

Lila Kağıt Sanayi ve Ticaret A.Ş.

Interim Report

01.01.2026 – 30.09.2026



1 January- 30 September 2026 Interim Report



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1. General Information

The table below presents information for the period 1 January-30 September 2026.

Company's Trade Name:	Lila Kağıt Sanayi ve Ticaret A.Ş.
Trade Registry Number:	200088
Date of Incorporation:	2 August 2006
Registered Capital:	TL 2,000,000 thousand
Issued Capital:	TL 590,000 thousand
Head Office Address:	Business İstanbul, Merdivenköy Mah., Nur Sokak, A-Blok No: 1A, Floors 16-17, Göztepe/Kadıköy, 34732 İstanbul, Türkiye
Production Facility Addresses:	Ulaş OSB Mah. 103. Sokak. No:1-3/1 Ergene 2 OSB, Tekirdağ, Ergene Ilica Mah. 1.Sanayi Cadde Cad. No:28 No:1 25700 Erzurum OSB Erzurum, Aziziye,
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2. Sector in Which the Company Operates

Lila Kağıt Sanayi ve Ticaret A.Ş. ("Lila Kağıt" or the "Company") traces its roots to the cotton ginning and weaving business founded by the Ögücü family in 1930. As Marmara Pamuklu Mensucat, it became one of Türkiye's largest integrated cotton-yarn and dyeing facilities in the 1990s and operated mainly in yarn production until the 2000s. In 2005, the Company invested in energy and established an on-campus power plant to support a self-sufficient, sustainable facility. Lila Kağıt was established in 2006 with 100% Turkish capital to meet growing demand in Türkiye's hygienic tissue paper market.

At its modern Ergene campus, Lila Kağıt primarily produces jumbo rolls and converting products (fast-moving consumer tissue products), while also operating in textiles and energy. In addition to its fully integrated Ergene campus, the Company completed Phase I of its two-phase Erzurum investment: the Converting Production Facility at Erzurum OSB Erzurum, Aziziye. Production and sales began in June 2026. Tissue paper products are grouped into jumbo rolls and converting products. Pulp is used to produce jumbo rolls; part is sold as raw material to independent converters worldwide, and the remainder is processed into finished products at the Company's converting facilities. Production uses certified pulp sourced entirely from industrial forests, with continuous efforts to reduce carbon emissions and water and energy use. Branded converting products are sold under Sofia, Maylo and Ultra Berrak in Türkiye, Nua abroad, and Nua Professional in the away-from-home channel.



2. Sector in Which the Company Operates (Continued)

With 271 thousand tons of annual gross jumbo-roll capacity and a 300,000 m² production site in Ergene, Tekirdağ, Lila Kağıt is among Europe's and the Middle East's leading fully integrated single-campus producers. The 168,316 m² Erzurum Phase I Converting Facility began production and sales in June 2026, extending the Company's network to eastern Türkiye. The facility is expected to meet regional tissue paper demand, improve logistics to existing markets—particularly Georgia, Azerbaijan and Iraq—and support access to the Caucasus, Central Asia, the Middle East and North Africa. Lila Kağıt reaches consumers at more than 80,000 points and exports semi-finished and finished products to over 80 countries across 5 continents.

3. Information on the Company's Capital and Shareholding Structure

a) The Company's Capital

The Company's shares were offered to the public in 2024 through a sale of existing shares and a capital increase and began trading on the Borsa İstanbul Star Market on 9 May 2024. The Company's free float ratio is 17.05%.

The Company adopted the registered capital system under CMB approval no. 73/1569 dated 22 November 2023. The approval is valid for 5 (five) years 2023-2027, and the registered capital ceiling is TL2,000,000 thousand.

The Group's issued capital of TL 590,000 thousand is fully paid. It comprises 590,000,000 registered shares with a nominal value of TL 1 each: 300,000,000 Group A shares and 290,000,000 Group B shares. Of the Group B shares, 29,746,000 are not traded on the stock exchange and 260,254,000 are traded.

Shareholding Structure

The shareholding structure as of 30 September 2026 is shown below.

Shareholder	Shareholding Structure as of 30.09.2026	
	Share (%)	Share Amount (TL)
Orhan Ögücü	11.60	68,462,043
Azimet Portföy KLM Equity Free Special Fund	9.99	58,966,758
Azimet Portföy HCBO Equity Free Special Fund	8.76	51,666,333
Azimet Portföy RASAT Equity Free Special Fund	8.31	49,037,479
Aydın Ögücü	8.11	47,831,620
Celal Ögücü	5.99	35,351,997
Hatice Ögücü	5.61	33,100,770
Burcu Ögücü Giritli	4.53	26,700,000
Alp Ögücü	3.69	21,800,000
Duygu Ögücü	3.51	20,700,000
Huriye Ögücü	3.31	19,500,000
Other Members of the Ögücü Family	9.54	56,300,000
Free Float	17.05	100,583,000
Total	100	590,000,000



3. Information on the Company's Capital and Shareholding Structure (continued)

Group A shares are privileged only in nominating Board members. Group B shares have no privileges. All shares are registered; Group A registered shares are privileged, and Group B registered shares are not.

b) Information on Preferred Shares (continued)

Privilege to Nominate Board Candidates

Under Article 10 of the Articles of Association, the Company is managed by a Board of 5 to 7 members elected by the General Assembly under the Turkish Commercial Code and capital markets legislation; members need not be shareholders. Half of the Board is elected from Group A shareholders or their nominees; where half is not an integer, the number is rounded down. The number and qualifications of independent members are determined under CMB corporate governance regulations.

If a Board seat becomes vacant or an independent member loses independence, a replacement is appointed under the Turkish Commercial Code and capital markets legislation and submitted to the first General Assembly. The approved member completes the predecessor's term. A member elected from Group (A) nominees is replaced, under Article 363 of the Turkish Commercial Code and subject to the next General Assembly's approval, by a nominee of the same share group.

Privilege to Elect the Chairperson and Vice Chairperson

Under Article 10, the Chairperson and Vice Chairperson(s) are elected from Board members chosen from Group A nominees. Under Article 12, Group A and B shareholders have 1 vote per share.

Quorums

Board Meeting and Decision Quorum:

Under Article 10/5 of the Articles of Association, Board meeting and decision quorums are governed by the Turkish Commercial Code, except as stated below. Capital Markets Law requirements and quorums also apply.

For the significant transactions listed below, a Board resolution adopted by a majority of attendees is required, provided that Group (A) shareholders or members elected from their nominees are present and at least 2 (two) votes in favour:

- a) Decisions on exercising Board powers, including allocation of representation and binding authority, signature circulars and internal directives,



- b) Proposals to the General Assembly on mergers or demergers, changes in the field of activity, privileged share issues, additional obligations on shareholders to cover balance-sheet losses, share-transfer restrictions, dissolution and liquidation,
- c) Opening branches or workplaces in Türkiye or abroad,
- d) Obtaining or transferring licenses or intellectual property rights,
- e) Appointing, reappointing or dismissing the General Manager, or amending or terminating the employment contract,
- f) Appointing, dismissing or remunerating senior executives other than Board members,
- g) Subject to Article 408/2-f of the Turkish Commercial Code and CMB regulations, leasing assets, making investments, pledging shares, providing collateral or creating other encumbrances where the value exceeds 1% of total assets in the latest annual financial statements,
- h) Filing or approving bankruptcy or restructuring applications; proposing dissolution, liquidation, concordat or sale of all assets to the General Assembly; or approving the suspension of business or operations,
- i) Submitting amendments to the Articles of Association to the General Assembly,
- j) Submitting dividend distribution proposals to the General Assembly,
- k) Nominating independent auditor candidates,
- l) Preparing and submitting the annual budget, business plan and annual financial results to the General Assembly,
- m) Subject to CMB regulations, entering or amending contracts, or borrowing or lending assets, services or cash, exceeding 10% of total assets in the latest annual financial statements,
- n) Subject to Article 408/2-f of the Turkish Commercial Code and CMB regulations, issuing capital market instruments or selling fixed assets exceeding 1% of total assets in the latest annual financial statements,

Decisions contrary to the above do not constitute Board resolutions and have no legal effect as such.

Board resolutions may be adopted under Article 390/4 of the Turkish Commercial Code, provided these principles are met. Board members' rights to information and examination may not be restricted or removed.

General Assembly Meeting and Decision Quorum:

Under Article 12 of the Articles of Association, General Assembly quorums are governed by the Turkish Commercial Code, Capital Markets Law and CMB Corporate Governance Principles.



3. Information on the Company's Capital and Shareholding Structure (continued)

b) Information on Preferred Shares (continued)

Share Transfer Restrictions

Under Article 9 of the Articles of Association, share transfers are governed by the Turkish Commercial Code, capital markets legislation and other applicable regulations.

All shares are registered. Group (A) shares are privileged; bearer shares may not be issued.

Transfers of Stock Exchange listed Group (B) registered shares are subject to CMB regulations, the Turkish Commercial Code, electricity and energy market legislation, and the Articles of Association.

Transfers of privileged Group (A) registered shares require Board approval. Group (A) shareholders must meet the qualifications required of founding partners, and the Company's shareholder base must comprise persons experienced and knowledgeable in its business. A proposed transfer to an unqualified third party constitutes an important reason under Article 493 of the Turkish Commercial Code, allowing the Board to reject approval. Articles 493/3 and 493/4 are reserved.

Any proposed Group (A) share transfer must first be notified in writing to Group (A) shareholders. If they accept within 20 business days of receipt, the shares are transferred to the accepting shareholders in proportion to their capital.

Any remaining shares may be transferred only to third parties that do not compete with the Company or its shareholders, and the transfer may be registered in the share ledger only by a Board resolution approved by all members elected from Group (A) nominees. If unanimous approval is not obtained, only the untransformed Group (A) shares may be sold to third parties after conversion into Group (B) shares through a General Assembly-approved amendment to the Articles of Association. The capital provisions are then amended at the first General Assembly.

During the preliminary-license period and until a generation license is obtained, no direct or indirect change in the shareholding structure, share transfer or equivalent transaction is permitted, except for inheritance, division of inheritance, matrimonial property rules, compulsory enforcement and the exceptions in Article 57 of the Electricity Market Licensing Regulation. Stock-exchange transfers are excluded.

After the generation license is obtained, EMRA's prior approval is required for any direct or indirect acquisition of 5% or more of the capital and for share transfers that change control, regardless of the stated ownership thresholds. Stock-exchange transfers are excluded.

c) Information on the Company's Own Shares Acquired

None.

d) Cross-Shareholdings Exceeding 5% Direct Participation

There are no cross-shareholdings.



