



## **AKENERJİ ELEKTRİK ÜRETİM A.Ş.**

**THE ACTIVITY REPORT OF THE BOARD OF DIRECTORS PREPARED  
IN ACCORDANCE WITH THE COMMUNIQUE SERIAL II, No:14.1  
PREPARED FOR THE PERIOD 1 JANUARY 2021 – 30 SEPTEMBER 2021**



## **ACTIVITY REPORT PREPARED FOR THE INTERIM PERIOD**

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# I – COMPANY PROFILE

## Company Information

<b>Title of Partnership</b>	<b>: AKENERJİ ELEKTRİK ÜRETİM ANONİM ŞİRKETİ</b>
<b>Stock Exchange</b>	<b>: Istanbul Stock Exchange (“ISE”)</b>
<b>Addresses of our Offices</b>	<b>:</b>
AKENERJİ İSTANBUL	Miralay Şefik Bey Sokak Akhan No:15 Kat:3-4 Taksim-İSTANBUL
AKENERJİ ANKARA	Mustafa Kemal Mahallesi Dumlupınar Bulvarı Eskişehir Yolu 7. Km, No:266 Tepe Prime B Blok Kat :7 No:71 Çankaya/ANKARA
AYYILDIZ WEPP	Aldede Deliklitaş Mevkii Ayyıldız Tepe Edincik-Bandırma/BALIKESİR
ULUABAT HEPP	Akçalar Fadıllı Köyü Yolu 5.km Nilüfer/BURSA
BURÇ HEPP	Aşağı Ağızlı Köyü Burç Mah. Besni/ADIYAMAN
BULAM HEPP	Doğanlı Köyü Mevkii Merkez/ADIYAMAN
FEKE I HEPP	Sülemişli Mah. Sülemişli Küme Evleri No:1 Feke/ADANA
FEKE II HEPP	Kısacıklı Köyü İçmeler Mevkii Feke/ADANA
GÖKKAYA HEPP	Himmetli Köyü Suçatı Mah.No:102 Saimbeyli/ADANA
HİMMETLİ HEPP	Himmetli Mah.Dravlı Sok. No:84 Saimbeyli/ADANA
ERZİN NGCCP	Mahmutlu Mahallesi Burnaz Küme Evleri No.1 Erzin/HATAY
<b>Web Site</b>	<b>: <a href="http://www.akenerji.com.tr">www.akenerji.com.tr</a></b>
<b>E-mail address</b>	<b>: <a href="mailto:info@akenerji.com.tr">info@akenerji.com.tr</a></b>
<b>Phone number</b>	<b>: 00 90 (212) 249 82 82</b>
<b>Fax number</b>	<b>: 00 90 (212) 249 73 55</b>

## **Akenerji in Brief**

Having commenced operations in 1989 as an autoproducer group under the umbrella of the Akk k Group of Companies, Akenerji Elektrik  retim A. . (“the Company”) has been operating as the first independent electricity generation company established as an autoproducer since 2005. Being one of the largest players with its experience of more than 32 years in energy sector of Turkey, Akenerji focused to become an integrated energy company by providing energy systems optimization and management services for industrial and commercial customers on energy efficiency services as well as its electricity generation and wholesale electricity trading operations.

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

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

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

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

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

## Capital and Shareholding Structure

Akenerji adopted the registered capital system applicable to the companies registered on the CMB and defined a limit to its registered capital for shares whose nominal value is TL1 (“one Turkish Lira”). As of 30 September 2021 and 31 December 2020 the share capital and the limit on registered share capital are as follows:

	30 September 2021	31 December 2020
Limit on registered share capital (historical)	1.500.000.000	1.500.000.000
Issued capital	729.164.000	729.164.000

The Company’s shareholders and shareholding structure as of 30 September 2021 and 31 December 2020 are as follows:

