



Corporate Governance Compliance Rating Report



Biotrend Çevre ve Enerji Yatırımları A.Ş.

15 April 2025

Validity Period : 15.04.2025-15.04.2026

LIMITATIONS

This Corporate Governance Rating Report, issued by Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş. for Biotrend Çevre ve Enerji Yatırımları A.Ş.

has been prepared by considering Communiqué Amending the "Corporate Governance Communiqué (II-17,1) (II-17,1.a)" published in the Official Gazette No. 31262 on 02 October 2020 by the Board, as well as regulations regarding the voluntary sustainability principles compliance framework and the board decisions taken at the CMB's board meeting dated 01.02.2013 and numbered 4/105 in addition to the criteria specified in the "Corporate Governance Communiqué No. II-17.1" of the Capital Markets Board published in the Official Gazette dated 03 January 2014 and numbered 28871

The criteria established for the companies whose shares are traded at BIST are organized separately as First Group, Second Group and Third Group companies and investment partnerships, taking into consideration the group distinctions stated by CMB's Corporate Governance Principles in Item 2 - Article 5 of communiqué no II-17.1, published in the Official Gazette on 03.01.2014.

The Corporate Governance Compliance Rating Report issued by Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş. is based on 106 copies of documents, data and files transmitted by the concerned firm electronically, including data open to public and examinations made by our rating experts on site.

Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş. has formulated its Ethical Rules according to the Banking Act, the CMB and BRSA Directives on the Operations of Rating Companies, generally accepted ethical rules of the IOSCO and OECD including generally accepted ethical customs, which is shared with the public through its Internet website (www.kobirate.com.tr).

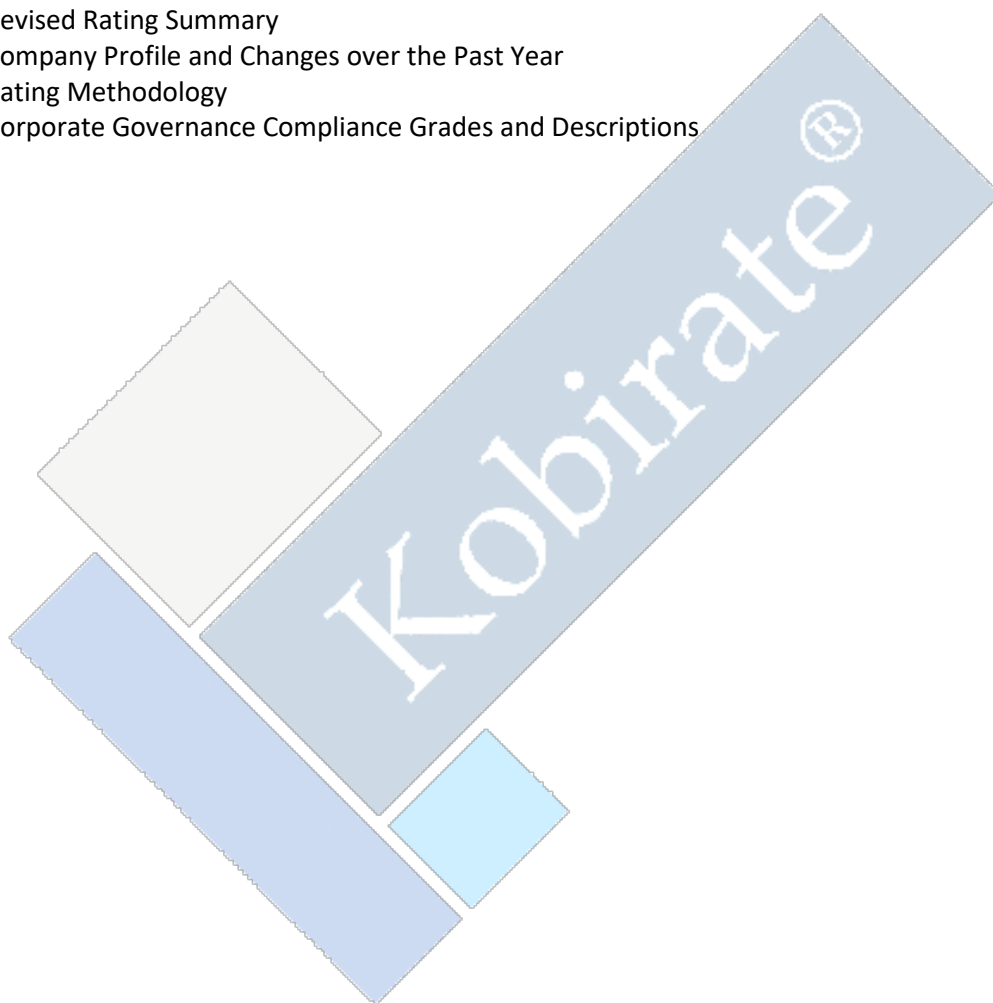
Although the rating is an assessment based on numerous data, it is consequently the institutional opinion of Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş. formed according to the methodology disclosed.

The rating grade does not constitute a recommendation to purchase, to hold or to dispose of any kind of borrowing instrument. KOBİRATE A.Ş. may not be held liable for any losses incurred or investments made to the company referring to this report.

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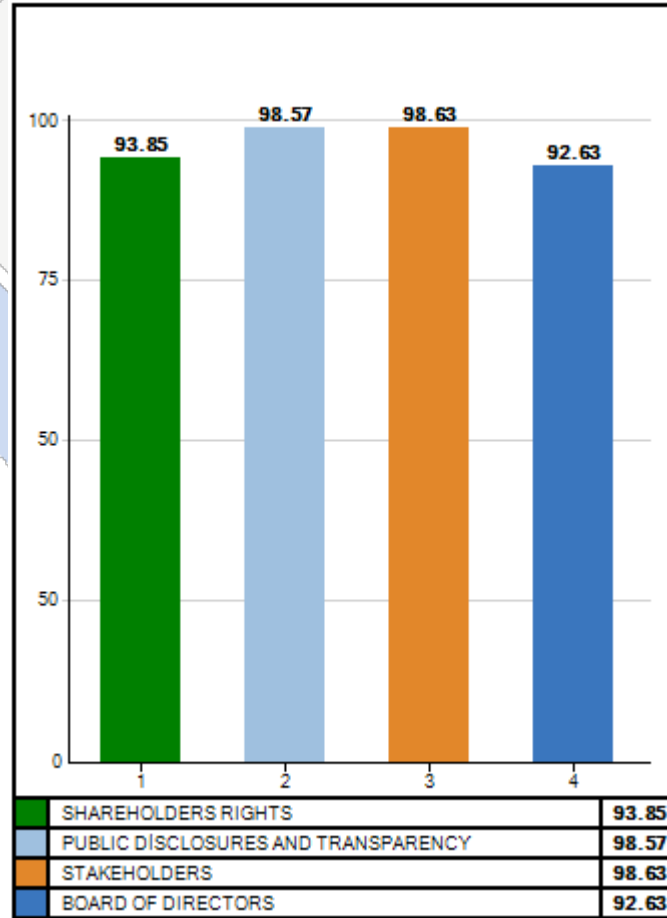
BİOTREND ÇEVRE VE ENERJİ YATIRIMLARI A.Ş.

1. RATING RESULT

BIST FIRST GROUP COMPANY

CMB CORPORATE GOVERNANCE
PRINCIPLES COMPLIANCE GRADE

9.53





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2. REVISED RATING SUMMARY

This report of rating of compliance of Biotrend Çevre ve Enerji Yatırımları A.Ş. with the Corporate Governance Principles is concluded through onsite examinations of the documents conducted in company headquarters and examinations of information open to the public, interviews held with executives and persons involved, and of other examinations and observations. The study has been held in accordance with the Corporate Governance Compliance Rating Methodology developed by Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş. In the methodology and rating process, in addition to the Capital Markets Board's Corporate Governance Communiqué No. II-17.1, the Communiqué Amending the "Corporate Governance Communiqué (II-17.1) (II-17.1.a)" published by the Board has been considered in addition to the regulations regarding the voluntary sustainability principles compliance framework and the board decisions taken at the CMB's board meeting dated 01.02.2013 and numbered 4/105.

