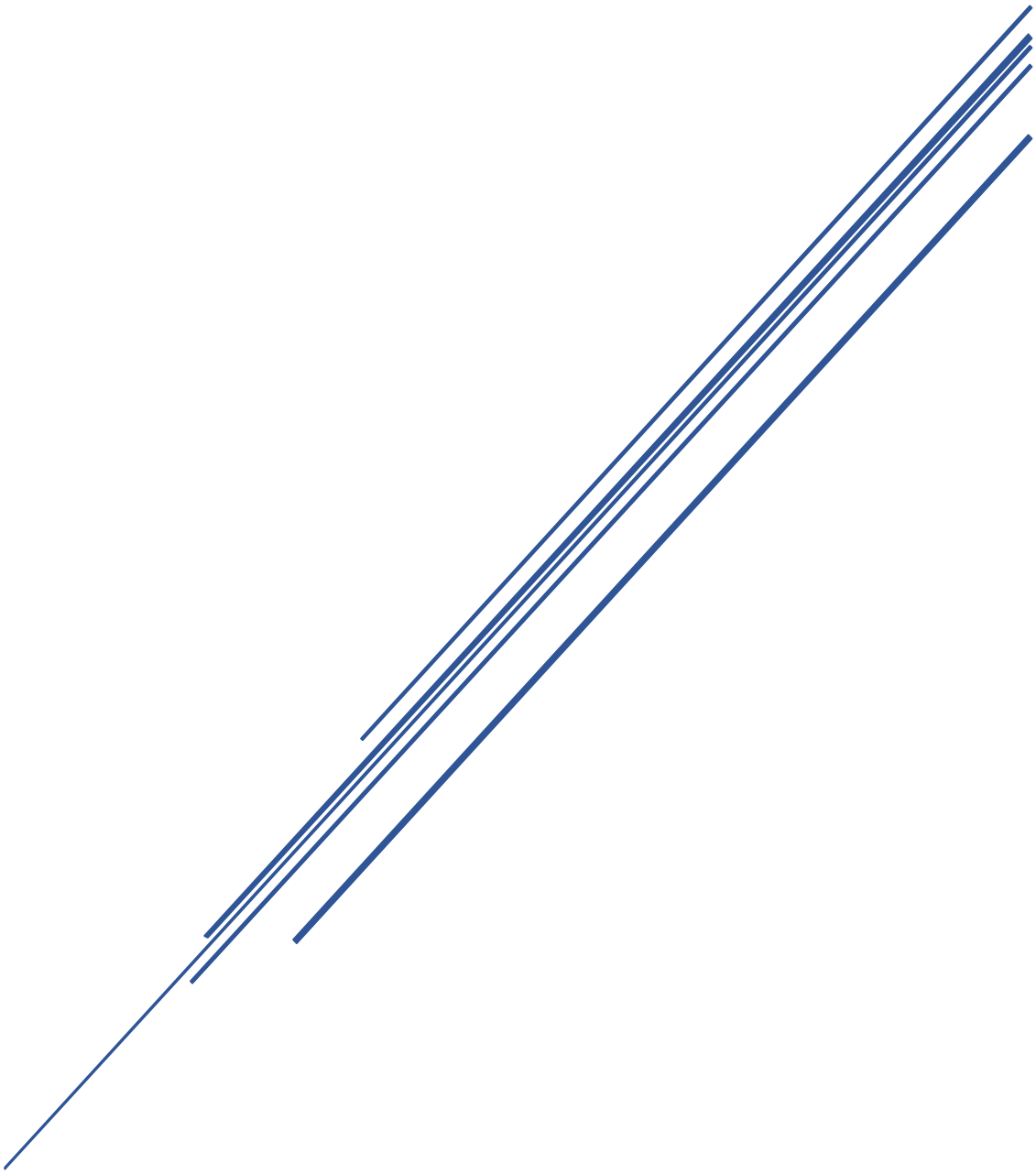
KAFEİN YAZILIM HİZMETLERİ TİCARET A.Ş.

TSRS Compliant Sustainability Report

19.08.2025



Contents

1. Introduction

1.1. Compliance

This report has been prepared for Kafein Yazılım Hizmetleri Ticaret A.Ş. and its subsidiaries in accordance with Turkish Sustainability Reporting Standards (TSRS). The terms “the Company” and “our Company” in this report refer to Kafein Yazılım Hizmetleri Ticaret A.Ş. and its subsidiaries. In addition, the disclosure requirements of the Sustainability Accounting Standards Board (SASB) standards have been considered and analyzed in the preparation of this report.

This report covers the 12-month period beginning on 01 January 2024 and ending on December 31, 2024, in accordance with the reporting period of the related consolidated financial statements. Our Company's sustainability financial disclosures cover the same reporting entity as the relevant consolidated financial statements. The reporting entity includes Kafein Yazılım Hizmetleri Ticaret A.Ş. and its subsidiaries. In preparing its sustainability-related financial disclosures, the Company has considered its own operations and the entire value chain, including joint ventures and associates. The presentation currency of the financial disclosures related to sustainability is Turkish Lira (TL), which is consistent with the presentation currency used in the consolidated financial statements, and the amounts disclosed are rounded to thousands unless otherwise indicated.

For the annual reporting period beginning on January 1, 2024, the Company has adopted TSRS 1 “General Requirements for Disclosure of Sustainability-Related Financial Information” and TSRS 2 “Climate-related Disclosures”. TSRS provides transitional exemptions for the first annual reporting period in which an entity applies these standards. In accordance with TSRS 1, “Effective date and transition” appendix, our Company has benefited from the following exemptions specified in paragraphs E3, E4, and E6:

“E3 - An enterprise is not required to provide the disclosures required by this Standard for any period before the date of initial application. Accordingly, an enterprise is not required to disclose comparative information for the first annual reporting period to which it applies this Standard.E4 - In an enterprise's first annual reporting period that applies this Standard, the enterprise is permitted to report sustainability-related financial disclosures after it has issued the relevant financial statements. When applying this transitional exemption, an enterprise shall report its sustainability-related financial disclosures as follows:

(a) if the enterprise is required to present such an interim report, at the same time as its next second quarter or six-month interim general purpose financial report,

(b) if the enterprise voluntarily submits such an interim report, at the same time as its next second quarter or half-yearly interim general purpose financial report, but within nine months of the end of the annual reporting period in which the enterprise first applies this Standard; or

(c) within nine months after the end of the annual reporting period in which the enterprise first applies this Standard, unless interim general purpose financial statements are not required and the enterprise presents them voluntarily.

E6 - If the enterprise uses the transitional exemption in paragraph E5:

(a) An enterprise is not required to disclose comparative information about climate-related risks and opportunities in its first annual reporting period when it applies this Standard (see paragraph E3).”

In this context, our company benefited from the following transitional provisions in the first reporting period:

- Requirement to provide comparative information,
- The obligation to publish sustainability-related disclosures simultaneously with the financial statements.

Accordingly, our company did not benefit from the following transition exemptions:

“E5 - For the first annual reporting period in which an enterprise applies this Standard, an enterprise is permitted to disclose only information about climate-related risks and opportunities (in accordance with TSRS 2) and therefore apply the requirements in this Standard only to the extent that they relate to disclosing information about climate-related risks and opportunities. If an enterprise uses this transitional exemption, it shall disclose this.

E6 - If the enterprise uses the transitional exemption in paragraph E5:

(b) An enterprise is not required to disclose comparative information about sustainability-related risks and opportunities, other than climate-related risks and opportunities, in the second annual reporting period in which it applies this Standard."

The Company's financial report for the calendar year 2024 was published on PDP on March 11, 2025. This report was published on August 19, 2025 at the same time as the Company's second quarter 2025 interim general purpose financial report.

1.2. General Information About the Company

Our company was established in 2005 to develop software solutions and provides turnkey software solutions, outsourcing, license and product sales and adaptations, cyber security solutions and R&D based product development services, primarily managed services.

Our company bases its activities on compliance with national and international quality standards and project management methodologies, and offers innovative and reliable solutions for different sectors with its strong technological infrastructure and competent human resources. Through our head office in Istanbul, Ankara branch office and our subsidiary in Istanbul Specialized Free Zone, we provide services in Turkey with an average of 738 employees as of year-end. 75% of the capital of our company, which has been traded on the Borsa Istanbul Main Market since May 11, 2018, is publicly traded.

Table 1. Main Field of Activity and Revenue Breakdown (2024)

Main Field of Activity	Remarks	Contribution to Total Revenue (100%)	2024 Revenue (TL)
Computer Programming Activities	All of the company's revenues, including all software development, product sales, maintenance, support, consultancy, outsourcing, cyber security, R&D and exports, are collected under this main heading.	100%	1.918.951.485

1.2.1. Subsidiary Structure

In line with its strategic growth and competency enhancement targets, our Company participates in two subsidiaries operating in the fields of technology and cyber security. This structure constitutes the consolidation boundaries of our TSRS Compliant Sustainability reporting.

Karmasis Bilişim Çözümleri Ticaret A.Ş. (70%): Founded in 2003, Karmasis provides IT software development, licensing, training and consultancy services. Our Company increased its shareholding in

Karmasis from 51% to 70% with the purchase of additional shares on July 26, 2024. Karmasis is included in our financial statements and this sustainability report by full consolidation method.

