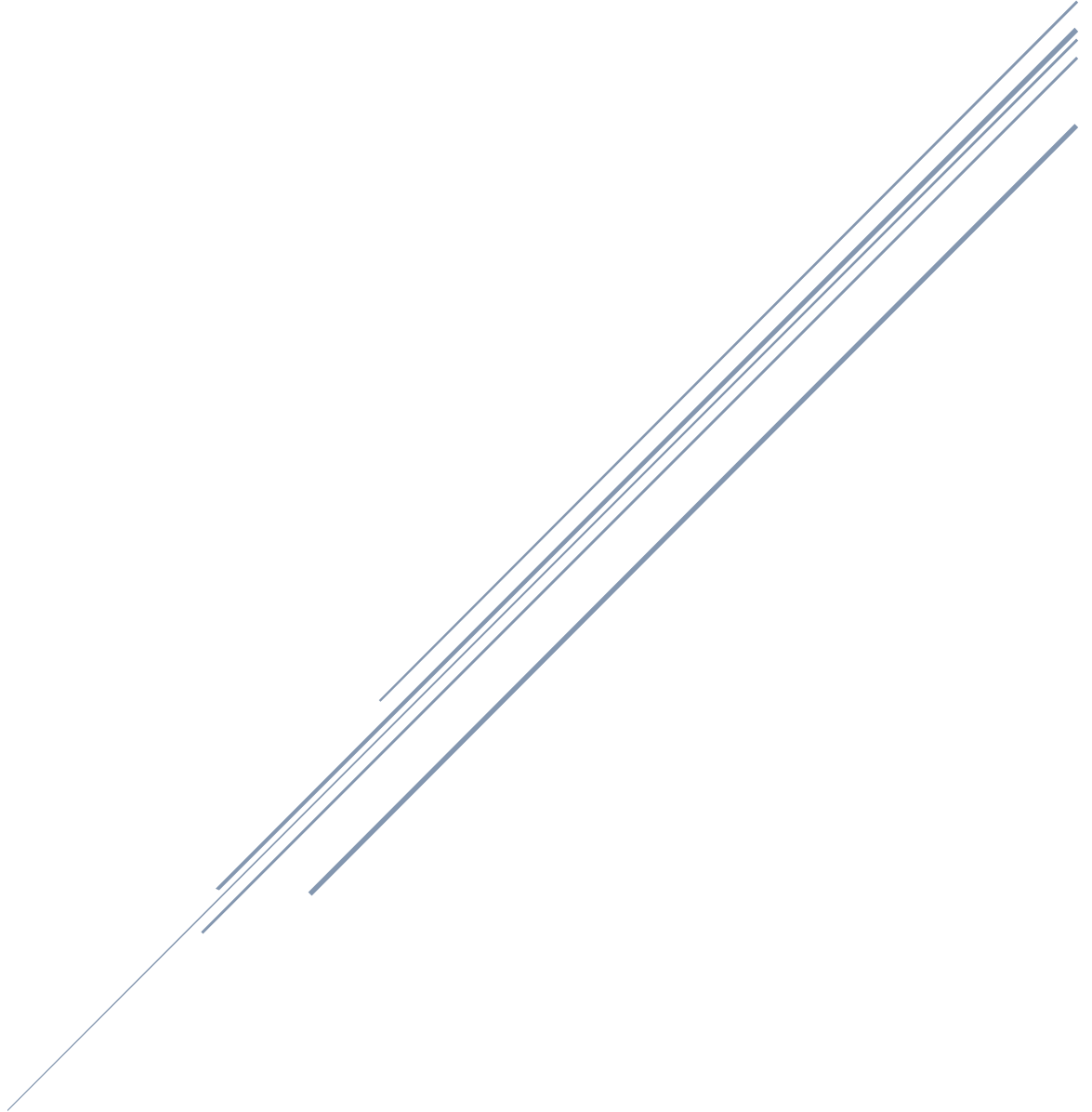


KAFEİN YAZILIM HİZMETLERİ TİCARET A.Ş.

ACTIVITY REPORT 31.12.2023



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I. GENERAL INFORMATION

a) About Kafein

Kafein Yazılım Hizmetleri Ticaret A.Ş. was established in 2005 to develop software solutions. The company provides services to its customers, primarily with Managed Services, Cyber Security, Product Sales and Integrations, Customer-Specific Software Solutions, Outsourcing, as well as products developed by itself. Kafein has always maintained its growth since establishment and improved competencies each and every year. Kafein continues operations in strict conformance with quality standards and methodologies. Among the institutions that benefit from the services by Kafein, there are the biggest telecommunication companies, insurance companies, banks, retail and manufacturing companies of Turkey.



VISION

As Kafein Technology, we aim to be among the leading software companies that meet the needs and expectations in the sector that transform the creativity of employees into customer satisfaction, act on a risk-based basis, and have international competitiveness by adopting an effective and constantly renewing quality management system with professional, self-confident, business-conscious personnel and transparent organizational structure.

MISSION

With our high-tech software and R&D studies, we aim to offer products and solutions that reduce error rates and increase business efficiency in various sectors such as telecom, transportation, finance, retail and service.

VALUES AND PRINCIPLES

- Working with a focus on customer satisfaction
- Keeping customer satisfaction at the highest level by using time effectively and efficiently

- In addition to meeting expectations, always doing the best by exceeding expectations
- Working in a team mentality
- To be responsible to the society, respectful to moral and national values while producing
- To perform all our activities by adhering to the principles of confidentiality and trust
- Ensuring that employees receive trainings that enable them to develop themselves and increase their self-confidence.
- Always ready and open to change and continuous improvement.
- Continually improving and improving our performance for excellence

b) Reporting Period

This report covers the information of the period between 01.01.2023 and 31.12.2023.

c) Registry Information

Trade Name	Kafein Yazılım Hizmetleri Ticaret Anonim Şirketi
Date of Establishment	26.08.2005 - Istanbul, TURKEY
Paid Capital	TRY 19,750,000
Authorized Capital	TRY 200,000,000 (Two Hundred Million Turkish Lira)
Trade Registration No.	ISTANBUL - 563336
Tax Office and Number	ESENLER - 487 051 8539
Address	Head Office: Çifte Havuzlar Mah. Eski Londra Asfaltı Cad. Kuluçka Mrk. A2 Blok No:151/1B İç Kapı No: B01 Esenler İstanbul Ankara Branch: Aşağı Öveçler, 1309. Sk. No:5 D:6 06460 Çankaya/Ankara Düzce Branch: Orhangazi Mah. Teknopark Cad. Teknopark Blok No 1 İç Kapı No Z03 Merkez/Düzce
Telephone / Fax	0212 924 20 30 / 0212 483 70 27
Website	www.kafein.com.tr
Area of Activity	Software Development
NACE Code	62.01.01 (Computer Programming Activities)

d) Area of Activity

Kafein Yazılım Hizmetleri Ticaret A.Ş. is engaged in software services. The fields of activity of the Company can be analysed under the following items:

1. Managed Services
2. Turnkey Solutions
3. Outsourcing Services

4. Licence/Product Sales and Integration

5. Cyber Security

6. Products

Kafein carries out all the operational processes according to the ISO 9001 quality management system and offers services in compliance with these processes. Detailed information on the company services can be found at www.kafein.com.tr/services

1. Managed Services

Managed service is the management of a part of the IT system of a company on behalf of a client and rendering it as a service. All or a part of software development, analysis, test, and operation services can be considered as managed services. Managed services also include personnel supply, employment, and management. The difference between personnel supply under managed services and standard employment is as follows:

Outsourcing	Managed Services
Personnel selection is made by the client.	Personnel selection is made by the supplier company.
Performance review is made by the client.	Performance review is made by the supplier company.
The number of personnel is defined by the client.	The number of personnel is defined mutually. The goal is to render services.
A mixed team is established for the same purpose and goal.	The team consists of a single company.
Fund of knowledge is transmitted in a limited way.	Fund of knowledge is created within the company.
Payment is made according to the days of work by personnel.	Payment is made according to the rendered service.

Kafein offers managed services and assigns a team for software development, analysis, test, and operation in accordance with a Service Level Agreement (SLA) to be concluded with the client. The quality of these services is measured with the comparison of key performance indicators mutually defined by the parties.

This approach attributes the cost of work and personnel to Kafein. Therefore, it serves not only as an approach to reduce management costs but also as a competitive element that improves performance and efficiency.

Thanks to the knowledge and experience acquired with managed services, Kafein has become one of the key suppliers according to the clients. This ensures longer terms of business and agreements for Kafein.

2. Customer-Specific Software Solutions

Kafein offers turnkey solutions tailored for the needs of clients. These solutions are implemented by a project team specially established for the purpose. With turnkey solutions, software development and integration requests are completed and offered for use within a particular time as defined by clients. These activities are performed with a certain discipline and method by a special team. With these projects, Kafein offers the softwares developed by the Company or business partners to the clients of telecommunication, service, insurance, and transportation industries, in particular.

In this sense, Kafein implements the project management methodologies that are accepted as the industrial standards. These methodologies are identified with the consideration of the complexity and size of projects, the profile and structure of clients, and the parameters to be regarded for the project team. Similarly, project managers use various management tools throughout the projects.

In general, a project management process consists of the following stages:

- Identification and analysis of client needs - Scope Analysis
- System analysis and design
- Solution development, adaptation, or integration
- Tests
- Commissioning
- Formation and maintenance of operation and maintenance processes
- Project closing, lessons learned and process evaluation
- Observation process

3. Outsourcing Services

Kafein employs and assigns personnel according to the knowledge and experience levels required by clients. The personnel assigned to render services are selected by clients from among the

proposed candidates. In this service, client is the party responsible for the management of a dedicated Kafein team and also undertakes the risk for the quality and completion of works.

4. Licence (Product Sales and Integration)

Kafein has been engaged in license sales in Turkey as the business partner of many international software and technology companies. Having initiated license sales in Turkey by collaborating with the leading companies of the relevant industries, the Company expands its operations to abroad.

Robotic Process Automation

Robotic Process Automation is the repeatable handling of the systematic processes and operations carried out by the employees through the software robot and the automatic realization of the learning method. Various technical inquiries or calculations, records and transactions are repeated by simulating an employee's behaviour. Robotic Process Automation improves service quality by eliminating errors in operations and saves considerable time and cost for manual and repetitive tasks.

End to End Solution to Protection of Personal Data

It enables organizations to discover sensitive data, to configure them correctly, to process them effectively and to store them in compliance with the provisions of the Personal Data Protection Law (KVKK) and General Data Protection Regulation (GDPR) and in accordance with legal requirements.

You can reach all our business partners at www.kafein.com.tr/home/workpartners

5. Cyber Security

Cyber Security can be defined as aggregated methods, Technologies and processes that help to protect the privacy, integrity and availability of digital assets, networks and data against cyber-attacks or unauthorized access. The main purpose of cyber security is to protect all corporate assets from both external and internal threats and disruptions caused by natural disasters.

All-in Cyber, the brand of Kafein Technology for cyber security solutions, is cyber security consulting firm that offers an end-to-end solution partnership in risk-operation and cost management of institutions, which integrates human, process and technology concepts against cyber-attacks by increasing the information security levels of institutions with its cyber security solutions. The long-term goals of the department are to provide cyber security services in the Turkic Republics, especially in Azerbaijan, to produce domestic and national cyber security products, to establish an academy and train talented young people in this field to position them in customer locations, and to be one of the competent Cyber Security Integrators in Turkey. The All-in Cyber brand can be accessed by the following link: www.allincyber.com The services provided are as follows:

- Advanced Persistent Threat (APT) and Malware Analysis
- Managed Endpoint Monitoring and Forensic Analysis
- E-Mail Security and Management
- Security Verification
- Protection, Detection and Response in the Entire Chain of Attack
- Cyber Threat Intelligence Integration

6. Products

DataTouch

DataTouch is a Data Security and Governance Product and a new generation data lineage software that helps determine the purposes of use, frequency of use and users of the detected data.

The product is listed on the product catalogue of the global software provider Opentext to be sold globally and the OEM (Original Product Manufacturer) contract is signed on 06.04.2023 to be included in the sales lists under the brand "Voltage". Additionally, DataTouch entered the Product Catalog of the American-based technology company Infocorvus LLC on 22.09.2023

Test Data Management (TDM)

The TDM product developed by Kafein is used in corporate companies to generate test data. Digitization and increasing application need led to an increase in test data production needs. It is possible to produce test data independent of real data and fully compliant with regulations, with the Test Data Management (TDM) product, which imitates real data of institutions and creates data sets.

TDM is included in the product catalogue of the global software provider Opentext on 19.04.2021 to be sold all over the world.

Additionally, on 22.09.2023, an OEM (Original Equipment Manufacturer) agreement is signed between the company and the American-based technology company Infocorvus. In accordance with the terms of the agreement, the Data Security and Governance Product "DataTouch" and the Test Data Management Product "TDM" developed by the company and the Database Activity Monitoring and Prevention Products "DataSkoPe" and "InfraSkoPe" developed by our 51% Subsidiary Karmasis Bilişim Çözümleri Ticaret A.Ş. will be sold in the American and Canadian markets on a revenue sharing basis by Infocorvus LLC.

DataSkoPe & InfraSkoPe

The Database Activity Monitoring and Prevention Products DataSkoPe and InfraSkoPe developed by our 51% Subsidiary Karmasis Bilişim Çözümleri Ticaret A.Ş are database activity monitoring

and prevention products. The product detects, classifies, generates alarms, and reports events occurring in database systems without turning on the audit feature. By providing access to information about who has accessed sensitive data and what actions are taken at what intervals, it ensures that the authorities are informed about the events with predefined alarm rules.

DataSkoPe have been included in the product catalogue of the global software provider Opentext to be sold globally. On 06.04.2023, the OEM (Original Equipment Manufacturer) contract is signed to be included in the sales lists under the brand of Voltage. Additionally, they entered the Product Catalog of the American-based technology company Infocorvus LLC on 22.09.2023

For detailed information on other company products check www.kafein.com.tr/services/products .

e) Capital and Partnership Structure

The issued capital of Kafein Yazılım Hizmetleri Ticaret A.Ş. consists of 19,750,000 shares with TRY 1,00 as the nominal value of each share.

By 31.12.2023, the distribution of the issued capital of Kafein among the partners is as follows:

Shareholder	Group A	Group B	Group C	Total Capital Amount (TRY)	Capital Share (%)	Voting Right (%)
Ali Cem Kalyoncu	183,333	183,333	4,573,716	4,940,382	25.01	40.48
Publicly Held / Other			14,809,618	14,809,618	74.99	59.52
TOTAL	183,333	183,333	19,383,334	19,750,000	100.00	100.00

f) Preferred Shares and Explanations for the Voting Rights of Such Shares

As specified under article 7 of the Articles of Association, the shares of the Company are classified under three groups as Group (A), (B) and (C) shares. Group (A) and (B) shares are registered shares and represent the special rights and privileges defined in the Articles of Association. Group (C) shares are bearer shares and are not furnished with special rights and privileges.

According to article 9 of the Articles of Association, 2 members are to be elected from among the Group A shareholders or the persons assigned by them while 1 member is to be elected from among the Group B shareholders or the person assigned by them in case the Board of Directors consists of 6 or 7 members. Similarly, 3 members are to be elected from among the Group A shareholders or the persons assigned by them while 1 member is to be elected from among the Group B shareholders or the person assigned by them in case the Board of Directors consists of 8 members.

One among the Group A shareholders or a person assigned by them takes office as the Chairman of the Board while one among the Group B shareholders or a person assigned by them serves as the Vice Chairman of the Board.

Voting Rights: As specified in article 15 of the Articles of Association, each and every Group A and B shareholder has 15 (fifteen) voting rights except for board member elections while each and every Group C shareholder has 1 (one) voting right in the ordinary and extraordinary general assembly meetings.

The shareholders may decide to assign an attorney to represent them in General Assembly meetings. The attorneys who are also the shareholders of the Company can vote for the shares of the represented shareholders as well as for their own shares. The Capital Markets Regulation shall apply for the voting and proxy voting procedures.

Minority Rights: Within the framework of Article 15 of the Company's Articles of Association, secret and written voting may be applied upon the request of the shareholders who represent shares equal to at least one-tenth (10%) of the capital. Article 411 of the Turkish Commercial Code grants the "Minority Right" to the shareholder(s) who own at least 5% (1/20) of the issued capital in public companies.

Share Transfer: The transfer of the Group A and B registered shares is subject to the approval of the Board of Directors, and the provisions of the article 493 of Turkish Code of Commerce shall apply thereto. On the other hand, Group C bearer shares can be transferred freely without any restriction. The articles of association are available at company website under the Investor Relations menu.

