

Kale Seramik

**2026 Q1
Operating Results**

May 6, 2026



2026 Q1 Highlights

- Strong and differentiating performance by the company thanks to transformation and restructuring process
 - Net sales increase by 23% in real terms
 - Continued improvement in operational margins
 - ❑ Gross margin around 16% (Q1 2025: 4.4%)
 - ❑ 3.5% EBITDA margin (Q1 2025: -10%)
- The continued negative impact of high financing costs on net profit: TL 747 million
- Continuing improvement in working capital/net sales
- Decision to set up a 5 MWe capacity SPP in Yerköy in order to increase the use of renewable energy sources
- Breakeven point reached for Turkish operations

TL 4.6 billion

Net Sales

15.9%

Gross Margin

3.5%

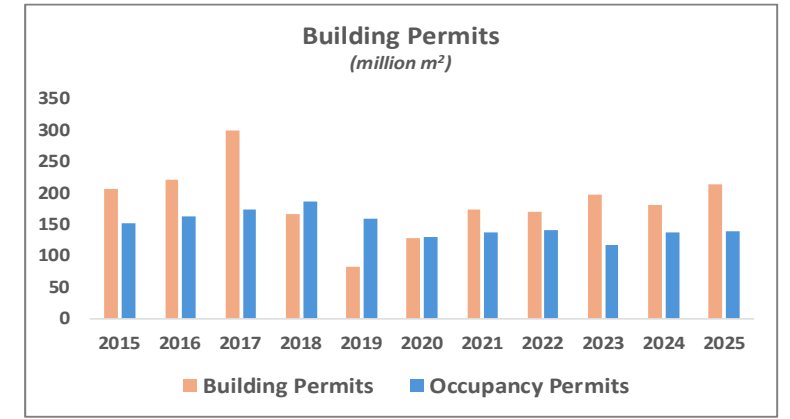
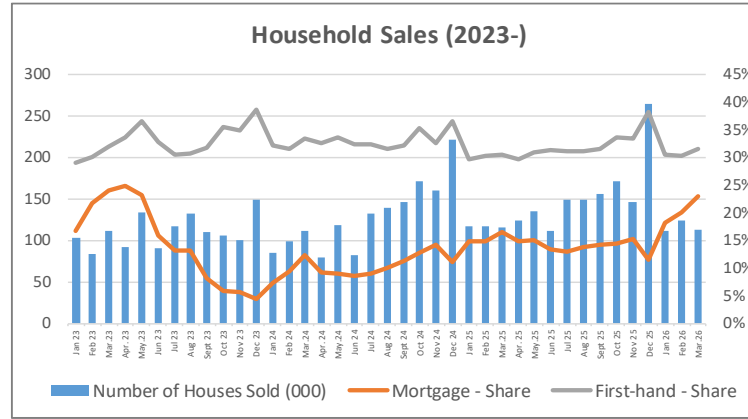
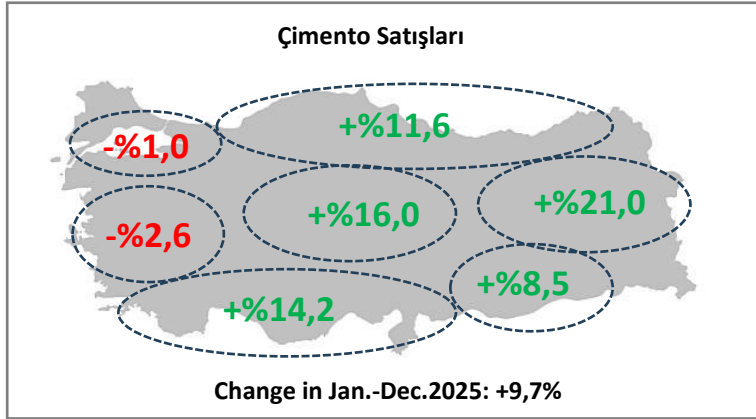
EBITDA Margin

