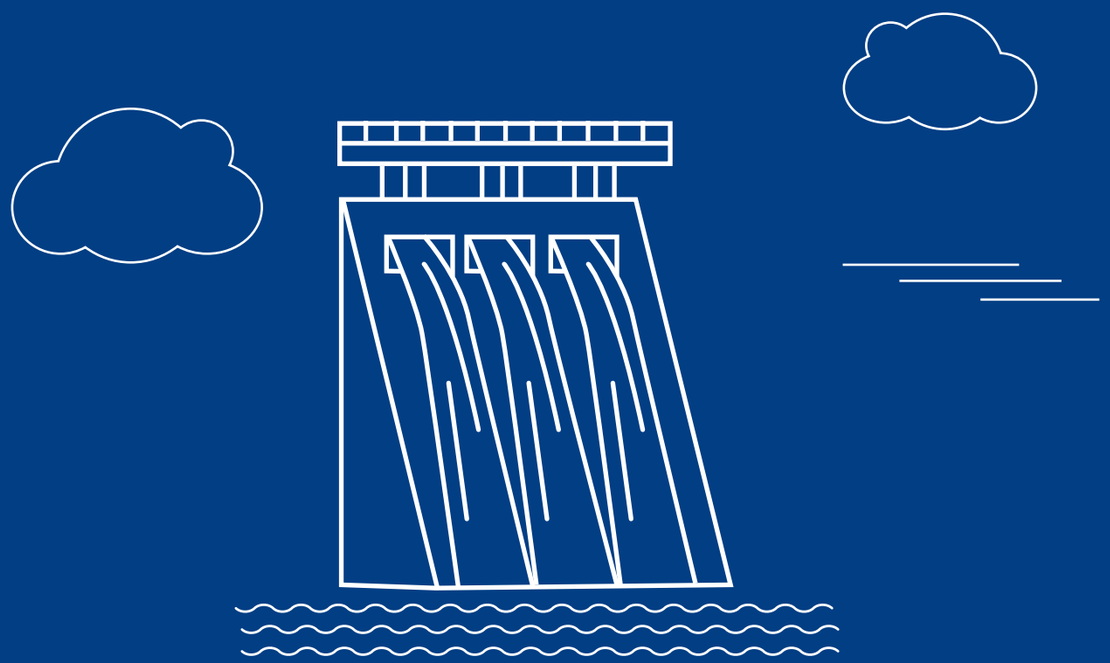
Our audit was conducted in accordance with the TSAs. These standards require that ethical requirements are complied with and that the independent audit is planned and performed in a way to obtain reasonable assurance of whether or not the financial information and the analysis made by the Board of Directors 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.

PwC Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.

Çağlar Sürücü, SMMM
Partner

Istanbul, 10 March 2023

AKENERJİ ELEKTRİK ÜRETİM A.Ş.



(CONVENIENCE TRANSLATION OF A REPORT AND FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)

CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2021 AND INDEPENDENT AUDITOR'S REPORT

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 2022, 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 2022, 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 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") and the ethical requirements regarding independent audit in regulations issued by POA 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. 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.

PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.
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T: +90 212 326 6060, F: +90 212 326 6050, www.pwc.com.tr *Mersis Numaramız: 0-1460-0224-0500015*

Key Audit Matters	How the key audit matter was addressed in the audit
Accounting for the revaluation of property, plant and equipment	
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 a revaluation surplus of TL7,166,029,240 in the consolidated financial statements with respect to revaluation studies performed in 2022. We focused on this matter in our audit due to the following reasons: - Revaluation surplus recognized is material to the Group's consolidated financial statements as at 31 December 2022, - 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.	We performed the following audit procedures in the accounting for the revaluation of property, plant and equipment: - 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's were evaluated.

4. 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.

5. 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 scepticism 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 2022 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 6 March 2023.

Additional explanation for convenience translation into English

Turkish Financial Reporting Standards differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board with respect to the application of IAS 29 - Financial Reporting in Hyperinflationary Economies by 31 December 2022. Accordingly, the accompanying consolidated financial statements are not intended to present fairly the consolidated financial position and results of operations of the Group in accordance with IFRS.

PwC Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.

Çağlar Sürücü, SMMM
Partner

Istanbul, 6 March 2023

AKENERJİ ELEKTRİK ÜRETİM A.Ş.

Consolidated Statement of Financial Position as of 31 December 2022

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Notes	Current period Audited 31 December 2022	Prior period Audited 31 December 2021
ASSETS			
Current assets			
Cash and cash equivalents	4	1.248.911.631	681.299.003
Financial investment	5	80.821.510	-
Derivative instruments	18	-	328.522.158
Trade receivables			
- Due from related parties	7,29	568.320.563	250.390.047
- Due from third parties	7	1.647.782.560	201.359.055
Other receivables			
- Due from third parties	8	6.388.819	1.241.120
Inventories	12	36.401.172	11.117.823
Prepaid expenses	11	125.214.113	36.989.194
Current income tax assets	21	2.008.870	1.093.049
Other current assets	13	38.692.237	16.234.262
Total current assets		**3.754.541.475**	**1.528.245.711**
Non - current assets			
Other receivables			
- Due from related parties	8,29	-	3.017.340
- Due from third parties	8	31.277.493	4.675.002
Financial investments	5	100.000	100.000
Inventories	12	26.130.255	19.156.626
Property, plant and equipment	14	18.304.784.854	11.383.275.666
Right of use assets	16	41.316.820	32.107.117
Intangible assets	15	149.586.152	104.650.668
Prepaid expenses	11	142.837.928	923.515
Deferred tax assets	21	5.814.865	169.548
Other non-current assets	13	122.313.398	35.514.581
Total non - current assets		**18.824.161.765**	**11.583.590.063**
TOTAL ASSETS		**22.578.703.240**	**13.111.835.774**

The accompanying notes form an integral part of these consolidated financial statements.

AKENERJİ ELEKTRİK ÜRETİM A.Ş.

Consolidated Statement of Financial Position for the Year ended 31 December 2022

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Notes	Current period Audited 31 December 2022	Prior period Audited 31 December 2021
LIABILITIES			
Current liabilities			
Short - term portion of long - term borrowings			
- Bank loans	6	673.037.183	492.950.522
- Lease payables	6	28.848.894	20.545.662
Trade payables			
- Due to related parties	9, 29	221.018.207	77.243.319
- Due to third parties	9	2.110.965.786	509.926.486
Employee benefit obligations	19	5.073.874	1.625.824
Other payables			
- Other payables to third parties	10	208.276.779	97.674.351
Derivative instruments	18	20.733.192	329.940.405
Current income tax liabilities	21	1.609.716	2.157.194
Deferred income		21.671.026	152.651
Short term provisions			
- Provisions for employee benefits	19	20.010.000	9.212.905
- Other short - term provisions	17	71.547.325	52.639.592
Total current liabilities		**3.382.791.982**	**1.594.068.911**
Non - current liabilities			
Long - term borrowings			
- Bank loans	6	10.827.793.031	8.592.425.615
- Lease payables	6	160.241.385	138.560.518
Other payables			
- Due to third parties	10	430.338.432	230.329.959
Derivative instruments	18	1.634.321	20.251.696
Long term provisions			
- Provisions for employee benefits	19	34.611.874	12.210.016
Deferred tax liabilities	21	2.014.005.753	945.784.955
Total non - current liabilities		**13.468.624.796**	**9.939.562.759**
EQUITY			
Share capital	20	729.164.000	729.164.000
Adjustments to share capital	20	101.988.910	101.988.910
Share premiums		50.220.043	50.220.043
Other comprehensive income/(expense) not to be reclassified to profit/loss			
Gains/(losses) on revaluation and remeasurement			
- Gains on revaluation of property, plant and equipment	14	12.903.686.572	7.497.657.048
- Losses on re-measurement of defined benefit plans		(19.450.305)	(3.786.335)
Other comprehensive income/(expense) to be reclassified to profit/loss			
Losses on hedges			
- Losses on cash flow hedging		(1.949.699)	(4.433.563)
Restricted reserves			
- Legal reserves	20	12.053.172	12.053.172
- Other reserves		(4.322.722)	(4.322.722)
Accumulated losses		(6.473.542.581)	(4.270.074.525)
Net loss for the period		(1.570.560.928)	(2.530.261.924)
Total equity		**5.727.286.462**	**1.578.204.104**
TOTAL LIABILITIES AND EQUITY		**22.578.703.240**	**13.111.835.774**

The accompanying notes form an integral part of these consolidated financial statements.

AKENERJİ ELEKTRİK ÜRETİM A.Ş.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2022

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

		Current period	Prior period
		Audited	Audited
	Notes	1 January - 31 December 2022	1 January - 31 December 2021
Revenue	22	17.046.511.134	3.917.844.338
Cost of sales (-)	22	(15.512.768.385)	(3.317.028.107)
Gross profit		**1.533.742.749**	**600.816.231**
General administrative expenses (-)	23	(141.354.741)	(101.199.929)
Other operating income	25	671.155.307	476.965.928
Other operating expenses (-)	25	(555.441.269)	(446.651.059)
Operating profit		**1.508.102.046**	**529.931.171**
Income from investing activities	26	12.662.776	25.704
Expenses from investing activities (-)	26	(85.051)	(52.016)
Operating profit before financial income/(expense)		**1.520.679.771**	**529.904.859**
Financial income	27	389.572.623	366.687.639
Financial expenses (-)	27	(3.844.750.203)	(3.774.929.098)
Loss before tax		**(1.934.497.809)**	**(2.878.336.600)**
Tax income/(expense)			
- Current income tax expense (-)	21	(3.398.460)	(2.352.631)
- Deferred tax income	21	367.335.341	350.427.307
Net loss for the period		**(1.570.560.928)**	**(2.530.261.924)**
Net loss attributable to:			
Equity holders of the parent		(1.570.560.928)	(2.530.261.924)
Earnings losses per share (1.000 shares)	**28**	**(2,154)**	**(3,470)**

The accompanying notes form an integral part of these consolidated financial statements.

AKENERJİ ELEKTRİK ÜRETİM A.Ş.

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

		Current period	Prior period
		Audited	Audited
	Notes	1 January - 31 December 2022	1 January - 31 December 2021
Net loss for the period		**(1.570.560.928)**	**(2.530.261.924)**
Other comprehensive income/(expense)			
To be reclassified to profit or loss			
Gains on cash flow hedging		3.104.831	3.104.844
Deferred tax effect	21	(620.967)	(620.972)
Not to be reclassified to profit or loss			
Increase on revaluation of property, plant and equipment	14	7.166.029.240	5.295.480.830
Deferred tax effect	21	(1.433.205.848)	(1.059.096.166)
Actuarial losses arising from defined benefit plans	19	(19.579.963)	(2.238.019)
Deferred tax effect	21	3.915.993	447.604
Other comprehensive income		**5.719.643.286**	**4.237.078.121**
Total comprehensive income		**4.149.082.358**	**1.706.816.197**

The accompanying notes form an integral part of these consolidated financial statements.

