Kale Seramik

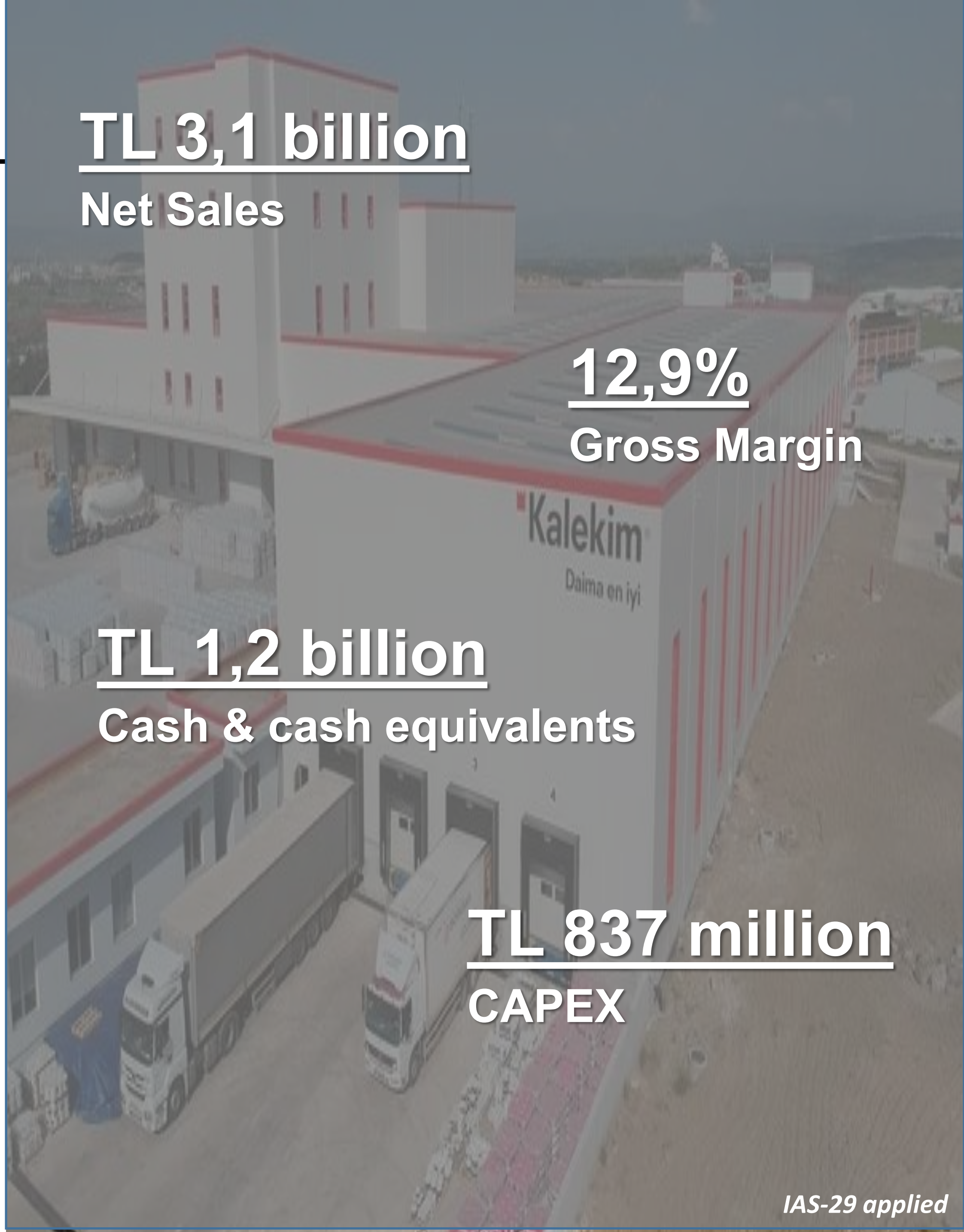
2025 Q2
Operating Results

August 19, 2025

Bu mesaj/doküman GENEL (PUBLIC) etiketi ile sınıflandırılmıştır.