II. INFORMATION ABOUT THE BOARD OF DIRECTORS AND SENIOR MANAGEMENT

a) Board of Directors Structure, Operating Principles, Resumes and Statements of Independence

According to company's Article of Association article 9, in order to enable efficient and constructive activities, fast and rational decisions, establishment of committees and efficient organization of activities, the Board of Directors of the Company is assigned by the general assembly to consist of 6 to 8 members. Members of the Board of Directors can be elected to take office for three years. A member with expired term of office may be re-elected as long as he/she is not dismissed.

In case the number of members of the Board of Directors consists of 6 or 7 people; 2 members are selected among the A group shareholders or the candidates they will appoint; 1 member is selected among the B group shareholders or the candidates they will appoint. If the number of members of the Board of Directors consists of 8 people, 3 members are selected among the A group shareholders or the candidates they will nominate; 1 member is selected among the B group shareholders or the candidates they will appoint. The number and qualifications of the independent members who will take place in the Board of Directors are determined according to the regulations of the Capital Markets Board regarding Corporate Governance.

A person selected from among the Group A shareholders or the candidates they will nominate serves as the Chairman of the Board of Directors. A person selected from among the B Group shareholders or the candidates they will nominate shall serve as the Deputy Chairman of the Board of Directors.

The Board of Directors manages and represents the company. The independent members of the board of directors reserve the duties, rights and authorities assigned by the Capital Markets Law and the relevant regulation. The Board of Directors is liable to establish the committees and commissions prescribed by the regulation. Apart from these, the Board of Directors may also create committees and commissions for the management and supervision of the decisions and policies regarding the activities. The regulations of the Capital Markets Law apply for such committees.

The meeting of the Board of Directors is held when it becomes necessary due to the activities and procedures of the Company. The meeting and quorum articles and provisions of the Turkish Code of Commerce apply for the meetings. On the other hand, the regulations by the Capital Markets Law and Capital Markets Board are reserved.

BOARD OF DIRECTORS					
Full Name	Role	Date of Election	Due Date	Executive Director or Not	Current External Assignments
Ali Cem Kalyoncu	Board Chairman	16.12.2011	01.04.2027	Executive	Netsite İletişim ve Elektronik Sistemleri San. ve Tic. A.Ş. Managing Partner and Vice Chairman Karmasis Bilisim Cozumleri Tic. A.Ş. Board Chairman
Neval Onen	Vice Chairwoman	10.04.2013	01.04.2027	Executive	Karmasis Bilisim Cozumleri Tic. A.Ş. Board Member
Hatice Sevim Oral	Board Member	10.04.2013	01.04.2027	Executive	-
Kenan Subekci	Board Member	02.01.2012	01.04.2027	Non-Executive	Birlik Insaat Otomotiv ve Bilisim Hizm. Controlling Shareholder, Mayor of Düzce Gümüşova Municipality
Murat Kaan Güneri ¹	Independent Board Member	01.03.2024	01.04.2027	Non-Executive	AltoPartners C.V. Turkey Managing Partnership, MKG ve Ortakları İnsan Kaynakları

¹ At the meeting of our Company's Board of Directors dated 01.03.2024 and numbered 05, it has been decided to appoint Mr. Murat Kaan Güneri as an independent board member to the position vacated from Mr. İbrahim Semih Arslanoğlu due to his resignation and to be submitted for the approval of the first general assembly to be held according to Turkish Commercial Code Article 363.

					Danışmanlığı Hizmetleri A.Ş. Chairman of the Board of Directors, Member of the Audit Board of İstanbul Golf İhtisas Spor Kulübü İktisadi İşletmesi
Murat Ethem Sümer	Independent Board Member	23.08.2022	01.04.2027	Non- Executive	Escar Filo Kiralama Hizmetleri A.Ş. Financial Affairs Director

All executive bodies of the Company perform their duties within the hierarchy in the Internal Directive, provided that they do not contradict the law and relevant legislation, the mandatory provisions in the Company's articles of association and the indispensable duties and powers of the General Assembly. The company's articles of association are taken as basis in determining the structure and term of the Board of Directors. In accordance with the working principles of the Board of Directors, utmost care is taken to provide information and documents to the members at least 1 (one) day before the meeting.

The Board member allocates sufficient time for company affairs. If a member of the Board of Directors is a manager or a member of the board of directors in another company or provides consultancy services to another company, it is essential that this situation does not cause a conflict of interest and does not disrupt the member's duty in the company. In this context, the member's ability to take on other duties or tasks outside the company is limited to a maximum of 5 (five) companies outside the company. The duties of a member of the board of directors outside the company and the reasons therefor are presented to the information of the shareholders, together with the agenda item regarding the election, at the general assembly meeting where the election is discussed, making a distinction between inside and outside the group.

During the period, 18 Board of Directors Meetings were held. Members of the Board of Directors participated in the meetings at a rate of 96%.

Every year, a fixed wage is determined in ordinary general assembly meetings to be applicable for all the members of the Board of Directors. Regardless of short-term performance, the fixed wages to be made to the Board Members, Senior Management, and the employees of Kafein are determined in compliance with the ethical values, internal balance, and strategic targets of the Company.

In accordance with the article 4.2.8 of Principles of Corporate Governance; Executive Liability Insurance policy was signed with the total liability amount of USD 3,000,000 to be valid between 03.09.2023 - 03.09.2024.

b) Resumes

Ali Cem Kalyoncu (Board Chairman - Director General)

Ali Cem Kalyoncu was born in 1960 and is an alumnus of the Electronics Engineering department, Istanbul Technical University. Later, he got his master's degree from the Autocontrol and Computers department Istanbul Technical University Institute of Science. As part of his professional career, he took office in Nixdorf A.S. as a Service Engineer, Digital Equipment Turkiye A.S. as Service Manager, and Datapro A.S. as a Director General and Managing Partner. Ali Cem Kalyoncu holds office as the Board Chairman and Director General of Kafein Yazilim Hizmetleri Ticaret A.S.

Neval Onen (Vice Chairwoman of the Board - HR & Administrative Affairs Manager)

In 1989, Neval Onen started her professional career as a part-time sales representative in Danisman Bilgisayar. Later, she also served as an Administrative Affairs Officer under the same company. In 1994, she was employed by 4K Bilgi Islem as a Sales Representative where, in 1997, she held office in the Oem Department as the Sales Manager. In 2000, she started to serve as the IT Sales Manager in Genpa. Subsequently, she started to work under the project sales department of Datapro A.S. in 2002. In 2003, she was assigned by Datapro as the Sales and Customer Services Manager responsible for the relations with IBM, Fujitsu Siemens, Kodak, Oki, Epso and HP companies. She holds office under Kafein Yazilim Hizmetleri Ticaret A.S. since 2008, and currently serves as the Vice Chairwoman and HR & Administrative Affairs Manager of the Company.

Hatice Sevim Oral (Board Member - Accounting Manager)

Hatice Sevim Oral was born on 22.12.1964, in Malatya. She graduated from Malatya Trade Vocational School in 1981, School of Economics and Administrative Sciences of Inonu University in 1982 and Business Administration Department (Open Education Faculty) of Anadolu University in 2019. She served as a Chief Accountant under Onur air - TK Air between 1992 and 1994; Financial Affairs Manager under Akdeniz Airlines between 1995 and 1996; Internal Auditor under Cenajans Grey Reklamcilik A.S. between 1997 and 1999; Specialist Accountant under the Banks Association of Turkey between 1999 and 2002; and Assistant Accounting Manager under Datapro A.S. Between 2005 and 2008. Since 2008, she has held office as the Accounting Manager of Kafein Yazilim Hizmetleri Ticaret A.S.

Kenan Subekci (Board Member)

Kenan Subekci was born in 1979. Subekci graduated from the Department of Electronics of Abant Izzet Baysal University and the Department of Labour Economics and Industrial Relations of Anadolu University. He took office in Datapro A.S. as a Broad Service Officer, in Probil A.S. as a Team Leader and Project Officer, in Kafein Yazilim Hizm. Tic. A.Ş. as IT, Administrative Affairs and Purchasing Manager. Kenan Subekci has been holding office as the Board Member of Kafein

Yazılım Hizmetleri Ticaret A.Ş. since 02.01.2012. He also is also the Mayor of Düzce Gümüşova Municipality since 01.04.2024.

Murat Ethem Sümer (Independent Board Member)

He was born in 1964 in Ankara. He graduated from Galatasaray High School in 1984 and from Marmara University, Business Administration Department in 1989. After graduating from university, he worked in the tourism sector and Cankurtaran Holding for a while. In 1992, He started to work as a Financial Analyst in the Digital Equipment Turkey A.Ş. and participated in the International Education Program, equivalent to an MBA, at the Digital Management Institute between 1995-1998 during his tenure. After working at the head office in England for one year, he worked as the Turkey Country Finance and Administrative Affairs Manager of the same company. He continued his career as CFO at Vestel Companies Group Information Technologies department, Universal Music Group Turkey and T-Systems Turkey, respectively. After working as Business Operation Lead in Microsoft Turkey C&O unit, he has been working as CFO at Escar Filo Kiralama Hizmetleri A.Ş. He is fluent in English and French.

Murat Kaan Güneri (Independent Board Member)

Murat Kaan Guneri earned his BSc in Psychology, Bogazici University, Istanbul. He started his early career in İktisat Bank and continued at Digital Equipment Corporation (DEC) where he carried the responsibility for the Human Resources and Organization Country Manager position as well as that for the Quality Management function. Since 1996, he has been the founding partner of three different consultancy companies in the field of human resources in Turkey and has worked actively. He is currently the country managing partner of AltoPartners C.V. consultancy firm, the Chairman of the Board of MKG ve Ortakları İnsan Kaynakları Danışmanlığı Hizmetleri A.Ş., and Member of the Audit Committee at İstanbul Golf İhtisas Spor Kulübü İktisadi İşletmesi.

c) Independence Statements

STATEMENT OF INDEPENDENCE

I hereby declare that I am a candidate to serve as an “independent member” at the board of Kafein Yazılım Hizmetleri Ticaret Anonim Şirketi (the Company) within the scope of the articles of association and the Corporate Governance Principles annexed to the Capital Market Board. Within this scope, I declare that ;

a) I, myself, my spouse, and my blood and relative by marriage up to the second degree have not been in the company's management control or partnerships in which it has significant influence, and the company's management control in a managerial position where important duties and responsibilities will be raised between the partners in the last five years; there is no employment relationship, 5% or more of the capital or voting rights are not directly or indirectly owned, no significant commercial relationship has been established,

- b) I have not worked or become a member of the Managing Board in companies that manage the division and that perform the audit of the company (including tax audit, legal audit, business audit), its rating and consultancy and the companies that, have been able to complete the company's activities and organization within the framework of the agreements made or to a certain extend in the last five years,
- c) I have no partnership (5% or more), no direct or indirect caller or a member of the Managing Board in any of the companies that provide significant services and funds to the company in the last five years,
- d) I do not have a share in the capital of the company, and I have the professional education, knowledge, and experience to properly fulfil the duties I will be assigned due to being a member of the independent managing board,
- e) I am not employed full-time in public institutions and organizations as of now,
- f) I am deemed to have settled in Turkey according to the Income Tax Law,
- g) I will make positive contributions to the activities of the company, I will protect my impartiality in the conflicts of interest between the company shareholders, and I will decide freely by taking into account the rights of the stakeholders,
- h) I will spare time for company affairs to the extent that I can follow the operation of the company's activities and fully fulfil the requirements of the duties I have undertaken,

Signature: Murat Kaan Guneri

STATEMENT OF INDEPENDENCE

I hereby declare that I am a candidate to serve as an "independent member" at the board of Kafein Yazılım Hizmetleri Ticaret Anonim Şirketi (the Company) within the scope of the articles of association and the Corporate Governance Principles annexed to the Capital Market Board. Within this scope, I declare that;

- a) I, myself, my spouse, and my blood and relative by marriage up to the second degree have not been in the company's management control or partnerships in which it has significant influence, and the company's management control in a managerial position where important duties and responsibilities will be raised between the partners in the last five years; there is no employment relationship, 5% or more of the capital or voting rights are not directly or indirectly owned, no significant commercial relationship has been established,
- b) I have not worked or become a member of the Managing Board in companies that manage the division and that perform the audit of the company (including tax audit, legal audit, business audit), its rating and consultancy and the companies that, have been able to complete the company's activities and organization within the framework of the agreements made or to a certain extend in the last five years,

- c) I have no partnership (5% or more), no direct or indirect caller or a member of the Managing Board in any of the companies that provide significant services and funds to the company in the last five years,
- d) I do not have a share in the capital of the company, and I have the professional education, knowledge, and experience to properly fulfil the duties I will be assigned due to being a member of the independent managing board,
- e) I am not employed full-time in public institutions and organizations as of now,
- f) I am deemed to have settled in Turkey according to the Income Tax Law,
- g) I will make positive contributions to the activities of the company, I will protect my impartiality in the conflicts of interest between the company shareholders, and I will decide freely by taking into account the rights of the stakeholders,
- h) I will spare time for company affairs to the extent that I can follow the operation of the company's activities and fully fulfil the requirements of the duties I have undertaken,

Signature: Murat Ethem Sümer

d) Committees Established by the Board of Directors

In accordance with the Corporate Governance Communiqué II-17.1 published by the Capital Markets Board; With the decision of our Board of Directors dated 21.01.2019 and numbered 2019/01, "Audit Committee", "Corporate Governance Committee" and "Early Detection of Risk Committee" are created; It is also authorized the Corporate Governance Committee to fulfil the duties of the Nomination Committee and Remuneration Committee.

In the Board of Directors' meeting held on 11.12.2020 with the decision number of 2020/28, it has been decided to appoint the Corporate Governance Committee to constitute the necessary policies within the scope of "Environmental, Social, Corporate Governance (ESG)" toward Sustainability Principles Compliance Framework and to carry out and follow-up related practices. The committees that continue operations under the Board of Directors of Kafein Yazilim are as follows;

Audit Committee:

The Audit Committee was established upon the decision of the Board of Directors dated 21.01.2019. As per the decision of the Board of Directors dated 23.08.2022 Murat Ethem Sumer was appointed as the Audit Committee Chairman; as per the decision of the Board of Directors dated 01.03.2024 Murat Kaan Güneri was appointed as the Audit Committee Member.

Name	Title	State of Independence
Murat Ethem Sümer	Head of Audit Committee	Independent member
Murat Kaan Güneri	Member of Audit Committee	Independent member

The Audit Committee oversees the company's accounting system, disclosure of financial information to the public, independent audit, and the functioning and efficiency of the company's internal control and internal audit system. The selection of the independent audit firm, the preparation of independent audit contracts and the initiation of the independent audit process, and the work of the independent audit firm at every stage are carried out under the supervision of the audit committee. The Audit committee convenes at least once every three months, at least four times a year. The results of the meeting are recorded, and the decisions taken are presented to the board of directors.

During the period, 5 Audit Committee meeting were held. Members of committee participated in the meetings at a rate of 100%.

Corporate Governance Committee:

The Corporate Governance Committee was established upon the decision of the Board of Directors dated 21.01.2019. As per the decision of the Board of Directors dated 23.08.2022 Murat Ethem Sumer was appointed as the Corporate Governance Committee Member; as per the decision of the Board of Directors dated 01.03.2024 Murat Kaan Güneri was appointed as the Chairman of the Corporate Governance Committee.

Name	Title	State of Independence
Murat Kaan Güneri	Head of Corporate Governance Committee	Independent member
Murat Ethem Sümer	Member of Corporate Governance Committee	Independent member
Zehra Arslantaşlı	Investor Relations Manager	Natural Member

The corporate governance committee determines whether the corporate governance principles are applied in the company, if not, detects the reasons and conflicts of interest that arise due to not fully complying with these principles, and advises the board of directors to improve corporate governance practices and oversees the activities of the investor relations department. Corporate Governance Committee meetings are held at least once a year.

During the period, 4 Corporate Governance Committee meeting were held. Members of committee participated in the meetings at a rate of 100%.

Early Detection of Risk Committee:

The Early Risk Identification Committee of Kafein Yazılım was established upon the decision of the Board of Directors dated 21.01.2019. As per the decision of the Board of Directors dated 23.08.2022, Murat Ethem Sumer were appointed as the Early Detection of Risk Committee

Chairman and as per the decision of the Board of Directors dated 01.03.2024 Murat Kaan Güneri was appointed as Early Risk Identification Committee Member.

