Corporate Governance Rating

This Revised Report has been prepared by JCR-ER in compliance with the regulations of the Capital Markets Board of Türkiye

Publication Date: 28/07/2026
Sector: Small Household Appliances

İHLAS EV ALETLERI IMALAT SANAYI ve TICARET A.Ş.

Ratings

Overall Score	**8.77**	AAA(Trk)/a (Stable)
Shareholders	**8.25**	AA(Trk)/bbb (Stable)
Public Disclosure & Transparency	**8.98**	AAA(Trk)/a (Stable)
Stakeholders	**8.80**	AAA(Trk)/a (Stable)
Board of Directors	**8.98**	AAA(Trk)/a (Stable)

Company Profile

Trade Name	İhlas Ev Aletleri İmalat San. Ve Tic. A.Ş.
Address	Merkez Mah.29 Ekim Cad. İhlas Plaza No:11 B/21 Yenibosna Bahçelievler/ İSTANBUL
Chairman	Mr. Orhan KORKUSUZ
CEO	Mr. Ahmet OLGUN
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Company Overview

İhlas Ev Aletleri İmalat Sanayi ve Ticaret A.Ş. (IHEVA or **the Company)** was incorporated on December 5, 1975 under the name of Hizmet Gazetecilik ve Matbaacılık Ltd. Şti. and adopted its current title on July 5, 1995 following a series of title changes in subsequent years. The Company manufactures cleaning robots, water purification devices, water heaters, carpet cleaning machines, plastic injection products and filters at its production facility with an enclosed area of 14,300 m² located in the Beylikdüzü Organized Industrial Zone. The products are delivered to consumers in the domestic market through the extensive dealer and sales channels of the distributor, İhlas Pazarlama A.Ş., while overseas sales and marketing activities are carried out through various distribution channels, primarily in the Turkic Republics, as well as in markets across Europe, the Americas, Africa and the Far East.

The Company's shares have been traded on Borsa Istanbul under the ticker symbol IHEVA since September 26, 1996, and are included in the BIST Metal Products & Machinery, BIST Istanbul, BIST Industrial, BIST Corporate Governance, BIST All-100, BIST All Shares and BIST Participation All indices. As of March 31, 2026, the publicly held share ratio of the Company was 72.26%. As of the same date, the Company's consolidated total assets amounted to TRY 3.09 billion, while its total shareholders' equity stood at TRY 2.20 billion.

The Company's Board of Directors consists of 7 members, including 2 executive and 5 non-executive members. Among the non-executive members, 3 meet the independence criteria. The Audit Committee, Corporate Governance Committee and Early Detection of Risk Committee operate under the Board and are chaired by independent members. A Sustainability Committee has also been established to coordinate sustainability activities.

Strengths

- Experienced Investor Relations Department serving as a bridge between shareholders and the board of directors,
- Comprehensive and regulation-compliant annual reporting, and a corporate website that ensures transparent and consistent information flow to stakeholders,
- Innovative and technology-driven R&D center and ongoing digitalization investments,
- Safe and healthy working environment for employees, accompanied by the continuous improvement of human resources processes,
- Environmentally responsible and customer-focused practices,
- Sustainability-oriented practices integrated into the corporate structure and processes,
- Having three independent members on a board composed primarily of non-executive members,
- Comprehensive risk management and internal control system supported by digitalization initiatives.

Constraints

- The privilege on the A group shares to determine majority of board members,
- Absence of any clauses in the articles of association that broaden the exercise of minority rights beyond the current legislation,
- Share of women members (14%) on the board not meeting the 25% threshold and the lack of a target policy regarding this,
- Absence of "Directors Liability Insurance" for the members of the board of directors and senior executives,
- Lack of performance evaluation system for the members of the board of directors,
- Lack of disclosure of the remuneration of the top managers and the board members on an individual basis

1. Rating Methodology and Summary

This revised report was prepared in light of JCR Eurasia Rating's original methodological procedures in accordance with the Corporate Governance Principles (the Code) set by the Capital Markets Board (CMB) and states the Company's level of compliance with corporate governance principles as of July 2026.

The Capital Markets Board's Corporate Governance Principles were first made public in 2003. The Principles were reorganized under the Corporate Governance Communiqué No. II-17.1 dated January 3, 2014, and the Communiqué was subsequently updated through the amendments dated October 2, 2020 (accessible on www.spk.gov.tr)

An additional important change regarding the calculation of compliance scores was introduced at the beginning of 2014. Under the new two-stage methodology, base scores are first calculated out of a maximum of 85 points by treating all rules and practices set out in the CMB Principles as minimum requirements. In the second stage, additional scores of up to 15 points are calculated by assessing the effectiveness of these requirements and whether they create added value for institutions. Practices not included in the CMB Principles but regarded by JCR Eurasia Rating as good corporate governance practices are also considered in the additional score. These changes placed particular emphasis on functional compliance in addition to formal compliance, while the two-stage calculation method mathematically exerted downward pressure on the scores.

