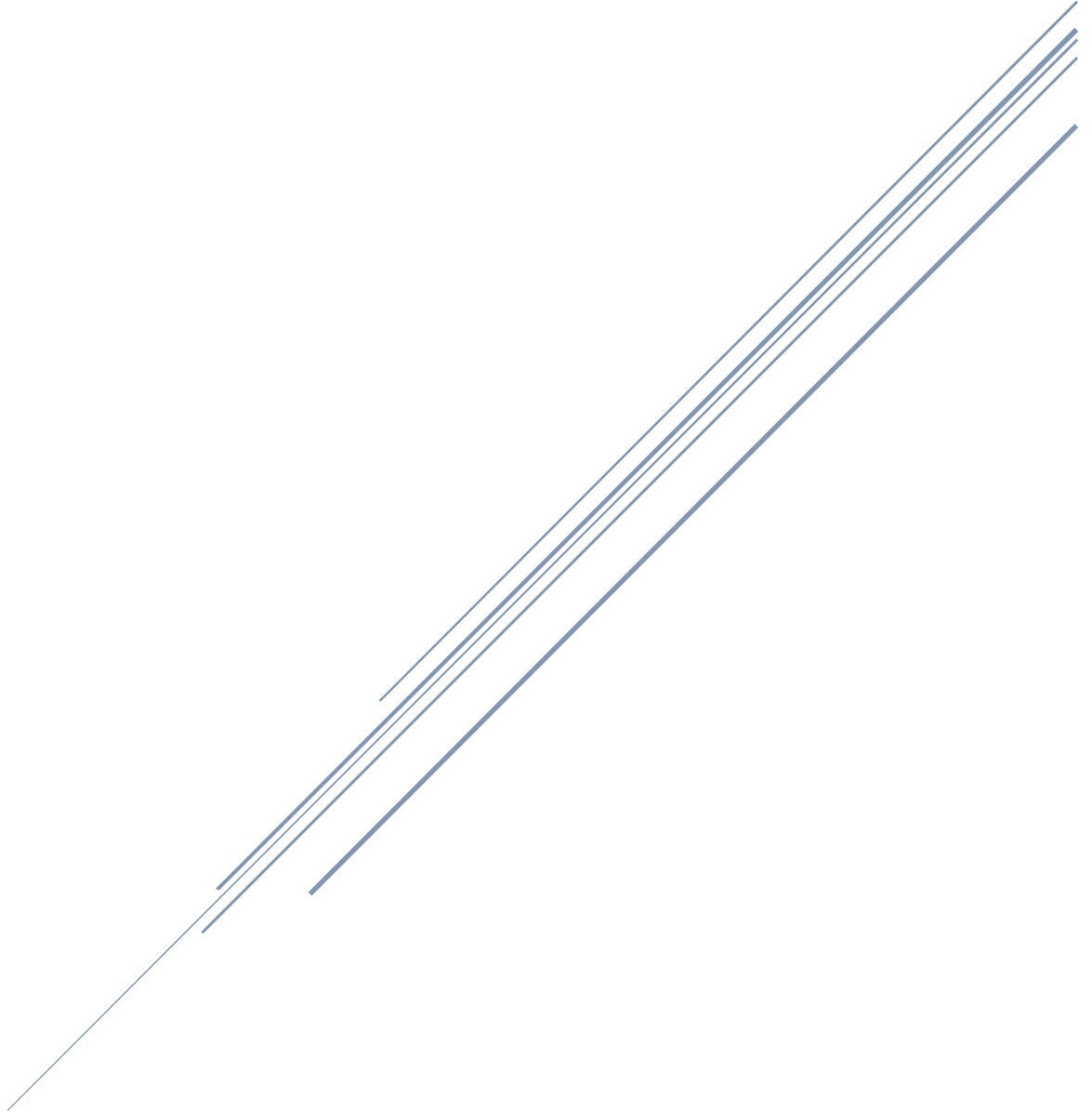


# KAFEİN YAZILIM HİZMETLERİ TİCARET A.Ş.

ACTIVITY REPORT 30.09.2024



## Index

|              |                                                                                                                                                                           |           |
|--------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| <b>I.</b>    | <b>GENERAL INFORMATION .....</b>                                                                                                                                          | <b>2</b>  |
| a)           | About Kafein.....                                                                                                                                                         | 2         |
| b)           | Reporting Period .....                                                                                                                                                    | 3         |
| c)           | Registry Information .....                                                                                                                                                | 3         |
| d)           | Area of Activity.....                                                                                                                                                     | 4         |
| e)           | Capital and Partnership Structure.....                                                                                                                                    | 8         |
| f)           | Preferred Shares and Explanations for the Voting Rights of Such Shares .....                                                                                              | 9         |
| <b>II.</b>   | <b>INFORMATION ABOUT THE BOARD OF DIRECTORS AND SENIOR MANAGEMENT ....</b>                                                                                                | <b>10</b> |
| a)           | Board of Directors Structure and Resumes.....                                                                                                                             | 10        |
| b)           | Resumes.....                                                                                                                                                              | 12        |
| c)           | Senior Management and Personnel .....                                                                                                                                     | 13        |
| d)           | Organization Chart .....                                                                                                                                                  | 14        |
| <b>III.</b>  | <b>INFORMATION ABOUT THE OPERATIONS .....</b>                                                                                                                             | <b>14</b> |
| a)           | Information about the Share Buy-Back .....                                                                                                                                | 14        |
| b)           | Information about Private and Public Audits.....                                                                                                                          | 14        |
| c)           | Donations and Grants .....                                                                                                                                                | 15        |
| d)           | Information about the Group Involving the Company .....                                                                                                                   | 15        |
| e)           | Information about the Affiliates and Subsidiaries.....                                                                                                                    | 15        |
| f)           | Amendments to the Articles of Association within the Period .....                                                                                                         | 16        |
| g)           | Sanctions Imposed under the Regulations .....                                                                                                                             | 16        |
| h)           | Information about the On-going Legal Procedures .....                                                                                                                     | 16        |
| i)           | Legislative changes that may affect company activities.....                                                                                                               | 16        |
| 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 ..... | 16        |
| <b>IV.</b>   | <b>RESEARCH AND DEVELOPMENT ACTIVITIES .....</b>                                                                                                                          | <b>17</b> |
| <b>V.</b>    | <b>FINANCIAL INFORMATION.....</b>                                                                                                                                         | <b>23</b> |