3. Information on the Company's Capital and Shareholding Structure (continued)

e) Direct and Indirect Subsidiaries and Shareholding Ratios:

Direct Subsidiaries	Shareholding (%)
Lila Paper Swiss AG	100
Indirect Subsidiaries	Shareholding (%)
None.	-

f) Amendments to the Articles of Association and Reasons

None.

4. Information on the Board of Directors

The Board has 7 members, elected—including independent members—for 3-year terms at the Ordinary General Assembly held on 24 March 2026. In line with the Corporate Governance Communiqué, the Company continues to maintain a Board structure consistent with its policies and targets, with women representing more than 25% of members.

The Board composition as of 30 September 2026 is shown below.

Name	Position	Term
Celal Ögücü	Chairperson	24.03.2026-24.03.2029
Aydın Ögücü	Vice Chairperson	24.03.2026-24.03.2029
Orhan Ögücü	Board Member	24.03.2026-24.03.2029
Cengiz Solakoğlu	Board Member	24.03.2026-24.03.2029
Fatma Füsün Akkal Bozok	Independent Board Member	24.03.2026-24.03.2029
Mehmet Fatih Keresteci	Independent Board Member	24.03.2026-24.03.2029
Özgür Gökşen Töre Sancak	Independent Board Member	24.03.2026-24.03.2029

Authority of Board Members

The Chairperson and Board members have the powers set out in the Turkish Commercial Code and Articles 10 and 11 of the Articles of Association.

Under Board resolution no. 800 dated 31.03.2026, Group A joint signatories authorized to represent and bind the Company were determined, registered by the Istanbul Trade Registry on 02.04.2026 and announced in the Turkish Trade Registry Gazette no. 11555 of the same date.

Board Committees

The Audit, Corporate Governance, Early Detection of Risk and Remuneration Committees operate under the Board, meet regularly under their duties and working principles, and report to the Board. Following the Ordinary General Assembly of 24 March 2026, committee memberships for the new term were determined by the Board on 2 April 2026 as follows:



4. Information on the Board of Directors (continued)

Board Committees (continued)

Committee	Members	Role	Capacity
Audit Committee	Fatma Füsün Akkal Bozok	Chairperson	Independent Board Member
	Özgür Gökşen Töre Sancak	Member	Independent Board Member
Corporate Governance Committee	Fatma Füsün Akkal Bozok	Chairperson	Independent Board Member
	Özgür Gökşen Töre Sancak	Member	Independent Board Member
	Cengiz Solakoğlu	Member	Board Member
	Işıl Tireli	Member	Deputy General Manager of Financial Affairs, Strategic Planning and Information Technologies
	Doruk Sazer	Member	Head of Investor Relations
Early Detection of Risk Committee	Mehmet Fatih Keresteci	Chairperson	Independent Board Member
	Fatma Füsün Akkal Bozok	Member	Independent Board Member
	Cengiz Solakoğlu	Member	Board Member
	Işıl Tireli	Member	Deputy General Manager, Finance, Strategy and IT
Remuneration Committee	Mehmet Fatih Keresteci	Chairperson	Independent Board Member
	Özgür Gökşen Töre Sancak	Member	Independent Board Member
	Cengiz Solakoğlu	Member	Board Member

Board Members

Celal ÖĞÜCÜ - Chairperson

Born in Gaziantep in 1958, Celal Ögücü completed his high school education in Gaziantep and earned his bachelor's degree in chemical engineering from the University of Manchester. After completing a master's degree in Polymer Chemistry, he returned to Türkiye. He began his professional career in 1984, taking part in the establishment of Marmara Pamuklu Mensucat. During his tenure at the company, he played an active role in the establishment and operation of the dyehouse and power plant, as well as in new investment projects in the paper industry. Ögücü has served on the Company's Board of Directors since 2007. Over the years, he has held various executive positions at several organizations, including the Çorlu Businesspeople and Industrialists Association (ÇİSAD), the Çorlu Chamber of Commerce and Industry, the Family Business Association of Türkiye (TAİDER), and Rotary Club. He currently serves as a Board Member of the Turkish Enterprise and Business Confederation (TÜRKONFED).

Aydın ÖĞÜCÜ - Vice Chairperson

Born in Gaziantep in 1961, Aydın Ögücü completed his high school education in Gaziantep and earned his bachelor's degree in Polymer Science and Chemistry from Victoria University in the United Kingdom. He began his professional career in 1984, taking part in the establishment of Marmara Pamuklu Mensucat. During his tenure at the company, he played an active role in the establishment and operation of the dyehouse and power plant, as well as in new investment projects in the paper industry. Ögücü has served on the Company's Board of Directors since 2007. Having previously served as Chairman of the Board of the Family Business Association of Türkiye (TAİDER), he currently serves as a member of its Advisory Board. He is also an active member of the Turkish Industry and Business Association (TÜSİAD).



4. Information on the Board of Directors (continued)

Orhan ÖĞÜCÜ - Board Member

Born in Gaziantep in 1956, Orhan Öğücü completed his high school education in Gaziantep and earned his bachelor's degree in mechanical engineering from the University of Manchester. He began his professional career at Güneydoğu İplik Sanayi Şirketi and served as a lecturer at Middle East Technical University's Gaziantep campus between 1978 and 1980. In 1984, he took part in the establishment of Marmara Pamuklu Mensucat and continued to serve in the company's management until 2007. Following the establishment of Lila Kağıt, he joined the Company's Board of Directors in 2007 and has continued to serve in this capacity ever since. Orhan Öğücü currently serves as Chairman of both the TOBB Paper Products Industry Council and the Pulp and Paper Industry Foundation. He is also a member of the Board of Trustees of the Educational Volunteers Foundation of Türkiye (TEGV) and a Board Member of the Voluntary Service Foundation (GHV).

Cengiz SOLAKOĞLU - Board Member

Cengiz Solakoğlu was born in Erzurum in 1943. After graduating from the Istanbul Academy of Economics and Commercial Sciences in 1964, he began his professional career as a Sales Representative at Beko Ticaret in 1967. He served as General Manager of Beko Ticaret A.Ş. from 1977 to 1983 and of Atılım A.Ş., Arçelik's marketing company, from 1983 to 1991. In 1991, he was appointed President of the Consumer Group at Koç Holding. In addition to this role, he served as a Member of Koç Holding's Executive Committee between 1996 and 1998. In 2002, he was appointed President of the Durable Goods Group. He retired from Koç Group in 2004, after 38 years of service, upon reaching the mandatory retirement age of 60. Mr. Solakoğlu served three terms as a Council Member of the Istanbul Chamber of Commerce and five terms as a Council Member of the Istanbul Chamber of Industry. He also served two terms as a Member of the Board of Directors of the Istanbul Chamber of Industry. As one of the founders of the Educational Volunteers Foundation of Türkiye, Cengiz Solakoğlu has served continuously on the Foundation's Board of Directors since its establishment. He served as Chairman of the Board during the periods 2002–2004, 2007–2011 and 2015–2019. In 2004, he was named Civil Society Leader of the Year by Ekonomist magazine. Following his retirement, Mr. Solakoğlu founded CS Danışmanlık and served as a Board Member at more than 15 of Türkiye's leading family-owned companies. He currently serves as Chairman of the Board of Şok Marketler T.A.Ş., Bizim Toptan Satış Mağazaları A.Ş. and Kalekim Lyksor Kimya A.Ş.; Vice Chairman of the Board of Kaleseramik Çanakkale Kalebodur Seramik Sanayi A.Ş.; and a Member of the Board of Directors of Abaloğlu Lezita Gıda Sanayi A.Ş. and the Educational Volunteers Foundation of Türkiye.

Fatma Füsün AKKAL BOZOK - Independent Board Member

Füsün Akkal Bozok holds a bachelor's degree from Istanbul University Faculty of Business Administration, a master's degree from Boğaziçi University Faculty of Administrative Sciences, and a PhD from Istanbul University Faculty of Business Administration. She began her professional career at Arthur Andersen. In 1983, she joined Koç Group, where she initially served as an Audit Specialist and Assistant Coordinator in the Audit and Finance Group. In 1992, she was appointed Audit and Finance Group Coordinator, a position she held for 11 years. Füsün Akkal Bozok served as Finance Group Director between 2003 and 2006 and as a Member of the Board of Directors of Yapı Kredi Bankası from September 2004 to 2019. She currently serves as an Independent Member of the Board of Directors of Otokar Otomotiv ve Savunma Sanayi A.Ş., Kocaeli Çelik Sanayi ve Ticaret A.Ş., Şok Marketler Ticaret A.Ş. and Gözde Girişim Sermayesi Yatırım Ortaklığı A.Ş. She taught auditing and international accounting at Koç University between 2006 and 2008 and at Sabancı University between 2008 and 2020. She is a member of the Corporate Governance Association of Türkiye, the Institute of Internal Auditing Türkiye, the Expert Accountants' Association of Türkiye and the Boğaziçi University Alumni Association. She is also a Board Member of the 30% Club and serves as a mentor for the Women on Board Association Türkiye. She holds Capital Markets Board Advanced Level, Credit Rating, Corporate Governance Rating and Derivatives licences.



4. Information on the Board of Directors (continued)

Mehmet Fatih KERESTECİ - Independent Board Member

Fatih Keresteci was born in Diyarbakır in 1977 and completed his primary, secondary and high school education in the same city. He holds a bachelor's degree in Economics from Marmara University's English-language programme and a master's degree in Finance from the University of Birmingham. He began his professional career as an economist and subsequently held various positions at HSBC Bank, including Strategist, Foreign Exchange and Derivatives Trader, Investment Advisor and Treasury Sales Director. He most recently served as Acting Deputy General Manager within the Global Markets team. Since 2016, through DNG Danışmanlık, Araştırma ve Eğitim A.Ş., which he owns, he has provided economics and finance consultancy services to major corporations and has served as a board and executive committee member and advisor. Within this scope, he has established a strong reputation in the fields of financial risk management, financial investment advisory, corporate and financial restructuring, mergers and acquisitions, investment feasibility advisory, management strategy consulting and financial training. He serves as a Member of the Board of Directors of Peninsula Corporate Finance Danışmanlık A.Ş. and Versum Teknoloji Yatırımları A.Ş., and as an Independent Member of the Board of Directors of Mega Metal Sanayi ve Ticaret A.Ş., Kale Maden Endüstriyel Hammaddeler A.Ş., Kale Frit Silikat Mamulleri Sır ve Boya A.Ş., Kale Nakliyat A.Ş., Kale Jet Motorları Sanayi A.Ş. and Flo Mağazacılık ve Pazarlama A.Ş.

