



KORDSA TEKNİK TEKSTİL A.Ş.

**2025 Ordinary General Assembly
Questions and Answers**

Pursuant to Corporate Governance Principle No. 1.3.5, the questions raised by shareholders at general assembly meetings and the responses thereto are required to be published on the Company's corporate website. The questions raised and verbally answered at the 2025 Ordinary General Assembly Meeting are included in the Minutes of the 2025 Ordinary General Assembly Meeting, which have been disclosed on the Public Disclosure Platform and published on the Company's website. The questions submitted by shareholders at the 2025 Ordinary General Assembly Meeting of our Company held on 30 March, 2026, which were envisaged to be answered in written form, together with the relevant responses, are presented below:

1. When you assess the period from the last year to today, and setting aside the impact of the “flood disaster”, do you believe that, for the one-year period, you have achieved the objective you stated at last year's General Assembly – namely, that “our priority is to eliminate the issue of indebtedness?”

As stated at our Ordinary General Assembly for the 2024 financial year, which was held in 2025, one of the Company's key priorities for 2025 is to restructure the balance sheet into a sound and sustainable form. In this context, effective management of working capital, optimization of the workforce and other fixed costs, and the disciplined execution of investments have been brought to the forefront to achieve this objective. Within this framework, our operational and financial performance in January and February 2025 exceeded our expectations. However, the flood disaster experienced in Indonesia adversely affected not only the operations in Indonesia but also the Thailand operations, which are connected in terms of yarn supply. As a result, operations and sales at the relevant facilities were suspended for an extended period.

In addition, 2025 has been a challenging year in terms of competition, driven by the sectoral impacts of the global automotive supply chain shifting toward the Asia-Pacific region, particularly China. Moreover, the flood disaster also caused delays in the timing of certain planned initiatives, including financing activities. The financing efforts, which were originally planned to be completed in the first half of 2025 and included the conversion of short-term financial liabilities into long-term debt, were ultimately completed in December 2025. Accordingly, a credit agreement totaling USD 200 million and EUR 50 million was signed with the participation of five major financial institutions.

Within the framework of the agreement signed at the time of the acquisition of a 60% stake in Microtex Composites Srl in 2022, the acquisition of the remaining 39% minority share in the company was completed in May 2025 for consideration of approximately USD 40 million.

Despite the adverse impacts of the flood disaster in Indonesia and the acquisition of the minority shares of Microtex Composites Srl for approximately USD 40 million, strong emphasis was placed on both working capital management and disciplined investment management throughout 2025. In this context, operational cash flow, which amounted to USD 56 million in 2024, increased to USD 150 million in 2025, while free cash flow reached USD 90 million. As a result, net debt was reduced by USD 72 million compared to the end of 2024, declining to USD 305 million. Although the flood disaster and intensified competition in the tire reinforcement market caused certain delays in our planning, a significant reduction in financial indebtedness was achieved compared to 2024. In addition, the conversion of existing short-term financial liabilities into long-term debt was completed through a syndicated loan with a five-year maturity and a one-year principal grace period.

2. In the last quarter, the Company parted ways with 362 employees. Was this decision primarily driven by cost reduction considerations, and do you anticipate any continuation of such workforce reductions going forward?

Following the strategic reassessment of the tire reinforcement segment, which is undergoing a structural transformation at the industry level, and the decision to focus on profitable growth areas within the composites segment, workforce and capacity optimization initiatives were initiated in the last quarter of 2024 and continued into the last quarter of 2025. These actions should not be viewed as cost-saving measures, but rather as a natural outcome of the Company's long-term strategic priorities. In this context, the Company has adopted a “back-to-basics” strategy in order to adapt to changing market dynamics and to benefit from this transformation, and accordingly,

strategic alternatives continue to be regularly evaluated. At present, workforce reduction is not among the Company's long-term strategic objectives; instead, alignment with evolving market trends remains the primary focus.

3. In a report published by a brokerage firm, it is stated that "the supply of ceramic fibers for the energy infrastructure needs of the artificial intelligence sector" and "the steady growth in the composite reinforcement segment" will act as key drivers for the Company. Could you please provide further information regarding the "ceramic fiber supply to the artificial intelligence sector" mentioned in the report? Does the Company currently observe increasing demand from this sector? If not, do you have any expectations for demand in the coming periods?

As the demand for data centers driven by the expansion of artificial intelligence applications continues to increase, there is a corresponding need to supply power generation units to support these facilities. In this context, the ceramic matrix composites produced by our wholly owned subsidiary, Axiom Materials Inc., which operates in North America, are utilized in mobile power generation units. As demand within the sector grows, we expect a corresponding increase in our production volumes. In parallel, capacity expansion scenarios are also being evaluated in anticipation of potential demand growth.

4. In the Company's 50th Anniversary documentary, Kordsa is described as "a company on which the sun never sets." However, when we look at the current situation in the capital markets, Kordsa appears, from an investor's perspective, to have become a company that has "not seen daylight" for a long time. As of December 31, 2025, despite having approximately USD 400 million in equity attributable to the parent company, the Company's market capitalization stands at around USD 250 million, which is below its historical average market capitalization prior to the transformation process and major acquisitions. How does the management explain this situation? What are the reasons why the market does not appear to be valuing the Company's transformation strategy and investments? Furthermore, what concrete financial or strategic projections does the Board of Directors have to address and eliminate this persistent valuation challenge?

The Company's market capitalization is determined by market dynamics within the framework of supply and demand conditions, and the Company does not have the authority to directly intervene in its market value. Nevertheless, both financial and operational actions aligned with maintaining a sound and sustainable balance sheet structure are being undertaken, and these actions are being closely monitored at the level of the Board of Directors. While it is not possible to make an assessment regarding the future performance of the Company's share price, we believe that the steps taken to restore a healthy balance sheet structure, the significant growth initiatives in the composites segment, and the focused strategy in the tire reinforcement segment constitute important progress toward achieving our strategic objectives.

5. What is the total number of patents held by the Company? Additionally, how many employees with doctoral degrees are currently employed by the Company

As of 2025, the Company holds a total of 617 patents. As of December 31, 2025, employees with doctoral degrees represent 1.5% of the Company's white-collar workforce.

6. It has been stated that the Company's intellectual property ("IP") and patents could potentially be utilized. To provide short-term financial relief to the Company, could you please provide a categorical breakdown of how many of these patents are currently inactive and how many are subject to ongoing maintenance fee payments?

As of the end of 2025, out of the Company's total of 617 registered patents, 179 are classified as active patents. Of these active patents, 87% relate to tire reinforcement technologies, 9% to composite technologies, and 4% to patents in other segments. During 2025, the annual maintenance fees paid for the Company's patent portfolio amounted to approximately TRY 3.2 million (equivalent to approximately USD 82 thousand).