

**LİLA KAĞIT SANAYİ VE TİCARET A.Ş.
AND ITS SUBSIDIARY**

CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD
30 SEPTEMBER 2026

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LİLA KAĞIT SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARY

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 30 SEPTEMBER 2026

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of purchasing power of the TRY at 30 September 2026 unless otherwise indicated.)

		US Dollars (*)	Unaudited	Audited
		Current Period	Current Period	Prior Period
ASSETS	Notes	30 September	30 September	31 December
		2026	2026	2025
Current Assets				
Cash and cash equivalents	26	123,747	6,052,835	7,067,373
Financial assets		10,380	507,715	306,740
Trade receivables	5	74,584	3,648,127	3,724,985
- Trade receivables from related parties		-	-	-
- Trade receivables from third parties		74,584	3,648,127	3,724,985
Other receivables		5,506	269,329	21,519
- Other receivables from related parties		-	-	-
- Other receivables from third parties		5,506	269,329	21,519
Inventories	6	54,007	2,641,654	2,041,557
Prepaid Expenses	7	18,198	890,124	210,817
- Prepaid expenses from third parties		18,198	890,124	210,817
Assets related to current tax	20	555	27,141	155,431
Other current assets	14	476	23,262	83,872
Total Current Assets		287,453	14,060,187	13,612,294
Non-Current Assets				
Other Receivables		567	27,733	13,185
- Other receivables from related parties		-	-	-
- Other receivables from third parties		567	27,733	13,185
Property, plant and equipment	8	221,503	10,834,417	9,142,460
Intangible assets	9	1,473	72,031	74,670
Rights of use assets	10	3,299	161,366	190,301
Prepaid expenses	7	11,070	541,445	876,854
Total Non-Current Assets		237,912	11,636,992	10,297,470
TOTAL ASSETS		525,365	25,697,179	23,909,764

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

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

LİLA KAĞIT SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARY

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 30 SEPTEMBER 2026

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of purchasing power of the TRY at 30 September 2026 unless otherwise indicated.)

		US Dollars (*) Current Period 30 September 2026	Unaudited Current Period 30 September 2026	Audited Prior Period 31 December 2025
LIABILITIES	Notes			
Short-Term Liabilities				
Short-term borrowings	22	5,670	277,331	298,424
- Bank borrowings		5,011	245,092	266,803
- Lease liabilities		659	32,239	31,621
Short-term portion of long-term borrowings	22	6,361	311,144	809,935
Trade payables	5	66,132	3,234,732	846,811
- Trade payables to related parties		-	-	-
- Trade payables to third parties		66,132	3,234,732	846,811
Payables related to employee benefits	13	5,327	260,559	167,508
Deferred income	7	1,075	52,601	56,544
Short term provisions	11	1,146	56,035	52,466
- Short term provisions for employee benefits		828	40,458	32,554
- Other short term provisions		318	15,577	19,912
Other current liabilities	14	1,157	56,614	78,649
Total Short-Term Liabilities		86,868	4,249,016	2,310,337
Long-Term Liabilities				
Long-term borrowings	22	33,182	1,623,050	1,033,579
- Bank borrowings		32,648	1,596,936	992,522
- Lease liabilities		534	26,114	41,057
Deferred income	7	286	13,984	37,248
Deferred tax liabilities	20	652	31,901	220,434
Long term provisions	11	2,834	138,630	135,933
- Long term provisions for employee benefits		2,834	138,630	135,933
Total Long-Term Liabilities		36,954	1,807,565	1,427,194
Total Equity				
Share capital	15	12,062	590,000	590,000
Share capital adjustments	15	111,492	5,453,400	5,453,400
Premiums on shares		116,849	5,715,462	5,715,462
Restricted reserves appropriated from profit	15	14,879	727,773	618,497
Accumulated other comprehensive expenses that will not be reclassified subsequently to profit or loss		(1,365)	(66,773)	(67,231)
- Actuarial losses from defined pension plans		(1,365)	(66,773)	(67,231)
Accumulated other comprehensive income or expenses that will be reclassified subsequently to profit or loss		25	1,245	(604)
- Foreign currency translation differences		25	1,245	(604)
Retained earnings		138,561	6,777,443	5,744,337
Net profit for the period		9,040	442,048	2,118,372
Non- controlling interests		-	-	-
Total Equity		401,543	19,640,598	20,172,233
TOTAL LIABILITIES		525,365	25,697,179	23,909,764

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

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

LİLA KAĞIT SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARY

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS OTHER COMPREHENSIVE INCOME FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2026

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of purchasing power of the TRY at 30 September 2026 unless otherwise indicated.)

		US Dollars (*)	Unaudited			
		1 January- 30 September 2026	1 January- 30 September 2026	1 January- 30 September 2025	1 July- 30 September 2026	1 July- 30 September 2025
	Notes					
Revenue	16	232,777	11,385,846	13,101,613	3,709,329	4,135,713
Cost of Sales (-)	16	(167,762)	(8,205,763)	(9,070,154)	(2,834,159)	(2,834,904)
Gross Profit		65,015	3,180,083	4,031,459	875,170	1,300,809
Marketing and sales expenses (-)		(35,052)	(1,714,486)	(1,738,940)	(589,473)	(558,123)
General administrative expenses (-)		(8,857)	(433,244)	(428,245)	(140,986)	(143,942)
Other income from operating activities	17	7,239	353,989	594,610	110,073	98,614
Other expenses from operating activities (-)	17	(4,183)	(204,586)	(28,918)	(119,192)	(2,650)
Operating Profit		24,162	1,181,756	2,429,966	135,592	694,708
Income from investment activities	18	2,174	106,319	761,489	54,994	150,844
Operating Profit Before Finance Income		26,336	1,288,075	3,191,455	190,586	845,552
Finance income	19	21,159	1,034,939	1,293,156	361,189	360,568
Finance expenses (-)	19	(8,437)	(412,677)	(745,580)	(184,616)	(121,232)
Monetary loss	27	(32,773)	(1,603,023)	(1,938,243)	(288,186)	(623,483)
Profit Before Tax		6,285	307,314	1,800,788	78,973	461,405
Tax Income		2,755	134,734	30,054	12,857	72,108
Current tax income / (expense)	20	(1,103)	(53,952)	(73,806)	(13,626)	42,080
Deferred tax income/(expense)	20	3,858	188,686	103,860	26,483	30,028
Profit For The Period		9,040	442,048	1,830,842	91,830	533,513
Distribution of loss for the period						
Non-controlling interests		-	-	-	-	-
Parent company shares		9,040	442,048	1,830,842	91,830	533,513
		9,040	442,048	1,830,842	91,830	533,513
Earnings per shares	21	-	0.75	3.10	0.16	0.90
Other Comprehensive Income/ (expense)						
Items that will not be reclassified subsequently to profit or loss		9	458	(10,447)	(13)	(20,207)
<i>(Loss) / Gain on remeasurement of defined benefit plans</i>		<i>12</i>	<i>611</i>	<i>(13,929)</i>	<i>(17)</i>	<i>(26,943)</i>
<i>Deferred tax effect</i>		<i>(3)</i>	<i>(153)</i>	<i>3,482</i>	<i>4</i>	<i>6,736</i>
Items that will be reclassified subsequently to profit or loss		38	1,849	(1,083)	1,576	(944)
<i>Currency translation reserves</i>		<i>38</i>	<i>1,849</i>	<i>(1,083)</i>	<i>1,576</i>	<i>(944)</i>
Other Comprehensive Income / (Expense)		47	2,307	(11,530)	1,563	(21,151)
Total Comprehensive Expense		9,087	444,355	1,819,312	93,393	512,362

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LİLA KAĞIT SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARY

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2026

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of purchasing power of the TRY at 30 September 2026 unless otherwise indicated.)

					Accumulated other comprehensive income and expenses that will not be reclassified subsequently to profit or loss	Accumulated other comprehensive income and expenses that may be reclassified subsequently to profit or loss				
	Share capital	Share capital adjustments	Premiums on shares	Restricted reserves appropriated from profit	Actuarial losses from defined pension plans	Currency translation reservers	Retain earnings	Net profit for the period	Total equity	
Balances as of 1 January 2025	590,000	5,453,448	5,715,553	366,342	(86,192)	550	5,395,908	1,912,612	19,348,221	
Transfers	-	-	-	252,146	-	-	1,660,466	(1,912,612)	-	
Dividends	-	-	-	-	-	-	(1,308,455)	-	(1,308,455)	
Other comprehensive income /(expense)	-	-	-	-	(10,447)	(1,083)	-	-	(11,530)	
Net profit for the period	-	-	-	-	-	-	-	1,830,842	1,830,842	
Balances as of 30 September 2025	590,000	5,453,448	5,715,553	618,488	(96,639)	(533)	5,747,919	1,830,842	19,859,078	
Balances as of 1 January 2026	590,000	5,453,400	5,715,462	618,497	(67,231)	(604)	5,744,337	2,118,372	20,172,233	
Transfers	-	-	-	109,276	-	-	2,009,096	(2,118,372)	-	
Dividends	-	-	-	-	-	-	(975,990)	-	(975,990)	
Other comprehensive income /(expense)	-	-	-	-	458	1,849	-	-	2,307	
Net profit for the period	-	-	-	-	-	-	-	442,048	442,048	
Balances as of 30 September 2026	590,000	5,453,400	5,715,462	727,773	(66,773)	1,245	6,777,443	442,048	19,640,598	

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LİLA KAĞIT SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARY

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE INTERIM PERIOD 30 SEPTEMBER 2026

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of purchasing power of the TRY at 30 September 2026 unless otherwise indicated.)