Özgür Gökşen TÖRE SANCAK - Independent Board Member

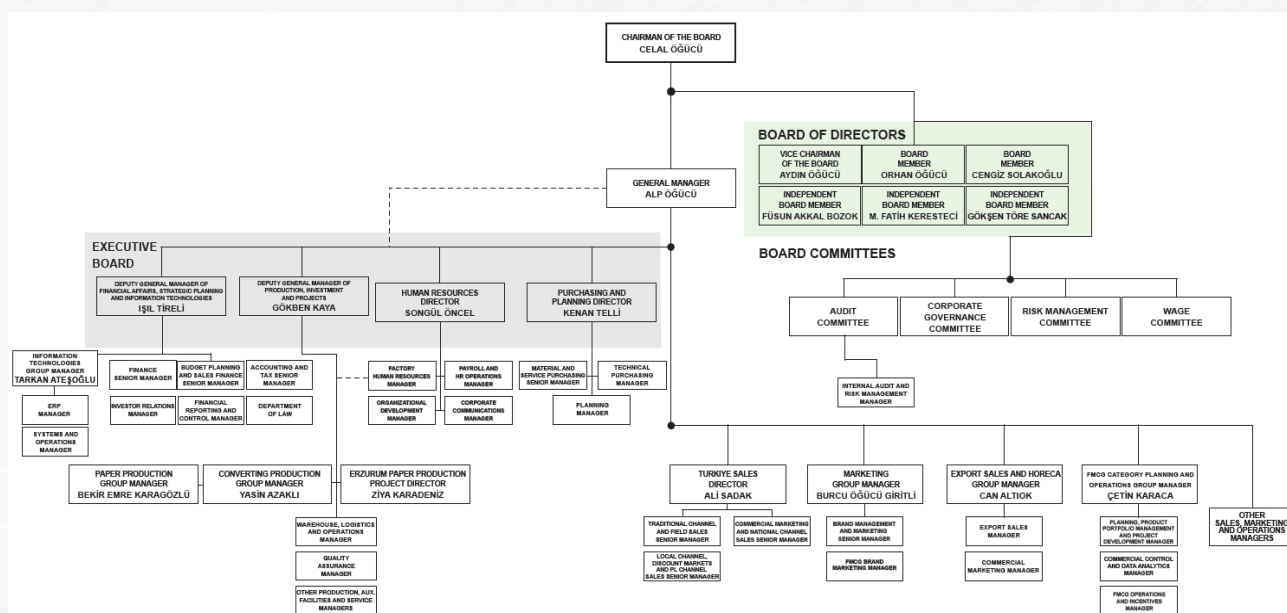
Gökşen Töre Sancak graduated from Istanbul Technical University with a degree in Management Engineering in 1996 and completed a master's degree in Management Engineering at the same university in 2000. In 2015 and 2017, Sancak completed the Program for Leadership Development (PLD) at Harvard Business School. Sancak began her career in 1994, while still at university, as a part-time Material Planning Engineer at Turkish Airlines and joined Ford Otosan as a Foreign Purchasing Engineer in 1996. Following various leadership roles, she was appointed Assistant General Manager of Material Planning and Logistics on February 1, 2016. In this role, she assumed responsibility for the Company's global supply chain management and led the transformation of one of the industry's most dynamic supply chain organizations. Sancak retired from her position as Material Planning and Logistics Leader at Ford Otosan in October 2023 and served as a Board Advisor at Farplas Otomotiv A.Ş. between 2024 and 2025. She provides training and management consultancy on supply chain transformation at various organizations, including Koç University's executive leadership programs. Her areas of expertise include global supply chain management, organizational transformation, sustainable growth, strategic partnerships, change management and crisis management. She has received numerous awards for her leadership and was named European Supply Chain Leader of the Year in 2019.



5. Key Management Personnel

Organization Chart

The organization chart as of 30 September 2026 is shown below.



Company Senior Management

Name	Position
Alp Öğücü	General Manager
Gökben Kaya (*)	Deputy General Manager, Production Investments and Projects
İşil Tireli	Deputy General Manager of Financial Affairs, Strategic Planning and Information Technologies
Kenan Telli	Purchasing and Planning Director
Yeter Zerrin Songül ÖNCEL	Human Resources Director
Ali Sadak	Türkiye Sales Director
Ziya Karadeniz	Erzurum Paper Production Project Director
Burcu Öğücü Giritli	Marketing Group Manager
Çetin Karaca	Commercial Control and Planning Group Manager
Hikmet Can Altıok	Product Export Group Manager
Tarkan Ateşoğlu	Information Technologies Group Manager
Bekir Emre Karagözlü	Paper and Energy Group Manager
Yasin Azaklı	Converting Production Group Manager

(*) Gökben Kaya resigned from his position at his own request, effective October 16, 2026. Until a new appointment is made, Kenan Telli, Purchasing and Planning Director, will assume the responsibilities of the position in an acting capacity.

Alp ÖĞÜCÜ - General Manager

Alp Öğücü was born in Gaziantep in 1983. He completed his high school education at Üsküdar American Academy and his university education in the United States, graduating from Tufts University, Department of Mechanical Engineering. He also completed minor programs in Entrepreneurship and Product Design. Alp Öğücü began his professional career in 2005 as a Project Engineer within the Company and was subsequently appointed Business Development Manager and Assistant General Manager of FMCG Sales & Marketing. He has served as General Manager since 2014. In parallel with his business career, he serves as Vice Chairperson of the Board of Directors of the Educational Volunteers Foundation of Türkiye (TEGV), Audit Committee Member of the Health and Education Foundation (SEV) and Founding Member of International Lions 118-Y; he is also a member of Lead Network, Sales Network, Yanındayız Association and the Corporate Governance Association of Türkiye.



5. Key Management Personnel (continued)

Company Senior Management (continued)

Gökben KAYA - Deputy General Manager, Production Investments and Projects

Born in 1974, Gökben Kaya holds a degree in Electronics and Communication Engineering from Istanbul Technical University and an MBA from Yeditepe University. He joined Arçelik's Washing Machine Plant in 1996 as a Maintenance Engineer and later served as Mechanical Production, Automation and Production Engineering Manager through 2012. After serving as Operations Manager at QS-Group in 2013-2015, he joined Lila Kağıt as Project and Investments Manager in 2015, became Factory Director in 2017, and has served as Deputy General Manager of Production, Investments and Projects and Executive Committee Member since 2023.

Işıl TİRELİ - Deputy General Manager, Finance, Strategic Planning and IT

Işıl Tireli was born in 1983. After completing her high school education at İzmir American Collegiate Institute, she graduated from the Faculty of Economics and Administrative Sciences at Dokuz Eylül University and subsequently earned a master's degree in accounting and Auditing from Istanbul Bilgi University. She began her professional career in 2005 as an Audit Assistant at BDO Denet, an independent audit and consultancy firm, and later served as an Audit Manager. In 2012, she joined Deloitte Türkiye as an Audit Manager and was promoted to Audit Director during her eight-year tenure, undertaking various managerial responsibilities in digital transformation projects, technical advisory and project management. In 2020, she was appointed Senior Executive Responsible for Financial Restructuring at Hattat Holding and its group companies. She joined Lila Kağıt as Finance Director in 2022. Effective April 1, 2026, the Information Technologies Group Directorate was added to her existing responsibilities, and she currently serves as Deputy General Manager of Financial Affairs, Strategic Planning and Information Technologies. At Lila Kağıt, she is a Member of the Executive Committee, the Early Detection of Risk Committee and the Corporate Governance Committee. She has also served as a Member of the Audit Committee of the Health and Education Foundation (SEV) since 2019. Işıl Tireli is a member of the Association of Independent Auditors and holds a Certified Public Accountant (CPA) licence and an Independent Auditor licence issued by the Public Oversight, Accounting and Auditing Standards Authority.

Kenan TELLİ - Purchasing and Planning Director

Born in 1972, Kenan Telli graduated in Industrial Engineering from Gazi University. He began as a Strategic Planning Intern at Coca-Cola, worked in purchasing at Bosch Thermotechnic (1996-1998), and served as Logistics Supervisor at Delphi Packard and Production Material and Planning Manager at Vestel in 1998-1999. He later headed manufacturing at BSH Germany and BSH Türkiye from 1999 to 2007. He joined Lila Kağıt as Factory Director in 2010 and has served as Purchasing and Planning Director and Executive Committee Member since 2017.

Yeter Zerrin Songül ÖNCEL- Human Resources Director

Born in 1972, Songül Öncel holds bachelor's and master's degrees in chemical engineering from METU. She began there as a Research Assistant in 1995, served as Quality Systems Specialist at Kordsa (1996-2003), and held Quality Systems and Organizational Development & Management Systems roles at Opet (2003-2015). After serving as Human Resources Director at Aromsa in 2015, she joined Lila Kağıt in January 2024 and continues as Human Resources Director and Executive Committee Member.



5. Key Management Personnel (continued)

Company Senior Management (continued)

Ali SADAK - Türkiye Sales Director

Ali Sadak, born in 1982, graduated from Marmara University, Department of Industrial Engineering. Sadak began his career at Danone in 2006 and held various roles within the Sales Department in the Traditional Channel, Local Channel and National Channel units. He served as Pharmacy Channel Key Account Manager at GlaxoSmithKline Consumer Healthcare between 2010 and 2012 and held Traditional Channel and National Channel Account Manager roles at 3M Türkiye between 2012 and 2014. From 2014 to 2020, Sadak served respectively as Kazakhstan Country Manager, Türkiye National Channel Sales Manager and Trade Marketing Manager at Evyap. He joined Lila Kağıt in July 2020 and began working as National Channel Group Manager within the Sales Directorate. With extensive experience in strategy, planning, portfolio management, national channel management, trade marketing, private label product management and e-commerce in FMCG sales, Sadak has served as Türkiye Sales Director for Branded Products and Private Label Products at Lila Kağıt since April 2024. Active in the sales ecosystem, Sadak is also an active member of Lead Network and Sales Network.