According to the decision of the Capital Markets Board dated 16.01.2025 and numbered 3/76, Biotrend Enerji is in the Bist 1st Group Companies list. The Company has been evaluated through examination of 456 criteria described in Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş.'s methodology of "BIST 1st Group Companies". At the end of the examination of criteria under the main headings of Shareholders, Public Disclosure and Transparency, the Stakeholders, and the Board of Directors, the Corporate Governance Compliance Rating Grade of the company has been revised to **9.53**.

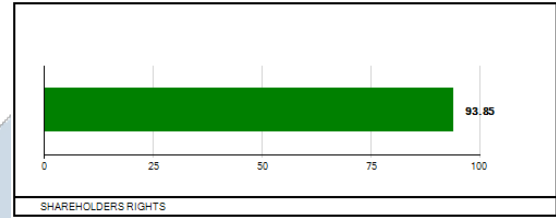
This result shows that Biotrend Enerji has achieved very high compliance with the Corporate Governance Principles issued by the Capital Market Board. Potential risks that the Company may be exposed to are identified and can be managed. The level of public disclosure and transparency is high. The rights of the shareholders and stakeholders are

treated fairly. The composition and operational conditions of the Board highly comply with the Corporate Governance Principles.

When the activities of the Company for the last one year are examined, it is seen that it has been strengthening and maintaining its compliance with Corporate Governance Principles.

In conclusion, this rating indicates that Biotrend Çevre ve Enerji Yatırımları A.Ş. highly deserves to be included in the BIST Corporate Governance Index.

■ In the Shareholders section, the rating of Biotrend Enerji has been confirmed as **93.85**.



During the reviewing period, it has been observed that the company continues its activities in the field of informing the shareholders and exercising their fundamental shareholder rights with the same sensitivity and efficiency.

Biotrend Investor Relations Department receives services from Doğanlar Holding, and its Investor Relations Director reports to Doğanlar Holding's CEO.

Investor Relations Director Ms. Gözde ÇİVİCİ was appointed to this position on 20.10.2021 and was also appointed as a Member of the Corporate Governance Committee on the same date. This appointment was announced on the Public Disclosure Platform on the same day.

Ms. Şeyma İnayet UYGUR (Investor Relations Manager) and Mr. Görkem ÖZKAYA (Assistant Investor Relations Specialist) also work in the department, and there are three personnel in total. Both aforementioned employees own Capital Market Activities Level 3 and

Corporate Governance Rating Specialist Licenses.

A working procedure for the Investor Relations Department has been established, and it has been noted that the duties listed under the corporate governance principles have been assigned to the department's staff.

Investors Relations Directorate reports regularly to the Board of Directors and Corporate Governance Committee about its activities and performance of shares. It was learned that the department made presentations to the board under the title "Investor Relations Agenda" at the board meetings held every month in 2024.

Shareholders' right to obtain information and to examine is not canceled or restricted by the Articles of Association or any department of the Company.

A provision has been included in the articles of association stating that minority rights regulated by law cannot be restricted or obstructed.

The company carries out its disclosures to the shareholders and the public in accordance with the "Disclosure Policy." The said policy is published on the corporate website of the company.

The General Assembly meeting to discuss operations of 2023 took place on 13.06.2024. The invitation to the general assembly meeting was published on the Public Disclosure Platform (PDP) and the Central Registry Agency e-general assembly system (EGAS) on 20.05.2024 and in the Turkish Trade Registry Gazette (TTRG) dated 22.05.2024 and numbered 11087.

The General Assembly meeting to discuss operations of 2024, however, took place on 02.04.2025. The invitation to the general assembly meeting was published on the Public Disclosure Platform (PDP) and the Central Registry Agency e-general assembly system (EGAS) on 06.03.2025 and in the Turkish Trade Registry Gazette (TTRG) dated 11.03.2025 and

numbered 11289. Both meeting invitations were made at least 3 (three) weeks before the meeting date as stipulated by the principles.

The general assembly information documents provide detailed information on the distribution of company shares, the voting rights granted by the shares and the privileges regarding voting. In addition, whether the shareholders have a request to add an item to the agenda and the information that is required to be announced to the shareholders and the public in the corporate governance principles are also included.

At the general assembly meetings, executives and auditors authorized to provide information and respond to questions regarding significant agenda items were also present. The meeting held in 2025 was attended by Mr. İlhan DOĞAN (Chairman of the Board), Ms. Mevhibe Canan ÖZSOY (Independent Board Member), Mr. Özgür Umut EROĞLU (CEO), Mr. Burak YURTSEVER (Deputy General Manager – CFO), Gözde ÇİVİCİ (Investor Relations Director-General Secretary), Ms. Mr. Akin AKI (Legal Counsel), Ms. Şeyma İneyet UYGUR (Investor Relations Manager), and a representative of the independent audit firm responsible for the company's external audit.

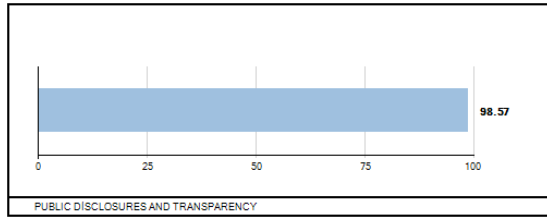
The consolidated financial statements for the period 01.01.2023–31.12.2023, audited by an Independent Auditor, show a net profit of 948,123,057 TL. However, according to the standalone financial statements prepared in accordance with the Tax Procedure Law (TPL), a net loss of (54,241,611) TL was recorded, and there is an accumulated loss of (992,328,898) TL from previous years. The Board of Directors' proposal to be submitted to the General Assembly is included in the "ii. Profit Distribution" section of our report.

Likewise, the consolidated financial statements for the period 01.01.2024–31.12.2024, audited by an Independent Auditor, show a net profit of 98,595,550 TL. However, according to the standalone

financial statements prepared in accordance with the Tax Procedure Law (TPL), a net loss of (90,137,659) TL was recorded, and there is an accumulated loss of (1,345,101,850) TL from previous years. The use of the relevant profit is also explained in the "ii. Profit Distribution" section of our report.

It would be appropriate to disclose the Board of Directors' profit distribution proposal and the profit distribution table on the Public Disclosure Platform no later than the date of the General Assembly invitation.

▪ In the Public Disclosure and Transparency section, the company's rating was revised to **98.57**.



It has been determined that Biotrend Enerji's works on public disclosure and transparency are in compliance with legal regulations and corporate governance principles. Annual reports are rich in content and contain sufficient information about the activities.

The improvement in the content of the annual report constitutes the basis for the grade increase under this main section. The report includes information on minority rights and shareholders' right to request a special audit. In addition, it provides explanations regarding the training provided to employees and the duration of these pieces of training.

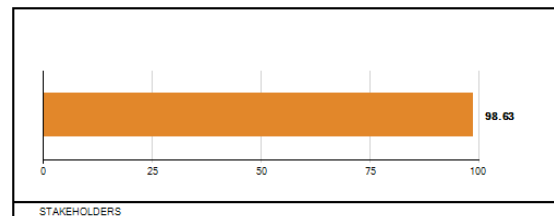
The corporate website (<https://www.biotrendenerji.com.tr>) is updated regularly, and the website is being used as an active and effective platform for disclosure to the public. Information and documents that the public, investors and other stakeholders want to access are published retrospectively on the company's corporate website, and it has been observed that this information is consistent with the statements made in accordance with the

relevant legislation. The corporate website is designed as a convenient, easily accessible structure.