APIFORT Yazılım ve Güvenlik Çözümleri Anonim Şirketi (51%): Our Company participated in APIFORT, which was registered on 03 July 2024, as a 51% founding partner in order to increase its competencies in the field of cyber security. APIFORT has been included in our reporting scope by full consolidation method since its establishment date. For operational efficiency purposes, the payroll and personnel affairs of APIFORT employees are managed by our parent company.

This subsidiary structure reflects our Company's holistic service capacity in the fields of technology and cyber security.

1.3. Reporting Entity

The businesses, assets and activities covered in the Company's TSRS Compliant Sustainability report are the same as those included in the consolidated financial statements and notes thereto as of 31 December 2024.

The subsidiaries and associates mentioned in Section 1.2 are included in the financial statements and TSRS Compliant Sustainability report by full consolidation from the respective acquisition dates. Information on risks and opportunities related to sustainability has been considered from the date of acquisition.

1.4. Value Chain

The effective and sustainable execution of our Company's product and service delivery processes requires the effective management of a multi-stakeholder business ecosystem and various resources. These processes range from the idea stage through R&D software design, coding, testing, security checks and product launch. It also includes all parties involved in the ecosystem, such as suppliers, technology partners, regulators, investors, customer support teams and end users.

The table below summarizes the upstream and downstream relationships in our company's value chain and the main stakeholder groups involved in these processes:

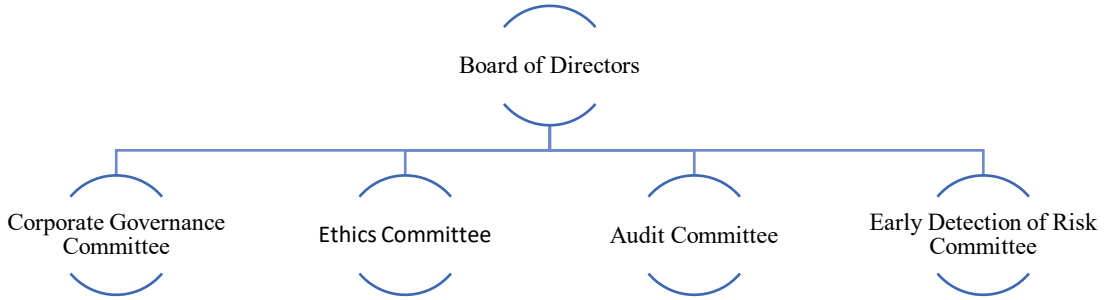
Table 2. Value Chain Map

Value Chain Direction	Activity Type	Remarks	Stakeholders
Upward	Input Providers (Procurement)	Hardware, cloud services, software licenses, data sources	Outsourcing consultants, suppliers, technology providers, business partners
	Support Activities	All corporate services supporting operations	Finance, human resources, legal, investor relations, external consultants
	Capital and Financing	Capital structure and sources of financing growth	Shareholders, major shareholders, banks, investors, creditors
	Compliance with Regulations	Activities to ensure compliance with legislation and regulations	Public authorities, SPK, KGK, tax office, incentive and audit institutions
Downward	Operations (Production)	Software development, testing, R&D, coding, cyber security, maintenance and support	IT employees, R&D teams, subsidiaries
	Service Recipients (Distribution)	Delivery of the software to the end user, integration and usage	Corporate customers, domestic and international end users
	Marketing and Sales	Marketing campaigns, sales processes, corporate communication	Sales team, senior management, public relations and media representatives
	ESG and Social Responsibility	Social responsibility projects, ethical principles and sustainability activities	NGOs, universities, social project partners, community stakeholders

2. Governance

The Board of Directors of our Company is the highest decision-making authority responsible for overseeing the approach to sustainability issues, and fulfills this duty through the executive teams responsible for the execution of sustainability efforts in the Corporate Governance Committee. The sustainability governance structure of our Company is set out below.

Figure 1. Organization Chart



2.1. Board of Directors

The Board of Directors is the highest decision-making and oversight body of our company. It determines the general strategy, policies and targets of the company in the field of climate and sustainability, approves the practices in this field and monitors the developments. It ensures that sustainability and climate efforts are carried out in line with the company's long-term value creation strategies. Within the scope of the Sustainability Principles Compliance Framework, the Board of Directors has authorized the Corporate Governance Committee to carry out environmental, social and governance (ESG) activities and formulate relevant policies. The Board of Directors reviews the sustainability performance and assessment reports prepared by the Corporate Governance Committee and is decisive in final decisions.

The current composition of the Board of Directors is as follows:

Table 3. Board Members

Name and Surname	Position
Ali Cem Kalyoncu	Chairman of the Board of Directors
Neval Önen	Vice Chairman of the Board of Directors
Hatice Sevim Oral	Board Member
Kenan Sübekci	Board Member
Murat Kaan Güneri	Independent Board Member
Murat Ethem Sümer	Independent Board Member

The members of the Board of Directors provide strategic direction on issues such as determining the Company's climate and sustainability policies, allocating resources, and assessing risks and opportunities. Two independent members of the Board also serve on the audit, corporate governance and early detection of risk committees. Thanks to its various areas of expertise, the Board of Directors has corporate-level competence in climate and sustainability.

Board members also play an active role in the senior management team of the Company. In this context, the Chairman of the Board of Directors, Mr. Ali Cem Kalyoncu, serves as the General Manager of the company. The Vice Chairman of the Board of Directors, Ms. Neval Önen, is the Assistant General Manager responsible for Corporate Governance. Ms. Hatice Sevim Oral, one of the other members of the Board of Directors, serves as the Accounting Manager of the Company. The overlapping of duties between the Board of Directors and senior management ensures speed in decision-making processes and efficiency in implementation, and facilitates the direct handling and implementation of sustainability strategies at the management level. At the same time, this structure ensures a stronger corporate alignment between strategic decisions on sustainability issues and operational practices.

2.2. Corporate Governance Committee

The Corporate Governance Committee, on behalf of the Board of Directors, is responsible for carrying out sustainability studies, developing and monitoring relevant policies and practices. At the meeting of our Company's Board of Directors dated 11.12.2020 and numbered 2020/28, it was decided to assign the Corporate Governance Committee to carry out "Environmental, Social, Corporate Governance (ESG)" studies within the Sustainability Principles Compliance Framework, to develop the necessary policies, to implement and monitor the relevant policies. The Committee submits a report to the Board of Directors once a year with its opinions and evaluations on sustainability studies and related company performance. Coordinates and monitors the implementation of sustainability activities in ESG areas throughout the company. It reviews the sustainability performance at least once a year and within this scope, submits a comprehensive report to the Board of Directors, including the Company's developments, performance indicators and recommendations in the field of climate and sustainability. Oversees the Company's compliance with the Capital Markets Board's Corporate Governance Principles and the continuity of its sustainability performance in the BIST Corporate Governance Index.

The current composition of the Corporate Governance Committee is as follows:

Table 4. Corporate Governance Committee

Name and Surname	Position
Murat Kaan Güneri	Chairman of the Corporate Governance Committee
Murat Ethem Sümer	Corporate Governance Committee Member
Zehra Arslantaşlı	Permanent Member of the Corporate Governance Committee

The Committee's climate and sustainability practices are based on international standards such as ISO 14064-1 (Corporate Greenhouse Gas Standard), ISO 50001 (Energy Management System), ISO 37001 (Anti-Corruption), ISO 10002 (Customer Satisfaction), ISO 27001 (Information Security), ISO 22301 (Business Continuity) and ISO 9001 (Quality Management). The company-wide implementation of these standards ensures that the Board of Directors and senior management keep their knowledge and awareness of sustainability issues up to date. The Company's sustainability and quality management systems are periodically subjected to independent external audits and certified. These audits enable management bodies to effectively monitor and improve processes.

The Corporate Governance Committee is in communication with the HR Directorate, Training and Talent Management Unit, Administrative Affairs and Purchasing Department, Quality Department and Investor Relations Department in particular with regard to the provision of data and taking necessary actions. The competencies of the Committee members are as follows:

Murat Ethem Sümer (Independent Board Member): He was born in 1964 in Ankara. In 1984, he graduated from Galatasaray High School and in 1989 from Marmara University, Department of Business Administration in English. After graduating from university, he worked in the tourism sector and Cankurtaran Holding for a while. In 1992, he started working as a Financial Analyst at Digital Equipment Türkiye AŞ and during his tenure, he attended the MBA equivalent International Training Program at Digital Management Institute between 1995 and 1998. After a one-year stint at the headquarters in the UK, he worked as Turkey Country Finance and Administrative Affairs Manager for the same company. He continued his career as CFO at Vestel Group of Companies Information Technologies, Universal Music Group Turkey and T-Systems Turkey. After working as Business Operation Lead at Microsoft Turkey C&O unit, he has been working as CFO at Escar Filo Kiralama Hizmetleri AŞ since 2010. He speaks fluent English and French.

Murat Kaan Güneri (Independent Board Member): Murat Kaan Güneri graduated with a degree in Psychology from Boğaziçi University. After starting her career at İktisat Bank, Güneri worked at Digital Equipment Corporation (DEC) in Turkey as the country manager responsible for human resources and quality. Since 1996, he has co-founded and actively worked for three different consulting companies in Turkey in the field of human resources. He is currently the Managing Partner of AltoPartners C.V. and Chairman of the Board of Directors of MKG ve Ortakları İnsan Kaynakları Danışmanlığı Hizmetleri A.Ş. and a member of the Audit Board of Istanbul Golf Specialized Sports Club.