25,1%

Working Capital/
Net Sales



Turkish Market: Construction Industry



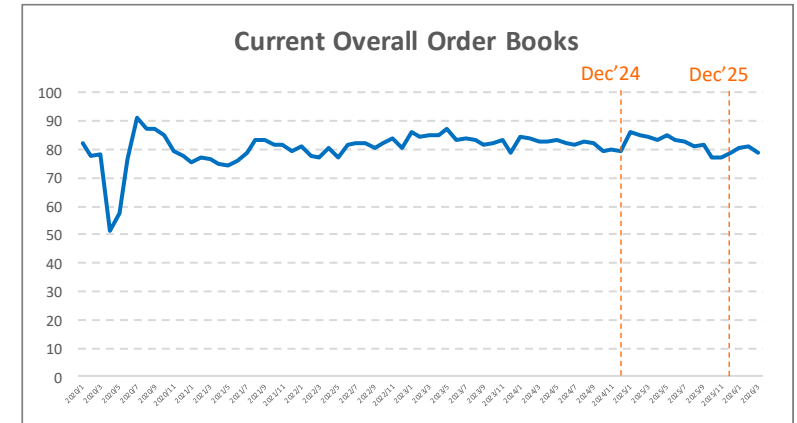
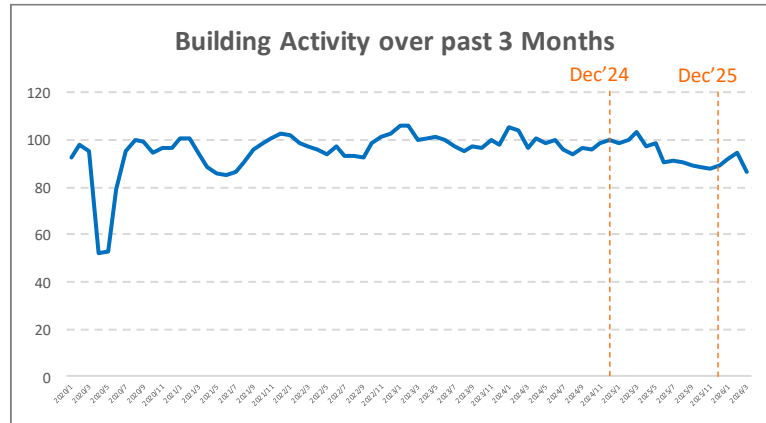
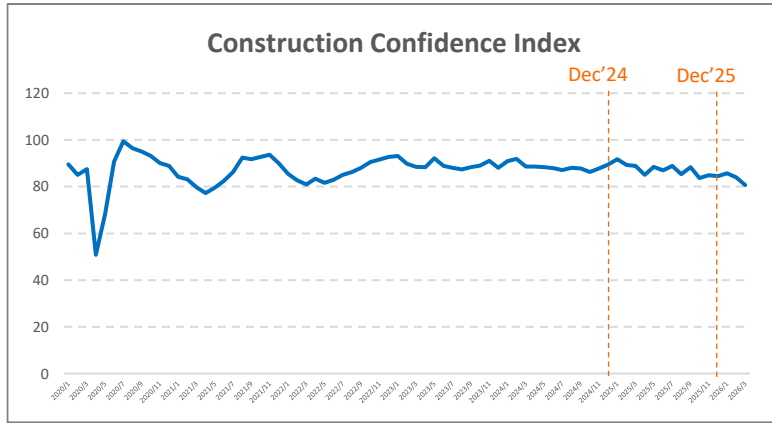
- In the cement sector, which realized the highest domestic sales in its history in 2025, mainly due to its construction activities in the earthquake zone, signs of recovery were seen in March after the contraction in Jan.-Feb. 2026.
- The prolonged winter conditions, especially in the Eastern regions, negatively affected the sector in the first two months of the year.

- In the first quarter of 2026, housing sales was flat with 349.4 K units.(-0.3%)
- While there was a 1.7% increase in first-hand house sales, second-hand sales decreased by 1.2%.
- The share of mortgage sales, which increased by approximately 31%, exceeded 20% in total sales.

- In 2025, the number of flats issued building permits increased by 30%, reaching 1,1 mio. units. The increase was 18% in m².
- The occupancy permits, which show the number of completed flats, the increase in the number of flats was 6% and was just 1% in m².
- The 2026 Q1 data is expected to be published by TurkStat on May 22.



Turkish Market: Construction Industry



- Compared to the end of 2025, the construction confidence index declined by approximately 4 points in the first quarter of 2026.
(Dec'25: 84,5 vs. March '26: 80,6)
- Compared to March 2025, the decline is around 8 points.

