



Earnings Release

Q3 2026 Financial Results

Strong Operational Performance Despite Challenging Market Conditions

From Türkiye to the World
Confidently into the Future

www.lilakagit.com



3Q 2026 Earnings Release

Comment by Lila Kağıt General Manager Alp Ögücü:

Strong Operational Performance Despite Challenging Market Conditions

We completed the third quarter of 2026 against a challenging operating backdrop characterized by geopolitical tensions affecting global supply chains, elevated energy costs, slowing consumer demand, and persistent pricing pressure across markets. The ongoing inflationary environment continued to weigh on consumer spending, while destocking actions by customers further constrained sales volumes across sector. Despite these headwinds, we delivered a solid performance and differentiated ourselves in this period; supported by continued new market entries in export markets and sustained growth in our converting business.

In the third quarter of 2026, our total sales tonnage amounted to 46.3 thousand tons, flat with the same period of the previous year, while our net sales revenue reached TRY 3.7 billion. During this period of softer demand conditions, our jumbo roll sales volume declined by 2% year-on-year, while our converting sales recorded 5% growth, supported by the performance of branded products in Türkiye, which grew by more than 30%. Looking at the first nine months of the year, our total sales volume remained close to the level of the same period of the previous year at 147.2 thousand tons. During this period, 17% growth in domestic branded products and 22% growth in our converting exports enabled us to positively differentiate ourselves despite the weak demand environment across the industry. In addition to maintaining our position in both Türkiye and export markets, new country and customer acquisitions were also effective in this performance.

While growing our export markets, we prioritize adapting to the evolving international trade regulations. Within this scope, we completed our preliminary preparations for compliance with the European Union Deforestation Regulation (EUDR), and we believe that the compliance process is crucial, particularly for maintaining access to the European market and developing new business partnerships. During the same period, within the framework of our sustainable energy investment commitments, we announced our application processes before TEİAŞ for our Ergene Wind Power Plant (WPP I and WPP II) investments.

In addition to weak demand conditions, disruptions in international transportation routes also affected our operations during the third quarter. Ongoing issues in the Strait of Hormuz and lower transit capacity due to maintenance works at customs gates on the Greek border led to longer shipment times and increased freight costs. During this period, we leveraged our strong supply and logistics network to minimize disruptions in our shipments and focused on fulfilling our commitments to our customers.

Increasing price-based competition in global markets and the adverse impact of the exchange rate-inflation gap on Turkish exporters continue to be critical factors from a profitability perspective. The main factors shaping our profitability performance in the third quarter of 2026 have been protecting our sales volume and expanding the converting business line within our operations. During this period, net sales revenue amounted to TRY 3.7 billion, gross profit to TRY 875.2 million, EBITDA to TRY 403.7 million, and our EBITDA margin was realized at 10.9%. Our adjusted EBITDA margin was 13.4% in 3Q26. During this challenging period, we continued to support both our operations and investments while maintaining our strong balance sheet through our focus on disciplined financial management.

I would like to particularly emphasize that the challenging conditions in which we operate is not unique to Türkiye. Recent statements by global industry participants indicate that weak and regionally divergent demand, capacity and supply chain pressures, intense price-based competition, and the pricing passthrough difficulties continue to exert pressure on volumes and profitability across the industry. Accordingly, we view 2026 as a challenging transition year for the global tissue paper industry, requiring the harmonious management of volumes, pricing, and margins.

We tackle these with our financial discipline, strong liquidity and positive net cash position, and sustainable cash generation capability. Our strong balance sheet is providing resilience against market volatility, while enabling our investment focus aimed at enhancing long-term competitiveness. In this context, we are progressing our Erzurum Tissue Machine 5 (TM5) investment in line with the planned timetable, and continuing our warehouse automation, digitalization, renewable energy, and operational efficiency projects without interruption. Our priority is not only to increase our production capacity, also to establish the right capacity in the right location and close to the right markets, thereby creating a more efficient operating structure that will permanently reduce our unit costs and strengthen our EBITDA generation capacity.

We will navigate this period by preserving our current position, while preparing for the future. We believe that, once demand and pricing conditions begin to normalize, Lila Kağıt will be in a much better position for the next growth phase with its increased capacity, higher automation level, improved cost structure, strong product mix, and solid balance sheet. I would like to thank all our colleagues, customers, business partners, and investors who place their trust in us and contribute to our sustainable growth.