Name	Title	State of Independence
Murat Ethem Sümer	Head of Early Detection of Risk Committee	Independent member
Murat Kaan Güneri	Member of Early Detection of Risk Committee	Independent member

The purpose of the Committee is to identify, define, prioritize, monitor, and review strategic, financial, and operational risks and opportunities that may affect the activities of the Company; to make suggestions and recommendations to the Board of Directors about these risks and opportunities that may affect the company's risk profile and decision-making mechanisms. The Early Risk Detection Committee convenes once every two months and presents the meeting results to the board of directors.

During the period, 6 Early Detection of Risk Committee meeting were held. Members of committee participated in the meetings at a rate of 100%.

Ethics Committee

Kafein is a well-established organization that considers commitment to ethical values as a prerequisite in all its activities and regards the Code of Ethics as one of the cornerstones of its corporate culture. The principle of honesty is essential in all external and internal relations and processes. Our reputation as an ethical company is one of our most valuable assets and is crucial to our continued success. Kafein's policy is to comply with all applicable laws and regulations of the countries in which we operate and to conduct our business activities in an honest, ethical, and responsible manner.

Honesty, sense of responsibility and respect for rights are essentials in the company's relations with employees, suppliers, customers, shareholders, other stakeholders, and the public. As a corporate citizen, our company is aware of its role in social and economic life and considers the aim of developing society and economy while continuing its activities. The policy consists of four main elements:

1. Labor
2. Health and Safety
3. Environment
4. Code of Ethics

With the Board of Directors Decision dated 21.09.2022 and numbered 2022/21, within the scope of our Company's "[Ethical Principles and Behaviour Policy](#)", the Ethics Committee was established to appoint an independent member from the Corporate Governance Committee, a member responsible for Human Resources and a member from the Investor Relations department, and It has been decided to determine the e-mail address gizli@kafein.com.tr for the communication of the Ethics Committee.

Name	Title	Represented Body
Murat Ethem Sümer	Ethics Committee Member	Corporate Governance Committee
Neval Önen	Ethics Committee Member	HR and Administrative Affairs
Zehra Arslantaşı	Ethics Committee Member	Investor Relations Unit

There was no complaint, feedback or notice reported to the Ethics Committee during the period.

e) Committee Duties and Working Principles

The fields of activity, working principles and members of the committees are determined by the board of directors and disclosed to the public. All members of the Audit Committee and the chairmen of other committees are elected from among independent board members. Chief executive officer / general manager cannot take part in committees. The composition of these committees, their fields of duty, working principles and the members to be composed are determined by the board of directors and disclosed to the public in accordance with the Capital Market Corporate Governance Principles and the principles set out in the relevant legislation.

A. Duties of Working Principles: Early Determination of Risk Committee

The purpose of the Committee is to identify, define, prioritize, monitor and review strategic, financial, operational and risks and opportunities that may affect the activities of the company by calculating their effects and probabilities; To make suggestions and recommendations to the Board of Directors on the management of these risks and opportunities that may be exposed to, in parallel with the risk profile of the company, and their reporting and consideration in decision-making mechanisms. The Early Detection of Risk Committee convenes once every two months and presents the meeting results to the board of directors. Early Detection of Risk Committee;

- Establishes effective internal control systems in order to define, evaluate, monitor, and manage the risk factors that may affect the achievement of the company targets, according to the effect and probability,
- Monitors the integration and effectiveness of risk management and internal control systems into the corporate structure of the company,

- Carries out studies on the risk management and internal control systems of the company to measure, report and use risk factors in decision-making mechanisms by observing appropriate controls,
- The Committee periodically reviews its working principles and, if necessary, submits the proposals for changes to the board of directors for approval.

B. Duties and Working Principles: Corporate Governance Committee

The corporate governance committee determines whether the corporate governance principles are applied in the company, if not, the reasons and conflicts of interest that arise due to not fully complying with these principles and advises the board of directors to improve corporate governance practices and oversees the activities of the investor relations department. Corporate Governance Committee meetings are held at least once a year. Corporate Governance Committee,

- Ensures that the Corporate Governance Principles are developed, adopted, and applied within the company,
- Makes the annual corporate governance evaluation of the board of directors and submits it to the approval of the board of directors,
- Supervises the work of the shareholders and investor relations unit,
- It makes recommendations regarding the functioning, structure, and efficiency of the board of directors and its committees.

C. Duties and Working Principles: Audit Committee

Audit Committee; Oversees the company's accounting system, disclosure of financial information to the public, independent audit, and the operation and efficiency of the company's internal control and internal audit system. The selection of the independent audit firm, the preparation of independent audit contracts and the initiation of the independent audit process, and the work of the independent audit firm at every stage are carried out under the supervision of the audit committee. Audit committee convenes at least every three months, at least four times a year, and the results of the meeting are recorded in the minutes and the decisions taken are presented to the board of directors. Audit Committee,

- Audits the accuracy, transparency, compliance of financial statements, footnotes and other financial information with the legislation and international accounting standards and notifies the Board of Directors in writing, taking the opinion of the independent audit board.
- Examines whether the independent audit committee and its employees are independent and their adequacy on behalf of the Board of Directors.
- Oversees the operation and efficiency of the company's accounting system, public disclosure of financial information, independent audit, and internal control system of the company.

- Oversees the selection of the independent audit board, the preparation of audit contracts and the initiation of the independent audit process, and the work of the independent audit board at every stage.
- Determines the methods and criteria to be applied for the evaluation of internal and external complaints regarding the company's accounting, internal control system and independent audit within the framework of the confidentiality principle, examines and concludes the relevant notifications.
- Observes the compliance with legal regulations and internal regulations.
- Immediately notifies the Board of Directors in writing of its findings regarding its own duties and responsibilities, as well as its evaluations and suggestions on the subject.

D. Nomination Committee

The Nomination committee shall;

- Be in charge of forming a transparent system on determination, evaluation, and training of the candidates suitable for the positions of the board of directors and executives and to determine policies and strategies with this regard,
- Regularly evaluate the structure and productivity of the board of directors and submit its advice to the board of directors regarding possible amendments in this respect.
- The nomination committee evaluates the candidate proposals for independent board memberships, including the ones coming from management and shareholders, by taking into account whether the candidate meets the independence criteria, and submits its evaluation to a report for the approval of the board of directors.

In case that a separate nomination committee cannot be established due to the structure of the board of directors, corporate governance committee shall fulfill the duties of that committees.

E. Remuneration Committee

The Remuneration committee shall;

- Be in charge of designations of the principles, criteria, and implementations to be used in the remuneration of the members of the board of directors and the executives, considering the long-term targets of the corporation and supervision thereof,
- Submit its advice with respect to the remuneration of the board of directors and the executive managers, considering the achievement level to the criteria used in remuneration.

In case that a separate remuneration committee cannot be established due to the structure of the board of directors, corporate governance committee shall fulfill the duties of that committees.

Miscellaneous

Committees shall keep a record of all their work in writing. Committees shall convene in frequency as deemed necessary for the efficiency of their work and as stated in their working principles. Committees shall submit the information on their work and the reports comprising the meeting results to the board of directors.

All kinds of resources and support in order for the committees to fulfill their duties shall be provided by the board of directors. Committees may invite persons to the meetings who are deemed to be necessary to obtain their views. Committees may benefit from the opinions of the independent specialists on matters that they find necessary with regard to their activities. The fee of the consultancy services required by the committees shall be paid by the corporation. However, in this case, information as to the person/institution that the service is purchased and as to whether this person/institution has any relation with the corporation shall be stated in the annual report.

Change in the Working Principles of Committees

Suggestions for changes in these working principles are submitted to the Board of Directors by the Committee. The proposals prepared are put on the agenda at the first meeting of the Board of Directors.

Effective Date

These working principles and related changes and updates come into force with the decision of the Board of Directors.

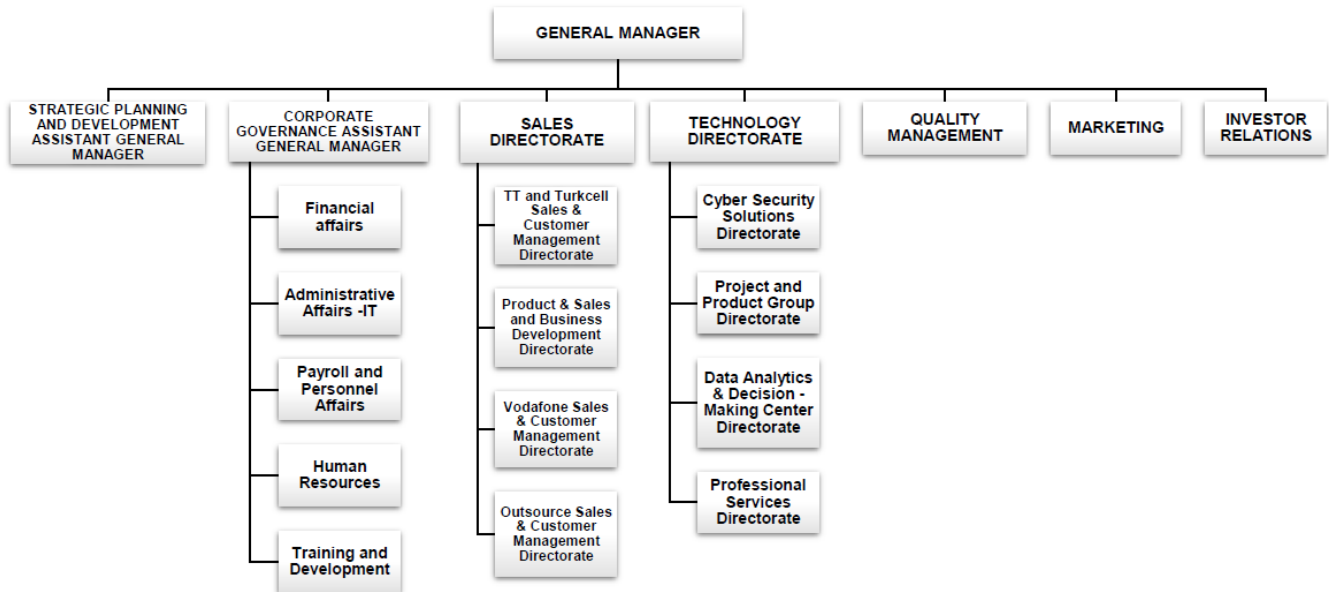
f) Senior Management and Personnel

The senior management of the Company consists of the Chairman of the Board, Board members and other managers acting as directors general.

Senior Management	Title
Ali Cem Kalyoncu	Chairman of the Board; General Manager
Neval Onen	Vice Chairwoman of the Board, HR and Administrative Affairs Director
Kenan Subekci	Member of the Board
Hatice Sevim Oral	Member of the Board, Accounting Manager
Murat Ethem Sümer	Independent Board Member
Murat Kaan Güneri	Independent Board Member
Ozlem Tibet	Sales Director
Tugrul Gokcen	Sales Director
Baki Akturk	Sales Director

For the period ending on 31.12.2023, the total amount of the attendance fee and similar other benefits granted to the board chairman, board members and senior management is TRY 19,395,013. (31.12.2022: TRY 11,056,854) On 31.12.2023, the company's average number of employees working during the year is 706. (December 31, 2022: 670)

g) Organization Chart



III. INFORMATION ABOUT THE OPERATIONS

a) Information about the Share Buy-Back

Based on the resolution taken by the Board of Directors dated 15.02.2023 and numbered 3, with respect to the "Communiqué on Buy-Backed Shares" numbered II-22.1 and to the announcements made by the Capital Markets Board of Turkey dated 14.02.2023 and numbered 9/177; it has been decided to initiate the buyback program regarding the company's shares traded on BIST, since share values do not reflect the actual performance of the company's operations and determine the maximum number of shares, which may be subject to the buyback as 300,000 and determine the maximum amount of funds to be allocated for the share buyback as TRY 10,000,000, to set the maximum period foreseen for the buyback process as 30.06.2023, and to finance respective share repurchases from the Company's internal resources. The summary table regarding the transactions between the beginning of the program (15.02.2023) and the date of this report is as follows.

Buy-Backed Shares Summary Table - 2023					
Transaction Date	Nominal Value of Shares Subject to Transaction (TRY)	Transaction Type	Transaction Price (TRY / Unit)	Total Amount (TRY)	Ratio Of Shares Subject to Transaction to Capital (%)
15.02.23	49,600	Buying	25.005-25.160	1,244,892.44	%0.25
Total	49,600	Buying	25.11 (Av.)	1,244,892.44	%0.25

The share buy-back program, which was initiated with the meeting of the Board of Directors dated 15.02.2023 and numbered 3 is ended on 30.06.2023 due to the expiration of maximum period envisaged.

During the program dated 15.02.2023 - 30.06.2023, a total of 49,600 (%0.25) shares were bought-back with a price of TRY 1,244,892.44 from the average price of TRY 25.11, all of which were covered from internal resources.

With the addition of 49,600 shares in the current period to the 117,000 buy-backed shares owned as of 31 December 2022, the total amount of the buy-backed shares of the company reached 166,600 (0.84%) and the total amount reached TRY 3,367,789.

b) Information about Private and Public Audits

The internal control system and internal audit activities of the Company is regularly checked and carried out by Finans Denetim Yeminli Mali Musavirlik A.S. The Audit and Certification Agreement was signed on 02.01.2024 between the company and Finans Denetim Yeminli Mali Musavirlik A.S. to remain in force between 01.01.2024 and 01.01.2025. The purpose of the contract is to carry out the audit and certification of annual income and corporate tax returns and the financial statements and notifications attached to them, as well as other works, in accordance with Law No. 3568 and other relevant laws and legislation.

In the Ordinary General Assembly Meeting held on 17.04.2023, Kavram Bagimsiz Denetim ve Danismanlik A.S. was assigned as the Independent Auditor to perform the audit and other relevant procedures in the financial year of 2023 in accordance with Turkish Code of Commerce, Capital Markets Regulation, and other relevant regulations.

c) Donations and Grants

Based on the Board of Directors Decision dated 07.02.2023 and numbered 2023/02, due to the earthquake disaster in our country, a donation of TRY 25,000 was made to the “AHBAP Association” within the scope of the Company's Donation and Aid Policy.

Based on the Board of Directors Decision dated 19.12.2023 and numbered 2023/18, due to the earthquake, a donation of TRY 30,000 was made to the “Düzce Province Central District Village Service Union” within the scope of the Company's Donation and Aid Policy.

After the accounting period, based on the Board of Directors Decision dated 22.01.2024 and numbered 02, a total donation of TRY 90,800 TL was made where TRY 15,800 is for the Turkish Education Foundation (TEV) and TRY 75,000 for the Turkish Foundation for Combating Erosion, Afforestation and Protection of Natural Assets (TEMA) to obtain a certificate for 1000 saplings within the scope of the Company's Donation and Aid Policy.

d) Information about the Group Involving the Company

The Company is not a part of an association of companies.

e) Information about the Affiliates and Subsidiaries²

The company does not have a cross-shareholding relationship in which the direct participation rate in the capital exceeds 5%. Other affiliates information is as follows:

· **Karmasis Bilisim Cozumleri Ticaret A.S (%51)**

The main activity of Karmasis Bilişim Çözümleri Ticaret A.Ş., which was established in 2003, is to produce information processing software, to sell the usage rights as the owner of these software, to carry out training activities on information processing and software, and to provide consultancy services on these issues if necessary. On 12 November 2020, Kafein Technology purchased %51 of Karmasis for a price of 45.390.000 TRY and include it into the scope of consolidation with a full consolidation method starting by the financial statements of the period ending as of 31 October 2020. The subsidiary is consolidated according to the full consolidation method.

f) Amendments to the Articles of Association within the Period

There are no amendments to the Articles of Association within the period.

g) Sanctions Imposed under the Regulations

Administrative or judicial sanction imposed on the Company or the Board members due to illegal procedures are given in this section. On 01.05.2022, It has been reported to the company that, with the Competition Board's decision numbered E-77234294-100-43200 and dated 29.04.2022, it was decided to open an investigation to determine whether the 4th article of the Law on the Protection

² Based on the decision of Board of Directors dated 31.01.2024 and numbered 2024/03, In order to provide additional savings and efficiency by simplifying affiliate structure, it has been decided to sell total of 765,000 share (%51) the company held in Intranet Yazılım A.Ş. for a total amount of TRY 1,500,000 to Prokon Net Bilişim Organizasyon Turizm Reklam İnşaat Ticaret Limited Şirketi in a way that TRY 500,000 to be collected in cash and the remaining TRY 1,000,000 to be collected on 01.06.2024.

of Competition No. 4054 was violated by making gentleman's agreements in the labor market. On 23.01.2024, regarding the investigation of the Competition Authority numbered 2022-5-006, the company is informed that the content of the investigation is terminated and based on the final decision the company is received an administrative fine for total of TRY 1,577,475.28. In accordance with the relevant law, the payment is made within 1 month to benefit from a 25% discount (1,183,106.46-TL in total)

h) Information about the On-going Legal Procedures

There are no significant lawsuits brought against the company that may affect the financial status and activities of the company.

i) Legislative changes that may affect company activities

Some legislative changes and developments that took place during the year, although they did not have a significant impact on the company's activities, are as follows.

