Kordsa
3Q'26 Financial Results
Earnings Release

October 27, 2026

Kordsa's sales revenue increased by 4.5% in the third quarter of 2026 compared to the same quarter of 2025, reaching USD 207 million, driven by:

- In the Tire Reinforcement segment, increases in raw material and sales prices in parallel with the rise in oil prices, offset by intense competition and lower production volumes resulting from production optimization initiatives by tire manufacturers, particularly in Europe, the Middle East and Africa ("EMEA") and North America; and
- In the Composites segment, continued strong demand for ceramic matrix composite products, as observed in the previous quarters of 2026.

During the same period, adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA") amounted to USD 23.3 million, while quarterly net income amounted to USD 5.2 million.

FINANCIAL DEVELOPMENTS

In the third quarter of 2026, sales revenue increased by 4.5% compared to the corresponding period of 2025, reaching USD 207 million. In the third quarter of 2026, compared to the same quarter of 2025:

- The impact of the U.S./Israel–Iran conflict, which began at the end of February 2026, on oil and commodity prices continued in the third quarter. The increase in oil and commodity prices led to increases in raw material and sales prices. On the other hand, as a result of production optimization initiatives and plant closures by tire manufacturers in EMEA and North America, the global production network has been shifting towards China. This change in the industry continued to put pressure on both volumes and prices. Under these effects, revenue of the Tire Reinforcement segment decreased by 6% compared to both the same quarter of 2025 and the second quarter of 2026, reaching USD 136 million (Q3 2025: USD 145 million; Q2 2026: USD 145 million).

- Revenue of the Composite Technologies segment increased by 33% compared to the same quarter of the previous year, reaching USD 67 million (Q3 2025: USD 50 million; Q2 2026: USD 67 million), driven by increased demand for Ox-Ox ceramic matrix composites, for which our wholly owned subsidiary Axiom Materials Inc., operating in the advanced composite materials industry in North America, is a main supplier, as a result of increased production of energy cells in the artificial intelligence sector, as well as increased production in the civil aviation sector.

In the third quarter of 2026, in line with the second quarter of 2026:

- On the Tire Reinforcement side, major tire manufacturers, particularly in Europe and North America, continued to close their plants as part of production optimization initiatives, while volume and price competition from Asia-Pacific manufacturers remained effective.
- The war between the U.S./Israel and Iran had an upward impact on all commodity prices, particularly oil prices, and this impact was reflected in pricing in the Tire Reinforcement segment. Pressures on costs arising from the FX-inflation gap were balanced through cost-reduction projects, while the recovery process at PT Indo Kordsa following the flood disaster in March 2025 accelerated.
- Together with increased sales to profitable sectors in the Composites segment, quarterly Adjusted EBITDA amounted to USD 23.3 million.

In the third quarter of 2026, supported by the operational profitability of the Tire Reinforcement and Composite Technologies segments, quarterly net income amounted to USD 5.2 million.

In the third quarter of 2026, USD 10.9 million of investments were made for machinery and product sustainability.

In the second quarter of 2026, due to the increase in commodity prices as a result of the war, the long-standing downward trend in working capital management reversed to an upward trend. Compared to the first quarter of 2026, working capital requirements increased by USD 24 million. This increase continued, albeit to a limited extent, in the third quarter of 2026. On the other hand, supported by the cash generated following the strong profitability of both Tire Reinforcement and Composites operations, net debt stood at USD 301 million, USD 3 million below the level recorded in the second quarter of 2026.

With the strong operational performance in the first three quarters of 2026, the net debt / EBITDA ratio declined to 3.5x. In the calculation of Adjusted EBITDA, other income and

expense items from operating activities excluding foreign exchange gains and losses were also taken into consideration.

As part of the Company's strategy to improve working capital management and achieve a healthier balance sheet structure, a loan agreement amounting to USD 200 million + EUR 50 million was signed with five financial institutions on December 23, 2025. Under this loan agreement, an “Adjusted Leverage” calculation has started to be monitored in addition to the net debt / EBITDA calculation above. According to this calculation, short-term and long-term finance lease liabilities are included in net debt. In the EBITDA calculation, non-cash expenses such as severance pay provisions, inventory impairment and other provisions, which are also shown as adjustment items in the cash flow statement, as well as one-off expenses incurred during the period, are excluded. As of the end of the third quarter of 2026, the“Adjusted Leverage” ratio is calculated at 3.3x according to the formula set out in the Club Loan Agreement.