2025 Q2 Highlights

- Despite the pressure created by the appreciation of TL on sales and profitability, and the high inflation indexation vs. low exchange rate
  - ➢ More than 10% increase in sales in real terms
  - ➢ Over 1000bps improvement in gross margin
  - ➢ Although still negative, YoY improvement in operating profit margin
- The ongoing negative impact of high credit costs on financing expenses
- Increasing the existing Slab-Sinterflex production line capacity by 50% to a total of 2 million m^2



TL 3,1 billion
Net Sales

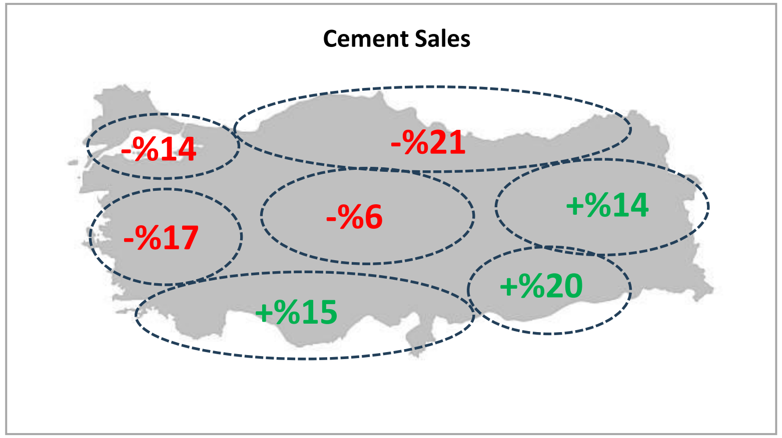
12,9%
Gross Margin

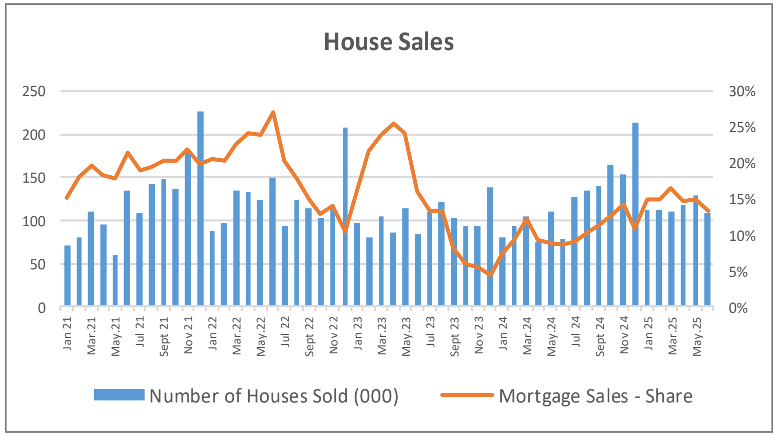
TL 1,2 billion
Cash & cash equivalents

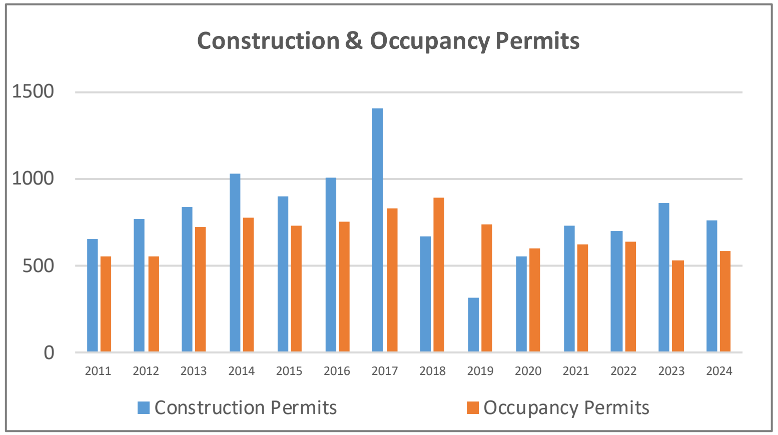
TL 837 million
CAPEX

IAS-29 applied

Turkish Market: Construction Industry







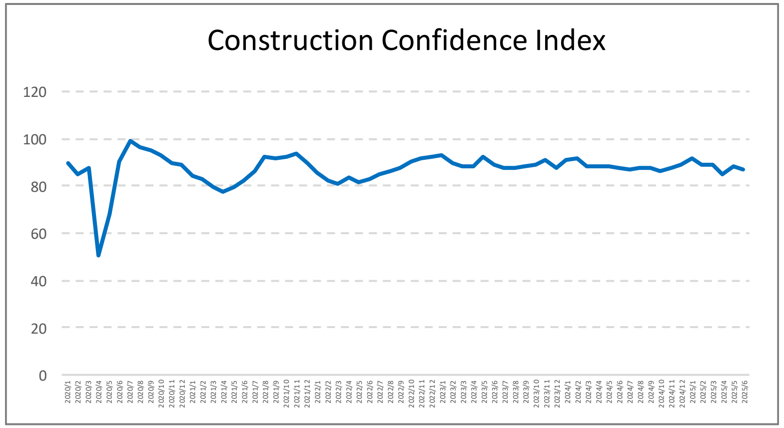
- **The construction sector**, which continued to **grow by 7.3%** in 2025 Q1 after growth in 2023-24 period, made a positive contribution to economic growth.
