2025 TSRS-ALIGNED SUSTAINABILITY REPORT

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About the Report

This report, prepared by Biotrend Çevre ve Enerji Yatırımları A.Ş. ("Biotrend" or "Company"), was prepared in accordance with the transition provisions and relevant exemptions of the Turkish Sustainability Reporting Standards (TSRS) and contains Biotrend's climate-related financial disclosures for the reporting period from January 1 to December 31, 2025. In this report, disclosures regarding climate-related risks and opportunities are presented in accordance with TSRS 2 – Climate-related Disclosures; TSRS 1 – General Requirements for Disclosure of Sustainability-related Financial Information serves as the basis. The transition exemptions utilized and their impact on the scope of the report are explained in the **Transition Exemptions** section of the report.

This report covers all activities under Biotrend's control as reflected in its 2025 consolidated financial statements. The organizational boundaries used in sustainability and climate-related financial disclosures are consistent with the financial reporting boundaries and include Biotrend's subsidiaries and associates. The operational control approach was used as the basis for determining these organizational boundaries. In assessing operational control, consideration was given to Biotrend's responsibility for both establishing environmental and occupational health and safety (OHS) policies and procedures for the relevant activity or facility, as well as monitoring and reporting on performance related to these policies and procedures, and for collecting and reporting sustainability data. In this context, data related to all facilities and activities over which Biotrend exercises operational control have been included in the reporting scope. It has been determined that Biotrend also exercises operational control over its associates within the scope of consolidation, and sustainability data for all such associates have been included in the reporting scope.

Subsidiaries and Associates[1]

No	Trade Name	Facility Name	Field of Activity	Ownership Percentage (%)	Ownership Structure
1	Ulubey Elektrik Üretim ve Enerji Yatırımları A.Ş.	Aydın Çine Fuel Preparation Facility	Electricity Generation	100	Subsidiary
2	İlda Elektrik Üretim A.Ş.	-	Electricity Generation	100	Subsidiary
3	Mersin Elektrik Üretim ve Enerji Yatırımları A.Ş.	Ezine Facility	Electricity Generation	100	Subsidiary
4	Doğu Star Elektrik Üretim A.Ş.	İnegöl-2 Facility	Electricity Generation	100	Subsidiary
		Malatya Orduzu Facility			
		Malatya Kapıkaya Facility			
5	Nov Enerji Elektrik Üretim A.Ş.	Sivas Facility	Electricity Generation	100	Subsidiary
6	Yılbatu Elektrik Üretim A.Ş.	-	Electricity Generation	100	Subsidiary
7	İzmir Novtek Enerji Elektrik Üretim A.Ş.	Izmir Harmandalı Facility	Electricity Generation	100	Subsidiary
8	Uşak Yenilebilir Enerji Elektrik Üretim A.Ş.	Uşak Facility	Electricity Generation	100	Subsidiary
9	İzmir Doğu Star Elektrik Üretim A.Ş.	Izmir Bergama Facility	Electricity Generation	100	Subsidiary
10	Biyomek Elektrik Enerjisi Üretimi Sanayi ve Ticaret A.Ş.	Aydın Çine Biomass Facility	Electricity Generation	100	Subsidiary
11	Karya Yenilenebilir Kaynaklar Elektrik Üretim San. ve Tic. Ltd. Şti.	-	Electricity Generation	100	Subsidiary
12	Maven Tarım Seracılık ve Hayvancılık San. ve Tic. A.Ş.	Sivas Greenhouse Facility	Greenhouse and Livestock Farming	50	Associate
13	Novtek Enerji Elektrik Üretim A.Ş.	İnegöl-1 Facility	Electricity Generation	100	Indirectly Held Subsidiary
		Iskenderun Facility			
14	Ulutek Elektrik Üretim ve Enerji Yatırımları A.Ş.	-	Electricity Generation	100	Subsidiary
15	Biotrend Enerji Uluslararası Yatırım A.Ş.	-	Participating in Overseas Investments	100	Subsidiary
16	Doğan Kent Elektrik Enerjisi Toptan Satış A.Ş.	-	Electricity Trading	100	Subsidiary
17	Biotrend İleri Dönüşüm ve Yenilenebilir Enerji Teknolojileri A.Ş.	-	Recovery of Plastic Waste Using Advanced Recycling Technologies and Construction of Renewable Energy Power Plants for Internal Use	100	Subsidiary
18	Landfill Enerji Sanayi Ticaret A.Ş.	Balıkesir Facility	Electricity Generation	50	Associate

[1]The transfer procedures for the Giresun and Aksaray facilities were completed on April 5, 2024; the transfer procedures for the Ayvacık facility were completed on September 20, 2024. Therefore, these facilities are not included within the Company's organizational boundaries or reporting scope for the relevant reporting period. Excluding the Giresun, Aksaray, and Ayvacık facilities, there have been no changes in the structure of the subsidiaries and associates listed in the table compared to 2024.

During the reporting process, the guidelines in Volume 32– Electric Utilities & Power Generators and Volume 38–Waste Management, as outlined in the sector-specific application guide of TSRS 2, were used as a basis. While only Volume 38 was considered in the previous reporting period, Volume 32 has been included in the reporting scope for this period to enhance the methodological approach, more comprehensively reflect Biotrend's electricity generation activities, and strengthen the assessment of climate-related risks, opportunities, and metrics. Within this scope, disclosure topics and metrics overlapping with Biotrend's business activities were evaluated, and appropriate ones were identified. Additionally, the SASB Standards published by the International Sustainability Standards Board (ISSB) were utilized in the relevant sections.

The disclosures presented in this report are as consistent as possible with the data and assumptions used in Biotrend's financial reporting processes. The disclosures cover the 12-month period ending in 2025 and should be evaluated in conjunction with the financial information for the same reporting period.

All financial information and currency in this report are presented in Turkish Lira (TL), consistent with the consolidated financial statements.

Some of the statements included in this report contain not only past performance but also forward-looking assumptions and projections. These assumptions and projections were formulated in light of the strategic initiatives undertaken and market conditions prevailing during the relevant financial reporting period.

Detailed information regarding the company's organizational structure, governance practices, operations, and facilities—which supports the sustainability disclosures in this report—can be found in the **2025 Annual Report.** Detailed information regarding the Company's 2025 consolidated financial statements and financial performance is presented in the **2025 Consolidated Financial Statements and Reviewed Auditor's Report.**

You may share any comments, evaluations, or feedback regarding the report via **surdurulebilirlik@biotrendenerji.com.tr.**

Data Sources and Methodology

The data included in this report has been compiled from the following sources, subjected to quality control processes, and verified as necessary:

- Operational and environmental performance data obtained from Biotrend's internal reporting systems
- The company's climate risk analyses, high-level statements, and policy documents
- Corporate greenhouse gas inventory data
- Verifiable regional information obtained from subsidiaries companies
- Scientific literature and international scenario datasets

The primary data sources and calculation approaches used in the report are summarized below.

Indicator / Analysis	Data Source	Reporting Methodology
Gross electricity generation	Turkish Electricity Transmission Corporation (TEİAŞ) - 2025 Monthly Electricity Production and Consumption Reports	Volume 32 is based on gross electricity generation data published by TEİAŞ in its operational metrics.
Net Electricity Generation	Energy Exchange Istanbul (EXIST)	Net electricity generation was used as the basis for calculating revenue loss in the financial impact analyses of risks.
Water stress analysis	World Resources Institute (WRI) Aqueduct Water Risk Atlas	Facility-level water stress levels were assessed using WRI Aqueduct data; facilities with high and very high water stress were considered in the financial impact analyses.
Financial Impact Analysis of Fire Risk	Energy Exchange Istanbul (EXIST) and Energy Market Regulatory Authority (EMRA)	Financial impact calculations were based on the 2025 net electricity generation and the Renewable Energy Support Mechanism (YEKDEM) sales price of 133 USD/MWh; scenarios involving different downtime durations were evaluated.
Carbon Credit Volume	VERRA, ICR, and GCC publicly available project documents	Estimated carbon credit volumes have been calculated based on the methodologies of the international standards under which the projects are registered, taking into account the project development timeline.
Carbon credit price projection	Current market conditions and the MSCI Report	Both low- and high-price scenarios were used in the financial impact analyses.
Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) compliance	International Civil Aviation Organization (ICAO) – CORSIA Emissions Unit Eligibility Criteria Document	The CORSIA eligibility of carbon credits was assessed based on the CORSIA eligibility criteria document published by ICAO.
Exchange rate	The Central Bank of the Republic of Türkiye (TCMB)	Financial impacts calculated in U.S. dollars have been converted to Turkish lira using the TCMB foreign exchange buying rate at the end of the reporting period.

Key Changes Compared to the 2024 Reporting Period

The following significant changes were implemented in the preparation of this report compared to the previous reporting period:

Organizational scope: During 2024, the transfer of the Giresun and Aksaray facilities was completed on April 5, 2024, and the transfer of the Ayvacık facility was completed on September 20, 2024; as of December 31, 2025, these facilities are no longer included in the Company's consolidation and reporting scope. Other than this, there have been no changes in organizational boundaries or the structure of other subsidiaries and associates compared to the 2024 reporting period.

Reporting methodology: While only TSRS 2 Sector-Specific Application Guide, Volume 38 – Waste Management was considered in the previous reporting period, Volume 32 – Electric Utilities & Power Generators has been included in the reporting scope for this reporting period to more comprehensively reflect Biotrend's electricity generation activities.

Limited Assurance

This report has been subject to a limited assurance engagement in accordance with the principles of reliability and transparency. Under this approach, the statements included in the report have been subject to a limited assurance engagement by KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. in accordance with Assurance Standards (GDS) 3000 and 3410. The Limited Assurance Report has been disclosed to the public along with the final version of this report.

Transition Exemptions

Public Oversight Accounting and Auditing Standarts Authority (KGK) decided, via Board Resolution No. 33123 dated December 30, 2025, to extend for one-year certain transition exemptions granted to businesses preparing sustainability reports in accordance with TSRS for the first time during the 2024 reporting period. In this context, the Company has benefited from the transition exemptions E4, E5, and E6(b) specified in TSRS 1 for the 2025 reporting period.

TSRS 1 E4: The TSRS aligned sustainability report for the period January 1, 2025–December 31, 2025 is published after the financial statements for the January 1–December 31, 2025 period have been disclosed, in accordance with the Company's obligation to present interim general-purpose financial reports.

TSRS 1 E5: In accordance with TSRS 2, disclosures are provided only regarding climate-related risks and opportunities.

TSRS 1 E6 (b): Since the Company has availed itself of the transition exemption in paragraph E5, it has not disclosed comparative information on sustainability topics other than climate-related risks and opportunities for the 2025 reporting period, which is its second year of application.

Board Decision on the Scope of Application of the Türkiye Sustainability Reporting Standards – Transitional Provision 3: Under this provision, companies are not required to disclose Scope 3 greenhouse gas emissions during the first two annual reporting periods in which they apply TSRS. In this context, the Company exercised its right to exemption under Article C4 of TSRS 2 for the relevant reporting period and did not include information on Scope 3 greenhouse gas emissions (including Category 15 – Investments) for the years 2024 and 2025.

About Biotrend

Biotrend was founded in 2017 and operates in the fields of integrated waste management and renewable energy production. In addition to generating energy from landfill gas, biogas, and biomass sources obtained from landfills, the company also carries out waste management, mechanical recycling, and resource recovery activities. Biotrend's business model is based on a circular economy approach that focuses on transforming waste into economic value.

Biotrend aims to diversify its business scope beyond waste management and renewable energy production to include advanced plastic recycling, battery recycling, refuse derived fuel (RDF) production, solar power systems, waste heat applications, and other resource recovery investments. In addition, the Company aims to convert its environmental benefits into economic value in accordance with international standards by developing carbon and plastic credit projects. This approach constitutes one of the key elements supporting Biotrend's strategy for transitioning to a low-carbon economy and its 2050 net-zero emissions target.

As of December 31, 2025, Biotrend's portfolio— includes facilities currently under investment —comprises a total of 17 facilities: 8 Integrated Waste Management and Power Generation Plants, 6 Power Generation Plants (2 of which use incineration technology), 1 Solid Fuel Preparation Plant, 1 Greenhouse, and 1 Industrial refuse derived fuel (RDF) Facility, for a total of 17 facilities. As of the same date, the company's licensed electricity generation capacity stands at 156.7 MWe, while its total installed capacity is 114.2 MWe. A significant portion of the electricity generated is evaluated under the renewable energy support mechanism, and the business model, based on long-term contracts, supports operational sustainability.

Value Chain

Biotrend's upstream value chain includes waste suppliers, service providers, public institutions, and other business partners; the company's activities encompass integrated waste management, renewable energy production, and resource recovery processes. The downstream value chain involves delivering the produced goods and services to customers and other stakeholders.

When assessing climate-related risks and opportunities, all stages of the value chain are taken into account; potential impacts on the supply chain, operations, and customers are addressed through a holistic approach. In this context, the outputs from climate scenario analyses and risk assessment processes provide input for the company's strategic planning, investment decisions, and long-term value creation approach.