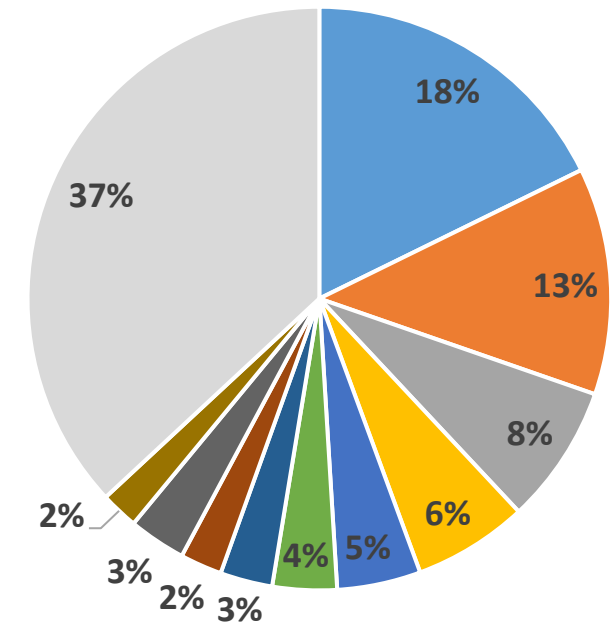
- In parallel with the completion process of the houses in earthquake zone, the construction activities index for the last 3 months decreased by approximately 3 points in the last quarter and by 17 points in the last year.

- The new orders received index, which showed a positive performance in January-February, fell back to the level of the Dec.'25 in March'26.
- The index is around 6 points below its level in March '25.

Export Markets: Ceramic Coating Materials

- According to January-March 2026 data, Turkiye's ceramic tile exports
 - were down by around 17% to USD 133 million.
 - decreased by 26% in volume (m²) to 17 million m².
 - unit sales price was up from USD/m² 7 to 7.9.
- The top five countries with the highest exports were Germany, USA, UK, France and Morocco, respectively, while exports to these 5 countries accounted for 50% of total exports.
- Among the Top 10 markets, increase in both value and quantity was recorded only in the TRNC.

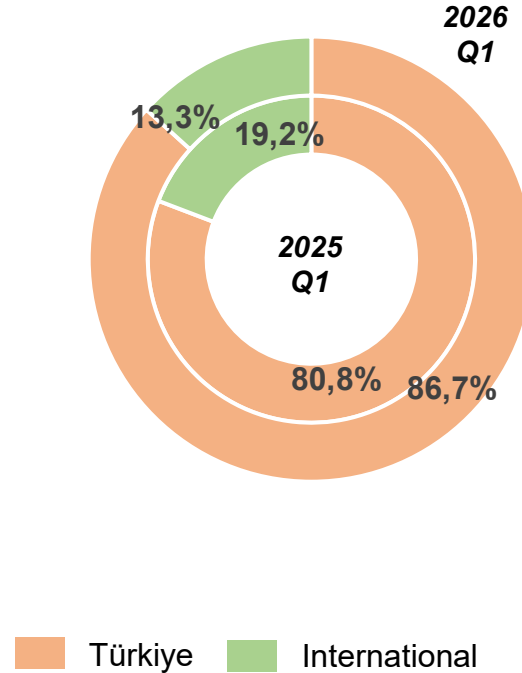
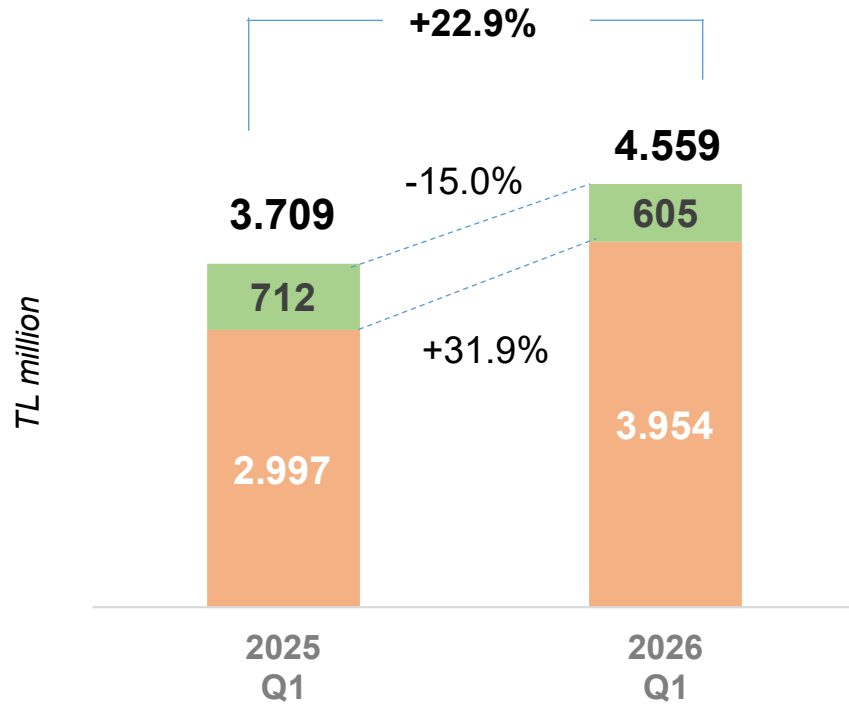
2026 Jan.-Mar. Exports of Turkiye
(000 m²)