Ziya KARADENİZ - Erzurum Paper Production Project Director

Ziya Karadeniz was born in 1956 and graduated from Ege University, Department of Mechanical Engineering. He began his career in 1996 at Pehlivanoglu Kağıt Sanayi ve Ticaret A.Ş. and served as Technical Manager and Production Manager. He served as Mechanical Maintenance Chief at Halkalı Kağıt Karton Sanayi ve Ticaret A.Ş. between 2003 and 2004, Operations Manager at Trakya Kağıt San. Tic. A.Ş. between 2004 and 2005, Project Engineer and Maintenance Manager at Lila Kağıt between 2006 and 2010, and respectively Project Engineer, Paper Production Manager, Production Director, Project Manager and Factory Director at Aktül Kağıt Üretim Pazarlama A.Ş. between 2010 and 2023. Karadeniz rejoined Lila Kağıt in March 2025 and continues to serve as Erzurum Factory Director.

Hikmet Can ALTIOK - Product Export Group Manager

Hikmet Can Altıok graduated from Istanbul Technical University, Department of Civil Engineering. He then completed his master's degree at Istanbul Technical University, Department of Management Engineering. He began his career in 2004 as a Business Development Specialist in the international projects' coordination department of Çukurova İnşaat. After working as Product Manager at Eczacıbaşı-Koramic Yapı Kimyasalları in 2007, he continued as Brand Manager at Türk Henkel A.Ş. in 2010 and worked there for seven years respectively as Business Unit Manager, Business Development Manager and finally Export Manager. He was appointed Export Manager at Warmhaus Heating and Cooling in 2017 and served as Commercial Director responsible for global operations at BASI Systems Pilates Sanayi A.Ş. in 2022. Can Altıok joined Lila Kağıt in 2022 and continues to serve as Product Export Group Manager responsible for branded and private label product groups.

Bekir Emre Karagözlü - Paper and Energy Group Manager

Bekir Emre Karagözlü, born in 1986, joined Lila Kağıt in September 2025. He graduated from Istanbul Technical University, Department of Mechanical Engineering and completed his master's degree at the same university. He began his professional career in 2008 as Production and Maintenance Engineer at Arçelik A.Ş. In 2014, he served as Maintenance Manager at Lignadecor Üretim ve Pazarlama A.Ş. and continued at the same company as Production Manager and Operations and Business Development Director until 2025. He continues to serve as Paper Production Group Manager at the Ergene production facility.



5. Key Management Personnel (continued)

Company Senior Management (continued)

Yasin AZAKLI - Converting Group Manager

Yasin Azaklı was born in 1983 and graduated from Yıldız Technical University, Department of Metallurgical and Materials Engineering. He began his professional career in 2001 as Production Chief at Tel Metal Wire Drawing, Cold Rolling and Heat Treatment Plant. Continuing his career at Arçelik A.Ş. between 2011 and 2025, Yasin Azaklı worked in the Body Lines and Presses Process at the Washing Machine Plant, then held production and investment roles in the Tool Shop Department and served as Mechanical Team Manager until 2025. Yasin Azaklı joined Lila Kağıt in July 2025 and continues to serve as Converting Production Group Manager at the Ergene production facility.

Burcu ÖĞÜCÜ GİRİTLİ - Marketing Group Manager

Burcu Öğücü Giritli was born in Istanbul in 1987 and graduated from Saint Benoît French High School in 2005. She then graduated from Sabancı University, Department of Manufacturing Systems, in 2010. After university, she successfully completed London Business School's Master's in Management program in London in 2011. She began her professional career in 2012 at Türk Ekonomi Bankası as Financial Markets Corporate Banking Sales Officer. Shortly after joining the Treasury and Capital Markets team of HSBC Bank A.Ş. in 2013, she served as sales analyst and manager in the corporate sales team for Global Markets Middle East, Europe and Sub-Saharan Africa countries at HSBC Bank PLC in London. After returning to Türkiye in July 2015, Giritli continued to sell and market derivative products on foreign exchange, interest rates and commodities as Corporate Sales Manager in the Treasury and Capital Markets unit of HSBC Bank A.Ş. During her banking career, she worked on projects addressing the financial risk management needs of leading large corporate companies in the regions for which she was responsible. She joined Lila Kağıt's Business Development department in July 2016 and moved to the position of Domestic Market Private Label Sales Coordinator in 2019. Since 2021, she has served as Marketing Group Manager together with her Domestic Away-from-Home Channel Manager leadership role in the FMCG business line. She holds CMB Capital Markets Activities Advanced Level and Derivative Instruments licenses in Türkiye and the CISI Level 3 Certificate in Investments (Financial Derivatives) in the United Kingdom.

Çetin KARACA - Commercial Control and Planning Group Manager

Çetin Karaca was born in 1974 and graduated from Bilkent University, Department of Banking and Finance. Çetin Karaca began his career in 2000 as Assistant Inspector at Pamukbank. He then continued as Business Analyst at Boyner Holding in 2001. He worked as Budget Reporting and Financial Control Manager at BBA Beymen between 2003 and 2007 and at Kale Endüstri Holding between 2008 and 2011. Çetin Karaca joined Lila Kağıt in 2011 and, after serving in various roles, continues to serve most recently as Commercial Control and Planning Group Manager.

Tarkan ATEŞOĞLU - Information Technologies Group Manager

Tarkan Ateşoğlu was born in 1973 and graduated from Istanbul Technical University, Department of Industrial Engineering. Tarkan Ateşoğlu began his career in 1995 as Production and Planning Engineer at Saga Tekstil. He continued his career as ERP Consultant at Login Bilişim in 1999 and served as Information Technologies and Business Development Manager at Terzioğlu Holding in 2002. He joined Lila Kağıt in 2019 and currently continues to serve as Information Technologies Group Manager.



5. Key Management Personnel (continued)

Information on Number of Employees, Collective Bargaining Agreement Practices, and Rights and Benefits Provided to Personnel and Workers

As of September 30, 2026, the total number of employees was 1,051 (December 31, 2025: 994).

As of September 30, 2026, the provision for severance pay, seniority incentive bonuses and unused leave amounted to TL 108,062 thousand, TL 30,568 thousand and TL 40,458 thousand, respectively (December 31, 2025: TL 107,826 thousand, TL 28,107 thousand and TL 32,554 thousand, respectively).

Information on the Collective Bargaining Agreement

The collective bargaining negotiations between the Company and the All Weaving, Yarn, Knitwear, Ready-Made Clothing, Apparel and Leather Workers' Union (Öz İplik İş Union), covering the period 01.01.2026-31.12.2028, concluded with an agreement, and the parties mutually signed the Collective Bargaining Agreement on 24.03.2026 after reaching agreement on all articles. In addition, the collective bargaining negotiations between the Company and the Türkiye Pulp, Paper, Wood and Products Workers' Union (Selüloz-İş), covering the period 01.01.2026-31.12.2027, concluded with an agreement, and the parties signed the memorandum of agreement on 12.05.2026 after reaching agreement on all articles of the agreement.

Information on Transactions Carried Out by Members of the Governing Body with the Company on Their Own Behalf or on Behalf of Others, and Activities Within the Scope of the Non-Competition Obligation, Under the Permission Granted by the Company's General Assembly

None.

Benefits Provided to Members of the Governing Body and Senior Executives

The Company's senior executives consist of the Chairperson and members of the Board of Directors, the General Manager, and Assistant General Managers, Directors and Group Managers directly reporting to the General Manager.

As of September 30, 2026, the total benefits provided to key management personnel (20 individuals) (2025: 20 individuals), including accrued bonuses, salaries paid and other similar benefits, amounted to TL 118,012 thousand (September 30, 2025: TL 118,641 thousand).

6. Activities and Significant Developments Regarding the Activities

The Company's main field of activity is paper production and converting products in the tissue paper field, while it also continues its activities in energy and textiles. Activities other than paper and converting operations are grouped under other activities. The Company was established in 2006 with 100% Turkish capital to meet the needs of the rapidly developing tissue paper market in Türkiye and nearby geographies. The Company carries out its operations through its fully integrated production campus in Ergene, Tekirdağ and the Erzurum Factory Phase I Converting Production Facility, which commenced production and sales activities in June 2026, and is positioned as one of the global players in the tissue paper industry. The Ergene production campus extends over an area exceeding 300,000 m², including warehouses owned and leased by the Company, while the total area allocated to the Company under the two-phase investment program in Erzurum is 168,316.08 m².



6. Activities and Significant Developments Regarding the Activities (continued)

Evaluation of Activities During the Period

The Group's condensed consolidated financial statements have been prepared in accordance with the provisions of the Capital Markets Board's Communiqué Serial II, No. 14.1, "Principles of Financial Reporting in Capital Markets" ("Communiqué"), published in the Official Gazette dated 13 June 2013 and numbered 28676, based on Turkish Financial Reporting Standards ("TFRS") and the related appendices and interpretations, which are published by the Public Oversight, Accounting and Auditing Standards Authority ("POA") in line with international standards.

Entities applying TFRS began to apply inflation accounting in accordance with TAS 29 Financial Reporting in Hyperinflationary Economies as of the financial statements for annual reporting periods ending on or after 31 December 2023, following the announcement made by the Public Oversight, Accounting and Auditing Standards Authority (POA) on 23 November 2023. TAS 29 is applied to the financial statements, including consolidated financial statements, of entities whose functional currency is the currency of a hyperinflationary economy.

Pursuant to the said standard, consolidated financial statements prepared based on the currency of a hyperinflationary economy are presented in terms of the purchasing power of that currency at the balance sheet date. Prior-period consolidated financial statements are also expressed in the current measuring unit at the end of the reporting period for comparison purposes. Therefore, the Group also presented its consolidated financial statements dated 30 September 2025 and 31 December 2025 based on purchasing power as of 30 September 2026.

Financial Position ('000 TRY)	30 September 2026	31 December 2025
Current Assets	14,060,187	13,612,294
Non- Current Assets	11,636,992	10,297,470
Total Assets	25,697,179	23,909,764
Short-Term Liabilities	4,249,016	2,310,337
Long-Term Liabilities	1,807,565	1,427,194
Equity	19,640,598	20,172,233
Total Liabilities	25,697,179	23,909,764

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



6. Activities and Significant Developments Regarding the Activities (continued)

In the third quarter of 2026, despite challenging market conditions, we maintained our sales volume at a level broadly in line with the same period of the previous year, reaching 46.3 thousand tons. In the first nine months of the year, our total sales volume reached 147.2 thousand tons. Our strong balance sheet and solid cash position continued to support our financial flexibility amid changing market conditions, enabling us to make steady progress toward our strategic growth objectives.