The officials in the Company who are charged with disclosures and have the authority for signature are Mr. İlhan DOĞAN (Chairman of the Board), Gözde ÇİVİCİ (Investor Relations Director-General Secretary), and Şeyma İnayet UYGUR (Investor Relations Manager). The named persons have been assigned to maintain and monitor all kinds of issues related to public disclosure.

The independent external audit for the year 2023 was conducted by RSM Turkey Uluslararası Bağımsız Denetim A.Ş. (Member of RSM International). There are no cases where the independent audit avoided expressing opinion, expressed opinion with conditions or avoided signature in the reports. During the meeting with the company officials, it was learned that there was no development that would harm the independence of the independent audit firm and its auditors and that there was no legal dispute. The same institution was elected as the independent auditor with the recommendation of the audit committee and the approval of the general assembly for the independent external audit of the accounts and transactions of the 2024 operating year within the framework of the Capital Markets legislation, the Turkish Commercial Code and the relevant legislation. The independent external audit for the year 2025 will be conducted by KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.

▪ In the Stakeholders section, the company's rating has been revised to **98.63**.



During the reviewing period, the company's:

- Publication of the company's first Sustainability Report,

- Inclusion in the BIST Sustainability Index,
- Extensive updates and improvements made to Human Resources procedures,

Have been seen as the justification for the grade increase in this heading.

It is concluded that Biotrend Enerji protects stakeholders' rights, which are specified in regulations and mutual contracts. The impression is that in case of lack of any regulation, the company respects stakeholders' rights within goodwill rules and the company's reputation. It has been observed that many internal regulations were prepared to this end.

The Compensation Policy for employees has been prepared and disclosed to the public via the corporate website.

Recruitment, wage, health, leave rights, promotions, appointments, discipline, dismissal, death, resignation and retirement procedures have been determined and it is thought that these procedures are adhered to in practice. Both during the development of the policies and in practice, we got the impression that equal opportunity is given to individuals under equal conditions.

The improvements made in the field of human resources in 2024 are as follows:

SAP Organizational Structure Work: Organizational restructuring, job level and title revisions were adapted to the SAP PPOME (Organizational Tree) module, and the system was digitally updated accordingly.

Organizational Chart Work: Organizational charts for the overall structure and relevant directorates were revised.

Orientation Program Work: The orientation process was improved; the Orientation Form and Orientation Presentation were revised and implemented.

Job Description Work: Job descriptions for head office positions were reviewed, revised versions were uploaded to the QDMS portal, put into effect, communicated to employees, and signed.

Job Level and Title Work: All white-collar job levels and titles were reviewed, revised, and integrated into the SAP database.

HR Documentation Work: Human resources processes were reviewed, revised, and published via the QDMS portal.

Personality Inventory Work: A professional firm was engaged to support personality inventory assessments in six key areas during recruitment and promotion processes.

It has been determined that the Company runs training programs to increase the knowledge, talents and experience of its employees and that it has prepared training policies.

Between April 22 and May 20, 2024, an "Employee Engagement Survey" was conducted with the participation of all white-collar and blue-collar employees at the head office and facilities in collaboration with a specialized solution partner. The survey results were shared with the CEO and the Corporate Governance Committee. Additionally, a CEO briefing session was held to inform all employees about the survey outcomes and the actions taken. An "Employee Engagement Project Group" was formed at the head office to monitor action plans and maintain regular communication. Based on the recommendations of this project group, implementation of the proposed actions has begun.

Ethical Rules and Working Principles have been determined and are updated when necessary. On the other hand, the policies concerning the shareholders and all stakeholders are disclosed to the public on the corporate website of the company.

As of 31.12.2024, Biotrend Enerji has employed 717 employees, including 165

white-collar and 552 blue-collar. 21% of the workforce consists of women and 79% of men, while 20% of the total management positions are held by women and 80% by men.

The company is not a party to any collective bargaining agreement.

Biotrend Energy considers corporate social responsibility as a whole of concepts such as social responsibility, corporate social responsibility, employee satisfaction, and responsible corporateness. The company evaluates and executes the projects it develops accordingly and implements projects that will benefit society. The company also continues to embrace cultural values, culture, arts and sports under the umbrella of corporate sponsorships. In 2023, Biotrend continued its Violence Awareness Training for Women, Hayat Ağacı (Tree of Life) Library and Library for Village Schools projects. In 2024, the company participated in Çevrefest, which was organized for the first time this year by the Ministry of Environment, Urbanization and Climate Change of the Republic of Türkiye. In addition, it was among the participant companies of the BADV (Business Against Domestic Violence) Project, which was established with the support of UNFPA (United Nations Population Fund) and the Sabancı Foundation. Information about the company's contributions to the social development and welfare of society can be found in the annual reports and on the corporate website.

Sustainability;

Sustainability Approach

While Biotrend shapes its activities with a focus on sustainable development, green and circular transformation in a way that provides solutions to the three urgent problems defined by the United Nations: Climate Change, Pollution and Biodiversity Loss, it aims to increase its positive impact with its work in the social field.

As such, the company became a signatory to the United Nations Global Compact in August 2021.

In 2022, it reached a participatory position by sharing its concrete works covering Human Rights, Labor Standards, Environment and Fight Against Corruption in the Progress Report.

In addition, it became a signatory to the United Nations Women's Empowerment Principles in line with the Biotrend Social Inclusion and Gender Equality Action Plan, which was prepared for the first time in 2022.

In 2022, the Carbon Disclosure Project (CDP) questionnaire was answered for the first time. In 2024, areas for improvement were identified, and the necessary enhancements were made, after which the CDP Climate Change questionnaire was completed.

Sustainability Strategy

While creating its sustainability strategy, the company aims to align with the 2030 and 2050 targets in line with the green, circular and digital transformation requirements in accordance with the United Nations 2030 Sustainable Development (SDG), the Paris Agreement and the European Green Agreement, which are the triggers of economic and social transformation in the world.

The company has gathered its sustainability strategy under 5 main headings:

1. Accelerating the Circular Economy:

Biotrend aims to bring waste back to the economy with its existing projects and investments and to produce high-value-added products from waste.

2. Reducing Greenhouse Gas Emissions:

Biotrend aims to work towards national and international climate targets by including all its projects in carbon credit certificate programs to prevent greenhouse gas emissions with the effective management of municipal, agricultural and forestry wastes and biomass energy activities within the scope of integrated waste management activities.

3. Facilitating the Transition to a Low-Carbon Economy with Innovation:

Biotrend aims to be the locomotive of the low-carbon economy by expanding its portfolio of circular and sustainable raw materials, bioelectricity, bioheat and sustainable fuels with innovative technology investments and business models.

4. Protecting Biodiversity:

Biotrend aims to implement biodiversity programs to be carried out jointly with universities and non-governmental organizations, covering all its facilities, in order to regularly control the impact on biodiversity, which is one of the most important environmental impact indicators.

5. Respect for Human Beings:

Biotrend is committed to doing business with the principles of inclusiveness, equality and diversity, and zero tolerance for occupational and environmental accidents, covering all its stakeholders throughout the value chain.

The established "*Sustainability Committee*" continues its activities effectively. The committee is responsible for creating a sustainability strategy, setting short-, medium-, and long-term goals, establishing a sustainability governance structure, and reviewing, evaluating, improving, and monitoring environmental and social indicators. It also informs the board of directors about the sustainability strategy and makes recommendations to the board. The committee held four (4) meetings in 2024.

Biotrend will prepare its 2024 Sustainability Report in accordance with the Turkish Sustainability Reporting Standards (TSRS). In this context, as required by TSRS 2 (Financialization of Climate-related Risks and Opportunities), the inclusion of the CFO in the committee has been approved by a resolution of the Board of Directors.