| a)           | Summary of Financial Results .....                                                                                                                                        | 23        |
| b)           | Information about Dividends .....                                                                                                                                         | 24        |
| <b>VI.</b>   | <b>RISKS AND ASSESMENT BY THE BOARD OF DIRECTORS.....</b>                                                                                                                 | <b>25</b> |
| <b>VII.</b>  | <b>DEVELOPMENTS WITHIN AND FOLLOWING THE PERIOD .....</b>                                                                                                                 | <b>27</b> |
| <b>VIII.</b> | <b>MISCELLANEOUS .....</b>                                                                                                                                                | <b>34</b> |

## **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 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 01.01.2024 and 30.09.2024.

#### c) Registry Information

|                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|-------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Trade Name</b>             | Kafein Yazılım Hizmetleri Ticaret Anonim Şirketi                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Date of Establishment</b>  | 26.08.2005 - Istanbul, TURKEY                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Paid Capital</b>           | TRY 19,750,000                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Authorized Capital</b>     | TRY 200,000,000 (Two Hundred Million Turkish Lira)                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Trade Registration No.</b> | ISTANBUL - 563336                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Tax Office and Number</b>  | ESENLER - 487 051 8539                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Address</b>                | <b>Head Office:</b> Çifte Havuzlar Mah. Eski Londra Asfaltı Cad. Kuluçka Mrk. A2 Blok No:151/1B İç Kapı No: B01 Esenler İstanbul<br><b>Istanbul Specialized Free Zone Branch:</b> Yeşilköy SB Mah. İSBİ Plaza Sok. ISBI Plaza No 1 İç Kapı No 909 Bakırköy İstanbul<br><b>Ankara Branch:</b> Aşağı Öveçler, 1309. Sk. No:5 D:6 06460 Çankaya/Ankara<br><b>Düzce Branch:</b> Orhangazi Mah. Teknopark Cad. Teknopark Blok No 1 İç Kapı No Z03 Merkez/Düzce |
| <b>Telephone / Fax</b>        | 0212 924 20 30 / 0212 483 70 27                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Website</b>                | <a href="http://www.kafein.com.tr">www.kafein.com.tr</a>                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Area of Activity</b>       | Software Development                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>NACE Code</b>              | 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. Product Development and R&D**

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](http://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:

| <b>Outsourcing</b>                                          | <b>Managed Services</b>                                                         |
|-------------------------------------------------------------|---------------------------------------------------------------------------------|
| 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.<br>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](http://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](http://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. Product Development & R&D**

### **DataTouch (Data Lineage Software)**

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

### **DataFocus (Data Governance)**

DataFocus is a new Data Governance product that is equipped with features such as data quality management, access controls, compliance management, central management panel and business glossary, making companies' data management more secure, organised and efficient. During the period, the MVP (Minimum Viable Product) version, the first version of DataFocus, our Data Governance product developed by our company, was launched.

### **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 Biliřim Çözümleri Ticaret A.ř. will be sold in the American and Canadian markets on a revenue sharing basis by Infocorvus LLC.

### **DataSkoPe & InfraSkoPe (Database Activity Monitoring and Prevention)**

The Database Activity Monitoring and Prevention Products DataSkoPe and InfraSkoPe developed by our 51% Subsidiary Karmasis Biliřim Çözümleri Ticaret A.ř 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 entered the product catalogue of the global software provider OpenText to be sold globally on 06.04.2023 and the American-based technology company Infocorvus LLC's product catalogue on 22.09.2023. InfraSkoPe entered the product catalogue of the American-based technology company Infocorvus LLC on 22.09.2023.