The Company's tissue paper products consist of two main groups: jumbo rolls and converting products. A portion of the jumbo rolls produced using pulp at the Ergene facility is sold to independent converting product manufacturers, while the remaining portion is processed at the Company's converting facilities in Ergene and Erzurum to be transformed into finished products. Since its establishment, the Company has exported to more than 80 countries and has made regular sales to more than 100 customers in 62 countries over the last four years. Thanks to the advantageous logistics location of the Ergene facility, jumbo rolls produced at the facility are delivered by road to nearby markets and by sea to distant markets. According to 9M 2026 operational results, international sales accounted for 75% of total sales tonnage, while approximately 97% of jumbo roll sales by tonnage were made to export markets.

In the third quarter of 2026, slowing global demand, geopolitical developments and increasing price competition continued to affect the industry. Following the partial recovery in international trade observed in the second quarter, weakening demand, particularly in Europe, retailers' inventory reduction efforts and order postponements put pressure on sales volumes in the third quarter. Ongoing geopolitical tensions and the lingering effects of the Iran-Israel conflict caused disruptions in the Strait of Hormuz and maritime trade routes, while supply chain disruptions led to delays in orders from major customers and some deterioration in demand conditions. The ongoing Russia-Ukraine war also continued to adversely affect trade conditions in the region. Global overcapacity and price competition, particularly from China, continued to put pressure on industry profitability by making it more difficult to pass rising costs on to selling prices. In addition, border crossing restrictions at Greek border checkpoints due to maintenance work in the third quarter of 2026 resulted in shipment delays and higher road freight costs.

In the first nine months of 2026, consumer inflation reached 24%⁽¹⁾, while the US Dollar and Euro appreciated against the Turkish lira by 14%⁽²⁾ and 10%⁽²⁾, respectively. In the third quarter of 2026, continued pressure on exchange rate increases, price competition in export markets and slowing demand affected sales revenues. While sales volume remained broadly in line with the same period of the previous year, net sales decreased by 10.3% year-on-year to TL 3.7 billion in 3Q 2026, mainly due to challenging pricing conditions. Inflation outpacing exchange rate increases, together with rising Turkish lira-denominated operating costs, put pressure on profit margins. Accordingly, gross profit amounted to TL 875.2 million and EBITDA reached TL 403.7 million in the third quarter of 2026, with a gross profit margin of 23.6% and an EBITDA margin of 10.9%. The adjusted EBITDA margin, which includes foreign exchange differences arising from trade receivables and payables, stood at 13.4%. In 9M 2026, net sales revenues amounted to TL 11.4 billion, gross profit to TL 3.2 billion and EBITDA to TL 1.8 billion. During this period of continued cost pressures, the Company focused on supporting profitability through disciplined raw material procurement, effective supply chain management and operational efficiency initiatives. Inflation accounting, which adversely affects companies with low net debt and strong equity positions, also weighed on profitability. Reflecting the impact of a monetary loss of TL 288.2 million recorded in the third quarter of 2026, net profit for the period amounted to TL 91.8 million, while net profit for 9M 2026 was recorded at TL 442.0 million.

Following the recovery in sales volumes achieved in the first half of the year, total sales volume reached 46.3 thousand tons in the third quarter of 2026, being flat with 3Q 2025, despite the weaker demand environment. During the period, jumbo roll paper sales volume declined by 2.2% year-on-year, while converting sales increased by 4.9%. In addition to extended customer network in existing markets, expansion efforts into new markets also contributed to this performance. First shipments to Canada were completed, while efforts to acquire new customers in the United Kingdom and Tanzania continued. The Company also continued its activities to further strengthen its branded products in Türkiye and to expand value-added products portfolio. In the 9M 2026 period, total sales volume remained close to the levels of the same period of the previous year, reaching 147.2 thousand tons.

(1) TURKSTAT data
(2) CBRT official buying rates



6. Activities and Significant Developments Regarding the Activities (continued)

While the capacity utilization rates of companies operating in similar sectors in Türkiye stood at 77%⁽³⁾ and 78%⁽³⁾ in 3Q 2026 and 9M 2026, respectively, the Company's capacity utilization rates were 83% and 87% over the same periods, respectively. The Company continued to grow its converting business by maintaining its position in existing export markets, expanding into new markets, and strengthening its sales channel execution capabilities and customer portfolio.

Despite exchange rates increasing below inflation, the Company continued to provide a natural hedge against market and currency risks thanks to its high export ratio.

One of the factors that differentiates the Company from its competitors in its field of activity is that it provides a natural hedge against currency risk thanks to its high export ratio. While 100% of the pulp raw material is imported, the fact that a 70% of its sales on average over the last three years were made to export markets and all such sales were in U.S. dollars and Euros protects the Company against currency risk.

As of September 30, 2026, the company maintained its net cash position. During the 9M 2026 period, exports continued to account for approximately 75% of total sales volume, providing a natural hedge between foreign currency-denominated sales revenues and imported pulp purchases. The company's foreign currency-denominated assets exceeded its liabilities, resulting in a net foreign currency asset position of TL 3.1 billion. This balanced balance sheet structure also provides a natural hedge against exchange rate fluctuations. According to the financial results for 9M 2026, the Company's export-to-import ratio stood at 1.67. Having consistently recorded a foreign trade surplus for many years, the Company maintained its position as a net exporter, while its high export share continued to provide protection against market risks.

One of the most important indicators of the Company's strong financial performance in a capital-intensive sector is its low financial indebtedness and high equity. In Q3 2026, despite challenging economic conditions, the Company continued to generate positive cash flow and maintained its sector leadership with its strong balance sheet structure.

The Company reduced its financial debt through cash flows generated from its operations in previous years and transitioned to a net cash position following its initial public offering in May 2024. This position was maintained as of September 30, 2026, with net cash amounting to TL 4.3 billion. The net cash/EBITDA ratio, based on EBITDA for the last twelve months, stood at approximately 1.27. In 9M 2026, cash flow from operating activities amounted to TL 2.8 billion, capital expenditures totalled TL 2.1 billion, and free cash flow stood at TL 746.6 million. At the end of the same period, the net working capital/net sales ratio was 20.1%, while the cash conversion cycle decreased to 97 days. The Company remained focused on maintaining its liquidity and working capital discipline while financing its ongoing investments. Furthermore, the continued reduction in financial debt, together with the steady growth in equity supported by increasing profitability over the years, has strengthened the Company's financial position. As of September 30, 2026, equity accounted for 76.4% of total assets, reflecting the Company's strong equity structure.

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. Considering the Company's current ratios, these figures indicate that the Company has the potential to meet its existing liabilities over a period exceeding twelve months and has a strong liquidity structure.

(3) Pulp and Paper Industry Foundation (SKSV) – 3Q 2026 Production Data



6. Activities and Significant Developments Regarding the Activities (continued)

Significant Developments Regarding Investments

As of September 30, 2026, advances paid for investments amounted to TL 533.7 million, of which TL 448.2 million related to the Erzurum production facility investment and TL 85.5 million to the Ergene production facility and other ongoing investments. In 9M 2026, total capital expenditures amounted to TL 2,069 million, of which TL 1,541 million was allocated to the Erzurum production facility investments and TL 528 million to efficiency improvement and solar power plant investments at the Ergene production facility. The Company's capital expenditures/net sales ratio stood at 18.2% in 9M 2026 (9M 2025: 11.6%).

Erzurum Factory Investment

The Converting Production Facility, constituting the first phase of the new Erzurum plant planned on a total site area of 168,316 m², was commissioned as of June 8, 2026. Developed in phases, the Erzurum plant is the first heavy industrial facility operating in the tissue paper sector in the Eastern Anatolia and Black Sea regions. While leading the industrialisation of the region, the investment is also expected to make a positive contribution to the Company's domestic and international sales and market share once all phases are completed. Through the sustainable production facility established in Erzurum, the commissioning of the converting production facility is initially aimed at meeting the tissue paper needs of the region and enabling exports of tissue paper products to nearby markets such as Azerbaijan, Georgia and Iraq, as well as to the Turkic Republics. Following the commissioning of the converting production facility, parent tissue reels produced and shipped from Lila Kağıt's existing plant in Ergene, Tekirdağ are converted into tissue paper products such as toilet paper, paper towels, facial tissues and napkins.

As part of Phase II, the fifth paper production line (TM5), with an annual gross production capacity of 70 thousand tons, is targeted to commence operations in Erzurum in 2027. Upon completion of the investment, the Company's annual gross paper roll production capacity is expected to increase from 271 thousand tons to 341 thousand tons. As of September 30, 2026, total expenditures under the Erzurum factory investment amounted to TL 2,927 million, of which TL 1,1446 million had been capitalized, while TL 1,481 million had been spent on the phases still under development.

Ergene Factory Automation and Smart Warehouse Investment

The Company continues to invest in capacity optimization, modernization, automation and operational efficiency at its Ergene facility. Within this scope, some of the planned automation projects have been completed and commissioned, while new practices and investment decisions aimed at improving production processes, optimizing costs and increasing resource efficiency have continued to be implemented. In addition, the design and drawing works for the smart warehouse project, which will enable products to be transported automatically from production lines to the warehouse and warehouse operations to be managed through software-supported systems, have been completed, and the project is planned to proceed to the implementation phase. Through these initiatives, the Company aims to strengthen its economies of scale, enhance efficiency and traceability in storage and shipment processes, and support the uninterrupted supply of products to customers across different geographies.

Renewable Energy Investments

The Company continues renewable energy investments to reduce energy costs and carbon emissions and maintains its target of exceeding 50 MW of renewable generation capacity by 2030. In addition to the 12.5 MW rooftop Solar Power Plant commissioned at Ergene in 2024, permit and approval processes for the Bitlis Solar Power Plant continue.



6. Activities and Significant Developments Regarding the Activities (continued)

Renewable Energy Investments (continued)

Following the regulatory amendments concerning unlicensed electricity generation in April 2026, the technical and financial feasibility of the planned projects was reassessed in light of current conditions. Taking into account the available transmission and distribution capacities announced by the Turkish Electricity Transmission Corporation (TEİAŞ), the Company submitted new applications for solar power plant (SPP) and wind power plant (WPP) investments in various regions of Türkiye, as well as projects aimed at improving energy efficiency and increasing self-consumption capacity at its Ergene and Erzurum production facilities. The evaluation processes for these applications are ongoing.

In this context, the technical evaluation reports for the Ergene Wind Power Plant projects, WPP-I and WPP-II (*), with a total planned installed capacity of 13 MW in the Ergene district of Tekirdağ, have received positive assessments. The processes for obtaining the final grid connection approval from TEİAŞ and the invitation letters for connection agreements are ongoing.