With the Presidential Decree No. 7103 published in the Official Gazette dated April 20, 2023, regarding the income tax withholding incentive for personnel working in R&D/design Centers, the rate of remote working in technology development zones and R&D Design Centers has been determined as 100% for IT personnel between 01.04.2023 and 31.12.2023 (including these dates) and has been determined as 75% for other personnel until 31.12.2023 (including this date). The incentive was extended until 31.12.2024 by Presidential Decree No. 8004 published in the Official Gazette dated 28 December 2023.

In the fourth paragraph of Article 8 of the Technology Development Zones Law No. 4691, it is stated that "The monthly wage paid by Technology Development Zone companies that employ R&D personnel with at least a bachelor's degree in the program areas to be supported, to each of these personnel, shall be equal to the monthly gross amount of the minimum wage applied for that year." The remaining part is covered from the appropriation to be placed in the budget of the Ministry of Industry and Technology for two years. However, within this scope, the support to be provided to each Technology Development Zone company cannot exceed ten percent of the total number of personnel employed in the Technology Development Zone company in the relevant month." As of February 28, 2023, the scope of Liberal Arts Support given to companies with R&D Centers or operating in Technoparks has been expanded, and in addition to the existing supported programs (mathematics, physics, chemistry, and biology), biochemistry, biotechnology, industrial design, industrial design engineering, metallurgical and materials engineering, molecular biology and genetics are also included.

In addition, in the announcement made by the Public Oversight Accounting and Auditing Standards Authority on 23.11.2023; The financial statements of businesses that apply Turkish Financial Reporting Standards for the annual reporting period ending on or after 31.12.2023 should be adjusted for the inflation effect in accordance with the relevant accounting principles included in Turkish Accounting Standard 29 "Financial Reporting in High Inflation Economies" (TMS 29).

j) **Information About the Conflict of Interest Between the Company and the Institutions from which it receives Services such as Investment Consultancy and Rating Firms**

Kafein Technology takes care to prevent potential conflicts of interest that may arise between it and the institutions it receives services from, such as investment consultancy and rating firms. For the current period, there is no conflict of interest between the company and the institutions from which it receives services such as investment consultancy and rating.

IV. RESEARCH AND DEVELOPMENT ACTIVITIES

Lists of projects completed or under development within the period of 01.01.2023 - 31.12.2023 in Yıldız Technical University Technology Development Zone, where Kafein provides services within the scope of R&D, are listed below in chronological order:

#	Project Name	Start Date	End Date	Project Summary/ Purpose
1	<i>Microreporter Project</i>	01.09.21	01.09.23	<i>It is an integrated reporting product with dynamic reporting.</i>
2	<i>Test Data Management</i>	15.11.22	15.09.23	<i>One of the most laborious tasks in software processes is the manual production of test data. There is a need for automated and near-real test data. With the TDM project, the software development process will be accelerated, and this process of the parties developing and using the software will be optimized. With this project, which is close to real data and includes various security measures, the quality of the software product will increase.</i>

3	Personal Data Protection Law Project Phase III	04.12.19	26.10.23	<i>The project covers all the technological procedures which are necessary for compliance with Personal Data Protection Law (KVKK), which is a version of GDPR (General Data Protection Law) of the EU harmonized according to the conditions in Turkey. Client ensures full compliance with the Personal Data Protection Law at the end of the project.</i>
4	New Generation E-Commerce Platform Software Project Phase III	03.07.20	02.01.24	<i>The project aims to develop the model which will ensure the best shopping experience according to the information collected from customers and products.</i>
5	Intellimap Project	26.06.23	26.06.24	It is an online mobile communication platform that enables to observe and analyse density maps based on the signalled location of users in the telecom sector, dynamic and flexible querying of usage data through our Big Data platform, communicating with subscribers who allow it via SMS and MMS, and measuring feedback. The platform complies with national data privacy laws.
6	Messaging Platform Meet Project	02.09.22	02.09.24	Meet application is an online video calling platform that can be used for both companies and individuals.
7	Weight and Balance Project	07.04.22	07.09.24	A software that can make more precise weight and balance calculations, save fuel, time, and human resources, increase flight safety, and increase data reliability with source system integrations to be used in aircrafts.
8	DataTouch DAM	18.04.23	18.10.24	DataTouch is a Data Security and Governance Product and a new generation data lineage software that helps determine the purposes of use, frequency of use and users of the detected data.
9	Reseller Management System Project Phase II	18.05.20	30.10.24	The project intends to respond to the maintenance requests and demands from the clients in the telecommunication industry, prevent human errors by automating manually operated Dealer and User creation processes and improve efficiency.

10	Telco Siebel Sales Force Module Replacement Faz 3	01.10.18	30.10.24	The project aims to automatize the communication between the sales team management system and team leaders/managers and their sales personnel and, thus, to create a more efficient and affordable solution.
11	Interface Project Phase II	10.06.20	13.11.24	The project intends to improve monthly sales figures by renewing customers' cart and purchase screens on the website. Besides, the project ensures that customers are directed to desired subjects by using a webchat supported with artificial intelligence. This allows less labor and time for the call center.
12	Telco Online Processing Centre, Phase V	02.06.20	15.11.24	The project aims to carry out the authentication, session management, asset management and similar other processes of the web applications of the online processing centers of telecommunication companies from a single center by protecting and integrating Legacy systems with a secure system.
13	Digitalization Infrastructure Project for Telecommunication Companies Phase III	18.07.20	01.12.24	The project aims to ensure consistency among all the data on SMS, Online, IVR, mobile and similar other channels which are created by telecommunication companies in order to render better service, and to create a common infrastructure so as to ensure consistent client experience.
14	Telco Premium System Development Project Phase III	01.07.20	20.12.24	With the project, a platform will be created where the customer can automate the premium processes and transparently present the outputs to the dealers. With the source system analysis, areas that may be subject to premium will be determined, related data will be taken considering the large data volume, a structure will be designed in which the calculation engine can work with performance, reporting layers will be created that dealers can access within their authority, and dealers will be able to see their current status.

15	Telco Script Project Phase II	01.01.19	24.12.24	In the project, it is aimed to attract more users by adding new modules to the application in order to create a social media platform together with the Telco customer. It is planned to include filtering and story modules on the pictures.
16	Robotic Process Design (RPA)	01.06.19	01.01.25	The project refers to the design and coding of all the procedures in Windows operated systems using RPA (Robotic Process Automation) technology. This project plans to minimize human errors in various procedures, finalize processes within a shorter time with robots and ensure continuous process standards.
17	APIFORT Security	01.01.24	01.01.25	This project was developed to ensure API security and includes user management, API Inventory, API Discovery, API Monitoring, Settings, Browser (API OWASP Risks), Reporting, API DevOps Integrations, Product Documentation, Product Installer, Platform API Support, Other Product Integrations. (Slack, SIEM, Sonar) and Custom Browser Rule Adding features.
18	Document Scanning and Analysis Platform (DSAP) Project	19.02.23	19.02.25	With the DSAP project, it is aimed to perform the optical character analysis of the documents for the company's Netherlands-based customer, such as order form and invoice, and then integrate the information obtained with the ERP system (SAP).
19	Telco Test Project	18.04.23	18.04.25	With this project, automation processes are written. It is aimed to write end-to-end test scenarios during the process, to automate these scenarios with Selenium and Appium Tool, and to turn the automated scenarios into a platform that works with our Automation Tool, which is written in Java and developed to be integrated into the Devops process. Subsequently, this platform is made operational in four different modules: Web, Mobile, Desktop and Integrated System Applications.

20	Telco Network Monitor Project Phase II	29.04.23	29.04.25	By integrating the applications with the network system, it is aimed to enable the users to take action at Level 1 by monitoring all the devices connected to the internet, to automate the system and to create a structure that is monitored 24/7 with the configurative system to be established.
21	Muud Project	27.05.23	27.05.25	The project includes the creation of a domestic mobile music listening platform.
22	Bio-Curity: E-health Services with Digital Biomarker Ecosystem	23.06.23	23.06.25	Bio-Curity is an e-health technology integrated solution that includes artificial intelligence supported software that will help the diagnosis, follow-up, course, and treatment processes of diseases by transferring biomarkers (biological signals originating from the human body) to digital platform. With the project, it is aimed to create a digital biomarker ecosystem and help the treatment/follow-up process by enabling patients to measure real-time data for non-invasive procedures in the home environment.
23	MSP Test Environments Management Project Phase I	01.07.21	01.07.25	It is aimed to create a new MSP test environment in order to present test applications related to the project and transformation processes of our Telco customer. With the shift left methodology to be made within the scope of the project, increasing efficiency in internal processes in all products and transformations, reducing response times, time saving, general process improvements and implementation of various accelerators and tools (such as artificial intelligence, machine learning, etc.) will be made.
24	End-to-End Test Automation System Project	12.01.23	12.07.25	It is aimed to provide end-to-end reliable outputs by providing an automation-based software testing system to the quality and software testing team. In this way, both operational efficiencies will be increased and the error rate for end users will be minimized.

25	Smart MIS Project (SMIS)	25.07.23	25.07.25	It is aimed to create a real location sensitive web application platform with a modern design, which contains all kinds of tools that local governments will need to manage the city.
26	Genesis ADM Phase III	21.01.19	31.07.25	The project plans transition from on- premises systems to systems managed on cloud as part of the completion of new development requests and the transition to micro service infrastructure.
27	New Generation Banking (FinTech)	29.08.23	29.08.25	The project aims to help both businesses and consumers manage their financial operation processes faster and better by using special software and algorithms.
28	Telco Gold Agile	01.09.23	01.09.25	Within the scope of the project, the technical infrastructure of transactions such as Package/Service/Tariff selection, processing/ decommissioning, and price updating, which are among the main telecommunication main processes, will be provided.
29	Telco Academy	01.09.23	01.09.25	The project includes the installation, use and development of an online education website's educational contents, exams, forums, blogs, and user structures. It includes editing pages with special designs with HTML, JS, and CSS, providing reports and statistics, database editing processes, and examining and resolving possible error findings.
30	Telco E-Commerce	17.09.23	17.09.25	In the project, the infrastructure of an e-commerce application will be improved, thus facilitating a faster and clearer response to customer requests.
31	Service Management Project	26.03.24	26.09.25	The project develops a service management application for the management, quality measurement and sustainability of IT and non-IT services offered by companies to their employees and customers.

32	GDPR and Data Leak Project	15.10.23	15.10.25	Within the scope of the project, personal data discovery will be made for GDPR compliance in structured and unstructured environments. Afterwards, personal data beyond the retention period will be archived and deleted, and efforts will be made to bring it into compliance with the GDPR law. In addition, personal data security will be ensured by making improvements to prevent data leakage that may occur in the personal data held within and out of the institution.
33	AllinCyber Project Phase II	15.11.22	18.11.25	With the All in Cyber project, it is aimed to reach the security level of each customer's IT systems to the ideal security level that is fully compatible with the MitreATT&CK framework, which was established with the goal of a non-profit safe world and defines security risks.
34	New generation smart CRM Project Phase III	12.07.21	01.01.26	It is aimed to develop a simple and easy- to-use CRM platform that will enable institutions to manage their businesses quickly and securely from a single place. The SMART CRM Platform includes features such as revenue estimation, invoicing and reporting on the portal, and customer tracking.
35	Techno Market Project	16.04.24	16.04.26	In the project, an online e-commerce platform is being developed.

V. FINANCIAL INFORMATION

a) Summary of Financial Results

Summary data regarding Kafein's financial results as of 31.12.2023 are as follows.

Summary of Balance Sheet (TRY)	31.12.2023	31.12.2022
Total Assets	933,567,239	775,797,933
Current Assets	617,346,701	358,806,858
<i>-Cash and Cash Equivalents</i>	<i>163,233,190</i>	<i>85,653,116</i>
<i>-Financial Investment</i>	<i>130,659,415</i>	<i>7,555,709</i>
<i>-Trade Receivables</i>	<i>294,037,093</i>	<i>171,899,321</i>
Non - Current Assets	316,220,538	416,991,075
<i>-Financial Investment</i>	<i>3,169,675</i>	<i>105,513,310</i>
<i>-Tangible Fixed Assets</i>	<i>27,095,304</i>	<i>25,662,614</i>
<i>-Intangible Fixed Assets</i>	<i>253,071,610</i>	<i>256,407,535</i>
Total Liabilities	276,703,732	213,098,565
<i>-Short-Term Liabilities</i>	<i>251,653,347</i>	<i>150,434,200</i>
<i>-Long-Term Liabilities</i>	<i>25,050,385</i>	<i>62,664,365</i>
Total Equities	656,863,507	562,699,368
<i>-Equity Attributable to Parent Company</i>	<i>588,301,513</i>	<i>507,108,290</i>
<i>-Equity Attributable to Non-Controlling Shares</i>	<i>68,561,994</i>	<i>55,591,078</i>
Total Liabilities	933,567,239	775,797,933

Summary of Income Statement (TRY)	31.12.2023	31.12.2022
Sales Revenue	1,107,198,075	759,626,691
COGS	(790,071,116)	(562,890,586)
Gross Profit	317,126,959	196,736,105
Operational Expenses	(171,969,999)	(125,030,401)
<i>-General Administrative Expenses</i>	<i>(85,255,938)</i>	<i>(72,240,112)</i>
<i>-Marketing Expenses</i>	<i>(37,808,429)</i>	<i>(25,762,466)</i>
<i>-Research and Development Expenses</i>	<i>(43,210,566)</i>	<i>(28,765,403)</i>
<i>-Other Operating Income</i>	<i>54,923,496</i>	<i>24,460,469</i>
<i>-Other Operating Expense</i>	<i>(60,618,562)</i>	<i>(22,722,889)</i>

Main Operation Profit	145,156,960	71,705,704
Income/Expense from Investment Activities	36,599,948	3,324,561
Operating Profit (Loss) before Financial Income/Expense	181,756,908	75,030,265
Financial Income/(Expense)	29,886,218	8,133,106
Net Monetary Position Gains (Losses)	(101,262,757)	(52,626,919)
Net Profit for the Period (Parent Company)	87,367,586	(2,947,075)

b) Information about Dividends

During the Ordinary General Assembly Meeting held on 17.04.2023, it was agreed to distribute a total of TRY 2,000,000 of gross dividend among the partners according to the proportion of their shares after the allocation of the amounts to be assigned/paid from the profit of 2022 under the laws and the articles of association. It was also agreed to identify the starting date of dividend distribution as 24.04.2023.

After the deduction of the amounts which must be paid and reserved by the Company (such as the general expenses and sundry depreciation items), the amounts to be paid against compulsory taxes and, if any, the losses of a previous year, the remaining net profit of the revenues established at the end of a financial period is distributed as follows:

General Legal Reserves:

a) 5% is allocated as legal reserves.

First Dividend:

b) As per Turkish Code of Commerce and the Capital Markets Regulation and in accordance with the profit distribution policy of the Company, the first dividend is allocated on the amount to be calculated with the addition of the donation amount, if any, to the remaining balance.
c) After the foregoing deductions, the General Assembly may agree to distribute the dividend to board members, partnership staff and other persons excluding shareholders.

Second Dividend:

d) After the deduction of the amounts specified under paragraphs (a), (b) and (c) herein, the General Assembly may decide to distribute, in part or as a whole, the remaining balance as the second dividend or, as per article 521 of Turkish Code of Commerce, to allocate as legal reserve.

General Legal Reserves:

e) After deducting 5% of the capital as dividend from the amount to be distributed to the shareholders and other participants of the profit, ten percent of the remaining balance is added to general legal reserves as per paragraph 2, article 519 of Turkish Code of Commerce.

Kafein Profit Distribution Policy

In accordance with the legislations, regulations and decisions issued under the Profit Distribution Policy, Turkish Code of Commerce, the Capital Markets Law and the Capital Markets Board and with the relevant provisions of Tax Procedure Law, Kafein Yazilim Hizmetleri Ticaret A.S. (Kafein) determines Corporate Governance applications in conformance with the strategies and financial plans of Kafein and in consideration of the Turkish economy and the sectorial conditions by paying regard to the sensitive balance between the expectations of the shareholders and the needs of Kafein.