Zehra Arslantaşlı (Investor Relations Manager): She graduated from Bahçeşehir University, Department of International Finance. She has been working as Investor Relations Manager at Kafein Yazılım Hizmetleri Tic. A.Ş. as Investor Relations Manager since 2016. She holds CISI Level 3 Securities License, CMB Level 3 and Corporate Governance Rating License and GRI Sustainability Reporting Standards Certification. Since 2020, she has been submitting Progress Reporting (COP) to UNGC (United Nations Global Compact), of which our company is a signatory member, and Sustainability Principles Compliance Reporting within the scope of Capital Markets Board regulations.

2.3. Early Detection of Risk Committee

The Early Detection of Risk Committee identifies, defines, prioritizes, monitors and reviews strategic, financial and operational risks and opportunities that may affect the Company's activities by calculating their impact and probability. The Committee ensures that these risks and opportunities are managed in line with the Company's risk profile and reports to the Board of Directors every two months. It also assesses the effectiveness of internal controls and the reliability of information provided by the accounting/financial reporting systems. Committee reports are also shared with the independent audit company. The Committee also identifies and reviews climate and sustainability-related risks. Sustainability-related risks and opportunities are integrated into all operational processes by including them in operational procedures, decision-making processes and performance indicators in coordination with ESG functions; thus, actions to be taken in areas such as energy use, carbon emissions, waste management and compliance requirements are carried out in parallel with the company strategy.

2.4. Remuneration Policies

As of the reporting year, benefits provided to Board members and senior executives consist of salaries, bonuses and similar general financial rights. These payments are not based on climate and sustainability metrics or performance criteria. Therefore, there is no structure associated with climate and sustainability targets in our current remuneration policies. However, it is planned to initiate a comprehensive evaluation process in this regard under the supervision of senior management and the Sustainability Committee in the next reporting period. This process does not involve any commitment, but is only intended to examine possible adaptation models in the light of best practices. Within the scope of the assessment, especially the leading companies in the software and technology sector will be examined. In the latest reports of

technology giants such as Microsoft, Salesforce and SAP, it will be analyzed whether they include innovative climate-focused performance criteria in the remuneration of senior executives. The latest sustainability reports of the identified technology companies will be scanned and performance criteria such as “greenhouse gas emission reduction”, “energy efficiency” or “supplier sustainability” will be analyzed. In line with the data obtained, it will be examined which of these criteria the internal remuneration model can be developed in accordance with and internal stakeholder opinions will be obtained.

3. Strategy

Our company manages its climate and sustainability strategy in an integrated manner with the company's long-term value creation goals and comprehensively assesses the impacts of related risks and opportunities on the business model, value chain and financial planning processes. These assessments are integrated into strategic decision-making processes by the Board of Directors and relevant committees and are addressed in a way that will have an impact on business plans. Our strategy is focused on transforming our business model from a service-oriented structure to product and license sales that create higher value-added, scalable and sustainable revenue streams. In 2024, our Company increased its stake in Karmasis Bilişim Çözümleri Ticaret A.Ş. to 70% and established and participated in Apifort Yazılım ve Güvenlik Çözümleri A.Ş. in order to increase its competencies in cyber security. These steps are part of our inorganic growth strategy. In the coming periods, we plan to continue to actively pursue and evaluate new acquisition and partnership opportunities, especially in strategic and high-growth areas such as cyber security, artificial intelligence and process automation. Our Company mainly utilizes its operational cash flow and shareholders' equity to finance the investments to be made within the scope of its strategic growth targets and sustainability priorities. Our strong liquidity position ensures that short-term liabilities are met and flexibility is maintained against financial risks that may arise from sustainability. There is no process of redeployment or reassessment of the Company's strategic assets.

We also conduct climate and sustainability management through integrated management systems based on ISO standards. The “Plan-Do-Check-Act (PDCA)” cycle implemented in this context is in line with the principles of strategic planning and continuous improvement. In the planning phase, environmental, social and economic impacts are analyzed, strategic goals, risks and opportunities to support sustainable development are identified, performance criteria, authorities and responsibilities are clarified. In the implementation phase, defined procedures are put into effect, employee training and inter-unit coordination are ensured. In the controlling phase, performance indicators are monitored, analyzed and reported to management. In the prevention phase, corrective actions are taken to eliminate deviations and improve processes.

Risks and opportunities related to climate and sustainability are addressed together with their impact on the company's business model, operational geography, value chain and financial structure, and short, medium and long-term assessments are made in this context. In particular, issues such as regulatory changes, stakeholder expectations, reputation management and environmental impacts are taken into account in prioritization processes and are associated with risk matrices, internal control systems and sustainability policies. Transparent and accessible compensation mechanisms have been established to identify and improve negative environmental or social impacts. Company employees can submit their suggestions and complaints openly or anonymously through our internal portal application “I Have an Idea”, which has been actively used since 2022, while external stakeholders can provide feedback via the corporate website. All notifications are directed to the relevant units, while anonymous applications are directly forwarded to the Ethics Committee. Feedback collected through annual satisfaction surveys is reported to senior management and contributes to strategy processes. Suggestions received through the platform are systematically classified according to their topics and directed to the relevant specialization committees:

1. Suggestions and complaints are evaluated by the Human Resources Department.
2. Innovative suggestions regarding products and services are reviewed by the Innovation Committee.
3. Ideas for improving existing processes and service quality are considered by the Operations Committee.
4. Project proposals to increase digital competencies are evaluated by the Digitalization Committee.

The number of contents evaluated on the platform in 2024 is as follows:

Table 5. Number of Content Evaluated with "I Have an Idea"

Contents	2024
New Idea	1
Digital Solutions	1
Operation	0
Suggestions and Complaints	3

Our Company structures its operations in a way to minimize environmental and social impacts and integrates sustainability principles into its operations in a holistic manner. We regularly perform carbon footprint calculations and publish sustainability reports every year. The fact that our main office location is located in a technology center with high energy efficiency and environmental standards, such as a technopolis, also supports our company's goal of limiting environmental impacts. In this context, decision points that may create high levels of environmental or social impact in our operations are relatively limited, and we do not frequently encounter challenging trade-offs in the classical sense. Nevertheless, sustainability priorities are taken into account in strategic processes such as the evaluation of new projects, resource allocation or technology investments, where a balance between environmental impacts and economic benefits must be considered. In such cases, decisions are taken with a multi-stakeholder approach, with technical analysis from relevant internal units and guidance from senior management.

3.1. Methodology

We conduct climate scenario analyses in order to effectively manage the risks and opportunities related to climate change and sustainability, which are determined by taking into account the dependencies of the sector in which our company operates. As of the 2024 reporting year, we conduct these analyses over three different time frames: short (0-3 years, until 2027), medium (3-6 years, until 2030) and long-term (6-29 years and above, until 2053). In selecting these timeframes, we have taken 2027 as the short-term, when corporate strategic plans can be envisaged. The medium-term period until 2030 includes the requirement for a 45% reduction in emissions in line with the 1.5 °C target of scientific organizations such as IPCC and SBTi. In addition, international guidelines such as IFRS and NGFS emphasize the importance of short/medium term analysis in terms of financial stability and risk management. We set the long-term timeframe to cover long-term climate risks in line with Turkey's net zero target in 2053.

In order to measure its strategic resilience to climate-related risks and opportunities, our Company conducted a comprehensive climate scenario analysis for the first time in the 2024 reporting period. This analysis provides a basic framework to assess the potential performance of our business model against different climate futures, in line with TSRS recommendations. To assess sustainability and climate-related risks and opportunities, we rely on three key scenarios developed by the Network for Greening the Financial System (NGFS): Net Zero 2050, Delayed Transition and Current Policies. By considering these scenarios in our analysis, we assess the potential impacts of our company on different climate policy pathways. We chose the Net Zero 2050 scenario as the most ideal and proactive scenario to establish a baseline for strategic planning, the Delayed Transition scenario to serve as a stress test to assess the risks of financial instability that sudden policy changes could create, and the Current Policies scenario to analyze how

resilient the company's assets, supply chain and operations are to physical disasters. The primary goal of this analysis is to establish a robust baseline that will inform and guide our future decision-making, rather than changing our current strategies on the fly. From this starting point, the initial findings will form a roadmap for the development of our strategy in the following areas.

We have set our financial materiality threshold at 1% of our 2024 revenue, which equates to TL 19.4 million for 2024. We have chosen this threshold to represent the upper end of the 0.5-1% range recommended in ISA 320, as well as to include impacts on investor/auditor judgment. We consider all impacts that exceed this threshold to be financially 'high' material and classify them as such in our risk-opportunity tables. We consider impacts between 0.5% and 1% to be 'medium' material and impacts below 0.5% to be 'low' material. We only include high significance risk and opportunity impacts in our report.

3.2. Risk Management

Our company carries out the identification of risks and opportunities arising from climate and sustainability in integration with general corporate risk management processes. Sustainability-based risks such as climate change, environmental regulations, resource utilization and stakeholder expectations are systematically addressed in all operational and strategic assessments. The Corporate Governance Committee, which is structured to cover sustainability and climate risks within the company, works with the relevant business units of the company in a bidirectional and systematic integration model to ensure a holistic assessment of risks and opportunities. The Committee carries out direct communication and data sharing processes with all critical functions, particularly finance, human resources, training, legal, administrative affairs and investor relations.