	Note	US Dollars (*)	Unaudited	
		Current Period 1 January- 30 September 2026	Current Period 1 January- 30 September 2026	Prior Period 1 January- 30 September 2025
A CASH FLOWS FROM OPERATING ACTIVITIES		58,492	2,860,975	2,264,093
Profit for the Period		9,040	442,048	1,830,842
Adjustments to reconcile net profit for the period		32,271	1,578,595	1,271,574
Adjustments related to depreciation and amortization	8,9,10	15,680	766,947	757,818
Adjustments related to expected credit loss		4,067	198,893	3,891
Provision for employee termination benefits	13	1,209	59,117	70,621
Adjustments related to provision for unused vacation		331	16,185	10,161
Adjustments related to provision for inventory impairment		90	4,422	(838)
Adjustments related to other provision		(24)	(1,170)	1,655
Adjustments related to unrealised foreign currency translation differences	22	3,719	181,988	481,068
Adjustments related to gain on sale property, plant and equipment	18	(12)	(578)	(681,784)
Adjustments related to interests income (-)		(19,144)	(936,369)	(1,230,184)
Adjustments related to finance expenses		2,370	115,931	173,469
Adjustments related to fair value of derivative instruments		-	-	7,026
Adjustments related to decreases in financial investments	18	(2,162)	(105,741)	(79,705)
Adjustments related to tax income and expenses		(2,755)	(134,734)	(43,155)
Adjustments related to monetary losses and gain		28,902	1,413,704	1,801,531
Changes in working capital		16,243	794,484	(680,101)
Adjustments related to decreases in trade receivables	5	(2,375)	(116,187)	412,274
Adjustments related to increases (decreases) in inventories	6	(12,367)	(604,914)	(464,557)
Adjustments related to decreases in other operating assets		(18,730)	(916,145)	(276,429)
Adjustments related to decreases in other operating liabilities		(1,007)	(49,242)	(116,209)
Adjustments related to increases/(decreases) in trade payables	5	48,820	2,387,921	(260,844)
Adjustments related to increases in payables related to employee benefits		1,902	93,051	25,664
Cash Generated from Operating Activities		57,554	2,815,127	2,422,315
Seniority incentive premium and employee termination benefits paid	13	(543)	(26,577)	(40,408)
Accumulated leave paid		(39)	(1,913)	(2,613)
Income taxes paid		1,520	74,338	(115,201)
B. CASH FLOWS FROM INVESTING ACTIVITIES		(43,987)	(2,151,487)	(999,014)
Cash inflows from the sale of property, plant and equipment	8,18	250	12,258	717,789
Cash outflows from the purchase of property, plant and equipment and intangible assets	8,9	(49,178)	(2,405,426)	(923,286)
Adjustments related to advances given (-)		6,888	336,915	(596,285)
Adjustments related to financial investments		(1,947)	(95,234)	(197,232)
C. CASH FLOWS FROM FINANCING ACTIVITIES		(5,477)	(267,953)	(2,976,793)
Cash inflows from borrowing	22	25,342	1,239,535	543,909
Cash outflows from repayments of borrowings	22	(19,202)	(939,242)	(2,561,993)
Interests paid		(1,444)	(70,645)	(199,185)
Dividends paid		(19,954)	(975,990)	(1,308,455)
Cash outflows related to debt payments from lease agreements, net		(61)	(2,996)	(2,452)
Inflation effect on financing activities		(9,302)	(454,984)	(678,801)
Interests received		19,144	936,369	1,230,184
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE THE EFFECT OF FOREIGN CURRENCY TRANSLATION DIFFERENCES AND INFLATION (A+B+C)		9,028	441,535	(1,711,714)
D. THE EFFECT OF FOREIGN CURRENCY AND INFLATION ON CASH AND CASH EQUIVALENTS		(29,769)	(1,456,073)	(1,851,216)
NET DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C+D)		(20,741)	(1,014,538)	(3,562,930)
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		144,488	7,067,373	9,130,868
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E)	26	123,747	6,052,835	5,567,938

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The accompanying notes form an integral part of these interim condensed consolidated financial statements.

LİLA KAĞIT SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARY

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2026

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of purchasing power of the TRY at 30 September 2026 unless otherwise indicated.)

1. ORGANIZATION AND OPERATIONS OF THE GROUP

Lila Kağıt Sanayi ve Ticaret Anonim Şirketi ("the Company") was established in 1984. Its principal activities are sales to domestic and exporting market and the production of jumbo rolls (tissue paper) and converting products. Other activities include textile products (yarn dying) and energy generation.

The registered address of the Company is Business İstanbul, Merdivenköy Mahallesi, Nur Sokak A Blok, No:1A/1705 34732 Kadıköy / İstanbul.

The main fields of activity of the Company's subsidiary included in the consolidation (together referred to as the "Group") and the countries in which it operates are as follows:

Subsidiaries	Principal activity	Place of incorporation and operation	Functional Currency	Proportion of ownership interest and voting power held by the Company (%)	
				2026	2025
Lila Paper Swiss AG	Imports, Exports and Foreign Trade	Switzerland	US Dollars	100	100

Lila Paper Swiss AG operates as a foreign trade company and was established in Switzerland on 19 January 2023. The Company's main activity is to provide services regarding the export of jumbo rolls and converting and the import of raw materials. It was founded with a capital of 100,000 Swiss Francs. Lila Paper Swiss AG's capital has been fully paid and all shares belong to the Company.

The number of personnel employed by the Group is 1,051 as of 30 September 2026 (31 December 2025: 994).

2. BASIS OF PRESENTATION OF THE CONDENSED FINANCIAL STATEMENTS

2.1 Basis of Presentation

Statement of Compliance with TFRS

The accompanying financial statements are prepared in accordance with the requirements of Capital Markets Board ("CMB") Communiqué Serial II, No: 14.1 "Basis of Financial Reporting in Capital Markets", which was published in the Official Gazette No:28676 on 13 June 2013. The accompanying financial statements are prepared based on the Turkish Financial Reporting Standards and interpretations ("TFRS") that have been put into effect by the Public Oversight Accounting and Auditing Standards Authority ("POA") under Article 5 of the Communiqué.

In addition, the condensed consolidated financial statements are presented in accordance with "Announcement regarding with TFRS Taxonomy" which was published on 3 July 2024 by POA and the format and mandatory information recommended by CMB.

The Group prepared its condensed consolidated interim financial statements for the period ended 30 September 2026 in accordance with TAS 34 "Interim Reporting" standard. Interim condensed consolidated financial statements do not include all the information required for the annual financial statements and therefore they should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2025.

LİLA KAĞIT SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARY

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2026

(Amounts expressed in thousands of Turkish Lira (“TL”) in terms of purchasing power of the TRY at 30 September 2026 unless otherwise indicated.)

2. BASIS OF PRESENTATION OF THE CONDENSED FINANCIAL STATEMENTS (cont’d)

2.1 Basis of Presentation (cont’d)

Statement of Compliance with TFRS (cont’d)

The Group maintains its accounting records and prepares its condensed consolidated financial statements with the principles and requirements of the CMB, the Group keep their legal records according to the Turkish Commercial Code (“TCC”), tax legislation and the Uniform Chart of Accounts issued by the Ministry of Finance (“Ministry of Finance”) of Turkish Republic.

Subsidiary operating in foreign countries prepare their statutory financial statements in accordance with the laws and regulations applicable in the countries in which they operate. The condensed consolidated financial statements are prepared by reflecting the necessary adjustments and classifications to the statutory records in order to make an accurate presentation in accordance with TFRS. The condensed consolidated financial statements are prepared on the basis of historical cost, except for financial assets recognized at fair value and derivative financial instruments carried at fair value. In determining the historical cost, the fair value of the amount paid for the assets is generally taken as basis.

Condensed consolidated financial statements have been prepared under the historical cost convention except for the derivative instruments and available for sale financial assets presented at fair values.

Approval of the financial statements:

The condensed consolidated financial statements have been approved and authorized to be published on 26 October 2026 by the Board of Directors.

Going concern

The condensed consolidated financial statements have been prepared on the basis of going concern.

Currency used

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). The functional currency of the Company is TL and the functional currency of its subsidiary is US Dollar. The financial statements of the subsidiary have been translated into TL for presentation purposes and the translation differences are shown as foreign currency translation differences under equity. Condensed consolidated financial statements are expressed in TL, which is the presentation currency.

Restatement of financial statements during periods of high inflation

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

According to the standard, financial statements prepared in the currency of a hyperinflationary economy are presented in terms of the purchasing power of that currency at the balance sheet date. Prior period financial statements are also presented in the current measurement unit at the end of the reporting period for comparative purposes. The Group has therefore presented its consolidated financial statements as of 30 September 2025 and 31 December 2025 on the purchasing power basis as of 30 September 2026.

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NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2026

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of purchasing power of the TRY at 30 September 2026 unless otherwise indicated.)

2. BASIS OF PRESENTATION OF THE CONDENSED FINANCIAL STATEMENTS (cont'd)

2.1 Basis of Presentation (cont'd)

Restatement of financial statements during periods of high inflation (cont'd)

Pursuant to the decision of the Capital Markets Board (CMB) dated December 28, 2023 and numbered 81/1820, it has been decided that issuers and capital market institutions subject to financial reporting regulations that apply Turkish Accounting/Financial Reporting Standards will apply inflation accounting by applying the provisions of TAS 29 starting from their annual financial reports for the periods ending on 31 December 2023.

The table below shows the inflation rates for the relevant years calculated by taking into account the Consumer Price Indices published by the Turkish Statistical Institute (TURKSTAT):

Date	Index	Adjustment coefficient	Three-year cumulative inflation rates
30.09.2026	4,368.35	1.00000	158%
31.12.2025	3,513.87	1.24317	211%
30.09.2025	3,367.22	1.29732	222%

The main lines of TAS 29 indexation transactions are as follows:

- As of the balance sheet date, all items other than those stated in terms of current purchasing power are restated by using the relevant price index coefficients. Prior year amounts are also restated in the same way.
- Monetary assets and liabilities are expressed in terms of the purchasing power at the balance sheet date and are therefore not subject to restatement. Monetary items are cash and items to be received or paid in cash.
- Fixed assets, subsidiaries and similar assets are indexed to their acquisition values, which do not exceed their market values. Depreciation has been adjusted in a similar manner. Amounts included in shareholders' equity have been restated by applying general price indices for the periods in which they were contributed to or arose within the Company.
- All items in the income statement, except for the effects of non-monetary items in the balance sheet on the income statement, have been restated by applying the multiples calculated over the periods when the income and expense accounts were initially recognised in the financial statements.
- The gain or loss arising on the net monetary position as a result of general inflation is the difference between the adjustments to non-monetary assets, equity items and income statement accounts. This gain or loss on the net monetary position is included in the statement of profit or loss.

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2. BASIS OF PRESENTATION OF THE CONDENSED FINANCIAL STATEMENTS (cont'd)

2.1 Basis of Presentation (cont'd)

Restatement of financial statements during periods of high inflation (cont'd)

The impact of the application of TAS 29 Inflation Accounting is summarised below:

Restatement of the Statement of Financial Position

Amounts in the statement of financial position that are not expressed in terms of the measuring unit current at the end of the reporting period are restated. Accordingly, monetary items are not restated because they are expressed in the currency of the reporting period. Non-monetary items are required to be restated unless they are expressed in terms of the currency in effect at the end of the reporting period.

The gain or loss on the net monetary position arising on restatement of non-monetary items is recognised in profit or loss and presented separately in the statement of comprehensive income.

