Corporate Governance Compliance Rating Report

Kaleseramik Çanakkale Kalebodur Seramik Sanayi A.Ş.

6 July 2026

Validity Period 06.07.2026-06.07.2027

LIMITATIONS

This Corporate Governance Rating Report, issued by Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş. for Kaleseramik Çanakkale Kalebodur Seramik Sanayi A.Ş.

Has been prepared by considering Communiqué Amending the "Corporate Governance Communiqué (II-17,1) (II-17,1.a)" published in the Official Gazette No. 31262 on 02 October 2020 by the Board, as well as regulations regarding the voluntary sustainability principles compliance framework and the board decisions taken at the CMB's board meeting dated 01.02.2013 and numbered 4/105 in addition to the criteria specified in the "Corporate Governance Communiqué No. II-17.1" of the Capital Markets Board published in the Official Gazette dated 03 January 2014 and numbered 28871

The criteria established for the companies whose shares are traded at BIST are organized separately as First Group, Second Group and Third Group companies and investment partnerships, taking into consideration the group distinctions stated by CMB's Corporate Governance Principles in Item 2 - Article 5 of communiqué no II-17.1, published in the Official Gazette on 03.01.2014.

The Corporate Governance Compliance Rating Report issued by Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş. is based on 106 copies of documents, data and files transmitted by the concerned firm electronically, including data open to the general public and examinations made by our rating experts on site.

Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş. has formulated its Ethical Rules according to the Banking Act, the CMB and BRSA Directives on the Operations of Rating Companies, generally accepted ethical rules of the IOSCO and OECD, including generally accepted ethical customs, which are shared with the public through its Internet website (www.kobirate.com.tr).

Although rating is an assessment based on numerous data, it is consequently the institutional opinion of Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş. formed accordingly to the methodology disclosed.

The rating grade does not constitute a recommendation to purchase, to hold or to dispose of any kind of borrowing instrument. KOBİRATE A.Ş. may not be held liable for any losses incurred or investments made to the company referring to this report.

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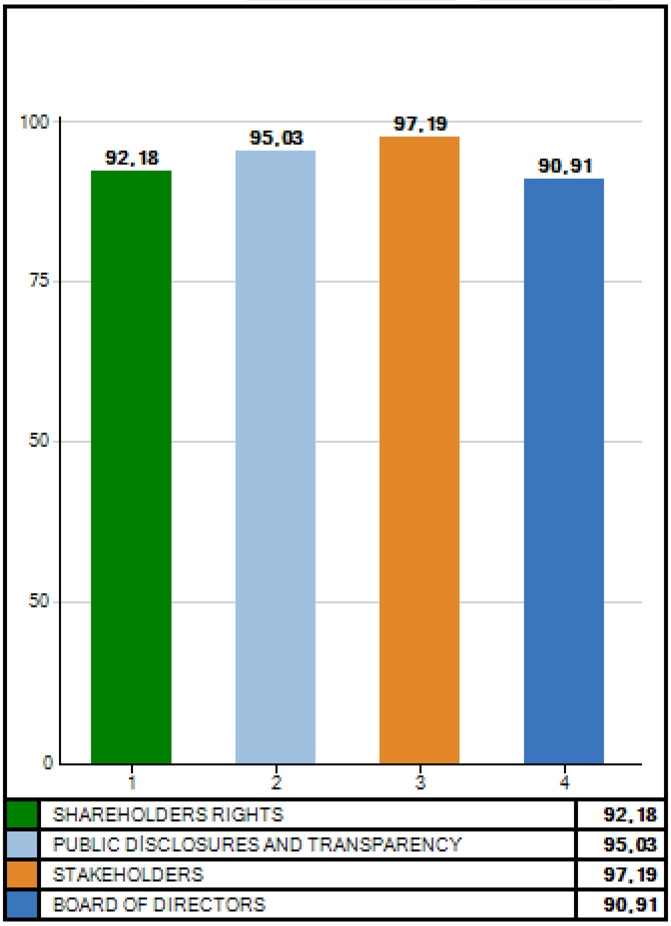
1. RATING RESULT

BIST FIRST GROUP COMPANY

CMB CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE GRADE

9.32



Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş.

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Nermin Z. UYAR

(License Number: 702999)

2. REVISED RATING SUMMARY

This report of the rating of compliance of Kaleseramik Çanakkale Kalebodur Seramik Sanayi A.Ş. (Kaleseramik) with the Corporate Governance Principles is concluded through on-site examinations of the documents made in the company headquarters and information open to the public, interviews held with executives and persons involved, and other examinations and observations. The study has been conducted in accordance with the Corporate Governance Compliance Rating Methodology developed by Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş. In the methodology and rating process, in addition to the Capital Markets Board's Corporate Governance Communiqué No. II-17.1, the Communiqué Amending the "Corporate Governance Communiqué (II-17.1) (II-17.1.a)" published by the Board has been considered in addition to the regulations regarding the voluntary sustainability principles compliance framework and the board decisions taken at the CMB's board meeting dated 01.02.2013 and numbered 4/105.

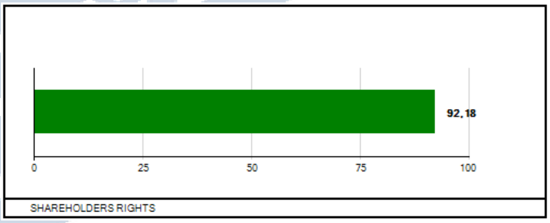
According to the decision of the Capital Markets Board dated 23.01.2026 and numbered 4/109, Kaleseramik Çanakkale Kalebodur Seramik Sanayi A.Ş. is in the BIST 1st Group Companies list. The Company has been evaluated through examination of 456 criteria described in Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş.'s methodology of "BIST 1st Group Companies". At the end of the examination of criteria under the main headings of Shareholders, Public Disclosure and Transparency, the Stakeholders and the Board of Directors, the Corporate Governance Compliance Rating Grade of the company has been revised to **9.32**.

This result shows that Kaleseramik has achieved very high compliance with the Corporate Governance Principles issued by the Capital Market Board. Potential risks that the Company may be exposed to are identified and can be managed. The level of public disclosure and transparency is at a good level. Rights of the shareholders and stakeholders are treated fairly. The composition and operational conditions of the Board highly comply with the Corporate Governance Principles.