The company established the Sustainability Office in April 2022. The best waste, water, energy and resource management was aimed

at environmental sustainability management, and an operational and technology-oriented continuous improvement structure was established in this framework. It has determined social performance indicators based on "Talent Management and Employee Welfare" and "Local Socioeconomic Development" focused on internal and external stakeholders in the social field.

In 2024, Biotrend published its first *Sustainability Report*. The report is accessible on the company's corporate website.

Sustainability Policies and Procedures

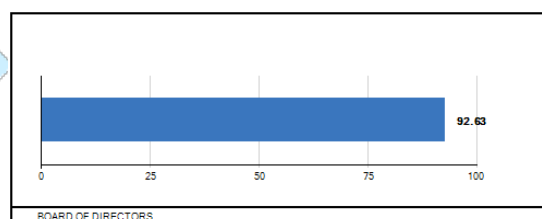
The company has determined and certified sustainability policies on Quality, Environment, Occupational Health and Safety, and Information Security.

All of Biotrend's head office and power plants have the following certificates:

- ISO 9001:2015 Quality Management System
- ISO 14001:2015 Environmental Management System
- ISO 45001:2018 Occupational Health and Safety Management System
- ISO/IEC 27001:2013 Information Security Management System

As of April 2025, Biotrend has been listed on the BIST Sustainability Index.

- In the Board of Directors section, the rating of Biotrend Enerji was revised to **92.63**.



The reasons for the increase in the grade in this main section are:

- A public announcement on the Public Disclosure Platform (PDP) regarding the insurance of damages caused by board members' faults during their duties.
- Revision of the Remuneration Policy and its approval by the board of directors, followed by public disclosure.

In the meetings with the company officials and the examinations made on the Board of Directors' Decision Book, it has been determined that the Board continues its activities actively, effectively and regularly. It is thought that the board of directors internalizes corporate governance principles and has an approach open to improvement and development.

The Board of Directors has described the corporate strategic objectives and determined necessary human and financial resources. The duties of the chairman of the board of directors and general manager are carried out by different persons, and the authorities of each are defined. The board of directors, consisting of 7 (seven) members, consists of 3 (three) executive and 4 (four) non-executive members. 3 (three) of the non-executive members have the status of independent member.

3 (three) female members were appointed to the Board of Directors. This structuring fully meets the criterion set by the CMB as the number of female members on the board of directors.

The Audit, the Corporate Governance and the Early Detection of Risk Committees, which are stated in the Principles, have been established. Separate Nomination and Remuneration Committees haven't been established because of the Board's structure. These duties are carried out by the Corporate Governance Committee as well.

On the other hand, the Sustainability Committee has been established to oversee the company's sustainability strategies and policies.

The duties, working principles and the members of the committees have been determined by the Board of Directors, approved as written documents, announced to the public and published on the corporate website of the company.

The structure of the committees aligns with the principles. In accordance with the

communiqué numbered II.17.1, the Investor Relations Director was appointed as a member of the Corporate Governance Committee. Within the committee structures, the company general manager/chief executive officer was not given any duties.

Independent members of the board of directors are elected to serve for 1 (one) year. When the method followed in the election process of these members is examined,

- The Nomination Committee prepares an evaluation report on the independence of the candidate for the election of independent members and submits it to the board of directors,

- The board of directors elects independent members within the framework of the nomination committee's report,

- The report prepared regarding the determined candidate is sent to the Capital Markets Board together with the candidate's resume, declarations of independence and the resolutions of the board of directors.

In 2024, the Board of Directors held 13 (thirteen) meetings and made 42 (forty-two) resolutions. As of March 2025, 2 (two) meetings have been held. The secretarial function of the Board is carried out by Ms. Güzde ÇİVİCİ (Secretary General – Investor Relations Director).

- *The Audit Committee* convened 7 (seven) times in 2024 and 2 (two) times as of March 2025. During the same period, the committee submitted the specified number of reports to the board of directors about its work.

Internal Audit

The internal audit activities of Biotrend are carried out under the leadership of the Internal Audit Department. The primary objectives of internal audit efforts are to ensure the protection of the company's tangible and intangible assets, support the conduct of operations in compliance with internal and external regulations, enhance the efficiency and effectiveness of business processes, and strengthen internal control mechanisms. These efforts are also aimed at

ensuring the timely implementation of corrective actions when necessary. Internal audit activities are conducted in accordance with the Regular Audit Plan, which is prepared and updated throughout the year by the Internal Audit Department. The audit approach covers financial audits, process audits, focused audits, reviews, and investigations. International Auditing Standards and generally accepted auditing principles form the basis of the audit practices. The internal audit work aims to provide reasonable assurance regarding the presence of significant errors in processes or operations, the effectiveness of control points, and the accuracy of accounts considered high-risk. As part of the internal control activities performed by the audit unit, identified findings and recommendations are first shared with the relevant process owners. Based on these evaluations, Corrective and Preventive Action Reports are prepared. These reports serve as a guide for the swift elimination of deficiencies and the implementation of necessary improvements. This ensures the improvement of processes, the development of effective solutions, and their implementation. All activities carried out are continuously monitored and evaluated by process owners, company management, and the internal audit unit. In its audits, the Internal Audit Department also evaluates not only financial and operational risks and opportunities but also social and environmental aspects such as compliance with ethical standards, occupational health and safety, and energy efficiency. The Board of Directors and the Audit Committee are regularly informed about the internal control system and internal audit activities. Additionally, the Audit Committee, established within the Board of Directors, plays an active role in overseeing the company's accounting, finance, and audit processes. The committee reviews financial reporting, operational risks, internal control mechanisms, internal audit and independent external audit activities, as well as compliance with laws and regulations, and provides recommendations to the Board of Directors.

The Internal Audit Department conducted 15 audits in 2024 and 3 audits as of March 2025, submitting reports to both the Audit Committee and the Board of Directors.

- *The Corporate Governance Committee* convened 9 (nine) times in 2024 and once as of March 2025. During the same period, the committee submitted the specified number of reports to the board of directors about its work.

- *The Early Detection of Risk Committee* held 6 (six) meetings in 2024 and 1 (one) meeting as of March 2025. During the same period, the committee submitted an equal number of reports to the Board of Directors regarding their activities.

Meanwhile, in line with the company's sustainability goals, the *Sustainability Committee*, composed of members of the Board of Directors and senior executives, held 4 (four) meetings in 2024 and 1 (one) meeting as of March 2025. The outcomes of these meetings were reported to the Board of Directors.

The secretarial function of the committees is carried out by Gözde ÇİVİCİ (Investor Relations Director-General Secretary).

In the examinations made on the documents, it was observed that the meeting records of both the Board and the Committees were kept regularly.

The damages that may be caused to the company by the faults of the members of the board of directors during their duties were insured, and a PDP statement was made on the subject.

The Remuneration Policy for the Members of the Board of Directors and Senior Executives was revised, approved by the Board resolution dated 22.01.2025 numbered 2025/1, and publicly disclosed on the same date via a PDP disclosure. The said policy is also published on the corporate website of the company.

Fees and benefits given to the board of directors and directors with administrative

responsibilities are not disclosed in the annual report on an individual basis.

Although the Board of Directors evaluates performance through a survey method, there is no practice of rewarding or dismissing Members based on these evaluations.



3. COMPANY PROFILE AND CHANGES OVER THE PAST YEAR

A. Company Profile



Company Name : Biotrend Çevre ve Enerji Yatırımları A.Ş.
Company Address : Kavacık Mah. Ertürk Sk. No: 3/1 İç Kapı No: 1
Beykoz/İstanbul
Company Phone : 0 (216) 680 0000
Company Fax Number : 0 (216) 680 0070
Company's Web Address : www.biotrendenerji.com.tr
Email : yatirimci.iliskileri@biotrendenerji.com.tr
Date of Incorporation : 02/05/2017
Registered Number : 291405-5
Paid-in Capital : 500,000,000 TL

Line of Business : Energy production from biomass resources, operation of solid waste storage areas, leachate treatment plant, biological treatment (compost, biomethanization) plant, installation and operation of LFG Energy production plants, engineering, contracting and consultancy services in these areas.