	Share (%)	30 September 2021	Share (%)	31 December 2020
CEZ a.s.	37,36	272.425.943	37,36	272.425.943
Akkök Holding A.Ş.	20,43	148.989.090	20,43	148.989.090
Akarsu Enerji Yatırımları San. ve Ticaret A.Ş.	16,93	123.436.852	16,93	123.436.852
Publicly held	25,28	184.312.115	25,28	184.312.115
	<b>100,00</b>	<b>729.164.000</b>	<b>100,00</b>	<b>729.164.000</b>
Adjustment to share capital		101.988.910		101.988.910
		<b>831.152.910</b>		<b>831.152.910</b>

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

## Board of Directors and Committees

### Board of Directors (“BoD”):

NAME - SURNAME	TITLE	TERM
SERHAN GENÇER	BoD Member / Chief Executive Officer	Assigned on 17 April 2019 for a three years period.
ÖZLEM ATAÜNAL	Chairman of the BoD	Assigned on 17 April 2019 for a three years period.
TOMAS PLESKAC	Vice President of the BoD	Assigned on 17 April 2019 for a three years period.
JAROSLAV MACEK	BoD Member	Assigned on 17 April 2019 for a three years period.
PETR KALAS	Independent BoD Member	Assigned on 17 April 2019 for a three years period.
ONDREJ DVORAK	BoD Member / CFO	Assigned on 17 August 2020, following the resignation of PETR DOKLADAL to complete his predecessor’s term of office.
YAHYA MEHMET İZZET ÖZBERKİ	Independent BoD Member	Assigned on 17 April 2019 for a three years period.
AHMET CEMAL DÖRDÜNCÜ	BoD Member	Assigned on 17 April 2019 for a three years period.

### Key Management Compensation:

	1 January - 30 September 2021	1 January - 30 September 2020	1 July – 30 September 2021	1 July – 30 September 2020
Bonus payment	4.335.110	2.822.088	-	-
Salaries and benefits	4.419.992	3.247.888	1.381.906	1.083.810
Attendance fee	647.816	604.376	247.676	211.428
	<b>9.402.918</b>	<b>6.674.352</b>	<b>1.629.582</b>	<b>1.295.238</b>

## **Jurisdictions of Board of Directors:**

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

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

### **GROUP (A) SIGNATURES**

ÖZLEM ATAÜNAL  
Chairman of Board of Directors

AHMET CEMAL DÖRDÜNCÜ  
Member of Board of Directors

SERHAN GENÇER  
Member of Board of Directors  
/General Manager

### **GROUP (C) SIGNATURES**

ÖZGE ÖZEN AKSOY  
Deputy CFO

CAN GÜLCAN  
Energy Generation Assistant General Manager

ORKUN EYİLİK  
Commercial Director

DUYGU ERZURUMLU CENGİZ  
HR & Business Support Director

### **GROUP (B) SIGNATURES**

TOMAS PLESKAC  
Vice-Chairman of Board of Directors

JAROSLAV MACEK  
Member of Board of Directors

ONDREJ DVORAK  
Member of Board of Directors/CFO

### **GROUP (D) SIGNATURES**

-

### **GROUP (E) SIGNATURES**

YUSUF HÜSEYİN YÜCEBAŞ  
Government Relations Coordinator



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

- I. Our Company shall be represented and bound and be indebted and engaged in the broadest sense with JOINT SIGNATURES of a GROUP (A) signatory and a GROUP (B) signatory to be affixed under the corporate seal of the Company.
- II. Our Company shall be represented and bound with JOINT SIGNATURES of GROUP (A) signatory must be the Chairman, ÖZLEM ATAÜNAL or the Member of Board of Directors/General Manager, SERHAN GENÇER and the GROUP (B) signatory must be the Vice-Chairman, TOMAS PLESKAC or the Member of Board of Directors/CFO, ONDREJ DVORAK under the corporate seal of the Company on the issues stated in Article 5/ (I) of the Internal Regulation no. 07 approved by our Board of Directors on 29.06.2021.
- III. Our Company shall be represented and bound with JOINT SIGNATURES of a GROUP (A) signatory and a GROUP (B) signatory or GROUP (D) signatory under the corporate seal of the Company on the issues stated in Article 5/ (II) of the Internal Regulation no. 07 approved by our Board of Directors on 29.06.2021.
- IV. Our Company shall be represented and bound with JOINT SIGNATURES of a GROUP (A) signatory or a GROUP (C) signatory and a GROUP (B) signatory or GROUP (D) signatory under the corporate seal of the Company on the issues stated in Article 5/ (III) of the Internal Regulation no. 07 approved by our Board of Directors on 29.06.2021.
- V. Our Company shall be represented and bound (i) with JOINT SIGNATURE of any two signatories from the GROUPS (A), (B), (C) and (D) or (ii) with JOINT signature one from GROUP (E) signatory and the other from any signatory from the GROUPS (A), (B), (C) and (D) to be affixed under the corporate seal of the Company on the issues stated in Article 5/ (IV) of the Internal Regulation no. 07 approved by our Board of Directors on 29.06.2021.