Within this framework:

- The Committee ensures the prioritization of climate and environmental risks by evaluating quantitative and qualitative inputs from relevant departments, and provides the necessary strategic guidance accordingly.
- The relevant business units, on the other hand, provide information flow to the decision-making processes by conveying their observations and analyzes regarding the risks and opportunities they identify at the operational level to the committee.
- In addition, in order to ensure alignment between risk assessment processes and sustainability goals, the Committee's outputs are integrated into the Board of Directors' reporting and guide corporate strategies.

Both qualitative and quantitative criteria are used in risk assessments, taking into account the magnitude and likelihood of risks and their potential impact on reputation, financial performance and operational continuity. Each risk is classified using probability-severity matrices and categorized into low, medium and high priority categories.

Risks and opportunities are reviewed at least once a year and updated when necessary. In addition, carbon footprint measurements are repeated every year; new data sources are integrated and feedback from stakeholders is incorporated into the evaluation process. This approach brings dynamism to our risk management processes.

Risk assessments take into account the combination of the probability of occurrence of events and their financial and environmental impacts. The matrix below is used in internal assessments and both recurring risks and one-off events are analyzed separately:

Table 6. Risk Probability Matrix

Probability	Recurrent Risks	One-Time Events
Almost Certain	May occur several times a year	Most likely to happen - probability more than 50%
Likely	May occur about once a year	Probability of realization 50% / 50%
Possible	May occur every 10 years	Unlikely but not negligible - the probability is below 50% but still quite high
Unlikely	May occur once in 10 to 25 years	Unlikely but cannot be ruled out - the probability is low but significantly greater than zero
Rarely	Unlikely to materialize in the next 25 years	Trivial - the probability is very small, almost zero

Table 7. Risk Impact Assessment Matrix

Result	Financial	Environmental
Disaster	Severe financial crisis, risk of bankruptcy, major market loss, severe legal penalties	Irreversible environmental damage, long-term ecosystem destruction, closure by regulatory agencies
Large	Major financial losses, severe decline in revenue, high regulatory fines, major reputational damage	Serious environmental damage, long-term pollution, large-scale legal violations
Moderate	Significant financial losses, reduced profitability, temporary decline in investor confidence	Isolated but significant environmental incidents, moderate pollution, damage reversible by intervention
Minor	Small financial losses, slight budget overruns, manageable regulatory penalties	Small-scale environmental impacts, limited pollution, locally manageable damages in the short term
Unimportant	Negligible financial impact, minor operational disruptions, impacts without long-term financial consequences	No or negligible environmental damage, fully reversible with minimal effort

Table 8. Risk Assessment Matrix

		Result				
		Unimportant	***Minor***	***Moderate***	***Large***	***Disaster***
Probability	***Almost Certain***	Moderate	Moderate	High	Extreme	Extreme
	Likely	Low	Moderate	High	High	Extreme
	Possible	Low	Moderate	Moderate	High	High
	Unlikely	Low	Low	Moderate	Moderate	Moderate
	Rarely	Low	Low	Low	Low	Moderate

3.3. Prioritization

In the process of identifying and prioritizing sustainability-related risks and opportunities, our company adopts a financial materiality approach based on the current and expected potential impact of these issues on our company's financial performance, financial position, cash flows, access to capital and cost of capital. For an issue to be considered material, it must have the potential to influence the decisions of our stakeholders and investors.

In order to set a quantitative threshold for our assessment of financial materiality, we refer to revenue, which is defined as the “key audit matter” in our audited financial statements. Revenue constitutes a solid reference point as it is the most fundamental indicator of our strategic performance and its weight in our financial statements.

Accordingly, our financial materiality threshold is determined as TL 19.4 million, which is 1% of our revenue for 2024. This represents the upper end of the range recommended under ISA 320 and reflects the financial magnitude that may influence investor decisions.

3.4. Identifying Risks

We assess the impacts of climate change on our company in terms of both physical risks and strategic transformations brought about by the transition to a low carbon economy. In this context, we have systematically analyzed the impacts that may arise at various points of our company's business model and value chain. We have evaluated our risks under two headings: physical and transition risks.

Table 9. Risk Inventory

Risk Definition	Value Chain Impact	Risk Type	Subcategory	Time Zone	Probability of Risk	Severity of Risk
Risk of negative impact of increase in sales costs on profitability	Input Providers (Procurement)	Transition	Market	Moderate	Likely	High
Risk of service interruption in data centers due to severe weather conditions	Input Providers (Procurement) and Operations (Production)	Physical	Acute	Moderate	Possible	High
Compliance with legislation due to operating in different countries	Regulatory Compliance and Marketing and Sales	Transition	Legal	Moderate	Likely	High
Risk of reputational and revenue loss due to increased customer expectations of sustainability	Service Recipients (Distribution) and Marketing and Sales	Transition	Market	Short	Almost Certain	Extreme
Risk of loss of reputation and market share due to increased competition in the sector	Marketing and Sales and Service Recipients (Distribution)	Transition	Reputation	Short	Almost Certain	Extreme
Risk of not providing sustainability data requested by stakeholders	Capital and Financing and ESG and Social Responsibility	Transition	Reputation	Short	Almost Certain	Extreme
Risk of immediate negative impact of natural disasters such as earthquakes on operations	Operations (Production) and Input Providers (Procurement)	Physical	Acute	Moderate	Possible	High

On the other hand, our company, which operates in the software and information technologies sector, has also evaluated the opportunities arising from the climate change process. Our assessments show that digital technologies play a critical role in the transition to a low-carbon economy and that our company can gain significant competitive advantages in this transformation. We assessed our risks under the headings of resource efficiency, energy supply, products and services, markets and resilience.

Table 10. Opportunity Inventory

Opportunity Description	Opportunity Type	Period of Time
Reducing operational costs in buildings through energy efficiency investments	Resource Efficiency	Long
Increase brand equity and customer loyalty through sustainability reporting and UNGC membership	Products and Services	Moderate
Reducing costs through government support and tax incentives	Markets	Short
New customer acquisition and revenue growth through energy and environmentally friendly software projects	Products and Services	Long
Growth in markets with cyber security solutions provided to the energy sector	Products and Services	Short

3.5. Scenario Assumptions

The climate-related risk and opportunity analyses presented in this report are based on three basic scenarios developed by the Network for Greening the Financial System (NGFS) in line with the Paris Agreement, to which Turkey is a party, and global emission reduction targets. As Kafein Yazılım, we have created our future projections based on these scenarios, taking into account our company's Turkey-based and digital-oriented business model.

The Existing Policies scenario is based on a framework where only the climate policies already in place continue and no additional policy implementation is envisaged. Emissions are expected to increase rapidly until 2080 and the global average temperature increase is expected to exceed 3°C. An environment where technological developments are slow and carbon capture and storage technologies remain at a low level is envisaged. Regional policy disparities are high and physical risks are increasing in frequency and severity. This poses serious threats, especially for digital infrastructures and data centers. Transition risks are low, and green solutions to provide competitive advantage are limited due to limited sustainability expectations. Towards the end of the 2020s, the effects of physical climate risks became more pronounced, and by the 2030s, a picture emerged in which some assets became uninsurable. By the 2040s, adaptation-oriented policies have increased, but fair transformation has not been achieved, and climate-related economic losses have grown. In this scenario, critical infrastructures such as data centers may be adversely affected by rising temperatures and power outages. While our company's long-term infrastructure resilience plans stand out, transition pressure remains limited.

The Net Zero Scenario, on the other hand, is a scenario with strong and early policy interventions, aiming to reduce GHG emissions to net zero by 2050. The targeted global temperature increase is limited to 1.4°C. Technological transformation is rapid and decarbonization capacity is medium-high. Regional policy differences are relatively reduced and physical risks are low. Transition risks are moderate; decarbonization and technology investments can create financial burdens in the short and medium term. New regulations such as increasing the sustainability of software infrastructures and carbon footprint reporting are on the agenda. In the 2020s, legislation and investments increased rapidly and economic activities focused on emission reductions. However, early climate impacts persisted. In the 2030s, regional policy differences

create inequality in some countries, while the growth of renewable energy systems causes challenges in mineral supply chains. Technological innovations became decisive for emission reductions. By the 2040s, fossil fuel investments are completely eliminated and climate impacts are reduced but remain manageable. Climate compensation and inclusive policies have increased equity.

The Net Zero Scenario has direct impacts on our company's operations. Renewable energy use and energy efficiency measures are prioritized in data centers, offices and production areas with high energy consumption, and low-carbon solutions are preferred in software development and technology processes. This scenario creates significant opportunities for our company to develop low-carbon services, offer sustainable software solutions and take part in ESG-oriented projects. The financial impact of green transformation may increase in the medium term.

The Delayed Transition Scenario is a transition scenario in which climate policies are delayed until 2030, after which rapid and aggressive policy actions become mandatory. The goal is to keep the global temperature increase around 1.6°C. Technological transition is slow at first and then accelerates, while carbon capture capacity remains low/medium. Regional policy differences are high. Transition risks are at the highest level; especially software infrastructures and service processes may need to be carbon-compatible in a very short time. New regulations, energy efficiency requirements and certification demands can create significant operational pressures. Physical risks are moderate, but some physical impacts may increase due to insufficient climate action before 2030. In the 2020s, policymakers and businesses take limited climate action and fossil fuel use continues. Physical impacts are exacerbated. In the 2030s, responses to sudden crises triggered climate action, but businesses faced high adaptation costs. Emissions finally started to decline. In the 2040s, the low-carbon economy developed and decarbonization shifted to difficult sectors. Physical impacts and temperature rise stabilize. This scenario is the most challenging scenario as it envisages the introduction of regulations in a very short time and at high cost.