When the activities of the Company for the last one year are examined, it is seen that it has been strengthening and maintaining its compliance with Corporate Governance Principles.

In conclusion, this rating indicates that Kaleseramik highly deserves to be included in the BIST Corporate Governance Index.

- In the shareholders section, Kaleseramik's rating has been confirmed as **92.18**.



During the review period, it has been observed that the company continues its activities in the field of informing the shareholders and exercising their fundamental shareholder rights with the same sensitivity and efficiency.

The Investor Relations Department of Kaleseramik Çanakkale Kalebodur Seramik Sanayi A.Ş. operates under the Financial Affairs Directorate.

The department includes Mr. Veli ÖMERCİK (Corporate Finance Director, Investor Relations Unit Officer) and Mr. Orkun İNANBİL (Investor Relations Manager). Investor Relations Department Officer Mr. Veli ÖMERCİK has Capital Market Activities Level 3 and Corporate Governance Rating Specialist Licenses. Mr. ÖMERCİK and Mr. İNANBİL have also been appointed as members of the Corporate Governance Committee since

25.01.2024, as stipulated by the Corporate Governance Principles.

It has been found that the employees of the Investor Relations Department have adequate qualifications in terms of knowledge and experience required for the task, that they play an effective role in the protection and facilitation of shareholders' rights, starting with the right to obtain and review information.

The job description of the Investor Relations Department has been prepared, its working procedure has been established, and it has been seen to be covering the duties stated at the 11/5 item of CMB Corporate Governance Directive No II-17.1.

It has been determined that the Investor Relations Department submits a report to the board of directors on its activities at least once a year. The report prepared regarding the activities carried out by the Investor Relations Department in 2025 was submitted to the board of directors on 06.02.2026 with the favorable opinion of the corporate governance committee.

Shareholders' right to obtain information and to examine is not canceled or restricted by the Articles of Association or any department of the Company.

Any data that might affect the exercise of shareholders' rights is currently at the disposal of shareholders on the corporate Internet website.

The company carries out its disclosures to the shareholders and the public in accordance with the "Disclosure Policy". The said policy is published on the corporate website of the company.

The General Assembly meeting to discuss operations of 2025 took place on 20.04.2026. The invitation to the general assembly meeting was published on the Public Disclosure Platform (PDP) and the Central Registry Agency e-general assembly system (E-GAS) on 27.03.2026, and in the Turkish Trade Registry Gazette (TTRG) dated 27.03.2026 and numbered 11551. The meeting invitation was made at least 3 (three) weeks before the meeting date as stipulated by the principles.

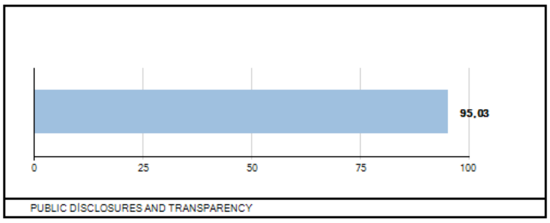
The general assembly information document provides detailed information on the distribution of company shares and the voting rights granted by the shares. In addition, whether the shareholders have a request to add an item to the agenda and the information that is required to be announced to the shareholders and the public in the corporate governance principles are also included.

Among the executives authorized to provide information to the attendees and answer questions regarding specific matters on the agenda, Ms. H. Zeynep BODUR OKYAY (Chairman of the Board of Directors), Mr. Kadri Tarık ÖZÇELİK (Vice Chairman of the Board of Directors), Mr. Haluk ALPERAT (Member of the Board of Directors), Mr. Osman OKYAY (Member of the Board of Directors), Ms. Adile Esra TÖZGE (Member of the Board of Directors), Mr. Timur KARAOĞLU (General Manager), and Mr. Orkun İNANBİL (Investor Relations Manager) attended the General Assembly Meeting. In addition, the representative of the independent audit firm conducting the company's external audit was present at the meeting.

For the 2025 financial year, a net loss for the period of (TRY 3,029,527,139.57) was incurred according to the statutory records, while a net loss for the period of (TRY 3,561,702,407) was reported according to the consolidated financial statements prepared in accordance with CMB regulations. The relevant board resolution is included in the "*ii. Dividend Distribution*" section of our report.

The Board of Directors' invitation to the General Assembly, profit distribution proposal, and profit distribution table were published on the Public Disclosure Platform on the same day, in accordance with the dates specified in the Principles.

- In the Public Disclosure and Transparency section, the company's rating was revised to **95.03**.



It has been determined that Kaleseramik's works on public disclosure and transparency are in compliance with legal regulations and corporate governance principles. Annual reports are rich in content and contain sufficient information about the activities.

In the 2025 Annual Report:

- Disclosures regarding the privileged shares in the Company's capital and the voting rights attached to the shares,
- Information on Dividend Distribution and the Dividend Distribution Policy,
- Credit and corporate governance ratings,
- Information on whether an Extraordinary General Assembly Meeting was held during the year,
- Information on transactions carried out by members of the governing body with the Company on their own behalf or on behalf of others within the scope of the authorization granted by the General Assembly, as well as their activities falling within the scope of the non-compete restriction, was included.

In addition, on the Company's corporate website:

- The dates and issue numbers of the Trade Registry Gazettes in which amendments to the Articles of Association were published were disclosed, and
- The "Internal Directive on the Working Principles and Procedures of the General Assembly" and the "Sample General Assembly Proxy Form" were added to the relevant page. These improvements were considered the basis for the rating upgrade under this main section.

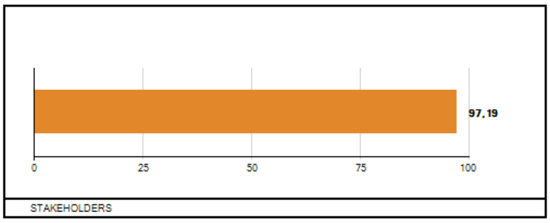
The corporate website (www.kale.com.tr) is updated regularly, and the website is being used as an active and effective platform for disclosure to the public. Information and documents that the public, investors and other stakeholders want to access are published retrospectively on the company's corporate website, and it has been observed that this information is consistent with the statements made in accordance with the relevant legislation. The corporate website is designed as a convenient, easily accessible structure.