The Company continues to advance its investment plans in line with its 2030 renewable energy target, evaluating alternatives based on grid connection capacity, generation efficiency, return on investment and electricity consumption profiles to achieve the greatest overall benefit. In addition, the Company takes into account the possibility that the European Union's Carbon Border Adjustment Mechanism (CBAM) may be expanded to cover the paper industry in the future, as well as the potential carbon costs this could impose on its export activities, in its renewable energy and emission reduction planning.

(*) Ergene WPP-II Project: The technical evaluation approval was obtained on October 5, 2026, subsequent to the reporting period ended September 30, 2026, and was disclosed on the Public Disclosure Platform (KAP).

Determinations and Assessments of the Governing Body as to Whether the Company's Capital is Uncovered or Whether the Company is Insolvent

As of 30 September 2026, it has been determined that the Company's issued capital of TL 590 million is preserved and that the Company is not insolvent.

Information on Related Party Transactions

Information required to be presented to shareholders regarding related party transactions and balances is included in Note 4 to the condensed consolidated financial statements and notes for the period 01.01.2026-30.09.2026, which were also disclosed on the Public Disclosure Platform (KAP).

7. Production and Capacity

The Company carries out its activities in Ergene with its production facility established on a total area of 300,000 m², including owned and leased warehouses. In addition, the Converting Production Facility, which constitutes the first phase of the new Erzurum factory investment planned on an area of 168,316 m², was commissioned as of 8 June 2026.

As of today, the Company operates with:

Four paper production lines, namely TM 1, TM 2, TM 3 and TM 4, with a total gross capacity of 271 thousand tons in Ergene and Erzurum factories,

- A total of 26 production lines in 3 converting facilities, consisting of eight roll production lines and 18 folded product production lines,
- Jumbo roll and finished-product warehouses and spare-parts warehouses,
- An administrative building, power plant, steam boilers, water tanks and treatment facilities.

As of 9M 2026, the paper production capacity utilization rate was 87%.



8. General Information on Sustainability Activities

At Lila Kağıt, sustainability is considered not only the management of environmental and social impacts, but also a fundamental strategic element that strengthens the Company's corporate resilience and competitiveness. Accordingly, an integrated and participatory corporate mechanism has been established under the guidance of the Board of Directors and with the active contribution of the Corporate Governance Committee; this mechanism is implemented, regularly monitored and continuously improved, and includes the Executive Board, ESG Process Leaders and Sustainability Ambassadors.

The short, medium and long-term targets and metrics established in line with the strategy have been defined, and our 2030 Sustainability Targets have been announced to the public. The defined targets have been incorporated into the Company scorecards, ensuring that the sustainability strategy is disseminated across the entire Company.

The Company's 2030 targets have been set under 7 main headings and aligned with 10 separate SDGs.

Scope	Target	SDGs Contributed To
Forest & Biodiversity	Maintain certified pulp procurement above 90%	SDG 13: Climate Action SDG 15: Life on Land
Energy & Decarbonization	Reduce energy use per ton of paper by 7% by 2030	SDG 7: Affordable and Clean Energy SDG 12: Responsible Consumption and Production SDG 13: Climate Action
	Reduce Scope 1 emission intensity per ton by 15% by 2030	
	Reduce Scope 2 emission intensity per ton by 25% by 2030	
	Source over 25% of electricity from renewables by 2030	
Water Management	Reduce water use per ton by 10% by 2030	SDG 6: Clean Water and Sanitation
	Reduce water use per ton by 10% by 2030	
Sustainable Supply Chain	Source 50% of purchases from suppliers meeting the Global Supplier Standard by 2030	SDG 12: Responsible Consumption and Production
Community & Stakeholders	Raise employee engagement to 85/100 by 2030	SDG 4: Quality Education SDG 16: Peace, Justice and Strong Institutions SDG 17: Partnerships for the Goals
	Raise female employee ratio to 25% by 2030	
	Provide at least 100,000 children access to quality education through NGO projects	
Occupational Health & Safety	Reduce incident days by 30% by 2030	SDG 3: Good Health and Well-being SDG 8: Decent Work and Economic Growth
	Reduce lost-time accidents by 50% by 2030	
Corporate Governance	Keep net financial debt/EBITDA below 1	SDG 16: Peace, Justice and Strong Institutions
	Maintain at least 25% female representation on the Board	

A total of 15 defined targets and the projects and investments that will help the Company achieve these targets are regularly monitored by the Corporate Governance Committee and reported to the Board of Directors. In addition, efforts have begun to define a new roadmap in line with the 2050 carbon-neutrality target.

As of 2026, a quarterly tracking and reporting system has been introduced for the defined targets.



8. General Information on Sustainability Activities (continued)

Scope	Metric	Target	Base Year	2030 Target	2024	2025	3Q 2025	3Q 2026	Change
Forest & Biodiversity (*)	%	Maintain certified pulp procurement above 90%	2024	>90	97	98	97	100	+3 p
Energy & Decarbonization (*)	kWh/ton paper	Reduce energy use per ton of paper by 7% by 2030	2024	2,420	2,591	2,640	2,624	2,695	2.7%
Energy & Decarbonization (*)	tCO ₂ /ton product	Reduce Scope 1 emission intensity per ton by 15% by 2030	2024	0.431	0.507	0.549	0.541	0.572	5.7%
Energy & Decarbonization (*)	tCO ₂ /ton product	Reduce Scope 2 emission intensity per ton by 25% by 2030	2024	0.301	0.401	0.397	0.390	0.388	-0.5%
Energy & Decarbonization (*)	%	Source over 25% of electricity from renewables by 2030	2024	25	7.5	8.0	9.00	9.00	-0,0%
Water Management (*)	m ³ /ton paper	Reduce water use per ton by 10% by 2030	2024	4.43	4.92	4.49	4.50	4.48	-0.4%
Water Management	m ³ /ton yarn	Reduce water use per ton by 10% by 2030	2024	93.1	103.4	74.6	87.3	88.1	0.9%
Sustainable Supply Chain (*)	%	Source 50% of purchases from suppliers meeting the Global Supplier Standard by 2030	2024	50	N/A	55.2	Monitored annually		N/A
Community & Stakeholders (*)	No.	Raise employee engagement to 85/100 by 2030	2024	85	81	83	83	79	-4%
Community & Stakeholders	%	Raise female employee ratio to 25% by 2030	2024	25	18	18	17	18	3.4%
Community & Stakeholders	No.	Provide at least 100,000 children access to quality education through NGO projects	2024	100,000	39,740	57,062	Monitored annually	63.877	N/A
Occupational Health & Safety (*)	%	Reduce incident days by 30% by 2030	2024	35.77	51.1	37.4	42.1	42.0	-0.1%
Occupational Health & Safety (*)	%	Reduce lost-time accidents by 50% by 2030	2024	2.95	5.9	5.2	5.7	5.5	-2.3%
Corporate Governance	Ratio	Keep net financial debt/EBITDA below 1	2024	<1	-1.32	-1.61	-1.27	-1.27	0 p
Corporate Governance	%	Maintain at least 25% female representation on the Board	2024	25	14	29	29	29	0,0%

Forest and Biodiversity Protection

To support sustainable production practices, the Company uses Forest Stewardship Council (FSC)-certified pulp raw material. The FSC is a non-profit international organization that promotes the responsible management of the world's forests and ensures that forestry practices are environmentally, socially and economically appropriate. As of 30 September 2026, the share of pulp raw material sourced from industrial forests (FSC-certified), including FSC Controlled Wood, was 100%, and the targeted level of above 90% was maintained.



8. General Information on Sustainability Activities (continued)

Energy Management & Decarbonization

Lila Kağıt, which focuses on continuously improving its energy performance, holds ISO 50001 Energy Management System certification. Solar panels with an installed capacity of 12.5 MW are located on the rooftops of the production facilities at the Ergene Plant, meeting an average of 8% of electricity consumption from renewable energy sources. As of 3Q 2026, the share of renewable energy in electricity consumption stood at 9%. As solar power generation is subject to seasonal fluctuations, the overall impact is assessed on an annual basis.

Lila Kağıt plans to reach a total electricity generation capacity of 50 MW from renewable energy sources, with all generated electricity intended for self-consumption. Through these investments, the Company aims to source at least 25% of its electricity from renewable sources by 2030, thereby reducing costs, lowering greenhouse gas emissions (carbon footprint), and strengthening its competitive position in global markets.

In 3Q 2026, the Company's energy consumption per ton of production was 2,695 kWh, representing increases of 1.85% compared to the first half of the year and 2.71% compared to the same period of the previous year. During the same period, Scope 1 emissions intensity was recorded at 0.572 tCO₂ per ton of product, while Scope 2 emissions intensity stood at 0.388 tCO₂ per ton of product. Scope 1 emissions intensity increased slightly year-on-year, partly due to the increase in production capacity, while Scope 2 emissions intensity improved by 0.51% compared to the same period of the previous year.

Evaluation and prioritization of projects identified through the Energy Efficiency Workshops continued in the third quarter as part of the Company's efforts to improve energy efficiency. Identified improvement opportunities were categorized into short-term actions and long-term projects, while work continued under the Six Sigma project focused on energy efficiency.

Looking ahead, the Company aims to reduce energy consumption intensity and improve greenhouse gas emissions intensity in line with its 2030 targets through process optimization, the implementation of energy efficiency projects, and increased use of renewable energy.

Water Management

All water used in the Company's production processes is sourced from groundwater wells in the Ergene region. In 3Q 2026, water consumption in paper production stood at 4.48 m³ per ton of paper produced, representing a slight improvement of 0.44% compared to the same period of the previous year and approaching the Company's 2030 target. At the yarn dyeing facility, another area of the Company's operations, water consumption was recorded at 88.1 m³ per ton of yarn in 3Q 2026, achieving the 2030 target of 93.1 m³ per ton of yarn ahead of schedule.

The Company has adopted a management approach aimed at achieving zero wastewater discharge in its production processes. Accordingly, projects focusing on wastewater recovery and reuse are being developed, with the objective of further reducing water consumption per ton of production each year.

Sustainable Supply Chain

To ensure the continuity and sustainability of its supply chain, the Company aims to source 50% of its total purchases from suppliers that comply with the Global Supplier Standard by 2030. In 2025, the Company introduced AI-supported supplier assessments for the first time, achieving 55% coverage. In preparation for the EU Deforestation Regulation (EUDR), expected to come into effect at the end of 2026, the Company aims to align its supplier risk assessments with the regulation and plans to assess existing and potential suppliers through questionnaires by year-end. The Company began its preparations for EUDR compliance well in advance and has established a customer and supplier information system to ensure that data flows are aligned with regulatory requirements.