The Delayed Transition Scenario is expected to create intense operational and financial pressures on our company; high energy consuming operations such as software infrastructures, service processes and data centers need to be carbon compliant in a short period of time, while energy efficiency measures and technological improvements must be implemented rapidly. Our company may need to quickly adapt its infrastructure and products, but successful adaptation will provide a competitive advantage in the long term.

3.6. Financial Impact of Risks

The financial impacts presented in this report are calculated through scenario-based quantitative analysis in line with TSRS 2. Estimates for each risk topic are modeled by applying different impact coefficients based on the company's key financial data for 2024 and projected climate scenarios.

Revenue impacts are calculated based on the Company's net sales amounting to 1.918.951,485 TL in 2024. The percentage loss rates stated in the risk disclosures were directly multiplied by this amount and the estimated revenue loss was determined on a scenario basis. For example, in the current policies scenario, the revenue loss of approximately 9% due to customer loss risk is calculated as 20.005.923,33 TL by taking 9% of this amount. For the other scenarios, estimated loss amounts were determined by the same method over the relevant percentages.

Market capitalization impacts are calculated based on the market capitalization of the company as of 2024, which is 1.962.200,000 TL. On top of this value, possible value decline rates that may be experienced due to reasons such as loss of investor confidence, loss of reputation or non-compliance with market expectations were applied specific to each scenario. For example, in the delayed transition scenario, a 5% loss in market value is calculated based on this market value and modeled as 98.110,000 TL.

For the service interruption risks that may be experienced in data centers, it is assumed that the cost of a one-minute interruption is approximately 240,000 TL and each interruption is assumed to last for 6 hours (360 minutes). Accordingly, the damage caused by a single outage is calculated as 86.400,000 TL. For each scenario, the expected frequency of outages (e.g. every 5 years in the current policies scenario and every 15 years in the Net Zero 2050 scenario) was taken into account and the average annual loss was estimated. In this context, an annual revenue impact of approximately 17.275,680 TL was calculated for the current policies scenario, assuming an average interruption of 0.2 per year.

Increases in the cost of sales that may be caused by natural disasters such as earthquakes were calculated based on the total cost of sales in 2024, which is 1.449.645,685 TL, with the increase rates determined according to the scenarios. For example, the 2% cost increase projected in the Net Zero 2050 scenario was modeled as 28.992,914 TL by taking 2% of this amount.

Table 11. Financial Impact of Risks

Risk Definition	Current Policies	Net Zero 2050	Delayed Transition
Risk of service interruption in data centers due to extreme weather conditions	Heat waves, droughts and network outages are more frequent. Especially in this environment where the cooling infrastructure is strained, overheating in the server room and equipment failures become inevitable. It is predicted that there will be a major outage every 5 years on average. The cost of a one-minute outage is approximately 240,000 TL.[1] Each outage will last a maximum of 6 hours.	Extreme weather events have limited impact on operations thanks to improved infrastructure and a more secure power grid. On average, there is one major outage every 15 years. The cost of a one-minute outage is approximately 240,000 TL. Each outage will last a maximum of 6 hours.	After 2030, when sudden and harsh transition policies come into effect, both the existing systems are strained and the need for rapid investment arises. A major outage is expected every 3 years on average. The cost of a one-minute outage is approximately 240,000 TL. Each outage will last a maximum of 6 hours.
Estimated Revenue Impact	17.275.680	5.785.860	28.792.800
Risk of reputational and revenue loss due to increased customer expectations of sustainability	Regulatory and industry pressures on sustainability remain relatively limited. However, our large corporate customers continue to expect compliance with sustainability criteria. In this context, inadequate environmental and social performance may result in the risk of not renewing some contracts or not being preferred for new projects. The estimated revenue loss rate is 9% on average.	ESG performance becomes critical for supply chain integrity. If our company's performance in these areas is inadequate, there may be risks such as termination of contracts or exclusion from new business opportunities. This could lead to a reduction of approximately 15-16% in total revenues.	Delaying sustainability investments may cause customers to quickly turn to alternative, sustainable suppliers. Failure to ensure ESG compliance may result in direct revenue losses in terms of business continuity. In this context, a risk of approximately 18% decline in total revenue is foreseen.

[1] https://storware.eu/blog/cost-of-downtime/

Risk Definition	Current Policies	Net Zero 2050	Delayed Transition
Estimated Revenue Impact	20.005.923,33	34.454.645,74	40.011.846,66
Risk of loss of reputation and market share due to increased competition in the sector	ESG pressure remains low. However, as the number of companies included in the sustainability index increases, the ability of underperforming companies to attract investors may decrease by 1%.	ESG performance becomes the primary criterion for investors. The market capitalization of non-index companies or companies with weak sustainability strategies could fall by 3%.	If the company fails to adapt to sudden changes in regulations and market expectations in a timely manner, both investor outflows and reputational damage are higher. Market loss could reach 5%.
Estimated Loss of Market Capitalization	19.622.000	58.866.000	98.110.000
Risk of not providing sustainability data requested by stakeholders	ESG data requests are low and fines are applied in low amounts.	ESG reporting obligations increase, investor pressure and penalties rise.	Both penalties and reputational damage are higher due to late actions.
Estimated Loss of Market Capitalization	19.622.000	98.110.000	196.220.000
Risk of immediate negative impact of natural disasters such as earthquakes on operations	Infrastructure reinforcement and business continuity planning against disaster risks is limited. Service disruptions can cause up to a 2% drop in turnover.	Investments were made in data backup, remote working capacity and disaster resilience. 1% revenue loss and 2% cost increase is expected.	Preparation for disaster risks was not done or done too late. Revenue losses may be realized between 4-8%. Cost increases are expected to increase by 3%.
Estimated Revenue Impact	38.379.030	19.189.515	95.947.574
Estimated Cost of Sales Increase	14.496.457	28.992.914	43.489.371

These risks are expected to have limited impact on the carrying amount of the Company's assets and liabilities in the short term that would require a direct adjustment. Although most of the sustainability risks have not yet reached a point that would require a material adjustment in the financial statements due to the current operating structure, the above scenarios pose medium-term valuation risks, especially in terms of risks arising from climate change and customer demands. Therefore, it is important to take these risks into account in asset impairment tests and the assessment of contingent liabilities in subsequent periods.

The financial impacts reported in this study involve significant measurement and estimation uncertainties under TSRS 1 and 2, particularly in the context of climate-related risks and opportunities. The main sources of uncertainty stem from the parameters used in the calculations, which are based on a number of forward-looking assumptions. These assumptions include customer churn rates ranging from 9% to 18%, estimated based on industry trends; electricity price increases ranging from 3% to 209%, adapted from NGFS scenarios, which may have limited relevance to the Turkish market; loss per minute estimates based on global and industry averages, which may vary by company (e.g. TL 240,000/min); and sustainability investment savings rates ranging from 30% to 100%, based on literature. There is an inherent element of uncertainty in that each parameter is based on future forecasts.

Calculations are based on basic multiplier models such as “Total Impact = Base Financial Item × Projected Rate of Change” and methods such as “Loss per minute × Duration × Frequency of events” used to estimate the annual cost of physical risks. The simplicity of these techniques and the fact that complex multiple

regressions or AI-based forecasting models have not yet been used is a factor limiting the accuracy of the estimates.

Although a deviation range of ±3-5% seems likely for some of the estimates used in the calculations, the focus in this study is on qualitative explanations rather than providing a quantitative uncertainty range. This is mainly because the available dataset is not sufficient to generate a reliable uncertainty distribution for each risk item. This is compounded by model limitations such as the lack of sectoral data, especially on Turkey-specific carbon regulations or consumer behavior, and static assumptions that risks will materialize over specific time horizons such as 3, 5 and 15 years. It is recognized that these assumptions can change significantly depending on how climate policies are implemented at the national level.

Despite these uncertainties, all estimates are based on actual financial information such as the company's current sales data, cost items and incentive amounts. The assumptions used are supported by scenario outputs from international sources such as NGFS and reasonable and supportable information on the Turkish market. Therefore, reporting is based on the best available information.

In line with the main climate-related risks and opportunities identified as a result of scenario analyses, our company plans to integrate them into its strategy in the short, medium and long term. In this context, we have been preparing our sustainability report in detail for 3 years in order to respond to sustainability demands from customers and legal obligations, and we calculate and report our company's carbon footprint every year. We integrate TSRS 1 and 2 compliant climate and ESG data into existing reporting processes and aim to use ESG performance as a competitive advantage in contract renewal and customer acquisition processes. On the other hand, we are also evaluating the creation of incident response plans and automatic load balancing protocols against data interruptions.

3.7. Financial Impact of Opportunities

The transition to a low-carbon and sustainable economy offers significant growth opportunities for our company's technology and innovation capabilities. Our strategy is based on creating financial and social value by providing innovative solutions to the needs arising from this transformation.

The financial forecasts presented in the table below have been prepared using a methodology consistent with the NGFS scenarios used in our risk analysis and in accordance with TSRS standards. The forecasts for each opportunity topic have been modeled based on the Company's actual financial data (revenue, cost structure, incentive gains, etc.) for 2024, and by applying assumptions such as market growth, cost savings potential and policy supports for each scenario. This analysis aims to quantitatively demonstrate the expected positive contribution of our sustainability-focused strategy to our financial performance and cash flows in the coming period.