Restatement of the Statement of Profit or Loss

All items in the statement of profit or loss are expressed in terms of the measuring unit current at the end of the reporting period. Therefore, all amounts have been restated by applying changes in the monthly general price index.

Cost of inventories sold has been restated using the restated inventory balance.

Depreciation and amortisation expenses have been restated using the restated balances of property, plant and equipment, intangible assets, investment property and right-of-use assets.

Restatement of Statement of Cash Flows

All items in the statement of cash flows are expressed in terms of the measuring unit current at the end of the reporting period.

Comparative Figures

Relevant figures for the previous reporting period are restated by applying the general price index so that the comparative financial statements are presented in the measuring unit applicable at the end of the reporting period. Information disclosed for prior periods is also expressed in terms of the measuring unit current at the end of the reporting period.

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2. BASIS OF PRESENTATION OF THE CONDENSED FINANCIAL STATEMENTS (cont'd)

2.1 Basis of Presentation (cont'd)

Basis of Consolidation

Subsidiaries

As of 30 September 2026 and 31 December 2025, the details of the Group's subsidiary are as follows.

Subsidiaries	Principal activity	Place of incorporation and operation	Functional Currency	Proportion of ownership interest and voting power held by the Company (%)	
				2026	2025
Lila Paper Swiss AG	Imports, Exports and Foreign Trade	Switzerland	US Dollars	100	100

All subsidiaries above are recognized in these condensed consolidated financial statements using the full consolidation method:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date of acquisition to the date of disposal.

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2. BASIS OF PRESENTATION OF THE CONDENSED FINANCIAL STATEMENTS (cont'd)

2.1 Basis of Presentation (cont'd)

Basis of Consolidation (cont'd)

Subsidiaries (cont'd)

Profit or loss and each component of other comprehensive income are attributed to the parent and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

All amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e., reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable TFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under TFRS 9 *Financial Instruments*, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Comparative information and restatement of prior period consolidated financial statements

The condensed consolidated financial statements of the Group are prepared comparatively with the prior period in order to enable the determination of the financial position and performance trends. In order to maintain consistency with the presentation of the current period condensed consolidated financial statements, comparative information is reclassified and significant changes are disclosed.

USD amounts presented in the consolidated financial statements

USD amounts shown in the consolidated balance sheet, consolidated statements of income, comprehensive income and cash flows have been translated from TL, prepared in accordance with the TFRS have been translated from TL, as a matter of arithmetic computation only, at the official USD bid rates announced by the CBRT effective as of 30 September 2026 of TL 48,9131 = USD 1 and do not form part of these condensed consolidated financial statements.

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2. BASIS OF PRESENTATION OF THE CONDENSED FINANCIAL STATEMENTS (cont'd)

2.2 Changes in Accounting Policies

The accounting policies have been applied consistently by the Company for all periods presented in the financial statements. Significant changes in accounting policies have been applied retrospectively and prior period financial statements are restated.

2.3 Changes in Accounting Estimates and Errors

The Group applied its accounting policies consistent with the previous year. If changes in accounting estimates and errors are for only one period, changes are applied in the current period but if the estimated changes affect the following periods, changes are applied both on the current and following years prospectively. Significant accounting errors are applied retrospectively and prior period financial statements are restated. The Group has not made any changes in its accounting policies during the current year, except for the effects of the changes in new and revised standards explained in Note 2.4.

2.4 New and Amended Turkish Financial Reporting Standards

a) Amendments that are mandatorily effective from 2026

Amendments to TFRS 9 and TFRS 7	<i>Classification and Measurement of Financial Instruments</i>
Amendments to TFRS 9 and TFRS 7	<i>Power Purchase Arrangements</i>
Annual Improvements	<i>Annual Improvements to TFRSs – Volume 11</i>

Amendments to TFRS 9 and TFRS 7 *Classification and Measurement of Financial Instruments*

The amendments address matters identified during the post-implementation review of the classification and measurement requirements of TFRS 9 *Financial Instruments*. Amendments are effective from annual reporting periods beginning on or after 1 January 2026.

Amendments to TFRS 9 and TFRS 7 *Power Purchase Arrangements*

The amendments aim at enabling entities to include information in their financial statements that in the IASB's view more faithfully represents contracts referencing nature-dependent electricity. Amendments are effective from annual reporting periods beginning on or after 1 January 2026.

Annual Improvements to TFRSs – Volume 11

The pronouncement comprises the following amendments:

- TFRS 1: Hedge accounting by a first-time adopter
- TFRS 7: Gain or loss on derecognition
- TFRS 7: Disclosure of deferred difference between fair value and transaction price
- TFRS 7: Introduction and credit risk disclosures
- TFRS 9: Lessee derecognition of lease liabilities
- TFRS 9: Transaction price
- TFRS 10: Determination of a 'de facto agent'
- TAS 7: Cost method

Amendments are effective from annual reporting periods beginning on or after 1 January 2026.

The aforementioned standard, amendments and improvements do not have any significant effect on the Group's consolidated financial position and performance.

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2. BASIS OF PRESENTATION OF THE CONDENSED FINANCIAL STATEMENTS (cont'd)

2.4 New and Amended Turkish Financial Reporting Standards (cont'd)

b) New and revised TFRSs in issue but not yet effective

The Group has not yet adopted the following standards and amendments and interpretations to the existing standards:

TFRS 17	<i>Insurance Contracts</i>
Amendments to TFRS 17	<i>Initial Application of TFRS 17 and TFRS 9 — Comparative Information</i>
TFRS 18	<i>Presentation and Disclosures in Financial Statements</i>
TFRS 19	<i>Subsidiaries without Public Accountability: Disclosures</i>
Amendments to TFRS 19	<i>Subsidiaries without Public Accountability: Disclosures</i>
Amendments to TAS 21	<i>Translation to a Hyperinflationary Presentation</i>
Currency	
Amendments to IAS 28	<i>Amendments to the Fair Value Option for Investments in Associates and Joint</i>

TFRS 17 Insurance Contracts

TFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. TFRS 17 has been deferred for insurance, reinsurance and pension companies for a further year and will replace TFRS 4 *Insurance Contracts* on 1 January 2027.

Amendments to TFRS 17 Insurance Contracts and Initial Application of TFRS 17 and TFRS 9 – Comparative Information

Amendments have been made in TFRS 17 in order to reduce the implementation costs, to explain the results and to facilitate the initial application.

The amendment permits entities that first apply TFRS 17 and TFRS 9 at the same time to present comparative information about a financial asset as if the classification and measurement requirements of TFRS 9 had been applied to that financial asset before. Amendments are effective with the first application of TFRS 17.

TFRS 18 Presentation and Disclosures in Financial Statements

TFRS 18 includes requirements for all entities applying TFRS for the presentation and disclosure of information in financial statements. This standard is effective from annual reporting periods beginning on or after 1 January 2027.

TFRS 19 Subsidiaries without Public Accountability: Disclosures

TFRS 19 specifies the disclosure requirements an eligible subsidiary is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards. This standard is effective from annual reporting periods beginning on or after 1 January 2027.

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2. BASIS OF PRESENTATION OF THE CONDENSED FINANCIAL STATEMENTS (cont'd)

2.4 New and Amended Turkish Financial Reporting Standards (cont'd)

b) New and revised TFRSs in issue but not yet effective (cont'd)

Amendments to TFRS 19 Subsidiaries without Public Accountability: Disclosures

The amendments cover new or amended Turkish Financial Reporting Standards that were not considered when TFRS 19 was first issued. Amendments are effective from annual reporting periods beginning on or after 1 January 2027.

Amendments to TAS 21 Translation to a Hyperinflationary Presentation Currency

The amendments clarify how companies should translate financial statements from a non-hyperinflationary currency into a hyperinflationary one. Annual reporting periods beginning on or after 1 January 2027.

Amendments to TAS 28 Amendments to the Fair Value Option for Investments in Associates and Joint Ventures

The amendments provide clarity about which entities are eligible to measure investments using the fair value option in TAS 28. Annual reporting periods beginning on or after 1 January 2027.

The Group evaluates the effects of these standards, amendments and improvements on the consolidated financial statements.

2.5 Summary of Significant Accounting Policies

The interim condensed consolidated financial statements for the period ended 30 September 2026 have been prepared in accordance with TAS 34. The accounting policies used in the preparation of these interim condensed consolidated financial statements are consistent with those used in the preparation of annual consolidated financial statements for 31 December 2025. Accordingly, these interim condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements for 31 December 2025.

3. SEGMENT REPORTING

The decision-making authority of the Group is the Members of the Board of Directors. The Group has no segment reporting within the scope of its operating activity. The Group Board of Directors monitors group activities as a single reportable section and makes decisions. Group management does not track operating results separately other than the country distribution. For this reason, performance criteria other than sales cannot be disclosed.

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4. RELATED PARTY DISCLOSURES

In the condensed consolidated financial statements, shareholders, board members, their families and companies controlled by them or affiliated with them are considered as related parties. Various transactions have been made with related parties in the normal course of business of the entity.

As of 30 September 2026 and 31 December 2025, due to related parties are as follows:

a) Related party transactions (cont'd)

Services received from related parties for the periods ended 30 September 2026 and 2025 are as follows:

	1 January- 30 September 2026	1 January- 30 September 2025
<u>Services received from related parties</u>		
<u>Services received from shareholders</u>		
Aydın Ögücü	6,286	5,956
Celal Ögücü	5,962	5,649
Orhan Ögücü	5,951	5,638
<u>Other companies controlled by shareholders</u>		
Trakyam Yumurta Gıda ve Üretim Anonim Şirketi	18,685	17,828
	<u>36,884</u>	<u>35,071</u>

Services received from related party are consists of rent payments of the Group to shareholders and other companies controlled by shareholder.

Services provided to related parties for the periods ended 30 September 2026 and 2025 are as follows:

Maturity of collection arising from service provided is less than a month.

	1 January- 30 September 2026	1 January- 30 September 2025
<u>Services provided to related parties</u>		
<u>Services provided to shareholders (*)</u>		
Orhan Ögücü	432	82
Celal Ögücü	432	-
Hemipaş Gayrimenkul Geliştirme A.Ş.	387	-
<u>Other companies managed by shareholders</u>		
Trakyam Yumurta Gıda ve Üretim Anonim Şirketi	42	40
	<u>1,293</u>	<u>122</u>

(*) Services provided to related parties comprise service fees charged for services rendered by the company's personnel to the shareholders.

b) Benefits provided to key management

The key management of the Group consists of chairman, board members, general manager, deputy general managers, directors and group managers. The total amount of salaries and similar benefits paid and accrued premiums to key management personnel (20 people) (as of 2025 20 people) as of 30 September 2026 is TL 118,012 (30 September 2025: TL 118,641).