Upstream Value Chain	Direct Operations	Downstream Value Chain
Suppliers Municipalities and other waste suppliers Equipment and technology suppliers	**Integrated Waste Management Activities** Electricity generation from landfill gas Electricity generation from biogas and biomass Production of refuse derived fuel (RDF) Material recovery through mechanical separation	**Customers** Energy purchasers Recycling facilities Carbon and plastic credit buyers
Service Providers Maintenance and engineering service providers Water, energy, and other infrastructure service providers Banks and insurance companies		
Logistics Operations Waste transportation		
Government Agencies, Regulators, and Consulting Services Supervisory, regulatory, and administrative authorities National and international certification bodies Consulting firms	**Other Activities** Carbon and plastic credits Greenhouse farming Advanced recycling facility	

Governance

Biotrend has adopted a sustainability governance structure aimed at effectively managing climate-related risks and opportunities and ensuring the company's long-term strategic resilience. Built on the principles of transparency, accountability, and responsibility, this structure consists of an integrated hierarchy that extends from the Board of Directors' strategic oversight to operational-level implementation mechanisms.

Board of Directors

The composition and election of the Biotrend Board of Directors are conducted in accordance with the Turkish Commercial Code and the regulations and decisions of the Capital Markets Legislation. The Board of Directors for the 2025 fiscal year consists of a total of seven members, three of whom are independent, as elected by the General Assembly. Thus, 43% of the Board of Directors consists of independent members, meeting the independence criteria set forth in Capital Markets Legislation regulations. Additionally, the proportion of female members on the Board of Directors is 43%, fulfilling the diversity targets outlined in the Corporate Governance Principles.

During the 2025 fiscal year, the Board of Directors met 12 times. To support the Board of Directors in effectively fulfilling its duties and responsibilities, the Audit Committee, the Corporate Governance Committee, and the Early Detection of Risk and Sustainability Committee are active. The Corporate Governance Committee also fulfills the duties of the Nomination Committee and the Remuneration Committee. There have been no changes in the committee structure or in the duties and responsibilities of the committees compared to the previous reporting period, and the governance structure continues to operate within the same framework.

BOARD OF DIRECTORS				
	Corporate Governance Committee	Audit Committee	Early Detection of Risk Committee	Sustainability Committee
	Nomination Committee / Compensation Committee			
MEMBERS	Chair | Independent Board Member Member | Independent Board Member Member | Investor Relations Manager	Chair | Independent Board Member Member | Independent Board Member Member | Independent Board Member	Chair | Independent Board Member Member | Independent Board Member	Chair | Independent Board Member Member | Independent Board Member Member | Chief Strategy Officer (CSO) Member | Chief Financial Officer (CFO) Member | Investor Relations Manager Member | Sustainability Manager Member | Corporate Communications Specialist
MEETING FREQUENCY	4 meetings	6 meetings	6 meetings	4 meetings
SUB-COMMITTEES AND GROUPS		Internal Audit Directorate		Sustainability Office Sustainability Working Group

The Biotrend Board of Directors assumes responsibility for final decision-making and strategic oversight on sustainability matters to ensure the highest level of ownership of sustainability. The Company's sustainability strategy, goals, performance indicators, and climate-related risks and opportunities are brought to the Board of Directors' agenda and reviewed at least four times a year. During these sessions, global and national developments related to sustainability are evaluated, and strategic guidance aligned with the Company's long-term goals is provided.

The Board of Directors is kept informed on sustainability-related matters through monthly sustainability agendas and quarterly committee reports and presentations. The monthly agenda updates include national and international regulatory developments, industry trends, standards, and other significant developments in the field of sustainability. In the quarterly committee reports and presentations, the Board of Directors is provided with assessments regarding the progress of Biotrend's sustainability strategy and targets, environmental, social, and governance (ESG) performance indicators, climate-related risks and opportunities, key projects and initiatives, and regulatory compliance processes. In this way, monitoring activities related to the implementation of the sustainability strategy and performance targets are supported through committee reports. The two independent Board members serving on the Sustainability Committee coordinate the flow of information between the Committee and the Board of Directors, ensuring that sustainability-focused issues are directly represented at the highest decision-making level.

During the previous reporting period, Biotrend established its sustainability strategy and long-term sustainability goals for the first time and continues its efforts to strengthen the integration of these goals into corporate processes. In this context, key performance indicators (KPIs) for monitoring sustainability performance have been established and shared with the relevant senior management levels. However, as of the reporting period, the integration of these indicators into the performance evaluation and compensation system has not yet been completed. The integration of a performance management and compensation system based on sustainability goals into the senior management scorecard will only be possible once the strategy is firmly embedded in the corporate structure, and this integration will be addressed in the coming periods. Biotrend aims to gradually integrate sustainability performance indicators into senior management's performance evaluation and compensation processes over the next two years by linking them to the corporate performance management system. In this context, the integration of sustainability goals into performance evaluation processes and the compensation system is among the company's priority areas for development. The goal is to track sustainability performance more systematically and integrate it more strongly into corporate decision-making processes.

Board of Directors' Competencies and Development

The continuous development of Board members' competencies in sustainability and climate-related issues is of critical importance for strengthening governance and decision-making processes. Board members actively participate in national and international events organized in the fields of sustainability, energy transition, and corporate governance; they also serve as speakers or moderators at training sessions, panel discussions, and industry gatherings.

In this context, the Biotrend Board of Directors includes members who conduct academic research in the field of sustainable design for the renewable energy transition, teach university-level courses on energy transition and the climate crisis, and share their knowledge and experience on national and international platforms. Approximately 28% of the Board of Directors members possess knowledge and experience in the fields of sustainability and climate change, which supports the Board's expertise and competence in evaluating sustainability and climate-related issues. In addition, importance is placed on enhancing employees' technical knowledge and expertise to strengthen sustainability management capacity across the company. In this context, one employee from the Sustainability Office successfully completed the corporate sustainability reporting specialist training program in 2025, and other team members are scheduled to complete the same training by 2026. To support the effective integration of sustainability practices and climate-related risks and opportunities into operations, members of the Sustainability Working Group received in-house sustainability and climate change awareness training in 2025. In February 2026, an in-house sustainability and climate change awareness training session was also conducted during the Istanbul Meetings event held with senior management. Furthermore, training sessions on sustainability and climate issues are being planned for members of the Board of Directors; these sessions aim to cover topics such as TSRS practices, climate change, climate risks and opportunities, sustainability governance, and current regulatory developments. For technical and specialized topics deemed necessary, the views and assessments of external experts are utilized. In this regard, the goal is to strengthen the Board of Directors' knowledge and expertise on sustainability and climate change issues.

Sustainability Committee

The Biotrend Sustainability Committee is responsible for managing sustainability and climate-related risks and opportunities and integrating them into strategy, monitoring short-, medium-, and long-term sustainability goals, developing the governance structure, and evaluating performance indicators.

The Sustainability Committee is appointed by the Board of Directors, and its operating principles are published publicly. Committee meetings are held four times a year. The Sustainability Committee operates under the direct supervision of Biotrend's Board of Directors and is chaired by an independent member of the Board. Changes to the Committee's membership are disclosed to the public via the **Public Disclosure Platform (KAP).**

Sustainability Committee Members [1]

Name	Title	Role on the Committee
Mevhibe Canan Özsoy	Chair of the Board/ Independent Board Member	Chair of the Board /Committee Chair
Bilgün Gürkan	Independent Board Member	Committee Member
Taylan Gürler Önerci	Chief Strategy Officer (CSO)	Committee Member
Burak Yurtsever	Chief Financial Officer (CFO)	Committee Member
Akif Emre Demir	Sustainability Manager	Committee Member
Şeyma İnayet Uygur	Investor Relations Manager	Committee Member
Betül Tine	Corporate Communications Specialist	Committee Member

[1]As of April 14, 2026

The committee plays an active role in monitoring Biotrend's environmental, social, and governance (ESG) performance, as well as in identifying necessary actions in the event of non-compliance with targets, reporting deviations in key indicators, and ensuring coordination among cross-functional units. The Committee works in close collaboration with the Sustainability Office to develop the expertise and analyses required to assess sustainability-related risks and opportunities; it also utilizes external consulting support as needed to address strategic requirements.

The Biotrend Sustainability Committee Working Principles and Procedures are implemented as a policy defining the company's sustainability governance structure and, in this context, the roles and responsibilities of its governance and management bodies; this document is publicly available on the company's website.

Access our Sustainability Committee Working Principles **here.**

Integration with Early Detection of Risk and Audit Committees

The Sustainability Committee works in parallel with the Early Detection of Risk and Audit Committees; this ensures that climate risks are incorporated into the corporate risk management system. The Committee's outputs are evaluated in conjunction with corporate governance compliance statements and internal control reports. Detailed explanations regarding the integration of climate-related risks and opportunities into corporate risk management processes using the risk assessment methodology are provided in the **Risk Management** section of the report.

You can access the Early Detection of Risk Committee Working Principles **here,** and the Audit Committee Working Principles **here.**

Sustainability Office and Implementation Mechanisms

At Biotrend, the coordination of sustainability activities is carried out by the Sustainability Office. The Sustainability Office is responsible for implementing the company's sustainability strategy, tracking its goals, monitoring sustainability performance, and strengthening sustainability communication with relevant stakeholders. The Sustainability Office also plays a key role as a liaison, facilitating coordination between the Sustainability Committee and the on-site Sustainability Working Groups to ensure the holistic management of sustainability across the organization.

To ensure the effective implementation of the sustainability strategy, the Sustainability Office's primary responsibilities include:

- **Data Management:** Managing environmental impacts through concrete data by collecting, calculating, and reporting data related to the corporate greenhouse gas inventory, water footprint, and other sustainability indicators;
- **Global Reporting:** Conducting reporting to international platforms such as CDP (Carbon Disclosure Project) and UNGC (United Nations Global Compact), as well as to index providers such as S&P and LSEG, in line with the principle of transparency,
- **Climate Finance:** Coordinating project development, verification, and reporting processes related to climate finance initiatives, including carbon credit and plastic credit projects,
- **Social Sustainability:** Leading initiatives in the areas of gender equality, human rights, diversity, and inclusion, and developing policies (such as the UN Women's Empowerment Principles and the Workplace Policy Against Domestic Violence),
- **Field Coordination:** Coordinating the activities of the Sustainability Working Group and encouraging employee participation to promote sustainability practices at facilities,
- **Stakeholder Engagement:** Monitoring global developments and integrating them into company practices through active membership in sectoral and civil society organizations such as TAYÇED, UNGC, ERTA, and PAGEV,
- **Training and Capacity Development:** Organizing training programs for employees to foster a culture of sustainability throughout the organization; facilitating participation in workshops, conferences, and certification programs to enhance technical expertise; and continuously developing specialized capabilities

At Biotrend, the governing bodies and senior management team assess sustainability-related risks and opportunities as an integral part of the strategic governance structure and decision-making mechanisms. The company has structured its core business—energy production from waste—in line with the principles of reducing environmental impacts, efficient use of resources, and the circular economy. Therefore, sustainability is not merely a requirement to be complied with, but also a key determinant of the growth strategy.

The Biotrend Board of Directors takes relevant environmental, social, and governance (ESG) impacts into account, particularly in large-scale investment decisions and the approval processes for major contracts. In risk management processes, climate change, regulatory risks, environmental liabilities, and other factors are regularly analyzed. Integrated waste management, waste-to-energy production, resource recovery, and circular economy practices—which form the foundation of Biotrend's operations—intrinsically support the fight against climate change and the transition to a low-carbon economy. For this reason, investment decisions are evaluated not only based on financial feasibility criteria but also within the framework of ESG criteria, such as the contribution to waste recovery capacity, increased resource efficiency, reduced greenhouse gas emissions, compliance with environmental regulations, and the contribution to the company's climate change mitigation goals. These assessments, along with technical and financial analyses, inform the Board of Directors' decision-making processes and are taken into account when determining investment priorities.

Climate change, regulatory risks, and environmental obligations are also regularly analyzed as part of risk management processes. Additionally, the Board of Directors evaluates potential trade-offs that may arise from the decisions made. In these evaluations, the payback period of investments that provide environmental benefits and their impact on financial performance are considered alongside the operational costs of technological investments aimed at reducing emissions and practices aimed at resource recovery, as well as their long-term environmental and economic gains. Furthermore, Biotrend's business model, in most cases, makes it possible to simultaneously achieve sustainability opportunities alongside financial growth and operational efficiency goals. For example, an investment in an advanced recycling facility aimed at increasing waste recovery and resource efficiency not only reduces environmental impacts but also provides financial returns and increased capacity.

Similarly, investments in preventing methane leaks at biogas plants create environmental benefits through emission reductions while also providing direct revenue-boosting effects. In decision-making processes, the environmental impacts and financial returns that each alternative could generate are evaluated in detail together.

Environmental and Social Management System

Biotrend adheres to the Environmental and Social Management System (ESMS) developed in collaboration with the European Bank for Reconstruction and Development (EBRD) to systematically manage its environmental and social impacts. Within this framework, the integration of issues such as environmental management, occupational health and safety, information security, and employee well-being into corporate processes is supported, contributing to the continuous improvement of sustainability performance.

Under the ESMS, risks and opportunities are regularly assessed, compliance with legal obligations is monitored, and the environmental and social impacts of operational processes are tracked. The system helps link sustainability goals to operational practices and fosters the adoption of a common management approach across the company.
As part of its collaboration with the EBRD, Biotrend has regularly reported on its ESG performance and carried out initiatives to further develop the system through August 2025. While the partnership ended on August 7, 2025, with the EBRD's transfer of its shares in the company's capital, the environmental and social management approach established during this process continues to be implemented as part of Biotrend's corporate governance structure.