- The main factor supporting the sector is the comprehensive **reconstruction in earthquake zone** and **urban transformation activities.**
- In **January-April ‘25**, **cement sales in domestic market decreased** by **2.4%**

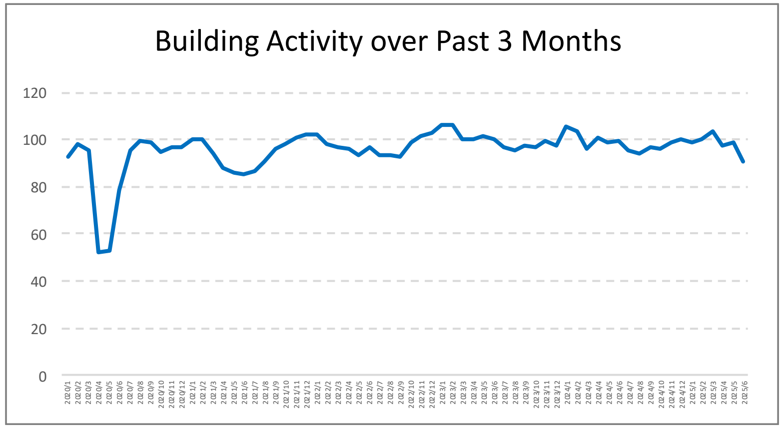
- In the first half of the year, **housing sales increased by 27%** to 692 K units.
- The **wealth effect created by the high returns of savings instruments** continued to be decisive in housing sales.
- Despite the recent improvement, **only 13% of sales are due to mortgage sales**, due to high credit costs. (2024:%11)

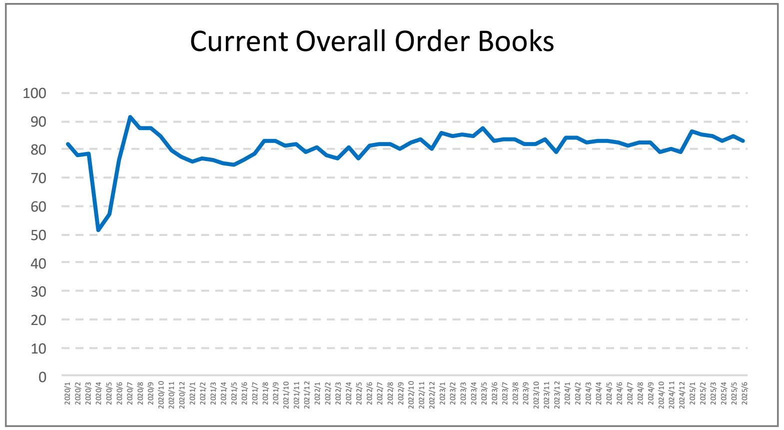
- **Building construction permits** issued in 2025 Q1 **decreased by 19%** to 144 K.
- **Building occupancy permits**, which show completed houses, **also decreased by 26% to 130 K units in 2025 Q1.**
- The fact that the **increase in cement sales is limited to the earthquake zone** supports the license statistics.