AKENERJİ ELEKTRİK ÜRETİM A.Ş.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

							Other comprehensive income /(expenses) to be reclassified to profit or loss					
								Restricted reserves				
	Share capital	Adjustments to share capital	Share premiums	Increase on revaluation of property, plant and equipment	Other comprehensive income /(expenses) not to be reclassified to profit or loss	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 2021	**729.164.000**	**101.988.910**	**50.220.043**	**3.433.690.830**	**(1.995.920)**	**(128.612.093)**	**(6.917.435)**	**(4.322.722)**	**12.053.172**	**(3.357.696.513)**	**(1.084.796.458)**	**(128.612.093)**
Transfers	-	-	-	-	-	-	-	-	-	(1.084.796.458)	1.084.796.458	-
Total comprehensive income	-	-	-	4.236.384.664	(1.790.415)	1.706.816.197	2.483.872	-	-	-	(2.530.261.924)	1.706.816.197
Other adjustments (*)	-	-	-	(172.418.446)	-	-	-	-	-	172.418.446	-	-
31 December 2021	**729.164.000**	**101.988.910**	**50.220.043**	**7.497.657.048**	**(3.786.335)**	**1.578.204.104**	**(4.433.563)**	**(4.322.722)**	**12.053.172**	**(4.270.074.525)**	**(2.530.261.924)**	**1.578.204.104**
1 January 2022	**729.164.000**	**101.988.910**	**50.220.043**	**7.497.657.048**	**(3.786.335)**	**1.578.204.104**	**(4.433.563)**	**(4.322.722)**	**12.053.172**	**(4.270.074.525)**	**(2.530.261.924)**	**1.578.204.104**
Transfers	-	-	-	-	-	-	-	-	-	(2.530.261.924)	2.530.261.924	-
Total comprehensive income	-	-	-	5.732.823.392	(15.663.970)	4.149.082.358	2.483.864	-	-	-	(1.570.560.928)	4.149.082.358
Other adjustments (*)	-	-	-	(326.793.868)	-	-	-	-	-	326.793.868	-	-
31 December 2022	**729.164.000**	**101.988.910**	**50.220.043**	**12.903.686.572**	**(19.450.305)**	**5.727.286.462**	**(1.949.699)**	**(4.322.722)**	**12.053.172**	**(6.473.542.581)**	**(1.570.560.928)**	**5.727.286.462**

(*) As of 31 December 2022, the depreciation difference between the acquisition cost and the carrying values of the assets subject to revaluation method amounting to TL 326.793.868 (31 December 2021: TL 172.418.446), 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.

AKENERJİ ELEKTRİK ÜRETİM A.Ş.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

		Current period	Prior period
		Audited	Audited
	Notes	1 January - 31 December 2022	1 January - 31 December 2021
A. Cash flows from operating activities		**2.096.120.531**	**1.010.934.607**
Net loss for the period		(1.570.560.928)	(2.530.261.924)
Adjustments to reconcile net loss for the year		**3.925.338.354**	**3.602.025.846**
Adjustments for depreciation and amortization expenses	24	513.085.615	264.652.329
Adjustments for provisions			
- Adjustment for provisions for employee benefits	19	24.946.704	11.591.559
- Adjustments for litigation provisions	17	9.879.597	2.143.040
- Adjustments for other provisions	17	9.028.136	10.064.809
Adjustments for impairment		-	(67.753)
Adjustments for interest income		(56.410.589)	(24.367.947)
Adjustments for interest expense		1.213.366.667	822.335.727
Adjustments for unrealized foreign exchange differences		2.539.527.347	2.866.065.516
Fair value adjustments			
- Adjustments for fair value of derivative financial instruments		48.411.492	(2.368.774)
- Adjustments for fair value of derivative financial investments	26	(12.559.734)	-
Adjustments for tax (income)/expense	21	(363.936.881)	(348.074.676)
Adjustments for (gain)/loss on sale of property, plant and equipment	26	-	52.016
Changes in working capital		**(242.467.422)**	**(52.045.743)**
(Increase)/decrease in trade receivables from related parties		(317.930.516)	(234.869.629)
(Increase)/decrease in trade receivables from third parties		(1.446.423.505)	(118.581.744)
(Increase)/decrease in other receivables from related parties		3.017.340	5.990.560
(Increase)/decrease in other receivables from third parties		(31.750.190)	(1.511.051)
(Increase)/decrease in inventories		(32.256.978)	(5.909.448)
(Increase)/decrease in prepaid expenses		(88.358.540)	(8.858.056)
Increase/decrease in other assets		(109.256.792)	(34.030.435)
Increase/(decrease) in trade payables to related parties		143.774.888	55.569.006
Increase/(decrease) in trade payables to third parties		1.601.039.300	301.157.719
Increase/(decrease) in derivative financial instruments		(47.713.922)	(27.647.708)
Increase/(decrease) in deferred income		21.518.375	(1.315.151)
Increase/(decrease) in employee benefit obligations		3.448.050	712.000
Increase/(decrease) in other payables		58.425.068	17.248.194
Cash flows from operating activities		**2.112.310.004**	**1.019.718.179**
Payments related to provisions for employee benefits		(11.327.714)	(8.543.205)
Tax receipts/(payments)		(4.861.759)	(240.367)
B. Cash flows from investing activities		**(518.791.626)**	**(160.891.011)**
Cash inflows due to sale of property, plant and equipment		46.429	3.834.740
Cash outflows due to purchase of property, plant and equipment		(403.338.129)	(163.816.838)
Cash outflows due to purchase of intangible assets	15	(47.238.150)	(908.913)
Other cash outflows	5	(68.261.776)	-
C. Cash flows from financing activities		**(1.008.167.734)**	**(399.578.588)**
Cash outflows due to repayment of borrowings	6	(525.100.500)	(66.039.900)
Cash outflows due to repayment of lease payable	6	(27.080.656)	(14.098.241)
Interest paid	6	(513.945.710)	(327.307.530)
Interest received		56.410.589	24.367.947
Other cash inflows/(outflows) (*)		1.548.543	(16.500.864)
Net increase in cash and cash equivalents		**569.161.171**	**450.465.008**
Cash and cash equivalents at the beginning of the period (*)	**4**	**617.938.309**	**167.473.301**
Cash and cash equivalents at the end of the year (*)	**4**	**1.187.099.480**	**617.938.309**

(*) 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)".

The accompanying notes form an integral part of these consolidated financial statements.

AKENERJİ ELEKTRİK ÜRETİM A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

(Amounts expressed in Turkish Lira ("TL") 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 Turkey and its registered address is as follows:

Miralay Şefik Bey Sokak No:15 Akhan Kat: 3 - 4 Gümüşsuyu/Istanbul - Turkey.

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 2022, 25,28% the publicly listed shares are 25,28% of total shares (31 December 2021: 25,28%).

As of 31 December 2022, the number of employees employed Akenerji and its subsidiaries (Akenerji and its subsidiaries will be referred as the "Group") is 291 (31 December 2021: 269).

These consolidated financial statements for the year ended 31 December 2022 have been approved for the issue by the Board of Directors at 06 March 2023.

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/Istanbul
Akel Kemah Elektrik Üretim ve Ticaret A.Ş.("Akel Kemah")	Electricity production and trading	Gümüşsuyu/Istanbul
Akenerji Doğalgaz İthalat İhracat ve Toptan Ticaret A.Ş. ("Akenerji Doğalgaz")	Natural gas trading	Gümüşsuyu/Istanbul
Akel Sungurlu Elektrik Üretim A.Ş ("Akel Sungurlu")	Electricity production	Gümüşsuyu/Istanbul
5ER Enerji Tarım Hayvancılık A.Ş. ("5ER Enerji")	Electricity production	Gümüşsuyu/Istanbul
Akenerji Company For Electric Energy Import And Export and Wholesale Trading/Contribution Branch ("Akenerji Toptan Khabat")	Electricity trading	Erbil/Irak

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. The accompanying consolidated financial statements have been prepared in accordance with TFRS that have been put into effect by POA under Article 5 of the Communiqué.

The condensed consolidated financial statements are presented in accordance with "Announcement regarding with TAS/TFRS Taxanomy" which was published on 15 April 2019 by POA and the format and mandatory information recommended by CMB.

POA made an announcement on January 20, 2022 in order to eliminate the hesitations about for the entities which apply Turkish Financial Reporting Standards ("TFRS") will apply TAS 29, "Financial Reporting in Hyperinflationary Economies" (IAS 29 Financial Reporting in Hyperinflationary Economies) or not for the year ended 31 December 2021. In accordance with the announcement, companies that apply TFRS shall not adjust financial statements for TAS 29 - Financial Reporting in Hyperinflationary Economies, Afterwards, no new statement was made by the POA about the TMS 29 application. As of the preparation date of the consolidated financial statements, POA did not make an additional announcement and no adjustment was made to the consolidated financial statements in accordance with TAS 29.

AKENERJİ ELEKTRİK ÜRETİM A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

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 CMB. 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 TL, 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.

2.2 Basis of consolidation

a. 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.

b. 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.

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 2022 and 2021:

	Effective shareholding (%)		Ownership interest (%)	
Subsidiaries and branches	31 December 2022	31 December 2021	31 December 2022	31 December 2021
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	-

(*) 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.

AKENERJİ ELEKTRİK ÜRETİM A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

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.

2.3 The new standards, amendments and interpretations

The accounting policies adopted in preparation of the consolidated financial statements as at 31 December 2022 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and Turkey Financial Reporting Interpretations Committee's ("TFRIC") interpretations effective as of 1 January 2022.

i. The new standards, amendments and interpretations which are effective as at 31 December 2022 are as follows

- Amendment to IFRS 16, 'Leases' – Covid-19 related rent concessions Extension of the practical expedient (effective 1 April 2021),
- A number of narrow-scope amendments to IFRS 3, IAS 16, IAS 37 and some annual improvements on IFRS 1, IFRS 9, IAS 41 and IFRS 16.

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.

- Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8,
- Amendment to IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction,
- Amendment to IFRS 16 – Leases on sale and leaseback,
- Amendment to IAS 1 – Non-current liabilities with covenants,
- IFRS 17, 'Insurance Contracts', as amended in December 2021.

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.

AKENERJİ ELEKTRİK ÜRETİM A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

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 though profit of loss, financial assets carried at fair value though 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 than12 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.

AKENERJİ ELEKTRİK ÜRETİM A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

(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.

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 modificated 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.

AKENERJİ ELEKTRİK ÜRETİM A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

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:

a. The rights to receive cash flows from the asset have expired

b. 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

c. 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.

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:

a. Identification of customer contracts
b. Identification of performance obligations
c. Determination of transaction price in the contract
d. Allocation of price to performance obligations
e. Recognition of revenue when the performance obligations are fulfilled

Group recognizes revenue from its customers only when all of the following criteria are met:

a. 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,
b. Group can identify each party's rights regarding the goods or services to be transferred,
c. Group can identify the payment terms for the goods or services to be transferred;
d. The contract has commercial substance,
e. 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.

AKENERJİ ELEKTRİK ÜRETİM A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

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.

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 TEIAS, 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.

AKENERJİ ELEKTRİK ÜRETİM A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

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:

a. Directly, or indirectly through one or more intermediaries, the party:
   - i) Controls, is controlled by, or is under common control with, the Group (this includes parents, subsidiaries and fellow subsidiaries),
   - ii) Has an interest in the Group that gives it significant influence over the Group, or
   - iii) Has joint control over the Group,

b. The party is an associate of the Group,

c. The party is a joint venture in which the Group is a venture,

d. The party is member of the key management personnel of the Group or its parent,

e. The party is a close member of the family of any individual referred to in (a) or (d),

f. 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

g. 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.

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 2022, 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.

AKENERJİ ELEKTRİK ÜRETİM A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

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.

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 used.

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,

AKENERJİ ELEKTRİK ÜRETİM A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

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.

Right of use asset

The right of use asset is initially recognized at cost comprising of:

a. Amount of the initial measurement of the lease liability,

b. Any lease payments made at or before the commencement date, less any lease incentives received,

c. Any initial direct costs incurred by the Group,

d. 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:

a. After netting - off depreciation and reducing impairment losses from right of use asset,

b. 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:

a. Fixed payments, including in - substance fixed payments,

b. Variable lease payments that depend on an index or a rate, initially measured using the index or rate as the commencement date,

c. 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:

a. Increasing the carrying amount to reflect interest on lease liability,

b. Reducing the carrying amount to reflect the lease payments made,

c. 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.