The Code consists of four main sections: Shareholders, Public Disclosure and Transparency, Stakeholders and Board of Directors. The coefficients determined by the CMB for these main sections are as follows:

- Shareholders: 25%
- Public Disclosure and Transparency: 25%
- Stakeholders: 15%
- Board of Directors: 35%

These coefficients were 25%, 35%, 15% and 25%, respectively, prior to 2014.

Subject to the preservation of the integrity of regulations by the CMB and compliance with the limitations thereof, this report also covers such topics as implementations regarding **"Outlook"** determinations, all of which exist in JCR Eurasia Rating's original methodological structure.

Findings and assessments within the content of the report are based on information and documents disclosed by the Company to the public through various channels and also submitted to JCR Eurasia Rating in writing or through verbal communication, as well as information made available to the public through the Company's website.

Distinct levels of the four main categories regarding compliance with the CMB Corporate Governance Principles are exhibited in the following table. The overall score has been calculated based on weightings determined for these four categories in line with CMB regulations.

The general compliance level of the Company with the Code as of July 2025, and the corresponding levels within JCR Eurasia Rating's notation, were as follows:

July 28, 2025

Fields	Numerical Value	Convergence Level	Notch degree	Outlook
Shareholders	82.45	AA(Trk) (Merit)	(bbb) (Outstanding)	Stable
Public Disclosure and Transparency	88.30	AAA(Trk) (Distinctive)	(a) (Excellent)	Stable
Stakeholders	87.73	AAA(Trk) (Distinctive)	(a) (Excellent)	Stable
Board of Directors	89.57	AAA(Trk) (Distinctive)	(a) (Excellent)	Stable
Overall	**87.20**	**AAA(Trk) (Distinctive)**	**(a) (Excellent)**	**Stable**

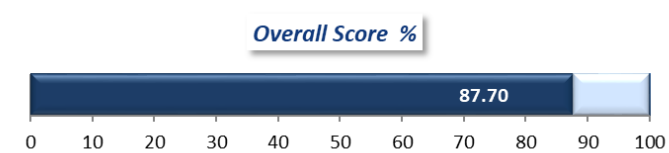
Finally, at the end of the monitoring period, a comprehensive rating review was performed in July 2026. The Company's overall compliance rating was increased from 87.20 to 87.70 during the monitoring period.

- During the monitoring period, information regarding sustainability- and climate-related risks and opportunities was reported with independent limited assurance and disclosed to the public. Sustainability Governance Policy and Procedures, which address ESG issues in a holistic manner, were established, and an institutional structure was created to systematically monitor environmental and social matters concerning stakeholders through thematic Working Groups. In addition, the

Sustainability Committee was established to monitor risks and opportunities in ESG areas at the strategic level and to integrate sustainability throughout the Company. Based on data provided by the Committee, sustainability risks, including climate-related risks, were incorporated into the oversight and monitoring processes of the Early Detection of Risk Committee. These developments support public disclosure practices, the Company's sustainability approach toward stakeholders and the risk oversight capacity of the Board of Directors. The implementation of these practices at the corporate level constitutes the basis for the increase in the overall compliance rating.

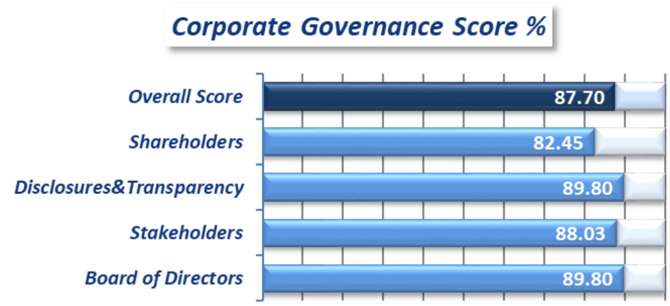
The Company's compliance level and their corresponding notes are outlined below:

- Numerical value of **8.77**
- Convergence Level **AAA(Trk)** representing the category of **"Distinctive Compliance",**
- Notch degree **(a)** representing the category of **"Excellent",**
- Outlook **(Stable)**



July 28, 2026

Fields	Numerical Value	Convergence Level	Notch degree	Outlook
Shareholders	82.45	AA(Trk) (Merit)	(bbb) (Outstanding)	Stable
Public Disclosure and Transparency	89.80	AAA(Trk) (Distinctive)	(a) (Excellent)	Stable
Stakeholders	88.03	AAA(Trk) (Distinctive)	(a) (Excellent)	Stable
Board of Directors	89.80	AAA(Trk) (Distinctive)	(a) (Excellent)	Stable
Overall	**87.70**	**AAA(Trk) (Distinctive)**	**(a) (Excellent)**	**Stable**



Overall Result

8.77

AAA (Trk) / a

Stable

Outlook

JCR Eurasia Rating is of the opinion that the compliance level of the Company will be maintained during the 12-month monitoring period. For this reason, the outlook for the Company has been determined as **"Stable"**.