### **APIFORT (API Security)**

APIFORT Security Solution addresses user and application access control more effectively with an approach focused on advanced threat detection and prevention. Our solution is designed to secure sensitive information over API traffic. API logs and monitoring mechanisms provide a detailed view to detect and respond to potential security threats. It offers a technical solution to complex security needs with the advantages of quickly adapting to security standards and optimizing security without the need for encryption.

### **e) Capital and Partnership Structure**

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

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

| <b>Shareholder</b>    | <b>Group A</b> | <b>Group B</b> | <b>Group C</b>    | <b>Total Capital Amount (TRY)</b> | <b>Capital Share (%)</b> | <b>Voting Right (%)</b> |
|-----------------------|----------------|----------------|-------------------|-----------------------------------|--------------------------|-------------------------|
| Ali Cem Kalyoncu      | 183,333        | 183,333        | 4,598,130         | 4,964,796                         | 25.14                    | 40.58                   |
| Publicly Held / Other |                |                | 14,785,204        | 14,785,204                        | 74.86                    | 59.42                   |
| <b>TOTAL</b>          | <b>183,333</b> | <b>183,333</b> | <b>19,383,334</b> | <b>19,750,000</b>                 | <b>100.00</b>            | <b>100.00</b>           |

#### 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 and Resumes

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 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<br>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 | Independent Board Member | 01.03.2024 | 01.04.2027 | Non-Executive | AltoPartners C.V. Turkey Managing Partnership, MKG ve Ortakları İnsan Kaynakları 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.

## 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

Yazilim Hizmetleri Ticaret A.S 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.S. 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.S. 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 Iktisat 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) Senior Management and Personnel**

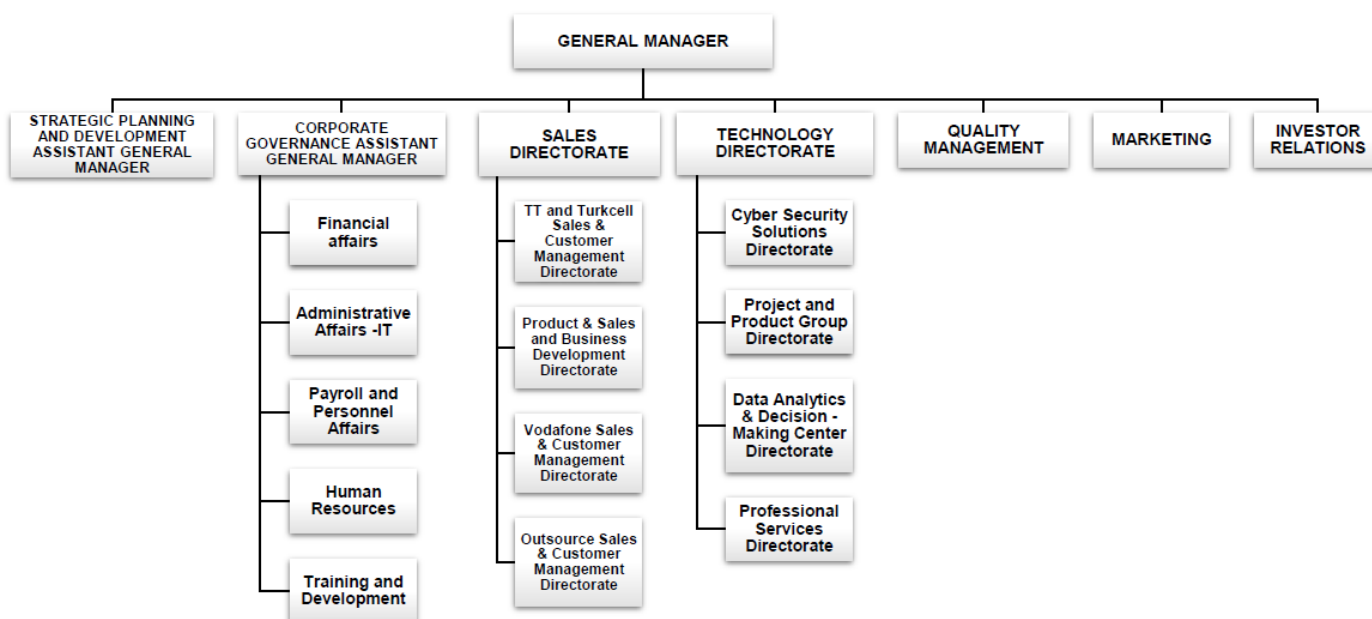
The senior management of the Company consists of the Chairman of the Board, Board members and other managers acting as directors general.

| <b>Senior Management</b> | <b>Title</b>                                                         |
|--------------------------|----------------------------------------------------------------------|
| 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 30.09.2024, the total amount of the attendance fee and similar other benefits granted to the board chairman, board members and senior management is TRY 11,439,000. (30.09.2023: TRY 10,153,886) On 30.09.2024, the company's average number of employees working during the year is 730. (December 31, 2023: 706)

#### d) Organization Chart



### III. INFORMATION ABOUT THE OPERATIONS

#### a) Information about the Share Buy-Back

There are no buy-backed shares acquired during the period.