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5. TRADE RECEIVABLES AND PAYABLES

Short-term trade receivables

As of 30 September 2026 and 31 December 2025, trade receivables from third parties are as follows:

	30 September 2026	31 December 2025
Trade receivables	3,301,914	3,475,810
Cheques received	346,213	248,278
Doubtful receivables	84,387	6,619
Provision for doubtful receivables(-)	(84,387)	(5,722)
	<u>3,648,127</u>	<u>3,724,985</u>

As of 30 September 2026, the average receivables turnover days of the Company's is 87 days (31 December 2025: 82 days).

As of 30 September 2026 and 2025, movement of provision for the doubtful receivables of the Group are as follows:

Movement of provision for doubtful receivables	1 January- 30 September 2026	1 January- 30 September 2025
Opening balance	6,619	4,852
Effect of inflation index	(4,416)	(520)
Charge for the period provision released	82,184	1,287
Closing balance	<u>84,387</u>	<u>5,619</u>

As of 30 September 2026, there is no guarantee amount received from customers regarding doubtful receivables. (31 December 2025: None).

The Group periodically monitors the collectability of its trade receivables and provides allowance for doubtful receivables for possible losses that may arise from doubtful receivables based on the collection rates in previous years. Subsequent to the allocation of allowance for doubtful receivables, in the event that some or all of the doubtful receivable amount is collected, the collected amount is deducted from the allowance for doubtful receivables and recognized in profit or loss.

The nature and level of risks related to trade receivables are disclosed in Note 23.

Short-term trade payables

As of 30 September 2026 and 31 December 2025, short-term trade payables of the Group are as follows:

Short term trade payables	30 September 2026	31 December 2025
Due to third parties	3,234,732	846,811
	<u>3,234,732</u>	<u>846,811</u>

As of 30 September 2026, the Group's average trade payable turnover days are 67 days (31 December 2025: 30 days).

Trade payables primarily include amounts arising from goods purchases, services rendered and ongoing investments.

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6. INVENTORIES

As of 30 September 2026 and 31 December 2025, inventories as follows:

	<u>30 September 2026</u>	<u>31 December 2025</u>
Raw materials and supplies	1,066,350	669,827
Finished goods	926,955	812,326
Semi-finished goods	151,918	114,235
Trade goods	3,348	6,872
Other inventories (*)	497,924	438,321
Provision for impairment of inventories (-)	(4,841)	(24)
	<u>2,641,654</u>	<u>2,041,557</u>

(*) As of 30 September 2026 and 31 December 2025, other inventories consist of short-term spare parts and operating materials that are not considered as fixed assets and are used for maintenance and repair purposes.

There is no mortgage or pledge on inventories as of 30 September 2026 and 31 December 2025.

7. PREPAID EXPENSES AND DEFERRED INCOME

As of 30 September 2026 and 31 December 2025, short-term prepaid expenses are as follows:

<u>Short-term prepaid expenses</u>	<u>30 September 2026</u>	<u>31 December 2025</u>
Prepaid expenses	72,577	54,626
Order advances received(*)	817,547	156,191
	<u>890,124</u>	<u>210,817</u>

As of 30 September 2026 and 31 December 2025, long-term prepaid expenses are as follows:

<u>Long-term prepaid expenses</u>	<u>30 September 2026</u>	<u>31 December 2025</u>
Advances given for fixed asset purchases (**)	533,673	870,588
Prepaid expenses	7,772	6,266
	<u>541,445</u>	<u>876,854</u>

(*) As of September 30, 2026, short-term advances amounting to TL 49.4 for electricity eligible consumer and distribution agreements, TL 22.7 million were extended for coal purchases, and TL 714,6 million for pulp purchases.

(**) As of September 30, 2026, TL 448.2 million of the long-term advances given related to investments in the Erzurum production facility, while the remaining balance consists of advances given for the Ergene production facility and other ongoing investments. As of December 31, 2025, of the investment advances given, TL 773.2 million pertains to the Erzurum investment, while the remaining TL 97.4 million relates to other ongoing investments at the Ergene production facility.

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7. PREPAID EXPENSES AND DEFERRED INCOME(cont'd)

As of 30 September 2026 and 31 December 2025, details of short-term deferred income are as follows:

<u>Short-term deferred incomes</u>	<u>30 September 2026</u>	<u>31 December 2025</u>
Advances received	25,287	28,571
Bank promotion incomes	27,314	27,973
	<u>52,601</u>	<u>56,544</u>

As of 30 September 2026 and 31 December 2025, details of long-term deferred income are as follows:

<u>Long-term deferred incomes</u>	<u>30 September 2026</u>	<u>31 December 2025</u>
Bank promotion incomes	13,984	37,248
	<u>13,984</u>	<u>37,248</u>

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8. PROPERTY, PLANT AND EQUIPMENT

	Land	Land improvements	Buildings	Machinery and equipment	Motor vehicles	Furniture and fixtures	Leasehold improvements	Construction in progress	Total
Cost value									
Opening balance as of 1 January 2026	228,917	8,671	2,420,493	13,192,344	413,424	428,606	69,110	1,599,357	18,360,922
Additions	14,460	6,265	12,682	12,197	15,615	20,625	-	2,322,528	2,404,372
Disposals	-	-	-	-	(6,317)	(1,972)	-	(7,999)	(16,288)
Transfers(*)	39,041	141,290	881,146	375,641	353	6,799	-	(1,446,018)	(1,748)
Closing balance as of 30 September 2026	282,418	156,226	3,314,321	13,580,182	423,075	454,058	69,110	2,467,868	20,747,258
Accumulated depreciation									
Opening balance as of 1 January 2026	-	4,332	1,074,548	7,630,415	128,315	311,742	69,110	-	9,218,462
Charge for the period	-	3,571	47,651	566,552	54,669	26,544	-	-	698,987
Disposals	-	-	-	-	(2,636)	(1,972)	-	-	(4,608)
Closing balance as of 30 September 2026	-	7,903	1,122,199	8,196,967	180,348	336,314	69,110	-	9,912,841
Carrying value as of 30 September 2026	282,418	148,323	2,192,122	5,383,215	242,727	117,744	-	2,467,868	10,834,417

As of 30 September 2026, there is no capitalized borrowing cost on property, plant and equipment.

As of 30 September 2026, the insurance coverage amount on fixed assets is TL 24,881,044.

(*) As of 30 September 2026, construction in progress amounting to TL 1,748 have been transferred to rights within property, plant and equipment.

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8. PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Land	Land improvements	Buildings	Machinery and equipment	Motor vehicles	Furniture and fixtures	Leasehold improvements	Construction in progress	Total
Cost value									
Opening balance as of 1 January 2025	228,917	5,894	2,420,523	13,944,550	100,445	413,145	69,110	1,113,370	18,295,954
Additions	-	-	-	24,754	311,846	17,274	-	568,652	922,526
Disposals	-	-	-	(993,362)	-	(8,880)	-	-	(1,002,242)
Transfers(*)	-	2,778	-	207,094	-	1,492	-	(223,958)	(12,594)
Closing balance as of 30 September 2025	228,917	8,672	2,420,523	13,183,036	412,291	423,031	69,110	1,458,064	18,203,644
Accumulated depreciation									
Opening balance as of 1 January 2025	-	3,967	1,019,481	7,874,278	76,406	287,454	69,110	-	9,330,696
Charge for the period	-	269	41,392	565,834	33,740	24,713	-	-	665,948
Disposals	-	-	-	(957,484)	-	(8,752)	-	-	(966,236)
Closing balance as of 30 September 2025	-	4,236	1,060,873	7,482,628	110,146	303,415	69,110	-	9,030,408
Carrying value as of 30 September 2025	228,917	4,436	1,359,650	5,700,408	302,145	119,616	-	1,458,064	9,173,236

As of 30 September 2025, there is no capitalized borrowing cost on property, plant and equipment.

As of 30 September 2025, the insurance coverage amount on fixed assets is TL 26,586,535.

(*) As of 30 September 2025, construction in progress amounting to TL 12,594 have been transferred to rights within property, plant and equipment.

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8. PROPERTY, PLANT AND EQUIPMENT (cont'd)

	1 January- 30 September 2026	1 January- 30 September 2025
Depreciation expenses		
Cost of sales	623,123	614,048
Sales, marketing and distribution expenses	55,653	36,391
General administrative expenses	20,211	15,509
	<u>698,987</u>	<u>665,948</u>

9. INTANGIBLE ASSETS

Movement of intangible assets of the Group for the periods ended 30 September 2026 and 2025 is as follows:

Cost value	Rights	Total
Opening balance as of 1 January 2026	158,750	158,750
Additions	1,054	1,054
Transfers from property, plant and equipment	1,748	1,748
Closing balance as of 30 September 2026	<u>161,552</u>	<u>161,552</u>
Accumulated amortization		
Opening balance as of 1 January 2026	84,080	84,080
Charge for the period	5,441	5,441
Closing balance as of 30 September 2026	<u>89,521</u>	<u>89,521</u>
Net carrying value as of 30 September 2026	<u>72,031</u>	<u>72,031</u>
Cost value	Rights	Total
Opening balance as of 1 January 2025	130,678	130,678
Additions	762	762
Transfers from property, plant and equipment	12,594	12,594
Closing balance as of 30 September 2025	<u>144,034</u>	<u>144,034</u>
Accumulated amortization		
Opening balance as of 1 January 2025	78,125	78,125
Charge for the period	4,281	4,281
Closing balance as of 30 September 2025	<u>82,406</u>	<u>82,406</u>
Net carrying value as of 30 September 2025	<u>61,628</u>	<u>61,628</u>

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9. INTANGIBLE ASSETS (cont'd)

	1 January- 30 September 2026	1 January- 30 September 2025
<u>Amortization expenses</u>		
Cost of sales	123	121
Marketing and sales expenses	246	245
General administrative expenses	5,072	3,915
	<u>5,441</u>	<u>4,281</u>

As of 30 September 2026 and 2025, the Group has no intangible assets created within the business.

10. RIGHT-OF-USE ASSETS

The Group leases a number of assets including offices, vehicles, warehouses and information technologies equipment. Average lease term is 4 years (2025: 4 years).