Source: TÜİK, İMSAD, TURKCIMENTO

Turkish Market: Construction Industry







- While the **construction confidence index** was in an upward trend in the Q1, it fluctuated in Q2 and decreased by 3.2 points to 88.6 in June compared to the previous month.

- **Existing construction works**, which experienced sharp decline in June, made an effort to recover in July.
- Political expectations, economic policies, earthquake zone and urban transformation will continue to determine the current jobs.

- **New business orders** rose in May after three-month decline. In June, it again decreased by 1.8 points.
- **Additional tightening measures** taken due to financial shocks in March **limited new** business **orders.**

Source: TÜİK, İMSAD

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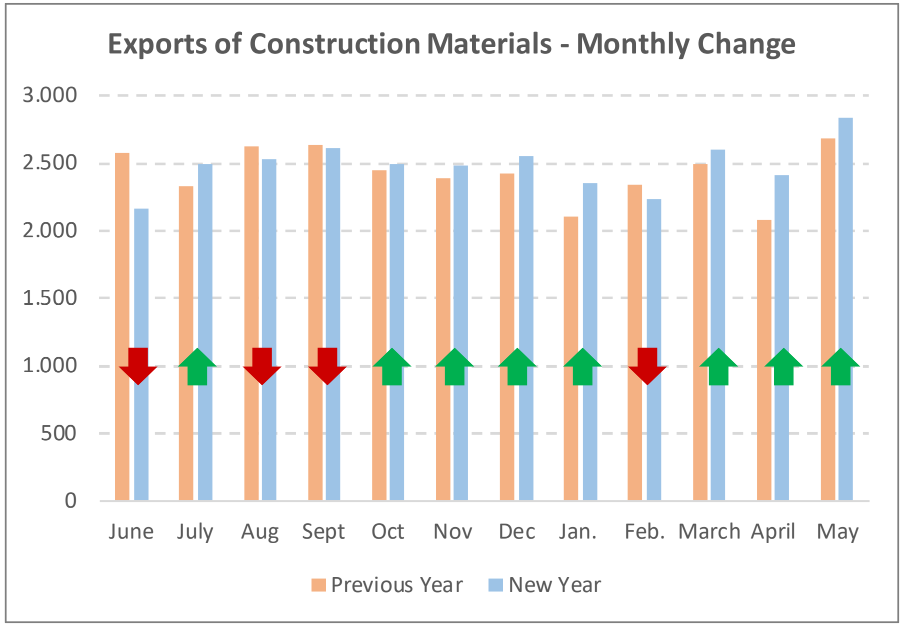
Export Markets: Construction Materials Industry

- **In export markets**, the **ongoing recession** in the first five months of 2025 and the **tariffs announced by the USA** have increased **uncertainties.**
- According to the data for the first 5 months of the year, which has been announced by **IMSAD** so far, our **country's construction material exports increased by 6.1%** compared to the same period of the previous year.
- **Exports of ceramic coating materials**, which are the main product groups of our company, **remained flat**, while **exports of ceramic sanitary** ware **decreased by 11.9%.**

Exports (USD mio.)	Jan-May 2025	Jan-May 2024	Change
Construction Materials	**12.433**	**11.722**	**%6,1**
- Seramic Coating	281	281	%0,2
- Seramik Sanitary ware	115	101	-%11,9