#### 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 Extraordinary General Assembly Meeting held on 01.04.2024, “PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi” is assigned as the Independent Auditor to perform the audit and other relevant procedures in the financial year of 2024 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 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 Subsidiaries

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 (%70)**

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.

By the decision of the Company's Board of Directors dated 26.07.2024 and numbered 21, it has been decided to purchase 28,500 registered shares (1,000 TL per share value) of the company's %51 subsidiary Karmasis Bilişim Çözümleri Ticaret Anonim Şirketi which corresponds to 19% of its total 150,000,000 TL capital, for a total price of 144,400,000 TL and to be paid 31.07.2024. Thus, the total capital ratio reached 70%.

##### · **APIFORT Yazılım ve Güvenlik Sistemleri Anonim Şirketi (%51)**

Within the framework of the company's medium and long-term investment plans and as a result of the Board of Directors meeting dated 10.06.2024 and numbered 17, it has been decided to become

a founding partner by participating in "APIFORT Yazılım ve Güvenlik Çözümleri Anonim Şirketi" by having 204,000 shares with TRY 1 (One Turkish Lira) value per share corresponding a capital of TRY 204,000.00 (%51) among the total of TRY 400,000.00. The subsidiary is located at "Çifte Havuzlar Mah. Eski Londra Asfaltı Cad. Kuluçka Merkezi. A1 Blok No 151/1C İç Kapı No B34" as a taxpayer of Esenler Tax Office with tax identification number 0711015082 and operates in the field of cyber security. The aforementioned incorporation is registered by the Istanbul Trade Registry Office on 03.07.2024 and published in the Trade Registry Gazette numbered 11114.

#### 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 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

There are no legislative changes that may have a significant impact on the company's activities.

#### 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 01.01.2024 - 30.09.2024 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 | 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.                                                                                                                                                                                                                              |
| 2 | Telco Digitalization Infrastructure Project 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.                                                                                                                                                                                                                                                        |
| 3 | 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. |

|   |                                                        |          |          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|---|--------------------------------------------------------|----------|----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 4 | 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.                                                                                                                                                                                                                                                    |
| 5 | 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.                                                                                                                                                                                |
| 6 | 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.                                                                                                                                 |
| 7 | 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).                                                                                                                                                                                                                                               |
| 8 | 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. |

|           |                                                                |          |          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|-----------|----------------------------------------------------------------|----------|----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>9</b>  | 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.                                                                                                                                                                                                                           |
| <b>10</b> | DataFocus Project                                              | 01.05.24 | 01.05.25 | The goal of the project is to help manage data in the corporate field in an organized, accessible and secure way by developing a new and multi-dimensional Data Governance product. DataFocus aims to centralize data management and analysis.                                                                                                                                                                                                                                                                                 |
| <b>11</b> | Muud Project                                                   | 27.05.23 | 27.05.25 | The project includes the creation of a domestic mobile music listening platform.                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>12</b> | 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. |
| <b>13</b> | MSP Test Environments Management Project Phase 2               | 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. |

|           |                                           |          |          |                                                                                                                                                                                                                                                                                                                                                                                       |
|-----------|-------------------------------------------|----------|----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>14</b> | 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.                                                                                                                |
| <b>15</b> | 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.                                                                                                                                                                                                 |
| <b>16</b> | Intellimap Project Phase 2                | 26.06.23 | 25.07.25 | 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. |
| <b>17</b> | 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.                                                                                                                                                                                          |
| <b>18</b> | 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.                                                                                                                                                                                                                         |
| <b>19</b> | 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.                                                                                                                                 |
| <b>20</b> | 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.                                                                                                                                                                                                                                                                                                                                                                          |
| 21 | 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.                                                                                                                                                                                                                                                                                                                           |
| 22 | 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.                                                                                                                                                                                                                                                                                 |
| 23 | 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.                                                                                                                                                                                                                                                                                         |
| 24 | 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. |
| 25 | 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.                                                                                                                                                                                              |
| 26 | 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.                                                                                                                                                                               |

|    |                                                                                              |          |          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|----|----------------------------------------------------------------------------------------------|----------|----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 27 | Techno Market Project                                                                        | 16.04.24 | 16.04.26 | In the project, an online e-commerce platform is being developed.                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| 28 | Weight and Balance Project Phase 2                                                           | 07.04.22 | 01.08.26 | 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.                                                                                                                                                                                                                                                                                    |
| 29 | Messaging Platform Meet Project Phase 2                                                      | 02.09.22 | 01.09.26 | Meet application is an online video calling platform that can be used for both companies and individuals.                                                                                                                                                                                                                                                                                                                                                                                                      |
| 30 | Telco Online Processing Centre, Phase 6                                                      | 02.06.20 | 11.10.26 | 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.                                                                                                                                                                                                             |
| 30 | 5G4P Health – Personalized Digital Health Passport Powered by Artificial Intelligence and 5G | 25.10.24 | 25.10.26 | 5G4PHealth is a smart and next-generation digital health passport that provides healthcare services in different specialties, keeps electronic health records, can create big data libraries by combining data collected from patients using medical records and smart devices, and includes a patient monitoring and tracking module integrating various technologies such as communication technologies (e.g. 5G), artificial intelligence (AI) and the Internet of Things (IoT) into the healthcare system. |
| 31 | Reseller Management System Project Phase 3                                                   | 18.05.20 | 28.10.26 | 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.                                                                                                                                                                                                                                                                     |
| 32 | Telco Siebel Sales Force Module Replacement Phase 4                                          | 01.10.18 | 01.11.26 | 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.                                                                                                                                                                                                                                                                                                   |