Movement of right-of-use assets for the periods ended 30 September 2026 and 2025 is as follows:

	1 January- 30 September 2026	1 January- 30 September 2025
<u>Right-of-use assets</u>		
Opening balances	190,301	211,776
New leases	33,584	30,617
Charge for the period	(62,519)	(87,589)
Carrying value	<u>161,366</u>	<u>154,804</u>

	1 January- 30 September 2026	1 January- 30 September 2025
<u>Balances recognized in profit or loss</u>		
Depreciation expense	(62,519)	(87,589)
Interest on lease liabilities	(4,742)	(6,874)
Foreign exchange loss on foreign currency lease liabilities	(2,792)	(9,124)

	1 January- 30 September 2026	1 January- 30 September 2025
<u>Depreciation expenses of right-of-use assets</u>		
Cost of sales	2,206	2,031
Sales, marketing and distribution expenses	44,788	42,310
General administrative expenses	15,525	43,248
	<u>62,519</u>	<u>87,589</u>

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11. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Provisions and contingent assets

As of 30 September 2026 and 31 December 2025, short-term provisions are as follows:

	<u>30 September 2026</u>	<u>31 December 2025</u>
Provision for employee benefits	40,458	32,554
Other provisions	15,577	19,912
- <i>Lawsuit provisions</i>	14,178	14,356
- <i>Other</i>	1,399	5,556
	<u>56,035</u>	<u>52,466</u>

Short-term provisions for employee benefits consist of provision for unused vacation.

As of 30 September 2026 and 31 December 2025, long-term provisions are as follows:

	<u>30 September 2026</u>	<u>31 December 2025</u>
Long term provision for employee termination benefits		
- <i>Employee termination indemnity liability</i>	108,062	107,826
- <i>Seniority incentive premium liability</i>	30,568	28,107
	<u>138,630</u>	<u>135,933</u>

Long-term provisions for employee benefits consist of provision for employment termination benefits.

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12. COMMITMENTS

a) Guarantee-Pledge-Mortgages ("GPMs")

As of 30 September 2026 and 31 December 2025, Group's guarantee, pledge and mortgage position is as follows:

	30 September 2026		31 December 2025	
	Original Currency	TL Equivalent	Original Currency	TL Equivalent
A. CPM's given for Company's own legal personality				
Guarantee				
-TL	29,156	29,156	30,381	30,381
-USD	308	15,065	300	15,986
-EUR	-	-	-	-
B. CPM's given on behalf of fully consolidated companies	-	-	-	-
C. CPM's given on behalf of third parties for ordinary course of business	-	-	-	-
D. Total amount of other CPM's				
i) Total amount of CPM's given on behalf of the majority shareholder	-	-	-	-
ii) Total amount of CPM's given on behalf of other Group companies which are not in scope of B and C	-	-	-	-
iii) Total amount of CPM's given on behalf of third parties which are not in scope of C	-	-	-	-
Total		<u>44,221</u>		<u>46,367</u>

As of 30 September 2026 and 31 December 2025, the ratio of other GPMs given by the Group to the Group's equity are 0.23% and 0.23%, respectively. As of 30 September 2026 and 31 December 2025, the guarantees given consist of letters of guarantee given to banks, tax office and other government authorities. As of 30 September 2026 and 31 December 2025, there is no mortgage or pledge on the Group assets.

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12. COMMITMENTS (cont'd)**b) Guarantees received**

As of 30 September 2026 and 31 December 2025, the nature and amounts of guarantees received are as follows:

<u>Letter of guarantees received</u>	<u>30 September 2026</u>	<u>31 December 2025</u>
Letter of guarantees received from customers	373,973	417,729
Letter of guarantees received for investments	183,229	130,777
Letter of guarantees received from suppliers	15,225	26,469
	<u>572,427</u>	<u>574,975</u>
 <u>Other guarantees received</u>	 <u>30 September 2026</u>	 <u>31 December 2025</u>
Credit insurance	1,487,531	1,287,905
Cheques and bills received from customers	170,000	186,476
Cheques and bills received from suppliers	45,799	2,797
Mortgages	9,000	11,624
Other guarantees	-	947
	<u>1,712,330</u>	<u>1,489,749</u>
 <u>Total guarantees received</u>	 <u>30 September 2026</u>	 <u>31 December 2025</u>
Guarantees received from customers	2,031,504	1,893,057
Guarantees received from suppliers	253,253	171,667
	<u>2,284,757</u>	<u>2,064,724</u>

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13. EMPLOYEE BENEFITS

As of 30 September 2026 and 31 December 2025, the details of short and long-term provisions for employee benefits are as follows:

	<u>30 September 2026</u>	<u>31 December 2025</u>
Provision for employment termination benefits	108,062	107,826
Provision for unused vacation	40,458	32,554
Seniority incentive premium liability	30,568	28,107
	<u>179,088</u>	<u>168,487</u>

The movement of provision for employment termination benefits for the periods ended 30 September 2026 and 2025 is as follows:

<u>Movement of provision for employment termination benefits</u>	<u>1 January- 30 September 2026</u>	<u>1 January- 30 September 2025</u>
Opening balance	107,826	129,518
Effect of inflation index	(23,090)	(29,476)
Interest cost	21,955	22,433
Service cost	26,951	30,565
Paid severance pay	(24,969)	(29,988)
Actueryal (gain) / loss	(611)	13,929
Closing balance	<u>108,062</u>	<u>136,981</u>

As of 30 September 2026 and 2025, the movement of employee termination incentive premium liability is as follows:

<u>Seniority incentive premium liability</u>	<u>1 January- 30 September 2026</u>	<u>1 January- 30 September 2025</u>
Opening balance as of 1 January 2026	28,107	25,745
Effect of inflation index	(6,142)	(5,219)
Service cost	4,521	13,442
Interest cost	5,690	4,181
Seniority incentive premium paid	(1,608)	(10,420)
Closing balance as of 30 September	<u>30,568</u>	<u>27,729</u>

The Group has collective bargaining agreements with the Öziplik-İş Union, effective from January 1, 2026, to December 31, 2028, and with the Selüloz-İş Union, which expired between January 1, 2026, and December 31, 2027. Pursuant to these collective bargaining agreements, a seniority incentive bonus will be paid to employees who have completed a certain number of years of service.

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13. EMPLOYEE BENEFITS (cont'd)

Payables related to employee benefits

As of 30 September 2026 and 31 December 2025, payables related to employee benefits are as follows:

	30 September 2026	31 December 2025
Due to personnel	207,844	120,376
Social security premiums payable	52,715	47,132
	<u>260,559</u>	<u>167,508</u>

14. OTHER ASSETS AND LIABILITIES

As of 30 September 2026 and 31 December 2025, other current assets are as follows:

<u>Other current assets</u>	30 September 2026	31 December 2025
Receivables from Tax Office(*)	21,953	44,663
Deferred VAT	-	37,699
Other	1,309	1,510
	<u>23,262</u>	<u>83,872</u>

(*) As of September 30, 2026, and December 31, 2025, the balance in the account consists of tax receivables covered by the full exemption.

As of 30 September 2026 and 31 December 2025, other short-term liabilities are as follows:

<u>Other short-term liabilities</u>	30 September 2026	31 December 2025
Taxes and dues payable	44,802	71,057
Other	11,812	7,592
	<u>56,614</u>	<u>78,649</u>

15. SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS

Share capital and capital adjustment differences

The registered capital ceiling of the Group is TL 2,000,000. The Group's issued capital is TL 590,000, and this issued capital has been fully paid without any concealment. As of the publication registration date on 11 July 2024, a capital increase of TL 90,000 has been completed and paid in cash. This capital is divided into a total of 590,000 shares, consisting of 300,000 Group A registered shares with a nominal value of 1 (one) TL each, and 290,000 Group B registered shares with a nominal value of 1 (one) TL each. Group B shares, 29,746 are registered and closed, 260,254 are publicly traded on the stock exchange, making up a total of 290,000 shares.

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15. SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS (cont'd)

Share capital and capital adjustment differences (cont'd)

As of 30 September 2026 and 31 December 2025, the shareholding structure of the Group is as follows:

	30 September 2026		31 December 2025	
	Share Ratio (%)	Amount (TL)	Share Ratio (%)	Amount (TL)
Orhan Ögücü	11.60	68,462	11.60	68,462
Aydın Ögücü	8.11	47,832	8.11	47,832
Celal Ögücü	5.99	35,352	5.99	35,352
Hatice Ögücü	5.61	33,101	5.61	33,101
Burcu Ögücü Giritli	4.53	26,700	4.53	26,700
Alp Ögücü	3.69	21,800	3.69	21,800
Duygu Ögücü	3.51	20,700	3.51	20,700
Huriye Ögücü	3.31	19,500	3.31	19,500
Other Ögücü Family Members	9.54	56,300	9.54	56,300
Azimut Portföy KLM Equity Free Private Fund	9.99	58,967	9.99	58,967
Azimut Portföy HCBO Equity Free Private Fund	8.76	51,666	8.76	51,666
Azimut Portföy RASAT Equity Free Private Fund	8.31	49,037	8.31	49,037
Publicly traded	17.05	100,583	17.05	100,583
Paid in capital	100	590,000	100	590,000
Capital adjustment differences		<u>5,453,400</u>		<u>5,453,400</u>

As of 30 September 2026, capital adjustment differences amounting to TL 5,453,400 consist of capital adjustment differences arising from the inflation adjustment of the Group's paid-in capital amount and not offset against prior years' losses or added to the capital (31 December 2025: TL 5,453,400).

Restricted reserves appropriated from profit

These are reserves arising from the profits of prior periods due to legal or contractual obligations or for certain purposes other than profit distribution. These reserves are shown over the amounts in the Group's legal records, and the differences arising in the preparation of consolidated financial statements in accordance with TFRS are associated with prior years' profit/losses.

The details of the Group's restricted reserves as of 30 September 2026 and 31 December 2025 are as follows:

	30 September 2026	31 December 2025
Legal Reserves	727,773	618,497
	<u>727,773</u>	<u>618,497</u>

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15. SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS (cont'd)

Restricted reserves appropriated from profit (cont'd)

In accordance with Article 519 of the Turkish Commercial Code, 5% of the annual commercial profit is the first order legal reserve fund until it reaches 20% of the paid capital, after 5% dividend is paid to the shareholders, 10% of the total amount to be distributed to those who will receive a share from the profit is allocated as the second legal reserve fund. As the total legal reserves of the Company have reached 20% of the paid-in capital, it has been resolved that no first-tier legal reserve shall be appropriated from the profit distribution for the year 2025, pursuant to Article 519, paragraph 1 of the Turkish Commercial Code. As long as the reserve funds in question do not exceed half of the Group's paid-in capital, they can only be used to cover losses, to continue the business when things are not going well, or to take measures suitable for preventing unemployment and mitigating its consequences.

Dividend distribution

Unless the reserve funds required to be set aside in accordance with the Turkish Commercial Code and the dividend determined for the shareholders in the articles of association or profit distribution policy are set aside, it cannot be decided to allocate other reserve funds, to transfer profits to the next year, or to distribute dividends to dividend share holders, members of the board of directors, partnership employees and persons other than shareholders, and no dividends can be distributed to these persons unless the dividend determined for the shareholders is paid in cash.