Biotrend's management system infrastructure includes: has been established in accordance with the ISO 9001 Quality Management System, ISO 14001 Environmental Management System, ISO 45001 Occupational Health and Safety Management System, ISO 27001 Information Security Management System, ISO 27701 Personal Data Management System, and ISO 22301 Business Continuity Management System standards and is supported by the relevant certifications. These systems aim to effectively manage environmental and social risks, enhance operational resilience, and support sustainable growth.

Strategy

Climate-Related Risks and Opportunities

Biotrend assesses the impacts of climate change on its operations, business model, and long-term value creation capacity from a strategic perspective. While regularly reviewing climate-related risks and opportunities, the company analyzes not only physical and transition risks but also the opportunities arising from the transition to a low-carbon economy.

Climate-related risks and opportunities are assessed by considering their potential impacts on operational activities, investment decisions, financial performance, and long-term growth targets, and are integrated into corporate risk management processes. In these assessments, potential impacts on the Company's own operations, as well as on waste suppliers, equipment and service providers in the upstream value chain, and on electricity consumers, recycling facilities, and other relevant stakeholders in the downstream value chain, are also taken into account. Thus, the impacts of climate-related risks and opportunities on the business model, value chain, and long-term value creation capacity are assessed using a holistic approach. The priority issues identified within this scope are monitored under the oversight of the Board of Directors and relevant committees and linked to the sustainability strategy.

Climate-Related Risks

Biotrend addresses the effects of climate change on its operations through a systematic approach, assessing physical and transition risks from short-, medium-, and long-term perspectives. Climate-related risks and opportunities are analyzed using a 5x5 impact-probability matrix, based on the criteria of impact, probability, and time horizon, in line with the company's corporate risk management approach. In addition to qualitative criteria, financial materiality is also taken into account in these assessments, and a threshold value set at 1% of the company's revenue is used as a reference for evaluating financial impacts.

Furthermore, climate scenario analyses are used as one of the key inputs in assessing the short-, medium-, and long-term impacts of climate-related risks and opportunities. Detailed explanations regarding the integration of climate-related risks and opportunities into corporate risk management processes through the risk assessment methodology are provided in the **Risk Management** section of the report.

Biotrend determines short-, medium-, and long-term time horizons in a manner consistent with the planning periods used in corporate risk management, strategic planning, investment decisions, and financial planning processes. These time horizons are addressed in conjunction with the impact-probability assessments used within the corporate risk management methodology for climate-related risks and opportunities; they are taken into account when evaluating the potential impacts of risks on operations, financial performance, cash flows, and capital expenditures. Short-term assessments focus primarily on annual budgeting, operational planning, and the management of existing risks, while medium-term assessments cover investment plans, capacity development initiatives, and processes for adapting to regulatory developments. Long-term assessments, on the other hand, are used within the company's strategic planning processes to analyze the potential impacts on operational resilience, financial performance, and long-term value creation capacity by jointly evaluating changing market conditions, technological transformation, regulatory developments, investment needs, and climate-related risks and opportunities. Biotrend defines the short, medium, and long term in its risk and opportunity identification processes as follows:

Short term	0-2 years
Medium term	2-5 years
Long term	5 years and over

Physical Risks

More frequent fires at landfills due to rising temperatures	
Impact: Low Probability: High Time Horizon: Short term	
Risk Description	Rising average temperatures and longer dry periods associated with climate change increase the likelihood of small-scale fires occurring at the controlled landfills where Biotrend operates. These fires occur spontaneously as a result of the accumulation of heat—generated by methane gas formation and the decomposition of organic waste—combined with high ambient temperatures. This situation poses a significant physical climate risk in terms of both occupational health and safety and operational continuity.
Impact of the Risk on the Business Model and Value Chain	Small-scale fires that may occur in landfills due to rising temperatures can lead to unexpected delays and production interruptions in various operations at Biotrend facilities, such as waste acceptance, storage activities, and energy production processes. However, since such incidents generally occur on a local scale and do not affect the entire facility, they are not expected to result in a permanent change to Biotrend's overall business model or value chain. Nevertheless, should the risk increase, there may be a rise in operational resource requirements related to site management, maintenance activities, occupational health and safety practices, and emergency management processes. This risk can put pressure on operational continuity, particularly during the hot summer months; it can also increase operational costs due to the resources used in fire response and subsequent repair work. Furthermore, these fires can cause premature wear and tear or damage to equipment at the sites, thereby increasing maintenance and investment costs. An increase in the frequency of fires may pose risks in terms of facility safety and occupational health; it may require strengthening emergency management capabilities for teams and contractors working on-site. **Impact on the Value Chain:** **Upstream value chain:** Temporary disruptions may occur in the supply of goods and services from waste suppliers, as well as from maintenance, equipment, and other critical service providers. **Downstream value chain:** Disruptions in electricity generation may lead to a temporary decline in energy sales and disruptions in the continuity of energy supply to customers.
Impact of the Risk on Financial Position, Financial Performance, and Cash Flow	Unexpected events such as fires may cause temporary shutdowns at facilities, leading to interruptions in electricity generation. The financial impact analysis is based on a total electricity generation of 547 GWh in 2025. The calculation used the average daily production volume and the unit sales price. The revenue loss estimate was based on the assumption that a production shutdown lasting between 6 and 24 hours would occur due to the fire, using the YEKDEM sales price of 133 USD/MWh at which electricity sales were made during the reporting period. The calculations were performed using consolidated production data covering all electricity generation facilities. It is estimated that a revenue loss of 2.1 million TL could occur in the event of a 6-hour shutdown of the facilities due to the fire, and approximately 8.5 million TL in the event of a 24-hour shutdown. These calculations were made using average values without taking into account seasonal fluctuations in production at the facilities. However, should the risk materialize, this amount could be higher or lower depending on the period during which the outage occurs and the capacity of the affected facilities. Additionally, climate scenario analyses indicate that the frequency and intensity of heat waves may increase, particularly in the medium and long term. Accordingly, an increase in fire risk could place additional pressure on the company's operating expenses and capital expenditures by raising the costs of operational shutdowns, maintenance and repair expenses, equipment replacement needs, and additional measures to be taken under occupational health and safety. For this reason, Biotrend views fire risk not only as an operational risk but also as a key component of long-term climate adaptation planning.
Risk Mitigation Actions	Biotrend implements monitoring and response procedures aimed at the early detection and containment of fire risks at its sites. Oxygen levels in regular storage areas are monitored in real time, and relevant operational teams are notified if risk indicators are detected. Firefighting equipment, mobile response vehicles, and trained teams are kept on standby at the sites for use in the event of a fire. Fire incidents are addressed swiftly in accordance with site procedures to prevent their spread. Additionally, fire awareness and emergency response training for employees is conducted regularly to ensure risks remain under control in the short term, and fire management processes are reviewed and continuously improved based on operational experience. Based on findings from climate scenario analyses, adaptation measures addressing fire risk are periodically reviewed; strengthening fire prevention and early warning systems, developing field monitoring technologies, and making investments to enhance operational resilience are evaluated as part of the company's long-term investment and risk management planning. The goal is to mitigate the operational and financial impacts that may arise from the physical effects of climate change in the long term.

Physical Risks

Growing drought and water stress risk	
Impact: Medium Probability: High Time Horizon: Medium term	
Risk Description	As a result of climate change, increasing pressure on water resources and longer dry periods in many regions pose a physical climate risk to Biotrend's operational processes that require water. In biomass plants, in particular, water is used both in the production process and in support operations (such as ash wetting and site washing activities). In biogas plants, while water is not used directly as a production input, it is primarily consumed for domestic purposes. Some of Biotrend's facilities, located away from city centers, are not connected to the municipal water supply. As a result, they rely on groundwater sources for their water supply. Increasing drought and falling groundwater levels are expected to make access to water more difficult for Biotrend's operations. This situation poses a risk to the continuity of operations and to meeting employees' potable water needs.
Impact of the Risk on the Business Model and Value Chain	A significant portion of Biotrend's facilities are located in regions classified as having high or very high water stress, according to WRI Aqueduct data. Due to increasing drought and water stress, restrictions on water access are expected to negatively impact both employees and operational processes. Increasing pressure on water resources may necessitate the evaluation of alternative water sources, the development of water efficiency practices, and more effective management of existing resources. Potential disruptions in water supply could lead to a reduction in production capacity, while an increase in the unit cost of water could place additional pressure on operational costs. **Impact on the Value Chain:** **Upstream value chain:** The continuity of services provided by water suppliers and providers of water management, treatment, and infrastructure services may be affected; there may be a need to evaluate alternative water sources and develop additional operational plans for water management. **Downstream value chain:** Decreases in production capacity resulting from potential disruptions in water supply may affect the continuity of electricity generation and energy supply, leading to temporary disruptions in services provided to customers.
Impact of the Risk on Financial Position, Financial Performance, and Cash Flow	Difficulties in accessing water may lead to increased operational costs and the need for additional investments in water supply and treatment. The impact of this risk is moderate, and the likelihood of occurrence is high; it is expected to put pressure on the use of financial resources and operational continuity, particularly in the medium term. In the financial impact analysis, WRI Aqueduct water stress data was used as the basis, and the Malatya Facility, which carries a low water stress risk, was not included in the calculation. The calculation was conducted under the assumption that facilities with high and very high water stress would experience water supply interruptions lasting 2 to 5 days. In this context, it was anticipated that water would be supplied via tanker trucks to ensure production continuity; additional costs were calculated based on current tanker water supply costs. It has been estimated that the additional water supply costs that may arise in this context could range from approximately 2,400,000 TL to 6,000,000 TL. These costs include only the additional expenses related to securing water through alternative methods; production losses or other indirect effects were not included in the calculation. Climate scenario analyses indicate that pressure on water resources may increase in the medium and long term, particularly in regions experiencing high and very high water stress. If this situation persists, there may be an increase in capital expenditures for alternative water supply systems, water recovery infrastructure, expanded storage capacity, and water efficiency investments. For this reason, the risk of water stress is considered not only in terms of operational costs but also as a key input for long-term investment planning and climate adaptation strategies.
Risk Mitigation Actions	Biotrend has completed its 2025 water footprint calculations in accordance with the ISO 14046:2014 Standard, and these calculations have been independently verified by an accredited verification body. Wastewater is reclaimed at biomass facilities; the reclaimed water is reused in ash wetting, wet ash conveyors, and site washing operations. Additionally, water efficiency is improved by reducing chemical consumption and blowdown volume through reverse osmosis systems. In the medium term, the company plans to continue investments in water management to reduce dependence on water resources and strengthen resilience to climate change. It is assessed that these investments can be carried out using the company's own funds. Among the company's planned adaptation measures are the evaluation of alternative water sources at facilities with high water stress, the expansion of water storage capacity, the increase in water recovery rates, and technological investments to support water efficiency. Water risk is regularly monitored on a facility-by-facility basis in line with findings from climate scenario analyses; the goal is to incorporate measures to be implemented at high-risk locations into investment planning and capital allocation processes. In this context, the company plans to develop medium- and long-term water management investments to enhance operational resilience and reduce dependence on water resources.

Transition Risks

Amendments in national and international regulations and legislation on waste management and renewable energy	
Impact: High Probability: Low Time Horizon: Medium term	
Risk Description	Changes in national and international legislation regarding waste management, environmental licensing processes, renewable energy support mechanisms, and carbon market regulations developed as part of efforts to combat climate change pose a significant transition risk for Biotrend. In this context, regulations concerning the emissions trading system, carbon crediting mechanisms, environmental obligations, and reporting requirements are among the factors that could affect the company's operations. In 2025, drafts of the Emissions Trading System Regulation (ETS) and the Carbon Crediting and Offsetting Regulation were opened for public comment, and the Water Efficiency Regulation entered into force. The final impacts and implementation principles of these regulations continue to be evaluated across the sector, and they have the potential to introduce new requirements regarding the functioning of carbon markets, environmental obligations, and water management practices. These developments may lead to increased operational costs, additional compliance and investment needs, uncertainties in project approval processes, and the need to review existing investment plans. The likelihood of the risk associated with changes in legislation and regulations materializing is assessed as low, while its potential impact is considered high.
Impact of the Risk on the Business Model and Value Chain	Biotrend's operations are directly linked to national and international regulations concerning waste management, renewable energy production, and environmental obligations. Therefore, any changes in legislation could affect various stages of the value chain, ranging from waste acceptance processes to environmental permitting and licensing procedures, and from energy production activities to carbon markets. In particular, new regulations regarding emissions trading systems, carbon crediting mechanisms, and environmental reporting obligations may require a review of existing processes and an increase in compliance efforts. At the same time, this risk may create strategic uncertainties regarding the permitting processes and timelines for new facility investments. This situation may necessitate a restructuring of investment priorities, technology selections, and process management. **Impact on the Value Chain:** **Upstream value chain:** Regulatory changes may lead to additional compliance requirements and cost increases in processes involving waste suppliers, technology and equipment providers, verification bodies, and consulting service providers. **Downstream value chain:** New regulations regarding carbon markets, renewable energy, and environmental reporting may affect commercial processes and contract structures with energy buyers, carbon credit buyers, and other business partners.
Impact of the Risk on Financial Position, Financial Performance, and Cash Flow	Changes in legislation related to waste management, renewable energy, and carbon markets may result in additional costs due to compliance efforts, additional reporting obligations, verification processes, technology investments, and potential updates to operational processes. Furthermore, investments and process improvements undertaken to comply with new regulations may lead to increases in capital expenditures and operating expenses during certain periods. In particular, depending on the final scope of regulations related to the ETS and carbon markets, there may be a need for additional resources for reporting and verification processes, as well as for the management of carbon assets. It is assessed that this situation could have an impact on financial performance and cash flows. As of the reporting period, Turkey's national ETS has not yet entered the phase where carbon pricing and emission allowance allocation are implemented. Therefore, as of 2025, Biotrend's financial statements do not reflect any direct costs arising from the purchase of emission allowances or carbon liabilities under the ETS. However, as of the reporting period, the scope and implementation principles of regulations regarding the ETS and carbon markets have not yet been finalized. Consequently, key assumptions regarding which facilities will fall under the scope of the obligations, the emission allowances to be allocated, the carbon price, the methods for fulfilling obligations, and potential compliance costs cannot be reliably determined. Due to these uncertainties, the financial impact of the risk cannot be reliably measured during the reporting period. The Company quantitatively assesses the financial impacts of carbon credit projects in voluntary carbon markets where reliable data and established methodologies are available. However, since carbon credit sales represent an opportunity to generate revenue in voluntary markets, while the ETS represents compliance costs that may arise from regulated emissions, the two analyses are addressed within different scopes and methodologies. Following the finalization of the regulatory framework and implementation guidelines for the ETS, financial impact analyses are planned to be updated, taking into account facilities subject to the obligation, verified greenhouse gas emissions, allocation mechanisms, emission allowances that may need to be purchased, the carbon price, and other compliance costs. In this context, the goal is to conduct sensitivity analyses based on different carbon price scenarios (low, medium, and high) and allocation assumptions, and to evaluate the potential impacts in terms of operating expenses, cash flows, and capital planning. Biotrend is closely monitoring regulatory developments and continuing its efforts to assess potential financial impacts.
Risk Mitigation Actions	To comply with changing environmental regulations, Biotrend regularly monitors regulatory developments and is working to integrate relevant obligations into its operational processes. The company is developing its systems for monitoring and reporting environmental performance; it is strengthening its data management processes related to greenhouse gas emissions, water footprint, and other environmental indicators. Additionally, it maintains collaboration with industry representatives, consultants, and relevant stakeholders to assess the impacts of new regulations; where deemed necessary, operational processes and investment plans are reviewed.