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Operational Performance:

(kTon)	9M 2026	9M 2025	3Q 2026	3Q 2025
Total production tonnage	159.0	156.6	50.5	50.1
Capacity utilization rate	87%	86%	83%	82%
Total sales tonnage	147.2	148.1	46.3	46.2
<i>Domestic sales ratio</i>	<i>25%</i>	<i>25%</i>	<i>27%</i>	<i>25%</i>
<i>Export sales ratio</i>	<i>75%</i>	<i>75%</i>	<i>73%</i>	<i>75%</i>

In 3Q 2026:

- Total production volume amounted to 50.5 thousand tons in the third quarter of 2026 and 159.0 thousand tons in the 9M 2026 period. Lila Kağıt's capacity utilization rate (CUR) was 83% in 3Q 2026, which was 6 percentage points above the Türkiye average of 77%⁽¹⁾ for the same period. For the 9M 2026 period, CUR was 87% for Lila Kağıt and 78% for Türkiye.
- While total paper sales tonnage was 46.2 thousand tons in 3Q 2025, it reached 46.3 thousand tons in 3Q 2026, remaining flat year-on-year. For the 9M 2026 period, total paper sales tonnage volume amounted to 147.2 thousand tons, remaining flat compared to the previous period (9M 2025: 148.1 thousand tons).
- In 3Q 2026, the share of international sales in total sales volume was 73%, while it was 75% for the 9M 2026 period. During the 9M 2026 period, 97% of jumbo roll sales volume was made to export markets, while export ratio was 31% for converting business line.
- Following the partial normalization in export markets during 2Q 2026, jumbo roll sales volume recorded a 2.2% year-on-year decline in tonnage in 3Q 2026, due to weakening external demand conditions as well as congestion caused by maintenance works at customs gates serving European markets and disruptions in major maritime transportation routes stemming from issues in the Strait of Hormuz.
- In 3Q 2026, converting sales volume increased by 4.9% compared to the same period of the previous year, primarily driven by strong double-digit growth in the domestic branded products channel. While the Company continued to acquire new customers and expand into new export markets, the export channel recorded a temporary decline in 3Q 2026 due to the high base of the same period last year, temporary congestion at customs checkpoints, and the impact of persistent inflation on consumers' purchasing baskets. Nevertheless, converting export volume grew by 22% in 9M 2026. Despite volume growth, sales in TRY terms continued to be under pressure due to paper products inflation increasing by only 21%⁽²⁾, below the 24%⁽²⁾ CPI inflation recorded during the 9M 2026 period, and challenging competitive conditions affecting the broader FMCG sector.
- The share of value-added products within the converting product portfolio was 7.9% in 3Q 2026.
- In the 9M 2026 period, the shares of jumbo roll paper, converting, and other business lines in total revenues were 56%, 39%, and 5%, respectively.
- The shares of export and domestic markets in total paper sales volume were 73% and 27%, respectively, in 3Q 2026, and 75% and 25%, respectively, in the 9M 2026 period.

(1)SKSV 3Q26 Report

(2)TURKSTAT



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Financial Performance:

The financial results have been prepared in accordance with TAS 29 Financial Reporting in Hyperinflationary Economies. The financial information as of 31 December 2025 and 30 September 2025 has been restated in terms of the purchasing power as of 30 September 2026.

Comprehensive Income or Loss ('000 TRY)	1 January- 30 September 2026	1 January- 30 September 2025	1 July- 30 September 2026	1 July- 30 September 2025
Net Sales	11,385,846	13,101,613	3,709,329	4,135,713
Gross Profit	3,180,083	4,031,459	875,170	1,300,809
Operating Profit	1,181,756	2,429,966	135,592	694,708
Adjusted Operating Profit (*)	1,278,076	2,430,290	185,100	699,916
Net Profit for the period	442,048	1,830,842	91,830	533,513
EBITDA	1,799,300	2,622,092	403,711	860,545
Adj. EBITDA	2,123,044	3,157,567	498,590	942,012

(*) Calculated excluding one-off expenses

Key Ratios	1 January- 30 September 2026	1 January- 30 September 2025	1 July- 30 September 2026	1 July- 30 September 2025
Gross Profit Margin	27.9%	30.8%	23.6%	31.5%
Operating Profit Margin	10.4%	18.5%	3.7%	16.8%
Adjusted Operating Profit Margin (*)	11.2%	18.5%	5.0%	16.9%
EBITDA Margin	15.8%	20.0%	10.9%	20.8%
Adj. EBITDA Margin	18.6%	24.1%	13.4%	22.8%
Net Profit Margin	3.9%	14.0%	2.5%	12.9%