Listed companies distribute dividends according to the Communiqué numbered II-19.1 and published on 1 February 2014 in the Official Gazette. It has been decided that the profit distribution will be carried out within the framework of the principles included in the CMB's "Dividend Communiqué" numbered Serial: II-19.1, the provisions in the articles of association of the partnerships and the profit distribution policies announced to the public by the companies.

In addition, in the aforementioned Communiqué, companies that are obliged to prepare consolidated financial statements, as long as it can be met from the resources available in their legal records, it has been regulated that the net distributable profit amount should be calculated by taking into account the net period profits in the consolidated financial statements that they will prepare and announce to the public within the framework of the Communiqué No. Series: II-14.1. In publicly held corporations, dividends are distributed equally to all existing shares as of the distribution date, in proportion to their shares, regardless of their issuance and acquisition dates.

Shareholders distribute their profits within the framework of the profit distribution policies to be determined by their general assemblies and in accordance with the provisions of the relevant legislation, by the decision of the general assembly. Within the scope of the communiqué, a minimum distribution rate has not been determined. Companies pay dividends as specified in their articles of association or profit distribution policies.

Unless the reserve funds required to be set aside in accordance with the Turkish Commercial Code and the dividend determined for the shareholders in the articles of association or profit distribution policy are set aside, it cannot be decided to allocate other reserve funds, to transfer profits to the next year, or to distribute dividends to dividend share holders, members of the board of directors, partnership employees and persons other than shareholders, and no dividends can be distributed to these persons unless the dividend determined for the shareholders is paid in cash.

The proposal of the Board of Directors regarding the payment of gross dividend amounting to TL 900,025 (gross TL 1.5254 and net TL 1.2966 for each share with a nominal value of TL 1.00) to the shareholders in cash on July 6, 2026 was submitted to the approval of the shareholders at the Ordinary General Assembly meeting dated March 24, 2026 and the proposal was approved. The General Assembly of the Company was registered and announced in the trade registry gazette numbered 11555 on 2 April 2026. The dividend payment was made in cash to shareholders on July 6, 2026.

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15. SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS (cont'd)**Accumulated other comprehensive expenses that will not be reclassified to profit or loss***Remeasurement gains (losses) of defined benefit plans:*

As of 30 September 2026, it consists of actuarial gains or (losses) recognized as other comprehensive income related to provision for employment termination benefit amounting to TL 458 (30 September 2025: TL (10,447)).

16. REVENUE AND COST OF SALES

Detail of revenue for the periods ended 30 September 2026 and 2025 is as follows:

	<u>1 January- 30 September 2026</u>	<u>1 January- 30 September 2025</u>	<u>1 July- 30 September 2026</u>	<u>1 July- 30 September 2025</u>
Foreign sales	7,816,009	9,267,864	2,500,451	2,975,601
Domestic sales	3,569,837	3,833,749	1,208,878	1,160,112
	<u>11,385,846</u>	<u>13,101,613</u>	<u>3,709,329</u>	<u>4,135,713</u>
Jumbo roll sales	6,396,154	7,991,217	1,996,826	2,324,041
Converting product sales	4,407,828	4,497,235	1,508,884	1,583,857
Other sales	581,864	613,161	203,619	227,815
	<u>11,385,846</u>	<u>13,101,613</u>	<u>3,709,329</u>	<u>4,135,713</u>
Sales	16,737,153	17,921,973	5,541,143	5,770,778
Other sales	212,938	529,194	92,070	133,133
Sales returns(-)	(18,925)	(15,443)	(5,395)	(4,962)
Sales discounts(-)	(5,545,320)	(5,334,111)	(1,918,489)	(1,763,236)
	<u>11,385,846</u>	<u>13,101,613</u>	<u>3,709,329</u>	<u>4,135,713</u>

Cost of sales for the periods ended 30 September 2026 and 2025 are as follows:

	<u>1 January- 30 September 2026</u>	<u>1 January- 30 September 2025</u>	<u>1 July- 30 September 2026</u>	<u>1 July- 30 September 2025</u>
Cost of finished goods	(8,010,035)	(8,866,379)	(2,770,168)	(2,795,109)
Cost of other sales	(188,386)	(148,918)	(64,192)	(38,138)
Cost of trade goods	(7,342)	(54,857)	202	(1,657)
	<u>(8,205,763)</u>	<u>(9,070,154)</u>	<u>(2,834,159)</u>	<u>(2,834,904)</u>

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17. OTHER OPERATING INCOME AND EXPENSES

Other operating income for the periods ended 30 September 2026 and 2025 are as follows:

	1 January- 30 September 2026	1 January- 30 September 2025	1 July- 30 September 2026	1 July- 30 September 2025
Other operating incomes				
Foreign exchange gains from operations	323,744	535,475	94,879	81,467
Scrap sale incomes	4,346	30,370	719	10,041
Other income	25,899	28,765	14,475	7,106
	<u>353,989</u>	<u>594,610</u>	<u>110,073</u>	<u>98,614</u>

Other operating expenses for the periods ended 30 September 2026 and 2025 are as follows:

	1 January- 30 September 2026	1 January- 30 September 2025	1 July- 30 September 2026	1 July- 30 September 2025
Other operating expenses				
Doubtful receivable expense	(79,735)	(2,806)	(71,228)	5,692
Expense on maturity difference (*)	(101,820)	(2,405)	(37,877)	(1,613)
Recovery contribution share	(15,651)	(18,257)	(15,651)	(3,571)
Other expenses	(7,380)	(5,450)	5,564	(3,157)
	<u>(204,586)</u>	<u>(28,918)</u>	<u>(119,192)</u>	<u>(2,650)</u>

(*) Late charge expenses consists of discount expenses calculated for receivables whose maturity exceeds normal sales conditions.

18. INCOME FROM INVESTING ACTIVITIES

Income from investing activities for the periods ended 30 September 2026 and 2025 are as follows:

	1 January- 30 September 2026	1 January- 30 September 2025	1 July- 30 September 2026	1 July- 30 September 2025
Incomes from investing activities				
Gain on disposal of property, plant and equipment	578	681,784	15	113,534
Marketable securities fair value gains	105,741	79,705	54,979	37,310
	<u>106,319</u>	<u>761,489</u>	<u>54,994</u>	<u>150,844</u>

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19. FINANCE INCOME AND EXPENSES

Finance income for the periods ended 30 September 2026 and 2025 are as follows:

	1 January- 30 September 2026	1 January- 30 September 2025	1 July- 30 September 2026	1 July- 30 September 2025
Finance income				
Interest income	936,369	1,230,184	309,200	347,340
Foreign exchange gains, net	94,696	62,972	51,177	13,228
Gain from derivative instruments	3,874	-	812	-
	<u>1,034,939</u>	<u>1,293,156</u>	<u>361,189</u>	<u>360,568</u>

Finance expenses for the periods ended 30 September 2026 and 2025 are as follows:

	1 January- 30 September 2026	1 January- 30 September 2025	1 July- 30 September 2026	1 July- 30 September 2025
Finance expenses				
Interest and commission expenses	(230,689)	(223,321)	(86,458)	(59,808)
Foreign exchange losses	(181,988)	(462,820)	(98,158)	(66,340)
Loss from derivative instruments	-	(59,439)	-	4,916
	<u>(412,677)</u>	<u>(745,580)</u>	<u>(184,616)</u>	<u>(121,232)</u>

20. INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)

Corporate tax

The Group, its subsidiaries established in Türkiye and other countries, associates and joint ventures are subject to the tax legislation and practices in the countries which they are operating.

Current tax liability:

	30 September 2026	31 December 2025
Corporate tax provision	(53,952)	(84,734)
Less: prepaid taxes and funds	81,093	240,165
	<u>27,141</u>	<u>155,431</u>

As of 30 September 2026 and 2025, the distribution of consolidated tax expense is as follows:

	1 January- 30 September 2026	1 January- 30 September 2025	1 July- 30 September 2026	1 July- 30 September 2025
<u>Current tax income/(expense) :</u>				
Corporate tax (-)	(53,952)	(73,806)	(13,626)	42,080
Deferred tax income/(expenses)	188,686	103,860	26,483	30,028
	<u>134,734</u>	<u>30,054</u>	<u>12,857</u>	<u>72,108</u>

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20. INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (cont'd)

Deferred Tax

The Group recognizes deferred tax assets and liabilities based upon temporary differences arising between its financial statements as reported for TFRS purposes and its statutory tax financial statements. These differences usually result in the recognition of revenue and expenses in different reporting periods for TFRS and tax purposes and they are given below. Pursuant to Law No. 7582 on Amendments to Certain Laws, the applicable enacted tax rates expected to apply in the relevant periods (%10.86–23%) have been used in the measurement of deferred tax assets and liabilities as of 30 September 2026 (31 December 2025: 23%).

Turkish tax legislation does not permit a parent company and its subsidiary to file a consolidated tax return. Therefore, provisions for taxes, as reflected in the accompanying consolidated financial statements, have been calculated on a separate-entity basis.

As of 30 September 2026 and 31 December 2025, total temporary differences and deferred tax assets/(liabilities) are as follows:

	30 September 2026		31 December 2025	
	Total temporary differences	Deferred tax assets/(liability)	Total temporary differences	Deferred tax assets/(liability)
Investments allowances	(707,187)	311,162	(638,690)	281,024
Adjustments related to property, plant and equipment and intangible assets	2,690,323	(336,290)	1,971,832	(473,240)
Adjustments related to right of use assets	103,012	(10,664)	117,623	(28,546)
Adjustments related to employee benefits	(143,379)	17,259	(123,395)	29,289
Other	135,605	(13,368)	132,481	(28,961)
Deferred tax liability	2,078,374	(31,901)	1,459,851	(220,434)

As of 30 September 2026 and 2025, the movement of deferred tax assets/(liability) is as follows:

	1 January- 30 September 2026	1 January- 30 September 2025
Movement of deferred tax assets / (liabilities)		
Opening balance as of 1 January	(220,434)	(420,876)
Amounts under profit or loss	188,686	103,860
Amounts under other comprehensive income	(153)	3,482
Closing balance as of 30 September	(31,901)	(313,534)

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21. EARNINGS PER SHARE

Earnings per share are calculated by dividing net profit by the weighted average number of shares that have been outstanding during the year. Companies can increase their share capital by making a pro-rata distribution of shares ("bonus shares") to existing shareholders from retained earnings on equity items. Such kind of bonus shares are taken into consideration in the computation of earnings per share as issued share certificates. For the purpose of earnings per share computations, the weighted average number of shares outstanding during the period has been adjusted in respect of bonus shares issues without a corresponding change in resources, by giving them retroactive effect for the year in which they were issued and each earlier year. There is no equity item that has a decreasing effect on earnings per share.