- Germany ■ USA ■ UK ■ France
- Morocco ■ TRNC ■ Canada ■ Iraq
- Romanis ■ Belgium ■ Others



Sales Growth & Breakdown by Region

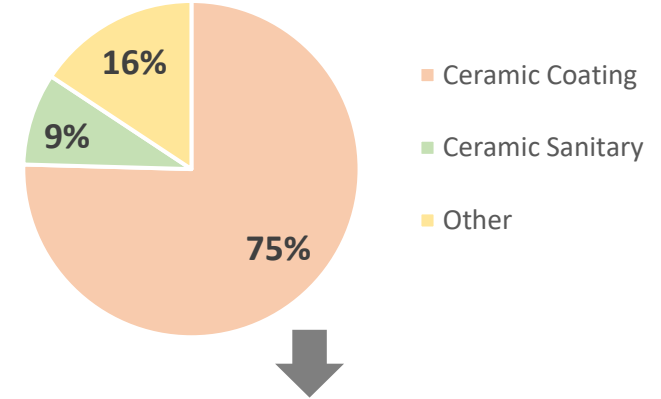


- In the first quarter of the year, thanks to the high growth achieved in the domestic market, Türkiye's share in the total increased up to 87%.
- The share of exports in the total decreased to 13% due to the stagnation in export markets, the anti-dumping implemented by the EU, the company's focus on profitable exports and strong domestic sales.
- Since Iraq's share in total sales is still very low (1.5%), the impact of the regional developments is minimal.

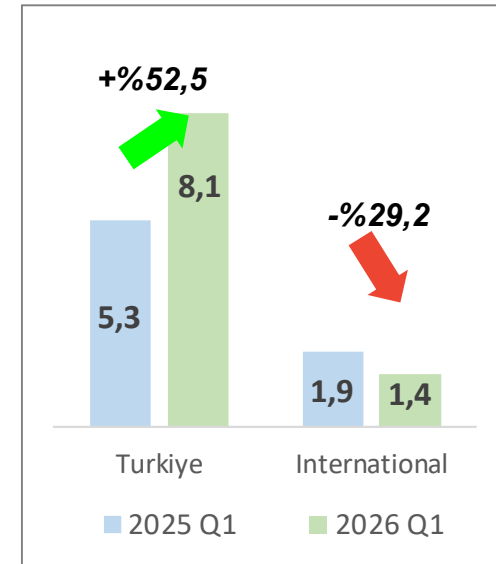


Sales Volume Growth

- Ceramic coating materials accounted for 75% of total sales in 2026 Q1.
- The sales growth trend in 2025 Q4 continued in 2026 Q1.
- Our ceramic coating material sales increased by approximately 53% in the domestic market in terms of volume (m²) with the low base effect of last year.
- International sales volume decreased by around 29% due to the stagnation in the European market and EU's anti-dumping practice on Turkish producers, as well as our company's deliberate restriction of exports in low-profitability segments.
- Overall volume growth in ceramic coating material sales reached 31%.