Table 12. Financial Impact of Opportunities

Opportunity	Current Policies	Net Zero 2050	Delayed Transition
Reducing operational costs in buildings through energy efficiency investments [2]	The company achieves indirect savings only due to the infrastructural transformations offered by Teknopark. Cost reduction will be around 30%.	Applications such as solar panels, passive buildings, smart energy monitoring systems are quickly put into operation. Maximum savings are achieved from both Technopark transformations and internal mechanical	After 2030, transformation starts with sudden pressures, but energy prices rise in the meantime. Delayed benefit, 60% of potential value can be achieved.

[2] Electricity costs are assumed to be 1% of total costs.

Opportunity	Current Policies	Net Zero 2050	Delayed Transition
		systems. Cost reduction would be around 100%.	
Estimated Cost Reduction	**4.348.937 TL**	**14.496.457 TL**	**8.697.874 TL**
Increase brand equity and customer loyalty through sustainability reporting and UNGC membership [3]	Limited increase in brand value. Although there is transparency in the report, value creation remains low.	Sustainability reporting is at the center of investor relations. BIST Sustainability Index and UNGC membership become direct purchasing criteria for investors and large corporate clients.	In the early years, ESG performance is undervalued, but after 2030, customers and investors quickly begin to favor sustainable firms.
Estimated Value Increase	**2.880.000 TL**	**9.600.000 TL**	**5.760.000 TL**
Reducing costs through government support and tax incentives [4]	New sustainability-focused incentive programs are not implemented. The company only continues to benefit from existing R&D, SSI and tax incentives.	In addition to incentives for R&D and digital transformation, special incentives for sustainability investments and carbon reduction come into play. The scope of existing incentives increases and access becomes easier.	In the early years, support mechanisms are limited and sustainability incentives are delayed. After 2030, regulations accelerate, but complex application processes prevent full benefits from being realized.
Estimated Incentive Amount	**43.646.403 TL**	**145.488.009 TL**	**87.292.805 TL**
New customer acquisition and revenue growth through energy and environmentally friendly software projects	Increase in revenues from Smart City and Digital Twin projects continues at around 10-12%, with limited growth in public projects.	Smart city applications, sustainable infrastructures gain priority, support and large contracts increase.	Slow growth continues until 2025, after which demand starts to pick up, but the pace remains limited due to temporary turmoil.
Estimated Revenue Increase	**14.000.000 TL**	**18.500.000 TL**	**15.500.000 TL**
Growth in markets with cyber security solutions provided to the energy sector	There is limited investment growth in the sector but existing relationships are maintained. Growth will be around 5%.	Demand may increase by more than 30% as the energy transition accelerates and regulations increase. Digital infrastructure necessity increases.	Demand accelerates after 2030, but there is limited development until 2025. Nevertheless, growth is observed with increasing infrastructure investments.
Estimated Revenue Increase	**6.000.000 TL**	**7.500.000 TL**	**6.800.000 TL**

The assumptions underlying our estimates of future financial impact have been prepared with the transparency required by TSRS standards. These estimates are inherently based on certain uncertainties. The underpinnings of our financial projections focus on our potential for both cost efficiencies and revenue

[3] A 0.5% increase in service prices is assumed. Calculations based on net sales volume.
[4] Based on 2024 actual incentive earnings.

growth. Our projected savings in operational expenses are based on the energy efficiency targets of our technopark and our own technology investments. In this context, we foresee a cost advantage potential in the range of 30% to 100%, depending on the scenarios. Our revenue growth expectations are based on the growth potential in the “green software” market and the 2024 performance of our current projects in this area. We have also modeled the potential gains from government incentives using the actual incentive amount of TL 145,488,009 we received in 2024 as a reference point. The expectation that our brand value will increase with our sustainability performance is also reflected in our potential revenue growth estimates in light of market analysis.

As this is our first TSRS Compliant Sustainability reporting year, our analysis has certain limitations. The NGFS scenarios we use are global in scale, and Turkey-specific policy and market dynamics may differ from these general projections. Similarly, our estimates, such as growth potential in new markets, are based on general market analysis, so future realizations may differ. Furthermore, our calculations are based on the assumption that opportunities will materialize at a certain rate over specific time periods, whereas market dynamics may accelerate or slow down this process.

3.8. Impact on Financial Statement Items

The sustainability risks and opportunities identified by our Company are expected to have a medium to long term impact on certain line items, totals and subtotals in our Consolidated Financial Statements. The key financial statement line items where these impacts are likely to have a material impact on the forecasted financial results are Revenue, General and Administrative Expenses, Cost of Sales, Goodwill and Development Expenses, Cash and Cash Equivalents. For example, the risks of “increased sustainability expectations of customers” and “increased competition in the sector” may cause companies with perceived poor ESG performance to lose market share. This may put downward pressure on the Revenue item through non-renewal of customer contracts or loss of new projects. On the other hand, opportunities such as “energy and environmentally friendly software projects” and “cybersecurity solutions provided to the energy sector” have the potential to positively impact the Revenue item by enabling the acquisition of new customers and increasing the volume of business with existing customers. As of 2024, 84.996,148 TL revenue was generated from such services.

In terms of costs and expenses, the personnel expenses item under Cost of Sales and General Administrative Expenses may increase due to increased personnel costs. In addition, physical risks such as “service interruption in data centers” or “earthquake” may adversely affect these expense items by creating operational inefficiencies and emergency response costs. At the same time, opportunities such as “energy efficiency investments” and permanent hybrid/remote working model can have a positive impact on G&A by reducing office energy consumption and operational expenses.

The net impact of all risks (revenue loss, cost increase) or the net impact of opportunities (new revenues, cost savings) will directly impact the level of Cash and Cash Equivalents for the period. This item reflects the end result of our strategy on overall cash flow.

As stated in footnote 33 of our Consolidated Financial Statements for the period ended December 31, 2024 and disclosed to the public on 11 March 2025, there have been no events subsequent to the balance sheet date that have materially affected the financial statements or the sustainability risk and opportunity profile of the Company. In the period until the approval date of the TSRS Compliant Sustainability report, there has been no significant development that would change this situation.

4. Metrics and Targets

The following “Metrics and Targets” section has been prepared to monitor our sustainability performance in a transparent and comparable manner at national and international level. In this context, we have systematically compiled metrics for the 2024 period based on the disclosure topics in the SASB Software & IT Services (TC-SI) standard in line with our industry and presented them in the table; SASB indicators that do not have a number or policy text in our company reports are indicated with the note “None (not included in the report)”.

For SASB issues in the context of data security and business continuity (Data Security, Managing Systemic Risks from Technology Disruptions), our company carries out processes within the framework of ISO 27001 Information Security Management System and ISO 22301 Business Continuity Management System; controls are strengthened through regular internal audits, surveillance/re-certification audits and penetration tests conducted at least once a year. This governance and control structure constitutes our corporate foundations that support the relevant disclosure issues within the scope of SASB.

Table 13 SASB Sectoral Metrics

SASB Metric Code	Metric	Category	2024 Values
TC-SI-130a.1	(1) Total energy (GJ), (2) % grid electricity, (3) % renewable	Quantitative	(1) 398.541,3 kWh, (2) %100, (3) %0
TC-SI-130a.2	(1) Total water withdrawals and consumption; (2) shares in high/very high water stress areas	Quantitative	(1) 44,7 m3, (2) %100
TC-SI-130a.3	Integration of environmental considerations for hardware infrastructure (data center, etc.) into the strategy (A&D)	Discussion and Analysis	BCP is applied against energy interruption risks with UPS, generator and air conditioning controls, and it is planned to add A+ energy-friendly purchasing criteria.
TC-SI-220a.1	Policies/practices on targeted advertising and user privacy (A&D)	Discussion and Analysis	Company policies include protection of personal data, data security and anti-bribery and anti-corruption as binding principles, while the sustainability policy applies to suppliers as well.
TC-SI-220a.2	Number of users whose information is used for secondary purposes	Quantitative	0
TC-SI-220a.3	Monetary losses as a result of user privacy lawsuits	Quantitative	0
TC-SI-220a.4	Information requests from law enforcement agencies (number/scope/% disclosure)	Quantitative	0
TC-SI-220a.5	List of countries with government-led monitoring/blocking	Discussion and Analysis	0
TC-SI-230a.1	(1) Number of data breaches, (2) % of personal data breaches, (3) number of affected users	Quantitative	(1) 0, (2) 0, (3) 0
TC-SI-230a.2	Approach to identifying/addressing data security risks; third-party cybersecurity standards	Discussion and Analysis	Within the scope of BGYS, risk analysis, internal audits, annual penetration tests based on the SPK VII-128.9 Communiqué, ISO 27001 compliance audits, senior management oversight and responsibility assignments are carried out.

SASB Metric Code	Metric	Category	2024 Values
TC-SI-330a.1	Proportion of employees requiring a work visa	Quantitative	0
TC-SI-330a.2	Employee engagement (percentage)	Quantitative	Number of employees with more than 5 years of service 8.80%; staff satisfaction rate 81
TC-SI-330a.3	(1) Gender and (2) diversity representation (a) senior management, (b) management, (c) technical, (d) other	Quantitative	The rate of female managers is 60% and the rate of female employees is 36%.
TC-SI-520a.1	Monetary losses from litigation related to anti-competitive conduct regulations	Quantitative	0
TC-SI-550a.1	(1) Performance issues, (2) service interruptions, (3) total customer downtime (days)	Quantitative	(1) 0, (2) 0, (3) 0
TC-SI-550a.2	Description of business continuity risks related to operational interruptions (A&D)	Discussion and Analysis	Within the scope of ISO 22301-based business continuity procedure, MKEKS/KEKS/KEVK definitions and annual tests are performed for critical processes; air conditioning, UPS and generator measures are implemented against power outages. In case of a server room disaster, systems can be made operational in ~6 hours on Azure/AWS/DO with weekly offline backups, and assurance is provided with Ray Sigorta general policy.