Kaynak: İMSAD

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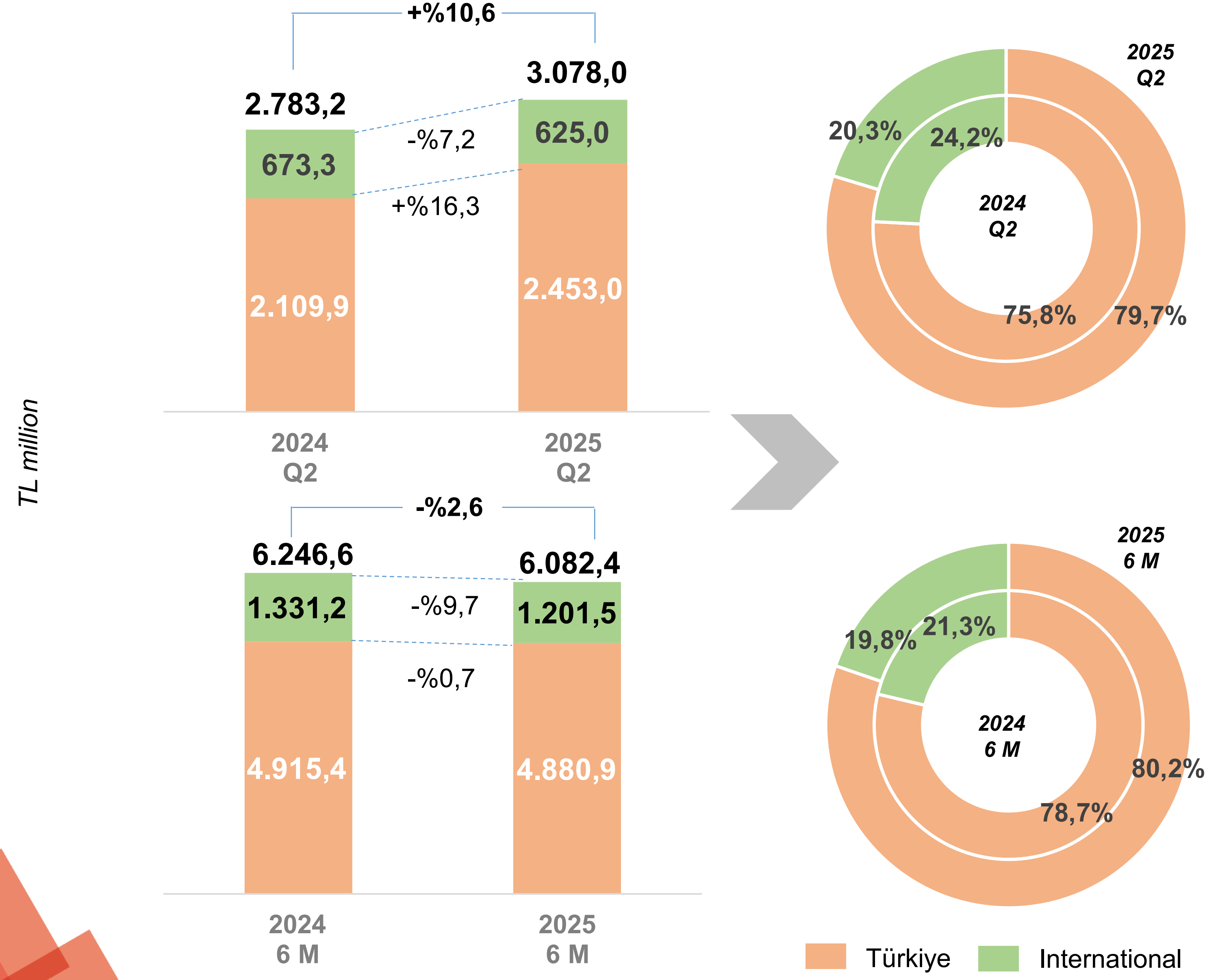
Sales Growth & Breakdown by Region