Ceramic Coating Materials Sales Volume
(million m²)





Other Developments

- With the completion of the second phase of the Slab-Sinterflex investment in May 2026, the first phase of which was commissioned in June 2025, the capacity of these products will increase from 1.6 million m² to 2.4 million m².
- The transformation of the retail experience, exemplified by our Istanbul Fulya store, which was redesigned with the "Living Spaces" concept in 2025, is planned to be expanded in 2026 with both new stores and renovated sales points.





Other Developments

- As Kaleseramik, we took our place at Coverings 2026, America's largest tile and natural stone fair, held in Las Vegas, USA, between March 30 and April 2, 2026.
 - By showcasing our wide production capabilities ranging from 2 mm to 20 mm and new generation products at the fair, we highlighted our technology and design power in line with the goal of increasing our claim in the US market.
- Considering the increasing energy costs; it has been decided to sign a contract worth USD 3.75 million to establish a 5 MWe capacity SPP in Yerkoj, with a financing model without the use of equity, and to cover its operation following its transfer to our company after installation, in order to increase the use of renewable energy resources and achieve the Company's sustainability goals.



Financial Statements

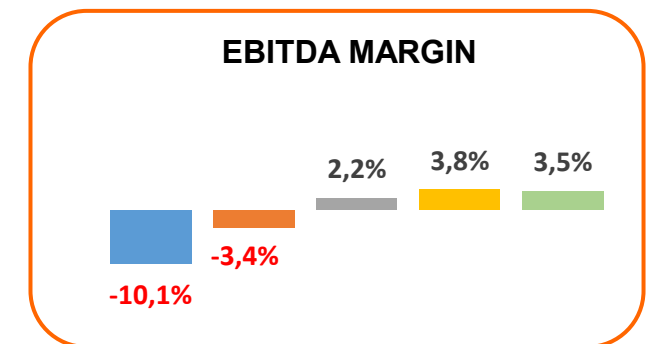
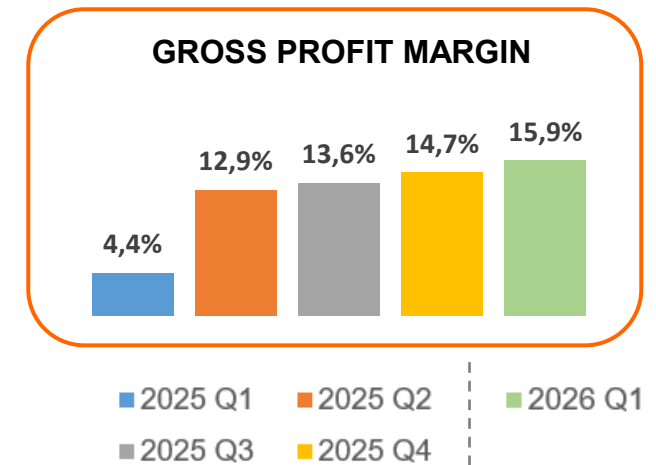
IAS-29 APPLIED

P&L Summary*

* IAS-29 applied

(TL million)	2026 Q1	2025 Q1	Y-on-Y Change	2025 Q4	Q-on-Q Change
Net Sales	4.559,4	3.708,9	22,9%	3.940,4	15,7%
Gross Profit	723,2	163,2		579,2	24,9%
Margin	15,9%	4,4%		14,7%	
Operating Profit	-231,0	-694,5		-260,5	
Margin	-5,1%	-18,7%		-6,6%	
Profit Before Financing	-272,4	-722,9		-227,1	
Margin	-6,0%	-19,5%		-5,8%	
Financial Income	44,5	208,4		69,3	
Financial Expense	-791,7	-906,3		-983,8	
Monetary Gain (Loss)	782,7	603,4		209,6	
Profit Before Tax	-236,9	-817,4		-932,0	
Margin	-5,2%	-22,0%		-23,7%	
Net Profit	-133,0	-846,2		-1.675,2	
Margin	-2,9%	-22,8%		-42,5%	
EBITDA	158,6	-372,9		150,0	5,7%
Margin	3,5%	-10,1%		3,8%	

- Operational profit margins continue to improve.