AKENERJİ ELEKTRİK ÜRETİM A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

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.

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.

AKENERJİ ELEKTRİK ÜRETİM A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

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.

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.

AKENERJİ ELEKTRİK ÜRETİM A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

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 Turkey, 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.

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 2021: None) as of 31 December 2022. Carry forward tax losses amounting to TL 1.947.611.587 (31 December 2021: TL 1.772.510.100) (Note 21). As of 31 December 2022, the deferred tax asset has not been calculated by taking into account the foreseeable future profit expectations prepared by the Group and the deferred tax liabilities in the relevant periods.

AKENERJİ ELEKTRİK ÜRETİM A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

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 2022, 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.

Income Approach, discounted cash flow analysis (Level 3) is used by the valuation company for valuation reports of 31 December 2022 aims to determine fair value of lands, land improvements, buildings, machineries and equipment of Uluabat 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 10,28% 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.

According to the valuation report as of 31 December 2022, increase in the book value of tangible assets which are subject to revaluation is TL 7.166.029.240. The additional amount of 7.166.029.240 was represented in revaluation fund in equity by netting of the deferred tax affect which is TL 5.732.823.392. The revaluation fund movement as of 31 December 2022 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	10,28	100	35,13
Feke II HES	10,28	70	23,34
Gökkaya HES	10,28	30	34,39
Feke I HES	10,28	30	34,51
Burç Bendi HES	10,28	28	30,85
Himmetli HES	10,28	27	36,01
Bulam HES	10,28	7	35,59
Ayyıldız RES	10,28	28	34,12
Sungurlu BES	10,28	2,17	82,50

Valuated power plant type	Weighted capital cost rate (%)	Installed capacity (MW)	Capacity utilization rate(%)
Erzin DGKÇS	10,28	904	33 -78

AKENERJİ ELEKTRİK ÜRETİM A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

The electricity sales prices used are 80-175 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 1.571 million or decreased by TL 1.507 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 1.528 million or decreased by TL 1.462 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 803 million or increased by TL 926 million.

The spark spread used in the Erzin NGCCPP is (12)-14 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 1.052 million or decreased by TL 1.024 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 239 million or increased by TL 255 million.

2.8 Going concern

The Group prepares its consolidated financial statements on a going concern basis in a foreseeable future.

In 2022, the Group maintained its successful performance from 2021, leveraging its balanced, efficient, and flexible production portfolio, as well as its extensive trading experience in domestic and international markets. As a result, the Group achieved record levels of operational profitability.

As of 31 December 2022, the Group's earnings before interest, taxes, depreciation, and amortization (EBITDA) reached TL 2.021.187.661 (31 December 2021: TL 794.583.500) and the cash flows generated from its operations amounted to TL 2.112.310.004 (31 December 2021: TL 1.019.718.179). The Group has met all its obligations to banks for the year 2022 using the cash flows generated from its operations. In addition, the Group has reduced its future financial obligations by paying off 20 million USD of its debt early using its cash surplus. During the period that ended on

31 December 2022, the Group's total production volume decreased compared to the same period in the previous year due to planned maintenance at the Erzin Natural Gas Combined Cycle Power Plant during the spring months. Despite revenue losses caused by the "Support Mechanism Based on Resources" introduced in April 2022, delayed collections by TEIAŞ, and low electricity demand, 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.). Furthermore, the Group has continued its physical electricity export and financial electricity product transactions in 2022, concentrating its commercial activities in this area and significantly increasing its foreign currency income.

As part of its daily operations, the Group considers all opportunities that could be in favor of the Group and may positively affect the cash flows of the Group. The Group prepares its consolidated financial statements with the assumption that the business will continue its activities in a predictable future, as a result of the actions it has taken to increase its operational profitability and cash flows from its operations, and Group does not foresee any risk regarding the continuity of the business.

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. As of 2022, due to the cost increases in the European Gas Markets, gas supply was provided by Botaş, the most cost-effective supplier, making a positive contribution to the gross profit and the Group minimized potential opportunity losses. In addition, developments in the gas market for the coming periods will continue to be followed closely and new supply opportunities will be evaluated.

The Group has been extended its liabilities to 13 years by restructuring its USD 859 million loan and also restructuring the payment of the loan condition to 1.5 year without any payment as TL and USD on 11 November 2019 which signed with Yapı ve Kredi Bankası A.Ş. as the implementation of "Financial Restructuring". With the aforementioned Loan Agreement, the repayment schedule of the loan was arranged according to the estimated cash-generating capacity of the Group, which 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.

AKENERJİ ELEKTRİK ÜRETİM A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

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.

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 2022 and 2021 are as follows:

	31 December 2022	31 December 2021
Cash	6.315	11.779
Banks		
- Demand deposits	1.066.433.324	542.295.120
- Time deposits	182.471.992	138.992.104
	1.248.911.631	**681.299.003**
Restricted cash	(61.724.417)	(63.353.207)
Interest accrual	(87.734)	(7.487)
Cash and cash equivalents provided in statement of cash flows	**1.187.099.480**	**617.938.309**

As of 31 December 2022, TL 1.000.809.797 of the Group's demand deposits are in foreign currency and details of the original currency is stated in Note 30.

As of 31 December 2022, the average effective interest rate for TL time deposits is 16,78% (2021: 14,07%). As of 31 December 2022, there is no EUR and USD time deposits (31 December 2021 EUR time deposit rate: 0,01%).

The remaining day to maturity of time deposits as of 31 December 2022 is shorter than one month.

As of 31 December 2022, the Group's restricted cash at Takasbank amounting to TL 61.724.417 (2021: TL 63.353.207) is related with the electricity and natural gas sales operations, trading and debt reserve account of the Group.

NOTE 5 - FINANCIAL INVESTMENTS

a. Short-term financial investments

	31 December 2022	31 December 2021
Exchange rate protected TL time deposits (*)	80.821.510	-
	80.821.510	**-**

(*) 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.

AKENERJİ ELEKTRİK ÜRETİM A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

As of 31 December 2022, the nominal and fair value amounts of exchange rate-protected TL time deposit accounts:

	31 December 2022	
Currency	Nominal amount (Original currency)	Fair value (TL Equivalent)
TL	68.261.776	80.821.510

b. Long-term financial investments

	31 December 2022	31 December 2021
Long - term securities	100.000	100.000
Total	**100.000**	**100.000**

Akenerji Toptan, a subsidiary of the Group, has participated to Enerji Piyasaları İşletme Anonim Şirketi ("EPİAŞ") who is established with a share capital TL 61.572.770, by 0,16% with 100.000 C Type shares. (31 December 2021: TL 100.000).

NOTE 6 - BORROWINGS

The details of borrowings of the Group as of 31 December 2022 and 31 December 2021 are as follows:

	31 December 2022	31 December 2021
Short-term portion of long term borrowings		
- Bank loans	673.037.183	492.950.522
- Lease liabilities	28.848.894	20.545.662
Total short-term portion of long term borrowings	**701.886.077**	**513.496.184**
Long term borrowings		
- Bank loans	10.827.793.031	8.592.425.615
- Lease liabilities	160.241.385	138.560.518
Total long term borrowings	**10.988.034.416**	**8.730.986.133**
Total short term and long term borrowings	**11.689.920.493**	**9.244.482.317**

Letters of guarantee given, pledges and mortgages related to financial liabilities are disclosed in Note 17.

AKENERJİ ELEKTRİK ÜRETİM A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

As of 31 December 2022 and 2021, the original currencies and weighted average interest rates for short and long-term financial liabilities are as follows:

			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	673.037.183
Short - term portion of long - term lease liabilities	EUR	3,40	1.420.291	28.313.363
Interest cost of short - term portion of long - term lease liabilities (-)	EUR	3,40	(232.741)	(4.639.663)
Short - term portion of long - term lease liabilities	TL	18,45	5.175.194	5.175.194
Total short - term borrowings				**701.886.077**
Long - term bank loans	USD	7,92	407.946.823	7.627.912.080
Long - term bank loans	TL	12,28	3.199.880.951	3.199.880.951
Long - term lease liabilities	EUR	3,40	7.225.092	144.031.482
Interest cost of long - term lease liabilities (-)	EUR	3,40	(1.180.309)	(23.529.337)
Long - term lease liabilities	TL	18,45	39.739.240	39.739.240
Total long - term borrowings				**10.988.034.416**

			31 December 2021	
	Currency	Effective Interest rate %	Original Amount	Amount in TL
Short - term portion of long - term bank loans	USD	7,92	36.983.308	492.950.522
Short - term portion of long - term lease liabilities	EUR	3,40	1.435.867	21.662.500
Interest cost of short - term portion of long - term lease liabilities (-)	EUR	3,40	(268.405)	(4.049.350)
Short - term portion of long - term lease liabilities	TL	17,46	2.932.512	2.932.512
Total short-term borrowings				**513.496.184**
Long term bank loans	USD	7,92	430.835.620	5.742.607.978
Long term bank loans	TL	12,28	2.849.817.637	2.849.817.637
Long - term lease liabilities	EUR	3,40	8.535.108	128.766.615
Interest cost of long - term lease liabilities (-)	EUR	3,40	(1.413.049)	(21.318.254)
Long - term lease liabilities	TL	17,46	31.112.157	31.112.157
Total long-term borrowings				**8.730.986.133**

As of 31 December 2022, all of the Euro finance lease liabilities of the Group are subject to floating interest rate of Euribor + 3,4% (31 December 2021: All of the Euro finance lease liabilities of the Group are subject to floating interest rate of Euribor + 3,4%).

AKENERJİ ELEKTRİK ÜRETİM A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

The details of redemption schedule of the long term bank borrowings as of 31 December 2022 and 2021 are as follows:

	31 December 2022	31 December 2021
Up to 1 - 2 years	5.711.101.659	442.143.840
Up to 2 - 3 years	688.419.290	4.788.931.670
Up to 3 - 4 years	747.722.356	452.248.941
Up to 4 - 5 years	783.134.801	491.207.391
More than 5 years	2.897.414.925	2.417.893.773
	10.827.793.031	**8.592.425.615**

The principal repayment schedule of the Group's long - term finance lease obligations as at 31 December 2022 and 2021 is as follows:

	31 December 2022	31 December 2021
Up to 1 - 2 years	26.013.197	19.116.830
Up to 2 - 3 years	25.398.259	18.886.255
Up to 3 - 4 years	24.220.183	18.166.102
Up to 4 - 5 years	24.023.431	18.023.766
Up to 5 - 6 years	25.694.547	18.646.643
Up to 6 - 7 years	960.866	19.280.762
Up to 7 - 8 years	425.819	1.262.493
Up to 8 - 9 years	347.074	78.798
Up to 9 - 10 years	390.477	91.784
More than 10 years	32.767.532	25.007.085
	160.241.385	**138.560.518**

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 2022, the Group is compliant with the financial covenant.

As of 31 December 2022, and 2021, the movements of borrowings are as follows:

	2022	2021
1 January	**9.244.482.317**	**6.082.363.432**
Cash flow impact	(1.066.126.866)	(407.445.671)
Change in unrealized foreign exchange differences	2.539.527.347	2.866.065.516
Change in interest accruals and amortization commission	958.076.003	696.760.751
Changes in lease liabilities	13.961.692	6.738.289
31 December	**11.689.920.493**	**9.244.482.317**

AKENERJİ ELEKTRİK ÜRETİM A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

NOTE 7 - TRADE RECEIVABLES

a. Short term trade receivables

	31 December 2022	31 December 2021
- Trade receivables from related parties (Note 29)	568.320.563	250.390.047
- Trade receivables from third parties	1.667.425.965	221.004.920
	2.235.746.528	**471.394.967**
Provision for doubtful receivables	(19.643.405)	(19.645.865)
	2.216.103.123	**451.749.102**

As of 31 December 2022, trade receivable maturities which less than 1 months and unearned finance income from credit sales does not exist (31 December 2021: None).