Climate-Related Opportunities

Climate change creates not only risks but also significant opportunities in terms of sustainable growth, resource efficiency, and revenue diversification. Biotrend aims to capitalize on climate-related opportunities by leveraging its expertise in integrated waste management, renewable energy production, and the circular economy, supported by opportunities in carbon markets, resource recovery, and new product development. Developed in line with medium- and long-term strategies, these opportunities contribute to reducing environmental impacts while strengthening the company's revenue diversification and financial resilience. In evaluating climate-related opportunities, findings from scenario analyses conducted under various climate and transition scenarios serve as a key input. Within the scope of these analyses, the potential impacts of these opportunities on the business model, financial performance, and long-term strategic goals are evaluated; detailed explanations regarding the scenario analyses are provided in the **Scenario Analyses and Climate Resilience** section. Detailed explanations regarding the integration of climate-related risks and opportunities into corporate risk management processes through the risk assessment methodology are presented in the **Risk Management** section of the report.

Climate-Related Opportunities

Carbon credit sales	
Impact: Very High Probability: Medium Time Horizon: Medium term	
Opportunity Description	Greenhouse gas emission reductions resulting from Biotrend's integrated waste management and waste-to-energy activities are certified under international carbon standards, offering the potential to generate revenue in voluntary carbon markets. Carbon credit projects developed by Biotrend are implemented in accordance with internationally recognized standards such as VERRA, GCC, and ICR, thereby supporting the reliability and marketability of the generated carbon credits. The development of carbon markets, the widespread adoption of corporate net-zero targets, and the growing demand for international carbon offset mechanisms present a significant growth opportunity for Biotrend. Biotrend aims to convert emission reductions from its current operations into carbon credits on a larger scale and strengthen its position in the carbon markets.
Impact of the Opportunity on the Business Model and Value Chain	The production and sale of carbon credits create a new revenue stream in addition to Biotrend's existing waste management and renewable energy generation activities. Thus, the company is developing a new business segment that will generate additional revenue from carbon markets alongside the revenue it derives from its core operations. Carbon credits are being integrated into the company's business model as a strategic tool that enhances the value of its operations. Carbon credits strengthen the company's sustainable business model by converting the environmental benefits derived from waste management activities into economic value. This not only reinforces the link between environmental and financial performance but also enhances Biotrend's competitive advantage during the transition to a low-carbon economy. **Impact on the Value Chain:** **Upstream value chain:** Collaborations with verification and certification bodies, project developers, and consulting service providers in carbon credit development processes support the creation and market introduction of carbon credits in accordance with international standards. **Downstream value chain:** Increasing demand from institutional buyers and financial institutions active in voluntary carbon markets, as well as from companies needing to offset carbon emissions to meet their net-zero targets, is strengthening the company's revenue-generating potential.
Impact of the Opportunity on Financial Status, Financial Performance and Cash Flow	Within the scope of Biotrend's current project portfolio, there is the potential to generate approximately 1.5 to 2 million tons of carbon credits annually. Biotrend is continuing its carbon credit development efforts, and new credits are planned to be ready for sale in 2026. Furthermore, it is anticipated that the potential volume of credits could be evaluated under the CORSIA mechanism administered by the International Civil Aviation Organization (ICAO). Biotrend's carbon credit projects are listed under internationally recognized carbon credit standards such as VERRA, ICR, and GCC. During the project development and certification processes, the company utilizes independent verification bodies and external consulting support in accordance with the requirements of these international standards. Verification reports for Biotrend's carbon credit projects and the quantities of carbon credits ready for sale are published publicly in accordance with the relevant standards. The quantities of carbon credits that may be generated in the future are calculated based on the methodologies of the standards under which the projects are registered, and the company's project development and credit issuance schedule is based on these calculations. Additionally, the eligibility criteria for carbon credits that can be used under CORSIA are outlined in the documents "CORSIA Emissions Unit Eligibility Criteria" and "CORSIA Eligible Emissions Units" published by ICAO. A significant portion of Biotrend's projects are listed under the standards defined in these documents. All projects except the Ezine and Harmandalı facilities are considered CORSIA-compliant. Financial projections regarding carbon credit prices are based on market analyses published by MSCI. MSCI has developed minimum and maximum projections for carbon credits based on supply and demand. For the purpose of assessing the financial impact of the opportunity, current market conditions were used as the minimum selling price, while MSCI's long-term price projections were used as the maximum selling price. It is projected that Biotrend could sell a total of 12.1 million tons of carbon credits by 2030. Based on these calculations, the total revenue that could be generated from these carbon credits is estimated to range between approximately 84.7 million USD and 142.2 million USD. Based on the TCMB's USD/TRY buying rate as of December 31, 2025, there is a potential for annual revenue growth ranging from 3,629 million TL to 6,093 million TL. These revenue projections are based on the assumptions that carbon credits will be verified and certified in accordance with the planned schedule, will be made ready for sale, demand in voluntary carbon markets will continue, carbon prices will fall within the projected range, and voluntary carbon markets will continue to develop. In particular, the increase in demand for carbon credits and the deepening of international carbon markets—as projected in scenarios anticipating a rapid climate transition—form the core assumptions of these projections. The company considers the projected revenue from carbon credits to be a key component of its investment planning and revenue diversification strategy; it regularly reviews market conditions and developments in carbon prices as part of its financial planning processes. Revenues from carbon credits are expected to support the company's financial performance and cash generation capacity, thereby creating additional growth opportunities during the transition to a low-carbon economy.

[3] The carbon credit potential, projected at 12.9 million tons in the 2024 projections, has been revised to 12.1 million tons due to the removal of the carbon credit project associated with the Malatya-1 facility from the portfolio following methodological assessments conducted in accordance with the relevant standards.

Climate-Related Opportunities

Plastic credit sales	
Impact: Very High Probability: Medium Time Horizon: Medium term	
Opportunity Description	The increase in international efforts to reduce the environmental impact of plastic waste and the growing adoption of circular economy practices are supporting the development of new market mechanisms aimed at creating environmental value from plastic recovery activities. In this context, plastic credits are emerging as a new environmental financing tool that enables the verification and crediting of plastic waste collected and/or recovered under specific standards. Biotrend has become the first company to complete project registration in the plastic waste collection category under the Plastic Waste Reduction Program (PWRP), developed by Verra to create added value from plastic waste management activities by 2025. The company aims to convert the plastic credits generated through this initiative into commercial value in the future and to generate additional revenue from its operations.
Impact of the Opportunity on the Business Model and Value Chain	Plastic credits can enable Biotrend to transform the environmental benefits derived from its existing waste management activities into a new revenue model. Thus, Biotrend will be able to generate not only operational revenue from the collection and management of plastic waste at its mechanical sorting facilities but also additional revenue opportunities stemming from environmental markets. This mechanism enhances the economic value of plastic waste management activities while also supporting the circular economy approach. Furthermore, as verification, certification, and credit processes evolve, the company's visibility in international environmental markets and opportunities for collaboration with stakeholders are likely to strengthen. Should the plastic credits market develop, this opportunity is expected to support Biotrend's sustainable growth strategy, contribute to the diversification of its revenue structure—which is currently based on electricity generation—and strengthen its environmental services portfolio. **Impact on the Value Chain:** **Upstream value chain:** Collaborations with verification and certification bodies, as well as project development stakeholders, during the plastic credit development process support the creation and verification of credits in accordance with international standards. **Downstream value chain:** Increased demand from corporate companies purchasing plastic credits—in line with plastic waste reduction and plastic footprint targets—as well as from other market participants could strengthen the commercial value of plastic credits and Biotrend's revenue diversification potential.
Impact of the Opportunity on Financial Status, Financial Performance, and Cash Flow	Biotrend has completed the project registration in the plastic waste collection category under the Verra PWRP and aims to have plastic credits ready for sale by 2026. Under the NZE scenario, the market for plastic credits is expected to grow more rapidly and gain commercial value as circular economy practices gain momentum, demand for sustainable products increases, and regulatory mechanisms related to environmental markets develop. In contrast, under the STEPS scenario, it is assessed that the development and commercial maturity of the plastic credit market may be more limited due to the slower progress of current policies. However, the plastic credits market is still in its developmental stage, and there is insufficient data on credit prices, demand dynamics, and market size. Therefore, the financial impacts of this opportunity cannot be reliably measured or quantitatively assessed as of the reporting period. The company views plastic credits as a potential component of its long-term revenue diversification strategy. In this context, it is closely monitoring market developments, regulatory frameworks, and potential buyer demand. Once plastic credits begin to trade commercially and the market reaches sufficient maturity, the Company plans to quantitatively assess the financial impacts and integrate them into its investment and financial planning processes.

Climate-Related Opportunities

Introduction of new products and services: Biomethane sales	
Impact: High Probability: Medium Time Horizon: Long term	
Opportunity Description	Biotrend aims to convert biogas and landfill gas derived from waste into biomethane, a product with higher added value. Biomethane is gaining increasing importance in the energy sector as a renewable alternative to natural gas and is considered a strategic fuel within the framework of goals to enhance energy supply security and transition to a low-carbon economy. From Biotrend's perspective, this transformation is viewed as a significant business opportunity that both expands product diversity and contributes to decarbonization goals.
Impact of the Opportunity on the Business Model and Value Chain	Biomethane production adds a new product category to Biotrend's existing waste-to-energy business model. This process requires investments in technological infrastructure to purify biogas and bring it up to a quality suitable for integration into the natural gas grid. At the same time, it supports Biotrend's positioning not only as an electricity producer but also as a renewable gas producer by expanding its product portfolio. This transformation enhances the company's competitiveness in the market, facilitates access to new customer groups, and enables it to become one of the key players contributing to the energy transition. **Impact on the Value Chain:** **Upstream value chain:** The continuity of the biogas feedstock required for biomethane production, along with partnerships with gas purification technology providers, equipment suppliers, and infrastructure partners, supports the development of biomethane production capacity. **Downstream value chain:** Increased demand from industrial facilities aiming to use renewable gas, natural gas users, and energy market participants could support the commercialization of biomethane, thereby strengthening Biotrend's access to new markets and its potential for revenue diversification.
Impact of the Opportunity on Financial Status, Financial Performance, and Cash Flow	In Biotrend's current business model, electricity generation is the primary source of revenue. The vast majority of electricity sales are made at the YEKDEM tariff of 133 USD/MWh, with an average remaining YEKDEM term of 4.14 years. Studies have been conducted to evaluate alternative revenue sources. In this context, assessments are being made of alternative business models that could increase revenue diversification in the post-YEKDEM period; biomethane production is being considered as one of the leading strategic options in this regard. Feasibility studies conducted by the company have assessed the technical feasibility of biomethane production, and investment decisions are being analyzed by taking into account various climate and market scenarios. In particular, under the NZE scenario, it is projected that biomethane production could create a significant opportunity for growth and revenue diversification, driven by rising demand for renewable gas, the widespread adoption of biomethane, and the development of supportive regulations. In contrast, under the STEPS scenario, the economic feasibility of investment decisions is being assessed more cautiously, given the slower pace of energy transition and limited market development. As of the reporting period, the financial impact of this opportunity could not be reliably measured or quantitatively assessed due to the regulatory framework for biomethane production and trade in Turkey not yet being finalized and the lack of sufficient data on market prices. The company is closely monitoring regulatory developments, market price formation, and the maturation of the renewable gas market; in light of these developments, it is evaluating the inclusion of biomethane investments in its financial planning and capital allocation processes.