The weighted average of the total number of shares and calculation of earnings per share for the periods are as follows:

	1 January- 30 September 2026	1 January- 30 September 2025	1 July- 30 September 2026	1 July- 30 September 2025
Profit for the period	442,048	1,830,842	91,830	533,513
Average number of shares outstanding during the period	590,000	590,000	590,000	590,000
Earnings per share	0.75	3.10	0.16	0.90

22. FINANCIAL INSTRUMENTS

Financial Liabilities

The details of the Group's short-term borrowings as of 30 September 2026 and 31 December 2025 are as follows:

Financial borrowings	30 September 2026	31 December 2025
Bank loans	245,092	266,803
Short-term financial leaseings (*)	32,239	31,621
Short-term portion of long-term borrowings	311,144	809,935
	<u>588,475</u>	<u>1,108,359</u>

(*) Consists of the Group's liabilities from lease agreements within the scope of TFRS 16.

The details of the Group's long-term borrowings as of 30 September 2026 and 31 December 2025 are as follows:

Financial borrowings	30 September 2026	31 December 2025
Long-term financial borrowings	1,596,936	992,522
Long-term financial leaseings (*)	26,114	41,057
	<u>1,623,050</u>	<u>1,033,579</u>

(*) Consists of the Group's liabilities from lease agreements within the scope of TFRS 16.

As of 30 September 2026, the Group has fully repaid the loans obtained from HSBC and has no outstanding financial commitments. As of 31 December 2025, the Group had financial commitments in respect of loans amounting to TL 113,590 equivalent to EUR 1,811.

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22. FINANCIAL INSTRUMENTS (cont'd)

Financial Liabilities (cont'd)

Short and long term bank borrowings

30 September 2026			
Currency	Average effective interest rate %	Short-term	Long-term
US Dollars	6.19%	490,184	980,368
TL	49.52%	66,052	60,000
Euro	5.14%	-	556,568
		<u>556,236</u>	<u>1,596,936</u>

Short and long term bank borrowings

31 December 2025			
Currency	Average effective interest rate %	Short-term	Long-term
US Dollars	8.23%	266,426	266,426
TL	49.52%	69,089	99,454
Euro	4.75%	741,223	626,642
		<u>1,076,738</u>	<u>992,522</u>

As of 30 September 2026 and 31 December 2025, the repayment schedule of bank borrowings is as follows:

Repayments of borrowings	30 September 2026	31 December 2025
To be paid within 1 year	556,236	1,076,738
To be paid between 1-5 years	1,596,936	992,522
	<u>2,153,172</u>	<u>2,069,260</u>

As of 30 September 2026 and 2025, the movement details of the Group's bank borrowings are as follows:

	1 January- 30 September 2026	1 January- 30 September 2025
Opening balance	2,069,260	3,776,190
Effects of inflation index	(436,121)	(643,096)
Additions	1,239,535	543,909
Principal payments	(1,009,887)	(2,761,178)
Interest expenses	111,189	166,594
Foreign exchanges	179,196	471,944
Closing balance as of 30 September	<u>2,153,172</u>	<u>1,554,363</u>

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23. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

a) Capital risk management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of debt, including the borrowings disclosed in Note 22, and equity attributable to equity holders of the parent, comprising cash and cash equivalents, issued capital, reserves and retained earnings.

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital, as well as the level of dividends to ordinary shareholders.

The Group's board of directors reviews the capital structure monthly. During these reviews, the board evaluates the risks associated with each capital class, along with the cost of capital. Based on the recommendations made by the board, the Group aims to stabilize its capital structure through the acquisition of new debt or the repayment of existing debt, as well as through dividend payments, issuance of new shares and repurchase of shares.

b) Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

Credit risk management

The Group's exposure to credit risk arises from the failure of a customer or counterparty to fulfil the contractual provisions of a financial instrument and mainly comprises financial losses that may arise from the Group's trade receivables and investments in debt securities.

In order to minimize credit risk, the Group uses products such as mortgages / letters of guarantee and receivable insurance, depending on the business unit. As at 30 September 2026 and 31 December 2025, 30% and 25% of the Company's receivables, respectively, are protected from credit risk within the framework of the guarantees mentioned above. In domestic collection tools, credit cards are used at an optimum level by evaluating conditions such as collateral, mortgage and prepayment. Credit ratings and findeks reports of the customers we work with, especially in the fast-moving consumption business area, are regularly obtained and credit limits are closely monitored.

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. As of 30 September 2026, the maximum risks that the Group may be exposed to as a result of the failure of the counterparties to fulfill their obligations arise from the following factors:

- the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position; and
- the maximum amount the entity would have to pay if the financial guarantee is called upon.

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23. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

b) Financial risk factors (cont'd)

Credit risk management (cont'd)

In each financial statement period, the Group allocates provisions for all of its overdue receivables that are impaired, and the receivables from customers with maturities above the usual sales maturity are monitored at the Board of Directors level and are reflected in the financial statements at a discount in accordance with the market interest rates. The amounts of the Group's provisions for doubtful trade receivables which are ongoing legal process as of 30 September 2026 and 31 December 2025 are TL 84,387 and TL 6,671 respectively. The Group continuously and uninterruptedly reconciles with its customers and monitors its receivables at the closest level.

Credit risk refers to the risk that one of the parties will default on its contractual obligations resulting in financial loss to the Group. The Group, aiming to decrease credit risk by transacting only with parties who has credit assurance and where possible, obtaining sufficient guarantee. Credit risks which the Group is exposed, and credibility of customers are being watched continuingly. Credit risk is being controlled through limits for customers which are reviewed and approved annually by the management.

Trade receivables comprise a large number of customers in the construction industry and various geographical areas. Credit assessments are continuingly performed for trade receivables balances from customers and receivables are insured where necessary.

Aging of overdue receivables is as follows:

	30 September 2026	31 December 2025
1- 90 days overdue	524,488	567,349
91- 180 days overdue	167,023	121,358
181- 360 days overdue	396,018	361,999
Total overdue receivables	1,087,529	1,050,706
Covered part with guarantee	378,205	374,872
	709,324	675,834

Liquidity risk management

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Company uses the activity-based costing method to cost its products and services, which helps to monitor cash flow requirements and optimise the cash return on investments.

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23. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

b) Financial risk factors (cont'd)

Liquidity risk management (cont'd)

Changes in the general economic conjuncture may cause changes in the financing conditions provided by financial institutions. The Group's net working capital requirement may vary according to raw material prices, tonnage growth, market conditions and factors beyond the Group's control.

The Group uses an activity-based costing method to cost its products and services, which helps to monitor cash flow requirements and optimise the cash return on investments.

Market risk management

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Group has adopted a natural "hedging" policy against currency risks. The ratio of currency types of inputs and the currency ratio of expenses are very close to each other. With over 70% of exports (predominantly USD), close to 70% of sales correspond to foreign currency based inputs (predominantly USD) from abroad and domestically. Likewise, a foreign currency and TL denominated loan policy has been adopted in proportion to sales. In cases where proportional differences arise in foreign currency denominated transactions, balance is achieved through forward derivative transactions.

In the current year, there has been no change in the Group's exposure to market risks or in the Group's methods of managing and measuring market risk compared to the previous year.

Currency risk management

The Group has exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The currencies in which these transactions primarily denominated are USD and EUR. Generally, borrowings are principally denominated in Euro and US Dollars at exchange rates that match the cash flows generated from the Group's operations.

All of the cellulose, which constitutes a significant portion of the costs, is imported and since a significant portion of the Company's foreign purchases are realised as cash imports, both the debt burden on the balance sheet is low and the exchange rate risk is avoided. The Group's policy with respect to other monetary assets and liabilities denominated in foreign currencies is to purchase or sell at spot exchange rates to resolve short-term imbalances and to keep the net exposure at acceptable levels.

Forward transactions are contracts in which the currency type, amount, maturity, and exchange rate (price) are specified today to ensure that a currency exchange takes place at a future date.

Transactions in foreign currencies cause foreign currency risk.

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23. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

b) Financial risk factors (cont'd)

Currency risk management (cont'd)

The distribution of the Group's foreign currency denominated monetary and non-monetary assets and monetary and non-monetary liabilities as of the balance sheet date is as follows:

	30 September 2026						
	TL Equivalent	US Dollars	Euro	GBP	CHF	JPY	CNY
1. Trade receivables	2,814,410	31,677	22,759	-	-	-	-
2a. Monetary assets	3,963,360	57,701	20,251	-	51	-	1,645
2b. Non-Monetary assets	610,321	12,432	36	-	-	49	-
3. Other	-	-	-	-	-	-	-
4. Current assets (1+2+3)	7,388,091	101,810	43,046	-	51	49	1,645
5. Trade receivables	-	-	-	-	-	-	-
6a. Monetary assets	472,149	2,520	5,471	15	458	-	2,355
6b. Non-Monetary assets	-	-	-	-	-	-	-
7. Other	-	-	-	-	-	-	-
8. Non-current assets (5+6+7)	472,149	2,520	5,471	-	458	-	2,355
9. Total assets (4+8)	7,860,240	104,330	48,517	-	509	49	4,000
10. Trade payables	2,679,045	51,899	2,426	-	-	-	-
11. Financial liabilities	490,184	10,000	-	-	-	-	-
12a. Monetary liabilities	34,685	689	16	-	-	-	-
12b. Non-Monetary liabilities	-	-	-	-	-	-	-
13. Short-term liabilities (10+11+12)	3,203,914	62,588	2,442	-	-	-	-
14. Trade payables	-	-	-	-	-	-	-
15. Financial liabilities	1,536,936	20,000	10,000	-	-	-	-
16a. Monetary liabilities	-	-	-	-	-	-	-
16b. Non-Monetary liabilities	-	-	-	-	-	-	-
17. Long-term liabilities (14+15+16)	1,536,936	20,000	10,000	-	-	-	-
18. Total liabilities (13+17)	4,740,850	82,588	12,442	-	-	-	-
19. Position of net assets /(liabilities) of off balance sheet derivative instruments (19a-19b)	-	-	-	-	-	-	-
19a. Amount of total hedged assets	-	-	-	-	-	-	-
19b. Amount of total hedged liabilities	-	-	-	-	-	-	-
20. Position of net foreign currency assets/ (liabilities) (9-18+19)	3,119,390	21,742	36,075	-	509	49	4,000
21. Positions of monetary items net foreign currency assets/ (liabilities) (TFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)	3,119,390	21,742	36,075	-	509	49	4,000