The persons responsible for public disclosure announcements and vested with signing authority at the Company are Mr. Yusuf KINAY (Secretary General of Kale Group – General Manager of Kale Holding) and Mr. Orkun İNANBİL (Investor Relations Manager of Kaleseramik). The named persons have been assigned to maintain and monitor all kinds of issues related to public disclosure.

Independent external audit for 2025 was carried out by PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. There are no cases where the independent audit avoided expressing an opinion, expressed an opinion with conditions or avoided signing the reports. It has been learned from company officials that no event took place with the independent audit company or with its auditors that could damage this company's independence, and there was no legal conflict with it.

It has been decided that the independent external audit for 2026 will be carried out by the same audit company with the recommendation of the audit committee, the positive opinion of the board of directors and the approval of the general assembly.

- In the Stakeholders section, the company's rating has been revised to **97.19**.



During the review period, the Company:

- Published its 2024 TSRS-compliant report within the prescribed period,
- Began trading on the Sustainability Index, and
- Within the scope of its sustainability activities:
  - Established a Human Rights Policy and a Tax Policy, and
  - Revised its Information Security Policy.

These developments were considered the basis for the rating increase under this main section.

It is concluded that Kaleseramik protects stakeholders' rights, which are specified in regulations and mutual contracts. The impression is that in case of lack of any regulation, the company respects stakeholders' rights within goodwill rules and the company's reputation. It has been observed that many internal regulations were prepared to this end.

The Compensation Policy for employees has been prepared and disclosed to the public via the corporate website.

Recruitment, wage, health, leave rights, promotions, appointments, discipline, dismissal, death, resignation and retirement procedures have been determined, and it is thought that these procedures are adhered to in practice. Both during the development of the policies and in practice, we got the impression that equal opportunity is given to individuals under equal conditions.

It has been determined that the Company runs training programs to increase the knowledge, talents and experience of its employees and that it has prepared training policies.

The policies concerning the shareholders and all stakeholders are disclosed to the public on the corporate website of the company.

As of 31 December 2025, Kaleseramik employed a total of 2,991 people, comprising 476 white-collar and 2,515 blue-collar employees. The company is not a party to any collective bargaining agreement.

Under the umbrella of the Dr. (h.c.) İbrahim Bodur Kaleseramik Education, Health and Social Assistance Foundation (KSV), Kaleseramik implements various social responsibility initiatives in the fields of education, employment and social entrepreneurship, with a vision of creating benefits for society. Through scholarship opportunities, vocational skills courses, industry-university collaborations, support for social entrepreneurship and investments in educational infrastructure, individuals are supported in both their professional and personal development, thereby contributing to the overall well-being of society.

With the aim of creating a lasting and measurable social impact, KSV plays an active role in the education and career development processes of students and young professionals. Efforts to create social value through volunteering activities, mentoring programs and technical training continue without interruption.

In addition, KSV makes significant contributions to the social entrepreneurship ecosystem by supporting the development of innovative solutions to the challenges facing the world and humanity. These initiatives, carried out under the İbrahim Bodur Social Entrepreneurship Program, consist of an awards program, a community development program, and social entrepreneurship training programs.

All of KSV's activities directly contribute to the achievement of the Sustainable Development Goals.

Detailed information on the Company's activities aimed at creating social benefit is available in its annual reports and on its corporate website.

Sustainability;

Kaleseramik carries out its sustainability strategy in an integrated manner with Kale Group, as in all strategic planning processes. In developing its sustainability strategy, the company takes into account sectoral realities and changing global dynamics based on stakeholder analyses, aiming to secure a sustainable future across the entire value chain within the framework of its sustainability priorities.

Kale Group Sustainability Policies

Kale Group calls on all stakeholders to "İyi Bak Dünyana (Take Good Care of Your World)" with the aim of fostering conscious awareness that begins with the individual and extends to society for a more sustainable, prosperous, and equitable world. This call is based on the understanding that small, sustainability-focused changes initiated within everyone's own sphere of influence will combine to create a meaningful transformation that shapes the future and improves the world.

Under the umbrella of "İyi Bak Dünyana (Take Good Care of Your World)," Kale Group manages its sustainability strategy across the impact areas of Sustainable Business Model, Energy and Resource Management, Cultural Transformation, and Social Investments. Guided by its "Sustainability Policy," the Group aims to embed the principles defined under environmental, social, and governance topics into all business processes, ensuring their adoption across all Group companies and the value chain, thereby amplifying positive impact.

Within the framework of the four impact areas and priority issues of the "İyi Bak Dünyana (Take Good Care of Your World)" initiative, 2030 targets have been set, and sustainability goals, projects, and actions have been aligned with eight of the United Nations Sustainable Development Goals.

These are;

- Cultural Transformation

- Ensuring that employee turnover in critical positions remains below 5%,
- Turnover rates in corporate development programs,
- Keeping the turnover rate of the Geleceğin Kaleleri (The Fortresses of the Future) Program below 5%,
- Keeping the turnover rate of the Kalegends Program below 30%,
- Increasing the Digital Transformation Sustainability Index score each year,
- Elevating Employee Engagement Survey results to rank among the best companies in Türkiye,
- Reducing accident frequency rate by 2.5% and accident severity rate by 2% each year compared to the previous year.

- Energy and Resource Management
- Reducing direct greenhouse gas emissions by 25% by 2030 compared to 2021,
- Reaching 100% renewable electricity use by 2030,
- Reducing water use in production by 25% by 2030 compared to 2021,
- Increasing closed-loop production rate by 100% by 2030 compared to 2021.

- Sustainable Business Model

- Increasing sustainability-focused product and service investments by 30% by 2030 compared to 2021,
- Achieving 100% compliance of critical suppliers in the supply chain with environmental and social responsibility criteria by 2030,

- Ensuring that 100% of electricity used is generated from renewable sources by 2030.

  - Social Benefit

- Taking a leading role in social investments and allocating at least 0.5% of EBITDA annually to impact investment/social investment programs that contribute to the Sustainable Development Goals.