(*) Calculated excluding one-off expenses

Net Sales:

- Geopolitical tensions during the first half of 2026 continued in 3Q 2026, while the global trade environment was shaped by sluggish demand conditions and congestion on customs routes, while energy prices and logistics costs remained elevated. Uncertainties in the operating environment also persisted during the quarter.
- Fluctuations in oil prices, destocking strategies of major players, and the general slowdown observed in the markets in which we operate, particularly in the retail channel, weighed on sales revenues.
- During the 9M 2026 period, CPI was recorded at 24%⁽¹⁾, while the U.S. dollar and the euro appreciated against the Turkish lira by 14%⁽²⁾ and 10%⁽²⁾, respectively. While foreign currency-denominated selling prices remained under pressure due to price-based competition, the depreciation of Turkish Lira remaining below inflation and the Company's export-oriented revenue structure exerted pressure on the Company's inflation-adjusted net sales under IAS 29.
- The limited increase observed in pulp prices during the first half of 2026 did not prove sustainable due to weak demand in the Chinese market, high inventory levels, regional price differences, and increasing local supply. As a result, final product prices exhibited a flat to slightly negative performance during the third quarter. Competitive pricing conditions in global markets and uncertainty regarding the raw material price trend caused final selling prices to remain under pressure.
- In Türkiye, intense price competition and increasing consumer price sensitivity limited the Company's ability to pass cost increases on to selling prices. While CPI inflation stood at 24%⁽¹⁾, price increases in paper products remained approximately 3 percentage points lower at 21%⁽¹⁾, highlighting the pricing pressure across the industry. Weak domestic demand, particularly during the summer period, together with the adverse impact of price increases on demand, constrained domestic sales volumes. During this period, away from home (AFH) and private label products recorded a contraction in the domestic converting market, while branded products, which grew by 31.7% in tonnage terms in 3Q 2026, made a positive contribution to the sales revenue performance of the converting business line.
- In export markets, weak global demand conditions, intensifying price competition, and disruptions in international transportation routes limited sales performance. As a result of these developments, sales revenue decreased by 10.3% year-on-year to TRY 3.7 billion in 3Q 2026 (3Q 2025: TRY 4.1 billion).

(1) TURKSTAT

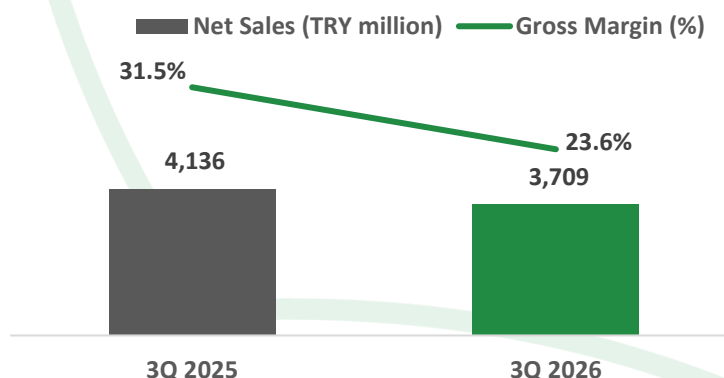
(2) CBRT official foreign-exchange buying rates



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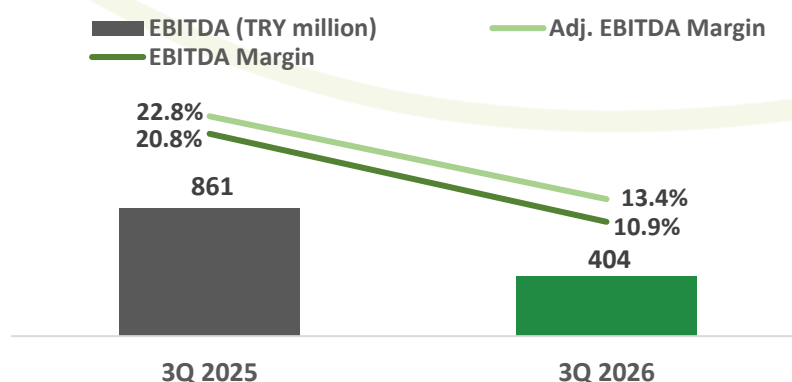
Gross Profit and Gross Profit Margin:

- Gross profit amounted to TRY 875.2 million in 3Q 2026 (3Q 2025: TRY 1.3 billion).
- Gross profit margin was 23.6% in 3Q 2026 (3Q 2025: 31.5%).
- While the ongoing inflationary environment in Türkiye continued to drive increases in Turkish Lira denominated labour costs, the oversupply in the industry, price-based competition, and soft demand conditions, put pressure on foreign currency-denominated selling prices, partially offset by the slightly positive/flat trend in global pulp prices, leading to a contraction in gross profit margin.
- Despite favourable proactive raw material procurement and the relatively positive course of energy costs, gross profit margin declined by 786 basis points compared to 3Q 2025. The main reasons for the margin contraction were pressure on foreign currency-denominated selling prices, the narrowing of the margin between per-ton product selling prices and per-ton costs, and the appreciation of foreign exchange rates remaining below inflation in Türkiye, causing selling prices to lag behind inflation in real terms under IAS 29. Increases in Turkish Lira denominated labour and manufacturing overhead costs also continued to put pressure on margins.
- In the 9M 2026 period, gross profit amounted to TRY 3.2 billion (9M 2025: TRY 4.0 billion), while gross profit margin was 27.9% (9M 2025: 30.8%).



EBITDA & EBITDA Margin:

- EBITDA amounted to TRY 403.7 million in 3Q 2026 (3Q 2025: TRY 860.5 million).
- In 3Q 2026, the EBITDA margin contracted by 992 basis points to 10.9% (3Q 2025: 20.8%), mainly due to the contraction in gross profit margin as well as the increase in the ratio of operating expenses to net sales. Increases in predominantly Turkish Lira denominated marketing, selling, distribution, and general administrative expenses were not offset by higher net sales, as majority of the revenue base is derived from export markets and foreign exchange rates appreciation against Turkish Lira stayed below inflation, creating additional pressure on both the operating expenses-to-net sales ratio and the EBITDA margin.
- In 3Q 2026, the Company's Adjusted EBITDA margin, including foreign exchange gains and losses related to trade receivables and payables, was realised at 13.4% (3Q 2025: 22.8%).
- In the 9M 2026 period, EBITDA amounted to TRY 1.8 billion (9M 2025: TRY 2.6 billion), while the EBITDA margin was 15.8% (9M 2025: 20.0%).





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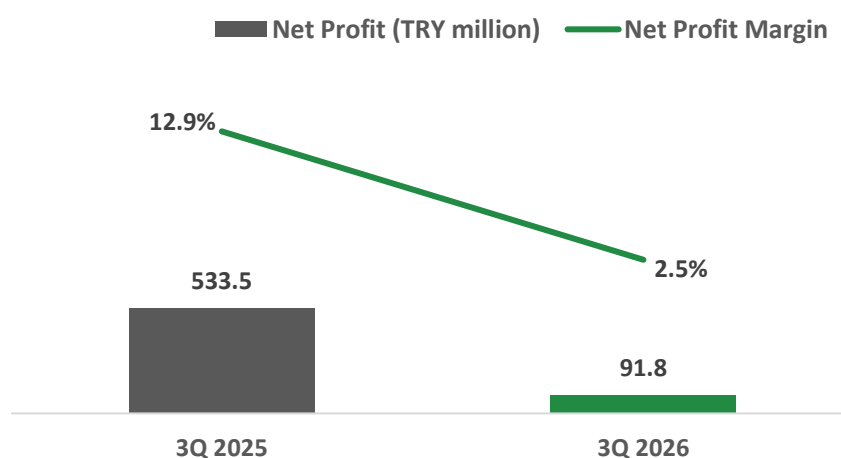
EBITDA Reconciliation:

The Company calculates Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) by adding depreciation and amortization expenses to Operating Profit Excluding Other Income/(Expenses). Adjusted EBITDA additionally includes foreign-exchange differences arising from trade receivables and payables. The reconciliation between operating profit and EBITDA for 1 July-30 September 2026 and 1 July-30 September 2025 is presented below:

('000 TRY)	3Q 2026	3Q 2025
Operating Income Exc. Other Income/(Expense)	144,711	598,744
Depreciation and Amortization	259,000	261,801
EBITDA	403,711	860,545
Foreign exchange differences arising from trade receivables and trade payables	94,879	81,467
Adj. EBITDA	498,590	942,012

Net Profit & Net Profit Margin:

- Continued weak demand conditions and pricing pressure in global markets, among with the ongoing inflationary environment in Türkiye, continued to adversely affect profitability during the period.
- In addition, the appreciation of foreign exchange rates against Turkish Lira remaining below inflation continued to put pressure on the Turkish lira equivalent of export revenues, while global price competition and fragile demand conditions limited profitability.
- Net profit for the period amounted to TRY 91.8 million in 3Q 2026 (3Q 2025: TRY 533.5 million), corresponding to a net profit margin of 2.5% (3Q 2025: 12.9%). In the 9M 2026 period, net profit for the period was TRY 442.0 million (9M 2025: TRY 1,830.8 million), while the net profit margin stood at 3.9% (9M 2025: 14.0%). The primary reason for this decline was the one-off gain on the disposal of fixed assets recognized in the 9M 2025 period, which positively impacted net profit for the comparable period. Excluding this non-recurring item, net profit for the 9M 2025 period would have been TRY 1,149 million.
- Inflation accounting continues to have an adverse impact on companies with low leverage and strong balance sheet. Accordingly, the monetary loss recognized under inflation accounting remains one of the principal factors weighing on net profit. The monetary loss recorded in the Company's financial statements amounted to TRY 288.2 million in 3Q 2026 and TRY 1,603.0 million in 9M 2026. Excluding the monetary loss effect, net profit for the period would have been TRY 380.0 million and TRY 2,045.1 million, respectively. Accordingly, the net profit margin excluding the monetary loss effect would have been 10.2% in 3Q 2026 and 18.0% in 9M 2026.

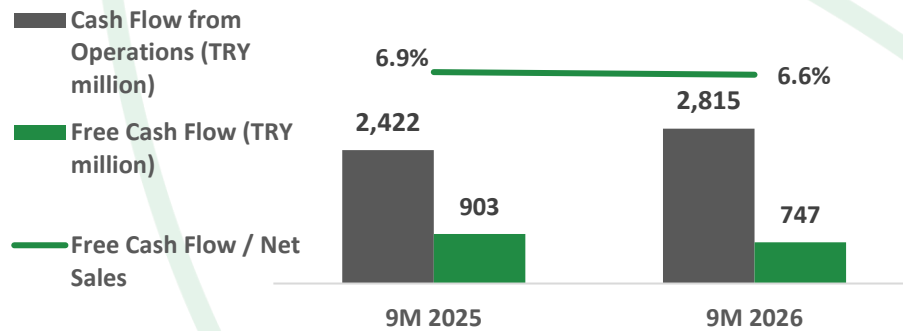


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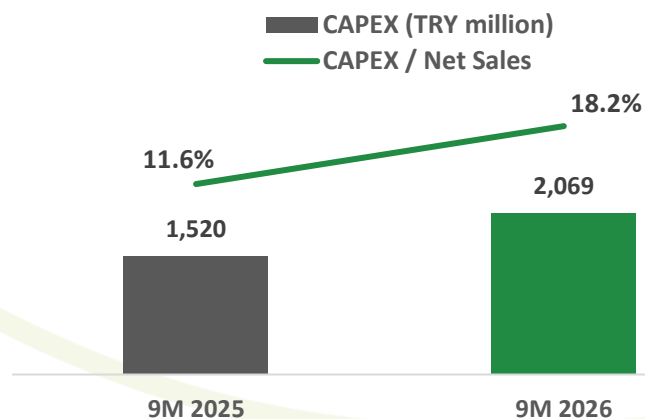
Free Cash Flow:

- During the 9M 2026 period, the Company maintained strong cash generation through effective working capital utilization and disciplined financial management. Cash flow from operations increased from TRY 2.4 billion in 9M 2025 to TRY 2.8 billion, while free cash flow was recorded at TRY 746.6 million.
- The ratio of free cash flow to net sales was 6.6%, demonstrating the Company's ability to convert its operations into cash despite the challenging operating environment.
- The positive net cash position and high liquidity provided significant financial flexibility during the ongoing heavy investment period.



Capital Expenditures:

- Capital expenditures amounted to TRY 2,069 million in the 9M 2026 period, of which TRY 1,541 million was spent on the Erzurum production facility investments and TRY 528 million was spent on efficiency and solar power plant (SPP) investments at the Ergene production facility.
- As part of the ongoing intensive investment program during the 9M 2026 period, the capital expenditures-to-net sales ratio was 18.2% (9M 2025: 11.6%).
- Despite challenging economic and market conditions, the Company commits to its strategic investments as planned, supported by its strong balance sheet and cash generation capacity, and continues to invest in projects supporting long-term growth, production capacity, and competitiveness.