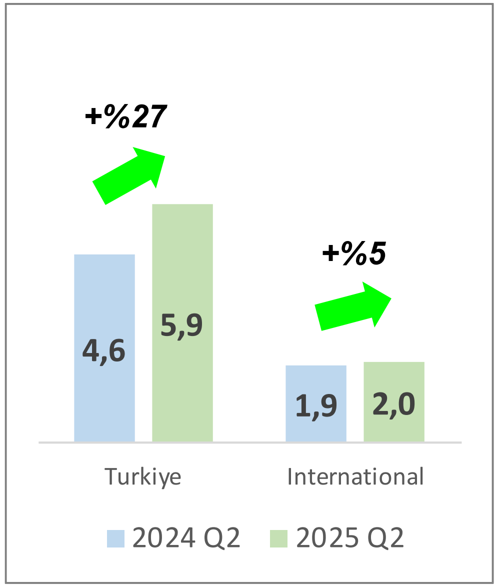
- High credit and construction costs continued to put pressure on demand in the domestic market, while tariff wars, valuable TL and sluggish demand continued to put pressure on sales in foreign markets.
- On the other hand, **low exchange rate vs. high inflation indexation*** in inflation accounting prevented the volume increase achieved in the foreign market from being reflected in sales value both in Q2 and in 6-M period.

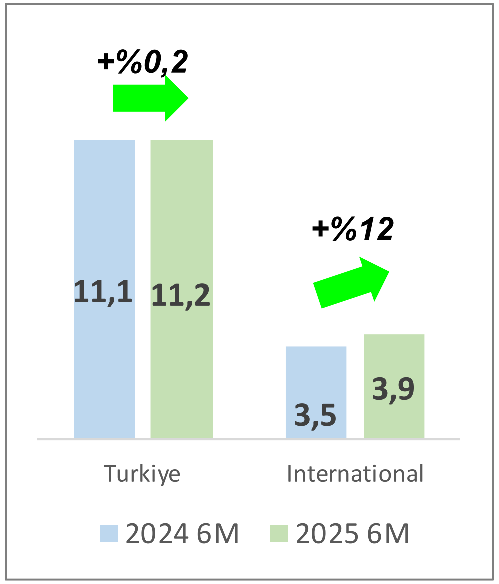
* The average USD rate for Jan.-June 2025 period is TL 37.38 TL, which corresponds to an increase of 18% compared to the same period of 2024, while the inflation adjustment coefficient for Jan.-June 2024 period is 1.35.

Sales Volume Growth

- In the second quarter of the year, our sales of ceramic coating materials, which is the main product group, increased by 27% in the domestic market and increased by 5% in international markets.
- In the first half of the year, ceramic coating sales remained flat, while export markets grew by 12%.

Ceramic Coating Materials
Sales Volume
(million m^2)





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Investments

- An investment of approximately EUR 15 million, which was made within the scope of the Slab-Sinterflex investment in the prospectus and covered by the fund obtained from IPO, was completed and mass production started on the commissioned production line.

- Within the scope of the thinnest and largest ceramic production, which was started with the aim of providing faster and higher quality service to increasing customer demand, led by Kaleseramik; the Company has increased the capacity of its existing line by 50% and reached a total production capacity of 2 million m^2 sinterflex.

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Financial Statements

IAS-29 APPLIED

Bu mesaj/doküman GENEL (PUBLIC) etiketi ile sınıflandırılmıştır.