Kaleseramik develops its processes, products, and services, and takes the necessary actions with a focus on the United Nations Sustainable Development Goals. By increasing transparency in its production processes, the company has obtained Environmental Product Declarations (EPD) certified by independent organizations for all of its products. In addition, all ceramic tile products have successfully passed the highest-level Indoor Air Quality test and have been awarded the "GREENGUARD GOLD" certification. In its wall tile product groups, the company has also received the Health Product Declaration (HPD), becoming the first ceramic manufacturer in Türkiye to hold an HPD certificate. With its "Smart" philosophy, Kaleseramik offers resource-saving and eco-friendly products, providing sustainable solutions for consumers and business partners. Its "Kale Smart Wash System Wall-Hung Toilet," designed for water conservation, was granted the "Altın Çekül" (Golden Plumb) Award, known as the Oscar of the Turkish construction industry, presented by Yapı Endüstri Merkezi. In 2024, Kaleseramik received first place in the "Eco-Friendly Practice" category at the ISO Green Transformation Awards with its project "Production of Piezo Ceramic Composite Materials for Electricity Generation and Storage."

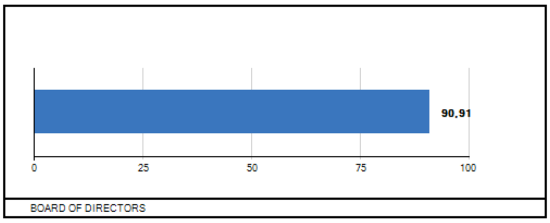
In 2025, the Innovative Piezoelectric Coating Technology developed by the Kaleseramik R&D Center received the Incentive Award in the "Corporate Idea" category at the Altın Çekül Awards organized under the auspices of Yapı Merkezi.

Information on the company's other products, sustainable resource and environmental management practices, as well as social and corporate governance initiatives, can be accessed through the annual reports and the corporate website.

As of 1 January 2026, Kaleseramik began trading on the BIST Sustainability Index. In 2026, the Company received two different ESG ratings and was included in the BIST Sustainability Index among the top five companies globally and ranked first in Türkiye. Kaleseramik also succeeded in becoming one of the top five Turkish companies in the building materials sector included in the FTSE4Good Emerging Markets Index, which is based on ESG criteria, and became the only Turkish ceramics company invited to participate in the S&P Global CSA (Corporate Sustainability Assessment).

With the decision of the Board of Directors dated 26.03.2026 and numbered 2026/38, PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. was appointed to conduct the mandatory sustainability assurance audits of the reports to be prepared in accordance with the Türkiye Sustainability Reporting Standards (TSRS), published by the Public Oversight, Accounting and Auditing Standards Authority (KGK), for the reporting period of 01.01.2026-31.12.2026. This decision was submitted for approval to the shareholders at the Ordinary General Assembly held on 20.04.2026.
Detailed information on all of the Company's sustainability activities, including its sustainability policies and the significant decisions taken by the Sustainability Committee, is available in the annual reports 2024 TSRS-Compliant Sustainability Report and the 2025 Sustainability Report published on the Company's corporate website.

- In the Board of Directors section, Kaleseramik's score has been revised to **90.91**.



The potential losses that may arise as a result of faults committed by the members of the Board of Directors in the course of their duties have been covered by insurance, and a disclosure has been made on the Public Disclosure Platform, which constituted the reason for the rating increase under this main heading.

In the meetings with the company officials and the examinations made on the Board of Directors' Decision Book, it has been determined that the Board continues its activities actively, effectively and regularly. It is thought that the Board of Directors internalizes corporate governance principles and has an approach open to improvement and development.

Board of Directors has described the corporate strategic objectives and determined necessary human and financial resources.

The duties of Chairman of the Board of Directors and General Manager are carried out by different people.

According to the Company’s Articles of Association, the Board of Directors is authorized to decide on the management of the Company’s affairs and all kinds of assets, as well as on any business and transactions deemed necessary for the realization of the Company’s scope of operations, including those listed in the Articles of Association, except for those matters that are left to the authority of the General Assembly pursuant to the law and the Articles of Association. Furthermore, by a resolution of the Board of Directors, Ms. H. Zeynep BODUR OKYAY, representative of the principal shareholder, is granted, for a specified period, unlimited authority to represent and bind the Company in all matters and to carry out binding transactions on behalf of the Company.

The Board of Directors, consisting of 8 (eight) members, comprises 4 (four) executive and 4 (four) non-executive members. 3 (three) of the non-executive members have the status of independent members.

The Corporate Governance Committee (Nomination Committee) has submitted its evaluations regarding the candidate's proposals for independent membership and whether the candidate fulfills the independence criteria to the Board of Directors. In this process, independent member candidates also submitted their written declarations regarding their independence to the corporate governance committee within the framework of the criteria included in the legislation, articles of association and principles. The board of directors prepared the independent member candidate list within the framework of the report of the corporate governance committee, and sent it to the Board together with the committee report and the resolution of the board of directors before the general assembly meeting, and received the affirmative opinion. It would be appropriate for this procedure to be carried out in compliance with the time periods specified in the Principles.

3 (three) female members were appointed to the Board of Directors. This structuring meets the 25% female members criterion set by the CMB as the number of female members on the board of directors. In addition, within the scope of the Company's "Diversity and Inclusion Policy," a regulation has been established, in line with corporate governance principles, regarding the proportion of female board members and the methods to be implemented to achieve this ratio.

Each member has one voting right at the Board of Directors. There are no veto powers for any member.

The company's articles of association do not contain restrictions on the members of the board of directors taking on other duties or duties outside the company.

The Board of Directors held 6 (six) meetings in 2025 and 1 (one) meeting as of March 2026.

In order for the Board of Directors to fulfill its duties and responsibilities soundly, the Audit Committee, Corporate Governance Committee and Early Detection of Risk Committees have been established. Separate Nomination and Remuneration Committees haven't been established because of the Board's structure. These duties are carried out by the Corporate Governance Committee. The Corporate Governance Committee Working Regulations also cover the working principles of the other two committees.