Company's Sector : Electricity, Gas and Water / Electricity, Gas and Steam

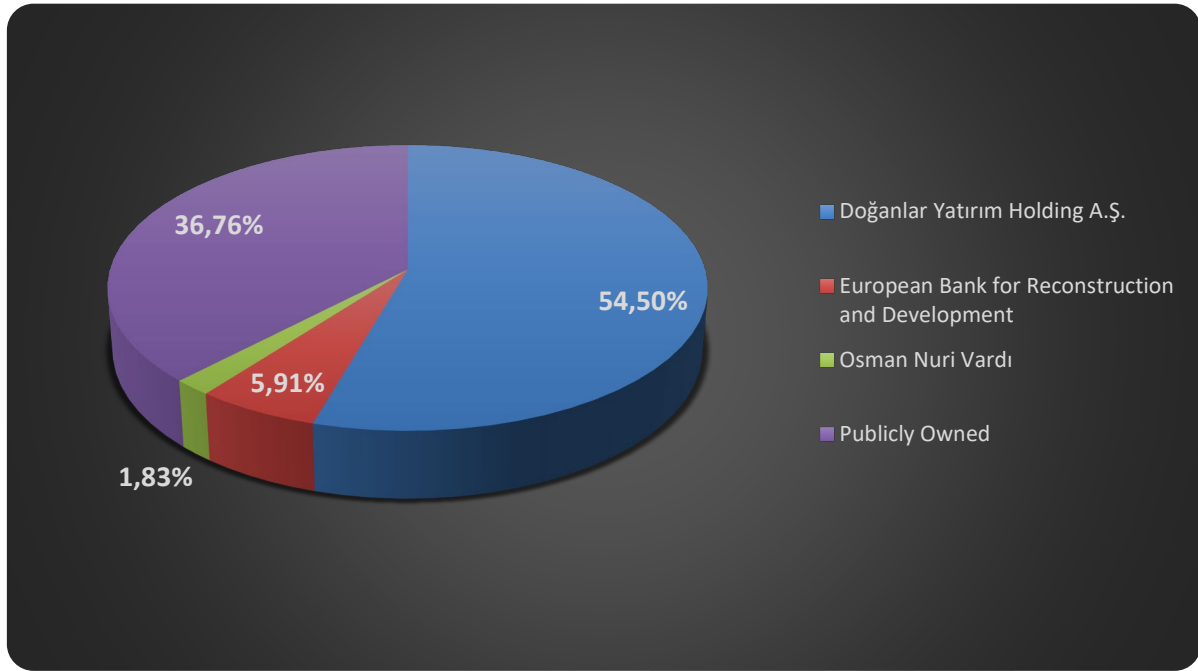
Company's Representative in Charge of Rating:

Gözde ÇİVİCİ
Investor Relations Director & General Secretary

yatirimci.iliskileri@biotrendenerji.com.tr

0 (216) 693 0380

Shareholder Structure (as of the date of this report)



Shareholder Name	Share(TL)	Share(%)
Doğanlar Yatırım Holding A.Ş	272,490,421.13	54.50
European Bank For Reconstruction And Development	29,574,693.04	5.91
Osman Nuri Vardi	9,146,025	1.83
Publicly Owned	188,788,860.83	37.76
Total	500,000,000	100.00

Source: www.kap.org.tr

Real and Legal Persons Owning the Capital Indirectly as of the Latest Situation

Doğanlar Yatırım Holding A.Ş Quality of Shareholder Structure

Shareholder Name	Share(TL)	Share(%)
Davut DOĞAN	83,500,000	16.67
Adnan DOĞAN	83,500,000	16.67
Şadan DOĞAN	83,500,000	16.67
İsmail DOĞAN	83,500,000	16.67
İlhan DOĞAN	83,500,000	16.67
Murat DOĞAN	83,500,000	16.67
TOTAL	501,000,000	100.00

Source: www.biotrendenerji.com.tr

Board of Directors

Name/ Surname	Title	Executive/ Non - Executive
İlhan DOĞAN	Chairman	Executive
Murat DOĞAN	Deputy Chairman	Executive
Oğün DOĞAN	Member of Board of Directors	Non - Executive
Doruk DOĞAN	Member of Board of Directors	Executive
Hanife ÖZTÜRK AKKARTAL	Independent Member of Board of Directors	Non - Executive
Mevhibe Canan ÖZSOY	Independent Member of Board of Directors	Non - Executive
Bilgün GÜRKAN	Independent Member of Board of Directors	Non - Executive

Source: www.kap.org.tr

Senior Management of the Company

Name / Surname	Duty
Özgür Umut EROĞLU	General Manager - CEO
Mehmet Ali NALÇACIOĞLU	Deputy General Manager (COO)
Burak YURTSEVER	Deputy General Manager (CFO)
Kürşat TOPAKTAŞ	IT Director
Gözde ÇİVİCİ	Investor Relations Director / General Secretary
Birnur ÖZGÜL	Corporate Communications Director
Ünsal SAVAŞ	Director of Investment and Incentive Practices
Atn. Akın AKI	Legal Counsel

Source: www.biotrendenerji.com.tr

Committees Formed Within Board of Directors

THE AUDIT COMMITTEE

Bilgün GÜRKAN	Independent Member of Board of Directors (Chairman)
Hanife ÖZTÜRK AKKARTAL	Independent Member of Board of Directors (Member)
Mevhibe Canan ÖZSOY	Independent Member of Board of Directors (Member)

Source: www.kap.org.tr

CORPORATE GOVERNANCE COMMITTEE

Bilgün GÜRKAN	Independent Member of Board of Directors (Chairman)
Hanife ÖZTÜRK AKKARTAL	Independent Member of Board of Directors (Member)
Gözde ÇİVİCİ	Investor Relations Director

Source: www.kap.org.tr

EARLY DETECTION OF RISK COMMITTEE

Hanife ÖZTÜRK AKKARTAL	Independent Member of Board of Directors (Chairman)
Mevhibe Canan ÖZSOY	Independent Member of Board of Directors (Member)

Source: www.kap.org.tr

SUSTAINABILITY COMMITTEE	
Mevhibe Canan ÖZSOY	Independent Member of Board of Directors (Chairman)
Bilgün GÜRKAN	Independent Member of Board of Directors (Member)
Mehmet Ali NALÇACIOĞLU	Member (Deputy General Manager - COO)
Burak YURTSEVER	Member Deputy General Manager (CFO)
Gözde ÇİVİCİ	Member (Investor Relations Director/General Secretary)
Akif Emre DEMİR	Member (Sustainability Manager)

Source: www.kap.org.tr

INVESTOR RELATIONS	TITLE	CONTACT
Gözde ÇİVİCİ	Investor Relations Director	0 (216) 693 0380 yatirimci.iliskileri@biotrendenerji.com.tr
Şeyma İnayet UYGUR	Investor Relations Manager	0 (216) 693 0380 yatirimci.iliskileri@biotrendenerji.com.tr
Görkem ÖZKAYA	Investor Relations Assistant Specialist	0 (216)693 0380 yatirimci.iliskileri@biotrendenerji.com.tr

Source: www.biotrendenerji.com.tr

Comparison of Selected Items from the Company's Last Three-Year Year-End Consolidated Balance Sheet(*) (TL)

	2022/12	2023/12	2024/12	Change % (2023-2024)
Current Assets	2,025,235,367	1,654,412,303	1,109,104,603	- 33
Fixed Assets	4,618,794,635	7,973,052,526	7,481,715,998	- 6
Total Assets	6,644,030,002	9,627,464,829	8,590,820,601	- 11
Short-Term Liabilities	2,007,819,718	2,316,198,481	1,741,056,559	- 25
Long-Term Liabilities	2,161,020,310	3,194,600,847	2,837,755,689	- 11
Total Liabilities	4,168,840,028	5,510,799,328	4,578,812,248	- 17
Paid-in capital	500,000,000	500,000,000	500,000,000	-
Equity	2,475,189,974	4,116,665,501	4,012,008,353	- 3

Source: Biotrend Çevre ve Enerji Yatırımları A.Ş., for the periods 01.01.2022–31.12.2022, 01.01.2023–31.12.2023, and 01.01.2024–31.12.2024.