P&L Summary*

*** IAS-29 applied***

(TL million)	2025 Q2	2024 Q2	*Y-on-Y Change*	2025 Q1	*Q-on-Q Change*	2025 6-Month	2024 6-Month	*Y-on-Y Change*
Net Sales	3.078,0	2.783,2	*10,6%*	3.004,4	*2,5%*	6.082,4	6.246,6	*-2,6%*
Gross Profit	397,3	62,8	*532,4%*	132,2	*200,6%*	529,5	438,5	*20,7%*
Margin	*12,9%*	*2,3%*		*4,4%*		*8,7%*	*7,0%*	
Operating Profit	-402,5	-776,8		-562,6		-965,1	-970,8	
Margin	*-13,1%*	*-27,9%*		*-18,7%*		*-15,9%*	*-15,5%*	
Profit Before Financing	-413,4	-785,3		-585,6		-999,0	-991,9	
Margin	*-13,4%*	*-28,2%*		*-19,5%*		*-16,4%*	*-15,9%*	
Financial Income	144,8	375,1		168,8		313,6	798,6	
Financial Expense	-806,2	-652,4		-734,1		-1.540,3	-1.446,2	
Monetary Gain (Loss)	256,4	170,4		488,7		745,1	181,7	
Profit Before Tax	-818,4	-892,2		-662,2		-1.480,6	-1.457,8	
Margin	*-26,6%*	*-32,1%*		*-22,0%*		*-24,3%*	*-23,3%*	
Net Profit	-767,6	-990,6		-685,5		-1.453,1	-1.762,4	
Margin	*-24,9%*	*-35,6%*		*-22,8%*		*-23,9%*	*-28,2%*	
EBITDA	**-105,6**	**-527,9**		**-316,8**		**-422,4**	**-501,0**	
Margin	*-3,4%*	*-19,0%*		*-10,5%*		*-6,9%*	*-8,0%*	