The duties, working principles and the members of the committees have been determined by the Board of Directors, approved as written documents, announced to the public and published on the corporate website of the company.

The structure of the committees aligns with the principles. Within the committee structures, the company general manager/chief executive officer was not given any duties.

- *The Audit Committee* held 4 (four) meetings in 2025 and 1 (one) meeting as of March 2026.

Internal Audit

The Company's internal audit activities are carried out by the Internal Audit Department of Kale Holding, which operates under the authority of the Kale Holding Board of Directors.

The purpose of internal audit work is to protect tangible and intangible assets, to ensure that activities are carried out in accordance with internal and external legislation, to strengthen internal control processes to increase efficiency and productivity in business processes, and to take corrective measures in a timely manner.

Communication with business functions is maintained at the highest level in internal audit activities, with the aim of enhancing management effectiveness through risk-based internal audit practices.

The activities of the Kale Holding Internal Audit Department were first reviewed by the independent audit firm KPMG in 2020, and following the assessments conducted, their compliance with the "International Standards for the Professional Practice of Internal Auditing (QAR)" was certified.

In accordance with the International Internal Audit Standards, the assessment was repeated in 2026 by the independent audit firm Deloitte, taking into account the updated criteria after a five-year period. The final report issued reconfirmed that the internal audit activities of the Kale Group are fully compliant with the standards.

The 2025 audit program was prepared on the basis of a risk-based audit planning study. In this study, in addition to criteria such as the risk levels identified in previous audit reports, action follow-up completion rates, audit frequency, and significant organizational/system-related changes, the opinions of the CEO, Audit Committee, and Strategy/Risk Department regarding economic, political, and corporate risks were also taken into consideration.

Within the scope of the 2025 audit plan, audit and review activities were carried out in line with the annual audit plan, particularly covering Procurement Audit Follow-up Items, Supplier Payments, Al-Sadaf Seramik, Porselen Ltd. Integration Audit, and Fixed Asset Management processes.

In addition to the planned audit activities conducted during 2025, the completion status of prior-period findings identified in audits performed in previous periods was monitored through on-site reviews.

The Internal Audit Department of Kale Holding provides quarterly reporting to the Audit Committee regarding audit activities and updates on the areas for improvement.

The Kale Holding Internal Audit Department employs a total of 6 people, including one department head.

- *The Corporate Governance Committee* convened 2 (two) times in 2025 and 1 (one) time as of March 2026. The Committee reported the results of its meetings to the Board of Directors.

- *The Early Detection of Risk Committee* held 6 (six) meetings in 2025 and 1 (one) meeting as of March 2026. The committee submitted reports to the Board of Directors on its activities after each meeting.

The secretariat of the Board of Directors and the committees is carried out by the Strategic Planning Department.

In the examinations made on the documents, it was observed that the meeting records of both the Board and the Committees were kept regularly.

Losses that may be caused to the Company as a result of faults committed by the members of the Board of Directors in the course of their duties have been insured for the amount specified in the Principles, and a disclosure was made on the Public Disclosure Platform on 20 April 2026.

Remuneration Principles for the Members of the Board of Directors and Senior Executives have been determined and disclosed to the public on the Company's corporate website.

Fees and benefits given to the board of directors and directors with administrative responsibilities are not disclosed in the annual report on an individual basis.

No performance evaluation is conducted for the Board of Directors or its members. Conducting performance evaluations of the members of the Board of Directors and, based on the evaluation results, rewarding or dismissing them would strengthen compliance with the Principles.

3. COMPANY PROFILE AND CHANGES OVER THE PAST YEAR

A. Company Profile

Company Name	: Kaleseramik Çanakkale Kalebodur Seramik Sanayi A.Ş.
Company Address	: Levent Mah. Prof. Ahmet Kemal Aru Sk. No:4 İç Kapı No:1 Beşiktaş/İSTANBUL
Company Phone	: 0212 371 5253
Company Fax Number	: 0286 416 8833
Company's Web Address	: www.kale.com.tr
Email	: yatirimci@kaleseramik.com.tr
Date of Incorporation	: 31/12/1958
Registered Number	: 71314 İstanbul
Paid-in Capital	: TRY 514,778,660.1
Line of Business	: The main fields of activity include the production, import, export, sales, and marketing of all types and forms of white and colored decorative and artistic wall tiles, floor tiles, granite, slabs, facade cladding, reliefs, mosaics, artisan tiles; ceramic sanitary ware, fixtures and other bathroom installation accessories, bathroom furniture; kitchen countertops; tabletops, tables, and furniture made of porcelain slabs; ceramic and porcelain tableware and kitchenware.
Company's Sector	: Manufacturing / Stone and Soil Based

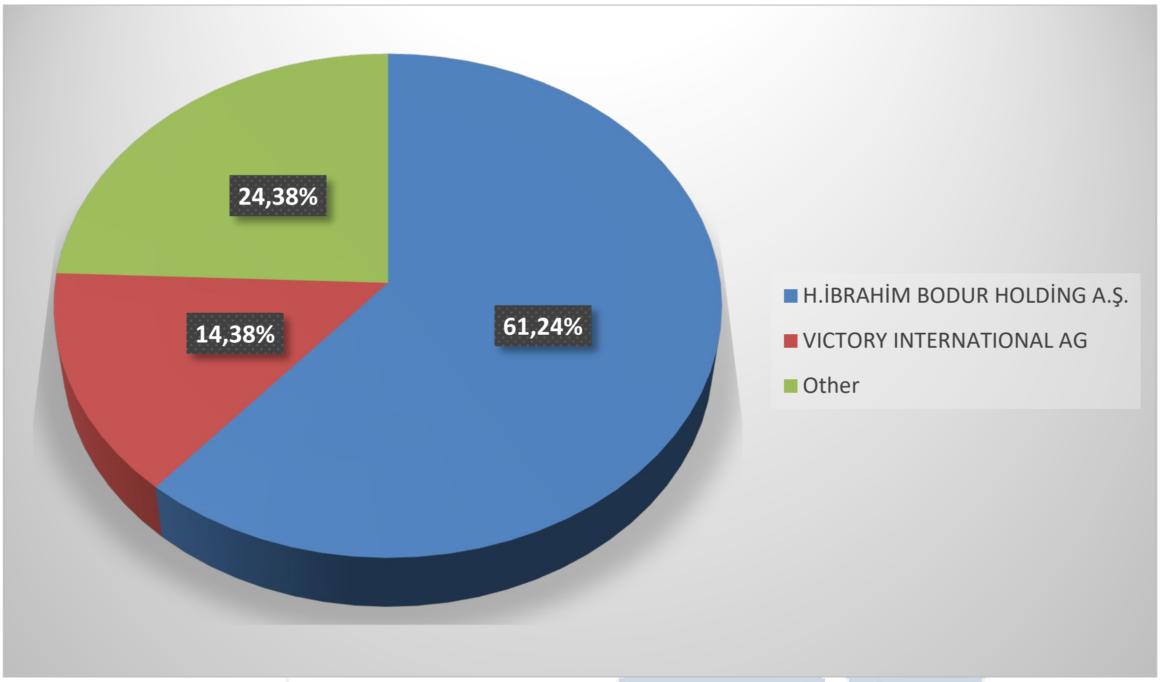
Company's Representative in Charge of Rating:

Mr. Orkun İNANBİL
Investor Relations Manager

yatirimci@kaleseramik.com.tr

0212 371 5253

Shareholder Structure (as of date of this report)



Shareholder Name	*Share(TRY)*	*Share(%)*
H.İBRAHİM BODUR HOLDİNG A.Ş.	315,234,189.32	61.24
VICTORY INTERNATIONAL AG	74,000,000	14.38
Other	125,544,471.19	24.38
Total	**514,778,660.51**	**100.00**

Source: www.kap.org.tr

Board of Directors

Name/ Surname	Title	Executive/ Non - Executive
H.İBRAHİM BODUR HOLDİNG A.Ş. (REPRESENTATIVE: H. Zeynep BODUR OKYAY)	Chairman	Executive
Cengiz SOLAKOĞLU	Vice Chairman of the Board of Directors - Independent Board Member	Non - Executive
Kadri Tarık ÖZÇELİK	Deputy Chairman	Executive
Osman OKYAY	Member of Board of Directors	Executive
Haluk ALPERAT	Member of Board of Directors	Executive
Adile Esra TÖZGE	Member of Board of Directors	Non - Executive
Fahri Okan BÖKE	Independent Member of Board of Directors	Non - Executive
Ş. Ebru DOĞRUOL AYGİL	Independent Member of Board of Directors	Non - Executive

Source: www.kap.org.tr

Senior Management of the Company

Name / Surname	*Duty*
Timur KARAOĞLU	General Manager
Süleyman SOYSAL	Operations Deputy General Manager
Cemşit BAYLAN	Financial Affairs Deputy General Manager
Nami Onur ÖZDEMİR	Domestic Markets Sales Deputy General Manager

Source: www.kap.org.tr

Committees Formed Within Board of Directors

THE AUDIT COMMITTEE	
Cengiz SOLAKOĞLU	Independent Member of Board of Directors (Chairman)
Fahri Okan BÖKE	Independent Member of Board of Directors (Member)

CORPORATE GOVERNANCE COMMITTEE	
Fahri Okan BÖKE	Independent Member of Board of Directors (Chairman)
Ş. Ebru DOĞRUOL AYGİL	Independent Member of Board of Directors (Member)
Adile Esra TÖZGE	Member of Board of Directors (Member)
Mr. Orkun İNANBİL	Investor Relations Manager (Member)
Veli ÖMERCİK	Corporate Finance Director / Investor Relations Department Officer (Member)

EARLY DETECTION OF RISK COMMITTEE	
Ş. Ebru DOĞRUOL AYGİL	Independent Member of Board of Directors (Chairman)
Fahri Okan BÖKE	Independent Member of Board of Directors (Member)
Cengiz SOLAKOĞLU	Independent Member of Board of Directors (Member)
Adile Esra TÖZGE	Member of Board of Directors (Member)
Abdullah ÇEREKÇİ	Member - Vice President of Kale Group / Corporate Strategy and Business Development

INVESTOR RELATIONS	*TITLE*	*CONTACT*
Mr. Orkun İNANBİL	Investor Relations Manager	0 212 371 5253 yatirimci@kaleseramik.com.tr
Veli ÖMERCİK	Investor Relations Unit Manager	0 212 371 5253 yatirimci@kaleseramik.com.tr

Source: www.kap.org.tr

Consolidated Balance Sheet Data of the Company's certain selected items of the last three years (TRY)

	2023/12	2024/12	2025/12
Current Assets	10,214,049,698	9,364,376,249	8,884,632,097
Trade Receivables	2,480,020,281	2,537,467,824	4,101,405,426
Fixed Assets	7,834,114,106	10,891,815,267	10,300,758,880
Total Assets	18,048,163,804	20,256,191,516	19,185,390,977
Short-Term Liabilities	5,260,578,727	8,946,400,095	10,333,157,671
Long-Term Liabilities	1,566,659,980	1,768,273,603	2,905,198,856
Total Liabilities	6,827,238,707	10,714,673,698	13,238,356,527
Paid-in capital	514,778,661	514,778,661	514,778,661
Shareholder's Equity	11,220,925,097	9,541,517,818	5,947,034,450

Source: Kaleseramik Çanakkale Kalebodur Seramik Sanayi A.Ş. Consolidated Financial Statements and Independent Audit Report for the Period 01.01.2024-31.12.2024 and 01.01.2025-31.12.2025

***Note: Pursuant to the CMB's decision dated 28 December 2023 and numbered 81/1820, the announcement made by the Public Oversight Authority (POA) on 23 November 2023, and the published "Implementation Guide on Financial Reporting in Hyperinflationary Economies", the Group prepared its consolidated financial statements as of and for the year ended 31 December 2025 by applying TAS 29. Under this standard, financial statements prepared on the basis of the currency of a hyperinflationary economy are required to be stated in terms of the purchasing power of that currency as of the date of the statement of financial position, and prior-period financial statements must also be restated in terms of the current measuring unit at the end of the reporting period. Accordingly, the Group presented its consolidated financial statements as of 31 December 2024 in terms of the purchasing power as of 31 December 2025. The figures as of 31 December 2023 were presented in terms of the purchasing power as of 31 December 2024.**