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Net Cash Position and Currency Risk:

- Despite challenging macroeconomic conditions and the ongoing intensive investment program, the Company maintained its net cash position as of 30 September 2026 through strong cash flow from operations and effective working capital management. Net financial debt/EBITDA (last 12 months) was (1.27), with leverage maintained at an optimal level supporting financial flexibility and long-term growth.
- According to 9M 2026 financial results, the export/import coverage ratio was 1.67 and the Company maintained its net exporter position. This structure supports foreign-currency liquidity and contributes to the management of currency risk arising from foreign-trade transactions.
- Although all pulp raw material is imported, 70% of sales on average over the last three years were generated in export markets and export revenues were denominated in U.S. Dollars and Euros, providing a significant natural hedge against currency risk arising from raw-material purchases. Supported by a strong balance sheet, low leverage, effective working capital management and sustainable cash generation, the Company preserves financial stability while continuing strategic investments without interruption and within a disciplined financial framework.

Key Financial Ratios:

Key Ratios	30 September 2026	31 December 2025
Cash Ratio	1.54	3.19
Current Ratio	3.31	5.89
Acid- Test Ratio	2.69	5.01
Leverage Ratio	0.24	0.16
Total Equity/ Total Assets	76.4%	84.4%
Net Financial Debt / Total Equity	-22.1%	-25.9%
Net Financial Debt / EBITDA (Yearly)	(1.27)	(1.61)
Working Capital / Net Sales (Yearly)	20.1%	29.1%

- As of 30 September 2026, the cash ratio, current ratio and acid-test ratio were 1.54, 3.31 and 2.69, respectively. Cash and cash equivalents were 1.65 times short-term liabilities, while current assets excluding inventories comfortably covered short-term obligations, demonstrating the Company's strong repayment capacity. The decline in ratios compared with year-end reflects more efficient deployment of high cash balances toward working capital and strategic investments, rather than weaker liquidity.
- The Company maintained its net cash position through prudent balance-sheet management and cash flow from operations, with net financial debt/EBITDA at (1.27). This structure enables the Company to sustain operations and investments without high dependence on external financing and to remain resilient against financial-market volatility.
- Supported by the contribution of profitability to equity and low financial leverage, equity represented 76.4% of total assets. The strong equity base provides a meaningful buffer against potential changes in costs, exchange rates, demand and financing conditions.
- Working capital as a percentage of net sales declined to 20.1%, marking a significant improvement compared with FY 2025. Driven by improvements in inventory days and trade payables days, this development reduced the amount of funds tied up in working capital and contributed to stronger operating cash flow.
- Taken together, strong liquidity, a net cash position, a high equity ratio and effective working capital management preserve the Company's capacity to finance its intensive investment program, meet obligations on time and respond rapidly and flexibly to potential market volatility.



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2026 GUIDANCE:

During the first nine months of the year, healthy volume growth in the converting business line and strong export performance continued; however, soft demand conditions in the jumbo roll paper market, disruptions across transportation routes, geopolitical tensions constraining international competition and trade, foreign exchange rate appreciation against Turkish Lira remaining below inflation, ongoing price-based competition, and price movements in pulp markets continues to put pressure on sales expectations and profitability.

Considering the ongoing market uncertainties and challenges in the pricing environment, we revise 2026 sales volume and EBITDA margin expectations;

We Revise Our 2026 Guidance

	Initial Guidance	Revised Guidance	Current Guidance
Sales Volume Growth	7%-10%	7%-10%	1%-3%
<i>Domestic Market</i>	<i>High double-digit growth</i>	<i>Mid-to-high single-digit growth</i>	<i>Flat</i>
<i>Export Markets</i>	<i>Low-to-mid single-digit growth</i>	<i>High single-digit growth</i>	<i>Mid-single-digit growth</i>
EBITDA Margin	>%20	>%19	>%16
<i>Adjusted EBITDA Margin(*)</i>	<i>>%22</i>	<i>>%21</i>	<i>>%18</i>
Net Working Capital / Sales	<%30	<%30	<%25
Capital Expenditures / (USD thousand)	50,000	40,000	50,000
Net Leverage Ratio	< (1x)	< (1x)	< (1x)

(*) Adjusted EBITDA includes FX differences on trade receivables and payables.