Balance Sheet*

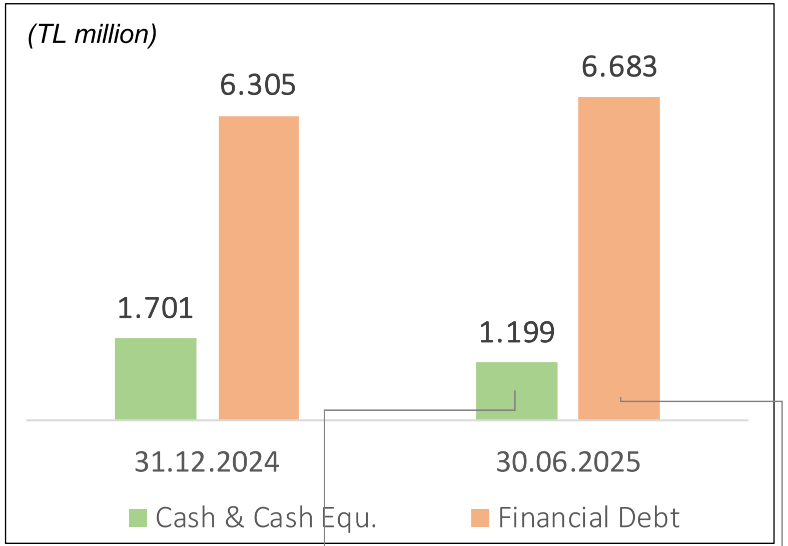
** IAS-29 applied*

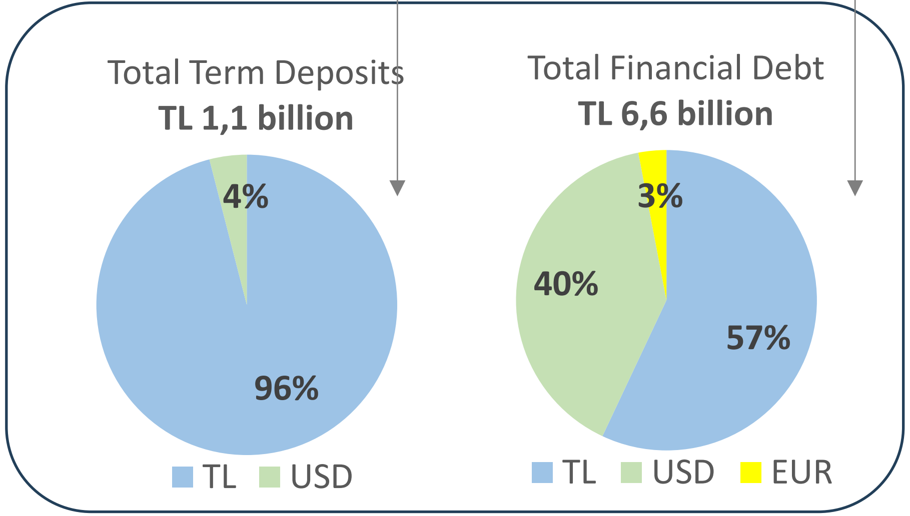
(TL million)	*30.06.2025*	*31.12.2024*		*30.06.2025*	*31.12.2024*
Current Assets	**8.486,2**	**8.347,2**	**Current Liabilities**	**9.384,8**	**7.974,6**
Cash & Cash Equivalents	1.198,9	1.701,4	Bank Loans	5.473,2	5.299,1
Trade Receivables	3.200,1	2.261,8	Lease Liabilities	34,2	35,2
Inventories	3.595,0	3.872,6	Trade Payables	3.129,5	2.142,6
Prepaid Expenses	316,4	298,2	Deferred Incomes	259,7	221,4
Current Tax Assets	104,7	75,9	Provisions	78,8	49,0
Others	71,2	137,3	Others	409,4	227,3
Non-current Assets	**9.929,3**	**9.708,7**	**Non-current Liabilities**	**1.872,8**	**1.576,2**
Tangibles Assets	7.859,3	7.659,3	Bank Loans	1.084,3	892,7
Intangible Assets	684,5	612,6	Provisions	517,1	444,4
Properties for Investment Purpose	402,4	370,7	Lease Liabilities	91,3	77,6
Deferred Tax Assets	825,9	781,1	Trade Payables	180,1	161,5
Right of Use Assets	127,5	112,4	**Total Equity**	**7.158,0**	**8.505,1**
Others	29,7	172,5	Issued Capital & Inflation adj.	10.267,2	10.267,2
TOTAL ASSETS	**18.415,6**	**18.055,8**	**TOTAL LIABILITIES & EQUITY**	**18.415,6**	**18.055,8**

Cash and Financial Debt Structure

- As of the end of 2025 Q2, the total value of cash and cash equivalents is TL 1.2 billion.
- There are a total of TL 6.7 billion in short- and long-term financial liabilities.
  - TL 126 million is due to operational leasing agreements
  - 43% in FX
- As of the end of the 2025 Q2, the total net financial debt* is TL 5,4 billion.

** Cash and cash equivalents were deducted, and liabilities related to leasing transactions were ignored.*





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Annex

Bu mesaj/doküman GENEL (PUBLIC) etiketi ile sınıflandırılmıştır.

P&L Summary *(IAS-29 not applied)*

(TL million)	2025 Q2	2024 Q2	*Y-on-Y Change*	2025 Q1	*Q-on-Q Change*	2025 6-Month	2024 6-Month	*Y-on-Y Change*
Net Sales	3.010,1	1.987,5	*51%*	2.730,4	*10%*	5.740,5	4.223,0	*36%*
Gross Profit	798,4	384,5	*108%*	565,1	*41%*	1.363,5	967,4	*41%*
Margin	*26,5%*	*19,3%*		*20,7%*		*23,8%*	*22,9%*	
Operating Profit	93,6	-212,8		-82,7		10,9	5,8	*88%*
Margin	*3,1%*	*-10,7%*		*-3,0%*		*0,2%*	*0,1%*	
Profit Before Tax	-609,8	-398,6		-571,2		-1.181,0	-417,0	
Margin	*-20,3%*	*-20,1%*		*-20,9%*		*-20,6%*	*-9,9%*	
Net Profit	-465,4	-327,8		-386,7		-852,1	-189,8	
Margin	*-15,5%*	*-16,5%*		*-14,2%*		*-14,8%*	*-4,5%*	
EBITDA	**202,9**	**-135,6**		**6,0**		**208,9**	**135,5**	***54%***
Margin	***6,7%***	***-6,8%***		***0,2%***		***3,6%***	***3,2%***	

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