2. Company Overview

IHEVA was incorporated on December 5, 1975 under the name of Hizmet Gazetecilik ve Matbaacılık Ltd. Şti. and, following changes in title on May 2, 1990, July 30, 1990 and January 1, 1994, adopted its current title on July 5, 1995. The Company operates at its production facility with an enclosed area of 14,300 m² located in the Beylikdüzü Organized Industrial Zone, where it manufactures cleaning robots, water purification devices, water heaters, carpet cleaning machines, plastic injection products and filters. The products are delivered to consumers in the domestic market through the extensive sales and distribution channels of the Company's distributor, İhlas Pazarlama A.Ş., while overseas sales and marketing activities are conducted primarily in the Turkic Republics, as well as in markets across Europe, the Americas, Africa and the Far East.

The Company's shares have been traded on Borsa Istanbul under the ticker symbol IHEVA since September 26, 1996, and are included in the BIST Metal Products & Machinery, BIST Istanbul, BIST Industrial, BIST Corporate Governance, BIST All-100, BIST All Shares and BIST Participation All indices. As of March 31, 2026, 72.26% of the Company's capital was publicly held. Information regarding the Company's subsidiaries and affiliates is presented in Table 2.

As of March 31, 2026, the Company's consolidated total assets amounted to TRY 3.09 billion, while shareholders' equity stood at TRY 2.20 billion and revenue for the period between January 1 and March 31, 2026 amounted to TRY 914.96 million.

As of March 31, 2026, the Company and its subsidiaries had a total of 493 employees. The Company's Board of Directors consists of 7 members, including 2 executive and 5 non-executive members. Among the non-executive members, 3 meet the independence criteria. The Audit Committee, Corporate Governance Committee and Early Detection of Risk Committee operate under the Board and are chaired by independent members. In addition, a Sustainability Committee was established to coordinate sustainability activities. The qualifications of the Board members are detailed in Table 3.

Class A shares, representing approximately 0.03% of the Company's capital, carry the privilege to nominate candidates in determining the majority of the members of the Board of Directors. Pursuant to the Articles of Association, where the Board of Directors consists of 7 members, 4 members are elected from among the candidates nominated by Class A shareholders. The names and shareholdings of the shareholders holding this privilege are presented in the table below. The fact that shareholders holding a very limited portion of the Company's capital are privileged in determining the majority of the Board adversely affects the level of compliance with Corporate Governance Principles.

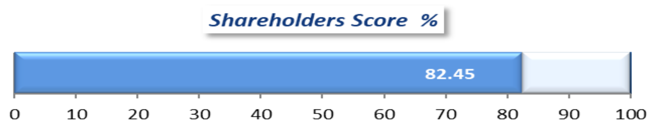
Group A Shareholders	(A) Group Share
İhlas Pazarlama A.Ş.	84,651
İhlas Holding A.Ş.	16,789
Total	**101,440**

3. Shareholders

The Company maintained the compliance level previously achieved in the Shareholders main section during the monitoring period.

The Company's compliance level in this section and its corresponding ratings are outlined below:

- Numerical value is **8.25,**
- Convergence Level **AA(Trk)** representing the category of **"Merit Compliance",**
- Notch degree **(bbb)** representing the category of **"Outstanding",**
- Outlook **(Stable)**



Shareholders Result

8.25

AA(Trk) / bbb

Stable

Activities carried out during the monitoring period in the Shareholders field:

- ✓ During the monitoring period, the Investor Relations Department, which operates to ensure the effective exercise of shareholder rights and sustainable communication with investors, responded to a total of 285 questions and information requests submitted by the Company's shareholders and potential investors. The frequency of meetings held by the Department's employees with the Board of Directors and senior executives was increased.
- ✓ In order to ensure the proper and timely exercise of shareholder rights, information and disclosures regarding the Company's financial and operational activities and matters that may affect the exercise of shareholder rights are publicly disclosed through the Public Disclosure Platform (KAP) and simultaneously published on the Company's website.
- ✓ No special audit request was submitted by shareholders during the monitoring period.
- ✓ The Ordinary General Assembly Meeting for the 2025 fiscal year was held on June 16, 2026. Preparations for the meeting, carried out by the Investor Relations Department, were conducted in accordance with the Corporate Governance Principles, and practices facilitating shareholder participation were maintained. Shareholders were able to attend the meeting physically, while simultaneous electronic participation was also provided through the e-

GEM (Electronic General Assembly System). The meeting invitation and information documents, together with the financial statements, annual report, independent audit report and the Board of Directors' profit distribution proposal, were made available for shareholder review at least three weeks prior to the meeting and published on KAP, e-GEM and the Company's website. Shareholders were given the right to speak on agenda items; physical participants voted through open voting, while electronic participants voted through e-GEM. Following the meeting, the attendance list, meeting minutes, voting results and other relevant documents were published on KAP and the Company's website.