## **Information on BoD Members:**

### **Özlem Ataünal Chairman of the BoD**

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

### **Tomáš Pleskač Vice President of the BoD**

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

### **Ondřej DVORAK BoD Member / CFO**

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

**Serhan GENÇER**  
**BoD Member / General Manager**

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

**Jaroslav MACEK**  
**BoD Member**

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

**Ahmet Cemal Dördüncü**  
**BoD Member**

Born in Istanbul in 1953, Ahmet C. Dördüncü, graduated from Çukurova University, Department of Business Administration. Later, he pursued his postgraduate studies at Mannheim and Hannover Universities. Mr Dördüncü began his professional career at Claas OHG Company in Germany, and after returning to Turkey, he worked at Mercedes Benz A.Ş. between 1984 and 1987. He joined Sabancı Group in 1987, and assumed several positions at Kordsa A.Ş. until 1998. Mr. Dördüncü served as General Manager/President at DUSA South America, and later at DUSA North America in 1998. After working as Group President of Strategic Planning and Business Development at Sabancı Holding A.Ş. in 2004, he assumed the position of Chairman of the Executive Board of Sabancı Holding from 2005 to 2010. Mr. Ahmet Cemal Dördüncü, Chairman of the Executive Board of Akkök Holding since January 2013, also serves as the Chairman of Akcez and Akcoat, Deputy Chairman of Aksa Akrilik, Ak-Kim Kimya and Akiş REIT, and Member of the Board of Directors of various Akkök Holding Companies. Mr. Dördüncü is the Chairman of the United Nations Global Compact Turkey. He is also a Member of the Board of Directors in International Paper Co. companies. He speaks English, German and Portuguese.

**Petr KALAS**  
**Independent BoD Member**

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

**İzzet Özberki**  
**Independent BoD Member**

In 1979 Mr. Özberki graduated from the Faculty of Political Sciences at Ankara University. During 1979-1984, he worked as a lecturer at Gazi University in the Economics Department. From 1989-1991 he worked at Midland Bank Istanbul Branch at various levels, including Head of the Investment Banking Department. Between 1992 and 2001, he worked as a Corporate Consultant at Arkan & Arkan. In 2001 he joined Arkan & Ergin as a partner. He has a Corporate Financier (CF) degree from the Institute of Chartered Accountants of England and Wales.

**Corporate Governance Committee:**

NAME-SURNAME	TITLE
Petr KALAS	Chairman
Yahya Mehmet İzzet ÖZBERKİ	Member
Ondrej DVORAK	Member
Özge ÖZEN AKSOY	Member

**Audit Committee:**

NAME-SURNAME	TITLE
Yahya Mehmet İzzet ÖZBERKİ	Chairman
Petr KALAS	Member

**Early Detection of Risk Committee:**

NAME-SURNAME	TITLE
Yahya Mehmet İzzet ÖZBERKİ	Chairman
Petr KALAS	Member

## II – ENERGY SECTOR IN BRIEF

According to TEİAŞ data, total electricity consumption was 247,2 TWh in the first nine months of 2021, increasing by 8,54% compared to 227,7 TWh in the first nine months of 2020.