Climate-Related Opportunities

Introduction of new products and services: Establishment of an advanced conversion facility	
Impact: High **Probability: Medium** **Time Horizon: Medium term**	
Opportunit Description	The growing demand for sustainable plastic raw materials, the European Union's recycling mandates, and the pressure for sustainable packaging in the fast-moving consumer goods sector are transforming the chemical recycling of plastic waste into high-value-added products into a strategic opportunity. Biotrend aims to produce pyrolysis oil by processing 55,000 tons of plastic waste annually at its pyrolysis facility to be established in Aliağa, Izmir, thereby creating a new business segment focused on the circular economy. This investment expands the company's integrated waste management approach while reinforcing its leadership in the field of chemical recycling in Turkey.
Impact of the Opportunity on the Business Model and Value Chain	This investment adds a new business segment—plastic recycling—to Biotrend's existing business model, which focuses on integrated waste management and energy production. The pyrolysis oil to be produced can be used as a raw material in the petrochemical sector, integrating industrial sales channels, chemical recycling supply chain partnerships, and export potential into the company's value chain. At the same time, the construction of the facility introduces new operational layers—such as sorting, baling, processing, and sales—which enhance the company's technological capabilities and sectoral diversification. During the investment process, technical and financial capacity was strengthened through Honeywell technology, an EPC partnership structure, and international strategic alliances. This opportunity constitutes a key pillar of Biotrend's circularity-based growth strategy. **Impact on the Value Chain:** **Upstream value chain:** The advanced recycling facility depends on the effective collaboration with suppliers of suitable plastic waste, technology and equipment providers, as well as engineering and strategic business partners. **Downstream value chain:** The preference for the produced pyrolysis oil by industrial companies that use recycled raw materials—particularly in the petrochemical sector—can support access to new markets, thereby strengthening the company's revenue diversification potential and its position within the circular economy value chain.
Impact of the Opportunity on Financial Status, Financial Performance, and Cash Flow	Under the "super incentive" program worth approximately 9.2 billion TL, the company benefits from various forms of support, including VAT exemption, customs duty exemption, a 100% tax credit, qualified personnel support, and allocation of investment land. The facility's annual plastic processing capacity of 55,000 tons offers significant revenue potential through the sale of pyrolysis oil. According to market research, the average selling price of this product in international markets is approximately 1,600 USD/ton. To establish a reasonable safety margin, it has been assumed that the selling price could range between 1,400 USD/ton and 1,800 USD/ton. Accordingly, it is projected that the facility's annual potential revenue, if operating at full capacity, would range between 77 million USD and 99 million USD. Calculated based on the Central Bank of Turkey's (TCMB) foreign exchange buying rates as of December 31, 2025, this represents an annual revenue growth potential of between 3.3 billion TL and 4.2 billion TL. These revenue projections are based on the assumptions that the facility will be commissioned at its planned capacity, sufficient quantities of suitable-quality plastic waste will be supplied, international demand for pyrolysis oil will continue, and the product can be marketed within the projected price range. Additionally, various climate transition scenarios were taken into account in the assessments. Under the NZE scenario, the market for advanced recycling products is projected to grow more rapidly due to the acceleration of circular economy practices, increased regulatory requirements for recycled raw materials, and strengthening demand for sustainable products. In contrast, under the STEPS framework, it is assessed that if current policies progress more slowly, the increase in demand and the economic return on investment may be more limited. In calculating the financial impact, variables such as the verification of product prices using current market data, the facility's commissioning process, production efficiency, and sales conditions are also taken into account. Since the planned product, upon obtaining ISSC Plus certification, will have a low carbon footprint and contribute to the circular economy, it also has the potential to command higher prices in certain markets. This indicates that the financial impact could increase further in the medium term.

Scenario Analyses and Climate Resilience

Physical Scenario Analyses

Biotrend has reviewed the scenario analyses it conducted to assess physical risks caused by climate change in light of current climate data and projections. The analyses, which cover all of Biotrend's facilities, were carried out using international data sources such as the World Bank Climate Change Knowledge Portal (CCKP), Climate Analytics' Climate Impact Explorer, and the WRI Aqueduct Water Risk Atlas.

The analyses assessed priority physical climate risks such as heat waves, average temperature increases, and water stress. While various climate scenarios were considered in the heat wave and water stress analyses, the NGFS Net Zero 2050, NGFS Delayed Transition, and NGFS Current Policies (High Climate Response) scenarios were used in the average temperature increase analyses. The assessments were conducted to cover short-, medium-, and long-term time horizons.

The analysis results indicate that, over time, temperature increases, extreme heat events, and pressure on water resources may intensify in some locations where Biotrend operates. The goal is to integrate these findings into the company's climate risk management, adaptation planning, and operational resilience efforts.

Heat Waves

As part of the study, heat wave risk was assessed across different time periods under the SSP1-2.6, SSP2-4.5, SSP3-7.0, and SSP5-8.5 scenarios using the "Hot Day Heat Risk Categorization" indicator available on the World Bank's Climate Change Knowledge Portal. The analyses aim to identify physical climate risks that may arise due to changes in the frequency and intensity of hot days at the facilities' locations.

The scenario results indicate that during the 2020–2039 period, the majority of Biotrend facilities fall into the moderate heat wave risk category. The Ezine facility, however, is classified in the low-risk category during this period.

In medium- and long-term projections, risk levels are seen to increase, particularly at the Aydın, İskenderun, Malatya, İzmir, and Uşak facilities. Under high-emission scenarios (particularly SSP3-7.0 and SSP5-8.5), risk levels at these facilities reach the high-risk category. In contrast, while risk levels at the Bursa, Balıkesir, and Sivas facilities generally remain in the medium-risk category, increases in risk are observed under certain long-term high-emission scenarios. These results indicate that fire risk, occupational health and safety threats, and the likelihood of operational disruptions could become more serious in the long term.

As a result of the update conducted in 2025, the methodology used in the previous reporting period was retained, and the findings were found to be largely consistent with previous analyses. The results show that physical climate risks associated with heat waves and extremely hot days remain significant, particularly in the long term and under high-emission scenarios.

The findings of the scenario analysis, when integrated into Biotrend's climate risk management processes, contribute to enhancing resilience against heat waves. In this context, the goals include strengthening fire prevention and response capabilities, developing early warning and monitoring systems, maintaining occupational health and safety practices to reduce employee exposure to extreme heat, and implementing measures to support operational continuity.

Average Temperature Increase

Biotrend conducted a desk-based scenario analysis to assess the potential impacts of changes in average temperatures resulting from climate change on operational processes. For the 2025 reporting period, the methodology of the Climate Impact Explorer (CIE) platform—developed by Climate Analytics and IIASA (International Institute for Applied Systems Analysis)—used in the analyses has been updated. As part of this update, NGFS scenarios have been adopted in place of the RCP scenarios used in the previous version. Rather than altering the general risk trends related to temperature increases, the methodology update ensures that the analyses are conducted using current scientific datasets and modeling approaches. Therefore, while the 2025 analyses are comparable to those from previous periods in terms of general trends, they reflect the platform's updated methodology. In this context, the NGFS Net Zero 2050, NGFS Delayed Transition, and NGFS Current Policies (High Climate Response) scenarios were evaluated for all facilities in the 2025 analyses.

The analysis results show that average temperature increases remain at limited levels under the low-emission NGFS Net Zero 2050 scenario. In contrast, temperature increases become more pronounced in scenarios where the transition is delayed or current policies continue. In the NGFS Delayed Transition scenario, where the transition is delayed, physical climate risks are seen to rise to a moderate level. In the NGFS Current Policies (High Climate Response) scenario, where current policies continue, temperature increases become more pronounced across all locations by 2050, and physical climate risks reach a high level. In particular, facilities in Hatay, Aydın, İzmir, Uşak, and Malatya stand out as those that may be more severely affected by temperature increases.

Continued temperature increases pose potential physical risks that could lead to higher levels of heat stress for workers, negatively impact equipment performance, and increase the risk of fire. Prolonged temperature increases, particularly during the summer months, can heighten operational pressures in waste storage and energy production processes; they may also lead to methane gas buildup, the risk of spontaneous combustion, and the need for additional occupational health and safety measures. For this reason, Biotrend continues to monitor physical climate risks associated with rising temperatures and is developing its practices to enhance operational resilience.

Water Stress

Biotrend has reviewed its water stress analysis—conducted to assess the impacts of climate change on water resources—in light of its current facility portfolio and existing climate projections. As part of this study, the current and future water stress levels at Biotrend facilities were assessed using data from the WRI Aqueduct Water Risk Atlas. The analysis examined water stress projections for the years 2030 and 2050 under optimistic and pessimistic climate scenarios.

According to the scenario analysis, the water risk profile varies significantly across the locations where Biotrend operates. The facilities in Ezine, Harmandalı, Bergama, Uşak, and Çine are currently classified in the Extremely High (over 80%) water stress category and remain in this category in all future projections. This indicates that these facilities are highly vulnerable in terms of long-term access to water resources.

The facilities in İnegöl, Sivas, İskenderun, and Balıkesir generally fall within the High (40–80%) water stress category. Particularly at the İnegöl facilities, the water stress level is projected to rise to the "Extremely High" (over 80%) category under high-risk scenarios assessed for the 2030 and 2050 periods. This suggests that the risk of regional water scarcity may increase over time.

The facilities in Malatya, on the other hand, remain at a Low (below 10%) water stress level throughout the entire analysis period. This result indicates that the facilities in Malatya face a lower risk of water stress compared to other operational locations.

Water Stress Risk Distribution

Water Stress Category	2050 - Optimistic Scenario		2050 - Pessimistic Scenario	
	Number of Facilities	Share of Total (%)	Number of Facilities	Share of Total (%)
Low (<10%)	2	11.76%	2	11.76%
High (40–80%)	7	41.18%	4	23.53%
Extremely High (>80%)	7	41.18%	10	58.82%

This analysis necessitates the development of priority water management strategies based on Biotrend's facility-specific water risk profile. In particular, temporary solutions such as water delivery by tanker in the short and medium term at locations with an Extremely High risk level have the potential to increase costs. In the long term, evaluating alternative water sources to reduce reliance on groundwater, increasing water reclamation practices, and improving water efficiency emerge as the primary areas of action.

Biotrend continues to monitor water stress risk as part of its risk assessment and scenario analysis efforts; it aims to continue its work on improving water use efficiency, evaluating alternative water sources, and developing water management practices at high-risk facilities.

Transition Scenario Analyses

Biotrend reviewed and updated its transition scenarios in 2025 to assess transition risks associated with climate change. The study evaluated how the company's business model, investment plans, and revenue sources might be affected under different climate policy and market developments. The analysis was based on two key scenarios developed by the International Energy Agency (IEA):

- **NZE 2050 (Net Zero Emissions Scenario):** This scenario envisions a rapid and comprehensive energy transition aimed at limiting global temperature rise to 1.5°C. This scenario includes assumptions such as high carbon prices (250 USD/tCO_2 after 2030), strong policy interventions like the expansion of emissions trading systems, a rapid transition to clean energy, and accelerated investments in energy efficiency.
- **STEPS (Stated Policies Scenario):** This scenario assumes the gradual implementation of current and announced policies, with carbon pricing and the energy transition proceeding at a slower pace. In this scenario, carbon prices are expected to remain lower (160 USD/tCO_2 by 2050), and the energy transition and new market mechanisms are expected to progress more slowly.

The analysis results indicate that Biotrend's revenue model and growth strategy are sensitive to the transition to a low-carbon economy. Under the NZE scenario, carbon markets are projected to develop more rapidly, demand for carbon credits is expected to increase, and incentives and regulations targeting areas such as advanced conversion and biomethane are anticipated to become more widespread. This situation presents significant opportunities for Biotrend in terms of its goal of increasing non-electricity revenue sources. Furthermore, Biotrend's technical capacity is at a level that could provide a competitive advantage in the transition to biomethane production. Since this transition is expected to occur more rapidly under the NZE scenario, the company's revenue potential from new product and service areas is assessed to be higher.

With the development of carbon markets, demand for eligible carbon credits is expected to increase, particularly under the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) administered by the International Civil Aviation Organization (ICAO). This development could present a significant revenue opportunity for Biotrend in terms of carbon credits it can generate from its methane capture, biogas, and biomass projects. Additionally, in parallel with the growth of voluntary carbon markets, the proliferation of new environmental market mechanisms—such as plastic credits based on plastic waste recovery—is also viewed as an opportunity that could create additional revenue potential for the company.

Under the NZE scenario, demand for the advanced recycling of plastic waste is also expected to rise as circular economy practices gain momentum. In this context, the investment in the Plastic Advanced Recycling Facility—which received a positive EIA decision in 2025—is viewed as a strategic investment that supports the company's low-carbon, circular economy-focused business model. Reintroducing plastic waste into the economy through advanced recycling not only contributes to resource efficiency but also holds the potential to create new revenue streams in line with the growing demand for low-carbon raw materials. In addition, the development of new market instruments—such as plastic credits, an environmental certification mechanism based on plastic waste recovery—is considered among the factors that could create additional revenue opportunities for Biotrend under the NZE scenario. Should these mechanisms mature and become more widespread, the economic value of the company's circular economy activities could become more visible.