(*) The Independent Auditor's Report on the Consolidated Financial Statements Pursuant to the decision of the Capital Markets Board (CMB) dated 28 December 2023 and numbered 81/1820, and based on the announcement made and the "Implementation Guide on Financial Reporting in Hyperinflationary Economies" published by the Public Oversight Accounting and Auditing Standards Authority (KGK) on 23 November 2023, it was decided that issuers and capital market institutions subject to financial reporting regulations applying Turkish Accounting/Financial Reporting Standards (TAS/IFRS) shall apply inflation accounting in accordance with TAS 29, starting with the annual financial reports for the fiscal periods ending on or after 31 December 2023. In accordance with this standard, financial statements prepared in the currency of a hyperinflationary economy are presented in terms of the purchasing power of that currency as of the balance sheet date. The prior period financial statements have also been restated in the measuring unit current at the end of the reporting period for comparative purposes. Accordingly, the Company has presented its financial statements dated 31 December 2023 based on purchasing power as of 31 December 2024. The restatements made under TAS 29 were carried out using the adjustment coefficient derived from the Consumer Price Index (CPI) published by the Turkish Statistical Institute (TURKSTAT).

Comparison of Selected Items from the Company's Last Three-Year Year-End Consolidated Income Statement (TL)

	2022/12	2023/12	2024/12	Change % (2023-2024)
Revenue	2,337,689,221	3,224,019,476	2,687,685,978	- 17
Cost of Sales	(1,540,646,477)	(2,735,611,541)	(2,568,763,671)	- 6
Main Operational Profit / Loss	606,907,327	228,602,907	(363,895,515)	- 26
Operational Profit or Loss Before Tax	685,282,808	1,339,976,231	137,290,736	- 90
Period Profit / Loss	576,555,082	1,371,762,729	98,595,550	- 93
Profit/Loss Per Share	1.15	2.74	0.20	-

Source: Biotrend Çevre ve Enerji Yatırımları A.Ş. Period 01.01.2022-31.12.2022, 01.01.2023-31.12.2023 and 01.01.2024-31.12.2024 Consolidated Financial Statements Independent Audit Report

Subsidiaries, Financial Fixed Assets and Financial Investments

Trade name	Company's Line of Business	Paid-in/ Issued Capital	Company Share	Currency	Company Share (%)	The Nature of the Relationship with the Company
Ulubey Elektrik Üretim ve Enerji Yatırımları A.Ş.	Electric Energy Generation	100,000,000	100,000,000	TRY	100	Affiliated Company
İlde Elektrik Üretim A.Ş.	Electric Energy Generation	20,700,000	20,700,000	TRY	100	Affiliated Company
Mersin Elektrik Üretim ve Enerji Yat. A.Ş.	Electric Energy Generation	552,000,000	552,000,000	TRY	100	Affiliated Company
Doğu Star Elektrik Üretim A.Ş.	Electric Energy Generation	350,000,000	350,000,000	TRY	100	Affiliated Company
Nov Enerji Elektrik Üretim A.Ş.	Electric Energy Generation	50,000,000	50,000,000	TRY	100	Affiliated Company
Yılbata Elektrik Üretim A.Ş.	Electric Energy Generation	9,897,000	9,897,000	TRY	100	Affiliated Company
İzmir Novtek Enerji Elektrik Üretim A.Ş.	Electric Energy Generation	100,000,000	100,000,000	TRY	100	Affiliated Company
Uşak Yenilenebilir Enerji Elektrik Üretim A.Ş.	Electric Energy Generation	100,000,000	100,000,000	TRY	100	Affiliated Company
İzmir Doğu Star Elektrik Üretim A.Ş.	Electric Energy Generation	150,000,000	150,000,000	TRY	100	Affiliated Company
Biyomek Elektrik Enerjisi Üretimi San ve Tic. A.Ş.	Electric Energy Generation	46,000,000	46,000,000	TRY	100	Affiliated Company
Karya Yenilenebilir Kaynaklar Elektrik Üretim San.Tic .Ltd. Şti.	Electric Energy Generation	3,250,000	3,250,000	TRY	100	Affiliated Company
Maven Tarım Seracılık ve Hayvancılık San. ve Tic. A.Ş.	Greenhouse and Animal Husbandry	2,200,000	1,100,000	TRY	50	Affiliated Company
Novtek Enerji Elektrik Üretim A.Ş.	Electric Energy Generation	250,000,000	250,000,000	TRY	100	Indirect Subsidiary
Ulutek Elektrik Üretim ve Enerji Yatırımları A.Ş.	Electric Energy Generation	54,000	54,000	TRY	100	Affiliated Company
Biotrend Enerji Uluslararası Yatırım A.Ş.	Participating in Foreign Investments	250,000	250,000	TRY	100	Affiliated Company
Doğan Kent Elektrik Enerjisi Toptan Satış A.Ş.	Electricity Trading	3,000,000	3,000,000	TRY	100	Affiliated Company

Trade name	Company's Line of Business	Paid-in/ Issued Capital	Company Share	Currency	Company Share (%)	The Nature of the Relationship with the Company
Biotrend İleri Dönüşüm ve Yenilenebilir Enerji Teknolojileri A.Ş.	Recycling Plastic Waste with Advanced Transformation Technologies and Installation of Renewable Energy Power Plants for Domestic Consumption	40,000,000	40,000,000	TRY	100	Affiliated Company
Landfill Enerji Sanayi Ticaret A.Ş.	Electric Energy Generation	6,000,000	3,000,000	TRY	50	Subsidiary

Source: www.kap.org.tr

The Market the Capital Market Instrument is Traded and the Indexes that the Company is Included

BIST Code

: BIOEN

Market where the Capital Market Instrument is Traded

: YILDIZ PAZAR

Indices in which it is included

: BIST KURUMSAL YÖNETİM / BIST YILDIZ / BIST TÜM / BIST HİZMETLER / BIST 500 / BIST ELEKTRİK / BIST TÜM-100 / BIST İZMİR/BIST SÜRDÜRÜLEBİLİRLİK

The Peak and Bottom Closing Values of the Company's Stock in the BIST in the Last One Year Period (04.04.2024-04.04.2025)

<i>Bottom (TL)</i>	<i>Peak (TL)</i>
14.17 (04.02.2025)	22.76 (24.06.2024)

Source: Biotrend Çevre ve Enerji Yatırımları A.Ş.

B. Changes in the Company in the Last Year:

i. Changes in Capital and Articles of Association

It is stated in the Company's Material Disclosure dated 19.02.2025;

“Our Board of Directors has resolved to extend the validity period of the registered capital ceiling permission granted by the Capital Markets Board, which is set to expire on 31.12.2025, for a period of 5 years covering 2025–2029, to increase the registered capital ceiling from 625,000,000 TL to 2,000,000,000 TL, and to amend Article 6 titled ‘Capital’ of our Articles of Association accordingly.

The proposed amendment to the Articles of Association will be submitted for the approval of shareholders at the first General Assembly Meeting to be held following the receipt of the necessary approvals from the Capital Markets Board and the Ministry of Trade of the Republic of Türkiye.”