The movements for provision for doubtful receivables are as follows:

	2022	2021
1 January	**19.645.865**	**19.713.618**
Provisions for the period (Note 25)	-	144.753
No longer subject to provision	(2.460)	(212.506)
31 December	**19.643.405**	**19.645.865**

As of 31 December 2022, the amount of receivables which are overdue and impaired is TL 19.643.405 (31 December 2021: TL 19.645.865). The aging list of these receivables as of 31 December 2022 and 2021 is as follows:

	31 December 2022	31 December 2021
3 to 12 months	-	142.293
More than 12 months	19.643.405	19.503.572
	19.643.405	**19.645.865**

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 543.400.206 as of 31 December 2022 (31 December 2021: TL 3.242.000). The aging list of these receivables as of 31 December 2022 and 2021 is as follows:

	31 December 2022	31 December 2021
1 to 3 months	540.157.982	-
3 to 12 months and over	3.242.224	3.242.000
	543.400.206	**3.242.000**

AKENERJİ ELEKTRİK ÜRETİM A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

NOTE 8 - OTHER RECEIVABLES

a. Short - term other receivables

	31 December 2022	31 December 2021
- Other receivables from third parties	6.388.819	1.241.120
	6.388.819	**1.241.120**

As of 31 December 2022 and 2021, the details of short - term receivables of the Group from third parties are as follows:

	31 December 2022	31 December 2021
Receivables from tax office	5.494.209	1.028.975
Receivables from various public institutions	47.691	79.694
Deposits and guarantees given	18.500	500
Short - term other receivables	828.419	131.951
	6.388.819	**1.241.120**

b. Long - term other receivables

	31 December 2022	31 December 2021
- Other receivables from third parties (Note 29)	-	3.017.340
- Other receivables from related parties	31.277.493	4.675.002
	31.277.493	**7.692.342**

As of 31 December 2022 and 2021, the details of long - term receivables of the Group from third parties are as follows:

	31 December 2022	31 December 2021
Deposits and guarantees given	31.277.493	4.675.002
	31.277.493	**4.675.002**

NOTE 9 - TRADE PAYABLES

a. Short - term trade payables

	31 December 2022	31 December 2021
- Trade payables to third parties	2.110.965.786	509.926.486
- Trade payables to related parties (Note 29)	221.018.207	77.243.319
	2.331.983.993	**587.169.805**

As of 31 December 2022, the average maturity of trade payables is 30 days.

AKENERJİ ELEKTRİK ÜRETİM A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

NOTE 10 - OTHER PAYABLES

a. Short - term other payables

	31 December 2022	31 December 2021
- Other payables to third parties	208.276.779	97.674.351
	208.276.779	**97.674.351**

As of 31 December 2022, and 2021, details of short - term other payables of the Group are as follows:

	31 December 2022	31 December 2021
Payables to DSİ (*)	111.335.587	51.295.097
Taxes and funds payable	84.119.441	42.136.407
Deposit and guarantees taken	30.912	30.912
Other payables	12.790.839	4.211.935
	208.276.779	**97.674.351**

b. Long - term other payables

	31 December 2022	31 December 2021
- Other payables to third parties	430.338.432	230.329.959
	430.338.432	**230.329.959**

The details of long - term other payables of the Group as of 31 December 2022 and 2021 are as follows:

	31 December 2022	31 December 2021
Payables to DSİ (*)	390.316.396	230.310.407
Other long - term trade payables	40.022.036	19.552
	430.338.432	**230.329.959**

(*) The Group signed an agreement with the General Directorate of State Hydraulic Works (DSİ) Department of Investigation and Planning for the Water Usage of Uluabat Power Tunnel and Hydroelectric Energy Power Plant within the scope of the Emet - 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 111.335.587 (31 December 2021: TL 51.295.097) and long - term other payables to third parties amounting to TL 390.316.396 (31 December 2021: TL 230.310.407).

NOTE 11 - PREPAID EXPENSES

Prepaid expenses as of 31 December 2022 and 2021 are as follows:

a. Short - term prepaid expenses

	31 December 2022	31 December 2021
Prepaid expenses for following months	91.270.466	20.946.773
Advances given for purchases	33.943.647	16.042.421
	125.214.113	**36.989.194**

AKENERJİ ELEKTRİK ÜRETİM A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

b. Long - term prepaid expenses

	31 December 2022	31 December 2021
Advances given for fixed asset purchases	142.629.633	800.177
Prepaid expenses for following years	208.295	123.338
	142.837.928	**923.515**

NOTE 12 - INVENTORIES

a. Short - term inventories

	31 December 2022	31 December 2021
Raw materials	28.629.371	3.435.677
Spare parts	6.066.953	6.360.934
Work in progress	330.743	880.652
Other raw materials	1.374.105	440.560
	36.401.172	**11.117.823**

b. Long - term inventories

	31 December 2022	31 December 2021
Spare parts (*)	26.130.255	19.156.626
	26.130.255	**19.156.626**

(*) TL 26.130.255 (31 December 2021: TL 19.156.626) of spare parts classified in long - term inventories with an amount of TL 17.826.392 (31 December 2021: TL 13.856.285) 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 8.303.863 (31 December 2021: TL 5.300.341) 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.

NOTE 13 - OTHER ASSETS

a. Other current assets

	31 December 2022	31 December 2021
Deferred VAT	37.685.046	15.973.938
Personnel advances	735.038	138.022
Job advances	272.153	122.302
	38.692.237	**16.234.262**

b. Other non-current assets

	31 December 2022	31 December 2021
Deferred VAT	122.313.398	35.514.581
	122.313.398	**35.514.581**

AKENERJİ ELEKTRİK ÜRETİM A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

NOTE 14 - PROPERTY, PLANT AND EQUIPMENT

	1 January 2022	Additions	Disposals	Revaluation fund	31 December 2022
Cost					
Lands	477.108	-	-	558.769	1.035.877
Land improvements (*)	5.697.107.633	15.510.636	-	5.106.977.982	10.819.596.251
Buildings	1.488.895.630	3.929.228	-	570.899.745	2.063.724.603
Machinery and equipment (**)	5.576.803.115	80.827.415	-	1.487.592.744	7.145.223.274
Motor vehicles	3.403.627	1.533.444	-	-	4.937.071
Furnitures and fixtures	15.699.486	2.975.948	(49.160)	-	18.626.274
Leasehold improvements	5.508.880	6.642.269	-	-	12.151.149
Construction in progress	57.531.476	149.289.556	-	-	206.821.032
	12.845.426.955	**260.708.496**	**(49.160)**	**7.166.029.240**	**20.272.115.531**
Accumulated depreciation					
Land improvements	(547.938.338)	(191.186.736)	-	-	(739.125.074)
Buildings	(104.809.321)	(43.423.980)	-	-	(148.233.301)
Machinery and equipment	(796.804.228)	(267.662.212)	-	-	(1.064.466.440)
Motor vehicles	(1.317.430)	(910.598)	-	-	(2.228.028)
Furnitures and fixtures	(9.949.645)	(1.697.696)	2.731	-	(11.644.610)
Leasehold improvements	(1.332.327)	(300.897)	-	-	(1.633.224)
	(1.462.151.289)	**(505.182.119)**	**2.731**	**-**	**(1.967.330.677)**
Net book value	**11.383.275.666**				**18.304.784.854**

(*) Within the capacity increase project of Ayyıldız wind power plant, the cost of land improvement acquired through finance lease on 27 january 2017 is amounting to TL 495.485. As of 31 December 2022, the total amount of accumulated depreciation of related land improvement is TL 78.234.

(**) Within the capacity increase project of Ayyıldız wind power plant, the cost of machinery and equipment acquired through finance lease on 27 january 2017 is amounting to TL 49.219.854. As of 31 December 2022, the total amount of accumulated depreciation of the related machinery and equipment is TL 29.531.912.

Current period depreciation expense amounting to TL 503.704.638 has been included in cost of sales and TL 1.477.481 has been included in general administrative expenses.

AKENERJİ ELEKTRİK ÜRETİM A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

	1 January 2021	Additions	Disposals	Revaluation fund	31 December 2021
Cost					
Lands	281.604	-	-	195.504	477.108
Land improvements (*)	3.548.054.553	27.600.384	(2.715.579)	2.124.168.275	5.697.107.633
Buildings	768.945.929	19.642.621	(1.250.702)	701.557.782	1.488.895.630
Machinery and equipment (**)	3.023.010.773	84.233.073	-	2.469.559.269	5.576.803.115
Motor vehicles	1.614.793	1.932.199	(143.365)	-	3.403.627
Furnitures and fixtures	12.432.469	3.274.627	(7.610)	-	15.699.486
Leasehold improvements	4.387.138	1.121.742	-	-	5.508.880
Construction in progress	31.519.284	26.012.192	-	-	57.531.476
	7.390.246.543	**163.816.838**	**(4.117.256)**	**5.295.480.830**	**12.845.426.955**
Accumulated depreciation					
Land improvements	(438.057.666)	(109.974.313)	93.641	-	(547.938.338)
Buildings	(83.690.735)	(21.156.486)	37.900	-	(104.809.321)
Machinery and equipment	(670.791.066)	(126.013.162)	-	-	(796.804.228)
Motor vehicles	(1.002.251)	(410.756)	95.577	-	(1.317.430)
Furnitures and fixtures	(9.106.818)	(846.209)	3.382	-	(9.949.645)
Leasehold improvements	(1.069.298)	(263.029)	-	-	(1.332.327)
	(1.203.717.834)	**(258.663.955)**	**230.500**	**-**	**(1.462.151.289)**
Net book value	**6.186.528.709**				**11.383.275.666**

(*) Within the capacity increase project of Ayyildız wind power plant, the cost of land improvement acquired through finance lease on 27 January 2017 is amounting to TL 495.485 As of 31 December 2021, the total amount of accumulated depreciation of related land improvement is TL 65.195.

(**) Within the capacity increase project of Ayyildız wind power plant, the cost of machinery and equipment acquired through finance lease on 27 January 2017 is amounting to TL 49.219.854 As of 31 December 2021, the total amount of accumulated depreciation of the related machinery and equipment is TL 24.609.928.

Current period depreciation expense amounting to TL 257.907.034 has been included in cost of sales and TL 756.921 has been included in general administrative expenses.

AKENERJİ ELEKTRİK ÜRETİM A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

There are no capitalized borrowing costs on construction in progress for the year ended 31 December 2022 (31 December 2021: None).

If the Group has not adopted the revaluation model according to TAS 16 tangible fixed assets, the net book values of asset as of 31 December 2022 and 2021 are as follows:

	31 December 2022	31 December 2021
Lands	131.325	131.325
Land improvements	768.032.507	1.006.450.418
Buildings	269.714.965	274.310.280
Machinery and equipment	**1.028.152.788**	**782.624.157**

Details of the guarantees, pledges and mortgages on property, plant and equipment as of 31 December 2022 and 2021 are explained in Note 17.