At the Board of Directors meeting of our Company dated July 24, 2026, it was resolved to increase the issued capital from TRY 194,529,076.00 to TRY 3,695,860,271.57, within the registered capital ceiling of TRY 10,000,000,000, with the entire increase to be funded from internal resources. In this context, an application was submitted to the Capital Markets Board on July 28, 2026 for the relevant capital increase. The bonus capital increase was approved by the Capital Markets Board with its decision dated September 9, 2026 and numbered 55/1637. The amended version of Article 10, titled “Section II. Share Capital, Capital,” of our Company’s Articles of Association regarding the completion of the bonus capital increase was registered by the Kocaeli Trade Registry Directorate on September 15, 2026 and announced on page 581 of the Turkish Trade Registry Gazette dated September 15, 2026 and numbered 11666.

In accordance with the resolution adopted at the Company’s Board of Directors meeting dated September 17, 2026, and pursuant to the authority granted under Article 10 of the Company’s Articles of Association, it was resolved, with the aim of strengthening the equity structure, to increase the issued capital from TRY 3,695,860,271.57 to TRY 7,391,720,543.14, within the registered capital ceiling of TRY 10,000,000,000, with the entire increase to be paid in cash; not to restrict the existing shareholders’ pre-emptive rights in the capital increase; and to set the exercise price of the pre-emptive rights at TRY 1 for shares with an aggregate nominal value of TRY 1, consisting of 100 shares each with a nominal value of TRY 0.01. An application regarding this process was submitted to the Capital Markets Board on September 30, 2026.

Due to the flood that occurred at PT Indo Kordsa, the Company recognized US$20 million of insurance income in the financial statements for the third quarter of 2025 and US$5 million of insurance income in the financial statements for the first quarter of 2026, amounting to a total of US$25 million. Discussions with the insurance company, covering salvage values, repair and replacement alternatives, and the final indemnity amounts, are ongoing. Within the scope of the flood-related events at PT Indo Kordsa, the property damage and business interruption insurance policy provides coverage of up to USD 50 million, including business interruption of up to twelve months.

SUMMARY FINANCIAL RESULTS

	USD Financials (MUSD)						
	3Q'25	3Q'26	Δ	4Q'25	1Q'26	2Q'26	3Q'26
Sales	198	207	4.5%	179	201	217	207
Gross Profit	29	38	33.8%	16	31	43	38
Gross Margin (%)	14.5%	18.5%	5 pts'	9.0%	15.6%	19.8%	18.5%
OPEX (%)	12.9%	13.8%	1 pts'	15.8%	13.8%	12.7%	13.8%
Operating Profit	1	15	1634.8%	-14	14	18	15
Operating Profit Margin (%)	0.4%	7.4%	7 pts'	-7.7%	7.0%	8.2%	7.4%
Adjusted EBITDA	17	23	39.9%	16	22	26	23
Adjusted EBITDA Margin (%)	8.4%	11.3%	3 pts'	8.7%	10.8%	12.0%	11.3%
Net Income	-11	5	n/a	-16	3	14	5
Net Income (%)	-5.3%	2.6%	8 pts'	-8.3%	1.5%	6.4%	2.6%

	TL Financials (MTL)						
	3Q'25	3Q'26	Δ	4Q'25	1Q'26	2Q'26	3Q'26
Sales	8,037	9,859	22.7%	7,546	8,756	9,838	9,859
Gross Profit	1,160	1,823	57.1%	706	1,369	1,939	1,823
Gross Margin (%)	14.4%	18.5%	4 pts'	9.4%	15.6%	19.7%	18.5%
OPEX (%)	12.9%	13.8%	1 pts'	15.8%	13.8%	12.7%	13.8%
Operating Profit	46	730	1487.2%	-531	614	801	730
Operating Profit Margin (%)	0.6%	7.4%	6 pts'	-7.0%	7.0%	8.1%	7.4%
Adjusted EBITDA	676	1,110	64.2%	657	946	1,182	1,110
Adjusted EBITDA Margin (%)	8.4%	11.3%	3 pts'	8.7%	10.8%	12.0%	11.3%
Net Income	-423	256	n/a	-630	133	634	256
Net Income (%)	-5.3%	2.6%	8 pts'	-8.3%	1.5%	6.4%	2.6%

Adjusted EBITDA includes other income/expenses from operating activities except fx gains/losses. In the calculation of Adjusted EBITDA, the following quarterly adjustments have been made;

- 4Q'25: The one-off impact of USD 20.1 million related to workforce / fixed cost optimization implemented to adapt to the structural change in the tire reinforcement segment (USD 11.3 million cash impact and USD 8.8 million non-cash impact).

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