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23. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

b) Financial risk factors (cont'd)

Currency risk management (cont'd)

The distribution of the Group's foreign currency denominated monetary and non-monetary assets and monetary and non-monetary liabilities as of the balance sheet date is as follows:

	31 December 2025				
	TL Equivalent	US Dollars	Euro	GBP	CHF
1. Trade receivables	2,830,963	30,523	19,279	-	-
2a. Monetary assets	4,189,925	56,855	18,579	-	3
2b. Non-Monetary assets	46,582	867	6	-	-
3. Other	-	-	-	-	-
4. Current assets (1+2+3)	7,067,470	88,245	37,864	-	3
5. Trade receivables	-	-	-	-	-
6a. Monetary assets	837,757	87	13,327	-	-
6b. Non-Monetary assets	-	-	-	-	-
7. Other	-	-	-	-	-
8. Non-current assets (5+6+7)	837,757	87	13,327	-	-
9. Total assets (4+8)	7,905,227	88,332	51,191	-	3
10. Trade payables	313,158	4,549	1,115	1	8
11. Financial liabilities	1,007,649	5,000	11,830	-	-
12a. Monetary liabilities	16,471	304	4	-	-
12b. Non-Monetary liabilities	-	-	-	-	-
13. Short-term liabilities (10+11+12)	1,337,278	9,853	12,949	1	8
14. Trade payables	-	-	-	-	-
15. Financial liabilities	893,068	5,000	10,000	-	-
16a. Monetary liabilities	-	-	-	-	-
16b. Non-Monetary liabilities	-	-	-	-	-
17. Long-term liabilities (14+15+16)	893,068	5,000	10,000	-	-
18. Total liabilities (13+17)	2,230,346	14,853	22,949	1	8
19. Position of net assets /(liabilities) of off balance sheet derivative instruments (19a-19b)	-	-	-	-	-
19a. Amount of total hedged assets	-	-	-	-	-
19b. Amount of total hedged liabilities	-	-	-	-	-
20. Position of net foreign currency assets/ (liabilities) (9-18+19)	5,674,881	73,479	28,242	(1)	(5)
21. Positions of Monetary items net foreign currency assets/ (liabilities) (TFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)	5,674,881	73,479	28,242	(1)	(5)

The Group's foreign currency risk mainly arises from the changes in the value of TL against Euro and USD.

The basis of the sensitivity analysis to measure the currency risk is to explain the total currency made throughout the institution. The total foreign currency position includes all foreign currency-based short-term and long-term purchase contracts and all assets and liabilities. The analysis does not include net foreign currency investments. The Company realizes its medium and long term loans in the currency of the project revenues it obtains. For short-term loans, borrowings are realized in TL, Euro and US Dollars in a balanced manner under the pool / portfolio model.

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23. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

b) Financial risk factors (cont'd)

Currency risk management (cont'd)

The following table details the Group's sensitivity to a 10% increase and decrease in US Dollars and Euro against TL. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit or equity.

30 September 2026				
	Profit / Loss		Shareholders equity	
	Foreign currency appreciation	Foreign currency depreciation	Foreign currency appreciation	Foreign currency depreciation
In case the US Dollars gains / loses 10% against TL				
1- US Dollar net asset / liability	105,657	(105,657)	105,657	(105,657)
2- Amount hedged for US Dollar risk (-)	-	-	-	-
3- US Dollar net effect (1 + 2)	105,657	(105,657)	105,657	(105,657)
In case the EUR gains / loses 10% against TL				
4- Euro net asset / liability	200,296	(200,296)	200,296	(200,296)
5- Amount hedged for Euro risk (-)	-	-	-	-
6- Euro net effect (4 + 5)	200,296	(200,296)	200,296	(200,296)
In case the GBP gains / loses 10% against TL				
7- GBP net asset / liability	100	(100)	100	(100)
8- Amount hedged for GBP (-)	-	-	-	-
9- GBP net effect (7+8)	100	(100)	100	(100)
In case the JPY gains / loses 10% against TL				
10- JPY net asset / liability	2	(2)	2	(2)
11- Amount hedged for JPY (-)	-	-	-	-
12- JPY net effect (10+11)	2	(2)	2	(2)
In case the CHF gains / loses 10% against TL				
10- CHF net asset / liability	2,982	(2,982)	2,982	(2,982)
11- Amount hedged for CHF (-)	-	-	-	-
12- CHF net effect (13+14)	2,982	(2,982)	2,982	(2,982)
In case the CNY gains / loses 10% against TL				
13- CNY net asset / liability	2,902	(2,902)	2,902	(2,902)
14- Amount hedged for CNY (-)	-	-	-	-
15- CNY net effect (16+17)	2,902	(2,902)	2,902	(2,902)
TOTAL (3 + 6 + 9 +12 +15+18)	311,939	(311,939)	311,939	(311,939)

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23. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

b) Financial risk factors (cont'd)

Currency risk management (cont'd)

		31 December 2025			
		Profit / Loss		Shareholders equity	
		Foreign currency appreciation	Foreign currency depreciation	Foreign currency appreciation	Foreign currency depreciation
In case the US Dollars gains / loses 10% against TL					
1- US Dollar net asset / liability		391,239	(391,239)	391,239	(391,239)
2- Amount hedged for US Dollar risk (-)		-	-	-	-
3- US Dollar net effect (1 + 2)		<u>391,239</u>	<u>(391,239)</u>	<u>391,239</u>	<u>(391,239)</u>
In case the EUR gains / loses 10% against TL					
4- Euro net asset / liability		176,294	(176,294)	176,294	(176,294)
5- Amount hedged for Euro risk (-)		-	-	-	-
6- Euro net effect (4 + 5)		<u>176,294</u>	<u>(176,294)</u>	<u>176,294</u>	<u>(176,294)</u>
In case the GBP gains / loses 10% against TL					
7- GBP net asset / liability		(7)	7	(7)	7
8- Amount hedged for GBP (-)		-	-	-	-
9- GBP net effect (7+8)		<u>(7)</u>	<u>7</u>	<u>(7)</u>	<u>7</u>
In case the CHF gains / loses 10% against TL					
10- CHF net asset / liability		(37)	37	(37)	37
11- Amount hedged for CHF (-)		-	-	-	-
12- CHF net effect (10+11)		<u>(37)</u>	<u>37</u>	<u>(37)</u>	<u>37</u>
TOTAL (3 + 6 + 9 + 12)		<u>567,488</u>	<u>(567,488)</u>	<u>567,488</u>	<u>(567,488)</u>

24. FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES UNDER THE HEDGING ACCOUNTING FRAMEWORK)

Fair Value of Financial Instruments

The following table analyses the financial instruments measured at fair value and determined by valuation method. Fair value calculations have been made based on the stages described below:

- Quoted prices (unadjusted) in active markets for specific assets and liabilities (Level 1)).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2).
- Inputs for assets and liabilities that cannot be determined on the basis of observable market data (unobservable inputs) (Level 3).

	Level 1	Level 2	Level 3
30 September 2026			
Financial Assets and Investment Funds	2,107,963	-	-
31 December 2025			
Financial Assets and Investment Funds	2,823,040	-	-

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NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2026

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of purchasing power of the TRY at 30 September 2026 unless otherwise indicated.)

25. 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 to TL 1,770,000 through a 200% capital increase amounting to TL 1,180,000, within the registered capital ceiling of TL 2,000,000. The capital increase will be fully financed from the "Positive Differences on Capital Restatement" account, amounting to TL 4,027,407, 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, 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.

26. CASH AND CASH EQUIVALENTS

As of 30 September 2026 and 31 December 2025, details of cash and cash equivalents are as follows:

	30 September 2026	31 December 2025
Banks	4,391,667	4,520,028
- Demand deposits	99,380	18,590
- Time deposits	4,292,287	4,501,438
Investment Funds (*)	1,600,248	2,516,300
Other cash and cash equivalents (**)	60,920	31,045
Total	6,052,835	7,067,373

(*) As of 30 September 2026 and 31 December 2025, the balances are invested in money market funds.

(**) As of 30 September 2026 and 31 December 2025, other cash and cash equivalents consist of credit card receivables with maturities less than 30 days.

Foreign currency and interest rate risks and sensitivity analyses for the Group's financial assets and liabilities are disclosed in Note 23.

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NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2026

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26. CASH AND CASH EQUIVALENTS (cont'd)

As of 30 September 2026 and 2025, the movement details of the Group's time deposits are as follows:

			30 September 2026	
Currency	Effective interest rate (%)	Maturity	Original currency	TL Equivalent
TL	35,00-37,60	1-30 Days	623,073	623,073
Euro	0,01-2,10	1-30 Days	19,775	967,280
US Dollars	0,01-4,90	1-30 Days	48,674	2,701,934
				<u>4,292,287</u>
			31 December 2025	
Currency	Effective interest rate (%)	Maturity	Original currency	TL Equivalent
TL	38,50-38,75	1-10 Days	323,627	323,627
Euro	0,01-1,85	1-30 Days	11,703	1,149,201
US Dollars	0,01-4,00	1-30 Days	63,812	3,028,610
				<u>4,501,438</u>

27. EXPLANATIONS ON NET MONETARY POSITION GAINS/(LOSSES)

Non-Monetary Items	1 January- 30 September 2026	1 January- 30 September 2025
<u>Statement of financial positions</u>		
Inventories	68,767	63,732
Prepaid expenses	(723)	9,269
Property, plant and equipments	316,145	(49,432)
Intangible assets	5,118	6,322
Right of use assets	18,484	(7,143)
Associates	494	671
Other liabilities	(789)	(11,568)
Deferred tax liabilities	976,075	311,658
Paid-in capital	(154,596)	(209,712)
Share premiums	(761,711)	(1,033,369)
Accumulated other comprehensive expenses not to be reclassified to profit or loss	7,402	14,939
Restricted reserves appropriated from profit	(75,189)	(59,608)
Tax expense for the period	(696,301)	(43,727)
Retained earnings	(1,898,545)	(1,398,562)
<u>Statement of profit or loss items</u>		
Revenue	(805,513)	(1,104,323)
Cost of sales	1,223,957	1,531,281
Marketing, sales and distribution expenses	192,737	171,205
General administrative expenses	39,681	65,212
Income and expenses from investing activities	(25,350)	(61,493)
Income and expenses from financing activities	(24,969)	(41,204)
Income and expenses from operating activities	(8,197)	(92,391)
Net monetary position losses	<u>(1,603,023)</u>	<u>(1,938,243)</u>