4.1. Greenhouse Gas Emissions

Our Company has been systematically monitoring greenhouse gas emissions and setting emission reduction targets since the base year of 2022. Accordingly, the greenhouse gas inventory for the relevant reporting period has been prepared in accordance with the GHG Protocol. An operational control approach is used to calculate our greenhouse gas emissions. This method enables the creation of a comprehensive and manageable emission inventory based on the daily operational control power of our Company over the activity.

As of 2024, our consolidated greenhouse gas emissions are presented in the table below:

Table 14. Greenhouse Gas Inventory

Company	Scope 1 (tCO_2e)	Scope 2 (tCO_2e)	Total Emissions (tCO_2e)
Kafein Yazılım Hizmetleri Ticaret A.Ş.	130,952	182,880	**313,832**
Karmasis Bilişim Çözümleri Ticaret A.Ş	33,143	7,621	**40,764**
APIFORT Yazılım ve Güvenlik Çözümleri A.Ş.	0	0	**0**[5]
Consolidated	**164,095**	**190,501**	**354,596**

The Global Warming Potentials used in our calculations are as follows:

[5] Our subsidiary APIFORT Yazılım ve Güvenlik Çözümleri A.Ş. was registered and started its operations on 3 July 2024. The company carries out its operations using common areas and its employees are employed through the payroll of our parent company Kafein Yazılım Hizmetleri Ticaret A.Ş..

Table 15. KIP Values [6]

Greenhouse Gas Type	KIP (100 years, CO_2e)
CO_2	1
CH_4	27,9
N_2O	273
NF_3	17.400
SF_6	24.300
R410A	1.923
R407A	2.000

The main sources of our Scope 1 emissions are stationary combustion activities based on natural gas, diesel and gasoline consumption and mobile combustion based on fleet vehicles and generator use. Consolidated fuel consumption for 2024 is calculated as 65,580.77 liters. The emission factors used in this context are taken from the IPCC Guidelines for National Greenhouse Gas Inventories, Volume 2- Energy document as 2.83 $kgCO_2e/kWh$ for natural gas and 3.24 $kgCO_2e/kWh$ for diesel fuel.

Within the scope of our Scope 2 emissions, our consolidated electricity consumption was recorded as 398,541.3 kWh. The emission factor for the Turkish electricity grid is taken as 0.478 $kgCO_2e/kWh$ from the publications of the Ministry of Energy and Natural Resources.[7] The entire amount of electricity consumed was drawn on the grid line.

For the calendar year 2024, no carbon credits or renewable energy certificates were purchased to offset the carbon footprint. Any internal price application is not applied considering that our company's sector will not be included in a possible carbon pricing in the short and medium term. For calculation uncertainty, the most frequently used confidence interval specified in IPCC, Good Practice Guidance and Uncertainty Management's National Greenhouse Gas Inventories is based on 95%. Uncertainty calculations were made by taking into account the uncertainties of emission factors and the uncertainties in the calculation of consumption data within the scope of activities. Uncertainties of all facilities were calculated according to the formula defined in the GHG Uncertanity Tool. All electrical energy is purchased. Electricity consumption is monitored through electricity meters and monthly consumption invoices. There are many uncertainty analyses for transportation and transportation data. Reading errors in natural gas meters are determined as +/- 0.3%. Reading errors in electricity meters are determined as +/- 0.5%. The calculations have not been subject to third party verification.

Table 16. Uncertainty Level

Uncertainty Calculations	
Confidence Interval	95%
Uncertainty	4,60
Confidence Level	Reasonable

By calculating our emissions in detail by source, we identify our most intensive emission sources and therefore our most significant operational risks. For example, Scope 2 emissions indicate our dependence on the carbon intensity of the national electricity grid and price fluctuations. This is directly linked to the “risk of increased cost of sales negatively impacting profitability” and demonstrates how critical the opportunity for “energy efficiency investments” is.

[6] https://www.ipcc.ch/report/ar6/wg1/downloads/report/IPCC_AR6_WGI_Chapter07_SM.pdf

[7] https://enerji.gov.tr//Media/Dizin/EVCED/tr/%C3%87evreVe%C4%B0klim/%C4%B0klimDe%C4%9Fi%C5%9Fikli%C4%9Fi/EmisyonFaktorleri/2022_Uretim_Tuketim_EF.pdf

Each metric ton of GHG emissions that the business uses to value the costs of GHG emissions has no price.

4.2. Water Consumption

Due to the sector in which our Company operates, water dependency arising directly from its operations is at a very low level. However, we support the United Nations Sustainable Development Goal “Clean Water and Sanitation” and are committed to contributing to the provision of accessible, safe water and wastewater services for all.

Due to our industry, our operations do not generate industrial wastewater. There is no withdrawal, recycling or discharge of water from surface or groundwater sources. Our water consumption is mainly limited to the use of municipal water to meet the daily needs of our employees.

Table 17. Water Management Indicators

Parameter	Total Withdrawn Water (m^3)	Total Discharged Water (m^3)	Net Water Consumption (m^3)
Kafein Yazılım Hizmetleri Ticaret A.Ş.	32,7	32,7	-
Karmasis Bilişim Çözümleri Ticaret A.Ş	12	12	-
APIFORT Yazılım ve Güvenlik Çözümleri A.Ş.	0	0	-
Consolidated	**44,7**	**44,7**	**-**

Since almost all of the water withdrawn is discharged directly into the municipal sewage system as domestic waste water, net water consumption is negligible. Our company operates within the Technopark and fully complies with Technopark legislation regarding common water consumption. In order to reduce water consumption, efficient fixtures and economical use practices have been implemented. In addition, training content on topics such as water management, microplastics and marine conservation are offered on our Online Training Portal to raise the awareness of our employees.

Although our water dependency is not very high due to our field of activity, monitoring this metric reflects our awareness and level of preparedness against physical risks such as drought and heat waves caused by climate change.

4.3. Targets

As part of its sustainability-oriented growth strategy, the Company has set concrete and measurable targets in the environmental, social, economic and corporate governance areas. Based on our 2022 and 2024 performance indicators, these targets, which we aim to achieve by 2030, aim to create sustainable value in a wide range of areas, from the efficiency of resource utilization to increasing social contributions, from innovative R&D investments to transparent corporate governance practices. The main targets prioritized in the sustainability roadmap of our company and the annual development indicators for these targets are presented.

Table 18. Targets and Current State

	Target	2022	2024	2030 Target
Environmental	Increasing Energy Efficiency (kWh/m²)	158,55	143,29	20% Average Annual Savings
	Reducing Our Per Capita Carbon Footprint (kg CO2 e/person)	1.026	781,4	Lower emissions intensity than the European average of 1,210 kg CO_2e

	Sapling Donation with Forest Positive Strategy	-	1000 Fidan[8]	Donation of 1000 Saplings every year

Although we do not have an interim target, our “Reduce our Carbon Footprint per Capita” target is an intensity-based target. This target covers our currently reported Scope 1 and Scope 2 gross emissions. Our target is a gross emission reduction target that does not envisage the use of any carbon credits. Our targets have been determined by taking into account our company's past performance data and growth projections. As of 2024, neither our targets nor their methodology have been verified by a third party. While our targets are in general alignment with national strategies such as Turkey's 2053 Net Zero Emission target, they have not yet been calibrated to a specific international agreement or sectoral decarbonization approach such as the Science Based Targets Initiative (SBTi).

In 2024, the observed increase in our per capita emissions is primarily due to the full consolidation of Karmasis and Apifort and increased post-pandemic returns to the office. This provides a basis for us to take 2024 as a new baseline and manage our future mitigation efforts more effectively through this consolidated structure. Positive progress has been made in our energy efficiency target; in this context, various actions have been implemented within the framework of our ISO 50001 Energy Management System Standard certification. Regular energy efficiency and awareness trainings were provided to all employees through our company portal; electric charging units were placed at the entrances of the building to support the use of electric vehicles. In order to minimize lighting and heating in large rooms with a small number of personnel during remote working practices, personnel were directed to appropriate areas and awareness was raised with informative signs. Unnecessary energy consumption was prevented by using lighting systems with sensors in common areas.

The environmental indicators we have identified have been transformed into a performance monitoring mechanism with targets spread over years. Thanks to this mechanism, in the event of a deviation from the energy efficiency target, the risk of an increase in energy costs increases, this risk may have a negative impact on profitability and operational expenses, and an increase in the carbon footprint per capita may be an indicator of both regulatory risks arising from legislation and possible loss of reputation in customer behavior. In this context, personnel trainings are conducted for carbon reduction and awareness is raised on energy saving, water consumption, waste management and sustainability issues. The senior management has determined the rules of behavior with the Environment and Sustainability Policies, and it is evaluated to turn to renewable energy and to prepare improvement plans in high consumption areas. Emission measurement and monitoring activities are carried out regularly. On the other hand, our annual sapling donation target is related not only to our efforts to reduce our environmental impact as much as possible, but also to the opportunity for brand value. Meeting this target strengthens our reputation as a tangible proof of our environmental responsibilities.