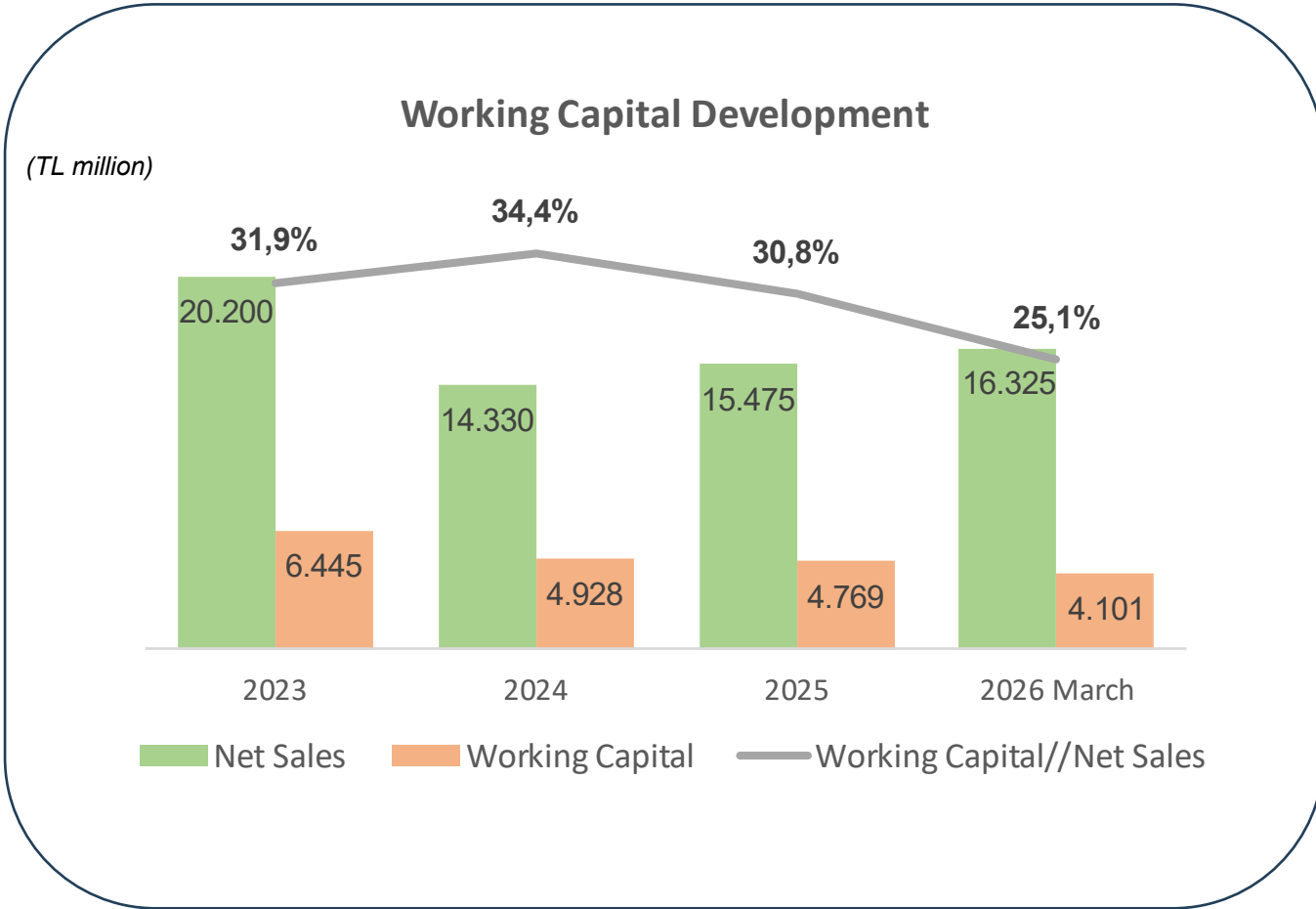
Balance Sheet*

* IAS-29 applied

<i>(TL million)</i>	31.03.2026	31.12.2025		31.03.2026	31.12.2025
Current Assets	9.266,8	9.776,7	Current Liabilities	11.239,8	11.370,6
Cash & Cash Equivalents	626,4	621,6	Bank Loans	4.889,0	4.848,9
Trade Receivables	4.466,2	4.513,2	Lease Liabilities	148,1	45,9
Inventories	3.724,9	4.162,9	Trade Payables	4.090,4	3.907,6
Prepaid Expenses	284,5	280,8	Deferred Incomes	1.325,9	2.107,3
Current Tax Assets	80,8	79,7	Provisions	198,0	157,2
Others	84,1	118,5	Others	588,4	303,7
Non-current Assets	11.237,9	11.335,0	Non-current Liabilities	2.902,5	3.196,9
Tangibles Assets	9.499,3	9.426,1	Bank Loans	2.283,8	2.505,5
Intangible Assets	949,5	979,6	Provisions	601,4	586,0
Properties for Investment Purpose	211,8	270,9	Lease Liabilities	17,3	105,4