- ✓ All members of the Board of Directors, senior executives, executives responsible for preparing the financial statements, members of the Audit Committee and a representative of the independent audit firm were present at the Ordinary General Assembly Meeting. A representative of the independent audit firm providing assurance services for sustainability reporting also attended the meeting.

- ✓ At the Ordinary General Assembly Meeting, the appointment of Prof. Dr. İbrahim Yılgör as an independent Board member pursuant to the Board of Directors' resolution dated March 30, 2026 was approved. In addition, the sustainability reports for the 2024 and 2025 fiscal years, the selection of the firm that conducted the assurance engagements for these reports and the independent audit firm appointed to conduct the sustainability assurance engagement for 2026 were submitted for the approval of the General Assembly.

- ✓ No requests were made by shareholders to add items to the General Assembly agenda, and no annulment or liability lawsuits were filed against the resolutions adopted by the General Assembly.

- ✓ Transactions of controlling shareholders, Board members, executives, related parties and those with access to inside information that could lead to a conflict of interest with the Company or its subsidiaries, as well as transactions within the scope of the Company's activities, were included in the General Assembly agenda as a separate item. It was stated that no transactions within this scope were carried out during the monitoring period. Information was also provided to the General Assembly regarding guarantees, pledges, mortgages and sureties granted by the Company in favor of third parties, and it was disclosed that no income or benefit was obtained from these transactions.

- ✓ The General Assembly was informed that the Company made no donations in 2025. In addition, the amount corresponding to 1% of the Company's consolidated gross sales for 2025 was determined as the upper limit for donations that may be made in 2026.

- ✓ Although the Articles of Association do not contain a provision allowing stakeholders to attend General Assembly meetings, the Internal Directive on the Working Principles and Procedures of the General Assembly stipulates that members of the press may attend the meetings.

- ✓ On June 4, 2026, the Company informed the holders of physical shares whose ownership had been transferred to the Investor Compensation Center because they had not been dematerialized within the prescribed period. The disclosure explained the procedures for delivering the physical shares to the Company and applying to the Investor Compensation Center, while the relevant application deadlines were also announced to the public to prevent any loss of rights.

- ✓ Pursuant to the Company's Articles of Association, Class A shares carry the privilege to nominate candidates in determining the majority of the members of the Board of Directors. Although the Class A shares, with a total nominal value of TRY 101.44 thousand, represent approximately 0.03% of the Company's capital, they carry the privilege to nominate candidates for 4 members of the 7-member Board of Directors. The ability of shareholders holding a very limited portion of the Company's capital to determine the majority of the Board adversely affects the level of compliance with Corporate Governance Principles.

- ✓ The Company's Articles of Association do not include any provision granting minority rights to shareholders holding less than the 5% threshold specified in the legislation.
- ✓ The Company discloses its Profit Distribution Policy on its website. At the Ordinary General Assembly Meeting held on June 16, 2026, it was resolved not to distribute dividends from the profit for 2025 and to retain the remaining amount under extraordinary reserves.
- ✓ There are no restrictions preventing the transfer of shares.

Outlook

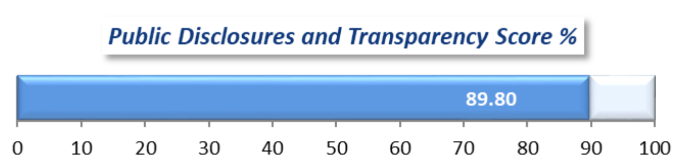
JCR Eurasia Rating is of the opinion that during the upcoming monitoring period following the publication date of this report the Company will maintain its level of compliance in the Shareholders main section. For this reason, the outlook for this section has been determined as **"Stable".**

4. Public Disclosure and Transparency

The Company's score under the Public Disclosure and Transparency main section was increased from 8.83 to 8.98. During the monitoring period, the reporting and public disclosure of information regarding sustainability- and climate-related risks and opportunities with independent limited assurance constituted the reason for the increase in the section score.