## V. FINANCIAL INFORMATION

### a) Summary of Financial Results

Summary data regarding Kafein's financial results as of 30.09.2024 are as follows.

| Summary of Balance Sheet (TRY)                        | 30.09.2024           | 31.12.2023           |
|-------------------------------------------------------|----------------------|----------------------|
| <b>Total Assets</b>                                   | <b>1,124,698,970</b> | <b>1,260,558,762</b> |
| Current Assets                                        | 628,536,206          | 830,940,462          |
| <i>-Cash and Cash Equivalents</i>                     | <i>183,429,578</i>   | <i>221,769,168</i>   |
| <i>-Financial Investment</i>                          | <i>37,332,506</i>    | <i>177,514,326</i>   |
| <i>-Trade Receivables</i>                             | <i>189,928,616</i>   | <i>399,479,795</i>   |
| Non - Current Assets                                  | 496,162,764          | 429,618,300          |
| <i>-Financial Investment</i>                          | <i>6,121,863</i>     | <i>4,306,331</i>     |
| <i>-Tangible Fixed Assets</i>                         | <i>48,139,080</i>    | <i>36,811,772</i>    |
| <i>-Intangible Fixed Assets (Except Goodwill)</i>     | <i>185,321,654</i>   | <i>147,035,929</i>   |
| <b>Total Liabilities</b>                              | <b>259,813,494</b>   | <b>368,141,764</b>   |
| <i>-Short-Term Liabilities</i>                        | <i>229,785,536</i>   | <i>334,108,225</i>   |
| <i>-Long-Term Liabilities</i>                         | <i>30,027,958</i>    | <i>34,033,539</i>    |
| <b>Total Equities</b>                                 | <b>864,885,476</b>   | <b>892,416,998</b>   |
| <i>-Equity Attributable to Parent Company</i>         | <i>802,043,488</i>   | <i>799,268,439</i>   |
| <i>-Equity Attributable to Non-Controlling Shares</i> | <i>62,841,988</i>    | <i>93,148,559</i>    |
| <b>Total Liabilities</b>                              | <b>1,124,698,970</b> | <b>1,260,558,762</b> |

| Summary of Income Statement (TRY)         | 30.09.2024           | 30.06.2023           |
|-------------------------------------------|----------------------|----------------------|
| <b>Sales Revenue</b>                      | <b>1,113,721,908</b> | <b>1,135,728,825</b> |
| COGS                                      | (861,468,582)        | (820,590,119)        |
| <b>Gross Profit</b>                       | <b>252,253,326</b>   | <b>315,138,706</b>   |
| <b>Operational Expenses</b>               | <b>(185,673,032)</b> | <b>(190,048,399)</b> |
| <i>-General Administrative Expenses</i>   | <i>(114,432,315)</i> | <i>(108,537,689)</i> |
| <i>-Marketing Expenses</i>                | <i>(41,716,942)</i>  | <i>(37,473,695)</i>  |
| <i>-Research and Development Expenses</i> | <i>(41,344,026)</i>  | <i>(21,492,277)</i>  |
| <i>-Other Operating Income</i>            | <i>45,801,758</i>    | <i>53,954,259</i>    |
| <i>-Other Operating Expense</i>           | <i>(33,981,507)</i>  | <i>(76,498,997)</i>  |

|                                                                |                    |                     |
|----------------------------------------------------------------|--------------------|---------------------|
| <b>Main Operation Profit</b>                                   | <b>66,580,294</b>  | <b>125,090,307</b>  |
| Income/Expense from Investment Activities                      | 142,968,392        | 43,565,297          |
| <b>Operating Profit (Loss) before Financial Income/Expense</b> | <b>209,548,686</b> | <b>168,655,604</b>  |
| Financial Income/(Expense)                                     | 73,977,486         | 31,290,199          |
| Net Monetary Position Gains (Losses)                           | (233,451,932)      | (200,850,381)       |
| <b>Net Profit for the Period (Parent Company)</b>              | <b>10,345,780</b>  | <b>(25,797,133)</b> |

#### b) Information about Dividends

At the meeting of the Board of Directors dated 08.05.2024 and numbered 13, it has been decided to submit the offer of distributing TRY 4,000,000 gross dividend to General Assembly's approval, from the net distributable profit of TRY 100,443,616.00 and 138,482,541.07 TL which are prepared in accordance with the capital market legislation and the legal records respectively, as of 31.12.2023. The Ordinary General Assembly Meeting of the Company is held at 13:00 o'clock on 25.06.2024, and in the head office located at Cifte Havuzlar Mah. Eski Londra Asfaltı Cad. Kulucka Mrk. A2 Blok No:151/1B İç Kapi No: B01 Esenler Istanbul. At the meeting of our Company's General Assembly dated 25.06.2024, The proposal of the board of directors regarding profit distribution was accepted, and it was decided to distribute a cash dividend of 4.000.000- TL (gross) and start the cash dividend distribution on 01.07.2024

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.