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Summary Consolidated Statement of Financial Position as of 30 September 2026

(Unless otherwise stated, amounts are expressed in thousands of Turkish lira (TRY) in terms of the purchasing power as of 30 September 2026.)

	US Dollar (*)		
	Current Period	Current Period	Prior Period
	30 September	30 September	31 December
	2026	2026	2025
ASSETS			
Current Assets			
Cash and cash equivalents	123,747	6,052,835	7,067,373
Financial assets	10,380	507,715	306,740
Trade receivables	74,584	3,648,127	3,724,985
Other receivables	5,506	269,329	21,519
Inventories	54,007	2,641,654	2,041,557
Prepaid expenses	18,198	890,124	210,817
Assets related to current tax	555	27,141	155,431
Other current assets	476	23,262	83,872
Total Current Assets	287,453	14,060,187	13,612,294
Non-Current Assets			
Other receivables	567	27,733	13,185
Property, plant and equipment	221,503	10,834,417	9,142,460
Intangible assets	1,473	72,031	74,670
Rights of use assets	3,299	161,366	190,301
Prepaid expenses	11,070	541,445	876,854
Total Non-Current Assets	237,912	11,636,992	10,297,470
TOTAL ASSETS	525,365	25,697,179	23,909,764

(*) US Dollar ("USD") amounts presented above have been translated from Turkish Lira ("TL") for convenience purposes only, at the official TL bid rate announced by the Central Bank of the Republic of Turkey ("CBRT") effective as of 30 September 2026.



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Summary Consolidated Statement of Financial Position as of 30 September 2026

(Unless otherwise stated, amounts are expressed in thousands of Turkish lira (TRY) in terms of the purchasing power as of 30 September 2026.)

	US Dollar (*)		
	Current Period	Current Period	Prior Period
	30 September	30 September	31 December
	2026	2026	2025
LIABILITIES			
Short-Term Liabilities			
Short-term borrowings	5,670	277,331	298,424
Current portion of long-term borrowings	6,361	311,144	809,935
Trade payables	66,132	3,234,732	846,811
Payables related to employee benefits	5,327	260,559	167,508
Deferred incomes	1,075	52,601	56,544
Short term provisions	1,146	56,035	52,466
Other current liabilities	1,157	56,614	78,649
Total Short-Term Liabilities	86,868	4,249,016	2,310,337
Long-Term Liabilities			
Long-term borrowings	33,182	1,623,050	1,033,579
Deferred tax liabilities	652	31,901	220,434
Long term provisions	2,834	138,630	135,933
Deferred incomes	286	13,984	37,248
Total Long-Term Liabilities	36,954	1,807,565	1,427,194
Total Equity			
Share capital	12,062	590,000	590,000
Share capital adjustments	111,492	5,453,400	5,453,400
Premiums on shares	116,849	5,715,462	5,715,462
Restricted reserves appropriated from profit	14,879	727,773	618,497
Other comprehensive income or expenses that will not be reclassified subsequently to profit or loss	(1,365)	(66,773)	(67,231)
- Actuarial losses from defined pension plans	(1,365)	(66,773)	(67,231)
Other comprehensive income or expenses that will be reclassified subsequently to profit or loss	25	1,245	(604)
- Foreign currency translation differences	25	1,245	(604)
Retained earnings	138,561	6,777,443	5,744,337
Net profit for the period	9,040	442,048	2,118,372
Total Equity	401,543	19,640,598	20,172,233
TOTAL LIABILITIES	525,365	25,697,179	23,909,764

(*) US Dollar ("USD") amounts presented above have been translated from Turkish Lira ("TL") for convenience purposes only, at the official TL bid rate announced by the Central Bank of the Republic of Turkey ("CBRT") effective as of 30 September 2026.



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Summary Consolidated Statement of Profit or Loss for the Nine-Month Period Ended 30 September 2026

(Unless otherwise stated, amounts are expressed in thousands of Turkish lira (TRY) in terms of the purchasing power as of 30 September 2026.)