The Company's compliance level in this section and its corresponding ratings are outlined below:

- Numerical value of **8.98,**
- Convergence Level **AAA(Trk)** representing the category of **"Distinctive Compliance",**
- Notch degree **(a)** representing the category of **"Excellent",**
- Outlook **(Stable)**



Public Disclosure and Transparency Result

8.98

AAA(Trk) / a

Stable

Activities carried out during the monitoring period in this field:

- ✓ In order to ensure that shareholders and stakeholders have access to up-to-date and comprehensive information regarding the Company, İhlas Ev Aletleri's corporate website is regularly updated. In addition to financial statements and annual reports, corporate governance and rating reports, General Assembly documents, the Articles of Association, Company policies, sustainability reports, material event disclosures, the shareholding structure, subsidiaries, the list of individuals with access to inside information and related-party transactions are made available to the public on the website. The product portfolio, sales and service network, quality certificates and current Company information complement the website content.
- ✓ The Company's website is also available in English to facilitate access to information for international investors. The English content is largely aligned with the Turkish content. The website dedicated to the Company's Aura Roboclean brand is available in six languages.
- ✓ The Company's annual and interim financial statements are published on the Public Disclosure Platform (KAP) within the timeframes required by the relevant legislation and are made available to shareholders on the corporate website. Significant developments that may affect the Company's organizational structure and operations are also disclosed to the public in a timely manner in accordance with the applicable legislation.
- ✓ The Company publishes its Disclosure, Profit Distribution, Remuneration, Donations and Contributions, Social Responsibility and Information Security Policies, as well as its Ethical Values and regulations regarding the protection of personal data, on its website. The Sustainability Governance Policy and

Procedures established during the monitoring period were also made available to the public through the website.

- ✓ The list of individuals with access to inside information and information regarding their transactions were made available to the public through the Company's website. It was also disclosed that individuals with access to inside information had not conducted any purchase or sale transactions in the Company's capital market instruments during the previous year.
- ✓ As of the report date, the Company made 44 disclosures on KAP during the monitoring period. According to the Company's statement, no warnings or penalties were imposed due to incomplete or delayed disclosures during the previous two years, and there was no inside information whose public disclosure was postponed during the monitoring period.
- ✓ The Company published its 2025 Corporate Governance Compliance Report, Corporate Governance Information Form and Sustainability Principles Compliance Report on KAP.
- ✓ During the monitoring period, the TSRS-compliant sustainability reports for the 2024 and 2025 fiscal years were published on KAP on October 31, 2025 and May 18, 2026, respectively, and were also added to the Company's website. The reports addressed climate-related risks and opportunities within the framework of governance, strategy, risk management, metrics and targets, and the disclosures were supported by independent limited assurance.
- ✓ In addition to financial and operational results, the Company's 2025 annual report provided comprehensive disclosures regarding its capital and shareholding structure, products and production activities, R&D and product development activities, investments and subsidiaries, Board of Directors and committee activities, risk management and internal control system, human resources and occupational health and safety practices, sustainability activities, related-party transactions, legal proceedings, donations and contributions, financial benefits provided to executives and developments after the reporting period.
- ✓ Details regarding related-party balances, purchases and sales of goods and services, rental and financing transactions and benefits provided to key management personnel are disclosed in the notes to the financial statements. Information regarding related-party transactions is also provided on the Company's website.
- ✓ Litigation and enforcement proceedings involving the Company and its subsidiaries, together with the related provisions, are disclosed in the annual report. It was also stated that no administrative or judicial sanctions were imposed on the Company or the members of the Board of Directors in 2025 due to practices contrary to the applicable legislation.
- ✓ The total remuneration and benefits provided to members of the Board of Directors and executives with administrative responsibility are disclosed in aggregate in the annual report and financial statements; however, individual remuneration details are not provided. In 2025, the total amount of short-term benefits provided to key management personnel was disclosed as TRY 19.36 million.
- ✓ The Company's consolidated financial statements for 2025 were audited by Kaizen Independent Audit Inc., which issued an unqualified opinion on the financial statements. The independent auditor also stated that the financial information presented in the annual report was consistent with the audited financial statements. At the Ordinary General Assembly meeting held on June 16, 2026, İrfan Independent Audit and Sworn-in Certified Public Accountancy Inc. was appointed as the independent auditor of the Company's financial reports for 2026.
- ✓ The limited assurance engagements for the Company's sustainability reports for 2024 and 2025 were conducted by Güreli Sworn-in Certified Public Accountancy and Independent Audit Services Inc. The appointment of the same firm to provide assurance services for the Company's 2026 sustainability reporting was approved by the Ordinary General Assembly.

Outlook

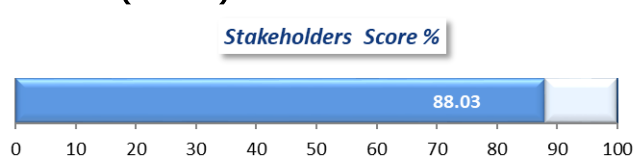
JCR Eurasia Rating is of the opinion that during the upcoming monitoring period following the publication date of this report the Company will maintain its level of compliance in the Public Disclosure and Transparency main section. For this reason, the outlook for this section has been determined as **"Stable".**

5. Stakeholders

The Company's score under the Stakeholders main section increased from 8.77 to 8.80. During the monitoring period, Sustainability Governance Policy and Procedures, which address ESG issues in a holistic manner, were established, and an institutional structure was created to systematically monitor environmental and social matters concerning stakeholders through thematic Working Groups. These developments strengthened the Company's sustainability approach toward stakeholders and constituted the reason for the increase in the section score.