The principles of profit distribution by Kafein are explained under article 17 of the Articles of Association titled “Dividend Distribution and Determination”.

As a principle, Kafein determines the amount of the dividends to be distributed in accordance with the decisions of the General Assembly which are taken in compliance with the provisions of Turkish Code of Commerce and the relevant provisions of the Capital Markets Law and the Articles of Association and ensures that these are equal to or higher than the amounts prescribed by the Capital Markets Board.

Kafein conforms to the regulations by the Capital Markets Board according to the term of profit distribution. Dividend distribution begins on the date to be determined by the General Assembly, at the latest, until the end of the year in which the General Assembly meeting is held.

The regulations of the Capital Markets Board are complied with regarding the time of profit distribution. Dividend distribution begins on the date to be determined by the General Assembly, at the latest, until the end of the year in which the General Assembly meeting is held.

No privilege applies for the profit distribution by Kafein, and profit is distributed equally for all the shares.

Dividends can be distributed to the shareholders either as cash or as bonus share by adding the profit to the capital, or as cash and bonus shares at certain rates.

In case the Board of Directors proposes to the General Assembly that profit should not be distributed, the General Assembly informs the shareholders during meeting about the grounds of non-distribution and the mode of use of retained profit. Similarly, such information is also shared with the public by publishing it on activity reports and the website.

The Company's Articles of Association includes the issue of dividend advance distribution, and the Board of Directors can distribute one or more advance dividends within a financial year in compliance with Turkish Code of Commerce and the Capital Markets Regulation. The Board of Directors distribute dividend advance in times prescribed by Turkish Code of Commerce, the Capital Markets Law and the relevant regulations.

As long as the legal reserves and the dividends are not allocated as specified in Turkish Code of Commerce, the articles of association or the profit distribution policy, no further legal reserve can be assigned or carried out to a next year and no dividend can be given to board members, partnership

personnel and other persons excluding shareholders. Furthermore, the foregoing persons cannot receive share from profit as long as the dividend allocated for the shareholders are paid in cash.

In terms of profit distribution, it is essential to follow a balanced policy between the interests of the shareholders and the interests of the partnership.

VI. RISKS AND ASSESMENT BY THE BOARD OF DIRECTORS

Risk Management, Internal Control Mechanism and Evaluation of Strategic Goals

The Company's risk management procedure is carried out by the Early Risk Identification Committee established under the Board of Directors. The Committee includes two independent members from the Board of Directors, and the operational principle of the committee is available on the website of the Company. The Early Detection of Risk Committee convenes at least six times a year.

The main risks our company is exposed to are risks arising from the sector, risks arising from activities and other risks (credit, liquidity, exchange rate and interest rate) are followed under three main headings and the Board of Directors is periodically informed about these risks.

The Company's risk management program generally focuses on minimizing the potential negative effects of uncertainty in financial markets on the Company's financial performance.

The Company's Board of Directors pays attention to receiving the opinion and advice of relevant departments while identifying strategic targets. The advice for strategic targets is reported to the Board of Directors, and the targets are implemented within the shortest time possible. In this sense, the rate of success is evaluated during financial statement terms and at the end of relevant years by reviewing operations. Once in every year, the Board of Directors holds a meeting to evaluate the rate of success, operations, and former performance of the Company.

The risks with possible effects to the Company and the financial investments are as follows:

a) Industrial Risks

There are certain legal regulations and restrictions which Kafein should comply with. Kafein is a company engaged in the software industry. The Turkish government grants certain privileges to the industry. However, these privileges may be removed in time, and the privileges granted to Kafein may decrease or completely disappear.

The activities of Kafein may be subject to the effects of economic inconsistency. There may be political and/or economic inconsistencies in Turkey and the world. Kafein and the industry may be affected negatively and have retarded activities.

b) Operational Risks

Kafein ensures sales revenue mainly from only a single industry. Although Kafein carries out sales transactions of electronic communication companies for more than 15 years, the Company is still subject to the risk of sectoral condensation. Certain issues which may arise in the electronic communication industry may affect Kafein negatively.

The bidding stage of tenders and the commencement periods of undertaken projects may exceed prescribed times. In general, Kafein makes sales revenue by winning tenders and making project offers to clients. In case of extended bidding stage or longer project periods due to uncontrollable reasons may create a negative impact on the expected profitability of Kafein.

There may be delays in tender and project preparation and implementation processes: Material errors during the preparation or price and specification evaluation processes of the tenders wherein Kafein ensures participation may lead to a failure in timely performance and/or decrease in profitability from a project.

There may also be risks due to the location of the head office: The head and the R&D offices of Kafein are situated in the Technopark of Yildiz Technical University which takes place in Esenler, Istanbul. The activities of Kafein may be affected in case authorized bodies decide to move the Technopark or amend the relevant regulation.

The operations of the softwares and business support systems developed by Kafein may fail. The Company's personnel may need to put effort for long periods so as to remove these failures.

c) Other Risks

Apart from the foregoing, the Company may be subject to various financial risks due to the activities. These are credit risk, liquidity risk, exchange risk and interest rate risk.

Credit Risk: Credit risk becomes a question when the other party cannot perform its contractual liabilities. For the current period, the Company's other short-term receivables from non-affiliated parties are TRY 0 while short-term trade receivables from non-affiliated parties are TRY 294,037,093 according to its balance sheet.

Liquidity Risk: Liquidity risk refers to the risk of failure to perform funding liabilities and arises from various reasons that lead to a decrease in fund sources such as undesired market conditions and/or decrease in credit score. For the current period, the Company's short- and long-term liabilities are TRY 251,653,347 and TRY 25,050,385 respectively, which corresponds to TRY 276,703,732 in total.

Interest Rate Risk: Interest rate risk may occur when the changes in the interest rates of the market cause fluctuation in the price of financial instruments. Sensitivity to interest rate risk is associated with the inconsistency of the maturities of assets and liabilities to a great extent. The Company manages this risk with a natural measure which is ensured by balancing sensitive assets and

liabilities. For the current period, the Company has TRY 163,233,190 cash and cash equivalents which are subject to interest risk.

Exchange Risk: Exchange risk is the effect of the changes in exchange rates. For current period, Company is not under serious exchange risk since it has foreign asset position equals to TRY 85,271,173.

VII. DEVELOPMENTS WITHIN AND FOLLOWING THE PERIOD

- On 03.01.2023, “Additional Protocol on the GDPR Project Contract” was signed with Yapı ve Kredi Bankası A.Ş. to cover the service period between 22.12.2022 - 22.12.2023.
- On 23.01.2023, a one-year contract was signed with Bileşim Finansal Teknolojiler ve Ödeme Sistemleri A.Ş. Information about Technology Service Procurement.
- At the Board Meeting of our company dated 25.01.2023 and numbered 2023-02, in order to expand the company's activities, it has been decided to open a branch at the address of "Orhangazi Mah. Teknopark Cad. Teknopark Blok No 1 İç Kapı No Z03 Merkez Düzce. The said branch opening is registered with the T.C. Duzce Trade Registry Office and published on Trade Registry Gazette dated 30.01.2023 and numbered 10758.
- On 30.01.2023, a 3-year contract on “Personal Data Discovery, Masking, Anonymization, Data Leakage Protection and Content Management System Acquisition” was signed with PTT Teknoloji Bilgi Teknolojileri A.Ş.
- The company took part in Mobilefest, Turkey's largest communication technologies fair, held at Istanbul Congress Center on January 26-28, 2023, for service and product promotions.
- On 02.02.2023, The company won the "Mobile Development Tender" organized by a third-party Telecom company. The total tender price is approximately TRY 20,000,000 where the company undertake 80% of it (approximately TRY 16,000,000). The related mobile development service covers the service period of 01.02.2023 - 01.02.2024.
- On 16.02.2023, “Additional Protocol to the KVKK Project Contract” was signed with Yapı ve Kredi Bankası A.Ş. in order to remain effect between 01.01.2023 - 31.12.2023.
- On 17.02.2023, an approval of tender was received by the company regarding the subject of "Consultancy and Service", in which a team of 12 people will work, to serve Coca-Cola İçecek A.Ş.

- The company's participated in the Mobile World Congress Barcelona event within the stand of the Turkey segment which is held between 27.02.2023 and 02.03.2023.
- On 27.02.2023, the “Green Crescent Federation Web Site Project Service Procurement Agreement” was signed with the Turkish Green Crescent Society to remain in force between 23.02.2023 and 17.07.2023.
- On 06.04.2023, The Data Security and Governance Product "DataTouch" developed by the company Kafein Yazılım Hizmetleri Tic. A.S. and the Database Activity Monitoring and Prevention Product "DataSkope" developed by our 51% Subsidiary Karmasis Bilişim Çözümleri Ticaret A.Ş. have been included in the product catalogue of the global software provider Micro Focus LLC to be sold globally and the OEM (Original Equipment Manufacturer) contract is signed to be included in the sales lists under the brand of Voltage.
- On 10.04.2023, The "Bio-Curity: E-Health Services with the Digital Biomarker Ecosystem" project developed by the company with its domestic and international consortium partners was found suitable for support by TUBITAK (Turkish Scientific and Technological Research Council), and the said project support contract is signed by the company. Project support covers the period of 01.01.2023 - 31.12.2025. Bio-Curity is an e-health technology integrated solution that includes artificial intelligence supported software that will help the diagnosis, follow-up, course, and treatment processes of diseases by transferring biomarkers (biological signals originating from the human body) to digital platform. With the project, it is aimed to create a digital biomarker ecosystem and help the treatment/follow-up process by enabling patients to measure real-time data for non-invasive procedures in the home environment.
- On 25.04.2023 a 1-year Service Agreement is signed with, Katılım Emeklilik ve Hayat A.Ş. regarding the data discovery, masking, archiving, encryption, deletion, migration, etc. services.
- On 10.05.2023, the company took part in Bilgi University Talent Fest university event within the scope of the company's training program for young talents, Kafein Academy.
- On 11.05.2023, the company took part in Yildiz Technical University Career Fair university event within the scope of the company's training program for young talents, Kafein Academy and information on internship and recruitment processes is shared.
- On 23.05.2023, a consultancy service agreement is signed with our customer operating in the Fast-Moving Consumer Goods Sector to be valid between 01.01.2023-31.12.2023.
- On 01.06.2023, the company signed a one-year solution partner agreement with Practicus AI LLC based in America to work together in the field of artificial intelligence and data science.

- On 14.06.2023, the company's cyber security solutions brand All-in Cyber, together with its producer partners, California-based cyber security company Vectra AI and Texas-based cyber security company CrowdStrike, organized an event regarding MDR (Managed Detection and Response) which is a type of information security service.
- On 02.08.2023, a one-year Partner Program Agreement was signed with Siemens Digital Industries Software - Mendix.
- In July 2023, a one-year cooperation agreement was signed with automation systems manufacturer Robomotion Yazılım Otomasyon Sistemleri A.Ş.
- The company has become the silver partner of Tenable Inc., a US-based cyber security company.
- On 10.07.2023, the e-health technology application named “5G4P Health” developed by our company with its consortium partners was entitled to receive a “Label with Modifications” by the project support initiative “Eureka Cluster Celtic-Next” established by the European Union Commission. A revised application was made by making the requested modifications in order to obtain the "Full Label" on 30.09.2023. On 11.10.2023, the project was entitled to receive the “Full Label” by Celtic-Next with the acceptance of the modifications. With this development, the process of making national applications and signing PCA (Project Collaboration Agreement) has begun. With the 5G4P Health application, it is aimed to aim is to develop and implement a 5G and AI powered platform that enables connected, personalized, predictive, and preventive healthcare services across multiple specialties.
- On 01.08.2023, an additional protocol was signed to extend the main contract to be in force between 15.04.2023 and 14.04.2024 with ETS Ersoy Turistik Servisleri A.Ş.
- On 04.08.2023, an additional protocol was signed to extend the main contract of “Robotic Process Automation Solution 3-Year License Purchase Agreement” to remain in effect until 31.05.2026. with Turkish Airlines A.O.
- Kafein Yazılım Hizmetleri Ticaret A.Ş. received the third prize in the service provider consultancy category among Turkey-based manufacturer companies, according to the Top 500 IT Companies 2022 research, at the "Informatics 500 Award Ceremony" organized by BT Haber Newspaper on 09.08.2023.

- On 07.09.2023, a patent application was made to the Turkish Patent and Trademark Office for the Test Data Management System product "TDM" developed by the company.
- On 11.09.2023, as a result of the Corporate Governance Rating studies carried out by Saha Kurumsal Yönetim ve Kredi Derecelendirme Hizmetleri A.Ş., the company was listed in the 1st Group according to the "World Corporate Governance Index (DKYE)" published by the rating company on 12 July 2023. The index consists of countries that score 60 or above out of 100. As a result of examining a total of 150 countries, the countries were divided into 5 main groups according to the scores they received, with Group 1 representing the countries with the best scores.
- On 18-21 September 2023, the company participated in the "Oracle Cloud World" event organized by our business partner computer technology company Oracle in Las Vegas, USA, to promote our company's Test Data Management product TDM, the Data Security and Governance Product DataTouch and our 51% subsidiary Karmasis Bilişim's Database Activity Monitoring and Prevention Product DataSkope to global customers.
- On 19.09.2023, the company participated in the "IDC (International Data Corporation) Security Summit 2023" summit held in Istanbul with its cyber security solutions brand All-in Cyber.
- The company participated as a sponsor in the "Smaxtember 2023" event, which is held in Istanbul by our business partner Opentext on September 20, 2023.
- An OEM (Original Equipment Manufacturer) agreement was signed between the company and the American-based technology company Infocorvus LLC at the Oracle Cloud World event the company attended in Las Vegas, USA; and the said contract received by us on 22.09.2023. In accordance with the terms of the agreement, the Data Security and Governance Product "DataTouch" and the Test Data Management Product "TDM" developed by our company and the Database Activity Monitoring and Prevention Products "DataSkope" and "Infraskope" developed by our 51% Subsidiary Karmasis Bilişim Çözümleri Ticaret A.Ş. will be sold in the American and Canadian markets on a revenue sharing basis by Infocorvus LLC.
- On 22.09.2023, In accordance with the article 4.2.8 of Corporate Governance Communiqué, Executive Liability Insurance Policy is extended with a validity from 03/09/2023 to 03/09/2024 with the total liability amount of 3,000,000 USD.
- On 28.09.2023, with its 28 R&D projects and a total R&D expenditure of TRY 37,313,766, the company listed in the Turkishtime "R&D 250, Turkey's companies with the highest R&D expenditure 2022" list in which the company has been included since 2019.

- AllinCyber is a cyber security consultancy company of Kafein Technology has been providing an end-to-end solution to institutions' risk, operation, and cost management by increasing the information security levels of institutions and integratedly addressing the concepts of human, process, and technology against cyber-attacks since 2022. As of September 2023, the AllinCyber team has reached 17 people, the number of customers we serve in this field has reached 41, and the number of business partners in this field has reached 23.
- On 05.10.2023, the company participated as a speaker with its cyber security solutions brand AllinCyber and was deemed worthy of the "Best Technical and Sales Closure" award at the "Broadcom 2023 Summit" organized by MBCOM Technologies.
- On 11.10.2023, the company applied to the E-Turquality (Stars of Informatics) Program, which was created to develop the country's informatics and sub-sectors, encourage innovation, and create regional and global unicorns that can compete in international markets. The company's application to be included in the E-Turquality (Stars of Informatics) program has been evaluated within the framework of the letter numbered 470 dated 11.01.2024 of the The General Secretariat of the "Service Exporters' Association" and the "Decision on the Internationalization of the Turkish IT Sector and the E-Turquality (Stars of Informatics) Program" numbered 5447. As a result of the evaluation, it was determined that the application conditions were met, and the preliminary examination is approved to start.
- On 25.10.2023, the company's cyber security solutions brand AllinCyber participated in the "Transition from PAM to Extended PAM" event held in Istanbul with the company's manufacturer partner Delinea Inc. PAM (Privileged Access Management) is an identity security solution that helps protect organizations against cyber threats by monitoring, detecting, and preventing unauthorized privileged access to critical resources.
- The company participated as a bronze sponsor in the 9th Public Informatics Summit organized by the Public Informatics Association in Ankara between 31.10.2023 - 01.11.2023.
- On 01.11.2023, the company's cyber security solutions brand AllinCyber participated in the "Next Generation Google Cloud AI Security Solution" event held at Google Cloud Istanbul Office with the company's manufacturer partner Mandiant Inc.
- On 07.11.2023, the company attended the "ERTL-YANG Leader Summit - Istanbul", where risks and opportunities related to the business world were evaluated and best practices were discussed, with its business partner in the field of data virtualization, Denodo Technologies Inc.