Consolidated Income Statement Data of Company's Certain Items for the year-ends of the last three years (TRY)

	2023/12	2024/12	2025/12
Revenue	14,024,533,498	13,022,126,739	14,062,800,430
Cost of Sales	(11,818,947,191)	(13,003,484,543)	(12,445,152,011)
Main Operational Profit / Loss	546,836,671	(3,362,598,297)	(1,570,257,472)
Operational Profit or Loss Before Tax	546,550,787	(4,412,254,555)	(3,029,893,818)
Period Profit / Loss	426,298,983	(4,893,590,516)	(3,686,836,612)
Earnings Per Share	0.268	(2,928)	(2,164)

Source: Kaleseramik Çanakkale Kalebodur Seramik Sanayi A.Ş. Consolidated Financial Statements and Independent Audit Report for the Period 01.01.2024-31.12.2024 and 01.01.2025-31.12.2025

*** See: "Consolidated Balance-Sheet Data of Company's Certain Selected Items of Last Three Years - Note"**

Subsidiaries, Financial Fixed Assets and Financial Investments

Trade name	Line of Business	Paid-in/ Issued Capital	Share in the Capital	Currency	Share(%)
Kale Italia S.R.L.	Wholesale trade of ceramic materials (floor and wall tiles, sanitary ceramic products, etc.)	2,700,000	2,700,000	EUR	100
OOO Kaleseramik Rusya Ltd.	Manufacturing, wholesale sales and marketing of ceramic, tile and sanitary ware products	29,700,000	29,700,000	RUB	100
AL-Sadaf Company for Ceramic Tile Production, Porcelain, and Porcelain Utilities, Ltd	Manufacturing, sales and marketing of ceramic and tile products	12,465,554,122	6,108,121,520	IQD	49
Kaleseramik Seramik Ticareti ve Üretimi Ltd.Şirketi	Sales and marketing of ceramic and tile products	1,000,000	1,000,000	IQD	100

Source: www.kap.org.tr

The Market where the Capital Market Instrument is Traded and the Indexes that the Company is Included

BIST Code ***:*** KLSER

Market where the Capital Market Instrument is Traded : OUTRIGHT PURCHASES AND SALES MARKET-FOR QUALIFIED INVESTORS / BIST STAR

Indices in which it is included ***:*** BIST NON-METAL MIN. PRODUCT / BIST SUSTAINABILITY PARTICIPATION / BIST SUSTAINABILITY / BIST PARTICIPATION ALL SHARES / BIST CORPORATE GOVERNANCE / BIST STARS / BIST 500 / BIST ALL SHARES / BIST INDUSTRIALS / BIST ALL SHARES-100

Source: www.kap.org. tr

The Peak and Bottom Closing Values of the Company Stock in the BIST in the Last One-Year Period

(29.06.2025-29.06.2026)

Bottom (TRY)	*Peak (TRY)*
25.30 (27.03.2026)	34.92 (01.08.2025)

Source: Kaleseramik Çanakkale Kalebodur Seramik Sanayi A.Ş.

B. Changes in the Company in the Last Year:

i. Changes in Capital and Articles of Association

There were no changes in the company's capital, shareholding structure and articles of association during the review period.

ii. Profit Distribution:

The Company's Board of Directors Resolution dated 26 March 2026 and numbered 2026/39, and the Material Event Disclosure dated 27 March 2026, are as follows:

"Pursuant to the Capital Markets Board's ("CMB") Communiqué No. II-14.1 on Principles of Financial Reporting in Capital Markets for the 2025 financial year, the net loss for the period attributable to the parent company amounted to TRY (3,561,702,407) in the consolidated financial statements prepared in accordance with the Turkish Financial Reporting Standards issued by the Public Oversight, Accounting and Auditing Standards Authority ("POA"), in conformity with the formats prescribed by the POA and the CMB, and audited by PwC Bağımsız Denetim ve Serbest Muhasebecilik Mali Müşavirlik AŞ, while the net loss for the period amounted to TRY (3,029,527,139.57) in the financial statements prepared in accordance with the relevant provisions of Tax Procedure Law No. 213 ("TPL").

Within the framework of the information provided above, since there is no distributable profit for the period in the Company's financial statements prepared in accordance with the TPL and CMB principles, it has been resolved to submit the proposal not to distribute dividends for the approval of the shareholders at the 2025 Ordinary General Assembly Meeting."

The said resolution of the board of directors was discussed as the 7th item of the agenda at the ordinary general assembly held on 20.04.2026 and approved by the shareholders.

iii. Policies:

No changes were made to the company policies specified under the corporate governance principles during the review period.

iv. Management and Organization:

At the Ordinary General Assembly Meeting held on 20 April 2026, it was resolved that the Board of Directors would consist of eight members. Mr. Cengiz SOLAKOĞLU, Mr. Fahri Okan BÖKE and Ms. Ş. Ebru DOĞRUOL AYGİL were re-elected as independent members of the Board of Directors for a term of one year.

No other changes were made in the Board of Directors and senior management during the review period.

v. Changes in Group Companies, Subsidiaries and Affiliates:

During the review period, there were no changes in *Group Companies, Affiliates, or Subsidiaries.*

4. RATING METHODOLOGY

The Corporate Governance Compliance Rating is a system that audits whether or not the firm's management structures and management styles, the arrangements for shareholders and stakeholders and the process of informing in transparency and accuracy are performed in accordance with the modern corporate governance principles and which assigns a grade corresponding to the existing situation.

Organization for Economic Co-operation and Development (OECD) established a working group in 1998 in order to assess member countries' opinions on corporate governance and to prepare some non–binding principles.

The fact that principles are open to change over time was also accepted in this work. Although at first these principles were focused on the companies whose shares were quoted on the stock exchange, it was emphasized by the OECD that it would also be useful to implement these principles in public enterprises and companies whose shares were not quoted on the stock exchange.

In 1999, the OECD Corporate Governance Principles were approved at the OECD Meeting of Ministers and published. Since then, these principles have been regarded as international references for decision–makers, investors, shareholders, companies and stakeholders throughout the world.