The Company's compliance level in this section and its corresponding ratings are outlined below:

- Numerical value is **8.80,**
- Convergence Level **AAA(Trk)** representing the category of **"Distinctive Compliance",**
- Notch degree **(a)** representing the category of **"Excellent",**
- Outlook **(Stable)**



Stakeholders Result

8.80

AAA(Trk) / a

Stable

Activities carried out during the monitoring period in the Stakeholders field:

- ✓ The Company protects the rights of stakeholders established by legislation and mutual agreements in its transactions and activities; where such rights are not explicitly regulated, it acts in accordance with the principles of good faith and within the means of the Company. No notification regarding any violation of stakeholders' rights was received during the monitoring period. However, the Company does not have a separate compensation policy disclosed to the public.

- ✓ The Disclosure, Profit Distribution, Donations and Contributions, Social Responsibility, Remuneration, Human Resources, Information Security and Digitalization, and Integrated Management System Policies, as well as the Ethical Values, which are important for stakeholders, are made available to the public on the Company's website.

- ✓ During the monitoring period, the Sustainability Governance Policy and Procedures were established, approved by the Board of Directors and published on the Company's website. The framework sets out the integration of ESG-related risks and opportunities into strategy, risk management, target-setting, performance and reporting processes, as well as the collection of stakeholder feedback and the conduct of materiality assessments.

- ✓ Within the sustainability governance structure, the Environmental and Climate, Product and Innovation, Supply and Business Ethics, and Human and Social Sustainability Working Groups were established. The responsibilities of the Supply and Business Ethics Working Group include evaluating the environmental and social performance of suppliers, developing responsible procurement principles and monitoring human rights risks throughout the supply chain. The Human and Social Sustainability Working Group is responsible for monitoring practices relating to employee satisfaction, equal opportunities, occupational health and safety, employee development and social impact.

- ✓ During the first year of implementation of the sustainability governance structure, the Sustainability Committee and each of its affiliated Working Groups held one meeting. The Working Groups submitted 4 assessment reports to the Committee, while the Committee submitted 1 assessment report to the Board of Directors. The Supply and Business Ethics

Working Group evaluated the potential effects of carbon regulations on the supply chain and cost structure, while the relevant matters were taken under review by the Human and Social Sustainability Working Group.

- ✓ There is no written regulation in place to ensure employee representation in management bodies or their direct participation in management. However, employee problems, suggestions and expectations are received through the Human Resources Representative and the email address ik@iea.com.tr, while findings obtained through employee surveys and feedback practices are evaluated by the relevant executives. No complaints regarding discrimination were received from employees during the monitoring period.
- ✓ The human resources practices established at the Company under the Organizational Development Project initiated within the Company during the previous monitoring period continued. Recruitment and placement, orientation and exit processes were updated, while the position-based job evaluation and grading system and the corporate remuneration and bonus structure remained in place. The digital evaluation of white-collar employees' target- and competency-based performance and the monitoring of employee engagement through surveys also continued.
- ✓ Between July 1, 2025 and June 30, 2026, employees received training in orientation, occupational health and safety, emergency response, fire safety, quality processes, environmental awareness, and professional, technical and personal development. A total of 1,340 participations were recorded, corresponding to 5,364 hours of training.
- ✓ In order to provide employees with a healthy and safe working environment, the Company operates an on-site health center and employs workplace physicians and occupational safety specialists. Occupational health and safety procedures are implemented, and employees receive periodic training. However, periodic performance indicators such as accident frequency, lost days and accident severity rates have not been disclosed to the public.
- ✓ There is no trade union organization among the Company's employees, and no employee share ownership plan is implemented.
- ✓ The domestic marketing and after-sales services of the Company's products are carried out by its distributor, İhlas Pazarlama A.Ş. Overseas customer relations are managed through the CRM and service organizations of regional distributors, while the Company contributes to the evaluation of customer feedback in its capacity as the manufacturer. However, current quantitative data regarding customer applications received and complaint resolution rates during the monitoring period were not provided.
- ✓ During the monitoring period, the Information Security and Digitalization Policy was established and approved by the Board of Directors, and an executive responsible for information security was designated. Practices aimed at protecting commercially confidential information relating to customers and suppliers, as well as corporate information assets, are carried out within the scope of the ISO 27001 Information Security Management System.
- ✓ The Company has formalized its code of ethics and made it publicly available. It uses the email address etik@iea.com.tr to enable shareholders, employees, customers and suppliers to report to the Audit Committee any transactions they believe to be contrary to the applicable legislation or the Company's ethical values. Applications are to be kept confidential, and applicants are to be informed of the evaluation results.
- ✓ The Company holds ISO 9001 Quality, ISO 10002 Customer Satisfaction, ISO 14001 Environmental, ISO 45001 Occupational Health and Safety and ISO 27001 Information Security Management System certificates, as well as a Zero Waste Certificate. These standards support the systematic management of processes relating to customer satisfaction, employee health and safety, environmental impacts and the protection of corporate information.
- ✓ The Company states in its annual report that it has participated in the CDP Türkiye Corporate

Carbon Footprint reporting process since 2013 and voluntarily responds to questions under the CDP Water Program. Its cooperation with TÜKÇEV also continues to support the recovery of packaging waste and environmental awareness activities.