On the other hand, under the STEPS scenario, the delayed implementation of carbon pricing and regulations could limit Biotrend's ability to expand its alternative revenue streams. The economic potential of new business areas such as biomethane, advanced recycling, and plastic credits may emerge more slowly, depending on the pace of regulatory framework development and market demand. In this context, Biotrend's investment decisions regarding biomethane and other low-carbon initiatives will be shaped by economic feasibility and market conditions.

Transition Scenario Analyses

On the carbon credit front, Biotrend's carbon reduction capacity presents significant revenue potential in both scenarios. The economic value of carbon credits is expected to increase as carbon markets develop and appropriate mechanisms are established. On the other hand, if Biotrend's Scope 1 emissions resulting from methane leaks are included in the Emissions Trading System in the future, this area could also pose a financial risk.

On the supply chain side, scenario-based impacts have been assessed as relatively limited. While there is no critical supplier dependency for items such as pipes and fittings—which are among the main inputs—Biotrend aims to develop transformation strategies to build a more resilient structure in this area as well in the future.

Overall, the NZE scenario offers more strategic opportunities for Biotrend and envisions a transformation aligned with the company's business model focused on renewable energy, waste management, and the circular economy. The STEPS scenario, on the other hand, presents a picture where current policies progress more gradually, pointing to more limited opportunities in terms of revenue diversification and the development of low-carbon growth areas. However, in both scenarios, it remains crucial for Biotrend to evaluate opportunities arising from carbon markets, biomethane, plastic credits, and advanced recycling activities; strengthen its emissions management practices; and continue its strategic planning to adapt to evolving regulatory frameworks.

Biotrend's Climate Strategy

Following a roadmap aligned with the goal of transitioning to a low-carbon economy in the fight against climate change, Biotrend is committed to achieving net-zero emissions by 2050. In this regard, while the company is carrying out initiatives to reduce emissions from its operations, it is also developing investment and business models that support its growth in the areas of the circular economy, advanced recycling, carbon markets, and renewable energy.

Biotrend's business model, based on integrated waste management and waste-to-energy production, combines activities that contribute to reducing greenhouse gas emissions with the creation of economic value. Through investments that enable the conversion of waste into energy and secondary raw materials, the company aims to both generate environmental benefits and increase non-electricity revenue streams. The management of climate-related risks and opportunities is considered one of the key elements of the company's long-term growth strategy.

Climate Targets and Performance Tracking

Biotrend aims to systematically manage its climate and sustainability performance in line with its 2050 net-zero emissions target. In this context, the company established key performance indicators (KPIs) for environmental, social, and governance (ESG) themes for the first time in 2025 and structured its performance monitoring mechanisms.

Indicators under the environmental theme include performance areas related to greenhouse gas emissions, renewable energy production, waste management, and circular economy practices. The defined KPIs contribute to the regular monitoring of the company's sustainability performance, the assessment of progress toward targets, and the support of strategic decision-making processes. Detailed explanations of KPI definitions, annual performance results, and tracking indicators are presented in the Biotrend 2025 Sustainability Report. Climate-related KPIs are included in the **Climate-Related Targets** section of this report.

These KPIs have undergone an independent verification process, and the company aims to strengthen the reliability, transparency, and comparability of its sustainability data. Biotrend also continues its efforts to develop its climate-related targets and performance indicators over time to create a more comprehensive climate transition plan. As part of these efforts, the company aims to assess emission reduction opportunities, manage climate-related risks and opportunities, and support investments in a low-carbon economy.

Strategic Priorities

Reduction of Greenhouse Gas Emissions

Reducing methane emissions—which constitute a significant portion of the greenhouse gas emissions generated by Biotrend's operations—is among the company's top climate priorities. Efforts are ongoing to more effectively capture methane gas at landfills, increase gas capture efficiency, develop pipeline infrastructure, and reduce methane leaks through operational improvements.

With the widespread adoption of carbon pricing mechanisms and the expansion of emissions trading systems, the management of methane emissions has become strategically important not only from an environmental perspective but also from a financial one. For this reason, the company considers strengthening its emissions monitoring and reduction practices to be one of its top priorities.

Work began in 2026 to develop a data collection system for corporate greenhouse gas inventory calculations, and procedures have been established within this framework. Efforts to improve data quality, standardize data collection processes, and refine the calculation methodology are ongoing.

To reduce Scope 2 emissions, the company is evaluating energy efficiency measures, the use of electric vehicles and equipment, and investments in renewable energy. Efforts are ongoing to integrate biomass power plants with solar power systems, with the goal of meeting a higher percentage of the facilities' energy needs from renewable sources.

As part of the management of Scope 3 emissions, efforts are ongoing to identify, measure, and prioritize emission sources. The goal is to improve data quality and assess opportunities for emission reductions in order to manage value chain-related emissions more effectively.

Carbon Credits and Environmental Markets

Biotrend's business model is based on projects that reduce carbon emissions through waste-to-energy, biomass energy production, and methane capture at landfills. The company views carbon credits as a strategic tool for both verifying environmental benefits and developing alternative revenue streams.

Carbon projects are verified in accordance with international standards and traded in voluntary carbon markets. While periodic price fluctuations and shifts in demand continue in carbon markets, the development of international carbon markets is creating new opportunities. In particular, demand for carbon credits with high environmental integrity is expected to increase under the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) led by the International Civil Aviation Organization (ICAO). These developments are considered among the factors supporting the long-term value creation potential of the company's existing carbon projects. In addition, the company does not view developments in environmental markets as limited to carbon credits; it also closely monitors new market instruments such as plastic credits—certification mechanisms based on the recovery of plastic waste.

Carbon credits and plastic credits are viewed as potential opportunities that could contribute to converting the environmental benefits derived from the company's circular economy activities into economic value.

Upcycling and the Circular Economy

Advanced recycling activities constitute one of the key elements of Biotrend's strategy for transitioning to a low-carbon economy. Trends evaluated in the company's climate scenario analyses—such as changing market conditions, carbon regulations, the widespread adoption of circular economy practices, and the increasing demand for low-carbon products and sustainable raw materials—are taken into account in determining the company's strategic investment priorities. In this context, advanced recycling investments are among the strategic growth areas that support adaptation to transition risks arising from climate change and the evaluation of commercial opportunities emerging during this process.

The İzmir Aliağa Plastic Advanced Recycling Project aims to produce sustainable raw materials using pyrolysis technology. The project, which received a positive EIA decision in 2025, is considered a significant milestone that supports the company's climate-related goals—including meeting the growing demand for low-carbon products, reintegrating plastic waste into the economy, and increasing resource efficiency—while contributing to the development of a circular economy-focused business model.

With the project's implementation, the goal is to both reintegrate plastic waste into the economy and help meet the growing demand for low-carbon raw materials. Advanced recycling activities are expected to increase resource efficiency, support the utilization of waste within the circular economy framework, and create new revenue streams.

Biotrend views advanced recycling investments not merely as projects that provide environmental benefits, but as strategic growth areas that reduce carbon emissions, increase resource efficiency, and strengthen revenue diversification while supporting adaptation to transition risks arising from climate change. This approach aligns with the assessments outlined in the company's climate scenario analyses and constitutes a key component of its net-zero target.

Risk Management

Biotrend conducts processes for identifying, assessing, prioritizing, and monitoring climate-related risks and opportunities within the framework of its corporate risk management approach. The company assesses that climate-related risks may be linked to operational, financial, strategic, and compliance risks, and aims to address these risks in an integrated manner through its corporate risk management processes.

Comprehensive efforts were undertaken in 2025 to strengthen Biotrend's corporate risk management framework. As part of this effort, a new risk management model supported by a PESTEL (Political, Economic, Social, Technological, Environmental, and Legal) analysis was developed to enable a more systematic assessment of the external environmental conditions in which the company operates. The model was reviewed and approved by the Early Detection of Risk Committee in the second half of 2025. The implementation of the new risk management model has been planned in phases. The first phase involves assessing operational risks under the new methodology, with the goal of integrating sustainability risks into the system by 2026. For this reason, as of the reporting period, sustainability and climate-related risk assessments were conducted using the current risk management methodology.

In the process of identifying climate-related risks and opportunities, Biotrend takes into account its company operations, the geographic locations of its facilities, its business model, and its value chain. Internationally recognized data sources and analytical tools are utilized in these assessments. In this context, sources such as the scenario studies published by the International Energy Agency (IEA), the WRI Aqueduct Water Risk Atlas, and the World Bank Climate Change Knowledge Portal provide input for the assessment process. Climate-related scenario analyses constitute one of the key inputs for risk and opportunity assessments, as explained in the **Strategy** section of this report.

Climate-related risks are assessed alongside other corporate risks within the framework of the current risk management approach and are monitored by the relevant governance bodies. Accordingly, risks are regularly reviewed, prioritized, and necessary actions are identified by the Sustainability Committee and the Early Detection of Risk Committee. The individuals and departments responsible for implementing the identified actions are monitored, and the effectiveness of these implementations is periodically evaluated. At the same time, monitoring activities related to the implementation of the sustainability strategy and performance targets are supported through Committee reports. Two independent Board members serving on the Sustainability Committee coordinate the flow of information between the Committee and the Board, ensuring that climate-related issues are effectively evaluated at the highest level of decision-making. Furthermore, to further strengthen the integration of climate-related risks into corporate risk management processes by 2026, it has been decided that the Early Detection of Risk Committee and the Sustainability Committee will hold joint meetings at least twice a year. At these meetings, climate-related risks and opportunities, their financial impacts, and risk-mitigation actions will be assessed using a holistic approach.

Climate-related opportunities are also addressed using a similar approach, with prioritization based on an assessment of their impact, likelihood of occurrence, and time horizon. The climate scenario analyses conducted by the company contribute to the systematic evaluation of opportunities that may arise during the transition to a low-carbon economy.

With the phased implementation of its new risk management model, Biotrend aims to integrate sustainability and climate-related risks more comprehensively into its corporate risk management processes. In this regard, the company plans to continue its efforts to assess sustainability risks under the new methodology in the coming period. The company adopts a holistic, transparent, and continuous improvement-based approach to managing climate-related risks and opportunities.

Risk Methodology

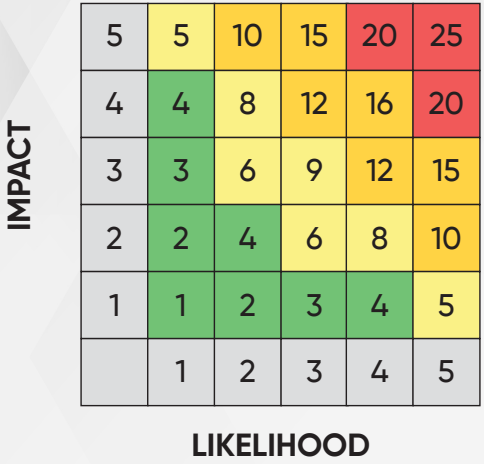
During the 2025 reporting period, Biotrend's existing corporate risk assessment methodology continued to be used in the evaluation of climate-related risks and opportunities. Within this framework, climate-related risks and opportunities were systematically assessed by considering the criteria of impact, likelihood, and time horizon.

Biotrend uses a 5x5 impact-probability matrix to prioritize risks and opportunities. Impact and probability levels are classified into five categories: very low, low, medium, high, and very high. In addition to qualitative criteria, financial significance is also taken into account in the assessments, and a threshold value set at 1% of the company's revenue is used as a reference for evaluating financial impacts. This threshold value is one of the key indicators used to determine whether climate-related risks and opportunities are considered financially significant.

In the assessment of climate-related risks, the potential impact of the risk, its likelihood of occurrence, and the time horizon are considered together. Similarly, climate-related opportunities are also evaluated in terms of impact, likelihood, and time horizon, and the climate scenario analyses conducted by the company provide input for these processes. The aim is thus to systematically analyze the short-, medium-, and long-term impacts of both risks and opportunities.

Climate-related risks and opportunities are assessed alongside other corporate risks within the company's overall risk management approach and are monitored by the relevant governance bodies. In this context, climate-related risks and opportunities are reviewed by the Sustainability Committee, necessary actions are identified, and implementation processes are tracked.

During 2025, efforts were undertaken to develop Biotrend's corporate risk management framework, and a new risk management model supported by a PESTEL analysis was prepared. This model was evaluated and approved by the Early Detection of Risk Committee in the second half of 2025. The implementation of the new model is planned in phases, with the integration of operational risks into the system anticipated in the first phase. For this reason, as of the reporting period, climate-related risk and opportunity assessments were conducted using the existing risk methodology. In the coming period, with the widespread adoption of the new risk management model, it is intended to integrate sustainability and climate-related risks into this framework as well. In line with this approach, Biotrend has adopted a risk management philosophy that is holistic, transparent, and focused on continuous improvement in the management of climate-related risks and opportunities.



Biotrend Impact Score Definitions

Score	Level	Description
1	Very Low Impact	Does not affect operations; negligible level
2	Low Impact	Local, short-term disruption; manageable
3	Medium Impact	Disruption at the department or project level; may result in time and cost overruns
4	High Impact	Critical activities may be halted the process must be restructured
5	Very High Impact	Corporate objectives are seriously compromised; a crisis situation may arise

Biotrend Likelihood Definitions

Score	Level	Description
1	Very Low	Almost never occurs; theoretical only
2	Low	Occurs rarely, perhaps once every few years
3	Medium	At regular intervals; may occur once a year
4	High	Occurs frequently; may occur every few months
5	Very High	Almost certain; a constantly occurring situation

Metrics and Targets

Climate-Related Metrics

As part of its management of climate-related risks and opportunities, Biotrend regularly monitors and reports on its greenhouse gas emissions. Biotrend's measurement of greenhouse gas emissions is conducted in accordance with the ISO 14064-1:2018 standard and the Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard (2004), and is based on an operational control approach.