Deferred Tax Assets	369,8	248,4	Trade Payables	0,0	0,0
Right of Use Assets	177,6	157,2	Total Equity	6.362,4	6.544,1
Others	29,9	252,9	Issued Capital & Inflation adj.	12.674,9	12.674,9
TOTAL ASSETS	20.504,7	21.111,6	TOTAL LIABILITIES & EQUITY	20.504,7	21.111,6



Working Capital Management

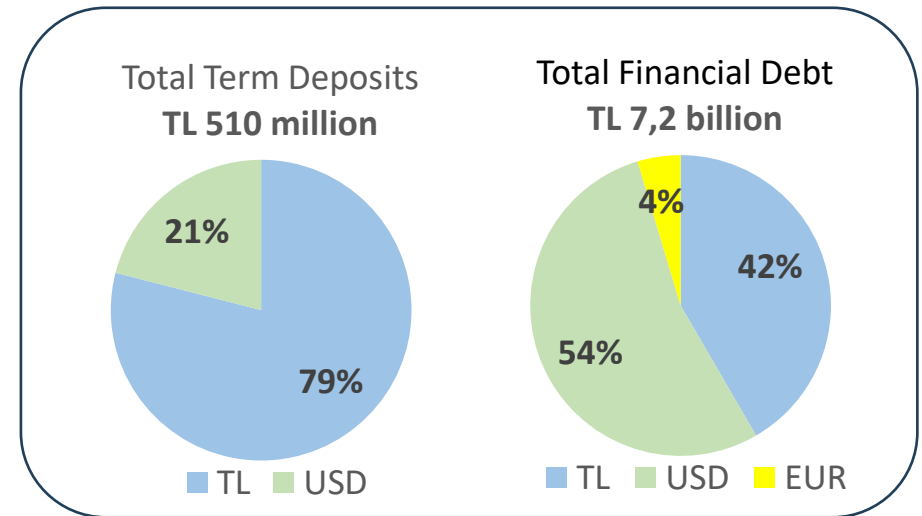
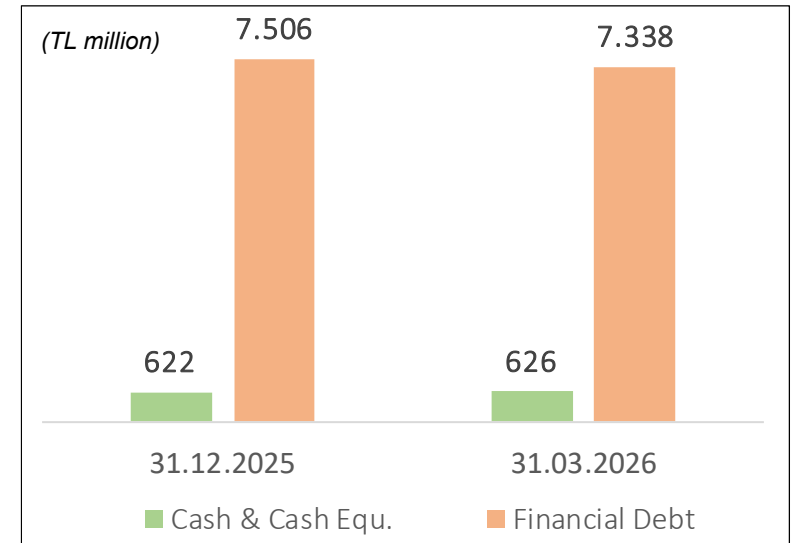


- In particular, as a result of the decrease and rejuvenation of the inventory level, a 14% improvement was achieved in total working capital in TL terms compared to the end of 2025.
- During this period of high sales growth, effective working capital management resulted in an improvement of over 550 basis points in the working capital/net sales ratio, bringing it down to 25%.
- Thanks to this improvement, the company's need for additional financing has decreased.