- ✓ No donations or contributions were made during the monitoring period. In addition, no social investment or corporate social responsibility program whose results were measured and disclosed to the public was carried out during the period.
- ✓ The Company published its TSRS-compliant sustainability reports for the 2024 and 2025 fiscal years. The reports disclosed Scope 1 and Scope 2 greenhouse gas emissions, together with energy, water and waste indicators.

Outlook

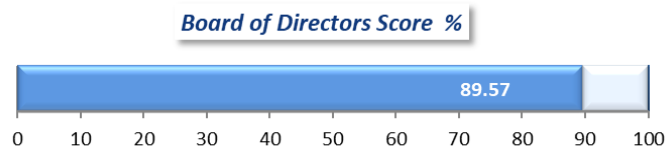
JCR Eurasia Rating is of the opinion that during the upcoming monitoring period following the publication date of this report the Company will maintain its level of compliance in the Stakeholders main section. For this reason, the outlook for this section has been determined as **"Stable".**

6. Board of Directors

The Company's score under the Board of Directors main section increased from 8.96 to 8.98. The Sustainability Committee was established to monitor risks and opportunities in ESG areas at the strategic level and to integrate sustainability throughout the Company. Based on data provided by the Committee, sustainability risks, including climate-related risks, were also incorporated into the oversight and monitoring processes of the Early Detection of Risk Committee. This development strengthened the risk oversight capacity of the Board of Directors and constituted the reason for the increase in the section score.

The Company's compliance level in this section and its corresponding ratings are outlined below:

- Numerical value is **8.98,**
- Convergence Level **AAA(Trk)** representing the category of **"Distinctive Compliance",**
- Notch degree **(a)** representing the category of **"Excellent",**
- Outlook **(Stable)**



Board of Directors Result

8.98

AAA(Trk) / a

Stable

Activities carried out during the monitoring period in this field:

- ✓ At the Ordinary General Assembly Meeting held on June 16, 2026, the members of the Board of Directors were released from liability for their activities in 2025, and the appointment of Prof. Dr. İbrahim Yılgör, who was appointed to the Board following the departure of Prof. Dr. Hüseyin Hüsnü Gündüz, was approved by the General Assembly. Prof. Dr. İbrahim Yılgör was also appointed as a member of the Audit Committee and Chair of the Early Detection of Risk Committee.
- ✓ The division of duties among Board members and their positions outside the Company are disclosed in the annual report.
- ✓ The Board of Directors consists of 7 members, including 2 executive and 5 non-executive members. Among the non-executive members, 3 meet the independence criteria.
- ✓ The roles of Board Chairperson and CEO/General Manager are held by different individuals. Orhan Korkusuz serves as Chairperson of the Board, while Ahmet Olgun serves as Vice Chairperson of the Board and General Manager.
- ✓ There is one female member on the Board, representing 14% of the total number of Board members. However, no written policy specifying a target ratio and timeline for female representation has been established.
- ✓ No regular performance evaluation is conducted for members of the Board of Directors or executives with administrative responsibility, and there is no written

succession policy regarding changes in executive positions.