8. General Information on Sustainability Activities (continued)

Community and Value-Adding Stakeholder Relations

Placing diversity and inclusion at the forefront, the Company adopts an open-communication-oriented working environment. Company policies ensure equal pay between female and male employees, fully eliminating the gender-based pay gap. In addition, projects are developed to create a fair and transparent working environment, and the Company aims to increase its employee engagement score to 85/100 by 2030, based on regular surveys conducted by independent organizations. Following the latest survey conducted in the first half of 2026, the Company's employee engagement score was recorded at 79. The survey is repeated annually, and the results are recorded on an annual basis.

The Company has a target of increasing the female employee ratio to 25% by 2030. In the first half of 2026, this figure was 18.1%, representing a 4.6% improvement year-on-year. In addition, the Company initiated a project to increase female employment, particularly in blue-collar positions, to achieve its 25% target. Within the scope of the project, a current-state analysis was conducted, a roadmap was prepared and implementation activities commenced. The project is planned to continue through actions to be implemented in the coming periods.

Since 2010, the Company has maintained uninterrupted cooperation with the Educational Volunteers Foundation of Türkiye (TEGV) to support children's access to quality education and aims to reach at least 100,000 children by 2030. As of 30 September 2026, the number of children whose access to quality education was supported by the Company reached 63,877. In the first nine months of 2026, the Company supported 6,811 children through the Çorlu Aysel Öğücü and Fibria Learning Units, the "Düşleyecek Büyüyecek" Education Program, the Maylo-TEGV Product Collaboration and in-kind donations, with the participation and contribution of 722 TEGV volunteers.

Occupational Health and Safety

At the Company, commitments regarding occupational health and safety are addressed as a priority in all operational processes with the support of the management team. The Company holds the ISO 45001:2018 Occupational Health and Safety Management System Certificate, and its primary objective is to create a safe working environment in line with a "zero occupational accident" approach by increasing occupational health and safety awareness.

In 2026, a total of 3,531 participants received 9,560 hours of Occupational Health and Safety (OHS) and Environmental training, corresponding to approximately 2.7 hours of training per person. During the first nine months of the year, 15 OHS Committee meetings were held. Occupational accidents and near-miss incidents are recorded, necessary corrective actions are determined in coordination with the relevant departments, and the outcomes are monitored and reported.

Preventive measures are implemented to avoid the recurrence of similar incidents. During 9M 2026, a total of 893 near-miss incidents were reported, representing a 39.10% increase compared to the same period of the previous year and reflecting improved internal awareness. As part of periodic inspections, equipment maintenance and inspections are regularly carried out by authorized external service providers and the plant's maintenance teams. Occupational hygiene measurements, tests and analyses are also conducted to protect employees against physical, chemical and biological risks.

The Company has set targets to reduce its incident day rate by 30% and its lost-time injury rate by 50% across the organization by 2030. As of 9M 2026, the incident day rate stood at 42.03 and the lost-time injury rate at 5.54, representing improvements of 0.1% and 2.3%, respectively, compared to the same period of the previous year.



8. General Information on Sustainability Activities (continued)

Corporate Governance

Since 2022, The Company has regularly published reports in accordance with GRI standards as part of the ESG program it has developed. Taking this one step further, the Company prepared and published its first Integrated Annual Report, integrating its operational and financial performance for 2025 with its environmental, social and governance commitments under a single framework, together with its 2025 annual consolidated financial results. In addition, the Company has regularly prepared sustainability reporting in compliance with the Turkish Sustainability Reporting Standards (TSRS) for the past two years.

The Company applied to and was accepted into Responsible®; a consultancy support program implemented by the Turkish Ministry of Trade to support alignment with the Green Deal and continues to implement the project cards consisting of 45 items. In addition, the Company became entitled to use the Responsible® trademark in Q2 2026, adding a new dimension to its sustainability initiatives.

As part of its 2030 targets, the Company has already achieved its target of ensuring that at least 25% of the Board of Directors is composed of female members; 29% of the Board of Directors consists of female members.

The net financial debt/EBITDA ratio was (1.27) as of 9A 2026 and continued to comply with the ratio set within the scope of the 2030 targets.

In addition to the improvements and actions outlined above, the Company also implemented the following sustainability-related activities in the second quarter of 2026:

- The UN Global Compact 2025 Communication on Progress Report was published.
- Basic information training for the Sustainability Ambassadors appointed within the Company was completed to internalize sustainability initiatives and raise awareness.
- Six Sigma initiatives were launched to improve production and machinery performance and increase efficiency.

In addition, the other steps the Company plans to complete during the 2026 reporting period under its sustainability roadmap are as follows:

- Reviewing sustainability risks, establishing the double-materiality approach and analysing the financial impacts of risks,
- Preparing a climate transition plan,
- Increasing internal awareness at all levels through sustainability training and academy planning,
- Redesigning supplier management and supplier assessment processes in line with sustainability standards,
- Implementing the EUDR transition process,
- Reporting to global platforms such as EcoVadis, CDP and LSEG and taking actions to improve scores,
- Conducting product life-cycle assessment studies,
- Preparing the 2026 sustainability reports in compliance with TSRS and GRI.

In this context, through both professional consultancy services and Company-wide deployment, the Company aims to integrate its sustainability approach into all business processes and advance its sustainability performance each year in line with the philosophy of continuous improvement.



9. Information on Product Development Activities

Lila Kağıt manages all its operations in accordance with global standards and requirements. This approach serves as a key principle guiding the Company's investment policies and supporting its long-term sustainability. The Company's Product Development and Engineering teams carry out product and production system development activities in-house. In recent years, strategic priorities have been reassessed in line with market dynamics and customer demands. The strategy, focused on lean manufacturing, sustainability and digitalization (Industry 4.0), was developed with the participation of stakeholders across the Group. Projects are carried out by qualified personnel in an appropriate research environment.

The Product Development team conducts regular market analyses and customer expectation surveys to generate innovative ideas and lead projects that differentiate the Company in the market. These efforts support the implementation of projects that strengthen the Company's competitive position in the industry.

- During 9M 2026, a total of 52 new stock keeping units (SKUs) in the converting product group were made ready for production across domestic and international sales channels. Based on current trends projected for the full year, the number of trial production runs is expected to remain at levels similar to previous years, while the number of newly introduced SKUs is projected to reach approximately 65–75 by year-end. With the addition of new SKUs, the total number of SKUs in the converting business increased to 453 as of September 30, 2026.
- The Company continues its product and packaging development activities for branded products in line with changing consumer expectations and market trends. In this context, improvements were made to strengthen consumer perception of the products and increase efficiency in production processes.
- As part of its innovative product development efforts, the Company has simplified product structures and implemented cost- and efficiency-oriented improvements, while developing new product alternatives tailored to different customer segments.
- In response to private label customer requests, technically suitable alternatives within the existing product portfolio were evaluated before developing new products. Carton, pallet and loading configurations were optimized to establish the most efficient production and shipment models. These efforts have accelerated new product introduction processes, enabled more effective use of the existing product portfolio and improved logistics efficiency.

Infrastructure development activities aimed at managing product information in a standardized, up-to-date and digital format have been completed, with the objective of improving process efficiency and reducing manual work and the risk of errors.

Packaging Initiatives with Recycled Content

In line with its sustainability targets and customer expectations, the Company continues its initiatives for the use of packaging containing post-consumer recycled content. In this context, supply and production suitability were assessed, trials confirmed compatibility of the packaging with production processes, and preparations for use were completed.



10. Information on Marketing Activities

Lila Kağıt's market share in Türkiye increased by 1.8 percentage points year-on-year in Q3 2026, rising from 5.7% to 7.6% (1). In the tissue handkerchief category, Lila Kağıt's market share in Türkiye stood at 37.4% in Q3 2026, compared to 47.9% in the same period of the previous year.

The "Yumuşacık Maylo Puf" communication campaign, launched in March 2025, was completed in August 2026. Supported by marketing and communication investments sustained for over a year, Maylo's brand awareness reached an all-time high of 86% as of September 2026 (2). Maylo Puf also received a Silver Effie Award in the Household and Cleaning Products category at Effie Awards Türkiye 2026, one of the prestigious events in the marketing and advertising industry, for its "Yumuşacık Maylo Puf" campaign.

In August 2026, Sofia renewed the packaging designs of its toilet paper and paper towel products while also introducing improvements to product features. The renewed product range included products with the highest bulk, greatest sheet counts and highest grammage in their respective categories. To support the product and packaging updates, Sofia launched its "Hep Daha Fazlası" ("Always More") campaign across in-store and digital channels. Sofia's brand awareness increased by 6 percentage points to 63%.

In export markets, the Company continued its growth, product development and customer acquisition efforts in priority target markets. Sales were made to five new customers, while the first shipment to Nigeria marked the Company's entry into a new market.

In addition, our export brand, NUA, has been included in the TURQUALITY® Program administered by the Republic of Türkiye Ministry of Trade as of March 2026. The program is expected to support the company's long-term growth objectives by enhancing brand awareness and strengthening its competitive position in international markets.

11. Dividend Distribution Policy and Information on Dividend Distribution

Lila Kağıt's Dividend Distribution Policy is determined in accordance with the provisions of the Turkish Commercial Code, capital markets legislation, tax legislation, other applicable laws and regulations, and the Company's Articles of Association, based on the proposal of the Board of Directors and the resolution adopted by the General Assembly. The Company's Articles of Association do not grant any privileges to shares with respect to dividend rights. In dividend distribution, a balanced and consistent policy is pursued between the interests of shareholders and the Company, in line with the Corporate Governance Principles.

As a general principle, provided that it can be covered by the net distributable profit for the period according to the Company's statutory accounting records, the Company aims to distribute at least 30% of its distributable net profit, calculated in accordance with the applicable legislation, in cash and/or in shares, depending on the Company's financial position, other funding requirements related to planned investments, prevailing sectoral and economic conditions, profitability and cash position.

The Dividend Distribution Policy was submitted to the approval of the General Assembly pursuant to the Board of Directors' resolution dated February 10, 2026, and numbered 789, and entered into force following its approval at the Ordinary General Assembly Meeting held on March 24, 2026. Accordingly, the statement in the policy that the Company "aims to distribute at least 20% of its distributable net profit in cash and/or in shares" was amended to state that the Company "aims to distribute at least 30% of its distributable net profit in cash and/or in shares." No dividend distribution may be made if no net distributable profit for the period arises according to the statutory accounting records or if the calculated net distributable profit for the period is less than 5% of the issued capital.