Since their approval, these principles have kept the concept of corporate governance on the agenda and become guidelines for the laws and regulations in OECD members, as well as other countries.

In the OECD Corporate Governance Principles, corporate governance is based on four basic principles, which are fairness, transparency, accountability and responsibility.

Turkey has been closely monitoring these developments. A working group established within TUSIAD in 2001 prepared the guide titled "Corporate Governance: The best implementation code". Then, CMB issued "Capital Market Board Corporate Governance Principles" in 2003 and updated it in 2005, 2010, 2012, 2013 and 2014 according to international developments in this field.

Obligation to comply with CMB's Corporate Governance Principles, based on the principle of "comply or explain", and to declare it became part of companies' lives in 2004. Putting the Declaration of Compliance to Corporate Governance in the annual reports became obligatory the following year.

The principles are grouped under four main headings, namely: the Shareholders, Public Disclosure and Transparency, Stakeholders and the Board of Directors.

The Corporate Governance Compliance Rating Methodology has been prepared by Kobirate A.Ş. for companies whose shares are traded on BIST, banks, investment partnerships and non–quoted companies.

It has been prepared by taking into account the criteria specified in the Corporate Governance Communiqué of the CMB, numbered II-17.1, published in the Official Gazette dated 03 January 2014 and numbered 28871, as well as the decisions taken at the CMB's board meeting dated 01.02.2013 and numbered 4/105.

In this analysis, the full compliance of workflow and analysis technique with KOBİRATE A.Ş.'s Ethical Rules is considered.

456 criteria are used in the rating process for BIST 1st Group Companies in order to measure the compliance of firms with corporate governance principles. These criteria are transformed into "Corporate Governance Rating Question Sets" through Kobirate A.Ş.'s software.

The weighting scheme for the four main sections in the new Corporate Governance Compliance Rating, determined by CMB's memorandum dated 12.04.2013 and numbered 36231672-410.99 (KBRT)-267/3854, is applied completely by Kobirate A.Ş. The weightings are as below:

Shareholders 25 %

Public Disclosure and Transparency 25 %

Stakeholders 15 %

Board of Directors 35 %

CMB decision dated 01.02.2013 and numbered 4/105 states that in case the minimum requirements of corporate governance principles are met, 85 % of full points can be given at most for that principle, and it is required to add new questions/methods into the methodology in order to ensure that good corporate governance principles, which go beyond meeting the minimum requirements, are included in the rating grade. Our company has been informed about this requirement by CMB notification dated 19.07.2013 and numbered 36231672-410.99 (KBRT) 452.

In the 2014/2 revised corporate governance compliance rating methodology, created by our company, the grade that can be given to a related criterion in that subsection for meeting minimum requirements of corporate governance principles, stated by the CMB Communiqué of Corporate Governance published on 03.01.2014, is restricted to 85 % of the full points. A rating is made with a system that completes the section grades up to 100 by the company's compliance and implementation of the corporate governance practices, which include the good implementation and internalization of the criteria determined in the corporate governance principles, and the different good corporate governance practice criteria determined by our company.

The grade to be assigned by the Corporate Governance Rating Committee to the firm ranges between 0-10. In this scale of grades, "10" points mean excellent, full compliance with CMB's Corporate Governance Principles, while grade "0" means that there is no compliance with CMB's Corporate Governance Principles, in any sense, in the existing weak structure.

5. KOBİRATE ULUSLARARASI KREDİ DERECELENDİRME VE KURUMSAL YÖNETİM HİZMETLERİ A. Ş. CORPORATE GOVERNANCE RATING GRADES AND DESCRIPTIONS

NOTE	DEFINITIONS
9–10	The Company achieved substantial compliance with the Corporate Governance Principles issued by the Capital Market Board. Internal control systems are established and are operational. Any risks to which the Company might be exposed are recognized and controlled effectively. The rights of the shareholders are impartially taken care of. The level of public disclosure and transparency is high. The interests of the stakeholders are fairly considered. The structure and the working conditions of the Board of Directors are in full compliance with the Corporate Governance Principles. The Company is eligible for inclusion in the BIST corporate governance index.
7–8,9	The Company complied considerably with the Corporate Governance Principles issued by the Capital Market Board. Internal control systems are in place and operational, although some improvements are required. Potential risks to which the Company may be exposed are identified and can be managed. The rights of the shareholders are impartially taken care of. Public Disclosure and transparency are at high levels. The interests of the stakeholders are fairly considered. Composition and operational conditions of the Board comply with the Corporate Governance Principles. Some improvements are needed in compliance with the Corporate Governance Principles even though they do not constitute serious risks. The company is eligible for inclusion in the BIST Corporate Governance Index.
6–6,9	The Company has moderately complied with the Corporate Governance Principles issued by the Capital Market Board. Internal Control systems at a moderate level have been established and operated; however, improvement is required. Potential risks that the Company may be exposed to are identified and can be managed. The interests of the shareholders are taken care of, although improvement is needed. Although public disclosure and transparency are taken care of, there is a need for improvement. Benefits of the stakeholders are taken care of, but improvement is needed. Some improvement is required in the structure and working conditions of the Board.

NOTE	DEFINITIONS
4–5,9	The Company has minimum compliance with the Corporate Governance Principles issued by the Capital Market Board. Internal control systems are in place at a minimum level, but are not full and efficient. Potential risks that the company is exposed to are not properly identified and are not under control. Substantial improvements are required to comply with the Corporate Governance Principles in terms of the benefits of both the shareholders and stakeholders, public disclosure, transparency, and the structure and working conditions of the Board. Under the current conditions, the Company is not eligible to be listed in the BIST Corporate Governance Index.
< 4	The Company has failed to comply with the Corporate Governance Principles issued by the Capital Market Board. It also failed to establish its internal control systems. Potential risks that the company might be exposed to are not identified and cannot be managed. The company is not responsive to the Corporate Governance Principles at all levels. There are major weaknesses in the interests of the shareholders and the stakeholders, public disclosure, transparency, the structure and working conditions of the Board, and they are at a level that might cause the investor to incur material losses.