- A procurement agreement is signed between the company and T.C. Ziraat Bankası A.S. regarding primarily the database activities monitoring and prevention product "Dataskope" and Test Data Management Product "Test Data Management (TDM)", in general, the company's data security and governance products/services. The said contract is received by 20.11.2023. Within the scope of the contract, the customer will have the right to expand the demand of products and services through purchase orders for 5 years.
- On 23.11.2023, the company took part in the "2023 Informatics Summit" held in Istanbul Fişekhane with its stand as a promotional sponsor and shared information with the participants about the company's products, services, and solutions.
- On 06.12.2023, the company participated in the "Future of CISO (Chief Information Security Officer) Summit" event organized by CXO Media in Istanbul with its cyber security brand AllinCyber. CISO is the senior manager who ensures that the system's technological and IT security level is at the highest level.
- On 13.12.2023, a "Cloud-Based Data Loss Prevention Infrastructure License" agreement is signed between the Company and a third-party bank within the scope of our cyber security solutions service. The total contract amount is 910,000.00 USD and the contract period is 3 years. The contract covers license fee, installation, and local maintenance service.
- A 1-year "Memorandum of Understanding" is signed between the company and Motion Technology, an IT company that carries out e-government and digitalization projects in Iraq, to carry out projects in the telecom sector and the contract received by the company on 26.12.2023. Within the scope of the contract, the company's products and services will be presented in the Iraqi market by Motion Technology.
- On 27.12.2023, a patent application was made to the Turkish Patent and Trademark Office for the cyber security product "DataTouch" developed by the company. With this application, the number of total company products for which the patent application process is ongoing has reached a total of 4 (together with our HR application called "Online Pre-Interview System and Method", Test Data Management Product "TDM" and "Parkinson's Disease Treatment and Follow-up Platform").
- On 16.01.2024, a Commercial Partner Agreement is signed between Google Cloud EMEA Limited and the company to become a partner in the fields of Google Cloud Data, Infrastructure and Cyber Security Solutions in the entire SEEMEA (Southern Europe and Emerging Markets) region, especially the Middle East. The agreement entered into force on the date of signature and will remain in force unless terminated by the parties.

- On 25.01.2024, the company attended the "Wallarm - Integrated API and Application Security" event, organized by Desoft, the digital enterprise solutions company that is the business partner of the company's cyber security solutions brand All-in Cyber, together with Wallarm, the San Francisco-based Application and API security platform provider.
- On 20.02.2024, "Database Activity Monitoring and Masking" service agreement is signed between the company and Al Moammar Information Systems Co where the final customer is Saudi Arabia based Najm Insurance for a total amount of USD 369,000.00. The project duration is 2 years.
- On 20.02.2024, the company received a purchase order (PO) from Aktiftech Teknoloji Anonim Şirketi in the field of SMAX (Service Management Automation X) to be valid between 26.04.2024 and 26.04.2025.
- The company participated as a Platinum Sponsor in the OpenText Summit Turkey 2024 event which is organized by the company's partner Opentext Corporation in Istanbul on 21.02.2024, where automation, cloud, security, productive artificial intelligence, information management solutions and many trends for the future of the business world were discussed.
- On 18.03.2024, a lease agreement was signed between the company and Yıldız Teknoloji Geliştirme Bölgesi Teknopark Anonim Şirketi for YTU Technopark A2 Block Office, to be valid between 11.02.2024 - 10.02.2025.
- On 18.04.2024, the company is attended to Yeditepe University İZ'24 Career Fair and detailed information about the Kafein Academy program, internship and recruitment processes is shared.
- Within the framework of the partnership agreement signed between Google Cloud EMEA Limited and the company on 16.01.2024, the company received an order of TRY 13,500,000 for cyber security service from a third-party private bank on 01.04.2024. With this transaction, the order amount received within the scope of the aforementioned cooperation agreement reached TRY 14,800,000.

VIII. MISCELLANEOUS

Within the scope of the announcement made by Borsa Istanbul General Directorate on 18.01.2023, the company continues to be traded in the BIST Dividend Index for the period 01/02/2023-31/01/2024, based on the periodic valuation study of BIST Dividend Indices. Within the framework of the periodic evaluation dated 17.01.2024, it continues to be included in the index in the period 01.02.2024-30.04.2024.

- On 11.09.2023, as a result of the study conducted by Saha Kurumsal Yönetim ve Kredi Derecelendirme Hizmetleri A.Ş. to determine the level of compliance of the Company's practices with the "Capital Markets Board Corporate Governance Principles", the Company's Corporate Governance Principles Compliance Rating Grade is determined as 9.41 (%94.07). Followingly, the company listed on the BIST Corporate Governance Index starting by 13.09.2023
- In accordance with the article 10.3. of BIST Market Cap Weighted Stock Indices Methodology, as a result of the evaluation made by Borsa Istanbul General Directorate the company is included in the BIST Participation All and BIST Participation Dividend index for the period 01.10.2023 - 30.04.2024.

IX. POLICIES

Human Resources Policy

The Human Resources Policy of the Company aims to create a competent organization consisting of loyal employees and ensure that Kafein Yazilim Hizmetleri Ticaret A.S. is a preferred company. To this end, the Company dwells on continuous improvement principle as regards to the following main strategic priorities:

- Ensuring equal opportunities to the candidates with equal conditions in employment, training, development, wage, and career planning
- Approaching equally to the employees with regard to development and promotion and creating development policies and plans so as to improve the knowledge, skills, and experiences of the employees.
- Developing main organizational competencies which may potentially enhance competitive capacity.
- Promoting loyalty and performance
- Building a common company culture which incorporates variety and benefits from such tapestry.

Kafein Yazilim Hizmetleri Ticaret A.S. ensures, promotes, and rewards continuous development and high performance in all human resources systems such as labour requirement planning, employment, labour placement, performance management, talent management, training and development management, wage and allowance management, and reward management.

In this regard, employee development is a part of the personal goals of both the directors and the employees, and their performance is calculated according to this personal development.

Not only knowledge and skill development but also competence development is featured for development and high performance. We believe that it is significant to serve an example as a clear, fair, sensitive, and developing company which protects the pecuniary and non-pecuniary rights of

employees and considers their opinion and advice to ensure continuous development and high performance.

Kafein Technology commits to fully comply with the Universal Declaration of Human Rights, ILO (International Labor Organization) Conventions ratified by Turkey, and the legal framework and legislations which are regulating human rights and working life in Turkey.

Quality Policy

The principles of the [Quality Policy](#) are as follows:

- To provide solutions and professional approaches to customers' Software and Consultancy needs in the field of Information Technologies.
- To understand and interpret customer needs and expectations in the best way and to provide the necessary support in a fast and high-quality way.
- To ensure the participation of all our personnel to the requirements of the ISO 9001 Quality Management System, to work in accordance with the standards stipulated by the conditions.
- To complete all our services on time and within the framework of the conditions we undertake
- To adopt continuous improvement and development as our basic philosophy, rather than maintaining our current position.
- To ensure the participation of employees in necessary training, events, meetings, and seminars in order to support their professional and social development.

Remuneration Policy

[Remuneration Policy](#) defines the basic principles of Kafein's remuneration approach, reflects Kafein's mission, strategy and values used in this approach, and underlines the need for compliance with governance principles for remuneration practices. In the determination of wages and fringe benefits fair, objective, and motivating factors are considered. In pricing language, race, gender, belief, religion, sect, age, physical disability, and similar features are not accepted as criteria and the principle of equality is adopted.

- A fixed fee is determined at the ordinary general assembly meeting each year, valid for all members of the Board of Directors. Regarding the remunerations to be given to the Members of the Board of Directors; The Remuneration Committee (Corporate Governance Committee) presents its suggestions to the board of directors, taking into account the degree of reaching the criteria used in remuneration. Remuneration levels of the members of the board of directors are determined by taking into account the responsibility taken in the decision-making process, the knowledge, skills, competence, level of experience and time spent.
- Dividends, share options or payment plans based on the company's performance cannot be used in the remuneration of independent members of the board of directors. It is essential that the

remuneration of the independent members of the board of directors be at a level that will protect their independence.

- The company may not lend, extend credit, extend the term of loans or credits, improve their terms, extend credit under the name of personal credit through a third party, or give guarantees such as surety in favour of any member of the board of directors or executives with administrative responsibility.
- It is essential that the wages to be given to the senior managers and employees of Kafein are compatible with the ethical values, internal balances, and strategic goals of Kafein. Fees; consists of base salary, performance bonus and additional benefits. Wages are determined by considering the financial structure, financial situation, and market conditions of Kafein and are paid to the employees according to the working time, title, experience, competence, and the nature of the work performed.
- In remuneration for senior executives and employees, the Company's General Manager and HR and Administrative Affairs Director are authorized to determine wages, periodically review them, and carry out necessary procedures in accordance with the policy and relevant legislation.

The Board of Directors ensures the effectiveness of this Policy by reviewing and evaluating performance at least once a year. Remunerations and all other benefits provided to the members of the board of directors and executives with administrative responsibilities are disclosed to the public through the annual report.

Compensation Policy

Based on the company [Compensation Policy](#), the provisions of the Labor Law No. 4857 are in force regarding severance and notice pay are applied in the company. In case of a change in the Labor Law No. 4857, the provisions of the relevant law that will enter into force will be applied.

In this framework, without prejudice to the mandatory legal rules stipulated in the legislation,

- (i) Regarding vesting severance pay of employees and the heirs of our deceased employees, the provisions of the Labor Law No. 4857 and the article 14. of the Labor No. 1475 as by reference of interim provisions of the Article 6 of the Labor Law No. 4857 are applied and the calculations are carried out within the framework of the principles determined in the legislation.
- (ii) Regarding the notice period, the periods stipulated in the Labor Law No. 4857 are taken as a basis and the personnel working during the notice period are granted a job search permit. Collective job search permission can only be applied if the employee makes a written request and on the condition that it coincides with the days before the day he leaves the job. In addition, the employee's employment contract can be terminated by paying the wage up to the end of the notification period in advance.

Information Policy

Kafein [Information Policy](#) entered into force with the decision of the Board of Directors dated 28.05.2018 and numbered 2018/20.

The Information Policy of the Company has been issued to offer accurate, timely, complete, comprehensible, equal, and easily accessible non-confidential information and the developments about the Company's former performance, future plans, expectations, strategy, and target by observing the balance between transparency and the interests of the Company in order to help the shareholders and stakeholders make decisions.

Company Policy Regarding Stakeholders

Based on the [Company Policy Regarding Stakeholders](#), stakeholders defined as persons and/or institutions that have a direct and/or indirect relationship with the company's activities and are positively or negatively affected by the company's activities. In this direction, stakeholders; Persons, institutions, or interest groups such as employees of the company, customers, creditors, suppliers, various non-governmental organizations.

- *Protection of Stakeholders*

In its transactions and activities, the Company pays utmost attention to protect the rights of all stakeholders regulated by legislation and mutual agreements and adequate information is provided on these issues. If it is noticed that the rights of the stakeholders, which are protected by legislation and contracts, are violated, corrective measures are taken effectively and quickly to ensure that the rights are restored.

In cases where the rights of the stakeholders are not regulated by legislation and contracts, the interests of the stakeholders are protected within the framework of good faith rules, and by considering the rights, opportunities, and reputation of the Company. The Company plays a leading role in resolving any disputes that may arise between the Company and its stakeholders. When conflicts of interest arise between stakeholders or if a stakeholder is included in more than one interest group, a balanced policy is followed in terms of protecting the rights owned, and each right is aimed to be protected independently of each other. The interests of the company and the stakeholders are expected to be in the same direction. Measures are taken by the company management to prevent the occurrence of a conflict of interest.

In the profit distribution policy, a balanced policy is followed between the interests of the shareholders and the interests of the partnership. The profit distribution policy of the company can be accessed on the corporate website.

- *Informing Stakeholders*

Stakeholders are adequately informed about the Company's policies and procedures regarding the protection of their rights by using the corporate website of the company.

In line with the principles of public disclosure and transparency, a structure is created that will enable stakeholders to access complete and timely information. Stakeholders are informed through material disclosures, general assembly meeting minutes, annual activity reports, financial reports, public disclosure platform and Company website.

Persons authorized within the scope of the disclosure policy can communicate with the stakeholders. The information policy can be accessed on our website. Our stakeholders can also communicate via e-mails info@kafein.com.tr and yatirimci@kafein.com.tr.

With the Corporate Portal, which was established as an in-house sharing system established by the company, information is accessible to all employees. Employees are informed about the objectives and activities of the Company through performance evaluation meetings held within the framework of open communication.

The company considers the understanding of establishing open and honest communication with its employees as the basis of its Human Resources Management policy. In this context, applications are created to increase employee satisfaction and productivity, with the support of the Human Resources Department. Issues such as company policies and strategies, objectives, activities to improve the working life and environment are announced to the employees and their opinions are taken on these issues.

Determining and developing the core competency areas of the suppliers and supporting mutual development are taken as a basis. In addition, Company policy, specifications and contracts are also included in the scope of information shared with our suppliers.

- Participation of Stakeholders in Company Management

Participation of employees in management is regulated by various practices and internal regulations within the company. The company is in constant communication with all its stakeholders. Channels (info@kafein.com.tr) where all stakeholders, especially our employees, can convey their opinions, questions and suggestions to the company management, are kept open in a transparent, honest and accountable management approach. The feedback received from them is submitted to the evaluation of the senior management after passing through certain stages, depending on the internal procedures, and solutions and policies are developed. Models that support the participation of stakeholders, especially company employees, in company management are developed in a way that does not disrupt company activities.

Stakeholders are provided with the opportunity to contact via the contact information specified on the website for their questions, opinions, suggestions, and complaints. In addition, there are independent members in the Board of Directors to ensure that the rights of shareholders and other stakeholders are respected equally within the scope of the decisions taken.

Effective participation of employees in decision processes is ensured by the "employee satisfaction survey" system. The results of the survey, which is conducted once a year to collect the opinions of the employees, are evaluated by the Company management. Through this system, the suggestions of the personnel for the improvement of work and working conditions are evaluated and the suggestions deemed applicable are taken into consideration in determining the Company policies.

The activities reported by the stakeholders, which are against the relevant legislation, and which are not ethically appropriate, are reported by the Corporate Governance Committee. The Corporate Governance Committee conveys the matter to the Board of Directors when it deems appropriate. Opinions of stakeholders are taken in important decisions that have consequences for the stakeholders.

- Relations with the Customers and Suppliers

The Company takes all kinds of measures to ensure customer satisfaction in the marketing and sales of its products and services. The company carries out its activities by planning, beyond providing quality service, within the framework of environmental awareness and respect for the rights of customers, suppliers, and employees. The customer's requests for the product and service purchased are evaluated by the relevant sales departments and the customers are informed. The company pays attention to the confidentiality of customer and supplier information within the scope of trade secret. It is essential to establish good relations between the company and its customers and suppliers, away from unfair advantage, and to comply with the terms of the agreement.

X. STAKEHOLDER COMMUNICATION

A) Investor Relations

The Investor Relations Department of the Company operates as regards to the execution of shareholding rights and carries out activities for the communication between the Board of Directors and current and potential shareholders and the performance of the necessary procedures thereto in compliance with the Corporate Governance Rules of CMB. The unit contact information is shared via Public Disclosure Platform (KAP).

By the Investor Relations Department, material events are immediately announced to the public and the responsibilities against the regulatory authorities such as the Istanbul Stock Exchange and CMB are fulfilled. The financial statements, its footnotes, operational and financial activity results are quarterly submitted to the Public Disclosure Platform and are also published on the website of the Company. The partners, corporate investors and investment institutions reply to the requests for information during the year via telephone and e-mail. The Investor Relations Department provides annual reports regarding the works of the unit to the Board of Directors and shows the necessary sensitivity to inform the Board of Directors and senior management about the related developments. Arising out of the regulations, the primary duties of the Investor Relations Department are as follows:

- To ensure sound, secure, and updated records of the correspondence between investors and the

Company and other relevant information and documents,

- To provide response to the written information requests concerning the company by the company's shareholders, current and potential investors, and analysts,
- To prepare the documents to be submitted to the information and examination of the shareholders as regards to the general assembly, and to take necessary measures in order to ensure that general assembly meetings are held in conformance with the relevant regulations, the articles of association and other partnership regulations,
- To observe and monitor the performance of the liabilities under the capital market regulation including corporate governance, public disclosure, and any other subject therein,
- To regularly review and, if necessary, update the contents of the "Investor Relations" page on the website,
- To evaluate and reply to the questions by investors and analysts, make tete-a-tete interviews when necessary or attend the conferences and meetings held in this context,
- To observe and monitor any and all developments regarding the public disclosure regulation and, in this context, prepare and submit specific condition explanations which must be served to the Public Disclosure Platform,
- To respond to the questions and information requests sent via telephone or e-mail by current and potential Turkish and foreigner investors to the extent permitted by the legal regulations,
- To prepare quarterly reports for the Company's activities of a relevant period and the financial condition,
- To make a list of the persons who have access to internal information and ensure the updates thereto, and
- To monitor the information in the Central Registry Agency including the Registry System.