As of 31 December 2022 and 2021 the movements for increase on revaluation of property, plant and equipment are as follows:

	2022	2021
1 January	**7.497.657.048**	**3.433.690.830**
Land	558.769	195.504
Land improvements	5.106.977.982	2.124.168.275
Buildings	570.899.745	701.557.782
Machinery and equipment	1.487.592.744	2.469.559.269
	14.663.686.288	**8.729.171.660**
Adjustments of deferred tax related to increase on evaluation of property, plant and equipment	(1.433.205.848)	(1.059.096.166)
Depreciation and amortization transfers	(326.793.868)	(172.418.446)
31 December	**12.903.686.572**	**7.497.657.048**

NOTE 15 - INTANGIBLE ASSETS

	1 January 2022	Additions	31 December 2022
Cost			
Rights	8.045.421	419.195	8.464.616
Licenses	126.819.925	46.818.955	173.638.880
	134.865.346	**47.238.150**	**182.103.496**
Accumulated amortization			
Rights	(6.686.334)	(378.066)	(7.064.400)
Licenses	(23.528.344)	(1.924.600)	(25.452.944)
	(30.214.678)	**(2.302.666)**	**(32.517.344)**
Net book value	**104.650.668**		**149.586.152**

AKENERJİ ELEKTRİK ÜRETİM A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

	1 January 2021	Additions	31 December 2021
Cost			
Rights	7.948.834	96.587	8.045.421
Licenses	126.007.599	812.326	126.819.925
	133.956.433	**908.913**	**134.865.346**
Accumulated amortization			
Rights	(6.267.299)	(419.035)	(6.686.334)
Licenses	(21.662.872)	(1.865.472)	(23.528.344)
	(27.930.171)	**(2.284.507)**	**(30.214.678)**
Net book value	**106.026.262**		**104.650.668**

Current period amortization expense amounting to TL 367.324 (31 December 2021: TL 346.096) has been included in cost of sales and remaining TL 1.935.342 (31 December 2021: TL 1.938.411) has been included in general administrative expenses.

NOTE 16 - RIGHT OF USE ASSETS

	1 January 2022	Additions	Disposals	31 December 2022
Cost				
Land (*)	25.985.005	8.050.230	-	34.035.235
Buildings	6.011.900	1.898.830	-	7.910.730
Motor vehicles	6.577.714	5.005.031	(1.695.590)	9.887.155
	38.574.619	**14.954.091**	**(1.695.590)**	**51.833.120**
Accumulated depreciation				
Land	(1.870.225)	(1.223.962)	-	(3.094.187)
Buildings	(2.250.945)	(1.644.967)	-	(3.895.912)
Motor vehicles	(2.346.332)	(2.731.901)	1.552.032	(3.526.201)
	(6.467.502)	**(5.600.830)**	**1.552.032**	**(10.516.300)**
Net defter book value	**32.107.117**			**41.316.820**

(*) Comprised of land rent and forest permit.

AKENERJİ ELEKTRİK ÜRETİM A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

	1 January 2021	Additions	Disposals	31 December 2021
Cost				
Land (*)	23.841.871	2.143.134	-	25.985.005
Buildings	5.773.568	3.101.320	(2.862.988)	6.011.900
Motor vehicles	4.024.855	4.162.859	(1.610.000)	6.577.714
	33.640.294	**9.407.313**	**(4.472.988)**	**38.574.619**
Accumulated depreciation				
Land	(1.173.513)	(696.712)	-	(1.870.225)
Buildings	(2.208.759)	(1.265.998)	1.223.812	(2.250.945)
Motor vehicles	(1.968.290)	(1.741.157)	1.363.115	(2.346.332)
	(5.350.562)	**(3.703.867)**	**2.586.927**	**(6.467.502)**
Net defter book value	**28.289.732**			**32.107.117**

(*) Comprised of land rent and forest permit.

Current period depreciation expense of amounting to TL 1.223.962 (31 December 2021: TL 696.713) has been included in cost of sales and TL 4.376.868 (31 December 2021: TL 3.007.154) has been included in general administrative expenses.

NOTE 17 - PROVISIONS, COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES

a. Other short - term provisions

As of 31 December 2022, 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 2022 is TL 48.553.907 (31 December 2021: TL 38.674.310).

	31 December 2022	31 December 2021
Litigation provision	48.553.907	38.674.310
Periodical maintenance provisions	22.993.418	13.965.282
	71.547.325	**52.639.592**

The movements of litigation provision are as follows:

	2022	2021
1 January	**38.674.310**	**36.531.270**
Current period provision (Note 25)	12.661.200	2.661.189
Interest charges of litigation provision	111.144	1.118.847
Released provisions (Note 25)	(2.892.747)	(1.636.996)
31 December	**48.553.907**	**38.674.310**

AKENERJİ ELEKTRİK ÜRETİM A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

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 2022		31 December 2021	
	Original Currency	Original Amount	TL Equivalent	Original Amount	TL Equivalent
Letters of guarantees given	TL	184.134.136	184.134.136	108.800.927	108.800.927
	USD	624.456	11.676.266	624.456	8.323.374
	EUR	4.200.000	83.726.580	200.000	3.017.340
			279.536.982		**120.141.641**

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.

Guarantees, pledges, mortgages ("GPM") given by the Group as of 31 December 2022 and 2021 are as follows:

		31 December 2022		31 December 2021	
	Currency	Original Currency	TL Equivalent	Original Currency	TL Equivalent
GPMs given by the Group					
A. GPMs given for companies' own legal entity	TL	6.602.594.980	6.602.594.980	6.527.261.770	6.527.261.770
	USD	918.140.056	17.167.658.209	918.140.056	12.237.888.806
	EUR	4.200.000	83.726.580	200.000	3.017.340
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.		-	-	-	-
			23.853.979.769		**18.768.167.916**

AKENERJİ ELEKTRİK ÜRETİM A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

Details of the guarantees given by Akenerji for its own legal entity as of 31 December 2022 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 2022, GPMs given by the Group to equity ratio is 416%(31 December 2021: 1.189%).

- 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 2.687.554 MWh of energy physically in 2022, and within the scope of the related commitment, 2.687.554 MWh of energy has been sold as of 31 December 2022.

The Group has committed to purchase 321.129 MWh of physical electricity energy within the scope of electricity energy purchase agreements with energy companies in 2022 and as of 31 December 2022, 321.129 MWh of the electricity energy was committed to be purchased is completed.

As of 31 December 2022, there are 66.120 MWh sales contracts that the Group has committed to be executed in the following periods, and there is no purchase commitment.

Natural gas purchase commitments

The Group has completed its take or pay commitment of 622 mcm for 2022 period. Within the framework of the new contract signed for 2023, there is a total take-or-pay obligation of 550 mcm, and in the light of market conditions and general consumption estimation, missing consumption which is below the take or pay amount is not foreseen.

Other matters

Kemah Hydroelectric Power Plant project in the Group, which is 198 MW of installed power higher, reservoir capacity, and also with Turkey'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 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 Turkey 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. As of 31 December 2022, the carrying value of the related investment in the statement of financial position of the Group is TL 85.367.972.

AKENERJİ ELEKTRİK ÜRETİM A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

c. Contingent Assets

Guarantees received

		31 December 2022		31 December 2021	
	Currency	Original Currency	TL Equivalent	Original Currency	TL Equivalent
Letters of guarantees received	TL	505.277.251	505.277.251	51.724.699	51.724.699
	EURO	17.750	353.844	-	-
	USD	5.194.000	97.118.970	229.000	3.052.341
Notes of guarantees received	TL	1.752.432	1.752.432	1.752.432	1.752.432
	USD	590.544	11.042.169	590.544	7.871.361
	EURO	33.800	673.800	33.800	509.930
	GBP	5.675	127.626	5.675	101.961
Cheques of guarantees received	TL	106.000	106.000	106.000	106.000
	USD	16.650	311.327	16.650	221.928
Mortgages received	TL	3.242.000	3.242.000	3.242.000	3.242.000
			620.005.419		**68.582.652**

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.

NOTE 18 - DERIVATIVE INSTRUMENTS

	31 December 2022		31 December 2021	
	Contract amount	Fair value	Contract amount	Fair value
Forward contracts				
- Short - term	-	-	64.154.970	17.609.139
Forward term electricity purchase and sale contracts				
- Short - term	-	-	194.200.945	310.913.019
Derivative financial assets	**-**	**-**	**258.355.915**	**328.522.158**
Interest rate swaps				
- Short - term	771.323.573	7.339.152	522.730.058	19.253.373
- Long - term	-	-	549.834.579	20.251.696
Forward contracts				
- Short - term	273.127.981	13.394.040	-	-
- Long - term	12.828.646	1.634.321	-	-
Forward term electricity purchase and sale contracts				
- Short - term	-	-	214.777.082	310.687.032
Derivative financial liabilities	**1.057.280.200**	**22.367.513**	**1.287.341.719**	**350.192.101**

AKENERJİ ELEKTRİK ÜRETİM A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

Movement of derivative instruments during the period is as follows:

	2022	2021
1 January	**21.669.943**	**51.686.425**
To be reclassified to profit or loss		
- Financial expense/(income)	923.557	(29.467.686)
- Other operating income	(225.987)	(548.796)
31 December	**22.367.513**	**21.669.943**

NOTE 19 - EMPLOYEE BENEFITS

a. Employee benefit obligations

	31 December 2022	31 December 2021
Social security payment	**4.826.130**	**1.107.255**
Due to personnel	247.744	518.569
	5.073.874	**1.625.824**

b. Short - term provisions for employee benefits

	31 December 2022	31 December 2021
Bonus provision	20.010.000	9.212.905
	20.010.000	**9.212.905**

The movements of bonus provision are as follows:

	2022	2021
1 January	**9.212.905**	**7.983.571**
Current year charges	20.010.000	9.212.905
Payments during the year	(8.913.967)	(7.110.813)
Provisions no longer required	(298.938)	(872.758)
31 December	**20.010.000**	**9.212.905**

c. Long - term provisions for employee benefits

	31 December 2022	31 December 2021
Provisions for employee termination benefits	30.115.820	10.095.079
Provisions for unused vacation rights	4.496.054	2.114.937
	34.611.874	**12.210.016**

AKENERJİ ELEKTRİK ÜRETİM A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

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 15.371,40 for each year of service as of 31 December 2022 (31 December 2021: TL 8.284,51).

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.

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:

	2022	2021
Discount rate (%)	0,5	4,45
Turnover rate related the probability of retirement (%)	93,58	94,49

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 19.982,83 (1 January 2022: full TL 10.848,59) which is effective from 1 January 2023 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:

	2022	2021
1 January	**10.095.079**	**6.741.483**
Interest cost	1.072.097	1.449.419
Service cost	1.367.197	881.738
Actuarial losses	19.579.963	2.238.019
Payments during the year	(1.998.516)	(1.215.580)
31 December	**30.115.820**	**10.095.079**

The movements of provisions for unused vacation rights are as follows:

	2022	2021
1 January	**2.114.937**	**1.411.494**
Current year provision	2.796.348	920.255
Payment during the year	(415.231)	(216.812)
31 December	**4.496.054**	**2.114.937**

AKENERJİ ELEKTRİK ÜRETİM A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

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 2022 and 2021 the share capital held is as follows:

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

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

	31 December 2022		31 December 2021	
	Share (%)	Amount	Share (%)	Amount
CEZ a.s.	37,36	272.425.943	37,36	272.425.943
Akkök Holding A.Ş.	20,43	148.989.090	20,43	148.989.090
Akarsu Enerji Yatırımları San. ve Ticaret A.Ş. ("Akarsu")	16,93	123.436.852	16,93	123.436.852
Publicly held	25,28	184.312.115	25,28	184.312.115
		729.164.000		**729.164.000**
Adjustment to share capital		101.988.910		101.988.910
Total paid - in capital		**831.152.910**		**831.152.910**

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

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.

Reserves

	31 December 2022	31 December 2021
Legal reserves	12.053.172	12.053.172
	12.053.172	**12.053.172**

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.

AKENERJİ ELEKTRİK ÜRETİM A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

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 the 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 2021: None).

NOTE 21 - TAX ASSETS AND LIABILITIES

	31 December 2022	31 December 2021
Current income tax expenses	3.398.460	2.352.631
Prepaid taxes	(3.797.614)	(1.288.486)
Current income tax liabilities/ (Current income tax assets), net	**(399.154)**	**1.064.145**

Corporation tax

The Group is subject to corporate tax in Turkey. 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 Turkey is 20%. 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 2021 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 Turkey, 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 Turkey calculate temporary tax at the rate of 20% 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.