	US Dollar (*) Current Period 1 January- 30 September 2026	Current Period 1 January- 30 September 2026	Prior Period 1 January- 30 September 2025	Current Period 1 July- 30 September 2026	Prior Period 1 July- 30 September 2025
Statement of Profit or Loss					
Revenue	232,777	11,385,846	13,101,613	3,709,329	4,135,713
Cost of Sales (-)	(167,762)	(8,205,763)	(9,070,154)	(2,834,159)	(2,834,904)
Gross Profit	65,015	3,180,083	4,031,459	875,170	1,300,809
Marketing and sales expenses (-)	(35,052)	(1,714,486)	(1,738,940)	(589,473)	(558,123)
General administrative expenses (-)	(8,857)	(433,244)	(428,245)	(140,986)	(143,942)
Other income from operating activity	7,239	353,989	594,610	110,073	98,614
Other expenses from operating activity (-)	(4,183)	(204,586)	(28,918)	(119,192)	(2,650)
Operating Profit	24,162	1,181,756	2,429,966	135,592	694,708
Income from investment activities	2,174	106,319	761,489	54,994	150,844
Operating Profit Before Finance Income	26,336	1,288,075	3,191,455	190,586	845,552
Finance incomes	21,159	1,034,939	1,293,156	361,189	360,568
Finance expenses (-)	(8,437)	(412,677)	(745,580)	(184,616)	(121,232)
Monetary (loss)/gain	(32,773)	(1,603,023)	(1,938,243)	(288,186)	(623,483)
Profit Before Tax	6,285	307,314	1,800,788	78,973	461,405
Tax (expense)/income	2,755	134,734	30,054	12,857	72,108
Current tax (expense) /income	(1,103)	(53,952)	(73,806)	(13,626)	42,080
Deferred tax income/(expense)	3,858	188,686	103,860	26,483	30,028
Net Profit For The Period	9,040	442,048	1,830,842	91,830	533,513

(*) US Dollar ("USD") amounts presented above have been translated from Turkish Lira ("TL") for convenience purposes only, at the official TL bid rate announced by the Central Bank of the Republic of Turkey ("CBRT") effective as of 30 September 2026.



About the Company

The foundations of Lila Kağıt were laid with the cotton ginning and weaving trading business established by the Ögücü family in 1930. In the 1990s, operating as Marmara Pamuklu Mensucat, it became one of Türkiye's largest integrated cotton yarn and dyeing facilities and continued its operations mainly in yarn production under various names until the 2000s. In 2005, in line with its objective of becoming a sustainable facility capable of generating its own resources, the Company invested in energy and established its own power plant on campus. Lila Kağıt was established in 2006 with 100% Turkish capital to meet the rapidly growing demand in Türkiye's hygienic tissue paper market. In addition to its fully integrated production campus in Ergene, Tekirdağ, the Phase I Converting Production Facility of the two-phase investment program in Erzurum Merkez II OSB in Aziziye, Erzurum was completed and commenced production and sales in June 2026. Reaching consumers at more than 80,000 points through the Sofia, Maylo, Ultra Berrak and Nua brands and products such as toilet paper, paper towels, handkerchiefs and napkins, Lila Kağıt contributes added value to the national economy by exporting semi-finished and finished products to more than 80 countries across five continents.

For further information: www.lilakagit.com

Disclaimer

This information note regarding the Q3 2026 financial results uses financial data adjusted for the effects of inflation in accordance with the relevant accounting principles set out in Turkish Accounting Standard 29 Financial Reporting in Hyperinflationary Economies (TAS 29), pursuant to the Capital Markets Board decision dated 28 December 2023 and numbered 81/1820.

The information in this note is derived largely from the summary consolidated financial statements as of 30 September 2026 published on the Public Disclosure Platform (KAP). The report published on 26 October 2026 is available at <https://www.kap.org.tr/tr/> and <https://lilakagit.com/yatirimci-iliskileri/>.

This document contains statements regarding the Company's performance. These statements are based on currently available data. Whether the Company's future performance develops as expected depends on uncertainties and/or unforeseeable future events that may materially affect performance, including, but not limited to, changes in macroeconomic and geopolitical conditions, potential increases in tax rates, unexpected climate events and natural disasters. Such uncertainties and/or unforeseeable events may cause the Company's future performance to differ materially from the assessments presented in this document.

The Company cautions recipients that the assessments and information contained in this document are based on currently available data and do not constitute a guarantee or promise regarding the Company's future performance or financial results. The Company, its Board members, managers and/or employees shall not be liable for any loss arising from the use of the content of this document.

Investor Relations Contact:

Doruk Sazer, CFA
Head of Investor Relations

Şevval Hacer Şenol
Investor Relations Specialist

yatirimciiliskileri@lilakagit.com
investorrelations@lilakagit.com

Media Contact:

Tolga Meriç
Corporate Communications Manager

kurumsal.iletisim@lilakagit.com



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