In the Material Disclosure dated 17.03.2025, it was stated:

“The proposed amendment to Article 6 titled ‘Capital’ of our Company’s Articles of Association, regarding the extension of the registered capital ceiling permission granted by the Capital Markets Board, set to expire on 31.12.2025, for a period of 5 years covering 2025–2029, and the increase of the registered capital ceiling from TL 625,000,000 to TL 2,000,000,000, has been approved by the Capital Markets Board in its letter dated 11.03.2025 and numbered E-29833736-110.04.04-69126. The proposal will be submitted to the General Assembly following the approval of the Ministry of Trade.”

The amendment to Article 6 of the Articles of Association, titled “Capital,” was discussed as item 15 on the agenda of the Ordinary General Assembly held on 02.04.2025 and was approved.

ii. Profit Distribution

The decision of the Board of Directors of the Company, dated 20.05.2024, regarding the distribution of the net period profit obtained as a result of 2023 activities is as follows:

Pursuant to the provisions of the Capital Markets Board’s Communiqué on Principles of Financial Reporting in Capital Markets (Serial II, No. 14.1), our Company’s consolidated balance sheet for the accounting period of 01.01.2024 – 31.12.2024, which has been prepared in accordance with the Turkish Accounting Standards (TAS) enacted by the Public Oversight Accounting and Auditing Standards Authority (POA) and audited by RSM Turkey Uluslararası Bağımsız Denetim A.Ş. Ş., shows a net profit attributable to the parent company of 948,123,057 TL. In our legal records prepared in accordance with the provisions of the unconsolidated tax procedure law, there is a net loss for the period of (54,241,611) TL and a previous year loss of (992,328,898) TL. “Since there is a previous year loss in our unconsolidated financial statements prepared in accordance with the provisions of the Tax Procedure Law (TPL), it has been unanimously resolved to propose to the ordinary general assembly that the net profit for the 2023 fiscal year be offset against previous years’ losses and that no dividend distribution be made.”

The proposal of the board of directors on profit distribution was discussed and approved as the 6th item of the agenda at the ordinary general assembly meeting held on 13.06.2024.

The decision of the Board of Directors of the Company, dated 11.03.2025, regarding the distribution of the net period profit obtained as a result of 2024 activities is as follows:

Pursuant to the provisions of the Capital Markets Board’s Communiqué on Principles of Financial Reporting in Capital Markets (Serial II, No. 14.1), our Company’s consolidated balance sheet for the accounting period of 01.01.2024 – 31.12.2024, which has been prepared in accordance with the Turkish Accounting Standards (TAS) enacted by the Public Oversight Accounting and Auditing Standards Authority (POA) and audited by RSM Turkey Uluslararası Bağımsız Denetim A.Ş. Ş., shows a net profit of 98,595,550 TL. In our legal records prepared in accordance with the provisions of the unconsolidated tax procedure law, there is a net loss for the period of (90,137,659) TL and a previous year’s loss of (1,345,101,850) TL. “Since there is a previous year loss in our unconsolidated financial

statements prepared in accordance with the provisions of the Tax Procedure Law (TPL), it has been unanimously resolved to propose to the ordinary general assembly that the net profit for the 2024 fiscal year be added to previous years' profits and that no dividend distribution be made."

The proposal of the board of directors on profit distribution was discussed and approved as the 6th item of the agenda at the ordinary general assembly meeting held on 02.04.2025.

iii. Policies

The Remuneration Policy established for the Board of Directors and Senior Management was revised by the Board of Directors' resolution dated 22.01.2025 and numbered 2025/1 and was publicly disclosed on the same date through a material disclosure. The said policy was presented to the shareholders for their information as item 8 on the agenda of the Ordinary General Assembly held on 02.04.2025, and it is also published on the Company's corporate website.

No changes were made to company policies during the reviewing period.

iv. Management and Organization

At the extraordinary general assembly meeting held on 15.04.2024, Ms. Hanife ÖZTÜRK AKKARTAL, Ms. Bilgün GÜRKAN, and Ms. Mevhibe Canan ÖZSOY were elected to be on duty for one year and they are currently continuing their duty.

At the same Extraordinary General Assembly, Mr. Salih Tuncer MUTLUCAN, who was elected as a Member of the Board of Directors for a one-year term, resigned from this position on 18 February 2025, and Mr. Adnan DOĞAN was appointed as a Member of the Board of Directors to complete the remaining term. Mr. DOĞAN's term of office as a Board Member ended as of 02 April 2025.

At the Ordinary General Assembly held on 02 April 2025, Ms. Hanife ÖZTÜRK AKKARTAL, Ms. Bilgün GÜRKAN, and Ms. Mevhibe Canan ÖZSOY were re-elected as Independent Members of the Board of Directors for a term of one year.

No other changes were made in the board of directors and senior management during the reviewing period.

v. Changes in Group Companies, Subsidiaries and Affiliates:

- It is stated in the Company's Material Disclosure dated 21.09.2024;

"Pursuant to the Board of Directors resolution dated 27.03.2024, it has been decided to postpone the disclosure, within the scope of Article 6 of the Communiqué on Material Events No. II-15.1, of the negotiations regarding the transaction, the approvals and permits to be obtained, and the share transfer agreement signed for the purpose of transferring all of the shares owned by our Company in the capital of our 100% subsidiary, Biotrend Ayvacık Yenilenebilir Enerji Elektrik Üretim Sanayi ve Ticaret A.Ş. ("Subsidiary"), to Demiroğlu Turizm Seyahat İnşaat Eğitim Hizmetleri Ticaret ve Sanayi Ltd. Şti. pursuant to the share transfer agreement dated 27.03.2024, considering that, based on the

electricity generation license application made to the Energy Market Regulatory Authority ("EMRA"), the closing and transfer transactions regarding the share transfer are not yet final under the provisions of the Electricity Market Licensing Regulation, and that such disclosure could potentially have a negative impact on the process and harm the legitimate interests of our investors and our Company, in order to protect the confidentiality of insider information.

As the generation license was granted to the Subsidiary pursuant to the decision of the Energy Market Regulatory Authority (EMRA) dated 01.08.2024 and numbered 12781-1, and the closing conditions regarding the share transfer were thereby fulfilled, and the negotiations regarding the share transfer have reached the final stage, the reasons for postponing the disclosure related to the said share transfer have ceased to exist as of 20.09.2024.

Accordingly, pursuant to the resolution of our Company's Board of Directors dated 20.09.2024, it has been decided to initiate the procedures for the execution of the said share transfer for a sales price of 20,000,000 TL, and in line with the decisions taken within the scope of our Company's profitability and sustainable growth targets, the transfer of all shares of the Subsidiary, which holds the license for the Ayvacık Landfill Gas Power Generation Plant based on renewable energy sources and biomass type located in the Ayvacık district of Çanakkale province, to Demiroğlu Turizm Seyahat İnşaat Eğitim Hizmetleri Ticaret ve Sanayi Limited Şirketi for a sales price of 20,000,000 TL has been completed as of 20.09.2024.

The revenue obtained from the said transfer transaction is expected to have a positive impact on the Company's cash flow, financial performance, and financial efficiency."