Cash and Financial Debt

- As of the end of March 2026, total cash and cash equivalents amounted to TL 626 million, while financial liabilities totaled TL 7.3 billion (*TL 165 million of which was operational leasing*).
- By the end of March 2026, net financial debt* is TL 6.5 billion.
- In line with strategic actions taken for sustainable borrowing dynamics, the share of EXIM and FX-denominated loans has been increased, and the maturity of TL-denominated loans has been extended.
 - Share of LT financial debt in total financial debt increased from 14% by 2024-end to 32% at the end of March 2026.
- Based on our IAS-29 unadjusted guidance for 2026 EBITDA (*USD 32-37 million*), the net debt/EBITDA ratio is within 4.0-4.5X range.



* Liabilities related to operational leasing were ignored.

2026 Guidance



2026 Guidance

(IAS-29 not applied)

☐ Net Sales :

USD 320-340 million

☐ EBITDA :

USD 32-37 million

☐ CAPEX :

USD 12-13 million

☐ Net Working Capital /
Net Sales :

30%-35%

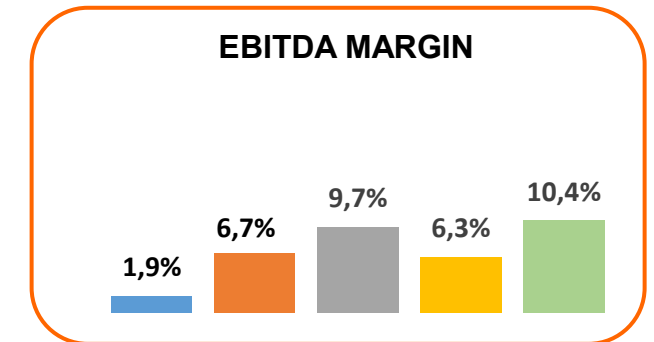
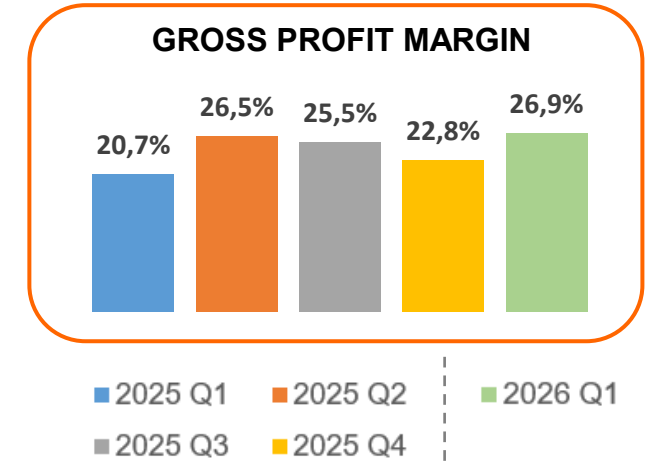
The impact of developments in the Middle East on the market is being closely monitored, and 2026 expectations are maintained in the current situation.

Annex



P&L Summary (IAS-29 not applied)

(TL million)	2026 Q1	2025 Q1	Y-on-Y Change	2025 Q4	Q-on-Q Change
Net Sales	4.391,7	2.730,4	61%	3.537,3	24%
Türkiye	3.807,4	2.206,8	73%	2.840,4	34%
International	584,2	523,6	12%	697,0	-16%
Gross Profit	1.179,7	565,1	109%	804,8	47%
Margin	26,9%	20,7%		22,8%	
Operating Profit	304,9	-36,7		89,1	242%
Margin	6,9%	-1,3%		2,5%	
Profit Before Tax	-434,8	-571,2		-607,7	
Margin	-9,9%	-20,9%		-17,2%	
Net Profit	-130,2	-386,7		-1.242,0	
Margin	-3,0%	-14,2%		-35,1%	
EBITDA	457,1	52,0	779%	224,1	104%
Margin	10,4%	1,9%		6,3%	





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