Income tax withholding

Limited taxpayer that earn income through by a permanent establishment or permanent representative and paid to companies (dividends) resident in Turkey 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.

AKENERJİ ELEKTRİK ÜRETİM A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

The details of tax income/(expense) for the year ended 31 December 2022 and 2021 are as follows:

	1 January - 31 December 2022	1 January - 31 December 2021
Deferred tax income	367.335.341	350.427.307
Current income tax expense (-)	(3.398.460)	(2.352.631)
	363.936.881	**348.074.676**

As of 31 December 2022 and 2021 the reconciliation of tax income stated in consolidated profit or loss statement is as follows:

	2022	2021
Loss before tax	**(1.934.497.809)**	**(2.878.336.600)**
Tax rate (%)	23	25
Tax income calculated at domestic tax rate	444.934.496	719.584.150
Tax exemptions	968.829	323.731
Expenses not deductible for tax purposes	(65.270.363)	(53.051.826)
Temporary differences not subject to deferred tax calculation	(61.450.035)	(273.723.031)
Utilized carry forward tax losses	-	2.520.229
Effect of different tax rate	87.083.416	(23.536.163)
Investment incentives	(49.812.045)	(22.637.970)
Other	7.482.583	(1.404.444)
Current year tax income	**363.936.881**	**348.074.676**

Deferred taxes

	31 December 2022	31 December 2021
Deferred tax assets	5.814.865	169.548
Deferred tax liabilities	(2.014.005.753)	(945.784.955)
Deferred tax liabilities, net	**(2.008.190.888)**	**(945.615.407)**

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 20% for temporary differences expected to close in the following years.

AKENERJİ ELEKTRİK ÜRETİM A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

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 2022	31 December 2021	31 December 2022	31 December 2021
Investment incentives (*)	(503.932.204)	(254.871.979)	100.786.441	50.974.396
Provisions for lawsuits	(530.200)	(1.946.519)	106.040	447.699
Provision for employment termination benefit	(23.675.671)	(7.351.045)	4.735.133	1.470.209
Adjustments to property, plant and equipment	10.529.679.217	5.043.009.996	(2.105.935.843)	(1.009.566.716)
Adjustments to borrowings	34.726.504	(56.066.434)	(6.945.283)	11.279.661
Other	4.686.877	907.988	(937.376)	(220.656)
Deferred tax assets/(liabilities), net			**(2.008.190.888)**	**(945.615.407)**

(*) 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 2022 and 2021 are as follows:

	2022	2021
1 January	**(945.615.407)**	**(236.773.180)**
Recognized in statement of profit or loss	367.335.341	350.427.307
Recognized in other comprehensive income	(1.429.910.822)	(1.059.269.534)
31 December	**(2.008.190.888)**	**(945.615.407)**

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:

Year incurred	Year can be used	31 December 2022	31 December 2021
2017	2022	-	43.471.558
2018	2023	148.406.201	148.406.201
2019	2024	133.261.859	133.261.859
2020	2025	262.766.427	262.948.530
2021	2026	1.181.821.985	1.184.421.952
2022	2027	221.355.115	-
		1.947.611.587	**1.772.510.100**

AKENERJİ ELEKTRİK ÜRETİM A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

NOTE 22 - REVENUE AND COST OF SALES

a. Revenue

	1 January - 31 December 2022	1 January - 31 December 2021
Electricity sales revenue	10.197.948.980	2.787.310.178
Revenue on sharing of instability	4.234.097.406	597.877.606
Revenue on secondary frequency control	1.265.026.695	247.476.920
Revenue on loading orders	1.186.313.895	160.947.046
Revenue on capacity mechanism	114.266.146	82.706.943
Other revenues	48.858.012	41.525.645
	17.046.511.134	**3.917.844.338**

b. Cost of sales

	1 January - 31 December 2022	1 January - 31 December 2021
Direct raw materials consumed and cost of electricity purchased (*)	14.633.824.295	2.872.253.127
Depreciation and amortization expenses	505.295.924	258.949.843
Maintenance and repair expenses	151.113.745	103.535.263
Personnel expenses	96.601.681	46.532.727
Insurance expenses	27.915.165	19.008.959
Other materials and spare parts consumed	27.773.309	7.613.666
Other expenses	70.244.266	9.134.522
	15.512.768.385	**3.317.028.107**

(*) Direct raw materials consumed comprised of cost of natural gas purchased, cost of energy purchased, imbalance sharing costs, system usage costs, and etc.

NOTE 23 - GENERAL ADMINISTRATIVE EXPENSES

	1 January - 31 December 2022	1 January - 31 December 2021
Personnel expenses	70.996.601	37.942.346
Taxes and duties	13.985.427	8.269.767
IT expenses	11.461.842	5.945.611
Consultancy expenses	9.487.114	27.160.077
Depreciation and amortization expenses	7.789.691	5.702.486
Office expenses	6.193.815	3.190.094
Vehicle expenses	3.300.095	988.998
Legal and notary expenses	3.113.330	1.078.818
Travel expenses	2.985.925	754.202
Advertising and sponsorship expenses	1.123.840	5.788.473
Insurance expenses	614.885	385.803
Other expenses	10.302.176	3.993.254
	141.354.741	**101.199.929**

AKENERJİ ELEKTRİK ÜRETİM A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

NOTE 24 - EXPENSES BY NATURE

	1 January - 31 December 2022	1 January - 31 December 2021
Direct raw materials consumed and cost of electricity purchased	14.633.824.295	2.872.253.127
Depreciation and amortization expenses (*)	513.085.615	264.652.329
Personnel expenses (**)	167.598.282	84.475.073
Maintenance and repair expenses	151.113.745	103.535.263
Insurance expenses (***)	28.530.050	19.394.762
Other materials and spare parts consumed	27.773.309	7.613.666
Taxes and duties	13.985.427	8.269.767
IT expenses	11.461.842	5.945.611
Consultancy expenses	9.487.114	27.160.077
Office expenses	6.193.815	3.190.094
Vehicle expenses	3.300.095	988.998
Legal and notary expenses	3.113.330	1.078.818
Travel expenses	2.985.925	754.202
Advertising and sponsorship expenses	1.123.840	5.788.473
Other expenses	80.546.442	13.127.776
	15.654.123.126	**3.418.228.036**

(*) Depreciation and amortization expenses amounting to TL 505.295.924 (31 December 2021: TL 258.949.843) is classified in cost of sales, TL 7.789.691 (31 December 2021: TL 5.702.486) of amortization and depreciation expenses is classified in general administrative expenses.

(**) Personnel expenses amounting to TL 96.601.681 (31 December 2021: TL 46.532.727) is classified in cost of sales, TL 70.996.601 (31 December 2021: TL 37.942.346) is classified in general and administrative expenses.

(***) Insurance expenses amounting to TL 27.915.165 (31 December 2021: TL 19.008.959) is classified in cost of sales, TL 614.885 (31 December 2021: TL 385.803) is classified in general and administrative expenses.

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 2022(*)	1 January - 31 December 2021(*)
Audit and assurance fee	923.000	441.790
Other assurance services fee	39.620	9.499
	962.620	**451.289**

(*) The fees above have been determined through including the legal audit and other related service fees of all subsidiaries.

AKENERJİ ELEKTRİK ÜRETİM A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

NOTE 25 - OTHER OPERATING INCOME AND EXPENSES

a. Other operating income

	1 January - 31 December 2022	1 January - 31 December 2021
Gain on risk sharing contracts	463.202.301	389.237.704
Foreign exchange gains from trading activities	80.621.139	53.790.219
Delay interests charged (*)	63.844.285	452
Income from insurance compensation	36.061.962	205.254
Gain on futures and options markets	10.701.705	14.327.435
Provisions no longer required (**)	3.278.327	2.944.151
Income from compensation	-	2.965.092
Other income	13.445.588	13.495.621
	671.155.307	**476.965.928**

(*) Comprised of delay interests charges for trade receivables which are not collected at their due dates. As of 31 December 2022, the applied interest rate is 2,50% per month, unless there is a different interest rate agreed by the parties.

(**) As of 31 December 2022, TL 2.892.747 (31 December 2021: TL 1.636.996) of the provisions no longer required comprised of released provisions of litigation provisions, TL 298.938 of premium provisions (31 December 2021: TL 872.758), and TL 86.642 of other provisions (31 December 2021: TL 386.486). As of December 2022, there is no released provisions of doubtful receivables (31 December 2021: TL 47.911).

b. Other operating expenses

	1 January - 31 December 2022	1 January - 31 December 2021
Losses on risk sharing contracts	463.165.746	390.636.383
Foreign exchange losses from trading activities	44.294.287	42.444.051
Provisions for litigations	12.661.200	2.661.189
Losses on futures and options market	11.172.103	8.787.861
Doubtful trade receivables profitability	-	144.753
Other expenses	24.147.933	1.976.822
	555.441.269	**446.651.059**

NOTE 26 - INCOME AND EXPENSES FROM INVESTING ACTIVITIES

a. Income from investing activities

	1 January - 31 December 2022	1 January - 31 December 2021
Fair value difference gain on exchange rate protected deposit accounts	12.644.785	-
Dividend income	17.991	25.704
	12.662.776	**25.704**

AKENERJİ ELEKTRİK ÜRETİM A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

b. Expenses from investing activities

	1 January - 31 December 2022	1 January - 31 December 2021
Kur korumalı mevduat gerçeğe uygun değer farkı zararları	85.051	-
Sabit kıymet satış zararı	-	52.016
	85.051	**52.016**

NOT 27 - FİNANSMAN GELİRLERİ VE GİDERLERİ

a. Financial income

	1 January - 31 December 2022	1 January - 31 December 2021
Kur farkı geliri	269.608.367	243.595.861
Türev araçlardan karlar	63.473.420	98.721.748
Faiz geliri	56.490.836	24.370.030
	389.572.623	**366.687.639**

b. Finansman giderleri

	1 January - 31 December 2022	1 January - 31 December 2021
Kur farkı gideri	2.470.317.794	2.824.402.792
Faiz ve komisyon giderleri	1.061.106.450	774.849.886
Türev araçlardan zararlar	54.733.205	50.048.995
Diğer finansal giderler (*)	258.592.754	125.627.425
	3.844.750.203	**3.774.929.098**

(*) Söz konusu tutarın 252.185.833 TL'si (1 Ocak - 31 Aralık 2021: 122.470.132 TL) Grup'un Uluabat Hidroelektrik Santrali için DSİ Su Kullanım Hakkı Anlaşması gereği oluşan yükümlülüğün bilanço tarihi itibarıyla ÜFE ile hesaplanan endeks farkından oluşmaktadır. Anlaşma gereğince 2015 yılı itibariyla uzun vadeli taksitlere bölünerek ödenmesi beklenen yükümlülüğün Grup tarafından borçlanma enstrümanı olarak değerlendirilmesi ve ÜFE'ye endekslenerek güncellenmesinden dolayı ilgili endeks farkları finansman giderleri hesabında muhasebeleştirilmiştir.

NOTE 28 - LOSSES PER SHARE

	31 December 2022	31 December 2021
Weighted average number of issued shares	72.916.400.000	72.916.400.000
Net loss for the period	(1.570.560.928)	(2.530.261.924)
Loss per share - TL (1.000 shares)	**(2,154)**	**(3,470)**

Nominal value of each of the issued share as of 31 December 2022 and 2021 is 1 Kr.