All requests for information delivered to the Investor Relations Department are meticulously responded without any discrimination among the shareholders provided that such information is not a trade secret or undisclosed information. In this sense, clear, neat, and detailed written and verbal information was provided via telephone and e-mail to information requests delivered by the shareholders. The Company made its best to respond to each and every question as long as these did not relate to trade secrets.

Apart from this, investors are able to access any kind of complete, accurate and updated data from the "Investor Relations" page on website of the Company. The instruments used to announce the developments to investors which would affect the execution of the rights of the shareholders are shared on the Company's website and with the material event disclosure made through the Public Disclosure Platform.

The request of the shareholders as regards to private auditor assignment has not been regulated as a

personal right in the company's articles of association yet, and no private auditor assignment has been conveyed to the Company.

B) Corporate Website and its Contents

The Company's website is www.kafein.com.tr, and the Investor Relations menu incorporates the subjects specified under the Corporate Governance Rules of the Capital Markets Board (CMB). The website was created to provide clear, definite, and immediate information available for the shareholders, stakeholders and all the public. The information on the website is continuously updated. The information on the website is offered in Turkish and English.

C) General Assembly Meetings

The ordinary general assembly of the Company meets at least once in a year and, at the latest, within three months following the end of a financial period. The general assembly discusses and takes decisions about the agenda items prepared by the board of directors in consideration of article 413 of Turkish Code of Commerce. The notifications and notices for the general assembly meetings are announced via all means of communication tools including electronic instruments, which can ensure that the highest possible number of shareholders are notified, by taking into consideration the minimum times defined by Turkish Code of Commerce, the Capital Markets Board and relevant legal regulations.

In this sense, the General Assembly meeting for 2022 was held at 13:00 o'clock on 17.04.2023 at Çifte Havuzlar Mah. Eski Londra Asfaltı Cad. Kuluçka Mrk. A2 Blok No:151/1B İç Kapı No: B01 Esenler İstanbul, Turkey. The necessary quorum was present for the General Assembly meeting to be held. A total of 4,950,982 shares out of 19,750,000 shares were represented at the meeting in which 756,152 shares represented in person and 4,940,382 shares represented by proxy solicitor and 251,751 shares represented by entrusted representative. On such date, the meeting was carried out under the observance of a Ministerial Representative and in conformance with the provisions of "the Regulation on the General Assemblies of Joint Stock Companies to be Held Online and "the Communiqué on the Online General Assembly System (EGKS) to be Implemented at the General Assemblies of Joint Stock Companies". The decisions taken during the meeting were as follows:

1. The Activity Report, The Independent Audit Report and The Financial Statements for the financial period of 2022 has been agreed.
2. The members of the Board of Directors are separately acquitted for their accounts and activities of 2022. Mr. Murat Ethem Sümer's board membership was approved.
3. Profit Distribution Policy has been approved. It has been agreed to distribute the dividend corresponding to TRY 2,000,000 in total, among the shareholders in proportion to their shares after

assigning from the profit of 2021 the amounts to be reserved / paid according to the laws and the articles of association, and to establish the date of cash dividend distribution as 24.04.2023.

4. The Remuneration Policy was approved. It has been agreed to pay a net monthly attendance fee of TRY 15,000 to the Chairman of the Board, TRY 10,000 to the Deputy Chairman of the Board, TRY 7,500 to the Members of the Board and TRY 15,000 to the Independent Members for 2023.

5. In accordance with the Corporate Governance Principles, the shareholders were informed within the scope of footnote 6 of the financial statements that a payment of TRY 5,667,530 was made within the scope of the wages and benefits provided to the members of the board of directors and senior managers within the scope of the company's wage policy.

6. The General Assembly was informed that there was no income or benefits obtained through guarantees, pledges, mortgages, and sureties given in favour of third parties in 2022.

7. Concerning the financial period of 2023, it has been agreed to assign Kavram Bagimsiz Denetim ve Danismanlik A.S. as the Auditor to carry out auditing services and other activities under the Turkish Code of Commerce, the Capital Markets Regulation, and other relevant regulations.

8. The shareholders have been informed that TRY 7,000 donation is made in 2022. An upper limit of TRY 250,000 has been determined for 2023 according to the submitted proposal.

9. As per articles 395 and 396 of Turkish Code of Commerce, it is allowed that the members of the Board of Directors can do business with the Company, perform the works under the fields of activity of the Company in person or on behalf of others and be partners with other companies that perform such works. As per the Corporate Governance Rule no. 1.3.6. issued by the Capital Markets Board, the shareholders are notified that there is no such transaction carried out within 2022.

10. Regarding the Board of Directors' meeting dated 25.02.2022 and numbered 2022/05, as the company's share values in Borsa Istanbul (BIST) do not reflect the actual performance of our company's operations, a buyback program has been initiated for the company's shares traded in BIST. The maximum number of shares to be repurchased has been determined as 500,000 and the fund to be used for these transactions has been determined as maximum TRY 10,000,000 to be met from the company's internal resources. Within the scope of the program, the shareholders were informed that as of the date of the general assembly, 119,000 shares have been bought back for TRY 2,159,250 and 2,000 shares are sold for TRY 60,230 after the program ends. It has been submitted for the information of the shareholders that the company has 117,000 buy-backed shares as of 31.12.2022.

After the period, Extraordinary General Assembly Meeting of the Company held at 13:00 o'clock

on 01.04.2024, and in the Head Office located at Cifte Havuzlar Mah. Eski Londra Asfalti Cad. Kulucka Mrk. A2 Blok No:151/1B İç Kapi No: B01 Esenler Istanbul. The necessary quorum was present for the General Assembly meeting to be held. A total of 5,723,892 shares out of 19,750,000 shares were represented at the meeting in which 5,723,892 shares represented in person and 0 shares represented by proxy solicitor and 0 shares represented by entrusted representative.

In summary, below items have been accepted at the company's Extraordinary General Assembly meeting for the year 2024 held on 01.04.2024 at 13:00.

1. To serve for a period of 3 years, election of Ali Cem Kalyoncu, Neval Önen, Kenan Sübekci, Hatice Sevim Oral as Board Members, and election of Murat Ethem Sümer and Murat Kaan Güneri as Independent Board Members.
2. To determine net monthly attendance fees for the Chairman of the Board of Directors as TRY 30,000, for the Deputy Chairman of the Board of Directors as TRY 20,000, for the Members of Board of Directors as TRY 15,000, for the Independent Members of the Board of Directors as TRY 30,000 for the year of 2024.
3. To elect PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi as the Auditor for the 2024 accounting period,
4. To accept the Company's Information Policy and Internal Directive on General Assembly Working Principles and Procedures.

CORPORATE GOVERNANCE COMPLIANCE REPORT 2023

	Company Compliance Status					
Corporate Governance Compliance Report	Yes	Partial	No	Exempted	Not Applicable	Explanation
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 notification has been made regarding such a transaction.
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 separate item detailing the amounts and beneficiaries of all 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			A and B Group shares have 15 voting rights at the General Assembly.
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	Our company has no cross-ownership that provides management control.
1.5. MINORITY RIGHTS						
1.5.1 - The company pays maximum diligence to the exercise of minority rights.	X					
1.5.2 - The Articles of Association extend the use of minority rights to those who own less than one twentieth of the outstanding shares and expand the scope of the minority rights.			X			Minority rights are not defined in the Company's Articles of Association.

	Company Compliance Status					
Corporate Governance Compliance Report	Yes	Partial	No	Exempted	Not Applicable	Explanation
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	Profit is distributed.
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					
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					
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					
3.1.4 - A whistleblowing programme is in place for reporting legal and ethical issues.	X					
3.1.5 - The company addresses conflicts of interest among stakeholders in a balanced manner.	X					
3.2. SUPPORTING THE PARTICIPATION OF THE STAKEHOLDERS IN THE CORPORATION'S MANAGEMENT						

	Company Compliance Status					
Corporate Governance Compliance Report	Yes	Partial	No	Exempted	Not Applicable	Explanation
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				All decisions that may affect employees are communicated to employees through the Human Resources Directorate communication channels. Union opinion was not taken.
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					
3.3.9 - A safe working environment for employees is maintained.	X					
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 in handling their requests.	X					
3.4.3 - The company complied with the quality standards with respect to its products and services.	X					

	Company Compliance Status					
Corporate Governance Compliance Report	Yes	Partial	No	Exempted	Not Applicable	Explanation
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					
4.2.3-The board has ensured the company has an internal control framework adequate for its activities, size, and complexity.	X					
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			The duty of The Chief Executive Officer (General Manager) and the Chairman of the Board is not separated, and they are the same person.
4.2.7-The board of directors ensures that the Investor Relations department and the corporate governance committee work effectively. The board works closely with them when communicating and settling disputes with shareholders.	X					
4.2.8 - The company has subscribed to a Directors and Officers liability insurance covering more than 25% of the capital.	X					
4.3. STRUCTURE OF THE BOARD OF DIRECTORS						

Corporate Governance Compliance Report	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
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					
4.3.10 - At least one member of the audit committee has 5 years of experience in audit/accounting and finance.	X					
4.4. BOARD MEETING PROCEDURES						
4.4.1-Each board member attends the majority of the board meetings in person or via an electronic board meeting system	X					
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	None of the members who could not attend the meeting during the period gave written opinion.
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					
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					
4.5. BOARD COMMITTEES						
4.5.5 - Board members serve in only one of the Board's committees.			X			Independent Members of the Board of Directors take part in more than one committee.
4.5.6 - Committees have invited persons to the meetings as deemed necessary to obtain their views.					X	The committees may obtain information from managers or other employees and may invite relevant persons to committee meetings when deemed necessary in line with their duties and working principles. However, there was no invitation/request for opinion in this direction during the period.

Corporate Governance Compliance Report	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
4.5.7 - If external consultancy services are used, the independence of the provider is stated in the annual report.					X	During the period, there was no person/institution from which the committees received consultancy services.
4.5.8 - Minutes of all committee meetings are kept and reported to board members.	X					
4.6. FINANCIAL RIGHTS						
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			Remuneration of the Board members and executives with is disclosed collectively.

CORPORATE GOVERNANCE INFORMATION FORM 2023

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	10
1.2. Right to Obtain and Examine Information	
The number of special audit request(s)	0
The number of special audit requests that were accepted at the General Shareholders' Meeting	0
1.3. General Assembly	
Link to the PDP announcement that demonstrates the information requested by Principle 1.3.1. (a-d)	www.kap.org.tr/en/Bildirim/1125909
Whether the company provides materials for the General Shareholders' Meeting in English and Turkish at the same time	Provided.
The links to the PDP announcements associated with the transactions that are not approved by the majority of independent directors or by unanimous votes of present board members in the context of Principle 1.3.9	There is no such transaction.
The links to the PDP announcements associated with related party transactions in the context of Article 9 of the Communiqué on Corporate Governance (II-17.1)	Transactions regarding asset/service purchases carried out within the scope of Article 9 of the Corporate Governance Communiqué (II-17.1) remain below the limits set out in Article 9.

The links to the PDP announcements associated with common and continuous transactions in the context of Article 10 of the Communiqué on Corporate Governance (II-17.1)	Common and continuous transactions carried out within the scope of Article 10 of the Corporate Governance Communiqué (II-17.1) fall below the limits set in Article 10.
The name of the section on the corporate website that demonstrates the donation policy of the company	Investor Relations- Corporate Governance - Policies - Donations and Aid Policy
The relevant link to the PDP with minute of the General Shareholders' Meeting where the donation policy has been approved	www.kap.org.tr/en/Bildirim/748027
The number of the provisions of the articles of association that discuss the participation of stakeholders to the General Shareholders' Meeting	The Company's General Assembly Internal Directive on Working Principles and Procedures – Article 5.4.
Identified stakeholder groups that participated in the General Shareholders' meeting if any	None
1.4. Voting Rights	
Whether the shares of the company have differential voting rights	Yes
In case that there are voting privileges, indicate the owner and percentage of the voting majority of shares	Ali Cem Kalyoncu %40,48
The percentage of ownership of the largest shareholder	% 25,01
1.5. Minority Rights	
Whether the scope of minority rights enlarged (in terms of content or the ratio) in the articles of the association	No
If yes, specify the relevant provision of the articles of association	-
1.6. Dividend Right	
The name of the section on the corporate website that describes the dividend distribution policy	Investor Relations- Corporate Governance - Policies – Dividend 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.	Dividend is distributed.
PDP link to the related general shareholder meeting minutes in case the board of directors proposed to the general assembly not to distribute dividends	-

General Assembly Meetings									
General Meeting Date	The number of information requests received by the company regarding the clarification of the agenda of the General Shareholders' Meeting	Shareholder participation rate to the General Shareholders' Meeting	Percentage of shares directly present at the GSM	Percentage of shares represented by proxy	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	Specify the name of the page of the corporate website that contains all questions asked in the general assembly meeting and all responses to them	The number of the relevant item or paragraph of General Shareholders' Meeting minutes in relation to related party transactions	The number of declarations by insiders received by the board of directors)	The link to the related PDP general shareholder meeting notification
17/04/2023	0	% 30,12	% 3,83	%26,29	Investor Relations - General Assembly Information	Investor Relations - General Assembly Information	-	0	www.kap.org.tr/en/Bildirim/1139266

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.	Investor Relations – Main Information, Public Offering Information, Corporate Governance, Financial Reports, Annual Reports, General Assembly Information
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.	Investor Relations – Main Information – General Information and Shareholding Structure
List of languages for which the website is available	Turkish and English
2.2. Annual Report	
The page numbers and/or name of the sections in the Annual Report that demonstrate the information requested by principle 2.2.2.	
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	Information About the Board of Directors and Senior Management
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	Number, Structure and Operating Principles of the Committees Established by the Board of Directors
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	Board of Directors Structure, Meetings and Member Resumes
c) 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	Legislative Changes that may Affect Company Activities
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	Information about the On-going Legal Procedures
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	Information about the Conflict of Interest Between the Company and the Institutions from which it Receives Services such as Investment Consultancy and Rating
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%	Information on Subsidiaries and Affiliates
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	Sustainability Report - Environmental Principles & Social Principles

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	Investor Relations - Corporate Governance - Policies – Compensation Policy
The number of definitive convictions the company was subject to in relation to breach of employee rights	0
The position of the person responsible for the alert mechanism (i.e. whistleblowing mechanism)	Ethics Committee
The contact detail of the company alert mechanism	gizli@kafein.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	Investor Relations - Corporate Governance - Policies – Stakeholder Policy
Corporate bodies where employees are actually represented	Company employees can convey their complaints, wishes and suggestions to the management through the "I Have an Idea" application on the company portal.
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	The Board of Directors is the decision-making mechanism in the appointment of certain senior executives.
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.	Investor Relations - Corporate Governance - Policies – Corporate Human Rights and Employee Rights Policy
Whether the company provides an employee stock ownership programme	(There isn't an employee stock ownership programme)
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.	Investor Relations -Corporate Governance - Policies – Corporate Human Rights and Employee Rights Policy
The number of definitive convictions the company is subject to in relation to health and safety measures	0
3.5. Ethical Rules and Social Responsibility	
The name of the section on the corporate website that demonstrates the code of ethics	Investor Relations - Corporate Governance - Policies - Ethical Principles and Conduct Policy
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.	Investor Relations - Sustainability - Sustainability Reports
Any measures combating any kind of corruption including embezzlement and bribery	Investor Relations - Corporate Governance - Policies - Anti Bribery and Anti-Corruption Policy

4. BOARD OF DIRECTORS-I	
4.2. Activity of the Board of Directors	
Date of the last board evaluation conducted	11.01.2024
Whether the board evaluation was externally facilitated	No
Whether all board members released from their duties at the GSM	Yes
Name(s) of the board member(s) with specific delegated duties and authorities, and descriptions of such duties	Chairman of the Board - Ali Cem Kalyoncu, Deputy Chairwoman of the Board - Neval Önen
Number of reports presented by internal auditors to the audit committee or any relevant committee to the board	0
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	Activity Report – Risks and Evaluation by the Board of Directors
Name of the Chairman	Ali Cem Kalyoncu
Name of the CEO	Ali Cem Kalyoncu
If the CEO and Chair functions are combined: provide the link to the relevant PDP announcement providing the rationale for such combined roles	www.kap.org.tr/en/Bildirim/1265114
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	www.kap.org.tr/en/Bildirim/1196942
The name of the section on the corporate website that demonstrates current diversity policy targeting women directors	Investor Relations - Corporate Governance - Policies - Working Principles and Code of Conduct
The number and ratio of female directors within the Board of Directors	%33