4.4. Other Metrics

Our Company's investments in climate-friendly technology and infrastructure projects include Smart Parking Lot, Digital Twin, Robotic Process Automation (RPA), Load and Balance Software for Aircraft and Foramind Mind Mapping projects focusing on energy efficiency. Our total expenditure for the development of these projects amounted to 66.348,672 TL in 2024. When the costs on a project basis are analyzed, no additional expenditure was made for the Smart Parking project since it was completed in previous years, while 31.691,054 TL was spent for RPA, 280,401 TL for Digital Twin, TL 33,966,138 for Load and Balance Software for Aircraft, and 411,079 TL for Foramind Mind Mapping project.

Within the scope of R&D investments in climate-related innovations, we do not have any direct investments in climate technologies such as energy storage, carbon capture and storage. However, we have a total of 35 R&D projects within the Technopark, with an average R&D budget of 56.6 million TL over the last three years. This budget is considered as a resource that supports the company's technology development capacity.

For this reporting period, there are no infrastructure investments made or planned to be made to develop infrastructure resilient to physical climate risks. The main reason for this is that the company operates in a technopark and this campus is within the scope of infrastructure regulations.

Likewise, at the operational expenditure level, no expenses related to climate-friendly infrastructure projects were recorded in the reporting period. There are no operational expenses related to renewable energy investments or energy efficiency projects. Likewise, there has been no R&D spending on climate innovations such as energy storage or carbon capture at the operational level. Due to the current location of the Company, no physical infrastructure investment is required and there are no planned future expenditures in this area.

As of 2024, total revenue from green products and services is 82.976,121 TL. When this revenue distribution is analyzed, 49.983.933 TL from the RPA project, 12.711,306 TL from the Digital Twin project, 19.080,882 TL from the Load and Balance Software for Aircraft project, and 1.200,000 TL from the Foramind Mind Mapping project were obtained. No revenue was generated from the Smart Parking Lot project.

These financial metrics measure our Company's capacity to turn the fight against climate change into an opportunity for revenue growth and new customer acquisition, and demonstrate how we are able to meet sustainability-focused market demands and differentiate ourselves from the competition.

5. Annexes

5.1. Calculation Principles for Metrics

This section describes the methods for the preparation, calculation and reporting of the indicators included in our 2024 TSRS Compliant Sustainability Report and subject to limited assurance review. The information presented is for the fiscal year covering the period 1 January 2024 - 31 December 2024.

The data preparation, calculation and reporting methods used in our company's corporate carbon footprint study for 2024 are summarized. The studies are in compliance with ISO 14064-1:2019 standard and GHG Protocol Corporate Standard. The inventory limit was determined based on the "operational control" approach. In this context, only the following environmental indicators are reported. In addition, in accordance with Provisional Article 3 of the Board Decision on the Scope of Application of TSRS, Scope 3 greenhouse gas emissions are excluded from reporting within the scope of the exemption provided for the first two reporting periods.

5.1.1. Basic Definitions and Scope of Reporting

Type	Indicator	Detail
Environmental Indicators	Scope 1 Emission Amount (tCO_2e)	Emissions from sources under direct operational control such as stationary combustion (natural gas) and mobile combustion (diesel, gasoline) are calculated and reported. Consumption data is monitored through meters and monthly invoices.
	Scope 2 Emission Amount (tCO_2e) - Location Based	Indirect emissions from electricity purchased from the grid are calculated and reported. Electricity consumption is monitored through electricity meters and monthly consumption invoices. The emission factor for the Turkish electricity grid is based on 0.478 kg CO_2e/kWh from the publications of the Ministry of Energy and Natural Resources.
	Total Water Withdrawn (m^3)	Total amount of water supplied from the grid line.
	Total Discharged Water (m^3)	Total amount of water discharged to the sewer line.
	Net Water Consumption (m^3)	It is the difference between total water withdrawn and total water discharged. Since almost all of the withdrawn water is discharged into the municipal sewage system as domestic waste water, the net water consumption is negligible.
	Energy Efficiency (kWh/m^2)	Improvement indicator measured by the ratio of the amount of electricity consumed to the size of the covered area.
	Per Capita Carbon Footprint (kg CO_2e/person)	It is the indicator obtained by dividing the total institutional emissions, excluding Scope 3, by the number of employees in the relevant year.

5.1.2. Data Collection and Calculation

Corporate carbon footprint calculations are based on the operational data for 2024. An “operational control” approach was adopted in the calculation of greenhouse gas emissions, thus creating a comprehensive and manageable emission inventory within the scope of activities where the company can directly manage its daily operations.

Activity Data	Unit	Data source
Electricity Consumption	kWh	Meter and invoices
Natural Gas Consumption	Sm³	Meter and invoices
Fuel Consumption	L	Fleet/invoice records Meter/invoice records
Water Quantity (withdrawal/discharge)	m³	Fleet/invoice records Meter/invoice records

TS EN ISO 14064-1:2019 Greenhouse Gases - Part 1: Prepared according to the guidance and specifications for the calculation and reporting of greenhouse gas emissions and removals at organization level.

Emission Source		Emission Factor			Unit	Source
		CO_2	CH_4	N_2O		
Natural Gas Consumption		56.100	0.3	0,1	kg/TJ	IPCC 2006 Vol 2, Chapter 2, Tablo 2.3
Fuel Consumption	Benzin	69,3	0,025	0,008	ton/TJ	IPCC 2006 Vol 2, Chapter 3, Table 3.2.1, 3.2.2 and 3.3.1
	Diesel	74,1	0,0039	0,0039		
	Diesel (Off-road)	74,1	4,15	28,6	ton/TJ	
Electricity Consumption		0,478			tCO_2e/MWh	Turkey Electricity Generation and Electricity Consumption Point Emission Factors Information Form

5.2. Re-Statement of Opinion

The measurement and reporting of verified data inevitably involves a degree of estimation. Where there is a change of more than 5% in the data at the company level, a re-statement of opinion may be considered.

5.3. Events after the Reporting Period

Subsequent to the end of the reporting period and prior to the date of approval for publication of this document, no transactions, events or circumstances have occurred that require disclosure in this sustainability report.

5.4. Terminology

ESG (Environmental, Social, Governance): Refers to the three main factors used to assess a company's sustainability performance and social impact.

Value Chain: A system that encompasses all interactions, resources and relationships in the process of creating a company's products or services, starting from suppliers to the final consumer and extending to the end of the product's life cycle.

Physical Risks: Risks arising from acute (sudden) events such as droughts, floods, storms or chronic (long-term) events such as sea level rise caused by climate change.

Transition Risks: Legal, technological, market and reputational risks that arise during the transition to a low-carbon economy. Carbon taxes or changing consumer preferences are examples of these risks.

GHG Protocol (Greenhouse Gas Protocol): The most internationally recognized standard and methodology for calculating and reporting corporate greenhouse gas (carbon footprint) inventories.

IEA (International Energy Agency): An international organization that provides data, analysis and policy advice on the global energy sector.

IPCC (Intergovernmental Panel on Climate Change): The leading United Nations organization providing scientific assessments of climate change.

ISA 320 (International Standard on Auditing 320): Standard on planning and performing “materiality” in financial statement audits.

ISO Standards (ISO 9001, 10002, 14064-1, 22301, 27001, 37001, 50001): Internationally recognized standards published by the International Organization for Standardization for Quality, Customer Satisfaction, Greenhouse Gas, Business Continuity, Information Security, Anti-Corruption and Energy Management Systems respectively.

Scope 1 Emissions: Greenhouse gas emissions from sources directly owned or controlled by the company (e.g., gasoline burned by company vehicles, natural gas used for office heating).

Scope 2 Emissions: Indirect greenhouse gas emissions from the production of electricity, steam, heating or cooling that the company purchase.

Scope 3 Emissions: Includes all other indirect GHG emissions that are outside the direct control of the company, but associated with the value chain (e.g. supply chain, employee commuting, use of products sold).

NGFS (Network for Greening the Financial System): A platform of central banks and financial supervisory authorities that develops scenarios and guidelines for integrating climate-related risks into the financial system.

Materiality Analysis: An analysis that determines which sustainability issues are material within the framework of the company's strategy and stakeholder expectations.

Stakeholder: A party that is directly or indirectly affected by the company's activities or influences the company's decisions.

PDCA (Plan-Do-Check-Act): A cyclical methodology for continuous improvement of processes and management systems.

SASB (Sustainability Accounting Standards Board): A standards body that identifies financially material sustainability issues and metrics for 77 different sectors, focusing on investor decision-making.

SBTi (Science Based Targets initiative): An initiative to ensure that companies' greenhouse gas emission reduction targets are aligned with the Paris Agreement targets and based on the latest climate science.

Scenario Analysis: An analysis method that models different future scenarios (e.g., different climate policies) used to assess the potential outcomes of a strategy or business model under future uncertainties.

TSRS 1 (Turkish Sustainability Reporting Standard 1): "General Requirements for Disclosure of Sustainability-Related Financial Information" standard. It sets the basic reporting framework covering all sustainability topics.

TSRS 2 (Turkish Sustainability Reporting Standard 2): "Climate-related disclosures" standard. It regulates detailed reporting requirements on risks and opportunities arising from climate change.

UNGC (United Nations Global Compact): An initiative that encourages companies to align their strategies and operations with ten universal principles in the areas of human rights, labor standards, environment and anti-corruption.

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