- The share capital of the following 100% subsidiaries, all of which are wholly owned by the Company, has been increased as follows:
 - The share capital of İzmir Novtek Enerji Elektrik Üretim A.Ş. was increased by 54,545,454 TL from 45,454,546 TL to 100,000,000 TL,
 - The share capital of Biyomek Elektrik Enerjisi Üretimi Sanayi ve Ticaret A.Ş. was increased by 40,000,000 TL from 6,000,000 TL to 46,000,000 TL,
 - The share capital of Biotrend Enerji Uluslararası Yatırım A.Ş. was increased by 200,000 TL from 50,000 TL to 250,000 TL,
 - The share capital of İzmir Doğu Star Elektrik Üretim A.Ş. was increased by 137,000,000 TL from 13,000,000 TL to 150,000,000 TL,
 - The share capital of Uşak Yenilenebilir Enerji Elektrik Üretim A.Ş. was increased by 48,863,000 TL from 51,137,000 TL to 100,000,000 TL,
 - The share capital of Doğu Star Elektrik Üretim A.Ş. was increased by 150,000,000 TL from 200,000,000 TL to 350,000,000 TL,
 - The share capital of Biotrend İleri Dönüşüm ve Yenilenebilir Enerji Teknolojileri Sanayi ve Ticaret A.Ş. was increased by 39,000,000 TL from 1,000,000 TL to 40,000,000 TL,
 - The share capital of Novtek Enerji Elektrik Üretim A.Ş. was increased by 227,540,000 TL from 22,460,000 TL to 250,000,000 TL.

There are no other changes.

4. RATING METHODOLOGY

The Corporate Governance Compliance Rating is a system that audits whether the firm's management structures and management styles, the arrangements for shareholders and stakeholders and the process of informing in transparency and accuracy are performed in accordance with modern corporate governance principles and which assigns a grade corresponding to the existing situation.

Organization for Economic Co-operation and Development (OECD) established a working group in 1998 in order to assess member countries' opinions on corporate governance and to prepare some non-binding principles.

The fact that principles are open to change in time was also accepted in this work. Although, at first, these principles were focused on the companies whose shares were quoted on the stock exchange, it was emphasized by the OECD that it would also be useful to implement these principles in public enterprises and companies whose shares were not quoted on the stock exchange.

In 1999, OECD Corporate Governance Principles were approved at the OECD Meeting of Ministers and published. Since then, these principles have been regarded as international references for decision-makers, investors, shareholders, companies and stakeholders throughout the world.

Since their approval, these principles kept the concept of corporate governance on the agenda and became guidelines for the laws and regulations in OECD members, as well as other countries.

According to OECD Corporate Governance Principles, corporate governance is based on four basic principles, which are fairness, transparency, accountability and responsibility.

Turkey has been closely monitoring these developments. A working group established within TUSIAD in 2001 prepared the guide

titled "Corporate Governance: The Best Implementation Code." Then, CMB issued "Capital Market Board Corporate Governance Principles" in 2003 and updated it in 2005, 2010, 2012, 2013 and 2014 according to international developments in this field.

Obligation to comply with CMB's Corporate Governance Principles, based on the principle of "comply or explain," and to declare it became part of companies' lives in 2004. Putting the Declaration of Compliance to Corporate Governance in the annual reports became obligatory the following year.

The principles are grouped under four main headings, namely: the Shareholders, Public Disclosure and Transparency, Stakeholders and the Board of Directors.

The Corporate Governance Compliance Rating Methodology has been prepared by Kobirate A.Ş. for companies whose shares are traded on BIST, banks, investment partnerships and non-quoted companies.

It has been prepared by considering the criteria specified in the Corporate Governance Communiqué of the CMB, numbered II-17.1, published in the Official Gazette dated 03 January 2014 and numbered 28871, as well as the decisions taken at the CMB's board meeting dated 01.02.2013 and numbered 4/105.

In this analysis, the full compliance of workflow and analysis techniques with KOBİRATE A.Ş.'s Ethical Rules is considered.

456 criteria are used in the rating process for BIST 1st Group Companies in order to measure the compliance of firms with corporate governance principles. These criteria are transformed into "Corporate Governance Rating Question Sets" through Kobirate A.Ş.'s software.

The weighting scheme for the four main sections in the new Corporate Governance

Compliance Rating, determined by CMB's memorandum dated 12.04.2013 and numbered 36231672-410.99 (KBRT)-267/3854, is applied completely by Kobirate A.Ş. The weightings are as follows:

with CMB's Corporate Governance Principles, while grade "0" means that there is no compliance with CMB's Corporate Governance Principles in any sense in the existing weak structure.

Shareholders 25 %

Public Disclosure and Transparency 25 %

Stakeholders 15 %

Board of Directors 35 %

CMB decision dated 01.02.2013 and numbered 4/105 states that in case the minimum requirements of corporate governance principles are met, 85 % of full points can be given at most for that principle, and it is required to add new questions/methods into the methodology in order to ensure that good corporate governance principles, which go beyond meeting the minimum requirements are included in the rating grade. Our company has been informed about this requirement by CMB notification dated 19.07.2013 and numbered 36231672-410.99 (KBRT) 452.

In the 2014/2 revised corporate governance compliance rating methodology created by our company, the grade that can be given to a related criterion in that subsection for meeting minimum requirements of corporate governance principles, stated by CMB Communiqué of Corporate Governance published on 03.01.2014 is restricted to 85 % of the full points. A rating is made with a system that completes the section grades up to 100 by the company's compliance and implementation of the corporate governance practices, which include the good implementation and internalization of the criteria determined in the corporate governance principles and the different good corporate governance practice criteria determined by our company.

The grade to be assigned by the Corporate Governance Rating Committee to the firm ranges between 0-10. On this scale of grades, "10" points mean excellent, full compliance

**5. KOBİRATE ULUSLARARASI KREDİ DERCELENDİRME VE KURUMSAL YÖNETİM
HİZMETLERİ A. Ş. CORPORATE GOVERNANCE RATING GRADES AND DESCRIPTIONS**

GRADE	DEFINITIONS
9-10	The Company achieved substantial compliance with the Corporate Governance Principles issued by the Capital Market Board. Internal control systems are established and are operational. Any risks to which the Company might be exposed are recognized and controlled effectively. The rights of the shareholders are impartially taken care of. The level of public disclosure and transparency is high. The interests of the stakeholders are fairly considered. The structure and the working conditions of the Board of Directors are in full compliance with the Corporate Governance Principles. The Company is eligible for inclusion in the BIST corporate governance index.
7-8.9	The Company complied considerably with the Corporate Governance Principles issued by the Capital Market Board. Internal control systems are in place and operational, although some improvements are required. Potential risks to which the Company may be exposed are identified and can be managed. The rights of the shareholders are impartially taken care of. Public Disclosure and transparency are at high levels. The interests of the stakeholders are fairly considered. The composition and operational conditions of the Board comply with the Corporate Governance Principles. Some improvements are needed in compliance with the Corporate Governance Principles, even though they do not constitute serious risks. The company is eligible for inclusion in the BIST Corporate Governance Index.
6-6.9	The Company has moderately complied with the Corporate Governance Principles issued by the Capital Market Board. Internal Control systems at a moderate level have been established and operated. However, improvement is required. Potential risks that the Company may be exposed are identified and can be managed. The interests of the shareholders are taken care of, although improvement is needed. Although public disclosure and transparency are taken care of, there is a need for improvement. The benefits of the stakeholders are taken care of, but improvement is needed. Some improvement is required in the structure and working conditions of the Board.

GRADE	DEFINITIONS
4–5.9	<p>The Company has minimum compliance with the Corporate Governance Principles issued by the Capital Market Board. Internal control systems are in place at a minimum level but are not full and efficient. Potential risks that the company is exposed to are not properly identified and are not under control. Substantial improvements are required to comply with the Corporate Governance Principles in terms of the benefits of both the shareholders and stakeholders, public disclosure, transparency, and the structure and working conditions of the Board. Under the current conditions, the Company is not eligible to be listed in the BIST Corporate Governance Index.</p>
< 4	<p>The Company has failed to comply with the Corporate Governance Principles issued by the Capital Market Board. It also failed to establish its internal control systems. Potential risks that the company might be exposed to are not identified and cannot be managed. The company is not responsive to the Corporate Governance Principles at all levels. There are major weaknesses in the interest of the shareholders and the stakeholders, public disclosure, transparency, structure and working conditions of the Board, and they are at a level that might cause the investor to incur material losses.</p>