For 2025, Scope 1 greenhouse gas emissions were measured at 839,047.91 metric tons of CO_2e, while location-based Scope 2 greenhouse gas emissions were measured at 5,289.94 metric tons of CO_2e. The sale of the Aksaray, Giresun, and Ayvacık facilities took place in 2024; these facilities were included in emissions calculations up to the date of sale during the 2024 reporting period. In the 2025 reporting period, however, the amount of gas collected at biogas facilities decreased because these facilities were no longer included in the scope of consolidation. Additionally, there was a decrease in the amount of biomass burned due to unexpected shutdowns at the biomass facilities. These two factors are the primary reasons for the decline in Scope 1 greenhouse gas emissions. The primary reason for the decrease in Scope 2 greenhouse gas emissions, on the other hand, is the inclusion of the Kapıkaya Facility in the internal consumption calculation in 2025. Compared to 2024, a large portion of the company's electricity needs was met by electricity it generated itself, while the amount of electricity procured from the grid decreased significantly. Consequently, the reduction in the amount of electricity drawn from the grid led to a decrease in Scope 2 greenhouse gas emissions. The calculations were performed for the consolidated group, which includes all of Biotrend's sites, facilities, and field operations. As of the reporting period, Biotrend is not subject to any binding emission-limiting regulations aimed at directly limiting or reducing emissions. However, two of Biotrend's facilities are covered by the Continuous Emission Monitoring System (CEMS), and emissions from these facilities are monitored and reported in accordance with emission reporting regulations.

Greenhouse Gas Emissions (metric tons CO_2e)	2024	2025
Gross: Scope 1	944,041.41 [4]	839,047.91
Gross: Scope 2 [5]	7,150.2	5,289.94
Total	**951,191.58**	**844,337.85**
Biogenic Emissions	1,573,243.20	1,281,833.14

[4] The 2024 Scope 1 greenhouse gas emissions data was revised in 2025 due to a data transmission error identified during the reporting process.

[5] Contract-based instruments, such as renewable energy certificates, were not used during the reporting period, and there is no difference between location-based and market-based Scope 2 emissions.

The measurement approach used in emission calculations is determined based on activity data and emission factors. The inputs and assumptions used are selected in accordance with the business model and area of activity; changes made to methods and assumptions are implemented as part of base year updates when necessary.

Biotrend continues its efforts to reduce greenhouse gas emissions, prioritizing the reduction of Scope 1 emissions in particular.

Biotrend uses landfill gas as an energy source in its operations and conducts its activities through landfill gas, biogas, and biomass combustion facilities. During the reporting period, biogenic emissions are calculated and reported separately as part of the greenhouse gas emissions inventory. Accordingly, the energy consumption of facilities producing energy from biomass is not evaluated within the scope of the greenhouse gas emissions inventory. Biotrend's total biogenic emissions for 2025 were calculated as 1,281,833.14 metric tons of CO_2e.

Internal Carbon Price

As of the reporting period, Biotrend does not have any internal carbon pricing mechanism in place used in decision-making processes. However, plans are in place to initiate an evaluation process aimed at developing and implementing an internal carbon pricing mechanism to enhance alignment with the climate strategy.

Assets Vulnerable to Climate Risks

Biotrend assesses climate-related hazards—such as water stress, extreme temperatures, fire risk, heavy rainfall, and flooding—in the regions where it operates, within the scope of physical climate risks. Analyses conducted in this context utilize international data sources and climate risk tools.

As a result of these assessments, it was determined that some facilities are located in regions with high or very high water stress according to WRI Aqueduct data, and that rising temperatures could increase the risk of fire at regular storage sites. Operational and financial impacts were evaluated in light of these risks; potential financial impacts were quantitatively analyzed using scenario analyses addressing water stress and rising temperatures. However, considering the elevated locations of these facilities, existing infrastructure measures, fire prevention and response systems, and alternative operational solutions, it was assessed that these risks do not pose a significant level of physical vulnerability to the availability of the company's assets or the continuity of operations as of the reporting period. Nevertheless, recognizing that the effects of climate change may evolve over time, plans are in place to refine physical risk analyses and conduct more detailed assessments.

When assessed in terms of transition risks, Biotrend's line of business and business model have the potential to capitalize on various opportunities arising from the transition to a low-carbon economy. However, the key issue for Biotrend in the context of transition risks is its carbon credit activities. In line with current and evolving regulations, while this area of activity is primarily viewed as an opportunity, there is a risk that sales may fall short of expectations due to price fluctuations in voluntary carbon markets.

The value and sales potential of carbon credits may vary depending on price movements, demand conditions, and regulatory developments in voluntary carbon markets. In 2024, revenue from carbon credits accounted for approximately 1% of Biotrend's total revenue; however, no carbon credit sales were made during the 2025 reporting period. This situation highlights the sensitivity of potential revenue from carbon credits to market conditions and the relatively fragile nature of this revenue stream. Furthermore, potential changes in the regulatory frameworks governing national and international mechanisms related to carbon markets are also classified as a risk category.

The company is monitoring emerging market instruments such as plastic credits. However, the fact that these mechanisms are still in the development phase and that regulatory frameworks have not yet been fully clarified creates uncertainty. Furthermore, the technologies to be used in the Izmir Aliağa Advanced Plastic Recycling Project—which received a positive EIA decision in 2025—as well as market conditions and regulatory developments, are also considered factors that could affect the investment's economic performance.

Based on the overall assessment, it is concluded that Biotrend's current business model and investment strategy are largely aligned with the transition to a low-carbon economy, while potential impacts arising from transition risks must be monitored regularly.

Business Activities Aligned with Climate Opportunities

Biotrend's core business focuses on creating environmental value through waste management, waste-to-energy production, and circular economy practices. The company's operations include waste-to-energy production, recovery and sorting activities, and advanced recycling investments.

Accordingly, the entirety of total revenue for the reporting period consists of income generated from activities that support the transition to a low-carbon economy and the circular economy. This assessment is based on the revenue items included in the Company's consolidated financial statements as of December 31, 2025. The Company's revenue consists of the following items: revenue from electricity generation and wholesale sales, waste disposal revenue, sorting revenue, greenhouse revenue, and revenue from the sale of carbon emission credits; it encompasses revenue generated from environmental services provided within the scope of the circular economy. All of these activities are considered to be in line with Biotrend's core business, as they increase resource efficiency, support waste recovery, and contribute to the reduction of greenhouse gas emissions.

Therefore, 100% of Biotrend's total revenue for the reporting period is attributed to the transition to a low-carbon economy and climate-related opportunities aligned with the circular economy. Detailed information regarding the breakdown of revenue for the reporting period is presented under the "Revenue" heading in the 2025 Annual Report and in the **Consolidated Financial Statements and Notes as of December 31, 2025 (Note 19).**

TSRS 2 Guidance on Sector-Based Application: Volume 32– Electric Utilities & Power Generators

Biotrend's scope of operations covers only energy production processes. Following the transmission of the generated energy to the grid, responsibility and authority regarding said energy are transferred to the relevant grid operators, and the transmission and distribution processes beyond this stage fall outside Biotrend's operational scope.

Accordingly, in the assessments conducted under the TSRS 2 Sector-Based Implementation Guide: Volume 32, only processes related to energy production activities were considered; explanations regarding grid operation and energy distribution activities were excluded from the scope.

As of the reporting period, 11.76% of Biotrend's emissions covered by emissions reporting regulations are monitored and reported under the Continuous Emissions Monitoring System (CEMS). However, since the implementation guidelines for national regulations related to the Emissions Trading System (ETS) have not yet been finalized, the scope and financial implications of any additional obligations for the company cannot be reliably assessed. A detailed explanation is provided under the heading **Climate-Related Risks.**

During the reporting period, there was one non-compliance incident related to water quality permits, standards, and regulations. At the Ezine facility, an administrative fine of 1,671,844 TL was imposed due to the discharge of wastewater generated on-site into the receiving environment without treatment. Following the incident, a root cause analysis was conducted; necessary revisions to the facility's infrastructure were completed, technical measures were implemented to prevent wastewater from entering the receiving environment, and monitoring and control processes were strengthened to prevent the recurrence of similar incidents.

TOPIC	METRIC	2025 DATA	UNIT OF MEASURE	CODE
Greenhouse Gas Emissions & Energy Resource Planning	(1) Gross global Scope 1 emissions percentage covered under	839,047.91	Metric tons (t) CO_2-e	IF-EU-110a.1
	(2) Emission-limiting regulations	0	Percentage (%)	
	(3) Emissions-reporting regulations	11.76%	Percentage (%)	
	Greenhouse gas (GHG) emissions associated with power deliveries	-	Metric tons (t) of CO_2-e	IF-EU-110a.2
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Described under the heading "4.4. Climate-Related Targets."	n/a	IF-EU-110a.3
Water Management	(1) Total water withdrawal	1,065.56	Thousand cubic meters (m^3)	IF-EU-140a.1
	(2) Total water consumed;	106.56	Thousand cubic meters (m^3)	
	percentage of each in regions with High or Extremely High Baseline Water Stress	99.6	Percentage (%)	
	Number of non-compliance incidents related to water quality permits, standards, and regulations	1	Number	IF-EU-140a.2
	Description of water management risks and discussion of strategies and practices to mitigate those risks	is explained under the heading "2.1.1. Climate-Related Risks."	n/a	IF-EU-140a.3
End-Use Efficiency & Demand	Percentage of electric load served by smart grid technology	-	Percentage (%) by megawatt hours (MWh)	IF-EU-420a.2
	Customer electricity savings from efficiency measures, by market	-	Megawatt-hours (MWh)	IF-EU-420a.3
Nuclear Safety and Emergency Management	Total number of nuclear power units, broken down by results of most recent independent safety review	-	Number	IF-EU-540a.1
	Description of efforts to manage nuclear safety and emergency preparedness	-	n/a	IF-EU-540a.2
Grid Resiliency	Number of incidents of non-compliance with physical and/or cybersecurity standards or regulations	-	Number	IF-EU-550a.1
	(1) System Average Interruption Duration Index (SAIDI), (2) System Average Interruption Frequency Index (SAIFI), and (3) Customer Average Interruption Duration Index (CAIDI), inclusive of major event days	-	Minutes, Number	IF-EU-550a.2

Activity Metrics

ACTIVITY METRICS	2025 DATA	UNIT OF MEASURE	CODE
Number of: (1) residential, (2) commercial, and (3) industrial customers served[6]	Commercial: 1	Number	IF-EU-000.A
Total electricity delivered to: (1) residential, (2) commercial, (3) industrial, (4) all other retail customers, and (5) wholesale customers	Commercial: 602,472.16[7]	Megawatt-hours (MWh)	IF-EU-000.B
Length of transmission and distribution lines	-	Kilometers (km)	IF-EU-000.C
Total electricity generated, percentage by major energy source, percentage in regulated markets	602,472.16 6 0.2	Megawatt-hours (MWh), Percentage (%) Percentage (%)	IF-EU-000.D
Total wholesale electricity purchased	12,113.33	Megawatt-hours (MWh)	IF-EU-000.E

Metrics shown as "-" are included in the TSRS 2 Sector-Based Implementation Guide: Volume 32; however, they were not reported because the relevant activity was not carried out as part of Biotrend's operations during the reporting period, or because there was no consumption or operation (e.g., natural gas use in fleet vehicles) that generated reportable data for the metric in question.

The metrics for Volume 32 have been included in the reporting scope for 2025. Detailed information on this topic is provided under the heading Key Changes Compared to the 2024 Reporting Period. The metrics presented under Volume 32 are being reported for the first time in 2025 and, due to missing data, cannot be presented in a comparative format with 2024. However, gross total Scope 1 emissions are also reported under Volume 38; for 2024, this value is 944,041.41 metric tons of CO_2-e.

[6]Since Biotrend's electricity sales are conducted through EXIST, the only customer it serves directly falls under the commercial customer category. There are no customers in the residential or industrial categories that Biotrend serves directly.

[7]In the activity metrics of Volume 32, electricity generation was calculated based on the gross electricity generation data (602.47 GWh) published by TEİAŞ. In the financial impact analyses of risks, however, net electricity generation (547.02 GWh)—which serves as the basis for calculating revenue loss—was used.

TSRS 2 Sector-Specific Implementation Guide: Volume 38 – Waste Management

While preparing its climate-related disclosures under TSRS 2, Biotrend took into account the "Guidance on the Sector-Specific Application of TSRS 2: Volume 38 – Waste Management" in assessing the risks and opportunities specific to the sector in which it operates.

Indicators related to vehicle fleet management were calculated based on consumption data for company vehicles used in Biotrend's operations during the reporting period. The metric scope includes diesel, gasoline, and electric vehicles, and the charging consumption of electric vehicles was evaluated as part of the electricity consumption sourced from the distribution grid.