## **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 software 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 52,116,576 while short-term trade receivables from non-affiliated parties are TRY 189,928,616 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 229,785,536 and TRY 30,027,958 respectively, which corresponds to TRY 259,813,494 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 183,429,578 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 34,848,705.

## **VII. DEVELOPMENTS WITHIN AND FOLLOWING THE PERIOD**

- 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 23.02.2024, the company signed an agreement regarding the "Academy Future Writers Project" of Turkcell Teknoloji Araştırma ve Geliştirme A.Ş. for the service period of two years.
- In February 2024, a 1-year Robotic Process Automation (RPA) service contract was signed with Webhelp Çağrı Merkezi ve Müşteri Hizmetleri A.Ş.

- In February 2024, a 1-year Robotic Process Automation (RPA) service contract was signed with a third-party telecommunication company.
- 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 29.03.2024, a local support agreement on the General Data Protection Regulation (GDPR) Project was signed with Yapı ve Kredi Bankası A.Ş to remain in effect until 31.12.2024.
- On 01.04.2024, a one-year service contract was signed between the company and AssisTT A.Ş.
- On 01.04.2024, a one-year contract regarding software development, analysis and support services was signed between the Turkish Green Crescent Society and the company, to be valid between 01.01.2024-31.12.2024.
- On 01.04.2024, An additional protocol on RPA (Robotic Process Automation) is signed with a third party telecommunications company of Cyprus origin for a total value of €17,115 (Euro) to remain in force until 30.04.2027 (for 3 years).
- On 05.04.2024, a purchase order (PO) is received from a third-party private bank regarding the Robotic Process Automation (RPA) license and service. The project period is 3 years.
- 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.
- On 22.04.2024, a purchase order (PO) amounting to 1,099,560.00 Euros was received from a third-party telecommunications customer for Robotic process automation (RPA) license sales and service. The project term is 3 years.
- On 07.05.2024, the company is attended to Yildiz Technical University Career Fair and detailed information about the Kafein Academy program, internship and recruitment processes is shared.
- On 09.05.2024, the company participated as a sponsor in the "Ui Path Artificial Intelligence and Automation Summit" in Istanbul organized by the company's business partner Ui Path Inc.
- On 14.05.2024, the company completed the "Partnership Advantage SecOps (Security Operations) Reseller Initiative" process with Google Cloud and gained Google Cloud Tier 1 Partner competence. Thus, with the service partnership formed 16.01.2024, the company additionally

formed sales partnership status.

- On 14.05.2024, the company attended the Bilgi University "Bilgi Talent Fest'24" Event and within the scope of the event, information is shared with students and young talents about the company's Kafein Academy program, internship and recruitment processes.
- On 14.05.2025, the company is deemed worthy of an award in the "Commercialized Product Star" category at the "Interstellar Summit Awards" night, organized for the first time this year by Yıldız Technical University Teknopark in the field of innovation, technology and entrepreneurship.
- In the Board of Directors' meeting held on 15.05.2024 and numbered 15, in order to extend the company's business operations, it has been decided to open a branch at the address of "Yeşilköy SB Mah. İSBİ Plaza Sok. ISBI Plaza No 1 İç Kapı No 909 Bakırköy İstanbul"; title the branch as "Kafein Yazılım Hizmetleri Ticaret Anonim Şirketi İstanbul İhtisas Serbest Bölge Şubesi" and allocate TRY 5,000,000 (fivemillionturkishlira) capital to the branch; as branch manager appoint the company's sales and business development director, Mr. Baki Aktürk to represent the company with his individual signature, make the applications to obtain an operating license in the Istanbul Specialized Free Zone. The aforementioned branch opening is registered by the Istanbul Trade Registry Office and published in the Trade Registry Gazette dated 08.07.2024 and numbered 11117.
- On 16.05.2024, the company attended the Istanbul Technical University "İTÜ Internship and Interview days" Event and within the scope of the event, information is shared with students and young talents about the company's Kafein Academy program, internship and recruitment processes.
- On 22.05.2024, the company is attended to Marmara University Career Fair and detailed information about the Kafein Academy program, internship and recruitment processes is shared.
- On 28.05.2024, the company participated in the "Connect, Build & Protect Everywhere" event that we organized in Istanbul with Cloudflare, the manufacturer partner of the company's cyber security solutions brand All-in Cyber.
- On 31.05.2024, a development project of the STM product used in GDPR (General Data Protection Regulation) infrastructure and a security product license of one of the company's business partners Mandiant Inc. is delivered to a third-party telecommunications customer. The aforementioned purchase order (PO) is 152,000 USD.
- The company has renewed the agreement with "Saha Kurumsal Yönetim ve Kredi Derecelendirme Hizmetleri A.Ş." to rate compliance level of the corporate governance principles

for one year, effective from 31.05.2024.