AKENERJİ ELEKTRİK ÜRETİM A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

NOTE 29 - RELATED PARTY DISCLOSURE

a. Transaction with related parties

- Purchases from related parties

	1 January - 31 December 2022	1 January - 31 December 2021
Sakarya Elektrik Perakende Satış A.Ş. ("Sepaş") (1) (****)	568.894.928	91.601.481
CEZ a.s. (2) (*)	463.835.612	88.143.830
Dinkal Sigorta Acenteliği A.Ş. ("Dinkal") (3) (**)	85.859.878	32.966.851
Aksa Akrilik Kimya Sanayi A.Ş. ("Aksa) (4) (**)	26.148.885	6.319.328
Aktek Bilgi İletişim Tek. San. ve Tic. A.Ş. ("Aktek") (5) (**)	13.415.736	7.755.548
Ak-Han Bak. Yön. Serv. Hiz. Güv. Malz. A.Ş. ("Ak-Han") (6) (**)	9.083.746	3.849.726
Akkök Holding A.Ş. ("Akkök") (7) (*)	1.021.262	785.307
	1.168.260.047	**231.422.071**

(1) Comprised of purchase of electricity and sharing of instability.
(2) Comprised of purchase of electricity and risk sharing.
(3) Comprised of insurances purchased from insurance companies by the intermediary of Dinkal.
(4) Comprised of sharing of instability.
(5) Comprised of IT services and equipment received.
(6) Comprised of office maintenance and management service received.
(7) Comprised of rent service received.

- Sales to related parties

	1 January - 31 December 2022	1 January - 31 December 2021
Sepaş (1) (****)	6.386.805.498	1.827.820.299
CEZ a.s. (2) (*)	729.380.980	112.273.945
Aksa (3) (**)	41.099.647	9.925.751
Akcez Enerji Yat. San. ve Tic. A.Ş. ("Akcez") (4) (****)	127.610	93.780
CEZ a.s. Turkey Daimi Tem. (5) (***)	84.248	64.783
Diğer	497.263	79.422
	7.157.995.246	**1.950.257.980**

(1) Comprised of sales of electricity and sharing of instability.
(2) Comprised of sales of electricity and risk sharing contracts.
(3) Comprised of sharing of instability.
(4) Comprised of consultancy services provided.
(5) Comprised of rent services provided.

(*) Shareholder.
(**) Akkök Holding group company.
(***) CEZ a.s. group company.
(****) Akkök Holding and CEZ a.s. group company

AKENERJİ ELEKTRİK ÜRETİM A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

b. Balances with related parties

- Short - term trade receivables from related parties

	31 December 2022	31 December 2021
Sepaş (1) (****)	507.553.855	218.683.718
CEZ a.s. (2) (*)	56.840.901	28.469.183
Aksa (3) (**)	3.807.294	3.155.715
Akcez (4) (****)	12.489	9.222
CEZ a.s. Turkey Daimi Tem. (5) (***)	10.839	7.007
Diğer	95.185	65.202
	568.320.563	**250.390.047**

(1) Comprised of receivables from sales of electricity and sharing of instability.
(2) Comprised of receivables from sales of electricity and risk sharing.
(3) Comprised of receivables from sharing of instability.
(4) Comprised of receivables from comprised of consultancy services provided.
(5) Comprised of receivables from sales of rental income.

The average maturity days of trade receivables from related parties is 20 days.

- Other receivables from related parties

	31 December 2022	31 December 2021
CEZ a.s. (*)	-	3.017.340
	-	**3.017.340**

- Short - term trade payables to related parties

	31 December 2022	31 December 2021
Dinkal (1) (**)	81.100.936	27.388.992
Sepaş (2) (****)	80.539.877	14.343.760
CEZ a.s (3) (*)	46.977.870	27.441.061
CEZ a.s. Turkey Daimi Tem. (4) (***)	4.198.184	3.177.178
Aksa (5) (**)	2.971.709	1.260.766
Aktek (6) (**)	2.456.992	815.116
Akkök (7) (*)	1.787.289	1.787.289
Ak-Han (8) (**)	985.350	586.887
Ak Havacılık ve Ulaştırma Hizmetleri A.Ş (9) (**)	-	442.270
	221.018.207	**77.243.319**

(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 consultancy services received.
(5) Comprised of the payables related to electricity and sharing of instability.
(6) Comprised of the payables related to IT services and equipment purchased.
(7) Comprised of the payables related to consultancy and rent services received.
(8) Comprised of the payables related to office maintenance and management 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.

AKENERJİ ELEKTRİK ÜRETİM A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

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 2022	1 January - 31 December 2021
Salaries and benefits	9.932.974	5.798.302
Bonus	4.575.002	4.335.110
Attendance fee	1.240.186	901.072
	15.748.162	**11.034.484**

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.

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 2022 and 2021. 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.

AKENERJİ ELEKTRİK ÜRETİM A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

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						
Borrowings	11.689.920.493	16.135.214.154	17.050.511	725.298.678	9.941.787.128	5.451.077.837
Trade payables	2.331.983.993	2.331.983.993	2.331.983.993	-	-	-
Other payables	638.615.211	638.615.211	104.713.123	103.563.656	275.542.260	154.796.172
Derivative financial liabilities						
Derivative financial instrument	22.367.513	22.367.513	1.595.355	19.137.837	1.634.321	-
	14.682.887.210	**19.128.180.871**	**2.455.342.982**	**848.000.171**	**10.218.963.709**	**5.605.874.009**

31 December 2021	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						
Borrowings	9.244.482.317	13.505.238.429	12.767.976	530.879.213	8.235.446.888	4.726.144.352
Trade payables	587.169.805	587.169.805	587.169.805	-	-	-
Other payables	328.004.310	328.004.310	51.897.337	45.777.014	131.605.947	98.724.012
Derivative financial liabilities						
Derivative financial instrument	350.192.101	350.192.101	77.671.763	252.268.642	20.251.696	-
	10.509.848.533	**14.770.604.645**	**729.506.881**	**828.924.869**	**8.387.304.531**	**4.824.868.364**

AKENERJİ ELEKTRİK ÜRETİM A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

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 a significant portion of its existing 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 2022 and 2021 is as follows:

	31 December 2022	31 December 2021
Financial instruments with fixed interest rates		
Borrowings	11.508.046.877	9.090.032.618
Trade payables	2.331.983.993	587.169.805
Trade receivables	2.216.103.123	451.749.102
Cash and cash equivalents	182.471.992	138.992.104
Other receivables	37.666.312	8.933.462
Other debts	133.144.055	46.675.095
Financial instruments with floating interest rates		
Other payables	505.471.156	281.329.215
Financial liabilities	181.873.616	154.449.699

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 642.788 lower/higher as a result of interest expense of floating interest rated loans and swap transactions (2021: TL 595.623).

- 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 2022 and 2021 are as follows:

	31 December 2022	31 December 2021
Assets	1.101.040.226	722.918.542
Liabilities	(8.687.143.057)	(6.439.469.773)
Net financial position	**(7.586.102.831)**	**(5.716.551.231)**
Net position of derivative instruments	(285.956.628)	64.154.970
Foreign currency position (net)	**(7.872.059.459)**	**(5.652.396.261)**

AKENERJİ ELEKTRİK ÜRETİM A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

Assets and liabilities denominated in foreign currency held by the Group at 31 December 2022 and 2021 and their TL equivalent are as follows:

			31 December 2022					31 December 2022
	TL Karşılığı	ABD Doları	Avro	Diğer	TL Karşılığı	ABD Doları	Avro	Diğer
Trade receivables	69.223.686	613.713	2.896.844	-	185.955.883	11.815.343	1.887.038	-
Monetary financial assets	1.000.809.797	48.182.833	5.009.945	(1)	529.751.142	36.069.333	3.246.741	22
Current assets	**1.070.033.483**	**48.796.546**	**7.906.789**	**(1)**	**715.707.025**	**47.884.676**	**5.133.779**	**22**
Monetary financial assets	31.006.743	-	1.555.400	-	7.211.517	3.400	475.001	-
Non-current assets	**31.006.743**	**-**	**1.555.400**	**-**	**7.211.517**	**3.400**	**475.001**	**-**
Total assets	**1.101.040.226**	**48.796.546**	**9.462.189**	**(1)**	**722.918.542**	**47.888.076**	**5.608.780**	**22**
Trade payables	189.264.305	6.914.230	3.008.787	4	74.633.027	5.232.306	324.234	-
Financial liabilities	696.710.883	35.994.565	1.187.550	-	510.563.671	36.983.309	1.167.462	-
Other monetary liabilities	12.731.616	680.897	-	-	4.211.404	315.958	-	-
Short-term liabilities	**898.706.804**	**43.589.692**	**4.196.337**	**4**	**589.408.102**	**42.531.573**	**1.491.696**	**-**
Financial liabilities	7.748.414.225	407.946.823	6.044.783	-	5.850.056.339	430.835.620	7.122.059	-
Other monetary liabilities	40.022.028	2.140.410	-	-	5.332	400	-	-
Long-term liabilities	**7.788.436.253**	**410.087.233**	**6.044.783**	**-**	**5.850.061.671**	**430.836.020**	**7.122.059**	**-**
Total liabilities	**8.687.143.057**	**453.676.925**	**10.241.120**	**4**	**6.439.469.773**	**473.367.593**	**8.613.755**	**-**
Net Asset /(Liability) Position of Statement of Financial Position Derivative Instruments	**(285.956.628)**	**(15.293.189)**	**-**	**-**	**64.154.970**	**4.700.000**	**100.000**	**-**
Off statement of financial position foreign currency derivative assets	-	-	-	-	64.154.970	4.700.000	100.000	-
Off statement of financial position foreign currency derivative liabilities	(285.956.628)	(15.293.189)	-	-	-	-	-	-
Net foreign currency asset(liability) position	**(7.872.059.459)**	**(420.173.568)**	**(778.931)**	**(5)**	**(5.652.396.261)**	**(420.779.517)**	**(2.904.975)**	**22**
Net foreign currency asset(liability) position of monetary items	**(7.586.102.831)**	**(404.880.379)**	**(778.931)**	**(5)**	**(5.716.551.231)**	**(425.479.517)**	**(3.004.975)**	**22**
Total fair value of financial instruments used for foreign currency hedging	**(281.004.802)**	**(15.028.361)**	**-**	**-**	**17.609.139**	**1.311.603**	**8.404**	**-**
Export	**560.456.004**	**71.215**	**32.507.029**	**-**	**112.229.921**	**-**	**9.574.674**	**-**
Import	**382.807.379**	**2.791.485**	**20.043.889**	**1.123**	**167.497.865**	**10.706.220**	**5.549.631**	**7.712**

AKENERJİ ELEKTRİK ÜRETİM A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

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 2022 and 31 December 2021, 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 2022
		Profit /Loss		Equity
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
+/- 10% fluctuation of USD rate				
1- USD net asset/liability	(757.057.479)	757.057.479	(757.057.479)	757.057.479
2- Part of hedged from USD risk (-)	-	-	-	-
3- USD net effect (1+2)	**(757.057.479)**	**757.057.479**	**(757.057.479)**	**757.057.479**
+/- 10% fluctuation of EUR rate				
4- EUR net asset/liability	(1.552.791)	1.552.791	(1.552.791)	1.552.791
5- Part of hedged from EUR risk (-)	-	-	-	-
6- EUR net effect (4+5)	**(1.552.791)**	**1.552.791**	**(1.552.791)**	**1.552.791**
+/- 10% fluctuation of other currencies rate against to TL				
7- Other currencies net asset/liability	(11)	11	(11)	11
8- Part of hedged from other currencies risk (-)	-	-	-	-
9- Other currencies net effect (7+8)	**(11)**	**11**	**(11)**	**11**
Total (3+6+9)	**(758.610.281)**	**758.610.281**	**(758.610.281)**	**758.610.281**

				31 December 2022
		Profit /Loss		Equity
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
+/- 10% fluctuation of USD rate				
1- USD net asset/liability	(567.121.648)	567.121.648	(567.121.648)	567.121.648
2- Part of hedged from USD risk (-)	-	-	-	-
3- USD net effect (1+2)	**(567.121.648)**	**567.121.648**	**(567.121.648)**	**567.121.648**
+/- 10% fluctuation of EUR rate				
4- EUR net asset/liability	(4.533.516)	4.533.516	(4.533.516)	4.533.516
5- Part of hedged from EUR risk (-)	-	-	-	-
6- EUR net effect (4+5)	**(4.533.516)**	**4.533.516**	**(4.533.516)**	**4.533.516**
+/- 10% fluctuation of other currencies rate against to TL				
7- Other currencies net asset/liability	40	(40)	40	(40)
8- Part of hedged from other currencies risk (-)	-	-	-	-
9- Other currencies net effect (7+8)	**40**	**(40)**	**40**	**(40)**
Total (3+6+9)	**(571.655.124)**	**571.655.124**	**(571.655.124)**	**571.655.124**

AKENERJİ ELEKTRİK ÜRETİM A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

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 2022 and 2021 are as follows:

	31 December 2022	31 December 2021
Total borrowings	11.689.920.493	9.244.482.317
Trade payables to related parties and third parties	2.331.983.993	587.169.805
Other payables	638.615.211	328.004.310
Total debt	**14.660.519.697**	**10.159.656.432**
Less: Cash and Cash Equivalents (Note 4)	**(1.248.911.631)**	**(681.299.003)**
Net debt	**13.411.608.066**	**9.478.357.429**
Total equity	**5.727.286.462**	**1.578.204.104**
Net debt/total equity ratio	**%234**	**%601**

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.