The Board of Directors adopts a separate resolution regarding dividends for each accounting period. The dividend distribution proposal is disclosed to the public in accordance with the applicable legislation and announced on the Company's website. The General Assembly may approve or reject the proposal. In cases where no dividend distribution is made, the Board of Directors submits to the shareholders at the General Assembly information regarding the reasons for the non-distribution and the intended use of the undistributed profit.

(1) NielsenIQ, 2026

(2) Brand Tracking Study, Ipsos, September 2026



11. Dividend Distribution Policy and Information on Dividend Distribution (continued)

Dividends are distributed equally to all outstanding shares as of the distribution date, irrespective of their issue or acquisition dates. Dividend distribution commences on the date determined by the General Assembly or, if it is authorized by the General Assembly, by the Board of Directors, and in any event no later than the end of the year in which the General Assembly Meeting is held. The Dividend Distribution Policy is disclosed to the public through the Company's corporate website. Any amendments to the policy are announced to the public within the framework of capital markets legislation, together with the relevant Board of Directors' resolution and the rationale for the amendment.

Dividend Distribution for the 2025 Financial Year

The Company may consider distributing advance dividends or paying dividends in equal or varying instalments in accordance with the applicable legislation. The Board of Directors is responsible for implementing, developing and monitoring the Dividend Distribution Policy.

For the 2025 financial year, the Company reported a net profit for the period of TL 1,704,008,131.00 based on its consolidated financial statements, which were prepared in accordance with the formats prescribed by the Public Oversight, Accounting and Auditing Standards Authority ("POA") and the Capital Markets Board of Türkiye ("CMB"), based on the Turkish Financial Reporting Standards ("TFRS") issued by the POA pursuant to the CMB's Communiqué No. II-14.1 on the Principles of Financial Reporting in Capital Markets, and audited by DRT Bağımsız Denetim ve Serbest Muhasebecilik Mali Müşavirlik A.Ş. The Company also reported a net profit for the period of TL 3,529,148,177.33 based on its financial statements prepared in accordance with the relevant provisions of Tax Procedure Law No. 213 ("TPL").

Based on the net profit for the period of TL 3,529,148,177.33 presented in the financial statements prepared in accordance with the TPL, no 5% general legal reserve was allocated pursuant to Article 519, paragraph 1 of the Turkish Commercial Code, as the total amount of existing reserves had reached 20% of the share capital. Accordingly, the net distributable profit for the period was calculated as TL 3,529,148,177.33.

As no general legal reserve was allocated in 2025 from the net profit for the period of TL 1,704,008,131.00 presented in the consolidated financial statements prepared in accordance with the CMB and POA regulations, the net distributable profit for the period was calculated as TL 1,704,008,131.00. Following the addition of donations made during the year amounting to TL 8,889,644.00, calculated based on their purchasing power as of December 31, 2025, the first dividend base was calculated as TL 1,712,897,775.00.

Within the framework of the information provided above, the profit distribution proposal adopted pursuant to the Board of Directors' resolution dated February 10, 2026 and numbered 738 was approved and accepted at the Ordinary General Assembly Meeting held on March 24, 2026. Accordingly:

- Taking into consideration the provisions of the Company's Articles of Association and its Dividend Distribution Policy, a gross dividend of TL 900,025,000.00, corresponding to 52.54% of the net distributable profit for the period including donations, calculated in accordance with the CMB regulations, was allocated to the shares representing the issued capital;
- After allocating a dividend of TL 900,025,000.00 and a general legal reserve of TL 96,725,000.00 from the gross net distributable profit for the period determined in accordance with the TPL regulations, the remaining amount of TL 2,532,398,177.33 was transferred to extraordinary reserves;
- Within the framework of the CMB and POA regulations, the undistributed amount of TL 707,258,131.00 remaining after the allocation of legal and special reserves based on the consolidated financial statements prepared in accordance with the CMB and POA regulations was transferred to the Retained Earnings or Accumulated Losses account; and
- The Board of Directors' proposal to pay the gross dividend of TL 900,025,000.00 in cash to shareholders on July 6, 2026, corresponding to a gross dividend of TL 1.5255 and a net dividend of TL 1.2966 per share with a nominal value of TL 1.00, was approved, and the payment was made on the relevant date.



12. The Company's Risk Management Policy

The Board of Directors establishes risk management and internal control systems designed to minimize the impact of risks that may affect the Company's stakeholders, particularly its shareholders.

In order to comply with Article 378 of Turkish Commercial Code No. 6102 and the Capital Markets Board's Corporate Governance Communiqué, and to ensure the effective functioning of the committees operating under the Board of Directors, the Early Detection of Risk Committee was established pursuant to the resolution of the Company's Board of Directors dated December 6, 2023. The Committee is responsible for carrying out activities aimed at the early identification of risks that may endanger the Company's existence, development and continuity, implementing the necessary measures in relation to identified risks and managing such risks. The Early Detection of Risk Committee is chaired by Independent Board Member Mr. Fatih Keresteci. The other members of the Committee are Board Member Mr. Cengiz Solakoğlu, Independent Board Member Ms. Füsün Akkal Bozok, and Deputy General Manager of Financial Affairs, Strategic Planning and Information Technologies Ms. Işıl Tireli.

The Early Detection of Risk Committee convened four times during 9M 2026, assessed the key risks that could affect the Company's financial and operational results, and submitted its evaluations to the Board of Directors. An annual schedule was established and implemented to monitor the completion status of measures aimed at mitigating the financial and operational risks identified at the beginning of the year and to continue sharing the Committee's findings and recommendations with the Board of Directors in the following periods.

In accordance with the certification requirements applicable to its operations, the Company has established a risk assessment methodology procedure. This procedure is implemented by the Integrated Management System team established within the same framework. The team identifies the assets of all units within the Company, the threats to such assets, and the likelihood and potential impact of these threats. These factors are monitored under the main headings of confidentiality, integrity and availability. All units update their risk assessments annually, and any additional measures deemed necessary based on the results of these assessments are subsequently planned.

Internal Control System and Internal Audit

The Company's internal control system and internal audit activities are overseen by the Audit Committee. The Company's internal control system has been established to examine, review, monitor and assess the appropriateness, adequacy and effectiveness of the Company's operations and the controls relating to such operations, and to report the results to the relevant units. A risk-based control approach has been adopted. Accordingly, controls developed to minimize and eliminate risks inherent in the Company's operations, together with the assessment of the adequacy of such controls, form the basis of internal control activities.

The Company complies with the principles set forth in the Corporate Governance Principles. Within this scope, an Audit Committee has been established under the Board of Directors, and its working principles have been determined by the Board. The Committee is chaired by Independent Board Member Ms. Füsün Akkal Bozok, while the other Committee member is Independent Board Member Ms. Özgür Gökşen Töre Sancak. Internal audit activities are conducted using a proactive methodology in accordance with the International Standards for the Professional Practice of Internal Auditing and the Lila Kağıt Code of Ethics. Communication with business functions is maintained at the highest level, with the aim of enhancing management effectiveness through risk-based internal audit activities.

The purpose of the Company's internal audit activities is to safeguard its tangible and intangible assets; ensure compliance with legal regulations, contracts and internal company policies; prevent fraud and misconduct; ensure the accuracy and integrity of financial and operational information; strengthen internal control processes to improve the effectiveness and efficiency of business processes; and ensure that corrective measures are taken in a timely manner. Internal audit activities are carried out within the scope of the annual regular audit programme approved by the Audit Committee at the beginning of 2026. The Audit Committee convened four times during 9M 2026.



13. Subsequent Events After the Reporting Period

Within the scope of the renewable energy investments included in the Company's report on the use of proceeds from the initial public offering, and in line with the objective of meeting a portion of the energy consumed at its production facilities from renewable energy sources, the technical assessment conducted by the General Directorate of Energy Affairs (EİGM) for the Ergene Wind Power Plant (Ergene WPP-II) project, with an installed capacity of 6.5 MW and planned to be established in the Ergene district of Tekirdağ province, was completed favorably. The favorable Technical Assessment Report was published on 5 October 2026. As of the reporting date, the processes for obtaining the final connection opinion from Türkiye Elektrik İletim A.Ş. (TEİAŞ) and securing the invitation letter for the execution of the connection agreement are ongoing.

In accordance with the resolution of the Company's Board of Directors dated 13 October 2026, it was resolved to increase the Company's issued share capital of TL 590,000,000 to TL 1,770,000,000 through a 200% capital increase amounting to TL 1,180,000,000 within the registered capital ceiling of TL 2,000,000,000. The capital increase will be fully financed from the "Positive Differences on Capital Restatement" account, amounting to TL 4,027,406,628.85, as presented in the financial statements dated 30 June 2026. The shares representing the capital increase, with a nominal value of TL 1,180,000,000 are intended to be distributed to existing shareholders free of charge. On 16 October 2026, an application was submitted to the Capital Markets Board of Türkiye for the approval of the issuance certificate relating to the capital increase and for the amendment of Article 8 of the Company's Articles of Association. The review and approval process relating to the application is ongoing as of the reporting date.

DISCLAIMER

In this activity report regarding the financial results for Q3 2026, financial data adjusted for the effects of inflation have been used 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's resolution dated 28 December 2023 and numbered 81/1820.

The information in this activity report is largely derived from the condensed consolidated financial statements dated 30 September 2026 published on the Public Disclosure Platform (KAP). The report published on 26 October 2026 is available on KAP and the Company's Investor Relations website.

This document contains statements regarding the Company's performance. Such statements have been prepared based on currently available data. Whether the Company's future performance will materialize as expected depends on uncertainties and/or unforeseeable future events that may significantly affect the Company's performance, including but not limited to changes in macroeconomic and geopolitical conditions, potential increases in tax rates, unexpected climate-related events and natural disasters. The uncertainties and/or unforeseeable events, including but not limited to those mentioned, may cause the Company's future performance to move in a direction entirely different from the assessments set forth in this document.

The Company warns the recipients of this document that the assessments and information contained herein are based on current data and do not constitute a guarantee or commitment regarding the Company's future performance and financial results. The Company, the members of the Company's Board of Directors, the Company's executives and/or the Company's employees shall not be liable for any damage that may arise from the use of the content of this document.