- On 03.06.2024, the company was deemed worthy of the "Superior Performance" evaluation within the scope of the 2024 supplier performance survey organized by the company's customer Enerjisa Üretim Santralleri Anonim Şirketi.
- During the period, the upgraded versions of the test data management product TDM, data security and governance product DataTouch and the database activity monitoring and prevention product DataSkope developed by the company and its 51% subsidiary Karmasis Bilişim are released. In addition, the first MVP (Minimum Viable Product) version of the company's data governance product DataFocus is released.
- On 08.06.2024, the company participated in the "Smart Municipalism" event organized by Sampaş Holding A.Ş. in Istanbul.
- Within the framework of the company's medium and long-term investment plans and as a result of the Board of Directors meeting dated 10.06.2024 and numbered 17, it has been decided to become a founding partner by participating in "APIFORT Yazılım ve Güvenlik Çözümleri Anonim Şirketi" by having 204,000 shares with TRY 1 (One Turkish Lira) value per share corresponding a capital of TRY 204,000.00 (%51) among the total of TRY 400,000.00. The subsidiary is located at "Çifte Havuzlar Mah. Eski Londra Asfaltı Cad. Kuluçka Merkezi. A1 Blok No 151/1C İç Kapı No B34" as a taxpayer of Esenler Tax Office with tax identification number 0711015082 and operates in the field of cyber security. The aforementioned incorporation is registered by the Istanbul Trade Registry Office on 03.07.2024 and published in the Trade Registry Gazette numbered 11114.
- An addendum for service contract has been signed between Mapfre Sigorta A.Ş. and the company to remain in force between 01.07.2024 and 31.12.2024.
- On 01.07.2024 a purchasing agreement was signed with between the company and Ziraat Katılım A.Ş. regarding the database activities monitoring and prevention application.
- On 02.07.2024, The "5G4PHealth: Personalized Digital Health Passport Supported by Artificial Intelligence and 5G" project developed by the company with its domestic and international consortium partners is founded supportable by TUBITAK (Turkish Scientific and Technological Research Council), and the aforementioned project support letter received by the company on 02.07.2024. Project support covers the period of 01.01.2024 - 31.12.2026. 5G4PHealth is a smart and next-generation digital health passport that provides healthcare services in different specialties, keeps electronic health records, can create big data libraries by combining data collected from patients using medical records and smart devices, and includes a patient monitoring and tracking

module integrating various technologies such as communication technologies (e.g. 5G), artificial intelligence (AI) and the Internet of Things (IoT) into the healthcare system.

- On 04.07.2024, a 1-year “GDPR (General Data Protection Law) Project Service Agreement” was signed between Katılım Emeklilik A.Ş. and the company.
- On 05.07.2024, the company participated in the "The Intelligence - Driven and AI-Powered SecOps (Security operations)" event on cyber security subject organized by our business partner Google Cloud Security.
- On 10.07.2024, the company received a purchase order (PO) from a third-party telecommunication company for 11,410 Euros regarding a data security license.
- On 11.07.2024, a service contract on Robotic Process Automation (RPA) was signed between the company and a third-party holding for a total value of 206,250 Euros.
- On the 2024 Extraordinary General Assembly of the company's %51 subsidiary Karmasis Bilişim Çözümleri Ticaret A.Ş., it has been approved to amend its articles of association regarding the increase of the existing capital of 5,000,000 TL to 150,000,000 TL with an increase of 145,000,000 TL and cover the total amount from the company's internal resource funds that can be added to the capital. The aforementioned registration application is made to Ankara Chamber of Commerce (ATO) on 19.07.2024.
- On 26.07.2024, The company's "2023 Communication on Progress (COP)" is submitted to the world's largest corporate sustainability initiative, the United Nations Global Compact (UN Global Compact), of which the company has been a signatory member since 2020. The report can be accessed via the link [www.unglobalcompact.org/what-is-gc/participants/141725-Kafein-Yaz-l-m-Hizmetleri-Ticaret-A-S-](http://www.unglobalcompact.org/what-is-gc/participants/141725-Kafein-Yaz-l-m-Hizmetleri-Ticaret-A-S-).
- On 26.07.2024, By the decision of the Company's Board of Directors dated 26.07.2024 and numbered 21, it has been decided to purchase 28,500 registered shares (1,000 TL per share value) of the company's %51 subsidiary Karmasis Bilişim Çözümleri Ticaret Anonim Şirketi which corresponds to 19% of its total 150,000,000 TL capital, for a total price of 144,400,000 TL and to be paid 31.07.2024.
- On 30.07.2024, the company participated in the "Google Security ELEVATE 2024 Global CE Conference" event as a SecOps (Security Operations) Tier 1 partner which is organized in America by our business partner Google Cloud Security.