AKENERJİ ELEKTRİK ÜRETİM A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

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			
31 December 2022	Related parties	Third parties	Related parties	Third parties	Cash at banks	Derivative financial instruments
Maximum exposure to credit risk as of reporting date (*) (A+B+C+D+E)	568.320.563	1.647.782.560	-	37.666.312	1.248.905.316	-
- Secured with guarantees	-	363.809.239	-	-	-	-
A.Net book value of neither past due nor impaired financial assets (**)	568.320.563	1.104.382.354	-	37.666.312	1.248.905.316	-
- Secured with guarantees	-	328.321.714	-	-	-	-
B.Net book value of restructured financial assets	-	-	-	-	-	-
- Secured with guarantees	-	-	-	-	-	-
C.Net book value of past due but not impaired financial assets	-	543.400.206	-	-	-	-
- Secured with guarantees	-	35.487.525	-	-	-	-
D.Net book value of impaired assets net defter değerleri	-	-	-	-	-	-
- Past due (gross net book value)	-	19.643.405	-	-	-	-
- Impairment (-)	-	(19.643.405)	-	-	-	-
- 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 EPİAŞ 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	1.672.702.917	-	-	543.400.206	19.643.405	2.235.746.528
Credit loss rate (%)	0%	0%	0%	0%	100%	1%
Expected credit losses	-	-	-	-	(19.643.405)	(19.643.405)

AKENERJİ ELEKTRİK ÜRETİM A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Trade receivables		Other receivables			
31 December 2021	Related parties	Third parties	Related parties	Third parties	Cash at banks	Derivative financial instruments
Maximum exposure to credit risk as of reporting date (*) (A+B+C+D+E)	250.390.047	201.359.055	3.017.340	5.916.122	681.287.224	328.522.158
- Secured with guarantees	-	49.301.426	-	-	-	-
A.Net book value of neither past due nor impaired financial assets (**)	250.390.047	198.117.055	3.017.340	5.916.122	681.287.224	328.522.158
- Secured with guarantees	-	46.059.426	-	-	-	-
B.Net book value of restructured financial assets	-	-	-	-	-	-
- Secured with guarantees	-	-	-	-	-	-
C.Net book value of past due but not impaired financial assets	-	3.242.000	-	-	-	-
- Secured with guarantees	-	3.242.000	-	-	-	-
D.Net book value of impaired assets net defter değerleri	-	-	-	-	-	-
- Past due (gross net book value)	-	19.645.865	-	-	-	-
- Impairment (-)	-	(19.645.865)	-	-	-	-
- 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 2021, trade receivables from third parties categorized on neither past due nor impaired financial assets amounting to TL 143.813.495 are comprised of receivables from EPİAŞ and TEİAŞ within the scope of electricity trading operations with a due date less than 1 month.

Maturity of expected credit loss

31 December 2021	Not due	Overdue up to 1 months	Overdue 1-3 months	Overdue 3 -12 months	Overdue more than 1 year	Total
Closing balance	448.507.102	-	-	3.384.293	19.503.572	471.394.967
Credit loss rate (%)	0%	0%	0%	4%	100%	4%
Expected credit losses	-	-	-	(142.293)	(19.503.572)	(19.645.865)

AKENERJİ ELEKTRİK ÜRETİM A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

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 2022, the Group has short - term and long - term liabilities from derivative financial instruments amounting to TL 20.733.192 (31 December 2021: TL 329.940.405) and TL 1.634.321 (31 December 2021: TL 20.251.696) respectively. As of 31 December 2022, the Group does not have assets from derivative financial instruments (31 December 2021: TL 328.522.158).

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 2022 through other valuation techniques involving direct and indirect observable inputs (Level 3) (Note 2.7).

NOTE 32 - SUBSEQUENT EVENTS

The Group is in the process of assessing the potential financial impact of the earthquakes that occurred on February 6th, 2023 with the epicenter in the Pazarcık district of the Kahramanmaraş province, which affected several provinces. The Erzin NGCCPP, Feke 1, Feke 2, Gökkaya, Himmetli, Bulam, and Burç HEPPs, owned by the Group and located in the earthquake zone, did not experience any casualties, and no damage has been identified that would require the suspension of production activities according to the inspections conducted. The Group believes that the earthquakes have not had a significant impact on the financial statements prepared as of 31 December 2022. The developments regarding the natural disaster are being closely monitored and assessments are ongoing. Group management has evaluated this situation as a non-adjusting subsequent event that does not require adjustment in its consolidated financial statements.

GRI İÇERİK İNDEKSİ

GRI CONTENT INDEX ESSENTIALS SERVICE 2023

For the Content Index - Essentials Service, GRI Services reviewed that the GRI content index is clearly presented, in a manner consistent with the Standards, and that the references for disclosures 2-1 to 2-5, 3-1 and 3-2 are aligned with the appropriate sections in the body of the report. The service was performed on the English version of the report.

Statement of use : Akenerji has reported in accordance with the GRI Standards for the period 1.1.22-31.12.22.
GRI 1 used : GRI 1: Foundation 2021
Applicable GRI Sector Standard(s) : Titles of the applicable GRI Sector Standards

GRI STANDARD/ OTHER SOURCE	DISCLOSURE		PAGE NO	OMISSION REQUIREMENT(S) OMITTED	OMISSION REASON	OMISSION EXPLANATION	GRI SECTOR STANDART REF. NO.
General disclosures							
GRI 2: General Disclosures 2021	2-1	Organizational details	5	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	9				
	2-3	Reporting period, frequency and contact point	8-9 ve 242				
	2-4	Restatements of information	No restatements.				
	2-5	External assurance	170-177				
	2-6	Activities, value chain and other business relationships	30-31				
	2-7	Employees	70-81, 156-160				
	2-8	Workers who are not employees	158				
	2-9	Governance structure and composition	54, 104-109				
	2-10	Nomination and selection of the highest governance body	112				
	2-11	Chair of the highest governance body	112				
	2-12	Role of the highest governance body in overseeing the management of impacts	112-113				
	2-13	Delegation of responsibility for managing impacts	54				
	2-14	Role of the highest governance body in sustainability reporting	54				
	2-15	Conflicts of interest	112-125				
	2-16	Communication of critical concerns	59				
	2-17	Collective knowledge of the highest governance body	104-105				
	2-18	Evaluation of the performance of the highest governance body	104				
	2-19	Remuneration policies	74, 113				
	2-20	Process to determine remuneration	113				
	2-21	Annual total compensation ratio	124				
	2-22	Statement on sustainable development strategy	56				
	2-23	Policy commitments	57				
	2-23	Embedding policy commitments	54				
	2-25	Processes to remediate negative impacts	62-63				
	2-26	Mechanisms for seeking advice and raising concerns	58				
	2-27	Compliance with laws and regulations	123				
	2-28	Membership associations	168				
	2-29	Approach to stakeholder engagement	57-58, 60				
	2-30	Collective bargaining agreements	80				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE		PAGE NO	OMISSION REQUIREMENT(S) OMITTED	OMISSION REASON	OMISSION EXPLANATION	GRI SECTOR STANDART REF. NO.
Material Topics							
GRI 3: Material Topics 2021	3-1	Process to determine material topics	60	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	60				
Economic performance							
GRI 3: Material Topics 2021	3-3	Management of material topics	54				
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	16, 18-19				
	201-2	Financial implications and other risks and opportunities due to climate change	48-51				
	201-3	Defined benefit plan obligations and other retirement plans	74				
Energy							
GRI 3: Material Topics 2021	3-3	Management of material topics	97				
GRI 302: Energy 2016	302-1	Energy consumption within the organization	97				
	302-4	Reduction of energy consumption	97				
Water and effluents							
GRI 3: Material Topics 2021	3-3	Management of material topics	96				
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	96				
	302-2	Management of water discharge-related impacts	96				
	303-3	Water withdrawal	96				
	303-4	Water discharge	96				
	303-5	Water consumption	96				
Emissions							
GRI 3: Material Topics 2021	3-3	Management of material topics	95				
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	95, 162				
	305-2	Energy indirect (Scope 2) GHG emissions	95, 162				
	305-3	Other indirect (Scope 3) GHG emissions	95, 162				
	305-5	Reduction of GHG emissions	95, 162				
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	166				
Waste							
GRI 3: Material Topics 2021	3-3	Management of material topics	98				
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	98				
	306-2	Management of significant waste-related impacts	98				
	306-3	Waste generated	99, 163				
	306-4	Waste diverted from disposal	163				
	306-5	Waste directed to disposal	163				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	PAGE NO	OMISSION			GRI SECTOR STANDART REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Employment						
GRI 3: Material Topics 2021	3-1 Management of material topics	60				
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	159				
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	74, 78				
	401-3 Parental leave	80				
Occupational Health and Safety						
GRI 3: Material Topics 2021	3-1 Management of material topics	72				
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	72				
	403-2 Hazard identification, risk assessment, and incident investigation	72				
	403-3 Occupational health services	72				
	403-4 Worker participation, consultation, and communication on occupational health and safety	72				
	403-5 Worker training on occupational health and safety	73				
	403-6 Promotion of worker health	72				
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	72-73				
	403-8 Workers covered by an occupational health and safety management system	72				
	403-9 Work-related injuries	160-161				
	403-10 Work-related ill health	160-161				
Training and Education						
GRI 3: Material Topics 2021	3-1 Management of material topics	78				
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	78, 87, 163				
	404-2 Programs for upgrading employee skills and transition assistance programs	78				
	404-3 Percentage of employees receiving regular performance and career development reviews	76				
Diversity and Equal Opportunity						
GRI 3: Material Topics 2021	3-1 Management of material topics	74, 80				
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	156-158				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	PAGE NO	OMISSION			GRI SECTOR STANDART REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Non-discrimination						
GRI 3: Material Topics 2021	3-1 Management of material topics	74, 80				
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken80					
Child labor						
GRI 3: Material Topics 2021	3-1 Management of material topics	80				
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	80				
Forced or compulsory labor						
GRI 3: Material Topics 2021	3-1 Management of material topics	80				
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	80				

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Integrated Annual Report 2022

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