Total installed capacity of Turkey as of the end of September 2021 is announced as 98,789 MW (including unlicensed power plants). Private sector has the largest share in the installed capacity with a share of 67,8%, followed by EÜAŞ with a share of 21,7% followed by unlicensed power plants with a share of 7,4% and followed by operating rights transferred plants with a share of 2,8% and followed by built-operate and built-operate-transfer plants with a share of 0,13%. Renewable sourced power plants hold a share of 52,94% in total installed capacity.

The average market price of the electricity in the first nine months of 2021, in nominal terms, realized as TL 396,38, which is 46,38% higher compared to the average market price of electricity in the first nine months of 2020.

YEKA GES-3 competitions, developed by the Ministry of Energy and Natural Resources within the scope of the Renewable Energy Resource Zones (YEKA) model, have been completed. 31 companies secured 1.000 MW capacity rights for 74 solar PV projects in 36 cities. The winning bids in the competitions ranged from 18,2 kurus to 32 kurus per kilowatt-hour, with a weighted average of 21,5 kurus/kilowatt-hour.

## III – SALES AND THE PERFORMANCE OF THE COMPANY

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

	<b>1 January - 30 September 2021</b>	<b>1 January - 30 September 2020</b>
STABILIZATION AND RECONCILIATION MARKET (*)	1.480.738	2.114.355
BILATERAL AGREEMENTS	2.365.036	1.238.413
ANCILLARY SERVICES (SFC)	858.647	739.637
RENEWABLE ENERGY RESOURCES SUPPORT MECHANISM	567.791	697.284
<b>TOTAL</b>	<b>5.272.212</b>	<b>4.789.689</b>

\* Includes Renewable Energy Resources Support Mechanism sales.

## IV – GENERATION AND CAPACITY INFORMATION

- Generation type of our Erzin Plant is Thermal-Combined Cycle and its total electricity generation was 3.123.646.370 kWh and its steam generation was 3.073.761 tons in the first nine months of 2021. Capacity utilization rate, according to actual generation, is 52,68%. Generation scope of our plant is Electricity and Steam generation. 24,90% increase occurred in electricity generation compared to the first nine months of the last year.

- Generation type of our Balıkesir Ayyıldız WEPP Plant is electricity generation based on wind energy and its total electricity generation was 59.448.353 kWh in the first nine months of 2021. Capacity utilization rate, according to actual generation, is 32,23%. Generation scope of our plant is Electricity generation. 13,15% decrease occurred in electricity generation compared to the first nine months of the last year.

-Generation type of our Bulam HEPP Plant is electricity generation based on Channel-type hydraulic energy and its total electricity generation was 16.254.944 kWh in the first nine months of 2021. Capacity utilization rate, according to actual generation, is 35,48%. Generation scope of our plant is Electricity generation. 38,49% decrease occurred in electricity generation compared to the first nine months of the last year.

-Generation type of our Uluabat HEPP Plant is electricity generation based on Reservoir Hydraulic energy and its total electricity generation was 230.793.000 kWh in the first nine months of 2021. Capacity utilization rate, according to actual generation, is 35,25%. Generation scope of our plant is Electricity generation. 28,84% increase occurred in electricity generation compared to the first nine months of the last year.

-Generation type of our Burç HEPP Plant is electricity generation based on River type HEPP energy and its total electricity generation was 45.199.700 kWh in the first nine months of 2021. Capacity utilization rate, according to actual generation, is 25,43%. Generation scope of our plant is Electricity generation. 48,91% decrease occurred in electricity generation compared to the first nine months of the last year.

-Generation type of our Feke II HEPP Plant is electricity generation based on Reservoir Hydraulic energy and its total electricity generation was 94.226.000 kWh in the first nine months of 2021. Capacity utilization rate, according to actual generation, is 20,71%. Generation scope of our plant is Electricity generation. 33,28% decrease occurred in electricity generation compared to the first nine months of the last year.

-Generation type of our Himmetli HEPP Plant is electricity generation based on Reservoir Hydraulic energy and its total electricity generation was 68.241.930 kWh in the first nine months of 2021. Capacity utilization rate, according to actual generation, is 38,67%. Generation scope of our plant is Electricity generation. 22,58% decrease occurred in electricity generation compared to the first nine months of the last year.