TOPIC	METRIC	2024 DATA	2025 DATA	UNIT OF MEASURE	CODE
Greenhouse Gas Emissions	Gross total Scope 1 emissions	944,041.41	839,047.91	metric tons (t) CO_2-e	IF-WM-110a.1
	Emissions limitation regulations	-	0	%	IF-WM-110a.1
	Emissions reporting regulations	-	11.76	%	IF-WM-110a.1
	Total landfill gas generated	2,910,776	3,448,927.36	MMBtu	IF-WM-110a.2
	Percentage flared	100	100	%	IF-WM-110a.2
	Percentage used for energy	100	100	%	IF-WM-110a.2
	Discussion of long-term and short-term strategy or plan to manage Scope 1 and lifecycle emissions, emissions reduction targets, and an analysis of performance against those targets	-	Explained under the heading "4.4. Climate-Related Targets."	None	IF-WM-110a.3
Fleet Fuel Management	Fleet fuel consumed	9,112.71	7,409.05	GJ	IF-WM-110b.1
	Percentage natural gas	-	-	%	IF-WM-110b.1
	Percentage renewable	-	-	GJ	IF-WM-110b.1
	Percentage of alternative fuel vehicles in fleet	10.9	10.34	%	IF-WM-110b.2

Activity Metric		2024 Data	2025 Data	Unit of Measure	Code
Number of customers by category:	Municipal	10	10	Number	IF-WM-000.A
	Commercial	-	-	Number	IF-WM-000.A
	Industrial	58	211	Number	IF-WM-000.A
	Residential	-	-	Number	IF-WM-000.A
	Other	5	12	Number	IF-WM-000.A
Vehicle fleet size		92	87	Number	IF-WM-000.B
Number of facilities by category:	Storage areas	7	7	Number	IF-WM-000.C
	Transfer stations	-	-	Number	IF-WM-000.C
	Recycling centers	-	-	Number	IF-WM-000.C
	Composting centers	-	-	Number	IF-WM-000.C
	Incinerators	2	2	Number	IF-WM-000.C
	All other facilities	8	8	Number	IF-WM-000.C
Total amount of materials managed, by customer category	Municipal	3,238,000,000	2,622,076.00	Number	IF-WM-000.D
	Commercial	-	-	Number	IF-WM-000.D
	Industrial	13,735,613	461,581.90	Number	IF-WM-000.D
	Residential	-	-	Number	IF-WM-000.D
	Other	-	-	Number	IF-WM-000.D

Metrics marked as "-" are included in the TSRS 2 Sector-Based Implementation Guide: Volume 38; however, they were not reported during the reporting period because the relevant activity was not carried out as part of Biotrend's operations, or because there was no consumption or data available to generate reportable data for the metric in question.

Climate-Related Target

To achieve its strategic climate objectives and contribute to the transition to a low-carbon economy, Biotrend has established various climate-related targets, primarily focused on reducing greenhouse gas emissions. The established targets were developed using an absolute reduction approach based on gross greenhouse gas emissions, with 2024 designated as the base year.

Biotrend aims to reduce its Scope 1 and Scope 2 greenhouse gas emissions by 23% by 2030 compared to the 2024 base year. This target applies to the entire Company, and the measurement metric is total Scope 1 and Scope 2 emissions (metric tons of CO_2e). Total Scope 1 and Scope 2 greenhouse gas emissions for 2025 amounted to 844,337.85 metric tons of CO_2e.

Biotrend also aims to achieve net-zero emissions by 2050, covering Scope 1, Scope 2, and Scope 3 greenhouse gas emissions. The net-zero target is primarily based on the gross reduction of greenhouse gas emissions across operational activities and the entire value chain. In this context, the goal is to reduce emissions to the greatest extent possible through energy efficiency measures, the use of renewable energy, process improvements, and investments in low-carbon technologies. As of the reporting period, no decision has been made or plan established to offset remaining emissions using carbon credits, carbon removal projects, or other offset mechanisms. Therefore, the net-zero target currently relies primarily on a gross emissions reduction approach. In the coming periods, the approach to managing residual emissions will be reassessed in line with technological developments, the regulatory framework, and international best practices. While Scope 3 greenhouse gas emissions are included in the long-term scope of the net-zero target, they are not disclosed numerically as of the reporting period due to the use of the transition exemption provided by TSRS for its first two reporting periods. However, efforts to measure emissions from the value chain, improve data quality, and identify reduction opportunities are ongoing, and there are plans to gradually integrate Scope 3 emissions into target management processes.

In addition to its greenhouse gas emissions, Biotrend aims to reduce fuel consumption in its machinery by 22% by 2030 compared to 2024 levels. This target is tracked using the metric of average fuel consumption per 100 tons of waste processed. The 2025 performance figure was 88 liters.

In addition, Biotrend has set targets to install a rooftop solar power plant capable of meeting internal demand at least one of its facilities by 2028 and to sell steam and heat generated from waste heat at its energy production facilities by 2035. These targets have been defined at a qualitative level and are planned to be updated based on progress recorded in future reporting periods.

The processes for setting and reviewing climate-related targets are carried out by the Biotrend Sustainability Committee. Progress toward these targets is regularly monitored using defined metrics, and the relevant climate data and indicators disclosed in this report are subject to external verification by an independent organization. As of the reporting period, there is no commitment or target verification process under the Science Based Targets Initiative (SBTi) regarding climate targets.

Climate-Related Target	Covered Emissions	Target Type	Measurement Metric	2024 Performance	2025 Performance
23% reduction in Scope 1 and 2 emissions by 2030 (relative to 2024 base year)	Gross	Absolute Reduction	Scope 1 and 2 Emissions (metric tons CO_2e)	951,191.58	844,337.85
Achieving net-zero by 2050[7]	Gross	Absolute Reduction	Scope 1, 2, and 3 Emissions	951,191.58	844,337.85
22% reduction in fuel consumption of heavy equipment by 2030 (relative to 2024 base year)	-	Absolute Reduction	Average fuel consumption per 100 tons of waste processed	89 liters	88 liters
Installation of a rooftop solar power plant at least one facility by 2028 to meet internal energy needs	-	-	-	-	-
Sale of steam and heat generated from waste heat in power generation plants by 2035	-	-	-	-	-

[7]Since Scope 3 emissions are not reported in accordance with transition exemptions, the sum of Scope 1 and 2 emissions is disclosed. In future reporting periods, performance related to the disclosure of Scope 3 emissions under TSRS will be reported for all Scope 1, 2, and 3 emissions.

Post-Reporting Period Events

During the period from the end of the reporting period as of December 31, 2025, to the date of publication of this report, no significant transactions or changes in circumstances related to the reporting period that could potentially influence financial statement users' assessments and decisions regarding the Company have been identified.

Independent Auditor's Limited Assurance Report

KPMG Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.
İş Kuleleri Kule 3 Kat:2-9
Levent 34330 İstanbul
Tel +90 212 316 6000
Fax +90 212 316 6060
www.kpmg.com.tr

Convenience Translation into English of the Independent Limited Assurance Report Originally Issued in Turkish

BIOTREND ÇEVRE VE ENERJİ YATIRIMLARI A.Ş. INDEPENDENT AUDITOR'S LIMITED ASSURANCE REPORT ON THE SUSTAINABILITY REPORT PRESENTED IN ACCORDANCE WITH THE TURKISH SUSTAINABILITY REPORTING STANDARDS

To the General Assembly of Biotrend Çevre ve Enerji Yatırımları A.Ş.

We have undertaken a limited assurance engagement on the information ("Sustainability Information") presented in the TSRS-Compliant Sustainability Report of Biotrend Çevre ve Enerji Yatırımları A.Ş. (the "Company" or "Biotrend") and its subsidiary (together referred to as the "Group") for the year ended 31 December 2025, in accordance with the Turkish Sustainability Reporting Standard 1 "General Requirements for Disclosure of Sustainability-related Financial Information" and the Turkish Sustainability Reporting Standard 2 "Climate-related Disclosures" (collectively referred to as "TSRS"), issued by the Public Oversight, Accounting and Auditing Standards Authority ("POA/KGK").

Our limited assurance engagement does not cover prior period information, other than climate-related risks and opportunities, nor other information associated with the Sustainability Information (including any images, audio files, website links, or embedded videos).

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, as described under the heading "Summary of the Work Performed as the Basis for Our Limited Assurance Conclusion," nothing has come to our attention that causes us to believe that the Company's Sustainability Information for the year ended 31 December 2025 has not been prepared, in all material respects, in accordance with TSRS.

Except for climate-related risks and opportunities, we do not express an assurance conclusion on information relating to prior periods or other information associated with the Sustainability Information (including any images, audio files, website links, or embedded videos).

Emphasis of Matter(s)

As explained in the "About the Report" section of the TSRS-Compliant Sustainability Report, in its TSRS-Compliant Sustainability Report prepared for the year 2025, the Company has disclosed only the information relating to climate-related risks and opportunities in its second annual reporting period, taking into account the exemption provided by the POA/KGK Board Decision dated 25 December 2025, published in the Official Gazette No. 33123 dated 30 December 2025. However, this matter does not affect our conclusion.

As explained in the "About the Report" section of the TSRS-Compliant Sustainability Report, the Company falls within the scope of the "Board Decision on the Scope of Application of the Turkish Sustainability Reporting Standards (TSRS)" published in the Official Gazette No. 32414 dated 29 December 2023. Taking into account the exemptions provided under TSRS 1 Transitional Provision 3 and the extension of the transitional exemption periods in line with the POA/KGK Board Decision dated 30 December 2025, no disclosure has been made regarding Scope 3 greenhouse gas emissions. However, this matter does not affect our conclusion.

Inherent Limitations in the Preparation of the Information Presented in the TSRS-Compliant Sustainability Report

The Sustainability Information includes information based on climate-related scenarios that are subject to inherent uncertainty due to incomplete scientific and economic information regarding the likelihood, timing, or effects of possible future physical and transitional climate-related events.

In addition, greenhouse gas quantification is subject to inherent uncertainty due to the insufficiency of the scientific information used to determine emission factors and the values required to combine different gas emissions.

Responsibilities of Management and Those Charged with Governance for the Sustainability Information

Group Management is responsible for the following:

- Preparing the Sustainability Information in accordance with TSRS;
- Designing, implementing, and maintaining the internal control deemed necessary to enable the preparation of the Sustainability Information that is free from material misstatement, whether due to error or fraud;
- In addition, Group Management is also responsible for the selection and application of appropriate sustainability reporting methods, and for making reasonable assumptions and estimates that are appropriate in the circumstances.

Those charged with governance are responsible for overseeing the Group's sustainability reporting process.

The Independent Auditor's Responsibilities for the Limited Assurance Engagement of the Sustainability Information

We are responsible for the following matters:

- Planning and performing the engagement to obtain limited assurance about whether the Sustainability Information is free from material misstatement, whether due to error or fraud,
- Reaching an independent conclusion based on the evidence we have obtained and the procedures we have performed, and
- Communicating our conclusion to Group Management.

Since we are responsible for expressing an independent conclusion on the Sustainability Information prepared by management, we are not permitted to be involved in the preparation of the Sustainability Information, as this could compromise our independence.

Application of Professional Standards

Our limited assurance engagement was conducted in accordance with the Assurance Engagement Standard 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and the Assurance Engagement Standard 3410 "Assurance Engagements on Greenhouse Gas Statements," issued by the POA/KGK. Our responsibilities under these assurance standards are described in detail in the "The Independent Auditor's Responsibilities for the Limited Assurance Engagement of the Sustainability Information" section of our report.

We believe that the evidence we have obtained during the limited assurance engagement provides a sufficient and appropriate basis for our conclusion.

Independence and Quality Management

We have complied with the independence requirements and other ethical requirements of the Code of Ethics for Independent Auditors (Including Independence Standards) (the "Code of Ethics"), issued by the POA/KGK, which is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

KPMG is responsible for applying the provisions of Quality Management Standard 1 ("QMS 1") "Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements," and, accordingly, for maintaining a comprehensive quality management system, including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Summary of the Work Performed as the Basis for Our Limited Assurance Conclusion

We are required to plan and perform our work to address the areas in which we have determined that the likelihood of material misstatements arising in the Sustainability Information is higher. The procedures we perform are based on our professional judgment. In performing the limited assurance engagement on the Sustainability Information, we:

- Conducted inquiries with the Group's key senior personnel to understand the processes in place for obtaining the Sustainability Information for the reporting period;
- Conducted inquiries with the persons responsible for the Sustainability Information.
- The Group's internal documentation was used to assess and review the sustainability-related information.
- An evaluation of the disclosure and presentation of the sustainability-related information was performed.
- Through inquiries, we obtained an understanding of the Group's control environment and information systems relevant to the preparation of the Sustainability Information. However, we did not evaluate the design of specific control activities, did not obtain evidence regarding their implementation, and did not test their operating effectiveness.
- The accuracy of the Sustainability Information was tested, on a sample basis, by comparing it with the Group's supporting documentation..
- The appropriateness of the Group's estimation methods and whether they have been applied consistently were evaluated. However, our procedures did not include testing the data on which the estimates are based, or developing our own estimates to evaluate the Company's estimates.
- The quantification methods for greenhouse gases and the selection of reporting policies were evaluated.

The procedures performed in a limited assurance engagement differ in nature and timing from those performed in a reasonable assurance engagement, and the extent of such procedures is also narrower. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the level of assurance that would have been obtained had a reasonable assurance engagement been performed.

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
Ergin Serbest, SMMM
Partner
6 August 2026
İstanbul, Türkiye

Contact

Ekinciler Caddesi Ertürk Sokak 3
Kavacık Beykoz 34810 İstanbul, Türkiye

+90 216 680 00 00

surdurulebilirlik@biotrendenerji.com.tr

www.biotrendenerji.com.tr

Corporate Communications

kurumsal.iletisim@doganlarholding.com.tr

Report Design

Touch Up
touchup.com.tr

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