- On 31.07.2024, an order form (PO) for RPA (Robotic Process Automation) worth 804,793 TL was received by the company from a third-party food company.
- On 08.08.2024, the company achieved the third prize in the "Consultancy" category and the second prize in the "Cyber Security Service" among Turkey-based service provider companies, according to the Top 500 IT Companies 2023 research, at the "Informatics 500 Award Ceremony" organized by BT Haber Newspaper on 07.08.2024.
- On 13.08.2024, with its 46 R&D projects and a total R&D expenditure of TRY 43,210,566, the company listed in the Turkishtime "R&D 250, Turkey's companies with the highest R&D expenditure 2023" list in which the company has been included since 2019.
- On 06.09.2024, the "UI Path Document Understanding" product, which is an artificial intelligence and machine learning technology used to automate document-based business processes, was sold to Turkish Airlines A.O. In addition, on the same date, 5 new additional software robots were sold within the scope of the company's existing Robotic Process Automation (RPA) service.
- In September 2024, a framework supply agreement on outsourcing has been signed between the company and Atlstek Teknoloji Bilişim ve İnovasyon A.Ş., which will remain in force as long as it is not terminated.
- The company's corporate governance practices are audited by Saha Kurumsal Yönetim ve Kredi Derecelendirme Hizmetleri A.Ş. to determine the level of compliance with the Capital Markets Board's Corporate Governance Principles, and the company's 2024 Corporate Governance Principles Compliance Rating was determined as 9.45 (94.49%) on 04.09.2024. (11.09.2023: %94,07).
- On 19.09.2024, a "KVKK and GDPR Compliance Solution License, Maintenance and Support Service Agreement" was signed between the Company and the third-party airline company for a period of 3 years and a total value of \$ 298,000 (Dollar).
- On 24.09.2024, a service contract regarding "Updating Data Analytics Platforms" is signed between the company and Third-Party Public Institution for a total value of TRY 20,833,334.00 + VAT and with the total contract service period of 120 days.
- A service agreement related to Google Cyber Security Services products has been signed between the company and the Central Bank of Libya, effective until 30.09.2025, with a total value of 387,209.00 USD. The agreement has been received by the company on 24.09.2024. With this transaction, the total number of contracts signed under the commercial partnership agreement

between Google Cloud EMEA Limited and the company, which was signed on 16.01.2024, has reached 11, and the total value of orders received has amounted to approximately 39,400,000 TRY.

- On 25.09.2024, a work order for Innovation CR Service Procurement was signed between the company and TT Mobil İletişim Hizmetleri A.Ş. to be valid between 01.01.2024-31.12.2024.
- On 26.09.2024, the company took part as a silver sponsor in the "SMAX (New Generation Service Management) 2024 Solution Day Istanbul" event organized by the Opentext, the global software provider and the company's business partner.
- On 26.09.2024, a 1-year RPA (Robotic Process Automation) service agreement additional protocol was signed with our company and VDF Sigorta Aracılık Hizm. A.Ş. to be valid between 05.10.2024 and 04.10.2025.
- On 30.09.2024, a contract was signed with Volkswagen Doğuş Finans for the renewal of the company's Robotic Process Automation (RPA) service.
- On 01.10.2024, a DT (Digital Technologies) service agreement was signed between the company and Coca Cola A.Ş. to remain in force until 31.12.2024.
- On 01.10.2024, in accordance with the article 4.2.8 of CMB Corporate Governance Communiqué, the company's "Executive Liability Insurance Policy" is extended with a validity from 03/09/2024 to 03/09/2025 with the total liability amount of 3,000,000 USD.
- On 09.10.2024, as Kafein Technology, we participated in the IDC Security Summit event held in Istanbul as a Gold Partner with the company's cyber security solutions brand All-in Cyber, and information about our own developed cyber security solutions was shared at the event.
- The company took its place as the bronze sponsor at the Public Information and Communication Technologies Conference, which will be held by EFF Organization in Informatics Valley on 09.10.2024.
- The company participated in the GITEX Global 2024 event on technology and start-up, which will be held in Dubai, United Arab Emirates between 14.10.2024 - 18.10.2024.
- On 22.10.2024, the test data management "TDM (Effective Test Data Management Software)" and online application software "OIM (Online Processing Center)" products developed by the company were certified with the "Domestic Goods Certificate" by the Istanbul Chamber of Industry (ISO) with their 100% local content and high technology level classification.

## **VIII. MISCELLANEOUS**

As a result of the periodic valuation studies of BIST Dividend Indices carried out by Borsa Istanbul General Directorate dated 11.07.2024 and based on the BIST Market Value Weighted Share Indices Rule Set (Rule Set), the company continues to be included in the index for the period of 01/08/2024 – 31/10/2024. The company has been included in the index since 18.01.2022.

The company, initially started to be traded in the BIST Corporate Governance Index as of 13.09.2023, is renewed its contract with "Saha Kurumsal Yönetim ve Kredi Derecelendirme Hizmetleri A.Ş " in order to renew its rating score for a period of one year starting from 31.05.2024. The latest Corporate Governance Rating is 94.49% dated 04.09.2024. (11.09.2023: %94,07)

As a result of the periodic valuation studies of BIST Participation Indices carried out by Borsa Istanbul General Directorate dated 26.06.2024 and based on the BIST Market Value Weighted Share Indices Rule Set (Rule Set), the company continues to be included in the index for the period of 01.07.2024-30.11.2024. The company has been included in the index since 27.09.2023.