-Generation type of our Feke I HEPP Plant is electricity generation based on Channel-type hydraulic energy and its total electricity generation was 72.237.490 kWh in the first nine months of 2021. Capacity utilization rate, according to actual generation, is 37,58%. Generation scope of our plant is Electricity generation. 24,21% decrease occurred in electricity generation compared to the first nine months of the last year.

-Generation type of our Gökçaya HEPP Plant is electricity generation based on Reservoir Hydraulic energy and its total electricity generation was 66.316.720 kWh in the first nine months of 2021. Capacity utilization rate, according to actual generation, is 35,53%. Generation scope of our plant is Electricity generation. 26,59% decrease occurred in electricity generation compared to the first nine months of the last year.

## **V – INVESTMENTS**

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

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

## **VI – FINANCIAL SOURCES**

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

As of 30 September 2021, the Group has;

- USD 35,9 million short-term borrowings and EUR 1,1 million and TL 2,8 million short-term leasing liabilities, and
- TL 2,8 billion and USD 440,5 million long-term borrowings and EUR 7,1 million and TL 29,6 million long-term leasing liabilities.

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

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

## VII – RISK MANAGEMENT POLICY AND INTERNAL AUDIT MECHANISM

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

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

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

## VIII – MAIN FINANCIAL HIGHLIGHTS

### Current Period Ratios

Debt / Liability Ratio	$\frac{\text{SHORT-TERM LIABILITIES \& LONG-TERM LIABILITIES}}{\text{TOTAL LIABILITIES}}$	112%
Debt / Equity Ratio	$\frac{\text{SHORT-TERM LIABILITIES \& LONG-TERM LIABILITIES}}{\text{TOTAL EQUITY}}$	-960%
Gross Profit Margin (%)	$\frac{\text{GROSS PROFIT / (LOSS)}}{\text{NET SALES}}$	17%
Net Profit Margin (%)	$\frac{\text{NET PROFIT / (LOSS) FOR THE PERIOD}}{\text{NET SALES}}$	-31%



## **IX – CHANGES IN THE ARTICLES OF ASSOCIATION IN THE PERIOD**

The amendment text related to the Article 7 of the Company's Articles of Association titled “Capital of the Company” was approved by the letter of the Capital Markets Board dated 30.03.2021 no. E-29833736-110.03.03-4253, by the letter of the Ministry of Trade dated 12.04.2021 no. E-50035491-431.02-00063184815 and by the letter of the energy Market Regulatory Authority dated 01.04.2021 no. E-77386926-110.01.01.01-54666. The amendment text related to the Article 7 of the Company's Articles of Association titled “Capital of the Company” was submitted to the approval of shareholders of the Company and approved at the Ordinary General Assembly held on 28 May 2021.

## **X – SIGNIFICANT EVENTS REGARDING THE GROUP**

The Ordinary General Assembly Meeting of the Company for the year 2020 was held on 28 May 2021. Shareholders representing 74,723% of the Company’s capital attended the meeting. Shareholders used their right to ask questions and no motion with the exception of the agenda was presented. There were no questions from shareholders answered in writing after the General Assembly in line with principle 1.3.5 of Corporate Governance Notification no. II-17.1 of the Board of Directors that could not be responded to during the meeting.

At the Ordinary General Assembly Meeting of the Company for the year 2020 held on 28 May 2021, it was decided to elect PwC Bağımsız Denetim Ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi as the independent auditor of our Company for auditing financial statements and reports of our Company for the year of 2021, in line with the report of the Audit Committee and as per the resolution of the Board of Directors, in accordance with the relevant provisions of Turkish Commercial Code, “Communique on Independent Auditing Standards in Capital Markets” Serial:X, No:28 of Capital Markets Board and the Decision of Energy Market Regulatory Authority on Auditing of Real Persons and Legal Entities Displaying Activity in Energy Market” dated 03.03.2015 and numbered 5507.

Best Regards,

Ondrej DVORAK  
Chief Financial Officer

Serhan GENÇER  
Chief Executive Officer