- ✓ No directors' and officers' liability insurance has been purchased for Board members or senior executives.
- ✓ During the monitoring period, the Board of Directors held 58 meetings, all of which were attended by the full membership of the Board. None of the meetings were held electronically.
- ✓ The Company's internal control system is tested through internal control questionnaires prepared quarterly by internal auditors, and the results are reported to the Audit Committee. Control points are regularly reviewed within the scope of internal audit activities.
- ✓ During the monitoring period, the Sustainability Governance Policy and Procedures and the Information Security and Digitalization Policy were approved by the Board of Directors. In addition, an Information Security Officer was appointed to ensure the secure management of information systems.
- ✓ By a resolution dated September 29, 2025, the Board of Directors established the Sustainability Committee to monitor risks and opportunities in ESG areas at the strategic level, coordinate sustainability activities and fulfil the relevant reporting obligations. The Environmental and Climate, Product and Innovation, Supply and Business Ethics, and Human and Social Sustainability Working Groups were established under the Committee.
- ✓ Based on data provided by the Committee, sustainability risks, including climate-related risks, were incorporated into the oversight and monitoring processes of the Early Detection of Risk Committee.
- ✓ The Audit Committee, Corporate Governance Committee and Early Detection of Risk Committee operate under the Board of Directors, and these committees are chaired by independent Board members. The CEO/General Manager does not serve on these committees. In addition, the Sustainability Committee, established to coordinate sustainability activities at the executive level, is chaired by Ahmet Olgun, Vice Chairperson of the Board and General Manager.
- ✓ During the monitoring period, the Audit Committee held 7 meetings and submitted 7 reports to the Board of Directors. The Corporate Governance Committee held 4 meetings and submitted 4 reports, the Early Detection of Risk Committee held 6 meetings and submitted 6 reports, and the Sustainability Committee held 1 meeting and submitted 1 report.
- ✓ All members of the Audit Committee are independent Board members and have more than five years of experience in audit, accounting and finance.
- ✓ Due to the structure of the Board of Directors, separate Nomination and Remuneration Committees have not been established, and the duties of these committees are fulfilled by the Corporate Governance Committee. During the monitoring period, a recommendation regarding the remuneration payable to Board members was submitted to the Board of Directors and resolved by the General Assembly.
- ✓ An information notice regarding share transactions by members of the Board of Directors and persons with administrative responsibility was prepared and delivered to the relevant persons. There were no reportable share transactions involving Board members or senior executives during the monitoring period.
- ✓ The total remuneration and benefits provided to members of the Board of Directors and executives with administrative responsibility are disclosed in aggregate in the annual report and financial statements; however, individual remuneration details are not provided. In 2025, the total amount of short-term benefits provided to key management personnel was TRY 19.36 million.

Outlook

JCR Eurasia Rating is of the opinion that during the upcoming monitoring period following the publication date of this report the Company will maintain its level of compliance in the Board of Directors main section. For this reason, the outlook for this section has been determined as **"Stable".**

TABLE:1

Shareholding Structure						
Years	**2021**	**2022**	**2023**	**2024**	**2025**	**1Q2026**
Paid Capital (000 TRY)	**350,500**	**350,500**	**350,500**	**350,500**	**350,500**	**350,500**
Shareholders	**Share (%)**					
İhlas Pazarlama A.Ş.	20.09	15.11	0.02	0.02	0.02	0.02
İhlas Holding A.Ş.	5.06	10.04	25.12	25.12	27.26	27.26
İhlas Ev Aletleri İmalat San. Tic. A.Ş.	-	0.80	2.05	2.14	-	-
Ahmet Mücahit ÖREN	0.46	0.46	0.46	0.46	0.46	0.46
Public	74.39	73.59	72.35	72.26	72.26	72.35
TOTAL	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**

TABLE: 2

Subsidiaries and Affiliates

	Sector	Paid-in Capital (TRY)	Ownership Interest (%)
İhlas Gayrimenkul Proje Geliştirme ve Ticaret A.Ş.	Real Estate	1,000,000,000	3.87
Bisiklet Pazarlama San. ve Tic. A.Ş.	Bicycle Marketing	95,543,593	6.79
Şifa Yemek ve Gıda Üretim Tesisleri Ticaret A.Ş.	Catering	860,000	100.00
KPT Lojistik Taşımacılık Turizm Reklam Pazarlama İç ve Dış Ticaret A.Ş.	Logistics	1,300,000	93.46

TABLE: 3

BOARD OF DIRECTORS

Name	Task	Expertise	Membership Period (Year)	Experience (Year)	Education	Executive/Non-Executive	Independent/ Not Independent	Committee Membership
Orhan KORKUSUZ	Chairman	Executive	2	36	Bachelor's Degree	Non-Executive	Not Independent	
Ahmet OLGUN	Deputy Chairman & CEO	Executive	2	23	Bachelor's Degree	Executive	Not Independent	
Mahmut Kemal AYDIN	Executive Board Member	Executive	6	49	Bachelor's Degree	Executive	Not Independent	
H. Alev VOLKAN	Member	Executive	14	56	Bachelor's Degree	Non-Executive	Not Independent	Corporate Governance Committee Member, Early Detection of Risk Committee Member
Resul İZMİRLİ	Member	Academician	3	45	Ph.D.	Non-Executive	Independent	Audit Committee Chairperson
Mehmet Halit SELÇUK	Member	Executive	3	50	War Academy	Non-Executive	Independent	Corporate Governance Committee Chairperson
İbrahim YILGÖR	Member	Academician	1	58	Ph.D.	Non-Executive	Independent	Early Detection of Risk Committee Chairperson, Audit Committee Member

Rating Info

Rated Company:	İhlas Ev Aletleri İmalat Sanayi ve Ticaret A.Ş. Merkez Mah.29 Ekim Cad. İhlas Plaza No:11 B/21 Yenibosna Bahçelievler/İstanbul Telephone: +90 (212) 454 22 18
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Previous Rating Results:	July 28, 2025 / Overall score / (8.72) AAA(Trk) Other rating results for the Company are available at www.jcrer.com.tr
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