Composition 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
Ali Cem Kalyoncu	Executive	Not independent director	16/11/2011		Not applicable	Not applicable	No
Neval Önen	Executive	Not independent director	10/04/2013		Not applicable	Not applicable	No
Kenan Sübekçi	Non-Executive	Not independent director	02/01/2012		Not applicable	Not applicable	No
Hatice Sevim Oral	Executive	Not independent director	10/04/2013		Not applicable	Not applicable	Yes
Murat Kaan Güneri	Non-Executive	Independent director	01/03/2024	www.kap.org.tr/en/Bildirim/1253698	Considered	No	No
Murat Ethem Sümer	Non-Executive	Independent director	23/08/2022	www.kap.org.tr/en/Bildirim/1057861	Considered	No	Yes

4. BOARD OF DIRECTORS-II	
4.4. Meeting Procedures of the Board of Directors	
Number of physical or electronic board meetings in the reporting period	18
Director average attendance rate at board meetings	%96
Whether the board uses an electronic portal to support its work or not	Yes
Number of minimum days ahead of the board meeting to provide information to directors, as per the board charter	In accordance with the working principles of the Board of Directors, utmost care is taken to provide information and documents to the members at least 1 (one) day before the meeting.
The name of the section on the corporate website that demonstrates information about the board charter	Investor Relations - Corporate Governance - Articles of Association Article 9 & Internal Directives Article 3 of the Board of Directors Internal Directive
Number of maximum external commitments for board members as per the policy covering the number of external duties held by directors	It is limited to 5 (five) companies other than the partnership.
4.5. Board Committees	
Page numbers or section names of the annual report where information about the board committees is presented	Number, Structure and Operating Principles of the Committees Established by the Board of Directors
Link(s) to the PDP announcement(s) with the board committee charters	www.kap.org.tr/en/Bildirim/1176681

Composition of Board Committees-I				
Names Of the Board Committees	Name Of Committees Defined As "Other" In the First Column	Name-Surname of Committee Members	Whether Committee Chair Or Not	Whether Board Member Or Not
Audit Committee		Murat Ethem Sümer	Yes	Board Member
Audit Committee		Murat Kaan Güneri	No	Board Member
Corporate Governance Committee		Murat Ethem Sümer	No	Board Member
Corporate Governance Committee		Murat Kaan Güneri	Yes	Board Member
Corporate Governance Committee		Zehra Arslantaşlı	No	Not Board Member
Committee of Early Detection of Risk		Murat Ethem Sümer	Yes	Board Member
Committee of Early Detection of Risk		Murat Kaan Güneri	No	Board Member

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)	Activity Report - Number, Structure and Operating Principles of the Committees Established by the Board of Directors
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)	Activity Report - Number, Structure and Operating Principles of the Committees Established by the Board of Directors
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)	Activity Report - Number, Structure and Operating Principles of the Committees Established by the Board of Directors
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)	Activity Report - Number, Structure and Operating Principles of the Committees Established by the Board of Directors
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)	Activity Report - Number, Structure and Operating Principles of the Committees Established by the Board of Directors
4.6. 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)	Activity Report - Risk Management, Internal Control Mechanism and Evaluation of Strategic Goals
Specify the section of website where remuneration policy for executive and non-executive directors are presented.	Investor Relations - Corporate Governance - Policies - Remuneration Policy
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)	Activity Report - Financial Rights, Remuneration Policy, and Compensation Policy

Composition of Board Committees-II

Names Of the Board Committees	Name of committees defined as "Other" in the first column	The Percentage of Non-executive Directors	The Percentage of Independent Directors in The Committee	The Number of Meetings Held in Person or Electronically	The Number of Reports on Its Activities Submitted to The Board
Audit Committee		%100	%100	5	5
Corporate Governance Committee		%67	%67	4	4
Committee of Early Detection of Risk		%100	%100	6	6

SUSTAINABILITY PRINCIPLES COMPLIANCE REPORT 2023

Sustainability Compliance Report	Compliance Status				Explanation	Report Information on Publicly Disclosed Information (Page number, menu name on the website)
	Yes	Partial	No	NA		
A. GENERAL PRINCIPLES						
A1. Strategy, Policy, and Goals						
A1.1. The prioritised environmental, social, and corporate governance (ESG) issues, risks and opportunities have been determined by the Company's Board of Directors.	X					Sustainability Report - Kafein Sustainability Topics (p.24), Risks and Conflict of Interest Management (p.16-18)
A1.1. The ESG policies (Environmental Policy, Energy Policy, Human Rights and Employee Policy etc.) have been created and disclosed to the public by the Company's Board of Directors.	X					Website> Investor Relations> Corporate Governance> Policies
A1.2. The short and long-term targets set within the scope of ESG policies have been disclosed to the public.	X					Sustainability Report - Goals and Progress Chart (p.73-74)
A2. Implementation/Monitoring						
A2.1. The responsible committees and/or business units for the implementation of ESG policies and the senior officials related to ESG issues in the Company and their duties have been identified and disclosed to the public.	X					Sustainability Report - Sustainability Management and Responsibility (p.20-21)
A2.1. The activities carried out within the scope of policies by the responsible committee and/or unit have been reported to the Board of Directors at least once a year.	X					Website> Investor Relations> Sustainability> Sustainability Reports
A2.2. In line with the ESG targets, the implementation and action plans have been formed and disclosed to the public.	X					Sustainability Report - Kafein Sustainability Strategy (p.23)
A2.3. The Key ESG Performance Indicators (KPI) and the level of reaching these indicators have been disclosed to the public on yearly basis.	X					Sustainability Report - Goals and Progress Chart (p.73-74)
A2.4. The activities for improving the sustainability performance of the business processes or products and services have been disclosed to the public.	X					Sustainability Report - Sustainability Practices Based on Supply Chain (p.37-38) & International Standards, Initiatives and Certifications (p.61-64)
A3. Reporting						
A3.1. The information about the sustainability performance, targets and actions have been given in annual reports of the Company an understandable, accurate and sufficient manner.	X					Activity Report- Sustainability Principles Compliance Report
A3.2. The information about activities which are related to the United Nations (UN) 2030 Sustainable Development Goals have been disclosed to the public.	X					Sustainability Report - GRI Content Index> SDG Link (p.74-86)
A3.3. The lawsuits filed and/or concluded against the Company about ESG issues which are material in terms of ESG policies and/or will significantly affect the Company's activities, have been disclosed to the public.	X					Sustainability Report - Compliance with Laws and Regulations> Compliance Indicators (p.71)
A4. Verification						

Sustainability Compliance Report	Compliance Status				Explanation	Report Information on Publicly Disclosed Information (Page number, menu name on the website)
	Yes	Partial	No	NA		
A4.1. The Company's Key ESG Performance metrics have been verified by an independent third party and publicly disclosed.			X		The Partnership's ESG Key Performance metrics have not been verified by an independent third party.	-
B. ENVIRONMENTAL PRINCIPLES						
B1. The policies and practices, action plans, environmental management systems (known by the ISO 14001 standard) and programs have been disclosed.	X					Sustainability Report - Corporate Sustainability Policy (p.27) & International Standards, Initiatives and Certifications (p.61-64)
B2. The environmental reports prepared to provide information on environmental management have been disclosed to the public which is including the scope, reporting period, reporting date and limitations about the reporting conditions.	X					Sustainability Report - About the Report (p.5)
B4. The environmental targets within the scope of performance incentive systems which included in the rewarding criteria have been disclosed to the public on the basis of stakeholders (such as members of the Board of Directors, managers, and employees).			X		The rewarding system is currently performance-based and there are no environmental targets in the rewarding criteria.	-
B5. How the prioritised environmental issues have been integrated into business objectives and strategies has been disclosed.	X					Sustainability Report - Environmental/Ecological Risks and Management (p.18)
B7. The way of how environmental issues has been managed and integrated into business objectives and strategies throughout the Company's value chain, including the operational process, suppliers and customers has been disclosed.	X					Sustainability Report - Sustainability Practices Based on Supply Chain (p.37-38)
B8. Whether the Company have been involved to environmental related organizations and non-governmental organizations' policy making processes and collaborations with these organizations has been disclosed.	X					Sustainability Report - Collaborations and Memberships (p.64-65)
B9. In the light of 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 on environmental impacts are periodically disclosed to the public in a comparable manner.	X					Sustainability Report - Our Carbon Footprint (p.30-35)
B10. Details of the standard, protocol, methodology, and baseline year used to collect and calculate data has been disclosed.	X					Sustainability Report - Our Carbon Footprint: Purpose and Scope, Methodology (p.30-31)
B11. The increase or decrease in Company's environmental indicators as of the reporting year has been comparatively disclosed with previous years.	X					Sustainability Report - Goals and Progress Chart (p.73-74)

Sustainability Compliance Report	Compliance Status				Explanation	Report Information on Publicly Disclosed Information (Page number, menu name on the website)
	Yes	Partial	No	NA		
B12. The short and long-term targets for reducing the environmental impacts have been determined and the progress compared to previous years' targets has been disclosed.	X					Sustainability Report - Goals and Progress Chart (p.73-74)
B13. A strategy to combat the climate crisis has been created and the planned actions have been publicly disclosed.	X					Sustainability Report - Reducing Carbon Footprint (p.34-35)
B14. The programs/procedures to prevent or minimize the potential negative impact of products and/or services on the environment have been established and disclosed.	X					Sustainability Report - Energy and Environment Friendly Projects (p.29-30)
B14. The actions to reduce greenhouse gas emissions of third parties (suppliers, subcontractors, dealers, etc.) have been carried out and disclosed.	X					Sustainability Report - Sustainability Practices Based on Supply Chain (p.37-38)
B15. The environmental benefits/gains and cost savings of initiatives/projects that aims reducing environmental impacts have been disclosed.		X			Changes regarding electricity consumption and carbon emissions are shared within report. Water and waste measurements are included in the planning as of 2024. Although projects aimed at reducing environmental impacts are shared, their benefits/gains and cost savings have not yet been measured quantitatively.	-
B16. The data related to energy consumption (natural gas, diesel, gasoline, LPG, coal, electricity, heating, cooling, etc.) has been disclosed as Scope-1 and Scope-2.	X					Sustainability Report - Scope I (Direct Emissions) & Scope II (Indirect Emissions) (p.31-32)
B17. Public disclosure was made about the electricity, heat, steam, and cooling produced in the reporting year.				X	As a company in the software industry, there is no electricity, heat, steam, or cooling produced within the scope of our operations and activities.	-
B18. The studies related to increase the use of renewable energy and transition to zero/low carbon electricity have been conducted and disclosed.			X		There is no study yet on renewable energy, zero or low carbon electricity transition.	-
B19. The renewable energy production and usage data has been publicly disclosed.			X		There is no renewable energy production or consumption.	-
B20. The Company conducted projects about energy efficiency and the amount of reduction on energy consumption and emission achieved through these projects have been disclosed.	X					Sustainability Report - Reducing Carbon Footprint (p.34-35) & Efforts to Reduce Energy Consumption (p.29)

B21. The water consumption, the amount, procedures, and sources of recycled and discharged water from underground or above ground (if any), have been disclosed.	X					Sustainability Report - Water Management (p.37)
B22. The information related to whether Company's operations or activities are included in any carbon pricing system (Emissions Trading System, Cap & Trade or Carbon Tax).			X		Company's activities are not included in any carbon pricing system.	-
Sustainability Compliance Report	Compliance Status				Explanation	Report Information on Publicly Disclosed Information (Page number, menu name on the website)
	Yes	Partial	No	NA		
B23. The information related to accumulated or purchased carbon credits within the reporting period has been disclosed.			X		No carbon credits accumulated or purchased during the reporting period.	-
B24. If carbon pricing is applied within the Company, the details have been disclosed.			X		There is no Carbon Pricing.	-
B25. The platforms where the Company discloses its environmental information have been disclosed.	X					Website> Investor Relations> Sustainability
C. SOCIAL PRINCIPLES						
C1. Human Rights and Employee Rights						
C1.1. The Institutional Human Rights and Employee Rights Policy has been established in the light of the Universal Declaration of Human Rights, ILO Conventions ratified by Turkey and other relevant legislation. The policy and the officials that responsible for the implementation of it have been determined and disclosed.	X					Website> Investor Relations> Corporate Governance> Policies> Corporate Human Rights and Employee Rights Policy
C1.2. Considering the effects of supply and value chain, fair workforce, improvement of labor standards, women's employment, and inclusion issues (gender, race, religion, language, marital status, ethnic identity, sexual orientation, gender identity, family responsibilities, union activities, political opinion, disability, social and cultural differences, etc., such as non-discrimination) are included in its policy on employee rights.	X					Website> Investor Relations> Corporate Governance> Policies> HR Working Principles and Code of Conduct Instruction
C1.3. The measures taken for the minority rights/equality of opportunity or the ones who are sensitive about certain economic, environmental, social factors (low-income groups, women, etc.) along the supply chain have been disclosed.	X					Sustainability Report - Prevention of Discrimination (p.42) & Diversity and Equal Opportunity (p.40-42)
C1.4. The developments regarding preventive and corrective practices against discrimination, inequality, human rights violations, forced and child labor have been disclosed.	X					Sustainability Report -Clear Position Against Child Labor and Forced Labor (p.43)
C1.5. Investments 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					Sustainability Report -Education Opportunities at Kafein (p.43-47) & Remuneration Principles and Compensation Policy (p.69-71) & Freedom of Association and Right to Collective Bargaining (p.52-53)
C1.5. The mechanism for employee complaints and resolution of disputes has been established and related solution processes have been determined.	X					Sustainability Report - Stakeholder Communication and Notification Mechanisms (p.22)

C1.5. Activities carried out during the reported period to ensure employee satisfaction were disclosed to the public.	X					Sustainability Report-Commitment to Workplace (p.47-49)
C1.6. The occupational health and safety policies have been established and disclosed.	X					Sustainability Report-Occupational Health and Safety (p.49-52)
Sustainability Compliance Report	Compliance Status				Explanation	Report Information on Publicly Disclosed Information (Page number, menu name on the website)
	Yes	Partial	No	NA		
C1.6. The measures taken for protecting health, preventing occupational accidents and related statistics have been disclosed.	X					Sustainability Report-Occupational Health and Safety (p.49-52)
C1.7. The personal data protection and data security policies have been established and disclosed.	X					Sustainability Report - Personal Data Protection and Privacy Provisions (p.53)
C1.8. The ethics policy has been established and disclosed.	X					Website> Investor Relations> Corporate Governance> Policies> Ethical Principles and Behaviour Policy
C1.9. The studies related to social investment, social responsibility, financial inclusivity, and access to finance have been explained.		X			Information about donations and aid is shared within the report, but there is no practice in terms of financial inclusivity.	Sustainability Report - Donations and Aids (p.54)
C1.10. The informative meetings and training programs related to ESG policies and practices have been organized for employees.	X					Kafein Development and Education Portal (edu.kafein.com.tr)
C2. Stakeholders, International Standards, and Initiatives						
C2.1. The customer satisfaction policy regarding the management and resolution of customer complaints has been prepared and disclosed.	X					Website> Investor Relations> Corporate Governance> Policies> Quality Policy & Stakeholders Policy
C2.2. The information about the communication with stakeholders (which stakeholder, subject and frequency) have been disclosed.	X					Sustainability Report - Stakeholder Communication and Notification Mechanisms (p.22)
C2.3. The international reporting standards that adopted in reporting have been explained.	X					Sustainability Report - About the Report (p.5)
C2.4. The principles adopted regarding sustainability, the signatory or member international organizations, committees and principles have been disclosed.	X					Sustainability Report - Collaborations and Memberships (p.64-65)
C2.5. The improvements have been made and studies have been carried out to be included in the Borsa Istanbul sustainability indices and/or international index providers.	X					Sustainability Report - Corporate Governance Studies (p.72)
D. CORPORATE GOVERNANCE PRINCIPLES						
D1. The opinions of stakeholders have been sought in the determination of measures and strategies related to sustainability field.	X					Sustainability Report - Materiality Analysis (p.25)
D2. The social responsibility projects, awareness activities and trainings have been carried out to raise awareness about sustainability and its importance.	X					Kafein Development and Education Portal (edu.kafein.com.tr)